

WA NDIS Property Opportunities

"Beautifully designed homes built to maximise daily independence"



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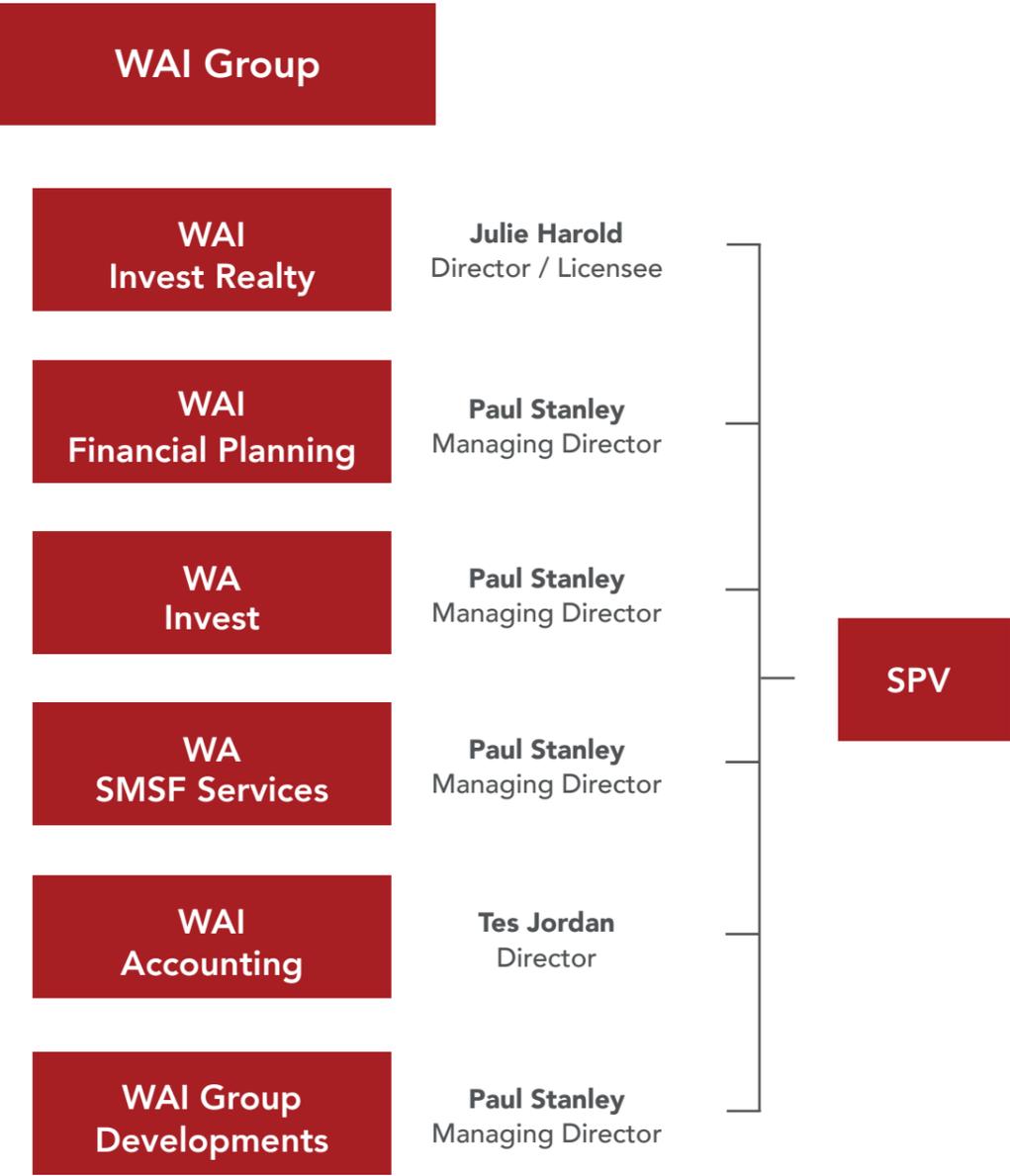
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Organisational Chart



Introduction

WAI Group Developments has been a provider of affordable and NRAS accommodation for many years. Our objective is also to be a provider of SDA housing assets for leading disability service providers.

