



MODULATION™  
Join the **Revolution.**





CHANGE  
THE WAY  
YOU **THINK.**

CHANGE  
THE WAY  
YOU **BUILD.**





Modulation™ is a revolutionary building system and a disruptor in the construction industry.

Traditional construction costs are soaring and construction methods need to change fast.

Our modules can be repurposed, refurbished and reinstalled at different locations, which allows new revenue streams to be created and investors to be rewarded time and time again.

Our product is faster, cheaper and relocatable with infinite uses, the sky is the limit.

Modulation™ is at the forefront of a coming construction revolution.

Join us and become a **foundation investor in the future**





## **FASTER & CHEAPER**

around 33% cheaper, up to 60% faster.\*  
Significantly reduce 'holding costs' (land rates) and finance costs  
Build high-rise towers one floor per day.^ Minimal labour costs.



## **RELOCATABLE**

Relatively easy and inexpensive to dismantle and transport.  
Adaptable to different sites and building configurations.  
Maximise usage of urban landscapes in their 'Meanwhile' stage of development.



## **REVOLUTIONARY**

Unlimited uses.  
The biggest disruptor to construction since the invention of concrete.  
Saves time, money.  
Three new technologies, unique to the market;  
Invisi-floor™ technology  
Dynamic strut system™  
Contra-form system™



# 33% CHEAPER 60% FASTER

around 33% cheaper\*  
up to 60% faster\*

Traditional construction methods can't match Modulation™ as we can dramatically cut the construction cost and time spent on site.

With around 95 days turnaround from order to a fully fitted module landing on site, Modulation's swift construction process will disrupt the entire industry. The speed of construction significantly reduces 'holding costs' (land rates) and finance costs, which together traditionally make up 5-10% of total project costs. Once the foundation is established, a typical high-rise tower structure can be erected at the rate of one floor per day<sup>^</sup>. The Modulation™ system is simply balanced, stacked and locked. And our modules are individually supportive so that engineers don't have to rely on structural columns. Your 30-storey hotel could be erected with only 30 days on site.<sup>^</sup>

In addition to assembly being up to 60% faster\* than traditional building, Modulation™ allows for dramatic reductions in labour costs. Because all the fit-out and finishes are completed in the factory prior to shipping, far fewer workers are needed for the assembly process. Once the modules have been trucked to site, all that's required is a crane and workers to lock the modules together.

\* based on the estimated average cost and time required to construct the tower structure for a typical high rise tower when using the Modulation System (\$3,000 per square metre, 6 months for assembly) compared to traditional concrete construction methods (\$5,000 per square metre, 18 months for assembly). Refer to the case study for a worked example.<sup>^</sup> based on the estimated time required to assemble the tower structure for a typical high rise tower with 8 modules per floor if only one crane is used. The actual speed of assembly may differ depending on factors such as the number of modules per floor, the number of cranes used and your site-specific needs.





