

Item 3 - Attachment J - Feasibility Assessment

CONCORD WEST

Feasibility Assessment



Prepared for Kulcher Pty Ltd

Contents

1.0	Introduction.....	4
2.0	Method of Feasibility Testing.....	5
3.0	Feasibility Results	6
4.0	Assumptions in the feasibility modelling	9
APPENDIX A :	Market Research	12
APPENDIX B :	Financial Models.....	19

Tables

Table 1: Sanctuary - 14-16 Hill Road.....	12
Table 2: Pavilions	13
Table 3: Mirage.....	13
Table 4: Reflections	14
Table 5: Homebush Gardens	15
Table 6: Development site sales.....	16

Figures

Figure 1: Aerial Image of Subject Site.....	4
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This document is for discussion purposes only unless signed and dated by a Principal of HillPDA.

Reviewer

Signature		Dated	26/03/21
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Report Details

Job Number	C21025
Version	Final
File Name	Concord West Feasibility Report
Date Printed	24/03/21

1.0 INTRODUCTION

HillPDA was commissioned by Dickson Rothschild on behalf of Kulcher to undertake the development feasibility testing of hypothetical redevelopment options in accordance with the Planning Proposal for the rezoning of land in Concord West hereafter referred to as the Precinct.

It is understood that Kulcher is seeking the rezoning of the Precinct from IN1 General Industrial, R2 Low Density Residential and R3 Medium Density Residential under the Canada Bay Local Environmental Plan (LEP) 2013, to a zone or zones that would allow higher density residential development and shop front commercial space.

The Precinct is adjacent to the Concord West Railway Station and is situated in the Canada Bay Council Local Government Area (LGA), some 4km east of Sydney Olympic Park and 15km west of the Sydney CBD.

The Precinct shown in the figure immediately below is defined as the area bounded by Liberty Grove to the north, the railway line to the east, Victoria Avenue Public School to the west and the Westpac building to the south in the suburb of Concord West. The Precinct spans across 4.6 hectares of land in multiple ownerships excluding public roads.

Figure 1: Aerial Image of Subject Site



Source: Six View Maps

The purpose of this report is to provide the findings from the feasibility testing of various housing and mixed use typologies to firstly appreciate if the proposed LEP changes are likely to result in urban renewal and if not then to test the minimum scale of development that is required which would result in urban renewal.

2.0 METHOD OF FEASIBILITY TESTING

The method of feasibility testing used was development profit calculation or static method rather than cash flow method. While it is not as accurate as a cash flow method, it is more than suitable for this purpose. The method simply inputs revenues less costs in a bespoke Excel model to derive a development profit and then divides profit by total project costs to derive a development or profit/risk margin.

Given the size of the project and the level of project risk and complexity we would assume that a development margin of 16% would be required for a developer purchasing the site without development consent. It is unlikely that an equity partner or lender would provide funding for the project if it did not show a 16% margin without development consent. A lower margin of say 12% to 15% might be acceptable if the site was sold with development consent.

The residual land value method is a reverse of the development profit model. For any hypothetical development option, it starts with revenue and then deducts GST and other costs on sales, then deducts construction and other development costs including interest and then finally deducts a required profit margin to derive a residual land value. This is the value of the land as a redevelopment site. By comparing it to the 'as is' value of the land (the value of the land assuming no change in zoning in perpetuity) the feasibility of the development option can be tested.

3.0 FEASIBILITY RESULTS

Feasibility models were run for Blocks 4, 10, 12 and 13. The results are provided in Appendix B. For each site feasibilities were done on the concept plan prepared by Dickson Rothschild. The results showed that:

- Site 6 – the industrial site – was clearly feasible to redevelop for residential apartments.
- Site 10 was not feasible to redevelop largely due to the small lot sizes and high ‘as is’ values
- Sites 4, 12 and 13 at best were all very marginal to redevelop and there was almost no room to include affordable housing in the development.

Further options were added including:

- Increase in height and FSR for Site 10 to make redevelopment viable – that is, how much more FSR is required to make redevelopment feasible. The answer is around 5.5 to 1.
- 4% affordable housing was included on Sites 4, 10, 12 and 13 along with additional height and FSR that would make redevelopment viable.
- For each option with an affordable housing component there is a further option of paying a monetary contribution of \$430/sqm instead of direct dedication of apartments.

The results are summarised in the table immediately below

Table 1: Summary of Feasibility of Options

	SITE	Block 4			Block 10			Block 12			Block 13			
SITE CHARACTERISTICS														
	Site Area (sqm)	2,811			1,017			2,833			3,126			
	No. of Existing Dwellings	8			5			5			4			
	'As is' Value (\$m)	18.2			10.9			12.7			10.4			
	OPTION	As per concept	With 4% A.H.	With \$ payment	As per concept	FSR 5.25 & Nil A.H.	FSR 5.8 with A.H.	With \$ payment	As per concept	With 4% A.H.	With \$ payment	As per concept	With 4% A.H.	With \$ payment
PROPOSED DEVELOPMENT														
	No of Storeys	12	13	13	12	15	16	16	12	12	12	8	8	8
	No. of New Resi. Apartments	97	107	107	40	59	65	65	85	85	85	63	63	63
	No. of Affordable apartments	0	5	0	0	0	3	0	0	4	0	0	3	0
	New to Old Ratio	12.2	13.3	13.3	8.0	11.7	13.0	13.0	17.0	17.0	17.0	15.6	15.6	15.6
	Commercial GLA (sqm)	1,262	1,262	1,262	0	0	0	0	0	0	0	0	0	0
	FSR	3.60	3.90	3.90	3.60	5.25	5.80	5.80	3.00	3.00	3.00	2.00	2.00	2.00
REVENUE (\$m)														
	Gross Revenue	97.5	102.5	106.7	36.7	55.8	60.2	62.5	86.0	82.8	86.0	59.9	57.5	59.9
	Less GST	-7.5	-7.9	-8.2	-2.8	-4.3	-4.6	-4.8	-6.4	-6.2	-6.4	-4.5	-4.3	-4.5
	Less other costs on sales	-2.3	-2.5	-2.6	-0.9	-1.3	-1.4	-1.5	-2.1	-2.0	-2.1	-1.4	-1.4	-1.4
	Net Sales Revenue	87.7	92.1	96.0	33.0	50.2	54.2	56.2	77.5	74.6	77.5	54.0	51.8	54.0
COSTS (\$m)														
	Construction	42.7	46.5	46.5	15.9	23.8	26.5	26.5	37.3	37.3	37.3	25.4	25.5	25.4
	Professional fees @ 8.5%	3.4	3.7	3.7	1.3	1.9	2.1	2.1	3.0	3.0	3.0	2.0	2.0	2.0
	Sec 7.11 Contributions	1.3	1.5	1.5	0.5	0.8	0.9	0.9	1.2	1.2	1.2	0.9	0.9	0.9
	Marketing	1.0	1.0	1.1	0.4	0.6	0.6	0.6	0.9	0.8	0.9	0.6	0.6	0.6
	Monetary contribution to A.H.	-	-	4.7	-	-	-	2.5	-	-	3.7	-	-	2.7
	Contingency 5.0%	2.4	2.6	2.6	0.9	1.4	1.5	1.5	2.1	2.1	2.1	1.4	1.4	1.4
	Interest	3.5	3.7	3.6	1.3	2.2	2.5	2.5	3.2	3.1	3.1	1.8	1.7	1.7
	Target Profit @ 16.0%	12.1	12.7	13.2	4.5	6.9	7.5	7.8	10.7	10.3	10.7	7.4	7.1	7.4
	Acquisition Costs	1.2	1.2	1.1	0.5	0.7	0.7	0.7	1.0	0.9	0.8	0.8	0.7	0.6
NET RESIDUAL LAND VALUE (\$m)		20.1	19.2	17.9	7.7	11.9	11.8	11.1	18.2	15.9	14.8	13.7	11.9	11.2
	Less 'as is' Value	18.2	18.2	18.2	10.9	10.9	10.9	10.9	12.7	12.7	12.7	10.4	10.4	10.4
	Value Uplift	1.9	1.0	-0.3	-3.2	1.0	0.8	0.1	5.5	3.2	2.2	3.3	1.5	0.8
With 'As Is' Land Purchase Price														
	Dev. Margin would be	19.3%	17.6%	15.5%	3.1%	19.0%	18.4%	16.4%	27.5%	22.8%	20.3%	25.7%	20.3%	18.2%
	Project NPV (\$m) would be	0.4	-0.1	-1.1	-3.9	-0.6	-0.8	-1.4	3.9	2.0	1.2	3.1	1.6	1.1
	Project IRR would be	16.6%	15.9%	14.6%	4.9%	14.7%	14.4%	13.4%	22.4%	19.4%	17.9%	24.3%	20.2%	18.8%

As a rule of thumb site cost per apartment is around \$200,000 to \$230,000 and detached homes have a typical value from around \$1.7m to \$2m. A developer would need to pay around \$2.3m to \$2.6m per house to amalgamate 3 or more houses. This means for every existing house a developer would need to provide around 10 to 11 apartments. For every affordable apartment delivered over and above that the developer would need a bonus of three additional apartments for sale at market prices.

Block 4 is just viable for mixed use development at an FSR of 3.6:1 with no affordable housing. An additional floor and an increase in the FSR of around 0.3:1 would enable the delivery of affordable housing at 4% of the floor area. This assessment is based on current or recent market conditions. We would anticipate that the viability would improve over time and hence an FSR of 3.6:1 should be sufficient to deliver affordable housing mid-term.

Block 10 is difficult to redevelop due to the small lot sizes. It requires an FSR of more than 5:1 to achieve a ratio of 10 or more apartments per existing cottage which would make it viable. At 3.6:1 redevelopment won't be viable in the short-term. It may become viable longer-term but that remains uncertain.

Block 12 at FSR 3:1 and Block 13 at FSR of 2:1 are clearly viable largely due to the larger lot sizes. These sites can also be redeveloped at the proposed FSRs with the inclusion of 4% for affordable housing.

The option where a monetary payment is made in lieu of direct dedication of affordable apartments results in a slight reduction in financial returns.

4.0 ASSUMPTIONS IN THE FEASIBILITY MODELLING

Assumptions in the models include the following

- Gross floor area (GFA) to fully enclosed building area (FEBA) ratio = 90% (where FEBA includes the vertical transport areas and plant rooms)
- Net saleable area (NSA) or net lettable area to GFA = 87.5% (where NSA is the internal area of the apartments excluding balconies, car spaces and common areas)
- Car parking is provided at a rate of 1.2 spaces per residential apartment
- End sale values were assumed at \$8,000/sqm NSA for the ground floor retail (net of GST) and \$10,000/sqm (ground floor) increasing to \$13,000/sqm NSA (level 16+) for the residential floor areas (inclusive of GST). The prices assumed were based on market evidenced researched by HillPDA – refer to Appendix B
- GST liability was applied using the consideration method
- Other costs on sales at 2.4% include mostly sales commissions and some allowance for legal and other disbursement costs
- Developer contributions were sourced from Council’s Section 7.11 plan
- Developer’s equity would meet 75% of the land acquisition cost.
- The balance of the land purchase price and other project costs would be funded by debt at 6.0%.
- Construction rates were sourced from Rawlinsons Construction Handbook 2019, RLB Digest 2020 and various recent quantity surveyor reports in relation to specific proposals that we have sighted. Escalation of 2.0% was added.
- Professional fees and application fees (DA, CC, LSL) were assumed at 8.0% of construction costs
- ‘As-is’ values were also assumed from market evidence – refer to Appendix C. House prices were assumed at \$1.7m to \$2.0m each. A 30% premium was added to the residential sites with multiple owners to incentivise the owners to sell and enable amalgamation.
- A target profit risk margin of 16% was included for the purpose of calculating the residual land value

Exclusions

Please note that some potential costs were excluded from the above table. This includes:

- Incentives for the commercial spaces
- Statutory land holding costs such as land tax, water and Council rates
- Rental income

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APPENDIX A
MARKET
RESEARCH

APPENDIX A : MARKET RESEARCH

This section provides an assessment of ‘off-the-plan’ residential sales and development site sales. The information was obtained through various property data sources and confirmed through discussions with local agents.

