

PARRAMATTA ROAD & POWELL STREET, HOMEBUSH, NSW

Valuation of Dedication Land & ARH Units



Prepared for Walker Corporation

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Reviewer

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Report Details

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Executive Summary

Instructing Party	Walker Corporation
Valuation Date	6 th February 2018 (Date of Inspection).
Interest (tenure)	Freehold tenure for both units (Affordable Housing) and land dedication (public road).
Purpose	This market valuation is provided to facilitate commercial negotiations between the developer of the planned project (Walker Corporation) and Strathfield Council.
Location	Located on the north side of Parramatta Road with further frontages to Powell Street.
Town Planning	Zoning of B4 – Mixed Use. Incorporates the former Homebush Theatre (heritage). The Floor Space Ratio of 2.0:1 may be increased to 3.15:1 subject to amalgamation. Our calculations are based on higher densities of 5:1 (PRCUTS) and 7.3:1 (Planning Proposal) as explained herein. Height of Building of 42 metres.
Development Scheme	<p>Land area of 7,518.5m² comprising eleven allotments. The completed complex will preserve the façade of the disused theatre and provide associated open space within multiple buildings containing:</p> <ul style="list-style-type: none"> – 577 apartments (187 x 1 bedroom units, 328 x 2 bedroom units and 62 x 3 bedroom units) with 359m² of commercial office suites; – 2,512m² of retail strata area and a childcare facility with a capacity of 50 licensed children and – 571 car bays in secure basement areas (inclusive of 58 visitor bays and 74 accessible spaces). <p>Road Widening</p> <p>Part of the site along the Parramatta Road frontage will be merged with the existing public pavement for widening and deep soil planting. The added area for road widening equates to 240m² being land dedicated with freehold tenure to Council.</p> <p>ARH (Affordable Rental Housing)</p> <p>The planned scheme will contain Affordable Rental Housing (ARH) dedicated to a registered housing provider with dwelling numbers linked to the added density in the Planning Proposal. We have provided a market value estimate for the ARH units expressed as a rate of enclosed floor area (\$ /m²) derived from analysis of recent stock.</p>
Market Values As at 6 February 2018	<p>Road Widening</p> <p>Market Value assessed for land dedication of 240m² is \$690,000 (FSR of 5:1 - PRCUTS) and \$1,007,400 (FSR of 7.3:1 – Planning Proposal) reflecting a 75% reduction (conventional adjustment) for the FSR transfer to the main site.</p> <p>ARH (Affordable Rental Housing Units)</p> <p>Studio unit : \$472,500 (based on 45m² enclosed and \$10,500/m²)</p> <p>One bedroom unit : \$522,500 (based on 55m² enclosed and \$9,500/m²)</p> <p>Two bedroom unit : \$705,000 (based on 75m² enclosed and \$9,400/m²)</p> <p>(no parking and least appealing locations reflected for ARH stock)</p>



INTRODUCTION

1.0 SITE PARTICULARS

This chapter outlines the subject property's location, area details, ownership, zoning and existing improvements.

1.1 Location

The site on Parramatta Road between Powell Street and Underwood Road as depicted below in the aerial plan.

As shown, a narrow access lane occurs off Powell Street that forms a side and rear boundary to the property.

The site forms one of the larger development lots in the vicinity and incorporates the Nightrider Theatre being a heritage building to be partly preserved in the development proposed.

The immediate streetscape reveals deteriorated buildings that form part of a widely changing suburban landscape from historical uses of main road retail outlets with modest housing along the side streets to a renewed high density residential use.

Modern unit buildings have been built in the past three years with a concentration along Parramatta Road, Park Road and Smallwood Avenue some 500metres west of the subject property.

On the opposite side of Powell Street, next to the subject property is a recently completed residential unit complex of similar scale to that planned for the subject property.