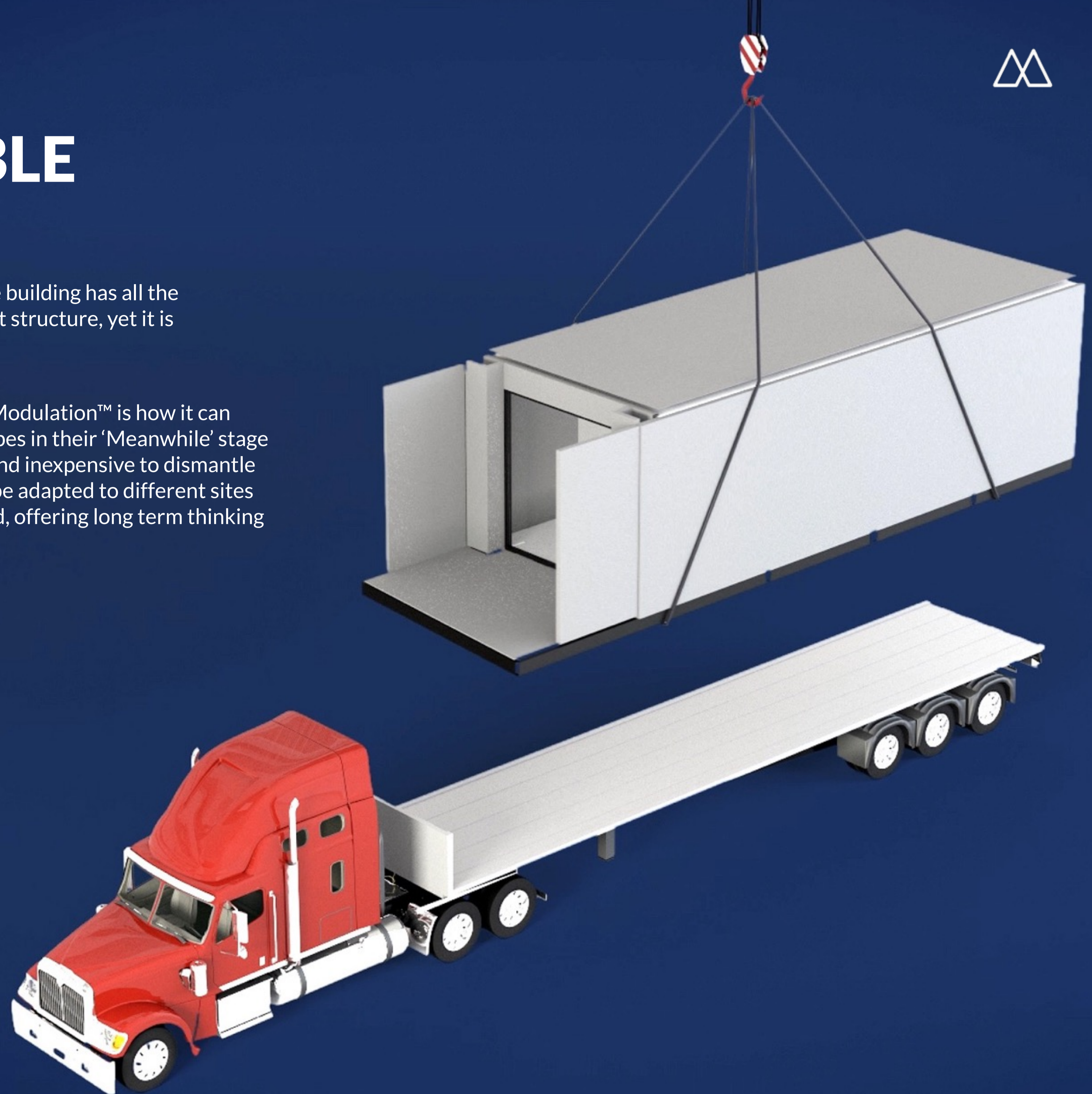


# RELOCATABLE

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The quality of the modules means the building has all the engineering hallmarks of a permanent structure, yet it is removable and readily relocated.

One of the most exciting benefits of Modulation™ is how it can maximise the usage of urban landscapes in their 'Meanwhile' stage of development. It is relatively easy and inexpensive to dismantle and transport. And our modules can be adapted to different sites and building configurations as needed, offering long term thinking for short-term opportunities.