We seek to deliver quantifiable social impacts, as measured by the number of people with disabilities that are able to move from less suitable accommodation settings and/or enjoy independent living for the first time as a result of our investments.

We aim to build a portfolio of architecturally designed and furnished residential houses, town houses or apartments that SDA participants are proud to live in.



About NDIS

What is the National Disability Insurance Scheme (NDIS)?

There are around 4.3 million Australians who have a disability. When it is fully rolled out, the National Disability Insurance Scheme will provide about 460,000 Australians aged under 65, who have permanent and significant disability with funding for supports and services. For many people, it will be the first time they receive the disability support they need.

What roll does the National Disability Insurance Agency (NDIA) play?

The National Disability Insurance Agency (NDIA) is an independent statutory agency. Their role is to implement the National Disability Insurance Scheme (NDIS), which will support a better life for hundreds of thousands of Australians with a significant and permanent disability and their families and carers.

What is Specialist Disability Accommodation?

For some participants, the NDIA will fund Specialist Disability Accommodation (SDA). SDA refers to accommodation for people who require specialist housing solutions, including to assist with the delivery of supports that cater for their extreme functional impairment or very high support needs.

There are a number of different housing solutions and/or supports a participant will consider alongside their individual circumstances and disability support needs when determining the best housing solution for their situation.

SDA funding under the NDIS will stimulate investment in the development of new high quality dwellings for use by eligible NDIS participants.

What is the demand for SDA?

The accommodation market for the estimated 28,000 of the more than 400,000 participants in the NDIS who are likely to qualify for SDA is chronically undersupplied, with around 12,000 of those participants in most immediate need of more suitable accommodation.

The SDA scheme has been designed to address this chronic undersupply. Through it the federal Government is striving to motivate private investment (such as that to be made by the Fund) of circa \$5Bn in its bid to see sufficient brand-new residential properties built for inclusion in the scheme.

To achieve this, the federal government has committed circa \$700m per annum in SDA scheme funding from the overall NDIS budget of circa \$20Bn per annum.



About ACTIV

As Western Australia's largest provider under the National Disability Insurance Scheme (NDIS), ACTIV provides personalised support to help those accessing their services to live the life they choose.

ACTIV want to make sure each participant can achieve their unique goals by delivering the best service they can in a way that is tailored to suit each individuals needs.

Achieving and maintaining a level of independence in your own home is a key focus for many people with a disability. ACTIV provides shared and independent living options that support everyday living whilst also supporting independence.

Each new customer who comes to ACTIV looking for accommodation is supported to find the right living option that helps them to meet their goals. Great care is taken to meet the individual's needs with respect to compatibility, family support, and access to employment or alternatives to employment services.

Services ACTIV offer include:

- Accommodation
- Employment
- Community
- Short Term Accommodation
- Education & Training

ACTIV is a substantial disability provider and this development is for a number of their existing participants to move into.



COMMUNITY HOUSING LTD

About Community Housing Limited (CHL)

Community Housing Limited is the largest community housing provider in Australia with currently 11,500 properties under management of which 1,800 are tenanted by people living with a disability. CHL provide a range of tenancy management and property maintenance services for government agencies, private investors, not-for-profit entities and for tenants of CHL's owned housing stock.

In CHL's Tenant Satisfaction Survey 2019 the company achieved an 86% overall satisfaction across all the states that CHL is active in.

