

# Critical information for broadacre landowners

If you own broadacre property, the following information is vital in assisting you to clearly understand the benefits and real profit potential that Terranovis can provide.



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- ❖ Are you constantly being approached by real estate agents and developers seeking to buy your valuable land?
- ❖ Rather than selling to these developers, do you want to profit from the development of your own land while retaining ownership and control?
- ❖ Do you require expert assistance in developing your land?

# Terranovis – proven results in project management

Terranovis has offices in Brisbane, Melbourne and Perth and employs a team of professionals including project managers, licensed valuers, engineers and town planning experts. Terranovis is a specialist project management consultancy that provides dedicated services to assist landowners develop their property into residential housing lots. Please see page four of this brochure for detailed case studies outlining recent Terranovis projects.

## **YOU RETAIN OWNERSHIP OF YOUR LAND**

When you enter into a project management agreement with Terranovis, the following applies:

- As the landowner, you retain ownership of your land throughout the development process
- You will also own the residential housing lots that are developed on your land
- You can decide when you want to sell the developed residential lots
- If and when you decide to sell your developed residential lots, Terranovis can facilitate the sales and marketing of these lots

## **A COMPLETELY TRANSPARENT AND ACCOUNTABLE PROCESS**

As your appointed project manager, Terranovis will assist you with all aspects of the development process including the engagement and

management of all professional consultants. These include planners, engineers, environmental consultants and civil contractors. Terranovis will also take responsibility for negotiating with neighbours and/or neighbouring developments (subject to your approval) to make sure that any service costs (such as sewer, roads, parks, etc) are dealt with in a fair and equitable manner. It is also standard practice that you approve all development costs prior to any monies being spent

## **UNDERSTAND THE PROFITS YOU CAN DERIVE FROM DEVELOPING YOUR OWN LAND**

Terranovis can prepare a comprehensive feasibility document for your information, demonstrating the potential income of your developed property. This feasibility can also be used to assist with obtaining development finance.

## **A COMPETITIVE FEE STRUCTURE**

Terranovis can tailor a competitive fee structure to suit your individual needs.

Terranovis fees are generally NOT payable until the development of your land has been completed or until the developed residential lots have been sold and settled. This means that Terranovis generally do not charge you any fees until you start to earn income from the sale of your developed lots.

**FOR AN OBLIGATION-FREE AND COST-FREE ASSESSMENT OF THE PROFIT YOU COULD DERIVE FROM HAVING TERRANOVIS PROJECT MANAGE THE DEVELOPMENT OF YOUR PROPERTY, PLEASE CONTACT TERRANOVIS.**

# Cooperation has its rewards



## 17 LANDOWNERS COLLABORATE FOR A COMMON GOAL

Identifying and then seizing development opportunities in a timely manner is just one of the reasons Terranovis has enjoyed significant and ongoing growth and success. Three years ago, Terranovis assembled 17 different landowners and coordinated the rezoning of 20 hectares of land from rural to urban development. This milestone was achieved in November 2010 and will culminate in the 2011 release of 250 residential lots located only two minutes from the prestigious Coogee Marina development. At time of writing, Terranovis has already received expressions of interest from several keen local buyers.

"It's taken a lot of time and expertise to bring this development together," explained Terranovis director Victor Marcelino.

"Understanding, appreciating and addressing the issues of each landowner is a small, but critical component of what we do. In our experience, landowners will often recognise the fact that their property is valuable but they don't understand the intricacies of the development process. That's where Terranovis can assist."

In addition to facilitating the actual development, Terranovis can assist with the subsequent sales and marketing campaign. "Due to the fact that we don't receive payment until after the residential lots have been sold and settled, our clients

know all too well how hard we'll work to ensure that each development is completed efficiently and effectively," said Victor.

In recent years, Terranovis has sourced and negotiated the purchase of developable land worth in excess of \$100 million. Terranovis currently manages projects comprising more than 3,000 lots, with a subdivided value of over \$600 million. To date, Terranovis has sold over \$300 million worth of residential lots.

## Case study one: Baldivis, WA 40.5 hectares

Stage	Zoning	Value per hectare
Purchase	Rural	\$155,555
Adoptive Structure Plan	Residential Development	\$1 million
Completion	R30/R20 individually sold	\$1.5 million

In 2004, a long-term Terranovis client met with the project management team to determine where to invest some funds. Terranovis identified a parcel of rural land in Baldivis that could potentially be rezoned and developed. The client purchased the 4.5 hectares of land and appointed Terranovis to project manage the process. Terranovis then approached and were subsequently appointed by nine surrounding landowners. This allowed for the cost of services including water and sewer to be amortised amongst ten developers. Terranovis then worked on behalf of these ten owners to coordinate the design of a local structure plan, with the outcome being the approval for 470 residential lots across 40.5 hectares. At time of writing, 30% of the lots have been sold.

## Case study two: Baldivis, WA 4.5 hectares

Stage	Zoning	Value per hectare
Purchase	Rural	\$592,640
Adoptive Structure Plan	Residential Development	\$1 million
Completion	R30/R20 individually sold	\$1.72 million

In 2006, an investor purchased 4.5 hectares of Baldivis land through their self-managed superannuation fund. The land parcel was located within the same area detailed in Case Study 1 above. When the landowner was approached by Terranovis shortly after the purchase, the landowner was excited about the prospect of being involved in the rezoning and redevelopment process, and as the landowner had no experience in these processes, the landowner was confident appointing a professional firm such as Terranovis. In the three years following the purchase, the land appreciated in value two-fold, and construction had begun on the site. As an aside, the land was positioned on top of a hill, and Terranovis was able to negotiate the sale of excess sand on the site for over \$1 million. The landowner has also enjoyed tax advantages as the purchase was made via the landowners self-managed superannuation fund.

## Case study three: Henty Park Estate, Pakenham Vic 307 lots residential subdivision

Stage	Zoning	Value
Purchase	Development	\$14.3 million*
Equity	Development	\$2.75 million*
Profit		\$9 million*

In 2007 a privately owned company, SPM Victoria Pty Ltd purchased a 307 lot residential estate in Pakenham, Victoria. The estate comprised about 140 developed and titled lots and a further 167 lots worth of developable land. The company approached Terranovis to prepare feasibility analysis to determine the viability of selling the existing lots and developing the remaining land. Terranovis conducted an analysis and projected the company could realise a 325% profit (before tax) on equity over 3 years plus return of the capital used to fund the purchase of the land. The company appointed Terranovis to project manage the development of the balance of the land and to sell the resulting 307 lots. Terranovis managed this process and the company has since developed and sold its lots within the timeframes projected by Terranovis and has achieved a profit of 327% (before tax) plus return of capital. \*Approximate figures net of fees but before tax.

For more information about these case studies or for an obligation-free discussion about your landholdings, please contact Victor Marcellino for Western Australia on 0403 463 552, Ian Smout for Queensland on 0400 342 343 or Christain Renieri for Victoria on 0416 445 078. Alternatively, please visit our website [www.terranovis.com.au](http://www.terranovis.com.au)

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