



Akuna Residential Community Cobram, Victoria

An opportunity to invest in the affordable housing sector through the DomaCom Fund, that is driven strongly by an ageing population who are 'downsizing and relocating' for an affordable lifestyle.

www.akunacobram.com.au

INVESTOR INFORMATION

Targeting a 15% annualised return on the completed Project, with an estimated ongoing rental income of 8% p.a.¹





Location, Location... Highlights

- Situated on the beautiful Murray River and amongst other holiday/tourism related attractions
- Easy access from Melbourne, a 3 hour drive from Melbourne CBD
- Excellent cultural, lifestyle and health facilities
- A vibrant, growing local economy with a strong sense of local community

The picturesque olive tree, a common sight and perfect growing conditions in the Murray River region

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¹ This is an estimate only based on an independent assessment of the value of the land and net rental return assuming full occupancy

Akuna Residential Community Development



Background on Akuna Cobram

Akuna is developing and managing a portfolio of resort-style residential retirement communities in regional Victoria, commencing with a 'greenfield' site in Cobram.

The proposition is part of a growing trend of affordable housing options targeted at the baby-boomer generation moving into retirement.

The market for retirement housing is significant with 6 million Australians over 55 years, most of whom are retired or currently transitioning to retirement. Affordability is critical, as 71% of Australians over the age of 65 have no superannuation.²

About Akuna Cobram

The Akuna residential community in Cobram, Victoria will comprise the development and subsequent management of a modern residential community for the over 55's.

The Project will develop all of the infrastructure, houses and community facilities required to operate the residential community.

The community will be developed on a Residential Land-Lease Community (RLLC) model, where the resident owns the house and leases the land that it is situated on.

The individual home sites will be offered on a 49-year leasehold to residents, who will then lease the site from Perpetual³ as the responsible entity of the DomaCom Fund, who will offer units in a sub-fund of DomaCom to investors.

This approach makes home ownership more affordable for the residents because:

1. No stamp duty on home purchase nor annual council rates (as the land component will be leasehold not freehold); and
2. One all-encompassing weekly rental payment that will cover all community outgoings apart from residents' utility bills.

The Akuna project is aiming to raise a total of AU\$6 million. There will be no debt raised.

Whilst the total investment required will exceed AU\$6 million, the Project will be completed in several stages (so the capital received from initial residents will also be used toward the Project completion).

² Source: Australian Bureau of Statistics released August 2013 - ABS 6554.0 - Household Wealth and Wealth Distribution, Australia, 2011-12

Source: Australian Bureau of Statistics released August 2014 - 6416.0 - Residential Property Price Indexes: Eight Capital Cities, June 2014

³ Perpetual is Perpetual Trust Services Limited ABN 48 000 142 049 AFSL No. 236648

Location

The proposed Akuna residential community site is located on the NSW and VIC border, in the Murray River township of Cobram approximately 250 km and a 3 hour drive north of Melbourne. Cobram, along with neighbouring Murray River towns, is a highly popular and growing tourism and retirement destination for many Melbournians.

The Akuna site is located within the established residential area of the Cobram township on the west side of Campbell Road, and is only a short drive from Cobram's main shopping precinct. The Murray River is only a few minutes at the end of the road. The entrance to the site is directly opposite the RACV Club Cobram, one of the most popular tourist resorts in the region.



Source: Google Maps



The proposed land site is perfectly situated in a peaceful setting just minutes from the Cobram CBD and Murray River and is directly opposite the RACV Club Cobram Resort

The Akuna site of 8.2 hectares has an approved development plan issued by the Shire of Moira for 148 home sites and community facilities including clubhouse, sports centre, pool and bowling green.

The Murray region is well regarded by both holiday-makers and retirees due to its stable weather and excellent recreational facilities. The area boasts over 300 days of sunshine each year and attracts thousands of tourists seeking good weather and adventures in a peaceful setting.

