

AVJennings

THE MARKET

From its earliest days, Australia has been seen as the land of opportunity.

For many, owning a home is the defining symbol of having succeeded in life. That's why the dream of home ownership has become part of the Australian psyche and remains a dearly-held goal today. A home is more than a status symbol: it symbolises Australian ideals of independence, security and self-reliance.

Many young Australians take it for granted that they will live in their own homes, albeit comprehensively mortgaged, before they reach 30 years of age. This would be impossibly ambitious in many other developed countries, but in Australia it can be achieved. Land is still relatively affordable, at least outside the centres of the major cities. As a result, young people often choose to achieve their goal by buying a block of land and having their own home built.

More than 100,000 new detached homes are built every year in Australia to meet this demand - a total building market worth more than \$11 billion, not including apartments, units, renovations or other domestic building.

ACHIEVEMENTS

AVJennings is, and has been for some 65 years, Australia's leading new home builder and land developer. The company's activities are focused on the new home market, and it specialises in meeting the needs of buyers who dream of building and owning their own home but who do not desire or cannot afford to employ an architect. The core business of AVJennings is to



provide exceptional value, high quality and imaginatively designed housing for Australians.

Today the company is ranked as the clear market leader in Australian home building, and regards its stability in this volatile industry as one of its greatest achievements. It is particularly proud that AVJennings is a household name in Australia, synonymous with well designed, high quality affordable homes. No other Australian builder can claim such a distinction.

Innovation is at a premium in AVJennings, and this goes well beyond innovation in building technologies. The company pioneered the introduction of imaginative finance packages for prospective clients from its very earliest days. Today AVJennings has its own mortgage broker and manager, The Home Loan Company. Low deposit deals on house and land packages help first home buyers get into the market without a great deal of capital, and special packages make it easy for second home buyers to remain in their existing home while their new home is being built. Anyone who knows the cost of bridging finance will recognise the advantages of that.

The scale of AVJennings' operations demands close cooperation between the company and its suppliers, and this keeps prices down for both the company and for its homebuying clients. The benefits go beyond cost, however. By working closely with its suppliers, AVJennings has helped to introduce, for example, innovative water management solutions, as well as a whole range of environmentally sensitive technologies, materials and practices.

AVJennings' home designs are constantly refined to see that they give the new owners appropriate, attractive and efficient living areas. Designs vary widely to cater for the individual needs of homebuyers. It's obvious that growing families, first home buyers and retirees all have quite different requirements, and accordingly each AVJennings home can be tailored to meet its buyer's needs and tastes.

HISTORY

The foundations of AVJennings were laid during the Great Depression - an unlikely moment for the launch of a successful new company.

In fact, the birth of the firm was a direct response to those hard times. Albert Victor Jennings, working as a suburban Melbourne real estate agent, saw an opportunity to stimulate his agency's flagging business. He would build new, inexpensive homes at prices made possible by the low cost of labour and materials during the Depression.

Albert Jennings set to work with a local builder, William Vine. They built their first house early in 1932 on a block of land which Vine owned at what is now 78 Booran Road, Glen Huntly in Melbourne. The house was bought by a local baker and the date of settlement - 12 June 1932 - was later nominated by Sir Albert Jennings as the date of the firm's birth. By the end of

its first year of operation AVJennings had sold nine houses for £9000, Sir Albert later recalled, making a profit of £900 - pretty respectable at a time when many working men were struggling to feed their families.

In the mid 1930s the business boomed, despite the still parlous state of the economy. Albert Jennings and his team expanded into developing and building new housing estates. First came the Hillcrest estate and then, in 1934, the Beauville estate, both close to the home base at Glen Huntly. By 1935 Jennings Construction (as it was called) was one of the largest and most successful homebuilding concerns in Melbourne. Even at this early stage Albert Jennings was actively engaged in helping to raise finance for his customers - sometimes from his own pocket.

During World War 2, all homebuilding abruptly stopped. But AVJennings rose to the challenge, and the company bid successfully for government building contracts to offset the loss of house construction. The firm's experience in light construction proved extremely valuable, and Jennings Construction enjoyed something of a boom. This put it in a strong position to re-enter the newly invigorated home building market when it took off again in the years after World War 2.

In 1948 the company celebrated the construction of its 1000th house. By then AVJennings owned a series of subsidiary building supply companies and was regularly winning major housing commission work from the Victorian Government.

AVJennings Construction became a registered



proprietary limited company on 3 November 1947. After major share issues in the late 1940s, to finance massive expansion, Albert Jennings himself ceased being the sole owner, though he continued to run the company. The firm went public in 1950.

After some difficult years in the early 1950s, brought about by an abrupt change in government contracting policy and an economic downturn, AVJennings refocused on developing private housing estates. By the early 1960s the company was operating successfully everywhere in Australia, except the Northern Territory.

