

FUTURE HABITATS FOUNDATION LTD

ACN 603 602 320

THE HOMEDALE PROJECT

A SUSTAINABLE HOUSING DEVELOPMENT

INFORMATION MEMORANDUM

15 April 2016

TABLE OF CONTENTS

IMPORTANT NOTICE	3
SUMMARY	4
<i>Future Habitats Foundation Ltd</i>	4
<i>The Homedale Project</i>	5
<i>Financial Support</i>	5
LETTER FROM THE CHAIR	6
FUTURE HABITATS FOUNDATION LTD	
<i>Shareholders</i>	7
<i>Directors and Management Structure</i>	Error! Bookmark not defined.
<i>Management of the Project</i>	9
<i>Construction of Homes</i>	9
<i>Project Partners and Stakeholders</i>	9
THE FUNDRAISING	10
<i>Timetable</i>	11
<i>Use of Funds Raised</i>	11
<i>Development Timing</i>	11
OVERVIEW OF THE HOMEDALE PROJECT	13
<i>The Vision</i>	13
<i>Homedale Village</i>	13
<i>Sustainable Infrastructure</i>	14
<i>Homedale Educational Trust</i>	15
<i>The Future</i>	15
THE MARKET AND LOCATION	16
SUSTAINABLE HOUSING MARKET	19
RISK FACTORS	21
THE PROPERTY	23
<i>Land Title and DA Details</i>	
<i>Option to Purchase</i>	23
BUDGET AND FINANCIALS	24
THE REDEEMABLE PREFERENCE SHARES	28
<i>Terms</i>	28
<i>How to make an Application for Shares</i>	29
FURTHER INFORMATION	30
CONTACT DETAILS	29
HOMEDALE PROJECTED SCHEDULE OF WORKS	30

IMPORTANT NOTICE

This Information Memorandum (IM) is dated 15 April 2016. It has been prepared by Future Habitats Foundation Ltd ACN 603 602 320 ("Future Habitats" and "Company") and has been prepared only for issue to and use by, prospective investors who qualify as wholesale clients or sophisticated investors as defined in the act (eligible investor) and is not intended to be received or read by anyone other than an eligible investor. This IM is not investment advice and does not take into account the investment objectives, financial situation or particular needs of any person who receives or reads it. This IM is not a recommendation to invest.

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While the Company believes that the expectations reflected in the forward-looking statements in this IM are reasonable, no assurance can be given that such expectations will prove to be correct. The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this IM except where required by law.

SUMMARY

Future Habitats Foundation Ltd

Future Habitats Foundation Ltd ACN 603 602 320 (Future Habitats and the Company) is a project management and development company created to enable sustainable housing projects in Australia. Future Habitats brings a new approach to residential developments with a clear focus on sustainability, being the synchronisation of three organising principals - economic growth, environmental protection and social equality using proven sustainable development methods.

Future Habitat's long-term objective is to provide housing that is future proofed- designed to withstand the predicted impact of changing climate and establish a foundation for health, well-being and economic sustainability Future Habitats has a human-centred approach that represents a conception of next generation property and housing development in Australia. The focus is on intergenerational housing that provides a range of accommodation options with purpose-built social amenities, to encourage the growth, health, and wellbeing of stable communities. The intention is to provide economically viable housing while achieving the goal of sustainability.

Future Habitats brings together a group of industry professionals with leading Australian universities, architects and builders with capacity, capability and experience to deliver the Company's objectives. The Company through its stakeholders has access to the latest development in sustainable clean technology. This combination of partners and resources will underpin opportunities for the practical review and early introduction carbon neutral technologies to mainstream markets. Longer term, Future Habitats is committed to creating the commercial infrastructure required to mobilise investment in truly transformative solutions for the future of our communities.

The Homedale Project

The first project undertaken by the Company is the development of a sustainable intergenerational residential village known as Homedale comprising a subdivision for 66 residential lots with central amenities. This project has a DA based on a master plan for sustainability. It offers integrated infrastructure consisting of clean technology, renewable energy and water utilities, sanitation and drainage systems.

This best practice sustainable subdivision master plan, was designed by the award-winning architect (the late) Ian Bailey and designer Annie Georgeson. Their years of hard work and vision underpin the Homedale Project. Annie Georgeson continues in her role as a consultant to the Company in realising this vision.

Homedale is located on 14.5 hectares of land alongside the Camden Haven River, at Kew (near Port Macquarie) on the mid north coast of NSW. Future Habitats will be responsible for the completion of the infrastructure, shared services and facilities at the site and will sell the 66 lots in phases led by consumer demand. Purchasers will select design proposals for houses to be built on the lots that conform to the design guidelines within the DA. The responsibility for the cost of building the houses will be with the individual purchasers.

The project has attracted the interest of a group of leading architects who will provide options for sustainably designed housing within the village and its grounds. These architects include Stephan Sainsbury, (Stephen Sainsbury Architects) Dick Clark, (envirotecture,) and Peter St.Clair. Purchasers will also have an opportunity to appoint their own complying architects.

Financial Support

Future Habitats is seeking financial support for the Project. The P&L projected cost of completing the Project is estimated to be A \$16,412,653 million. Future Habitats is seeking to raise A \$7,000,000 from professional and sophisticated investors. The funds raised will be used principally to finance the development of the infrastructure for the Project, the completion of the acquisition of the property, and the costs involved in the sale of the lots.

It is proposed that investors will be offered redeemable preference shares in Future Habitats at A\$2 per share with a dividend payment equivalent to 8% per annum. It is anticipated that the funding and dividends will be fully repaid within 6 years.

The balance of the cost of the development and the dividend payments and repayment of capital to preference shareholders will be funded through the sale of the lots. The funds from the sale of lots with infrastructure are estimated to be A\$ 21,224,094 million.

Further information on the offer of preference shares and the financials relating to the Project are set on page 24 and page 27 respectively.

LETTER FROM THE CHAIR

Dear Future Builders,

We wish to provide you with an opportunity to support the development of commercially viable investment opportunities in clean technology, renewable energy and climate-resilient residential developments in Australia.

The objective is to generate sustainable returns on investment by supporting developments that move away from carbon emission technology. The developments will respond to a changing climate that has both social and economic impacts, which will continue to promote a shift in the economic landscape towards efficiencies derived from investment in the development of low carbon, renewable technologies, that are embedded in a sustainable approach to social and economic markets.

The key to our long-term success will be the creation of a digital model that captures the architecture underpinning the development. This model will give Future Habitats the ability to scale and replicate this approach to constructions in any suburban or rural environment.

We invite you to join us on this journey to create smarter, healthier housing where we return value to all our stakeholders, by reducing the costs of resource exploitation to deliver a new constructive approach to economic equity that works in harmony with our environment.

I look forward to welcoming you as a participant in the work of Future Habitats Foundation.

Yours sincerely
Rupert Daniel Chair.

