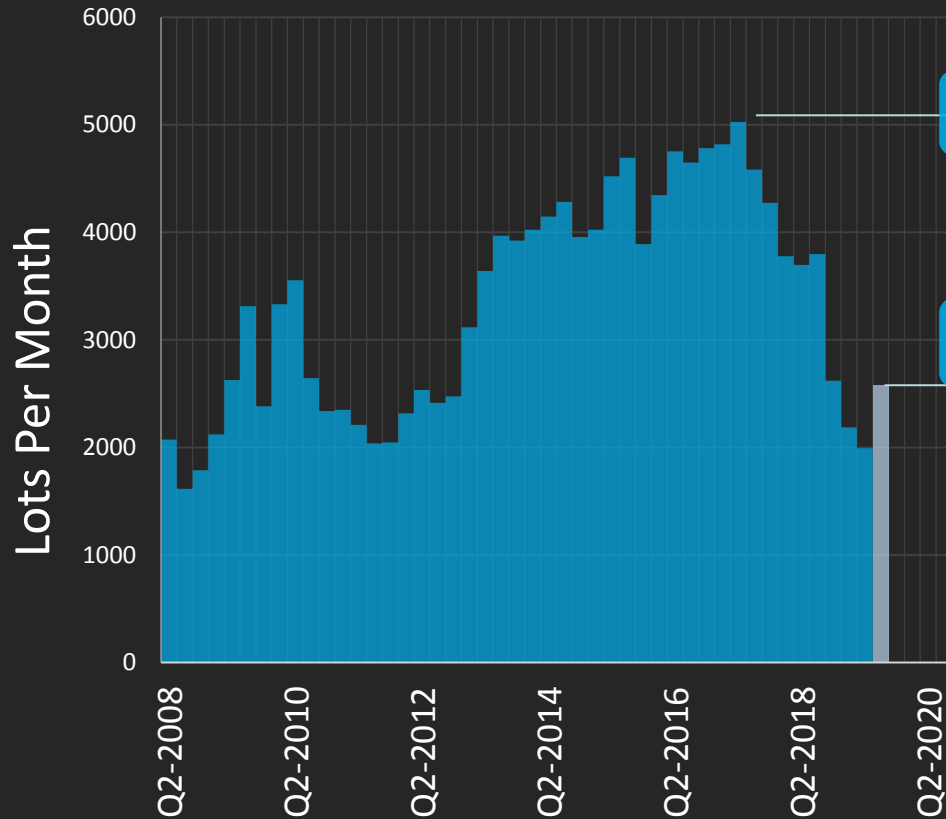


The logo consists of a white stylized 'R' followed by a white '4'. The 'R' has a thick vertical stem and a horizontal top bar that curves down into a vertical stem. The '4' is composed of a diagonal stroke from the top left to the middle right, and a vertical stem that meets the diagonal at its midpoint. The background is a dark green, almost black, geometric pattern of overlapping triangles and polygons, creating a sense of depth and perspective.

