

property perspective

Thakral Newsletter | Issue 2 | 2004



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affected as
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hot spot

Thakral's development division is excited to announce the purchase of two new properties in Queensland for residential development. One is a beachfront parcel of land in Palm Cove, Far North Queensland, where Thakral has recently had great success with the development of Amphora Resort; the other is a property in Broadbeach on the Gold Coast. Watch this space for more info.



editor's note

Welcome to the second edition of Property Perspective. I would like to take this opportunity to extend my personal thanks to all our readers who have contacted me over the past few months to express their approval of the content and format of our last issue. Much appreciated.

You will no doubt notice the new look of our magazine which coincides with the re-branding of Thakral. To quote our Managing Director, it is more of an evolution than a re-branding. This change was prompted by the tenth Anniversary of Thakral's listing on the Australian Stock Exchange. Much has happened since we listed 10 years ago, as outlined in this edition's article, written after discussions with our General Council and Company Secretary, Andrew Horne, who was involved with the formation of our company. It makes for some very interesting reading.

Much is happening in Broadbeach Queensland. Our hotel, the Grand Mercure, is undergoing a refurbishment and our shopping centre, the Oasis, is having a very successful quarter. In early May, Ita Buttrose attended a book signing in the Oasis Shopping Centre after hosting a special Mothers' Day luncheon at Mario's.

As evident from the Construction Review section you will notice that stage one of Trilogy on the Esplanade is complete and settlements are imminent. Construction of stages two and three should commence later this year.

Amphora Resort in Palm Cove is almost complete with settlement expected around mid August. Palm Cove has proved so popular that Thakral has acquired a second site south of Amphora for development of over 600 residences. We have already received a number of enquiries for this site through our participation in Property Expos held earlier this year in Sydney and Brisbane. For more details as they come to hand, simply complete the Tell Me More section at the back of this edition of Property Perspective.

Air on Broadbeach is rapidly moving skyward, and becoming a prominent feature of the Broadbeach esplanade. The First Residences at the Glades is looking as good as the artists impression indicated.

As you see, everything is looking bright for the future at Thakral. Ten years have gone by very quickly – the next ten and beyond I am sure will be just as rewarding for us, our shareholders and our valuable clients.

Enjoy!

Renia

under construction review the glades



"The First is due for completion this spring with 19 of the 36 units sold to date."

Construction at The First (pictured left) is advanced with roof sheeting completed and external painting underway. The First is due for completion this spring with 19 of the 36 units sold to date. The display apartment is now open for inspection.

Waterview, the next planned development of 12 unique waterfront apartments, is now for sale with price lists and brochures available from the sales office. Construction started in June for a mid-2005 forecasted completion.

Design development is now completed for Peninsula. The first 14 single storey homes and 24 double storey, 3 bedroom apartments have been designed. Detail designs for a pool and recreational complex have been completed. Stages five and six of East Hills, Thakral's joint venture with the Sunland Group, are now under construction. Construction is forecast for completion in Spring 2004 and houses are now available for purchase.

The first stage of Glasswing, 32 three-bedroom apartments, continues on track, with construction also scheduled for completion in Spring 2004. Plans and prices are available from the sales office.

The Thakral team has finalised proposals for a new release on the northern section of The Glades. It will contain a total of 156 homes. There are 20 units to complete and sell and these will be ready to market later this year. Plans for a further 136 houses and units to be built over a four year period and two commercial sites on the Pacific Highway have now been finalised.

under construction review



air on broadbeach

Construction of Air on Broadbeach has now reached Level 11 with the lift core at Level 15. On completion the building will be an icon of Broadbeach. Demand for apartments in Broadbeach is so strong that Thakral has entered into negotiations to acquire another high rise site. We are looking forward to bringing Thakral clients another quality apartment development. With the new Gold Coast Convention Centre soon to be opened in Broadbeach, the beachfront suburb is now the premier apartment destination on the Gold Coast.

amphora resort

Amphora Resort on the beachfront at Palm Cove is due for practical completion by the end of this winter. The resort is looking fantastic with many buildings complete and work well under way on the spectacular freeform swimming pool. Apartments within the resort will be furnished during June with landscaping commencing shortly. Thakral is very pleased with the success of this development and has been able to secure another property at Palm Cove for resort development in the near future.



trilogy on the esplanade

The construction of Trilogy on the Esplanade is due for practical completion shortly with settlements to take place in June. This is the culmination of an extremely exciting and successful project for Thakral as stage one of the development has sold very well. There seems to be an insatiable appetite for apartment living and investment in Far North Queensland. Thakral is now marketing the second and third stages of Trilogy on the Esplanade.

The completed tower of Trilogy on the Esplanade stage one has changed the skyline of Cairns forever. The recent multi-million dollar redevelopment of the foreshores of Cairns including a public lagoon and boardwalks, has boosted tourism and residential sales in the tropical city. Buyers at Trilogy on the Esplanade have been a mix of overseas investors, locals who have recognised the amazing waterfront location and Australians from southern states looking for a warm northern retreat for winter.

