

Affordable Housing Contributions Scheme

Amended Draft – 21 July 2026



northern
beaches
council

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Attachment 6 – Feasibility Assessment into Brookvale Structure Plan

Council Versions

No.	Version	Date
1	Adopted by Council	28 September 2021
2	Endorsed by the Department of Planning	8 April 2022
3	Amended to include 159-167 Darley Street West, Mona Vale	18 February 2025
4	Administrative amendment to 1294-1300 Pittwater Rd & 2-4 Albert St	25 June 2025

Section 1 - Introduction

1.1 Objectives of the Scheme

The objectives of Council's Affordable Housing Contributions Scheme are:

- to set out how, why, where and at what rate development contributions can be collected for the purpose of affordable housing; and
- to provide local residents and key workers on low to moderate incomes with access to affordable rental accommodation to assist them to enter the private rental market or home ownership.

1.2 Areas to which the Scheme applies

1.2.1 Identified areas

The Scheme applies to the whole of the Northern Beaches Council area. Different contribution requirements apply to the following identified precincts/ locations:

1. Frenchs Forest Planned Precinct as identified within Figure 1.

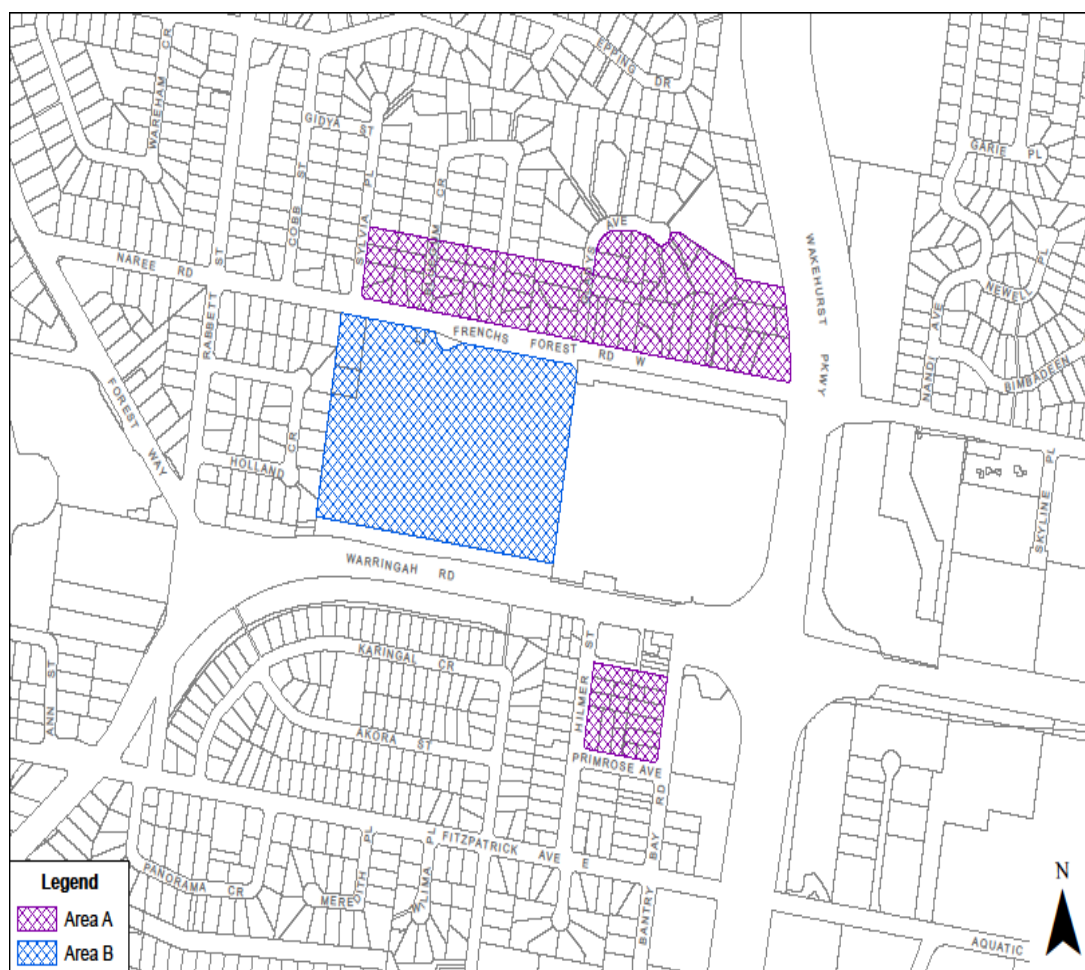


Figure 1 Frenchs Forest Planned Precinct - Affordable Housing Contribution Rate Areas

2. Narrabeen (1294-1300 Pittwater Rd & 2-4 Albert St) as identified within Figure 2.

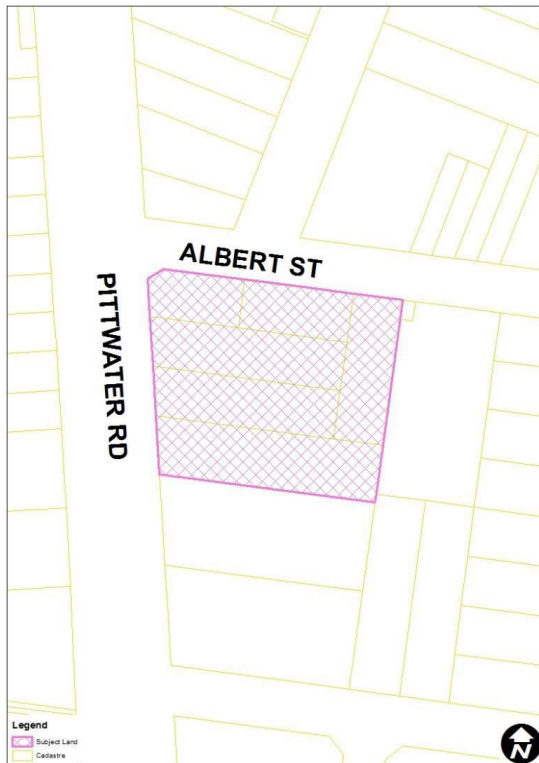


Figure 2: Narrabeen (1294-1300 Pittwater Rd & 2-4 Albert St) Affordable Housing Contribution Rate Area

3. Mona Vale (159-167 Darley Street West) as identified within Figure 3.

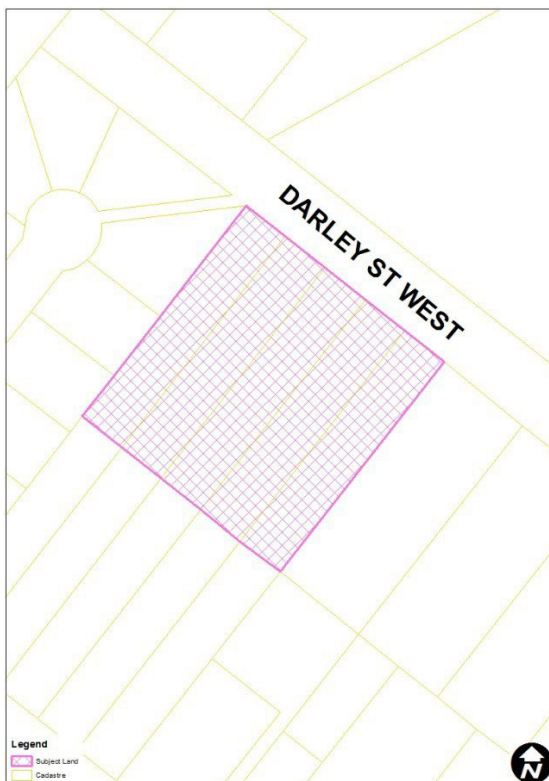


Figure 3: Mona Vale (159-167 Darley Street West) Affordable Housing Contribution Rate Area

4. Brookvale Structure Plan (Warringah Mall and Key Sites) as identified within Figure 4



Figure 4 - Brookvale (Warringah Mall and Key Sites)

1.3 Types of Development to which the Scheme Applies

The Northern Beaches Affordable Housing Contributions Scheme applies to the residential component of a development to which the development application or complying development certificate relates.

See section 2.4 for development excluded from the requirement of making an affordable housing contribution.

1.4 Overview – Affordable Housing Need

Housing has a vital role to play in developing sustainable local communities. Providing housing that is affordable and appropriate to the needs of the local community also ensures a strong and stable labour force to sustain local businesses.

The lack of affordable housing for households on low and middle incomes has become a critical issue on the Northern Beaches.

Many households on moderate or lower incomes cannot afford to rent without experiencing “housing stress” or being forced into sub-standard housing in order to secure affordable rents.

The consequences of poor rental and home purchase affordability are substantial, including:

- local residents with established ties being driven further away from the sub- region in search of more affordable housing. This has tended to undermine social bonds and diversity in the local community; and
- community sector and lower paid employees who have relocated further afield in order to find more affordable housing options. This adversely affects the operational viability of local services and businesses.

Council has initiated several policy measures in recent years to provide more affordable housing for those on lower incomes.