Figure 1: Location Map



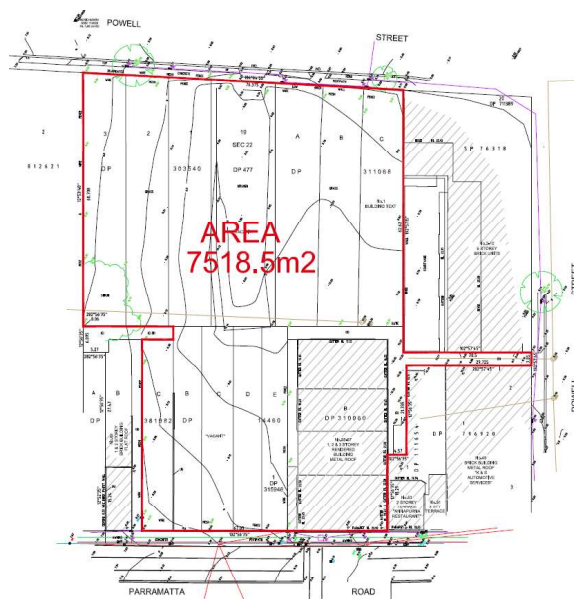
Source: Google Earth Pro

1.2 Site Details

The subject site has an irregular shape depicted by the survey plan extract shown below, with an enclosed land area of 7,518.5m².

The land has major street frontages of 67metres (Parramatta Road), 3metres with a depth of 73.1metres.

Figure 2: Deposited Plan Extract– 55-67 Parramatta Road and 12-14 Powell Street, Homebush



Source: Walker Corporation

Table 1: Site Description

Address	Legal Description	
59-67 Parramatta Road	Lot 19 Section 22 DP477	Lots 1, 2 & 3 DP303540
	Lot A DP311068	Lot 2 DP303540
	Lot 3 DP303540	Lot B, C, D & E DP14460
	Lot C DP381982	
12 Powell Street	Lot C DP311068	
14 Powell Street	Lot B DP311068	
55-57 Parramatta Road	Lot B DP310960	Lot 1 DP315946

1.3 Registered Proprietor

Our sales database indicates the owner to be Oretone Pty Limited, however we have not confirmed this with a title search.

PLANNING CONTROLS

2.0 PLANNING CONTROLS

The relevant Council plan for the subject site is the Strathfield Local Environmental Plan 2012.

Under this LEP, the maps reveal the entire site is zoned B4 – Mixed Use, with an FSR of 2:1. This may be increased to 3.15:1 upon achieving amalgamation with an adjoining property. A higher FSR is recommended in PRCUTS (see below) and the Planning Proposal.

The permissible building height differs across the site with 55-57 Parramatta Road showing a height of 11 meters and with the remainder set at 22 meters increased by the exceptions noted below.

Table 2: Strathfield Council Planning Controls Summary

Address	55-67 Parramatta Road and 12-14 Powell Street, Homebush
Planning Scheme	Strathfield Local Environmental Plan 2012
Zoning/Description	B4 – Mixed Use
FSR	2 : 1 (NB: Exception permitted for Parramatta Road Corridor) 3.5:1
Height of Buildings	11 metres (NB: Exception permitted for Parramatta Road Corridor) 42metres
Higher Densities	PRCUTS and Planning Proposal apply. (see below)

Source: NSW Planning Portal

2.1 LEP Map Extracts for Zoning & FSR

Extracts from the LEP are included below to illustrate the planning controls indicated above.

Figure 3: Zoning map extracts from SLEP 2012 depicting B4 Mixed Use and an FSR of 2:1 (extends to 3.5:1)



2.2 PRCUTS (Parramatta Road Corridor Urban Transformation Strategy)

While the Strathfield LEP remains the relevant Planning Control across the LGA, for certain properties it is superseded by PRCUTS which recommends an FSR of 5:1 for this site. See p142. “C. Densities” (Homebush).

The Planning Proposal submitted contains an FSR of 7.3:1 with an offer from the developer to provide matters of public amenity detailed in the report prepared by Ethos Urban.

