



Pymble Golf Club Affordable Housing Viability Report

Prepared for
DMPS

January 2024

HiIPDA
CONSULTING

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Glossary

- Development Margin (DM): is the net profit expressed as a percentage of the development costs.
- Market Value: The definition adopted by the professional property bodies (API & RICS) is: 'Market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'
- 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 a cash flow and indicating average returns over a period of time.
- Residential Land Value: is the maximum price that a hypothetical developer would pay for the land to achieve acceptable hurdle rates (such as an IRR) based on the highest and best use or optimal development option for the land.
- Tipping Point: is the point at which a development becomes viable.

Abbreviations

■ DCP	Development Control Plan
■ FSR	Floor Space Ratio
■ GFA	Gross Floor Area
■ LEP	Local Environmental Plan
■ LGA	Local Government Area
■ NLA	Net Lettable Area
■ NSA	Net Saleable Area
■ RLV	Residual Land Value
■ Sqm	Square metre

Critical assumptions

1. It should be noted that in the case of advice provided in this report, which is of a projected nature, we must emphasise those specific assumptions have been made which appear reasonable based on current market sentiment and forecasts. It follows that any one of the associated assumptions may change over time and no responsibility can be accepted in this event. The value performance indicated above is an assessment of the potential value trend and the indicated figures should not be reviewed as absolute certainty
2. This assessment has been prepared on specific instructions from the instructing party detailed within this report for the specific purpose detailed within this report. The report is not to be relied upon by any other party or for any other purpose. We accept no liability to third parties nor do we contemplate that this report will be relied upon by third parties. Neither the whole of the report or any part of reference thereto, may be published in any document, statement or circular nor in any communication with third parties without prior written approval of the form and context in which it will appear. We reserve the right to withhold consent or to review the contents of this report in the event that our consent is sought. HillPDA and the individual valuers involved in the preparation of this valuation do not have pecuniary interests in the subject property that would conflict with the valuation of the property.

EXECUTIVE SUMMARY

This report has been prepared for DMPS (The Client) regarding the planning proposal at part of 4, 12, and 14 Cowan Road, St Ives (PP-2022-2519) that intends to amend the Ku-ring-gai Local Environmental Plan. The planning proposal applies to 10,932sqm parcel of land intended for residential land uses. The proposed development provides:

- A total gross floor area of 10,057.4sqm
- A total net saleable area of 8,750sqm (assuming an 87% efficiency)

To support the above planning proposal, the Strategic Planning Panel of the Sydney North Planning Panel have requested an affordable housing viability assessment. The assessment for this Study is to align with the Greater Sydney Region Plan and North District Plan which recommends an Affordable Rental Housing Target (as stated in A Metropolis of Three Cities). This is generally in the range of 5–10 % of new residential floor space and is subject to viability.

Therefore, HillPDA has been engaged to undertake the affordable housing viability assessment. We have relied upon the Pymble Golf Club, Cowan Street, St Ives – Planning Proposal – Urban Design Report, Version 6, prepared by MAYOH Architects and DMPS, dated December 2023 ('urban design report').

Using the EstateMaster software, HillPDA tested the affordable housing contributions at 0%, 5%, and 10%. To measure the viability of the contributions, we have adopted an Internal Rate of Return (IRR) of 18% and a Development Margin of 20%. The Feasibility results are summarised in the table below.

Scenario	Margin	IRR	Finding
0% Affordable Housing	33.33%	22.88%	Viable
10% Affordable Housing	27.26%	20.21%	Viable

Source: HillPDA 2023

The financial modelling revealed that with a 10% affordable housing contribution applied to the scheme the site was viable at an IRR of 20.21%. Based on the principle that the monetary equivalent of 10% of uplift floor space, we have considered that the applicable affordable housing contribution would be \$5.26 million.

Affordable Housing Viability Report

1.0 INTRODUCTION

The Greater Sydney Region Plan and North District Plan have affordable housing targets in the range of 5-10% of new residential floor space subject to viability.

HillPDA has been engaged by Pymble Golf Club to prepare an Affordable Housing Viability Report that clarifies affordable housing rates, including floor space and number of units and method of management to respond to the request from the Sydney North Planning Panel to consider the delivery of affordable housing in the development consistent with the governments strategic housing policy.

1.1 The Site

The site is known as part of 4, 12, and 14 Cowan Road, St Ives and is legally described as part of Lot 1 DP511821, Lot B DP368565 and Lots 1 - 3 DP 531533. The site has an area of 10,932sqm with a wide frontage to Cowan Road. The site is currently zoned a mix of RE2 and R3.

The site currently contains two dwellings, a two storey clubhouse and car parking associated with the Pymble Golf Club. The site is currently accessible from Cowan Road along the southern alignment and adjoins the golf course.

