SUN VILLAGES

New Investment Model
for
Future Financial and Housing Security

Contents

Introduction

Thank you for your ongoing interest in the Sun Villages model of housing development, property investment and home ownership. This document is the third of three documents in our orientation series.

Your first introduction to Sun Villages has likely been through the story telling by Stina Kerans in her eBook, "*How We House Ourselves Matters*", which launches this document series. Perhaps you have read her complete book "*Can't Buy Property? A New and Revolutionary Model of Housing*". She tells the story of a new housing system that she formulated over many years of hard work and setbacks; a housing system that disrupts the current housing market by making property available to everyone, with just $10,000, either as an investment or for those wanting to live in a type of eco-village that significantly reduces the cost of living.

In the follow-up second document "*Creating collaborative housing solutions*" we have shared the vision and mission of a social movement, our Sun Villages movement, facilitated by the Sun Villages Co-operative. The Co-op is a vehicle that helps people act together and collaborate financially in a peer-funding model to organize our own housing solutions that yield financial, social and environmental benefits made possible by the integrated finance-, design- and planning aspects of the Sun Villages model.

The purpose of this third document is to outline how the Sun Villages model differs from the current housing system and to explain in some detail the aspects of the Sun Villages model that makes possible greater financial and social security in housing that has lesser environmental impact. We illustrate this with some "sizzling" financial projections of estimated cost savings that yield the potential for much enhanced financial security.

We then give you a brief introduction to the first Sun Villages project to be built by Sun Villages (Queanbeyan) Ltd as the proof of concept for the financial, social and ecological workings of the Sun Villages model. We call this the "lighthouse project", as it has the potential to light the way – make easier - the passage of other Sun Villages projects that desire to improve society's way of housing ourselves and living well.

If you are specifically interested in this Sun Villages (Queanbeyan) project, then we share with you the "*Sun Villages Queanbeyan Investment Memorandum*", available on request.

We certainly hope to hear from you with any questions and/or your expressions of interest in our Sun Villages movement and housing projects.

The Standard Business Model for Property Development

Impact of banks

The property development industry is one of the most lucrative industries, mainly driven by the banker's requirement for developers to retain a minimum of 20% profit margin in order to cover the bank's exposure when providing construction funds.

This profit margin tempts many property developers to build as fast as possible to reduce interest paid on borrowed money and hence yield more profit for the developer. Speedy construction creates low quality housing that prioritises cosmetic appearance, but neglects environmentally sound initiatives and options for reducing household living costs. The enforcement of more building codes - in an attempt to improve the quality and sustainability of housing stock - also adds to the ever increasing cost of housing.

Consider this illustration of how much the banks impact both the price and quality of our housing:

Example of standard model of apartment development

Land costs	$3,000,000 (15%)
Build costs	$9,000,000 (45%)
Soft costs	$8,000,000 (40%)
End value*	**$20,000,000**

Bank requirement for 20% developer profit margin, $ 4,000,000, is half of the $8,000,000 soft costs. The other $4,000,000 of soft costs is that paid for architects, surveyors, numerous other consultants, land acquisition costs, bank fees, interest, GST, council costs, contracts and title costs, solicitors, real estate agency fees (estate agent fees at 2 – 2.5 % = $400,00 to $450,000) and advertising etc.

Cost of strata titles

These are other costs incurred in standard strata titles apartment developments:

- cost of surveying to establish a strata plan

- legal costs for establishment of strata plans
- valuer's fee to establish the value of each apartment for rating purposes
- fee to government body for issuing the strata title
- interest on the holding cost of a completed, unoccupied development while all the apartments are surveyed, valued and registered prior to the property titles being issued
- legal costs for preparation of sale contracts
- stamp duty for sale of apartment.

These costs are NOT incurred in the Sun Villages model in which a building is not divided up, but rather remains in the ownership of the company that purchased the land and undertook the construction. The company is made up of the shareholders who finance the entire process and benefit from the savings made. More on this below.

