

Lot 1, 5 Skyline Place, Frenchs Forest

Feasibility Assessment

Prepared for
Platino Properties

June 2021



CONTENTS

1.0	Introduction	7
1.1	Introduction	7
1.2	Our approach	7
1.3	Site location	8
1.4	Site-specific details.....	8
1.5	Planning details.....	9
1.6	Project Background	10
2.0	Market Research Overview.....	12
2.1	'Off the plan' residential apartment sales.....	12
2.2	Development site sales	13
3.0	Methodology.....	15
3.1	Feasibility methodology	15
3.2	Adopted feasibility assumptions and inputs.....	16
3.3	Development scheme	16
3.4	What do the results show?	17
APPENDIX A :	Development site sales.....	18
A.1	38 Park Street & 1795-1797 Pittwater Road, Mona Vale	18
A.2	1111 -1113 Oxford Falls Road, Frenchs Forest.....	19
A.3	2 Greenwich Road & 3 Anglo Road, Greenwich.....	19
APPENDIX B :	'Off the Plan' sales.....	20
B.1	'The Truman', 33 Truman Avenue Cromer.....	20
B.2	2 Delmar Parade, Dee Why.....	21
B.3	'Lighthouse Meriton', 9-17 Howard Avenue, Dee Why	21

Tables

Table 1: The subject site details	8
Table 2: The subject site's planning details	9
Table 3: Project sales overview	12
Table 4: Development site sale overview.....	13
Table 5: Industry Standard Performance Indicators.....	15
Table 6: Development scheme.....	16

Figures

Figure 1: Location map – Parent site indicated	8
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This document is for discussion purposes only unless signed and dated by a Principal of HillPDA.

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Signature



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Executive Summary

Platino Properties (Platino) has engaged HillPDA to undertake an independent review and market research to analyse the viability of a proposed mixed-use development relating to Lot 1, 5 Skyline Place, Frenchs Forest ('subject site').

Project background

In 2019, Platino was granted approval for a seniors living and mixed use development containing 55 independent living apartments within two part 6 / part 7 storey buildings on Lot 2 at No 5 Skyline Place, Frenchs Forest. To date over 90% of the approved Seniors Independent Living Units (ILU) in the development of Lot 2 have been sold.

A development application has recently been lodged with Northern Beaches Council for the subject site with a view towards satisfying the identified unmet demand for seniors' accommodation in Frenchs Forest. We have been advised by Platino that in addition to the sales to date, there is an existing buyer database of over 500 residents seeking such accommodation with 90% of potential buyers coming from within 5kms of the subject site. The current DA (submitted to Council in March 2021) seeks consent to provide seniors housing on the subject site to cater for the identified housing shortfall for senior living units in the locality. Platino's model allows seniors to own their units outright, and still receive the benefits of community and services as opposed to the deferred management fee model.

We have also been advised that prior to commencing the preparation of the current development application, the applicants had entered into discussions with Project Independence (a disability housing provider) and with other affordable housing providers for women over 55, with a view towards assisting them by providing affordable dwellings and to create a more diverse community. This provides a substantial social benefit to the community, as outlined in the "Social Impact Report", prepared by Chris Faulks (Deputy Chancellor – University of Canberra).

In parallel with the discussions held with community housing providers, a detailed independent site analysis and urban design option study was prepared by Matthew Pullinger, Architect, to determine the appropriate built form for the site. It was concluded that, from a planning perspective, the subject site (Lot 1) was capable of accommodating a larger built form than that approved on Lot 2. Given the specific context, there would be minimal adverse effect on the surrounding area and it was decided that a proportion of the floorspace could be utilised to provide for affordable and disability housing in perpetuity.

We have been advised that Platino prepared a financial model for the development that is the subject of the current DA, which provides for the inclusion of 22 affordable and disability housing units, in perpetuity.

Council's independent Design Review Panel has commented that although "Tower forms are screened from the public domain" the only justification for the size of the development was the financial viability of the overall scheme.