National Land Survey

National lot sales per month



Peak Sales 5,000, Q2-2017

Current Sales 2,582,

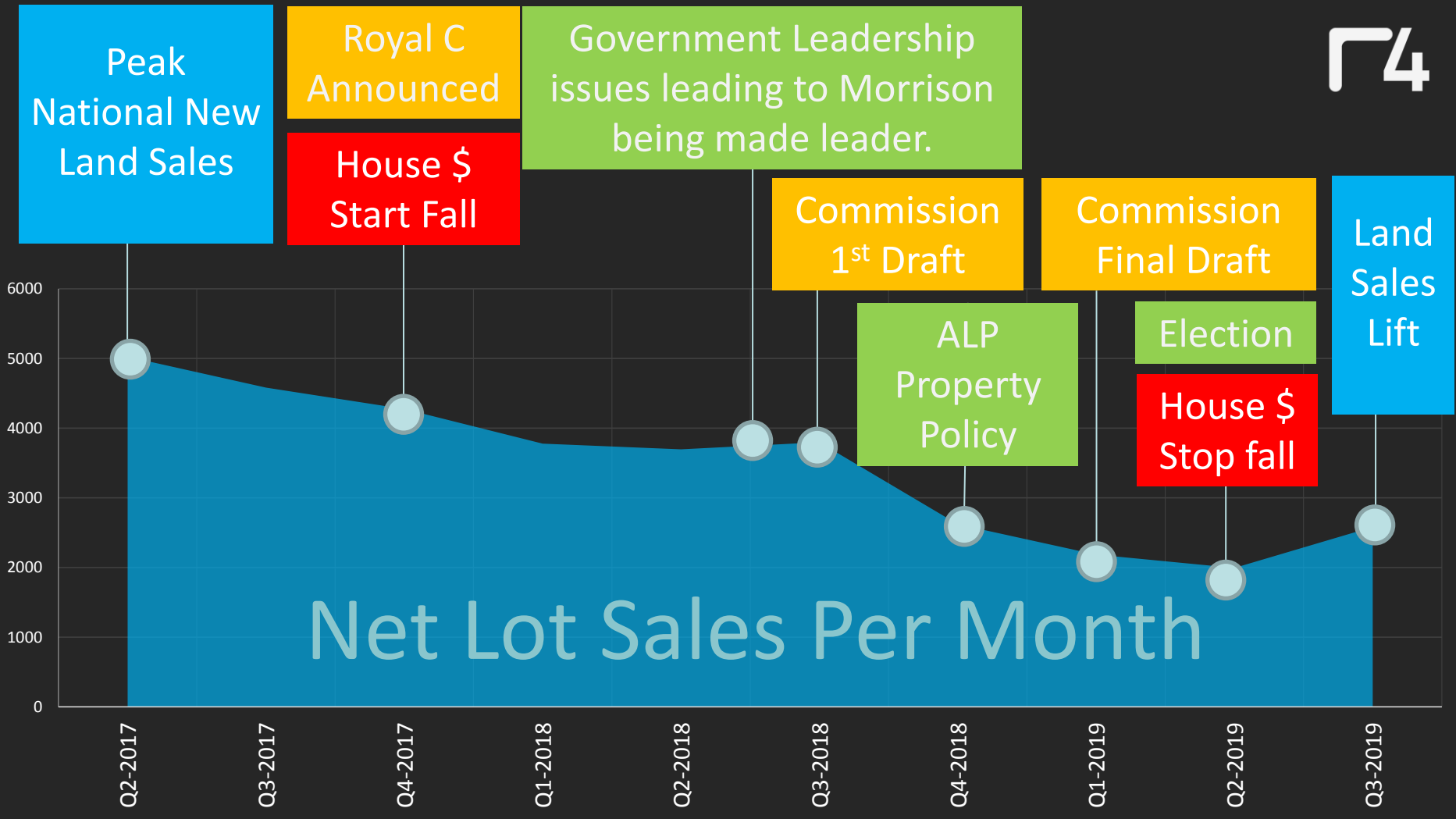
Past 2 Years market dropped

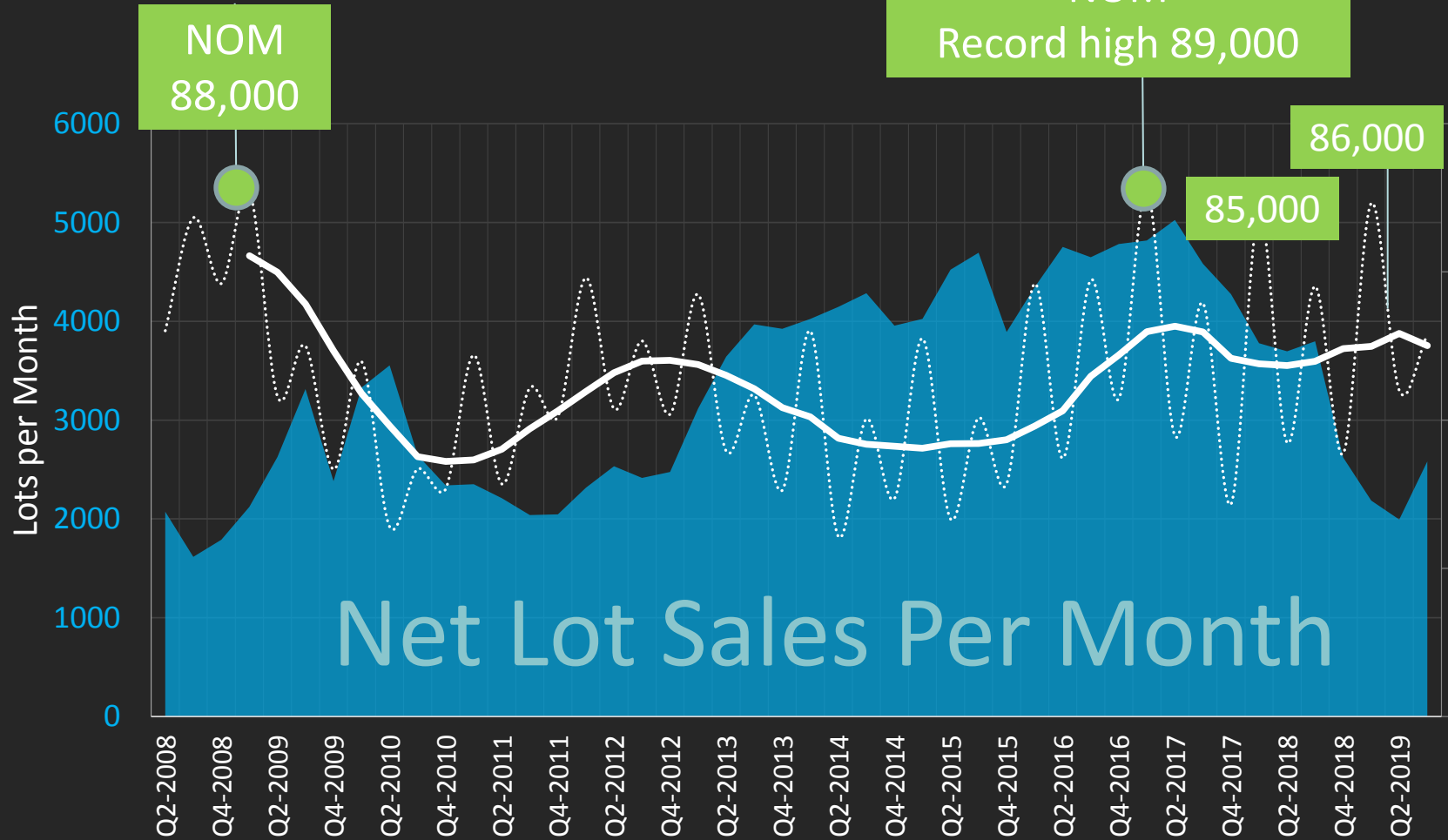
62% but

Sep saw a turnaround of 29%



External & Internal
factors holding down activity



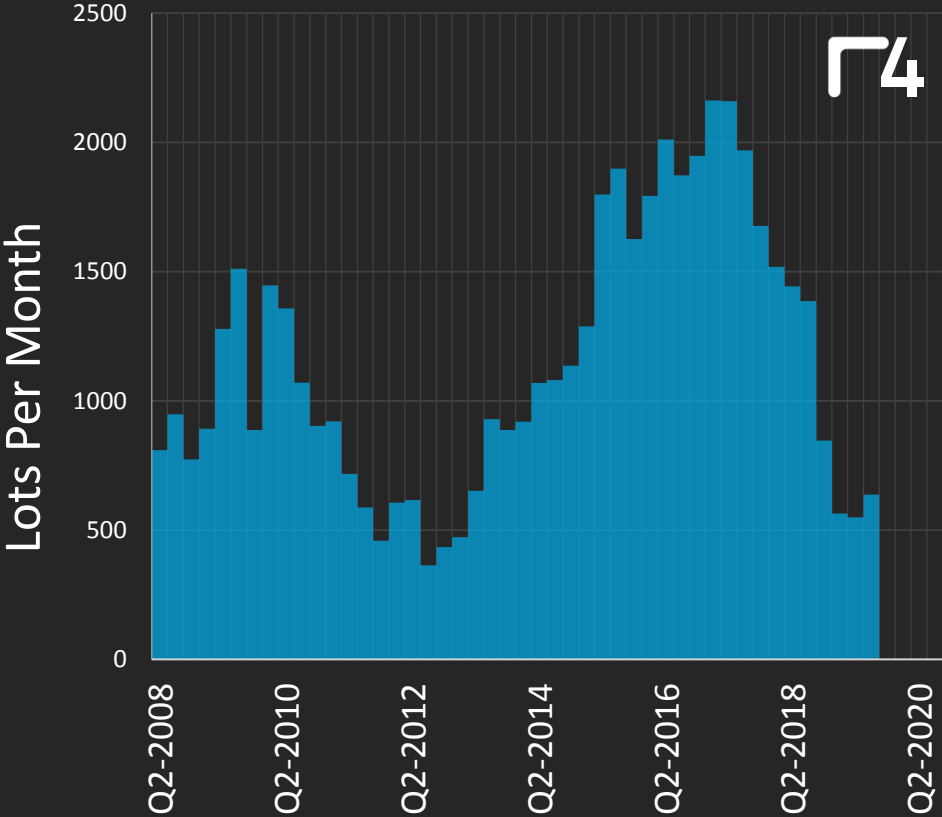


Persons per Quarter

A panoramic view of the Melbourne skyline at dusk or dawn. The sky is filled with dramatic, grey and orange clouds. Several hot air balloons are visible in the sky, including a large one in the upper center and a smaller one in the middle. The