



ZIKIRA

Zikira Properties – Real Estate Asset Consultancy

Information Memorandum

Zikira Properties is a licensed real estate company.

This invitation to engage Zikira Properties for the provision of real estate asset consultancy services is only open to sophisticated asset owner/s who receive this Information Memorandum in New South Wales, Australia. It does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to provide such services.

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Important Information

About the Company

Zikira Properties ('the Company') is a licensed real estate company incorporated in Australia under the Corporations Act. The Company's ABN is 86 150 561 747 and its real estate corporation registration number under NSW Fair Trading is 1701593. The Company is only open for engagement by limited types of real estate asset owners, being persons or bodies who understands the importance of data, research and psychology in achieving the optimal results for their real estate assets ('sophisticated asset owners'). You are receiving this Information Memorandum, because you have been identified as a potential sophisticated asset owner.

About this Information Memorandum

This Information Memorandum is produced by the Company. It does not constitute a product disclosure statement or other disclosure document required by the Corporations Act 2001 (Cth). This Information Memorandum has not been lodged with the Australian Securities and Investments Commission (ASIC) or any other government body. It provides an overview of the real estate asset consultancy services being provided by the Company only.

Any asset owner contemplating engaging the Company should:

- obtain and read a copy of the Company's Agency Agreement; and
- read the information provided within this Information Memorandum.

In preparing this Information Memorandum, the Company has not taken account of your individual financial position, investment objectives or specific needs. This Information Memorandum is for general information purposes only. It is not intended to be a recommendation by the Company, any associate of the Company or any other person to engage the Company.

You should carefully consider the risks (including those set out in the *Risks involved in selling real estate assets* section of page 10) that impact your real estate assets, in the context of your personal requirements (including your financial and taxation position).

The information in this Information Memorandum is not financial product advice and the Company is not licensed to provide financial product advice in respect of real estate assets or any other financial products.

Confidentiality

This Information Memorandum is private and confidential. The contents are not to be reproduced or distributed to the public or press. Each person who has received a copy of this Information Memorandum (Recipient) is deemed to have agreed: (a) not to reproduce or distribute this Information Memorandum, in whole or in part, without the prior written consent of the Company, other than to professional advisors on a need to know basis, (b) without the prior written consent of the Company, not to disclose any information contained in this Information Memorandum except to the extent that such information was (i) previously known by such person through a source (other than the Company) not bound by any obligation to keep such information confidential, (ii) in the public domain through no fault of such person, or (iii) lawfully obtained at a later date by such person from sources (other than the Company) not bound by any obligation to keep such information confidential, and (c) to be responsible for any disclosure of this Information Memorandum, or the information contained herein, by such person or any of its employees, agents or representatives.

No Liability

The Company has prepared this Information Memorandum based on information available to it at the time of preparation and from sources believed to be reliable. The Company does not make any representation that it has verified the information. No representation or warranty is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this Information Memorandum or any other information the Company otherwise provides to you.

To the maximum extent permitted by law, the Company and its officers, employees and advisors are not liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on this Information Memorandum or otherwise in connection with it.

Forward Looking Statements

This Information Memorandum contains reference to certain belief, intentions, opinion, objectives, projections, expectations and plans of the Company in relation to business and operations, market conditions and results of operations and financial condition, including, without limitation, projection, indications of, and guidance on, future earnings and financial position and performance (Forward Looking Statements). The Forward Looking Statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict.

Those Forward Looking Statements may or may not be achieved. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside the Company's control. Past performance is not a reliable indication of future performance. No representation or warranty, express or implied, is made by the Company, or any of their respective directors, officers, employees, advisers or agents that any of the Forward Looking Statements will be achieved either totally or partially or that any particular rate of return will be achieved.

Engaging the Company

This invitation to engage the Company for its real estate asset consultancy services is not made in any jurisdiction other than New South Wales, Australia. This Information Memorandum does not constitute, and may not be used for the purpose of, an offer or solicitation in any jurisdiction other than New South Wales, Australia or in circumstances in which such offer or solicitation is not authorised. No recipient of this Information Memorandum in any jurisdiction other than New South Wales, Australia may treat it as constituting an offer to engage the Company.

The real estate asset consultancy services to which this Information Memorandum relates, will commence immediately after the execution of the Company's Agency Agreement.

Principal's Letter

Dear Sophisticated Asset Owner,

I am pleased to present to you this opportunity to engage our consultancy services for the management of your real estate assets.

While I have helped clients prevent losses of up to 12.57% (\$230,000) in the sale of their real estate asset (refer to Appendix C – Case Study – Potential Losses), we understand that your real estate asset often represents more than just the dollar value; it is your home. A special place where valuable memories are created.

Real estate firms often focus on the sale of real estate assets in the short term. At Zikira Properties, we are interested in helping manage the preparation of your real estate asset, regardless of your timeframe to sell.