Platino has advised that in fact, the built form is a result of two key elements – urban design and economic feasibility.

Our brief

Based on the earlier comments, Platino has engaged HillPDA to undertake an independent review to analyse the viability of a proposed mixed-use development relating to the subject site.

As part of this assessment, the viability of the proposed development (Scenario 1) has been tested against a hypothetical development scenario (Scenario 2 – similar scale to Lot 2 and without affordable housing and disability housing) for the subject site, summarised below:

- **Scenario 1: Mixed-Use Development with Senior Housing, Affordable and Disability housing contribution**

This scenario is based on the development application submitted to Council in March 2021. The concept plan proposed two buildings with building heights ranging from 3 to 12 storeys that would contain 111 seniors housing units, 12 affordable housing units, 10 disability housing units and ancillary commercial space. Common areas accommodating eating, games and bar areas, men's shed and arts and crafts rooms, computer room and hot desking office area, indoor 25m swimming pool and gym areas. Built over basement car parking for 232 vehicles.

- **Scenario 2: Mixed-Use Development with Senior Housing and no Affordable and Disability housing**

Hypothetical development scenario of a similar scale to Lot 2, a six to seven storey mixed-use development comprising 96 seniors housing units, ancillary commercial space and 201 basement car spaces. This scenario has no affordable housing and disability housing contributions.

To assess each of the two scenarios, HillPDA has applied industry accepted standards of development margins for return and risk. HillPDA undertook the feasibility modelling, and used the proprietary software EstateMaster, an industry benchmark used by developers, financiers, and property valuers.

To assess the viability of two scenarios, HillPDA has benchmarked the Project Internal Rate of Return, which incorporates, profit, risk and tax at 17% p.a. and a Development Margin at 20% p.a.

The feasibility modelling are **Commercial in Confidence** and this report is a summarised version only. A full or partial (redacted) version may be provided on the condition that both a written request is received by HillPDA and the request is approved by Platino.

The results of HillPDA's review

HillPDA's independent feasibility assessment revealed that whilst the proposed development (Scenario 1) accommodates a larger development than that approved on Lot 2, **it does not result in any increase in profitability, risk allowance or residual land value on a land per sqm basis**

This is due largely to the fact that Scenario 1 makes an allowance for 22 affordable and disability dwellings that will be provided as affordable and disability housing – a component that is not included in Scenario 2.

We note that both the SEPP (Seniors) and the Affordable Rental Housing SEPP allow for an incentive for development to provide a minimum of 10% of dwellings as affordable. While there are no “bonus” provisions that apply to the subject development at Skyline Place, it is noted that the amount of proposed floorspace over that approved on the adjoining site (which has no affordable housing) is roughly commensurate with the incentive offered under the SEPPs.

The financial viability of the development of Scenario 1 is directly impacted by the following factors:

- The value of the affordable and social housing component is estimated to be approx. \$16m and would be delivered to the community for \$6m (which as advised, is at the limit of what they can afford to pay). Therefore, Platino absorbs a substantial portion of the construction costs associated with the affordable and disability units.
- A greater proportion of the development will be devoted to common facilities, than in the development envisaged under Scenario 2. Common facilities will include the 25m indoor pool, gym, games, computer arts rooms, theatres and men's shed.
- The affordable and disability housing apartments cannot be sold to the market (equates to 17%) and although partial reimbursement is paid by the partner housing provider, and there is no ability to recoup the cost of this element of the development.
- Higher construction costs, longer project timeline and additional parking requirements have been allowed for to account for the larger scale of the development in Scenario 1.

Conclusion

- The development cannot deliver the 22 affordable housing and housing for people with a disability unless the development is approved in its current form. Simply put, the project requires an increase of 15 seniors living units to cover the cost of incorporating 22 affordable and disability housing apartments within the subject site.
- The return of profit and risk on a per unit basis remains substantially the same as that in the current approval on Lot 2.
- This study demonstrates that by delivering a leading-edge model for premium quality Independent Living accommodation for Seniors, Social Housing for people living with an intellectual disability, and Affordable Housing for older women (over 55) at risk of homelessness, the additional floorspace is required to deliver a financially viable development (in accordance with industry standards).