city features numerous skyscrapers, with prominent ones in shades of blue and green. In the foreground, a river flows through the city, with a bridge and modern buildings visible. A semi-transparent white box is overlaid on the bottom left, containing the text 'Melbourne'.

Melbourne

Market Cycle – Melbourne

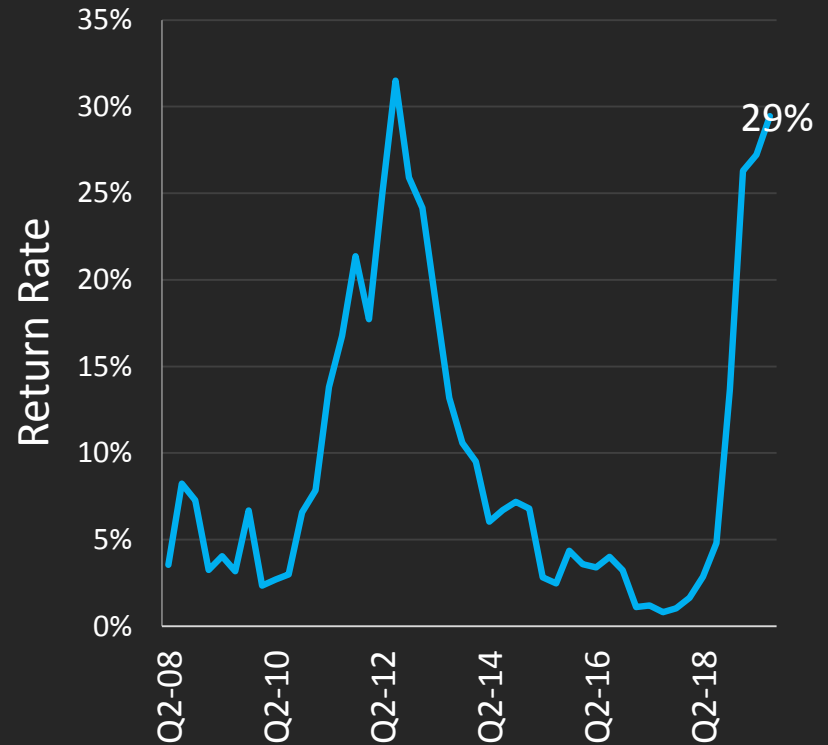
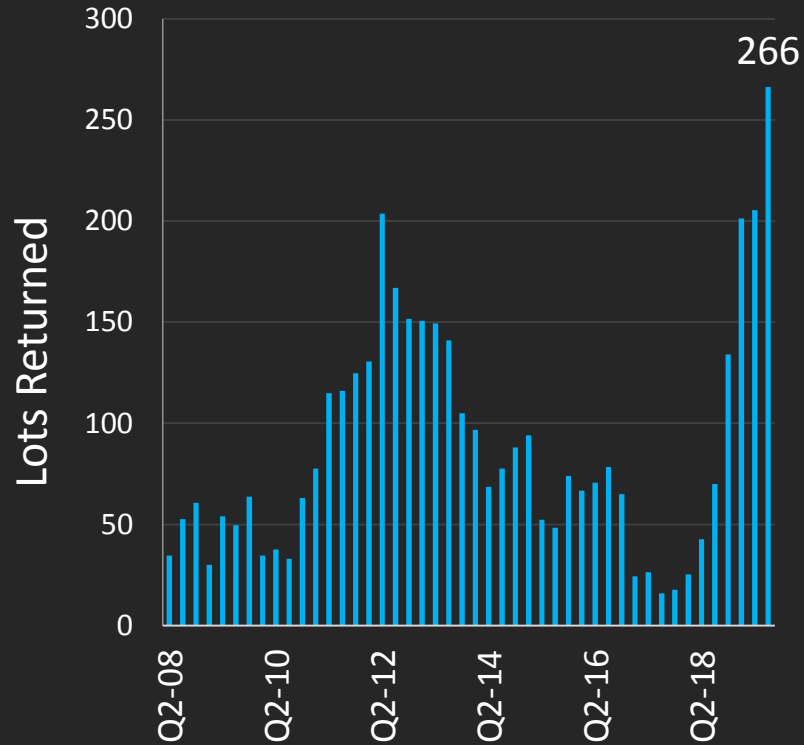


	Now	638
	Qtr. %	16%
	Year %	-54%
	Peak	2,162
	Average	1,144



Now You See it! Now You Don't! Now You see it Again!

Return Rate - Melbourne

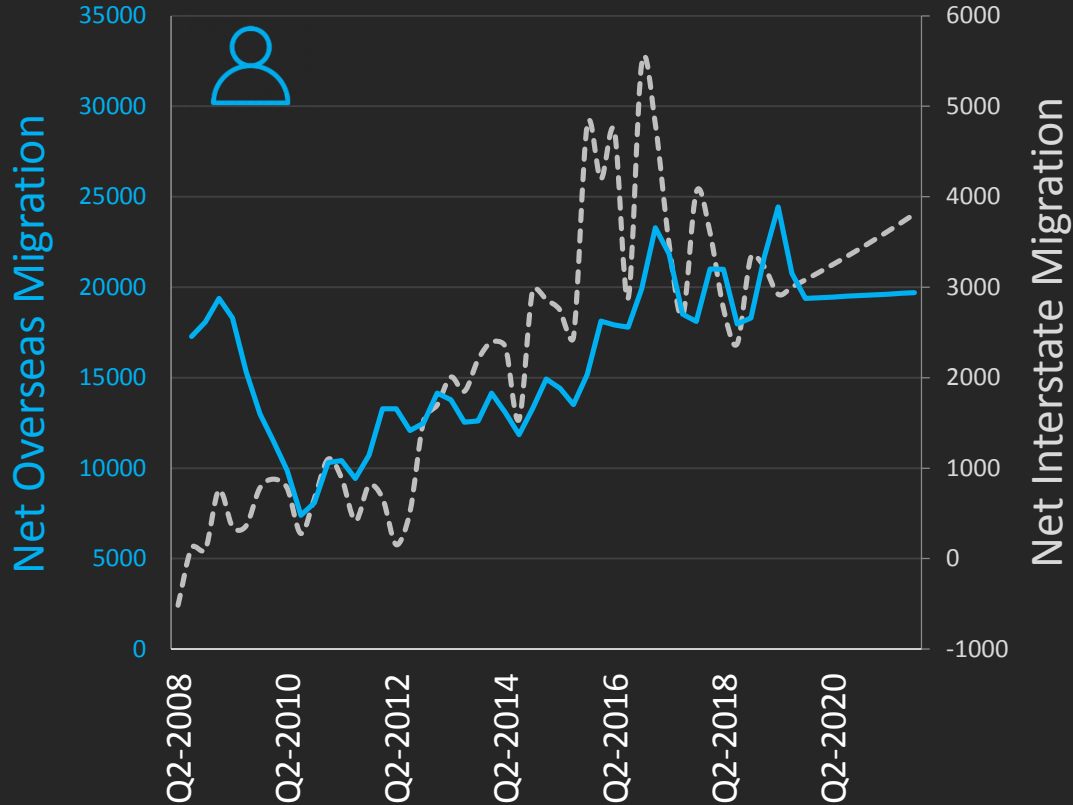


How many do we need?