4.1 “Off the Plan” residential apartment sales

Currently there is limited amount of development activity occurring in Concord West and the surrounding areas.

There are six developments recently completed or currently selling off-the-plan that were analysed:

- ‘Sanctuary’ – 14-16 Hill Road, Wentworth Point
- ‘Pavilions’ – 2 Figtree Drive Sydney Olympic Park NSW 2127
- ‘Mirage’ – 63-65 Ramsay Road, Five Dock
- ‘Catania’ – 223 Great North Road Five Dock NSW 2046
- ‘Reflections’ - 44 Shoreline Drive, Rhodes
- ‘Homebush Gardens’ – 139-145 Parramatta Road, Homebush

4.1.1 ‘Sanctuary’ – 14A-16 Hill Road, Wentworth Point

The development was completed in July 2020. It features four residential buildings ranging in height between 3 to 25 storeys comprising 364 residential apartments (78 x one bedroom, 271 x two bedroom and 15 x three bedroom), Building A is 25 storeys, B: 5 storeys, C: 6 storeys and D: 3 storeys. The development includes car parking for 447 vehicles & 182 bicycles, with 427 car spaces located above ground in a 3-storey residential sleeved podium. Sales data indicate that the recently completed apartments are selling for an average dollar per square metre rate of \$11,653.63/sqm.



Table 2: Sanctuary - 14-16 Hill Road

Unit #	Type	Asking Price	NSA (sqm)	Rate (\$/sqm NSA)
A2605	3 BR	\$1,780,000	118	\$15,084.75
A1304	2 BR	\$920,000	81	\$11,358.02
A1607	2 BR	\$895,000	76	\$11,776.32
A2003	2 BR	\$870,000	81	\$10,740.74
A2004	2 BR	\$955,000	81	\$11,790.12
A2208	2 BR	\$900,000	80	\$11,250.00
A2302	2 BR	\$865,000	85	\$10,176.47
A1601	2 BR	\$840,000	76	\$11,052.63

4.1.2 ‘Pavilions’ – 2 Figtree Drive, Sydney Olympic Park

The development was completed in August 2020. The development comprises of 4 residential buildings ranging from 9 to 25 storeys (Building 1 is 12 storeys, B2: 35 storeys, B3:9 storeys, B4: 23 storeys.) and features 4 levels of basement parking comprising 730 car parking spaces, 1,017 bicycle spaces & 40 motorcycle spaces. Sales data indicate that the recently completed apartments are selling for an average dollar per square metre rate of \$10,502/sqm.



Table 3: Pavilions

Unit #	Type	Sale Date	Asking Price	NSA (sqm)	Rate (\$/sqm NSA)
Lot 13/2	1 BR	asking	\$649,000	73	\$8,890
Lot 11/2	2 BR	asking	\$980,000	90	\$10,889
Lot 1/2	3 BR	asking	\$1,650,000	192	\$8,594
Lot 68/2	2 BR	asking	\$1,027,000	90	\$11,411
Lot 88/2	2 BR	asking	\$1,020,000	88	\$11,591
Lot 223/2	1 BR	asking	\$710,000	61	\$11,639

4.1.3 ‘Mirage’ – 63-65 Ramsay Road, Five Dock

The development was completed in January 2020. It is a four storey residential building comprising 24 residential units. Sales data indicate that the recently completed apartments are selling for an average dollar per square metre rate of \$13,498.27/sqm.



Table 4: Mirage

#	Type	Sale Date	Sale Price	NSA (sqm)	Rate (\$/sqm NSA)
101	3 BR	Listed price	\$1,250,000	101	\$12,400.79
103	2 BR	Asking price	\$420,000	54	\$16,568.37
204	2 BR	Asking price	\$1,150,111	78	\$11,525.64

4.1.4 'Reflections' – 44 Shoreline Drive, Rhodes

This recently completed waterfront development comprises of 94 residential units. Sales data indicate that the recently completed apartments are selling for an average dollar per square metre rate of \$11,123/sqm.



Table 5: Reflections

#	Type	Sale Date	Sale Price	NSA (sqm)	Rate (\$/sqm NSA)
401	1 BR	Nov-19	\$616,420	79	\$7,802.78
502	2 BR	Jun-20	\$834,000	79	\$10,556.96
505	2 BR	Oct-19	\$1,136,800	104	\$10,930.77
507	2 BR	May-20	\$774,000	76	\$10,184.21
605	2 BR	Jan-20	\$1,210,000	83	\$14,578.31
608	2 BR	Oct-19	\$860,000	78	\$11,025.64
610	2 BR	Feb-20	\$1,050,000	97	\$10,824.74
614	2 BR	Feb-20	\$975,000	86	\$11,337.21
615	2 BR	Nov-19	\$800,000	76	\$10,526.32
616	2 BR	Jul-20	\$860,000	89	\$9,662.92
623	2 BR	May-20	\$798,000	77	\$10,363.64
707	2 BR	May-20	\$779,100	76	\$10,251.32
708	2 BR	Feb-20	\$970,000	88	\$11,022.73
807	2 BR	Jul-20	\$891,800	75	\$11,890.67
808	2 BR	Dec-19	\$955,000	87	\$10,977.01
809	2 BR	Feb-20	\$1,325,000	90	\$14,722.22
1007	2 BR	May-20	\$870,000	78	\$11,153.85
1008	2 BR	Feb-20	\$986,000	88	\$11,204.55
1009	2 BR	Oct-19	\$1,250,000	132	\$9,469.70
817	3 BR	Apr-20	\$1,439,577	103	\$13,976.48

4.1.5 'Homebush Gardens' – 139-145 Parramatta Road, Homebush

This recently completed development is a 12 storey building comprising 70 residential units. Sales data indicate that the recently completed apartments are selling for an average dollar per square metre rate of \$9,478.20/sqm.



Table 6: Homebush Gardens

Unit No.	Type	Sale Date	Sale Price	NSA (sqm)	Rate (\$/sqm NSA)
108	BR 1	Jun-19	\$745,000	51	\$14,607.84
1001	BR 2	Dec-19	\$830,000	93	\$8,924.73
205	BR 2	Oct-19	\$700,000	78	\$8,974.36
304	BR 2	Apr-20	\$650,000	82	\$7,926.83
305	BR 2	Jan-20	\$650,000	78	\$8,333.33
306	BR 2	May-17	\$745,000	76	\$9,802.63
401	BR 2	Nov-16	\$750,000	76	\$9,868.42
403	BR 2	Feb-20	\$670,000	82	\$8,170.73
404	BR 2	Feb-20	\$650,000	82	\$7,926.83
411	BR 2	Nov-16	\$785,000	79	\$9,936.71
501	BR 2	Dec-16	\$755,000	78	\$9,679.49
608	BR 2	May-18	\$599,000	94	\$6,372.34
805	BR 2	Apr-17	\$990,000	78	\$12,692.31

4.3 Development Site Sales

Recent development site sales are shown in the table below.

Table 7: Development site sales

Address	Suburb	Sale Date	Site Area/ FSR/Zoning	Sale Price	Proposed GFA*	Analysis
2-4 Rothwell Ave	Concord West	Jan - Mar-17	6080 1.4:1/R3	\$8,853,052	8512 proposed	\$1,052/sqm GFA \$1,456/sqm Site
72-74 Consett St	Concord West	Mar-18	1858 0.5:1/R3	\$6,300,000	1438 Proposed	\$3,390/sqm GFA \$1,642/sqm Site (20 townhouse)
22-28 Courallie Ave	Homebush West	Jan-19	1932 1.2:1/R3	\$4,800,000	2318 proposed	\$2,071/sqm GFA \$2,484/sqm Site
136-144 Parramatta Rd	Homebush	May- Nov 18	1516 2:1/B4	\$6,400,000	4775 proposed	\$1,340/sqm GFA \$4,222/sqm Site
49-53 Majors Bay Rd	Concord	Aug-18	1202 1.8:1/B4	\$6,000,000	2301 proposed	\$2,608/sqm GFA \$4,992/sqm Site
118-128 Tennyson Rd	Mortlake	Feb-20	1996 0.5:1/R1	\$9,600,000	1497 proposed	\$6,413/sqm GFA \$4,810/sqm Site
30-32 Tennyson Rd	Mortlake	Oct-18	611 0.75:1/R1	\$3,000,000	695 proposed	\$4,317/sqm GFA \$4,910/sqm Site
195 Great North Rd	Five Dock	Jun-18	1149 0.5:1/R3	\$9,400,000	2042 proposed	\$4,603/sqm GFA \$8,181/sqm Site
223 Great North Rd	Five Dock	Apr-18	1262 0.5:1/R2	\$9,250,000	3264 proposed	\$2,834/sqm GFA \$7,330/sqm Site

Address	Suburb	Sale Date	Site Area/ FSR/Zoning	Sale Price	GFA*	Analysis
69 Blaxland Road	Rhodes	Feb-20	727sqm 1.5:1 R2	\$2,800,000	1,091sqm	\$2,568/sqm GFA \$3,851/sqm Site
67 Blaxland Road	Rhodes	Dec-19	645sqm 1.5:1 R2	\$2,440,000	968sqm	\$2,522/sqm GFA \$3,783/sqm Site
45 Blaxland Road	Rhodes	Oct-19	664sqm 1.5:1 R3	\$3,522,000	996sqm	\$3,536/sqm GFA \$5,304/sqm Site
65 Blaxland Road	Rhodes	Oct-19	645sqm 1.5:1 R2	\$2,500,000	968sqm	\$2,584/sqm GFA \$3,876/sqm Site
454A Concord Road	Rhodes	Aug-17	533sqm 1.18:1	\$3,000,000	629sqm	\$4,770/sqm GFA \$5,629/sqm Site

R3

2A Cavell Avenue	Rhodes	Jun-17	689sqm 1.18:1 R3	\$4,500,000	813sqm	\$5,535/sqm GFA \$6,531/sqm Site
273 Concord Road	Concord West	Aug-18	1126sqm	\$2,320,000	-	\$2,060/sqm Site
271 Concord Road	Concord West	Feb-19	1126sqm	\$2,300,000	-	\$2,043/sqm Site
293 Concord Road	Concord West	Apr-20	698sqm	\$1,725,000	-	\$2,471/sqm Site
273 Queen Road	Concord West	Sep-18	445sqm	\$1,927,000	-	\$4,330/sqm Site
32 Cavendish Street	Concord West	Jul-17	446sqm	\$1,710,000	-	\$3,834/sqm Site

APPENDIX B
FINANCIAL
MODELS

APPENDIX B : FINANCIAL MODELS

This section includes the financial models of each of the options

Residual Version 6

Program Written by HiIPDA Land Economists (Updated October 2020)

Licensed to:

