

CAPABILITY STATEMENT



BLACK BEAR
INVESTMENT GROUP

Black Bear Investment Group is a boutique property development and investment business operating throughout Brisbane, Australia.
www.blackbeargroup.com.au

“ Our **MISSION** is to utilise our experience and extensive knowledge of the property industry to improve our clients’ financial position through intelligent investment strategies. ”





Black Bear Investment Group is a boutique property development and investment business operating in Brisbane, Australia.

For more than 10 years, Black Bear has been undertaking residential property development projects throughout Brisbane. In addition to undertaking its own projects, Black Bear also regularly puts together and manages

development projects on behalf of investors in a syndicate structure.

Black Bear has expanded its capacity and enhanced its capability through the addition of carefully selected team members. Over the years, Black Bear has fostered strong working relationships with an extensive network of consultants and other industry professionals involved in the planning,

construction and management of property development.

Black Bear has a proven track record of delivering developments on time and on budget with projects ranging from small subdivisions and renovations to new unit complexes. We are justifiably proud of our track record and are looking forward to the continued growth of Black Bear.

Our areas of practice are:

PROPERTY DEVELOPMENT

Black Bear's primary activity is undertaking its own residential property developments throughout the greater Brisbane area.

SYNDICATES

Black Bear regularly puts together property syndicates to undertake development projects on behalf of investors. Black Bear manages the entire process and provides investors with regular updates and access to properties and projects which may otherwise be unattainable for many investors.

JOINT VENTURES

From time to time Black Bear may invite selected clients to partner with Black Bear to undertake joint venture projects for the benefit of both parties.

PROPERTY MANAGEMENT

With a rental portfolio of more than 40 properties (and growing) we know a thing or two about property management. Black Bear is able to facilitate superior property management services through our partner, Real Property Management.





Black Bear has transacted and developed in excess of \$40,000,000 worth of property and has developed vast experience across a range of property strategies, including renovation, subdivision, strata-titling, unit construction, development applications, house relocation and site

amalgamation. Black Bear specialises in developing residential property in the Brisbane area. This is a market we are intimately familiar with. We continually work towards increasing our understanding of the various town planning constraints and opportunities which impact on the development

potential of residential property. This understanding is augmented by our ongoing review of the various economic and social factors which have a direct and important effect on the current or future development potential of any given locale in the Brisbane area.



“Black Bear has completed in excess of \$40,000,000 of property projects.”



“ Our **VALUE** is derived from our innovative approach and ability to see opportunity where others see difficulty. ”





St. Leonards Street, Coorparoo

This project was undertaken on behalf of a group of investors in a syndicate. The strategy for this property was to undertake a comprehensive renovation of the existing block of 4 units transforming them from tired 2 bed units into ultra-modern villas. Approval was also obtained to construct an additional freehold dwelling on an unused parcel of land adjacent on the site. The renovated apartment complex was sold to a single purchaser and Black Bear has retained the parcel of land to construct the new dwelling.



PROJECT OVERVIEW

Project Status:	Complete
Project Structure:	Syndicate Investment
Strategy:	All product sold on behalf of investors
Investor Return on Equity:	20%
Project Duration:	17 months





Grove Street, Toowong

This project was undertaken on behalf of a group of investors in a syndicate. The property consisted of a block of 6 x 2 bed, 1 bath units on approximately 600m2 in a prime Toowong location. At the time of purchase, the building was in tired condition and a comprehensive renovation was undertaken of the entire complex. Approval was also obtained for the construction of an additional townhouse on the end of the existing building utilising an unused parcel of land. The complex (with the benefit of the development approval) was sold to a single purchaser.



PROJECT OVERVIEW

Project Status:	Complete
Project Structure:	Syndicate Investment
Strategy:	All product sold on behalf of investors
Investor Return on Equity:	17%
Project Duration:	13 months





Kunde Street, Nundah

Q15 is a boutique complex located in a quiet street within a stone’s throw of the vibrant Nundah Village precinct. The project involved the construction of a 3 level unit complex on a wide 600m2 LMR site. Black Bear has retained the whole complex to rent for the long term, as such, the building was designed and constructed to maximise the rental income achievable.