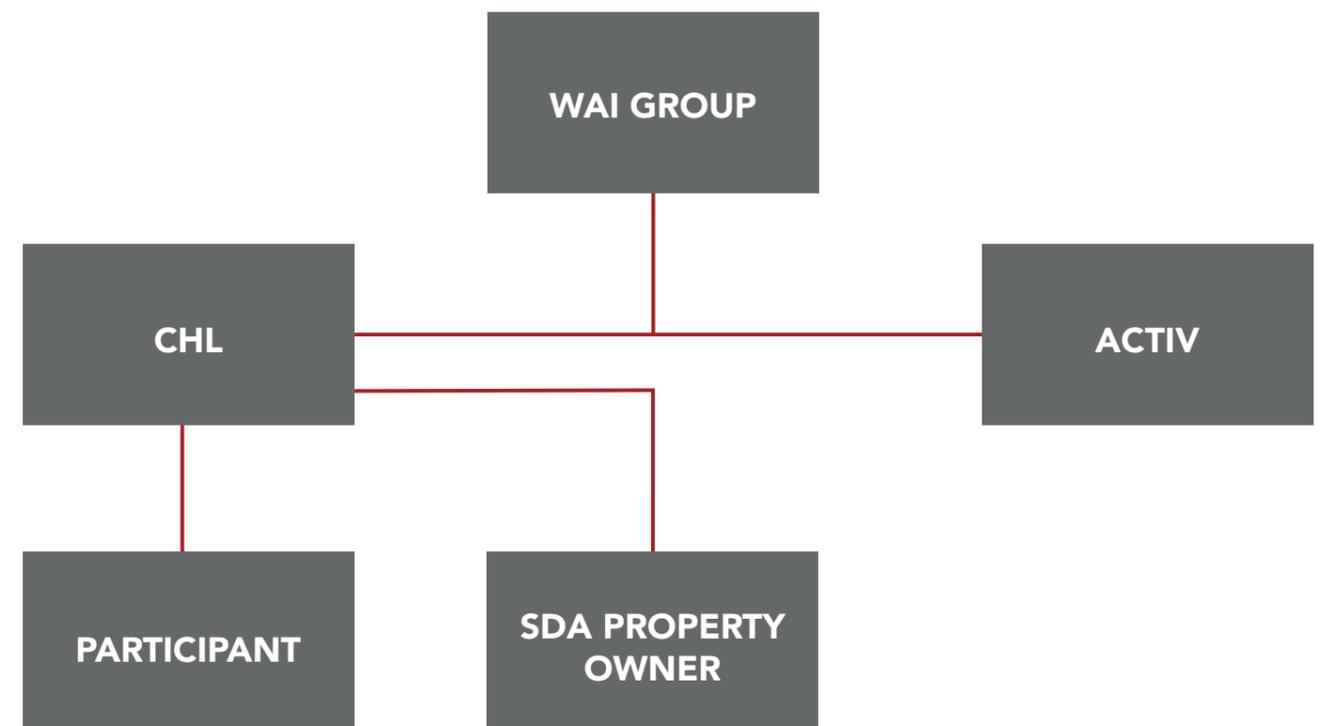
CHL has over 25 years of experience in developing and managing quality accommodation for people with a disability. CHL's diverse housing developments have created vibrant and inclusive communities that allow people to have their own space and amenity while at the same time they connect with the broader community. CHL's dwellings are architecturally designed and comply with Australia's disability accommodation design standards.

CHL has a proven track record in working collaboratively in partnerships with government agencies, other not-for-profit entities and private sector financiers, builders and developers.

CHL work with people with disabilities, their families and support providers to jointly develop personalised housing to ensure customers well-being in their new homes.

Organisational Chart

The following chart describes the relationship between WAI Group, CHL, Participant, ACTIV & SDA Property Owner.





Western Australian Economic Overview

Despite the effects of COVID-19 Western Australia is seeing positive signs of recovery and growth in 2020.

As Australia's most trade-orientated state, recent news looks positive for WA with Australia's resources sector remaining a key contributor to the county's economy with export figures highlighting its resilience as the COVID-19 pandemic impacts global markets¹.