The site is zoned a mix of RE2 Private Recreation and R3 Medium Density Residential pursuant to the Ku-ring-gai LEP. The surrounding area is zoned as follows:

- West (Pymble Golf Club) – RE2 Private Recreation
- East - R3 Medium Density Residential and R4 High Density Residential
- North – R3 Medium Density Residential
- South – R3 Medium Density Residential

Figure 1: Zoning map with subject indicated



Source: Urban Design report

*Planning proposal boundary is indicative only

1.2 The Proposed Development

The proponent has submitted a planning proposal which seeks to amend the Ku-ring-gai Local Environmental Plan 2015 as follows:

- a rezoning from R3 Medium Density Residential and RE2 Private Recreation to R4 High Density Residential
- amend the FSR from nil to 0.8:1 to 0.92:1 (overall)
- amend the maximum building height from nil to 11.5 metres to range between 11.5 to 17.5metres
- amend the minimum lot size in the current RE2 zoned land to 1,200sqm.

We have been advised that the 'Indicative Design' is the preferred scheme and the amendments to the planning controls permit the construction of 3 to 5 storey residential buildings.

Table 1: Proposed changes in planning controls

	Current	Planning proposal
Site area	10,932sqm	10,932sqm
Zoning*	Part R3 Medium Density Residential: 4,700sqm Part RE2 Private Recreation: 6,232sqm	R4 High Density Residential
HOB	Not specified to 11.5metres	11.5, 14.5 and 17.5metres
FSR	Not specified to 0.8:1	0.92:1
Min lot size	Not specified to 1,200sqm	1,200sqm
GFA	6,876sqm	10,057.4sqm

Uplift The planning proposal seeks approval for a project that would permit an additional 3,181.4sqm of GFA.

*The breakdown of different zoned land are estimates only and are subject to a formal survey being undertaken

Figure 2: Proposed boundary



Source: Urban Design report

Development yield and density	Site #1	Site #2	Club driveway within zoning area	Total
Approximate Site Area (sqm)	4477	5,480	975	10,932
Estimated Gross Floor Area (GFA)	4,118.8	5,041.6	897	10,057.4
Estimated Floor Space Ratio (FSR)	0.92:1	0.92:1	0.92:1	0.92:1
Estimated # of Res Units (113 sqm Avg NSA)*	29	49	0	78
- Estimated # of 2 Bed Units*	9	26	0	35
- Estimated # of 3 Bed Units	20	23	0	43

*Includes cottage on 14 Cowan Road

Source: Urban design report

2.0 LOCAL POLICY REVIEW

The Ku-ring-gai LSPS identifies that providing affordable housing is important to retain and strengthen the local residential and business community and includes actions to undertake a study for viable provision in the short-term and develop a Contribution Scheme in the Medium term.

The Ku-Ring-Gai Local Housing Strategy included an action to prepare a Housing Affordability Study to support the development of an Affordable Housing Contribution Scheme.

The Local Housing Strategy endorsement letter from DPE dated 16 July 2021 asked Council to prepare an Affordable Housing Contribution Scheme that commits Council to examining the feasibility of levying affordable housing contributions for any new proposals that would result in development uplift or an increase in land value. It also asked for Council to develop a transparent and robust framework to consider opportunities including social and affordable housing contributions for 'out of sequence' development such as planning proposals.

Objective 11 of the North District Plan prepared by the Greater Cities Commission in March 2018 seeks to ensure there is more diverse and affordable housing. The Plan mentions that "Affordable Rental Housing Targets that are generally in the range of 5-10 per cent of new residential floor space are subject to viability". HillPDA has utilised the range of 5-10 per cent as the range for further testing.

3.0 FEASIBILITY METHODOLOGY

HillPDA used a residual land value approach consistent with the *Affordable Housing Contribution Scheme Guideline* issued by DPE in 2019. This tested the feasibility of the proposed development against the existing use value/permitted use prior to the rezoning. The contribution was tested as a percentage of gross revenue paid two months prior to settlement; this reflects the monetary equivalent contribution (but could be interchanged) as a dedication

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.
- **Residual Land Value:** is the maximum price that a hypothetical developer would pay for the land to achieve acceptable hurdle rates.
- **Net Present Value (NPV):** is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. NPV is used in capital budgeting and investment planning to analyse the profitability of a projected investment or project.

In light of the criteria established above, the sites were assessed against a target **Development Margin of 20%** and a target **Project IRR of 18%**. This is summarised in the table below

Performance	Project IRR	Development Margin
Feasible	>18%	>20%
Marginally feasible	16%-18%	15%-20%
Not feasible	<16%	<15%

Source: HillPDA 2023

4.0 MARKET RESEARCH

This section outlines market research and key assumptions for the development feasibility.

4.1 Land Value

The site has been held by Pymble Golf Club since the formation of the club and has been the longstanding landowner.

As previously detailed, the affordable housing targets apply to properties where there is an uplift in land value as sought in the planning proposal. The affordable contribution rate is calculated as a percentage of floor space which is either dedicated as a physical apartment on completion or as a monetary contribution equivalent. A critical test to the applied rate is to ensure that this does not impact development feasibility.

