

DELIVERING CREATIVE COMMERCIAL PROPERTY SOLUTIONS

A sign of better times as construction well under way



Construction commencing for The Corporate Centre at Maroochydore is significant, not just because it is worth \$14,5 million, it also signals a potential turnaround in the fortunes of the construction industry on the Sunshine Coast.

Construction on the 37 lot strata title office building at Norval Court began late last year. After the wet spell Hutchinson Builders worked furiously to make up lost time.

The contract completion date is 19th September 2011.

“It gives me great satisfaction to see The Corporate Centre construction advancing quickly. I am very excited and certain that this is a sign of better times to come,” MCH Project Manager Eric Lewis said.

The Corporate Centre has been several years in the planning stages and is the only major commercial development of its type under construction in the Maroochydore area.

“There is no other development in Maroochydore providing offices for smaller sized businesses,” Mr Lewis said.



Hutchinson delivers quality



The Corporate Centre at Maroochydore will be constructed by award-winning Hutchinson Builders Sunshine Coast. Hutchies, as they are affectionately known, are renowned for their craftsmanship and attention to detail that leaves lasting impressions.

An impressive track record of outstanding achievement includes completing a diverse range of major projects such as education facilities, commercial and retail buildings and luxury apartment accommodation.

Occupants of The Corporate Centre can be confident that Hutchinson's focus on delivering exceptional construction and project management standards will ensure a workplace environment they will be very proud of.

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'INVESTING IN COMMERCIAL PROPERTY'

There is a growing interest among Australians to invest in commercial property, particularly at a time when the residential market is going through a cooling and uncertain stage.

When talking about property investment most people generally think of residential real estate, often giving no thought to commercial property as a viable investment solution.

But as commercial markets improve following a considerable hit from the aftermath of the GFC, a growing number of everyday Australian's are recognising the potential of this sector and are cashing in.

In particular, a flood of mum and dad investors, utilising self managed super funds, are investing in small commercial properties, in what is becoming an extremely tightly held market.

The commercial property sector is rapidly growing as it is an excellent way to diversify your investment portfolio, create cash flow and build wealth.

Did You Know?

- **Lease** periods are longer, greatly enhancing the property value
- **Solid** and reliable cash flow generally between 7% and 10% net after all costs
- **Rent** is reviewed annually and is increased by CPI or 4% whichever is the greater
- **Commercial** tenants pay all outgoings, maintenance, insurance and other costs
- **A** commercial property is looked after better as the condition and aesthetics are important to the tenants business and their success
- **Leases** are secured by either a substantial Bond or Bank Guarantee offering greater security to the owner
- **Long** term leases mean less hands on management than with residential property
- **Capital** Growth is assured as rent automatically increases year on year

	COMMERCIAL OFFICE		Vs	RESIDENTIAL HOUSE	
TYPICAL YEAR ONE	Office The Corporate Centre Investment \$425K Excl. GST 106M ² (NLA) @ \$295M ² - \$601 per week			Unfurnished 3 Bedroom House Investment \$425K Excl. GST \$360 per week	
	Gross Income	\$31,270		Gross Income Year	\$18,720
	Expenses	PA		Expenses	PA
Advertising for Tenants	Included in Agents Letting Fees	\$0		Paid By Owner	\$100
Agents Letting Fees	First Year 12% - (3 + 2Yr lease)	\$3,752		Paid By Owner	\$360
Lease Legal Expenses	Paid By Tenant	\$0		Paid By Owner	\$0
Air Cond. Maintenance	Paid By Tenant	\$0		Paid By Tenant	\$0
Electricity	Paid By Tenant	\$0		Paid By Tenant	\$0
Cleaning	Paid By Tenant	\$0		Paid By Tenant	\$0
Agents Management Fees	Paid By Tenant	\$0		Paid By Owner	\$1,498
Council Rates & Charges	Paid By Tenant	\$0		Paid By Owner	\$2,500
Body Corporate Levies	Paid By Tenant	\$0		N/A	\$0
Fire Protection	Included in Body Corporate	\$0		Paid By Owner	\$100
Gardening & Lawn Mowing	Included in Body Corporate	\$0		Paid By Tenant	\$0
Insurance	Included in Body Corporate	\$0		Paid By Owner	\$1,200
Lift	Included in Body Corporate	\$0		N/A	\$0
Pest Control	Included in Body Corporate	\$0		Paid By Owner	\$300
Repairs & Maintenance	Included in Body Corporate	\$0		Paid By Owner	\$1,500
Security	Included in Body Corporate	\$0		N/A	\$0
	Total	\$3,752		Total	\$7,558
	Net Income	\$27,518	✓	Net Income	\$11,162
COMMERCIAL OFFICE SUBSTANTIALLY OUTPERFORMS RESIDENTIAL HOUSE					

