

Information Memorandum:

34 Railway Parade, Seaford VIC 3198

THE
HOPKINS
GROUP



Brad Carlin-Smith

Head of Property Sales

Licensed Real-Estate Agent (VIC)

Buyer's Advocate

- 1 Established Rooming House Sale
- 2 Commercial, Residential & Investment Property Sale
- 3 Property Appraisal & Investment Analysis
- 4 Buyer & Vendor Advocacy Service for Either Selling and Buying
- 5 First Home Purchase

For all enquiry about sales, please contact Brad on
bcarlinsmith@thehopkinsgroup.com.au or 0466 605 522



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1. The Hopkins Group (THG)

An overview of who we are, our holistic service offerings and our industry recognition

The Hopkins Group

Founded in 1980, The Hopkins Group started out as one of Australia's first property investment advisory group that is focused on both the immediate and long-term growth of our client's wealth.

Now with over 42 years of experience, The Hopkins Group has evolved into a holistic, end-to-end advisory firm with an extensive range of service offering including property sales and management, property investments, financial advisory, tax & accounting, short-stay investment and rooming houses investments.

However, despite our transformative evolution, our firm's vision remains unchanged.

Our vision has been the same for 42 years and will continue to be the same in the future.

Our Vision

“To **motivate** and **assist** individuals to be **financially well**, and to become **financially independent**.”

For more information about The Hopkins Group, please click on the icons:



Our Difference

[Click Here](#)



Our Awards & Recognition

[Click Here](#)

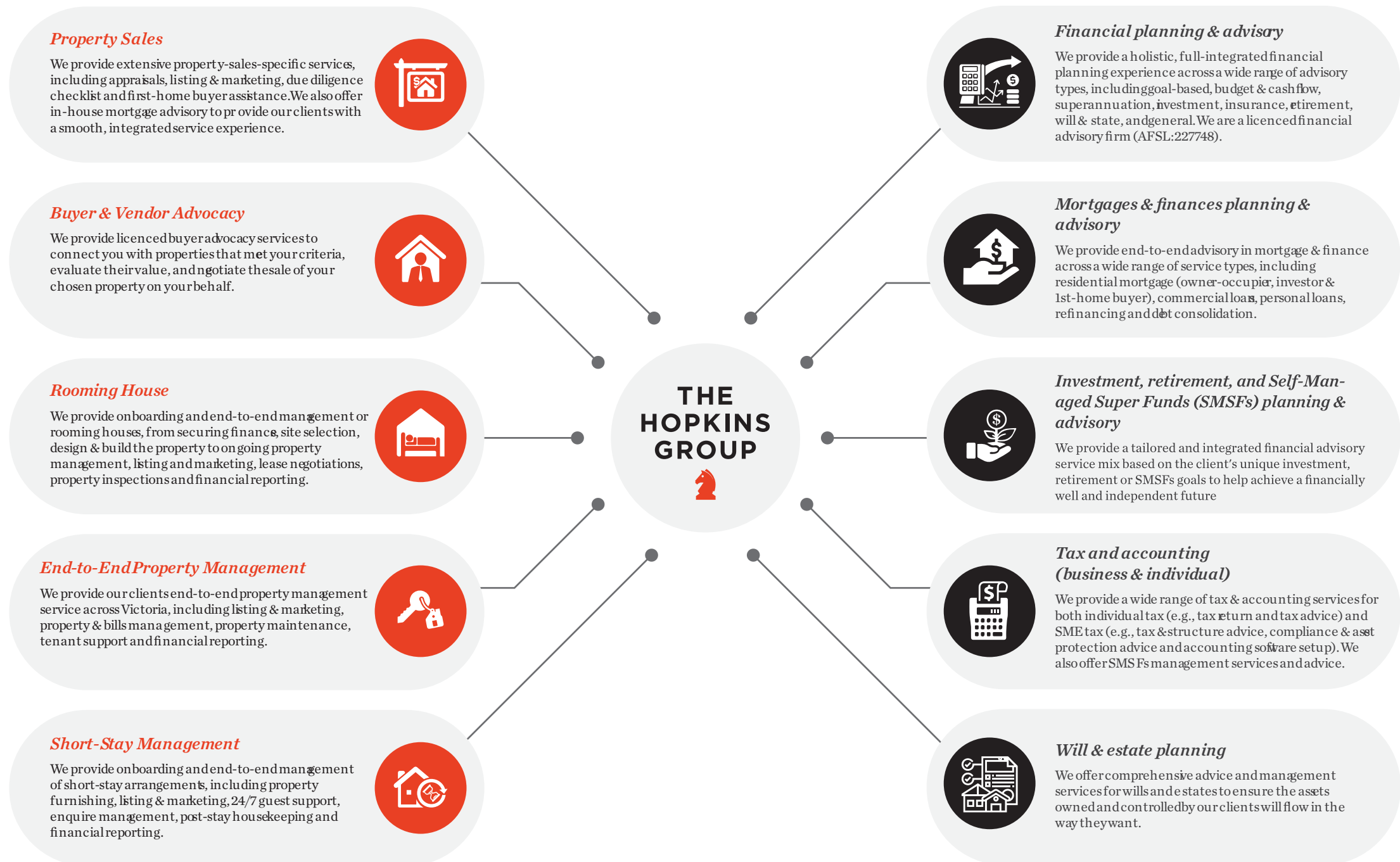


Our Leadership Team

[Click Here](#)



THG's Holistic Service Offering



2. Detailed Property Information

34 Railway Parade, Seaford VIC 3198

34 Railway Parade, Seaford VIC 3198

1

Net positive land value growth for 13 consecutive years:

- +3.58% (House)
- +6.60% (Unit)

Less Than 3% of Rentals are Designed for Single Dwelling:

Gross rental yield

- 3.23% (House)
- 3.79% (Unit)

Source: www.yourinvestmentpropertymag.com.au

2

Focus area developmental area including a new train station
Armstrongs Road and Station Street

Source: bigbuild.vic.gov.au

3

Proximity to educational institutions, recreational sites, and
shopping centres:

- 6-min drive to Patterson River Secondary College
- 7-min drive to Monterey Secondary College
- 13-min walk to Woolworths Seaford
- 3-min walk to Seaford Station
- 7-min walk to Seaford Beach

4

85% Living in the Suburb are Long-Term Renters:

Weekly Median Rent

- AU\$495 (House)
- AU\$425 (Unit)

Source: www.yourinvestmentpropertymag.com.au

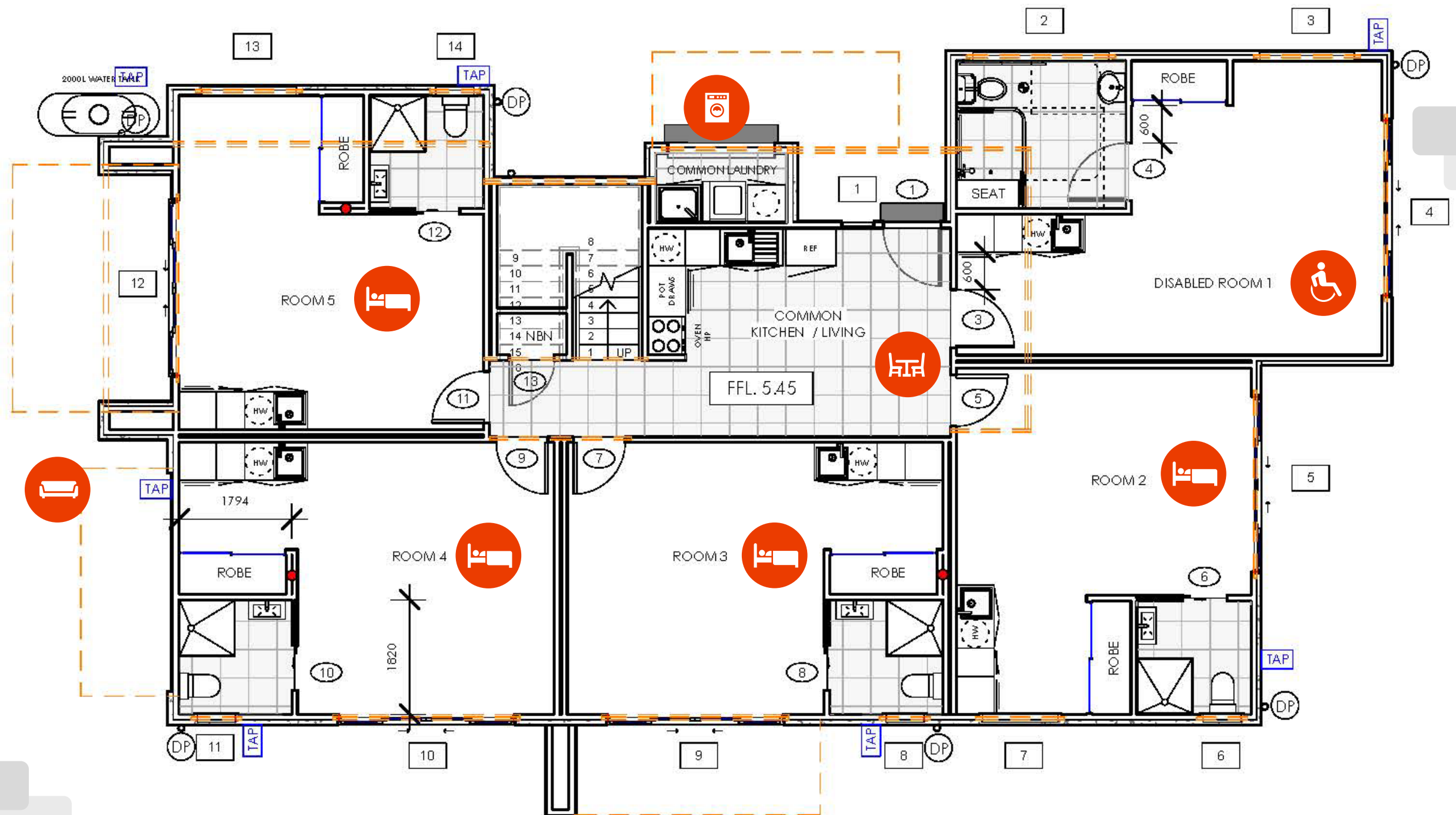




Key Property Information


Land Size & Suburb:	686m ³ - Railway Parade, Seaford VIC 3198	Bath:	9
Room:	9 (1 Disabled Room)	Parking:	3 (1 Disabled Parking)
Key Features:	Deck, Air Conditioned, Close to Schools, Close to Transport, Fully Fenced, Improvements: Furnished, Courtyard, Close to Shops, Internal Laundry		


