

INFORMATION MEMORANDUM

Momi Freehold Land, Fiji

For Sale by Private Treaty
July 2017

CONTENTS

Introduction and Contact Details	4
Executive Summary	5
The Opportunity	6
Services & Utilities	7
Location	8
Fiji Overview	9
Market Overview	10
Economics and Tourism	11
Key Investment Attributes	14
Target Market	15
Method of Sale	16
Disclaimer	17
Annexures	18

'So' Sofitel

Beach



Not to Scale

4.5 Acres (Freehold)



INTRODUCTION & CONTACT DETAILS

Knight Frank New Zealand has been appointed by our clients to market the sale of Momi Freehold Land which will be available for sale by Private Treaty.

This Information Memorandum provides preliminary information to assist interested parties with their assessment of the property.

This Information Memorandum is produced as a general guide only and does not constitute valuation advice nor an offer for sale or purchase. All parties should undertake and rely on their own independent due diligence investigations and not rely on the information contained in this document to make their purchasing decision.

Sales Process

Knight Frank is proud to offer Momi Freehold Land for sale by private treaty and expressions of interest.

Sale & Purchase Agreement

Particulars and Conditions of Sale of Real Estate by negotiation is provided upon request to Rick Kermode or Allen Beagley.



Rick Kermode Licensed Salesperson
Commercial Sales & Leasing Broker | Fiji Specialist Broker
M +64 21 882 452
E rick.kermode@nz.knightfrank.com



Allen Beagley Licensed Salesperson
National Director, Hotels
M +64 27 220 2033
E allen.beagley@nz.knightfrank.com

EXECUTIVE SUMMARY

Legal Owner	Clint Miller and Robert Flood
Legal	The property offers a freehold title described within Certificate of Title Volume 44 Folio 4344 as all that parcel of land containing 4 acres and 23 perches. See appendices for copy of Certificate of Title.
Zoning	While there is no formal zoning, any approvals will be granted under the Nadi Rural Local Authority.
Address	Savusavu Road, Momi Bay, Fiji.
Position	18° South 177° East
Land Type	Level site positioned back from the beach with road access to the northern boundary. Current site is vacant allowing for native vegetation.
Land Area	4 acres 23 perches
Land Tenure	Freehold
Current Offering	The property at this time offers a fresh canvas for total development. We understand that while there are no services to the site, the ongoing development of the nearby hotel site – So Sofitel – will allow for sealed road and water supply to be connected to the boundary.

THE OPPORTUNITY

The Momi Bay site is approximately 30 kilometres from Nadi township (40 minutes).

Momi Bay is to the south-west of Nadi, with nearby developments including:

- Marriott – Momi Bay opened April 2017.
- Ongoing development of SO Sofitel (former Seashell Cove Resort).

Access is by road though equally with a resort development, this could be accessed by helicopter (10 minutes from Nadi International Airport).

The site itself is ideally located between the 5-star international Marriott Resort with the soon to be completed SO Sofitel (2018).

In effect, the property offers an idyllic tropical presentation with a blank canvas to build your own resort, underpinned and supported by the ongoing developments as above.

It offers a proximal location with respect to Nadi International Airport (45 minutes) with the Momi Bay locality becoming an emerging resort area.

A feature of the property is the direct access to the world class left-hand 'Cloudbreak', offering stunning surfing opportunities. Given its feature position in the international surfing arena, we understand that over 10 million people a day watch online when surfing competitions are held. The proximity of the Momi site allows the potential to develop a dedicated surf resort to harness the surfing tourism potential.

It is in close proximity to Tavarua Island, a mile north of "Cloudbreak", and Namotu Island, three miles north, both offering accommodation, reinforcing the potential to add further accommodation to Momi.

At this stage, there is no formal proposal for a resort. However, given its near beach front positioning, road access and emerging resort area then the property is well-positioned to facilitate a resort.

The asking price is US\$1,700,000 plus VAT.



