



## A Unique Opportunity to Buy in the Beautiful Whitsundays

***"Airlie Beach has one great advantage going for it, despite being a beautiful place to live.***

***They have basically run out of land"***

*(Financial Review January 6-7, 2007)*

### Welcome to resort living at Tranquile in the Whitsundays

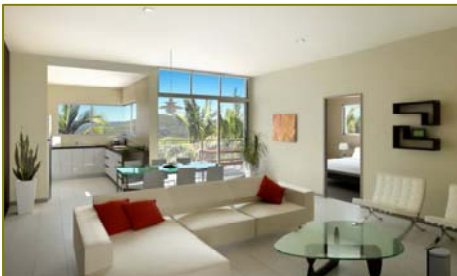
#### Where is the Whitsundays?

Whitsunday Shire is approximately 125 km north of Mackay and 250 km south of Townsville, and is centred around Hamilton, Hayman, Daydream, South Molle, Lindeman, Brampton and Long Island. The islands are readily accessible by fast cataraman ferries out of Shute Harbour, which is the second busiest harbour in Australia after Sydney.



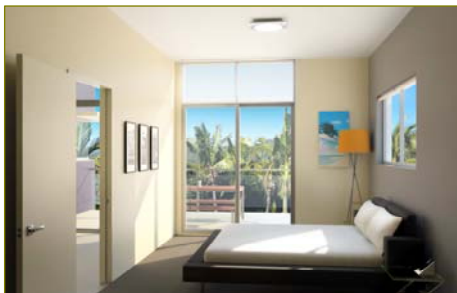
#### Where is the Tranquile resort project?

Tranquile is located at Manooka Drive, Cannonvale, just 3.5 kms from Airlie Beach. The main access route into Airlie Beach, Shute Harbour Road passes through Cannonvale.



#### What is the Tranquile resort project?

- Tranquile is a mixture of 2 and 3 bedroom townhouses and apartments, plus some dual key 3 bedroom apartments set on a 2.15 hectare site
- Central lagoon style pool, spa and sauna
- Intercom security



#### Why is Tranquile such a SOUND investment?

The underlying reason is that there is very little land left to be developed in the area as it is surrounded by National Parks.

The median price for land in the 12 months to June 2006 increased by 45.6%, and the five year annual growth rate to June 2006 was 33.6% (Source: PRDnationwide Whitsunday Research & RP Data). So it doesn't matter what you build on it, if the cost of your land is going up at that rate, then that is where tomorrow's capital growth in residential property will flow from – the lack of supply to meet demand.



## Why invest in Tranquile?

Wisdom states that you make your profit in an investment property deal not when you sell but when you buy – and that is the opportunity you have with Tranquile – the opportunity to buy off the plan, and obtain all the advantages that come with that.

The most common reason for buying off-the-plan is the attraction of buying a new property at today's prices but not having to pay for it right away. In a strong property market this locks in the price so that when it comes time to settle on the property you already have built in equity through capital growth during construction of the project.

And you can enter into the contract by just putting a 10% deposit bond in place for a minimal outlay.



## Capital Growth

Your best tool for predicting future capital growth is undoubtedly past performance – if a location has shown sustained growth over a reasonable period in the past, you can rest assured that unless something drastic has happened, then the same fundamentals will provide for similar growth into the future.

*The Cannonvale Unit/Townhouse/Duplex Annual Median Price Growth Rates as at December 31, 2006 were as follows:*

|                              |            |
|------------------------------|------------|
| Last Ten Year's Growth Rate  | 14.9% p.a. |
| Last Five Year's Growth Rate | 25.9% p.a. |
| Last Year's Growth Rate      | 25.0% p.a. |

Of the 79 units/townhouses/duplexes sold in the six month period ending December 2006, 53 were re-sold properties. These properties were held for an average time of four years and generated an average capital growth of 15.9%. (Source: RP Data)

## What is happening in Airlie Beach and Cannonvale?

Current and planned projects providing continuing employment and spending into the local economy include:

- A \$750 million golf course resort to be built over the next ten years
- Gold Coast-based Resort Corp's \$130 million five-star resort and convention centre
- \$120 million first-stage integrated residential estate by Clough Property Developments Pty Ltd

These developments join another \$1 billion in projects already approved and waiting to start plus another \$1 billion worth of development under way, which include the \$500 million Port of Airlie Marina which will add 240 marina berths, a hotel and luxury residences.