PROJECT OVERVIEW

Project Status:	Completed
Strategy:	All product retained for rent
Total Project Costs:	\$2,855,241
Product End Value:	\$3,740,000
Equity Created:	\$884,759
Return on Total Costs:	31%
Total Rent:	\$264,160 per annum
Yield on Total Costs:	9.3%





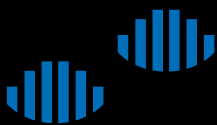
Farm Street, Newmarket

Q49 is a complex of six two bed, two bath units constructed behind an existing Queenslander home. At the time of purchase, the existing house was in very poor condition and required a comprehensive renovation. Through an aggressive and innovative town planning strategy, we were able to acheive an outcome over and above what would ordinarily be achieveable on a site like this. The project was completed in late 2013. The final result is a fantastic mix of new and old in a very convenient inner city location. Black Bear has retained the whole complex to rent for the long term.



PROJECT OVERVIEW

Project Status:	Complete
Strategy:	All product retained for rent
Total Project Costs:	\$2,520,646
Product End Value:	\$3,245,000
Equity Created:	\$724,354
Return on Total Costs:	29%
Total Rent:	\$178,880 per annum
Yield on Total Costs:	7.1%



Curwen Terrace, Chermside

We are always on the look-out for opportunities to make a quick profit through opportunistic purchases of under-priced property; this project is a perfect example of this strategy in action. We were undertaking another project in the street when this property became available. A re-zoning had just occurred in the location which significantly increased the potential of the property; the asking price did not reflect the new potential. We purchased the property unconditionally and immediately packaged it with the adjoining property for sale with concept plans for a 40+ unit development. The property was quickly under contract and sold with a substantial profit inside seven months.



Main Street, Narangba

This project involved an opportunistic purchase and a quick turnaround with an outstanding result. The strategy for this property was to buy under market value (in a mortgagee situation), obtain a development approval for 30 units and on-sell for a substantial profit. We were only able to achieve this result through our superior knowledge of town planning and market requirements.



Samuel St, Camp Hill

This project involved a combination of strategies over two stages. Two neighbouring properties were purchased; each 800m² corner lots and each with very run down homes. Stage 1 involved renovating the existing houses and subdividing the property into four lots. Two lots contained the original houses and two vacant lots were carved off. To extract maximum value from the project, Stage 2 required relocating established homes onto the two vacant lots. The removal homes were then very comprehensively renovated and serviced. All product was sold.



Western Ave, Chermside

This project was undertaken as a joint venture between Black Bear and an investor. The property was a 600m² (approx.) Medium Density site in an area undergoing significant rejuvenation. Approvals were obtained for the construction of 14 units over 5 levels. The site was on-sold to a builder.





Syndicate participation enables investors to participate in projects that would ordinarily be outside of their financial comfort zone or expertise by joining a pool of similar investors seeking high quality property projects. Generally our syndicates involve between four and ten members,

requiring a minimum of \$100,000 cash/ equity investment.

Investors are provided with regular updates and access to all project information through on-line portals which are set up for each project and can only be accessed by investors.

Syndicate participation is generally by invitation, however we are happy to receive enquiries from interested parties.

The table below summarises the recent syndicate projects undertaken by Black Bear.

Syndicate	Description	Status	Duration of Investment	ROI to Investors
Coorparoo Syndicate	Existing block of units renovated and DA obtained for additional dwelling on the site.	Complete	17 Months	20%
Toowong Syndicate	Existing block of units renovated and DA obtained for additional dwelling on the site.	Complete	13 Months	17%
Nundah Syndicate	Value added to two medium density sites through securing favourable Development Approvals and on-selling.	Nearing Completion	14 Months*	15%*
Clayfield Syndicate	One into two lot subdivision and construction of two high end homes.	Construction in Progress	15 Months*	20%*
Cromwell Syndicate	Renovation of existing character home and construction of two additional freehold dwellings.	Getting underway	17 Months*	17.5%*

* Anticipated outcomes as project still in progress





Black Bear will continue to undertake its own development projects. However, Black Bear also partners with selected associates to undertake joint venture projects. The structure of joint ventures are tailored to suit individual transactions, however, our preferred arrangement is for Black Bear to provide 100% of the expertise required to undertake the project, with the joint venture partner being a finance partner.