SERVICES & UTILITIES

We understand that with the development of the SO Sofitel Resort, that fresh water will be available to the area albeit a power supply is already available, though no sewage.

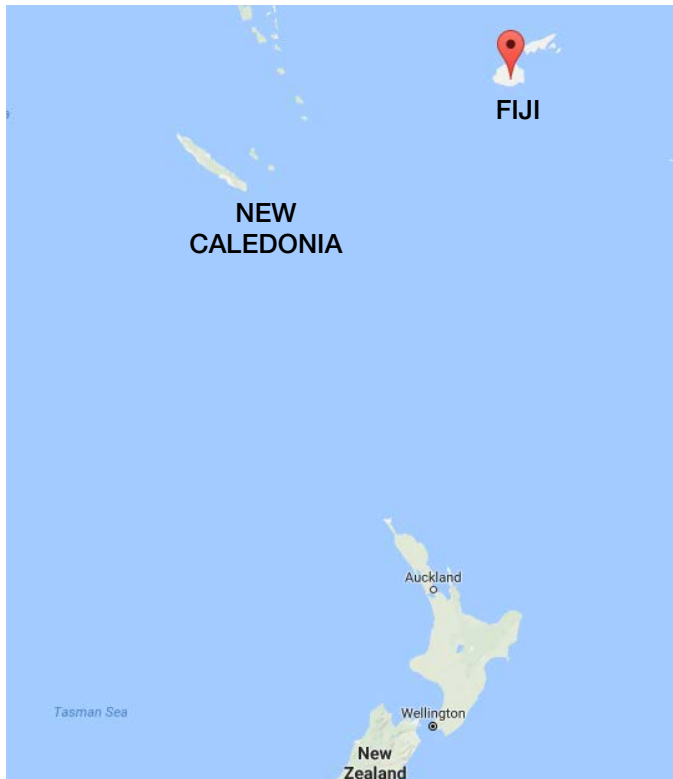
Transportation is available by road.

We understand that while part of the property has power lines and poles across it, they will be removed.



LOCATION

South Pacific



Fiji Islands



Momi Freehold Land



- The Fiji Islands are located between 12° south and 21° south with a longitude of between 17° east and 178° west.
- They offer a total land area of 18,376 square kilometres. Fiji has a total of 844 islands and islets with only 106 inhabited.

- Momi is approximately 30 kilometres from Nadi township or 40 kilometres from Nadi International Airport.
- It offers in effect a seaside location with emerging developments (Marriott/So Sofitel) positioning the property in a resort area.
- The property is unoccupied and ready for development.

FIJI OVERVIEW

Climate

Summer temperatures (November – March), range between 23 degrees Celsius and 34 degrees Celsius and in winter (April – October) they range between 20 degrees Celsius and 26 degrees Celsius. A cooling trade wind blows from the southeast for most of the year.

Rainfall is higher to the eastern area of Vitu Levu though the subject area located in the Mamanucas (west) would achieve a lesser rainfall than afforded to the Suva area.

Our advice is that Nadi International Airport receives around 1,867 mm of annual rainfall. This area of Fiji is known as the dry side (western area).

Government

Fiji has endured coups during 1987, 2000 and 2006. While there has been an initial hiatus post-coup with visitor arrivals decreasing, this recovered. It is interesting to note that the economic recovery period has decreased from

approximately three years in 1987 to the most recent coup 2006 being less than one year.

There was a period of political uncertainty and pressure was exerted on the Fijian Government by other countries (New Zealand, Australia) to hold democratic elections. These were held in September 2014.

Notwithstanding the fact that there was a global financial crisis, (GFC – 2007-2013) the political environment in Fiji has created other issues, in particular from an export perspective. The fact remains that investor confidence was severely eroded with the ongoing political uncertainty and a challenging economic environment. This has now improved with foreign reserves increasing since 2011 and a stabilising balance of payments.