Property Site Plan



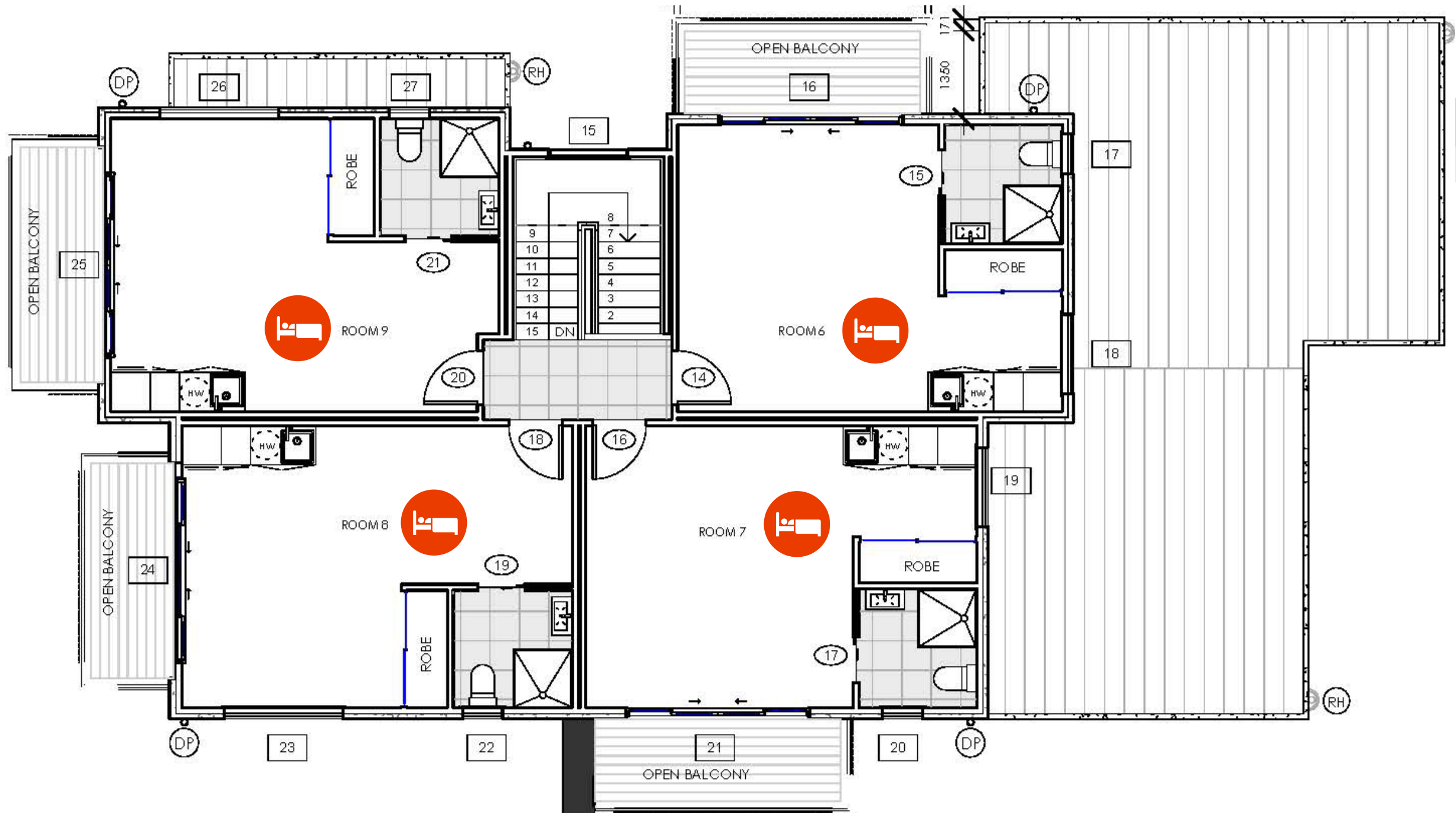
 Room

 Common Kitchen / Living

 Shared - Laundry Room


 Shared - Parking Area


Property Site Plan



 Room

 Common Kitchen / Living

 Shared - Laundry Room

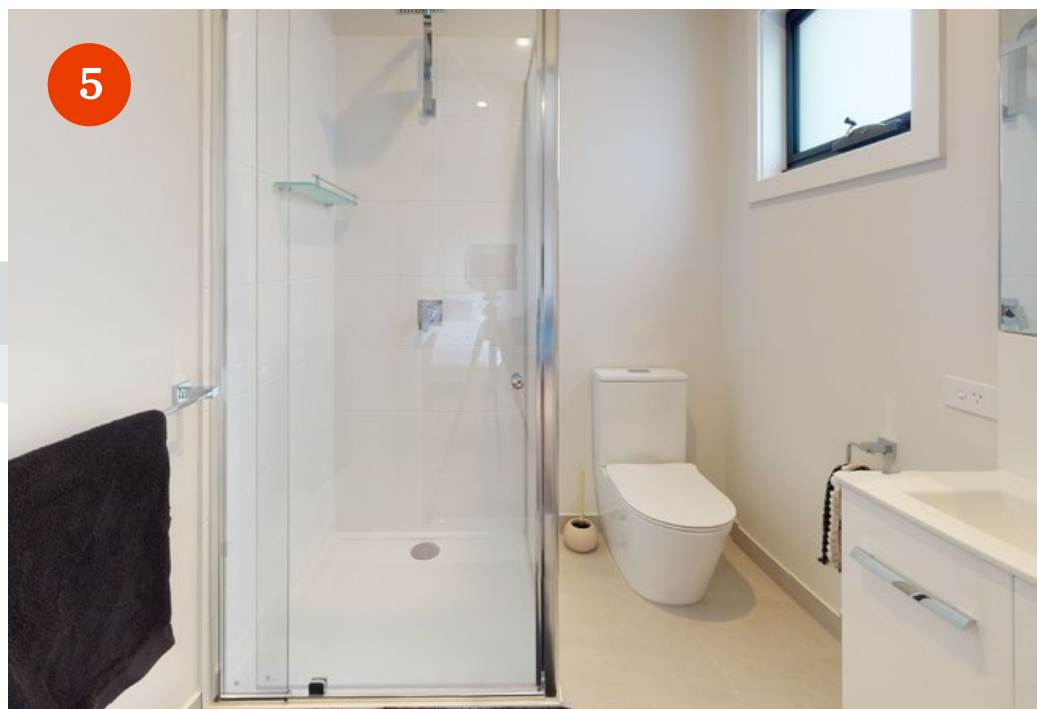
 Shared - Parking Area

1 Lawn

2 Bedroom A

3 Bedroom B





4 Bedroom C

5 Bathroom

6 Shared Full-Sized Kitchen

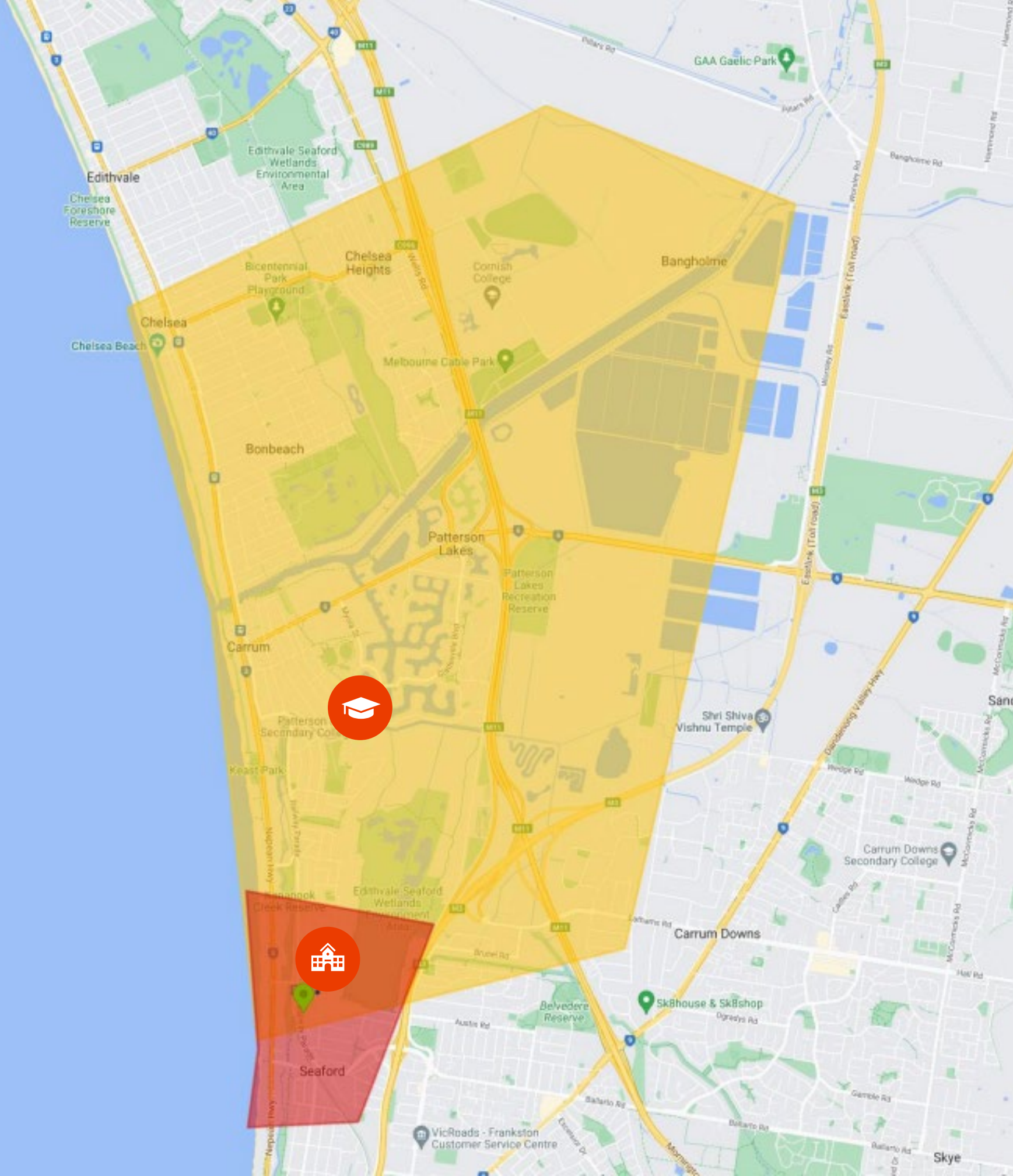
School Catchment Areas



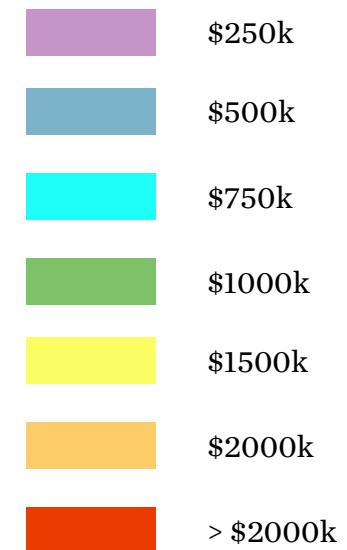
Seaford Primary School



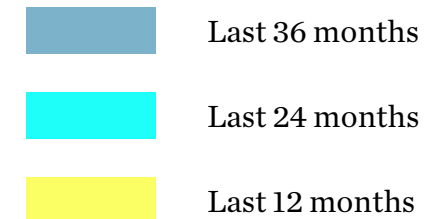
Patterson River Secondary College



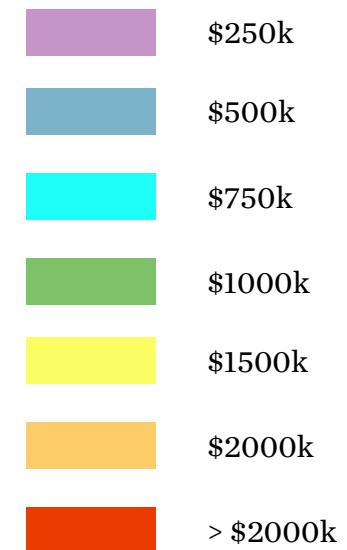
Nearby Sold Properties (Price Range)