See page 15 of this edition for more on this development.

note from the managing director



Thakral listed on the ASX in June 1994 and over that time has grown shareholder wealth and developed from a passive hotel based group into a multi-disciplined property group, where hotels make up approximately 50% of our profit. During the time Thakral has been listed it has delivered consistent returns which at 30 April 2004 had compound returns as follows -

	Three months	Six months	One year	Three years	Five years
Thakral Holdings Group	10.4%	16.0%	11.0%	12.7%	11.4%
ASX 200 All Ind Acc Index	5.7%	9.1%	20.9%	5.5%	5.7%
ASX 200 Acc Index	4.7%	10.0%	23.4%	6.8%	7.5%

Source: UBS/The Australian



Above, plans for an integrated resort community including 600 residences on the beachfront at Palm Cove are underway after Thakral was able to secure the purchase of a new parcel of land there.

Given the tumultuous times for hotels, we are proud of these returns, which were greatly taxed advantaged and I look forward to reporting our ten year figures when they are available. Naturally we cannot rest on our laurels but we can confidently look forward to growth based on a solid past, strong balance sheet and excellent portfolio of properties.

As readers of past issues of Property Perspective would know, we like to include articles of general interest as well as discussion on what is happening at Thakral. In this issue we have included an article by Bernard Salt, a partner from KPMG, on the changing demographics underpinning Australian Society. I am sure you will find his article both interesting and challenging...particularly if you are a baby boomer!

While not a result of discussions with Bernard, Thakral's philosophy toward property development and investing is very much in accord with his views. Our properties, a list of which appears on the back of this newsletter, are primarily on the coast and in prime locations, those sought by baby boomers seeking lifestyle and life balance over the rat race. As a baby boomer myself they certainly appeal to me!

This brings me back to an article I wrote for the Summer 2002 issue of this publication. In that article I said, "As property markets around the country show signs of 'taking a breather' the fundamentals of property and the old adages come to the fore. All will be familiar with the classic property sayings: 'location...location...location' and 'property is a long term investment'. We all know these to be true and yet over the past few years the market seems to have forgotten them or at least temporarily set them aside, taken in by a seemingly never ending series of increases in capital values. Now is a time to return to these values. Property is still a good long-term investment if well designed and located." While it appears I called an end to the property boom a little too early, I still stand by these views.

Which brings us to today. Thakral is currently developing residential projects on the coast at some of the best beachside locations available. These include Air at Broadbeach on the Gold Coast, Trilogy on the Esplanade, Cairns, Amphora Resort, Palm Cove and Pacific Bay, Coffs Harbour. Thakral is also developing a major residential community at the Glades, Robina, overlooking the spectacular scenery of the Greg Norman-designed golf course. We have just acquired a 60ha parcel of beachfront land at Palm Cove where we plan over 600 residences and a further high-rise site at Broadbeach. In Sydney we are anxiously awaiting development approval for a redevelopment of the Kirribilli Club at Lavender Bay for 20 prestige apartments and we continue to pursue approvals for the redevelopment of Wynyard and for apartments adjacent to the Hilton on the Park Hotel in Melbourne.

In all a portfolio that I am sure Bernard would endorse as an ideal series of projects particularly suited to the baby boomers, sea changers and dare I say the odd generation X-er!

I hope you enjoy this edition of Property Perspective.

John Hudson
Managing Director

grand mercure refurbishment

Thakral's Grand Mercure Hotel, in the heart of the Gold Coast at Broadbeach, just south of Surfers Paradise, is soon to undergo a refurbishment. A hotel refurbishment is a major project and here, Thakral's Wayne Munn explains the process.

Every seven to ten years in the life cycle of a Thakral hotel a refurbishment of the guest rooms and public areas is undertaken. This ensures that all Thakral hotels are highly competitive in the market place by offering guests the latest in room décor, facilities and amenities.

The Grand Mercure is one such Thakral hotel that is due for refurbishment, but is also to undergo a strategic redevelopment of its image and room fitouts as the type of guest to the hotel begins to change.

In the past, the Grand Mercure has mainly serviced the leisure market. In the future, this will dramatically change with the opening of the Gold Coast Convention and Exhibition Centre directly across the road from the hotel in mid-2004. In such a prime location, the refurbished Grand Mercure will be in a better position to service business travellers as well as tourists visiting the Gold Coast.

At Thakral, a refurbishment is a consultative process that includes feedback from the hotel operators (Accor) regarding ways of making the guest rooms more comfortable and the facilities more suited to the changing guest dynamic. As Thakral is also considering the needs of business travellers at this site, the Grand Mercure refurbishment will include the upgrading of room lighting, better internet access and blackout curtains for a better night's sleep.

The next step on the refurbishment process is to engage the services of project specialists including architects to develop a concept for the overall scheme. A visual scheme is developed for the décor of the guest rooms and public areas of the hotel and the style of the furnishings, right down to the suggested design of the hotel carpet.

Thakral's "wish list" for the refurbishment is considered against the overall budget for the project. Financial feasibilities are also undertaken to ensure that Thakral shareholders will receive a reasonable pay-back and the scope of works and design is constantly modified until the desired product and cost is achieved.



Once this scheme is agreed upon, it is "test driven" by furnishing a room to the new scheme. Business suppliers and guests are hosted in the room so that Thakral can obtain an accurate view of just how the rooms will be received by hotel guests in the future.

