

NORTHROCK OPPORTUNITY FUND

ARANA HILLS



OVERVIEW

The Trustee is seeking to deliver Investors a pre-tax return of 15% per annum on their investment money for the term of the Fund, net of fees and costs but excluding tax, while preserving Investor capital.

INVESTMENT STRATEGY

The Trustee will use the equity raised under the Offer to lend to its related body corporate, the Borrower, for the purposes of:

- ✓ acquiring the Property and then developing the Project on the Property;
- ✓ to pay the costs of the Offer; and
- ✓ to pay management fees to the Trustee and the costs of operating the Fund.

PROJECT SUMMARY

The acquisition of the Property, the subdivision of the Property into three lots and the construction on those lots of a:

- commercial gym and associated parking;
- self-storage complex; and
- a series of industrial units.

Development approval for the Project has not yet been lodged and so ultimately the Project may differ.

BENEFITS

- ✓ participation in lending generally only available to banks and non-bank lenders;
- ✓ an attractive target return;
- ✓ an experienced development manager with a proven track record;
- ✓ secured lending; and
- ✓ solid project feasibility.

INTENT TO LEASE

The group has received a signed Intent to Lease the proposed gym at 139 Bunya Road Arana Hills, for an initial term of 15 years.

The national franchise group is agreeing to take over the entirety of lot 1 incorporating the 2,000m² gym building.

The agreement includes an annual rent increase clause.

The agreement commencement date is 60 days from practical completion.

15% Investment Opportunity Secured Against Property

DEVELOPMENT APPLICATION

The Development Manager has developed a detailed project and lodged a development plan, with the City of Moreton Bay Council on 23 April 2024. The plan, which is 'Code assessable', is consistent with the scope of the town planning approvals within the local area.

SECURITY

The Loan will initially be secured by a first-ranking mortgage over the property, a general security agreement over all the present and after-acquired property of the borrower. This Security will be subordinated to any security granted to the Senior Lender once the borrower obtains the senior finance to complete the construction and associated works.

INVESTMENT FACTS

Information memorandum issue date	22 May 2024
Investment timeframe	24 months. The Borrower is expected to repay the Loan within 24 months from initial drawdown. Loan has 36 month term.
Exit/Entry Fee	Nil
Minimum investment	\$100,000 or such other amount as the Trustee determines in its absolute discretion.
Distributions	The Trustee does not intend to make any distributions of income or capital (if any) until the Loan has been repaid (in part or in full).
Forecast return	15%pa simple interest from date of units issued
Target Capital Raise	\$7,500,000
Withdrawals	the Trustee does not intend to make withdrawal offers until the Loan has been repaid (in part or in full).

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LOAN TO VALUATION RATIO

The Borrower undertakes to the Trustee that the aggregate of the outstanding principal and all other moneys owing by it to the Trustee under the Loan Agreement will not at any time exceed 80% of GRV.

THE AREA

The Property is located in the northwestern Brisbane suburb of Arana Hills. The Property is situated in the City of Moreton Bay which has a population of circa 480,000 and a land area of more than 2,000 square kilometres, it is the third largest local government in Australia by population and fifth fastest growing. Over the next 20 years, the City anticipates an additional 200,000 people to take up residence. Moreton Bay received its City designation in 2023, having previously been a Regional Council.

Arana Hills itself had a population of 6,971 at the 2021 census with a median age of 37. It hosts an average of 2 vehicles per household and has a significantly higher proportion of tertiary educated citizens than both Queensland and Australia. It also has a materially higher proportion of participants in the labour force than both Queensland and Australia. Its proportion of technicians and trade workers is slightly higher than the equivalent for Australia.

THE PROPERTY

The Borrower's related entity has entered into an option to purchase the property located as at 139 Bunya Road, Arana Hills, QLD 4054 (Property).

Currently a 1.71 hectare parcel of land with an 84.4 metre road frontage and 165.7 metre depth, the Development Manager anticipates that it will be subdivided into three titles. The subdivided lots, each with different use characteristics.

A driveway along the eastern boundary enables access to the three respective sites each with their own uniquely designed entrance and dedicated vehicle parking. The site has a relatively level gradient at its frontage and rises towards its rear boundary and is of a regular almost rectangular shape.

The Development Manager's investigations have not at this point identified any environmental issues with the site that they believe require material remediation. Figure 1 outlines the site in the context of its surrounding neighbourhood of both residential and light industrial land uses.

DEVELOPMENT OBJECTIVE AND STRATEGY

The Development Manager has developed a detailed project development plan. The plan, which is 'Code assessable', is consistent with the scope of the town planning approvals within the local area. The Development Manager has met with the local council and integrated its feedback into the Development Application. The Development Manager lodged the Development Application with Moreton Bay City Council on 23 April 2024, with an expectation that the Development Application will be approved by end of October 2024.

As part of the Development Application process, it is expected that these assets will be on separate titles.

Lot- 1 - Gym

The construction of a commercial single level gym is proposed on the newly created Lot 1, one level of some 103 undercroft car parking spaces situated underneath the premises supplemented with a further 49 on-grade spaces near the road frontage. The floor area for the gym is approximately 2,000 square metres. The Development Manager is currently in late-stage negotiations with the proposed tenant to occupy this space on a 15-year lease.

Lot 2 – Self-Storage Facility

The new Lot 2 is proposed to seek approval for a multi-level self-storage facility. The facility will extend to four levels of 3,000 square metres each and will include an office component. It is proposed that the Fund does not conduct the construction of the facility but rather sells the curated land to an operator for that purpose once Development Approval is secured.