PRCUTS and the Planning Proposal

As the PRCUTS policy promotes an FSR of 5:1 and the Planning Proposal (PP) contains a density uplift to an FSR of 7.3:1 we have assessed the land dedication value with each density. The higher density (PP) corresponds to PP the offer for public amenity matters reflecting the scale of the project.

IMPROVEMENTS

3.0 IMPROVEMENTS

3.1 Existing Improvements

The site is unimproved except for the heritage listed former Homebush Theatre building located on Parramatta Road.

Figure 4: Theatre Façade to be Preserved and View Across the Site from the Rear Boundary.



3.2 Planned Scheme

We have reviewed plans prepared by PTW architects that reveal:

- Removal of the rear of the former Homebush Theatre and retention and refurbishment of its front elevation on Parramatta Road allowing creation of a public open Plaza behind the heritage façade with refurbished areas preserving its prior form. This Plaza will be integrated with a retail and commercial component of the project and landscaped with a playground, public seating and allied fixtures;
- A through site pedestrian link adjacent to the former Homebush Theatre will provide a connection between Powell Street, the Plaza and the larger embellished public domain along Parramatta Road;
- A north/south pedestrian link through the site will provide connections from the Homebush Town Centre to Powells Creek and beyond;
- The existing Parramatta Road pavement will be widened by 6 metres through the dedication of land from within the site boundaries;
- A seven storey residential building will occur between Powell Street and the Plaza containing apartments and commercial suites;
- A mixed use building adjoining the western boundary comprising a four storey retail, commercial and childcare centre podium (50 licensed children proposed) with apartments above in the three towers ranging from eight to 45 storeys.
- Four levels of basement car parking.

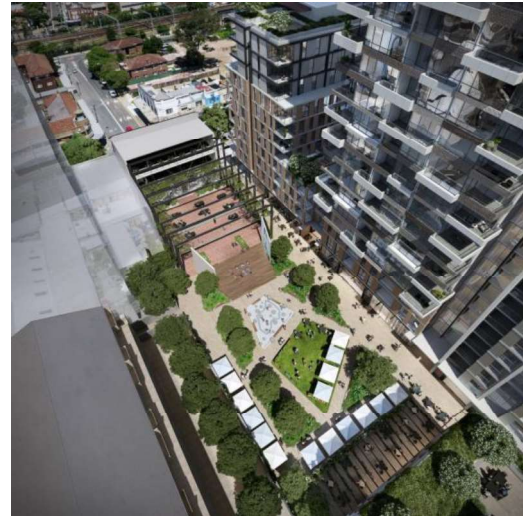
The development will provide stock comprising:

- 577 residential units (187 x 1 bedroom units, 328 x 2 bedroom units and 62 x 3 bedroom units);
- 359m² of commercial office suites;
- 2,512m² of retail strata area and a childcare facility with a capacity of 50 licensed children and
- 571 car bays in secure basement areas (inclusive of 58 visitor bays and 74 accessible spaces).

Affordable Housing

The scheme will contain affordable housing units dedicated to an approved housing provider for rental purposes. The Affordable Rental Housing (ARH) is subject to this assessment of market value.

Figure 5: Planned Scheme Urban Design Report, PTW Architects



MARKET RESEARCH & SALES EVIDENCE

4.0 MARKET RESEARCH

Our examination of sales evidence for the land dedication extends to surrounding sites with the same (B4) zoning in the form of development sites (vacant land sales).

In order to approximate the freehold market value of the land dedication, we have selected recent development site sales with an analysis that shows two rates:

- \$ /m² of land area &
- \$ /m² of GFA.

The latter rate provides a more informed measure as it reflects the varying density of the sales evidence and applies the findings appropriately to the subject based on two densities (5:1 & 7.3:1) as described.

Applying a freehold rate (\$/m² of GFA) from the development site sales to the land dedication that has no development potential (ie. FSR transferred to the main site) remains relevant as this rate reflects Council's opportunity cost (only source) of purchasing land (assumed to be zoned B4) for pedestrian pavement widening, as explained below.

