PRIVATE HOT SPRINGS · MANSFIELD, VICTORIA

A private hot spring in every villa.

A private hot spring villa development on Lake Eildon. 142 villas, each with its own hot spring fed spa drawing continuously from the source beneath the site. Treatments and food delivered to the door. An offer to acquire one villa and a 99-year commercial lease.

DEVELOPED BY TERRAFORM

OPERATED BY WORLDPASS

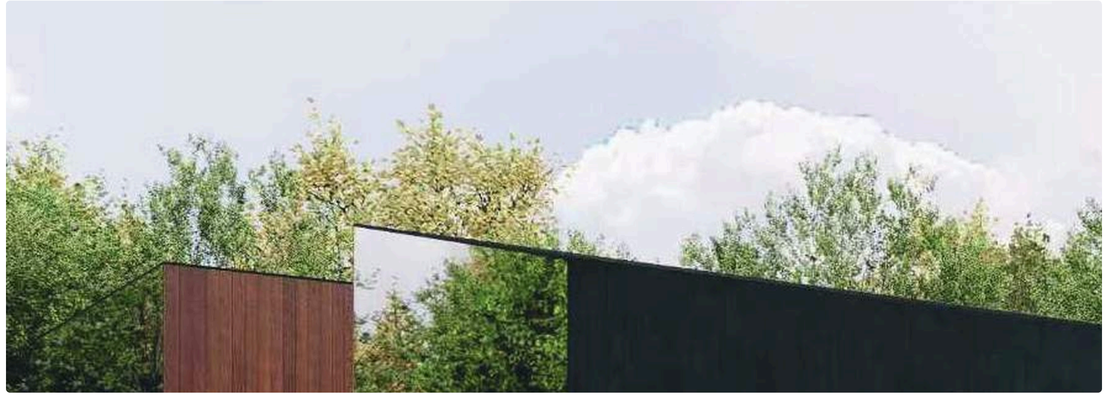
INVESTMENT MEMORANDUM 2026

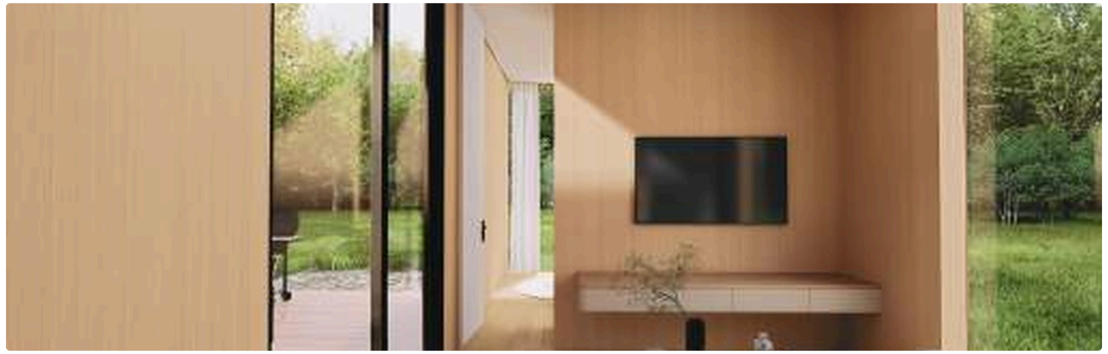
The opportunity

Australia's existing hot springs destinations sell day entry to shared pools. None gives a guest a hot spring of their own.

Om is a private hot spring villa development. 142 villas on 23.68 hectares of Lake Eildon frontage in the Victorian High Country, with a further 1.77 hectares of foreshore held under licence, in premium couples and luxury family formats. Each has its own hot spring pool in a private courtyard, exclusive to the guest staying in it, drawing continuously from the source beneath the site. Massage, bodywork and a whole food kitchen are delivered to the villa.

Private bathing prices the villa in the wellness market. The comparable rates are on page 5.





What is being offered

- Freehold ownership of one villa
- A 99-year commercial lease over its site
- A private hot spring fed spa, supplied under that lease
- Full operation by Worldpass, hands-free

ENTRY

$475k

Luxury villa with a private spa, delivered complete and connected. Ten weeks from contract.

NET YIELD

22.1%

Unlevered, at 75% occupancy and $600 a night. Before capital growth.

OR FIXED

10.0%

Paid monthly, independent of occupancy. Om absorbs every operating cost.

TAX POSITION

Nil

Stamp duty, land tax, council rates and the Victorian Short-Stay Levy do not apply.

Ancient mineral water

The aquifer is the part of this investment a competitor cannot reproduce.

Rain that fell in the Victorian Alps has been working its way down through fractured granite for a span measured in millennia. What reaches the source is a healing magnesium chloride mineral water, independently tested and certified.

