



ASX MARKET & MEDIA ANNOUNCEMENT

For immediate release

Finbar marks the completion of One Kennedy Maylands

Key Highlights:

- Finbar reaches practical completion of One Kennedy Maylands
- Sales of \$23.5m secured to date
- Settlements on pre-sold apartments expected to commence June 2020
- Revenue forecast to contribute to H2 FY20 earnings
- Project comprises 123 one, two and three-bedroom apartments, and commercial
- Company in strong position to withstand impacts of COVID-19

Perth, 15 May 2020: Western Australia's leading apartment developer, Finbar Group Limited, (ASX:FRI) (Finbar the Company) is pleased to announce that construction of One Kennedy in Maylands is now complete with 43% of apartments now sold, with the project equating to an end value of \$54.4m across all lots.

Settlements on pre-sold units at the development, located on the corner of Railway Parade and Kennedy Street in Maylands, are anticipated to commence in June with revenue to contribute to the company's H2 FY20 earnings.

One Kennedy, the second and final stage of the redevelopment of the former Ross's Auction site, is located in one of Perth's most popular city fringe suburbs boasting a thriving retail and café strip, located within easy reach of public transport and just four and a half kilometres from the Perth CBD.

Finbar Managing Director, Darren Pateman, welcomed the project's completion and said that sales at One Kennedy had so far been dominated by owner occupiers who made up 80% of sales to date, with almost 40% of those buyers first home buyers.

"While the completion of One Kennedy is an important milestone for Finbar and the vibrant Maylands area, there will be an inevitable impact on sales confidence in real estate markets as we manage the ongoing effects of COVID-19," he said.

“As you would reasonably expect the month of April was very quiet in terms of sales activity and a natural result of the public tending to defer major financial decision making while they manage other priorities during this pandemic.”

He renewed calls on the WA State Government to push ahead with further stamp duty reform to help revive the WA economy as we move into the recovery phase post Covid-19.

“The property industry is the biggest employer of Western Australians and is essential to the ongoing health of our economy. We are hoping the government recognises the importance of job creation that development and construction creates by extending the stamp duty rebate beyond off-the-plan sales to projects under construction and new completed stock to encourage commencements and allow vital capital to be redirected to new, job creating projects for thousands of Western Australians.”

While he said it was still premature to release any updated profit guidance until the impact on the market, both short and long term, becomes clearer, he said we can have a reasonable level of confidence that the state of Western Australia stands to recover more rapidly with our relatively remote capital being very beneficial in our State’s response to this pandemic a key selling point for foreign buyers looking to invest in the Australian market.

He said despite the ongoing uncertainty, the company remained focussed and committed to delivering on its objectives and noted the positive outcomes at the Sabina Applecross apartments.

“Apart for some overseas sales where foreign buyers are currently unable to fly into the State to attend to settlement formalities, Settlements at Sabina have gone smoothly, despite taking place right in the midst of the Perth restrictions being introduced in March. These settlements will also contribute to Finbar’s full financial year earnings,” he said.

“It is also encouraging to see that traffic through sales offices has increased over the past 14 days and the sales that have taken place in April and so far in May are holding up in respect to pricing.”

Mr Pateman said Finbar remained in an enviable financial position with strong cash reserves and once Maylands settlements commence in approximately three weeks-time, the company will be entirely debt free on \$187m of completed development stock, approximately half of that cash attributable to the company after joint venture interests.

“This strong position certainly provides us with flexibility and security in respect to commencing a major project like Civic Heart in 2020,” he added.

Mr Pateman said the Finbar corporate office continued to operate without interruption while complying with the evolving best practice recommendations at both a Federal and State level and said the company expected to be in a position to announce an exciting new initiative in the coming days that would position the company for future growth.

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