The feasibility modelling are **Commercial in Confidence** and a full or partial (redacted) version may be provided on the condition that both a written request is received by HillPDA and the request is approved by Platino.

INTRODUCTION

1.0 INTRODUCTION

1.1 Introduction

Platino Properties (Platino) have engaged HillPDA to undertake an independent review and market research to analyse the viability of a proposed mixed-use development relating to Lot 1, 5 Skyline Place, Frenchs Forest.

HillPDA was instructed to test two scenarios for Lot 1:

- **Scenario 1: Mixed-Use Development with Senior Housing, Affordable and Disability housing contribution**

This scenario is based on the development application submitted to Council in March 2021. The concept plan proposed two buildings with building heights ranging from 3 to 12 storeys that would contain 111 seniors housing units, 12 affordable housing units, 10 disability housing units and ancillary commercial space. Common areas accommodating eating, games and bar areas, men's shed and arts and crafts rooms, computer room and hot desking office area, indoor 25m swimming pool and gym areas. Built over basement car parking for 232 vehicles.

- **Scenario 2: Mixed-Use Development with Senior Housing and no Affordable and Disability housing**

Hypothetical development scenario of a similar scale to Lot 2, a six to seven storey mixed-use development comprising 96 seniors housing units, ancillary commercial space and 201 basement car spaces. This scenario has no affordable housing and disability housing contributions.

1.2 Our approach

To determine the viability for the two scenarios, HillPDA have undertaken:

- Market research of 'off the plan' and established apartment sales and development sites sales in addition to a review of 'off the plan' sales of Lot 2 to date.
- Feasibility analysis of the two scenarios and provided commentary on the financial impact of providing affordable and disability housing

1.3 Site location

The site is located at 5 Skyline Place, Frenchs Forest, in the Northern Beaches Local Government Area (LGA). The parent site has an area of approximately 1.25 ha. The site location is shown in Figure 1. For the purpose of this study, we are only to test the proposed concept for Lot 1, which has a total land area of 7,811sqm.

Figure 1: Location map – Parent site indicated.



Source: NearMaps 2021

1.4 Site-specific details

The specific details of the property are:

Table 1: The subject site details

Property particulars	
Consolidated land area	7,811sqm (as per the provided statement of environmental effects report)
Land Description	The subject property is a near regular shaped parcel of land with generally level topography.

1.5 Planning details

Table 2: The subject site's planning details

Local authority	Northern Beaches Council
Planning Scheme	Warringah Local Environmental Plan 2011
Zoning	'B7 Business Park'
Zoning objective	<ul style="list-style-type: none"> – To provide a range of office and light industrial uses. – To encourage employment opportunities. – To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area. – To create business park employment environments of high visual quality that relate favourably in architectural and landscape treatment to neighbouring land uses and to the natural environment. – To minimise conflict between land uses in the zone and adjoining zones and ensure the amenity of adjoining or nearby residential land uses.
Current FSR	Not applicable
Current building height limit	Not applicable
DA status	<p>Mod 1 of REV2019/0014 was approved under Section 8.2(1A) Review of Determination of Development Application No. DA2018/0995 for the lot subdivision into two lots. Lot 2 has the approval to demolish existing structures and construct a 6 storey mixed-use development containing seniors housing units and a mix of office/business uses and café with associated basement car parking. Lot 2 has an FSR of 1.84:1.</p> <p>DA2021/0212 was lodged in March 2021 for Lot 1 and the demolition works and construction of a mixed development comprising seniors housing, commercial uses, car parking,</p> <p>The development application proposes to provide 3 to 12 storeys comprising 111 seniors housing units, 12 affordable housing units and 10 disability housing units over approximately 950sqm of commercial space, basement car parking for 232 vehicles, and communal space. The total floor space is 19,000sqm.</p>

1.6 Project Background

In 2019, Platino was granted approval to subdivide the 1.25ha lot into two lots (hereafter referred to as Lot 1 and Lot 2) and for the development of a six-storey mixed-use seniors living development including a mix of seniors housing apartments with office/business uses, café and associated basement car parking. This development is currently selling off the plan and is due to commence construction.