Nearby Sold Properties (Sale Date)



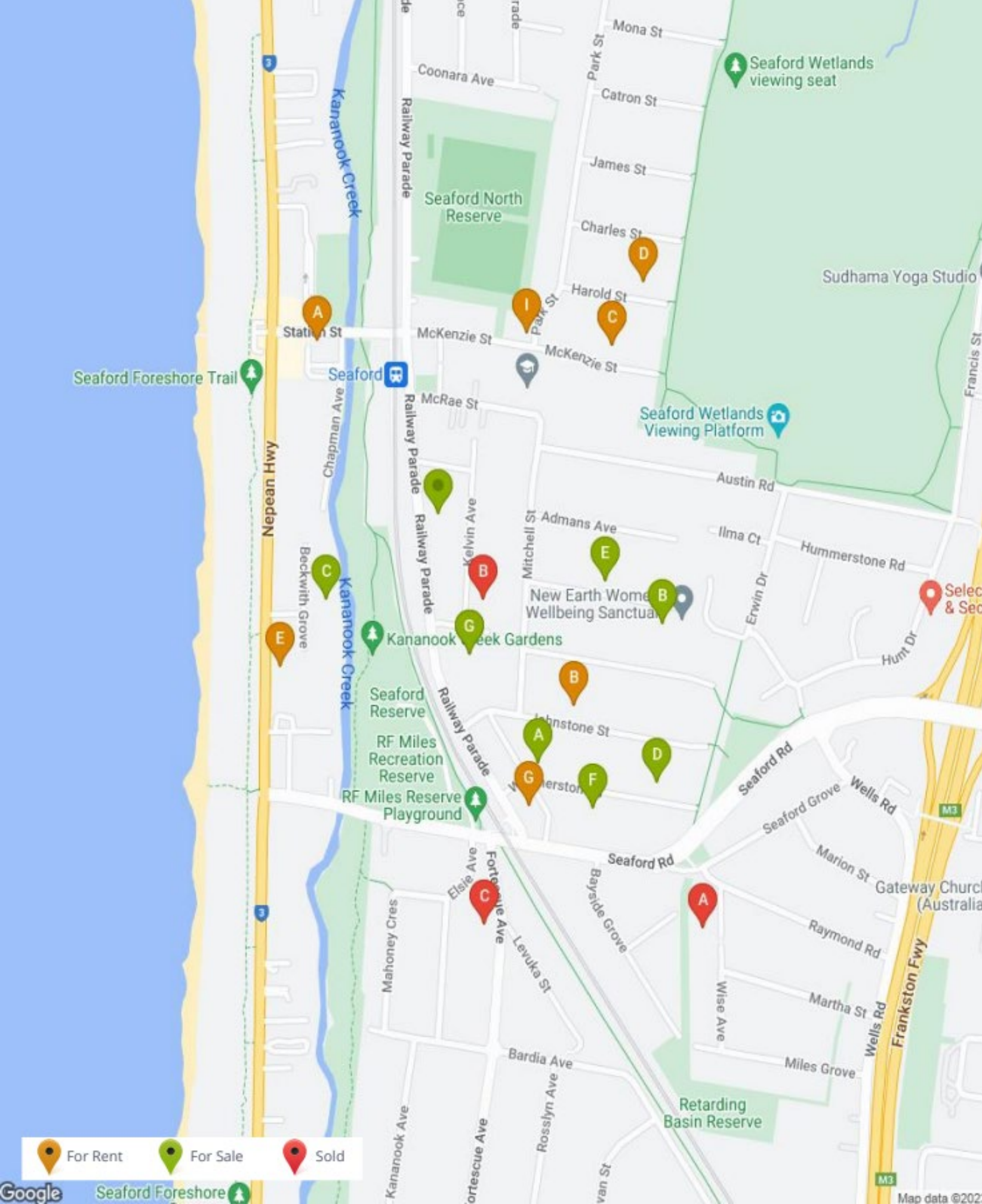
Nearby Properties for Sale



Nearby Properties for Rent



Comparable Properties Map



Contract Summary

Price Range

\$2,000,000 AUD to \$2,200,000 AUD

Selling via private sale

Settlement flexible 10% deposit on signing

Key Documentations:



Depreciation Report

[Click Here](#)



Property Rental Ledger

[Click Here](#)

Property tax depreciation schedule available upon request.

3. What is Class 1B/ Rooming Houses?

What is it? Why Invest in it? What are the key benefits & considerations?

What is a Class 1B Rooming House?

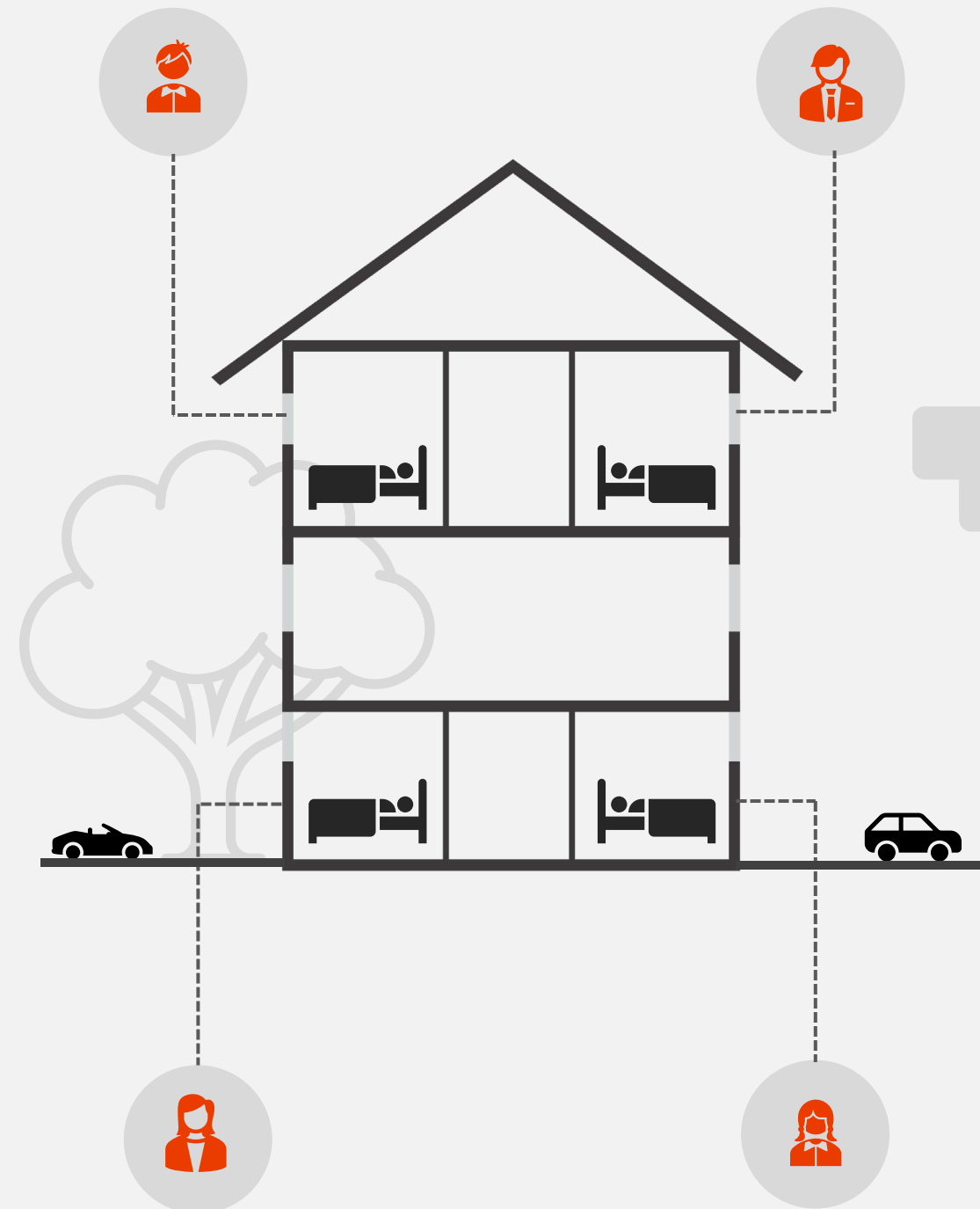
A Class 1B Rooming house is a multi-occupancy property that provides affordable and safe shared living accommodation for four or more individuals who rent rooms, with each having their own separate residential agreement.

A good Class 1B/ Rooming House usually provide an Ensuite and Kitchenette in each room, whilst the shared common areas would usually include the main Kitchen and Laundry. The rooms are typically rented out on a long-term basis.

When established & managed correctly, a class 1B/ rooming house can generate significantly higher gross yield compared to traditional rental property investment.

They will also help you secure a positive cashflow and help you build a long-term investment asset.

**Subjected to market condition & individual property. The percentage cited is based on historic data available to The Hopkins Group and is indicative in nature.*



Why Investing – Key Benefits



Financial Benefits



Non-Financial Benefits



Higher Rental Yield

Rooming houses provide a much higher rental yield, usually 3-4 times greater than traditional residential properties.



Capital Gain

The residential land a Rooming house sits on will appreciate in value similar to any other residential land, so investors can often obtain both high positive cashflow and capital gain.



Flexible Investment Strategy

Rooming houses are usually held as long-term investments to generate significant cashflow or used to hold land at no cost – in fact make you money as you hold (land banking). But can also be sold as a Rooming House, or sometimes converted to a traditional rental property for sale if needed.



High Positive Cash Flow

With a gross rental yield that is usually a minimum of 10%, the property often delivers exceptionally high positive cashflow. Multiple tenancies also mitigates risk of your property ever becoming vacant.



Tax Benefits

Owning a rooming house often provides significantly more depreciation benefits than traditional properties.



Portfolio Diversification

Diversification of your investment portfolio to reduce risk and increase potential returns through a varied investment approach.



Community Improvement

Opportunity to positively impact communities by providing affordable housing options.



When Investing – Key Considerations



Considerations with Financial Impact



Considerations with Legislative, Legal & Compliance Impact



Demands & Supply

Research the market demand for affordable accommodation in the area. Usually there is very strong demand in most areas for quality and affordable Rooming House accommodation.



Maintenance & Upkeep

Keep the property in good condition, which is essential for attracting and retaining tenants.



Insurance

Obtain appropriate 'fit for purpose' insurance coverage for a Class 1B Rooming House.



Market Trends

Stay up-to-date with market conditions and trends, such as the current and forecasted future critical demand for affordable rental housing, to make informed investment decisions.