The guidelines prefer the residual land value method and establishing the base development value or the land cost is critical. Typically, the land cost is based on the highest and best use of the property being the higher of either the current value based on its existing use or its residual land value based on its planning controls. Factors to consider include the existing development controls and development type which would yield the greatest land value.

For this study, we have determined that the highest and best use is not as per the development controls under the current LEP which permits limited uses only. Uses which includes *“Aquaculture; Bee keeping; Camping grounds; Car parks; Caravan parks; Centre-based child care facilities; Community facilities; Electricity generating works; Emergency services facilities; Environmental facilities; Environmental protection works; Flood mitigation works; Forestry; Information and education facilities; Kiosks; Markets; Recreation areas; Recreation facilities (indoor); Recreation facilities (major); Recreation facilities (outdoor); Registered clubs; Respite day care centres; Roads; Signage; Water recycling facilities; Water supply systems”*.

We consider the highest and best use to be development under the Housing SEPP which permits seniors living, detailed further below.

4.1.1 Valuer General Assessment

The Valuer General valued the unimproved value as follows:

Address	Date of assessment	\$ Value
Part of 4 Cowan Road	1 July 2022	\$278,024 (apportioned by area)
12 Cowan Road	1 July 2022	\$3,160,000
14 Cowan Road	1 July 2022	\$3,160,000

The land value is the freehold value of the land excluding any structural improvements. This would suggest a minimum value of \$6.60 million.

4.1.2 Existing Development Potential

The highest and best use for the site without a rezoning would be for medium density development on the R3 portion of the site.

The *State Environmental Planning Policy (Housing) 2021* applies to zone RE2 Private Recreation. This would permit a 9.5m (likely dual level) seniors living independent living unit development on the site with no more than a 0.5:1 FSR. We consider that this could provide between 20-40 independent living units. With a land value in the range of \$450,000 to \$1,000,000 per ILU.

4.1.3 Adopted land value cost

In consideration to the current underlying zone, the highest and best use would be as follows:

- RE2 Private recreation zoned land: Seniors living under the State Environmental Planning Policy (Housing) 2021
- R3 Medium Density Residential: Residential apartment development

HillPDA has observed transaction evidence for seniors housing development sites at approximately \$2,700 per sqm site area and medium density residential at approximately \$4,500 per sqm site area. Refer to Appendix A for further details.

The land consists of the following zone breakdown:

Zone	Land area	\$/sqm of land area	Results
RE2	6,232	\$2,700	\$16,826,400
R3	4,700	\$4,500	\$21,150,000
Total (rounded)	10,932		\$38,000,000

For the purpose of our feasibility analysis, we have adopted a land costs of \$38,000,000, excluding GST.

4.2 Revenue

There are limited “off-the-plan” project sales within St Ives.

Based on the resales, HillPDA has adopted a sales rate of \$19,000/sqm NSA, inclusive of GST. This represents a sale price of approximately \$2.147 million, inclusive of GST for the typical property in the development. The appendix provides the sales evidence used to confirm this figure.

In addition, off-the-plan sales in the area includes the following projects:

- 142 Killeaton Street, St Ives NSW 2075 – \$2,100,000 to \$2,450,000, inclusive of GST for a 4-bedroom townhouse
- 9-11 Memorial Avenue, St Ives NSW 2075 – \$2,250,000 to \$2,950,000, inclusive of GST for a 4-bedroom apartment (approximately \$17,664/sqm NSA, inclusive of GST).

4.3 Development Costs

HillPDA has adopted the following key development costs based on industry benchmarks

Costs	Rate	Source
Apartment building	\$4,500/sqm of GBA, exclusive of GST	RLB CCC. We have assumed the level of finishes and fitting is commensurate to the locality.
Car Parking	\$70,000 per space, exclusive of GST	RLB CCC
Balcony	\$1,000/sqm, exclusive of GST	Rawlinsons
Housing Productivity Charge	\$10,000 per dwelling, GST free	Ministerial Order (applies from October 2023)
Section 7.11	\$20,000 per dwelling, GST free	Ku-Ring-Gai Section 7.11
LSL Levy	0.25% of construction costs	NSW Government
Escalation	3.0% p.a. on costs 3.5% p.a. on revenue	HillPDA

Source: HillPDA 2023

5.0 RESULTS

The Feasibility results are summarised in the table below.

Scenario	Margin	IRR	Finding
0% Affordable Housing	33.33%	22.88%	Viable
10% Affordable Housing	27.26%	20.21%	Viable

Source: HillPDA 2023

In our opinion a 10% affordable housing contribution would be achievable for the site based on the assumptions listed above.

This assessment is not intended to be a prescriptive outcome but rather to facilitate commercial negotiations within the VPA framework, which provides for voluntary negotiations within guidelines or to facilitate determination of an appropriate contribution on issue of development consent.