Since the approval of Lot 2, Platino has undertaken further studies and identified the need for a diverse product based on the population of the locality and its position within a health and education precinct. This led to the development for Lot 1 that is the subject of a current DA to Northern Beaches Council. The current DA seeks consent for a mixed-use development comprising 111 seniors housing units, 12 affordable housing units, 10 disability housing units, and approximately 941sqm of commercial space. A total of 232 basement car parking would be provided. A significant proportion of the site and the buildings will be devoted to common facilities, including gardens, a 25m indoor swimming pool, gym, games and theatre rooms, rooftop garden, computer rooms, men's shed and arts and crafts room etc.

The proposed affordable and disability housing floor spaces equate to 17% of the total development dwellings. It is noted that this greatly exceeds the Northern Beaches Affordable Housing Policy which suggests a target rate of 10% for urban renewal or greenfield developments. There is currently no requirement to provide any affordable housing on the site.

Both Lot 1 and Lot 2 are within a B7 Business Park zoning, and there are no applicable height or floor space ratio (FSR) controls.



MARKET RESEARCH

2.0 MARKET RESEARCH OVERVIEW

We have examined recent market activity and have had particular regard to the following sales evidence, which we consider set the market parameters by which the residential apartment value and the residual land value on a dollar per sqm of GFA or per unit may be determined.

2.1 'Off the plan' residential apartment sales

This section provides an assessment of selected 'off-the-plan' and established residential sales to understand the current and potential residential market supply in the study area. We have examined the recent market activity and have had particular regard to the following sales evidence. We consider setting the market parameters by which the value of the end sale revenue may be established.

Our research has revealed no new development activity is occurring in Frenchs Forest; therefore we have broadened our search to Cromer and Dee Why. We have analysed the following three developments:

- 'The Truman', 33 Truman Avenue Cromer
- 2 Delmar Parade, Dee Why
- 'Lighthouse Meriton', 9-17 Howard Avenue, Dee Why

The 'off the plan' residential project sales values and dollar per square metres are summarised below:

Table 3: Project sales overview

Project	Type	Sale price	Int. area (sqm)	\$/sqm NSA
'The Truman', 33 Truman Avenue Cromer	1 BR	\$850,000	50sqm	\$17,000
	2 BR	\$1,200,000	86-89sqm	\$13,483 - \$13,953
	2 BR + s	\$1,360,000 - \$1,465,000	91 95sqm	\$14,285-\$15,625
	3 BR	\$1,585,000	136sqm	\$11,654
2 Delmar Parade, Dee Why	1 BR	\$775,000	52sqm	\$14,904
	2 BR	\$1,050,000-1,100,000	86-94sqm	\$11,702-\$12,209
9-17 Howard Avenue, Dee Why	1 BR	\$685,000-\$910,000	48-65	\$14,000-\$14,271
	2 BR	\$780,000-\$1,785,000	73 - 110	\$10,685-\$16,227
	3 BR	\$945,000 - \$1,666,000	97 - 140	\$9,742-\$11,900

It should be highlighted that these project sales are not constrained to over 55s only and are located within a town centre or residential precinct, not a business park locality. **Therefore, we would anticipate a lower dollar rate per sqm of NSA would be achieved for the subject site on completion.** This is a positive factor for seniors who would be looking to fund their retirement with any surplus funds from the sale of the family home.

2.2 Development site sales

We have examined recent market activity and have had particular regard to the following development site sales evidence which are located within a residential setting and not a business park precinct. We consider setting the market parameters by which the value of the subject site may be determined. Further details on the development sites are contained within Appendix A.