Fractional real estate ownership

The wealthy have always used financial syndicates – a consortium of people who formally pool their money – to benefit from the lucrative profits made from property developments. Large corporations, some using superannuation funds, also have the ability to eliminate banks and benefit from developer profit.

Companies interested in benefiting from the property market and property developments are now offering people the option to buy a fraction of a property. This is attracting people with self-managed super funds (SMSFs) or savings who can't afford to buy an investment property in their own right, for example BRICK.X (https://www.brickx.com/) or BRICKLET (https://bricklet.com.au/).

The purveyors of this common fractional real estate do not share the lucrative development profit with investors. In the case of rental properties, a large portion of the rental income is used to cover property costs, maintenance and property management fees, leaving these small investors relying mainly on capital gain for any financial benefit.

So these opportunities are, arguably, not very beneficial for smaller investors.

Discrimination against "unsophisticated" investors

People with small to medium amounts of superannuation funds and/or savings typically have very limited options to invest in and benefit meaningfully from property developments. Anyone with less than $2.5 million in net assets or earning less than $250,000 per year in each of two previous years, is defined by ASIC as being an "unsophisticated" investor as opposed to a "sophisticated"* or wholesale investor who is able to access more lucrative investment projects and is offered more favorable financial terms.

Thus most people with ordinary amounts of money are dis-empowered to take control of their earned money and to have fair choices for securing their future living prospects.

> **A sophisticated investor is a “person with a certificate from a qualified accountant certifying that they have a prescribed net asset if at least $2.5 million or gross income level of at least $250,000 in the most recent two successive years. This gives them exemption under the Corporations Act 2001, which means they can buy financial products without a regulated disclosure document such as a prospectus or product disclosure statement. (moneysmart.gov.au)*

What Makes the Sun Villages Model Different?

The Sun Villages model was originally conceived by a group of idealistic, conscientious people, and then refined by experts and professionals from different fields to blend a unique mix of finance, architecture, engineering, legal, environmental and social sciences. The result is a model of housing and lifestyle with many benefits for people who will live there, and a rare opportunity for everyday people to obtain a secure, predictable, ethical, impact investment.

The model

- makes the process of property development more transparent to all
- makes home ownership easier
- combines all the security and power of home ownership with all the freedom of month to month renting
- eliminates the need to qualify for a loan or borrow money from a bank
- provides greater cash flow options than a mortgage
- rewards you for putting more of your money in sooner
- allows you to build equity at your own pace
- increases in value over time
- makes home ownership more environmentally sustainable
- includes engineering and design measures that reduce ongoing household costs
- allows opportunities for onsite work and trading using both fiat currency and a local energy trading system (LETS) that reduces dependence on earning money and enhances both social and economic wellbeing
- gives more creative design control to the residents

- provides a long term solution to cater to your changing needs for space and to age-in-place for “entirement” living (across your life span)
- provides all investors, resident-investors and pure investors, with an ongoing, predictable, worry-free ROI from shares.
- is a more transparent and equitable way for social impact investment with surplus savings or superannuation money held in SMSFs, than any government initiative to subsidize build-to-rent projects (described in the document “Creating Collaborative Housing Solutions”).

When the Sun Villages movement has gained momentum, the model will have the best of all forms of investment: liquidity of the stock market; security of property; and protection against inflationary devaluation of money held in bank bonds or interest bearing accounts.

So, how does it work?

Property owned by shareholders

The Sun Villages model offers property investment through owning shares in a company (the holding company) that constructs the building and retains ownership of the whole building, which is not divided up. Shareholders will be a combination of resident-investors, who will live in the completed housing development, and pure investors, including self-managed-super-funds (SMSFs), who wish to make a secure, predictable, hassle-free return on investment (ROI).

It is based on a form of fractional real estate, but one in which all shareholders benefit from the developer’s profit and receive the same ROI according to their shareholding. The investment outcomes are mutually beneficial for both the village resident-investors and the (non-residents) pure investors.

