

2010

Ian Peacey

© PACIFIC PROPERTY GROUP PTY LTD

- Real Estate Agents
- Residential & Commercial Sales
- Property Management
- Development Consultant

TABLE OF CONTENTS:

	Page
 An Introduction to Pacific Property Group	3
♦ Ian Peacey- Managing Director	
 Investment Management Services	4
♦ Intelligent Investment Management	5
♦ Vacancy Rates & Comparative Rental Analysis	6
♦ Investment Management Services	7
♦ Investment Management Service Fees	9
♦ A Selection of Properties under Management	10
 Property Marketing & Sales	12
♦ A Selection of Past Sales	15
 Consultancy Services	17
♦ Property Sourcing and Purchasing	
♦ Development Consultancy	
 Conclusion	18
 Contact details	19

Introduction:

Pacific Property Group commenced trading in 1995.

We are located in the heart of Mosman Village on Sydney's Lower North Shore.

The business is primarily focused on residential and commercial leasing and management, together with development consultancy. Residential and commercial sales are conducted selectively and are generally from current clients or through referrals.



Our management clients vary from “mums and dads” investors to high net worth individuals and corporations, both domestic and offshore. Of these, many have multiple property portfolios that span from residential through to commercial and retail. The majority of our properties under management are contained within Sydney's Lower North Shore, however, as we manage many large portfolios there are commercial properties that are as far afield as Riverwood, St Ives and The Central Coast.

Ian Peacey Managing Director.

Ian Peacey has owned Pacific Property Group as Sole Director for the past 12 years, and has been managing, selling and consulting on both residential and commercial real estate in Sydney for the past 17 years.



Ian was born and bred in country NSW and with this comes a “no-nonsense”, practical approach to providing professional services and advice, in what can be a very complex market.

Being active in residential and commercial real estate, and development consultancy, Ian has gained a broad knowledge over the years and is happy to share this experience. In those instances where the line of inquiry is outside of his direct expertise he is happy to either find out or enlist the services of someone who can.

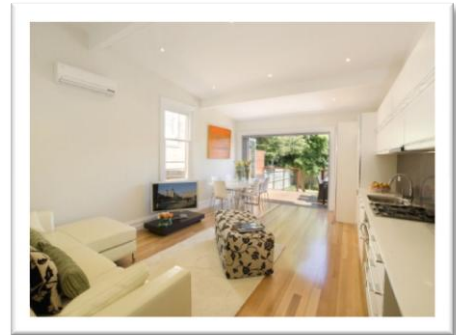
Each client enjoys direct access to Ian at all times and is comforted in the knowledge that he is approachable, reliable and all business is conducted with strictest of confidence. The close relationship's Ian has built over the years is testament to this way of doing business; it is fair, honest and won't be compromised.

Investment Management Services

Intelligent Investment Management.

Investing in real estate is a serious business and its acquisition, management and administration must be treated accordingly.

As your manager, it is our responsibility to provide professional advice and manage your property to provide you with a maximum return on your investment. We are confident that our practical, sensible approach ensures this. A detailed list of services is contained later in this document, however, it is important to initially highlight what we term “Intelligent Investment Management”.



Firstly, Pacific Property Group is a centralised business. When information is required from multiple divisions i.e. sales, management and accounts administration, it is all contained under the one roof and can be cross referenced, compiled and provided quickly and efficiently.

Although residential and commercial investing is vastly different, our approach to the core issues is essentially the same.

Intelligent investment management encompasses a wide range of services and disciplines including the following:

- ◆ Detailed analysis of the property including:
 - Physical property inspections and reporting
 - Discussions with past owners regarding maintenance history
 - Discussions with Strata Managers regarding overall history
 - Discussions with past Managing Agents regarding property and tenant history.
- ◆ Optimisation of the physical property to achieve its maximum rental return.
- ◆ Competitive rental analysis to achieve strong and consistent returns.
- ◆ Competitive rental analysis to reduce vacancy rates.
- ◆ Cost effective repairs and maintenance.
- ◆ Cost/benefit analysis of capital works and expenditure.
- ◆ Intelligent advertising campaigns designed to promote the property not only the agent.
- ◆ Robust tenant selection processes.
- ◆ Robust ongoing tenant relations.
- ◆ Strong negotiation and mediation skills.
- ◆ Clear and open communication with owners.