Table 4: Development site sale overview

Address	Sale price (Sale date)	Site area (Unit yield)	GFA (sqm)	Analysis
38 Park Street & 1795-1797 Pittwater Road, Mona Vale	\$5.855m (12/19)	2,732sqm (16)	2,136	\$365,937/approved unit \$2,741/sqm GFA
1111-1113 Oxford Falls Road, Frenchs Forest	\$12.0m (02/20)	33,700sqm (41)	6,447	\$292,693/potential unit \$1,861/sqm GFA
2 Greenwich Road & 3 Anglo Road, Greenwich	\$18.0m (12/19)	2,464sqm (40)	5,577	\$450,000/potential unit \$3,228/sqm GFA

The sales evidence shows a rate of \$1,861 to \$3,228/sqm of permissible GFA or \$292,683 to \$450,000/unit. This market evidence are located within a residential setting and not a business park precinct, therefore lower rates are considered to be reasonable for the subject site. .

A construction site at dusk or dawn, featuring several large tower cranes and a building's steel rebar skeleton. The scene is overlaid with a semi-transparent blue filter. A white rectangular frame is centered on the image, containing the text 'FEASIBILITY ANALYSIS'.

FEASIBILITY ANALYSIS

3.0 METHODOLOGY

Platino has engaged HillPDA to undertake an independent review to analyse the viability and feasibility of the proposed mixed-use development relating to the subject site.

This Chapter outlines our financial viability analysis and our assumptions for the financial modelling.

3.1 Feasibility methodology

To undertake the feasibility modelling, we have used the proprietary software EstateMaster which is an industry benchmark used by developers, financiers and property valuers. This method calculates the residual land value by subtracting from the anticipated net sales revenue, the anticipated costs of development plus a margin for its profit and risk.

Any unpredicted change, such as an increase in developer contributions or development costs in the short term could have a notable effect on development feasibility unless it could be absorbed by either making allowances in the project contingency or increases in market sale values for the developed product.

A feasibility assessment is based on profit and risk factors. These two factors are subjective elements that determine the minimum level a developer is willing to purchase a site for, factoring in the risk associated with a proposed development. For the purpose of our hypothetical modelling, regard has been given to the following:

- **Project Internal Rate of Return (IRR):** is the actual return on the investment on an annualised basis and expressed as a percentage. This approach takes into account the cost of time in its calculation within cash flow and indicating average returns over a period of time. Typically an IRR of 14% (for townhouses) to 20% (for high rise units) p.a. is required for development to be feasible.
- **Development Margin (DM):** it is the net profit expressed as a percentage of the development costs. Typically, a DM of 16% to 22% for townhouses, mixed-use and residential apartment buildings is required for development to be deemed feasible.

Residential Land Value: is the maximum price that a hypothetical developer would pay for the land to achieve acceptable hurdle rates.

In light of the criteria established above, the sites were assessed against a target **Development Margin of 20%** and a target **Project IRR of 17%**.

Table 5: Industry Standard Performance Indicators

Performance	Project IRR	Development Margin
Feasible	> 17%	> 20%
Marginally feasible	15%-17%	17%-20%
Not feasible	< 15%	< 17%

Source: HillPDA 2019

3.2 Adopted feasibility assumptions and inputs

We have completed our feasibility modelling based partly upon HillPDA's inputs and those provided by Platino Properties. Further estimates used in the feasibility assessments include land costs, project timing, professional fees and development contributions.

Key Assumptions in modelling

- The affordable and disability housing units in Scenario 1 would not be “gifted” to a provider. Instead, the community housing/disability housing providers would contribute to part of the cost of construction. This contribution represents a discount of 63% to 65% of the end sale revenue on a per sqm of NSA basis.
- Higher construction costs were assumed in Scenario 1 as the development is of a higher scale than Scenario 2. As a check method, we have referred to the Rider Levett Bucknall booklet, which has indicated that the average rate to construct a residential unit (lower end) in an up to 10 storeys multi-storey residential unit development to vary around 9% in comparison to a 10 to 20 storey multi-storey residential unit development.
- An extended construction period and lead-in period to achieve NDIS Quality standards and the required level of pre-sales to gain banking approval for construction funding for Scenario 1 has been allowed.