5.1 Calculating the monetary equivalent

The affordable housing contribution was tested at 10%. The guidelines state that up to 10% of uplift floor space should be tested. HillPDA interpreted uplift floorspace to be new residentially zoned floorspaces under the LEP in addition to the floorspace permitted for seniors living development. HillPDA considered the uplift floor area to be 3,181sqm.

The monetary equivalent of a dedication is based on forgone revenue. Based on our adoption of \$19,000/sqm of NSA, inclusive of GST, our calculation is as follows:

Uplift in GFA	Contribution %	Efficiency	Revenue (\$/sqm NSA)	Contribution amount (rounded)
3,181.4sqm	10%	87%	\$19,000	\$5,258,854

6.0 MANAGEMENT METHODS

There are three potential management methods for the dedication and provision of affordable housing:

1. Monetary contribution to Council
2. Dedication of dwelling to Council
3. Dedication of dwelling to a community housing provider.

Typically, a monetary contribution to Council can provide the highest outcome for affordable housing. In recent years community housing providers have been reluctant to accept strata apartments because the strata levies can exceed the revenue provided, and apartment does not meet their requirements, and therefore would prefer to commit funds to support their own purpose-built development.

Advice should be sought from Council on the preferred avenue for any contribution; however, in lieu of a monetary contribution to Council a monetary contribution to a CHP could be a reasonable option.

The approach to securing the dedication could either be:


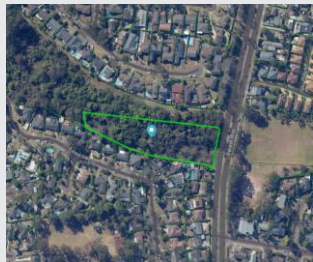
- Though an **LEP amendment** – whereby a new additional local provision for the development is included requiring an affordable housing contribution, through a monetary contribution equivalent of 10% of the additional floorspace for development that exceeds the existing permissible GFA (assumed to be approximately FSR of 0.29). Examples of this type of clause can be seen in Canada Bay LEP 2013 clauses 6.12(2A), 6.12(4) or 6.12(6A). In order to finalise the LEP amendment, we recommend preparing an affordable housing contribution scheme for the site that specifies details such as timing of payment.
- Through a **voluntary planning agreement** – whereby the Proponent and Council agree on a monetary equivalent contribution. In our opinion this would need to be on similar terms as the proposed LEP amendment, with a monetary contribution of \$5,258,854, based on a viable 10% in uplift.

Alternatively, a percentage could be agreed through the VPA with the value determined by a registered valuer at the time of payment, which we would consider would be before either the occupation certificate or the construction certificate as agreed by the proponent and Council.

APPENDIX A : MARKET RESEARCH

A.1 RE2 Private Recreation sales transactions

Table 2: RE2 Private Recreation sales transactions

Address	Sale price Date	Land size Planning controls	Analysis
Lot B, Lady Game Drive Lindfield	\$15,084,414 Nov 2022	61,700 sqm RE2 Private Recreation	\$204/sqm
	<p>An irregularly shaped, heavily vegetated, and laterally sloping parcel adjoining the Lane Cove River reserve improved with a former religious conference and recreation centre with accommodation for up to 183 guests and known as 'Naamaroo'. Includes two modern 4-bedroom residential residences plus a swimming pool, playing field, and basketball court.</p> <p>Sold to the King's School for adaptive re-use of the improvements which are deducted at \$2.5 mil from the purchase amount to arrive at the land component.</p>		
61 Miowera Road. North Turramurra	\$8,066,600 Dec. 2020	80,680 sqm RE2 Private Recreation	\$100/sqm
	<p>An irregular parcel of land, heavily vegetated and steeply sloping down to the east. Previously used as a camping ground occupied by the Girl Guides. No DA has been lodged after the sale.</p>		
138 Forest Way Belrose	\$4,224,000 Oct 2013	25,180 sqm RE1 Public Recreation	\$168/sqm
	<p>Dated sale of an irregularly shaped vacant lot sold by RMS to the Minister Administering the Environmental Planning and Assessment Act retaining extensive vegetation and established large trees with a gentle slope upward to the rear from the Forest Way frontage.</p> <p>Land transferred between government departments is typically subject to treasury direction requiring market value as consideration for the transfer.</p>		
2 John Oxley Avenue, Werrington County	\$2,475,000 Feb. 2022	11,600 sqm RE1 Public Recreation	\$213/sqm
	<p>A near regular shaped allotment sold unimproved and adversely affected by transmission towers that run lengthwise of the allotment. Adjoining zones are R2 Low-Density Residential and B2 Local Centre.</p> <p>Sold with lapsed DA approval (15/0536) for the construction of a gymnasium & bowling centre, plus a cafe & reception centre.</p>		