- ♦ Pacific Property Group is not a licensed financial services provider, therefore, we provide referrals to those within these industries to assist when required. These professionals will include the likes of:
 - Finance Brokers
 - Financial Advisors
 - Insurance Brokers
 - Taxation Professionals

- ♦ Over the years Ian has gained a considerable amount of experience in renovating and construction and is able to offer sound advice on many of these matters. When additional professional services are required we will enlist the services of the following to assist:
 - Licensed Building and Pest Inspectors
 - Architects and Town Planners
 - Engineers
 - Valuers
 - Land and Property Surveyors
 - Quantity Surveyors
 - Specialist Property Lawyers



Obtaining comprehensive information for all of these areas may not be possible, or, may not be required. The main point to clarify is that we have a detailed understanding for the need of quality information and we have the means to compile it. Intelligent, informed decisions can only be made based on current, quality information utilised in a practical, sensible way.

We should also make it clear that the gaining of this information does not necessarily mean that significant funds will need to be allocated and spent either; it simply means that the issues are identified and can be “intelligently managed” by way of budgeting, forward planning and if need be, altering your investment strategy.

Vacancy Rates & Competitive Rental Analysis

Vacancy rates and competitive rental analysis are in our view commonly overlooked, but so vitally important that we have singled them out for attention.

Our simple advice is that vacancy rates are the single largest contributor to reduced returns. Each week a property is vacant significantly diminishes returns, and in most cases the loss of rental income cannot be recovered by way of a premium rental, if in fact this premium rental is achieved at all.



It is of vital importance that a vacant property is marketed to be competitive; holding out for inflated or unrealistic rent is simply not intelligent management or sound advice. There are only very few situations where there is a potential justification for spending additional time to secure a very high premium rent.

Our competitive rental analysis and market opinions are generally based upon the competition in the marketplace at the time and the most recent local comparative leases. Our philosophy is such that if the property is competitively priced, it should in most cases be leased in a reasonable period of time and therefore, the vacancy rate will be minimised. There will be exceptions to this rule where, for example, a property offers unique or special features or it is located within a very specific area, in these cases it should demand a premium rent.

This theory is also brought into practise when conducting “to market” rent reviews for both residential and commercial leases. Experience has shown that to demand above market rates during a rent review will commonly result in the current tenant relocating, and therefore creating an unwanted and unplanned vacancy. This automatically translates to loss of income and therefore returns, but may also trigger the following:

- ♦ Unscheduled repairs and maintenance with potentially high capital expenditure which may include relatively simple repairs such as new paint and carpet to expensive items such as kitchens and bathrooms.
- ♦ Associated re-leasing costs including:
 - Advertising and marketing costs
 - Legal expenses
 - Agent re-leasing fees



Each property is different and will be analysed accordingly, however, there are few cases that escape these important property investment fundamentals; the need for good secure tenants providing strong consistent returns.

Clearly we are in the business of providing you with “no nonsense” sound advice, not just in the business of making a return for our own business. The two go hand in hand, if you are not deriving a return, nor are we. It’s that simple.

Investment Management Services:

Ian Peacey has a very practical, hand's on approach to management. Ian is a property investor himself and understands the need for effective returns. These returns are heightened by his approach to both tenant relations and maintaining and enhancing the most important asset, the property itself. Ian finds that he is doing many of the repairs himself, as frequently it is something quite simple. Why pay \$150 for something that can be fixed in a few minutes? Perhaps it has something to do with his country background....

Being an "Intelligent Investment Manager" naturally includes the everyday services that will be required, most of which are listed below.

Residential Management Activities Performed.

