

# A Naturally Smart Investment



Binna Burra Sky Lodges are an exclusive freehold development totally surrounded by over 22,000Ha of World Heritage Lamington National Park. Each apartment is north facing enjoying one of Australia's best views.



A scenic half hour drive from the Pacific Motorway, Binna Burra Lodge is the closest mountain resort to the Gold Coast



Escape to your own piece of paradise at any time of your choosing and have piece of mind that when you are not there - Binna Burra Lodge will manage your investment as part of their premium accommodation range.



As an owner of Binna Burra Sky Lodges you will benefit from an investment return as well as working collaboratively with Binna Burra Lodge to ensure the continued sustainability of this Queensland tourist icon.



In a unique and mutually beneficial partnership the apartments will operate as part of the lodge to allow seamless management of the whole complex.



The smart dual key design of design offers both variety in purchase options and flexibility in use and optimises rental return.



## **Corporate Fees/Sinking Fund (Estimate)**

\$1,646pa for a One Bedroom Suite, \$4,361pa for 2 Bedroom, \$4,649pa for a 2 Bedroom dual key Apartment and \$6,007pa for 3 Bedroom dual key



## **Utilities Charges (Estimate)**

\$1,467pa for a One Bedroom Suite, \$3,889pa for 2 Bedroom, \$4,144pa for a 2 Bedroom dual key Apartment and \$5,354pa for 3 Bedroom dual key



## **Council Rates (Estimate)**

\$900pa for a One Bedroom Suite, \$1200pa for 2 Bedroom Apartment and 2 Bedroom dual key Apartment and \$2100pa for 3 Bedroom dual key



## **Building Commencement Date**

Construction is anticipated to commence in early 2010



## **Building Completion Date**

Anticipated completion date is end of 2010/early 2011



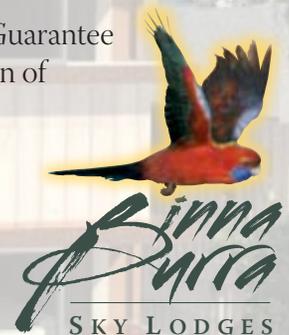
## **Title Description**

Freehold Community Title



## **Terms of purchase**

10% deposit upon signing contract payable by Bank Guarantee or cheque. Settlement within 14 days after notification of creation of new Titles.



# Investment Analysis

You can own your own slice of Binna Burra, and use your private apartment as well as receiving rental income as part of one of Australia's finest wilderness lodges. Binna Burra Lodge will be the manager of the Sky Lodges and as such will bring a wealth of experience in the management, operation and marketing. Income generated from visitors staying at the Sky Lodges will be pooled and shared between owners and BBL. As a guide for purchasers we provide the following estimates of the anticipated financial return for the Sky Lodges.