Demand for Land

Population Based Demand for Land



People : Land Ratio



38%



Historic

1,194



Recent

1,459



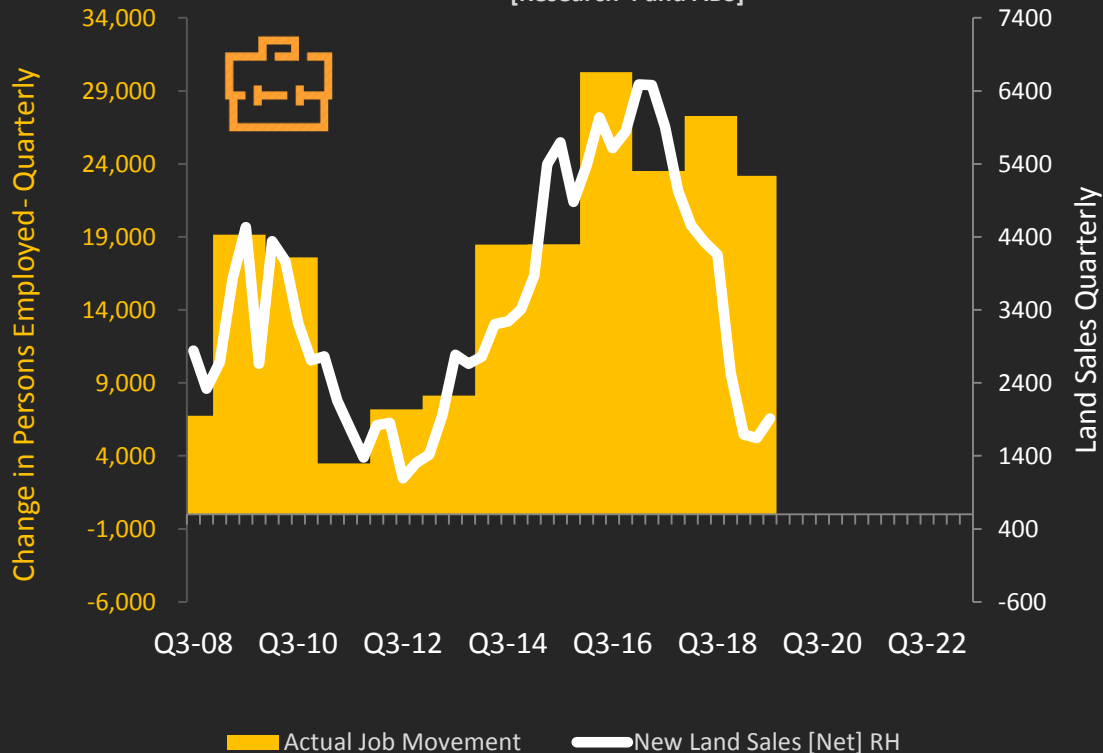
Forecast

1,431

Employment Based Demand for Land

Metro Land Sales & Employment Change

[Research 4 and ABS]



Jobs : Land Ratio



21%



Historic

1,190



Recent

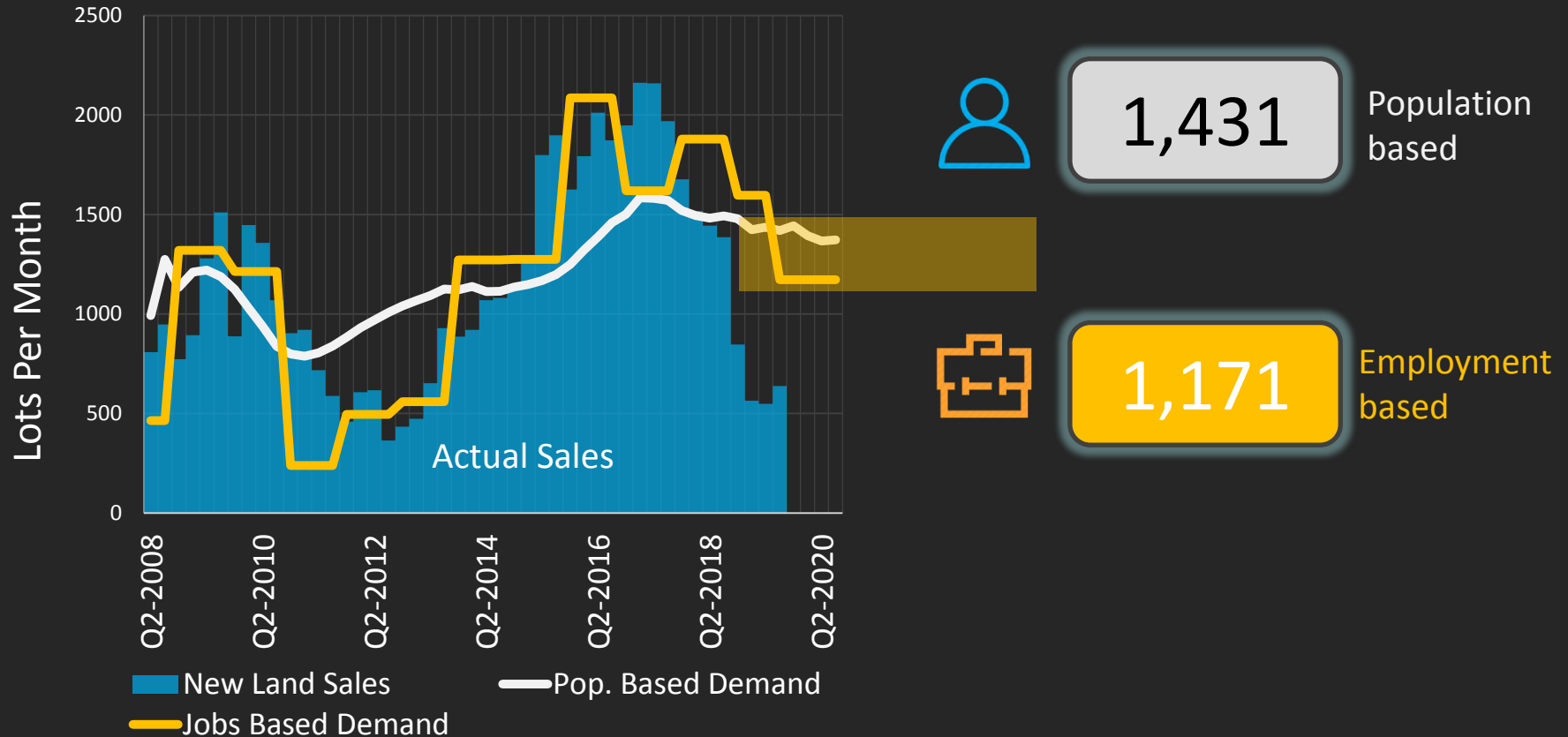
1,741



Forecast

1,171

Market Cycle & Demand Forecast





Sunbury – Contender

Sunbury currently responds to 1% of total demand, new supply will require its supply role to lift to 2.5%, challenge is to shift demand

