

CASE STUDY



PROSPA
PROPERTY
ADVISORY

Norfolk Street, Fern Bay, NSW





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Client Strategy



An advisor met with the clients to create a property investment plan, highlighting the following requirements:

- ✓ Budget of up to **\$820,000**
- ✓ Manufacture equity through construction and sub-division
- ✓ Simple exit strategy should funds be required for other projects

The aim was to match the clients with a property that was:

- ✓ Located with maximum capital growth potential
- ✓ High yield to positively impact cash flow

Proposal



The proposed property was a Duplex on Norfolk Street, Fern Bay, NSW for **\$802,000**

This property was::

- ✓ Fixed price duplex style property – 2 x properties under one roof
- ✓ Fully completed “tenant ready” (i.e. turnkey) upon completion
- ✓ Price also included strata titling, infrastructure charges, Council and survey fees

Client Journey



Step 1

*Clients lodge
Expression of Interest*



Step 2

*Construction commences
(awaiting titles & building
approvals to be issued)*



Step 3

Construction completed



Step 4

Subdivision approved



Step 5

*Properties tenanted
at **\$500** per week*



Step 6

*Each dwelling
valued by bank
at **\$505,000***





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Financials



Cost Breakdown

Deposit on land (10%)	\$36,000
Settled on land	\$360,000 (less deposit)
Stamp Duty + Gov Transfer	\$11,916
Build Commenced	Progress payments made throughout the build
Build Completed	\$442,000
House and Land Total (including sub-div fees)	\$802,000
Total Cost (including stamp duty)	\$813,916

Valuation on Completion

Valuation -Lot 1	\$505,000
Valuation -Lot 2	\$505,000
Total	\$1,010,000
Gross Profit	\$196,084 (excluding sales and holding costs)

With the proposal package, the clients received extensive information about the property, development and location, including research into the nearby infrastructure, amenities and recreational activities, as well as the city's projected future.


Location








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Lot 15-17, Norfolk St, Fern Bay, Seaside Estate, NSW\$766,000

Indicative Package





Request Hold

Brochure ▾

Overview

Info

Floor Plan

Gallery

Downloads

Links

Map

Specifications

Menu

Landscape package. Split system air conditioning, Stainless steel appliances, Alfresco area

Specifications

6 4 2 5.7

#102568

Dwelling 1

3 2 1

Dwelling 2

3 2 1

Property Type	Duplex
Status	Completed purchase
Contract Type	2 Part Contract
Title Type	Strata
Titled	Yes
Indicative Package	No
Rent Yield	5.70%
Market Rent	\$880
Vacancy Rate	1.5% Jun 19
Land or External Area	700 sqm
House Area	281 sqm
Land Price	\$360,000
House Price	\$442,000
Design	Flemington 30
Stage	15
Study	No
Stamp duty Estimate	\$11,690
Gov. Transfer Fee	\$226

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Newcastle, NSW

Newcastle | NSW

Newcastle's city and foreshore continues to undergo massive rejuvenation attracting residential property investors into Newcastle where new jobs, low prices and plenty of opportunity for residents and university students in this fast emerging lifestyle hub are at play. Newcastle is fast becoming a major economic hub with a stable economy, low unemployment and an undersupply of residential property.

With \$6.5 billion worth of infrastructure planned or under way and nearly \$2 billion in private development projects, Newcastle is a burgeoning force in becoming one of Australia's most sought after Regional Cities

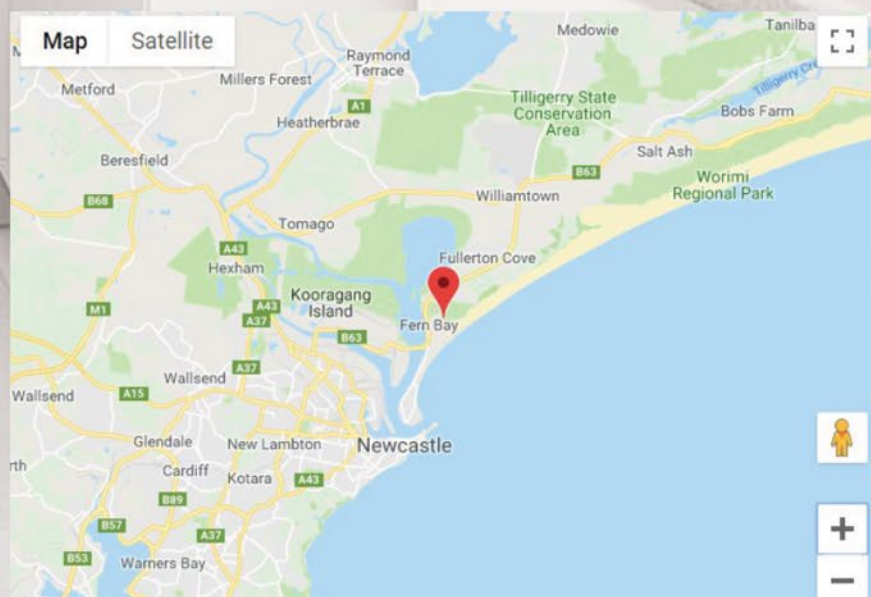
Undergoing a revitalisation and gentrification process Newcastle is emerging as a growing employment hub and emerging economy adding significant value to the state of NSW with many infrastructure projects underway today and planned and budgeted for. This emergence is creating new jobs, offering residents a wonderful lifestyle and thus attracting a significant population growth as a direct result.