In June 2017, Council adopted an Affordable Housing Policy (AHP) for the Northern Beaches Local Government Area. The policy outlines Council's position and approach to increasing the provision of affordable housing in the Northern Beaches LGA.

A key element of the Policy and related Action Plan was the delivery of affordable rental housing through the operations of State Environmental Planning Policy 70 (Affordable Housing) Revised Schemes (SEPP 70), which enabled Councils to levy developers for the provision of affordable housing through its Local Environmental Plans (LEPs), subject to the approval of the State Government.

Council was included in SEPP 70 in April 2018 (SEPP 70 was subsequently amended to apply more broadly and has since been consolidated into Part 2 of *State Environmental Planning Policy (Housing) 2021* (Housing SEPP)).

In March 2020, Council's Local Strategic Planning Statement (LSPS) was endorsed by the Department of Planning, Housing and Infrastructure. The LSPS sets out the planning priorities to meet the community's needs and deliver on key state and regional planning objectives for the next 20 years. The LSPS seeks a minimum of 10% affordable rental housing for all planning proposals for upzoning, urban renewal or greenfield development, with higher rates where financially feasible.

In December 2021, the Department of Planning, Housing and Infrastructure (the Department) endorsed Council's Local Housing Strategy (LHS) which identified a shortfall of up to 8,100 social and affordable housing (SAH) dwellings within the Northern Beaches LGA. It also adopted a target of 1,884 SAH dwellings to 2036, being the dwellings required to address the projected additional households in rental stress by 2036.

In April 2022, the Department endorsed Council's Affordable Housing Contribution Scheme (AHCS) which is the primary mechanism for Council to seek contributions for affordable housing through its Local Environmental Plans (LEPs). It allows Council to collect developer contributions to provide affordable housing either as complete dwellings or as an equivalent monetary contribution. It is important to recognise that Council's current AHCS will not be enough on its own to deliver on Council's target.

1.5 Legislative Basis for the Affordable Housing Contributions

Section 7.32 of the *Environmental Planning and Assessment Act* (the Act) allows councils to levy contributions for affordable housing if a State Environmental Planning Policy (SEPP) identifies the need for affordable housing in an LGA.

In April 2018 the need for affordable housing in the Northern Beaches was established when Council was included in SEPP 70 (with the SEPP subsequently amended in February 2019 to include all councils in NSW).

In November 2021 the provisions of SEPP 70 were consolidated into Part 2 of the Housing SEPP, with clause 14 of the Housing SEPP identifying a need for affordable housing within each area of the State. All Councils are subsequently eligible to impose a condition of consent on new development for contributions to affordable housing if an AHCS is referenced in the LEP as detailed under Section 7.32(3)b of the Act.

1.6 Relationship to other affordable housing provisions in the LGA

The AHCS is referenced in Councils LEP(s).

Council's LHS also adopts a social and affordable housing target of 1,880 dwellings (being the projected additional demand for social and affordable dwellings across the LGA to 2036). Council's AHCS will help deliver on this target.

Should Council undertake negotiations through a proposed planning agreement for the provision of

affordable housing, in connection with a development application or proposed development application, the Minister's Direction *Environmental Planning and Assessment (Planning Agreements) Direction 2019* is to be considered. This includes consideration of the Northern Beaches Council AHCS.

1.7 Affordable Housing Principles

(1) The Northern Beaches Affordable Housing Contribution Scheme Principles

are:

- a) Affordable housing must be provided and managed so that accommodation for a diverse residential population representative of all income groups is available in the Northern Beaches, and
- b) Affordable housing must be rented to tenants whose gross household incomes fall within the following ranges of percentages of the median household income for the time being for the Greater Sydney (Greater Capital City Statistical Area) according to the Australian Bureau of Statistics:

Very low income household	less than 50%
Low income household	50% or more, but less than 80%
Moderate income household	80–120%

or any combination of these households, and at rents that do not generally exceed a benchmark of 30% of their actual household income, and

- c) Dwellings provided for affordable housing must be managed so as to maintain their continued use for affordable housing, and
- d) Rental from affordable housing received by or on behalf of the Council, after deduction of normal landlord's expenses (including management and maintenance costs and all rates and taxes payable in connection with the dwellings), and money from the disposal of affordable housing received by or on behalf of the Council must be used for the purpose of improving or replacing affordable housing or for providing additional affordable housing in Northern Beaches, and
- e) Affordable housing must consist of dwellings constructed to a standard that, in the opinion of the consent authority, is consistent with the same type of dwellings within the development to which the development application relates, especially in terms of internal fittings and finishes, solar access and privacy, and
- f) Affordable housing dedicated to Council within a development should provide a mix of 1, 2 and 3 bedroom units consistent with the mix of those units within the development.
- g) The affordable housing rental program is a transitional program providing access to affordable housing to eligible local residents and key workers to assist them to enter the private rental market or home ownership by the end of that period.

NOTE:

The affordable housing requirements set out in Chapter 2, Part 1, Clause 15 of the Housing SEPP may also apply to any development.

1.8 Definitions

Accountable total floor space means the gross floor area of the residential component of the development to which the development application relates. This includes changes of use of floor area to a residential use.

Affordable housing means housing for very low-income households, low-income households or moderate-income households, being such households as are prescribed by the regulations or as are provided in an environmental planning instrument.

Gross floor area is defined by the relevant Local Environmental Plan.

Key workers are workers on very low to moderate incomes critical to the economic and social development of the Northern Beaches, including but not limited to occupations such as school teachers, early childhood educators, midwifery and nursing professionals, aged care and disability support workers, allied and mental health professionals, youth and support workers, hospitality and retail workers, personal carers and assistants, fire fighters, paramedics, police officers, waste collectors, mechanics and automotive technicians, bus drivers, cleaners and laundry workers.

Section 2 – Affordable Housing Contributions

2.1 Contribution rates

2.1.1 Contribution rates within identified areas

The following affordable housing rates apply to the areas identified in section 1.2.1:

1. The Frenchs Forest Planned Precinct (Figure 1)

Where the contribution is provided as a dedication of dwellings:

- Within area “A” the dedication in favour of the consent authority, free of cost, one or more complete dwellings with a gross floor area equivalent to 10% of the accountable total floor space.
- Within area “B” the dedication in favour of the consent authority, free of cost, of one or more complete dwellings with a gross floor area equivalent to 15% of the accountable total floor space.

Where the contribution is provided as an equivalent monetary contribution:

- \$11,000 per square metre*

*Based on the feasibility assessment dated August 2018 and subject to indexation as described in section 3.2.

See Attachment 3 for the feasibility assessments for the Frenchs Forest Planned Precinct.

2. Narrabeen (1294-1300 Pittwater Rd & 2-4 Albert St) (Figure 2)

Where the contribution is provided as a dedication of dwellings:

- the dedication in favour of the consent authority, free of cost, one or more complete dwellings with a gross floor area equivalent to 1.71% of the accountable total floor space.

Where the contribution is provided as an equivalent monetary contribution:

- \$15,894 per square metre*

*Based on the feasibility assessment dated 2 October 2020 and subject to indexation as described in section 3.2.

See Attachment 4 for the feasibility assessments for Narrabeen (1294-1300 Pittwater Rd & 2-4 Albert St).

3. **Mona Vale (159-167 Darley Street West) (Figure 3)**

Where the contribution is provided as a dedication of dwellings:

- the dedication in favour of the consent authority, free of cost, one or more complete dwellings with a gross floor area equivalent to 5% of the accountable total floor space.

Where the contribution is provided as an equivalent monetary contribution:

- \$19,658 per square metre*

*Based on the feasibility assessment dated 10 May 2024 and subject to indexation as described in section 3.2.

See Attachment 5 for the feasibility assessment for Mona Vale (159-167 Darley Street West).

4. **Brookvale Structure Plan (Warringah Mall and Key Sites) (Figure 4)**

Where the contribution is provided as a dedication of dwellings:

- Within area "A" the dedication in favour of the consent authority, free of cost, one or more complete dwellings with a gross floor area equivalent to 10% of the accountable total floor space.
- Within area "B" the dedication in favour of the consent authority, free of cost, of one or more complete dwellings with a gross floor area equivalent to 5% of the accountable total floor space.

Where the contribution is provided as an equivalent monetary contribution:

- \$16,150 per square metre*

*Based on the feasibility assessment dated June 2026 and subject to indexation as described in section 3.2.

See Attachment 6 for the feasibility assessment for the Brookvale Structure Plan.

2.2 **Dedication of Dwellings**

The contribution is to be provided via the dedication of dwellings (unless otherwise agreed by Council to be via a monetary contribution) – built and dedicated free of charge to the Council.

Each dwelling is to have a gross floor area of not less than 50 square metres and be incorporated within the proposed development.

Where a dedication of affordable housing dwellings is required, the development application must:

- state the amount of affordable housing floor area to be dedicated, and any residual amount for which a monetary contribution is required;
- clearly identify on the plans the affordable rental dwellings proposed to be dedicated;
- demonstrate the appropriateness of the dwellings proposed for dedication, the location, size and quality of the affordable housing dwellings are to be to the satisfaction of Council. If they are not to satisfaction, Council may require changes to the development application, or that the contribution be made by way of an equivalent monetary contribution; and

- demonstrate the accountable total floor space of the development that was used to calculate the contribution.