As the design continues to be modified, a refurbishment schedule is developed in conjunction with the hotel operators to minimise inconvenience to hotel guests. At this stage, tenders based on the final scope of works, are called. After an exhaustive analysis of each of the tenders the final project costs are estimated and the design is fine-tuned again to ensure the project costs are within the proposed budget.

Six months will have passed by this stage and it will take a further eight months to refurbish the average 200-room hotel. At the Grand Mercure two floors will be refurbished at a time and this will take only ten days. The Thakral Hotels team has to balance the needs of a trading hotel against the logistics of a complex building project. Much consideration is given to such simple issues as access to the building and when the elevators can be used to get workers to the hotel floors that they are working on.

Throughout the process Thakral staff and project managers liaise with the hotel operators to ensure any disruption to hotel guests is kept to a minimum. Advertising, designed to promote the newly refurbished hotel, is booked in the national media and as floors of refurbished rooms are completed they returned to the hotel room inventory for guest use.

The Grand Mercure Broadbeach refurbishment is expected to be substantially completed by December 2004. The hotel will benefit from the anticipated improved returns to be gained by offering a refurbished product to the market.

thakral's ten

This year Thakral celebrates a decade since the Singapore-based family company purchased a significant property portfolio in Australia and floated on the Australian Stock Exchange. Here we explain how an offshore family business took ten failing hotels and turned them into a highly successful portfolio for investors.

The Thakral family first entered the Australian market in 1991 with the purchase of Monash House, a 23-level office building in Melbourne's central business district. Then, in 1992, Thakral Property Trust acquired the Sovereign Property Fund, a company that owned the Wynyard group of properties. These properties are still owned by Thakral today and include the Menzies Hotel, Thakral House on George Street, Wynyard Station concourse and arcades and Wynyard Secure Parking. Incidentally, 24 million commuters pass through Wynyard's concourse every year making it one of the most valuable shopping strips in Australia.

At the same time, a unique opportunity arose. Westpac Banking Corporation was selling a portfolio of "distressed" hotels and shopping centres on which the bank had foreclosed. The properties were packaged together and came with a favourable proposal from Westpac that included guaranteed minimum income returns for five years as well as excellent terms for financing the purchase.

When considering investing in the Australian property market Mr Kartar Singh Thakral could see that Australia enjoyed a stable political climate with established legal practices and above all, enormous potential as a regional centre and major tourist attraction.

Mr Thakral believed that as a consequence of an over-supply of hotel rooms, together with a domestic economic recession, the Australian hotel industry had under-performed in the years leading up to the acquisition. Given the minimal level of hotel growth expected and a strong increase in demand for hotel rooms, the outlook at the time was for a significant improvement in the hotel sector's profitability over the coming years. This proved to be a very accurate prediction.

The Westpac property purchase included

- The Atrium Hotel, Darwin, Northern Territory
- The Pan Pacific Hotel (now the Grand Mercure) and Oasis Shopping Centre, Broadbeach, Queensland
- Mermaid Waters Resort and Loanstar Tavern, Gold Coast, Queensland
- Novotel Brighton and Bayside Plaza, Sydney, New South Wales
- Novotel Northbeach, Wollongong, New South Wales
- Novotel Melbourne on Collins and Australia on Collins Shopping Centre, Melbourne, Victoria
- Hindley Park Royal, Adelaide, South Australia
- Novotel, Launceston, Tasmania

Thakral Property Trust made the purchase at less than half the value of replacement costs, restructured the Sovereign Property Fund to include the new property acquisitions and then formed Thakral Holdings Limited Group with a view to float the company on the Australian Stock Exchange.

On 4 May 1994, the purchase of the Westpac group of properties was completed. This was an enormous task for the Thakral team as every property had to be handled as a separate purchase. This made Thakral Holdings Limited the largest hotel owner in Australia with over 2000 rooms. The next step was the float of Thakral Holding Limited on the Australian Stock Exchange and this took place on 17 June 1994.



One of the first assets purchased by the Thakral Group in Australia was the Menzies Hotel in Carrington Street, Sydney.

years afloat!

The structure of Thakral Holdings shares was a unique model that has since been used by other Australian corporations. The shares are stapled securities where investors own two or more securities that are related and bound together through one vehicle. Investors in the Thakral Holdings Group hold an ordinary share in Thakral Holdings Limited and a non-voting unit in the Thakral Holdings Trust. The share and non-voting unit cannot be traded separately and are quoted on the official list of the Australian Stock Exchange as Stapled Securities under the code THG.

When considering investing in the Australian property market Mr Kartar Singh Thakral could see that Australia enjoyed a stable political climate with established legal practices and above all, enormous potential as a regional centre and major tourist attraction.

Since the float, Thakral has grown to be a diversified property group with total assets of over \$700 million and net shareholders funds in excess of \$400 million, compared to the initial total share capital of \$135 million in June 1994.

Thakral Holdings has made some prudent acquisitions in the last ten years in order to diversify the company's portfolio and investor returns. Some of these have been mixed-use developments incorporating hotels, residential property development and retail property. The company also sold some of the original assets from the Westpac group of properties when the time was right for the best return.