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1. INTRODUCTION			
1.01 Project Name	Concord West Block 4		
1.02 Address	40-52 Victoria Ave		
1.03 Description or Option	Option 1 - 12 storey mixed use development		
1.04 Report Prepared By	HiIPDA		
1.05 Report Prepared For	Bayside Council		
1.06 Site Area	2,811	sqm	
1.07 GFA	10,120	sqm	FSR 3.60 : 1
1.08 Existing residential dwellings	8		
1.09 No. of new residential apartments	97		(Ratio = 12.17:1)
1.10 Start Date (Enter Date for Contract Exchange)	Jul-21		(ie month 0, Settlement is assumed in 2 months)
1.11 Start construction in Month	14		
1.12 End construction in Month	33		Construction Period is 19 mths
1.13 Complete project in Month (Last Sales Period)	36		Selling Period is 3 mths

2. SALES			
Description	Lots or Area (sqm)	Base Rate \$/Lot	Value
2.01 Ground Floor Retail	1,262	8,000	\$10,096,000
2.02 Ground Floor Residential	-	10,000	\$0
2.03 Affordable Housing	-	-	\$0
2.04 Level 1-2	1,447	10,750	\$15,553,511
2.05 Level 3-4	1,447	11,100	\$16,059,904
2.06 Level 5-6	1,447	11,450	\$16,566,298
2.07 Level 7-8	1,447	11,800	\$17,072,691
2.08 Level 9-10	1,447	12,150	\$17,579,085
2.09 Level 11-12	358	12,750	\$4,570,350
2.10 Level 13-14	-	-	\$0
2.11 Level 15-16	-	-	\$0
2.12 Level 17-18	-	-	\$0
2.13 Level 19-20	-	-	\$0
2.13 .	-	-	\$0
Total Revenue from Sales			\$97,497,839
2.14 Less Selling Expenses	2.40%	(of sales revenue)	(\$2,339,948)
2.15 Less GST %	8.30%		(\$7,472,134)
2.16 Net Rental Income (pre-development)	-	per annum	\$0
2.17 TOTAL NET REVENUE (A+B+C)			\$87,685,757

A
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3. DEVELOPMENT COSTS Net GST			
Description	#Lots or Sqm	Base Rate \$/Lot	Value
3.01 Demolition	8	27,500	\$220,000
3.02 Construction of habital levels	11,132	2,930	\$32,615,471
3.03 Construction of basement car spaces	117	54,000	\$6,307,390
3.04 Construction of balconies	1,518	1,100	\$1,669,734
3.05 Site costs and external works @ 2.5%	1	1,014,815	\$1,014,815
3.06 Building escalation @ 2.0%	1	836,548	\$836,548
3.07 Professional & application fees @ 8.0%	1	3,413,117	\$3,413,117
3.08 Developer contributions	89	15,100	\$1,348,978
3.09 Marketing and other misc. costs @ 1%	1	974,978	\$974,978
3.10 .	-	-	\$0
3.11 Monetary contribution to affordable housing	-	-	\$0
3.12 .	-	-	\$0
3.11 Contingencies	5.00%	(of dev. Costs)	\$2,420,052
3.12 TOTAL DEVELOPMENT COSTS			\$50,821,082

E

4. FINANCE & MISCELLANEOUS			
4.01 Land Holding Costs	-	per annum	\$0
4.02 Interest Expense at Nominal Rate of	6.00%	per annum	\$2,665,647
4.03 TOTAL FINANCE & MISCELLANEOUS COSTS			\$2,665,647

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5. PROFIT/RISK			
5.01 Nominate Target Profit/Risk Margin, as a percentage on Total Costs			16.00%
5.02 Profit (D(1+(1+I)))			\$12,094,587

I
J

6. LAND ACQUISITION COSTS			
6.01 Gross residual Land Value (D-E-H-J)			\$22,104,441
6.02 Equity contribution to land acquisition	75.00%	of Gross RLV	
6.03 Compound Interest on Land Acquisition			\$806,772
6.04 Acquisition Costs (such as Legals, etc but not Stamp Duty) @ 1%			203,805
6.05 Stamp Duties		NIL	\$1,019,027
6.1 Net Residual Land Value (K-L-M-N)			\$20,074,837
7.04 Project NPV @ discount rate of	16.00%		-1,494,652
7.05 Project IRR			14.07%

K
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7. SCENARIO ANALYSIS			
7.01 If Purchase Price is			18,200,000
7.02 Then Dev. Margin (as a percentage on Total Costs) woud be			19.26%
7.03 Development Profit woud be			14,158,973 (\$145465 per unit)
7.04 Project NPV at disc. rate of 16% woud be			428,237
7.05 Project IRR woud be			16.58%

- Interest on Construction = $((1 + \text{Int. Rate}/12)^{\text{Const. Period} * 50\% + \text{Sales Period} * 20\%} * \text{Total Dev. Costs} + \text{Int. on Land Holding Costs}$
- Interest on Land = $\text{Acquisition Costs} * (1 - (1 + \text{Interest Rate}/12)^{\text{TIME}})$ where TIME is Month 3 through to mid-way of the selling period
Note: All dates taken from the middle of the month.
- Land Holding Costs calculated from Month 3 to half way through the selling period. Land Holding Costs increase interest expense
- Rental Income calculated from Month 3 to start of construction (Note that Rental Income reduces interest expense)

Residual Version 6

Program Written by HIIPDA Land Economists (Updated October 2020)

Licensed to:

HIIPDA

1. INTRODUCTION			
1.01 Project Name	Concord West Block 4 with 5% Affordable Housing		
1.02 Address	40-52 Victoria Ave		
1.03 Description or Option	Option 2 - 13 storey mixed use dev. with 4% affordable housing		
1.04 Report Prepared By	HIIPDA		
1.05 Report Prepared For	Bayside Council		
1.06 Site Area	2,811	sqm	
1.07 GFA	10,963	sqm	FSR 3.90 : 1
1.08 Existing residential dwellings	8		
1.09 No. of new residential apartments	107		(Ratio = 13.33:1)
1.10 Start Date (Enter Date for Contract Exchange)	Jul-21		(ie month 0, Settlement is assumed in 2 months)
1.11 Start construction in Month	14		
1.12 End construction in Month	33		Construction Period is 19 mths
1.13 Complete project in Month (Last Sales Period)	36		Selling Period is 3 mths

2. SALES			
Description	Lots or Area (sqm)	Base Rate \$/Lot	Value
2.01 Ground Floor Retail	1,262	8,000	\$10,096,000
2.02 Ground Floor Residential	-	10,000	\$0
2.03 Affordable Housing	399	-	\$0
2.04 Level 1-2	1,048	10,750	\$11,263,728
2.05 Level 3-4	1,447	11,100	\$16,059,904
2.06 Level 5-6	1,447	11,450	\$16,566,298
2.07 Level 7-8	1,447	11,800	\$17,072,691
2.08 Level 9-10	1,447	12,150	\$17,579,085
2.09 Level 11-12	1,096	12,600	\$13,813,964
2.10 Level 13-14	-	-	\$0
2.11 Level 15-16	-	-	\$0
2.12 Level 17-18	-	-	\$0
2.13 Level 19-20	-	-	\$0
2.13 .	-	-	\$0
Total Revenue from Sales			\$102,451,670
2.14 Less Selling Expenses	2.40%	(of sales revenue)	(\$2,458,840)
2.15 Less GST %	8.30%		(\$7,851,790)
2.16 Net Rental Income (pre-development)	-	per annum	\$0
2.17 TOTAL NET REVENUE (A+B+C)			\$92,141,040

A
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3. DEVELOPMENT COSTS Net GST			
Description	#Lots or Sqm	Base Rate \$/Lot	Value
3.01 Demolition	8	27,500	\$220,000
3.02 Construction of habital levels	12,059	2,950	\$35,574,611
3.03 Construction of basement car spaces	128	54,000	\$6,907,894
3.04 Construction of balconies	1,644	1,100	\$1,808,879
3.05 Site costs and external works @ 2.5%	1	1,107,285	\$1,107,285
3.06 Building escalation @ 2.0%	1	912,373	\$912,373
3.07 Professional & application fees @ 8.0%	1	3,722,483	\$3,722,483
3.08 Developer contributions	99	15,100	\$1,488,910
3.09 Marketing and other misc. costs @ 1%	1	1,024,517	\$1,024,517
3.10 .	-	-	\$0
3.11 Monetary contribution to affordable housing	-	-	\$0
3.12 .	-	-	\$0
3.11 Contingencies	5.00%	(of dev. Costs)	\$2,638,348
3.12 TOTAL DEVELOPMENT COSTS			\$55,405,298

E

4. FINANCE & MISCELLANEOUS			
4.01 Land Holding Costs	-	per annum	\$0
4.02 Interest Expense at Nominal Rate of	6.00%	per annum	\$2,906,097
4.03 TOTAL FINANCE & MISCELLANEOUS COSTS			\$2,906,097

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5. PROFIT/RISK			
5.01 Nominate Target Profit/Risk Margin, as a percentage on Total Costs	16.00%		
5.02 Profit (D/(1+(1+I)))			\$12,709,109

I
J

6. LAND ACQUISITION COSTS			
6.01 Gross residual Land Value (D-E-H-J)			\$21,120,537
6.02 Equity contribution to land acquisition	75.00%	of Gross RLV	
6.03 Compound Interest on Land Acquisition			\$770,861
6.04 Acquisition Costs (such as Legals, etc but not Stamp Duty) @ 1%			194,734
6.05 Stamp Duties	NIL		\$973,669
6.1 Net Residual Land Value (K-L-M-N)			\$19,181,273
7.04 Project NPV @ discount rate of	16.00%		-1,107,212
7.05 Project IRR			14.59%

K
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7. SCENARIO ANALYSIS			
7.01 If Purchase Price is	18,200,000		
7.02 Then Dev. Margin (as a percentage on Total Costs) woud be	17.60%		
7.03 Development Profit woud be	13,789,590		(\$129354 per unit)
7.04 Project NPV at disc. rate of 16% woud be	-100,789		
7.05 Project IRR woud be	15.87%		

- Interest on Construction = $((1 + \text{Int. Rate}/12)^{\text{Const. Period} * 50\% + \text{Sales Period} * 20\%} * \text{Total Dev. Costs} + \text{Int. on Land Holding Costs}$
- Interest on Land = $\text{Acquisition Costs} * (1 - (1 + \text{Interest Rate}/12)^{\text{TIME}})$ where TIME is Month 3 through to mid-way of the selling period
Note: All dates taken from the middle of the month.
- Land Holding Costs calculated from Month 3 to half way through the selling period. Land Holding Costs increase interest expense
- Rental Income calculated from Month 3 to start of construction (Note that Rental Income reduces interest expense)

Residual Version 6

Program Written by HiIPDA Land Economists (Updated October 2020)

Licensed to:

HiIPDA

1. INTRODUCTION			
1.01 Project Name	Concord West Block 4 with 5% Affordable Housing		
1.02 Address	40-52 Victoria Ave		
1.03 Description or Option	Option 3 - 13 storey mixed use dev. affordable housing payment		
1.04 Report Prepared By	HiIPDA		
1.05 Report Prepared For	Bayside Council		
1.06 Site Area	2,811	sqm	
1.07 GFA	10,963	sqm	FSR 3.90 : 1
1.08 Existing residential dwellings	8		
1.09 No. of new residential apartments	107		(Ratio = 13.33:1)
1.10 Start Date (Enter Date for Contract Exchange)	Jul-21		(ie month 0, Settlement is assumed in 2 months)
1.11 Start construction in Month	14		
1.12 End construction in Month	33		Construction Period is 19 mths
1.13 Complete project in Month (Last Sales Period)	36		Selling Period is 3 mths