4.1 Development Site Rate Equates to an Open Space Rate for Council Acquisitions

This development site sales rate is applied appropriately to the land dedication for road widening as it reflects the most relevant land source to Council when acquiring Open Space for road widening.

When Council seeks to acquire land for Open Space, assuming it to be close to the subject property and zoned B4, the purchase opportunities would be described to the sales evidence examined. The site sales analysed are considerably larger than the road widening dedication land of 240m² but are still relevant for the dedication land value that is regarded as part of a larger development site.

Land Rate Reduced for Development Density Transferred to the Balance of the Site

The derived development site rate from our sales analysis is reduced to reflect the development potential (ie FSR or floor space density) transferred to the balance of the site.

The typically encountered reduction rate of 75% is applied to the development site (sale) rate assessed to reflect the FSR transfer to the balance of the site. This purchase rate is often applied by Councils in their acquisitions of Open Space land on the fringe of a development site. The density of the balance of the site is increased by the transfer of FSR from the land acquired as Open Space.

This appropriately reflects the development potential of the land dedicated to Council remaining with the developer. This rate has been adopted by the City of Sydney, City of Ryde Council and other local governments in their acquisition of Open Space land after an FSR transfer.

4.2 ARH and Residential Unit Sales

To establish a current benchmark rate for new residential unit accommodation in the vicinity, we have had regard to recent sales of new and near new unit stock in the vicinity.


When applying the derived rates from this sales analysis we have had greater regard to the smaller units (by excluding three bedroom units) and where possible considered units without parking to reflect the characteristics of the ARH stock.

4.3 Sales Evidence (Development Sites in the Vicinity – B4 mixed Use)

Our analysis of recent development site sales in the vicinity of the subject property follows. We have analysed the resulting rates and apportioned the results based on two densities of 5:1 and 7.3:1 as explained.


In a following chapter (Valuation Rationale) the derived site rates are adjusted and applied to the subject property to derive our assessment of market value for the land for dedication.

Table 3: 37 Powell Street, Homebush

Address	Date Zoning	Sale price	Area & FSR	Rates
37-Powell Street & 103 Underwood Street Homebush	July 2017 B4 Mixed Use	\$4,930,000	Land: 924m ² 2.25:1	\$2,371/m ² .GFA \$5,335/m ² .site area
	<p>Located in close proximity of the M4 Motorway near the subject property.</p> <p>Sold with existing development consent (Court approved) for the demolition of the existing structures and construction of a 6 storey staged development containing 29 home units over 3 levels of basement car parking with car lift.</p> <p>The site is identified as Key Site No. 28 as per the Strathfield LEP Key Site map and benefits from an FSR of 2.25:1.</p> <p>The site sold post auction following an Expressions of Interest campaign conducted by CBRE Western Sydney with an advised 8 month delayed settlement. The exact details of the sale are undisclosed.</p>			

Source: RP Data & Selling Agent's IM


Table 4: 6-12 Railway Street Lidcombe

Address	Date Zoning	Sale price	Area & FSR	Rates
6-12 Railway Street Lidcombe	Oct 17 B4 Mixed Use	\$32,000,000	Land: 6,037m ² 5:1	\$1,060/m ² .GFA \$5,301/m ² .site area
	<p>Existing improvements at the time of sale comprised of older style industrial and office buildings at 6 and 8 Railway Street and a modern three storey commercial office building along with at grade open car parking at 10-12 Railway Street.</p> <p>The properties were purchased without development consent. Under the existing planning controls the site has a permissible GFA of 30,185m². Assuming an 80% site efficiency and an average unit size of 75m², the site has potential to yield 322 equivalent units.</p> <p>The properties were purchased "in one line" following an Expressions of Interest campaign conducted by Colliers International and Raine & Horne Commercial and by way of a Put and Call Option Agreement. Sale details are advised but not yet published.</p>			

Source: RP Data & Selling Agent's IM


The following development site sales reveal a core (trend) rate of \$2,300/m² of GFA which is used in our calculations below.