Legal

The legal system is based upon the British system with the judiciary operating through the Supreme Court, Court of Appeal, High Court and Magistrates Court. With the most recent coup, the Government scrapped the constitution and dismissed the judiciary. This was reinstated in September 2013.

MARKET OVERVIEW

In the past year, there has been a surge of investment activity within Fiji.

This has not only been factored to recent acquisitions but also developments including:

- Marriott Resort, Momi (1km north of subject) which is a 45-minute drive from Nadi International Airport.
This resort featured on opening in April 2017, 136 contemporary deluxe rooms and 114 luxurious bure villas including 22 unique over-water bure villas with direct lagoon access.
- Completed in 2016 was the investment of FJD \$80M in the Pearl Resort Hotel with a marina development in Pacific Harbour.
- Development of residential sections to the periphery of the Natadola Golf Course in association with the Intercontinental Natadola Resort.
- There is also local investment taking place in Fiji with the Hilton Denarau being bought by local Indian businessman.
- They also contracted Sonaisali Island Resort and Tadrai and additional land for circa FJD \$22M.
- Further is the ongoing development of South Denarau with a proposed marina, hotels, commercial and residential developments with a canal focus.
- The Sonaisali was upgraded and rebranded "The Double Tree Hilton".
- Opening in 2016 was the Pullman Nadi Bay Resort & Spa with 234 keys.
- These developments are a very good sign that local businesses are prepared to invest in Fiji's tourism sector and it reflects the ongoing growth and strength of this market.

Fiji has an elected government which has opened many doors and re-established relationships with its neighbours New Zealand and Australia.

The economy in the region has improved and visitor numbers to Fiji are increasing.

Fiji is becoming sought after by investors, developers and tourists.

Its national airline has new aircraft and opened new routes and destinations bringing a greater market to Fiji. Confidence is high and we are at a poignant moment in the Fijian island market.

Knight Frank's *Island Review 2015* assessed current property market conditions across the world's top island destinations which resulted in these key findings:

- Online viewings of island properties for sale increased by 21% in 2014 in comparison with a year earlier.
- Tight planning restrictions are protecting prices on some islands.
- In the last decade, there has been a 69% increase in private flights to island destinations.
- In Asia, the concept of a second home or "lifestyle" purchase is slowly becoming more established and we expect this trend will increase significantly in the next five years with major repercussions for global markets. Together, Bali, Phuket and Fiji represent the most mature markets but they remain tourist destinations rather than established hotspots in the western model.

ECONOMICS AND TOURISM

The Reserve Bank of Fiji economic review for the month ended May 2017 indicated that the Fijian economy is forecast to record an unprecedented eighth year of consecutive growth post-independence. The economy is projected to grow by 3.8% this year (2017) slightly higher than that previous anticipated at 3.6%.

While sectoral performances have been mixed, the cumulative to April visitor arrivals rose by over the year by 7.2% backed by high arrivals from the US, New Zealand, the Pacific Islands and Australia.

From a monetary aspect, while the Fiji dollar depreciated against the Euro, Japanese Yen and the US Dollar, it appreciated against both the Australian and New Zealand dollars.

Further, inflation fell to 4.1% in April 2017 from 5.6% in March.

