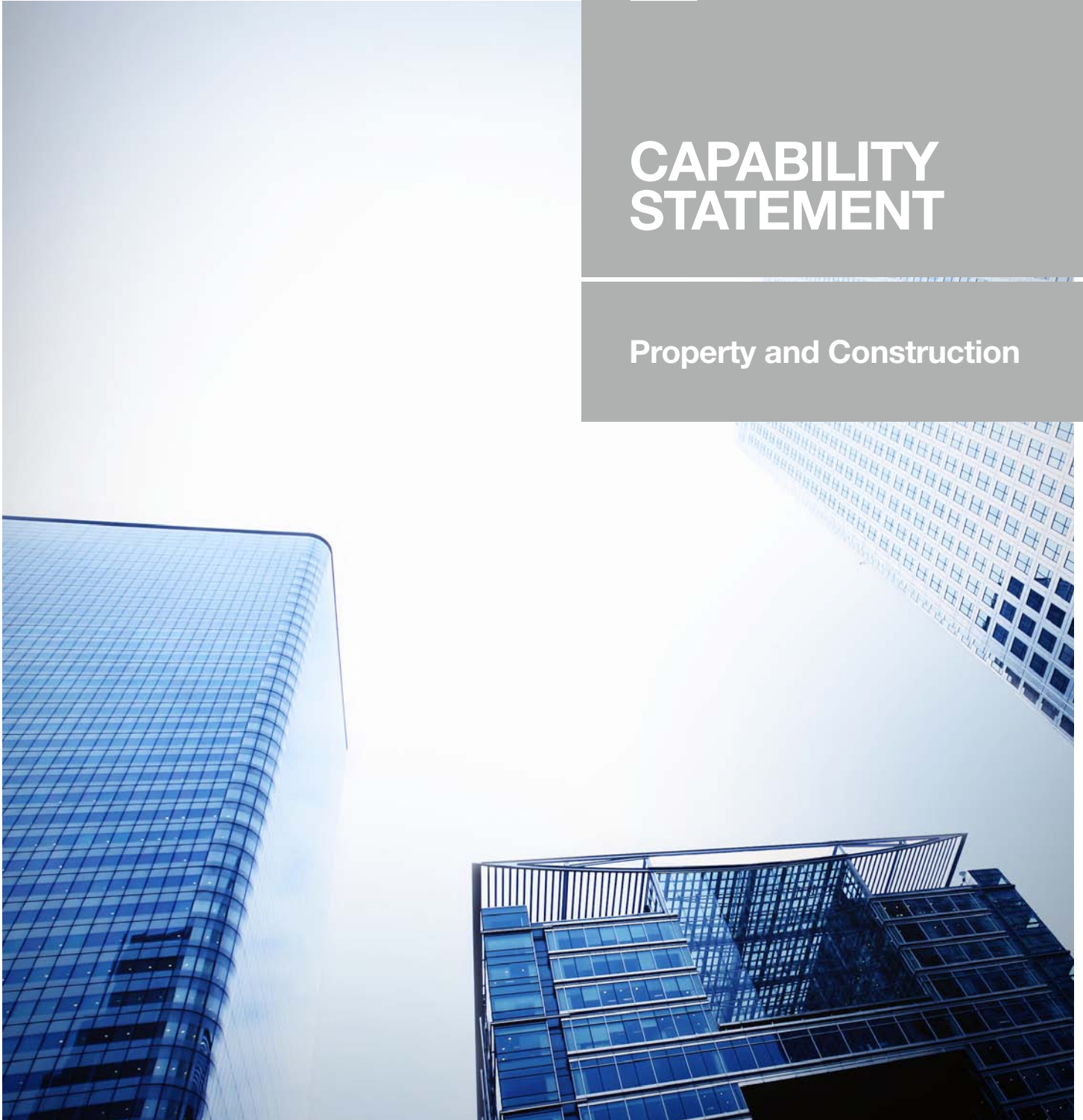


# CAPABILITY STATEMENT

## Property and Construction



### INDUSTRY SUMMARY

The property and construction industry is one of the largest and most significant in the Australian economy.

Property developers, large and small, have played a major role in shaping the landscape of Australian towns and cities through the development of residential, retail, industrial, commercial and hospitality property.



As a result of the global financial crisis and the subsequent credit crunch, the level of distressed property debt has never been higher.

Historic property valuations are being scrutinised and buyers are becoming more sceptical of the information provided to them. Recent events have highlighted that property is not without its risks and each geographical market is different. Residential, retail, commercial, industrial and hospitality based property markets each have their own unique set of variables that need to be understood and managed.

With over \$300 billion in revenues, the Australian construction industry is a key employer in large and small business.

The level of activity in construction has long been a barometer of the strength and growth of the Australian economy. After a sustained period of solid growth

the construction industry in Australia experienced a marked slowdown in the rate of revenue growth in 2007-08, followed by a decline in 2008-09. The impact of the slowdown continues to be felt by the construction industry, however this slowdown has been partially offset in certain states by the ongoing mining and resources boom.