One of the most significant acquisitions was Pacific Bay Resort in Coffs Harbour, New South Wales, which was purchased for a fraction of the replacement cost and has since been completely refurbished with much of the land developed into residential housing.

Thakral has also purchased and developed some of the best properties in Far North Queensland including Trilogy on the Esplanade, a key site on the foreshore of Cairns that integrates a hotel, residential tower and serviced holiday letting apartments. Thakral has also developed Amphora Resort, a large beachfront property in Palm Cove.

The Australian Financial Review reported on 6 June 1994:

"At 9.30 Wednesday evening the \$263 million sale of the Westpac hotel portfolio to the Thakral Group was all but settled. Except for \$1. Small change was unacceptable. So the solicitor leading the Clayton Utz team, Mr Murray West, wrote a personal cheque for the \$1 and the second-largest hotel sale in Australian history was done. Mr White was just one of about 40 solicitors and accountants who had spent days closeted high in Clayton Utz's Sydney offices to ensure the transfer of the 11 Westpac properties..."

Let's celebrate a successful decade!

Thakral hosted a celebration dinner for key staff at Cockle Bay in Darling Harbour at the end of May. Those who have been with the company for the full "ten years afloat" were congratulated. Pictured below are (left to right) David Tinyow (Centre Manager Wynyard/Brighton), Chow Boey (Management Account), Iris Good (Accountant), Manjit Gill (Finance Manager - Property), Tony Harvey (Engineering Manager) and John Adamson (General Manager - Property). Not in this photo are our other 10-year staff members Wayne Munn (Manager Hotel Operations) and George Sach (Building Supervisor Wynyard).



a short history of thakral

The Thakral family started as a small textiles retail business in Thailand in 1905 and in 1936 opened another in Japan. In 1952 the Thakral brothers opened an office in Singapore, which was incorporated in 1972. The following year, the business diversified into electronics, a venture that grew rapidly to export all over the world. Since then, the Thakral family has added manufacturing, property development, hotels, investments and financial and consultancy services to their textiles and electronics businesses. Since the company's humble beginnings as a textile trader, Thakral has grown into a major international corporation that employs over 11,000 people in 34 countries.

oasis shopping centre

the essence of you

One of the original property purchases made by Thakral in 1994 was the Oasis Shopping Centre on the Broadbeach Mall in the heart of the Gold Coast. At the time, the shopping centre was considered a "distressed" property by the bank due to low performance figures. Thakral, however, saw great potential in the location of the retail centre and has since made the Oasis a very profitable asset to the company.

The centre has over one hundred specialty stores as well as the convenience of a Woolworths supermarket and BWS liquor outlet. The Oasis is also the only shopping centre with its own monorail. The Oasis monorail runs daily from 8am to midnight and has a station located in the centre on level two and at Conrad Jupiters Casino.

It is not just location and retailer mix that makes the Oasis such a successful retail property for Thakral and its shareholders. It is also the hard work of the centre management team and the success of their promotional calendar that has contributed to the popularity of the Oasis in the Broadbeach area.

The Oasis is just metres away from the beautiful Kurrawa Beach and during March, over twenty thousand people visited the Broadbeach area to watch or participate in the Surf Life Saving Championships. The centre held a marketing campaign, the Oasis Payback Promotion, involving the distribution of special flyers with retailer bargains and the hosting of attractions within the centre.

Easter is always a successful period for the Oasis. The Easter Bunny paid shoppers a visit and "Mrs Chocaholic" hosted chocolate making shows for children and adults. In late April the centre hosted 'The Oasis Delight' a food festival featuring respected chefs making their signature dishes as well as offering shoppers samples, prizes and giveaways to promote the Oasis stores.

Ita Buttrose, former Editor of the Australian Women's Weekly, celebrity and author, was guest of honour at a special Mother's Day lunch at Mario's Restaurant at the Oasis in early May, after which she attended a book signing in the centre for shoppers who purchased Ita's popular books.

Ita Buttrose hosted lunch and a book signing at the Oasis Shopping Centre



oasis retailers awarded for their talent and commitment

Top quality retailers have made the Oasis Shopping Centre a success for many years. Some of these retail professionals have recently been recognised by their peers for outstanding work in their field of expertise.

Jeweller **Goce Taparcevski** from Just Jewellery was named 2004 Jeweller of the Year. This prestigious title was awarded to Mr Taparcevski for his commitment to excellence in the manufacture of original, handcrafted, fine jewellery.

Pictured here, the Oasis Shopping Centre at Broadbeach, and in the background, the cranes working on Air on Broadbeach, one of Thakral's residential developments



australia on collins

Australia on Collins, Thakral's shopping centre in the heart of Melbourne's CBD, has been buzzing lately with stars and entertainment as the promotions team has made the most of school holidays, Fashion Week and the Melbourne Comedy Festival.



Pictured above, crowds filled Australia on Collins during Melbourne's Fashion Week

Activities and events have been specifically designed to attract families to the Australia on Collins Shopping Centre. During the school holidays, the centre hosted the "Plaster Fun House", a creative, educational activity for children to enjoy whilst parents took their time to indulge in some retail therapy at their leisure!