A.2 R3 Medium Density Residential zoned land

Table 3: R3 Medium Density Residential zoned land

Address	Sale price Date	Land size Planning controls	Analysis
10-12 Culworth Avenue, Killara	\$12,180,000 March 2022	1,879sqm R3 Medium Density Residential FSR 0.8:1	\$6,482/sqm of land \$1,218,000/dwelling (10)
Regular shaped parcel of land located opposite the railway corridor. The land is zoned 'R3 Medium Density' with a FSR of 0.8:1. Sold improved with 2 dwellings and the benefit of DA approval for 10 townhouses (average land area of 187sqm).			
90-96 Eastern Valley Way, Willoughby	\$12,400,000 April 2022	3,536sqm R3 Medium Density Residential FSR 0.7:1	\$3,507/sqm of land \$688,888/dwelling (18)
Regular shaped consolidated site and located on a busy road. The land is zoned 'R3 Medium Density' with a FSR of 0.7:1. Sold improved with single dwellings and marketed with a concept plan for 18 x 3 level townhouses (average land area of 196sqm).			
46-50 Cowan Road, St Ives	\$26,600,000 January 2023	5,901sqm R3 Medium Density Residential FSR 0.8:1	\$4,508/sqm of land \$4,516/sqm of GFA
Regular shaped consolidated site and backs onto the Pymble Golf Club. The land is zoned 'R3 Medium Density' with a FSR of 0.8:1. The purchaser has subsequently gained development approval for the construction of a 3 storey aged care facility to comprise 99 beds pursuant to the provisions of State Environmental Planning Policy (Housing for Seniors or People with Disability) 2004. Approval for 5,890sqm of GFA.			

A.3 R4 High Density residential sale transactions

Table 4: R4 High Density residential sale transactions

Address	Sale price Date	Land size Planning controls	Analysis
23 Lorne Avenue, Killara	\$4,900,000 April 2021	835sqm R4 High Density Residential FSR 1.3:1	\$5,868/sqm of land \$4,514/sqm of GFA \$408,000/unit (12)
An irregular shaped parcel of land surrounded by 4 to 5 storey apartment buildings. The land is zoned 'R4 High Density' with a FSR of 1.3:1. For the purpose of analysis, on the assumption of an average unit size of 90sqm of GFA showed a potential yield of 12 units.			
1190 & 1190a Pacific Highway, Pymble	\$8,300,000 June 2021	1,983sqm R4 High Density Residential FSR 1.3:1	\$4,186/sqm of land \$3,220/sqm of GFA \$193,023/unit (43)
A consolidated regular shaped parcel located on a busy road. The land is zoned 'R4 High Density' with a FSR of 1.3:1. Lapsed DA for the construction of a part 4, part 5 storey residential flat building comprising 43 units built over 2 levels of basement for 29 vehicles & 18 bicycles.			
14 Turramurra Avenue, Turramurra	\$4,600,000 February 2022	759sqm R4 High Density Residential FSR 1.3:1	\$6,061/sqm of land \$4,662/sqm of GFA \$418,182/unit (11)
A regular shaped parcel located on a busy road. The land is zoned 'R4 High Density' with a FSR of 1.3:1. No DA has been lodged subsequent to sale. For the purpose of analysis, on the assumption of an average unit size of 90sqm of GFA showed a potential yield of 11 units.			

A.4 Seniors living sale transactions

Table 5: Seniors living sale transactions

Address	Sale price Date	Land size Planning controls	Analysis
87-89 Iris Street, Beacon Hill	\$4,520,000 August 2023	2,180sqm 'R2 Low Density Residential' FSR not specified	\$2,073/sqm of site area \$452,000/dwelling (10)
A regular shaped parcel of land located within a residential precinct. The land is zoned 'R2 Low Density Residential' with a non-specified FSR and building height limit of 8.5metres. Sold with development approval and CC lodged for 10 x 3 bedroom luxury seniors living apartments. Average land area of 218sqm per dwelling.			
99 Beaconsfield Road & 22B Greville Street, Chatswood	\$5,478,000 Nov 2019 & Mar 2020	2,192sqm 'R2 Low Density Residential' FSR 0.4:1	\$2,499/sqm of site area \$782,571/dwelling (7)
An irregular shaped parcel of land located within a residential precinct. The land is zoned 'R2 Low Density Residential' with a FSR of 0.4:1. The purchaser has subsequently gained DA approval for the construction of 6 x 1 & 2 storey self contained dwellings (6 townhouses & 1 villa) for a seniors living housing development. Average land area of 313sqm per dwelling.			
26 Russell Avenue, Lindfield	\$5,880,000 Nov 2022	1,239sqm 'R2 Low Density Residential' FSR 0.3:1	\$4,746/sqm of site area \$1,176,000/dwelling (5)
An irregular shaped parcel of land located within a residential precinct. The land is zoned 'R2 Low Density Residential' with a FSR of 0.3:1. Sold with development approval for the construction of a 2 storey building to comprise 2 x 2 bedroom & 3 x 3 bedroom seniors living dwellings pursuant to SEPP. Average land area of 248sqm per dwelling.			
20 Memorial Avenue, St Ives	\$5,250,000 Nov 2022	2,192sqm 'R2 Low Density Residential' FSR 0.3:1	\$2,395/sqm of site area \$1,050,000/dwelling (5)
A near regular shaped parcel of land located within a residential precinct. The land is zoned 'R2 Low Density Residential' with a FSR of 0.3:1. The purchaser has subsequently lodged a DA which is under appeal with Land and Environment Court for the construction of 1 x 1 storey & 4 x 2 storey independent living units in 2 buildings pursuant to Part 5 of State Environmental Planning Policy (Housing) 2021. Average land area of 438sqm per dwelling.			
285, 287, 287A, 289 Mona Vale Road & 1 Flinders Avenue, St Ives	\$25,500,000 Feb. 2022	9,326sqm 'R2 Low Density Residential' FSR 0.3:1	\$2,734/sqm of site area \$175,862/unit (145)
An irregular shaped parcel of land located within a residential precinct. The land is zoned 'R2 Low Density Residential' with a FSR of 0.3:1. The purchaser has subsequently lodged a state significant development application for the construction of a 3 storey aged care facility with 145 residential care beds including single rooms & suites. Built over basement levels.			