Shareholders are required to have a minimum shareholding of $10,000. They can buy more shares when they are available for purchase; they can sell shares if they need capital, as long as the minimum number of shares is retained.

In this model, even shareholders with just small to medium amounts of money to invest can share in the lucrative profits of property development.

Cuts out the banks

The Sun Villages model empowers people or syndicates of people with self managed super funds (SMSFs) or savings to collaborate in investing funds into housing property developments without need for a bank mortgage. This approach cuts out the banks and property developers, which achieves savings that are redirected back to the Sun Village investors.

Such people funded housing developments, without an interest bearing bank loan, can avoid development time pressure (to reduce interest payments) and risks of banks foreclosing. Time and care can be taken to build to a high construction standard that incorporates eco-efficient design, materials and utility systems, which will result in lower ongoing living costs for the residents.

Low cost entry into property investment

The minimum package of shares is a $10,000 investment, which provides a low, cost into the property market, and which does not preclude "unsophisticated" investors from accessing this investment opportunity.

There is no restriction on the numbers of any types of investors, "unsophisticated", "sophisticated" or SMSFs, who wish to invest in property projects through membership of the Sun Villages Co-operative, with a minimum $10,000 shareholding. Refer back to the document "*Creating collaborative housing solutions*" and the website https://sunvillagesco-op.au for more information about this pathway to property investment.

There is no restriction on numbers of "sophisticated" investors or SMSF investors who can invest directly into any Sun Villages project, but the numbers of "unsophisticated" investors and their combined value of investment is capped in any 12 month period to 20 investors or $2 million (due to an ASIC ruling as explained earlier in this document on page 3-4).

Even people with only small amounts of superannuation can form a SMSF with up to five other members and become Sun Villages shareholders for the benefit of the secure investment return.

Building not divided up

The model does not break the building up into apartments that are sold off, as this prevents an apartment being able to expand and contract in size. It is this flexible architecture that enables living spaces to be adapted to suit the needs and financial resources of the resident at different stages of their life. Thus it allows for "entirement" living" and aging-in-place, when people can downsize without having to move.

Moreover, savings are made by not selling individual apartments under strata title, which incurs significant additional costs that increase the purchase price of an apartment and costs of buying and selling a home. Think about these costs:

From the time a person purchases their first property, they buy and sell on average every six or seven 7 years. Increasing costs are forcing young folks to buy a one bedroom apartment just to enter the property market. They may make a couple of up-grades to larger properties; and eventually they downsize. Each move incurs high stamp duty and agent's fees, as well as bank and legal fees. This amounts to hundreds of thousands of dollars over a lifetime.

Distributes developer profit as bonus shares

The development profit is shared equitably among shareholders through an issue of bonus shares in proportion to the amount of their shares relative to the stage of construction at which the investment was made. The longer an investor has had money tied up, the greater the number of bonus shares they receive. Thus, investing early can significantly reduce the cost of securing a place to live and call home; or significantly increase the ROI for pure investors.

The development profit can only be finalized on completion of the building and after a commercial valuation that accounts for all costs. Once the Certificate of Occupancy has been issued, the holding Company will distribute the bonus shares and ROI on all shares will commence.

Return on investment

On completion, the ROI is derived from a formula that calculates the return on the net usable area of the apartments and of social spaces. For the Sun Villages (Queanbeyan) project, it is initially calculated that a maximum ROI of 6% per annum would be a reasonable and safe return to aim for, considering all the savings of removing the bank and the middlemen from the property development, and reduction in living costs.

All shareholders receive the same percentage ROI on their shareholding investment, paid monthly. This ROI will increase in line with wages, because the lease fees will increase with the wages component of the Australian Consumer Price Index (CPI).