Investment Highlights

for a sub-fund in the DomaCom Fund that is intended to acquire the property

Please note that the return figures below are estimated returns only and cannot be considered as a guarantee of your investment performance.

Investment opportunity	DomaCom is offering investors the opportunity to invest in the ownership and development of the Akuna residential community in Cobram through the DomaCom sub-fund with the aim to provide investors high yielding returns from both development and land-rental activities.
Project	<ul style="list-style-type: none"> • Lot 2, 143 Campbell Road, Cobram. • Volume 10083 Folio 722, Lot 1 on PS 210892E. • Consists of 148 manufactured homes and 147 land leases. One home is reserved as the manager's residence. • Community facilities will include clubhouse, sports centre, pool and bowling green. • Development income from housing construction and sales. • Long-term sustainable revenue (annuity) stream from land leases. • 100% of development costs recovered from home sales. • Community residents own their own (relocatable) homes and lease the land on which the home is situated.
Minimum investment	\$2,500
Target crowdfunding raise	<p>AU\$6 million</p> <ul style="list-style-type: none"> • \$1.65 million for the land component (including GST and Stamp duty) • \$4.35 million for development planning, approvals & construction
Estimated return on investment	<p>Building Phase: During this time, it is expected that the investors may not receive any income distributions and the return will be primarily by way of expected increases in the unit price of investment holdings. Unit prices will be reviewed regularly through the building phase by periodic re-valuation.</p> <p>Completion Phase: Upon completion and full occupancy the investors in the DomaCom Fund will receive a monthly net rental return. It is estimated that after all expenses the rental income will equate to approximately 8% p.a. on the completed capital value.</p>
Investment term	<p>There are no withdrawal rights from a sub-fund until it is terminated, however the DomaCom Fund provides a liquidity solution.</p> <ul style="list-style-type: none"> • You can sell some or all of your units in a sub-fund through the DomaCom Fund's liquidity facility provided there is a buyer for your units; or • The Fund's Constitution also provides that a sub-fund can be terminated at any time by a vote of unit holders that hold at least 75% of all units on issue and/or after 5 years with a 50% unit holder vote. <p>Please refer to the DomaCom Fund Product Disclosure Statement (PDS) for more information.</p>
Location	<p>Cobram is a highly popular and growing tourism destination for many Melbournians. Akuna is situated near the beautiful Murray River, directly opposite the hugely popular RACV Club Cobram resort and close to other holiday/tourism related attractions.</p> <p>Accessible from Melbourne, approximately 3 hour drive from Melbourne CBD. Cobram has excellent cultural, lifestyle and health facilities and a vibrant, growing local economy with a strong sense of local community.</p>

Please refer to the DomaCom Fund Product Disclosure Statement (PDS) for more information before making an application.

Investors are encouraged to submit their Application Form online as soon as possible. Please visit www.akunacobram.com.au to make an application and lodge your funds into the DomaCom Fund.



Summary of Investment Opportunity

Through the DomaCom Fund, Akuna is offering investors the opportunity to purchase units in a sub-fund that will acquire ownership of the land component for the development of its Cobram community, with the aim to provide investors high yielding returns from both development and ongoing land-rental activities.

Affordable retirement accommodation via Residential Land-Lease Community (RLLC) living separates the ownership of the land from ownership of the house, freeing up capital for the homeowner whilst providing the land owner with secure ongoing rental income from the land.

Residential community living is driven strongly by an ageing population prepared to downsize and relocate to achieve an affordable lifestyle.

Akuna will develop and lease the land, construct and sell houses and manage the community.

Development & Design

Akuna's key differentiation from other similar developments is to offer affordable housing with a premium look and contemporary design.

The designs offered will be contemporary in shape and finishes, with no faux federation features typical of other manufactured home estate developments.

The development is based around the approved 148 lot plan (1 lot reserved for manager) which includes modern, quality common area facilities.

All lots will be offered with undercover parking and additional boat / caravan storage is available on the estate.