FUTURE HABITATS FOUNDATION LTD

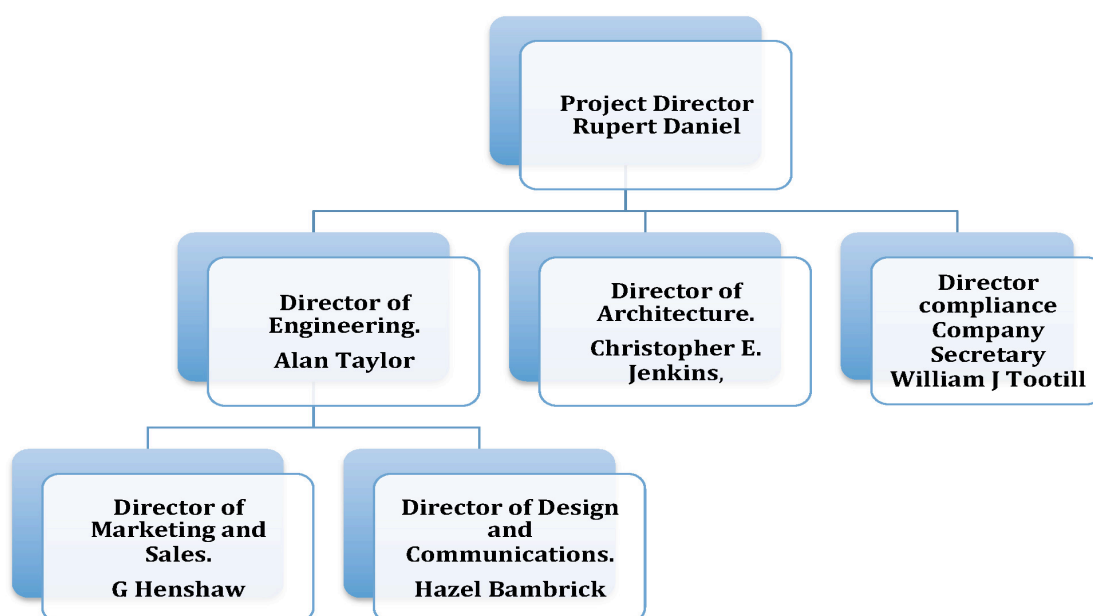
Future Habitats Foundation Ltd ACN 603 602 320 is a newly incorporated Company and was registered in NSW on 27 January 2015. Its registered office is Suite 7, Bungan Street Mona Vale NSW 2013.

The only business of the Company to date has been the structuring and promotion of the Homedale Project as contained and referred to in this IM, including entering into the option agreement relating to the acquisition of the land and the development of the village at Homedale (further information on the option agreement is set out on page 22).

Shareholders

Future Habitats has currently issued 300 Founder's Shares of \$1 each, which are held equally by the original promoters of the Company.

Directors and Management Structure



Project Director.

Rupert R Daniel has over twenty years experience working as Director and CEO for social development NGOs, social enterprises, and community sector organisations. Recent work includes developing renewable energy and sustainability companies. Previous roles have covered work on urban renewal and regeneration initiatives in a variety of capacities, ranging from operations and communications to the design, development and implementation of national-level social and economic development programs working across government and community

Director of Architecture.

Christopher E. Jenkins, Registered Architect, Australian Institute of Architects NSW Country

Division with over 40 years experience as a leading Architect in Australia. Christopher E. Jenkins is also active in Australian Institute of Architects N.S.W. State Chapter Council 2007 - 2014 N.S.W. Country Division Committee 2005 - Present Chairman, N.S.W. Country Division Committee 2006 - 2011 Deputy Chairman, N.S.W. Country Division Committee and has worked with the Port Macquarie Chamber of Commerce Urban Design Advisory Committee.

Director of Marketing and Sales.

G Henshaw has over 25 years' experience as a creative and board director of international advertising agencies based out of London. He has owned his own advertising agency in London and later in Sydney. He now acts as a marketing consultant and has a web design and marketing consultancy based out of both Sydney and Port Macquarie. He was the youngest Associate Institute of Bankers in the UK before embarking on a creative career first as an actor in the US then as a writer before getting the advertising bug. He currently has a beach shack south of Port Macquarie and advises a number of local building, real estate agents and design companies in addition to his Sydney based clients.

Director of Engineering.

Alan Taylor, BE MIE (Aust) AI Arb A CP Eng - Consulting Engineer, Principal of Alan Taylor & Associates, Consulting Engineers. Experience in the design of steel, timber and concrete structures in residential commercial and industrial projects, project management and alternative dispute resolution. Alan has over 30 years working in this field and currently owns and manages a thriving engineering company in Laurieton NSW.

Director of Design and Communications.

Hazel Bambrick has an established background in media: newspapers, radio, television including work with the BBC in London and has a strong background in sales and marketing. Hazel's experience includes working with the diplomatic community at an international and national level. Hazel practiced as an interior designer developing a successful practice in Sydney for the remainder of her career and has extensive experience as a project manager in the residential property market, directing builders and designers.

Director and Company Secretary

William J Tootill William Tootill is a director of Grey Oak Services Pty Limited. It is licensed by ASIC in Australia and provides advisory and consulting services in the funds management and wider financial services sector. From 2003 to 2012, he was a director of Columbus Investment Services Limited a company he cofounded. Columbus was licensed by ASIC in Australia to provide responsible entity and trustee services to managed investment schemes. He has an LLB (Hons) and is admitted as a solicitor in UK and HK. He worked with the HK Government and Slaughter and May (Solicitors) in HK before joining Jardine Fleming Group as company secretary. From 1991 he specialised in providing legal and regulatory support services to the investment management activities of the Group including establishing listed and unlisted investment companies and mutual funds. He moved to Australia in 1997 as company secretary and joint Head of Compliance.

Management of the Project

The directors will be primarily responsible for the management and supervision of the Project. Their collective skills, expertise and experience are directly related to the management functions necessary for a successful completion of the Project. Future Habitats will be responsible for the appointment of a suitably qualified project manager and will also appoint the specialist contractors to implement the construction of the infrastructure for the village.

Construction of Homes

Future Habitats will not be responsible for the construction of the homes on the lots; this will be the responsibility of the individual lot purchasers. The homes must be constructed to conform to the building conditions set out in the DA' and design guide lines (can be down loaded from this link [DESIGN GUIDELINES](#) Future Habitats will introduce purchasers of the lots to architects who will be able to provide advice on the construction of the homes on the lots to ensure compliance with the building conditions set out in the DA. The Project has attracted the interest of a group of leading architects who will provide options for sustainably designed housing within the village and it's grounds. These architects include Stephan Sainsbury, (Stephen Sainsbury Architects) Dick Clark, (envirotecture,) and Peter St.Clair. Purchasers may also submit their own plans for approval to Future Habitats and to Port Macquarie and Hastings council.