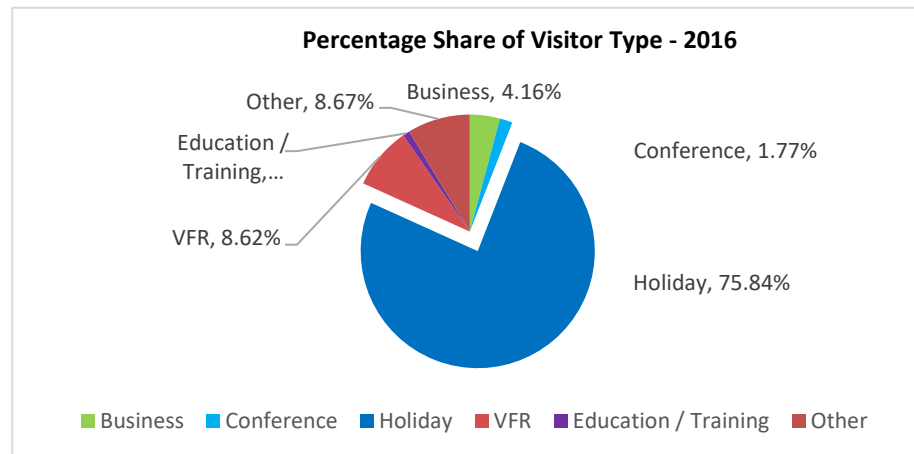
Inflation remains high compared with the trend in the last few years with this being largely attributed to higher prices for yaqona due to supply shortages and an increase in fuel prices.

Foreign reserves rose in April to \$2.0B which is sufficient to cover 5.1 months of retained imports of goods and non-factor services.

ECONOMICS AND TOURISM CONT

Tourism:

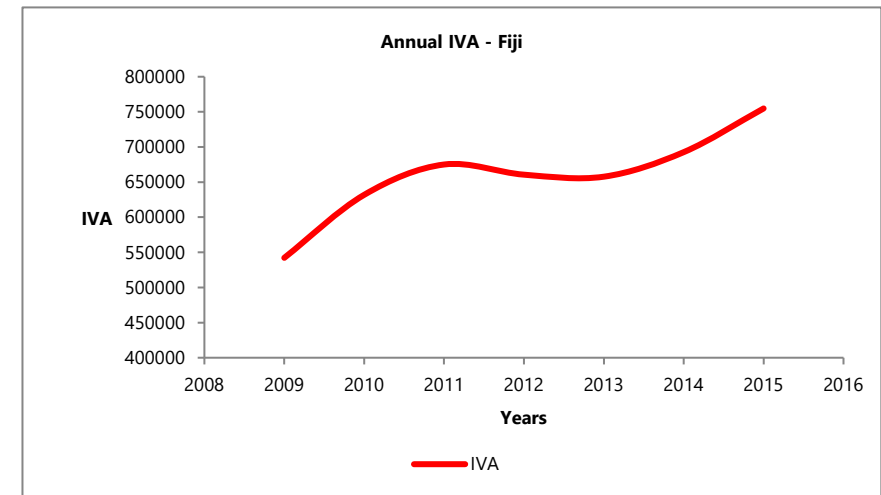
By way of purpose of visit for the year ended December 2016, holidays represented 75.84% at 600,887, the largest sector of all arrivals followed by VFR at 8.62% or 68,262 arrivals.



The main markets can be summarised by the following:

	Australia	New Zealand	USA	United Kingdom	Europe	Japan	China-PRC	Pacific Islands	Other	Total
2011	344829	103181	55089	24054	32354	9616	24389	38823	42715	675050
2012	337291	106122	56478	17076	29327	7069	26395	38886	41946	660590
2013	340151	108239	55385	17209	28905	7314	23423	39450	37630	657706
2014	349217	123978	61924	16782	30585	5888	28333	39298	35625	691630
2015	367273	138357	67831	16716	31195	6092	40174	48570	38447	754655
2016	360370	163836	69628	16712	31916	6274	49083	49741	44760	792320

We also note that there has been a strong increase in arrivals with a 5% increase for the year ended 2016 as compared with the previous year (2015).



On reflection, we note the strength of arrivals is still from the Australian market at 45.48% followed by New Zealand at 20.68%, however we have seen increasing levels from both the United States and The Peoples Republic of China.

In effect, over 65% of arrivals are from New Zealand or Australia being their near neighbours within a flying time of three to four hours respectively.

This demonstrates that the strength of the market is predominated by both Australia and New Zealand.