Zoning, Compliance & Regulations

Ensure the property meets the Victorian Planning Provisions, complies with the Building Code and other relevant legislation and regulations.



Location

Ideally source property close to public transport, amenities and employment hubs.



Property Management Services

Ensure quality tenant selection and management process, as well as having a solid understanding of compliance requirements.

Why Should I Consider Seeking Professional Help When Investing Class 1B/ Rooming Houses?

The class 1B/ rooming houses landscape can be complex and difficult, even to experienced property investors. Some key reasons why you should consider seeking professional help when investing in Class 1B/ rooming houses are:

For more information on how we can help you strategise your Class 1B Rooming House purchase, please click or scan:



HOPKINS
GROUP



- 
Complex Regulations:
 Investing in Class 1B/Rooming Houses can involve complex regulations and compliance requirements, which can be difficult to navigate without professional guidance.
- 
Market Knowledge:
 Professionals in the field have experience and market knowledge to help identify potential opportunities, risks, and challenges.
- 
Risk Management:
 Professionals can help manage risks associated with investing in Class 1B/Rooming Houses, including regulatory compliance, cash flow, and tenant turnover.
- 
Network Access:
 A professional can provide access to networks of property owners, investors, and industry experts, which can be valuable for future investments or partnership opportunities.
- 
Legal Considerations:
 There may be legal considerations when investing in Class 1B/Rooming Houses, such as tenancy laws, building codes, and zoning requirements, which can be better handled by a professional.
- 
Financial Analysis:
 Professional help can assist in conducting financial analysis and feasibility studies to help determine the viability and profitability of the investment.
- 
Tax Implication:
 Investment in Class 1B/Rooming Houses can have significant tax implications. A professional can help navigate the tax implications and optimize tax outcomes.



Steve Boyd

Head of Specialised Property Investment

- ① Class 1B/ Rooming House – Investment Strategy & Acquisition
- ② Class 1B/ Rooming House – Establishment
- ③ Co-Living Property – Investment Strategy & Acquisition
- ④ Co-Living Property – Establishment
- ⑤ Custom-Built Property Investment

For all general enquiry about Class 1B Rooming Houses, please contact Steve on sboyd@thehopkinsgroup.com.au or 0419 393 628



4. Diving Deeper in Class 1B Investments

Its Difference Vs. Traditional Rental & the Different Rooming House Investment Options

Class 1B Rooming House Investment

vs

Traditional Rental Property Investment

A property that is divided into self-contained rooms, each with its own bathroom and kitchenette, rented out individually.

a property that is rented out as a whole, usually to one tenant or a family.

Higher rental yields due to multiple tenants

tend to have longer lease periods, providing more stability and less turnover

Relatively lower management and maintenance requirements cost as it is spread across to multiple tenants

lower management and maintenance requirements due to a single tenant or family occupying the property

Lower income stream risk as income derives from multiple tenants

Simpler financial/ rental cycle as there are only one paying tenant or family.

Usually involving a specialised Rooming House Property Manager due to added legislative & compliance requirement

Require only a standard property manager with less oversight and compliance requirement



Different Ways in Investing in Class 1B/ Rooming Houses

1



Purchase Established Property

Purchasing an established rooming house. Note that THG only sells purpose-built rooming houses.

Ideal for an experienced investor.

Key Advantage:

- No building time is required
- Visibility to past yield to forecast future investment return
- Usually with existing tenants already in Day 0

Key Consideration:

- Typically demand a higher price compared to traditional property with similar land and property size
- This is because the sale price includes both the property's value and yield potential

2



Total Land & Build Package

Purchasing an available plot/land with the purpose of building a brand-new rooming house.

Ideal for a sophisticated and experienced investor.

Key Advantage:

- Maximum control on where your Class 1B will be, how it is built and what types of tenants it will attract
- Designed to provide an exceptional living experience
- Built-for purpose to ensure maximum code compliance

Key Consideration:

- Significantly longer establishment timeframe
- Significant initial capital is required upfront (land + build)

3



Build on Owned Land

Building a brand-new rooming house on a plot of land you already own.

Suitable for a sophisticated and experienced investor.

Key Advantage:

- Maximum control on how it is built
- Designed to provide an exceptional living experience
- Built-for purpose to ensure maximum code compliance

Key Consideration:

- Longer establishment timeframe required for building
- Limited to land size and surrounding neighbouring houses (e.g., height)

4



Existing Build Conversion

Remodeling and converting an existing property/home into a rooming house.

THG does not recommend this type of Class 1B investment.

Key Advantage:

- Potentially cheaper and faster to establish
- Minimal architectural changes required

Key Consideration:

- Harder to attract high-quality tenants
- Difficult to manage & upkeep
- High risk of compliance issue
- High risk of delay and unforeseen cost from unanticipated issues/barriers
- Highly limited by the existing structure of the building

Difference in Rental Yield & Cashflow

Although Class 1B rooming houses often require a larger up-front capital investment, it can also produce a **greater yield** and a **positive cash flow**.

More Specifically:

- ✓ Class 1B rental properties typically have higher yields compared to traditional rental properties.
- ✓ Class 1B properties can generate more rental income per unit of time, which can result in higher net operating income (NOI) and cash flow for the owner.
- ✓ Class 1B investment can also reduce cashflow risk through diversification by having up to nine (9) tenants in the property than one (1) in a traditional rental property.
- ✓ Traditional rental properties typically have lower operating expenses, but also lower rental income, resulting in lower cash flow for the owner.



5. Cashflow & Financials

Future Income Forecast & PIA

Monthly Income and Expense Summary

Financial Year Jan 2022 to Dec 2022

Seascapers Pty Ltd (Smushkov, Arthur) (34 Railway Pde); Seascapers Pty Ltd

Property address: Full property list on last page

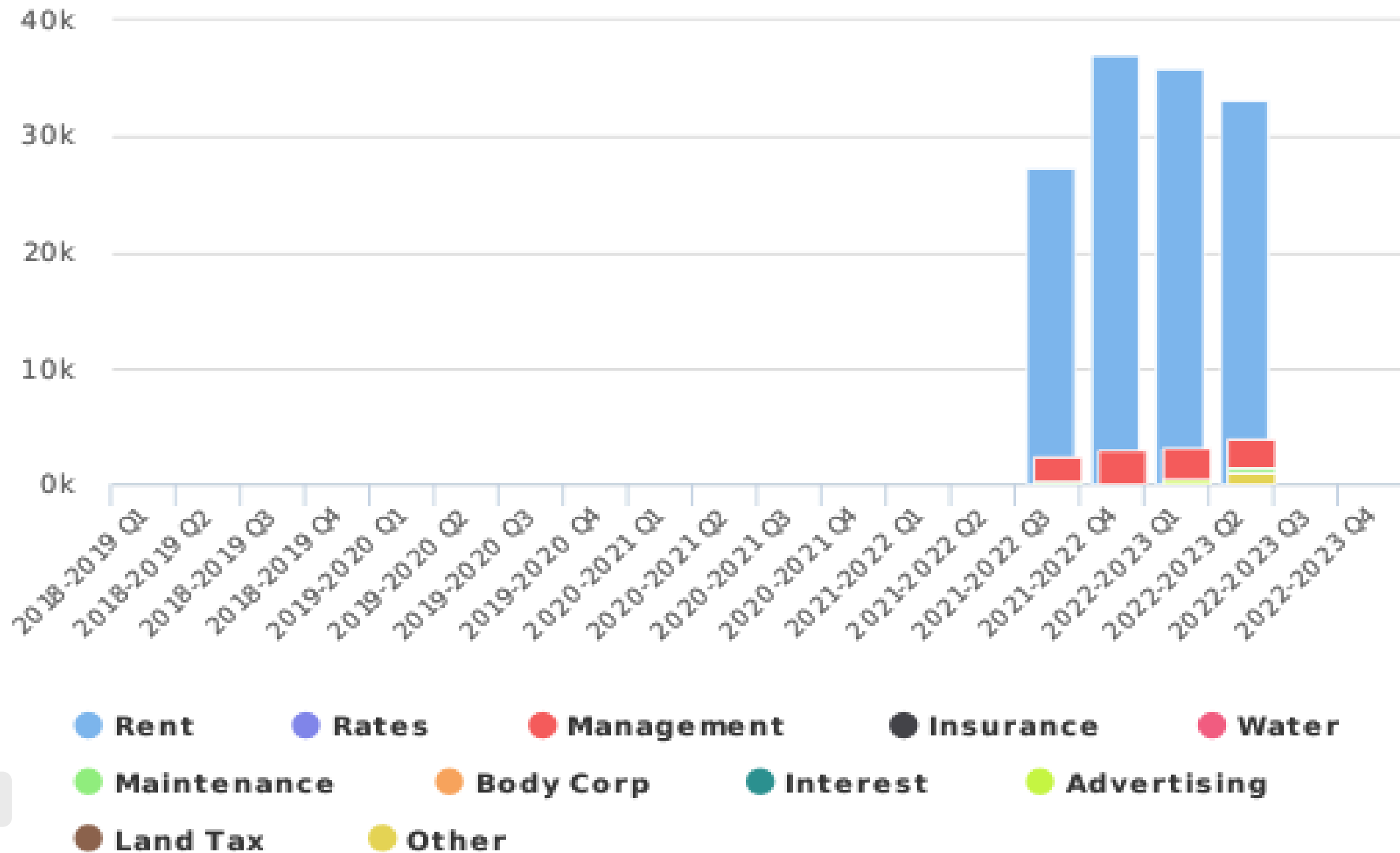
PROPERTY SUMMARY

Opening Balance	Incoming Funds			Outgoing Expenses			Fees (Inc GST)		GST on Fees		Owner Payments		Closing Balance
\$ 0.00	\$ 134,363.70 (GST \$93.64)			\$ 1,627.00 (GST \$68.03)			\$ 11,916.94		\$ 1,085.61		\$ 120,819.76		\$ 0.00
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year Total
Income													
Rent	10,009.00	8,918.00	8,314.10	14,253.06	11,649.61	11,113.77	12,311.62	12,677.55	10,824.69	10,446.59	10,778.02	12,037.69	133,333.70
Other							700.00			330.00			1,030.00
Income Totals	10,009.00	8,918.00	8,314.10	14,253.06	11,649.61	11,113.77	13,011.62	12,677.55	10,824.69	10,776.59	10,778.02	12,037.69	134,363.70
Expenses (Inc GST where Applicable)													
Management	-770.70	-686.69	-640.19	-1,163.86	-897.41	-855.99	-952.78	-980.80	-838.13	-808.94	-834.46	-931.45	-10,361.40
Maintenance	-220.00									-330.00	-132.00		-682.00
Advertising									-286.00				-286.00
Letting Fees				-956.04	-313.50								-1,269.54
Other Fees								-25.00					-25.00
Other Inv										-920.00			-920.00
Expenses Totals	-990.70	-686.69	-640.19	-2,119.90	-1,210.91	-855.99	-952.78	-1,005.80	-1,124.13	-2,058.94	-966.46	-931.45	-13,543.94
Disbursements													
Owner Payments	9,018.30	8,231.31	7,673.91	12,133.16	10,438.70	10,257.78	12,058.84	11,671.75	9,155.99	9,262.22	9,811.56	11,106.24	120,819.76
Carried forward	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	544.57	0.00	0.00	
Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	544.57	0.00	0.00	0.00	



