

# 5NORTH

## EVERYONE DESERVES AN ADDRESS



### 1. A CASE FOR CHANGE

One of the biggest crises in Australia is the supply of housing, especially **SOCIAL & AFFORDABLE HOUSING**

However, the current methodology of supply and production of housing will not solve the issue.

The Federal Government has established an admirable target in response to the crisis:

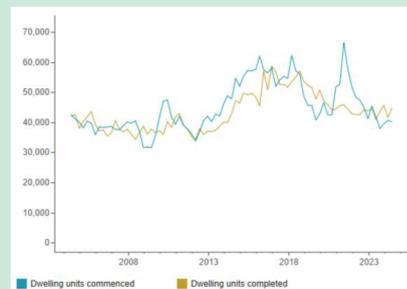
**TO SUPPLY 250,000  
NEW DWELLINGS  
P.A FOR 5 YEARS**

Yet the industry is simply under-resourced to deliver on this target and has been falling short of this target by an average of 100,000 per year for 10 years.

Completions and Commencements are in steady decline:

Building Activity – dwelling construction  
Dwelling units commenced and completed (number), total sectors, type of building), 2004 Q2 to 2024 Q2

Source: ABS – building activity, Australia  
<https://www.abs.gov.au/statistics/industry/building-and-construction/building-activity-australia/latest-release>



While 5North has not actively engaged the market yet (by choice), early engagement with Government bodies and Community Housing Providers (CHP) has resulted in direct enquiries and a pipeline of opportunity totalling 329 dwellings, or over 30% of our first factories annual production.

This number does not include the significant pipeline of activity we're engaging with the South Australian Housing Authority on. To support our revenue development and client engagement in this area, we have our Head of Estimating commencing on 17th February, who joins us with 20+ years of residential estimating experience, and is fully aligned with our purpose.



South Australian Treasurer Stephen Mullighan and Under Treasurer Tammie Pribanic with Wayne Hughes (CEO, 5North) visiting modularly constructed homes in the United Kingdom

Email received Thursday 30th January, 2025

c/o Dr Jessica Martyn, Head of Emergency at Port Augusta Hospital and Retrieval Consultant with the Royal Flying Doctor Service

To address our urgent need, we have developed plans for a 90-room accommodation project mixing studio apartments, dormitory-style housing and motel-style accommodation.

Our initial design are in place and we are exploring the feasibility of modular construction to deliver our project efficiently and cost-effectively – we would welcome the opportunity to meet and discuss how modular construction can align with our requirements and what you would need from us to facilitate this" process.



Royal Flying Doctor Service

Email received 15th November, 2024

c/o Director, Office of Regional Housing

Hi Wayne, Two greenfield parcels of land we have for sale in Whyalla for residential subdivision, one parcel backed by 10 year government rental commitments for at least 10 new houses.

Obviously a competitive market process, but could be a good opportunity for you to get a foothold in Whyalla and demonstrate your product?

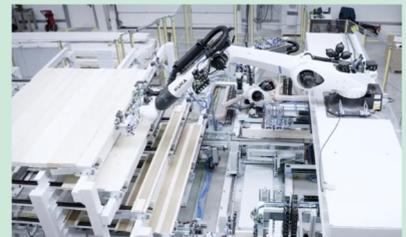


“

Australia's biggest residential builders have told Jim Chalmers the government must lift its funding commitment for enabling infrastructure to \$12bn and bring on an additional 83,000 skilled workers to have a shot at 1.2 million new homes by mid-2029.

— The Australian, 31 January 2025.

”



**PROBLEM:**

Building dwellings in the same old traditional methods will neither end the housing crisis nor drive affordability.

**WE NEED INNOVATION TO BOOST PRODUCTIVITY**

**SOLUTION:**

Using technology and advanced manufacturing, 5North will drive capacity into the market, meeting housing demands of the community.



High-quality



Cost-effective



Ultra-low carbon



Sustainable practices



Efficient processes

## 2. REVOLUTIONISING AUSTRALIA'S HOUSING SECTOR

Housing is not just a construction industry problem, it's an every industry problem

**5NORTH** has a relentless focus on modern, industrialised, automated manufacturing processes and techniques that, together with modular construction methods creates

# 50%

REDUCTION IN  
CONSTRUCTION TIME

Using robotic automation and  
innovative construction solutions

while still adhering to – and even exceeding  
– Australia's Standards and Building codes.