Project Partners and Stakeholders

Future Habitat's project partners that have contributed to the design of the Project are comprised of successful forward thinking engineers, designers, planners, architects, environmentalists, health practitioners and community builders. This group includes leading sustainable practitioners that will provide low impact modular buildings that scale to high-density developments.

Consultants

Eco selector
Patterson Britton & Partners Pty Ltd
King and Campbell design, planning consultancy
Elevare-Energy Pty Nano Micro Grid
Innoflow Australia Pty Ltd
Dark Heart Eco-Consultancy

Educational institutions

University of NSW,
Newcastle University
Charles Sturt University
Queensland University technology

Stakeholders

Australian Green Development Forum
Regional Development Australia (RDA) Mid North Coast
RSA A+NZ

The project partners and stakeholders will continue to provide technical and advisory services to Future Habitats during the construction of the village and its amenities. Importantly, they will continue to collaborate in future development opportunities to assist in the process of delivering next generation housing and clean technology solutions that span the built and natural environment.

THE FUNDRAISING

The Shares	Redeemable Preference Shares of \$2 each in the capital of Future Habitats (RP Shares)	For further information on the terms of the RP Shares please refer to pages 27-28
Amount to be raised	\$7 million – 3,500,000 RP Shares*	The RP Shares will be issued partly paid – please refer to pages 27-28
Eligible Investors	RP Shares will only be issued to applicants who qualify as wholesale investors under the Corporations Act	
Minimum Holding	\$250,000 – 125,000 RP Shares (fully paid)**	
Dividend	The RP Shares will carry a right to a dividend of 8% per annum payable on 30 June each year	The dividend will be calculated by reference to the amount paid up on the RP Shares
Redemption	The RP Shares will be fully redeemed (including any dividends accrued and unpaid) on or before 30 June 2022.	For further information on the redemption terms of the RP Shares please refer to page 27-28

* Future Habitats may at its absolute discretion increase or decrease the amount to be raised

** Future Habitats may at its absolute discretion increase or decrease the minimum holding in respect of any application

TIMETABLE

Offer closes	On or before 16 May 2016	
Initial Issue of 50% of RP Shares fully paid	On or before 16 May 2016	
Exercise of the option and acquisition of the land	On or before 16 May 2016	
Commencement of infrastructure works	On or before 6 June 2016	
Off plan pre-sales will commence	On completion of the final survey August 2016	
Lot Sales of first phase(s) completed	Within 9 months of the commencement of the infrastructure works	
Issue of the balance of the RP Shares fully paid	In stages but balance fully issued fully paid by 30 June 2017	For further information on the issue of the balance of the RP Shares please refer to page 27-28

USE OF FUNDS RAISED

- a) Project establishment expenses (\$600,000)
- b) Exercise of the option and purchase of the property (\$1,300,000)
- c) Site establishment and primary infrastructure facilities costs (\$4,820,000)
- d) Lot sale marketing costs (\$280,000)

The costing's set out are based on early estimates provided by BDA Consultants Pty Ltd, Quantity Surveyors & Building Economists (T: 02 9281 7944), and are provided for indicative purposes only.

DEVELOPMENT TIMING

It is proposed that the construction will commence immediately on the exercise of the option in keeping with the detailed schedule of works as set out at page 30-32.

The Advertising Press Publicity and Marketing plan to launch the project will begin during phase one June 2016 and continue through out the project life at appropriate levels. Pre sales of Lots will commence on the completion of the preliminary design described in the schedule of works stage one August 2016. Sales of lots will commence approximately nine months after commencement of the Project.

It is proposed that the lots will be sold in phases as determined by Future Habitats. Lots will be made available for sale on the completion of the estate infrastructure, and amenities services for those lots. It is estimated that all of the lots will be sold by the end of 6th year after commencement but if the market is strong it may be possible to complete the sales significantly sooner. However, the budget for the Project is based on the timetable of six years. Lost sales are projected Year 2) 13, Year 3) 11, Year 4) 16, Year 5) 11, Year 6) 14

OVERVIEW OF THE HOMEDALE PROJECT

THE VISION

The Homedale Project is based on a master plan by award winning architect Ian Bailey for a sustainable residential development. It responds to a growing desire for housing that creates self-sufficient human ecologies capable of producing an abundance of human scale economic, environmental and social outcomes.

The Project will be developed by Future Habitats to integrate resource reuse capacity into the design and construction of sustainable infrastructure underpinning the development. This will encompass off-grid site services including renewable energy, water harvesting and food production, alongside onsite waste recycling and sewage management facilities. Future Habitats is committed to the principle that the Homedale Project and future projects are not simply an investment in land and housing, they are investments in the practical application of, renewables, low carbon resources, clean technologies, and community scale food production advancing health and wellbeing.

This alternative type of residential model is building momentum across the world and Australia. It is intergenerational; it is scalable for large and small residential developments and it is affordable when compared with other traditional sub-divisions of equal capacity. It looks to a progressive future, by taking a holistic approach that values environmental infrastructure and supports community living.

The Homedale Project is an example of intergenerational sustainable housing that will set a new standard for developments that return value to investors and residents over the long and short term.

HOMEDALE VILLAGE

The village will consist of 66 dwellings including townhouses, villas, and stand-alone houses. These dwellings are arranged in clusters. Each cluster has its small community open space and the clusters, in turn, are loosely arranged around the sustainable estate's central amenities, adjacent to a small lake and bounded by the Camden Haven River.

The lot sizes vary between 450 and 720 square meters. Each lot owner will be responsible for the construction of the dwelling on the lot. The lots come with the benefit of water harvesting, storm water, sewage management, and a self-sufficient energy supply.

The village will provide amenities including open space, an education centre, a community wellness centre and library, a lap pool, tennis court, bicycle and walking trails. Additional facilities include small craft access to the Camden Haven River. The site for the development affords significant areas of open space, community orchards, gardens and food bowl, small craft launching and storage facilities at the river, with separate boat storage. A leading visual feature of the development is its central lake.

SUSTAINABLE INFRASTRUCTURE

The key principle running through the design of the village and its infrastructure is the concept of sustainability. Sustainability is defined as the synchronization of three organizing principals: economic growth, environmental protection and social equality. This thinking is clearly reflected in the comprehensive practical design of the village's features and services. Architects and builders will plug directly into the sustainable infrastructure built into the foundations of the 15 hectare site.

The demonstration of sustainability for the village includes the following features:

Existing ecology

The preservation of mature trees across the whole site includes two extensive areas of native bush land, one along the banks of the Camden Haven River and the other forming a veil between the village and a nearby development. This will provide much needed shade and preserve the character and natural beauty of the site.

Water supply

Potable drinking water will include harvested rainwater from all buildings routed to storage wells and land tanks for use.

Storm water Re-use

Storm water harvested from permeable roads and overland flows will be collected by augmented swales. This method will filter out pollutants. Water drains to the dam for polishing and any excess will be stored in underground wells for further re-use.