NOTE: Sunshine Coast House Profile Maroochydore March 2010 - Median Sale Price \$465,000; Median Rent \$360 Per Week; SOURCE My Property Review June 2010

NOTE: A 'Make Good' clause within a Commercial Lease requires that the Tenant bring the property to near original condition when they vacate. Either a substantial Cash Bond or Bank Guarantee ensures that this condition is complied with. Whereas a Residential Tenant may vacate the property leaving it in poor condition which would then add considerable cost to the Owners expenses reinstating the property.

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CHINESE NEW YEAR PROVERB

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"A MAN GROWS MOST TIRED WHILE STANDING STILL"

A 'SUPER' SMART INVESTMENT TAILOR MADE FOR SMALL BUSINESS AND ASTUTE INVESTORS

NEW state-of-the-art offices at The Corporate Centre, Maroochydore, have convinced local financial planner John Foster to make the switch from tenant to owner.

John has run Life Planning Financial Services on the Sunshine Coast for more than 12 years.

His personal motivation to buy an office at The Corporate Centre, after 10 years of leasing an office at Duporth Avenue, was driven largely by the benefits of security of tenure in being his own landlord, and by purchasing through his superannuation fund.

John said, for him, one of the major attractions of owning his own office through his superannuation fund is the ability to increase the benefits within the fund.

"Rent paid to the superannuation fund is in addition to the allowable concessional contribution caps," John said. "As a business expense, rent is deductible to the tenant and, depending on your age and the fund structure, that rent may be accepted tax free by the fund".



"For me, the decision was easy. Buying at The Corporate Centre provides suitable diversification for my super fund. It also met my need for an inviting office environment, quality building with services, abundant natural light, excellent car parking and a central location to Maroochydore town centre. It ticks all the boxes."

Note: These are the personal views and comments of John Foster on his own business investment. If you are considering buying property with your superannuation fund, seek advice from your financial advisor.

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Hutchies Sunshine Coast manager, Michael Crocker, said his team was looking forward to building The Corporate Centre.

"Hutchinson works with quality systems that monitor all aspects of its projects and this development provides the opportunity to continue our long and successful link to the region's finest commercial and business facilities," Michael said.

An example of Hutchinson's capabilities can be seen with the soon to be completed Green Star rated Maroochydore Government Office Building and the recently completed Blackburn Jackson Design office building in Aerodrome Road, Maroochydore.

THE SECRET OF ENJOYING A GOOD WINE

1. OPEN THE BOTTLE TO ALLOW IT TO BREATHE
2. IF IT DOES NOT LOOK LIKE IT'S BREATHING, GIVE IT MOUTH TO MOUTH

LOOKING TO BE A WINNER IN 2011?

Maroochydore CBD commercial office space has seen good take up in the later half of 2010 with vacancy rates now between 1% and 3%.