Planned common facilities include:

- Community Clubhouse with kitchen / bar facilities as well as provision of stage with lighting and sound;
- Lounge / billiards room;
- Sports centre including gym and swimming pool;
- Library / business centre;
- Outdoor BBQ area; and
- Synthetic grass bowling green.



House Area	93.1m ²
Portico	3.5m ²
Alfresco	11.4m ²
Carport Area	17.4m ²
Storeroom	6.3m ²
Total	131.7m ²





Source & Application of Funds

The table below shows the proposed Application of Funds from the Akuna target crowdfunding amount of \$6 million.

Investment Highlights

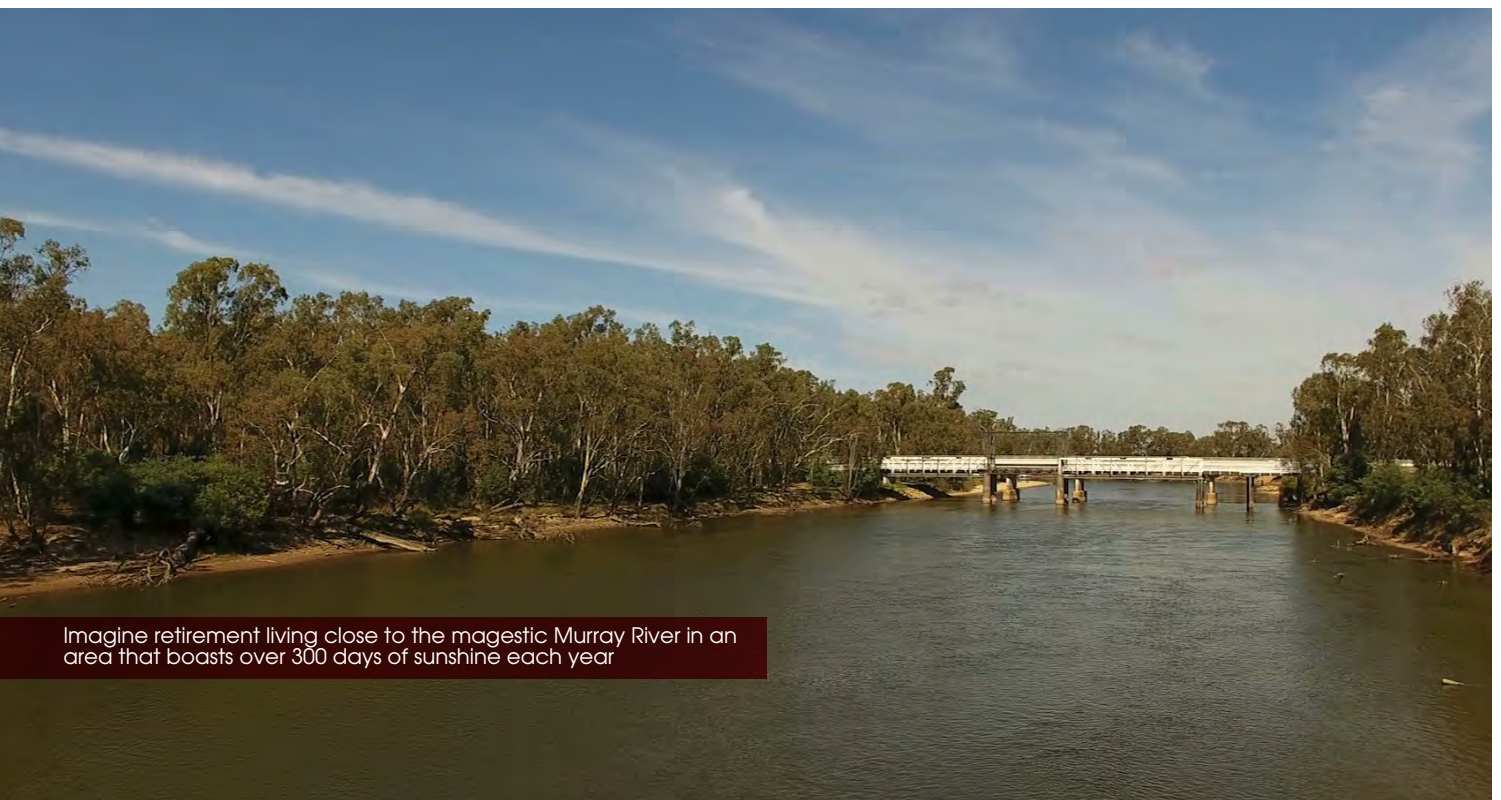
Sources	\$	Uses	\$
Investors joining the crowdfunding campaign of Akuna Cobram	6,000,000	Purchase of land	1,400,000
		Stamp Duty & GST	255,000
		Development, construction, sales and marketing of Akuna	4,345,000
Total Funds	6,000,000		6,000,000