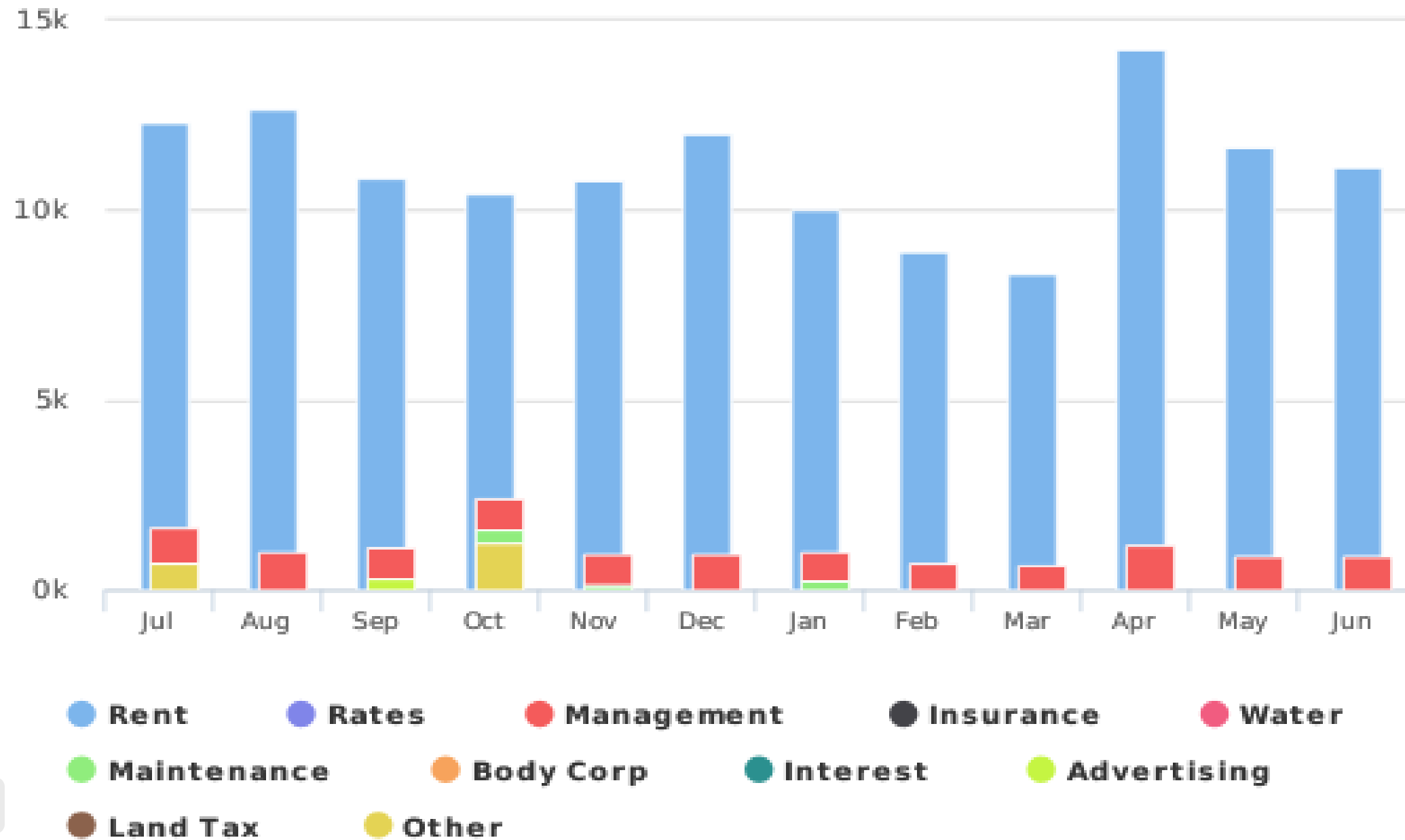
Income and Expense History

Quarterly



Income and Expense

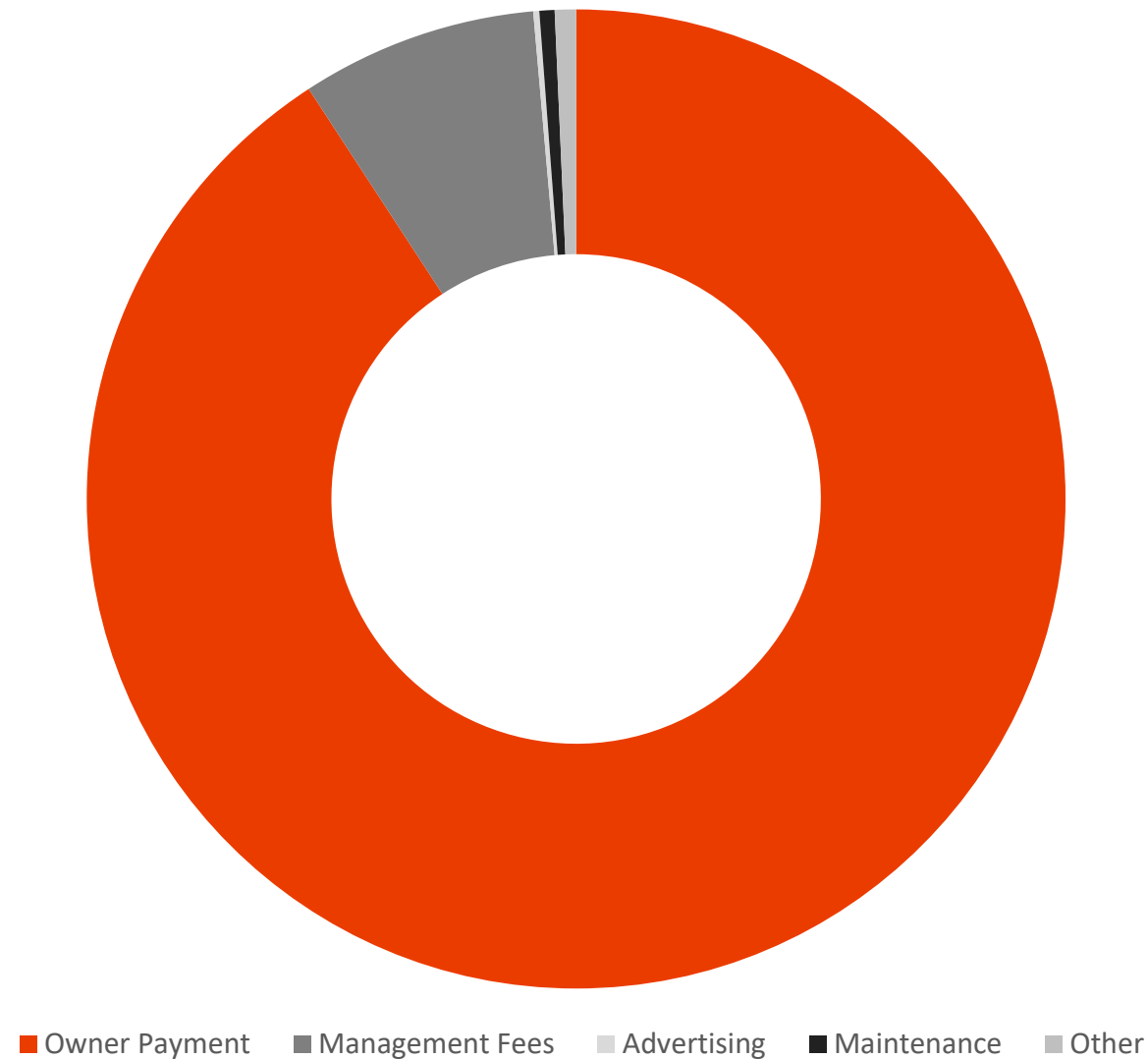
Jan 2022 – Dec 2022



Revenue Distribution

Financial Year Jan 2022 to Dec 2022

Revenue



6. Investment Finances

Key Considerations When Borrowing

Borrowing for Rooming House Investment

Backed by the AFG network, The Hopkins Group mortgage expert works with multiple lenders, negotiates on your behalf, and helps you find the most competitive mortgage loan that suits your needs.

Through our end-to-end mortgage and lending service options, we can help you navigate the complex process of borrowing, including:

- ✓ Income, assets & liability analysis
- ✓ Available equity on existing land & assets
- ✓ Borrowing capacity
- ✓ Loan application (pre or full approval)
- ✓ Collections of supporting documents
- ✓ Application submission
- ✓ Property valuations
- ✓ Formal approval & loan agreement signing
- ✓ Settlement

With the help on our in-house financial advisers, we can also help you build a borrowing strategy tailored to your specific cash flow requirement (interest only vs. principal & interest), financial circumstances, and long-term objective (e.g., land banking).



Borrowing Options

Generally speaking, a Class 1B/ Rooming house is considered a ‘commercial property’, and requires a minimal 20% deposit on the purchase. Furthermore, if you are looking to build a new Class 1B/ Rooming House, an additional 40% deposit guarantee is required for the construction.

The three most common three borrowing options are outlined below:



Cash Deposit

A 20% cash deposit is placed on the purchase of the land & its existing property.

An additional 40% cash deposit is placed on any construction (if applicable) such as renovations, modification and/or demolition & construction.



Equity Guarantee

A guarantee is placed on the purchase against an existing property you have equity of.

If you have sufficient equity, this can effectively reduce your loan on the purchase to ‘zero’, enabling you to use it as collateral for further future borrowing (e.g., as an equity guarantee for construction/ remodelling).



Cash & Equity

A hybrid solution utilising both cash and equity.

For example, you can use your equity of an existing property as guarantee for the purchasing of the property to preserve cashflow, whereas using cash deposit for any remodelling to minimise any over exposure to risk on your property.