99-year (renewable) lease instead of strata title

An owner-resident signs a 99-year lease (renewable for another 99-years) that gives them all the rights and responsibilities of an owner, and they keep their space for as long as they need it. This is just like the 99-year lease of land in ACT (Australian Capital Territory) or NT (Northern Territory). If they wish to move, they have to find a buyer, as any homeowner must, and sell them the minimum number of shares ($10,000). The buyer then moves into the apartment under a new lease. They start paying a lease fee that is set at the prevailing market rent at that time for an equivalent property. This will usually be higher than the vacating resident, depending on how long they have been there.

Benefits and responsibilities for resident-investors

Owner-residents have all the rights and responsibilities of standard homes, but with no mortgage. They commit to making lease payments regularly and reliably, just as with a bank mortgage, but with peace of mind that lease payments increase with wages component of the CPI only, not the property market.

Their ROI on their shares is deducted from their lease payments, and they can purchase any number of more shares when these are available, which will reduce their lease payment further. Once the lease payment is completely off-set, the ROI on the surplus shares becomes a source of income.

Owner-residents can also sell down shares if they need capital for other purposes, as long as the minimum number of shares ($10,000) is held. Then the lease cost increases, unless the lease has already been paid for in full.

They can gift their equity to beneficiaries as part of property distribution after death, or sell their equity, which will have appreciated over time.

Owner-residents have substantially lower weekly household expenses due to efficiencies in the design and utility systems and the level of on-site amenity. They pay a resident's body corporate fee, which should be less than the usual standard body corporate fees when profits from onsite fee-based services and facilities like a café can be returned to village residents to offset running costs of the village. These onsite services are managed by a not-for-profit (NFP), which is run by an elected board of directors.

At a time when other Sun Villages property developments have been completed in other locations, which could be city-based, in suburbia, coastal or rural, resident-investors can choose to relocate to live in another Sun Villages development without need for selling and buying of property that incurs all those significant financial costs.

Lease fee increases only with wages component of the CPI

Because the lease fee only increases with the wages component of the consumer price index (CPI), residents are protected from market forces driving up rental costs.

Consider this contemporary example: Sydney house and apartment rents have risen between 10% and 25% in 12 months (2022-2023); 22% in Melbourne[1]. A lease fee for a Sun Villages' apartment would only have increased by a maximum of 3.6%, the private sector wage price increase (WPI) in 2022 [2]. Furthermore, the ROI would also increase by 3.6%, and this offsets the increase in lease cost.

This is the difference this would make to their lease fee compared with a market related rent increase:

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[1] SMH, 6 April 2023, "Renting the great undiscussed policy challenge".

[2] https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release

Conventional rental property	Market related increase	Rent now payable:
Tenant has $500 pw rent to pay	10% - 25% increase	$550 - $625 per week
Sun Villages apartment occupied by an owner-resident with shareholding and paying a weekly lease		
Resident has $500 pw lease to pay	Weekly lease cost with 6% starting ROI	Increase in lease fee limited to 3.6% WPI: $500*1.036 = $518 pw offset by 3.6% increase in ROI to 6.22%
Offset with $10,000 shareholding Resident pays	$600 pa ROI/52 = $11.53 pw $500-11.53 = $488.47 pw	$622 pa ROI/52 = $11.96 pw $518 - $11.96 = $506.04 pw
Offset with $150,000 shareholding Resident pays	$9,000 pa ROI/52 = $173.08 pw $500-$173.08 = $326.92 pw	$9,324 pa ROI/52 = $179.31 pw $518 - $179.31= $338.69 pw
Offset with $375,000 shareholding Resident pays	$22,500 pa ROI/52 = $432.69 $500-$432.69 = $67.31 pw	$23,325 pa ROI/52 = $448.56 pw $518-$448.56= $69.44 pw

What difference does this make over the long term? Consider the following hypothetical comparison of rental cost in a standard housing model with lease cost in a Sun Villages housing model over the time period 1975 to 2017:

Standard housing	1975	2017	Comment
Average wages:	$7,000 pa / $135 pw	$70,000 / $1,350 pw (increased 10X)	
Average Sydney house price:	$28,000	$850,194 (increased 30X)*	*If average house price had increased in line with wages, it would be $280,000.
House price/wages ratio:	4X the average annual wage	12X the average annual wage	
Average rent:	$23 per week	$600 per week (increased 26X)**	**If average rent had increased in line with wages, it would be $230 per week.