Total resources and energy exports increased by nearly 34 per cent in March to \$68.9bn compared to the previous month and 2 per cent more than the same period the previous year¹.

**"These figures show just how important the resources sector is to our economy and how resilient it's been in the face of the COVID-19 pandemic."
- Minister for Resources, Water and Northern Australia Keith Pitt.**

Iron ore, approximately 98% of which comes from WA², remains the star performer of the sector following a 36 per cent monthly increase during March worth \$8.9bn for the month, a 47 per cent increase on last year¹.

WA major mining projects continue to push forward with BHP, Rio Tinto and Fortescue Metals Group building new iron ore mines — all at the same time.

- » BHP's South Flank mine - \$4.5Billion
2,500 construction jobs, 600 fulltime jobs
- » FMG's Iron Bridge Expansion - \$3.7 Billion
3,000 construction jobs, 900 fulltime jobs
- » Rio Tinto's Koodaideri mine - \$3.5 Billion
2,000 construction jobs, 600 ongoing jobs
- » FMG's Eliwana mine - \$1.7 Billion
1,900 construction jobs, 500 ongoing jobs



In major project updates, Mark McGowan has signalled the completion of the tunnel for the Forrestfield-Airport Link and says that all six Metronet projects will still go ahead in 2020³.

The premier hailed the "milestone" completion of the tunnel, highlighting the importance of "confidence-building projects" especially during COVID-19³.

More than 700 jobs have been linked to the Forrestfield-Airport Link, with Mr McGowan pointing to five other similar projects set to go ahead³.

"Over the course of this year there will be six major construction work projects associated with Metronet". - Premier Mark McGowan³.

In property news, the latest results released by CoreLogic has delivered fantastic news to Perth Homeowners. Despite the effects of COVID-19, Perth's median price for houses and units was \$448,355 at the end of April, amounting to a 0.2 per cent rise for the month and a 1 per cent quarterly increase⁴.

The rental market has also seen positive growth with Perth being the only capital city to experience a lift in rents in April at 0.1 per cent⁴.

In more good news for the property market, ANZ Economist Adelaide Timbrell recently released housing price forecasts by capital city. The forecast shows that Perth will start to see improvement in 2020/21 and will recover faster than capital cities such as Sydney. Below chart was published 7th May 2020⁵.





Geraldton Economic Overview

Adelaide Timbrell explains the positive outlook for Perth is due to the fact that we don't rely on immigration and that we have a lower ratio of investors to owner/occupier⁵.

Investment from the East Coast looks positive for Perth because of these statistics.

In an article released by Deloitte, the WA Economic Outlook seems promising. The good news for Western Australia is that prior to the virus outbreak our domestic economy appeared to be gaining momentum. WA state final demand grew 1.7 per cent over the year to December 2019, the highest year-on-year growth in more than five years⁶.

Accelerating growth in household consumption and a turnaround in business investment drove domestic growth over the year, helped particularly by the resources industry. The pipeline for future investment activity also improved in 2019⁶.

The state budget is in a strong position, fueled by windfall iron ore royalties and careful management of expenditure growth, with \$10 billion in cumulative surpluses forecast over the four years to 2022-23⁶.

Western Australia has also been the big winner from the Federal GST distribution shake-up. The long fought for win will see WA with no less than 70 cents for each dollar of GST paid, which is up substantially from the previous 34 cents received⁷.

“Top-up payments from Canberra over the four years to FY22 are projected to total just shy of \$5 billion, then FY23 the transition will be complete, by which time GST receipts to WA are projected to be \$5.5 billion in that year alone.” - Bankwest Chief Economist Alan Langford.