Magnesium is the principal mineral in healing bathing water. Om carries 150 mg/L. Peninsula Hot Springs, the largest operator in Australia, publishes 90.

> **Iron and manganese both returned below detection.** Iron-bearing water stains stone and grout and needs constant filtration. This water runs clear and stays clear. That is what makes a spa in every villa affordable to run.

ALS Water, Scoresby. NATA accredited, ISO/IEC 17025. Certificate 23-30330, sample 8577017, 8 May 2023. Peninsula figures as published by the operator. Heat is supplied on site by a Terraform solar array and thermal store. The bore is not geothermal. Full certificate available on request.

COMPOSITION	OM	PENINSULA HS
Magnesium	150 mg/L	90 mg/L
Sodium	180 mg/L	Not published
Calcium	65 mg/L	Not published
Chloride	500 mg/L	1,432 mg/L
Total alkalinity, all bicarbonate	430	Not published
Silica, as SiO_2	19 mg/L	Not published
Total dissolved solids	1,300 mg/L	3,500+ mg/L
Classification		Healing magnesium chloride mineral water

PURITY	RESULT
Arsenic, lead, mercury, cadmium, chromium, nickel	Below detection
Iron, manganese, aluminium, copper, zinc	Below detection
Sulphide, the egg smell	Below detection
Total organic carbon	<0.5 mg/L, no surface contact
Ammonia, nitrite	<0.1 and 0.01 mg/L
Turbidity, colour	0.3 NTU, <2 Pt/Co

Private bathing and in-villa service

Sole use of a private hot spring fed spa for the length of the stay, and everything else brought to the villa.

A stone hot spring pool in the villa's own courtyard, drawing continuously from the source, sized for two to four people and enclosed on every side. An indoor hot spring bath in the master bathroom draws from the same line. No booking window, no shared pool, no set session. The water is running the whole time they are there.

Treatments, meals and multi-day nutrition programs are booked through the Worldpass app as room service and delivered to the villa. The setting does the rest: Lake Eildon on one side, the national parks and the alpine ranges on the other. A guest need not leave the villa for the whole stay.

RATE

Private bathing, treatments and meals without leaving the villa is priced as a complete wellness stay, not as a night's accommodation.

LENGTH OF STAY

Regional cabins book one to two nights. Wellness stays with a program run two to four.

ROOM SERVICE, DELIVERED TO THE VILLA	FORMAT
Remedial and relaxation massage	60 or 90 minutes
Deep tissue and sports bodywork	60 or 90 minutes
Couples massage	Side by side
Facial and skin therapy	60 minutes
Guided breathwork and meditation	45 minutes, at the spa
Contrast therapy protocol	Cold and hot spring immersion
Recovery and mobility session	60 minutes
Om kitchen, whole food and health menu	All day, to the villa
Multi-day nutrition program	**Stays of three nights or longer**

Om operates the wellness and food services. Owners receive no share of that revenue. The commercial benefit to owners is delivered through nightly rate, occupancy and length of stay.

Nightly rate benchmarks

Blended rates. Vertical rule marks the $666 Victorian comparable average.

COMPARABLE	OFF-PEAK	PEAK
Peninsula Hot Springs	$770	$850
Metung, lagoon	$599	$784
Metung, hillside	$499	$684
Japan, mid-tier ryokan	~$500	~$900
Om, Mansfield	**$600**	**$600**

HIGH COUNTRY

4.75m

Visitors in 2024, up 63% on 2015.

WELLNESS TOURISM

$67.6b

Australian market by 2033, from $18.1b.

The $600 base case sits 10% below the blended average of the three Victorian comparables. Peninsula charges $770 midweek and $850 at weekends for a tent with communal bathing only. Metung charges up to $784 for a tent with two barrels. Om is a villa sleeping up to six with a hot spring pool in a private courtyard.

Japanese market data shows the same pattern. Published ryokan pricing guides put an in-room private bath at the highest rate premium of any bathing configuration, above shared baths and timed-slot private baths.

Peninsula per Visit Melbourne and operator offers. Metung per published price list. Ryokan tiers per 2026 market guides, stated for two guests. Retrieved July 2026.

What you own, and what it includes

Two assets, held directly, transferring together on any sale.

The villa

A luxury villa in premium couples or family format, with its own hot spring pool in a private courtyard. Built with Terraform Shell, a prefabricated panel system manufactured to factory tolerance and assembled on site. Classified as an unregistrable movable dwelling, engineered for alpine loads and delivered connected to the hot spring reticulation. As a movable dwelling it is not a fixture, so it is owned separately from the land.