Now compare this situation with a hypothetical scenario in which a Sun Villages resident-investor bought $10,000 worth of shares in 1975 (a hypothetical completion date of Sun Villages), and did not purchase any more shares*.

$10,000 share purchase in a Sun Villages property	1975	2017 – wages have increased 10X
Average rent:	$23 per week	$230 per week in SV Lease fee only rise with wages i.e. 10X
6% pa ROI on $10,000	$600 pa = $11.50 pw => pays half the weekly rent	ROI rises 10X $6,000 pa = $115 pw week => still pays half the weekly lease* (but only just over one third of a commercial rent of $600 per week)

*The ROI on the original share purchase is still able to offset 50% of the lease. Moreover, receiving an annual return of $6,000 for an initial $10,000 investment is a 60 % return on investment.

If the resident-investor had bought more shares, enough to fully offset their weekly payment, and then secured more shares as their family needs for space grew, then when the time came to downsize, they should be making a significant return on their investment, likely to secure their comfortable retirement if they planned it this way.

Benefits for pure investors

Non-resident investors have the security of a property asset, yet with none of the responsibilities of property holding costs or maintenance costs. Their property investment is more secure with the shareholding of every owner-resident acting like a huge bond. Moreover, the demand for occupancy in properties that offer all the social and financial benefits of a Sun Villages, is another level of security against un-occupied investment properties. Since owner-residents have all the rights and responsibilities of ownership, they cannot simply abandon their apartment; they may have to continue to pay the lease fee until the apartment is re-occupied.

Thus, investors can enjoy advantages of a strong, secure, predictable, worry-free and continuous return on investment. They are free to buy shares when available and sell down shares to the minimum required.

Different form of capital gain

The Sun Villages model breaks away from the customary way that real estate, property and home ownership is valued. The building remains in the holding company under the ownership of the syndicate with its fixed number of shares. Thus the cost of regular property valuations is eliminated as the property value is inconsequential to the model's way of returning value.

Instead, any capital gain will be reflected in the value of the shares, not the property market. The value of the shares will likely increase as the ROI rises. For example, if wages rise by 20%, then return on shares would also increase by 20% from 6% per annum to 7.2 %. Thus, capital gain is acquired via the share value, not the value of the building.

The price of shares in the public company is unrestrained and will therefore fluctuate according to share supply and demand and in regard to the prevailing bank interest rates. When bank interests are low, 6% is very attractive, but if interest rates were 10%, then the shares may not be as attractive.

Consider the example in the preceding table (hypothetical example): $10,000 shares now earning a 60% ROI. These could potentially be worth up to $100,000 to a buyer with a starting ROI of 6%. However, shares will be valued at whatever people would be prepared to pay for them, or what is negotiated between seller and buyer.

Trading shares

At a time when one wishes to sell shares, they can be offered to existing resident-investors who want to increase their shareholding and reduce their lease fee or to investors simply seeking secure and predictable investment opportunities.

Share prices will be determined by negotiation between seller and buyer, and could vary considerably e.g., a deceased estate may sell shares for less than another seller who is in no hurry to sell.

Any new Sun Village development will give first preference offers on new share releases to existing shareholders and then to their family and friends, before publicizing the investment opportunity on the open market. There will be great demand for a new share release as these first shares offer the greatest return.

If there are no shares available for sale and the SMSF's return on their shares start accumulating, then this pool of money can go towards building a new eco-village. On completion, the maximum ROI is 6%, which then starts its journey of rising with the wages component of the CPI.

Illustrative scenarios

#1: A more affordable lifestyle

Young couple Sally and Steve, who have been motivated to save as hard as possible, wish to purchase shares that will add to the shares they already have and increase the offset of their lease fee of a space that meets their present needs.