Food

Each home site will have an area for growing herbs and vegetables. In addition, the village will have a dedicated food producing garden and orchard.

Sewerage waste

Each house will be drained to a central on-site sewerage and wastewater treatment plant. Wastewater will be treated to the highest levels, pumped to a central storage tank and then reticulated for use in washing and watering gardens

Energy

The village is to be powered using renewable energy resources. The village's energy needs will be met by an on-site solar generation system, in conjunction with battery storage and a backup biogas generator. This Solar-Nano-Grid development will also have the capacity to export energy to the national grid.

Subdivision design

The village layout has been designed to retain existing trees and vegetation. Each house lot has its own individual building footprint to optimise solar access. In addition, the lot layout has been designed to minimise roadways and maximise views.

Road Construction

Unlike most current subdivisions, the roads in the village will be constructed from light coloured materials with permeable surface materials. This will minimise the absorption of heat and energy and support the capture of storm-water.

Low energy use and near zero emissions housing design

The construction of all new homes will conform to a set of design guidelines as set out in the master plan for the development. The guidelines are based on design principles to achieve zero waste and to minimise energy use and carbon emissions.

Community facilities

The village provides estate amenities including open space, communication technology, an education centre, a lap pool, a tennis court, bicycle and walking trails, and small craft access to the Camden Haven River.

HOMEDALE EDUCATIONAL TRUST

It is proposed to establish the Homedale Educational Trust as a collaboration between Future Habitats, the Homedale Village and academic institutions (Queensland university of Technology, The University of NSW, Newcastle and Charles Sturt University). This working partnership will facilitate research and development programmes targeting specific sustainability initiatives. Homedale will be utilised as a practical example of sustainability; a potential hub for undergraduate and postgraduate studies and an opportunity to utilise the onsite educational centre to monitor and share research data. This research will be utilised by Homedale residents and by future Habitats Foundation to inform ongoing design imperatives for further Future Habitats' projects and will be made available to the wider network of partners and stakeholders.

THE FUTURE

The architectural digital modeling of infrastructure, buildings, resource consumption and the development of a framework for dependable integrated sustainable infrastructure will provide Future Habitats with the capacity to replicate this approach to residential development providing a plug in foundation for sustainable developments. Future Habitats will be able to operate in any environment, bringing design and build templates to sustainable development that will allow Future Habitats to respond rapidly to market demand for sustainable housing in Australia.

Homedale is the first project that will bring a wrap around approach to the application of renewables, clean technology and sustainable living. The Project is designed to speak to emerging carbon reduction economic policy. The Project will provide profitable avenues and an opportunity for ethical investors and carbon divesters to relocate their resources into re-imagined relevant sustainable economies for this and future generations; realising financial and social return on investment.

Homedale will create the model upon which Future Habitats will seek to generate independent sustainable environments that will continue to scale up with each development ensuring a sustainable future beyond carbon economics.

THE MARKET AND LOCATION

Homedale Village is located at Kew, connected by train to the cities of Sydney and Brisbane, on the Mid North Coast of NSW, on the east coast of Australia. The region has also benefitted from a number of recent infrastructure projects including significant highway improvements. About 4 hours drive north of Sydney, 30 minutes south of Port Macquarie, and a short 10-15 minute drive to beautiful beaches and the bustling village of Laurieton and picturesque Dunbogan. The development sits within the municipality of Port Macquarie Hastings.

Social and economic infrastructure in the Port Macquarie-Hastings Council Area

a population approaching 80,000 and annual average growth of 1.2% between 2004 and 2013, compared to Australia's average annual growth rate of 1.7%.

Port Macquarie airport is the fifth largest regional airport in NSW with 232,314 passenger movements per year; a recent \$21 million upgrade provides potential for this to grow to 450,000 by 2030. 6225 registered businesses employing 28,501 people. The total workforce is 30,640 with a growing working-age population.

The region has over 30 private and public schools and growing tertiary education sector; three universities offering courses locally and a new university campus set to open in 2016 welcoming up to 5000 students. 779,000 day trippers travel from outside the region annually to access our goods and services. Sourced from an additional market of 200,000 people that live within a two hour drive, this day tripper market is also expected to grow by 28% in the next 20 years.

Strategically located between Sydney and Brisbane with easy access to transport : road, airport, rail and a shipping port at Newcastle. \$200 million worth of major infrastructure projects fuelling further growth, highlighting the positive trajectory and confidence in the region.

Investing in Port Macquarie-Hastings Council Area New \$110 million 75 hectare industrial estate opening with direct access to Australia's major arterial road on the east coast, the Pacific Highway.

Significant residential land development capacity with zoning for over 10,000 new residential dwellings. A visitor economy worth \$462 million welcomes more than 1.5 million visitors to the region every year making it the number one tourism destination on the NSW North Coast.

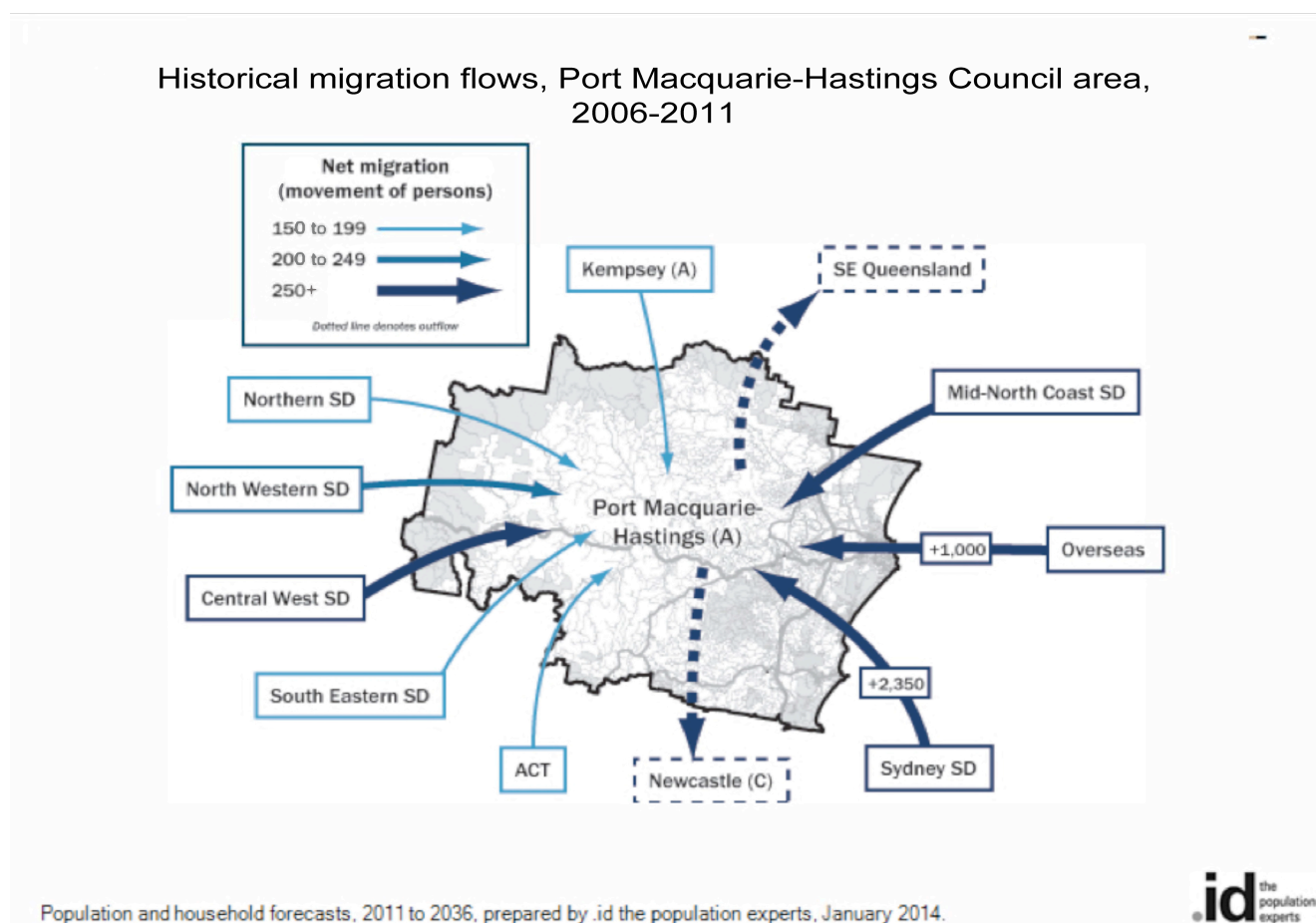
Easy accessibility to Sydney and Brisbane with regular direct daily flights taking