Table 5: 218-220 Parramatta Road, Homebush

Address	Date Zoning	Sale price	Area & FSR	Rates
218-220 Parramatta Road, (cnr Smallwood Ave) Homebush	Mar 17 B4 Mixed Use	\$17,380,000	Land: 3,028m ² 2.5:1	\$2,296/m ² .GFA \$5,740/m ² .site area
	<p>Three street frontages to Parramatta Road, Smallwood Avenue and Dalton Road. Located around a kilometre west of the subject. Used as a caryard.</p> <p>A potential mixed use development site sold without development consent.</p> <p>The site is identified as Key Site No. 37 as per the Strathfield LEP Key Site map and benefits from a bonus FSR of 2.5:1 and a building height of 20 metres.</p> <p>Under the existing planning controls, the site has a permissible GFA of 7,570m², assuming an 80% site efficiency and an average unit size of 75m², the site has potential to yield 81 equivalent units.</p> <p>The site sold following an Expressions of Interest campaign conducted by CBRE which commenced circa August 2016. Enquiry with the marketing agent has indicated that sale will settle in November 2017. Sale details are advised but not yet confirmed. leasing agent of \$115,000pa). This shows a yield of 3.8% on the purchase price.</p>			

Source: RP Data & Selling Agent's IM

Table 6: 16 Derowrie Avenue, Homebush

Address	Date Zoning	Sale price	Area & FSR	Rates
16 Derowrie Avenue Homebush	May 17 B4 Mixed Use	\$2,000,000	Land: 476m ² (existing house) 1.7:1	\$2,472/m ² .GFA \$4,202/m ² .site area
	<p>Derowrie Avenue is located on the north side of Parramatta Road with a major high density residential development recently completed at 7-11 Derowrie Street (western side) and developer acquisition of many remaining dwellings in the street. The northern section is zoned R4 with an FSR in the LEP of 1.2:1 whereas the southern section around No. 16 (sale) is zoned B4 with an FSR of 1.7:1.</p> <p>No. 16 (sale) forms a modest historic cottage adjacent to a car-yard on Parramatta Road.</p> <p>Although vastly different in area to the subject property, this sale shows the premium payable by developers for a residential block for amalgamation.</p> <p>Further sales in the street show a range of results whereby the R4 sites (lower LEP density) at 1-5 Derowrie Ave reveal \$7.05million in May to October 2017 (\$2.35m average).</p>			

Source: RP Data & Selling Agent's IM

4.4 Sales Evidence (GR's - Units)

To assess the market value of the ARH stock we have had regard to recent sales of new and near new units stock in the vicinity of the subject property.

Table 7: 29-31 Burlington Road & 32 The Crescent, Homebush

Address	Date Span & Prices	Areas	Rate shown
"Vogue" 29-31 Burlington Road & 32 The Crescent Homebush	April to Oct 2017		
	Studios \$492,000 - \$540,000	45-50m ²	\$10,933 - \$10,800/m ²
	One bedroom : \$580,000 - \$680,000	54-62m ²	\$10,741 - \$10,968/m ²
	One bedroom + study: \$725,000	61m ²	\$11,885/m ²
	Two bedrooms : \$760,000 - \$890,000	78-93m ²	\$9,744 - \$9,570/m ²
	Three bedrooms : \$950,000 - \$1,000,000	92-95m ²	\$10,326 - \$10,526/m ²
	<p>A proposed development comprising a 7 and 9 storey lifted mixed use building containing 141 home units, a ground floor café tenancy and 3 multi-purpose halls over 4 levels of basement car parking for 237 vehicles.</p> <p>Located within a small neighbourhood retail strip approximately 350 metres south-west from Homebush railway station.</p> <p>Proposed features and finishes include open plan living and dining area, galley style kitchen, Caesarstone bench tops, stainless steel appliances, fully tiled bathrooms, carpet and tile floor finishes, built-in wardrobes, internal laundry with clothes dryer, balcony with district views, lift access and secure car parking.</p> <p>Enquiry with the marketing agents (CBRE Residential Projects) has confirmed that 42 out of the 99 units in Stage 1 (42% of Stage 1 of the project) have sold "off the plan" since the project launched in April 2017 reflecting a sale rate of 5.7 units per month. Stage 2 is yet to be released. Sale details are advised but not yet confirmed.</p>		