Loreen Dyer

Mortgage Specialist

- ① Mortgage & Lending - Rooming Houses/ Class 1B
- ② Mortgage & Lending - Residential (Owner-Occupier)
- ③ Mortgage & Lending - Residential (Investor)
- ④ Mortgage & Lending - Residential (First-Home Buyer)
- ⑤ Mortgage & Lending - SMSFs Investments

For all general enquiry about mortgages & lending,
please contact Loreen on
ldyer@thehopkinsgroup.com.au or 0411 337 010

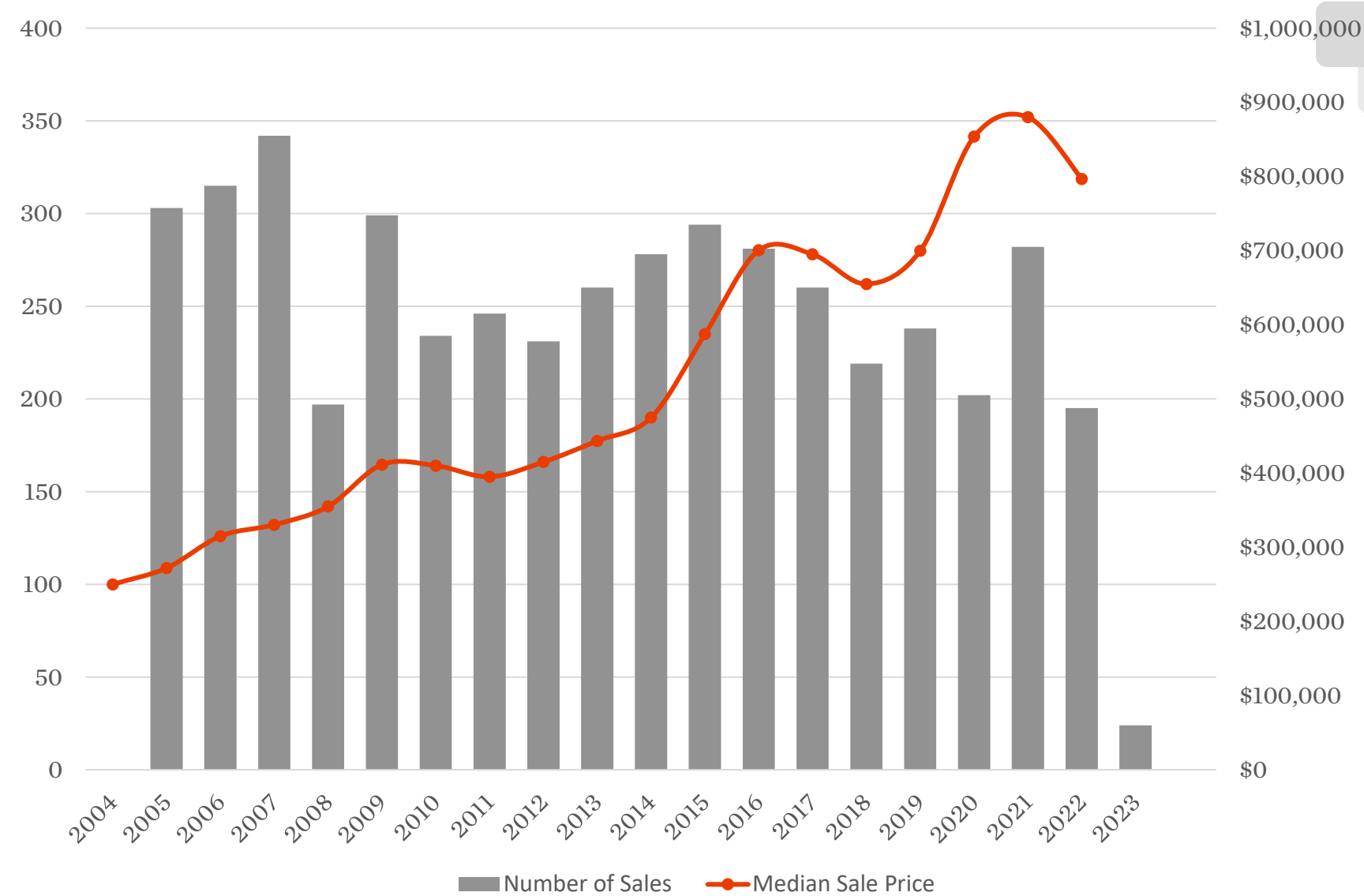


7. Suburb Sale & Rental Analysis

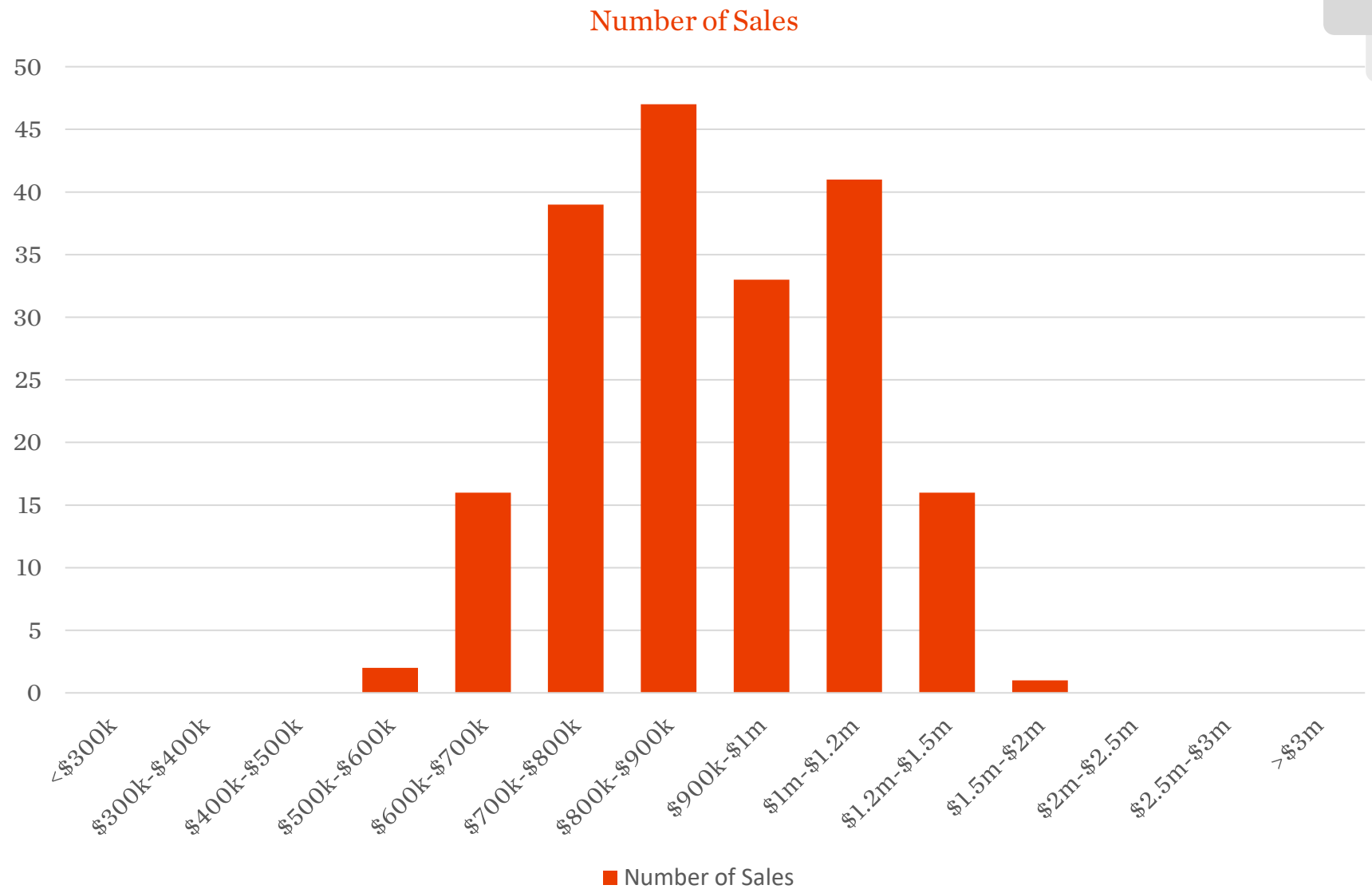
Rental, Sales & Land Value Performance

Sales & Growth Chart (House)

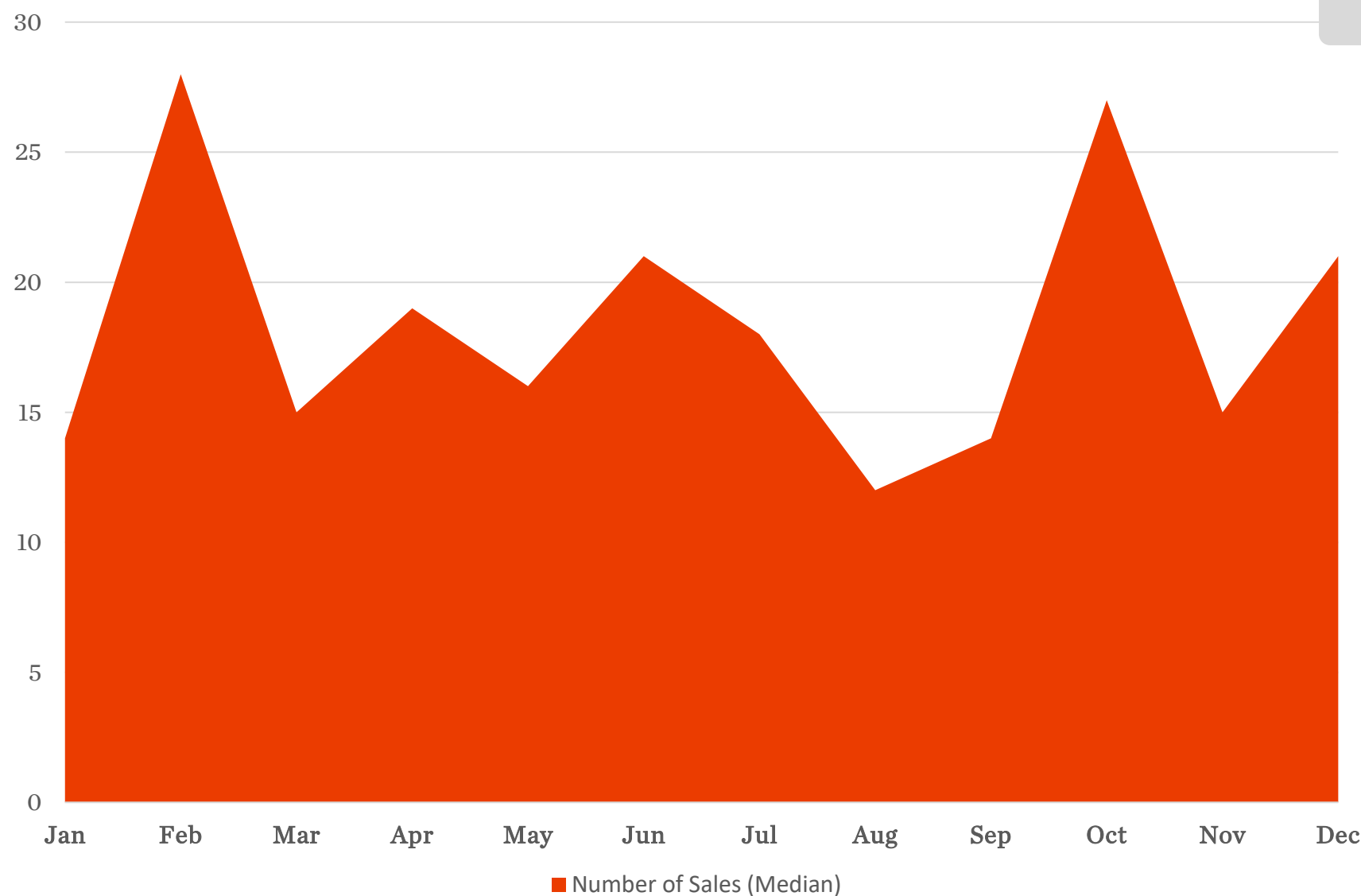
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Price Segmentation



Peak Selling Periods



Median Weekly Rents (Houses)

Suburb Sale Price Growth

-4.5%

Current Median Price: \$846,500

Previous Median Price: \$886,500

Based on 414 registered house sales compared over the last two rolling 12 month period.