ABOUT GREATER GERALDTON

Geraldton is a thriving regional city that is located to the north of Perth and supports a rapidly growing community of over 40,000. Geraldton's local government is The City of Geraldton, which has been named one of Australia's regional capitals. The City boasts a prosperous economy with a number of diverse industries including mining, fishing, manufacturing, construction, retail and tourism. The City's Gross Regional Product is estimated at \$3.085 billion¹.

GERALDTON PORT

Greater Geraldton plays a critical role in the provision of key export infrastructure (port, heavy rail and airport) for resource operations, the supply of skilled labour, as well as public and private support services. *Geraldton Port is one of the largest trade ports in WA and the second largest grain export terminal in Australia.* Despite having the reputation as a grains exporter, Geraldton's port is also a major minerals export hub shipping gold, iron ore, copper, nickel and bauxite.

One of Geraldton's greatest economic strengths is its diversity. In addition to catering for exports of grains and minerals, the port also facilitates imports of fertiliser, mineral sands, mining project cargo and fuels. Importantly, it also supports the very lucrative local fishing industry by providing birthing facilities, maintenance, waste disposal and security services.

Geraldton Port has seen continued growth in trade since the last financial year. *In the 2018/19 Annual Report released by Mid West Ports Authority they recorded that 15.905 million tonnes had made its way through the Port with an estimated value of trade exceeding \$4.4 billion.* Mid West Ports are preparing for continued growth. Increasing throughput by maximising their existing infrastructure ensures that when additional mining projects come online, the Port of Geraldton has capacity to provide that vital link in the mining supply chain. It is expected that a huge amount of opportunity will be realised over the next 10-15 years.

OAKAJEE PORT & RAIL PROJECT

There have been exciting projects and developments announced recently that look to provide further opportunities for growth in the area. It has long been an ambition to have another port in the Mid West that was capable of birthing the large Cape-class vessels that Geraldton Port is unable to accept. Oakajee was identified as a preferred site for the deepwater port and is considered the key to opening up further development in the Mid West. Whilst plans for the Oakajee Port and Rail project have hit a few hurdles over the years due to funding, recent news has inspired confidence that this is something that could finally be realised.



In late 2019, Sinosteel, a Chinese Government-owned company announced that they were purchasing Jack Hills iron ore mine from Mitsubishi. Sinosteel who was previously being considered as one of the potential investors in Oakajee had made the decision not to participate in the project. However, with the announcement that they were buying a mine in the Mid West that is rich in premium grade iron ore, Sinosteel may now be more likely to revisit Oakajee. *Further to this, Sinosteel announced on the 21st October 19 that they had just snapped up Mitsubishi's stake in the \$10 billion Okajee Port and Rail Project.* This news is huge being that the reason they pulled out of the Oakajee in the first place was due to a dispute over high port tariffs. Now with this acquisition, Sinosteel will control the port tariffs ensuring that these would be economically viable for them. With the regions trade currently exceeding \$4.4 billion dollars, having an additional port capable of servicing larger vessels would look to transform the Mid West.

OTHER PROJECTS

The aquaculture industry is also setting the scene for future economic growth. With an already thriving Rock Lobster industry, which contributes more than **half a billion dollars to the WA economy**, attention is now being given to growing other areas of the industry. Geraldton is receiving a \$7 million boost to build and operate a state-of-the-art marine finfish nursery. Over the next three years this funding will help fast-track the growth of the Mid-West aquaculture industry and create thousands of regional jobs in Western Australia.

There have also been eight Mid-West projects announced that will be receiving more than \$750,000 in regional economic development funding. Two Mid-West businesses that are Geraldton-based will receive \$250,000 to establish a rock oyster industry at the Abrolhos Islands. Rock oyster aquaculture is new in Western Australia, and this project provides the opportunity to explore potential growth and share learnings with other growers to help build the industry.

The City of Greater Geraldton is seeing a number of key infrastructure projects occurring in the 2019/20 financial year. The city will invest on record levels with more that \$19.9 million dollars allocated to renewing existing assets and \$6.9 million allocated to building new Capital Works. This investment will provide an important boost to the local economy and will offer residents and visitors better services, amenities, facilities and experiences unique to the region.