# REVOLUTIONARY

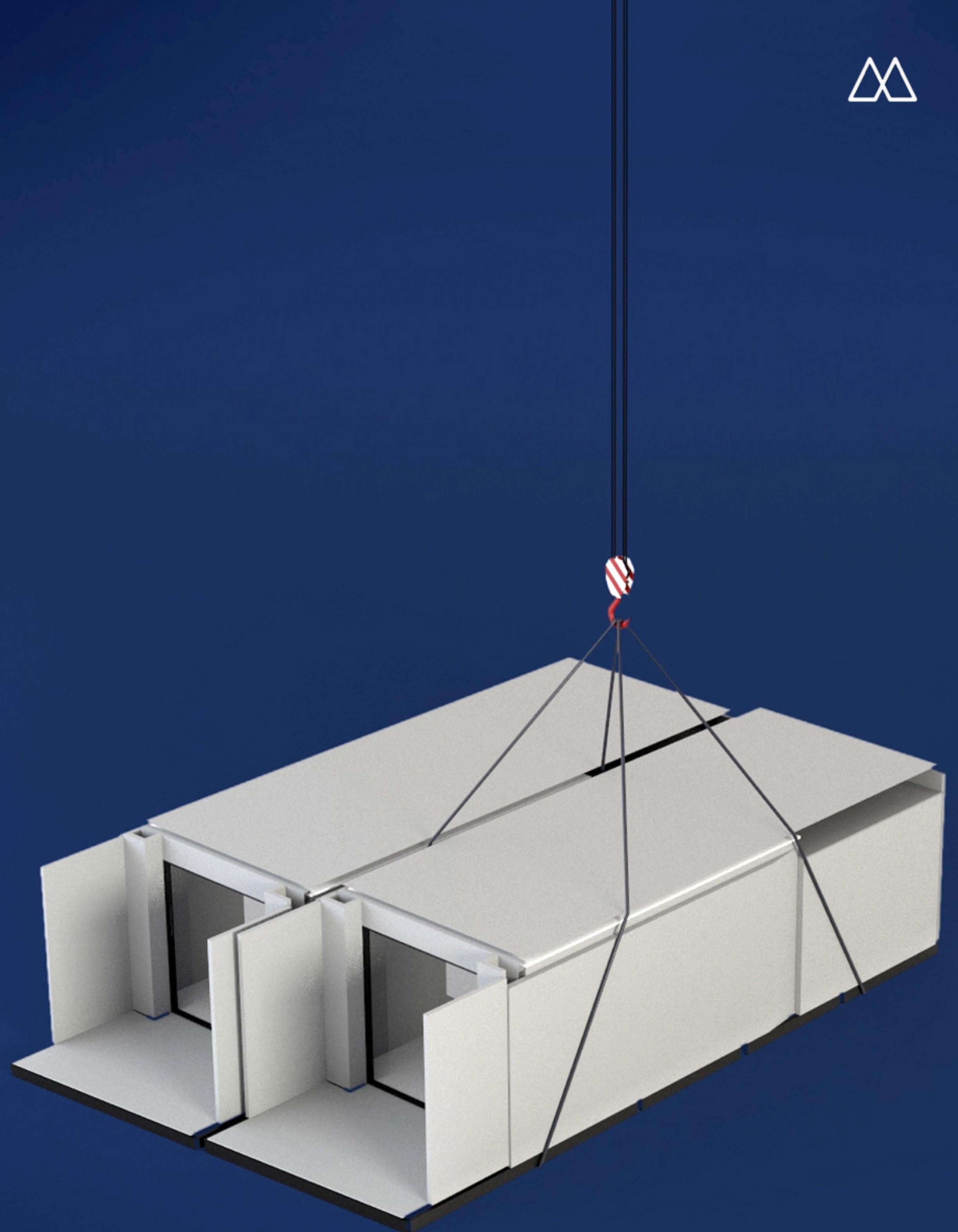
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Modulation™ is the biggest disruptor to construction since the invention of concrete. It is more than just a revolutionary building process by improving every aspect of the construction and financing process.

Modulation™ saves time and money. Architect-designed and engineered to the quality standards required of modern buildings, Modulation™ is the solution for so many issues facing the construction industry – from costs to available land.

We've invented three technologies, unique to the market;

1. Invisi-floor™ technology: no loss of height or FSR, yet still is compartmentalised for fire-safety.
2. Dynamic strut system™: the modules click into place on site, reducing time and labour on site.
3. Contra-form system™: enabling it to meet all Australian standards and building codes and all current fire regulations.