A.5 Residential apartment sales

20 Cowan Road St Ives

Modern three storey boutique development comprising 7 x 3 or 4 bedroom apartments. Tabulated below are transactions that occurred between May 2022 and June 2023.

Bed	Car	Sale price	NSA (sqm)	\$/sqm NSA
3 bedroom	2	\$3,500,000 - \$3,850,000	144-217	\$16,186-\$25,556
4 bedroom	2	\$5,000,000	300	\$16,667

60 Cowan Road St Ives

Modern two storey boutique development comprising 6 x 3 bedroom seniors living units. Tabulated below are transactions that occurred between March 2022 and June 2023.

Bed	Car	Sale price	NSA (sqm)	\$/sqm NSA
3 bedroom	2	\$2,150,000 - \$3,250,000	155-264	\$12,222-\$16,667

Table 6 Apartment Sales Evidence in St Ives

Street Address	Bed	Bath	Car	Floor Size (m ²)	Year Built	Sale Price	Sale Date	Price/sqm	Comments
103/21 NEWHAVEN PLACE	2	2	-	98	2021	\$1,220,000	30 Mar 2023	\$12,449	7 unit block. Medium to high quality
302/126A KILLEATON STREET	1	1	1	62	2019	\$750,000	07 Jul 2023	\$12,097	7 unit block. Medium to high quality
405/126A KILLEATON STREET	2	2	1	75	2019	\$1,020,000	11 May 2023	\$13,600	7 unit block. Medium to high quality
306/12 SHINFIELD AVENUE	2	2	2	91	2019	\$1,220,000	13 Jul 2023	\$13,407	Medium quality
313/126B KILLEATON STREET	2	2	1	78	2019	\$955,000	08 May 2023	\$12,244	Medium quality
102/183-185 MONA VALE ROAD	2	2	1	77	2019	\$870,000	31 May 2023	\$11,299	High quality finish
403/183-185 MONA VALE ROAD	3	2	2	107	2019	\$1,750,000	21 Jul 2023	\$16,355	High quality finish
2401/177 MONA VALE ROAD	2	2	2	86	2017	\$870,000	15 Jun 2023	\$10,116	Medium quality finish
13/165-167 ROSEDALE ROAD	3	2	3	130	2017	\$1,721,500	01 Aug 2023	\$13,242	Medium-high quality finish
3/2-4 NEWHAVEN PLACE	2	2	1	78	2016	\$932,000	13 May 2023	\$11,949	Low-medium quality finish
59/212-216 MONA VALE ROAD	1	1	1	52	2015	\$635,000	26 Jun 2023	\$12,212	Medium quality finish
26/18 SHINFIELD AVENUE	1	1	1	61	2015	\$710,000	21 Mar 2023	\$11,639	Medium quality finish

