



Project Luxuria

BlueMount Capital is exclusively mandated to assist Project Luxuria (“Luxuria”, “the Company”, “the Group”) with raising up to \$2,000,000 in convertible debt or equity as a joint venturer at the developer platform level, and in addition debt and equity to finance \$150m for a pipeline of the Company’s property development projects in Brisbane and on the Gold Coast (“the Projects”).

Project Luxuria has a strong track record and the expertise to manage and deliver every aspect of the property development process, across commercial or residential projects. This is an opportunity for an investor or funder to partner with Project Luxuria to generate returns from the Australian property markets and to be involved in world class development opportunities.

Company Overview	
Based	Brisbane, Australia
Number of Employees	6 plus contractors
Type of Developments	Residential, commercial, hotel, retail or mixed use destinations
Current Pipeline	3 Projects [#]
Project Locations	Brisbane and Gold Coast
Project Status	Completed, under construction or under planning
Debt / Equity Requirement	Up to \$150m+
Type of Raise	Debt and equity
Investment Structure	Invest at the Company level or at Project level
Use of Funds	Purchase of land and/or construction and working capital finance
Exit	Sale of the completed residential properties

[#]Please refer to pages 2 and 3 for the project information.

Please note all currency in this document refers to AUD unless otherwise indicated.

INVESTMENT OPPORTUNITY FOR s708 QUALIFIED INVESTORS ONLY

* <https://www.qgso.qld.gov.au/statistics/theme/population/population-household-characteristics/growth-highlights>

Key Highlights

- Project Luxuria is headquartered in Brisbane, Queensland, Australia, and has extensive development and development management experience in residential and commercial properties, hotels and retail projects;
- Strong management and development team with extensive experience of 25 to 38 years in property development, town planning, architecture, construction and real estate sales in Australia;
- In particular, Project Luxuria has a strong reputation and track record of delivering luxury apartments / properties in Brisbane and on the Gold Coast;
- The Projects are located in Brisbane and on the Gold Coast, the fastest growing areas in Australia with increasing population and demand for residential and commercial properties, hotels and retail*;
- The Projects are centrally located and well positioned to serve current and future residents, tourists and travellers;
- **Given the convenient locations and strong demand from investors and buyers for the residential properties as well as tenants for the commercial properties and retail, the Projects are well received in the market;**
- **Investors are expected to generate overall consistent returns given the current demand;**
- The business has not seen a decrease in pre-sales due to COVID-19.

Ask

The Company is looking for up to \$2m at the Company level and up to \$150m in debt or equity to finance all or part of the Projects. The investors and funders have the flexibility to invest at the Company level or the Project level. Please see page 4 for details.

The closing date of this offer is 31st December 2020.

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The Company

Founded in 2012, Project Luxuria is a property development and construction group lead by a team of qualified and experienced personnel. Project Luxuria's seamless integration of professional property services enables the Company to provide expert advice and assistance at all stages of the property development process, including initial financial feasibility analysis, development site selection, obtaining building permission and approvals, building interior fit-out, marketing and sales. The Company works with investors, funders and developers in joint ventures to achieve profitable real estate investment and funding opportunities.

Project Luxuria specialises in identifying and developing medium to high density extra luxury residential properties. In addition, the Company has extensive experience in advising and managing the development process for commercial properties, hotels and retail for its clients.

Project Luxuria's team consists of people with a diverse and extensive background in the property industry with a track record of delivering successful projects in Australia.

Project Luxuria recently completed projects in Toowong (Brisbane) and Broadbeach (Gold Coast).

The Company has also completed many design and management consultancy roles for corporate clients.



Image above: A completed project in Toowong

The Projects

Please note the summary of each of the Projects below.

1. Main Beach

- Location: Situated at Main Beach, Gold Coast, this Project is centrally located within an extensive public transport network and close to various amenities, including but not limited to Main Beach, restaurants, supermarkets, fast food shops, shopping centres, etc.;
- Type of property: 28 full floor luxury apartments priced from \$2.2m;
- Project status: Development Application ("DA") approved with approx. \$10m in presales and registrations for another 45 applications;
- Estimated completion date: July 2022;
- Estimated gross realisable value: \$87m;
- Estimated development costs: \$58m;
- Amount required: \$7m equity.



Image above: Main Beach project

2. Toowong

- Location: Situated in Toowong, Brisbane, this Project is centrally located within an extensive public transport network and close to various amenities, including but not limited to Toowong Village, restaurants, supermarkets, fast food shops, etc. The Project is located at the riverfront and all the apartments will have full Brisbane River views;
- Type of property: 15 full floor apartments;
- Project Status: DA estimated to be approved within 8 months as it is code accessible;
- Estimated completion date: July 2023;
- Estimated gross realisable value: \$57.5m;
- Estimated development costs: \$33m;
- Estimate return on capital: 26.5%;
- Investment to date: \$350k;
- Amount required: \$12.5m equity and \$18.5m debt.