By integrating world-leading technology, automation and innovative engineering techniques

5North ensures that every modular component meets the highest standards of durability, regulation and performance, reducing costs compared to traditional builds, all while delivering high-quality, ultra-low carbon homes that address the demands of modern society.



IT'S ALL ABOUT  
EFFICIENCY  
AND PRODUCTIVITY

## THE FUTURE OF HOUSE PRODUCTION



**5NORTH**

Automated building:  
[click to watch video](#)



# 3. WORLD-LEADING MANUFACTURING FACILITY

5North is set to establish a world-leading manufacturing facility at Elizabeth Park, South Australia to house the robotic production line.

This includes a turnkey contract with the automation vendor to fully install, commission and test, to the first saleable product coming off the line within 10 months of order.



**TIMEFRAME:**  
12 months

**CAPABILITIES:**  
972 homes per year on a single-shift, with only 15 production employees





MONTH	1	2	3	4	5	6	7	8	9	10	11	12
CAPITAL PROFILE	\$11,938,317	\$780,167	\$4,832,402	\$744,947	\$708,331	\$3,258,791	\$1,209,290	\$925,740	\$1,498,907	\$3,203,200	\$1,278,551	\$1,205,051

5North will be utilising the best international expertise in modular and panel construction to deliver a production process utilising advanced technology and robots.

This approach brings knowledge transfer while fostering the development of local expertise.



Full local independence



Creating smart jobs



Self-sufficient manufacturing ecosystem



Efficient scale up capabilities

Supply of a world-leading complete production line on a turnkey basis ready to ship from **KUKA**

Global automation corporation

SALES: Approx. \$4 billion

EMPLOYEES: 15,000

HEADQUARTERS: Augsburg, Germany

One of the world's leading suppliers of intelligent automation solution.

Production setup, staff training, software integration will be supplied by **WAYPAVER**

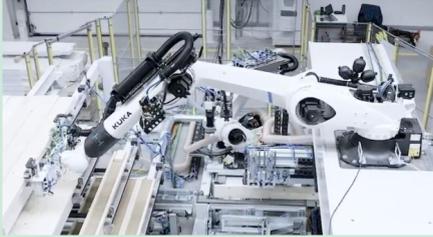
A US company that has created and runs successful modular factories.

Their leadership team covers all the bases, bringing decades of modular factory success as consultants to our project.

5North has an existing exclusive relationship with Waypaver's sister company, Autovol Inc.

## IN OUR SUPPLIERS' WORDS

### KUKA



“ We’re really pleased to support 5North to establish world-class automated modular home construction facilities in Australia. Based on our facilities in Europe and USA, we know this can make a meaningful cost and efficiency impact in nations where skilled labour is at a premium, and demand far outstrips supply. ”

– Timo Heil, CEO, Systems EMEA, KUKA



“ It’s inspiring to know Australia is ready to seriously tackle the problem of producing affordable housing at scale. The reductions in overheads and wasted time we’ve seen throughout factories in North America following our processes have been significant to say the least, and working with 5North, showing Australia there’s a better way – it’s what we live for. ”

– Rick Murdock CEO, WayPaver

## 4. THE AUSTRALIAN BUILDING INDUSTRY IS RIPE FOR DISRUPTION

### THE CONSTRUCTION SECTOR MAKES UP

**13%**



### OF GLOBAL GDP

but does not come close to receiving its fair share of global investment.

This is reflected in an underlying stagnation in productivity in the sector over recent decades, this is a root cause of many of the problems faced.

FOR THOSE THAT GET THIS RIGHT, THE PRIZE IS POTENTIALLY VAST

Working with our supply consultants, projections for the new facility require:

### 15 MANUFACTURING EMPLOYEES

to produce an output of panels, floors and ceilings for 972 dwellings per year (on a single shift)

#### 5NORTH CONSTRUCTION METHODS

Output of 34m<sup>2</sup> per 8 minutes for completed walls, floors and ceilings

29.6 man-hours/dwelling (Factory) + 84.4 man-hours/dwelling (Onsite)

=

**114**

MAN-HOURS/DWELLING

#### CONVENTIONAL CONSTRUCTION METHODS

To produce and assemble the equivalent wall, floor and ceiling structures

=

**562.5**

MAN-HOURS/DWELLING

Onsite activity only not accounting for weather, illness, injury or other factors typically impacting traditional construction productivity.