Example One

A development application within area “A” of the Frenchs Forest Planned Precinct comprises 1000m² of accountable total floor space (the gross floor area of the residential component of the development). The affordable housing contribution is calculated as:

$$(10\% \times 1,000\text{m}^2) = 100\text{m}^2 \text{ (gross floor area) dedicated as affordable housing dwellings}$$

NOTE:

The area to be dedicated as affordable housing is gross floor area as defined in the relevant LEP i.e. does not include balconies, car spaces, basement storage and common vertical circulation areas (such as lifts and stairs).

There is to be no ‘savings’ or ‘credit’ for floor space that already exists on the site, even if the building is being adapted and reused.

2.3 Equivalent Monetary Contribution

If the percentage of accountable total floor space results in an area which equates to less than 50 square metres, or where Council otherwise considers it appropriate to achieve a better affordable housing outcome, a monetary contribution equivalent to the market value of the dwellings that would otherwise be required will be sought as condition of development consent.

In some cases, a contribution may comprise a combination of dedication and monetary contribution.

Example Two

A development application within area “A” of the Frenchs Forest Planned Precinct comprises 1000m² of accountable total floor space (the gross floor area of the residential component of the development). The affordable housing contribution is calculated as:

$$(10\% \times 1,000\text{m}^2) = 100\text{m}^2 \text{ (gross floor area)} \times \$11,000 \text{ per square metre} = \$1,100,000 \text{ as an equivalent monetary contribution}$$

2.4 Development that is Exempt from the Scheme

The following types of development are all exempt from the AHCS:

- residential development that is for the purposes of single dwelling houses and secondary dwellings (including any alterations or additions regardless of gross floor area amount),
- an alteration and addition of less than 200 sqm of gross floor area intended to be used for residential purposes,
- employment generating only developments,
- social and affordable housing developed and used exclusively for the purposes of affordable housing (if provided in perpetuity) comprising:
 - Social housing
 - Affordable housing
 - Boarding houses

- Group homes
- Hostels
- For clarity, this does not include any affordable housing that is provided pursuant to Division 1, Part 2, Chapter 2 of the Housing SEPP,
- residential care facilities.

2.5 Conditions of Consent for Affordable Housing

The requirement for an affordable housing contribution will be a condition of development consent. A summary of conditions that will be applied to relevant consents is provided below.

Dedication of Dwellings

Where the dedication of dwellings is required, a condition requiring the dedication in favour of the Council, free of cost, of land comprised of one or more complete dwellings as determined by Council's LEP requirements and the requirements of this Scheme, with each dwelling having a gross floor area of at least 50 square metres.

The affordable housing dwellings must be dedicated to Northern Beaches Council within 28 days of the later of:

1. The registration of any subdivision of the development creating separate title for the affordable housing dwellings; and,
2. the issue of an Occupation Certificate for those dwellings.

Monetary Contribution

Where a monetary contribution is required, a condition requiring the payment of a monetary contribution to the Council calculated by reference to the market value of dwellings of a similar size to those proposed by the development application.

Council may require the applicant to provide evidence of the market value of dwellings prior to the issue of development consent or undertake its own valuation at the applicant's cost.

The conditions of consent will contain but not be limited to the following information:

- The equivalent monetary contribution used in the calculations;
- The % of accountable total floor space used in the calculations;
- The method of indexation of contribution rates;
- A requirement that the condition be satisfied (to Council's satisfaction) prior to the issue of any construction certificate for development. Where a construction certificate is not required, the condition must be satisfied prior to the commencement of work.

Combination of Dedication of Dwellings and Monetary Contribution

A condition requiring the dedication of dwellings and the payment of a monetary contribution to Council will be required where the required contribution cannot be met through the dedication of a whole dwelling.

NOTE:

Section 7.32 of the Act permits the imposition of such a condition and specifies the circumstances under which such a condition may be imposed. Any condition imposed is subject to section 7.33 of the Act.

Section 3 – Administration and Implementation

3.1 How to make a Contribution

Complete affordable dwellings are to be dedicated to Council as outlined in Section 2.

Monetary Contributions are to be paid to Council by unendorsed bank cheque prior to the issue of any construction certificate for the development. In circumstances where no construction certificate is required, payment is required prior to commencement of any work or the use/occupation of the development (whichever occurs first).

The procedure for making payment is available on Council's website.

3.2 Indexing of Payments

3.2.1 Adjustment of Monetary Contribution Amount

Monetary contribution amounts are adjusted on an annual basis, on 1 March each year, with reference to movements in the median strata dwelling price in the Northern Beaches LGA as detailed in NSW Government Rent and Sales Report, Table: Sales Price – Greater Metropolitan Region – Strata.

The Rent and Sales Report is available on the NSW Government, Family and Community Services website (being the most recent report available on 1 March).

The formula for adjustment of the monetary contribution rate is:

$$\text{New Contribution Rate} = \text{Current Contribution Rate} \times (\text{MDP2}/\text{MDP1})$$

Where:

- The Current Contribution Rate is available on the Council's website.
- MDP1 is the median strata dwelling price (for the Northern Beaches LGA) for the period used to establish the current contribution rate (based on the date of the feasibility report that established the equivalent monetary contribution rate for the rezoning)
- MDP2 is the median strata dwelling price (for the Northern Beaches LGA) for the CURRENT period, being established in the most recently published Rent and Sales Report.

see here for the most recent indexed rates:

<https://www.northernbeaches.nsw.gov.au/planning-and-development/planning-future/planning-growth/housing/affordable-housing>

3.2.2 Adjustment of a Monetary Contribution Amount on a Development Consent

Where a condition requiring a monetary contribution has been imposed, the contribution amount must be adjusted over time. That is, if a consent is issued in June 2025 and the applicant does not wish to pay the contribution and develop the site until August 2026, the contribution amount will need to be adjusted to the period in which it is paid.

Monetary contributions are adjusted by Council and confirmed with the applicant prior to payment being made.

The formula for adjusting the contribution amount in a condition of consent is:

$$\text{Monetary Contribution} = \text{Base Contribution Amount} \times (R2/R1)$$

Where:

- Base Contribution Amount is the required payment amount contained in the Development Consent.
- R1 is the contribution rate that applied at the time of consent.
- R2 is the contribution rate that applies at the time of payment.

3.3 Where a Previous Affordable Housing Contribution has been Paid

If an affordable housing contribution has already been paid in accordance with the Scheme, a contribution is not required on subsequent development on land if:

- the total floor area is the same, or because of redevelopment of the site, will replace an equivalent area; or
- the same percentage of the total floor area has already been provided for use for affordable housing.

Where a development is for a larger total floor area than a previous development on the site for which an affordable housing contribution was made, then the consent authority will require a contribution for the difference in total accountable floorspace. It does not matter whether the total accountable floorspace for which the contribution was previously paid is demolished or re-used as part of the new development.

3.4 Refunds for Demolition or Changes in Use

Council will not refund the applicant where there is a subsequent change in use from residential uses to non-residential uses or demolition of floor area.

Similarly, where affordable housing dwellings are replaced on site, the dwellings (as replaced) are to remain the property of the Council.

3.5 Process for the Distribution and Management of Funds

Contributions are to be managed and allocated by Council. As sufficient funding becomes available through the Scheme, Council will seek proposals from eligible community housing providers for projects for the development of affordable housing within the LGA. Council may also directly involve itself in the development of housing or purchase of existing housing to provide affordable housing.

Any financial return resulting from the management of funds in waiting is to be used for the purpose of developing affordable housing in accordance with this Scheme.

Tenders or requests for expressions of interest may be issued for:

- immediate use of contribution funds for development in the LGA;
- allocation of funding for eligible community housing providers to seek development opportunities in the LGA; or
- land and funding packages, where land is made available by supplementary sources for the purpose of developing affordable housing.

Terms will include, amongst other things, that proposals demonstrate how the resulting affordable rental housing will be consistent with the Affordable Rental Housing Principles set out in this Scheme and comply with the requirements of this Scheme. Proposals will also be required to demonstrate how funding will be leveraged to maximise the quantum of affordable rental housing

dwellings. Priority will be given to eligible community housing providers who have appropriate experience.

3.6 Registered Community Housing Provider and Delivery Program

Affordable Housing properties acquired under this AHCS or by any other means, are to be transferred in property title to the Northern Beaches Council. Alternatively, the Northern Beaches Council may nominate a Community Housing Provider, to which the property title is transferred. Council may also enter into agreements with a Community Housing Provider regarding the expenditure of monetary contributions received in lieu of dwellings under the Scheme. Council may outsource the management of affordable housing dwellings to a Housing Manager with demonstrated experience and expertise in the management of affordable housing. Selection of the Housing Manager to manage the dwellings will be conducted in accordance with Council's Procurement Policy.

3.7 Monitoring and Review of the Scheme

The Affordable Housing Contribution Scheme will be reviewed and amended as required in accordance with the requirements of the *Environmental Planning and Assessment Act, 1979*.