Black Bear is responsible for managing all facets of the project, including: entity set-up, initial advice,

property identification and negotiation, research, feasibility, project design, liaising with consultants, prosecution of a building and development applications, managing the tender process and builder selection, overseeing construction, management of the sales process and audit at completion. There is no additional work required from the joint venture partner; however, they can be involved further if they choose to.

Profits are shared. In the unlikely event that the project experiences a loss, this would also be shared. Black

Bear is involved as a partner, not as a consultant.

It is imperative that the joint venture partner be fully committed to the partnership and have the financial capacity to see the project through to completion. Black Bear only runs a limited number of these projects.

Only the best opportunities are selected. By limiting the number of projects Black Bear can keep tight control over the process and optimise the profitability of each project.





With a rental portfolio in excess of 40 properties, it has been of the highest importance for us to find property managers who deliver. We are happy to say that we have found Real Property Management (RPM). We highly recommend RPM for their high level of personalised service and proven results in property management. RPM provide a standard of excellence in the following areas:

- Accurate and regular reporting.
- Accurately documented regular inspections.
- Low vacancy rates.
- Quality tenant selection.
- Highest possible rent.
- Lowest arrears.

Black Bear is able to provide advice and expertise to RPM and their clients in relation to a range of property investment and development strategies. We are able to provide advice to RPM and their clients in areas such as:

- How to increase your rent through renovations.
- Introductions to builders and other tradespeople for renovation assistance.
- Assessment of development potential.
- Information on new developments and infrastructure within your area.
- Advice relating to your current property value and how to increase it.



www.rpmaustralia.com.au
Real Property Management Australia
0433 159 346 / 07 3846 4646





Just a quick note to say I am very happy with my decision to invest in the Coorparoo Syndicate. It was very easy to invest and I felt comfortable that you were continually working to protect your investors. The fact that the final returns were as promised is a testament to your team's experience and diligence. Please keep me updated as I would be very happy to invest in future Black Bear Syndicates.

Jon Johnson

On many occasions over the last 3 years, Adam Jones, on our behalf has sourced, acquired and assisted us with strategies to undertake many successful property projects.

Adam's vast knowledge, experience, industry contacts and the ability to see each property's full potential is truly an asset to us and to all of his clients. Adam's close relationships with architects, town planners and engineers has been beneficial to us, in being able to make swift, precise decisions to maximise strategies and avoid hurdles whilst properties are under contract and still in the due diligence period.

The research that has already been undertaken by Adam and his team prior to being presented to us, always gives a clear indication of the proposed purchase amount, all costs involved, risks, and end profit expectations that so far have been conservative on all our completed projects.

We have watched Adam's own projects evolve over the last few years from concepts to successful completed development projects and this is what initially attracted us to use his services. We now engage Adam's services and knowledge on a regular basis and have always found him to be honest, trustworthy, reliable and extremely beneficial to our success on our property investment journey.

Adam, we wish you all the best but already know you are well upon your way to being one of the elite in your field and have no hesitation in recommending your services.

Darren & Karin Herrigan, QLD

Recently, Adam assisted me in purchasing a Brisbane property in an excellent location, close to a train station and close to the city. His full-time involvement in the real estate market and his ability to accurately assess values was of great assistance to me during the purchase stage. Despite a higher asking price, Adam held firm to the offer that he thought was right and he handled all negotiations and contact with the selling agent. Having someone who has a law degree, prepare due diligence clauses and contract doesn't hurt either.

Adam's expertise ensured a smooth and stress-free process during the contract stage and a purchase price that I was happy with. Adam provides extensive research, to support his assessments of property values. The depths of his research and information provided in all respects, exceeds expectations. I am especially pleased with the location of this property. Most importantly though, is the fact that the property offers development potential, that I otherwise would not have recognised on my own. Adam has the ability to recognise value and opportunity.