Some infrastructure projects under way in Australia's 7th largest city

The NSW government's "Revitalising Newcastle" program started in 2015 with more than **\$650** million dollars of investment

- ✓ Commencement of the **\$260m** light rail network
- ✓ The new **\$200m** Newcastle Interchange at Wickham as a major gateway to the city centre linking bus, taxi, train and from early 2019 the new Light Rail. Planned to open up Urban Renewal opportunities. The interchange at Wickham created **400** full time jobs and the construction of the new Gateway office development
- ✓ Planned to become a university town positioning itself as an education destination
- ✓ **\$95m** University of Newcastle city campus called NeW Space
- ✓ Former law courts bought by Japan's Nihon University for first ever offshore campus
- ✓ Submission of development application for **7** University buildings on former Honeysuckle site for an innovation hub will also include student accommodation and public space
- ✓ Propensity to double current student figures which stand at **3,000** today
- ✓ **\$90 m** NSW Law Courts
- ✓ A permanent multi-purpose cruise ship terminal has been announced securing Newcastle's future as a cruise ship destination
- ✓ Newcastle took over the V8 Supercar competition injecting **\$57m** into the Hunter region attracting **81,000** visitors with a 5 year commitment





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Amenities Map, Fern Bay



20+ Cafes
within 1km



3 Department
stores within
5km



20+ Medical
facilities within
5km



8 Grocery stores
within 1km



20+ Parks
within 5km



20+ Restaurants
within 1km



19 Schools
within 5km



Nearest Train
Station: Newcastle



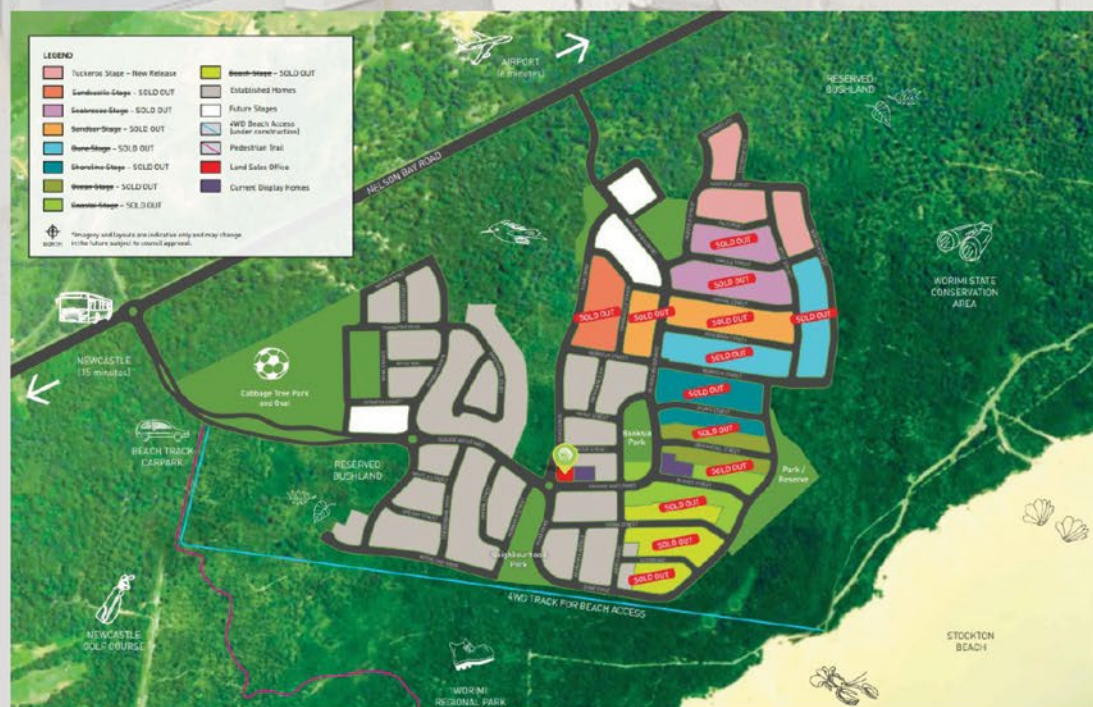
Masterplan: Seaside, Fern Bay

Fern Bay

Seaside Fern Bay is an exclusive and unique community that encourages and appreciates high quality design. In order to create a fantastic result for the neighbourhood as a whole and present a superior and unified streetscape it is essential that the appearance of all homes be guided in their creation.

Surfing, fishing, bike riding, golf, four wheel driving, bush walking are just a few of the local attractions right on your doorstep to enjoy. Backed by the city of Newcastle only 15 minutes away make this an appealing spot to call home. Sub tropical forest merges seamlessly with the sea, this is a unique beachside community.

What is also perfect is when you're not visiting the beach or the surrounding bushland you can enjoy the parks closer to home.





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Stage Plan



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The clients received constant photo updates over the course of construction to remain up-to-date on their investment.

Progress



Site Photos



Build Progress Photos





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Finished
Product
Lot 1



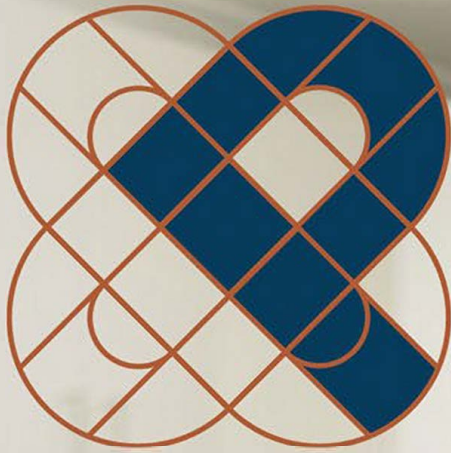
Valued at
\$505,000

Finished Product **Lot 2**



Valued at
\$505,000





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Thanks for reading!

Want to start your own property journey like this?

Book your free consultation today.

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