They will continue to save to enable them to lease more space that they expect to need when they start a family.

Since their living costs are so much lower than would be out in the conventional housing market, it is viable for Sally to plan to be a stay-at-home mum; and potentially Steve to be able to reduce or stop his off-site work to spend more time with his family and earn a living within the village.

#2: Securing financial freedom and autonomy

Invest $1 million => receive 20% profit => $1.2 million in shares @ 6% pa return /12 = $6,000 per month.

Assume 99-year lease costs you $2,400 per month. Then you have a net amount of $6,000 - $2,400 = $3,600 per month spending money

If you reduce your apartment size and lease to say $1,800 per month (neglecting any CPI change), then you have $6,000 - $1,800 = $4,200 per month spending month.

Compare this to the cost of living in a retirement or life-style village!

#3: Distribution of shares among your heirs

Assume your $1.2 million in shares is divided among four children, Patricia, Ben, Laura and Jack, who each receive $3,000 worth of shares. What may they choose to do?

Patricia is permanently overseas, so wants to sell her shares; see scenario #4 below.

Ben already has his own lease in the village, and he simply uses the income from these shares to further reduce his lease payment on his own large home.

Laura wants to move into this village and take over the lease for the home of their parents. Her return on her shares completely offsets the monthly lease.

Jack is overseas for a while. He keeps his shares to enjoy the extra income of $1,800 per month as a secure investment with no responsibility.

#4: What is your shares worth?

Patricia has inherited 3,000 that she wishes to sell.

Young couple, Sally and Steve, who wish to buy shares to increase the offset of their lease fee, negotiate to pay $50,000 for 500 shares worth of shares from Patricia, who is willing to simply take a fair price from a young couple.

Owner-resident, Amanda, offers to pay Patricia $120,000 for 1,000 shares, originally worth $100,000. Her extra shares will enable her to further offset her lease fee.

A Superfund is interested in buying as many shares as possible, but only 1,500 shares are left. One fund offers Patricia $200,000 for these remaining 1,500 shares, rather than leave funds in the bank for too long.

Summarizing the Sun Villages "Sizzle"

Having given you a qualitative explanation thus far of how the Sun Villages model works, what we reveal below is a summary of the estimated projected financial differences between purchase and ownership of a standard $500,000 apartment and an investment through shares in a $500,000 Sun Villages apartment. How these outstanding results can be achieved is shared with interested investors who request the Sun Villages Queanbeyan Investment Memorandum.

Construction cost savings	32% savings - returned as profit by way of bonus shares to shareholders
No strata title costs	Additional savings in property development - when a building is not divided up
Investment property costs	41% savings - from avoiding ongoing costs and loss of income
Higher, predictable ROI from residential property investment	6% ROI, rising with the Wages Price Index (WPI), instead of a typical 3% ROI
Lower weekly outgoings for mortgage repayments and service fees	$335 per week saving for residents
Lower utility bills	Additional savings from energy and water efficient systems
Protection from money-market driven rent increases.	Lease fees increase only by the WPI, offset by their ROI, which also increases by the same % WPI. Example WPI of 3.6% instead of 10%-25% increase in market rents.

These significant savings and protections can positively change the financial situation and prospects of many people enabled to live in a Sun Villages property development. The more such developments there are, the more we create a secondary market for the Sun Villages shares, increasing the investment opportunities and financial benefits, while supporting socially good outcomes.

In this way, it can become possible to change our housing future and resolve many of the social ills and environmental impacts that have been caused by our housing system to date.

This all starts with getting our first Sun Villages project built, which is the Sun Village (Queanbeyan) project.