# OTHER AUSTRALIAN COMPANIES DOING MODULAR

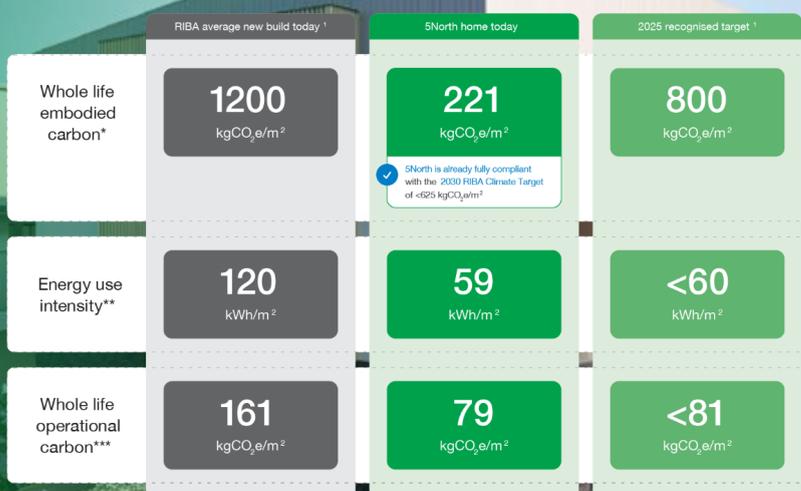


	ModnPods	Modscape	5NORTH
Products and Method	<ul style="list-style-type: none"> <li>• Building Under Roof – no automation</li> <li>• Volumetric supply</li> </ul>	<ul style="list-style-type: none"> <li>• Automation of Walls, Floors and Ceilings (2D Panels)</li> <li>• 2 Robot Stations</li> <li>• 2D Panel approach, completion on site</li> </ul>	<ul style="list-style-type: none"> <li>• Automation of Walls, Floors and Ceilings (2D Panels)</li> <li>• 6 Robot stations</li> <li>• 2D Panel approach, completion on site</li> </ul>
Pricing	On a project by project basis	<ul style="list-style-type: none"> <li>• For new builds or knockdown rebuilds, base modular price is \$4,000 to \$5,500 per m<sup>2</sup> +GST.</li> <li>• Covers Permits to full build</li> </ul>	<ul style="list-style-type: none"> <li>• (2026) - 2D Panels \$1,592.48/m<sup>2</sup> + GST</li> <li>• Full Build - \$2,898/m<sup>2</sup> + GST</li> <li>• Covers complete super structure supply to full build</li> </ul>
Customer	Holiday park operators and bespoke resort owners	Residential home owner and commercial developer	Governments, Community Housing Providers, Developers and Builders
Output	<b>70 per year</b>	<b>250 per year</b>	<b>972 per year on a single shift basis</b>

## 5. LONG-TERM SUSTAINABILITY

Through precision engineering and automated manufacturing, our dwellings are designed to be ultra-low in embedded carbon

### CARBON LIFE-CYCLE INVESTMENT



COMMITTED TO MORE  
SUSTAINABLE CONSTRUCTION METHODS

82%

LESS  
EMBODIED  
CARBON



30%

LOWER ENERGY  
CONSUMPTION



50%

REDUCED  
CARBON  
IN-USE



90%

LESS WASTE  
ANNUALLY



7 STAR

EFFICIENCY  
ENERGY  
RATING

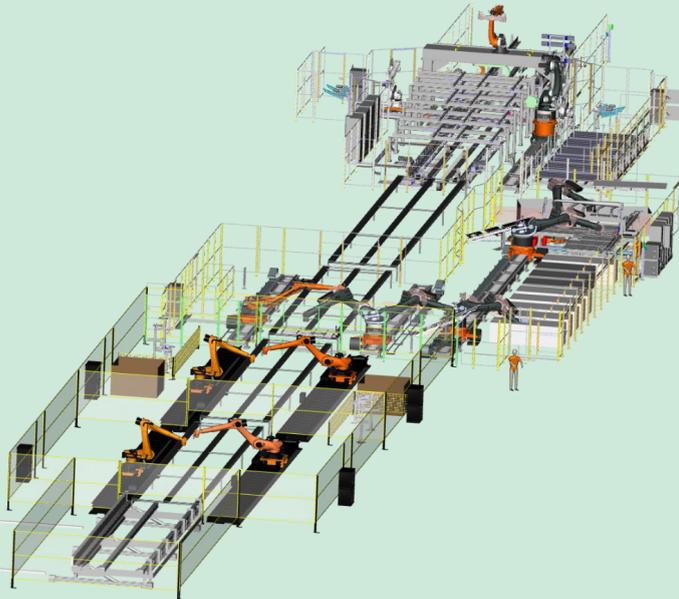


## 6. INVESTMENT

5North is seeking to raise

**\$31,500,000**

in the Adelaide-based  
manufacturing facility  
and associated building  
delivery company.