2. SALES				
Description	Lots or Area (sqm)	Base Rate \$/Lot	Value	
2.01 Ground Floor Retail	1,262	8,000	\$10,096,000	
2.02 Ground Floor Residential	-	10,000	\$0	
2.03 Affordable Housing	-	-	\$0	
2.04 Level 1-2	1,447	10,750	\$15,553,511	
2.05 Level 3-4	1,447	11,100	\$16,059,904	
2.06 Level 5-6	1,447	11,450	\$16,566,298	
2.07 Level 7-8	1,447	11,800	\$17,072,691	
2.08 Level 9-10	1,447	12,150	\$17,579,085	
2.09 Level 11-12	1,096	12,600	\$13,813,964	
2.10 Level 13-14	-	-	\$0	
2.11 Level 15-16	-	-	\$0	
2.12 Level 17-18	-	-	\$0	
2.13 Level 19-20	-	-	\$0	
2.13 .	-	-	\$0	
Total Revenue from Sales			\$106,741,453	A
2.14 Less Selling Expenses	2.40%	(of sales revenue)	(\$2,561,795)	B
2.15 Less GST %	8.30%		(\$8,180,555)	B2
2.16 Net Rental Income (pre-development)	-	per annum	\$0	C
2.17 TOTAL NET REVENUE (A+B+C)			\$95,999,103	D

3. DEVELOPMENT COSTS Net GST				
Description	#Lots or Sqm	Base Rate \$/Lot	Value	
3.01 Demolition	8	27,500	\$220,000	
3.02 Construction of habital levels	12,059	2,950	\$35,574,611	
3.03 Construction of basement car spaces	128	54,000	\$6,907,894	
3.04 Construction of balconies	1,644	1,100	\$1,808,879	
3.05 Site costs and external works @ 2.5%	1	1,107,285	\$1,107,285	
3.06 Building escalation @ 2.0%	1	912,373	\$912,373	
3.07 Professional & application fees @ 8.0%	1	3,722,483	\$3,722,483	
3.08 Developer contributions	99	15,100	\$1,488,910	
3.09 Marketing and other misc. costs @ 1%	1	1,067,415	\$1,067,415	
3.10 .	-	-	\$0	
3.11 Monetary contribution to affordable housing	10,963	431	\$4,721,721	
3.12 .	-	-	\$0	
3.11 Contingencies	5.00%	(of dev. Costs)	\$2,640,492	
3.12 TOTAL DEVELOPMENT COSTS			\$60,172,062	E

4. FINANCE & MISCELLANEOUS				
4.01 Land Holding Costs	-	per annum	\$0	F
4.02 Interest Expense at Nominal Rate of	6.00%	per annum	\$2,908,459	G
4.03 TOTAL FINANCE & MISCELLANEOUS COSTS			\$2,908,459	H

5. PROFIT/RISK				
5.01 Nominate Target Profit/Risk Margin, as a percentage on Total Costs			16.00%	I
5.02 Profit (D(1+(1+I)))			\$13,241,256	J

6. LAND ACQUISITION COSTS				
6.01 Gross residual Land Value (D-E-H-J)			\$19,677,327	K
6.02 Equity contribution to land acquisition	75.00%	of Gross RLV		
6.03 Compound Interest on Land Acquisition			\$718,187	L
6.04 Acquisition Costs (such as Legals, etc but not Stamp Duty) @ 1%			181,427	M
6.05 Stamp Duties		NIL	\$907,136	N
6.1 Net Residual Land Value (K-L-M-N)			\$17,870,577	O
7.04 Project NPV @ discount rate of	16.00%		-771,685	
7.05 Project IRR			15.01%	

7. SCENARIO ANALYSIS				
7.01 If Purchase Price is			18,200,000	
7.02 Then Dev. Margin (as a percentage on Total Costs) woud be			15.49%	
7.03 Development Profit woud be			12,878,528	(\$120808 per unit)
7.04 Project NPV at disc. rate of 16% woud be			-1,109,551	
7.05 Project IRR woud be			14.59%	

- Interest on Construction = $((1 + \text{Int. Rate}/12)^{\text{Const. Period} * 50\% + \text{Sales Period} * 20\%} * \text{Total Dev. Costs} + \text{Int. on Land Holding Costs}$
- Interest on Land = $\text{Acquisition Costs} * (1 - (1 + \text{Interest Rate}/12)^{\text{TIME}})$ where TIME is Month 3 through to mid-way of the selling period
Note: All dates taken from the middle of the month.
- Land Holding Costs calculated from Month 3 to half way through the selling period. Land Holding Costs increase interest expense
- Rental Income calculated from Month 3 to start of construction (Note that Rental Income reduces interest expense)

Residual Version 6

Program Written by HIIPDA Land Economists (Updated October 2020)

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HIIPDA

1. INTRODUCTION			
1.01 Project Name	Concord West Block 10		
1.02 Address	9-17 King Street		
1.03 Description or Option	Option 1 - 12 storey mixed use development		
1.04 Report Prepared By	HIIPDA		
1.05 Report Prepared For	Bayside Council		
1.06 Site Area	1,017	sqm	
1.07 GFA	3,661	sqm	FSR 3.60 : 1
1.08 Existing residential dwellings	5		
1.09 No. of new residential apartments	40		(Ratio = 8.05:1)
1.10 Start Date (Enter Date for Contract Exchange)	Jul-21		(ie month 0, Settlement is assumed in 2 months)
1.11 Start construction in Month	14		
1.12 End construction in Month	33		Construction Period is 19 mths
1.13 Complete project in Month (Last Sales Period)	36		Selling Period is 3 mths

2. SALES			
Description	Lots or Area (sqm)	Base Rate \$/Lot	Value
2.01 Ground Floor Retail	-	8,000	\$0
2.02 Ground Floor Residential	262	10,000	\$2,617,279
2.03 Affordable Housing	-	-	\$0
2.04 Level 1-2	523	10,750	\$5,627,151
2.05 Level 3-4	523	11,100	\$5,810,360
2.06 Level 5-6	523	11,450	\$5,993,570
2.07 Level 7-8	523	11,800	\$6,176,779
2.08 Level 9-10	523	12,150	\$6,359,989
2.09 Level 11-12	325	12,600	\$4,089,237
2.10 Level 13-14	-	-	\$0
2.11 Level 15-16	-	-	\$0
2.12 Level 17-18	-	-	\$0
2.13 Level 19-20	-	-	\$0
2.13 .	-	-	\$0
Total Revenue from Sales			\$36,674,366
2.14 Less Selling Expenses	2.40%	(of sales revenue)	(\$880,185)
2.15 Less GST %	8.30%		(\$2,810,685)
2.16 Net Rental Income (pre-development)	-	per annum	\$0
2.17 TOTAL NET REVENUE (A+B+C)			\$32,983,496

A
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3. DEVELOPMENT COSTS Net GST			
Description	#Lots or Sqm	Base Rate \$/Lot	Value
3.01 Demolition	5	27,500	\$137,500
3.02 Construction of habital levels	4,027	2,930	\$11,800,048
3.03 Construction of basement car spaces	48	55,000	\$2,655,376
3.04 Construction of balconies	549	1,100	\$604,098
3.05 Site costs and external works @ 2.5%	1	376,488	\$376,488
3.06 Building escalation @ 2.0%	1	311,470	\$311,470
3.07 Professional & application fees @ 8.0%	1	1,270,798	\$1,270,798
3.08 Developer contributions	35	15,100	\$532,018
3.09 Marketing and other misc. costs @ 1%	1	366,744	\$366,744
3.10 .	-	-	\$0
3.11 Monetary contribution to affordable housing	-	-	\$0
3.12 .	-	-	\$0
3.11 Contingencies	5.00%	(of dev. Costs)	\$902,727
3.12 TOTAL DEVELOPMENT COSTS			\$18,957,266

E

4. FINANCE & MISCELLANEOUS			
4.01 Land Holding Costs	-	per annum	\$0
4.02 Interest Expense at Nominal Rate of	6.00%	per annum	\$994,339
4.03 TOTAL FINANCE & MISCELLANEOUS COSTS			\$994,339

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5. PROFIT/RISK			
5.01 Nominate Target Profit/Risk Margin, as a percentage on Total Costs	16.00%		
5.02 Profit (D(1+(1+I)))			\$4,549,448

I
J

6. LAND ACQUISITION COSTS			
6.01 Gross residual Land Value (D-E-H-J)			\$8,482,443
6.02 Equity contribution to land acquisition	75.00%	of Gross RLV	
6.03 Compound Interest on Land Acquisition			\$309,594
6.04 Acquisition Costs (such as Legals, etc but not Stamp Duty) @ 1%			78,209
6.05 Stamp Duties		NIL	\$391,045
6.1 Net Residual Land Value (K-L-M-N)			\$7,703,594
7.04 Project NPV @ discount rate of	16.00%		-602,326
7.05 Project IRR			13.95%

K
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7. SCENARIO ANALYSIS			
7.01 If Purchase Price is			10,937,500
7.02 Then Dev. Margin (as a percentage on Total Costs) woud be			3.09%
7.03 Development Profit woud be			988,588 (\$24572 per unit)
7.04 Project NPV at disc. rate of 16% woud be			-3,919,117
7.05 Project IRR woud be			4.88%

- Interest on Construction = $((1 + \text{Int. Rate}/12)^{\text{Const. Period} * 50\% + \text{Sales Period} * 20\%} * \text{Total Dev. Costs} + \text{Int. on Land Holding Costs}$
- Interest on Land = $\text{Acquisition Costs} * (1 - (1 + \text{Interest Rate}/12)^{\text{TIME}})$ where TIME is Month 3 through to mid-way of the selling period
Note: All dates taken from the middle of the month.
- Land Holding Costs calculated from Month 3 to half way through the selling period. Land Holding Costs increase interest expense
- Rental Income calculated from Month 3 to start of construction (Note that Rental Income reduces interest expense)

Residual Version 6

Program Written by HIIPDA Land Economists (Updated October 2020)

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HIIPDA

1. INTRODUCTION			
1.01 Project Name	Concord West Block 10 Tipping Point		
1.02 Address	9-17 King Street		
1.03 Description or Option	Option 2 - 17 storey mixed use development		
1.04 Report Prepared By	HIIPDA		
1.05 Report Prepared For	Bayside Council		
1.06 Site Area	1,017	sqm	
1.07 GFA	5,339	sqm	FSR 5.25 : 1
1.08 Existing residential dwellings	5		
1.09 No. of new residential apartments	59		(Ratio = 11.73:1)
1.10 Start Date (Enter Date for Contract Exchange)	Jul-21		(ie month 0, Settlement is assumed in 2 months)
1.11 Start construction in Month	14		
1.12 End construction in Month	36		Construction Period is 22 mths
1.13 Complete project in Month (Last Sales Period)	39		Selling Period is 3 mths

2. SALES			
Description	Lots or Area (sqm)	Base Rate \$/Lot	Value
2.01 Ground Floor Retail	-	8,000	\$0
2.02 Ground Floor Residential	262	10,000	\$2,617,279
2.03 Affordable Housing	-	-	\$0
2.04 Level 1-2	523	10,750	\$5,627,151
2.05 Level 3-4	523	11,100	\$5,810,360
2.06 Level 5-6	523	11,450	\$5,993,570
2.07 Level 7-8	523	11,800	\$6,176,779
2.08 Level 9-10	523	12,150	\$6,359,989
2.09 Level 11-12	523	12,500	\$6,543,199
2.10 Level 13-14	523	12,850	\$6,726,408
2.11 Level 15-16	523	13,200	\$6,909,618
2.12 Level 17-18	222	13,800	\$3,070,069
2.13 Level 19-20	-	-	\$0
2.13	-	-	\$0
Total Revenue from Sales			\$55,834,422
2.14 Less Selling Expenses	2.40%	(of sales revenue)	(\$1,340,026)
2.15 Less GST %	8.30%		(\$4,279,092)
2.16 Net Rental Income (pre-development)	-	per annum	\$0
2.17 TOTAL NET REVENUE (A+B+C)			\$50,215,303