The figures above are estimates only at the time this document has been prepared. Once the Akuna bookbuild in the DomaCom Fund has commenced, a Supplementary Product Disclosure Statement (SPDS) outlining the specific offer to invest in the Akuna project will contain all the information required for you to make a decision. Please note that you are not bound to proceed with your bid amount for a bookbuild in the sub-fund of the DomaCom Fund that is proposed to acquire Akuna until you accept the offer contained in the SPDS (which will include the specific details for the properties including all the fees and costs involved).

Investment Key Dates

	Date	
Land bookbuild commences	01/06/17	Together with sales and marketing campaign
Settlement of land purchase	01/12/17	Subject to full capital raising
Commence construction	01/01/18	Subject to full capital raising and building approvals granted
Completion of construction	31/12/21	Subject to building sales

These dates are indicative only and may change. DomaCom has the right to vary the dates and may close the investment offer early or extend the offer without notice. If the date the investment offer closes is varied, subsequent dates may also be varied accordingly.



Imagine retirement living close to the majestic Murray River in an area that boasts over 300 days of sunshine each year

Additional Information

Affordable Retirement Living Market

The retirement living sector provides a diverse range of accommodation from caravan park cabins, Residential Land-Lease Communities (RLLC), resort style apartments and retirement villages as well as aged care accommodation.

An ageing population is the primary driver of demand for all forms of housing.

The sector is driven by:

- Ageing population – 5.9 million over 55's, largely an echo of the post WWII baby boom of 1946-1961 also coinciding with significant post war migration and golden period of economic prosperity in the 1950's.
- Increased life expectancies, improved health and independence to an older age than past generations.
- Underfunded retirees. Australia leads the world with compulsory superannuation policies initiated in 1992. However, this means that for many of the baby-boomer generation currently transitioning to retirement, they have only been saving for their retirement for half their working life.

The target market is growing at the rate of 30% per annum. Within a generation, one third of Australians are going to be over the age of 55.

Affordable retirement living demand drivers:

- Target market is retirees with under funded superannuation and those who can qualify for government rent assistance.
- Average superannuation balance of over 65's in Australia is \$72,247.
- 71% of Australians over age of 65 have no superannuation.
- 64% of Victorians over the age of 65 rely on the age pension as their major source of income.
- 82% of couples and 71% of singles over the age of 65 own their home without a mortgage.
- Less than 7% of the 5.9 million Australians, over the age of 55, live in regulated retirement villages or aged care facilities at present.

Source: Australian Bureau of Statistics released August 2013 - ABS 6554.0 - Household Wealth and Wealth Distribution, Australia, 2011-12 Source: Australian Bureau of Statistics released August 2014 - 6416.0 - Residential Property Price Indexes: Eight Capital Cities, June 2014

Cobram and the Over 55 Retirement Market

The following table summarises the key findings for the Akuna Project in Cobram.