Rather than renovating solely to maximise the sale price, we have come to understand that an advantageous approach is to renovate for your own enjoyment, now. Regardless of the intended timeframe to sell, you would have thoroughly enjoyed the quality improvements. Your home with higher quality finishes, will always stand out in any market, because competing properties would have only undergone the lowest-budget renovations before their sale. This will naturally generate the highest possible sale price for your home.

In this Information Memorandum, you will find research conducted with respect to the most important areas to spend on improvements, the expected return on such investments and the necessary marketing channels to reach the target market. Though our contemporaries do not believe this level of diligence is warranted in the case of property sales, it is our mission to continually enhance our understanding of the mechanics behind actualising the highest possible sale price.

Sophisticated asset owners have been overdue for a professional option to real estate asset consultancy services.

I look forward to assisting you in the realisation of your goals for your real estate assets.

Yours Faithfully,



Eric Wong
Principal

Real Estate Asset Consultancy Services

Background

With over 40 years of combined professional experiences, both in real estate and outside, the executive team have created a suite of real estate asset consultancy services to ensure the value of your real estate assets are protected.

Our focus is on preventing losses to the value of your real estate assets.

Key Services

Service	Detail
Alteration and Extension	By studying the current trends and products available, we can work with you to advise the optimal level of alteration. Especially important during the pandemic is the modifications of homes to be seniors friendly.
Design and Build	<p>With decades of experience working with REITs and property developers, we will ensure your project is sold out to obtain necessary finances, then completed on time and on budget.</p> <p>By working closely with tenants from our leasing operations, we have intimate knowledge of the current trends. This is especially important if you intend to build and hold as opposed to build and sell.</p> <p>On the other hand, by working closely with buyers from our off the plan sales operations, we are also about to provide insights into the best product that will sell.</p> <p>What most real estate assets investors/developers do not realise, is that a good product for tenants is often not the same as a good product for sale.</p>
Leasing	<p>Our point of difference is the relationship we foster with our tenants. During the Covid-19 pandemic, by working closely with our tenants and landlords, the portfolio rent abatement for houses was 3.28% and apartments 1.06%.</p> <p>Further, to reduce vacancy period, we implement quality marketing material, which includes but not limited to:</p> <ul style="list-style-type: none">- Virtual tours- Professional photos (vs blurry photo downloaded from internet)- Professional floorplans- Professional copywriting- Flexible inspection times for qualified tenants

Maintenance	<p>'Prevention is better than cure'. Maintaining the health of your real estate asset is paramount. Repairing a cracked roof tile is much cheaper than repairing a collapsed ceiling.</p> <p>Many real estate asset owners are disappointed to find out when major damages are not covered by their insurance policies. Insurance companies can sometimes deny a claim due to the real estate asset being in a state of disrepair when the claim event happened (i.e. excessive rain from thunderstorm).</p> <p>Recommended minimal maintenance include:</p> <p>Monthly:</p> <ul style="list-style-type: none"> - Gardening - Pool servicing <p>Bi-annually:</p> <ul style="list-style-type: none"> - Gutter cleaning - Termite inspection <p>Annually:</p> <ul style="list-style-type: none"> - Plumber inspection (roof/flexi-hose/washer) - Pest control - Smoke alarm check - Professional Spring clean <p>2 to 3 years:</p> <ul style="list-style-type: none"> - Electrical wiring check - External paint on timberwork - Declutter unwanted furniture and household items <p>5 to 7 years:</p> <ul style="list-style-type: none"> - Interior paint - Light fitting <p>10+ years:</p> <ul style="list-style-type: none"> - Flooring - Roof clean/paint
Sales	<p>Our records speaks for itself. Our average days on market is approximately 19 days. Throughout the pandemic, we have achieved sales in half the time of our competitors.</p>
Service Providers	<p>We can provide access to the best rates and packages for our clients through dedicated brokers/companies in the following fields:</p> <ul style="list-style-type: none"> - Insurance (landlord/building and content) - Legal (wills/conveyancing) - Mortgage (new loan/refinance) - Utilities (power/internet)

About the Executive Team

In order to provide the highest level of real estate asset consultancy services, our team consist of only experienced professionals. Our clients will always be dealing directly with the sales executives.

The executive team of the Company consists of:

- **Eric Wong – Principal**

Eric brings his experience in property management, financial analysis and property valuation from his role as the Principal of Zikira Properties and as a Property Specialist in Audit during his time at Ernst & Young.

Eric has a proven record of achieving above market rent for his clients by working closely to assist both the landlord and the tenants. He currently manages a property portfolio that spans across Sydney including, Chatswood, St Leonards, Gordon, Wollstonecraft, Paddington, Maroubra, Millers Point, Parramatta, Granville, Westmead, Narwee and Kogarah. From interacting with over 1,000 prospective buyers and tenants in the past 7 years, Eric has acquired intimate knowledge of the needs of the many types of buyers and tenants.