Brookvale Structure Plan

Affordable Housing Viability Assessment

NORTHERN BEACHES COUNCIL

JUNE 2026



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1 Introduction



Beyond the
horizon thinking.

Brookvale Structure Plan

1.1 Background

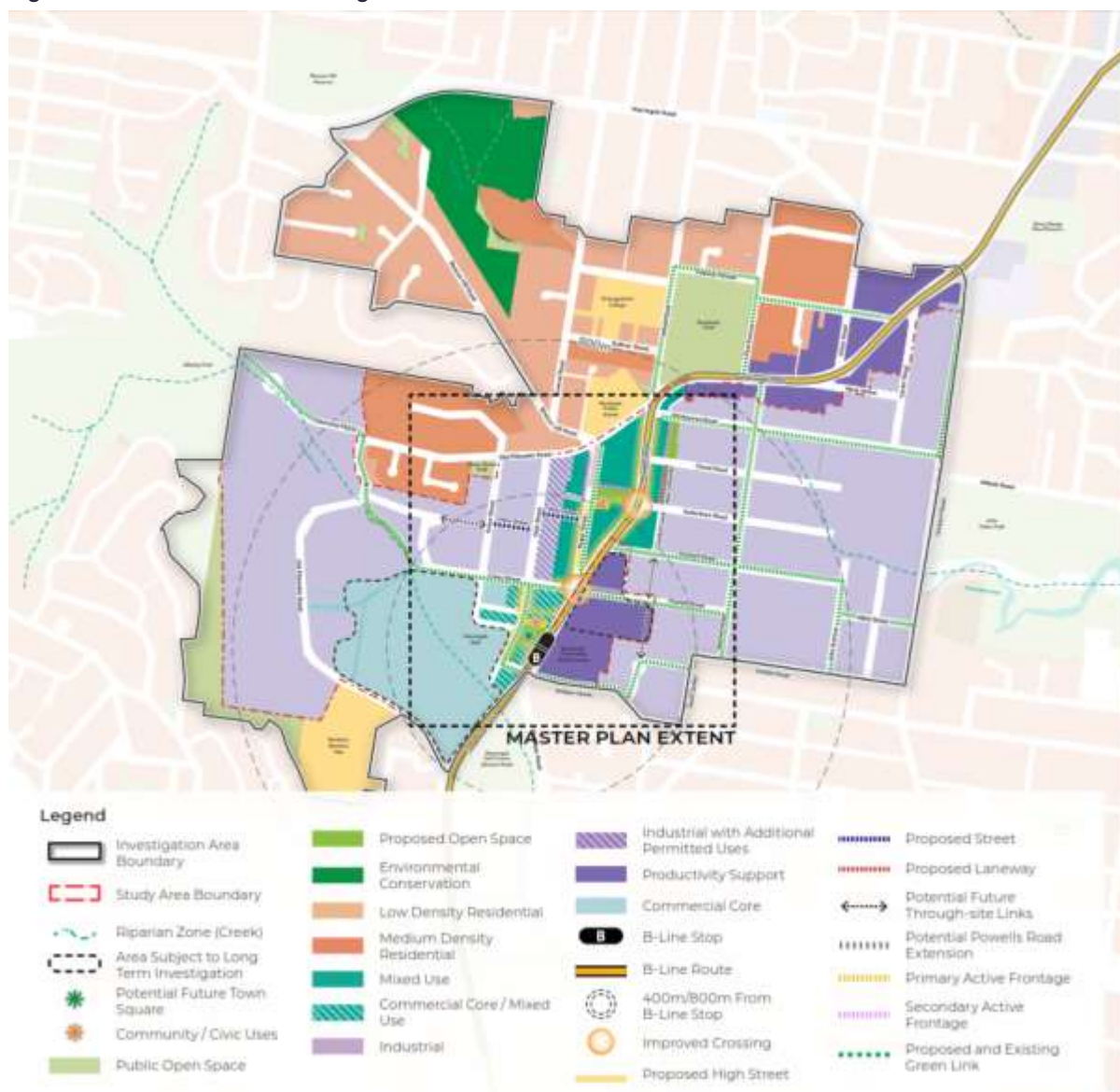
Northern Beaches Council (**Council**) endorsed the Brookvale Structure Plan (**the Structure Plan**) in November 2023. Since then Council has progressively worked to develop a Planning Proposal to amend the Warringah Local Environmental Plan 2011 to implement the Structure Plan. Corresponding updates to the Development Control Plan (**DCP**) and Local Contributions Plan were undertaken concurrently.

Council engaged Colliers Urban Planning (**Colliers**) to prepare a preferred built form scenario that would underpin a set of planning controls in the Planning Proposal.

Atlas Economics (**Atlas**) is engaged by Colliers on behalf of Council to prepare a Viability Assessment that investigates the capacity of development to contribute to Affordable Housing (**the Study**).

Figure 1-1 illustrates an urban structure for Brookvale, considering land use and ownership patterns, potential amalgamation patterns as well as circulation and access requirements. The Study Area boundaries are indicated in red outline.

Figure 1-1: Structure Plan Investigation Area



Source: Colliers (2026a)

In 2025, Council resolved to amend the Northern Beaches Affordable Housing Contribution Scheme to *inter alia*, broaden the requirement for affordable housing contributions to areas subject to the NSW Government's Low and Mid-rise (LMR) planning controls.



NORTHERN BEACHES AFFORDABLE HOUSING CONTRIBUTION SCHEME

The Affordable Housing Contributions Scheme (AHCS) was endorsed by Department of Planning, Housing and Infrastructure (DPHI) in 2022. An affordable housing clause (clause 6.11) was included in the LEP to identify development where affordable housing contributions would be required.

Since its endorsement in 2022, Council has revisited the AHCS, making various amendments including to:

- Include a site in Mona Vale to require affordable housing contributions at 5% of gross (residential) floor area.
- Reduce the affordable housing contribution requirement in part of the Frenchs Forest precinct to 3% of residential gross floor area.
- Require a 3% affordable housing contribution for all residential development in the LMR areas.
- Require a 2% affordable housing contribution for all residential flat buildings, mixed use developments, shop top housing and multi-dwelling housing in the rest of the Northern Beaches local government area (LGA).

The amended AHCS also specifies an equivalent monetary contribution rate of \$16,150/sqm residential GFA.

Once the LEP controls are made, affordable housing contributions would be required as a condition of consent.

1.2 Scope and Approach

The overarching objective of the Study is to investigate the planning controls that would enable feasible development in the Study Area. Atlas provided advice to Council in two parts to:

- Inform development of the preferred built form scenario.
- Assess the capacity of development to contribute to affordable housing.

To provide input to development of the preferred built form scenario, Atlas carried out the following tasks:

- Property market appraisal to examine existing uses and their values, market activity and prices paid for development sites.
- Feasibility testing on select sites to solve for the minimum density controls required for development to be feasible. The feasibility testing considered a range of variables including:
 - Land use mix (incl. non-residential uses).
 - Development standards (sustainability and carparking requirements).
 - Affordable Housing contribution requirements.
 - 'Key Sites' and opportunity to deliver community infrastructure.
- Profiling and aggregation of site-level testing outcomes to make observations on the feasibility of development.

Following development of the preferred built form scenario, Atlas carried out further feasibility testing to assess the capacity of development to contribute to affordable housing.

1.3 Assumptions and Limitations

The Study makes necessary assumptions and acknowledges a number of limitations associated with the Study.

- **Economic uncertainty**

Heightened global uncertainty and geopolitical risks have the potential to affect domestic inflation, interest rate expectations and investment confidence.

- **Market appraisal and data analysis**

Market analysis is carried out on a 'desktop' basis without the benefit of internal inspections. Data from third party sources is assumed to be correct and is not verified.



- **Feasibility analysis**

The Study carries out a generic feasibility assessment which makes a number of assumptions to enable observations to be made at an aggregate level across the Precinct. The following limitations are highlighted:

- It is not practically viable to examine the feasibility of every site. Sample sites are selected and notional development typologies are assumed (based on urban design work by Colliers) for generic feasibility testing.
- Generic feasibility testing is based on high-level revenue and cost assumptions and does not consider site-specific factors typically considered in detailed feasibility analysis. If there are site-specific factors (e.g. geotechnical/ topography constraints) that affect the cost of development, the analysis could require revision.
- A desktop appraisal of 'as is' or existing property values is carried out without the benefit of site inspections or property-specific financial information (e.g. rental income, investment returns, lease break clauses). The estimate of existing property values is made in the absence of site-specific information and is accordingly high-level and indicative only.

The observations of the generic feasibility testing are aggregated to consider location-specific factors that influence the feasibility of development in the Study Area.

Notwithstanding the assumptions made and limitations of the Study, the Study aims to provide guidance at a strategic level on the land uses and development types, and the capacity for development to contribute to affordable housing in the Study Area.



2

Preferred Built Form Scenario



Beyond the
horizon thinking.