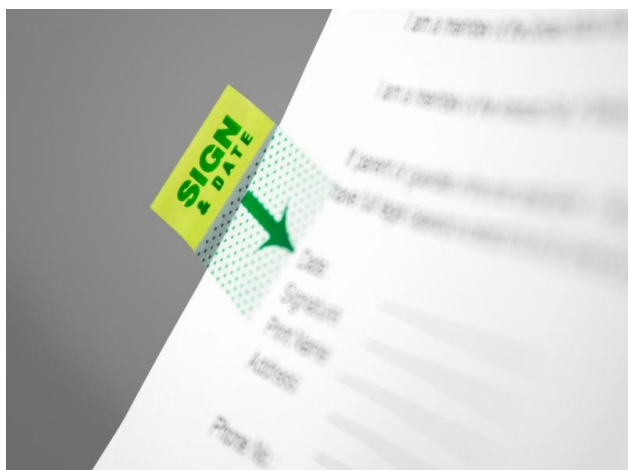
- ♦ Formulate appropriate marketing and advertising materials.
- ♦ Take photos and write copy for various media.
- ♦ Distribute advertising to print media and upload onto web sites.
- ♦ Liaising with corporate relocation companies.
- ♦ Conduct open for inspections at set times and by appointment for convenience.
- ♦ Process tenancy applications, check references and confirm 100 pt ID checks.
- ♦ Prepare and distribute leases.
- ♦ Lodge bonds with the Rental Bond Board.
- ♦ Complete incoming property inspection reports.
- ♦ Arrange or conclude required repairs and maintenance.
- ♦ Conduct regular property inspections.
- ♦ Conduct market reviews.
- ♦ Attend to overhead payments including, Council rates, water rates and strata levies
- ♦ Attend to Strata and Body Corporate issues.
- ♦ Prepare documentation and represent you at the Consumer Trader & Tenancy Tribunal.
- ♦ Distribution of Owners' funds electronically into nominated accounts. Special arrangements can be made for mid month distributions for mortgage payments etc.
- ♦ Provide monthly statements with attached invoices to owners and other nominated professionals e.g. your Accountant.
- ♦ Provide end of year financial reports to Owners and their advisors if requested.



Commercial Management Activities Performed

Commercial activities will include most of those listed previously, but may also include:

- ♦ Complex lease negotiations for both commercial and retail tenancies that require a sound knowledge and application of appropriate legislation including the Retail Leases Act.
- ♦ Complex lease negotiations which may include;
 - Commercial fit-outs.
 - Rent free periods.
 - Gross or net rentals where outgoings are concerned.
 - Local Council development applications and approvals.
- ♦ Calculate building outgoing recoupment's whether as a total, a fixed percentage or as increases over base dates etc.
- ♦ Reviewing trade references.
- ♦ Reviewing statements of assets and liabilities.
- ♦ Preparation and distribution of Disclosure Statements.
- ♦ In house preparation of retail and commercial leases up to 3 years duration.
- ♦ Negotiation, preparation and distribution of the "Heads of Agreement" to the Lessor's Solicitor providing instructions for the preparation of the lease.
- ♦ Investment of commercial bonds on behalf of the Lessor and Lessee.
- ♦ Forwarding retail bonds to the Rental Bond Board.
- ♦ Conducting market reviews when required based on either net face rents or effective rent.
- ♦ Negotiating with problematic tenants.
- ♦ Liaising with the Lessor's legal and financial advisors.
- ♦ Re-entering and taking possession of the premises.



Investment Management Service Fees:

Our Investment Management fees vary significantly according to location, the size and type of property, the extent of services undertaken and numbers of properties managed under any one portfolio. Accordingly, we do not subscribe to any one formula as it would be inappropriate.



Our fees are individually calculated to be fair and equitable to both parties and directly reflect the amount of attention that any one property or portfolio will require. Clearly there will be instances where higher fees will be necessary to effectively manage a more complex property than one that will require less ongoing attention. You will find that our fees are more than competitive.