## REVENUE AND RETURN SUMMARY

Modelling is based on production of 500 dwellings per year which is **51% of the factory's annual capacity on a single shift.**

	2026	2027	2028
<b>Revenue</b>	<b>\$77,439,653</b>	<b>\$180,511,913</b>	<b>\$186,719,260</b>
COGS	\$53,605,078	\$126,440,705	\$130,762,843
Gross Profit	\$23,834,574	\$54,080,531	\$55,965,740
Operating Expenses	\$23,488,734	\$21,757,162	\$20,735,030
Net Profit before tax	\$345,840	\$32,323,369	\$35,230,710

3 Year Net profit before tax average	22,633,307
Valuation	78,750,000
Average 3-year return on net profit before tax	29%

## 7. A TEAM OF LOCAL EXPERTS



**Wayne Hughes – Founder and Managing Director, Majority Shareholder**

Wayne is an internationally experienced leader, having led executive teams, held multiple directorships and serviced property and construction markets in Africa, Europe, the United Kingdom, North America, Asia, Australia and New Zealand during his 25 year career.

Wayne believes in the value of long-lasting relationships and brings strong governance, leadership and a focus on performance to 5North. He holds an MBA and completed the Australian Institute of Company Directors course.

**Backed by a Board with a wealth of experience comprising:**

**Les Mann – Director, Shareholder**

Les has extensive property investment experience and holds an enviable portfolio of commercial real estate assets in SA. In addition to property, Les has a successful track record in various industries and businesses.

Les currently serves as a board member of multiple property and IT focused businesses, including property funds with Australian Financial Services licences. He is an Accountant by profession.

**Graeme Martin – Director, Shareholder**

Graeme has been involved in many different and successful businesses both in Australia and overseas. He has been involved in the management of a variety of regional projects with a strong emphasis on Local Government. Graeme is currently the CEO of Southern and Hills Local Government Association.

Graeme is also a board member of Mildura Airport Ltd and has held numerous directorships previously. He holds an Economics degree (Honours) and has completed the Australian Institute of Company Directors course.

**Colin Goodall – Director, Shareholder**

Colin is both a Chartered Accountant UK and a Chartered Tax Advisor UK. He enjoyed a 24 year tenure with BP based in the UK, USA, Belgium and finally Russia, where he was BP Chief Representative. He was Chair of Dana Petroleum in the UK until sale to KNOC in 2010 and took up residency in Australia in the same year.

He served as Chair of two independent oil companies in Australia from 2011 to 2016, a Board member of Habitat for Humanity from 2011 to 2014, Chair of Common Ground for 2018, Founding Chair of Committee for Adelaide from 2011 to 2015 and Chair of a privately held Water Treatment Company from 2016 to 2019, until its sale to Japanese Investors.

**As part of its ongoing commitment to the South Australian economy, 5North has already engaged and is actively working with South Australian based professional services firms. These firms include Tectvs Architecture, CPR Engineers, TF Certifiers + Consultants and Future Urban (providing planning and development services).**

Our year 1 headcount is intended to be 36, with 4 of our key hires already engaged, and includes the 15 person strong factory team as referenced in our financial modelling.