ECONOMICS AND TOURISM CONT

Turning to gross tourism earnings, we note that earnings since 2011 have compounded more than 5%.

This being reflected as follows:

Tourism Earnings \$M	
Year	Earnings \$M
2011	\$1,286.50
2012	\$1,300.00
2013	\$1,318.20
2014	\$1,404.60
2015	\$1,560.20
2016 est	\$1,638.21

This is formatted by way of a graph as follows:



This confirming total tourism earnings for 2016 which are estimated at \$1.638B or more than 25% of GDP.

KEY INVESTMENT ATTRIBUTES

- Offering a freehold tenure, this is premium and sought after real estate within Fiji.
- Almost beach front locality.
- Other resorts established (Marriott) and the completion of the SO Sofitel in 2018 all underpin the immediate area from a tourism aspect.
- A “greenfields” site, unique and effectively a blank canvas for further development.
- Possibility to develop a resort property.
- Potential to develop a private residence.
- Proximal location with respect to Nadi International Airport (45 minutes).
- Road access.
- A resort development on the site would exude the traditional Fijian hospitality, warmth, friendliness and relaxation uniquely blended with contextual Fijian landscape setting and its relation to the sea. With its tropical landscaped area, expansive Momi Bay views coupled with the unique landfall, this spectacular setting allows for the Fijian character to be exhibited and delivered.
- Proximal to the beach front.
- In effect, the current presentation of the site allows for the ability to explore all possible development options.
- Elevated development on the site would give views to “Cloudbreak” and Tavarua Island.

TARGET MARKET

The Fiji hospitality market has demonstrated increasing confidence, with the upgrade of the Pearl Resort, the Starwoods acquisition, rebranding of the Amunuca on Tokoriki Island to a Sheraton, and the upgrade of the Yalulele Resort, Natadola.

In addition was the opening of the Marriott, Momi Bay in April 2017. This features 136 keys and 114 bure villas, some of which are over water.

Increasing arrivals from generating markets, particularly from New Zealand and Australia all underpin the tourism economy within Fiji.

A new proposal to South Denarau (Denarau Waters) with a marina, hotels, canal front residential and commercial all reinforces the confidence in this Fiji market. In fact, 100 residential lots were sold over a 10-month period in Denarau Waters.

Other Hotel Development Sites:

- Port Denarau proposed hotel Denarau Yacht Club area.
- Port Denarau hotel site adjacent to the carpark in the commercial area.
- FNPF developed the Marriott in the Momi Bay Development which opened in April 2017.
- Due diligence on a hotel in Denarau Waters.
- Pullman Wailoaloa (234 keys).
- Proposed Holiday Inn, Denarau Island (152 keys).
- SO Sofitel, Momi Bay, 5 star by CP Group.
- Due diligence on a hotel on Naisoso Island.

This strengthens the confidence in Fiji. New Zealand and Australia have shown strong increases in tourist arrivals and this has flow on effects for improved investor confidence.

The successful purchaser of Momi could come from anywhere within our global reach. We believe the most likely eventual buyer will be an experienced and well-funded developer, resort owner or individual.

Purchasers which could have an interest in the property for investment or, operate as an owner occupier could include:

- Hotel and leisure.
- Investors in tourism.
- Private individual.

METHOD OF SALE

The method of sale as a vacant site is to be sold by way of a private treaty process.

Initial investigations will allow for due diligence subject to the signing of a confidentiality agreement and inspection of the property. All interested parties will be consulted and urged to conduct their own due diligence.

The conclusion of the sale period will be September 30, 2017.

DISCLAIMER

The information contained in the Information Memorandum is published by Knight Frank for the vendor solely for potential purchasers to assist them in deciding whether or not they wish to make further enquiries with respect to the property. Any depictions of property boundaries are approximate. In common with all owners of land in Fiji the vendor does not have any ownership or exclusive rights of the adjoining sea, beaches, foreshore, rivers or streams.

