



STRATEGY

As a follow up to our strategic planning process I am pleased to advise that we have made recommendations to the Board of Directors that essentially outline 5 focus areas :

- ① To reassess the design of current pending projects so as to optimise buyer demand and project financial outcomes.
- ② To undertake an acquisition strategy that once established, develops a volume and cycle of projects so as to deliver consistent profitability over time.
- ③ To reconsider the design and specification of the Longevity product so as to ensure that post-COVID buyer demand is met in what is forecast to be a crowded market.
- ④ To approach property-centric funds management institutions so as to provide an improved return on cash invested, and to open up alternative avenues to project financing.
- ⑤ To utilise the current low project activity to reassess the business operations so as to provide the most efficient overhead structure prior to building scale.

We are pleased to announce that the Board has recently appointed 2 new Directors, their experience and capability will be shared with you in November, however we welcome John Coulson and Matthew Chun.

You will appreciate this COVID-environment within which we now live has produced a number of uncertainties, and we won't have answers to all of this just yet. The following is an example of some further enquiry that we will continue to seek external support for, as we continue to refine our strategy moving forward:

- 1 What is the impact of COVID-19 on price point, demand and location in relation to our previous strategy to predominantly support the retiree market?
- 2 What does a post-COVID real estate environment look like in our specific development locations in relation to buyer profile and product? Do we need to look elsewhere?
- 3 How do we develop a unique product that will promote the 'forever home' concept yet accommodate a longer life cycle of buyer - from young professional to family unit through to retiree, for example?



RISKS

And finally, for some specifics to update you in relation to current projects, we will:



PROJECTS

- 1 Continue with our marketing initiatives and sales strategy aiming to sell-out the final 5 Avenue Rise apartments over the next 6 months.
- 2 As demand for Kings Vue townhomes has been minimal for an extended period we will suspend current marketing and return with a different approach in February 2021 - allowing 6 months pre-completion to enable a sales strategy more aligned with what should be known by, then in relation to a post-COVID real estate market.
- 3 In relation to The Reserve site next door to Kings Vue and in line with the perceived reduced demand for this product in this location and increased construction cost estimates, we will model a freestanding housing development as an option to consider in order to reduce risk and provide optimum financial outcomes.
- 4 Whilst reconsidering the design specification at Castle Rise in order to contract the most efficient construction price we will aim to pre-sell 5 townhomes prior to commencing construction.