To launch and celebrate Melbourne's Fashion Week in March, Australia on Collins showcased the wonderful fashion and style that is Melbourne, compered by highly respected editor Ita Buttrose. (Ita always enjoys visiting Australia on Collins when she is in Melbourne.) Australia on Collins fashion retailers showed off their latest wonderful collections in true lunch time style.

To celebrate the Melbourne International Comedy Festival, Australia on Collins presented "sit down – stand up" within the centre. Whilst shopping within the centre and lunching in the fabulous global cuisine food court, the crowds enjoyed the humour of stand-up comedians including Brad Oakes, Dave Grant, Dave Williams and Gab Rossi.

Hopping straight into Easter, celebrity chef Gabriel Gaté demonstrated the art of cooking with chocolate, making a host of delights such as Macadamia and Chocolate Biscuits, Chocolate Easter Cake, Chocolate Truffles and of course Easter Eggs. His demonstrations were very successful with shoppers able to enjoy a full two hours of Gabriel and his culinary flair.

The natural light of the Level Five Atrium makes it the newest Melbourne space for exhibitions. In December Claire Austin showed her works of Feng Shui-inspired paintings, followed by two amazing Photo Exhibitions showcasing the work of Timmyb and Sally R. Both are exhibiting photographs from their travels which highlight their creative talent and experience in photography.

Bayside Plaza in Brighton le Sands was recently the venue for the Pathways Psychic Fair, an event that is all about personal growth and alternative options. The Fair is in its 21st year and has grown to become a well-known community event in the St George area with people coming from as far as Wollongong, Canberra, Newcastle and Campbelltown. The lecture program included everything from stress management to spirit connection and there was entertainment throughout the day.

The marketing team at Bayside did an excellent job of promoting the event with newspaper and radio coverage as well as mailings, email and website advertising.

The Pathways Psychic Fair opened and closed with a message of "peace and healing for the planet".

bayside plaza



seachange

As Thakral has seen with the development of Trilogy on the Esplanade on the foreshores of Cairns and Amphora Resort on the beachfront at Palm Cove, property by the sea is highly sought after both by investors and those looking for a lifestyle change to the coast. Bernard Salt of KPMG explains how the changing attitudes of one of Australian society's largest and most powerful demographics, the baby boomers, has led the charge for coastal living and how this has affected the real estate market.

The current and frenzied clamour for the coast signals an important cultural shift for the Australian nation.

In the nineteenth century we had a single bush culture. During the twentieth century we forged a separate suburban culture based on the city. More recently another geographic concentration of Australians has emerged, on the provincial coast.

Some 3.9 million Australians now live in 132 local government areas located on the coast outside a capital city. This population is sufficient critical mass in a nation of 20 million people to forge a distinctive and third Australian culture.

The number of Australians pushing to the coast in the year to June 2003 was 69,000 representing a growth rate of 1.8 per cent. The previous year this figure was 62,000 or 1.7 per cent.

But why has the Australian nation suddenly, and passionately, embraced the coast? And when did this demographic shift translate into ascendant property values?

Australians began settling the coastal frontier in the second half of the twentieth century. The Gold Coast, now with close to half a million permanent residents, contained fewer than 20,000 at the time of the 1954 census.

Australians first embraced the coast because it was a convenient retirement destination. Indeed this was the *raison d'être* for the Gold Coast's initial rise to prominence in the '50s and '60s.

Then other factors took over. The mass market embraced leisure and lifestyle later in the century and on these measures the Australian coast beat off all contenders. During the late 1990s, an odd demographic alignment was silently forming: baby boomers born over the 15 years to 1961 were approaching their peak income earning time in life. This lot suddenly began to wonder whether their corporate lifestyle was all worth it.

There was also a paradigm shift in Australian values during the years leading up to the Sydney Olympic games. Out with high corporatism; in with new boomer-inspired concepts such as work-life balance and 'life's too short'. Boomers were suddenly interested in buying that place "up the coast" or "down the coast". Almost as if synchronised by some higher authority, the boomers made their property move soon after the turn of the century. Residential property prices within a 2-hour drive of every mainland capital city at first twitched and then leapt in price from Easter 2001 onwards.

"Some 3.9 million Australians now live in 132 local government areas located on the coast outside a capital city."



Cairns harbour

shift

much more than a fad



"Residential property prices within a 2-hour drive of every mainland capital city at first twitched and then leapt in price from Easter 2001 onwards..."

The boomers were feeling confident. They were about five years out from superannuation age. The value of their suburban property in Sydney and Melbourne was rising fast. Their children were finally officially out of secondary school. They had paid off their suburban mortgage. Their elderly parents were looking increasingly fragile, reminding them of their own mortality. This was confirmed when a friend of a friend had a serious health scare - at the age of 48. "Why knock yourself out?" they mused. It was time to use their accumulated wealth to enjoy life.

And so it came to pass that boomers - those forgers of Australian culture in their youth (as 1960s hippies) and later (as dinks, 1980s protégés of Gordon Gekko) - suddenly made a break for the coast. And where the boomers lead, others most surely follow.

First wave boomers, born 1946 to 1954 (those now aged 50-58 years) benefited most from the structural changes to residential property values: first with their metropolitan home in the late 1990s and then with their beach house in the early years of the new century.