Brookvale Structure Plan

2.1 Overview

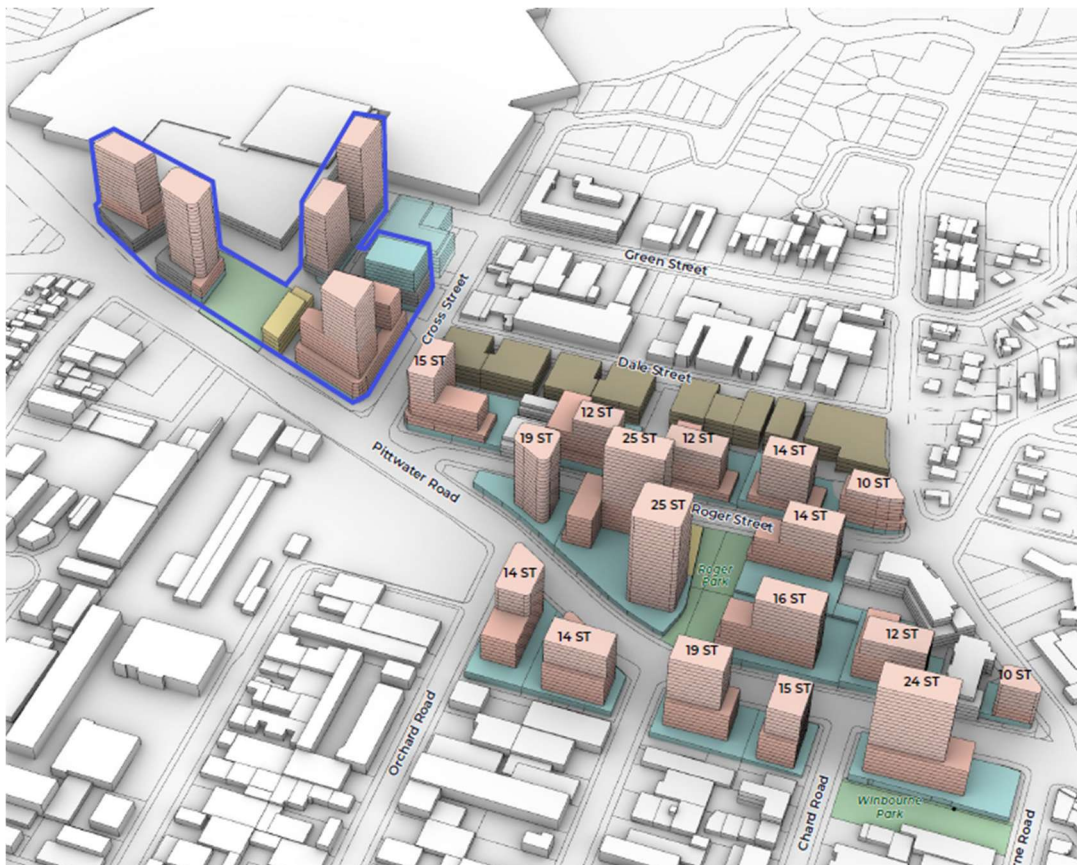
The preferred built form scenario facilitates buildings of up to 25 storeys within 400m to 800m around the B-Line bus stop. It will enable a high-density urban form that facilitates greater housing and job opportunities for the Brookvale community. The scenario facilitates a variety of building heights which are reinforced by public domain provision. Through-site links assist with permeability and provide connections from Pittwater Road to surrounding residential and employment areas.

In summary, the preferred built form scenario will enable the following:

- Infill residential development of around 2,900 dwellings above non-residential podiums.
- Approximately 49,500sqm of non-residential GFA, including commercial, retail, and light industrial uses.
- Inclusion of over 10,000sqm public open space distributed in three areas, both adjacent to the B-Line bus stop and within the northern part of the centre on both sides of Pittwater Road.
- Inclusion of approximately 3,650sqm of community floor space.
- Delivery of through-site links to improve connectivity.
- The expansion of non-residential floorspace capacity from an increase to height of building in industrial zones.

The distribution of heights seeks to focus taller buildings toward the B-line stop and on larger unfragmented sites along Pittwater Road. Buildings transition down to 9-12 storeys for the remainder of the mixed-use areas along Pittwater Road and Roger Street. Figure 2-1 illustrates the distribution of proposed heights.

Figure 2-1: Proposed Distribution of Heights



Source: Colliers (2026b)

The proposed densities acknowledge and respond to the commercial realities of requiring the provision of public infrastructure and affordable housing.

The tallest buildings leverage proximity to the B-line transport hub, and are also located adjoining new block links, laneways and open spaces.

2.2 Proposed Planning Amendments

To realise the objectives of the preferred built form scenario, various amendments to the Warringah Local Environmental Plan 2011 (**the LEP**) are proposed.

LAND USE ZONING

The proposed land use changes include the following:

- Rezoning of the following land in targeted locations to MU1 Mixed Use while largely retaining the E4 General Industrial zone in industrial areas.
- Additional permitted uses for particular land in the E4 General Industrial zone fronting Dale Street to enable additional low-impact employment, business and health-related uses.
- A new local street connecting Roger Street and Green Street to be zoned SP2 Infrastructure (Local Street).

The Planning Proposal also seeks to introduce residential flat buildings (RFBs) as an additional permitted use where the ground floor is occupied by light industrial or creative industrial uses. A minimum employment FSR of 0.5:1 is proposed to apply within the MU1 Mixed Use zone.

INCENTIVE CONTROLS

Additional incentive building heights and FSR controls are proposed to deliver public domain and infrastructure outcomes. Where development satisfactorily delivers infrastructure that improves pedestrian permeability such as through-site links, setbacks, community facilities or areas of open space, it could be eligible to access the incentive building heights and FSRs. Figure 2-2 shows the distribution of proposed incentive FSRs.

Figure 2-2: Proposed Incentive FSR Map



Source: Colliers (2026a)

There are further and specific requirements for Key Sites, where the requirements could be for delivery of:

- Community infrastructure (public open space, community facilities and public parking).
- Laneways and setbacks.

The Key Sites are shown in Figure 2-3 and those with specific requirements to deliver community infrastructure are described in Table 2-1.

Figure 2-3: Proposed Key Sites Map



Source: Colliers (2026b)

Table 2-1: Select Key Sites, Incentives and Requirements

REF	ADDRESS	INCENTIVES AND REQUIREMENTS
J	674-698 Pittwater Rd	Incentive 5.4:1 Minimum site area of 3,800sqm 75 public car parking spaces Pedestrian links along frontage roads
K	483-501 Pittwater Rd 15-19 Roger St	Incentive FSR 4.0:1 Minimum site area of 10,600sqm 3,200sqm area for public recreation 1,000sqm floorspace community facility Pedestrian links along frontage roads
L	145 Old Pittwater Rd Warringah Mall	Incentive FSR 3.5:1 Minimum site area of 24,800sqm 5,000sqm area for public recreation 2,650sqm floorspace community facility Pedestrian links along frontage roads

Source: Colliers (2026)

Generally, the incentive FSRs that apply to Key Sites are proposed as follows:

- Corner of Pittwater Road and Old Pittwater Road FSR 3.3:1
- Roger Street block FSR 3.4:1 to 4.0:1
- East of Pittwater Road FSR 3.8:1 to 5.4:1
- West of Roger Street FSR 3.4:1 to 3.8:1



2.3 Implications for Feasibility

The Study Area accommodates a range of existing uses. This generally includes retail strip and low-rise commercial uses along Pittwater Road, with general and light industrial uses beyond. The nature of existing uses in the Study Area is relevant as they underpin the cost of land for development.

Many properties in the Study Area are improved with valuable existing buildings which have experienced strong price growth. This is underpinned by strong demand for E3 and E4 zoned land that is accessible, and land which benefits from good exposure/ visibility from Pittwater Road. There is also strong clustering and co-location opportunities for businesses within the Brookvale centre.

Where site consolidation is required in areas where there is lot/ ownership fragmentation (e.g. multiple single lots or strata-titled properties), a higher cost of land will result. The more fragmented the lot patterns, the greater the need for incentive premiums and the higher the cost of land to a developer.

The Structure Plan identifies Key Sites where incentive FSRs are available to encourage lot amalgamation, deliver public infrastructure and improve pedestrian permeability and public domain outcomes.

There are two general categories of Key Sites:

- Sites provided an incentive to deliver on-site infrastructure (land and works)
Land that is dedicated (free of cost) could be utilised for public recreation or a community facility. The incentive FSRs are applied to the gross site area of the Key Site (before land dedication) and the resultant floorspace is developed on the area of the land that remains (after land dedication). The built form controls would need to enable the transfer and development of floorspace to the land that remains (after land dedication). Following delivery of the public infrastructure, the completed asset would be dedicated and owned by Council.
- Sites required to contribute to pedestrian permeability, including laneways and setbacks.

The next chapter investigates if the proposed controls enable feasible development and if there is an opportunity for contributions to affordable housing.

3

Feasibility Analysis



Beyond the
horizon thinking.

Brookvale Structure Plan

3.1 Overview

This chapter carries out a feasibility analysis to identify if and where development is feasible under the Structure Plan and the affordable housing contributions that could be required.

METHODOLOGY

The financial feasibility analysis relies on the Residual Land Value approach. The approach involves assessing the value of the completed product, making a deduction for development costs and making a further deduction for profit and risk while ensuring the development achieves a target profit margin and target return (or the 'hurdle rates').