Geraldton's long awaited airport expansion is also about to take off. The extension to the airport runway will go ahead with a further \$10 million boost from the Federal Government. The \$24 million airport upgrade project will enable development of direct interstate and international services for tourism and airfreight. This should also give the private sector greater confidence to invest in Geraldton.

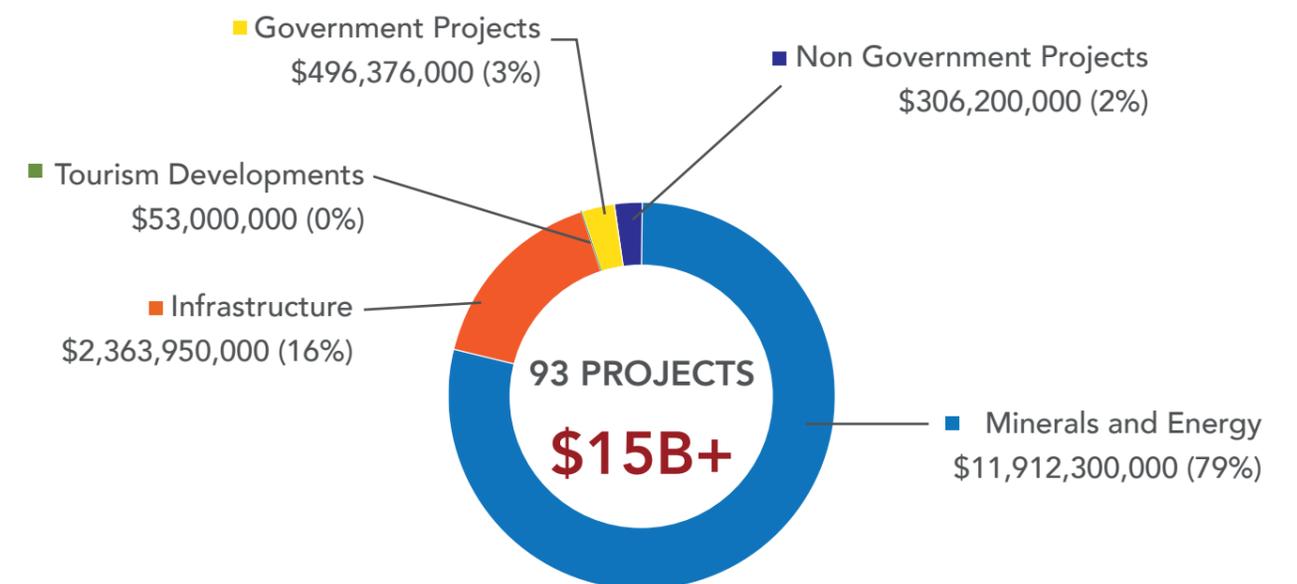
TOURISM

Geraldton is well positioned for direct tourism services with South East Asia, China and Japan. Tourists are drawn to the area due to the diverse range of activities and the natural wonders on offer. From the amazing beaches, to the breathtaking Abrolhos Islands and the fields of wildflowers, this is fast becoming a very popular location. Geraldton also now has a booming cruise ship industry that welcomes in visitors all year round. Out of Greater Geraldton's total output of \$5.872 billion it is estimated that \$193.406 million is generated from the tourism industry.

SUMMARY

With the number of projects and growth forecasted across almost all industries, there are many reasons to invest in this unique location. Geraldton has learnt from past experience that you cannot solely rely on one industry to drive the economy. With such a diverse and unique offering it's clear that Geraldton intends to take full advantage of this. Now is a great time to invest in a fabulous location that is showing real signs of turning itself into an economic powerhouse.