Through his roles in selling off-the-plan apartments and working with smaller developers, Eric has also worked closely with architects and builders that specialise in the designing and construction of new apartments, townhouses, and boarding houses in compliance with the corresponding government regulations.

Combined with his financial acumen from his employment with Ernst & Young, Eric is in a unique position to bring success for the sophisticated real estate asset owners.

- **Omar Nuch – Sales Director**

Omar brings his property marketing experience from his dealings in sales of small to large scale residential developments with G&L Project Marketing (a company that has achieved over \$1 billion in property sales). Having been part of a team that has sold multiple developments before the first brick hits the ground, there is an understanding that each property has unique selling points and must be marketed as such.

An expert in strategy and operational systems, Omar has been fortunate throughout his career to have an array of different situational experiences that require effective negotiation. These contributions had led to his successful managing of the company, Goodwill Getaways, that was comprised of 22 luxury holiday accommodations across 5 countries; Thailand, Fiji, Indonesia, New Zealand and Australia.

Operational/Strategic management at The Helping Hand Group, consumer psychology as a Regional Manager of Jumbo UGG have also helped him succeed in the real estate sector.

Omar brings with him another level of professionalism to his real estate clients, only possible from having a unique array of professional experiences.

Risks involved with selling real estate assets

Understanding the risks that can affect the sale of real estate assets is crucial to developing a successful strategic framework. All transactions are subject to risk. We do not guarantee the performance or success of the Company and past performance is not a reliable indicator of future performance.

The main risks which will affect the sale of your real estate assets are:

Type Of Risk	Description Of Risk	Mitigating Factor
Comparable Sales	There is a risk that the market price changes rapidly from the realised price of a comparable real estate asset. This could be due to a distressed seller or an incompetent selling agent.	The Company's strategy is focused on reducing the days on market by effectively improving the real estate asset and launching it on the market at a competitive price with the best promotional material.
Over-capitalisation	There is a risk that by spending \$100,000 on a new kitchen that the final sale price achieved cannot recover the amount spent. Sometimes, it is best not to spend money on improvements.	With the Company's inhouse research on what features resulted in higher realised \$/sqm, we are able to assist sophisticated asset owners to maximise return on the money spent.
Auction Pass-ins	There is a risk that multiple parties have shown keen interest in the real estate asset prior to the Auction date and then none of them shows up.	With the Company's set guidelines on buyer negotiation, we will obtain a clear indication on the expected final offer prior to the Auction date. If there is a clear front runner, we will not delay closing the deal and take the risk of losing the purchaser.
Change in regulation	There is a risk that the government policy will change with regards to the sale of the property. This could be changes in stamp duty regime or other policies, such as immigration.	While there is little the Company can do to change Government decisions, we will proactively monitor for changes and promptly make recommendations in anticipation of the impact of such changes.

Fees and Terms

Sales

Item	Fees and Terms
Exclusive Agency Agreement Terms	90 days
Real Estate Asset Preparation Timeframe	14 to 28 days
Commission Structure	2%+GST 20c per \$1 above benchmark
Marketing Cost	At Cost - 50% upfront, Balance on contract exchange/end of agreement
Renovation Cost	At Cost – 100% upfront
Styling Cost	At Cost – 100% upfront

Leasing

Item	Fees and Terms
Letting & Marketing Fee	First week rent
Ongoing Management Fees	5%+GST of rent collected
Administration Fees	Nil

Project Management

Item	Fees and Terms
Alteration & Extention	\$5,000+GST
Design & Build	2%+GST of contract value
Maintenance Management	Nil for existing clients, otherwise; 10% of contract value

Glossary

Term	Definition
Balance	The amount payable on settlement date before accounting for settlement adjustments.
Buyer's Agent	The real estate professional representing the purchaser.
Days on Market	The number of days between the launch of the marketing campaign to the date of contract being exchanged.
Deposit	The amount of money payable to purchase the property until settlement date.
Exchange of Contract	When the contract of sales is signed by both the vendor and the purchaser and exchanged by either the Selling Agent or the solicitor.
Marketing Cost	The main marketing cost normally consist of: <ul style="list-style-type: none"> - Web portal (Domain/REA) - Photography/Videography/Floorplan - Signboards - Promotion Booklet - Social Media / Print Media
Purchaser	The legal entity or entities that is purchasing the real estate asset.
Realised sale price	The purchase price on the exchanged sale contract.
Sales Commission	The commission payable to the Selling Agent when contract is exchanged unconditionally either by: <ul style="list-style-type: none"> (a) Waiver of cooling off period; or (b) Full deposit received after cooling off period expires.
Selling Agent	The real estate professional representing the vendor.
Settlement Adjustments	Adjustment of settlement balance for charges such as council rates, water rates and other payments that are charged for a period that should be pro-rate between the vendor and the purchaser.
Settlement Date	The date the real estate asset is expected to legally change ownership subject to vendor and purchaser fulfilling their respective obligations.
Styling	Professionally stage the real estate asset with hire furniture.
The Team	Eric Wong JP and Omar Nuch.
Vendor	The legal entity or entities that is selling the real estate asset.