The feasibility modelling assumptions and inputs are **Commercial in Confidence** and a full or partial (redacted) data may be provided on the condition that a both written request is received by HillPDA and the request is approved by Platino.

3.3 Development scheme

Below is our assumption of the development scheme for each option and is based on the building plans submitted with the development application:

Table 6: Development scheme

Development specifications	Scenario 1 – Seniors living with affordable and disability housing contribution	Scenario 2 – Seniors living
Site Area	7,811sqm	7,811sqm
Proposed Project	Mixed use – 3 to 12 storeys	Mixed use - 6 to 7 storeys
Building Areas	19,000sqm of GFA 16,011sqm of NSA (84.27% efficiency)	15,075sqm of GFA 12,852sqm of NSA (85.25% efficiency)
Retail/commercial NSA	941sqm	941sqm
Affordable housing	744sqm (6 x 1BR & 6 x 2BR)	-
Disability housing	572sqm (10 x bed)	-
Seniors living yield	111 units (average 124 sqm NSA)	96 units (average 124 sqm NSA)
Car Spaces	232 car spaces (2.09 cars/unit)	201 car spaces (2.09 cars/unit)

Lot 1 concept satisfies the following key issues:

1. It is consistent with the evolving character of the area as a Health and Education Precinct
2. In particular, it aligns with Northern Beaches Planning policies, the Towards 2040 - Local Strategic Planning Statement (Feb 2020) and the Northern Beaches Council - Affordable Housing Policy, meets the community needs (including some of the most vulnerable and low-income groups)
3. Provides the integration of Social Housing for people with an intellectual disability with other Housing for Seniors and Affordable Housing for older women can provide employment and volunteering opportunities for the residents with an intellectual disability.

This study aims to demonstrate that by delivering a leading-edge model for premium quality Independent Living accommodation for Seniors, Social Housing for people living with an intellectual disability, and Affordable Housing for older women (over 55) at risk of homelessness, the proposed quantum of floorspace is required to deliver a financially viable and socially responsible development.

3.4 What do the results show?

The feasibility assessment revealed that the residual land value for the mixed-use development, on Lot 1 is lower for Scenario 1 than Scenario 2. The results show that whilst there is an uplift in scale it does not result in any increase in profitability or residual land value while allowing for the provision of affordable and disability housing.

To deliver Scenario 1, our feasibility analysis indicate that without the quantum of floorspace proposed, the development would not be considered viable. Simply put, the project requires an increase of 15 seniors living units to cover the cost of incorporating 22 units of affordable and disability housing within the subject site.

In addition, the development in Scenario 1 provides for the economies of scale where the increase in the number of residents allows for a decrease in the rate of strata levies on a per-unit basis. This is particularly important to the affordable housing providers and to the people who live in over 55's communities who are likely to receive a full pension, and where levies account for approximately 30% of pension amounts.

This reduction in residual land value is a result of the following factors:

- The affordable and disability housing component of the development would be delivered to the community (through specialist housing providers including Project Independence) at a rate of less than half of its cost to construct. Therefore, Platino absorbs a substantial portion of the construction costs associated with the provision of the affordable and disability apartments.
- Higher construction costs were assumed in Scenario 1 as the development is of a higher scale than Scenario 2. As a check method, we have referred to the Rider Levett Bucknall booklet, which has indicated that the average rate to construct a residential unit (lower end) in an up to 10 storeys multi-storey residential unit development to vary around 9% in comparison to a 10 to 20 storey multi-storey residential unit development.
- An extended construction period and lead-in period to achieve NDIS Quality standards and the required level of pre-sales to gain banking approval for construction funding for Scenario 1 has been allowed.

As previously mentioned, the feasibility modelling are **Commercial in Confidence** and this report is a summarised version only. A full or partial (redacted) version may be provided on the condition that a written request is received by HillPDA and the request is approved by Platino.