Key findings	
Location	<p>The subject site is an appropriate location for the development of the proposed Akuna residential community having regard for its proximity to key features typically sought by older residents when deciding on housing locations. These features include the following:</p> <ul style="list-style-type: none"> • Proximity to the facilities and services provided in the Cobram CBD, which is located approximately 1.5 km to the east of the site (direct-line distance). • Proximity to the Cobram District Health Services and Hospital, located approximately 2km to the west. • Proximity to recreational facilities and attractions which include the Murray River, numerous golf courses, bowls clubs, community clubs, etc.
Catchment for Akuna	<p>Based on analysis of the migration patterns of older residents who moved to Cobram and discussions with operators of other Residential Land-Lease Communities in other regional areas, the distribution of sales at the proposed Akuna residential community is estimated as follows:</p> <ul style="list-style-type: none"> • Local and regional catchment: 30% of sales • Melbourne metro catchment: 70% of sales <p>A share of sales will also be derived from beyond the identified catchments. Based on discussions with other operators of Residential Land-Lease Communities, the likely profile of residents at the proposed Akuna residential community is as follows:</p> <ul style="list-style-type: none"> • Older couples: 45-55% • Single females: 35-45% • Single males: 10-20%
Competitive retirement option for over 55's	<p>Only limited choice in housing options for older residents exists in Cobram. For instance, the town only has a limited supply of smaller dwellings suited to an ageing population, and new development continues to focus on the construction of separate houses, rather than the construction of smaller, easily-maintained dwellings appropriate for the older population.</p> <p>There is only one other Residential Land-Lease Community dedicated to permanent older residents and that would be considered competition for the proposed Akuna residential community, which exists in Cobram, known as the Green Palms Home Park. The choice of independent retirement village living is also limited.</p>

Key findings	
Demand for Akuna	<p>The population levels and specific demographic characteristics of the catchment lend support to the proposed development of the Akuna residential community. In particular, the Moira Shire, which includes Cobram, shows the following:</p> <ul style="list-style-type: none"> • The size of the local catchment population aged 55 years or over is forecast to increase by approximately 3,000 persons over the next 15 years. • Growth in the 'single older female' and the 'older couple' target markets is also forecast to occur in the local catchment over the next 15 years. • Older persons in the local catchment are characterised by the following features which lend support for the proposed development: <ul style="list-style-type: none"> o The majority are retired or not in the labour force. o The majority (69%) own their own homes. o The majority are Australian-born, and this segment of the population is more likely to choose retirement village or similar type of retirement living arrangement than those born overseas. o The income profile is more concentrated in the lower-middle income ranges. o The regional and Melbourne metro catchments also contain a large number of older residents, and the proposed Akuna residential community would only need to attract a very small proportion of these residents to ensure satisfactory house sales are achieved.
House Prices	<p>Akuna is providing an affordable housing option for older residents in Cobram and are considering a pricing strategy that would see its houses priced at around 77% of the value of new house and land packages in Cobram.</p> <p>A review of real estate and builders' listings of house and land packages in the Moira Shire reveals that the base median price of advertised packages is \$345,000. Assuming houses at the proposed Akuna residential community would be priced at 77% as noted above, houses would then be priced in the vicinity of \$265,000.</p> <p>The quality and contemporary resort-style Akuna offering also supports this price point that can be described as at the upper end of the affordable housing.</p> <p>Two of Akuna's ASX listed competitors, Lifestyle Communities and Ingenia Communities, have an average house sale price of \$309,000 and \$286,000 respectively based on the half year December 2016 financial results published by the companies.</p>

Competitor Comparison

Operator	ASX	Home Sites Under Management	Home Sites Under Development	Total Home Sites	Average Weekly Site Rental	Average Dwelling Sale Price	Number of Communities	Portfolio Value
Lifestyle Communities	LIC	1705	740	2445	\$180	\$309,000	13	\$175m
Ingenia Communities	INA	3205	2356	5606	\$155	\$286,000	30	\$390m
Gateway Lifestyle	GTY	6277	1358	7635	\$142	\$244,000	54	\$560m

Source: Half year December 2016 financial results published by the companies and these figures have not been independently verified by DomaCom.