## What is so special about Airlie Beach/Cannonvale?

From an investor's point of view – the place is landlocked by its natural surroundings. It is squeezed between the Great Barrier Reef (which was World Heritage listed in 1981) and the Conway Range National Park, leaving only a narrow strip of available land and most of this is already developed. It is a simple matter of demand chasing too little supply – and as another wise man once said – "They ain't making any more land!"

*From a visitor's point of view – they come for the beaches, weather, sailing, scuba diving or snorkeling and the Reef.*

*(Roy Morgan Research – Brand Positioning Research, 2004).*

*And they come in their droves – 541,000 domestic and 213,600 international visitors in 2006 stayed a total of 3,703,300 nights in the Whitsundays (Tourism Research Australia – National Visitor Survey).*

## The Whitsundays A Real Estate 'hot spot' ... now it's official!



Australian property research guru Michael Matusik confirmed that the Whitsundays was a real estate "hot spot" when he addressed the PRDnationwide Whitsunday Development Luncheon on Friday April 20 2007.

Mr Matusik said the region "well and truly" met the criteria for sustained price growth which included a strong rate of sale and re-sale, increased investor interest, rising rents and limited supply of new properties.

According to Matusik, the Whitsundays are underpinned by a buoyant Queensland economy which continues to benefit from a rising population and excellent employment prospects.

"You read a lot about so-called hot-spots but there's no doubt that the Whitsundays meets all the requirements for long-term growth," he said. "Queensland developer Resort Corp will build a new resort in Airlie Beach as part of a \$1 billion rollout of a series of Balinese inspired resorts" Midwood Australia May 07 report

### Whitsunday Property Market

Whitsunday's market as follows for units;

- Shortage of rental accommodation relative to demand
- Rental vacancy tightening
- Strong Demand for new units
- Stage of Property Cycle – Rising market

Source: Herron Todd White Units Jan 07 Snapshot

*"Because of the geographic constraints on further development, the Airlie Beach residential market is a supply-driven one. According to Whitsunday Development Corporation, there is room for only another 3,500 dwellings in Airlie Beach. Given the expected growth in numbers of permanent residents and tourists, it will not be many years before this supply is extinguished. The supply-driven nature of the market is reflected in the lack of dwellings on the market at any one time."*

3.8.05 PRD Market Research Report.

### Projected Rental Returns

Expected Permanent Rental Returns, unfurnished, based on

- Residential unit 2 bedroom, 2 bathrooms, 1 car garage, 124m2 NFA, \$400 per week.
- Residential unit 3 bedroom, 2 bathrooms, 2 car garage, 124m2 NFA, \$420 per week.
- Residential unit 3 bedroom, 2 bathrooms, 2 car garage, 140m2 NFA, \$450 per week.

Source: JLA valuation dated 18/7/07

### Tourism

*"The Whitsunday's offers a unique combination of water, reef, island and coast and attract nearly 700,000 visitors per annum. In the year ending December 2004, 40% of all visitors to the Whitsunday's were domestic intrastate visitors, 35% were overseas visitors and 25% were domestic interstate visitors."*

3.8.05 PRD Market Research Report.

*"11% of all international visitors to QLD will visit the Whitsundays, making it the fifth most popular destination in QLD behind Brisbane, Carins and Sunshine Coasts."*

3.8.05 PRD Market Research Report.

*"Each year 3.1 million visitor nights are spent in the Whitsundays."*

3.8.05 PRD Market Research Report.



### Infrastructure

Expansion of the rail and port infrastructure is also underway or planned. Dalrymple Bay Coal Terminal at the Port of Hay Point are reviewing expansions that may total over \$850 million. The Hay Point coal terminals and some coal mines are now being expanded at a cost of \$254 million and future expansions are under consideration. The Ports Corporation is also spending \$50 million at the Port of Hay Point.