A
B
B2
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3. DEVELOPMENT COSTS Net GST			
Description	#Lots or Sqm	Base Rate \$/Lot	Value
3.01 Demolition	5	27,500	\$137,500
3.02 Construction of habital levels	5,873	3,040	\$17,854,452
3.03 Construction of basement car spaces	70	55,000	\$3,872,423
3.04 Construction of balconies	801	1,100	\$880,976
3.05 Site costs and external works @ 2.5%	1	565,196	\$565,196
3.06 Building escalation @ 2.0%	1	466,211	\$466,211
3.07 Professional & application fees @ 8.0%	1	1,902,141	\$1,902,141
3.08 Developer contributions	54	15,100	\$810,463
3.09 Marketing and other misc. costs @ 1%	1	558,344	\$558,344
3.10	-	-	\$0
3.11 Monetary contribution to affordable housing	-	-	\$0
3.12	-	-	\$0
3.11 Contingencies	5.00%	(of dev. Costs)	\$1,352,385
3.12 TOTAL DEVELOPMENT COSTS			\$28,400,092

E

4. FINANCE & MISCELLANEOUS			
4.01 Land Holding Costs	-	per annum	\$0
4.02 Interest Expense at Nominal Rate of	6.00%	per annum	\$1,714,083
4.03 TOTAL FINANCE & MISCELLANEOUS COSTS			\$1,714,083

F
G
H

5. PROFIT/RISK			
5.01 Nominate Target Profit/Risk Margin, as a percentage on Total Costs			16.00%
5.02 Profit (D(1+(1+I)))			\$6,926,249

I
J

6. LAND ACQUISITION COSTS			
6.01 Gross residual Land Value (D-E-H-J)			\$13,174,879
6.02 Equity contribution to land acquisition	75.00%	of Gross RLV	
6.03 Compound Interest on Land Acquisition			\$523,044
6.04 Acquisition Costs (such as Legals, etc but not Stamp Duty) @ 1%			\$121,070
6.05 Stamp Duties		NIL	\$605,351
6.1 Net Residual Land Value (K-L-M-N)			\$11,925,414
7.04 Project NPV @ discount rate of	16.00%		-1,621,710
7.05 Project IRR			12.72%

K
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7. SCENARIO ANALYSIS			
7.01 If Purchase Price is			10,937,500
7.02 Then Dev. Margin (as a percentage on Total Costs) woud be			19.00%
7.03 Development Profit woud be			8,017,670 (\$136650 per unit)
7.04 Project NPV at disc. rate of 16% woud be			-608,475
7.05 Project IRR woud be			14.72%

- Interest on Construction = $((1 + \text{Int. Rate}/12)^{\text{Const. Period} * 50\% + \text{Sales Period} * 20\%} * \text{Total Dev. Costs} + \text{Int. on Land Holding Costs}$
- Interest on Land = $\text{Acquisition Costs} * (1 - (1 + \text{Interest Rate}/12)^{\text{TIME}})$ where TIME is Month 3 through to mid-way of the selling period
Note: All dates taken from the middle of the month.
- Land Holding Costs calculated from Month 3 to half way through the selling period. Land Holding Costs increase interest expense
- Rental Income calculated from Month 3 to start of construction (Note that Rental Income reduces interest expense)

Residual Version 6

Program Written by HIIPDA Land Economists (Updated October 2020)

Licensed to:

HIIPDA

1. INTRODUCTION			
1.01 Project Name	Concord West Block 10 Tipping Point		
1.02 Address	9-17 King Street		
1.03 Description or Option	Option 3 - 19 storey mixed use dev. with 4% affordable housing		
1.04 Report Prepared By	HIIPDA		
1.05 Report Prepared For	Bayside Council		
1.06 Site Area	1,017	sqm	
1.07 GFA	5,899	sqm	FSR: 5.80 : 1
1.08 Existing residential dwellings	5		
1.09 No. of new residential apartments	65		(Ratio = 12.96:1)
1.10 Start Date (Enter Date for Contract Exchange)	Jul-21		(ie month 0, Settlement is assumed in 2 months)
1.11 Start construction in Month	14		
1.12 End construction in Month	37		Construction Period is 23 mths
1.13 Complete project in Month (Last Sales Period)	40		Selling Period is 3 mths

2. SALES			
Description	Lots or Area (sqm)	Base Rate \$/Lot	Value
2.01 Ground Floor Retail	-	8,000	\$0
2.02 Ground Floor Residential	262	10,000	\$2,617,279
2.03 Affordable Housing	215		\$0
2.04 Level 1-2	309	10,750	\$3,319,029
2.05 Level 3-4	523	11,100	\$5,810,360
2.06 Level 5-6	523	11,450	\$5,993,570
2.07 Level 7-8	523	11,800	\$6,176,779
2.08 Level 9-10	523	12,150	\$6,359,989
2.09 Level 11-12	523	12,500	\$6,543,199
2.10 Level 13-14	523	12,850	\$6,726,408
2.11 Level 15-16	523	13,200	\$6,909,618
2.12 Level 17-18	523	13,550	\$7,092,827
2.13 Level 19-20	188	14,150	\$2,666,484
2.13	-	-	\$0
Total Revenue from Sales			\$60,215,542
2.14 Less Selling Expenses	2.40%	(of sales revenue)	(\$1,445,173)
2.15 Less GST %	8.30%		(\$4,614,857)
2.16 Net Rental Income (pre-development)	-	per annum	\$0
2.17 TOTAL NET REVENUE (A+B+C)			\$54,155,512

A
B
B2
C
D

3. DEVELOPMENT COSTS Net GST			
Description	#Lots or Sqm	Base Rate \$/Lot	Value
3.01 Demolition	5	27,500	\$137,500
3.02 Construction of habital levels	6,488	3,080	\$19,984,457
3.03 Construction of basement car spaces	78	55,000	\$4,278,105
3.04 Construction of balconies	885	1,100	\$973,269
3.05 Site costs and external works @ 2.5%	1	630,896	\$630,896
3.06 Building escalation @ 2.0%	1	520,085	\$520,085
3.07 Professional & application fees @ 8.0%	1	2,121,945	\$2,121,945
3.08 Developer contributions	60	15,100	\$903,279
3.09 Marketing and other misc. costs @ 1%	1	602,155	\$602,155
3.10	-	-	\$0
3.11 Monetary contribution to affordable housing	-	-	\$0
3.12	-	-	\$0
3.11 Contingencies	5.00%	(of dev. Costs)	\$1,507,585
3.12 TOTAL DEVELOPMENT COSTS			\$31,659,275

E

4. FINANCE & MISCELLANEOUS			
4.01 Land Holding Costs	-	per annum	\$0
4.02 Interest Expense at Nominal Rate of	6.00%	per annum	\$1,994,611
4.03 TOTAL FINANCE & MISCELLANEOUS COSTS			\$1,994,611

F
G
H

5. PROFIT/RISK			
5.01 Nominate Target Profit/Risk Margin, as a percentage on Total Costs	16.00%		
5.02 Profit (D(1+(1+I)))			\$7,469,726

I
J

6. LAND ACQUISITION COSTS			
6.01 Gross residual Land Value (D-E-H-J)			\$13,031,900
6.02 Equity contribution to land acquisition	75.00%	of Gross RLV	
6.03 Compound Interest on Land Acquisition			\$531,146
6.04 Acquisition Costs (such as Legals, etc but not Stamp Duty) @ 1%			\$119,624
6.05 Stamp Duties	NIL		\$598,122
6.1 Net Residual Land Value (K-L-M-N)			\$11,783,007
7.04 Project NPV @ discount rate of	16.00%		-1,677,736
7.05 Project IRR			12.83%

K
L
M
N
O

7. SCENARIO ANALYSIS			
7.01 If Purchase Price is			10,937,500
7.02 Then Dev. Margin (as a percentage on Total Costs) would be			18.37%
7.03 Development Profit w would be			8,404,849 (\$129665 per unit)
7.04 Project NPV at disc. rate of 16% w would be			-810,558
7.05 Project IRR w would be			14.42%

- Interest on Construction = $((1 + \text{Int. Rate}/12)^{\text{Const. Period} * 50\% + \text{Sales Period} * 20\%} * \text{Total Dev. Costs} + \text{Int. on Land Holding Costs}$
- Interest on Land = $\text{Acquisition Costs} * (1 - (1 + \text{Interest Rate}/12)^{\text{TIME}})$ where TIME is Month 3 through to mid-way of the selling period
Note: All dates taken from the middle of the month.
- Land Holding Costs calculated from Month 3 to half way through the selling period. Land Holding Costs increase interest expense
- Rental Income calculated from Month 3 to start of construction (Note that Rental Income reduces interest expense)

Residual Version 6

Program Written by HIIPDA Land Economists (Updated October 2020)

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HIIPDA

1. INTRODUCTION			
1.01 Project Name	Concord West Block 10 Tipping Point		
1.02 Address	9-17 King Street		
1.03 Description or Option	Option 4 - 19 storey mixed use dev. with affordable housing payment		
1.04 Report Prepared By	HIIPDA		
1.05 Report Prepared For	Bayside Council		
1.06 Site Area	1,017	sqm	
1.07 GFA	5,899	sqm	FSR: 5.80 : 1
1.08 Existing residential dwellings	5		
1.09 No. of new residential apartments	65		(Ratio = 12.96:1)
1.10 Start Date (Enter Date for Contract Exchange)	Jul-21		(ie month 0, Settlement is assumed in 2 months)
1.11 Start construction in Month	14		
1.12 End construction in Month	37		Construction Period is 23 mths
1.13 Complete project in Month (Last Sales Period)	40		Selling Period is 3 mths

2. SALES			
Description	Lots or Area (sqm)	Base Rate \$/Lot	Value
2.01 Ground Floor Retail	-	8,000	\$0
2.02 Ground Floor Residential	262	10,000	\$2,617,279
2.03 Affordable Housing	-	-	\$0
2.04 Level 1-2	523	10,750	\$5,627,151
2.05 Level 3-4	523	11,100	\$5,810,360
2.06 Level 5-6	523	11,450	\$5,993,570
2.07 Level 7-8	523	11,800	\$6,176,779
2.08 Level 9-10	523	12,150	\$6,359,989
2.09 Level 11-12	523	12,500	\$6,543,199
2.10 Level 13-14	523	12,850	\$6,726,408
2.11 Level 15-16	523	13,200	\$6,909,618
2.12 Level 17-18	523	13,550	\$7,092,827
2.13 Level 19-20	188	14,150	\$2,666,484
2.13	-	-	\$0
Total Revenue from Sales			\$62,523,664
2.14 Less Selling Expenses	2.40%	(of sales revenue)	(\$1,500,568)
2.15 Less GST %	8.30%		(\$4,791,749)
2.16 Net Rental Income (pre-development)	-	per annum	\$0
2.17 TOTAL NET REVENUE (A+B+C)			\$56,231,347