Estimated Value of Projects occurring in the Mid West Region by Category²





Disability Services Demand

1. How much will NDIS participants spend in this area each year?

Expected annual demand for services (including GST), by 2023

	CURRENT (JUL18 - JUN19)	FORECAST (BY 2023)
TOTAL:	\$60,000 - \$120,000	\$15,781,000 - \$32,401,400
Daily Living Support in Shared Accommodation	-	\$3,065,100 - \$17,373,200
Other Supports	\$20,000 - \$30,000	\$2,414,700 - \$4,441,900
Assistance with Community Activities	\$20,000 - \$30,000	\$1,524,300 - \$2,965,500
Personal Care	-	\$1,382,100 - \$2,919,800
Therapy	\$0 - \$10,000	\$1,073,900 - \$1,685,500
High Needs Personal Care	-	\$733,200 - \$1,627,300
Other Support Coordination and Management	\$10,000 - \$20,000	\$876,100 - \$1,406,500
Capital	-	\$414,100 - \$1,016,400
Assistance with Planning and Coordination	\$0 - \$10,000	\$453,200 - \$795,200
Group Centre Activities	-	\$157,100 - \$670,300
Early Childhood Supports	-	\$290,800 - \$664,600
Employment Support	-	\$83,800 - \$545,100
Others - Personal Care, Core In-Kind, High Needs Personal Care, Early Childhood Supports	\$10,000 - \$20,000	-

2. What is the profile of NDIS participants in this area?

Number of participants by type, by 2023

	CURRENT (JUL18 - JUN19)	FORECAST (BY 2023)
TOTAL:	11 - 20	467-717
Autism	≤10	103 - 258
Intellectual Disability	≤10	53 - 166
Developmental Delay	-	24 - 93
Vision, Hearing, Speech or Other Sensory Impairments	-	30 - 86
Mental Illness Associated Disability	-	24 - 85
Neurological Disorder	-	28 - 83
Disability caused by Injury	-	15 - 50
Participants with Physical Disabilities	-	17 - 48
Down Syndrome	-	< 10 - 26
Others - Developmental Delay, Disability caused by Injury, Mental Illness Associated Disability, Neurological Disorder, Participants with Physical Disabilities	≤10	-

3. How many NDIS workers will be needed in this area?

Estimated NDIS workers in each occupation (full-time equivalent), by 2023

	CURRENT (JUL18 - JUN19)	FORECAST (BY 2023)
TOTAL:		139 - 300
Personal Carers	-	93 - 229
Other	-	33 - 57
Others - Occupational Therapists, Physiotherapists, Professional Services, Psychologists, Speech Therapists and Audiologists	-	12 - 21

**Images are indicative only.



Site Plans

West End Villas will include 4 x 3 resident home, 2 x 1 resident home and have ample parking for service providers and staff.



Artist Impressions



Designed by Perth based architecture firm SPH Architecture + Interiors specialising in architectural and interior design, as well as master planning and project management.

These fully accessible homes are spacious, energy efficient and comply with SDA Fully Accessible design requirements and Livable Housing Australia 'Platinum' level requirements.

Renders





Example Investment

Investment Assumptions for 14 Participants at Burges St, Beachlands

TOTAL INVESTMENT		\$2,900,000
Stamp Duty		\$11,154
Settlement Costs Approx		\$7,500
TOTAL		\$2,918,654
Monthly Income	SDA	\$30,171
	Rent	\$9,979
	Total:	\$40,150
ANNUAL INCOME		\$481,800
GROSS		16.5%
PROPERTY EXPENSES		
ACTIV		(\$52,998)
Strata / Insurance / Council / Water Rates		(\$30,000)
TOTAL EXPENSES		(\$82,998)
NET CASHFLOW PRE TAX		\$398,802
NET PRE TAX YIELD		13.66%

Inclusions

These spacious homes are fully accessible, having been designed to comply with SDA Fully Accessible design requirements and Livable Housing Australia 'Platinum' level requirements.