## OUR EXPERTISE

Taylor Woodings has worked on numerous property and construction matters throughout Australia. Our experience covers all aspects of the residential, retail, industrial, commercial, and hospitality property and construction sectors. We provide clients with in-depth knowledge of corporate advisory and insolvency as they relate to the property and construction industry.

Taylor Woodings offers a range of specific services relevant to the property and construction industry including:

- **formal appointments**
- **strategic recovery advice**
- **project and market review**
- **workout assistance and negotiation**
- **pre-lending reviews**
- **investigating accountants reports**
- **asset management**
- **project management**
- **development assessment and completion**

We work with both public and private organisations, financiers, credit providers and other stakeholders to improve profitability, restructure or sell properties, undertake complex transactions, negotiate successful outcomes, conduct or defend litigation and/or recover debts. As a national firm, we have the necessary resources to assist our clients on all property and construction matters regardless of complexity, geography or size.

## WHAT TAYLOR WOODINGS OFFERS

### SPEED TO MARKET

We understand that time is often a critical component to success in property transactions. We continually set and monitor key metrics on sell down programs to ensure our clients' expectations are met. We understand that once a decision has been made to exit an asset, key metrics such as time and cost to complete and time to market are critical. Taylor Woodings has experience in working on these key metrics to achieve the best possible outcome for our clients.

### MANAGEMENT OF SERVICE PROVIDERS

On property appointments, management of service providers is a crucial element to successful outcomes. Taylor Woodings works with builders, engineers, agents, valuers, property managers, project managers, trade unions and a multitude of other consultants and stakeholders to ensure a successful outcome is achieved for our clients. Through years of direct experience managing matters in the property and construction industry, we can identify and select the most appropriate advisors for the role.

### RISK MITIGATION

Taylor Woodings understands that each engagement is unique, and therefore requires a tailored approach. In construction and development matters we ensure our clients are not exposed to further risk. Our role includes management of financial and non financial risks such as occupational health and safety, environmental matters, insurance risks, contracts and retention issues and other key risks. Our clients benefit from our strong understanding of insolvency and corporate law, including its impact on insolvency and restructuring processes as they relate to property and construction transactions.

### TRACK RECORD

We understand that experience leads to results. Taylor Woodings has significant experience within the property and construction industry. We have worked on property and construction related assignments across Australia. Through our experience we have a thorough understanding of all property and construction-related matters including construction, development, project feasibility, valuation, risk analysis, property management and leasing, project marketing and managing consultants to achieve a favourable result for a given asset or project.

# CASE STUDIES

## Emu Brewery Site, CBD Perth WA

# 01

Taylor Woodings was appointed Receiver and Manager of the Emu Brewery Site in Perth following the global financial crisis by a major retail bank.

The site was approved for the development of the 'Capital Square' project, which included a mix of residential, commercial and retail uses spread over two high rise towers. The bank was owed approximately \$80 million at the time of our appointment and over 227 contracts for the purchase of residential units had exchanged.

During the engagement, we secured the return of a bank guarantee to the value of \$1.6 million from a building contractor for the benefit of the bank, provided options and recommendations to the bank, including further subdivision of the site and addressed council and community issues. In addition, we pursued a sale campaign in 2010 targeting sophisticated buyers in order to maximise the recovery, following the stabilisation of property prices.

Taylor Woodings sold the property in an off-market transaction to an overseas buyer significantly above valuation.

## Akron Roads Pty Ltd, Melbourne VIC

# 02

Taylor Woodings was appointed as Voluntary Administrators and subsequently liquidators of Akron Roads Pty Ltd (Akron) in February 2010. Akron was a major civil works contractor, with turnover of \$180 million, employing 160 employees. It had approximately 140 'live' contracts upon our appointment, including approximately 30 major projects across two states. Its debts comprised approximately \$18 million in secured debt, \$3 million to employees, and \$35 million across 800 unsecured creditors.

Taylor Woodings mobilised a significant national team to attend to a variety of statutory and commercial matters following our appointment. Of note, much of Akron's work was for large public and private property developers in providing their services for residential and commercial sub divisions. Benefiting from our demonstrated understanding and knowledge of property and development requirements, we engaged with those developers culminating in Akron completing works on a number of contracts, recovering debtors, work-in-progress, and bank guarantees.

## Subdivision and Partially Complete Apartment Building, Hunter Valley and Central Coast NSW

# 03

Taylor Woodings was appointed Receiver and Manager of a 20 lot land subdivision in the Hunter Valley and partially completed residential apartment building on the Central Coast owned by the same developer.

In the Hunter Valley, local agents were engaged and the 20 lots were sold down in a saturated and deteriorating market. A full review of the valuation and sales and marketing strategy was required to ensure realisations were maximised and section 420A obligations for the bank and receiver were met. On the Central Coast, a new builder and project manager were appointed, the residential development was completed and the strata plan was lodged. Simultaneously, a sales and marketing campaign was launched and the 15 units were sold prior to the strata plan registration. Gross realisations exceeding the valuation were achieved in a rapidly declining market.