A
B
B2
C
D

3. DEVELOPMENT COSTS Net GST			
Description	#Lots or Sqm	Base Rate \$/Lot	Value
3.01 Demolition	5	27,500	\$137,500
3.02 Construction of habital levels	6,488	3,080	\$19,984,457
3.03 Construction of basement car spaces	78	55,000	\$4,278,105
3.04 Construction of balconies	885	1,100	\$973,269
3.05 Site costs and external works @ 2.5%	1	630,896	\$630,896
3.06 Building escalation @ 2.0%	1	520,085	\$520,085
3.07 Professional & application fees @ 8.0%	1	2,121,945	\$2,121,945
3.08 Developer contributions	60	15,100	\$903,279
3.09 Marketing and other misc. costs @ 1%	1	625,237	\$625,237
3.10	-	-	\$0
3.11 Monetary contribution to affordable housing	5,899	431	\$2,540,527
3.12	-	-	\$0
3.11 Contingencies	5.00%	(of dev. Costs)	\$1,508,739
3.12 TOTAL DEVELOPMENT COSTS			\$34,224,037

E

4. FINANCE & MISCELLANEOUS			
4.01 Land Holding Costs	-	per annum	\$0
4.02 Interest Expense at Nominal Rate of	6.00%	per annum	\$1,996,138
4.03 TOTAL FINANCE & MISCELLANEOUS COSTS			\$1,996,138

F
G
H

5. PROFIT/RISK			
5.01 Nominate Target Profit/Risk Margin, as a percentage on Total Costs		16.00%	
5.02 Profit (D/(1+(1+I)))			\$7,756,048

I
J

6. LAND ACQUISITION COSTS			
6.01 Gross residual Land Value (D-E-H-J)			\$12,255,124
6.02 Equity contribution to land acquisition	75.00%	of Gross RLV	
6.03 Compound Interest on Land Acquisition			\$499,487
6.04 Acquisition Costs (such as Legals, etc but not Stamp Duty) @ 1%			112,494
6.05 Stamp Duties		NIL	\$562,471
6.1 Net Residual Land Value (K-L-M-N)			\$11,080,672
7.04 Project NPV @ discount rate of	16.00%		-1,519,424
7.05 Project IRR			13.12%

K
L
M
N
O

7. SCENARIO ANALYSIS			
7.01 If Purchase Price is			10,937,500
7.02 Then Dev. Margin (as a percentage on Total Costs) would be			16.38%
7.03 Development Profit would be			7,914,395
7.04 Project NPV at disc. rate of 16% w would be			-1,372,582
7.05 Project IRR w would be			13.39%

(\$122098 per unit)

- Interest on Construction = $((1 + \text{Int. Rate}/12)^{\text{Const. Period} * 50\% + \text{Sales Period} * 20\%} * \text{Total Dev. Costs} + \text{Int. on Land Holding Costs}$
- Interest on Land = $\text{Acquisition Costs} * (1 - (1 + \text{Interest Rate}/12)^{\text{TIME}})$ where TIME is Month 3 through to mid-way of the selling period
Note: All dates taken from the middle of the month.
- Land Holding Costs calculated from Month 3 to half way through the selling period. Land Holding Costs increase interest expense
- Rental Income calculated from Month 3 to start of construction (Note that Rental Income reduces interest expense)

Residual Version 6

Program Written by HIIPDA Land Economists (Updated October 2020)

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HIIPDA

1. INTRODUCTION			
1.01 Project Name	Concord West Block 12		
1.02 Address	19-23 King Street		
1.03 Description or Option	Option 1 - 8 storey residential flat building		
1.04 Report Prepared By	HIIPDA		
1.05 Report Prepared For	Bayside Council		
1.06 Site Area	2,833	sqm	
1.07 GFA	8,500	sqm	FSR 3.00 : 1
1.08 Existing residential dwellings	5		
1.09 No. of new residential apartments	85		(Ratio = 17:1)
1.10 Start Date (Enter Date for Contract Exchange)	Jul-21		(ie month 0, Settlement is assumed in 2 months)
1.11 Start construction in Month	14		
1.12 End construction in Month	34		Construction Period is 20 mths
1.13 Complete project in Month (Last Sales Period)	37		Selling Period is 3 mths

2. SALES				
Description	Lots or Area (sqm)	Base Rate \$/Lot	Value	
2.01 Ground Floor Retail	-	8,000	\$0	
2.02 Ground Floor Residential	567	10,000	\$5,670,000	
2.03 Affordable Housing	-	-	\$0	
2.04 Level 1-3	1,701	10,550	\$17,945,550	
2.05 Level 4-5	862	11,200	\$9,650,550	
2.06 Level 6-7	862	11,550	\$9,952,130	
2.07 Level 8-9	862	11,900	\$10,253,709	
2.08 Level 10-11	862	12,250	\$10,555,289	
2.09 Level 12-13	862	12,600	\$10,856,869	
2.10 Level 14-15	862	12,950	\$11,158,448	
2.11	-	-	\$0	
2.12	-	-	\$0	
2.13	-	-	\$0	
2.13	-	-	\$0	
Total Revenue from Sales			\$86,042,545	A
2.14 Less Selling Expenses	2.40%	(of sales revenue)	(\$2,065,021)	B
2.15 Less GST %	8.10%		(\$6,447,221)	B2
2.16 Net Rental Income (pre-development)	-	per annum	\$0	C
2.17 TOTAL NET REVENUE (A+B+C)			\$77,530,303	D

3. DEVELOPMENT COSTS Net GST				
Description	#Lots or Sqm	Base Rate \$/Lot	Value	
3.01 Demolition	5	27,500	\$137,500	
3.02 Construction of habital levels	9,350	3,050	\$28,517,165	
3.03 Construction of basement car spaces	102	55,000	\$5,609,934	
3.04 Construction of balconies	1,275	1,100	\$1,402,484	
3.05 Site costs and external works @ 2.5%	1	888,240	\$888,240	
3.06 Building escalation @ 2.0%	1	731,106	\$731,106	
3.07 Professional & application fees @ 8.0%	1	2,982,914	\$2,982,914	
3.08 Developer contributions	80	15,100	\$1,207,985	
3.09 Marketing and other misc. costs @ 1%	1	860,425	\$860,425	
3.10	-	-	\$0	
3.11 Monetary contribution to affordable housing	-	-	\$0	
3.12	-	-	\$0	
3.11 Contingencies	5.00%	(of dev. Costs)	\$2,116,888	
3.12 TOTAL DEVELOPMENT COSTS			\$44,454,640	E

4. FINANCE & MISCELLANEOUS				
4.01 Land Holding Costs	-	per annum	\$0	F
4.02 Interest Expense at Nominal Rate of	6.00%	per annum	\$2,448,537	G
4.03 TOTAL FINANCE & MISCELLANEOUS COSTS			\$2,448,537	H

5. PROFIT/RISK		
5.01 Nominate Target Profit/Risk Margin, as a percentage on Total Costs	16.00%	I
5.02 Profit (D(1+(1+I)))		\$10,693,835 J

6. LAND ACQUISITION COSTS				
6.01 Gross residual Land Value (D-E-H-J)			\$19,933,291	K
6.02 Equity contribution to land acquisition	75.00%	of Gross RLV		
6.03 Compound Interest on Land Acquisition			\$748,904	L
6.04 Acquisition Costs (such as Legals, etc but not Stamp Duty) @ 1%			183,583	M
6.05 Stamp Duties		NIL	\$826,122	N
6.1 Net Residual Land Value (K-L-M-N)			\$18,174,682	O
7.04 Project NPV @ discount rate of	16.00%		-1,743,131	
7.05 Project IRR			13.56%	

7. SCENARIO ANALYSIS			
7.01 If Purchase Price is			12,675,000
7.02 Then Dev. Margin (as a percentage on Total Costs) would be			27.51%
7.03 Development Profit w would be			16,725,674 (\$196775 per unit)
7.04 Project NPV at disc. rate of 16% w would be			3,869,123
7.05 Project IRR w would be			22.38%

- Interest on Construction = $((1 + \text{Int. Rate}/12)^{\text{Const. Period} * 50\% + \text{Sales Period} * 20\%} * \text{Total Dev. Costs} + \text{Int. on Land Holding Costs}$
- Interest on Land = $\text{Acquisition Costs} * (1 - (1 + \text{Interest Rate}/12)^{\text{TIME}})$ where TIME is Month 3 through to mid-way of the selling period
Note: All dates taken from the middle of the month.
- Land Holding Costs calculated from Month 3 to half way through the selling period. Land Holding Costs increase interest expense
- Rental Income calculated from Month 3 to start of construction (Note that Rental Income reduces interest expense)

Residual Version 6

Program Written by HIIPDA Land Economists (Updated October 2020)

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HIIPDA

1. INTRODUCTION			
1.01 Project Name	Concord West Block 12 with 5% affordable housing		
1.02 Address	19-23 King Street		
1.03 Description or Option	Option 2 - 10 storey res. flat building with 4% affordable housing		
1.04 Report Prepared By	HIIPDA		
1.05 Report Prepared For	Bayside Council		
1.06 Site Area	2,833	sqm	
1.07 GFA	8,499	sqm	FSR 3.00 : 1
1.08 Existing residential dwellings	5		
1.09 No. of new residential apartments	85		(Ratio = 17:1)
1.10 Start Date (Enter Date for Contract Exchange)	Jul-21		(ie month 0, Settlement is assumed in 2 months)
1.11 Start construction in Month	14		
1.12 End construction in Month	34		Construction Period is 20 mths
1.13 Complete project in Month (Last Sales Period)	37		Selling Period is 3 mths

2. SALES				
Description	Lots or Area (sqm)	Base Rate \$/Lot	Value	
2.01 Ground Floor Retail	-	8,000	\$0	
2.02 Ground Floor Residential	567	10,000	\$5,670,000	
2.03 Affordable Housing	309	-	\$0	
2.04 Level 1-3	1,392	10,550	\$14,681,764	
2.05 Level 4-5	862	11,200	\$9,650,550	
2.06 Level 6-7	862	11,550	\$9,952,130	
2.07 Level 8-9	862	11,900	\$10,253,709	
2.08 Level 10-11	862	12,250	\$10,555,289	
2.09 Level 12-13	862	12,600	\$10,856,869	
2.10 Level 14-15	862	12,950	\$11,158,448	
2.11	-	-	\$0	
2.12	-	-	\$0	
2.13	-	-	\$0	
2.13	-	-	\$0	
Total Revenue from Sales			\$82,778,759	A
2.14 Less Selling Expenses	2.40%	(of sales revenue)	(\$1,986,690)	B
2.15 Less GST %	8.10%		(\$6,202,664)	B2
2.16 Net Rental Income (pre-development)	-	per annum	\$0	C
2.17 TOTAL NET REVENUE (A+B+C)			\$74,589,405	D

3. DEVELOPMENT COSTS Net GST				
Description	#Lots or Sqm	Base Rate \$/Lot	Value	
3.01 Demolition	5	27,500	\$137,500	
3.02 Construction of habital levels	9,349	3,050	\$28,514,145	
3.03 Construction of basement car spaces	102	55,000	\$5,609,340	
3.04 Construction of balconies	1,275	1,100	\$1,402,335	
3.05 Site costs and external works @ 2.5%	1	888,146	\$888,146	
3.06 Building escalation @ 2.0%	1	731,029	\$731,029	
3.07 Professional & application fees @ 8.0%	1	2,982,600	\$2,982,600	
3.08 Developer contributions	80	15,100	\$1,207,849	
3.09 Marketing and other misc. costs @ 1%	1	827,788	\$827,788	
3.10	-	-	\$0	
3.11 Monetary contribution to affordable housing	-	-	\$0	
3.12	-	-	\$0	
3.11 Contingencies	5.00%	(of dev. Costs)	\$2,115,037	
3.12 TOTAL DEVELOPMENT COSTS			\$44,415,768	E