Inclusions:

- Level access to the entrance that is a safe, continuous, step-free pathway from the street entrance and/or parking area.
- At least one level (step-free) entrance into the property to enable easy access.
- Internal doors and corridors that facilitate comfortable and unimpeded movement between spaces.
- A toilet on the ground (or entry) level that supports easy access for everyone in the home as well as visitors.
- A bathroom and shower designed for easy and independent access.
- Reinforced bathroom & toilet walls that are built to enable grab-rails to be safely and economically installed.
- Where internal stairways have been installed, they are designed to reduce the likelihood of injury and also enable a safe pathway.
- A kitchen space designed to support ease of movement between fixed benches and to support easy adaption.
- A laundry space designed to support ease of movement between fixed benches and to support easy adaption.
- There will be a space on the ground (or entry) level that can be used as a bedroom.
- Light switches and powerpoints are located at heights that are easy to reach for everyone in the home.
- Doors that are able to be easily and independently opened and closed.
- Safe use tap hardware.
- Family/living room features clear space enabling easy movement in and around the room.
- Window sills are installed at a height that enables everyone in the home to view the outdoor space from either a seated or standing position.
- Floor coverings that are slip resistant to reduce the likelihood of slips, trips and falls in the home.
- External doors and external outdoor private areas are to be accessible by wheelchair.
- Bathroom vanity/hand basin to be accessible in seated or standing position.
- Power supply to doors and windows (blinds), for retrofit of automation as necessary.
- Consideration must be given to whether it is appropriate for the kitchen sink, cooktop, meal preparation bench area and key appliances (dishwasher, oven, microwave oven and laundry appliances) are accessible in a seated or standing position. Consideration will also be given to the customisation of colour pallet and tiles.

Property Specifications

Kitchen

- Stone Benchtops
- Soft Closing Doors
- Water & Power to Dishwasher recess
- Water & Power to Fridge recess
- Fisher & Paykyl 900mm Cooktop & Rangehood
- Fisher & Paykyl 600mm Oven
- Kitchen splashback

Bathroom & Ensuite

- Tiled floors
- Tiled grate showers to 2m high
- Stone benchtops
- Soft closing doors
- High end tapware
- Semi-Frameless mirrors

Electrical

- Premium Electrical plan
- LEDs throughout
- Double power points throughout
- 2 x TV points
- TV Antenna
- Front & side lighting
- External power point
- Exhaust fans to WC, Bath & Ensuite

Ceiling & Roof

- Colorbond roof
- Colorbond gutters & downpipes
- Treated pine roof
- Ceiling battons
- Presto custom cornice
- Shadow lined eaves & alfresco

Other

- Front door: PMAD Range
- Corinthian Impression Stanford internal door range
- Lookwood door handles
- Privacy locks to Master suite, WC & Bathroom
- Doors to built in robes
- Paved alfresco
- Aluminium trim to tiling
- Flyscreens to all window & sliding door openings
- Run ins up to 10LM

Additions

- Painted Walls
- Laundry Cupboards
- Cavity sliders
- A/C
- Flooring
- Blinds
- Easy use light & powerpoint switches
- Task lighting
- Easy use door handles
- High pan toilets
- Extra wide doors and frames

Garage

- CSI sectional garage door

Opportunity

The subject property is situated in Burges Street, Beachlands, just 260 metres from ACTIV Community Services Geraldton.

The property is suited to provide 4 x 4 bedroom, 2 bathroom homes with separate toilet and 2 x 1 bedroom, 1 bathroom homes.

The configuration can be changed upon further discussion to ensure that it suits the needs of the Geraldton based participants.

The property will be built to comply with the "fully accessible" guidelines for new builds. We have commissioned a Perth based architectural firm to sign off on the design for SDA purposes.

The opportunity exists to own a number of the strata titled dwellings in this development and enjoy a return by providing ACTIV's participants in the mid-west an approved disability accommodation.

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