As an example, the following base fees would be indicative for us to lease and manage a standard 2 bedroom apartment located on the Lower North Shore.

Initial leasing fee:	1 week's rent + GST
Subsequent leasing fees:	½ week's rent + GST
Ongoing Management Fee:	6% + GST of rental income
Lease preparation fee:	\$15 including GST
Marketing:	At cost.
As a guide,	
Realestate.com.au:	\$220 for each marketing campaign.
domain.com.au:	\$220 for each marketing campaign.
Sydney Morning Herald:	\$150 per week approx
Mosman Daily:	\$250 per week approx






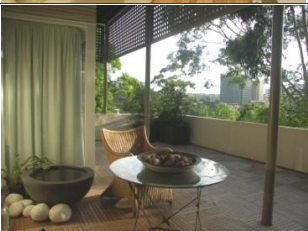



Marketing costs will vary considerably depending on market forces and whether it is deemed necessary to advertise in print media, i.e. The Sydney Morning Herald and The Mosman Daily. For this type of apartment for example, it would be unlikely that we would need to consider print advertising, as the demographic for this type of property would be searching via real estate internet portals not in the newspaper. Weighing up the pros and cons is just one example of "intelligent management" that makes a real difference.




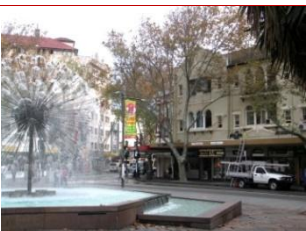



These are the only sources of base fees and charges: Others such as tribunal and court attendance are detailed within the Management Agreement document and are rarely charged. We do not generally charge for disbursements etc.

A SELECTION OF PROPERTIES CURRENTLY UNDER MANAGEMENT

RESIDENTIAL

	<p>4 Bedroom House</p>	<p>Mosman</p>
	<p>3 Bedroom Apartment</p>	<p>McMahons Point</p>
	<p>3 Bedroom House</p>	<p>Mosman</p>
	<p>3 Bedroom Townhouse</p>	<p>McMahons Point</p>
	<p>2 Bedroom Semi</p>	<p>Mosman</p>
	<p>2 Bedroom Apartment</p>	<p>McMahons Point</p>
	<p>4 Bedroom House</p>	<p>Lane Cove</p>

COMMERCIAL

	<p>Retail Shops and Offices</p>	<p>Mosman</p>
	<p>Retail Shop</p>	<p>Mosman</p>
	<p>Commercial Professional Centre</p>	<p>St Ives</p>
	<p>Retail Shop</p>	<p>Potts Point</p>
	<p>Commercial Offices 3 storey warehouse</p>	<p>McMahons Point</p>
	<p>Retail Shop</p>	<p>Chatswood</p>
	<p>Retail Shop</p>	<p>Willoughby</p>

Property Marketing & Sales:



Just as investment management requires an intelligent approach so does the successful marketing and sale of property.

Ian Peacey has gained a significant amount of experience over the years in marketing and selling property, ranging from simple residential strata units to complex development sites, both residential and commercial.

Clearly this broad range of experience in both managing and sales will make in many cases a marked difference in how a property is analysed, marketed and therefore sold. It is only with this type of experience that each Vendor can be assured that their property is receiving the correct targeted approach to achieving an optimum sale price.

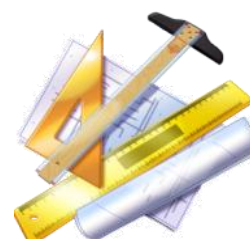
Intelligent Marketing and Sales may encompass a wide range of services and disciplines depending on the type of property, including the following:

- ♦ **Detailed property analysis.**
- ♦ **Comparative property sales analysis.**
- ♦ **Current market analysis.**
- ♦ **Target market analysis.**
- ♦ **S.W.O.T analysis.**
- ♦ **Intelligent advertising campaigns designed to promote the property not only the agent.**
- ♦ **Pest and Building inspections, site id surveys.**
- ♦ **Strong negotiation skills.**
- ♦ **Clear and open communication with Vendors.**



A detailed analysis of the property is critical and may include:

- Detailed physical property inspections and reporting.
- Detailed discussions with current owners.
- Discussions with Strata Managers.
- Discussions with past Managing Agents regarding property and tenant history.
- Preparation of a cost/benefit analysis for repairs and maintenance or capital works prior to marketing.
- Town planning investigations to determine renovation and development potential.