None of the information contained in this report can constitute any representation or offer by the vendor or the Agent. Prospective purchasers and their advisors should make their own enquiries to satisfy themselves as to the correctness of the information.

The Agent will not assume liability for negligence or otherwise for the material contained in this report. Any liability on the part of the Agent, its employees or agents for loss or damage in any claim arising out of or in connection with this memorandum (other than liability which is totally excluded by this clause), shall not (whether or not the liability results from or involves negligence) exceed \$1,000.

Value Added Tax Disclaimer

The purchase price and the value of the property may be affected by Value Added Tax (VAT). Knight Frank is not qualified to provide advice on any VAT issue relating to the property including how the purchase should be structured to comply with VAT legislation in Fiji.

You should satisfy yourself by your own enquiries as to the impact of VAT upon the purchase price. Neither the Vendor nor Knight Frank makes any representation, express or implied, as to whether or not VAT has any effect on the property or the purchase price.

KFNZ Ltd, LA (REAA 2008), MREINZ

ANNEXURES

Annexure 1:	Certificate of Title	19
Annexure 2:	Photographs	24

ANNEXURE 1: CERTIFICATE OF TITLE

F. Khan and Associates

Consulting Land Surveyor and Developers

P.O.Box 10362,
Nadi Airport.
Phone: 6728750/9921885
E-mail: fkhan@connect.com.fj

8 July 2009

Mr. Clint Montague Miller

Ph: 9388879

Dear Sir,

RE: REDEFINITION OF LOT 2 DP 1322 CT 4344
MOMI, NADI.
PERIPHERY BOUNDARY

I state that I have carried out Redefinition Survey of the above mentioned property. All pegs found and placed on ground are true and correct to the best of my knowledge and belief.

Yours faithfully,



Farid Khan
Registered Surveyor (Fiji)

438



F.I.J.I.

CERTIFICATE OF TITLE.

Register Vol. 44-

Folio 4344

Raut

[See Register of Transfers Book 43 Folio 18]

is now proper subject nevertheless to such Mortgages and Encumbrances as are notified by Memorial underwritten or endorsed hereon of that piece of land containing

Four acres & twenty three perches

be the same a little more or less and situated in the district of Nadroga, island of Viti Levu & known as Nasarusani (part) as delineated & described on book hereof.

[See Certificate of Title Book 41 Folio 4086 and Crown Grant, Register of Titles Book F Folio 1086 with the provisions and reservations therein contained.]