4. FINANCE & MISCELLANEOUS				
4.01 Land Holding Costs	-	per annum	\$0	F
4.02 Interest Expense at Nominal Rate of	6.00%	per annum	\$2,446,396	G
4.03 TOTAL FINANCE & MISCELLANEOUS COSTS			\$2,446,396	H

5. PROFIT/RISK		
5.01 Nominate Target Profit/Risk Margin, as a percentage on Total Costs	16.00%	I
5.02 Profit (D/(1+(1+I)))		\$10,288,194

6. LAND ACQUISITION COSTS				
6.01 Gross residual Land Value (D-E-H-J)			\$17,439,048	K
6.02 Equity contribution to land acquisition	75.00%	of Gross RLV		
6.03 Compound Interest on Land Acquisition			\$655,194	L
6.04 Acquisition Costs (such as Legals, etc but not Stamp Duty) @ 1%			\$160,611	M
6.05 Stamp Duties		NIL	\$722,750	N
6.1 Net Residual Land Value (K-L-M-N)			\$15,900,493	O
7.04 Project NPV @ discount rate of	16.00%		-1,285,120	
7.05 Project IRR			14.06%	

7. SCENARIO ANALYSIS		
7.01 If Purchase Price is		12,675,000
7.02 Then Dev. Margin (as a percentage on Total Costs) woud be		22.75%
7.03 Development Profit woud be		13,825,791
7.04 Project NPV at disc. rate of 16% woud be		2,006,395
7.05 Project IRR woud be		19.35%

(\$162675 per unit)

- Interest on Construction = $((1 + \text{Int. Rate}/12)^{\text{Const. Period} * 50\% + \text{Sales Period} * 20\%} * \text{Total Dev. Costs} + \text{Int. on Land Holding Costs}$
- Interest on Land = Acquisition Costs * $(1 - (1 + \text{Interest Rate}/12)^{\text{TIME}})$ where TIME is Month 3 through to mid-way of the selling period
Note: All dates taken from the middle of the month.
- Land Holding Costs calculated from Month 3 to half way through the selling period. Land Holding Costs increase interest expense
- Rental Income calculated from Month 3 to start of construction (Note that Rental Income reduces interest expense)

Residual Version 6

Program Written by HiIPDA Land Economists (Updated October 2020)

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HiIPDA

1. INTRODUCTION			
1.01 Project Name	Concord West Block 12 with 5% affordable housing		
1.02 Address	19-23 King Street		
1.03 Description or Option	Option 3 - 10 storey res. flat building with affordable housing payment		
1.04 Report Prepared By	HiIPDA		
1.05 Report Prepared For	Bayside Council		
1.06 Site Area	2,833	sqm	
1.07 GFA	8,499	sqm	FSR 3.00 : 1
1.08 Existing residential dwellings	5		
1.09 No. of new residential apartments	85		(Ratio = 17:1)
1.10 Start Date (Enter Date for Contract Exchange)	Jul-21		(ie month 0, Settlement is assumed in 2 months)
1.11 Start construction in Month	14		
1.12 End construction in Month	34		Construction Period is 20 mths
1.13 Complete project in Month (Last Sales Period)	37		Selling Period is 3 mths

2. SALES				
Description	Lots or Area (sqm)	Base Rate \$/Lot	Value	
2.01 Ground Floor Retail	-	8,000	\$0	
2.02 Ground Floor Residential	567	10,000	\$5,670,000	
2.03 Affordable Housing	-	-	\$0	
2.04 Level 1-3	1,701	10,550	\$17,945,550	
2.05 Level 4-5	862	11,200	\$9,650,550	
2.06 Level 6-7	862	11,550	\$9,952,130	
2.07 Level 8-9	862	11,900	\$10,253,709	
2.08 Level 10-11	862	12,250	\$10,555,289	
2.09 Level 12-13	862	12,600	\$10,856,869	
2.10 Level 14-15	862	12,950	\$11,158,448	
2.11	-	-	\$0	
2.12	-	-	\$0	
2.13	-	-	\$0	
2.13	-	-	\$0	
Total Revenue from Sales			\$86,042,545	A
2.14 Less Selling Expenses	2.40%	(of sales revenue)	(\$2,065,021)	B
2.15 Less GST %	8.10%		(\$6,447,221)	B2
2.16 Net Rental Income (pre-development)	-	per annum	\$0	C
2.17 TOTAL NET REVENUE (A+B+C)			\$77,530,303	D

3. DEVELOPMENT COSTS Net GST				
Description	#Lots or Sqm	Base Rate \$/Lot	Value	
3.01 Demolition	5	27,500	\$137,500	
3.02 Construction of habital levels	9,349	3,050	\$28,514,145	
3.03 Construction of basement car spaces	102	55,000	\$5,609,340	
3.04 Construction of balconies	1,275	1,100	\$1,402,335	
3.05 Site costs and external works @ 2.5%	1	888,146	\$888,146	
3.06 Building escalation @ 2.0%	1	731,029	\$731,029	
3.07 Professional & application fees @ 8.0%	1	2,982,600	\$2,982,600	
3.08 Developer contributions	80	15,100	\$1,207,849	
3.09 Marketing and other misc. costs @ 1%	1	860,425	\$860,425	
3.10	-	-	\$0	
3.11 Monetary contribution to affordable housing	8,499	431	\$3,660,519	
3.12	-	-	\$0	
3.11 Contingencies	5.00%	(of dev. Costs)	\$2,116,668	
3.12 TOTAL DEVELOPMENT COSTS			\$48,110,557	E

4. FINANCE & MISCELLANEOUS				
4.01 Land Holding Costs	-	per annum	\$0	F
4.02 Interest Expense at Nominal Rate of	6.00%	per annum	\$2,448,284	G
4.03 TOTAL FINANCE & MISCELLANEOUS COSTS			\$2,448,284	H

5. PROFIT/RISK		
5.01 Nominate Target Profit/Risk Margin, as a percentage on Total Costs	16.00%	
5.02 Profit (D/(1+(1+I)))		\$10,693,835

6. LAND ACQUISITION COSTS				
6.01 Gross residual Land Value (D-E-H-J)			\$16,277,628	K
6.02 Equity contribution to land acquisition	75.00%	of Gross RLV		
6.03 Compound Interest on Land Acquisition			\$611,559	L
6.04 Acquisition Costs (such as Legals, etc but not Stamp Duty) @ 1%			\$149,915	M
6.05 Stamp Duties		NIL	\$674,615	N
6.1 Net Residual Land Value (K-L-M-N)			\$14,841,539	O
7.04 Project NPV @ discount rate of	16.00%		-1,025,717	
7.05 Project IRR			14.44%	

7. SCENARIO ANALYSIS			
7.01 If Purchase Price is			12,675,000
7.02 Then Dev. Margin (as a percentage on Total Costs) would be			20.28%
7.03 Development Profit would be			13,070,012 (\$153783 per unit)
7.04 Project NPV at disc. rate of 16% would be			1,185,169
7.05 Project IRR would be			17.93%

- Interest on Construction = $((1 + \text{Int. Rate}/12)^{\text{Const. Period} * 50\% + \text{Sales Period} * 20\%} * \text{Total Dev. Costs} + \text{Int. on Land Holding Costs}$
- Interest on Land = Acquisition Costs * $(1 - (1 + \text{Interest Rate}/12)^{\text{TIME}})$ where TIME is Month 3 through to mid-way of the selling period
Note: All dates taken from the middle of the month.
- Land Holding Costs calculated from Month 3 to half way through the selling period. Land Holding Costs increase interest expense
- Rental Income calculated from Month 3 to start of construction (Note that Rental Income reduces interest expense)

Residual Version 6

Program Written by HIIPDA Land Economists (Updated October 2020)

Licensed to:
HIIPDA

1. INTRODUCTION			
1.01 Project Name	Concord West Block 13		
1.02 Address	28A-42 King Street		
1.03 Description or Option	Option 1 - 6 storey residential flat building		
1.04 Report Prepared By	HIIPDA		
1.05 Report Prepared For	Bayside Council		
1.06 Site Area	3,126	sqm	
1.07 GFA	6,252	sqm	FSR 2.00 : 1
1.08 Existing residential dwellings	4		
1.09 No. of new residential apartments	63		(Ratio = 15.63:1)
1.10 Start Date (Enter Date for Contract Exchange)	Jul-21		(ie month 0, Settlement is assumed in 2 months)
1.11 Start construction in Month	14		
1.12 End construction in Month	29		Construction Period is 15 mths
1.13 Complete project in Month (Last Sales Period)	32		Selling Period is 3 mths

2. SALES			
Description	Lots or Area (sqm)	Base Rate \$/Lot	Value
2.01 Ground Floor Retail	-	8,000	\$0
2.02 Ground Floor Residential	804	10,000	\$8,044,853
2.03 Affordable Housing	-	-	\$0
2.04 Level 1-2	1,609	10,750	\$17,296,434
2.05 Level 3-4	1,609	11,100	\$17,859,574
2.06 Level 5-6	1,448	11,550	\$16,725,249
2.07 Level 7-8	-	-	\$0
2.08 Level 9-10	-	-	\$0
2.09 Level 11-12	-	-	\$0
2.10 Level 13-14	-	-	\$0
2.11 Level 15-16	-	-	\$0
2.12 Level 17-18	-	-	\$0
2.13 Level 19-20	-	-	\$0
2.13 .	-	-	\$0
Total Revenue from Sales			\$59,926,110
2.14 Less Selling Expenses	2.40%	(of sales revenue)	(\$1,438,227)
2.15 Less GST %	8.10%		(\$4,490,301)
2.16 Net Rental Income (pre-development)	-	per annum	\$0
2.17 TOTAL NET REVENUE (A+B+C)			\$53,997,582

A
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B2
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3. DEVELOPMENT COSTS Net GST			
Description	#Lots or Sqm	Base Rate \$/Lot	Value
3.01 Demolition	4	27,500	\$110,000
3.02 Construction of habital levels	6,877	2,810	\$19,324,932
3.03 Construction of basement car spaces	75	51,000	\$3,826,224
3.04 Construction of balconies	938	1,100	\$1,031,580
3.05 Site costs and external works @ 2.5%	1	604,568	\$604,568
3.06 Building escalation @ 2.0%	1	497,946	\$497,946
3.07 Professional & application fees @ 8.0%	1	2,031,620	\$2,031,620
3.08 Developer contributions	59	15,100	\$883,652
3.09 Marketing and other misc. costs @ 1%	1	599,261	\$599,261
3.10 .	-	-	\$0
3.11 Monetary contribution to affordable housing	-	-	\$0
3.12 .	-	-	\$0
3.11 Contingencies	5.00%	(of dev. Costs)	\$1,445,489
3.12 TOTAL DEVELOPMENT COSTS			\$30,355,273

E

4. FINANCE & MISCELLANEOUS			
4.01 Land Holding Costs	-	per annum	\$0
4.02 Interest Expense at Nominal Rate of	6.00%	per annum	\$1,275,088
4.03 TOTAL FINANCE & MISCELLANEOUS COSTS			\$1,275,088

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5. PROFIT/RISK			
5.01 Nominate Target Profit/Risk Margin, as a percentage on Total Costs			16.00%
5.02 Profit (D(1+(1+I)))			\$7,447,942

I
J

6. LAND ACQUISITION COSTS			
6.01 Gross residual Land Value (D-E-H-J)			\$14,919,279
6.02 Equity contribution to land acquisition	75.00%	of Gross RLV	
6.03 Compound Interest on Land Acquisition			\$479,776
6.04 Acquisition Costs (such as Legals, etc but not Stamp Duty) @ 1%			138,177
6.05 Stamp Duties		NIL	\$621,797
6.1 Net Residual Land Value (K-L-M-N)			\$13,679,529
7.04 Project NPV @ discount rate of	16.00%		-232,759
7.05 Project IRR			15.46%