Approximately one hour and an airport that hosts two carriers Qantas and Virgin with approved plans for further extensions. World class leisure facilities including 18 sporting fields, 5 skate parks, 4 swimming pools, international standard water ski park, regional stadium with 1200 seat capacity, 4 championship golf courses and a \$6 million indoor stadium upgrade underway

Although traditionally an area renowned for retirement housing, the recent development of the area has created a strong momentum for an increase in a wider range of residential provision. Demand is fuelled by the changing demographics and relocation for business and employment opportunities in the area.

New residential developments have taken various forms depending on the availability of land. These include new housing estates on Greenfield sites, subdivisions in existing residential neighborhoods, conversion of industrial lands to residential lands, and the densification of housing including building upwards.

The dominant trend [in 2011, for household types in the Port Macquarie-Hastings Council area](#) was 'Couples without dependents', and by 2026, the largest forecast increase is expected to be a continuation of this trend, of 'Couples without dependents'. Analysing the future household structure in Port Macquarie-Hastings Council area, especially in conjunction with age structure, provides insight into the role the region plays in the housing market. Families dominate some locations, usually with distinct housing stock. Others, with more dense housing in inner city areas, have significant numbers of lone person households and couples without dependents. The arrows represent migration flows to the area as a whole and do not indicate an origin or destination for any specific localities within the area



According to Domain Group data, Port Macquarie, was ranked fifth in the most searched for areas; surprising property market observers. "There is no doubt that Port Macquarie is the new black for Regional Centre's Domain Group senior economist Andrew Wilson". "Commenting on the regional area's emerging popularity. "Not all of the most sought-after suburbs were in Sydney";

The importance of Port Macquarie-Hastings as a destination for families and retirees from areas further south is expected to continue over the forecast period. As a result of this

there is significant pressure for residential expansion within Port Macquarie-Hastings from both existing residents and from people moving to the area.

It is assumed that this pattern will continue into the future, driving development on the outskirts of Port Macquarie, around Lake Cathie and in the Camden Haven.

The nearby major regional town of Port Macquarie has typically enjoyed a growth rate above the national growth average. House sales in Kew and Port Macquarie show a positive trend based on an average sale of 20 houses per month (updated 1/12/2015) with median sale price of \$515,500 sold in Kew over a period of 11 months. (RP Data)

Current forecasts of residential development assume the number of dwellings in Port Macquarie-Hastings Council area will increase by an average of 498 dwellings per annum to 46,815 by 2036. A 10% growth in property prices in 2013-2014 with further predictions of a 20% increase in property prices from 2015-2018 highlights the level of growth and appeal for property investors. (Port Macquarie Hastings Local Government Area LGA 2005-2014)

The cost of a lot at Homedale and the cost of constructing a house on the lot will vary depending on the size of the lot and the type of house constructed but the combined cost is designed to be within the existing median sale price range for the Port Macquarie Hasting area of approximately \$502,500. Home construct prices can be as low as \$78,000 – a one bedroom Eco Pod designed by Stephen Sainsbury, one of the project partners.

The development at Homedale is in keeping with the area's growth patterns and style of increased development of managed estates. Homedale also responds to the changing demographic of the area and offers an opportunity for accommodation that is designed to be intergenerational, an important focus for young families and an aging and active population.

THE SUSTAINABLE HOUSING MARKET

Climate change and the continuing debate about the role of human beings both in causing and alleviating the problems associated with a changing climate, has seen a dramatic rise in awareness about environmental considerations. This increased awareness is not only evident among the public but also within government and corporations across various industry sectors around the globe.

For the first time in years, climate change was a major story coming out of the Lowy Institute's poll of public attitudes to international affairs. The expectation for leadership on the issue was up, and a majority of Australians thought we should act on climate rather than wait for international consensus. In Australia views are increasing on leadership and responsibility, and on policies that impact sustainability. A majority of Australians thinks the country should take these issues and impacts more seriously.

These public attitudes are a market for sustainably designed offers that promise the capacity to overcome the concerns of a growing consumer segment in our economy. To tackle the big issues of energy and food security and access to resources for economic development there is a need for sustainable business models that can provide the products and services to this changing market, and Homedale is an excellent example of a product that responds to that growing market.

Rising resource costs are forcing a rethink of operations and supply chains. The potential of aligning these market forces with sustainable development outcomes is creating a new industrial revolution and is a tantalising and exciting prospect for projects like Homedale. The market segment described as LOHAS - 'Lifestyles Of Health And Sustainability' refers to the green consumer and represents the marketplace for the goods and services sought by these consumers.

"LOHAS - Lifestyles Of Health And Sustainability" was first coined ten years ago in the US in an attempt to define an emerging trend of consumers making values-based decisions about what they purchased. In Australia nearly 4 million people (26 percent of the adult population) are LOHAS aligned, which is now a mainstream marketing segment (Marlow, 2007). Market researcher Mobium Group (2013) estimates annual spending on healthier and more sustainable products and services has almost doubled in four years to at least \$21.5 billion.