Need to shift 60-90 lots

pcm 10 estate trend / 15 estate trend

Sunbury



Donnybrook

Capacity 400

Demand 268

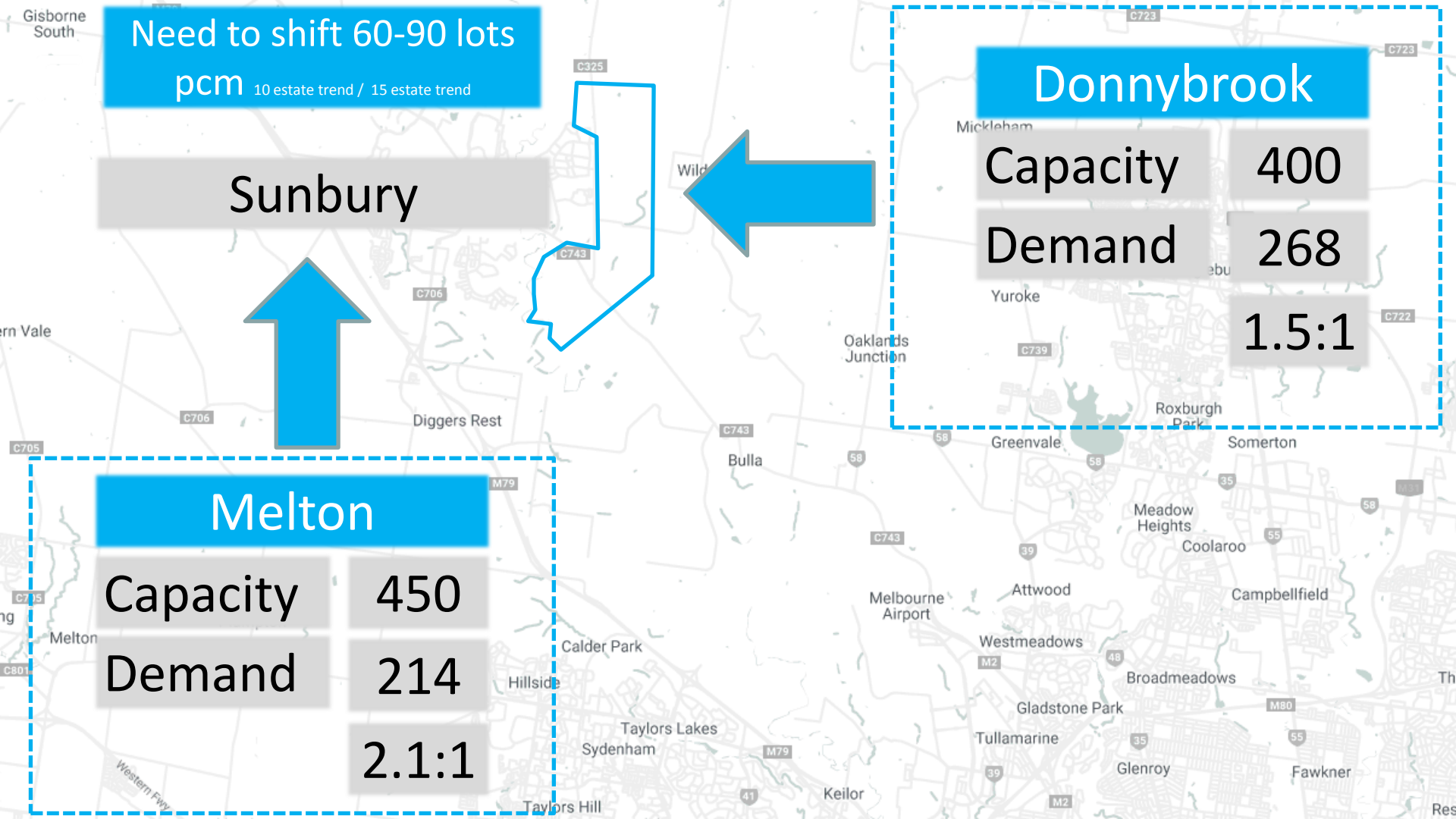
1.5:1

Melton

Capacity 450

Demand 214

2.1:1

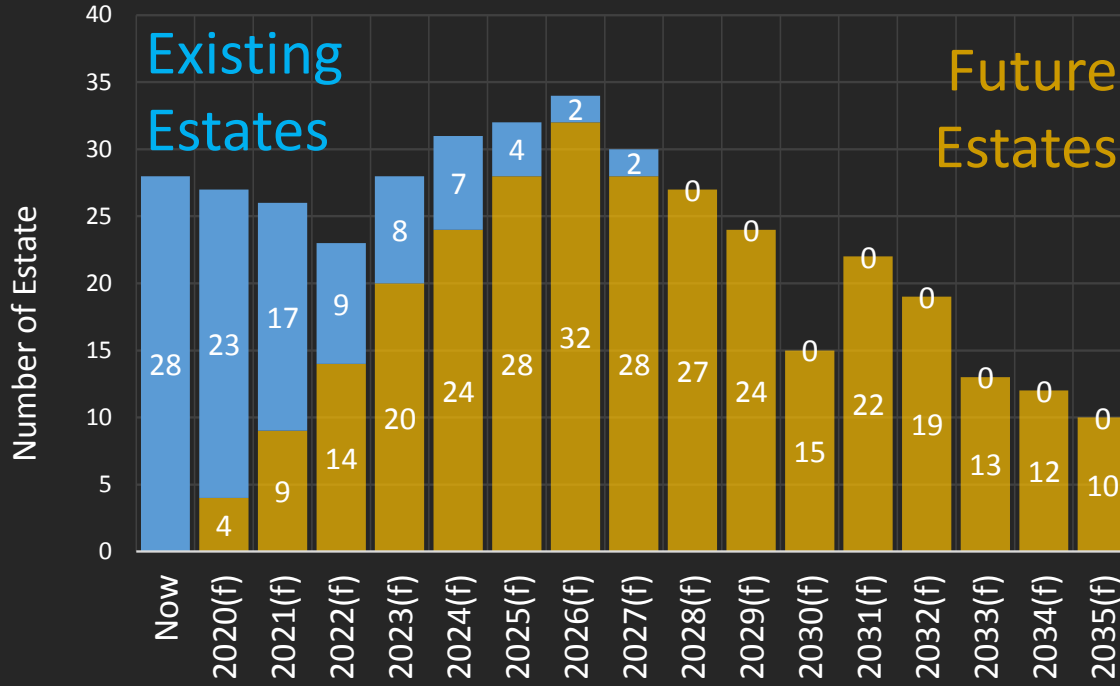




Casey Legacy

ГОРЬКАЯ

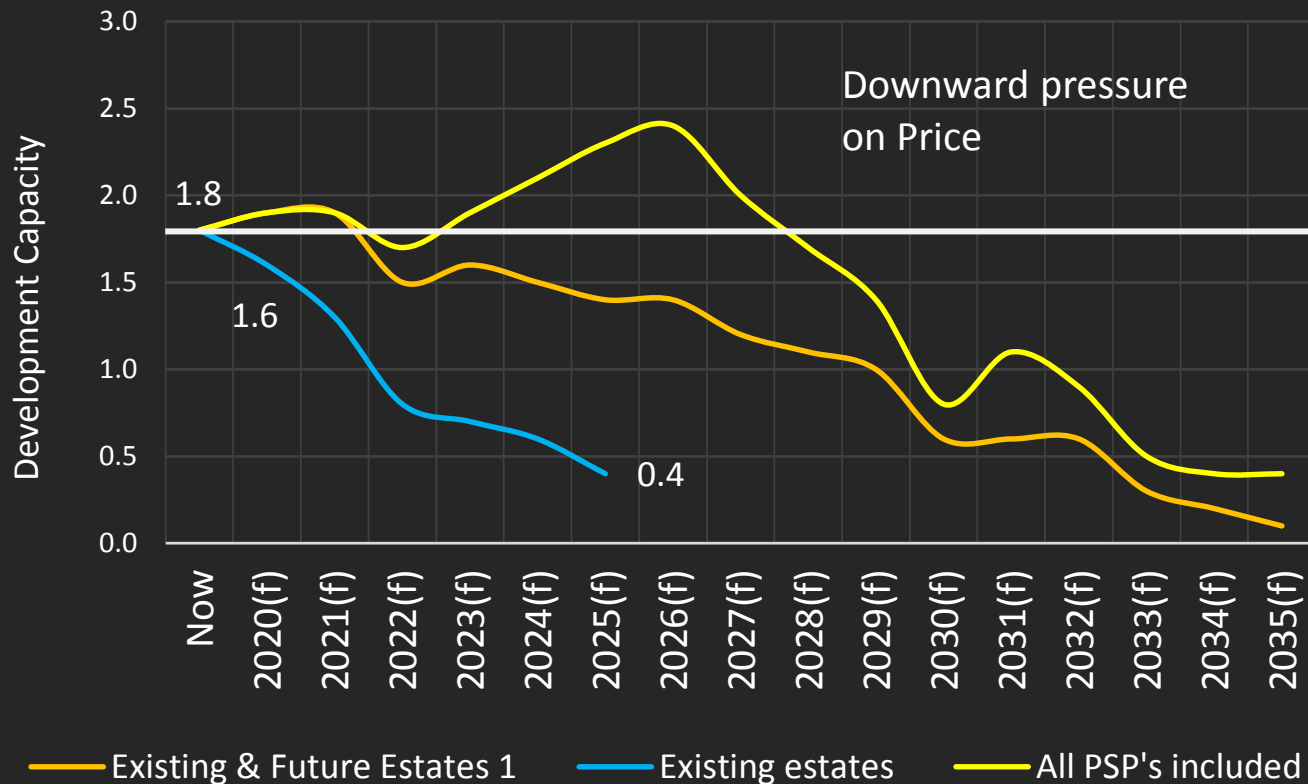
Casey forward supply balance



28 Existing Estates
Run down by 2025

34 future estates in
approved PSP's
+
22 estates from yet to
be approved PSP's

Casey forward supply balance



To maximise affordability outcomes, Casey will need access the full supply pipeline.

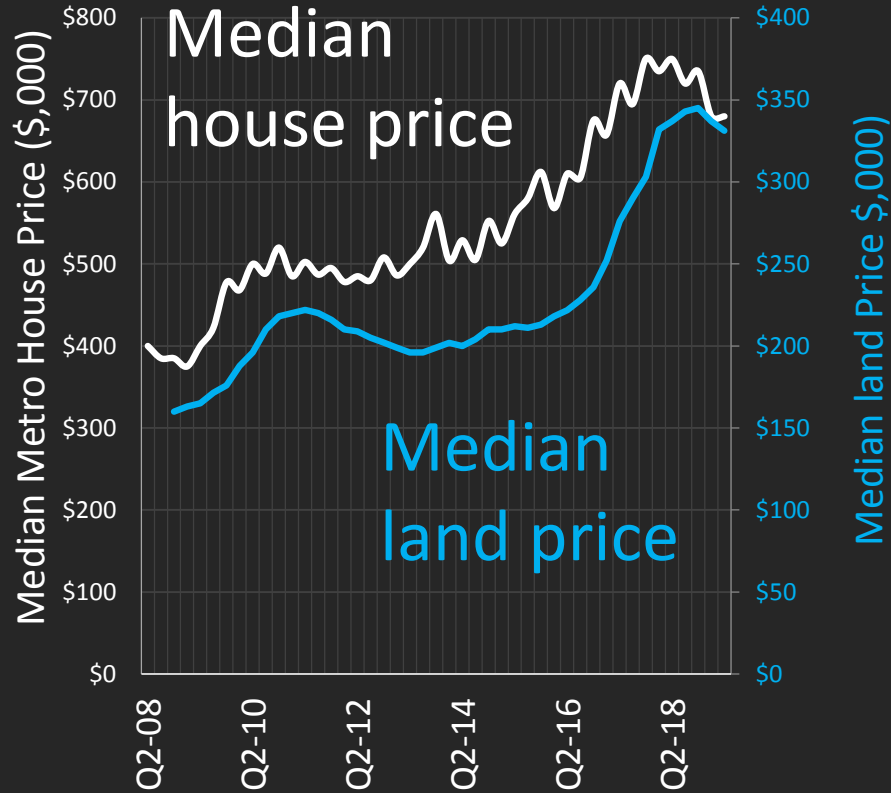
2030 should see Casey Greenfield come to an end



Have you seen the Price?