K
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7. SCENARIO ANALYSIS			
7.01 If Purchase Price is			10,400,000
7.02 Then Dev. Margin (as a percentage on Total Costs) woud be			25.65%
7.03 Development Profit woud be			11,024,689 (\$176339 per unit)
7.04 Project NPV at disc. rate of 16% woud be			3,113,898
7.05 Project IRR woud be			24.28%

- Interest on Construction = $((1 + \text{Int. Rate}/12)^{\text{Const. Period} * 50\% + \text{Sales Period} * 20\%} * \text{Total Dev. Costs} + \text{Int. on Land Holding Costs}$
- Interest on Land = Acquisition Costs * $(1 - (1 + \text{Interest Rate}/12)^{\text{TIME}})$ where TIME is Month 3 through to mid-way of the selling period
Note: All dates taken from the middle of the month.
- Land Holding Costs calculated from Month 3 to half way through the selling period. Land Holding Costs increase interest expense
- Rental Income calculated from Month 3 to start of construction (Note that Rental Income reduces interest expense)

Residual Version 6

Program Written by HIIPDA Land Economists (Updated October 2020)

Licensed to:
HIIPDA

1. INTRODUCTION			
1.01 Project Name	Concord West Block 13		
1.02 Address	28A-42 King Street		
1.03 Description or Option	Option 2 - 8 storey res. flat building with 4% affordable housing		
1.04 Report Prepared By	HIIPDA		
1.05 Report Prepared For	Bayside Council		
1.06 Site Area	3,126	sqm	
1.07 GFA	6,252	sqm	FSR 2.00 : 1
1.08 Existing residential dwellings	4		
1.09 No. of new residential apartments	63		(Ratio = 15.63:1)
1.10 Start Date (Enter Date for Contract Exchange)	Jul-21		(ie month 0, Settlement is assumed in 2 months)
1.11 Start construction in Month	14		
1.12 End construction in Month	29		Construction Period is 15 mths
1.13 Complete project in Month (Last Sales Period)	32		Selling Period is 3 mths

2. SALES			
Description	Lots or Area (sqm)	Base Rate \$/Lot	Value
2.01 Ground Floor Retail	-	8,000	\$0
2.02 Ground Floor Residential	804	10,000	\$8,044,853
2.03 Affordable Housing	228	-	\$0
2.04 Level 1-2	1,381	10,750	\$14,850,026
2.05 Level 3-4	1,609	11,100	\$17,859,574
2.06 Level 5-6	1,448	11,550	\$16,725,249
2.07 Level 7-8	-	-	\$0
2.08 Level 9-10	-	-	\$0
2.09 Level 11-12	-	-	\$0
2.10 Level 13-14	-	-	\$0
2.11 Level 15-16	-	-	\$0
2.12 Level 17-18	-	-	\$0
2.13 Level 19-20	-	-	\$0
2.13 .	-	-	\$0
Total Revenue from Sales			\$57,479,702
2.14 Less Selling Expenses	2.40%	(of sales revenue)	(\$1,379,513)
2.15 Less GST %	8.10%		(\$4,306,990)
2.16 Net Rental Income (pre-development)	-	per annum	\$0
2.17 TOTAL NET REVENUE (A+B+C)			\$51,793,199

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3. DEVELOPMENT COSTS Net GST			
Description	#Lots or Sqm	Base Rate \$/Lot	Value
3.01 Demolition	4	27,500	\$110,000
3.02 Construction of habital levels	6,877	2,810	\$19,324,932
3.03 Construction of basement car spaces	75	52,000	\$3,901,248
3.04 Construction of balconies	938	1,100	\$1,031,580
3.05 Site costs and external works @ 2.5%	1	606,444	\$606,444
3.06 Building escalation @ 2.0%	1	499,484	\$499,484
3.07 Professional & application fees @ 8.0%	1	2,037,895	\$2,037,895
3.08 Developer contributions	59	15,100	\$883,652
3.09 Marketing and other misc. costs @ 1%	1	574,797	\$574,797
3.10 .	-	-	\$0
3.11 Monetary contribution to affordable housing	-	-	\$0
3.12 .	-	-	\$0
3.11 Contingencies	5.00%	(of dev. Costs)	\$1,448,502
3.12 TOTAL DEVELOPMENT COSTS			\$30,418,534

E

4. FINANCE & MISCELLANEOUS			
4.01 Land Holding Costs	-	per annum	\$0
4.02 Interest Expense at Nominal Rate of	6.00%	per annum	\$1,277,746
4.03 TOTAL FINANCE & MISCELLANEOUS COSTS			\$1,277,746

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5. PROFIT/RISK			
5.01 Nominate Target Profit/Risk Margin, as a percentage on Total Costs	16.00%		
5.02 Profit (D/(1+(1+I)))			\$7,143,890

I
J

6. LAND ACQUISITION COSTS			
6.01 Gross residual Land Value (D-E-H-J)			\$12,953,031
6.02 Equity contribution to land acquisition	75.00%	of Gross RLV	
6.03 Compound Interest on Land Acquisition			\$416,545
6.04 Acquisition Costs (such as Legals, etc but not Stamp Duty) @ 1%			\$119,966
6.05 Stamp Duties		NIL	\$539,849
6.1 Net Residual Land Value (K-L-M-N)			\$11,876,671
7.04 Project NPV @ discount rate of	16.00%		49,693
7.05 Project IRR			16.13%

K
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7. SCENARIO ANALYSIS			
7.01 If Purchase Price is	10,400,000		
7.02 Then Dev. Margin (as a percentage on Total Costs) woud be	20.34%		
7.03 Development Profit woud be	8,754,388		(\$140025 per unit)
7.04 Project NPV at disc. rate of 16% woud be	1,556,589		
7.05 Project IRR woud be	20.19%		

- Interest on Construction = $((1 + \text{Int. Rate}/12)^{\text{Const. Period} * 50\% + \text{Sales Period} * 20\%} * \text{Total Dev. Costs} + \text{Int. on Land Holding Costs}$
- Interest on Land = $\text{Acquisition Costs} * (1 - (1 + \text{Interest Rate}/12)^{\text{TIME}})$ where TIME is Month 3 through to mid-way of the selling period
Note: All dates taken from the middle of the month.
- Land Holding Costs calculated from Month 3 to half way through the selling period. Land Holding Costs increase interest expense
- Rental Income calculated from Month 3 to start of construction (Note that Rental Income reduces interest expense)

Residual Version 6

Program Written by HIIPDA Land Economists (Updated October 2020)

Licensed to:

HIIPDA

1. INTRODUCTION			
1.01	Project Name	Concord West Block 13	
1.02	Address	28A-42 King Street	
1.03	Description or Option	Option 2 - 8 storey res. flat building with affordable housing payment	
1.04	Report Prepared By	HIIPDA	
1.05	Report Prepared For	Bayside Council	
1.06	Site Area	3,126	sqm
1.07	GFA	6,252	sqm FSR 2.00 : 1
1.08	Existing residential dwellings	4	
1.09	No. of new residential apartments	63	(Ratio = 15.63:1)
1.10	Start Date (Enter Date for Contract Exchange)	Jul-21	(ie month 0, Settlement is assumed in 2 months)
1.11	Start construction in Month	14	
1.12	End construction in Month	29	Construction Period is 15 mths
1.13	Complete project in Month (Last Sales Period)	32	Selling Period is 3 mths

2. SALES			
Description	Lots or Area (sqm)	Base Rate \$/Lot	Value
2.01	Ground Floor Retail	-	\$0
2.02	Ground Floor Residential	804	\$8,044,853
2.03	Affordable Housing	-	\$0
2.04	Level 1-2	1,609	\$17,296,434
2.05	Level 3-4	1,609	\$17,859,574
2.06	Level 5-6	1,448	\$16,725,249
2.07	Level 7-8	-	\$0
2.08	Level 9-10	-	\$0
2.09	Level 11-12	-	\$0
2.10	Level 13-14	-	\$0
2.11	Level 15-16	-	\$0
2.12	Level 17-18	-	\$0
2.13	Level 19-20	-	\$0
2.13	.	-	\$0
Total Revenue from Sales			\$59,926,110
2.14	Less Selling Expenses	2.40% (of sales revenue)	(\$1,438,227)
2.15	Less GST %	8.10%	(\$4,490,301)
2.16	Net Rental Income (pre-development)	- per annum	\$0
2.17	TOTAL NET REVENUE (A+B+C)		\$53,997,582

A
B
B2
C
D

3. DEVELOPMENT COSTS Net GST			
Description	#Lots or Sqm	Base Rate \$/Lot	Value
3.01	Demolition	4	\$110,000
3.02	Construction of habital levels	6,877	\$19,324,932
3.03	Construction of basement car spaces	75	\$3,826,224
3.04	Construction of balconies	938	\$1,031,580
3.05	Site costs and external works @ 2.5%	1	\$604,568
3.06	Building escalation @ 2.0%	1	\$497,946
3.07	Professional & application fees @ 8.0%	1	\$2,031,620
3.08	Developer contributions	59	\$883,652
3.09	Marketing and other misc. costs @ 1%	1	\$599,261
3.10	.	-	\$0
3.11	Monetary contribution to affordable housing	6,252	\$2,692,736
3.12	.	-	\$0
3.11	Contingencies	5.00% (of dev. Costs)	\$1,445,489
3.12	TOTAL DEVELOPMENT COSTS		\$33,048,009

E

4. FINANCE & MISCELLANEOUS			
4.01	Land Holding Costs	- per annum	\$0
4.02	Interest Expense at Nominal Rate of	6.00% per annum	\$1,275,088
4.03	TOTAL FINANCE & MISCELLANEOUS COSTS		\$1,275,088

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G
H

5. PROFIT/RISK			
5.01	Nominate Target Profit/Risk Margin, as a percentage on Total Costs	16.00%	
5.02	Profit (D/(1+(1+I)))		\$7,447,942

I
J

6. LAND ACQUISITION COSTS			
6.01	Gross residual Land Value (D-E-H-J)		\$12,226,543
6.02	Equity contribution to land acquisition	75.00% of Gross RLV	
6.03	Compound Interest on Land Acquisition		\$393,182
6.04	Acquisition Costs (such as Legals, etc but not Stamp Duty) @ 1%		\$113,238
6.05	Stamp Duties	NIL	\$509,571
6.1	Net Residual Land Value (K-L-M-N)		\$11,210,552
7.04	Project NPV @ discount rate of	16.00%	247,830
7.05	Project IRR		16.63%

K
L
M
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7. SCENARIO ANALYSIS			
7.01	If Purchase Price is	10,400,000	
7.02	Then Dev. Margin (as a percentage on Total Costs) would be	18.25%	
7.03	Development Profit w would be	8,331,953	(\$133269 per unit)
7.04	Project NPV at disc. rate of 16% w would be	1,074,973	
7.05	Project IRR w would be	18.82%	

- Interest on Construction = $((1 + \text{Int. Rate}/12)^{\text{Const. Period} * 50\% + \text{Sales Period} * 20\%} * \text{Total Dev. Costs} + \text{Int. on Land Holding Costs}$
- Interest on Land = Acquisition Costs * $(1 - (1 + \text{Interest Rate}/12)^{\text{TIME}})$ where TIME is Month 3 through to mid-way of the selling period
Note: All dates taken from the middle of the month.
- Land Holding Costs calculated from Month 3 to half way through the selling period. Land Holding Costs increase interest expense
- Rental Income calculated from Month 3 to start of construction (Note that Rental Income reduces interest expense)



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