



We build futures...

CAPABILITIES PACK

FOR OUR VALUED CHANNEL REFERRERS

BRIEF CAPABILITIES STATEMENT

COVERING LETTER



August 2023

Dear Valued Channel Referral Partner,

RE: FRD HOMES – GENERAL BUSINESS CAPABILITIES STATEMENT

We welcome the opportunity to do business with you and enclose with this cover letter supporting information about FRD Homes, our business, our people, and the work we do with our valued stakeholders.

This information serves as a brief general business capabilities statement for FRD Homes. The directors at FRD Homes welcomes the opportunity to do business with you and your clients through the construction of residential homes in emerging communities across southeast Queensland.

INTRODUCTION TO FRD HOMES

FRD Homes is a privately owned small to medium volume residential building and construction company building homes across southeast Queensland. We are part of the FRD Group of Companies which has a long history in property development, property investment, and residential building and construction.

Our people are best of breed and come from some of the most recognised land developers and residential builders in Australia. Collectively our people have been involved in the development, sale, construction, and management of thousands of homes in hundreds of communities across southeast Queensland.

UNDERSTANDING OUR COMPLIANCE

FRD Homes is a Category 5 Low Rise residential builder which means we are licenced to build homes in Queensland within a Maximum Revenue threshold of \$60,000,001 - \$120,000,000. We undertake audits to ensure we have net tangible assets to meet these thresholds. Our Queensland Building and Construction Commission (QBCC) licence number is 15046435 and our nominee is one of our company directors, Cy Pearson, QBCC building licence 1175609. We operate under the building and construction guidelines of the QBCC and in accordance with the contractual obligations of the Housing Institute of Australia (HIA) of which we are an active member.

FRD Homes has the expertise and resources to build around 400 homes each year however our most recent history *as of the date of this letter* is tabled below:

2022/2023	79*	\$26,988,059.00*
2021/2022	332	\$88,277,552.00
2020/2021	383	\$83,543,557.84
2019/2020	313	\$60,720,427.00

**Volumes and revenues for 2022/2023 will significantly increase over time and are subject to when contracts executed during that corresponding period achieve land registration, building approval and are lodged with the QBCC.*

We anticipate our volumes for 2022/2023 and 2023/2024 will reflect that of the past three years with revenues marginally increasing due to higher build prices and subsequent contract values.

UNDERSTANDING OUR PRODUCT MIX

We offer a range of homes designed to meet the needs of the modern Australian family. Our 2024 Collection of homes are designed to suit all typical lot frontages, are NCC Compliant and offer a minimum 7 Star Rating.

- We specialise in quality built affordable homes, finishing on budget and on time, every time.
- We offer a range of low set single key homes, low set terraces, dual key and duplex homes, highset single key homes, and highset terraces and duplexes.
 - Our core product is a low set four bedroom 180m – 190m home with two bathrooms, two living spaces and double lock up garage on a small to medium lot in an emerging community.
- We have strong and loyal relationships with some of Australia's largest community developers as well as smaller more boutique land developers. Our history of performance allows us to secure land to offer house and land packages exclusively for our channels and their clients.
- Our channels and their clients know that FRD Homes has some of Australia's most trusted and recognised brands as our suppliers and trades.
- FRD Homes has earned a reputation amongst industry peers as a reliable builder delivering on communication, service, and value for money.

A WINDOW INTO OUR CORE CAPABILITIES

At FRD Homes, our people come first. Collectively we are greater than the sum of our parts, and our current people offer a huge range of expertise and capabilities to deliver up to 400 quality homes each year.