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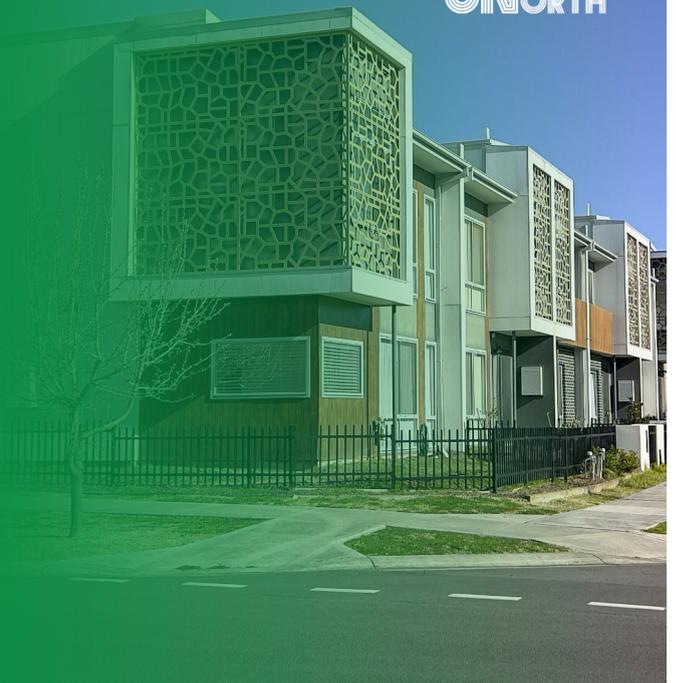
THANK YOU.

5NORTH

We look forward to discussing your interest as a potential investor and partner, as together, we make a real contribution to solving the supply of social and affordable housing.

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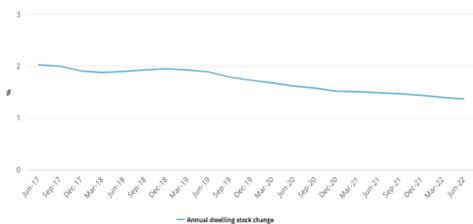
# 8. APPENDICES



Australia's current dwelling stock  
(at 30 June 2022)

**10,879,349**  
DWELLINGS

Growing at  
**1.37%**

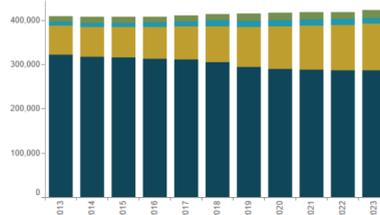


\* Annual growth calculated at the end of each quarter

Source: Australian Bureau of Statistics, Estimated dwelling stock June Quarter 2022

**Social housing: Dwellings, households and household occupants**

Number of social housing households, by social housing program, at the end of June 2013 to 2023 – Australia

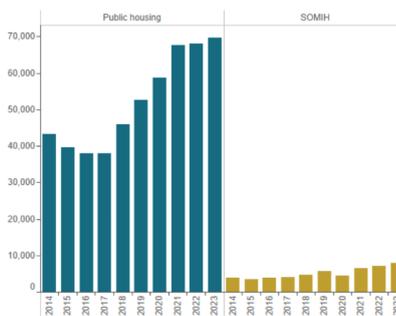


■ Public housing  
■ Community housing  
■ SOMH  
■ Indigenous community housing

Source: AIHW National Housing Assistance Data Repository  
<https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia>

**As a result of rising cost of living pressures and a lack of supply, the waitlist for social homes is accelerating:**

**Wait lists**  
Greatest need households on waitlist, by social housing program, at the end of June 2014 to 2023 – Australia only



Source: AIHW National Housing Assistance Data Repository  
[https://www.aihw.gov.au/reports/housing-assistance-in-australia](https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia)

The US is facing similar macro and micro constraints in housing supply and, as a result, has moved quickly to adopt modern methods of construction, particularly modular construction.

US PERMANENT MODULAR CONSTRUCTION PROJECTS:

2023 Market share

6.64%

TOTAL VALUE:

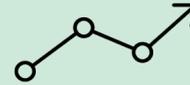
\$14.6B

2015 Market share

2.14%

TOTAL VALUE:

\$3.71B



(Source: Modular Building Institute)

THE AUSTRALIAN BUSINESS REVIEW

BUSINESS > PROPERTY

Commonwealth Bank eases prefabricated housing lending as it looks to boost supply

By MATT BELL

Commonwealth Bank has become the first major bank to allow mortgages on prefabricated housing, as it says more creative thinking is needed to get the government's target of 12 million houses built by 2030 back on track.

Australia's largest mortgage lender is the first of the major banks allow customers to access up to 60 per cent of the total contract price before the prefabricated home is affixed to land, compared to homebuyers who need to cover up to 90 per cent of upfront costs currently.

CBA executive general manager, home buying, Michael Baumann said Australia was not on track to hit the Albanese government's housing target, with creative methods such as prefabricated homes, which are faster to build, needed to unlock greater supply.