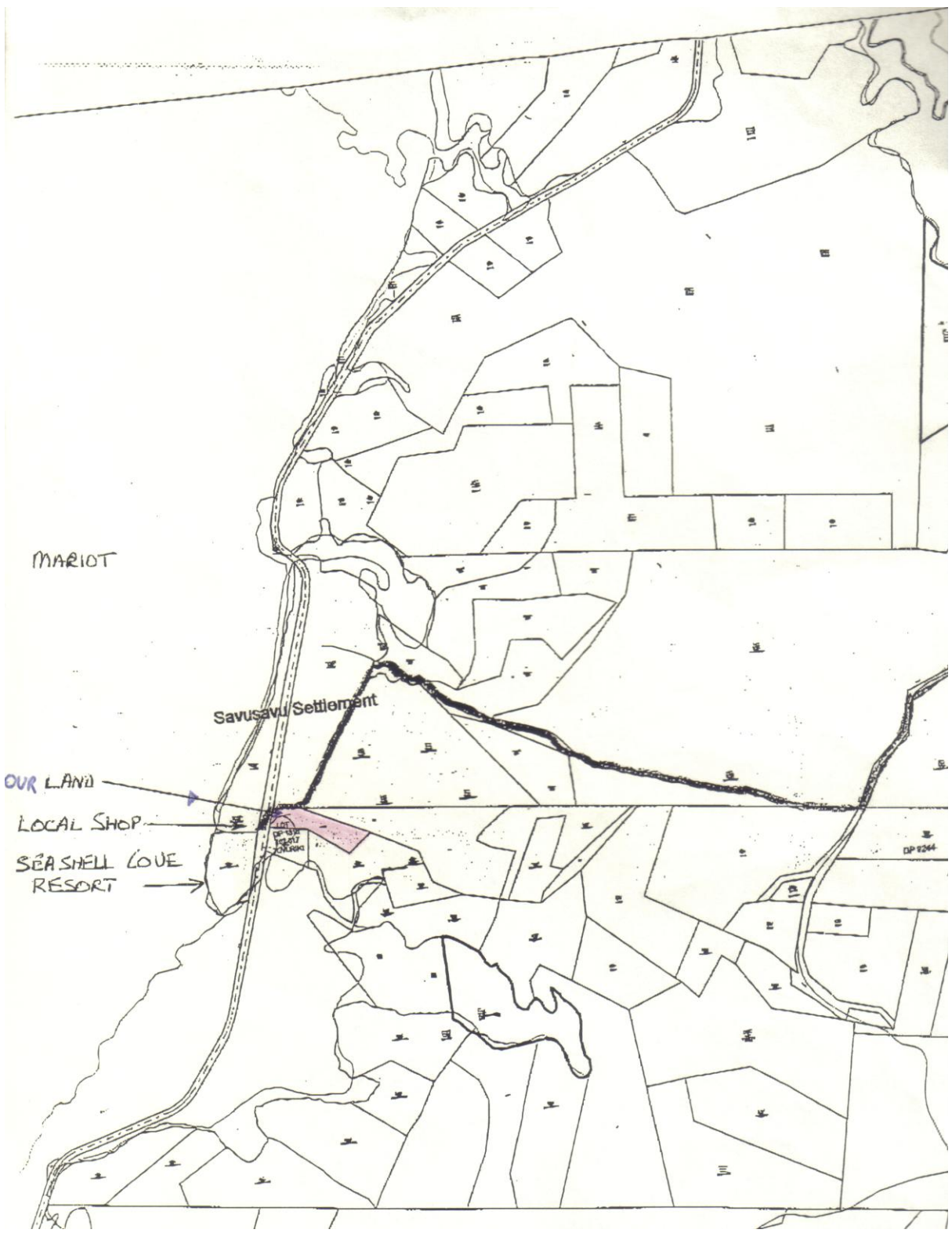
In Witness whereof I have hereunto signed my name and affixed my seal,