Adam's own considerable experience in developing property was of particular value to me during the due diligence stage of the purchase. He has an excellent knowledge of town planning, design and other issues relating to property development. The property that I went to contract on had some issues that needed thorough investigation in order to be satisfied that our development expectations could be met. Adam brought many consultants into the due diligence investigations and liaised with them to decide on the best way, to build units on the site. I was able to place full trust in Adam. If, at any stage of the due diligence period, we had struck problems without good solutions, he would have been the first to advise that I walk away from the contract. I found Adam to be honest, down to earth, and unassuming. His efficiency, communication and research are outstanding and he always goes the extra mile. Adam is a person of high integrity and any prospective property investor, who is searching for a Brisbane property can feel exceedingly confident in dealing with Adam.

M Becker, NSW





Adam assisted us with the purchase of a small development site at Lutwyche in early 2014.

The strategy is to cosmetically renovate the existing house and build 2 new SUDs at the rear. Adam has undertaken the following steps to assist us:

- Negotiated \$50K reduction on the asking price before the contract was signed.
- Contacted the relevant consultants on our behalf to investigate the development potential of the site during the due diligence period.
- Referred a project builder who was able to meet our expectations for the build design, and budget.
- Referred us to the relevant tradespeople for the renovation project.
- Provided feedback to our queries along the way.

We are very pleased with Adam's service to us, and we would highly recommend him to anyone who is interested in property investment and development in the near future. We can confidently say that we have greatly benefited from Adam's wealth of knowledge and expertise in property.

Valentina Ma, QLD

I've known Adam for about 4 years now and have always been impressed by his professionalism and willingness to help others on their journey. It has been awe-inspiring to watch and learn from his projects during that time. During the last 12-18 months though Adam has played a more active role in my property journey. He has advised on my projects, providing an amazing amount of knowledge, helped me work out the feasibilities for various development scenarios and shared his contacts with me to help me on my way. He has the ability to see opportunities with a property when others can't. His advice and help during the negotiation process has been a great help as well, always going that extra mile and always professional. I would highly recommend using Adam as a part of your property team.

Viv Halliday, QLD

We have been using the expert advice from Adam for over 12 months and he has helped us source a development opportunity that we have taken advantage of. Adam not only provided us the information on a site that was being sold by a Real Estate Agent from out of the area who did not understand about the re-zoning of the site, but also was able to negotiate the deal and give us advice on the various ways we could go to take best advantage of the future development opportunities.

Adam's organised and diligent approach during the contract period ensured we met time critical deadlines and settlement.

We certainly would seek Adam's expertise in any of our future ventures and would recommend that before anyone was thinking of looking at a property they contact Adam.

Sandy Treeby-James & Glen James, QLD

It was beyond my expectations the service Adam offers for investigating and acquiring development sites. Adam follows up during the due diligence period and explores all aspects of the site with his team of consultants to make certain the site is viable.

The property I purchased delivered the expected council DA results Adam had previously identified, 9 units in Chermside. During the DA process Adam was at hand to answer any phone calls or emails when assistance was needed.

By using Adam's knowledge and contacts in the industry it has no doubt fast tracked my portfolio saving years.

Andrew Hicks, Broadbeach, Qld





I recently had the pleasure of working with Adam Jones when purchasing an investment property in Brisbane. I live in Sydney so I needed a local on the ground who I could trust and help me through the process. Adam certainly delivered for me. He identified a property with significant development potential for a very good price. Adam co-ordinated all of the due diligence for me, spoke to all the necessary consultants, got the required advice and even got permission from 2 neighbouring property owners to connect new services through their properties.

We have now lodged our application to build 5 units behind the existing house and we are well on our way to undertaking our first development project in Brisbane. None of this would have been possible without Adam's knowledge, experience and professionalism. The real difference we found when dealing with Adam is that he is out there doing his own projects so he is speaking from experience and that gave us a lot of confidence that we were getting the right advice. If you are looking to buy an investment property in Brisbane or wanting to get into property development I would certainly recommend speaking with Adam.

Marianne Knox, Bronte NSW

I have been working with Adam Jones for almost 2 years now. At all times I have found Adam to be extremely knowledgeable regarding most facets of property development and investment. From town planning, to structuring, financing, strategy, renovation, negotiation research, feasibilities, and everything in between. He also has strong relationships with all the consultants and advisors you might need to help with your own investments and developments.