But where does this leave second wave boomers? Those now aged 43 - 49. Is this lot destined to sit at home in Mt Gravatt and Hornsby and baby-sit the grandchildren?

Not likely. My argument is that second wave boomers spilling beyond the 50-mark will also pursue lifestyle residential property. This demographic impetus will maintain pressure on prime coastal residential property over the balance of this decade. However it must be understood that the early adopters - the first-wave boomers - took the early and easy gains.

"...the early adopters - the first-wave boomers - took the early and easy gains..."

Seachange property does not always have to be hot and glamorous. The scenic beauty of the east coast of Tasmania surged in both population levels and property values during 2003. The same may be said of the Fleurieu Peninsula near Adelaide. Property values in other more traditional locales such as Noosa, Port Douglas and Palm Cove have also been whipped along by these broader demographic and cultural influences.

The shift to the coast peaked residential property values over recent years, but this shift also seems to be part of the cultural development of the Australian nation. One hundred years ago our icons were shearers and squatters; mid-century it was the quarter-acre block and the Hills Hoist; now it is the imagery of the beach. This coastal shift is more than a fad; it reflects the further cultural development of the Australian nation.

Bernard Salt is Partner Property KPMG Australia based in Melbourne. He has established a reputation as an advisor to leading property investors and developers on matters relating to market demand. Bernard is, however, best known to Australian business for his commentary in the media on the business implications of demographic and social change. He is a columnist with The Australian, Melbourne Magazine and Property Australia and is the author of the popular best-selling book The Big Shift: Welcome to the Third Australian Culture.

residences the glades



Sleek modern lines have been used to maximise views to the First Tee in the recently opened two-bedroom display apartment in the First Residences at The Glades.

The First Residences comprises 36 luxury apartments in two buildings with building work 75 per cent finished and on schedule for completion during Spring 2004.

Gold Coast interior decorator and designer Leone Allen of Discerning Design has used modern interior design elements such as a modular sofa featuring 'a viewing panel' in the back and the use of chrome, glass and stainless steel to keep the bedrooms light and airy.

In the expansive living area, natural cream suedes complement the terracottas and chocolates in the timber floors and stone benchtops. Imported Dutch 3D fabrics in the bedrooms add a touch of metallic silver and chrome with crisp whites, stainless steel and chrome in the bathrooms.

The apartments feature individual grand gated foyer entrances and lift access to each floor.

Luxury finishes include expansive north-east facing shuttered verandas which act as a second living area in the tropical climate and ensure panoramic golf course views.

The spacious master bedroom with ensuite includes a full bath positioned behind sliding timber shutters which can also be opened to provide views over the golf course. The second bedroom is sized for a king size bed.

The kitchen, with Smeg appliances and stone benchtops, is also positioned to also take advantage of the views.

The First Residences will feature its own recreation area including barbecue facilities and a residents' heated pool. Each apartment will have two adjoining car parks, lock-up storage and a golf buggy space.

Each building in The First Residences has six three-bedroom apartments of about 150 square metres and 12 two-bedroom apartments of 124 square metres.

The two-bedroom apartments are priced from \$410,000 and the three-bedroom apartments are priced from \$535,000.

For further details on lifestyle options at the Glades Residences contact the sales team on 07 5522 9077 or visit www.thakral.com.au/glades



"The First Residences will feature its own recreation area including barbecue facilities and a residents' heated pool."

this is
Living



Pictured here, the display suite for the First Residences is now open at The Glades.

Thakral starts development on major new precinct at the glades

The Glades Residences development team is finalising plans for the ongoing development of a new precinct.

Thakral is preparing to release the first stage of 20 two and three-bedroom apartments which are under construction and expected to be completed in the mid-year.

The precinct will comprise a total of 33 individual two-storey homes and 123 two and three-bedroom apartments plus two potential commercial sites fronting the Pacific Highway.

Glades Residences project director Bernard Durack said the new precinct would bring a wider choice of product type and price range to our market.

He said the team would move quickly to develop this new area.

"The Glades Residences is proving to be one of the Coast's most prestigious and sought after lifestyle projects, especially with industry research indicating that golf course residential property values increased on average twice as fast as other residential property in the same area," said Mr Durack.

"With no more broadacre land sites available for golf course development this close to the centre of the Coast, the opportunity for this lifestyle is fast disappearing.

"In addition, the central Gold Coast around Robina, Mudgeeraba and Varsity Lakes is expected to be built out within five years and the Glades holds one-third of that supply.

"We are only about one-third of the way through developing what is one of the Gold Coast's largest residential projects and we

will continue to ensure our high standards are reflected throughout the golf course community."

The master-planned Glades Residences will eventually comprise a total of 809 homes developed around the golf course with the possibility of an additional 174 hotel units at The Lodge. It will comprise a mix of dwelling options from apartments to two-storey townhouses to the Glades Residences' most prestigious north-facing individual waterfront homes with views over the signature 18th fairway.

Since early 2002, Thakral and its joint venture partners have completed construction of a total of 224 dwellings achieving about \$115 million in sales.

The Glades Residences is the most centrally located golf course residential project on the Gold Coast with immediate access to the Pacific Motorway, the Robina Rail Station, Gold Coast private hospital, Robina Town Shopping Centre, public and private schools and Bond University.

