



### **Parkhurst Town Centre**

The company is currently working through a DA application for a drive thru store on the north west corner of the site. The application was lodged in mid-July and shortly thereafter received a request for further information which will be returned within the next week and the application should shortly thereafter enter decision stage with Rockhampton Regional Council. This project will enhance and strengthen the asset and equity for the company.

At last years AGM we mentioned that the company was working through an ROL for the service station which would provide flexibility around the PTC asset which has been obtained and the site now comprising two separate lots. Service station assets have been selling on very tight yields and with an ROL complete there will always be an option to sell the service station property on its own.

The centre is performing well off the back of a very strong resurgence in Central Qld as a whole. We are actively continuing negotiations on 4 new tenancies (2 being food outlets and 2 retail based)

A lot is happening in Parkhurst, in Rockhampton and surrounds such as Yeppoon and growth is happening all around the PTC.

### **Drury Lane**

The development works were plagued by wet weather in the first half of 2018 which unfortunately had caused a delay to the development.

I am pleased to report that after more than 10 years in the making initial development works are complete and 11 lots will shortly be submitted for plan sealing, registration of title following completion of on-maintenance inspections and compliance checking by the Fraser Coast Regional Council.

AHC will have 11 lots For Sale from 2,000 – 4,000m2 on individual title.

### **Howard**

Operational works approvals have been obtained on external works – Roadworks

Operational works approvals have been lodged on all internal works – Roadworks, Water, Sewer, Stormwater and are pending approval subject to the agreement of an Infrastructure agreement.

An Infrastructure Agreement (IA) has been by in large agreed but is pending further negotiation on the supply of a sewerage connection to AHC site. Further AHC is further considering the terms of the IA and discounts and incentives that maybe further available.

The development only requires completion of a landscaping design and electrical designs to complete balance feasibility and render the development shovel ready. On assessment of current feasibility AHC would undertake the development as the MHE sector is widely regarded as likely the most prominent and successful in the property arena currently.

## General Business

Last year we said we were on track to have two income producing developments in 2018 in both Parkhurst and Drury Lane. Whilst we are yet to actively market and draw an income from Drury Lane it has reached this point which is a milestone we are pleased with after a long and sometimes frustrating road.

It has long been our view that opportunities will present as the market and economy changes this is no more evident in the Howard development with the MHE sector being extremely successful with the over 55 market.

As we transition the company by selling down our retail assets over recent years at Gympie and Worongary we have looked at other projects however the Howard MHE project continues to throw up more reasons why we should undertake the development rather than not. If we undertake the project 2019 will likely be the year we advance.

The Parkhurst Town Centre is growing nicely and we intend to continue to improve the centre in 2019 in order to maximise shareholder wealth. The addition of a drive thru food and drink outlet will go a long way to enhancing the centre value and encourage other small business operators to invest.

On a more general note this will likely be the last time we hold an AGM in the Worongary Town Centre office hence ending our 14-year association with the Centre. As always, we look to reduce our operating costs and we feel that this office space no longer best suits our needs while operating efficiencies in another location can be obtained.

Rod MacLeod



Managing Director – AHC Limited