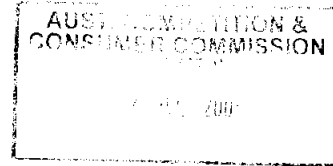


CLARENDON RESIDENTIAL COMMUNITIES PTY LIMITED
ACN 097 809 857

Our Ref: Tanya Gilbert

1st July, 2005

Australian Competition and Consumer Commission
GPO Box 3648
Sydney NSW 2001



FILE No:
DOC:
MARS/PRISM:

Dear Sir/Madam,

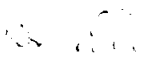
Third line forcing notification – Clarendon Residential Communities Pty Limited

We enclose herewith the following for lodgement: -

1. Form G Notification.
2. Cheque in favour of the ACCC for \$100.00.

Please acknowledge receipt.

Yours faithfully,
Clarendon Residential Communities Pty Limited


Tanya Gilbert
Group Legal Supervisor

Form G

Commonwealth of Australia

Trade Practices Act 1974 - Sub-section 93(1)

N. 313406

EXCLUSIVE DEALING:

NOTIFICATION

To the Australian Competition and Consumer Commission:

Notice is hereby given in accordance with sub-section 93(1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to in sub-section 47(2), (3), (4), (5), (6) or (7), or paragraph 47(8)(a), (b) or (c) or 9(a), (b), (c) or (d) of that Act in which the person giving notice engaged or proposes to engage.

1. (a) Name of person giving notice:

Clarendon Residential Communities Pty Limited ACN 097 809 857
(**'Clarendon Residential Communities'**)

(b) Short description of business carried on by that person:

Clarendon Residential Communities is engaged in the sale and development of land for residential purposes.

(c) Address in Australia for service of documents on that person:

Tanya Gilbert, Clarendon Residential Communities Pty Limited, Norwest Quay, Unit 2, First Floor, 21 Solent Circuit, Baulkham Hills, New South Wales, 2153.

2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

This notice relates to the sale of completed or nearly completed homes (including house and land packages) by Clarendon Residential Communities of:

- The whole of the Shearwater Estate at Warriewood, New South Wales.

(b) Description of the conduct or proposed conduct:

Clarendon Residential Communities is the registered proprietor of the Shearwater Estate and wishes to offer customers who purchase a completed or nearly completed home (including house and land packages) from Clarendon Residential Communities at Shearwater Estate, an interest rate for the finance of the home of 5.99% guaranteed for two years.

In order to obtain this offer purchasers will be required to obtain the finance for the home from Easy Living Home Loans Pty Limited ACN 114 185 143 (**'Easy Living'**). Purchasers will make loan repayments to Easy Living and Clarendon Residential Communities will reimburse Easy Living for the shortfall between Easy Living's usual interest rate and the rate of 5.99%.

(c) Class or classes of persons to which the conduct relates:

The conduct relates to actual and potential house and land purchasers, purchasing completed or nearly completed homes (including house and land packages) from Clarendon Residential Communities at Shearwater Estate.

(d) Number of those persons:

(i) At the present time:

0

(ii) Estimated within the next year:

160

(e) Where the number of persons stated in item 2(d)(i) is less than 50, their names and addresses:

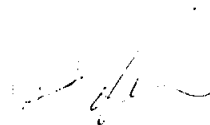
At this stage it is not possible to provide the requested details, as this is a general offer being made to the public.

3. Name and address of person authorised by the person giving this notice to provide additional information in relation to this notice:

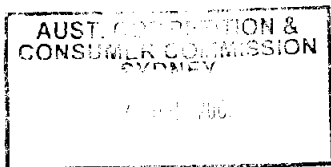
Tanya Gilbert, Clarendon Residential Communities Pty Limited, Norwest Quay, Unit 2, First Floor, 21 Solent Circuit, Baulkham Hills, New South Wales, 2153.

DATED 20 JUNE 2005

SIGNED on behalf of the applicant



Tanya Gilbert
Group Legal Supervisor



**SUBMISSION BY CLARENDON RESIDENTIAL COMMUNITIES
IN SUPPORT OF A NOTIFICATION UNDER SECTION 93(1)
OF THE TRADE PRACTICES ACT 1974**

1. Background

- 1.1 Clarendon Residential Communities is the registered proprietor of the Shearwater housing estate in Sydney. Clarendon Residential Communities offers house and land packages for sale and also offers for sale a selected number of completed or nearly completed homes in the Shearwater Estate.
- 1.2 Clarendon Residential Communities wishes to offer customers who purchase a completed or nearly completed home from Clarendon Residential Communities in Shearwater, an interest rate of 5.99% guaranteed for two years. In order to obtain this offer customers will be required to obtain finance for the home from Easy Living.
- 1.3 Purchasers taking up the offer will make loan repayments to Easy Living. Clarendon Residential Communities Homes will reimburse Easy Living for the shortfall between Easy Living's usual interest rate and the interest rate of 5.99% for two years.
- 1.4 Purchasers who do not wish to obtain finance from Easy Living may still purchase a completed or nearly completed home from Clarendon Residential Communities, but will not be entitled to receive the guaranteed interest rate of 5.99% for two years.
- 1.5 The proposed conduct will affect all lots in the Shearwater Estate.

2. Market

The market to which the proposed conduct relates is the residential real estate market in the Sydney region.

3. Analysis of the Conduct

- 3.1 The conduct described in **Form G** is exclusive dealing within sections 47(6) and 47(7) of the *Trade Practices Act 1974* (Cth). Clarendon Residential Communities submits that there is no likely detriment to the public resulting from that conduct.
- 3.2 The proposed conduct does not have the effect of substantially lessening competition in the relevant market in that:
- (a) the Shearwater Estate in Warriewood of 180 lots represents a small proportion of residential real estate available for sale in the Sydney region;
 - (b) based on information supplied by the Urban Developments Institute of Australia, approximately 25,000 lots will be released for residential development in the Sydney region over the next six years. This project represents less than 1% of that supply; and
 - (c) the proposed conduct relates to services which are supplied by Easy Living, a company which currently shares a common director and company secretary with Clarendon Residential Communities.
- 3.3 The proposed conduct offers significant benefits to purchasers in that:

- (a) purchasers will obtain an interest rate of 5.99% guaranteed for two years on the purchase of their home. Easy Living offers fixed interest rates starting from approximately 7.1%.
- (b) Based on the purchase of a \$724,000 to \$975,000.00 house with a deposit of 10%, and with an interest rate which would otherwise be 7.1% over the initial two years, the offer affords a significant total saving to a purchaser taking up this offer.

4. Conclusion

For the reasons stated above, Clarendon Residential Communities submits that the proposed conduct provides benefits to the public and will have no anti-competitive effect and therefore no public detriment.