- **Property Acquisition:** our Acquisitions, Sales and Marketing people work with reputable land developers to secure quality house and land packages for our channels. We work with our channels to understand product needs and provide tools to add value to their own businesses.
- **Design & Drafting:** our Architectural Drafting team work with industry peers to understand the latest design trends while also respecting building and construction codes and guidelines. We understand council and covenant restrictions. Design and concepts, sitings, contract plans, and full working drawings are all done in house.
- **Procurement & Estimating:** our Procurement and Estimating teams work with some of Australia's largest suppliers and trades to secure the best and most reliable pricing for our homes. Our volume gives FRD Homes bargaining power to ensure our channels and their clients receive investment value for money.
- **Construction:** our Workflow Coordinator and Building Manager oversees our two Construction Managers and 10 Site Supervisors working to deliver homes on budget and on time, every time. Our refined systems provide in house scheduling so that our construction managers and their respective teams of site supervisors can safely coordinate the construction of each home across our vast building footprint.
- **Service:** our Construction Admin, Client Services and Finance teams work with all stakeholders in our business. Acting as the conduit between our construction teams, our suppliers and trades, and our valued channels, brokers and clients. By providing a high level of communication and service to our channels, we deliver the best possible outcomes for our clients.

COMPARABLE WORK

Since 2017 FRD Homes has built more than 1,000 homes across more than 100 estates in southeast Queensland, from large master planned town centre communities to smaller more boutique developments. Some works in estates comparable to current stock include but is not limited to:

- Loganview Estate at Logan Reserve – 26 low set homes, dual key homes and duplexes in an 80 lot development.
- Amity Estate at Park Ridge – 44 low set homes, dual keys and duplexes in a 59 lot development.
- Trinity Estate at Park Ridge – 49 low set homes and dual keys in a 72 lot development.

FRD Homes has also built around 200 homes, dual key homes, duplexes and terraces homes across multiple stages in Yarrabilba by Lend Lease.

OUR TRADE HISTORY & FINANCIAL SECURITY

FRD Homes has a strong history of working with and performing for some of our industry's largest and most respected organisations including Lend Lease, PEET, Reece Bathrooms, Langs Building and Hardware, and James Hardie just to name a few.

While FRD Homes and our directors have the capacity to consistently meet all financial obligations as and when they are due, we have enclosed with this statement trades references from our accountant and business advisors, as well as some of our long-standing trade creditors.

SUMMARY

FRD Homes and our people have the expertise and capabilities to build around 400 quality homes each year. We have the support of some of our industry's largest brands to deliver on steady supply and trades. FRD Homes and our directors have the financial security to ensure our business meets ongoing obligations.

We welcome the opportunity to do business with your parties and look forward to working together.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Cy Pearson', followed by a small horizontal line.

Cy Pearson
Managing Director

FINANCIAL CAPACITY

ACCOUNTANT LETTER



ABN 36 035 536 878

69 Auk Avenue

Burleigh Waters Qld 4220

Friday, 18 August 2023

To Whom It May Concern:

RE: FRD HOMES FINANCIAL CAPACITY

We are pleased to provide this letter about the financial capacity of FRD Homes.

We have provided bookkeeping and financial accounting services for FRD Group and in particular FRD Homes for more than 7 years and over that time developed a very strong understanding of the financial position of the company and the directors.

FRD Homes is a Category 5 Licenced Builder and maintains the minimum net tangible assets to support their trading revenues as required by annual auditing for the QBCC.

The company had gross revenues of over \$70million and an EBITDA of \$1.3million for the 2022/2023 financial year. We forecast similar revenue and profit for the 2023-2024 financial year.

The company is solvent and is consistently able to meet its financial obligations.

Please feel free to contact me if you have any further questions.

Kindest regards,

A handwritten signature in dark ink, appearing to read 'A. Bourke', is written over a horizontal line.

Anneliese Bourke

TRADE REFERENCES

SUPPLIER LETTERS

- Head Office
 - Timber & Hardware
 - Truss & Frames
 - Windows
- 66 Eastern Services Rd
Staplyton Qld 4207
Phone 3382 5222
PO Box 6157 Yatala Qld 4207

- Steel
 - Timber & Hardware
 - Truss & Frames
 - Windows
- 85 Claude Boyd Pde
Corbould Park Qld 4551
Phone: 5491 4444
PO Box 3597 Caloundra QLD

17th August 2023

To Whom It May Concern;

This letter serves to advise that FRD Homes Pty Ltd has been trading with Langs Building Supplies Pty Ltd since May 2017 on 30 Day End Of Month Terms.

