

# Overview of the project – Strata Plan 1731 20 Illawong Avenue Tamarama

**24<sup>th</sup> October AGM –  
Owners update**

## Update on costs to complete project and importance of special levy payments

Below is an estimation of the costs to complete and you will note we do not have sufficient funds to complete the project. The key levers we have to ensure we have enough funding is for owners to paydown their special levies and owners to start paying interest on their special levies which is currently 10.30%, which is significantly higher than what you would pay if you took out a loan in your own name.

Cost categories	Total Budget
Finalise Warm Shell	\$ 3,600,000.00
Finalise Fitout	\$ 4,000,000.00
	\$ 7,600,000.00
Finalise Stacks	\$ 750,000.00
Pure	\$ 1,000,000.00
Consultants	\$ 600,000.00
Buffer	\$ 1,000,000.00
Total	\$ 10,950,000.00
Plus estimated interest costs	\$ 5,000,000.00
Total estimated to complete	\$ 15,950,000.00

Sources of funding	
Lannock facility - undrawn	\$ 9,300,000.00
Sale of vacant land	\$ 4,364,000.00
	\$ 13,664,000.00
Shortfall	\$ 2,286,000.00

**Update on special levy interest payments - scenarios for owners to consider in relation to interest payments commencing from 1 February 2023**

Unit Entitlement	Special Levy #1	Special Levy #2	Total Special Levies issued to-date
9	\$ 206,896.55	\$ 62,283.74	\$ 269,180.29
10	\$ 229,885.06	\$ 69,204.15	\$ 299,089.21
12	\$ 275,862.07	\$ 83,044.98	\$ 358,907.05
15	\$ 344,827.59	\$ 103,806.23	\$ 448,633.81
19	\$ 436,781.61	\$ 131,487.89	\$ 568,269.50

**Below are 4 scenarios for owners to consider in relation to the interest payments that will be required from 1 February 2023.**

The scenarios step through 3 different interest rate environments to help owners consider how much they are going to need to pay each month

The 3 interest rates scenarios are:

Current interest	10.30%
Increase of 50 bps	10.80%
Increase of 100bps	11.30%

## Update on special levy interest payments - scenarios for owners to consider in relation to interest payments commencing in the new year

Estimated monthly interest payment					Estimated monthly interest payment				
Have paid special levy #1 & 2					Haven't paid special levy #1 but have paid special levy #2				
Unit Entitlement	Special levy O/S	Current interest rate 10.30%	Interest rate increase by 50bps to 10.80%	Interest rate increase by 100bps to 11.30%	Unit Entitlement	Special levy O/S	Current interest rate 10.30%	Interest rate increase by 50bps to 10.80%	Interest rate increase by 100bps to 11.30%
9	\$ -	\$ -	\$ -	\$ -	9	\$ 206,896.55	\$ 1,775.86	\$ 1,862.07	\$ 1,948.28
10	\$ -	\$ -	\$ -	\$ -	10	\$ 229,885.06	\$ 1,973.18	\$ 2,068.97	\$ 2,164.75
12	\$ -	\$ -	\$ -	\$ -	12	\$ 275,862.07	\$ 2,367.82	\$ 2,482.76	\$ 2,597.70
15	\$ -	\$ -	\$ -	\$ -	15	\$ 344,827.59	\$ 2,959.77	\$ 3,103.45	\$ 3,247.13
19	\$ -	\$ -	\$ -	\$ -	19	\$ 436,781.61	\$ 3,749.04	\$ 3,931.03	\$ 4,113.03
Please note in this scenario that owners are not incurring interest on the Lannock loan however are likely to be incurring interest on their own loans however this interest rate will be significantly lower.									
Estimated monthly interest payment					Estimated monthly interest payment				
Haven't paid special levy #2 but have paid special levy #1					Haven't paid either special levy #1 nor special levy #2				
Unit Entitlement	Special levy O/S	Current interest rate 10.30%	Interest rate increase by 50bps to 10.80%	Interest rate increase by 100bps to 11.30%	Unit Entitlement	Special levy O/S	Current interest rate 10.30%	Interest rate increase by 50bps to 10.80%	Interest rate increase by 100bps to 11.30%
9	\$ 62,283.74	\$ 534.60	\$ 560.55	\$ 586.51	9	\$ 269,180.29	\$ 2,310.46	\$ 2,422.62	\$ 2,534.78
10	\$ 69,204.15	\$ 594.00	\$ 622.84	\$ 651.67	10	\$ 299,089.21	\$ 2,567.18	\$ 2,691.80	\$ 2,816.42
12	\$ 83,044.98	\$ 712.80	\$ 747.40	\$ 782.01	12	\$ 358,907.05	\$ 3,080.62	\$ 3,230.16	\$ 3,379.71
15	\$ 103,806.23	\$ 891.00	\$ 934.26	\$ 977.51	15	\$ 448,633.81	\$ 3,850.77	\$ 4,037.70	\$ 4,224.64
19	\$ 131,487.89	\$ 1,128.60	\$ 1,183.39	\$ 1,238.18	19	\$ 568,269.50	\$ 4,877.65	\$ 5,114.43	\$ 5,351.20