The amount that a development can afford to pay for land is a 'residual', i.e. the amount that remains after development costs are deducted and target hurdle rates are achieved. The residual land value (**RLV**) is therefore the maximum price a developer could pay for a development opportunity whilst achieving target hurdle rates.

For there to be an incentive to develop, the RLV must exceed the cost of land. The cost of land includes: a site's existing value which is influenced by its improvements and ownership patterns, and the costs that may be necessary to secure vacant possession (e.g. incentive premium/s to landowner, lease break payments). Where a development site is already in single ownership, or where multiple owners are cooperating to offer a consolidated site opportunity, there could be less inducement/ incentive needed for site consolidation.

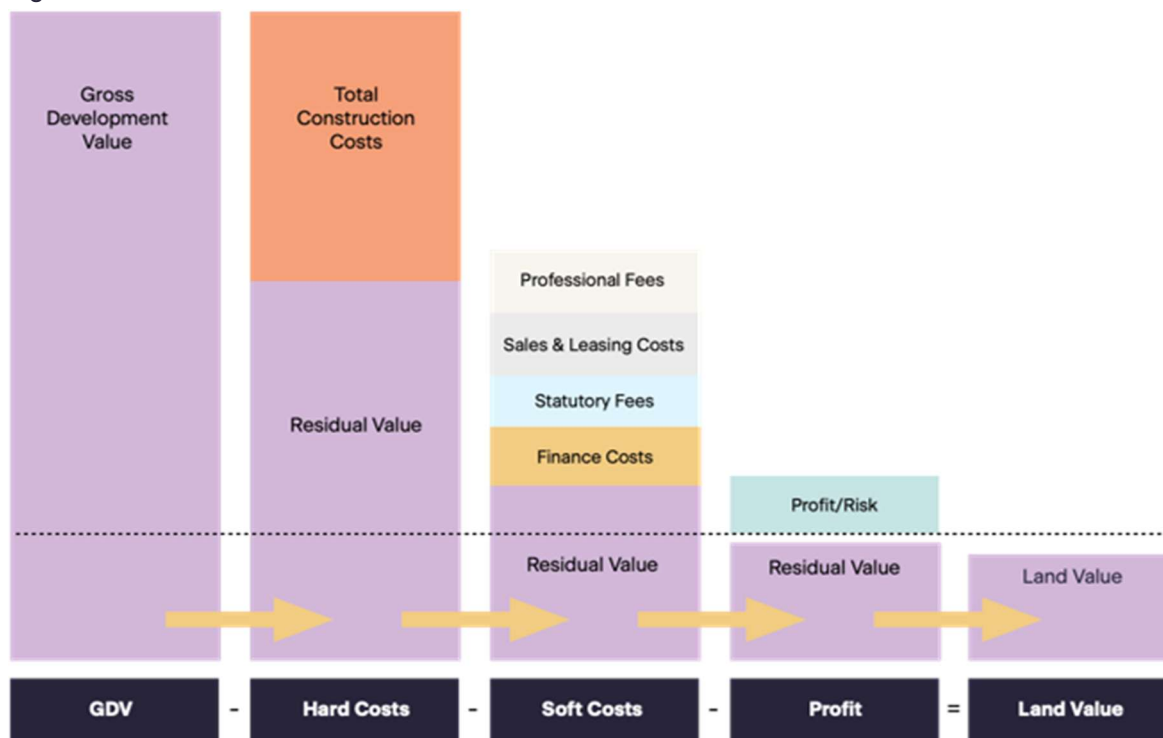
Notional development yields are formulated for the purposes of generic testing. The cost to purchase individual properties (including an incentive premium) within a development site is estimated from an analysis of sales activity.

There are two key steps in the generic feasibility testing:

- **Step 1:** Assess the 'as is' value of a selected site under the current planning framework including an incentive premium a developer would likely need to pay in addition to secure the site.
- **Step 2:** Carry out feasibility modelling of the proposed planning controls to test for affordable housing contributions that could be made. Affordable housing contributions are assumed to be made at the equivalent monetary contribution (\$16,150/sqm residential GFA) specified in Council's AHCS.

Figure 3-1 illustrates the concept of Residual Land Value (also known as the Hypothetical Development) approach.

Figure 3-1: Residual Land Value Method



Source: Atlas Economics

Refer to Schedule 1 for an analysis of market activity which underpins the revenue assumptions in the feasibility modelling. Schedule 2 contains more detailed assumptions made in the feasibility modelling.



3.2 Key Sites

The Study tests the feasibility of Key Sites and their capacity to contribute to affordable housing as follows:

- Key Sites incentivised to deliver community infrastructure.
- Key Sites incentivised to deliver improved pedestrian permeability.

A series of graphs show a comparison of the assumed cost of land against the RLV of a site at the incentive controls and infrastructure requirements. The RLV represents the price a developer could afford to pay for the site. If the RLV is lower than the assumed cost of land, development is not feasible and the site will remain 'as is'.

3.2.1 Key sites delivering community infrastructure

There are three Key Sites provided with a density incentive (FSR and height of building) for delivery on on-site community infrastructure. They were listed in Table 2-1.

Only Sites J, K and L are the subject of analysis in the Study. They are proposed for:

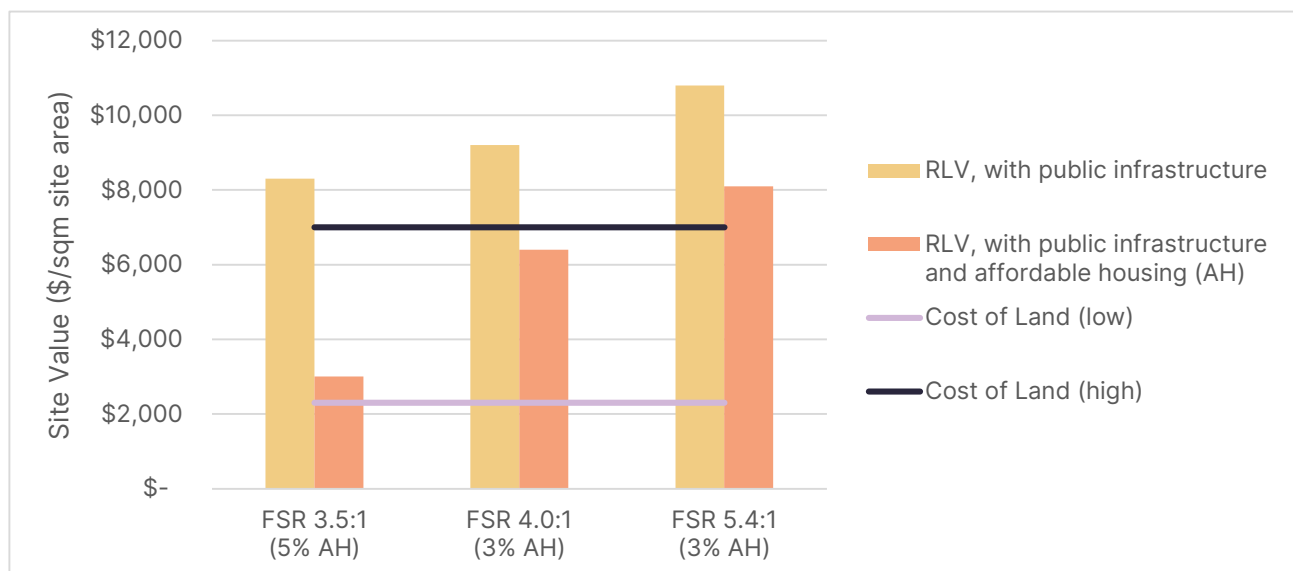
- Site J - incentive FSR 5.4:1 (24 storeys), 75 public car parking spaces and pedestrian links.
- Site K - incentive FSR 4.0:1 (25 storeys), public open space (3,200sqm), community facility (1,000sqm) and pedestrian links.
- Site L - incentive FSR 3.5:1 (25 storeys), public open space (5,000sqm), community facility (2,650sqm) and pedestrian links.

The testing is undertaken in two steps.

- Firstly, assuming on-site community infrastructure (e.g. public open space, community facility, public parking) is delivered at a cost to the development.
- Next, iterative testing for the capacity to contribute to affordable housing.

Figure 3-2 compares the feasibility of development at the available incentive controls.