Lot 3 – Industrial Units (Work Stores)

Fourteen industrial work stores are proposed to be constructed on the newly created Lot 3. Each work store will accommodate a footprint of approximately 100 square metres with ten of the



Figure 1 – Aerial view of undeveloped site

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Property Plan

fourteen also proposed to have a 50 square metre mezzanine level. The work stores will be configured in a galley style with 42 carparks centred between the two banks of stores.

ABOUT THE NORTHROCK GROUP

The Trustee, Borrower and Development Manager are all members of the Northrock group of companies. The Northrock group began its evolution in 2017. It is owned and controlled by Scott Northcott, who is the sole director and controller of the Trustee, the Borrower and the Development Manager.

THE TRUSTEE'S KEY PERSONNEL

Scott Northcott – Sole Director

The sole director of the Trustee is Scott Northcott, an experienced property developer who holds qualifications in real estate, financial planning and mortgage broking. Having produced advanced research in real estate land cycles, he is also an active property investor. He has been involved in hundreds of high value deals, from corporate contracts and development acquisitions to individual property transactions. Scott's has considerable management capabilities, having overseen a range of property activities including property advisory, acquisition and development Management. Scott has experience in property acquisition and investor communications in Australian the United States. Scott holds Diploma in Financial Planning, a Certificate IV in Finance and Mortgage Broking, he is a Licenced Real Estate Agent, Queensland and a Qualified Property Investment Advisor.

Michael Daley – Manager

Michael has been responsible for property assets valued at over \$1b during his 23-year career in real estate. As a specialist asset manager, Michael's strengths lay in managing risk, increasing income and maximising portfolio value. Michael has managed, leased and sold industrial and office assets for listed and unlisted Australian, Singaporean and US property funds. The majority of these se properties were located along the eastern seaboard of Queensland including Gold Coast, Brisbane, Sunshine Coast, Gladstone, Townsville and Cairns. He is a licensed real estate agent and holds a Bachelor of

Urban Development (Property Economics) and a Bachelor of IT (Software Engineering and Data Communication).

AN EXPERIENCED DEVELOPMENT MANAGEMENT TEAM

Craig Pratt

Craig is a highly experienced professional in the property industry, boasting an impressive track record spanning two decades. His expertise encompasses development, sales, and property management across south-east Queensland. During his tenure, he held an ownership stake in a renowned real estate agency in inner Brisbane. In addition to his extensive industry experience, Craig holds a master's degree in project management with a specialisation in Property Development and holds a current real estate agent's licence. His aptitude in this field was recognized when the property business he co-owned received the prestigious BRW/Price Waterhouse Award for Australia's Fastest Growing Private Company. Craig is a chartered accountant and progressed into corporate banking and treasury before transitioning into real estate. This experience provided Craig with a strong grounding in financial analysis, feasibility assessment, cost of capital modelling, comprehension of legal documentation for projects and high-level negotiation.

John Demnar

With over 20 years in the construction and development industries John is a well-rounded property professional. Starting from the ground up as an apprentice carpenter, John has delivered projects both on site and in management positions in the office. Over his career he has personally delivered more than \$650 million worth of projects across QLD and NSW and most notably, several State and National award-winning projects during his 12-year career at The Rohrig Group. A solution focused leader and proactive delivery specialist, John has built a strong reputation in the local construction market with industry professionals and specialist subcontractors in order to help deliver great projects and take them from concept through to completion. This unique skillset and depth of experience helps de-risk projects and drive better value through the process. John is focused on partnering with key clients to deliver projects and focus on a pipeline of development opportunities of his own.

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REAL PROPERTY ADVICE'S HISTORIC TIMELINE

Eyetech \$8.5 million		2013
Lindsay Transport \$24 million		2015
Rydges Hotel Southbank \$12 million		2016
The Boundary Hotel \$6 million		2018
Bronco's \$5 million		2019
Nelson Bay Land & Home \$2 million		2020
Burpengary Community Club \$8 million		2021
Zen Oasis \$26 million		
Jubilee Hotel \$14 million		2022
Beresfield Commercial \$4 million		
Cannon Hill Anglican College – Science Block \$22 million		2023

15% Investment Opportunity, Secured Against Property

HOW TO APPLY

Application for investment can be made on the application form contained in the Information Memorandum.

The Offer opened on 22 May 2024.

Units will be issued progressively, usually within five business days of acceptance of applications.

The offer is expected to close upon reaching full subscription of 7,500,000 Units.

To obtain a Information Memorandum please call 1300 667 789 or visit www.northrock.com.au

Important notices: 1. Investors must consider the forecast returns stated in this notice in conjunction with the investment risks, assumptions and sensitivity analysis set out in the Information Memorandum. 2. An acquisition of units can only be made by completing the application process set out in the Information Memorandum. As this notice is not intended as personal advice and has been prepared without taking account of your investment objectives, financial situation or needs, you should, before making any decision to invest, consider the appropriateness of this notice, having regard to these factors, and should consider the Information Memorandum. Investify Pty Ltd ABN 33 656 263 124, AFSL 540543 is the issuer of this notice. Neither the Trustee nor its associates or directors guarantee the future success of the Fund, the repayment of capital or any particular rate of capital or income return. Investment products are subject to investment risk, including income opportunity cost and/or the possible loss of capital invested. Past performance is not a reliable indicator of future outcomes.