Note	One Bedroom Suite				2 Bedroom Apartment				2 Bedroom Dual Key Apartment				3 Bedroom Dual Key Apartment				
Average Sale price	\$310,000	\$310,000	\$310,000	\$310,000	\$725,000	\$725,000	\$725,000	\$725,000	\$760,000	\$760,000	\$760,000	\$760,000	\$1,010,000	\$1,010,000	\$1,010,000	\$1,010,000	
Plus - Furniture package	\$15,000	\$15,000	\$15,000	\$15,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$45,000	\$45,000	\$45,000	\$45,000	
Total Average cost	\$325,000	\$325,000	\$325,000	\$325,000	\$760,000	\$760,000	\$760,000	\$760,000	\$795,000	\$795,000	\$795,000	\$795,000	\$1,055,000	\$1,055,000	\$1,055,000	\$1,055,000	
<b>INCOME</b>																	
Occupancy Rate	1	50%	60%	70%	80%	50%	60%	70%	80%	50%	60%	70%	80%	50%	60%	70%	80%
Owners proportion of total pooled rent	2	\$17,126	\$20,552	\$23,977	\$27,402	\$40,050	\$48,060	\$56,069	\$64,079	\$41,894	\$50,273	\$58,652	\$67,030	\$55,595	\$66,714	\$77,833	\$88,952
<b>Less OPERATING EXPENSES</b>																	
Body Corporate/Sinking Fund (Estimate)		\$1,646	\$1,646	\$1,646	\$1,646	\$4,361	\$4,361	\$4,361	\$4,361	\$4,649	\$4,649	\$4,649	\$4,649	\$6,007	\$6,007	\$6,007	\$6,007
Utilities (Estimate)		\$1,467	\$1,467	\$1,467	\$1,467	\$3,887	\$3,887	\$3,887	\$3,887	\$4,144	\$4,144	\$4,144	\$4,144	\$5,354	\$5,354	\$5,354	\$5,354
Rates (Estimate)		\$900	\$900	\$900	\$900	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$2,100	\$2,100	\$2,100	\$2,100
Total ownership costs	3	\$4,013	\$4,013	\$4,013	\$4,013	\$9,449	\$9,449	\$9,449	\$9,449	\$9,993	\$9,993	\$9,993	\$9,993	\$13,461	\$13,461	\$13,461	\$13,461
Cash profit		\$13,114	\$16,539	\$19,964	\$23,390	\$30,601	\$38,611	\$46,621	\$54,631	\$31,901	\$40,279	\$48,658	\$57,037	\$42,134	\$53,253	\$64,372	\$75,491
Cash yield	4	4.0%	5.1%	6.1%	7.2%	4.0%	5.1%	6.1%	7.2%	4.0%	5.1%	6.1%	7.2%	4.0%	5.0%	6.1%	7.2%
<b>Taxation aspects from ownership</b>																	
Amount borrowed (80%)		\$260,000	\$260,000	\$260,000	\$260,000	\$608,000	\$608,000	\$608,000	\$608,000	\$636,000	\$636,000	\$636,000	\$636,000	\$844,000	\$844,000	\$844,000	\$844,000
Interest expense on borrowings (7.5%)		\$19,500	\$19,500	\$19,500	\$19,500	\$45,600	\$45,600	\$45,600	\$45,600	\$47,700	\$47,700	\$47,700	\$47,700	\$63,300	\$63,300	\$63,300	\$63,300
Estimated Depreciation based on 4%		\$13,000	\$13,000	\$13,000	\$13,000	\$30,000	\$30,000	\$30,000	\$30,000	\$32,000	\$32,000	\$32,000	\$32,000	\$43,000	\$43,000	\$43,000	\$43,000
Interest plus depreciation		\$32,500	\$32,500	\$32,500	\$32,500	\$75,600	\$75,600	\$75,600	\$75,600	\$79,700	\$79,700	\$79,700	\$79,700	\$106,300	\$106,300	\$106,300	\$106,300
less cash profit		\$13,114	\$16,539	\$19,964	\$23,390	\$30,601	\$38,611	\$46,621	\$54,631	\$31,901	\$40,279	\$48,658	\$57,037	\$42,134	\$53,253	\$64,372	\$75,491
Net tax deduction		\$19,386	\$15,961	\$12,536	\$9,110	\$44,999	\$36,989	\$28,979	\$20,969	\$47,799	\$39,421	\$31,042	\$22,663	\$64,166	\$53,047	\$41,928	\$30,809
Anticipated Tax refund	5	\$9,015	\$7,422	\$5,829	\$4,236	\$20,925	\$17,200	\$13,475	\$9,751	\$22,227	\$18,331	\$14,434	\$10,538	\$29,837	\$24,667	\$19,497	\$14,326
Investment return after tax																	
Based on 80% borrowings	5	\$2,628	\$4,461	\$6,293	\$8,126	\$5,925	\$10,211	\$14,496	\$18,781	\$6,427	\$10,910	\$15,393	\$19,875	\$8,671	\$14,620	\$20,568	\$26,517
Based on 0% borrowings	5	\$13,061	\$14,893	\$16,726	\$18,558	\$30,321	\$34,607	\$38,892	\$43,177	\$31,947	\$36,429	\$40,912	\$45,395	\$42,537	\$48,485	\$54,434	\$60,383

Notes All figures include GST

- 2008/09 recorded occupancy rate for existing ensuited rooms at Binna Burra Lodge was over 62%.
- Owner proportion of half of anticipated gross rental income (less FF&E contribution) - based on current BBL tariffs  
FF&E includes contents and public liability insurance
- Includes anticipated ownership costs, excluding finance and land tax.
- Cash Yield, before depreciation and finance costs
- Assuming marginal tax rate of 46.5%

Disclaimer: The figures above illustrate an outcome calculated from the values and the assumptions contained in the model. The information is provided in good faith however it is in no way intended to be a guarantee of future performance. The figures are provided on the basis no person using the information, in whole or part, shall have any claim against Binna Burra Lodge Ltd or Casleyville Pty Ltd, their servants, employees or consultants. Independent financial advice should be obtained by any interested parties.