Figure 3-2: Feasibility of Development, Sites J, K and L



Source: Atlas

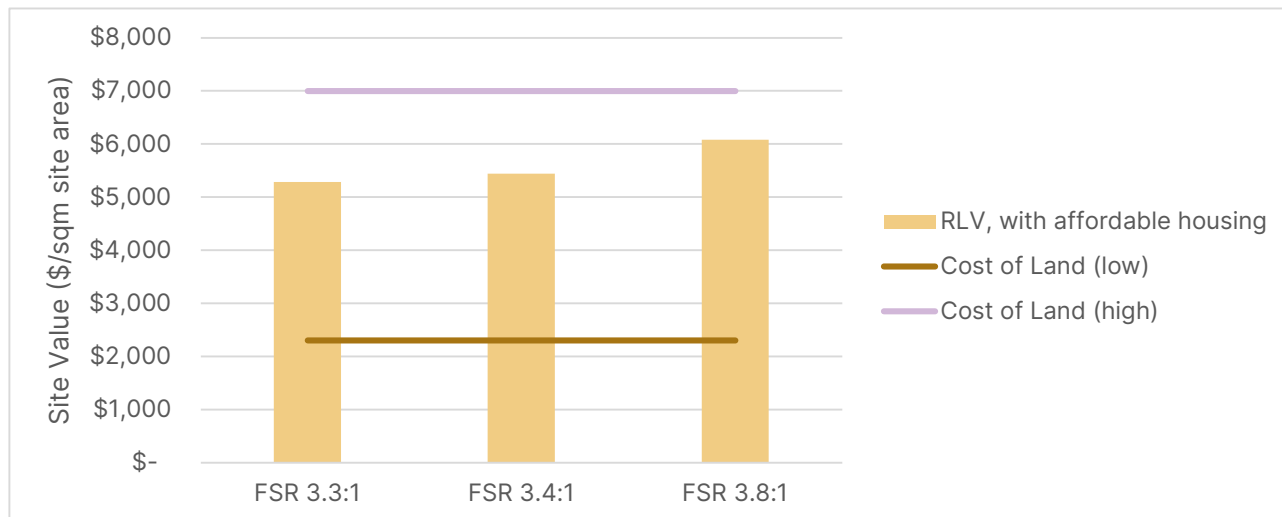
The Key Sites identified for the delivery of on-site community infrastructure are understood to be mostly held in majority ownership/ control. This reduces the risk and cost of site amalgamation. The testing shows that there is an opportunity for the Key Sites to contribute to public infrastructure while accessing the incentive controls.

3.2.2 Delivering laneways and setbacks

The other Key Sites are proposed for density incentives subject to the delivery of through-site links/ laneways and setback requirements. The incentive FSRs proposed for these Key Sites are FSR 3.3:1, 3.4:1 and 3.8:1.

Figure 3-3 compares the feasibility of development at the available incentive controls where an affordable housing contribution of 3% is required.

Figure 3-3: Feasibility of Development, Other Key Sites



Source: Atlas

Where the density incentives are lower (e.g. FSR 3.3:1), the site is less valuable as a development opportunity. In circumstances where the land is less intensively improved upon, the proposed density incentives have better prospect of being feasible and contributing to affordable housing.

Where the land is intensively improved upon (large and valuable built floorspace), development may not be feasible in first instance (regardless of any affordable housing contribution requirement).

3.3 Testing Outcomes

The feasibility of development in the Study Area depends in the main, on the cost of land. That is, the sum a developer would have to pay to secure a site/ s for development. The cost of land is the composite of the value of the existing use/s, any incentive to induce sale and any cost to secure vacant possession (which could involve lease break payments, business disruption, etc.).

Along Pittwater Road and throughout the Study Area, lot patterns are generally fine grain in nature and sites are intensively improved. In some cases, the fine grain patterns require multiple lots consolidated and the likely payment of incentive premiums. In other cases, several contiguous lots are already held under majority ownership and therefore the amalgamation risk to a developer is lower.

Key Sites are required to set aside (dedicate free of cost) land for improved access (laneways, through-site links, setbacks). The delivery of pedestrian links is assumed to be funded from local developer contributions; floorspace potential associated with the land dedicated available to be transferred and developed on the remaining land.

In an established urban area such as Brookvale, despite incentive and FSR heights, development is not necessarily feasible on all sites. This is due to the high cost of land associated with consolidating a development site. Some sites may only be feasible to develop at greater densities than contemplated by the Structure Plan. The Study acknowledges that feasibility is not the only consideration for the Structure Plan. The environmental capacity of land is an equally critical consideration.

The Study takes a nuanced approach to the feasibility of development. This acknowledges that a development's capacity to contribute to affordable housing is subject to overall feasibility as well as other planning obligations (such as delivery of on-site infrastructure).



3.4 Affordable Housing Contribution Rates

The Study investigates the capacity of development to contribute in percentage (%) terms, in the context of the planning change envisaged in the Structure Plan, development feasibility and other planning obligations (such as delivery of on-site infrastructure).

Council intends to include the affordable housing contribution rates in its Affordable Housing Contribution Scheme. This would enable it (Council) to require affordable housing contributions as a condition of consent. The proposed equivalent monetary contribution rate of \$16,150/sqm GFA in the AHCS is assumed.

Table 3-1 outlines the recommended affordable housing contribution rates.

Table 3-1: Affordable Housing Contribution Rates

KEY SITE	FSR	ON-SITE INFRASTRUCTURE	AFFORDABLE HOUSING RATE
J	5.4:1	Public car spaces (75), pedestrian links	3%
K	4.0:1	Public open space (3,200sqm), community facility (1,000sqm GFA), pedestrian links	3%
L	3.5:1	Public open space (5,000sqm), community facility (2,650sqm GFA), pedestrian links	5%
OTHERS	3.3:1, 3.4:1, 3.8:1	Pedestrian links, laneways, setbacks	3%

Source: Atlas Economics

The Study acknowledges that a number of headwinds currently make it challenging for development to be feasible. This is a result of the cumulative influence of high existing-use values (and therefore the cost to consolidate a development site), elevated construction costs and relatively soft end sale values of completed product.

Notwithstanding, there are some advantages in the Study Area, particularly where there are large land parcels in majority ownership. This reduces the need for amalgamation of multiple allotments and has direct implications for the cost of land to a developer.

There is generally robust market demand for higher density living in the Study Area. The Structure Plan enables relatively tall buildings, which when developed have the capacity to capture elevated views and vistas of the coast and hinterland. Additionally, the transport and urban amenity associated with Brookvale carries with it a willingness by the market to pay an economic price for completed residential product.

RECOGNISING NUANCE

As a general premise, planning uplift is generally accompanied by financial upside (greater revenue potential, land value and profit). It is from this financial upside that a site has the capacity to make affordable housing contributions.

In existing urban areas where lot patterns are established and buildings are valuable, it is a practical reality that not all properties will be redeveloped to new planning controls. Furthermore, landowner motivations do not always align with those of development.

The Structure Plan envisages various changes to planning controls, conveying varying levels of financial upside to properties therein. In some cases, land is more valuable (with greater development potential). In other cases, there is no change to the value of land (due to existing buildings that are more valuable). In those circumstances, there will be no incentive for the existing uses to be displaced, and they will remain. The land will therefore not be developed to the alternate planning controls and remain 'as is'.

The Study takes a nuanced approach to the feasibility of development in the Study Area. This approach acknowledges that land use and density (using FSR as a proxy) is not necessarily the only indicator of a development's capacity to contribute to affordable housing. The Study also recognises that despite higher densities proposed in the Structure Plan, there is not an unlimited capacity for development to make contributions - to public infrastructure and to affordable housing.

The nuanced setting of affordable housing contribution rates seeks to avoid disproportionate impact on feasibility, which affects the likelihood of development occurring.



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Schedules



Beyond the
horizon thinking.

Brookvale Structure Plan

SCHEDULE 1

Analysis of Market Activity

The analysis of market activity underpins the assumptions adopted in the generic feasibility testing.

Existing-use Values

The Study Area accommodates a range of existing uses, from low-rise retail and commercial uses to light industrial properties. Table S1-1 summarises a selection of recent sales of commercial property.

Table S1-1: Analysis of Existing-use Values

ADDRESS	SITE AREA (SQM)	SALE PRICE (DATE)	ANALYSIS (\$/SQM SITE AREA)	ACCOMMODATION
1436 Pittwater Rd	1,524	\$6,800,000 (May 2024)	\$4,462	light industrial
15 Chard Rd	613	\$3,610,000 (Apr 2024)	\$5,889	single storey warehouse with office
43 Michell Rd	556	\$2,860,000 (Feb 2024)	\$5,144	light industrial
12-14 Chard Rd	1,012	\$4,900,000 (Dec 2023)	\$4,842	single storey showroom
50 Sydenham Rd	607	\$2,375,000 (Nov 2023)	\$3,913	light industrial

Source: Atlas

All things being equal, the more intensively improved (i.e. with greater built floorspace), the more valuable a site will be. For example, a mostly vacant site will be less valuable than a site with a showroom and three-storey building.

End Sale Values

APARTMENTS

An analysis of residential apartment sales is carried for the purposes of estimating the likely end sale values of (new) residential product in the Study Area. The sales are analysed on a net saleable area (**NSA**) basis. Recent sales of new apartments that informed feasibility testing are detailed in Table S1-2.