Green consumers are no longer a small niche market. Socially responsible investment (SRI) has also grown apace over the past decade. About \$3 trillion in the US alone — roughly 12.2% of the \$25.2 trillion in total assets under professional management - is committed to some form of socially responsible investing, according to the Forum for Sustainable and Responsible Investment.

The Australian green building industry has also evolved from a niche sector focusing on single dwellings to an established industry encompassing large-scale projects, communities and cities. Australia's clear and accurate guidelines on building environmentally sustainable structures continue to support growth in the green building market. Green buildings are built for high levels of energy and water efficiency, so they are cheaper to operate, consume 26 per cent less energy than the average building and generate 33 per cent fewer greenhouse gas emissions. More recent developments, with a 4 Green Stars in the Multi Unit Residential rating system, have a 65 per cent reduction in heating and cooling energy through a high-performance double glazing

system and insulation to all walls and ceilings. It's also delivering dividends for the developer.

The development at Homedale by Future Habitats brings together the aspirations of a burgeoning LOHAS consumer community, industry groups ready to engage state of the art sustainable construction technologies and investors who are more informed and concerned with the environmental and social impacts of their investment dollar.

This development responds to the demand by investors and buyers for buildings with the highest possible sustainability credentials and is designed to establish a leading best practice example of responsive sustainable housing, creating assets for the future that meet the needs of today's community.

RISK FACTORS

An investment in shares of any company involves a degree of risk. The directors of Future Habitats will manage the Company with a view to minimising the risks, which might have an impact on the returns to investors in the RP Shares. However, the investment will be subject to a variety of influences and risk factors including, but not limited to the following risks:

Economic Risks

The ability to complete the Project, including the sale of lots, may be affected by a range of economic risks including a downturn in the economy generally and in the development/property market specifically which may be caused by changes in interest rates, inflation, general market conditions, government monetary and taxation policy, and the general health of the domestic and world economies.

Interest Rates

An increase in interest rates may affect the borrowing capacity and finance costs both of the Fund and of purchasers of the lots.

Planning Risks

Any planning and development approvals required for the Project in the future may be delayed and/or denied or granted in a form that is not satisfactory, resulting either in higher costs and delays in completing the Project or in completing the Project as originally intended.

Legal and Regulatory Risks

Changes in the legal and regulatory framework within the corporate, property development and environment industries including changes to town planning, environmental and building regulations and to the applicable policies and interpretation could have a negative impact on the Company and the Project.

Management Risk

The Directors of the Company have the experience and expertise to provide effective management of the Company and the Project. . The departure of key personnel and the failure to appoint appropriate replacements may have a negative impact on the Company and the Project.

Force Majeure

Events beyond the control of the Company including natural disasters, earthquakes, fire, social unrest, terrorism or war in Australia or overseas may impact on the Fund.

Liquidity Risk

The RP Shares are not listed on any market and there is no intention by the Company to establish a secondary market for the RP Shares. The terms of the RP Shares set out the processes for their redemption.

Property Market Risks

Property market conditions may change including the value and level of demand for property.

Project Risks

This includes the risk that completion of the Project may be delayed or become more expensive, including due to building defects, contamination risks or other site defects

Construction Costs

Construction costs may rise during construction and impact negatively on the financial structuring of the Project, including the prices at which lots are sold. The Company may need to raise additional funds from investors or from borrowing.

Environmental Risks

Environmental issues such as land contamination or threatened species may delay planning consent or add considerable cost to the Project.

Industrial Relations

Industrial disputes may delay completion or increase the cost of the Project thereby negatively impacting on the return to Investors.

Completion Delays

Completion may be delayed due to unforeseen circumstances, which may result in an increase costs and reduce returns.

Sales Risk

The inability to sell the Project units at the forecast sale price and delays in the timing of the sales of the Project units may impact on the profitability of the Project and the returns to Investors

There is a risk that purchasers who enter into contracts to acquire Project units may default in the performance of those contracts, which may impact on the profitability of the Project and the returns to Investors.

Taxation

The Company is subject to Australian tax legislation. Taxation legislation is open to amendment and there is a risk that subsequent legislation may impact on the profitability of the Project. Individual investor's after tax returns may also be impacted by changes in legislation depending on their individual circumstances. It is recommended that an investor seeks taxation before making an investment in the Fund.

Track Record

The Company was established in January 2015. Its operating history is accordingly limited as at the date of this IM. However, the directors have substantial relevant experience and they have established relationships with a wide range of professional specialists.

Gearing Risk

This risk would arise if the Company acquired further finance for the Project through borrowed funds which gave the lender the right to be paid interest or loan principal repayment, which rank ahead of the rights of the holders of SP Shares

THE PROPERTY

LAND TITLE AND DA DETAILS

The property is known as 47 Homedale Road Kew NSW 2439. Registered plan Lot 1 plan DP 1161722 Folio Identifier 1/1161722, includes DA No 2007/132 consented to by the Port Macquarie and Hastings Council on 14 May 2008, subject to the conditions of consent set out in the determination of consent. The determination date for the consent is 9 May 2008. The consent was modified on 28 November 2008 and later notice issued 1st March 2013, DA2007/132 remains active after 9 May 2013.

The DA and consent conditions (as modified) can be viewed on application to Future Habitats.

OPTION TO PURCHASE

The property is currently owned by Annie Georgeson, one of the original designers of the project concept. Future Habitats has entered into an option to acquire the property. The principal terms of the option are:

1. The Option to be exercised on or before 16 May 2016. The Option will be exercised as soon as the A\$7 million financing has been arranged
2. On exercise, the contract to purchase the whole property will be signed:
 - a) completion - 42 days after the exercise of the option
 - b) purchase price A\$2.5million.
A\$1.3 million paid on completion and the balance to be provided by the vendor secured by a first mortgage on terms to be agreed and to be paid within a period of no greater than 3 years from the date of the purchase contract
 - c) Annie Georgeson, the vendor, is granted an option (exercisable up to the date 2 months from the date of registration of the plan of subdivision
 - i) to purchase Lot 18 (her current residence house) for A\$400,000
 - ii) to purchase Lot 3 for A\$200,000
 - iii) to purchase one other Lot less the cost of agents commissions on the market price
 - iv) to lease the vendor's present residence at a nominal rent from the date of contract to 2 months after registration of the plan of subdivision.
 - (d) The Purchaser must perform a deed dated 2nd October 2007 between the late Ian Bailey and the KH Dodds Family Trust providing broadly for mutual co-operation between the parties in the subdivision and development of lands owned by them respectively. A copy of the deed is available for inspection on request.

BUDGET AND FINANCIALS

A detailed budget and outline financials have been prepared by Future Habitats and are available to prospective investors. A summary of the Project Infrastructure Budget QS Estimates and the Projected Annual Profit and Loss Summary are set out below for reference. Detailed breakdowns of the budget will be made available to potential investors.