# FASTER, CHEAPER & RELOCATABLE

Modulation™ is faster, cheaper and relocatable thanks to:

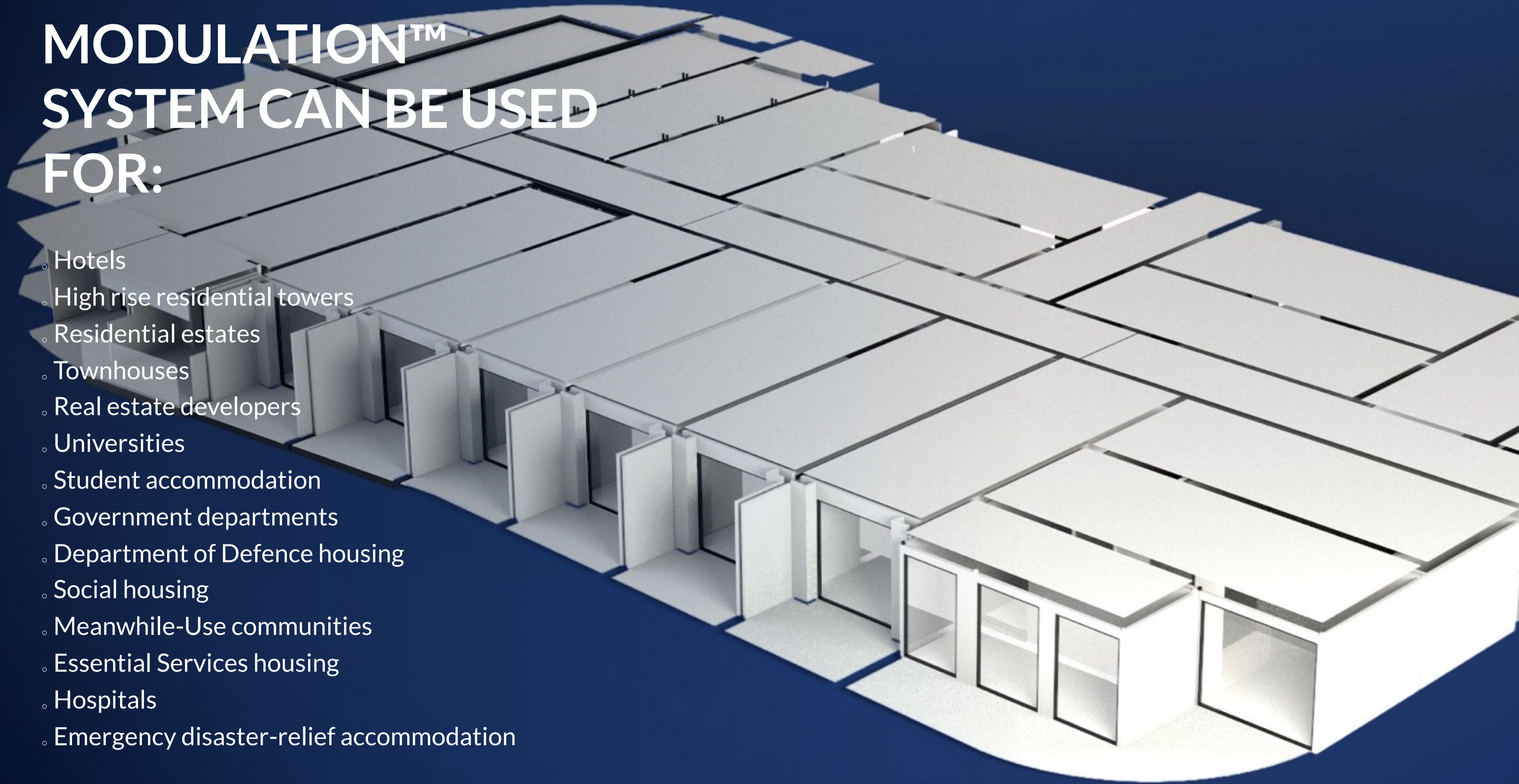
- Significantly increased speed of construction compared to conventional construction methods. Construction times can be shortened because most construction phases can be delivered simultaneously, rather than consecutively
- Reduced construction wastage
- Manufactured under factory-controlled conditions, allowing tighter specifications than can typically be achieved from traditional on-site construction methods.
- Relative independence from weather conditions, and reduced disruption to local traffic and neighbouring sites or activities





