



Project Name:	Foamcrest Apartments. 2 - 4 Foamcrest Avenue Newport Beach NSW
Reporting Period:	December to February Report No. 8
Report Date:	24th April 2019.
Prepared By:	Provent Property Group Pty Ltd on behalf of PVD No. 20 Pty Ltd atf 2-4 Foamcrest avenue unit trust

GENERAL

The project is well into the construction stage with the early foundation works, shoring and basement slab installation. The works are progressing at a steady pace during this stage and we had no significant issues in the ground works where we would expect the greatest risk. We did however suffer setback due to the rain events during March and early April which caused frustrating delays and interruption to the construction program.

The consultant team have finalised all the design works for the final certification of the construction works Construction Certificate 2 (CC2) to be issued. The design development, to re-engineer the basement and main structure, has been a success with significant cost and time savings expected from the exercise.

All consultant appointments have been finalised for this stage of the works and all the required authority approvals are now in place.

Apart from site sign boards, no marketing has been conducted since October last year. The ongoing negativity in the property market as well as the uncertainty from the federal elections, the strategy is to maintain our focus on building and consider marketing again in the second half of the year.

Several of the original buyers remain interested and waiting on the construction to progress and advise the agents that they will watch the market before deciding to buy, 2 of those are trying to sell their houses before committing. The buyer from apartment 7 decided to renovate their current home and have withdrawn from negotiations.

Maintaining the construction program and budget will be the focus for the next period. The apartments will be impressive as the approach the completion and will sell themselves.

AUTHORITY APPROVALS and CONSTRUCTION CERTIFICATE STATUS.

The Construction Certificate 2 is due to be issued in the first week of May and completes the requirements for the construction approvals.

Other authority approvals are as follows:

Sydney Water - Section 73 - Approved.

Ausgrid – Power relocation design - Approved.

Optus – Relocation of cables - Approved.

NBN – Installation of conduits and pit - Approved

Telstra – Relocation of pit - Approved.

Jemena Gas – Gas connection – Approved.

No other authority approvals are required at this stage – certification of the completed works will be required for the final occupancy certification (OC).

PROJECT PROGRAM.

We have suffered further slippage to the program since the last report. The rain during March and early April have added another 17 working days to the contract duration.

To pick up some of the lost time, the builder and consultant team have adopted alternative methodology for the structure of the building and replaced the conventional concrete reinforced slabs with 'Post Tension' designed slabs. This method is usually applied in high rise construction and allows for fast stripping of formwork (5 days in lieu of 28 days) which enables the follow-on trades to commence their works sooner and an efficient overlapping of trades.

We anticipate that this will pick up most of the time lost due to inclement weather during the project so far which is up to 23 working days.

For reporting purposes, we have maintained the project completion date as last reported in the below summary program and will review in the next reporting period when the structure is well progressed.

The summary program is as follows:

Milestone	Base Case Programme	Current Programme
Development application to council	December 2017	December 2017
Development approval	May / June 2018	May / June 2018
Finance approval	July / August 2018	August / September 2018
Construction program commence	November 2018	December 2018
Construction program completion	December 2019	January 2019
Title registration and OC	December 2019 to Jan 2020	January 2019 to Feb 2020
Return of investor funds	January / February 2020	February / March 2020

PROJECT FEASIBILITY AND COST REPORTING

The costs remain generally on budget at this stage of the works. With construction progressing well and no cost overruns in this period.

The forecast project return remains achievable at this stage of the project.

FINANCE

There is not a lot to report re the financing. The process has been running very smoothly with Solido Capital and they have proven to be a good finance partner with simpler processes compared to a bank when dealing with drawdowns etc.

Again, the cost is a downside to using Solido or any private funder. The option remains for us to refinance with NAB once the ground floor slab is poured and we have a few pre-sales. We will consider this in due course.

CONSULTANT APPOINTMENTS

All required consultant appointments are in place and no new consultant engagements to report.

PROJECT MARKETING

The general property market remains 'dull' and we have not promoted the property for sale at all since October last year. We are maintaining the strategy of focussing on the construction and consider a new marketing strategy in the early spring 2019.

The general feedback from the local marketing agents is that the buyers are currently very cautious and unwilling to commit until they can sell their own homes or that they are simply waiting for some positivity in the market and the outcome of the federal election during May.

The project marketing information can be viewed at www.foamcrest.com.au. This site will be updated when we re launch the marketing.

CONSTRUCTION

The construction progress has been steady through the early works, excavation and foundation stages. The early stages are quite complex and include the detailed excavation and integration of the services connection and structural foundation installation. You don't see a lot of activity whilst we are in this stage but will soon see the structure quickly come out of the ground.

The excavation works were progressing very smoothly and without too many issues. However, the during March and early April, we suffered from significant weather events that completely stopped work on the site for a total of 17 working days or almost 3.5 weeks. The foundation works were detailed and these works were very sensitive to weather. Pouring concrete footings was conducted over the month of March and April and stretched to 6 weeks when they should have only taken 2!

Design changes were implemented to find construction time and cost savings by re-engineering the structure with post tension concrete slabs used in lieu of traditional reinforced concrete slabs. It is anticipated that the time savings will result from the design changes and should pick up the lost time due to inclement weather to date.

Tasks completed since last report include:

- Completion of bulk excavation.
- Detailed excavation'
- Connection of main sewer point.
- Concreting of foundation footings and pads.
- Installation of lift base.
- Installation of drainage pits and under slab stormwater points and drainage.
- Stormwater detention tank base.
- Re-design of structure.
- Procurement of all main trades and suppliers.

The main basement slab is scheduled to be poured on the 16th of May and the formwork for the ground floor slab will commence on the 20th of May. Each level concrete slab will generally take 3 weeks to pour.

The contract date for completion is not until February 2020 although the builders target program of January has been pushed out due to the inclement weather effects.

COMPLETED AND UPCOMING PROJECT ACTIVITIES

This Period (February 2019 through to April 2019) Activities Completed

Design review for structure and programming

Main construction works commencement

Various authority approvals

Next Period Activities and Objectives April 2019 through to June 2019

Complete the construction documentation design for CC2

Manage construction contract (ongoing).

Consider updated marketing campaign.

Photos.



Pad and strip footings, foundation piers and lift base.



Birds eye view of the site.



Compaction of sub-base following installation of stormwater drainage and footings.



Preparation for basement slab



Newport's largest private swimming pool!



Wet weather delays were the feature of March and early April.

End of report