The cost of the development project is estimated in the balance sheet to be \$16,708,762 million and the income from sales is estimated to be \$21,224,094 million. This is based on the development being completed over 6 years. If the sale of lots is completed earlier, it is expected that the gross costs will reduced significantly.

Returns to investors will not be possible until income from the sales of lots arises. Any unpaid annual dividend of 6% will be rolled forward. It is anticipated that dividends will be payable after the 2nd year. Repayment of the capital sum invested (and any dividends rolled over and not paid) will be repaid on completion of the sale of all the lots. It may be possible for partial repayment of capital to be made prior to completion depending on the phasing of the sales of Lots.

The costing's set out below are based on early estimates provided by BDA Consultants Pty Ltd, Quantity Surveyors & Building Economists (T: 02 9281 7944), and are provided for indicative purposes only.

PROJECT INFRASTRUCTURE BUDGET QS ESTIMATES		08.09.15
ITEM	TOTAL	SUB TOTALS
PRELIMINARIES & SITE ESTABLISHMENT		
SUB TOTAL		561,700
STORMWATER SURFACE DRAINS, SWALES & BERMS		
SUB TOTAL		306,000
SEWERAGE TREATMENT & RETICULATION		
SUB TOTAL		554,400
ELECTRICITY & IT RETICULATION		
SUB TOTAL		484,450
ELECTRICITY SUPPLY		
Micro solar generator	1,300,000	
SUB TOTAL		1,300,000
GAS SUPPLY		
Central gas tank & underground reticulation	158,400	
SUB TOTAL		158,400
WATER SUPPLY		
SUB TOTAL		687,080
ROADS		
SUB TOTAL		1,321,502
LANDSCAPING		
SUB TOTAL		488,250
EARTH BANK FENCING		
SUB TOTAL		87,157
COMMUNITY FACILITIES		
SUB TOTAL		1,161,250
REPAIRS		
Repairs to heritage listed chimneys & outlining old cottage	36,300	
SUB TOTAL		36,300
TOTAL CONSTRUCTION COSTS		7,146,489
COUNCIL FEES & BONDS		
SUB TOTAL		783,000
PRELIMINARY ACCOUNTING, LEGAL AND OPERATIONS		
SUB TOTAL		914,579
FIXED CAPITAL COST		
Land Purchase	2,500,000	
Stamp Duty and legal on land purchase	130,000	
Site maintenance	300,000	

SUB TOTAL		2,930,000
TOTAL QS + CPI +MC + CAPITAL PURCHASE		11,774,068

Projected Annual Profit And Loss Summary	
With Share Buy Back/Redemption Option	
Numbers Of Lots Sold Per Year Excluding Lot 18	65
Sale Of Lot 18	1
	Total
Income	
<i>Trading Income</i>	
Sales Of Lots	14,106,906
Sales Of Common Property Including Infrastructure	7,117,188
Total Receipts From Lots Sales	21,224,094
Less Cost Of Sales	11,654,489
Gross Profit From Lots Sales	9,569,605
Other Income	
HSEE, Impact Research And Management Cost 12%	174,000
Events Income	150,000
Common Property Maintenance Income	459,220
Power Purchase Agreement Energy Supply	1,582,206
Total Other Income	2,365,426
Subtotal	11,935,031
Other Expenses	
Accounting, Legal And Operations Costs	
Accounting, Legal And Operations Costs	804,800
Sales Commission 2.5%	399,320
Project Management And Operational 12%	3,371,785
Insurance Indemnity	67,825
Depreciation If Micro Solar Computers And Software	130,000
Total Other Expenses	4,773,731
Net Profit Before Tax	7,161,300
Income Tax Thereon @ 30%	2,471,523
Net Profit After Tax	4,689,777
Accumulated Profits Brought Forward	0
Available For Dividends	4,689,777
Dividends Paid	2,092,500

Accumulated Profits Carried Forward	2,597,277

THE REDEEMABLE PREFERENCE SHARES

Future Habitats is seeking to raise A\$7 million from professional and sophisticated investors. The funds will be raised through the issue of 3.5 million redeemable preference shares of A\$2 each (RP Shares).

The RP Shares will be issued partly paid with calls made in stages as funds are required until they are fully paid. The RP Shares will be issued on or before 16 May 2016 partly paid at A\$0.25 per RP Share. It is expected that all shares will be fully paid by 30 June 2017.

The funds will be used principally as follows:

- a) Project establishment expenses (\$600,000)
- b) Exercise of the option and purchase of the property (\$1,300,000)
- c) Site establishment and primary infrastructure facilities costs (\$4,820,000)
- d) Lot sale marketing costs (\$280,000)

The costings set out are based on early estimates provided by BDA Consultants Pty Ltd, Quantity Surveyors & Building Economists (T: 02 9281 7944), and are provided for indicative purposes only.

TERMS

The principal terms of the RP Shares are as follows:

- a) The RP Shares will be redeemed in full on or before 30 June 2022. At its discretion, Future Habitats may make early full or partial redemptions funded from profits arising from the development
- b) RP Shares will be entitled to a cumulative preferential dividend of 8% per annum per financial year payable on 31 July each year commencing 31 July 2017 (pro rata for periods of less than a year – accumulating on an annual basis).
- c) If the income from the development is not sufficient to pay the dividend in whole or in part in respect of any financial year, there may be a partial or nil payment of the dividend. Any amount unpaid will be carried forward and will be payable on the following 31 July after payment of the interest due on that date. Any amount unpaid on that date will be carried forward to the following 31 July.
- d) The RP Shares will not have voting rights save as to matters affecting the RP Shares.
- e) The RP Shares may not be transferred without the approval of the Company. The provisions of the Constitution relating to transfers will apply.
- f) During the life of the RP Shares, the Company will not, without the approval of the holders of the RP Shares:
 - i) make any material change in the business of the Company
 - ii) acquire or dispose of a material business of the Company
 - iii) make any material changes to the capital structure of the business or the Company
 - iv) enter into any material litigation

- g) The provisions of the Constitution relating to meetings of Members will apply to the holders of RP Shares as a separate class of shares.
- h) On a winding up, the holders of RP Shares will be entitled to an amount equal to any accrued but unpaid dividends plus the issue price of each RP Share held.
- i) On a winding up, as regards capital, the RP Shares will rank ahead of Founders Shares and ordinary shares (if issued)
- j) Future Habitats will provide such reasonable information to the holders of RP Shares relating to the development and the business generally as is agreed between the holders of RP Shares and Future Habitats

Note: On redemption of the RP Shares, investors will have an option to negotiate for a continued relationship with Future Habitats in respect of future developments or projects undertaken by Future Habitats. The terms of the relationship will be agreed between the parties and may include the issue of equity to the investor.

A copy of the Constitution of Future Habitats can be obtained on application to Future Habitats – contact details are set out below.

HOW TO MAKE AN APPLICATION FOR RP SHARES

To make an application for RP Shares, prospective investors must complete an application form which can be obtained from Future Habitats – contact details are set out below.