70/212-216 MONA VALE ROAD	1	1	1	59	2015	\$665,000	01 Apr 2023	\$11,271	Medium quality finish
76/212-216 MONA VALE ROAD	1	1	1	60	2015	\$658,000	18 Apr 2023	\$10,967	Medium quality finish
7/18 SHINFIELD AVENUE	2	2	1	75	2015	\$1,010,000	14 Jun 2023	\$13,467	Medium quality finish
23/18 SHINFIELD AVENUE	2	2	1	86	2015	\$1,020,000	05 May 2023	\$11,860	Medium quality finish
20/18 SHINFIELD AVENUE	2	2	1	83	2015	\$920,000	16 Jun 2023	\$11,084	Medium quality finish
71/212-216 MONA VALE ROAD	2	2	1	72	2015	\$795,000	30 Mar 2023	\$11,011	Medium quality finish
15/18 SHINFIELD AVENUE	2	2	1	91	2015	\$980,000	18 Aug 2023	\$10,769	Medium quality finish
34/18 SHINFIELD AVENUE	3	2	2	98	2015	\$1,470,000	08 Jun 2023	\$15,000	Medium-high quality finish. Top floor apartment
48/165-167 ROSEDALE ROAD	2	2	1	113	2014	\$1,322,000	03 May 2023	\$11,699	Medium quality finish. Dual level apartment
27/18 SHINFIELD AVENUE	2	2	1	92	2014	\$962,000	14 Apr 2023	\$10,457	Medium quality finish
464/132-138 KILLEATON STREET	1	1	1	57	2013	\$670,000	07 Apr 2023	\$11,754	Medium quality finish. Complex contains pool, spa, gym, sauna and bbq
348/132-138 KILLEATON STREET	2	2	1	63	2013	\$775,000	15 Jun 2023	\$12,302	Medium quality finish. Complex contains pool, spa, gym, sauna and bbq
250/132-138 KILLEATON STREET	2	2	1	63	2013	\$690,000	31 Mar 2023	\$10,952	Medium quality finish. Complex contains pool, spa, gym, sauna and bbq
239/132-138 KILLEATON STREET	2	2	1	80	2013	\$830,000	23 Mar 2023	\$10,375	Medium quality finish. Complex contains pool, spa, gym, sauna and bbq
264/132-138 KILLEATON STREET	2	2	1	78	2013	\$800,000	08 Sep 2023	\$10,256	Medium quality finish. Complex contains pool, spa, gym, sauna and bbq
254/132-138 KILLEATON STREET	2	2	1	79	2013	\$800,000	12 May 2023	\$10,127	Medium quality finish. Complex contains pool, spa, gym, sauna and bbq
332/132-138 KILLEATON STREET	2	2	1	82	2013	\$800,000	21 Mar 2023	\$9,756	Medium quality finish. Complex contains pool,

									spa, gym, sauna and bbq
137/132-138 KILLEATON STREET	2	2	1	83	2013	\$805,000	26 Apr 2023	\$9,699	Medium quality finish. Complex contains pool, spa, gym, sauna and bbq
311/1-3 STURT PLACE	2	2	1	80	2012	\$915,000	06 Aug 2023	\$11,438	low to medium quality finish
305/1-3 STURT PLACE	2	2	1	83	2012	\$862,500	12 Jul 2023	\$10,392	low to medium quality finish
24/132-138 KILLEATON STREET	2	2	1	81	2012	\$800,000	21 Apr 2023	\$9,877	Complex contains pool, spa, gym, sauna and bbq
326/132-138 KILLEATON STREET	2	2	1	99	2012	\$900,000	04 Sep 2023	\$9,091	Complex contains pool, spa, gym, sauna and bbq
302/132-138 KILLEATON STREET	3	2	2	101	2012	\$1,408,000	02 May 2023	\$13,941	Complex contains pool, spa, gym, sauna and bbq
110/1-3 STURT PLACE	3	2	2	129	2012	\$1,190,000	12 Apr 2023	\$9,225	low to medium quality finish
26/2-4 STURT PLACE	2	2	2	77	2011	\$965,000	22 Apr 2023	\$12,532	Medium quality finish
34/2-4 STURT PLACE	2	1	2	78	2011	\$938,000	25 Mar 2023	\$12,026	Medium quality finish
30/2-4 STURT PLACE	3	2	2	87	2011	\$1,270,000	22 Mar 2023	\$14,598	Medium quality finish
407/36-42 STANLEY STREET	2	2	1	100	2009	\$1,400,000	07 Jul 2023	\$14,000	Medium quality finish
30/1-5 LYNBARA AVENUE	2	2	1	92	2009	\$1,122,000	14 Jul 2023	\$12,196	Medium quality finish
40/1-5 LYNBARA AVENUE	2	2	1	106	2009	\$1,180,000	31 Aug 2023	\$11,132	Medium quality finish
635/17-19 MEMORIAL AVENUE	2	2	1	94	2009	\$880,000	05 May 2023	\$9,362	Low quality finish
665/17-19 MEMORIAL AVENUE	2	2	1	99	2009	\$915,000	01 Aug 2023	\$9,242	Low quality finish
358/17-19 MEMORIAL AVENUE	2	2	1	97	2009	\$870,000	19 May 2023	\$8,969	Low quality finish
357/17-19 MEMORIAL AVENUE	2	2	1	99	2009	\$880,000	21 Mar 2023	\$8,889	Low quality finish
34/1-5 LYNBARA AVENUE	3	2	2	147	2009	\$1,800,000	02 Aug 2023	\$12,245	Medium quality finish
26/1-5 LYNBARA AVENUE	3	2	2	132	2009	\$1,500,000	26 May 2023	\$11,364	Medium quality finish
4/17-19 NEWHAVEN PLACE	3	2	2	140	2008	\$1,700,000	14 Apr 2023	\$12,143	Medium quality finish
3/66-68 KILLEATON STREET	3	2	2	128	2006	\$1,680,000	25 Jul 2023	\$13,125	Low to medium quality finish. Ground floor apartment with very large courtyard