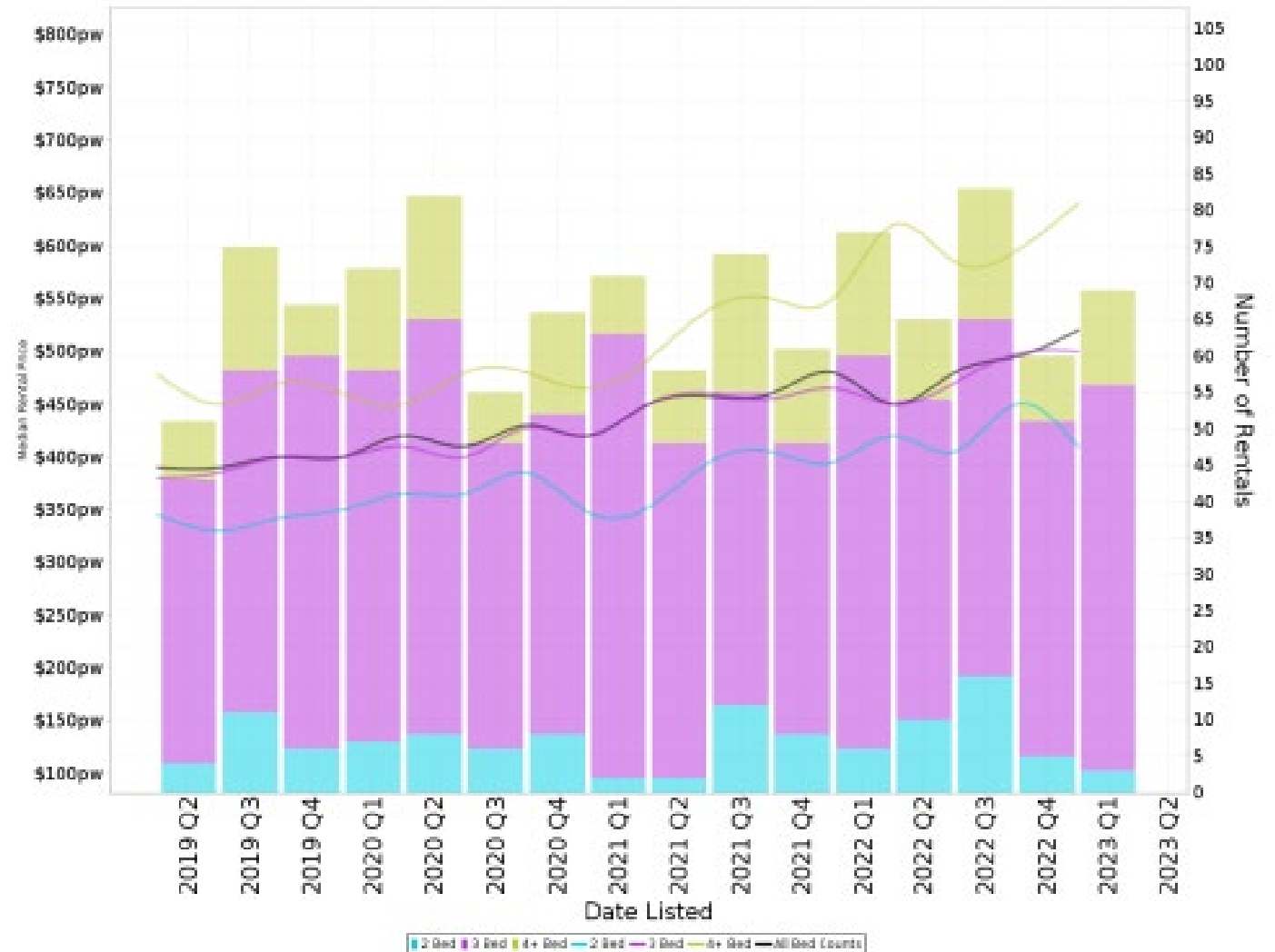
Suburb Rental Yield

+2.9%

Current Median Price: \$846,500

Previous Median Rent: \$480

Based on 277 registered house rentals compared over the last 12 month period.



Median Weekly Rents (Units)

Suburb Sale Price Growth

-2.2%

Current Median Price: \$619,250

Previous Median Price: \$633,000

Based on 363 registered unit sales compared over the last two rolling 12 month period.

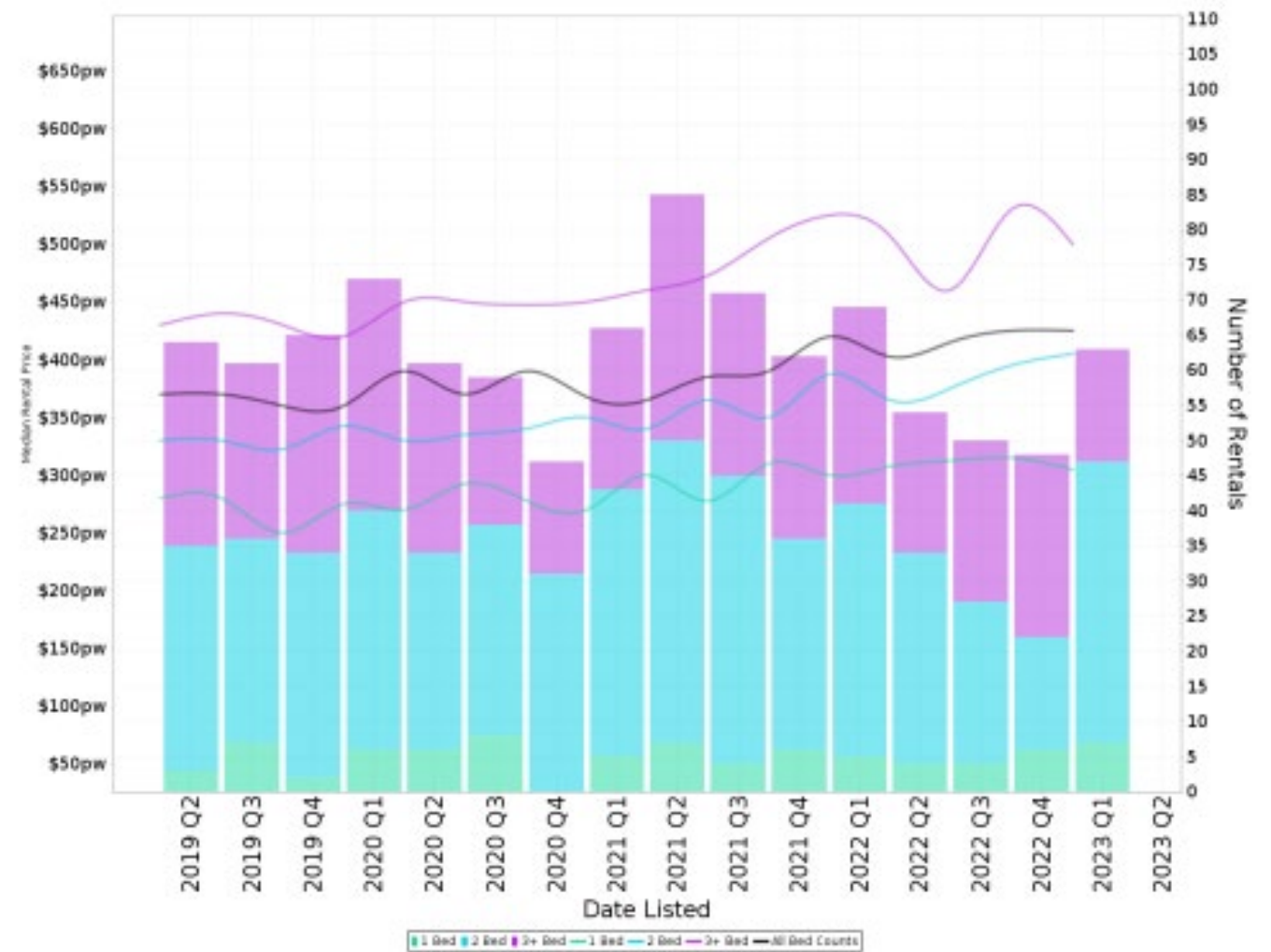
Suburb Rental Yield

+3.5%

Current Median Price: \$619,250

Previous Median Rent: \$420

Based on 215 registered unit rentals compared over the last 12 month period.



8. THG Property Management Solution

Ensuring the Protection of Your Investment & Income Stream

How Are Rooming Houses Managed?

These properties are best managed by an experienced rooming rental manager.

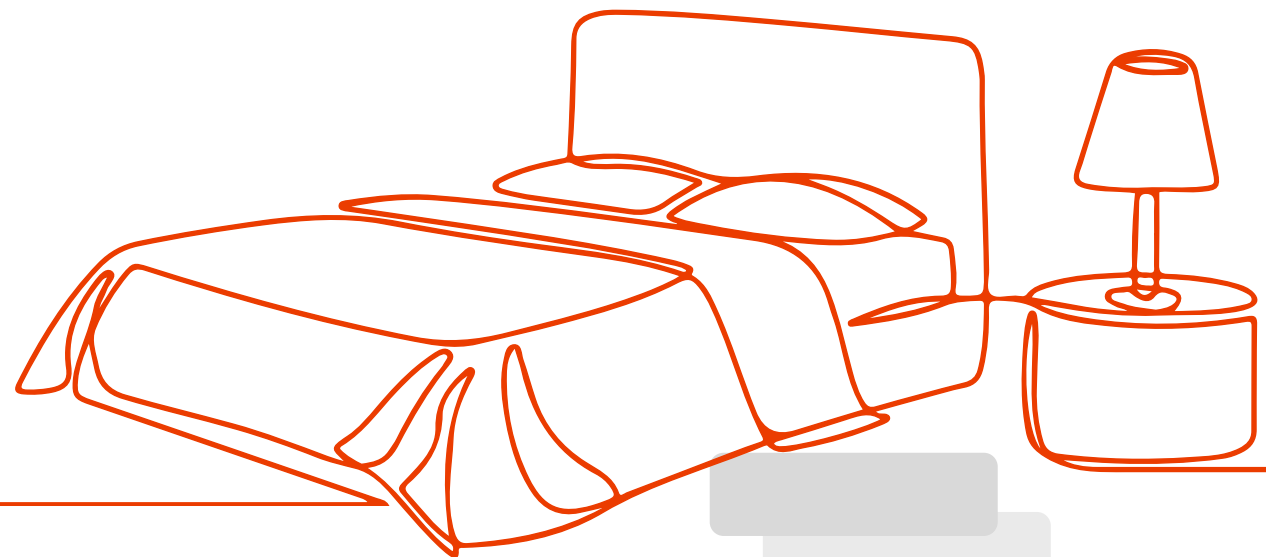
A rooming house must comply with government rules and regulations relating to privacy, security, safety, and amenity.

They must also be registered with the local council and may be inspected to ensure standards are met. Clear codes of conduct and house rules ensure harmony among tenants, and a tenant may be removed if they disrupt the household.

