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MASON MEWS – A NEWPORT SUCCESS STORY

Mason Mews apartments in Newport are now complete, and all residents have settled in. Located in the heart of the village, this innovative building consists of 26 one and two bedroom apartments, each with basement car parking and balconies, and an IGA store on the ground level. This Stralliance project was designed by John Demos Architects and completed

by builder Watersun Constructions in mid 2011. In a prime position close to the Newport station, the bay and local parks, the whole project was quickly sold off the plan to eager buyers, the majority being owner-occupiers. Stralliance is currently looking for sites in the Newport area for similar developments.



CHAIRMAN'S REPORT

Contrary to negative sentiment in the market and the media, we are pleased to report that all of our divisions are performing strongly, and we have every reason for optimism about the future. As negativity towards the share-market grows, the likelihood of an interest rate drop increases, and people deposit their savings into bank accounts rather than riskier ventures; we believe we are heading into 'perfect storm' conditions for both property sales and construction growth.

At Stralliance we are positioned to take advantage of this growth for these key reasons: our broad activity across a range of building sectors; our competitive price points; strong relationships with our joint

venture partners, financiers and others; and last but not least, our ability to be both flexible and nimble in adjusting to market conditions.

Our housing division currently has 218 jobs on site comprising 10 townhouses, 42 terrace houses, 16 custom build properties and 150 volume build houses, all at various stages of completion. We had a record month recently with 80 permit approvals received. Our commercial division is also busy with current and new projects, including a vet clinic, legal offices, aged care and health facilities. Our exciting new Dual Displays strategy is also set to deliver a healthy increase in our house and land package sales.

Benni Aroni, Chairman

PROJECTS UPDATE

RADIUS, NORTH MELBOURNE

Location: Cnr Queensbury and Dryburgh Streets, North Melbourne

Development: 19 apartments, 7 townhouses

Completion: 2013

This exciting new development, to be built on the site of an old hotel is generating much interest. Demolition of the site commenced in September.

A joint venture project for Stralliance, most of the apartments have already been sold off the plan. The apartments are in one and two bed configurations, with six penthouse style apartments on the top level. The double storey two bedroom townhouses each have their own street address, magnificent bathrooms and private balconies and terraces. These stylish town residences are currently available to buyers, with generous stamp duty savings available. Please contact Gary Caulfield at gary@stralliance.com.au for more details.



WHITETOP TOWNHOUSES

Location: 591–598 Whitetop Drive, Point Cook

Development: 8 townhouses

Completion: Early October 2011

Construction has progressed rapidly, with townhouses just weeks away from completion. Each has three bedrooms, two bathrooms, a double garage and a balcony to the master.

BRAYBROOK MEWS APARTMENTS

Location: 251–253 Ballarat Road, Braybrook

Development: 61 apartments

Completion: Mid 2012

Following the completion of 44 townhouses at the rear of this site built over three stages, Watersun Constructions is now hard at work on this four level apartment building. The ground floor concrete works are almost complete.

LEGAL OFFICE

Location: 591 Glenhuntly Road, Elsternwick

Development: 3 level office building

Completion: Early 2012

This project for a mid sized law firm has commenced, with demolition of the old office and groundwork completed. The building will set a new standard for

boutique suburban office space. The building was designed by Watersun Constructions' design team.

BOX HILL STUDENT ACCOMMODATION

Location: Wellington Road, Box Hill

Development: 65 apartments

Completion: April 2012

Built for a developer client by Watersun Constructions, this building is creating much needed accommodation for the large student population of the Box Hill education precinct. Basement works are complete. The structure is now up to the ground level with concrete slab finished. The finished building will house 65 self-contained studio apartments.

QUEENSLIFF HOUSE

Location: 103 King Street, Queenscliff

Development: Luxury house

Completion: August 2012

This large two-storey house of over 60 squares is currently at framing stage. A Fender Katsalidis design, no expense has been spared to make it a showpiece home. Features include four bedrooms, each with ensuite and WIR, library/home theatre, large sunroom overlooking lap pool, study and butler's pantry off the kitchen. Watersun's custom division is constructing the home for a private client.

COMPLETED PROJECTS

MCKINNON ROAD TOWNHOUSES

Location: 227 McKinnon Road, McKinnon
Development: 7 townhouses
Completion: September 2011

Watersun Constructions is pleased to announce the completion of these luxury architect-designed residences. Each is over three levels consisting of three bedrooms, main with WIR and ensuite and basement parking for two cars. All have high quality fittings and fixtures, timber flooring and marble bench tops. All townhouses have been sold, with residents moving in during September.