Lifestyle on the gold coast



queensland sales and information centre opens

The opening of a Thakral Queensland Sales and Information Centre in the group's Oasis Shopping Centre in Broadbeach has marked a major expansion of the sales and marketing team.

Sales and Marketing Manager John Brass now leads a team of five staff including Carolyn Archibald, Irene Hall and Tracey Mayn, all located in a new residential sales office at 701 Glades Drive with a full display next door in Villa 702.

The team is supported by Greer Galloway and Gai Smart from the Broadbeach office, at the heart of busy Broadbeach Mall. The Queensland sales and information centre is a one-stop shop for Thakral's quality lifestyle projects as the company continues its strong development push into Queensland.

trilogy on the esplanade stages two + three hit the market

Marketing for stages two and three of Thakral's development on the foreshores of Cairns has begun with dozens of expressions of interest being received. The second and third tower in the Trilogy property is expected to be just as successful as stage one - a sell out!

As reported in the last issue of Property Perspective, stage two of Trilogy on the Esplanade is currently operating as the All Seasons Hotel. This building will be demolished and replaced with a new tower of spectacular waterfront apartments.

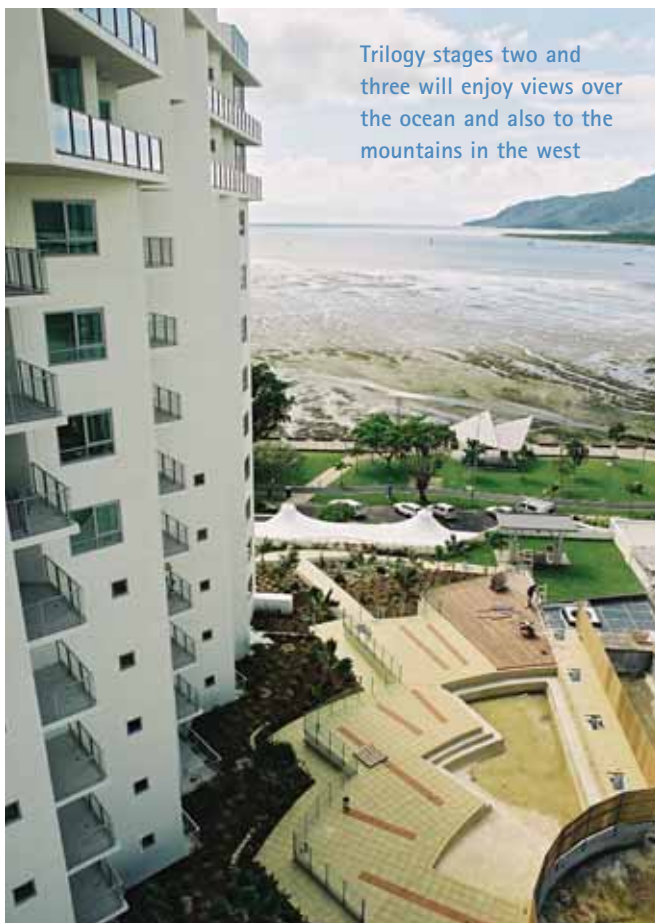
Stage three of the Trilogy of towers is the current location of the Old Lyons Motel, which will also be demolished and replaced with an eleven-storey tower of serviced apartments with stunning views. Stage three will then operate as a hotel in one of the busiest tourist locations in Australia.

"Occupancy at the All Seasons has been very high to date," says Project Director Jeffrey Kahler, "so the return on this investment has been tested and we expect the new serviced apartment complex to be successful."

Trilogy on the Esplanade has its own resident's pool which is under construction in the picture, below left. The pool is surrounded by landscaped gardens and large areas for sun lounging.

The Thakral team in Cairns expects that Trilogy stages two and three will sell very quickly (as did stage one) because the development has the one of the best positions in the city. Trilogy also offers investors or owner occupiers a number of property choices from one bedroom studios to three bedroom, two-storey apartments.

For further information on Trilogy on the Esplanade stages two and three, contact the sales office on 07 4041 5305 or 1800 007 558 visit us on the web at www.thakral.com.au/trilogy or return the enclosed reply slip.



Trilogy stages two and three will enjoy views over the ocean and also to the mountains in the west

The recent multi-million dollar redevelopment of the Cairns esplanade has increased the value of properties on the waterfront of the Far North Queensland city. As pictured above, the esplanade includes landscaped gardens, shaded areas, boardwalks and public art as well as the popular public lagoon which means that residents and tourists to the city can swim all year round.

"Useful tools for creating happiness and positive qi inside and outside include wind chimes, bright lights, colourful vibrant flowers and plants..."



trilogy on the esplanade testimonial

The first stage of Trilogy on the Esplanade in Cairns is virtually complete. Final inspections have been conducted over the past few weeks and one couple, Judith and Terry Thompson, have decided that the apartment they initially purchased as an investment is too good to rent out – so they are moving in themselves!

Judith explained, "We currently live in a big house on the outskirts of Cairns and with all of our children grown up we decided that we really didn't need all the extra space. When we first purchased an apartment in Trilogy we were looking for a good investment opportunity. But after a while, Terry and I started to think about living right in the middle of town and enjoying the inner city lifestyle of Cairns. Since we own a beautiful apartment, overlooking the Esplanade, why not take advantage of it?"