# THE **REVOLUTIONARY** MODULATION™ SYSTEM CAN BE USED FOR:

- Hotels
- High rise residential towers
- Residential estates
- Townhouses
- Real estate developers
- Universities
- Student accommodation
- Government departments
- Department of Defence housing
- Social housing
- Meanwhile-Use communities
- Essential Services housing
- Hospitals
- Emergency disaster-relief accommodation







**INVESTOR  
LEASEBACK PROGRAM**



# INVESTOR LEASEBACK PROGRAM

Flexible building and flexible financing; Modulation™ allows access to a whole new world of financial and future flexibility. Our funding model is a lease-back program for investors which works as follows:

- Invest in a modular building
- The modules will be leased to the end-user or developer Lease term would be 5-10 years or longer
- Upon lease expiry the modules can be dismantled and relocated to another site with a new lease signed
- The 'make good' provision would be the ground /transfer slab

The investor is not locked into the traditional location risk associated with investing in a conventional building, and the investment allows new revenue streams to be created

**Likely tenants for the Leaseback Program are:**

- Hotel operators
- Government departments for social housing, infrastructure
- Real estate developers
- Universities

**The ideal uses for these buildings include:**

- Hotels
- Residential developments
- Student accommodation
- 'Meanwhile use' communities
- Department of Defence
- Hospitals

**The Investor Leaseback Program is ideally suited to:**

- High net worth individuals
- Superannuation funds
- Institutional investors
- Venture capitalists





# MODULAR INVESTMENT

Case Study



# MODULAR INVESTMENT

## CASE STUDY



### IMPORTANT NOTICE & DISCLAIMER

The case study is intended as a guide only and an aid to further investigation by prospective investors. The information in this case study is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Modulation. You should make your own enquiries and obtain your own independent advice.

The data and projections contained within this case study should be used as a guide only and should not be relied upon in making investment decisions. The estimated returns are based on an initial investment of \$100,000.

The expected yield for each investment is based on assumptions for average rent and calculated on the projected per annum lease receipts, less management fees, and compounded annually.

To the extent that this case study includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based upon the information known to APDC at the date of preparing this study and based on assumptions which APDC considered to be reasonable at the time.

To the maximum extent permitted by law, APDC does not make any warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in the case study.



# MODULAR INVESTMENT

## CASE STUDY



These projections are based on the following assumptions:

### Economic Assumptions

- CPI is based on 2.0% (current CPI 1.9% as at December 2017 issued by Australian Bureau of Statistics on 31 January 2018).

### Assumptions about Apartments

- Apartment modules are estimated at \$100,000 per module for 3.6MX12M build;
- Apartment size is based on 125SQM which is equivalent to 3 modules (\$300,000);
- Rental estimate based on 3bedroom apartment in Parramatta NSW 2150 – average rent of \$593 - sourced from public websites: [domain.com.au](http://domain.com.au) and [realestate.com.au](http://realestate.com.au) on the 21-02-2018. Please see spreadsheets attached.
- The apartment is assumed to be fully leased for each year.

### Assumptions about Hotels

- Hotel modules are estimated at \$150,000 per module for 4.5MX12M build (5 star);
- Hotel rooms are based on 108SQM which would need 2 modules (\$300,000);
- Rental estimate based on latest hotel researchers STR data for Sydney – average daily room rate of \$223 – Source: AFR article dated 22-02-2018, page 36, Property: Commercial & Real Estate article – Hotels in peak battle with Air BNB by Larry Schlesinger.
- The hotel is assumed to have a vacancy rate of 70% (latest 81.4%).