VET CLINIC

Location: 463a Hawthorn Road, Caulfield
Development: Commercial building
Completion: August 2011

This purpose built two-storey practice for a local vet was constructed in less than 12 months by Watersun Constructions. It consists of a foyer, several consulting rooms, X-ray facilities, bathing facilities and parking areas.



Ashworth Street, Middle Park

MIDDLE PARK TOWNHOUSES

Location: 47 Ashworth Street, Middle Park
Development: 2 townhouses
Completion: September 2011

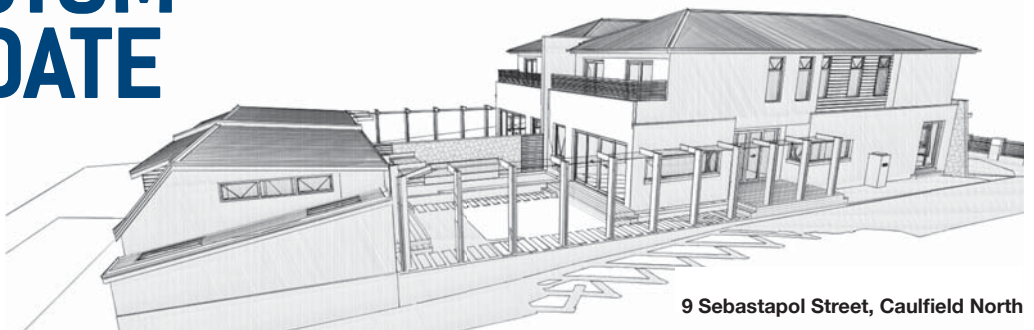
These two storey, two bedroom luxury townhouses have high quality fittings and fixtures throughout. Just completed, settlement took place in September.

LALOR TOWNHOUSES

Location: 22-36 Carlow Walk, Lalor
Development: 15 townhouses
Completion: March 2011

With settlement complete, clients have moved into their new homes. Each consists of three bedrooms, two bathrooms, double garage, with balcony to master bedroom.

CUSTOM UPDATE



9 Sebastapol Street, Caulfield North

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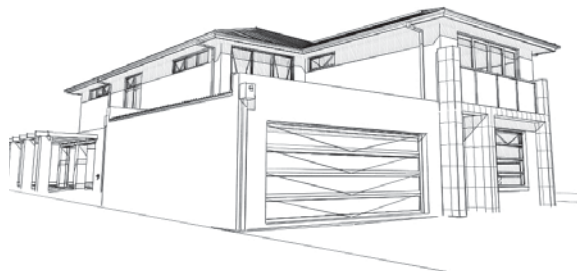
Maximising the site's dual access, each double storey town home offers underground parking at the rear with a large study/office with bathroom at ground level over the garage. Each home is over 42 squares, complemented by a lap pool and alfresco areas. Featuring 4 bedrooms plus retreat, the master with his and hers walk-in robes and dressing room, downstairs living, meals, lounge, media rooms and second study; these properties offer spacious, luxurious living and high quality fittings. Completion is expected by the end of 2012.

8 Sylverly Grove, Caulfield

This pair of prestigious single level three bedroom plus study townhouses for a private client is almost complete. Currently in the final stages of construction with expected completion in October 2012. The project was designed by Watersun's in house design team. Features include a master bedroom with two walk in robes, library, media room, study with built ins and extensive storage areas. Unit 1 has a double garage, unit 2 has a single.

7 Francis Street, Brighton East

Watersun Constructions has begun work on a spacious 42 square, double storey home. Consisting of four bedrooms plus a home office, double garage and pool, this is a demolish and rebuild project. Currently at lock up stage, completion of the build is expected in December 2011.



Custom house in Brighton East

CLIENT SPEAK



"I would like to say a big thank you to the team of Watersun Homes for their professionalism and diligence right through from beginning to end.

As a first homebuyer I had many hurdles to overcome and many questions, and wasn't sure how things would work out. Luckily Watersun Homes was very helpful, and the final product was spot on with excellent customer service all the way.

I'm extremely pleased that I have chosen Watersun as my builder. I would return again as a customer and would definitely recommend them to anyone who is looking to build now or in the future."