"We are behind the target right now and so as an industry we have to think creatively and innovatively about the space and how we actually can achieve that target because it's actually needed for the greater good for Australians," he said.

"We think prefabricated homes can play a major role. In Sweden, 80 per cent of houses are constructed using the prefab methods so there's amazing room to actually go into the space and we think we will see quite some demand from customers."

Prefab and modular building involve constructing parts or entire structures off-site, typically in a factory.

These components, ranging from walls and beams to larger modules like pods, are then transported to the construction site.

Changes announced by CBA will take effect this quarter and include allowing customers to access progress payments prior to the property being affixed to land, of up to 60 per cent of the total contract price, rather than the customer having to fund up to 90 per cent of the upfront costs, which has previously been the case.

Customers who use an accredited [CommonBank prefab manufacturer](#) to construct their

property will be able to access progress payments for up to 80 per cent of the total contract price.

"Currently you have to have the cash to actually pay for the builder for the period of time that you build house, because we only pay out the construction when the (prefabricated) house is put on site and at that time about 90 per cent of building costs have already been incurred," Mr Baumann said.

"Anyone that didn't have the cash to actually buy a prefab house couldn't afford one so this will unlock greater growth for buyers to have access."

CBA will also become the first major bank to join the off-site construction industry peakbody, prefab-AUS, where it will sponsor the development of a standard form contract for the modern methods of construction (MMC) sector to support home buyers and manufacturers.

Standard-form contracts for traditional on-site construction are widely available and accepted by banks, allowing home buyers to enter into an agreement and commence dwelling construction on-site with bank finance. However, this streamlined process does not currently exist for the prefabricated construction industry where homes are built off-site.

PrefabAus founding director Damien Crough said the partnership with CBA would overcome barriers facing the prefabricated housing sector and solidify its role in addressing Australia's housing shortage by unlocking off-site construction.

CBA executive general manager of business lending Grant Cairns said standard-form contracts for prefabricated housing would give home buyers, builders and the banks the confidence needed to develop the product.

"We really saw this great opportunity to develop this product and it has already been a proven success in and Japan. It's not the solution to all of our problems, but we're very excited about it," he said.

"Better lending will give more confidence to buyers on when they're going to be able to move in and reduce the cost by not having to rent for as long."

Using prefabrication, a house constructed in a controlled factory environment is built in 10 to 12 weeks, compared to around 18-plus months through conventional building, which CBA expected would save buyers significantly on hidden costs including rent and labour.

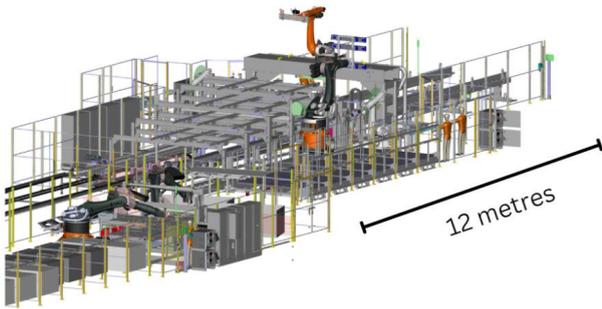
The Albanese government wants to build 12 million well-located new homes between mid-2024 and mid-2029. Data from the Australian Bureau of Statistics shows that for the 12 months to the end of November, 164,749 homes were approved for construction – about 75,000 short of the 240,000 new homes needed to be built each year to reach the National Housing Accord target.

The collaboration between CBA and prefab-AUS has seen Modscape, a major offsite manufacturing company in Melbourne install a new robotic line at its facility in Essendon Fields, the first of its kind in the southern hemisphere.

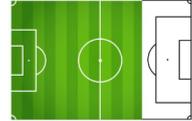
"It plays a crucial role in facilitating the delivery of large-scale residential projects such as the Affordable Housing Project in Cairns, which is the biggest modular social and affordable housing project in Australia and will see 1008 volumetric timber modules delivered," Modscape CEO Ian Gynn said.

The group was able to complete eight modules a day at present.

This is one of the 6 work stations in our first factory, each 12 metres long, and we've cost modelled the entire facility down to the individual bolts.



The total length of the production line is 72 metres roughly 80% of a soccer field.



As mentioned, capacity on a single shift basis is 972 dwellings a year. Australia needs a factory in every state. **Let's get going on the first!**