The lease

A 99-year commercial lease over the site. Exclusive rights to occupy and derive income, plus continuous private mineral water supply to the villa spa. Freely transferable, with no restriction on exit. The interest is a lease, so the taxes attaching to freehold land do not arise.

INCLUDED IN THE $475,000

- Villa delivered, installed and commissioned
- Hot spring pool in a private courtyard
- Indoor hot spring bath
- Bore connection and reticulation
- Screw pile foundations
- One-way mirror laminated glazing, double glazed
- Designer kitchen and bathroom, climate control
- Hybrid flooring, smart lighting, destination Wi-Fi
- 99-year commercial lease over the site
- 7-year waterproofing and appliance warranties

NOT INCLUDED

Furniture and linen packs	$12,000
Extended deck and spring terrace	$15,000
Infrared sauna, treatment alcove	$20,000
Entertainment, outdoor furniture	$4,500
Off grid solar and battery	$20,000
Park Contribution Levy, annual	$14,000
Purchaser’s legal and advisory costs	At cost

The villa is delivered unfurnished. The furniture and linen packs are required before first letting and should be treated as part of the entry cost, not as optional upgrades. Remaining items are elective and are modelled on page 7.

The returns

Performance managed

Purchase price	$475,000
Rate and occupancy	$600, 75%
Gross revenue	$164,250
Park levy	$14,000
Management, 20%	$32,850
Cleaning, 94 stays	$6,110
Spring servicing	$3,600
Insurance levy	$2,800
Net profit	$104,890
Net yield	22.1%

Fixed leaseback

Purchase price	$475,000
Annual return	10% of price
Income	$47,500
Paid	$3,958 monthly
Park levy	Absorbed
Management, cleaning	Absorbed
Spring servicing	Absorbed
Insurance	Absorbed
Occupancy exposure	None
Net yield	10.0%

Sensitivity and finance

OCCUPANCY	NET	YIELD
12.2%, break-even	$0	0%
60%	$79,780	16.8%
75%, base	$104,890	22.1%
90%	$129,935	27.4%
90% at $800	$182,495	38.4%

IF FINANCED

$356,250 at 75% LVR, 12% over ten years principal and interest, costs $61,334 a year. Base case income leaves $43,556 of surplus cash, or **36.7% cash-on-cash** on the $118,750 deposit. Add the $19,641 of principal repaid in year one and total return on equity is **53.2%**. Cash-flow break-even moves to 49%.

All figures unlevered unless stated. 2.9 night average stay. Owners receive no share of in-villa wellness or food revenue. Figures exclude capital growth and are stated before tax. Illustrative only.

Fixed supply and capital growth

The lease is the part of the asset that carries long-term value.

The planning permit provides for 143 dwellings. Site area and bore capacity are fixed. Supply is closed at 142 and cannot increase.

Lake Eildon visitation is projected to rise 70% by 2030, across a fixed number of villas. The only variables that can respond are nightly rate and occupancy. Both accrue to the leaseholder.

Alpine leases, marina berths and club licences follow the same pattern. The right to occupy takes a growing share of total value over time. The Om lease runs 99 years and includes the water.

> **At $475,000 the entry yield is 22.1%.** It is high because the destination has no trading history. Establish a record and the yield a buyer requires falls. The same income then supports a higher price.

IMPLIED VALUE OF $104,890 OF INCOME

Base case net income capitalised at the yield a future buyer accepts. Yield compression requires an established trading record and is not guaranteed.

THE SECOND DRIVER: INCOME GROWTH	NET INCOME	AT ENTRY YIELD
Base case, 75% at $600	$104,890	$475,000
Stabilised, 90% at $600	$129,935	$588,000
Maturity, 90% at $800	**$182,495**	**$826,000**

Acquiring through an SMSF

A villa at Om is a permitted investment for a self-managed superannuation fund.

Acquire it outright from fund cash, or borrow under a limited recourse borrowing arrangement complying with section 67A of the Superannuation Industry (Supervision) Act 1993. One tangible income-producing asset the trustee can inspect.

Income is taxed at 15% in accumulation and nil in pension. Capital gains beyond twelve months are taxed at an effective 10% in accumulation and nil in pension.

$475,000 OF FUND CAPITAL	ACCUMULATION, 15%	PENSION, NIL
Balanced option, net of tax	$35,625 7.5%	$40,375 8.5%
Om, fixed leaseback	$40,375 8.5%	$47,500 10.0%
Om, performance managed	**$89,157 18.8%**	**$104,890 22.1%**

ANNUAL INCOME ON $475,000, PENSION PHASE

IN PENSION PHASE

$104,890

Tax free in pension phase, on $475,000 of capital, from one asset.

FIXED ALTERNATIVE

$3,958

Per month under leaseback, tax free in pension phase, with no occupancy exposure.

