

Premier Melbourne Property Developer

An opportunity exists to acquire a 50% stake in one of Melbourne's premier property developers.

Overview

The Business was established more than 30 years ago, and has completed over 70 profitable developments including a number of very large and high profile projects around Melbourne and surrounding suburbs.

Projects have been diverse in scope, size and complexity, including a mix of residential, commercial and mixed-use developments.

Projects have included broad acre development, high rise developments, inner city, outer metropolitan, commercial, retail, residential, shopping centres as well as a range of budget focused projects.

The Business has a strong reputation in the marketplace, which enables it to maintain a strong, competitive position.

The Business is very well connected in the market place, which is a major advantage in both sourcing as well as executing new projects.

Projects have been completed for both the private and State Government sectors.

There are currently 19 projects in progress (6 forecast to be completed by December 2017) representing a gross realisation of circa \$1 billion with an average IRR between 25% - 35%.

Further there are another 17 projects in the future pipeline representing a gross realisation of circa \$1 billion, which are awaiting final internal approval to commence development.

The Business has a strong, long standing and experienced management team.

The management team are heavily incentivised to deliver quality projects whilst maximising returns.

Strong relationships exist with a number of providers, including architects, builders, engineers and financiers.

Investment Highlights

Reputation of providing a **service delivery** unmatched by their competitors.

A service delivery focus has ensured **long standing and diverse key customer relationships** in the private and public sectors.

Strong track record of delivering **quality and profitable developments** with an average completed IRR between 25% - 30%.

A **diverse project base** spanning residential, commercial, mixed use and land developments.

A strong and experienced management team, incentivised to deliver quality projects whilst maximising returns.

Strong current and future project pipeline forecast to deliver in excess of \$2 billion in end value.

All projects are funded by developers equity and mainly senior debt. To deliver the current project pipeline, maximum developer equity contribution is \$100 million. This is a scalable business for very little additional increase in corporate overhead.

Growth Opportunities

Despite current capital constraints, the gross realisation of the **future pipeline of projects already exceeds \$1 billion**.

Increased access to capital **will enable the Business to undertake more projects** which are not possible with current capital constraints.

Based on existing customer relationships, there is an opportunity to **expand the business geographically**, to assist in competing with national developers.

The Business's reputation, strong track record and long standing relationships in the marketplace provide an **ideal platform for growth**.

31

Years in operation
with Executive Chairman

70+

Completed
profitable **projects**

25–30%

Average
completed **IRR**

\$5–\$130
million million

Completed
project values

19

Projects in progress
(6 forecast to be completed by December 2017)

25–35%

Average target **IRR**
in progress

\$6–\$215
million million

Current project
values **in progress**

17

Future
projects

\$313
million

Projected
returns

Enquiries should be directed to:

John Blight

Director

T + 61 3 8635 1882

M + 61 413 480 732

E jblight@shinewing.com.au

Riley Lengrand

Consultant

T + 61 3 8635 1801

M +61 410 665 267

E r.lengrand@shinewing.com.au



shinewing.com.au

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