Cobram Profile

Cobram is located on the Murray River north of Melbourne and is strategically positioned just a 3 hour drive from Melbourne and close to other regional centres such as Shepparton, Wangaratta, Echuca-Moama and Albury-Wodonga.

Cobram is the major town of the Moira Shire which also includes Nathalia, Nurmurkah and Yarrawonga as well as 22 smaller communities. The area's warm Mediterranean climate, appealing natural environment and strategic location means Cobram is home to agricultural, horticultural, viticultural and tourism operations.

The area's permanent population in 2016 is 28,000 and is projected to grow to in excess of 32,000 by 2031.

Cobram District Health includes a public hospital with acute beds, high care residential aged care beds, a GP managed Urgent Care Centre, Operating Theatre, Palliative Care Unit and diagnostic services and the Community Health Centre provides a wide range of allied health services.

Climate data for Cobram													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Average High °C (°F)	31.6	30.6	28.0	23.0	18.4	14.8	13.9	15.8	18.7	22.3	26.5	29.5	22.8
Average Low °C (°F)	15.9	16.0	13.5	9.6	6.7	4.2	3.3	4.3	6.4	8.8	11.7	13.9	9.5
Number of days of rain	3.9	3.3	4.3	5.0	7.0	9.0	9.9	9.9	8.3	7.3	5.4	4.4	–
Monthly rainfall (mm)	32.0	27.5	33.5	32.2	41.5	44.3	42.3	43.6	39.5	43.7	33.4	33.2	–

Source: BOM



Fractional investing via the DomaCom Fund

ARSN 167 020 626

DomaCom's fractional model simulates the experience of investing in real property without the need to purchase an entire property. DomaCom also calls this 'crowdfunding' – as it brings together like-minded investors to purchase a property through the DomaCom Fund that meets their investment needs.

DomaCom has developed the DomaCom Fund so that any number of people can come together to pool different amounts to purchase a specific property asset, like the Akuna residential community, and share in the net income and capital value of such asset, in proportion to the amount they invest.

Investment in the Akuna residential community via the Fund will be unitised and 'housed' in a sub-fund, allowing investors to purchase as many units as they possibly want or need. Furthermore, investors may be able to sell some or all of their units in a sub-fund through the Fund's liquidity facility provided there is a buyer for their units.

The DomaCom Fund introduces concepts from the equities market into property, and in doing so delivers a level of regulatory oversight that is not present in direct property investment.



The proposed Akuna site is perfectly situated in a peaceful setting just minutes from the Cobram CBD and Murray River

How do you invest in the Akuna Cobram residential community via the DomaCom Fund?

Please ensure that you first read the DomaCom Fund's Product Disclosure Statement (PDS). For a copy of the current PDS, please go to our website to download your copy at <http://www.domacom.com.au/the-domacom-fund/product-disclosure-statement/>.

If you wish to invest in the Akuna Cobram residential community, you can join this crowdfunding campaign by completing the application and lodging your investment funds through the Akuna page on our website.

Ensure you have read the Fund's PDS



Click Apply button on Akuna page of our website (Initial minimum investment amount is \$2,500)



Place a 'bid' on the DomaCom platform once application is successful



As bidding reaches 30% of target crowdfunding amount, DomaCom commences due diligence process of Akuna including legal checks, independent valuation and property inspection



As bidding reaches 100% of target crowdfunding amount, DomaCom will issue a Supplementary Product Disclosure Statement (SPDS) containing specific details of the property and seeking final confirmation from all investors to proceed to acquisition



Investors should expect a target annualised return of 15% on the completed Project, with an estimated ongoing rental income of 8% p.a.⁴

⁴ This is an estimate only based on an independent assessment of the value of the land and net rental return assuming full occupancy