New land prices and fair value

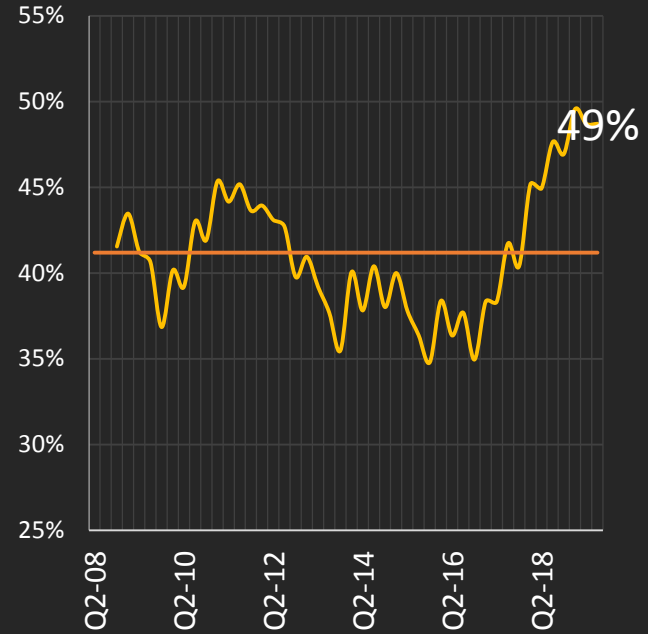
House Prices v Land Prices



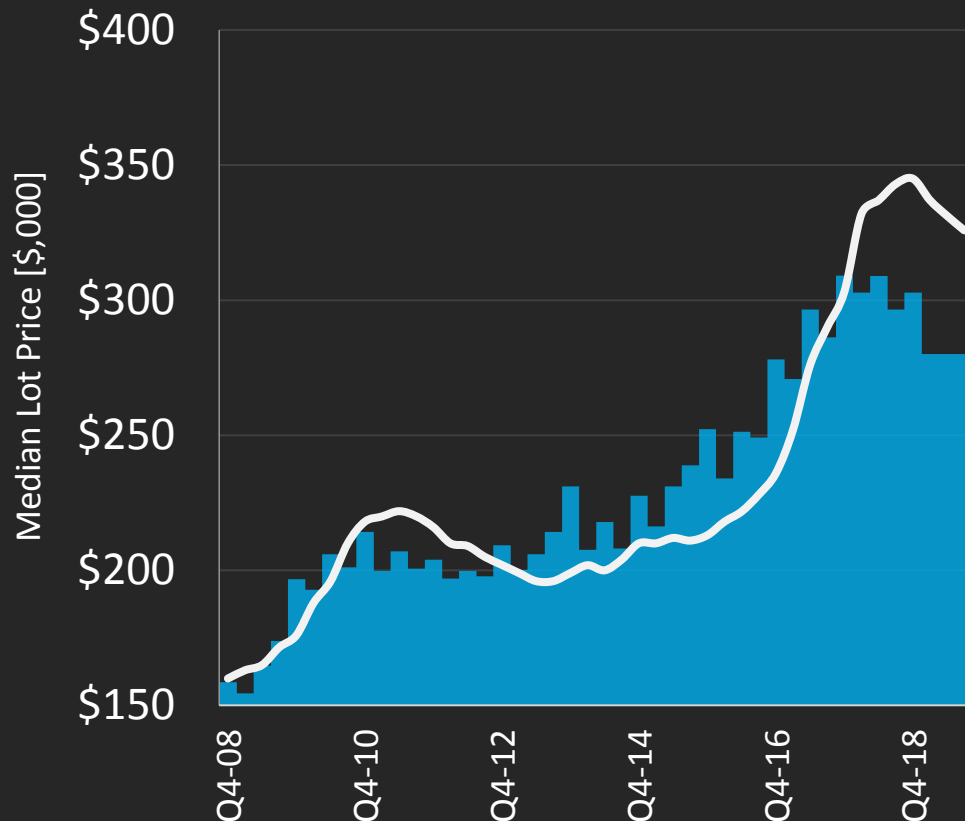
LRA House to Land Ratio

41%

Land : House Price Ratio



“Fair” Land Values



Actual Median Lot Price

\$326,000

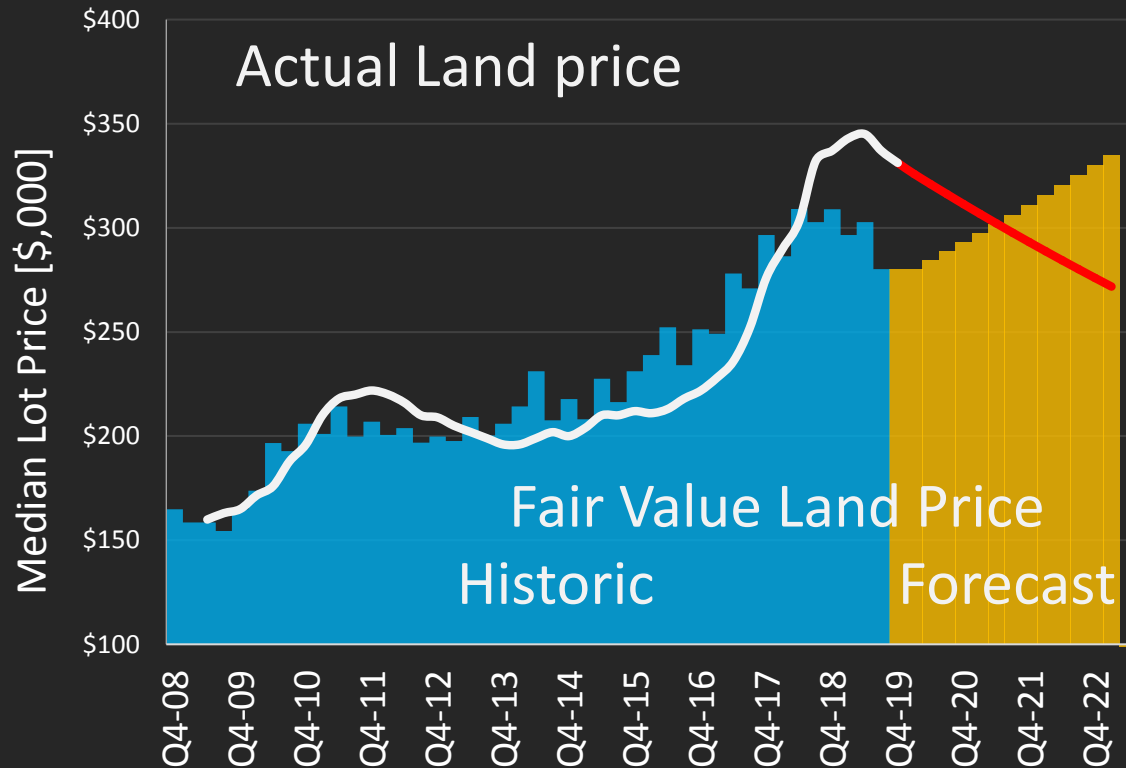
Modelled Lot Price “Fair” Value

\$280,000

Over /Under Fair Value

\$46,000 over

“Fair” Land Values - Forecast



House price grow by 1.5% per quarter

Land Price reduce by 1.5% per quarter

Q4-2020 balanced

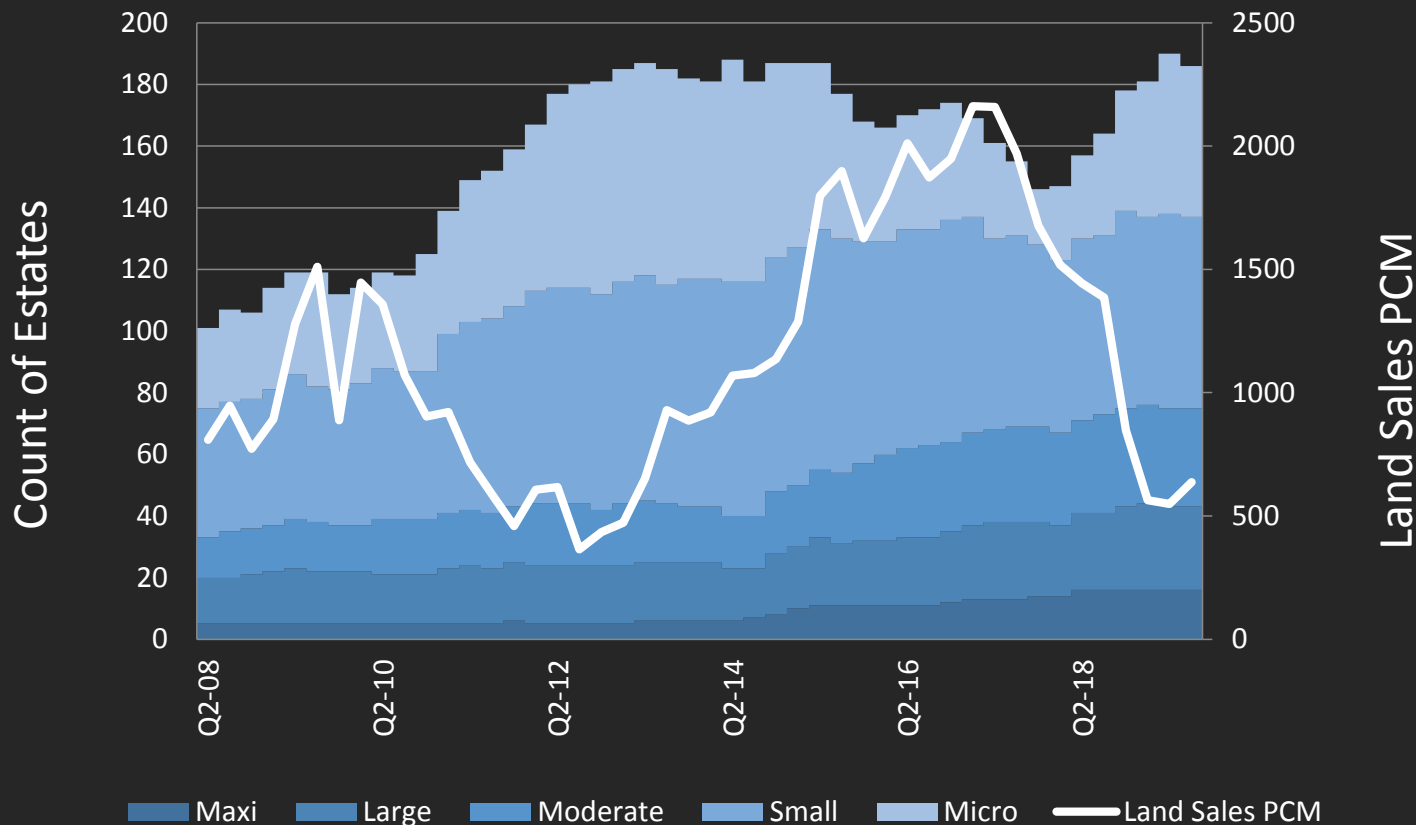
No land price change Q4-2022



Who's in the Drivers Seat?

...when it comes to driving price growth?

Number of Estates & Sales



26% of estates are Micro or less than 250 lots.

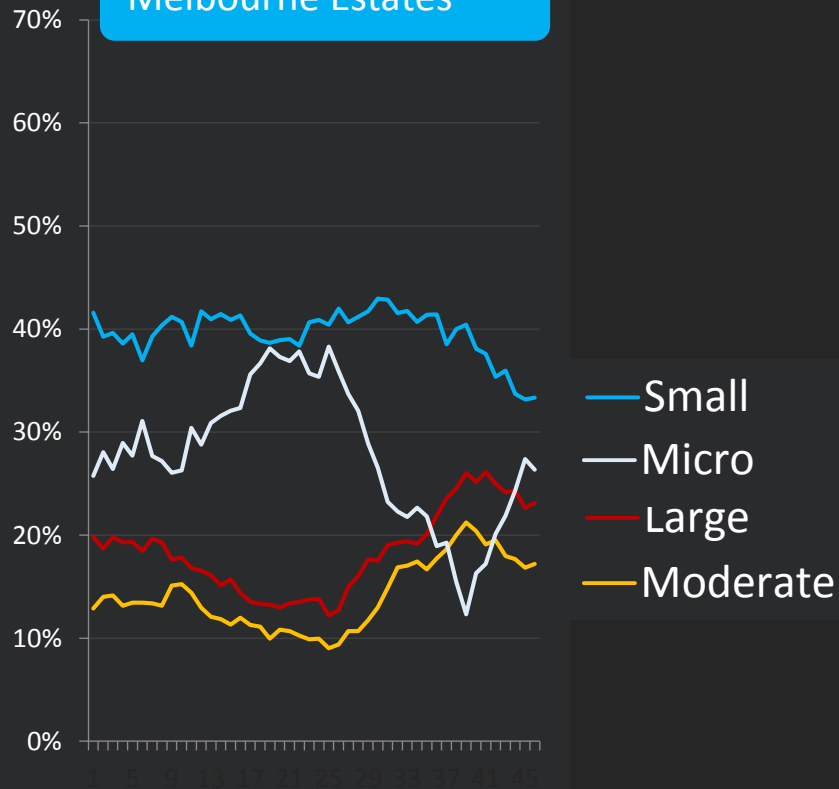
24% of estates are Large to Maxi or greater than 1,500 lots

Average net gain of 2.2 estates per quarter.
9 new estate and 7 ending estates per quarter

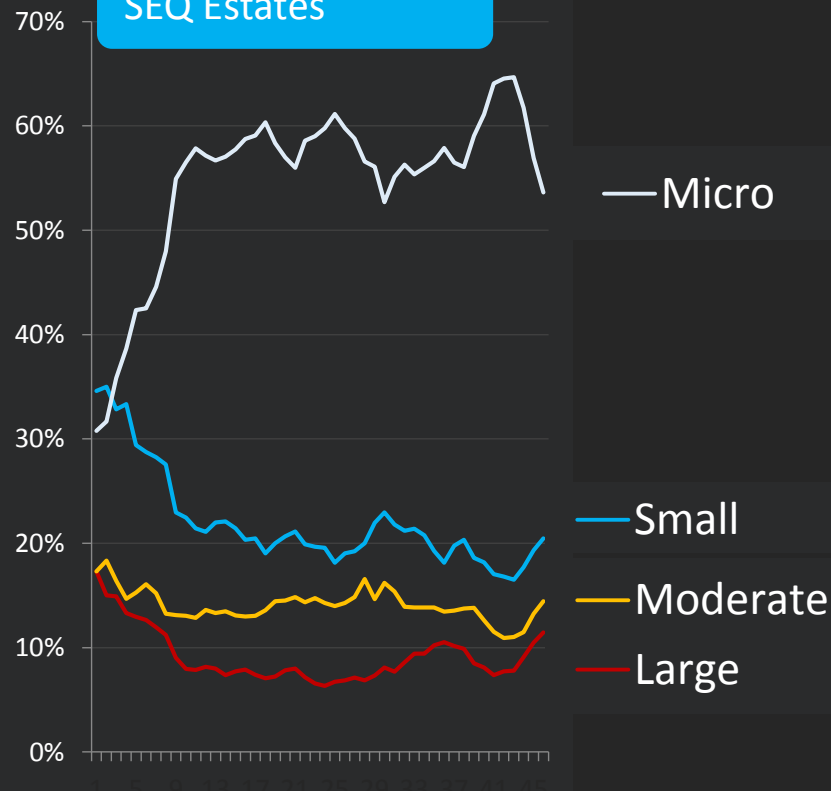
Who is in the Drivers Seat?