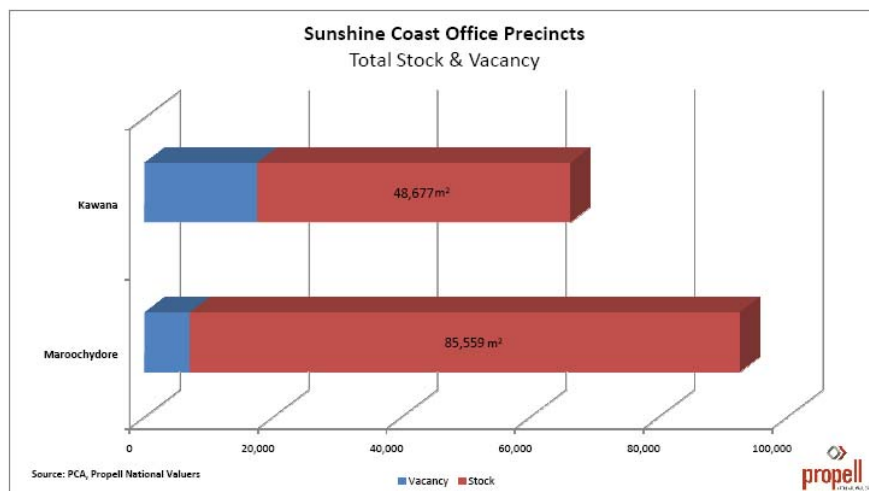
A number of proposed commercial developments in Maroochydore were put on hold due to the Global Financial Crisis and are only now beginning to be kick started.

It will take time for these projects to become a reality.

Businesses are now rebounding, looking to growth and to upgrade their professional image.

In the immediate future, this high latent demand along with a growing preference for newer office product will see strong competition for the available quality office space in Maroochydore.

All in all, it will be those who position themselves now who will be the winners.





Selling fast off plan

Investors have leapt at the chance to buy into the newest strata title office building in Maroochydore, The Corporate Centre.

Fifteen of the 21 lots on level one have already sold off the plan and 2 lots have been sold on level two which was only released for sale late last year.

The Corporate Centre is specifically marketed to small and medium-sized businesses as well as astute investors to fill a gap in the Maroochydore office market.

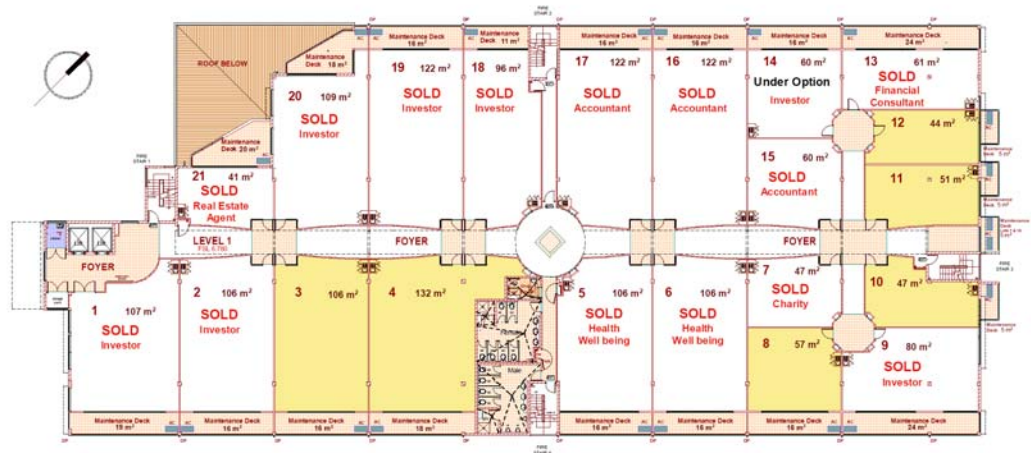

Located in Norval Court, off Maud Street and Sugar Road, The Corporate Centre is in a prime position providing a strategic central location for business on the Sunshine Coast.

There is no other development like this in Maroochydore catering directly for smaller sized businesses.

Why not make your move today!



"The young man who waited for the price of Real Estate to come down."

MCH Corporation Pty Ltd has been helping to shape the Sunshine Coast, developing high quality commercial buildings in the ever-growing Maroochydore CBD precinct.