APPENDIX A : DEVELOPMENT SITE SALES

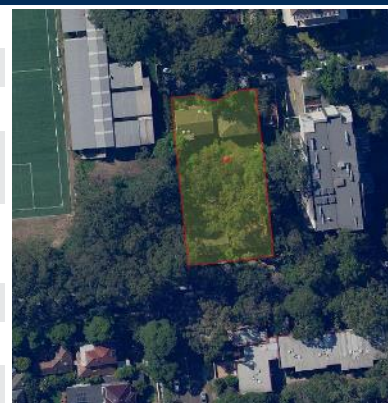
The sales evidence detailed below shows a rate of \$1,861 to \$3,228/sqm of permissible GFA or \$292,683 to \$450,000/unit. This market evidence are located within a residential setting and not a business park precinct, therefore lower rates are considered to be reasonable for the subject site.

A.1 38 Park Street & 1795-1797 Pittwater Road, Mona Vale

A near regular shaped allotment with a dual street frontages to Pittwater Road and Park Street. Located on the northern peripheral of the Mona Vale retail precinct. The land is zoned 'R2 Low Density Residential' under the Pittwater Local Environmental Plan 2014 with a non-specified FSR.

The site was sold without approval. The purchaser subsequently gained approval for the construction of a seniors housing development incorporating 16 units and 34 car parking spaces pursuant to the provisions of State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004 ("SEPP HSPD"). DA approval for a FSR of 0.782:1. The purchaser has since acquired no. 1793 but the sale details are unknown .

38 Park Street & 1795-1797 Pittwater Road, Mona Vale	
Sale Price	\$5,855,000
Sale Date	December 2019
Zoning	'R2 Low Density Residential'
Site Size	2,732sqm
GFA	2,136sqm GFA (approved)
Rate \$/sqm	\$2,143/sqm of site area \$2,741/sqm of approved GFA
Number of units	16 units permissible
DA Status	Sold without approval
Rate per unit	\$365,937/unit permissible



A.2 1111 -1113 Oxford Falls Road, Frenchs Forest

An irregular shaped parcel of land surrounded by conventional and large residential lots.

The site was sold with DA approval by the Land and Environment Court (LEC) for a 71 bed RACF despite local opposition. The purchaser has subsequently lodged amended plans under DA2019/0409 for the construction of 9 x 2 storey residential buildings with 41 independent living units to comprise 28 x 2 bedroom & 13 x 3 bedrooms, gymnasium, swimming pool & ancillary recreational facilities. Built over basement car parking for 95 vehicles to include 82 residential & 13 visitor spaces. The DA seeks a GFA of 6,447sqm or a FSR of 0.2:1. The DA has been refused and the owners have appealed the refusal.

1111-1113 Oxford Falls Road, Frenchs Forest

Sale Price	\$12,000,000
Sale Date	February 2020
Zoning	'Deferred Matter'
Site Size	33,700sqm
GFA	6,447sqm GFA (Lodged in DA)
Rate \$/sqm	\$356/sqm of site area \$1,861/sqm of approved GFA
Number of units	41 units potential
DA Status	Sold with approval (different scheme)
Rate per unit	\$292,683/unit sought in DA



A.3 2 Greenwich Road & 3 Anglo Road, Greenwich

An irregular shaped parcel of land surrounded by medium rise development and single dwellings, and located within 100 metres of the Pacific Highway.

The sale includes 3 Anglo Road which does not appear to be part of the DA. The site was sold without DA approval. The owner has subsequently gained planning panel approval for the construction of an 8 storey seniors housing development to comprise 40 independent living units, 739sqm of commercial floor space and communal facilities across lower ground & ground level. This includes a rooftop garden area with a swimming pool, open kitchen & dining area. DA approval for 5,577sqm of GFA which equates to 3:1.