Melbourne Estates



SEQ Estates





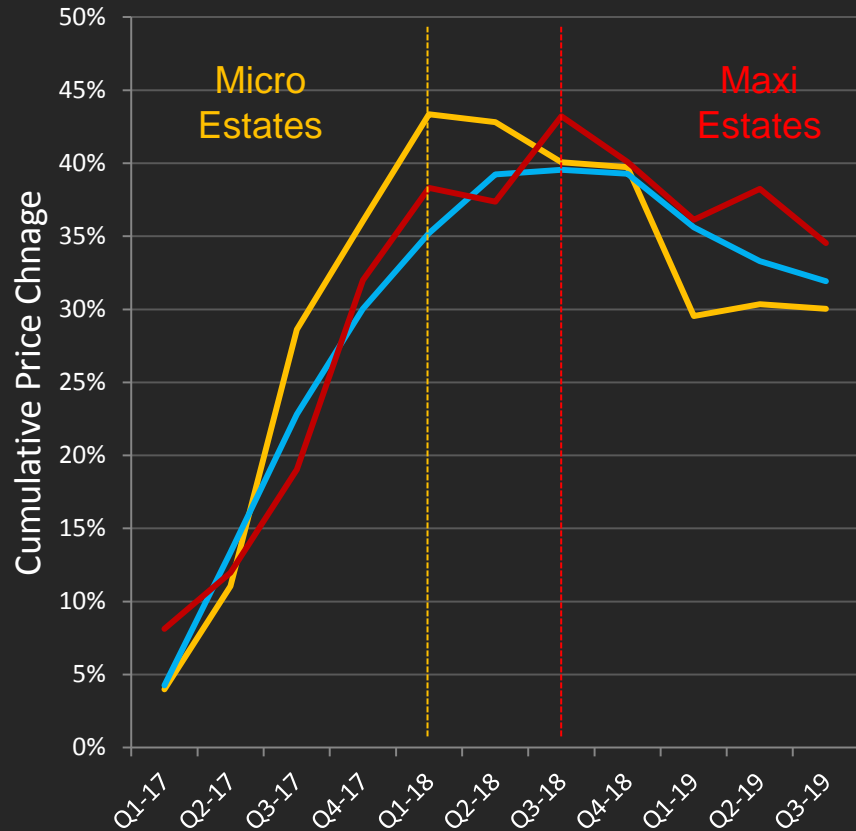
4

ZALEWSKI

BOLT

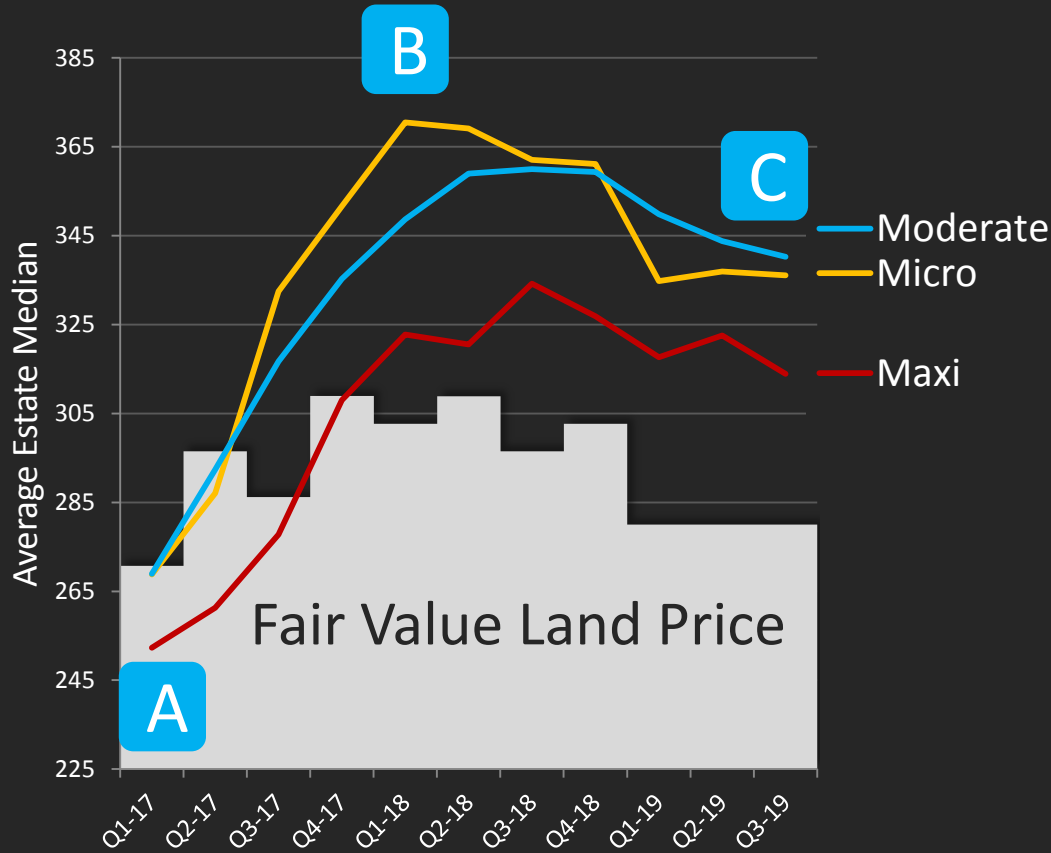
MITCHELL

Who Drives Price Growth?



- Larger estates kick start price growth.
- Smaller estates have a greater rate of increase.
- Smaller estates first to pull back on price movement