Introduction to the Sun Villages (Queanbeyan) Project

This is the first project that is presently offering an investment opportunity to future resident-investors and pure investors. It already has an approved development application (DA) to build an apartment style eco-village complex on a block of land on the Queanbeyan-ACT border, and which was part of the original Queanbeyan homestead property. This project will be built on the last lot of a large community title development that has 74 existing townhouses and apartments. The property has beneficial north and east facing aspect; it's adjacent to the bike path and close to the river side walk into Queanbeyan town centre as well as bus and train connections into Canberra; and just 10 minutes drive to Canberra airport. The site was selected to provide access to city-based amenities that elderly residents and youth need access to, in their stages of life, and to job opportunities.

Village features

- Has approval for 50 private apartments, but due to ability to use flexible architecture, apartment sizes could range from studios to however many bedrooms a large family or blended family requires. These places can reduce in size when no longer required.
- About 15 studio-style service apartments for guests. It is these that allow for the expansion of private apartments that then, when they contract, revert to studio apartments.
- Eco-features by international award-winner, Garry Kerans.
- Reduced costs of living for power, water, internet and more.

- Shared social spaces and onsite services that include a café with food garden, workshop space, library, carpool and storage facilities. Residents from the existing townhouses and apartments who use the café will boost the village revenue.
- Opportunity for onsite work and trading, using both fiat currency and a Local Energy Trading System (LETS) to enhance social and economic well being.

The flexible architecture allows aging in place through various life stages, starting with small space needs as a single person; expanding as family grows; then contracting again in older age, possibly again living alone. One only pays for the space one needs or wants. This avoids need to move into different housing as we age (unless one's health conditions require specialized care) and which incurs costly property transactions. In retirement when many people suffer from being asset rich and cash-flow poor, here they can simply sell some shares to acquire the cash they need.

Serviced apartments between resident's apartments can be used by residents for their visiting family or friends, rented at a market-related rate, but cheaper for these short term stays than paying for a spare bedroom in their own apartment.

Car spaces are not allocated with any apartment. They will be allocated to the present requirement of a resident, e.g. disability park in front of a lift. Car parking spaces will attract a small fee for the first car, and a higher fee for subsequent cars in a single household.

There will be a car pool of a variety of cars that can be hired to that suit different needs e.g. small electric cars for city driving; larger vehicles for longer distances; 4 wheel drives for snow trips and to suit terrain. So you have the choice to simply pay for the functionality that you need for the time you need it, rather than carry the costly overheads of owning your own recreational vehicle.

All on-site services will levy charges that can be paid in dollars or with the village trading units, which reduces dependence on having money and encourages self-empowerment.

Not-for-profit (NFP) management entity

A NFP entity with an elected board of unpaid board members will oversee the management of the village and consult with residents. They will engage a person in a paid role to be responsible for collection of lease fees to be paid to the holding company, Sun Villages (Queanbeyan) Ltd, who then pay shareholders their return on investment (ROI). They will also appoint a management committee to run the onsite café and co-ordinate the shared role of concierge to manage all the services and staffing needs for rental of serviced apartments, leasing of car spaces, leasing of cars from car pool, rental of storage spaces, operation of social spaces (such as library, workshop, garden) and use and administration of the village LETS.

Profits from these services and the café will go into the NFP kitty and assist in securing the shareholder's ROI. Any surplus profit over and above the target ROI will not be distributed to investors, but used to benefit the village residents, such as reducing body corporate fees. The more that these facilities and services are used, the more profit is made to return for resident's benefit and the more the village thrives.

Resiliency factors

Investment returns from this Sun Villages property development are likely to be more resilient to the economic challenges we face in society, for these reasons:

- The size of the apartments can be reduced. If the market becomes stressed there will be more demand for smaller units and the return on small units is higher per square metre.
- This development is in an area of high employment opportunities, close to where the head of government and the commonwealth public service are located.
- The higher insulation standards, and optimised bulk billed utility costs for residents will lower their weekly outgoings. This improvement in their disposal income corresponds with an increase in their ability to off-set their lease. Thus they may default less and this would improve the reliability of every investor's returns, whether they be a resident or not.
- As the investment returns do not rely at all on international stock or property markets, or the variability of bank interest or policy changes, all these risk factors are eliminated.
- Since the management and maintenance of the building and interest returns will also be undertaken 'in house', the costs of body corporate levies etc will be greatly reduced. Again this also feeds back to improve resiliency to investors.
- The combination and synergies of all the above savings for the leaseholder and any tenants should demonstrably improve the demand for such accommodation. Improved demand results in far lower vacancy factors in any market, and therefore improved security of a return on investment.
- The building design enhances voluntary connection between people (via the social spaces) and many communities will likely form within a village. This type of steady relationship is beneficial to human wellbeing and health. A healthy person can both work and productively trade with others. Mutually beneficial relationships also increase personal resiliency and this flows on to the financial health of the whole development.
- The integrated in-services such as carpool, bulk food purchasing and the on-site preparation of bulk ordered meals also contributes to a reduction in household living costs. These services are paid for according to a 'user pays' basis but as the profit from these services feeds back to everyone living in the village, the more they are used, the more everyone benefits.

In summary the net benefits of lower fees and charges combined with the bulk buy savings and lower running expenses, all feedback for the leaseholder's benefit. We hold to the precept that if you can benefit a person without a loss to yourself, all parties will gain. In the Sun Villages model this network connection also feeds back to those investing in the model, and investors are encouraged to participate in village activities, services and life!

Where to From Here?

Help grow the Sun Villages movement

If you're excited by the potential of the Sun Village model to create better housing and living solutions and the benefits of this investment opportunity, then please help make more people aware of this opportunity by inviting them to review the Sun Villages Co-operative website and subscribe to the free Co-op eNews, "*SV Housing Matters*".

https://www.sunvillagesco-op.au/

Then they too can follow our orientation series of documents:

1. *How We House Ourselves Matters*
2. *Creating Collaborative Housing Solutions*
3. *New Property Investment Model for Future Financial and Housing Security (this document)*

Once people have processed this background information, they can best enjoy and benefit from getting to know us better through workshops – in person or online – and at events, where we deepen our knowledge and can take constructive action to help achieve the housing and community outcomes we strive for.

Become a Co-op associate

If you would like to receive the free eNews plus

- participate in Q&A sessions, with opportunity to submit your own questions
- receive alerts of new project opportunities
- be invited to SV events,

then we invite you to become a Sun Villages Co-operative associate for an annual subscription of just $26.

Apply here: https://www.sunvillagesco-op.au/

Become a Sun Villages Co-operative member

If you would like to become a Co-op member, then you can submit an Expression of Interest (EOI) form from the website https://www.sunvillagesco-op.au .

This is not binding on either party. Membership applications must be approved by the board of directors.

Then

1. *We send you the Disclosure Document and Rules of the Co-operative and the membership application form.*
2. *You contact us to discuss any questions you may have. You may wish to attend an Open Day and/or online webinar.*
3. *When you are ready to proceed, you send us your completed application form.*
4. *On receipt of your application for membership, we review your application at our next board meeting.*
5. *Once we confirm that your application has been accepted, we send a request for payment of membership fees ($100 joining and $100 annual subscription) and purchase of $10,000 shares.*
6. *You then deposit your money into the bank account stated on the application form.*
7. *We confirm your payment with issue of a receipt for your membership fees, which is your record of membership. The date of receipt of payment is the date that your membership commences.*
   This is recorded in our membership register that we maintain in compliance with Co-operative National Law and as regulated by NSW Department of Fair Trading.
8. *We issue a receipt for your purchase of shares and issue your Share Certificate, which is your record of your shares. We maintain the shares register in compliance with Co-operative National Law and as regulated by NSW Department of Fair Trading.*

Make a project enquiry

If you wish to make further enquiries now about the current project that is Sun Villages (Queanbeyan), explore the website www.sunvillage.com.au and contact us to get to know us and ask any questions. You may wish to attend an Open Day and/or online webinar.

If you are wanting to consider the investment opportunity in more detail, we will send you the "*Sun Villages Queanbeyan Investment Memorandum".*

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