## The Chevron Apartments, St Kilda Road, Melbourne VIC

# 04

Taylor Woodings was appointed Receiver and Manager by a large Australian property financier and a national property development firm over the unsold stock of approximately 70 apartments in the newly completed Chevron Apartments in Melbourne. The scope of the appointment was to manage the existing rental income and devise and implement a sales and marketing strategy to maximise the realisation of the remaining stock. This strategy utilised multiple sales channels including, traditional local sales, sales through developed financial planning networks and an international marketing campaign.

Taylor Woodings project managed a fully coordinated response to the insolvency of the developer, which included a sell-down of the remaining units. The response was swift and international in scope. We achieved a successful return for our client, returning 100 per cent of their primary exposure.

## OUR TEAM



### Quentin Olde

Partner in Charge, Sydney – Team Leader  
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Quentin has assisted clients in complex residential, commercial, industrial and tourism-based property assets. Assets include broadacre residential subdivisions, development sites, rural lots and farm properties, pubs and hotels, serviced apartments, management rights, accommodation hotels, motels, motor inns, backpacker hostels, function centres, entertainment assets and theme parks. A highlight was his appointment as Receiver and Manager of the sale of the \$100 million Chevron Apartments development in St Kilda. Quentin also acts as an independent expert in disputes in this industry.



### Ross Blakeley

Partner in Charge, Melbourne  
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ross.blakeley@twcs.com.au

Ross has considerable experience in the property and construction industry, including CBD office, industrial, retail (including shopping centres), residential (including subdivisions), hospitality, agricultural properties and road and transport. Ross has been appointed to one of Victoria's largest private civil works companies, Akron Roads, and has been involved in the realisation of many high profile properties, such as properties within the Hooker Corporate (George Herscu) portfolio. Ross has also advised on high-profile residential property developments, such as the Chevron Apartments in St Kilda Road and various industrial properties.



### Ian Francis

Partner in Charge, Perth  
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Ian has worked on a number of assignments in the property and construction industry. He has advised on a range of property transactions, including residential apartment complexes, large residential subdivisions, vacant CBD sites and industrial properties. For example, Ian sold a large Perth CBD site under receivership exceeding the expectations of his appointor and the market. His client base includes national and regional retail banks, investment banks and mortgage funds.



### Simon Kasprowicz

Manager, Brisbane  
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Simon has extensive experience in the successful management, organisation and realisation of property assets through his work across numerous sectors of the property and construction industry. He has advised on both formal and informal appointments in the residential, commercial and industrial property sectors. Simon's practical skills and his Masters of Property provides him with the knowledge and experience to structure workouts that require refinancing and equity raisings.



### Richard Lingard

Property Advisory, Sydney  
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richard.lingard@twcs.com.au

Richard has a background in property agency (sales and leasing) and property development having worked for CB Richard Ellis and Valad Property Group. Through first-hand experience, he has built a significant understanding of the key metrics critical to success in property. Richard has in-depth knowledge of the key drivers and participants in all the major Australian markets and has advised numerous clients on asset realisation strategies from simple disposals to complex development workouts.

## ABOUT US

Taylor Woodings is an independent, national Chartered Accounting firm providing clients specialist services in Restructuring, Corporate Recovery, Advisory and Transaction Services and Forensic Accounting. With offices in Sydney, Perth, Melbourne and Brisbane, we offer our clients a truly national service.

Taylor Woodings is committed to delivering timely, relevant and innovative strategies to meet our individual clients' needs. With our *one-firm, one-focus* philosophy, we share resources, technical staff and specialist knowledge to ensure clients receive a full-service offering regardless of their geographic location.

Our experience extends across Australia's key industries of agriculture, manufacturing, health, mining and property. We work with all types of organisations within Australia and overseas, from small family businesses to publicly listed ASX and multinational companies, on both complex and straightforward assignments.

Taylor Woodings has established working relationships, essential to delivering successful outcomes for clients, with national and regional retail banks, investment banks, corporate advisory firms, law firms, accounting firms and specialist consultants.

Taylor Woodings is a national partnership that is supported by a dedicated and expert team of advisers. We maintain an efficient internal structure and allocate the most appropriate resource to assignments. This approach provides clients with direct access to senior, specialist advice and cost effective solutions that place our clients' objectives first.

We have an affiliation with TW Gerry Rea Partners, a specialist insolvency and litigation support firm in New Zealand. We also have a joint venture arrangement with Allen Capital, an independent corporate advisory and private equity investment firm. Taylor Woodings is a member of the international insolvency network, hww Insolvency Co-operation Partners, which is represented in 21 countries around the world.

RESTRUCTURING | CORPORATE RECOVERY | ADVISORY AND TRANSACTION SERVICES | FORENSIC ACCOUNTING

SYDNEY PERTH MELBOURNE BRISBANE

taylorwoodings.com.au