2 Greenwich Road & 3 Anglo Road, Greenwich

Sale Price	\$18,000,000
Sale Date	December 2019
Zoning	'B3 Commercial Core'
Site Size	2,464sqm
GFA	5,577sqm GFA approved
Rate \$/sqm	\$7,305/sqm of site area \$3,228/sqm of approved GFA
Number of units	40 units approved
DA Status	Sold without approval
Rate per unit	\$450,000/unit approved



APPENDIX B : 'OFF THE PLAN' SALES

This section provides an assessment of 'off-the-plan' sales and resales of established residential apartments within Cromer and Dee Why.

It should be highlighted that these project sales are not constrained to over 55s only and are located within a town centre or residential precinct, not a business park locality. Therefore, we would anticipate a lower dollar rate per sqm of NSA would be achieved for the subject site on completion.

The information was obtained through various property data sources and confirmed through discussions with local agents.

The following residential projects were analysed:

1. 'The Truman', 33 Truman Avenue Cromer
 2. 2 Delmar Parade, Dee Why
 3. 'Lighthouse Meriton', 9-17 Howard Avenue, Dee Why

B.1 'The Truman', 33 Truman Avenue Cromer

Project for the construction of a three storey mixed-use building comprising 9 residential units and 3 commercial units with basement parking.

The selling agent has advised that marketing commenced in Q1 2021 and 4 units have been sold to date. The buyer profile are local buyers and the one bedroom and two bedroom units were the first to be sold.

Date of completion is expected to be H2 2021.

'The Truman', 33 Truman Avenue Cromer			
Type	Sale Price range	Internal Areas	\$/sqm of NSA/NLA
One bedroom	\$850,000	50sqm	\$17,000
Two bedroom	\$1,200,000	86-89sqm	\$13,483 - \$13,953
Two bedroom + study/sunroom	\$1,360,000 - \$1,465,000	91-95sqm	\$14,285-\$15,625
Three bedroom	\$1,585,000	136sqm	\$11,654
Commercial	-	80-156sqm	\$8,000

Source: Selling agent, Cordell Connect and Domain website

B.2 2 Delmar Parade, Dee Why

Proposed development by developer Landmark for the construction of a 7 storey mixed use development comprising 340sqm of ground floor commercial floor space (3 tenancies) and 74 apartments (30 x 1, 36 x 2 & 5 x 3 bedroom). Built over 3 levels of vehicle parking for 110 cars and 82 bicycles (2 levels contained within the basement).

The selling agent has advised that marketing commenced in Q3 2020 and only two units are remaining. This shows a sale rate of 6.6 units per month.

Tabulated below are the asking prices as of May 2021.

2 Delmar Parade, Dee Why			
			
Type	Sale Price range	Internal Areas	\$/sqm of NSA/NLA
One bedroom	\$775,000	52sqm	\$14,904
Two bedroom	\$1,050,000-1,100,000	86-94sqm	\$11,702-\$12,209

Source: Selling agent, Cordell Connect and Domain website

B.3 'Lighthouse Meriton', 9-17 Howard Avenue, Dee Why

Recently completed development by developer Meriton consists of 357 apartments, built over 4 buildings with 2 towers over 17 levels high. The residential breakdown is 59 x 1 bedroom apartments, 23 x 1 bedroom + study apartments, 187 x 2 bedroom apartments, 87 x 3 bedroom apartments. First and ground floor are designed to accommodate non - residential uses. 5 levels of parking for 897 vehicles.

Discussion with the agents during the marketing campaign revealed buyers were predominantly a mix of owner occupiers particular downsizers and some investors.

'Lighthouse Meriton', 9-17 Howard Avenue, Dee Why			
			
Type	Sale Price range	Internal Areas	\$/sqm of NSA
One bedroom	\$685,000-\$910,000	48-65	\$14,000-\$14,271
Two bedroom	\$780,000-\$1,785,000	73 - 110	\$10,685-\$16,227
Three bedroom	\$945,000 -\$1,666,000	97 - 140	\$9,742-\$11,900

Source: Selling agent, Cordell Connect and Domain website

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