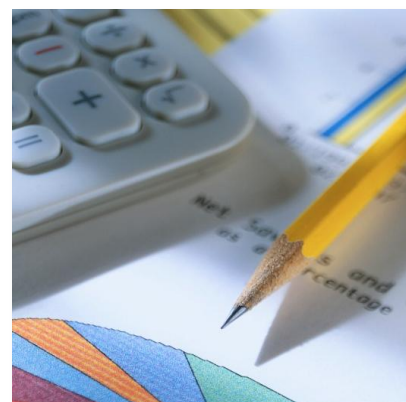


Comparative property sales analysis:

- Compare to other recently sold properties.
- Compare to other properties in terms of size, amenity and presentation.
- Compare land sizes and \$/sqm of the land.
- Compare \$/sqm of Strata unit floor areas.
- Compare the location, views, access and aspect.
- Compare best use and future potential.

Current market analysis:

Up to date market statistics are a very important part of any market appraisal. Identifying current and predicted market trends can have an effect on many aspects of a marketing campaign; it may in many cases delay marketing campaigns to take full advantage of these trends.



Target Market Analysis:

Correctly identifying your target market is another very important aspect of intelligent marketing. Haphazard marketing to the wrong audience is costly and will in many cases reduce your overall return. We market to sell your property, not ourselves.

S.W.O.T Analysis:

This may be an old term, however the principal behind the Strengths, Weaknesses, Opportunities and Threats analysis remains as strong as ever. Spending the time to work through this process can in many cases alter the entire approach to the property and in most cases determine the direction of target marketing.

Pest and Building Inspections and Site ID Surveys:



The presentation and marketing of a property, particularly if auction is the preferred sales method, must contain as much information as possible to enable buyers to make quick informed decisions. We recommend that these reports be prepared in advance so that they may be made available for viewing by interested parties. Momentum is everything in a sales campaign and having these available ensures that buyers are well informed and able to proceed quickly with confidence.

Effective Negotiation Skills

Effective negotiations can only be conducted with knowledge and experience. We are in the business of professionally marketing and selling real estate; we know our market and we negotiate with confidence, backed by sound market intelligence. It's our personable but "no nonsense" approach that gets results and respect.

Clear and Open Communication with Vendors



The real estate market is very dynamic and can change by the day. Buyers come and go and property's may sell, or fail to get a bid. Even the best planned marketing campaigns may not result in the desired result within the required timeframe.

As agents we do not set the selling price, we only determine an opinion of what we believe it is worth by extensive research, and then negotiate the best price possible from those buyers that are in the market at the time.

When conveying buyer feedback to our clients we don't filter or manipulate it; we will be laying out the good with the bad. What we won't do however, is convince you that you should sell just because there is only one bidder who has made an offer below our expectations. Your individual requirements and our time and effort will determine the outcome, and we are willing to put in the hours to achieve it. Our reputation is on the line as well and we won't compromise for our own short term benefit.