During the 1970s the company grew to be one of the largest construction firms in Australia, with a raft of major subsidiaries. It won a series of large contracts from state and federal governments, particularly for schools, hospitals and public housing, and had interests in mining and even farming. Albert Jennings had been knighted in 1968, though he insisted that anyone who called him Sir Albert would be fined "two bob". He resigned as Chairman of the company in 1972.

In the mid 1980s the huge New Zealand company Fletcher Challenge bought into AVJennings and by 1990 held a majority shareholding. In 1995 AVJennings was merged with the publicly listed Long Homes and this has cemented AVJennings' position as Australia's preeminent homebuilder and community developer.

In recent times AVJennings has sharpened its focus once more on new homes and estate development. In this market AVJennings has no peer in terms of customer service, innovation in design, and value for money.

THE PRODUCT

AVJennings has always been the innovator in a generally conservative industry. The company has attained its position as Australia's number one home builder and community developer by leading the way in home design, construction, customer service, value added services and marketing.

AVJennings' does not simply sell houses to its customers. Buying a house is one of the most important purchase decisions of anyone's life, and people who entrust part of that decision to AVJennings can expect far more than bricks and mortar.

Every customer enjoys a range of benefits which includes a comprehensive lifestyle study to help them select the right home. Every customer benefits too from financial and insurance advice, consultancy on colour schemes and on interior and exterior styling. Every customer is automatically entitled to a free post-construction maintenance period, and a 25-year



structural guarantee.

Most of these are AVJennings innovations. Taken together they constitute a package of benefits unique in the building industry in Australia.

RECENT DEVELOPMENTS

AVJennings has made a conscious commitment to maintain its reputation as a secure, innovative icon brand within a relatively fragmented and unstable industry. This has allowed it to defy the downturn in the Australian housing industry and to continue to prosper.

Competitors have cut back on customer service, design development, added value services and even quality of materials. But AVJennings has moved in the other direction and strengthened its commitment in these priority areas. This strategy naturally attracts customers to the brand. Indeed they often become advocates for it when they find their expectations are not only met but comfortably exceeded.

Furthering its commitment to Australians, AVJennings has recently re-launched its franchising division. This move makes available AVJennings designs and services to regional Australia at a time when many other builders are pulling out of these markets.

PROMOTION

AVJennings' promotional strategy is to build brand awareness, via quality branding campaigns and through design orientated retailing promotions which keep the market informed about opportunities and events of interest to potential customers.

Mass media communications on TV, radio and in newspapers are supported by database development and also by direct contact through My Home, the AVJennings magazine. My Home is a high quality quarterly homemaker magazine which carries features on home design, decorating, gardening and so on, as well as news from AVJennings' state operations.

Another promotional innovation is the Advantage Card discount shopping scheme. All AVJennings customers enjoy free membership of this service.

These, and a wide range of specific retail promotions, underpin the company's relationship with existing and potential customers. Such initiatives help build confidence in AVJennings as the firm which will deliver a dream home.

BRAND VALUES

AVJennings' public image reinforces the company's core values of quality, design innovation, flexibility and choice, value for money and unsurpassed customer service.

The name of Sir Albert Victor Jennings is known throughout the country, and his original commitment to the ideal of "quality, affordable housing for all

Australians" is at the very heart of all the company's activities and culture.

Current advertising and marketing themes support these values. Advertisements carry the strap line 'Dreams Can Come True', which sums up the company's philosophy, unchanged since the 1930s.

Recent market research illustrates the icon status of the AVJennings brand in Australia:

- Brand recognition 51% (closest competitor 29%)
- Builds quality homes 54% (closest competitor 25%)
- Builds innovative homes 44% (closest competitor 22%)
- Guarantees the product 54% (closest competitor 22%)
- Adds to resale value of home 34% (closest competitor 13%)

The company is Australia's premier home builder and community estate developer, and nearly 2000 AVJennings employees and subcontractors around the country are dedicated to maintaining this position.



Things you didn't know about AVJennings

- AVJennings has built more than 100,000 homes in its 65-year history; around 260,000 people now live in AVJennings homes.
- One in every 25 homes built in Australia every year is an AVJennings home.
- AVJennings opened Australia's first display home in Murumbidgee, Victoria in 1934. It was Albert Jennings' own idea and helped sell houses in the company's Beauville estate. About 15,000 people visited the display home before sales on the estate were completed.
- AVJennings' second estate, Beauville, contained one of Australia's first cul-de-sacs. It was quite a feature, but apparently caused a few problems for drivers unfamiliar with the concept.
- More than 300,000 people visit AVJennings Display Centres every year.