Corporate Directory

Zikira Properties Pty Ltd

Registered Office
Suite 201, Level 2
11 Spring Street,
Chatswood NSW 2067

Design Display Suite
Chatswood Central, North Tower
Suite 1205, Level 12
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Appendix A – Case Study – Surry Hills

Asset class	Low range (\$/sqm)	High range (\$/sqm)	Average Days on Market	Key attributes for high range
House	13,462	23,583	57	<ul style="list-style-type: none"> - Professional styling - Courtyard renovation - Timber flooring - LED lighting - Freshly painted
Unit	9,875	22,449	38	<ul style="list-style-type: none"> - Professional styling - Timber flooring - Modern kitchen - Freshly painted

Appendix B – Case Study – Darlinghurst

Asset class	Low range (\$/sqm)	High range (\$/sqm)	Average Days on Market	Key attributes for high range
House	14,179	20,101	69	<ul style="list-style-type: none"> - Professional styling - Functioning fireplace - Timber flooring - Modern kitchen with island bench - Floor to ceiling tiled bathroom - Freshly painted
Unit	8,023	19,540	59	<ul style="list-style-type: none"> - Professional styling - Timber flooring - Gas cooking - Freshly painted

Appendix C – Case Study – Potential Losses

House in Eastern Suburbs

<i>Previous agent</i>	
Highest offer price rejected	\$1,600,000
\$/sqm of build	\$11,267.61
<i>Our result from taking over for 4 weeks</i>	
Styling (\$/sqm of build)	\$5,500 (\$38.73)
Professional Videography (\$/sqm of build)	\$900 (\$6.34)
Painting (\$/sqm of build)	\$8,000 (\$56.34)
Runner up offer	\$1,825,000
Winning offer	\$1,830,000
Realised \$/sqm of build	\$12,887.32
Potential loss (\$)	\$230,000
Potential loss (%)	12.57 %

Appendix D – Architect and Builder Panel

During the preparation of the Information Memorandum, a number of architects and builders were approached by the Company to assess their suitability to maximise the value of real estate assets for sophisticated asset owners. From this process, Attena Group have been identified as having the capacity to assist in optimisation of the value of real estate assets based on their past experience.

Integrated Builder – Attena Group

Attena Group is a privately owned, fully integrated design and construction group uniquely placed to provide innovative turnkey solutions and create value for its clients. With vast construction and development industry experience, the team delivers mid to important level of luxury residential and hospitality projects in Australia and internationally.

By adopting Building Information Modelling (BIM) software, Attena is able to create a digital building model created from coordinated, consistent design information enabling whole-building analysis, faster decision-making and better documentation.

Their integrated management software also allows clients to gain access to a detailed online profile where all progress, decisions and selections are updated to make the project process as smooth and transparent as possible.

The strength of their local knowledge and network coupled with international experience gives them an edge in the marketplace. Attena Group implements the most advanced systems to ensure smooth and efficient processes.

Below is a list of their recent projects:

667 Darling Street, Rozelle | Heritage Alteration

32 Suttie Road, Bellevue Hill | Luxurious Homes

1 Georges Road, Vaucluse | Luxurious Homes

8 & 10 Ray Street, Vaucluse | Luxurious Duplexes

81 Bream Street, Coogee | Boutique Residential Units

142C Bellevue Road, Bellevue Hill | Luxurious Residential Units

47 Birriga Road, Bellevue Hill | Luxurious Residential Units

Appendix E – Sophisticated Asset Owner Checklist

I am prepared to accept an offer on Day 1 if it is above my expectation	<input type="checkbox"/>
I understand that buyers on a database is normally being priced out or not ready	<input type="checkbox"/>
I understand that any real estate assets on the market is in competition with others	<input type="checkbox"/>
I understand the best result will come if the buyer is emotionally attached	<input type="checkbox"/>
I understand that most people are not equipped with the ability to visualise potentials	<input type="checkbox"/>
I understand that spending too much on marketing is better than not spending enough	<input type="checkbox"/>
I understand that competitive bidding will usually result in higher realised sale price	<input type="checkbox"/>
I understand that the cost incurred is not perfectly correlated to the realised sale price	<input type="checkbox"/>
I understand that the realisable sale price is negatively correlated to days on market	<input type="checkbox"/>
I understand that if I engage a professional, I need to trust their judgments	<input type="checkbox"/>