Base Price – Average estate median Price



A Price Difference
\$16,000 MAXI V MICRO

B Price Difference
\$49,000

C Price Difference
\$22,000

\$336, \$340, \$314 FINAL BASE PRICE



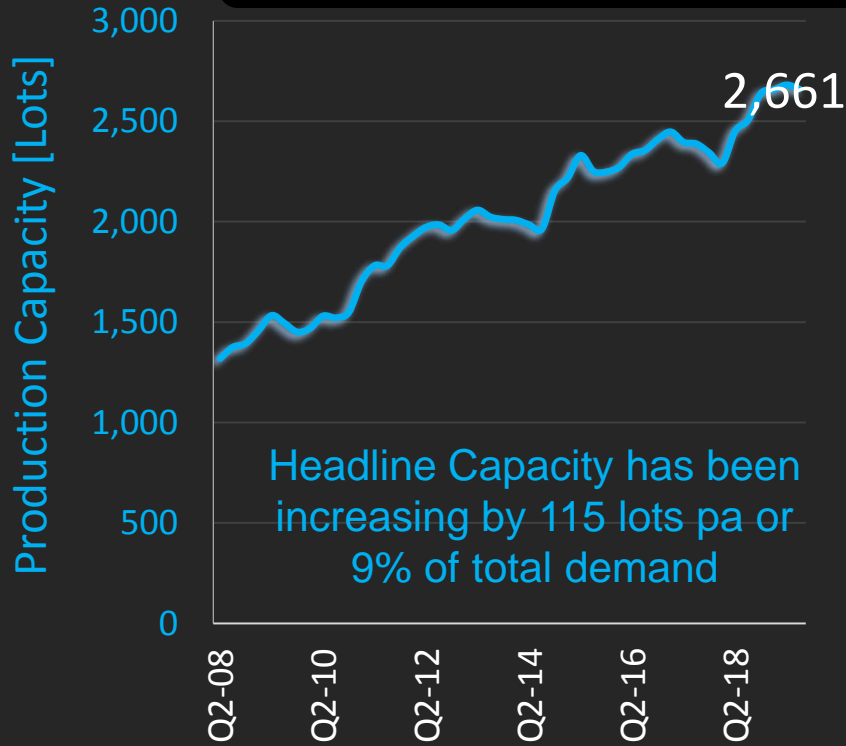
Production Capacity

The combined development capacity of all land estate

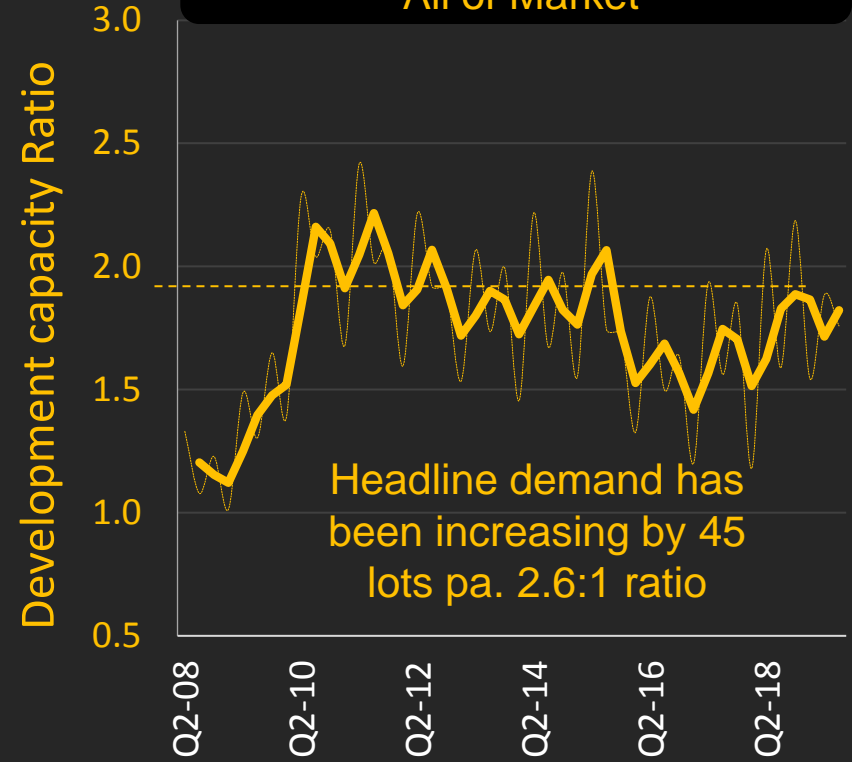
Capacity to address Demand



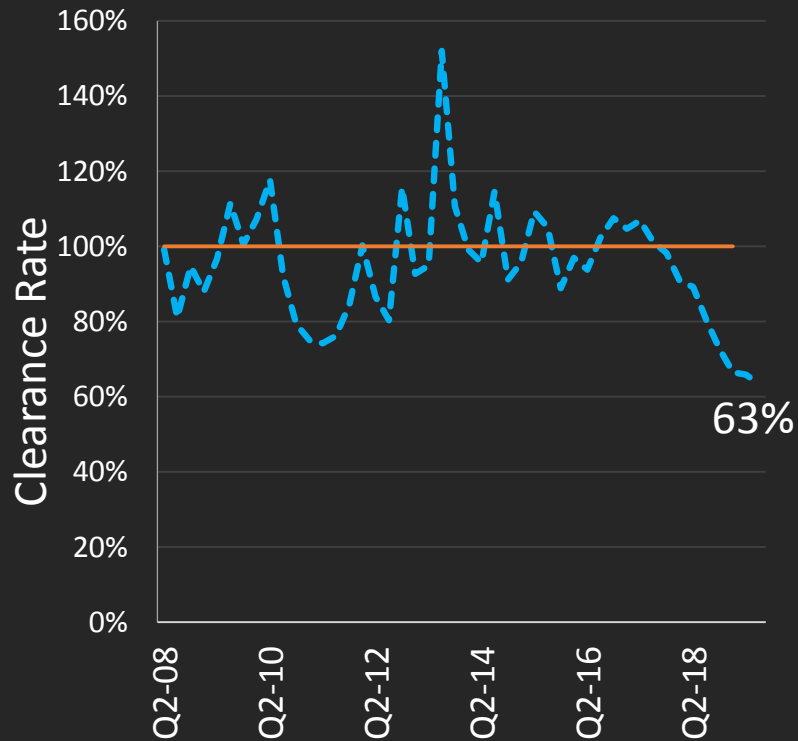
Capacity to Produce Lots
All of Market



Capacity : Demand Ratio
All of Market



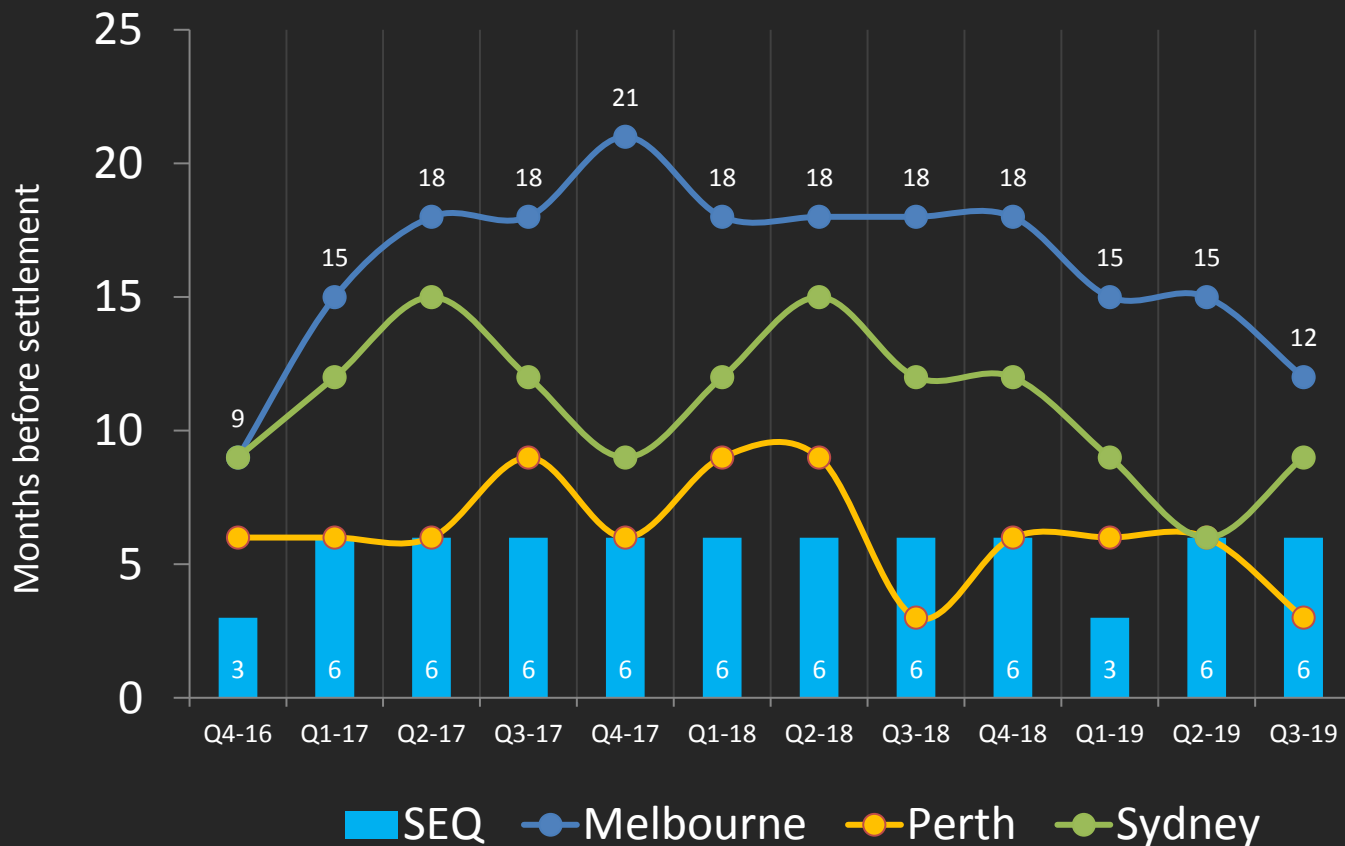
Clearance Rate & Stock Advertised





Are we there yet?

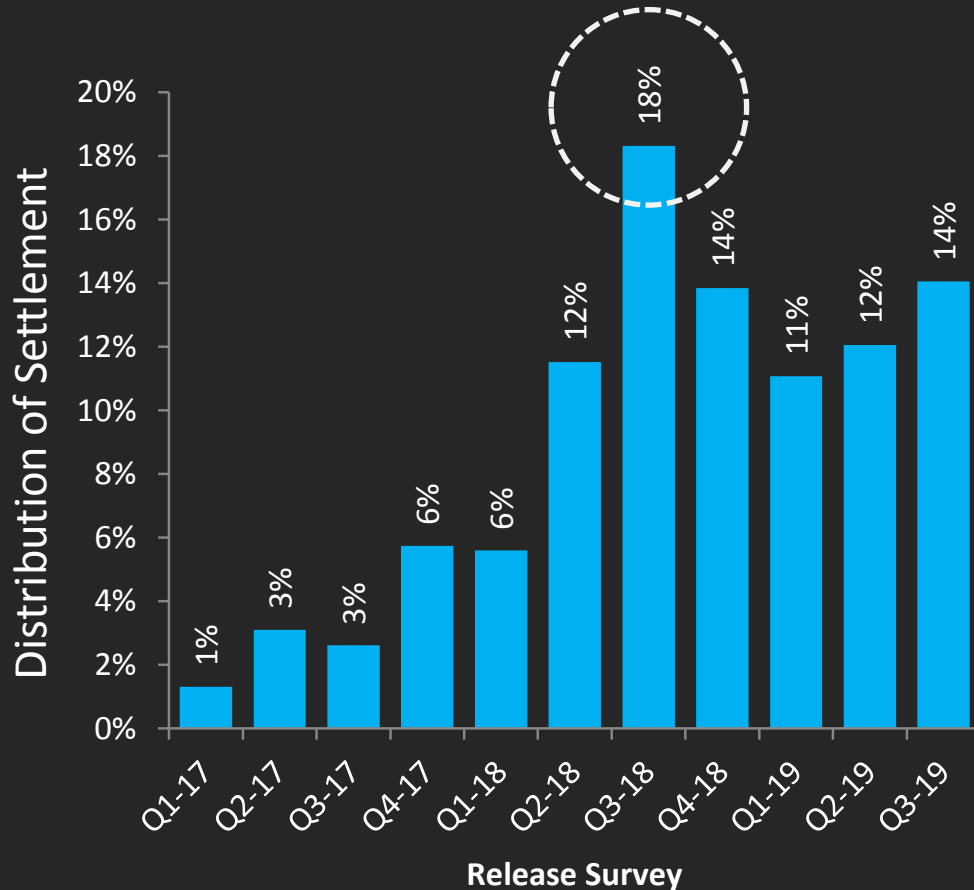
Settlement Time Lines



Trending Downward

Micro estates have on average 3-4 months shorter settlement time line compared to Maxi estates

Distribution of Yet to Settle Lots [quarter of release]

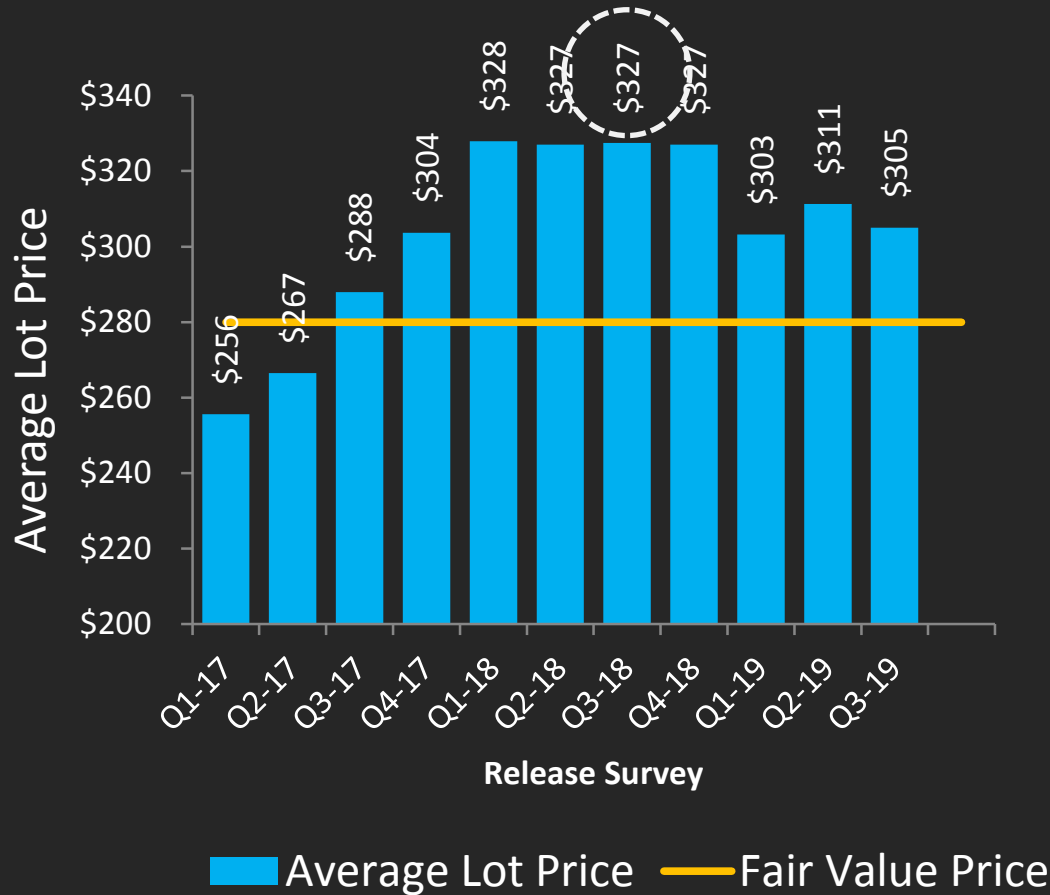


49,000 lots released since Q12017

Estimated that **19,000** are yet to settle.

E.g. 18% of the 19,000 lots belong to Q3-18 release or 70% of what was released in Q3-18 is yet to title

Settlement Risk



Average lot price for land yet to settle by quarter of release.

90% of 19,000 lots are currently \$25,000 through to \$47,000 over "fair value"

Current Fair Value
\$280,000



Melbourne has potential un-met demand building.



Land price need further correction – via house price increase, discounting or both. 18 months



Majority of 19000 lots should settle by June 2020



Industry capacity is now outstripping growth in demand

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Colin Keane

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