They trade between \$350,000 to \$1,100,000 per month and always maintain their account within a timely manner.

We have developed a strong working relationship over the past years and look forward to continuing to grow together within the industry.

If you have any other questions please feel free to contact me directly.

Kind Regards



Emma Beal
Snr Credit Officer

15th August 2023

Attention: Dwade Sheehan
FRD Homes Pty Ltd
34 Harvest Court
SOUTHPORT QLD 4215

Hi Dwade,

RE: TRADE REFERENCE

As per your conversation with Richard earlier today, we are of course more than happy to supply FRD Homes with a trade reference for the 7+ years that your company has been trading with us.

We confirm that your average annual spend with Chillin air conditioning started at \$1 million & has consistently seen growth & now sits at \$1.29 million for the last financial year. We find our working relationship with FRD Homes to be very favorable to our business needs, as the building sites are always ready on time & all of your site supervisors are professional, friendly & efficient.

Overall FRD Homes is an absolute pleasure to do hassle free business with & we look forward to many more years in business together.

Should any other information be required please do not hesitate to contact me & I will attend to this as a priority for you.

Yours sincerely,



Kylie Majtczak
CEO
Chillin Air Conditioning Pty Ltd

TESTIMONIALS

CLIENT & INDUSTRY PEER COMMENTS
(REAL PEOPLE)

Hi Dwade, Trevor and Emma

I wanted to say thanks to you and the FRD team for constructing a quality house for my investment with all the challenges we faced.

I would also like to extend my appreciation to Trevor for his non-ending support and for putting together this package. Additionally, I want to thank Emma and all FRD team for her prompt responses to all my inquiries during the process.

I wish you all the best and continued success in the industry.

Regards,
Morez
Lot 628 The Parks at Yarrabilba

Hi guys

We built our home with FRD Homes and it was the best experience of our lives.

The build was completed on time at the highest quality. We have built houses in the past with other builders and FRD homes are second to none. All staff are so friendly and great with communication.

Our next new home will definitely be built by FRD Homes !!

Wayne Crew
Coomera Waters

Dear FRD Homes

I would like to thank the whole FRD team for the beautiful house they have built for us.

We have been getting compliments even before the built was complete. The finishing of the house is immaculate and is precisely what we were looking for in our first house in Australia.

I am grateful to all the people involved in this project.

Many Thanks.

B. Singh

Hello FRD team,

Thank you so much for the gift that arrived yesterday in the mail. Nice touch! Like I said in my previous email it's been a very seamless and enjoyable experience.

Update from last night we have a total of 30 people wanting to lease either side of the duplex. That's within 12 hours of going to market.

I look forward to the next build.

Thank you,

Dean Leydecker

My company, AusPro Inspections, was formed to fill the need in the building industry for a totally independent, unbiased handover inspection report, that is designed to work with builders ensuring their new homes are finished to a high standard.

We carry out practical completion inspections for some of South East Queensland's largest builders and developers.

It is a pleasure to carry out inspections for FRD Homes as each home is consistently of a very high standard with an attention to detail which exceeds industry standards in quality and finish.

Jeff Weston
Director—AusPro Building Inspections

After working with the team at FRD, it has been made clear that this company acts with the highest level of integrity, enthusiasm and passion.

The level of respect, time and patience the team at FRD has shown towards my company and its clients is outstanding. No question or task is ever too much for them. They go to the ends of the earth to provide a level of service that can not only leave your company in a better off position, but also leave your client feeling satisfied with the outcome.

I would highly recommend using FRD for any of your wealth creation needs in the property investment industry.

Jarryd Fisher
Owner & Director—Efishient Property Management





We build futures...

FRD HOMES

www.frdhomes.com.au

1300 637 568