ONE OF THE PRIVILEGED FEW



This exceptional location is deserving of an exceptional residence.
Refurbish the already substantial freestanding home or fully redevelop.
Zoning: Residential C Land: 556m² approx

Beds 5 Baths 4.5



FOR SALE
INSPECT: By Appointment Only
EMAIL: ianpeacey@pacificpropertygroup.com.au
Ian Peacey 0418 658 172







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A SELECTION OF PAST SALES

RESIDENTIAL

	5 Bedroom House	McMahons Point	\$5,500,000
	2 Bedroom Apartment	Mosman	\$495,000
	2 Bedroom Apartment	McMahons Point	\$770,000
	5 Bedroom Duplex	McMahons Point	\$3,975,000
	4 Bedroom House	North Sydney	\$1,760,000
	2 Bedroom Apartment	Mosman	\$665,000

COMMERCIAL & DEVELOPMENT SITES

	<p>Site consolidation and sale for development of retail shops and units. (Showing finished development)</p>	<p>Mosman</p>	<p>\$6,800,000</p>
	<p>Retail shop and residence</p>	<p>Mosman</p>	<p>\$2,800,000</p>
	<p>Prestige residential site consolidation and sale of 3 properties. (Completed development)</p>	<p>Manly</p>	<p>\$8,800,000</p>
	<p>Consultation, DA and sale of site for 6 villas (completed development)</p>	<p>Mosman</p>	<p>\$3,500,000</p>
	<p>3 Bedroom commercial/ residential semi</p>	<p>McMahons Point</p>	<p>\$1,060,000</p>
<p>OTHER</p>	<p>Bradleys Head Private Hospital Sold for future development</p>	<p>Mosman</p>	<p>\$2,065,000</p>

Consultancy Services

Property Sourcing and Purchasing.

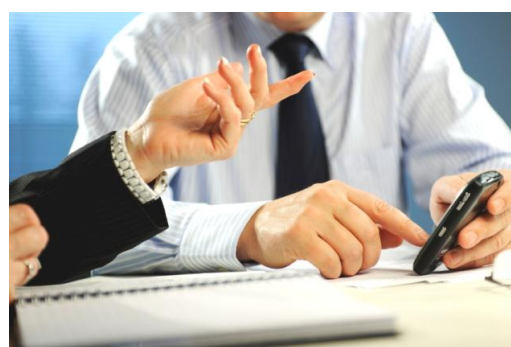
Over the years Ian has assisted many clients in sourcing and purchasing property. His experience and practical approach can be very helpful in identifying the correct property, providing his opinion on its future potential and indicating his opinion of price. In some cases he may assist in negotiating a price on your behalf.

Development Consultancy.

Pacific Property Group offers a preliminary development consultancy service enabling us to provide a well researched opinion on the potential viability of each project.

Services provided:

- ♦ Site sourcing
- ♦ Market and demographic analysis
- ♦ Initial town planning investigations
- ♦ Architectural feasibilities
- ♦ Initial financial feasibilities
- ♦ Conflict resolution



Developing is a complex business and requires input from a number of professions. Pacific Property Group offers assistance in the initial feasibility stages, particularly from the position of being “on the ground” and close to the market from a design criteria and sales point of view. For example, we are able to assist in advising what size and style of apartments will be sought after in a particular location and what we would expect them to sell for. To take this information forward, many other specialists will be required. Pacific Property Group has access to an extensive network of these professionals, including:

- ♦ Architects
- ♦ Town Planners
- ♦ Engineers
- ♦ Valuers
- ♦ Land and Property Surveyors
- ♦ Quantity Surveyors
- ♦ Finance Brokers
- ♦ Financial Advisors
- ♦ Insurance Brokers
- ♦ Taxation Professionals
- ♦ Specialist Property Lawyers

Conclusion:

Ian has gained a broad knowledge of real estate over the years and can advise with confidence on a number of its sectors including residential, commercial and development consultancy.

We have detailed the importance of what we term “Intelligent Investment Management” and how its implementation can have a marked effect on your returns.

We have made it clear that where we feel external professional assistance is required, we are happy to recommend or engage these services on your behalf.

We have highlighted that all of this expertise exists under the one roof and the information can be drawn from any of these sectors, in most cases instantly.

If you wish your investment to be handled by people that understand the complexities that it may involve and that have the experience to deal with it, then we invite you to talk with us.

“It is our professional, practical, no-nonsense approach that defines us as a company”

Ian Peacey
Managing Director



2010



Ian Peacey
Managing Director

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