I have been fortunate enough to watch a number of Adam's projects go from inception, through development and to completion. He certainly gets things done. I have always found Adam to be reliable, trustworthy and honest. Adam provides a very professional service and I have no hesitation recommending him to friends and colleagues.

Garth Silva, Brisbane, QLD

Adam Jones recently assisted me with the purchase of an investment property in Kedron on the northside of Brisbane. Adam was able to secure the property at a very good price compared to other Low Medium Density Residential (LMR) properties in the area. But what Adam also knew due to his thorough knowledge of town planning (which the agent didn't know) was that the property was shortly being re-zoned to Medium Density Residential (MR).

Adam handled all facets of the negotiation, research and due diligence to make sure there were no surprises when it came time for me to develop the property. Only a few weeks after settlement, the property was rezoned to MR as expected; handing me a significant increase in value.

I am planning on using Adam's services again for my next purchase and I thoroughly recommend him to anyone looking to purchase an investment property in Brisbane.

Vishwa Gouder, Brisbane, QLD

I have been working with Adam Jones to achieve my property investment goals. My confidence took a substantial blow after a bad property experience but with Adam's help, I am getting back on track. I have found Adam to be very honest and open in sharing his experiences and knowledge. Adam has been very approachable and has a down to earth attitude that is very easy to work with. I have been very impressed by his dedication, integrity and expert knowledge.

I look forward to working with Adam and would recommend him without hesitation to others.

Liz Hodson, Brisbane, QLD





I am writing to say thanks for your services in purchasing my last property. I have purchased a few properties and up until now I never realised the value a buyer's agent could add. However, in this instance, I would have missed out on this fantastic deal if it wasn't for having you in my corner. This sale would have been added to the bank of "gee that would have been a great buy, pity I missed it" stories. So thanks again and I will definitely be recommending your services to all my friends.

Jon Johnson, Brisbane, QLD

We recently purchased a house sourced by Adam, and would not have seen the full value of this LMR site without his expert eye and research.

Of huge benefit has been Adam's advice throughout and access to other professionals to help assess the development options.

I have been recommending your services to all my family and friends.

David Heaton, Brisbane, QLD

I would like to take this opportunity to personally thank Adam Jones for his continuous support and assistance. For years I have been carrying out successful property renovations and had reached a point where I wanted to take my projects to the next level. With Adam's expertise, he has provided me with the knowledge and confidence I needed to take on larger sub-division projects. He has the ability to look at the bigger picture; the skill to know where to get the best value and the capacity to know which projects to take on. I look forward to using Adam's services again as soon as I have completed my current project, and I would highly recommend Adam to anyone wanting to gain the knowledge and understanding they need, when purchasing property, to reach their property goals.

Amanda Carle, Brisbane, QLD

I am thrilled to have met Adam and use his services in sourcing and negotiating a development property for me in Brisbane. The market is moving quickly here and with implementation of a new town plan I wanted to make sure I was buying the right property at the right price. Adam is tireless in pursuing opportunities and deals on a client's behalf. The property I ended up purchasing was to go to Auction but with a lot of sweet talking over an extended time he eventually had the agent and vendor agree to sell pre-auction for a good price. I found Adam to be very knowledgeable of what can and can't be developed on specific sites, and also what is the best product to be developed to meet market demand.

After settlement Adam is still involved and has provided valuable input into design and other aspects of the development. On top of all the technical stuff Adam is awesome at, he is a great guy- always friendly and approachable which makes buying property an enjoyable, exciting process.

I will be using Adam again for my next purchase and obviously have no hesitation in recommending his services.

Fiona Murray, Qld

DISCLAIMER

The information, statements and opinions expressed in this document are only intended as a guide to some of the important considerations to be taken into account relating to property investment. Although we believe that the statements are correct, they should not be taken to represent accounting, taxation, legal or investment direction or advice and you must obtain your own independent advice from an appropriately qualified professional. Neither the publisher nor any people or organisations involved in the preparation of this material give any guarantees about its content or accept any liability for any loss, damage, or other consequences that may arise as a result of any person acting on or using the information and opinions contained in this statement.

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