

INFORMATION MEMORANDUM

JDAP Developments Pty Ltd



LOVEGROVE ESTATE
 Land Subdivision
 Lot 2 Harris Road Angle Vale SA 5117
 v6 November 2020

LOVEGROVE ESTATE – Angle Vale SA 5117

Development Project Summary

1. Project Objective

To subdivide 3.24 hectares into 45 single residence housing lots for sale. The works will include construction of roads, sewer, water and other utility services, waste water pump station and landscape.

2. Purpose of this document

The land was settled in May 2019 and the project works post settlement and to date include civil and services engineering design and specification, landscape design, subdivision design & survey and includes all authority and regulatory consents, construction tender/contract complete and the site now ready for construction works.

The Developer is seeking an 2nd mortgage capital injection ~\$1,200,000 as part of the project refinance to complete the development with total debt metrics 72% loan/value ratio and 85% debt/tpc ratio. The balance of \$4,100,000 to fund development costs (incl interest) will be senior debt with 1st mortgage security. The tendering is complete and the contract package is ready for execution. The facility will cover all project costs including refinance of land, professional fees, construction works, statutory fees/contributions, marketing and finance charges, with monthly interest paid through the development.

3. Feasibility Fundamentals

The feasibility is summarised as follows:

Revenue

Gross Revenues	\$	8,268,096
less Selling Costs	- \$	221,653
less GST	- \$	705,909
Total Revenue (after GST)	\$	7,340,534

Costs

Land & Acquisition	\$	1,700,000
Construction incl 5% contingency	\$	3,460,052
Professional Fees	\$	130,252
Statutory Fees	\$	766,920
Marketing	\$	33,028
Land Holding	\$	15,563
Finance Charges & Interest	\$	343,038
Less GST reclaimed	- \$	349,261
Total Costs (after GST)	\$	6,099,591

Net Development Profit	\$	1,240,943
Development Margin		20.28 %

4. Property Details

Certificate of Title: CT 5101/764

Description:

13 Harris Road, Angle Vale SA 5117. This is on the North Eastern corner of Harris and Chivell Roads. Located in the City of Playford, this is approx 3.24 Hectares of relatively flat and cleared land zoned Suburban Neighbourhood.

5. Development Progress

Development Approval 292/1522/2018/A

DA Approval received from Council 2019 for subdivision into 45 lots as per lodged plan - **Appendix 1**

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Civil Engineering Documentation and Tenders

All plans, specifications and schedules etc for Civil Works Stage 1 including Sewer Pumping Station and Sewer Pumping Main have been documented by Fyfe Group (Civil and Survey Engineering Services). Design & documentation has been approved for construction by all authorities and has been tendered for construction.

Tenders have been assessed by Fyfe Group and SEM Civil Engineering Group are selected as head contractor:

- Tender from SEM for Construction of Stage 1 (Flinders Release) including Retention Basin
 - Tender for Sewer Pumping Station & Sewer Pumping Main attached
- NB: cost for this to be shared with adjoining developments – Lovegrove share \$207,682 (+ GST)

6. Land Sale

Demand for vacant land in the area shows no sign of slowing down, with 65 settlements being completed between 1 January and 30 April and a further 32 between 1 May and 31 July this year. These have been from developments where the Construction phase is in progress.

Appendix 2 – Comparative Market Analysis (CMA) Sold properties

Blocks within this development have been very competitively priced to other similar blocks on the market and there is a high level of interest from the first months ‘on-market’ despite the inevitable consequences of Covid19. With the Federal Govt \$25,000 grant under Home Builder Stimulus Scheme it is reasonable to estimate the sales will follow the strong market trend in the Angle Vale suburban region.

Appendix 3 – CMA On-Market Properties – only 24 available across 4 estates excl Lovegrove Estate.

Appendix 4 – Lovegrove Estate Price List .

Lovegrove Estate has a mixed size of block areas and widths to cater for buyer choice and the project home builder’s House & Land Packages. Block areas range from 418m² to 720m² with the average being 522m².

Lovegrove Estate first release of 20 lots has 16 lots sold and 2 ‘on hold’ pending contracts (80-90% per-sold) – these are recent pre-sales totalling ~\$3,000,000 and are achieved pre construction commencement.

7. Key Financials

Appendix 5 – ‘Estate Master’ Summary Statement: Costs, Revenues, Profit

Appendix 6 – ‘Estate Master’ Cash Flow Analysis

These analyses have been compiled from quotes in conjunction with the Project Manager, Fyfe Engineering & Realtor after exhaustive consultation with relevant authorities including SA Water and Playford Council .

8. Current Mortgage

- \$925,000 1st Mortgage to Vertex Funds Management

9. Key People

Project Manager. The project has two Project Managers:

- **Robert Lindsay Brooks** Brooks Development Services
- **John Bannister** Formerly Development/Project Manager at Fyfe Pty Ltd

Civil Engineer & Survey: **Fyfe Engineering Pty Limited**

Sales and Marketing: **Century 21 Special Projects (SA)** Specialist land sales agent in the region.

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List of Appendices:

Web Address www.lovegroveestate.com.au

Century 21
Special Projects www.landdiscovery.com.au
go to: “LAND FOR SALE”
go to: “Lovegrove, ANGLE VALE”

On Request:

Appendix 1 DA Approval from Council

Appendix 2 CMA - Properties Sold

Appendix 3 CMA – Properties On-Market

Appendix 4 Lovegrove Estate Price List

Appendix 5 ‘Estate Master’ Summary Statement: Costs, Revenues, Profit

Appendix 6 ‘Estate Master’ Cash Flow Analysis

Council: Playford Council Interactive website information on Angle Vale Residential Growth Area
<https://www.playford.sa.gov.au/development/developments/angle-vale-residential-growth-area>

SA Govt: Angle Vale Structure Plans Proposals for Progress
https://www.sa.gov.au/_data/assets/pdf_file/0016/12481/Angle_Vale_fact_sheet.pdf

SA Gov’t New School under construction 1,675 students B-12 incl 100 disability and 75 child centre
<https://www.premier.sa.gov.au/news/media-releases/news/construction-begins-on-new-angle-vale-school>