### Financial

- Profit margins have been based on 20% for the purpose of this case study in order to estimate the amount the modules could be leased for by the landowners. This is purely an estimate of what margin a person leasing the modules may look to achieve and obviously is not guaranteed, as the actual amount would need further investigation and negotiation based on each individual need. No allowance has been made for any site costs for either Modulation or conventional construction as these differ from site to site



# MODULAR INVESTMENT

## CASE STUDY



### Net Annualised Returns %

Years	Return %	Rolled-up \$
0	0.00%	\$ 100,000
1	8.62%	\$ 108,624
2	8.73%	\$ 118,213
3	8.83%	\$ 128,892
4	8.93%	\$ 140,806
5	9.04%	\$ 154,125
7	9.25%	\$ 185,780
10	9.58%	\$ 249,735
15	10.17%	\$ 427,394
20	10.79%	\$ 776,415

Based on an investment of \$100,000.  
Assumptions:

- 3 Bedroom apartment;
- Lease rental \$593 per week;
- CPI indexed lease 2%;
- Fully leased for the period; and
- Net of Management Fees

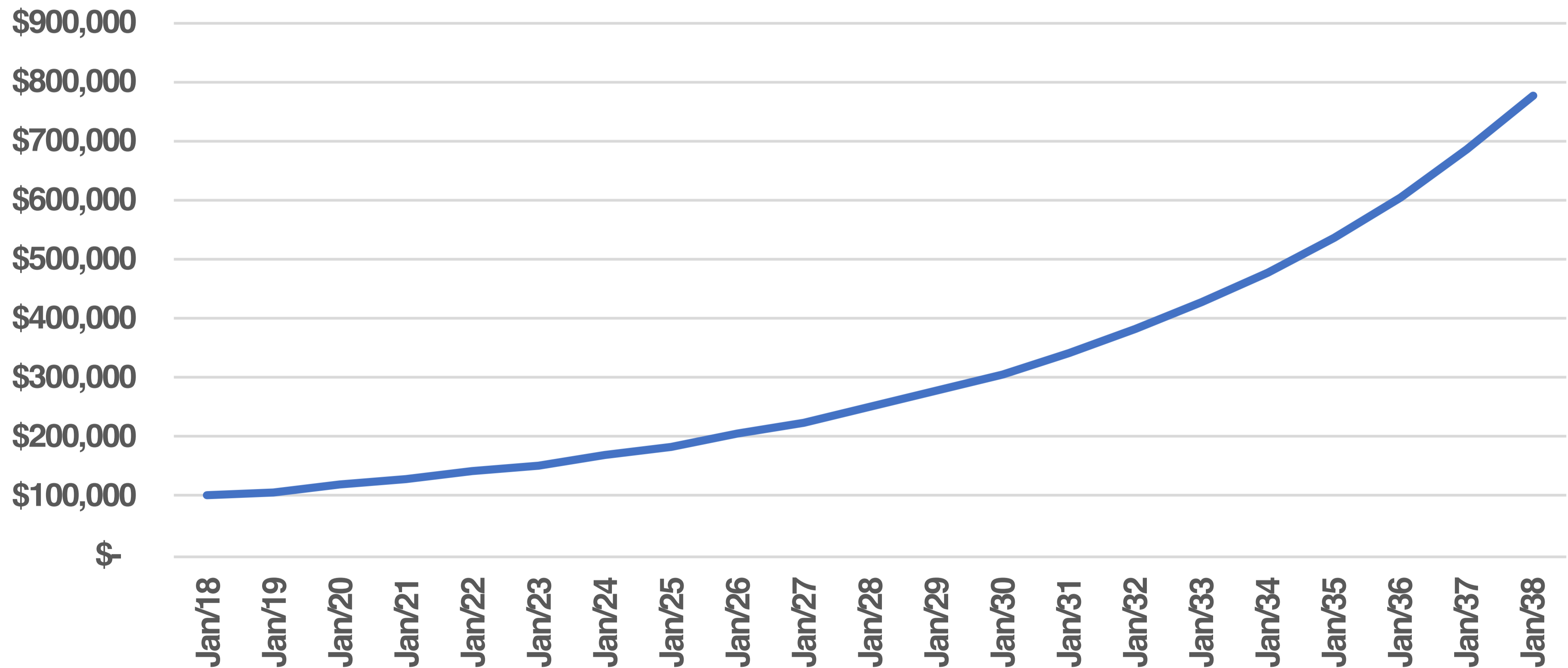


# MODULAR INVESTMENT

## CASE STUDY



20 yr Compounded Investment Growth \$100,000 Net of Fees





# MODULAR INVESTMENT

## CASE STUDY



### Net Annualised Returns %

Years	Return %	Rolled-up \$
0	0.00%	\$ 100,000
1	20.65%	\$ 120,647
2	20.87%	\$ 146,091
3	21.09%	\$ 177,561
4	21.32%	\$ 216,628
5	21.55%	\$ 265,310
7	22.02%	\$ 402,668
10	22.74%	\$ 776,146
15	24.01%	\$2,523,731
20	25.37%	\$9,198,729

Based on an investment of \$100,000.

#### Assumptions:

- 2 bedroom;
- Lease rental \$220 per night;
- CPI indexed lease 2%;
- Vacancy rate of 70% for the period; and
- Net of Management Fees