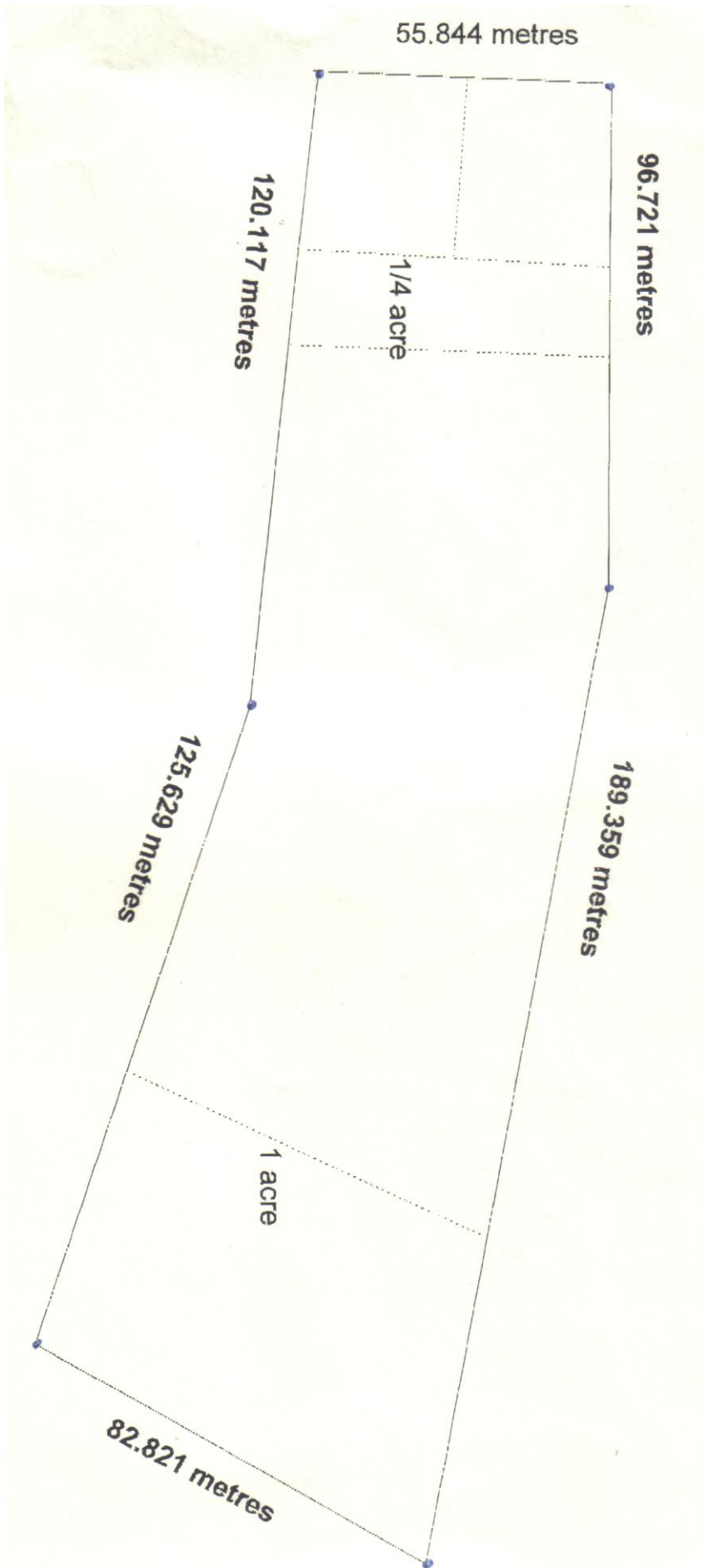
SUBV. 9 February, 1920.



Registrar of Titles.

Mortgage registered 9 February 1920 Register of Mortgages Book 43 Folio 24 Raut to Henry Marks & Company mortgaging to it this land for £200/10/- on demand @ 10%.
Transfer registered 11 September 1922 @ 11% Register of Transfers Book 45 Folio 101 Raut to Morris Hedstrom (Launder) Limited conveying to it all this land.
Transfer registered 15 March 1924 @ 11% Register of Transfers Book 47 Folio 29 Morris Hedstrom (Launder) Limited to Naram Chetty (M Chhotappa Chetty) conveying to him all this land.
Mortgage registered 12 March 1924 @ 7% Register of Mortgages Book 47 Folio 23 Naram Chetty (M Chhotappa Chetty) to Morris Hedstrom (Launder) Limited mortgaging to it this land for £200 @ 7% all 12 December 1925.
1926 12 Feb 1926 12 Naram Chetty to Jeffrey Cecil Dine mortgaging to him this land for £200 @ 7% all 12 December 1925.
TRANSFER
No. _____ Registered for _____
To _____





55.844 metres

96.721 metres

189.359 metres

120.117 metres

125.629 metres

1 acre

1/4 acre

82.821 metres

ANNEXURE 2: PHOTOGRAPHS



'So' Sofitel



Beach



Not to Scale

4.5 Acres (Freehold)





Not to Scale

4.5 Acres

Freehold





Malolo
Lailai Islands

Denarau Island

Nadi

Nadi Airport

Tavarua Island

Marriott Resort

4.5 Acres Freehold Land

Not to Scale

(Approx 45 minute drive to Nadi International Airport)