The **Mackay Whitsunday region** is the black coal mining capital of Queensland. In 2003-04, there were 45 coal mines in Queensland: 34 open-cut and eleven underground. In the Mackay and Whitsunday region there were eighteen operating mines, sixteen open cut and two underground.



The world is demanding more coal from the region, particularly coking coal to feed industry. To put it into context, coal exports in 2003-04 were valued at \$4.5 billion - 76 percent of Queensland's exports and 41 percent of Australia's exports. The region's mines employ more than 6,000 people and 9.8 percent\* of all Queensland mining businesses (81 businesses) are located here.

*\*1998 ABS Business Register, Unpublished data, 2001 Geographical Boundaries*

### Mackay Whitsunday competitive advantages

- Large black coal deposits suitable for large scale, low cost mining methods, providing the basis of a world class coal mining province
- Bulk transport facilities include electric rail systems and two ports dedicated to the efficient transport and storage of black coal
- An established industry services sector, based on a solid nucleus in Mackay city, maintains the coal mining industry throughout the Bowen Basin
- Regional education institutes with a mining and engineering research focus
- Mackay chosen as location for Queensland Mining Centre of Excellence

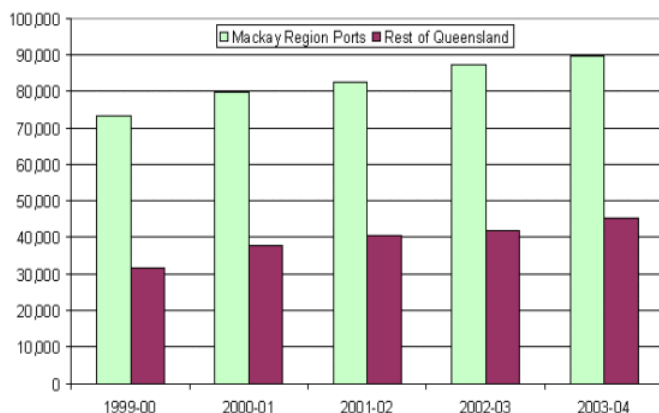
Corporate players in the region include BHP Billiton Mitsubishi Alliance (BMA), BHP Billiton Mitsui Coal Pty Ltd, Anglo Coal Australia Pty Ltd, Xstrata, Peabody Energy Australia Pty Ltd, Rio Tinto Coal Australia Pty Ltd, Australian Premium Coals Pty Ltd and Macarthur Coal. These companies are on the leading edge of coal mining innovative technology. Macarthur Coal plans to recover millions of tonnes of otherwise useless coking coal dust from tailing dams throughout the Bowen Basin. When mixed with weaker blends of coking coal the result is strong lump coal suitable for steel making.

*"As a new entrant into the Mackay region market place, we have been pleasantly surprised with the level of sophistication, quality control and attention to detail exhibited by most businesses in the region. It is refreshing to see such a high level of commitment to customer service."*

**Greg Smith, General Manager - Operations, Prime Infrastructure**

### Looking ahead

Future growth opportunities in the region are excellent. The bulk of its production is coking coal for furnaces. And as the world's industry expands, especially in China, the export of coking coal from the Mackay Whitsunday region expands with it. Coal production is expected to increase five to thirteen percent per annum to 2009-10 in Queensland - with similar growth rates predicted for Mackay.



### Coal Exports ('000 tonnes)

Source: ABS international trade statistics

Existing mines are being expanded - for example, the Rio Tinto new Hail Creek mine is increasing from eight to thirteen million tonnes per annum. Several new mines are under construction, while another twelve projects either have production leases or have submitted applications. BHP Billiton has announced plans to be a 100 million tonne coal company over the next decade, which will entail doubling production of coal in the Mackay Whitsunday region.