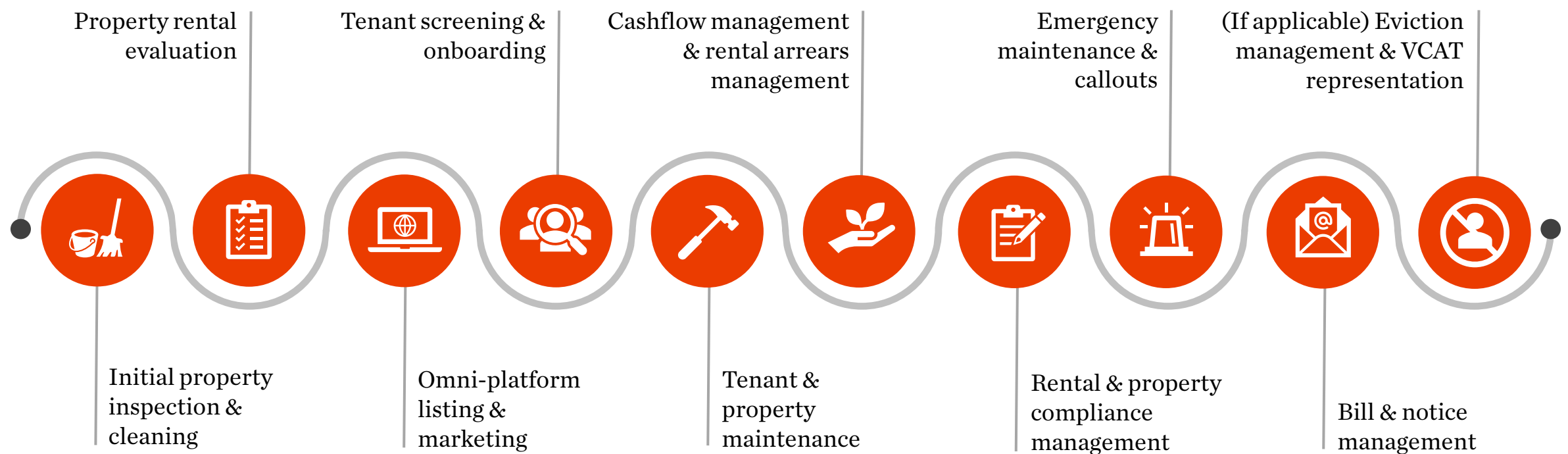
To ensure harmony, most rooming houses operate with a clear code of conduct.

Everyone living on the property follows a set list of house rules, and an unruly tenant can be removed if they disrupt the household.

Everyone carries the responsibility to look after their own room, so you cannot be held accountable if a housemate is slack with maintaining their room.



Our End-to-End Property Management Solution



Why Choose Us



1000+

Properties under our
management



900+

Landlords under
our care



253

Rooming houses under
our management



1.3%

Vacancy rate in 2022
(Domain)



\$752m+

Portfolio value



\$15m+

Generated rental
revenue



Schedule of Fees & Expenses

Renting & Management

Category	Fee
• Renting fee	1.5 weeks rent plus GST
• Renewal of rental agreement fee	0.5 weeks rent plus GST
• Management fee	10% plus GST

Rental Expenses

Category	Fee
• Preparation of condition report	Nil
• Preparation of inventory (furnished only)	Nil
• 6 monthly routine inspection	Nil
• Monthly statement fee	\$5.50 including GST
• End of financial year statement	\$25.00 including GST
• Warrant of possession fee	\$144.20 including GST

Additional Expenses (when required)

Category	Fee
• VCAT preparation fee	\$150.00 including GST
• VCAT attendance fee	\$150.00 including GST

Additional Expenses (when required) *cont.*

Category	Fee
• VCAT application and hearing fees (charged by VCAT)	See https://www.vcat.vic.gov.au/fees for applicable fees
• Registered post (when required. Required on all notice of entry letters)	\$11.50
• Insurance claim evidence preparation fee	\$150.00 including GST

Marketing Expenses

Category	Fee
• Professional photography (up to 6 images)	Basic photography only
• Virtual furniture staging	Optional add-on
• 3D virtual tour	Optional add-on
• Floorplan (Single storey, B&W)	Optional add-on
• Rental Advertising (REA Premiere for 30 days, branded listings on Domain, The Hopkins Group website, rent.com.au, Homely)	
• Rent board	Optional add-on
• Instagram & Facebook In Feed Advertising (up to 2 weeks campaign)	Optional add-on
Total	\$330 (plus add-ons)

**Please note that fees and expenses may be subject to change and we will endeavor to keep you informed of any updates.*

9. For More Information

Contact information

Contact Detail Summary



Brad Carlin-Smith

Head of Property Sales

Licensed Real-Estate Agent (VIC)

Buyer's Advocate

bcarlinsmith@thehopkinsgroup.com.au

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Steve Boyd

Head of Specialised Property Investment

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0419 393 628



Loreen Dyer

Mortgage & Finance Adviser

ldyer@thehopkinsgroup.com.au

0411 337 010



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34 Railway Parade, Seaford VIC 3198

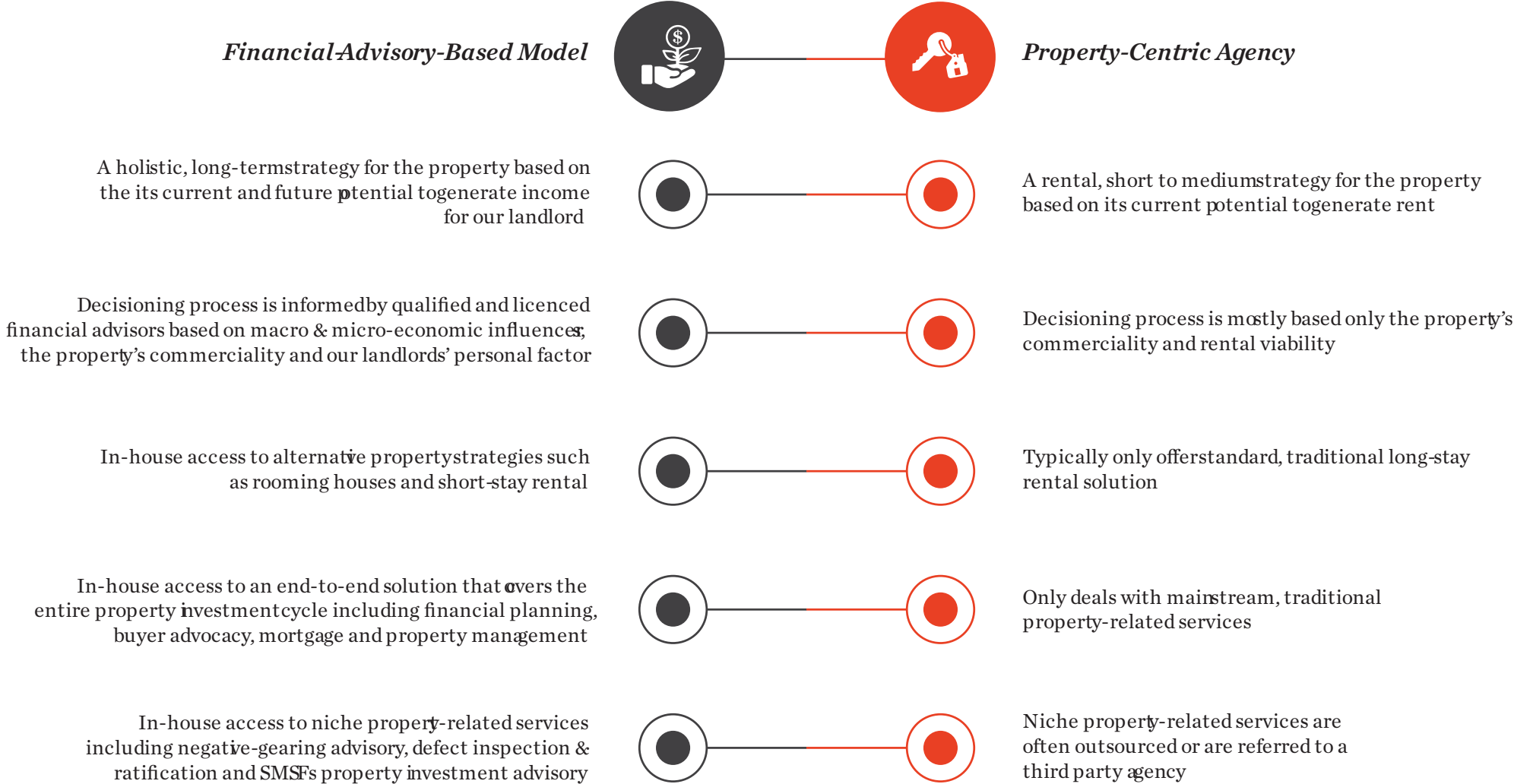
10. Appendix

Our Difference

The Difference Between Financial-Advisory-Based and a Property-Centric Agency

What differentiates us from a conventional property agency is our Financial-Advisory-Based approach when planning our client's property investment strategy.

With this approach, instead of only focusing the immediate return the property can yield, we place our focus on both the immediate and long-term financial return for our clients.



Our Awards Recognition

Industry & Professional Recognition

The Hopkins Group is frequently recognised by the industry’s most prestigious associations for Australian independent financial advice excellence. These are just some of our most recent achievements the firm and our advisers were awarded.

Independent Financial Advisor (IFA) Excellence Awards



FS POWER 50
Most Influential Advisors



Commonwealth Bank
Third-Party Banking Team – Elite Broker



search4accountants
Top 25 Most Popular



Our Leadership Team

Our Holistic Property & Financial Advisory Leadership Team



Michael Williams
*Managing Director & Senior
Financial Adviser*



John Hopkins
Executive Chairman



Brad Carlin-Smith
Head of Property Sales



Steve Boyd
Head of Specialised Property Investment



Lorena D'Amico
Head of Property Management



Lara Moro
Short-Stay Partner

Our Service

Strategising Your Purchase with a Financial Adviser

When strategising your purchase of a Class 1B rooming house, there are considerations beyond just the purchase and rental of the property.

Engaging an experienced financial adviser will help you navigate the complex landscape of rooming houses and strategies for maximum returns, such as:

1 How to maximise your investment

By examining the cost (including purchase cost, service cost & ongoing cost) versus the potential yield from the property

2 How to minimise tax obligation

By examining your current tax requirement and benefits, and strategy a tax strategy that will minimise your tax obligations

3 How to maximise result as part of your current investment portfolio

By examining your current investment portfolio and how this rooming house investment can fit in seamlessly and harmoniously

4 How to most effectively borrow – which mortgage provider & under what times

By examining the mortgage options (e.g., principle & interest vs. interest only) and mortgage providers (e.g., the big 4 banks vs. a smaller bank) against your investment objective (e.g., land banking) to derive to the best borrowing strategy

Key Documentations

Comparative Market Analysis & Property Rental Ledger



Depreciation Report

[Access Document](#)

[Return](#)





Property Rental Ledger

Access Document

Return