Table S1-2: Apartment End Sale Values

ADDRESS	UNIT TYPE	AVG. INTERNAL AREA (SQM)	SALE PRICE	ANALYSIS (\$/SQM)	COMMENTARY
Casa Delmar 4 Delmar Pde Dee Why	1B	66	From \$905,000	From \$14,300	Casa Delmar is a low-rise development that offers a mix of 1- to 3-bedroom luxury apartments and penthouses in a mixed-use development bordering Stony Range Botanical Garden. Offers high-end facilities including a rooftop with panoramic ocean views, barbecue facilities and a rooftop garden and gym and fitness studio.
	2B	82	From \$1.2 million	From \$15,000	
	3B	112	From \$1.8 million	From \$17,000	
Hamptons 17 Fisher Rd Dee Why	1B	57	From \$800,000	From \$12,700	Hamptons by Rose Group is a development comprising multiple 5-storey RFBs with 147 apartments and 5,500sqm of open space. Apartments in this development benefit from coastal views and proximity to amenity. Development was competed in late 2025. Many apartments sold off-the-plan.
	2B	92	From \$1.1 million	From \$12,400	
	3B	111	From \$2 million	From \$18,000	
Evolve 23 Roger St Brookvale	1B	49	From \$760,000	From \$15,000	Mixed-use development located near the intersection of Old Pittwater Rd and surrounded by shopping, dining, beaches and transport. Evolve comprises two buildings (four and five storeys). Only some apartments in this building benefit from coastal views.
	2B	86	From \$1.4 million	From \$17,000	

Source: Atlas Economics

Residential sale prices achieved reflect the availability and quality of views, along with building and internal amenity.



In Brookvale and surrounding suburbs, new high-density residential sales reflect values ranging from ~\$800,000 to \$1.1m for 1 bedroom, \$1.0m to \$1.8m for 2 bedrooms and \$2.0 to \$2.5m for 3 bedrooms. These are equivalent to rates of \$16,000/sqm to \$20,000/sqm.

Overall, a price hierarchy is observed, where unit values generally increase in locations which are located nearer to amenity, retail and transport options and those with water/ coastal views.

COMMERCIAL

An analysis of non-residential sales (commercial and retail spaces) is carried out to estimate the likely end sale values of retail/ commercial floorspace in the Study Area. Table S1-3 summarises an analysis of retail and commercial suites in the Study Area and surrounds.

Table S1-3: Commercial/ Retail End Sale Values

ADDRESS	SALE PRICE	FLOOR AREA (SQM)	ANALYSIS (\$/SQM)	COMMENTARY
23 Roger St Brookvale	\$650,000	59	\$11,000	Ground floor commercial suite within the Evolve mixed-use development. Sold with lease agreement to medical occupier returning net rental of \$42,000 pa (net yield 6.6%).
635 Pittwater Rd Dee Why	\$580,000	45	\$12,900	Ground floor retail sold with vacant possession - fitted out for café/ restaurant. Part of a 125-apartment block.
5 Mooramba Rd Dee Why	\$1,034,000	97	\$10,650	Ground floor suite fitted out as a consulting room. Part of a mid-rise mixed-use development comprising 125 apartments just west of Dee Why.
818 Pittwater Rd Dee Why	\$1,760,000	158	\$11,150	Ground floor retail suite with 3-year lease and 2-year option to 2028. Current rental income \$124,800 pa and benefits from 7 car spaces.
2 Delmar Pde Dee Why	\$2,800,000	212	\$13,200	Ground floor retail sold with 5-year lease and 5-year option to beauty salon. Part of mixed-use development with exposure and visitor parking.

Source: Atlas Economics

Depending on location and exposure within the Precinct, non-residential floorspace could conceivably achieve rates of \$10,000/sqm to \$12,000/sqm lettable area.

Development Site Sales

To understand the price developers could be prepared to pay for land in the Study Area, the analysis considered a selection of development site sales, as outlined in Table S1-4.

Table S1-4: Development Site Sales

ADDRESS	SITE AREA (SQM)	POTENTIAL GFA (SQM)	SALE PRICE (DATE)	ANALYSIS (\$/SQM GFA)	COMMENTARY
2-4 Gladys Ave Frenchs Forest	2,480	4,668	\$7,922,000 (Jun-25)	\$1,697	Site sold improved with two single dwellings. A DA was subsequently lodged for 40 residential units.
116-120 Frenchs Forest Rd 11 Gladys Ave Frenchs Forest	5,740	12,879	\$24,000,000 (Nov-24)	\$1,863	Site sold off market. Subsequently DA submitted for residential flat buildings for 127 residential units.
4 Kunari Pl 94 & 96 Park St Mona Vale	3,070	5,088	\$8,670,000 (2016-2024)	\$1,704	Site sold improved by three single dwellings. A DA was subsequently lodged for 27 residential units.
4 Delmar Pde 812 Pittwater Rd Dee Why	7,790	19,485	\$40,790,000 (Nov-23)	\$2,093	Site sold with approval for development of 280 apartments, retail spaces and 3 levels of basement car parking.
67 Pacific Pde Dee Why	700	1,051	\$2,480,000 (Nov-19)	\$2,360	Site sold with DA for 9 luxury apartments. Falls within the LMR area. Also approved for 26-room boarding house.



ADDRESS	SITE AREA (SQM)	POTENTIAL GFA (SQM)	SALE PRICE (DATE)	ANALYSIS (\$/SQM GFA)	COMMENTARY
2 Delmar Parade 818 Pittwater Rd Dee Why	2,060	5,837	\$11,890,000 (Sep-19)	\$2,037	Site sold with approval for a mixed-use development comprising 71 units, five retail spaces and 2 levels of secure basement parking

Source: Atlas Economics

The prices paid for development sites varies according to whether a site lends itself to a luxury residential product (i.e. single floor units with sweeping views of the coast). Prices paid for development sites are observed to be between \$1,800/sqm and \$2,000/sqm potential GFA.

Sites in the Study Area that have the potential to capture coastal views could conceivably achieve development site prices at the upper end and beyond the range.



SCHEDULE 2

Generic Feasibility Testing Assumptions

Tested Scenarios

The Study develops notional development scenarios for the purposes of testing the feasibility of the sites selected and their capacity for affordable housing contributions.

The notional mixed use development typologies and density incentives for the purposes of feasibility testing are shown in Table S2-1. A minimum non-residential FSR of 0.5:1 is assumed to apply.

Table S2-1: Development Typologies

INCENTIVE FSR	NO. OF STOREYS	ON-SITE INFRASTRUCTURE REQUIREMENTS
3.3:1	10	Affordable housing, pedestrian links, laneways, setbacks
3.4:1	12-16	Affordable housing, pedestrian links, laneways, setbacks
3.5:1	25	Public open space (5,000sqm), community facility (2,650sqm GFA), affordable housing, pedestrian links
3.8:1	12-19	Affordable housing, pedestrian links, laneways, setbacks
4.0:1	25	Public open space (3,200sqm), community facility (1,000sqm GFA), affordable housing, pedestrian links
5.4:1	24	Public car spaces (75), affordable housing, laneways and setbacks

Source: Atlas Economics

Table S2-2 illustrates the unit mix and unit sizes (net saleable area, at efficiency ratio of 85% of GFA) adopted.

Table S2-2: Unit Mix and Average Unit Sizes

UNIT TYPE	UNIT MIX	NET SALEABLE AREA (SQM)
1-bedroom	20%	60
2-bedroom	65%	80
3-bedroom	15%	100
TOTAL	100%	79

Source: Atlas Economics

Revenue Assumptions

Revenue assumptions are developed based on a market appraisal undertaken. Based on an average unit net saleable area of 79sqm, average residential end sale values are outlined below.

- 1-bedroom units \$16,000/sqm to \$18,000/sqm (\$960,000 to \$1,080,000)
- 2-bedroom units \$17,000/sqm to \$19,000/sqm (\$1,360,000 to \$1,520,000)
- 3-bedroom units \$20,000/sqm to \$22,000/sqm (\$2,000,000 to \$2,200,000)

Non-residential revenue is assumed at \$10,000/sqm to \$12,000/sqm.

Other revenue assumptions:

- GST is included on the residential sales.
- Transaction costs of 5.5% on land purchase cost.
- Marketing and legal costs assumed at 1% of gross sales revenue
- Sales commissions at 2.5% of gross residential sales and 1.5% on non-residential sales.



Cost Assumptions

Cost assumptions are adopted based on cost publications and professional experience.

- Demolition at \$100/sqm estimated building area.
- Residential construction at \$5,000/sqm to \$6,000/sqm GBA (which is grossed up from GFA at 115%).
- Balconies are assumed at \$1,000/sqm.
- Basement car parking at \$80,000 per car space.
- Construction contingency at 5%.
- Professional fees and application fees at 10% of construction costs.
- Statutory fees:
 - DA and CC fees at scheduled rates.
 - Long service levy of 0.25% of construction costs.
 - s7.12 contributions at 3.5% of construction costs.
 - Housing and Productivity contributions at \$10,812/dwelling.
 - Water infrastructure charge at \$4,009/ET from July 2026. This is assumed to be equivalent to \$3,207/apartment, based on a unit conversion rate of 1 ET per 0.8 apartments.
- Finance costs:
 - 100% debt funding at interest capitalised monthly at 6% per annum.
 - Establishment costs at 0.35% of peak debt.

Hurdle Rates and Performance Indicators

The key performance indicator relied upon is target development margin (20%).

If after delivering the on-site infrastructure (as required) and making affordable housing contributions and a development achieves the hurdle rate, the development is considered financially feasible.





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