Loan Nguyen

Watersun Homes client



WATERSUN DUAL DISPLAYS

There is much exciting activity in our Display Homes division! We are launching our new marketplace positioning, with display homes designed to offer the public a simplified approach to building a new home. Our display home product will clearly demonstrate our philosophy of *'what you see is what you get'* by displaying two homes side by side: one a standard design and one an upgrade. People can walk through and compare every feature and fitting directly, and walk away with a price for each home which includes everything – no hidden costs and no confusing 'special limited-time promotional offers'. Alongside our Scarborough display home at 22 Canterbury Ave, Shepparton, the first dual display is now under construction. Dual display home sites being planned are:

- Lot 236 Canterbury Avenue, Shepparton (Ashgrove 2150) (standard)
- Lot 237 Canterbury Avenue, Shepparton (Airlie 2800) (upgrade)
- Lot 15 Bellevue Estate, Truganina (standard)
- Lot 16 Bellevue Estate, Truganina (upgrade)
- Lot 217 Evergreen Boulevard, Jackass Flats, Bendigo (Kingsley 2040) (standard)
- Lot 218 Evergreen Boulevard, Jackass Flats, Bendigo (Airlie 2800) (upgrade)



- Lot 103 Pasadena Boulevard, Clyde (Kingsley 2000) (standard)
- Lot 104 Pasadena Boulevard, Clyde (Clyde) (upgrade)
- Lot 1011 Charlemont Road, Connewarre (Kingsley 2500) (standard)
- Lot 1010 Charlemont Road, Connewarre (Scarborough 3100) (upgrade)
- Lot 2120 Peppermint Grove, Taylor's Hill (standard)
- Lot 2121 Peppermint Grove, Taylor's Hill (upgrade)

Sales enquiries call 1300 198699 or visit watersunhomes.com.au

NEW PROJECTS

SCRUBWREN DRIVE TOWNHOUSES

Location: 38–52 Scrubwren Drive, Williams Landing
Development: 8 townhouses
Completion: December 2011

Construction of these double storey townhouses is almost complete, and they are now at fix stage. All townhouses are sold.

TUMSTONE LANE TOWNHOUSES

Location: 3–17 Tumstone Lane, Williams Landing
Development: 9 townhouses
Completion: Early 2012

The same design as the Scrubwren Drive development, these townhouses are at framing stage. These are also fully sold.



Site for three luxury townhouses, Williamstown

THE ESPLANADE, WILLIAMSTOWN

Location: 23 The Esplanade, Williamstown
Development: 3 townhouses
Completion: August 2012

This new project to build three prestigious town homes for a private client has commenced, with the basement level excavated. Situated overlooking the bay, each stunning property rises over three storeys, has three bedrooms on the ground level and extensive living areas on the top level to maximise water views. The town homes also have two basement car parks, laundry and storage. When completed, these luxury homes are expected to sell for in excess of \$2M each.

STRALLIANCE COMMUNITY ACTIVITIES



SVI LUNCHEON WITH TONY ABBOTT

Stralliance was one of the sponsors at a recent St Vincent's Institute luncheon with Tony Abbott. Stralliance Chairman Benni Aroni, who is also a Director of SVI Foundation, hosted a table of clients and partners at the event in late July, which raised over \$24,000 for Type 1 diabetes research.



AJAX FOOTBALL CLUB SPONSORSHIP

Watersun Homes is pleased to sponsor the Ajax Football Club's 2011 season, providing their training clothing. Other community sponsorships for the company include clothing for golfers, surfers and riders.

NEW STAFF

Our company continues to expand rapidly, and we have been fortunate in welcoming many talented people to the Stralliance and Watersun teams over recent months. Our new people are: **Tricia Tewaaka**, Customer Service Team Leader; **Sonja Ljavroska**, Customer Service; **Peter Kavanagh**, Maintenance Manager; **Lee Shields**, Maintenance; **Mario Ciavarella**, Maintenance;

Ian Stephen, Sales Consultant, Retail; **Jayson Lowther**, Sales Consultant, Retail; **Paul Casey**, Financial Controller; **Sarah Howard**, Construction Administrator; **Jonathan Impey**, Site Manager; **Wayne Medforth**, Site Manager; **Mick Cook**, Site Manager; and **Mark Ravenscroft**, Site Manager
A warm welcome to all our new team members!