APPENDIX B : ESTATEMASTER COMPARIONS OF OPTIONS

<div> <div> <div>ARGUS EstateMaster</div> <div>Development Feasibility</div> </div> <div> <div></div> <div></div> </div> </div>		1	2	3	4	5	6	7	8
COMPARISON OF OPTIONS		Affordable Housing	Affordable Housing 10%						
Pymble Golf Club		0% Affordable contribution	10% Affordable contribution						
		78 Units 10,057.40 GFA 10,932 SqM Miscellaneous Under Review	78 Units 10,057.40 GFA 10,932 SqM Miscellaneous Under Review						
Licensed to: HILPDA									
Revenues									
Gross Sales Revenue		162,849,861	162,849,861						
Less Selling Costs		(6,362,086)	(6,362,086)						
Less Purchasers Costs		-	-						
NET SALES REVENUE		156,487,775	156,487,775						
Gross Rental Income		-	-						
Less Outgoings & Vacancies		-	-						
Less Letting Fees		-	-						
Less Incentives (Rent Free & Fitout Costs)		-	-						
Less Turnover Costs		-	-						
Less Other Leasing Costs		-	-						
NET RENTAL INCOME		-	-						
Interest Received		-	-						
Other Income		-	-						
TOTAL REVENUE (before GST paid)		156,487,775	156,487,775						
Less GST paid on all Revenue		-	-						
TOTAL REVENUE (after GST paid)		156,487,775	156,487,775						
Costs									
Land Purchase Cost		38,000,000	38,000,000						
Land Acquisition Costs		2,785,180	2,785,180						
Construction (inc. Construct. Contingency)		62,139,075	62,139,075						
Professional Fees		6,044,854	6,150,031						
Statutory Fees		2,639,173	2,639,173						
Affordable housing contribution		-	5,258,854						
Miscellaneous Costs 2		-	-						
Miscellaneous Costs 3		-	-						
Project Contingency (Reserve)		-	-						
Land Holding Costs		615,719	615,719						
Pre-Sale Commissions		71,654	71,654						
Finance Charges (inc. Fees)		621,391	621,391						
Interest Expense		9,660,226	10,130,680						
TOTAL COSTS (before GST reclaimed)		122,577,271	128,411,757						
Less GST reclaimed		(6,800,697)	(6,810,259)						
Plus Corporate Tax		-	-						
TOTAL COSTS (after GST reclaimed)		115,776,574	121,601,498						
Performance Indicators									
1 Gross Development Profit		40,711,200	34,886,277						
2 Net Developer's Profit after Profit Share		40,711,200	34,886,277						
2 Development Margin (Profit/Risk Margin)		33.33%	27.26%						
Target Development Margin		20.00%	20.00%						
4 Residual Land Value (Target Margin)		48,221,766	43,834,698						
5 Breakeven Date for Cumulative Cash Flow		Dec-2026	Dec-2026						
Discount Rate (Target IRR)		16.00%	18.00%						
6 Net Present Value		11,486,688	3,607,903						
8 Benefit Cost Ratio		1.129	1.040						
9 Project Internal Rate of Return (IRR)		22.88%	20.21%						
10 Residual Land Value (NPV)		48,552,222	41,316,112						
Peak Debt Exposure		95,423,635	100,045,319						
Date of Peak Debt Exposure		Jul-2026	Jul-2026						
11 Breakeven Date for Project Overdraft		Nov-2026	Nov-2026						
Total Equity Contribution		21,098,991	22,169,885						
Peak Equity Exposure		21,098,991	22,169,885						
Date of Peak Equity Exposure		Jan-2024	Jan-2024						
12 IRR on Equity		37.42%	32.85%						
Weighted Average Cost of Capital (WACC)		6.84%	6.84%						
Yield Analysis									
Footnotes (based on current Preferences):									
1. Development Profit: is total revenue less total cost including interest paid and received									
2. Developer's Net Profit after distribution of profit share.									
3. Development Margin: is profit divided by total costs (inc selling costs)									
4. Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.									
5. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).									
6. Net Present Value: is the projects cash flow stream discounted to present value.									
It includes financing costs but excludes interest and corp tax.									
8. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.									
9. Internal Rate of Return: is the discount rate where the NPV above equals Zero.									
10. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.									
11. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.									
12. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.									

*Revenue includes escalation but excludes GST withheld
*Costs includes escalation and GST, if applicable

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