Image above: Brisbane CBD



Image above: A completed project at Broadbeach

3. Broadbeach

- Location: Situated at Broadbeach on the Gold Coast, this Project is centrally located within an extensive public transport network and close to various amenities, including but not limited to Broadbeach, restaurants, supermarkets, fast food shops, shopping centres, etc.;
- Type of property: 28 luxury full and half floor residential apartments rising over 28 stories, plus a 200 room hotel over 22 stories;
- Estimated completion date: June 2023;
- Project Status: Updated Development Application (“DA”) to be submitted in November 2020, DA estimated to be approved in May 2021, marketing and sales to commence in February 2021;
- Estimated gross realisable value: \$89m;
- Estimated development costs: \$77m;
- Estimate return on capital: 25% to 27%;
- Investment to date: \$2.7m;
- Amount required: \$18.5m equity and \$58.6m debt.



Image above: Gold Coast

Use of Funds and the Ask

The Company is looking for strategic parties to invest up to \$150,000,000 in debt and equity to finance all or part of the Company’s property development projects.

The following options are available to investors/funders:

- Option 1: Invest at the Company level by providing equity or a convertible note of up to \$2m to the Company and get access to a portfolio of high quality development projects; or
- Option 2: Finance each of the Projects through equity, debt or convertible notes for up to \$150m and have exposure to individual projects.

The Company is flexible in discussing proposed investment structures and funding arrangements with interested parties.

Exit Strategy

The Company proposes to sell the completed residential properties and other properties once fully leased.

The Market

- Population growth

According to the latest Australian official population estimates¹, Queensland's preliminary estimated resident population at 31st December 2019 was 5,129,996 persons (20.1% of the Australian population). This reflects an increase of 79,336 persons over the previous 12 months, and 17,065 persons since 30 September 2019.

Queensland recorded a population growth rate of 1.6% in the 12 months to 31st December 2019, above the national average (1.4%). Natural increase made the largest contribution to population growth in Queensland in the 12 months to 31st December 2019 (36.9%) followed by net overseas migration (34.2%) and net interstate migration (28.9%).

"Queensland has always prospered by population growth, and the last 10 years prove nothing's changed"². The high performers in population increase include the Gold Coast (25.1%), Brisbane (21.5%) and Cairns (14.3%).

With record population growth, strong jobs growth, demand for residential and commercial properties and retail is anticipated to continue at high levels.

- Infrastructure projects boom

Queensland has planned / is undergoing a number of infrastructure projects across the State and the following projects are some of the examples:

1. New Second Runway

The new second runway of the Brisbane Airport commences operations in July 2020 which is expected to bring more visitors to Brisbane. Hence, the demand for hotel accommodation and other services in Brisbane is also expected to increase. The runway represents an effective doubling of Brisbane Airport's capacity, drawing comparisons with Singapore's Changi and Hong Kong International Airport.³

2. More direct flights to Brisbane globally

More direct flights are expected to arrive in Brisbane from Asia, the US and Europe. Hence, the demand for hotel accommodation and other services in Brisbane is also expected to increase.⁴

3. Queen's Wharf - \$3.6b project in Brisbane

Chow Tai Fook and Far East Consortium are developing a world-class integrated resort development project in the Brisbane CBD which will consist of residential apartments, hotels, office buildings and retail⁵.

4. Cross River Rail

Cross River Rail is the largest infrastructure project in Queensland's history. It will cost about \$5.4 billion to build and will be finished in 2024. It will consist of a 10.2km rail track stretching from Dutton Park, near the Princess Alexandra Hospital south of the CBD, to Bowen Hills, on the northern edge of the CBD. It will include six kilometres of twin tunnels running under the Brisbane River and the City.⁶

With more infrastructure projects, there is a growing demand for hotels, residential and commercial properties and retail in Queensland.

- Growth in migration

A number of Government migration visas are reopening and we expect an increase in overseas wealthy migrants coming to Queensland, of which most are expected to go to Brisbane and the Gold Coast which are the larger cities in Queensland⁷.

Summary:

With good affordability, a stable Australian dollar and reasonable yields in Brisbane and on the Gold Coast, as well as increased infrastructure spending, strengthening employment prospects and rising net interstate migration, the property prices at the above locations are expected to increase in the coming years⁸.

¹Information from Queensland Government website (<https://www.qgso.qld.gov.au/issues/3091/population-growth-qld-201912.pdf>)

²Information from REIQ website (<https://www.reiq.com/articles/a-10-year-stocktake-queenslands-property-market/>)

³ Brisbane Airport website (<https://www.bne.com.au/corporate/projects/brisbanes-new-runway#:~:text= Brisbane%27s%20New%20Runway%20is%20the,effectively%20doubling%20our%20current%20capacity.>)

⁴ Flightglobal website (<https://www.flightglobal.com/networks/brisbane-airport-readies-for-new-runway-operations/135577.article>)

⁵ Queen's Wharf website (<https://queenswharfbrisbane.com.au/construction/project-timeline/>)

⁶ Brisbane Times website (<https://www.brisbanetimes.com.au/national/queensland/what-is-cross-river-rail-when-will-it-be-finished-and-why-do-we-need-it-20200424-p54mul.html>)

⁷ Queensland Government website (<https://migration.qld.gov.au/>)

⁸ Property Observer website (<https://www.propertyobserver.com.au/forward-planning/investment-strategy/market-trends/107162-brisbane-to-outshine-sydney-and-melbourne-dwelling-prices-in-2020-westpac.html>)

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Image above: Broadbeach project



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