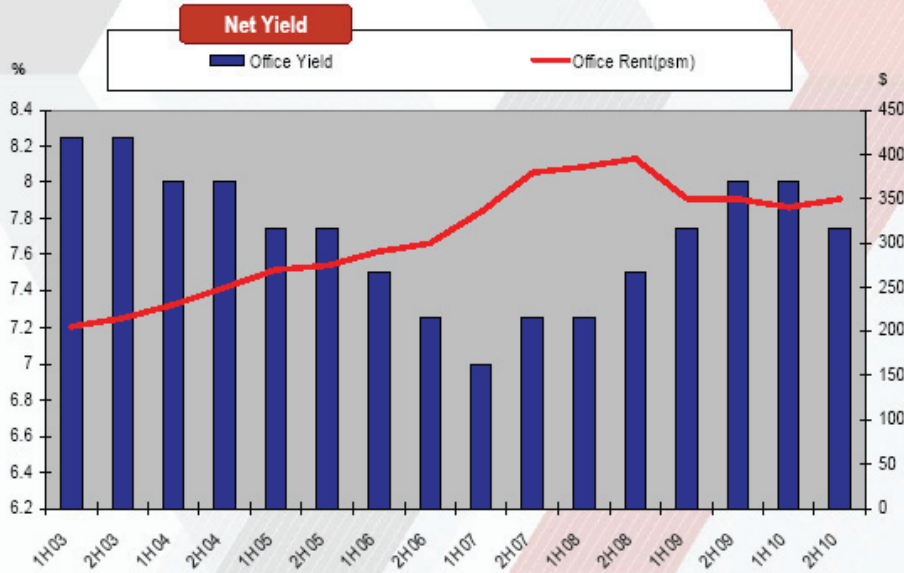
MCH have proven development runs on the board, being responsible for the development of the 'Maroochydore Central' precinct arguably the Sunshine Coast's leading commercial precinct.

MCH projects dominate this precinct and include six of the CBD's highest profile commercial properties.



COMMERCIAL OFFICE VS RESIDENTIAL INVESTMENT

Maroochy LGA Rental Yields – Office

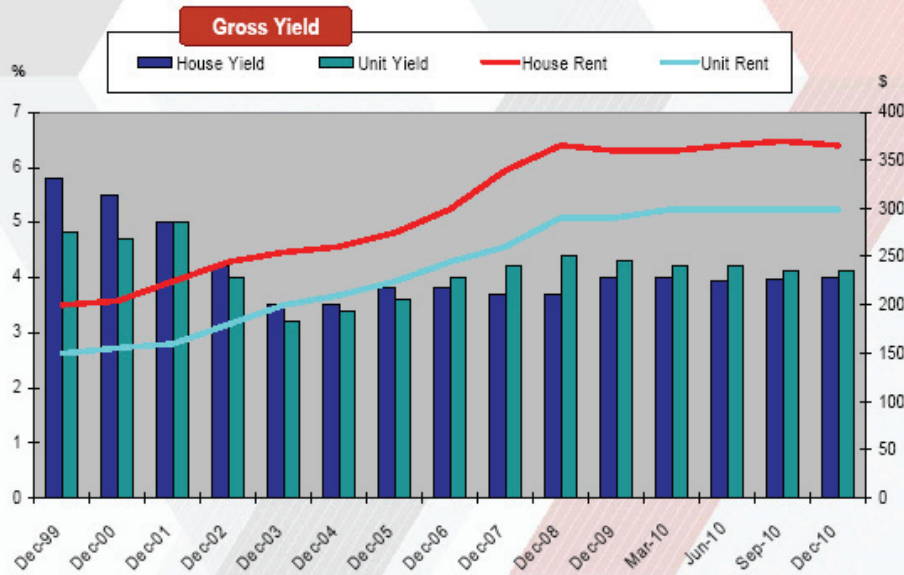


Source: PCA Office Market Report, Propell National Valuers

Prepared By



Maroochy LGA Rental Yields – House V Unit



Source: Residential Tenancies Authority, Property Data Solutions

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