Terry Thompson runs his own procurement business, supplying building materials to Guam. His office is a desk and phone and he spends considerable time overseas servicing clients. Terry felt that moving into Trilogy on the Esplanade would give both Judith and himself more quality time to enjoy life.

"We will be able to go for long walks and enjoy the restaurants and cafes on our doorstep. So really it will be a mix of the good life and the healthy life," says Terry.

Cairns is a city that is rapidly developing into the cosmopolitan centre of northern Australia. With a busy international and domestic airport, large seaport for international cruise ships, luxury resorts, hundreds of quality restaurants and a climate that is perfect for most of the year, it's not hard to see why Trilogy on the Esplanade has been so popular.



Judith and Terry Thompson on the balcony at Trilogy with Renia Cox (National Client Relations Manager) and Margaret Rogers (Project Sales Manager)

Bring harmony and balance into your home with the ancient Chinese wisdom of feng shui

Feng Shui has become increasingly popular in recent years but what does it involve? It does not involve magic or religion. Practitioners of Feng Shui prefer to think of the practice as a science. It involves common sense, conventional aesthetics, harmony, balance, and the creation of positive energy or 'qi' flows in and around the places we live and work.

Make your next Thakral property purchase a place of sanctuary, a place where you can relax and revitalise.

According to Feng Shui each section of the home corresponds to one of the five elements in the Chinese belief system – earth, air, fire, water and wood; a compass direction and a specific aspect of the inhabitant's life, such as wealth, health, relationships, career, creativity, and knowledge. The principles of Feng Shui can be applied in a number of ways within your living space through interior design, specifically via colour schemes and the careful selection and intentional placement of furnishings, decorations and symbols.

When discussing balance in Feng Shui the forces of Yin and Yang are often addressed. Yin can be described as dark, quiet, heavy; of the Earth, the Moon and water. Yin colours are blues, purples and greens. Yang on the other hand is light and sound, clarity, fire, warmth, bright sunshine and heaven. Yang colours include orange, red and pink. The basic idea is to make

sure you have equal amounts of Yin and Yang forces in your home.

Here are some simple Feng Shui principles that you can apply.

- To help you sleep, cover mirrors in the bedroom, especially ones that face the bed. Remove electrical appliances or cover them when you sleep. Avoid storing things under your bed and keep your bedroom clean and clear of clutter.
- In the living room: light up dark, cramped areas, camouflage protruding corners and avoid asymmetrical or 'L' shaped arrangements.
- The kitchen is representative of your family's prosperity; try to keep it clean and free of clutter. Avoid working with your back to the door as this can make you apprehensive and uncomfortable. If this is unavoidable, place a mirror above your work. Mirrors can also work well in the dining room or in areas that reflect beautiful scenery from outside. Water is a symbol of wealth therefore there should not be any leaky taps or pipes as this can be a drain on beneficial energy in the home.
- Useful tools for creating happiness and positive qi inside and outside include wind chimes, bright lights, colourful vibrant flowers and plants.



thakral market place

Thakral House, 301 George Street, Sydney NSW (pictured below)

FOR LEASE - four open plan offices on level four in the heart of Sydney's central business district, above Wynyard Station. (Area: 226.5m², 75.0m², 78.2m² and 24m²)

Wynyard Centre, George Street, Sydney, NSW

FOR LEASE - two retail premises are available (105.8m² and 35.2m²) in this prime CBD location which sees 24 million commuters pass through the concourse to Wynyard railway station every year.

Thakral Bayside, Brighton Le Sands, NSW

FOR LEASE - 4 commercial suites available. 111m², 118m², 126m² and 281.2m². Some suites offer views over Botany Bay.

Bayside Plaza, Brighton Le Sands, NSW

FOR LEASE - 1 retail premise available (468.0 m²) with a view to Botany Bay.



The foyer of Thakral House on George Street in Sydney.

thakral at a glance

Retail/Commercial

Thakral House, Sydney
Wynyard Centre, Sydney
Bayside Plaza, Brighton
Thakral Bayside Commercial, Brighton
Secure Car Park, Wynyard, Sydney
Australia on Collins, Melbourne
Oasis Retail Centre, Broadbeach
Monorail, Broadbeach
Airport Central, Coolangatta

Hotel and Resorts

Menzies Hotel, Sydney
Novotel Brighton Beach, Sydney
Novotel Northbeach, Wollongong
Novotel Pacific Bay Resort, Coffs Harbour
Novotel Melbourne on Collins
Grand Mercure, Broadbeach
Hilton on the Park, Melbourne
All Seasons Esplanade, Cairns
The Lodge at The Glades, Gold Coast

Current Developments

Pacific Bay Developments, Coffs Harbour, NSW
Trilogy on the Esplanade, Cairns, QLD
Amphora Resort, Palm Cove, QLD
Air on Broadbeach, QLD
The Glades, Robina, QLD

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The information and images contained herein are intended as an introduction to the general content of the projects and are subject to variation. Interested parties should rely on their own enquires and contract of sale.

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