> **The comparison above omits liquidity and diversification.** A balanced option holds hundreds of investments and exits in days. A villa at Om is one asset, one sector, one location, one manager, and a sale may take months. The yield gap is the price of that. Trustees should test it against the fund's investment strategy, diversification and liquidity requirements, and take licensed advice.

Balanced option shown at 7.5% in accumulation, illustrative of long-run averages and not a forecast. Published superannuation returns are quoted net of fees and tax, so no further tax is deducted; the pension figure reflects the absence of the 15% earnings tax and is indicative. Median growth options returned 9.5% for the year to June 2026 per Chant West. Om figures are base case, unlevered. SMSF borrowing must comply with s67A of the SIS Act 1993. This page is not tax or financial advice.

Risk and downside

BREAK-EVEN, UNLEVERED

12.2%

45 nights a year. Base case is 75%.

COVER TRIGGERS AT

45%

Destination-wide occupancy. Owner break-even is 12.2%.

INSURANCE STACK

Commercial property	$600k per villa, new for old
Contents	$50k, no depreciation
Business interruption	12 months, to $164,250
Public liability	$20M destination-wide
Occupancy drop cover	**Parametric, below 45%**

RISK	POSITION
Occupancy	Three demand sources: summer lake, winter alpine, year-round bathing. Break-even is 12.2%. Leaseback removes the exposure.
Water supply	Bore drilled and independently certified. Supply, filtration and reticulation sit under the levy, with no capital call on owners.
Delivery	Villa spas are connected at handover and draw from a source already tested and certified. Villas earn from the date of handover. Nothing in the base case waits on a later stage of the destination.
Liquidity	The principal risk. Resale is unrestricted, but the market is thin and an exit may take months. Investors should not commit capital they may need at short notice.
Regulation	**Tourism is 26% of the regional economy and local government is supportive. Short-stay regulation may still change.**

Parametric cover pays a fixed lump sum once per policy year, distributed through the destination waterfall covering site fees for all owners. Owners on the leaseback structure carry no occupancy exposure at any level. All figures illustrative. Investment carries risk, including loss of capital.

Delivery and operation

Ten weeks from contract to a villa earning income.

DELIVERY

Building system	Terraform Shell. Wall, floor and roof panels manufactured to factory tolerance, shipped flat and assembled on site
Contract to commission	10 weeks, including installation, fit-out and spring connection
Insurance	Cover in place during build
At settlement	Ownership of the villa and the 99-year commercial lease pass to the purchaser
Warranties	7-year waterproofing, plus manufacturer warranties on all appliances
Water infrastructure	Source, reticulation and filtration sit under the levy. No capital call on owners
Energy	**A site solar array with thermal storage, sized for all 142 villas. Villas pre-wired for individual off-grid solar and battery**

WORLDPASS MANAGES

Occupancy	Active yield management and rate optimisation year-round
Marketing	450 booking channels and travel agencies worldwide
Guest services	24/7 communication, digital check-in, concierge
Wellness delivery	Therapist scheduling, treatment fulfilment, kitchen
Spring maintenance	Water testing, filtration, thermal management
Cleaning	Professional turnover after every stay
Finance	**Revenue collection, owner reporting, tax documentation**

MANAGEMENT FEE

20%

Of gross rental income. The fee grows only when your income does.

UNDER LEASEBACK

No fee

The fixed 10% replaces the management fee. Om absorbs every operating cost.

Owners see live booking calendars, income, expenditure and return in the Worldpass app, and book their own stays through the same platform their guests use. Woolong provides acquisition finance to companies, trusts and SMSFs at up to 75% LVR, secured against the villa, the registered leasehold interest and the income stream. Most facilities settle in four to six weeks. Personal name borrowing is not supported.

Sponsor and process

TERRAFORM

Terraform designs and manufactures solar-powered materials plants, industrialised building systems, and the developments built from them. The chain runs from a photon striking a panel to a person opening a door. Heavy industry was designed around expensive energy; Terraform machines are designed for cheap energy. Om is a Terraform World.

WORLDPASS™

Worldpass is single-account access to every Terraform World. It operates the destination and distributes across 450 booking channels. Guests book Om through the Worldpass app, which becomes their key, concierge and guide. Owners see live bookings, income, expenditure and return in the same app.

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Woolong provides acquisition finance to companies, trusts and SMSFs at up to 75% LVR, secured against the villa, the registered leasehold interest and the income stream. Most facilities settle in four to six weeks.

Process

- **One** Site selection and reservation, refundable
- **Two** Due diligence pack, including the lease form and the water analysis
- **Three** Structure election: performance managed or fixed leaseback
- **Four** Contract and finance, settling in four to six weeks
- **Five** Delivery and commissioning, ten weeks from contract

Contact

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