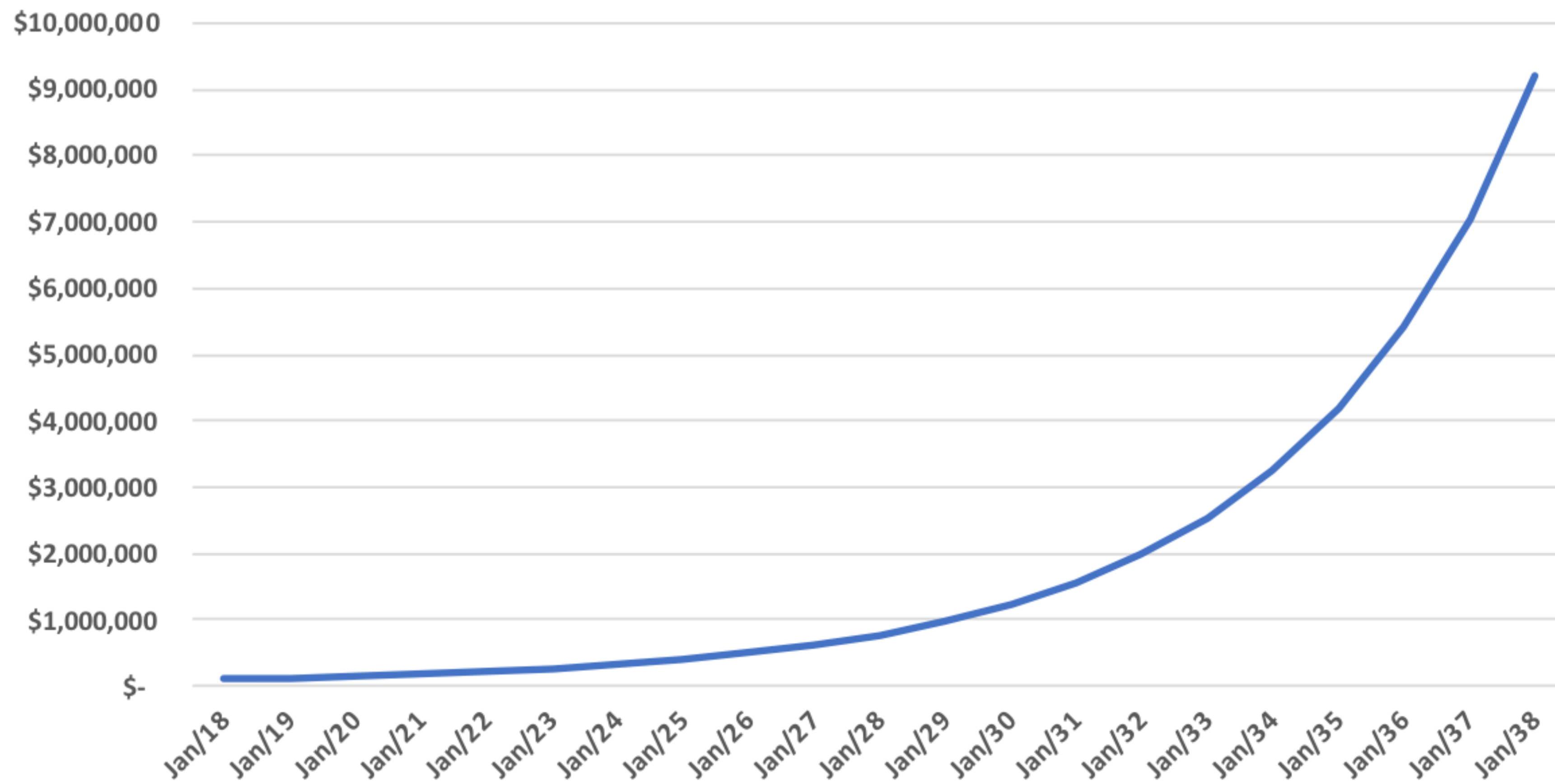


# MODULAR INVESTMENT

## CASE STUDY



20 yr Compounded Investment Growth \$100,000 Net of Fees





# OUR TEAM

## SIMON SLAVIN



### Chairman

With a property and real estate career spanning more than 40 years, Simon brings unsurpassed vision and expertise in the design and development of residential, commercial and industrial developments.

Demonstrating exceptional foresight, Simon acquired the largest holding in Sydney's Homebush Bay waterfront precinct in the mid-1990s as a director of Fairmead Pty Ltd, alongside Ruven Laps. When acquired, the 109,700 sqm holding included 60,000sqm of lettable warehousing, providing key storage and distribution services for some of Australia's leading banking, transportation and technology companies.

The holding was also home to Waterfront Studios, which under Simon's creative vision and direction, became the Southern Hemisphere's largest film studio at the time and produced the TV series Farscape as well as numerous feature films.

Testament to Simon's vision for the area as a mixed-use precinct, this holding was subsequently rezoned and developed to provide thousands of luxury apartments, a retail and commercial hub, community parklands and a private wharf.

Simon's original early planning for the area included designs for a bridge from Homebush Bay to Rhodes, linking the Olympic Village, Newington and neighbouring developments. This plan to better connect the area and create synergies between its waterfront, retail and transport links is now being realised with the construction of the Homebush Bay Bridge.



# OUR TEAM

## PETER YASSA



### Co - Founder

Peter Yassa brings more than 25 years of extensive property development and investment experience across a plethora of sectors including residential, commercial, industrial, retirement, leisure and hospitality, as well as community projects. His work spans the globe, from the eastern seaboard of Australia and the South Pacific, much of Asia, Europe, North America and the Middle East.

Over the past 25 years, Peter's roles have entailed all aspects of acquisition, investment and portfolio management. Between 1997 and 2001, Peter was the recommended Development and Portfolio Manager for Shanghai, China, dealing directly with the Ambassador of China and local governments in Australia for major government projects.

From 2006, Peter conducted real estate audits for Hilton World Wide, Club Med and other hotel chains on their properties in the Asia Pacific region. An accredited specialist in managed investment schemes, Peter has solid experience in capital raising and handling of client funds, risk management, and investment strategy development.

All of this is backed up further by years of experience in Design (as a qualified Architect and Specifier), in Construction Management (as a licensed Builder) and also several years in the Real Estate industry (as a licensed Sales and Assistant Property Manager). Peter is also a qualified Arbitrator in Building Dispute Resolution.





# CONTACT **US**

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[www.modulation.com.au](http://www.modulation.com.au)



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