FURTHER INFORMATION

TAXATION

The Company is subject to Australian tax legislation. Investors should seek their own advice on the taxation implications of an investment in the Company

PRIVACY

The application form requires applicants to provide personal information. Future Habitats may collect, hold and use your personal information in order to assess an applicant's application, service an applicant's needs as an investor, and for other purposes permitted under the *Privacy Act 1998 (Cth)*. If the applicant does not provide the information requested or provides incomplete or inaccurate information, the application may not be able to be processed efficiently, or at all.

If an applicant has concerns about the completeness or accuracy of the information held or would like to access or amend the personal information held by Future Habitats an applicant should contact Future Habitats. A copy of Future Habitat's privacy policy can be requested from Future Habitats. Contact details of Future Habitats are set out below

ANTI-MONEY LAUNDERING

Future Habitats is required to comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* ("AML/CTF Law"). This means that Future Habitats may require applicants to provide personal information and documentation in relation to identity of the applicant and the source of funds. In some circumstances, Future Habitats may need to re-verify this information and may request additional information.

Future Habitats will not issue shares to applicants until all relevant information has been received and identity has been satisfactorily verified.

CONTACT DETAILS

Project Director - Rupert Daniel : rupert.daniel@futurehabitats.com.au

Marketing Director - G Henshaw : g.henshaw@futurehabitats.com.au

Email ; info@futurehabitats.com.au

Website : www.futurehabitats.com.au

Postal/Registered Office : Suite 7, 20 Bungan Street, Mona Vale NSW 2013

HOMEDALE PROJECTED SCHEDULE OF WORKS

#	Homedale Schedule subject to pre sales	Expected Start	Expected End Resources
0	Engineering Draft 2016a	6 Jun 2016, 08:00	21 Nov 2018, 17:00
1	Design, engineering	6 Jun 2016, 08:00	15 Jul 2016, 17:00
2	landscaping design	6 Jun 2016, 08:00	15 Jul 2016, 17:00
3	Lot surveys	13 Jul 2016, 08:00	24 Nov 2016, 08:00
4	Construction drawings - approval	18 Jul 2016, 08:00	18 Jul 2016, 17:00
5	Boundary Fencing North & South	19 Jul 2016, 08:00	15 Aug 2016, 17:00
6	Community title	22 Dec 2016, 08:00	27 Dec 2016, 17:00
7	Earthworks, mounding, swales, etc. & grass	19 Jul 2016, 08:00	21 Nov 2016, 17:00
8	Repairs to chimneys & outlining old cottage	6 Jun 2016, 08:00	15 Jul 2016, 17:00
9	Emergency access tracks (gravel)	19 Jul 2016, 08:00	1 Aug 2016, 17:00
10	Share of external access road and entry (assumed)	30 Aug 2016, 08:00	21 Nov 2016, 17:00
11	Storm water (surface drains to dam, overflow piped)	28 Jul 2016, 08:00	27 Sep 2016, 17:00
12	Treated effluent storage dam	19 Jul 2016, 08:00	27 Jul 2016, 17:00
13	Treated effluent pumping & reticulation	28 Jul 2016, 08:00	7 Sep 2016, 17:00
14	Divert/underground existing o/h electric line	5 Jul 2016, 08:00	19 Jul 2016, 08:00
15	Site substation incl road access	25 Oct 2016, 08:00	21 Nov 2016, 17:00
16	Power supply & reticulation	22 Nov 2016, 08:00	21 Dec 2016, 17:00
17	Council Bond	24 Oct 2016, 08:00	21 Nov 2016, 17:00
18	Section 94	22 Nov 2016, 08:00	23 Nov 2016, 17:00
19	Upgrade central dam c/w weir, pump, etc.	25 Aug 2016, 08:00	27 Sep 2016, 17:00

20	Water Reticulation Pipework	28 Sep 2016, 08:00	8 Nov 2016, 17:00
21	Water Fittings	9 Nov 2016, 08:00	22 Nov 2016, 17:00
22	Central park, establish lawns	22 Nov 2016, 08:00	29 Dec 2016, 17:00
23	Community produce garden area, orchard	19 Jul 2016, 08:00	19 Aug 2016, 17:00
24	Community open space	19 Jul 2016, 08:00	22 Aug 2016, 17:00
25	Trees, shrubs, ground covers & establishment	22 Nov 2016, 08:00	23 Dec 2016, 17:00
26	Community Centre	19 Jul 2017, 08:00	21 Nov 2017, 17:00

27 Amenities	19 Jul 2016, 08:00	21 Nov 2016, 17:00
28 Tennis court (all weather surface)	11 Oct 2017, 08:00	21 Nov 2017, 17:00
29 Lap pool	30 Aug 2016, 08:00	21 Nov 2016, 17:00
30 Shade structure over	22 Nov 2016, 08:00	5 Dec 2016, 17:00
31 Deck	22 Nov 2016, 08:00	5 Dec 2016, 17:00
32 Boat ramp incl road access	19 Jul 2016, 08:00	29 Aug 2016, 17:00
33 Boat storage shed	19 Jul 2016, 08:00	29 Aug 2016, 17:00
34 Sheds, seats, BBQ, sundial, weather station, etc.	28 Jun 2016, 08:00	19 Jul 2016, 08:00
35 Plan Registration	24 Nov 2016, 08:00	21 Dec 2016, 17:00
36 Car share trial	28 Dec 2016, 08:00	28 Dec 2016, 17:00
37 Nano Solar grid gen.	22 Dec 2016, 08:00	26 Apr 2017, 17:00
38 Signage	8 Nov 2016, 08:00	21 Nov 2016, 17:00
39 Internal cul-de-sac roads (pavers/bleached asphalt)	20 Sep 2016, 08:00	21 Nov 2016, 17:00
40 Access driveways & parking bays (bitumen/gravel)	11 Oct 2016, 08:00	21 Nov 2016, 17:00
41 Footpath / cycle way (stabilized crushed stone)	18 Oct 2016, 08:00	21 Nov 2016, 17:00
42 Street lighting	18 Oct 2016, 08:00	21 Nov 2016, 17:00
43 100mm Empty conduit pipes (two per lot)	15 Nov 2016, 08:00	21 Nov 2016, 17:00
44 Pay TV, data & telephone	17 Nov 2016, 08:00	21 Nov 2016, 17:00
45 Central TV antennae system, splitters & reticulation	17 Nov 2016, 08:00	21 Nov 2016, 17:00
46 Central gas tank & underground reticulation	2 Nov 2016, 08:00	21 Nov 2016, 17:00
47 Dedicated firefighting water storage & truck bays	22 Nov 2016, 08:00	5 Dec 2016, 17:00
48 Bridge over creek and road access	24 Oct 2016, 08:00	21 Nov 2016, 17:00

[DESIGN GUIDELINES DOWNLOAD](#)

Additional technical documentation available on request