Figure 6: -29-31 Burlington Road & 32 The Crescent, Homebush



Table 8: 40-42 Loftus Cres, Homebush

Address	Date Span & Prices	Areas	Rate shown
"The Crescent" 40-42 Loftus Crescent, Homebush	July to Oct 2017		
	One bedroom : \$585,000 - \$602,000	50-53m ²	\$11,700- \$11,358/m ²
	Two bedrooms : \$700,000 - \$860,000	74-75m ²	\$9,459 - \$11,467/m ²
	Three bedrooms : \$995,000	102m ²	\$9,755/m ²
	<p>A residential project to comprise a 5 and 9 storey residential flat building containing 80 home units (19 x one bedroom, 56 x two bedroom and 5 x three bedroom) over 2 levels of basement car parking.</p> <p>Located approximately 550 metres north-west from Homebush railway station. Adjoins the railway corridor.</p> <p>Proposed features and finishes include open plan living and dining, marble bench tops and splash back, stainless steel appliances, timber, tile and carpet floors, ducted air-conditioning, terrace and secure car parking.</p> <p>Enquiry with the marketing agents (CBRE Residential Projects) has confirmed that 16 out of the 80 units (20% of the project) have sold "off the plan" since the commencement of marketing in July 2017 reflecting an average sale rate of 4 units per month.</p>		

Figure 7: 40-42 Loftus Cres, Homebush



Table 9: 208-214 Parramatta Road, Homebush

Address	Date Span & Prices	Areas	Rate shown
"The Lofts II" 208-214 Parramatta Road, Homebush (cnr Smallwood Ave)	<p>Feb to Oct 2017</p> <p>One bedroom : \$540,000</p> <p>Two bedrooms : \$679,000 - \$799,000</p>	<p>50m²</p> <p>75-80m²</p>	<p>\$10,800/m²</p> <p>\$9,053 - \$9,988/m²</p>
	<p>A proposed part 7/part 10/part 11 storey lifted mixed use development containing 128 home units (43 x one bedroom units, 2 x one bedroom plus media, 80 x two bedroom and 3 x three bedroom) and 10 ground floor commercial tenancies over 2 levels of basement car parking.</p> <p>Located on a busy arterial road, approximately 650 metres east from Sydney Markets, approximately 1 kilometre north-east from Flemington railway station and approximately 900 metres north-west from Homebush Village and railway station.</p> <p>Proposed features and finishes will include open floor plans, stone bench tops, gas cooking, ducted air-conditioning, built-in wardrobes, fully tiled bathrooms, balcony and basement car parking.</p> <p>Enquiry with the marketing agent (Landpearl) has confirmed that 115 out of the 128 units (90% of the residential component of the project) have sold "off the plan" to date reflecting a sales rate of 13 units per month. Purchasers are mainly investors. Sale details are advised but not confirmed until settlement occurs on completion.</p>		

Figure 8: 208-214 Parramatta Road, Homebush



Table 10: 25-29 Smallwood Avenue, Homebush

Address	Date Span & Prices	Areas	Rate shown
"Enia" 25-29 Smallwood Avenue, Homebush	July to Oct 2017		
	One bedroom : \$530,000 - \$550,000 Two bedrooms : \$600,000 - \$700,000	55m ² 70-75m ²	\$9,636 - \$10,000/m ² \$8,571 - \$9,333/m ²
	<p>A proposed 7 storey lifted mixed use building containing 43 home units (5 x one bedroom and 38 x two bedroom) and 1 ground floor commercial/retail tenancy over 2 levels of basement car parking.</p> <p>Located in a residential street, approximately 1 kilometre north-west from Homebush Village and railway station and within close proximity to Sydney Markets.</p> <p>Proposed features and finishes will include open floor plans, fully tiled bathrooms with feature wall, carpet and timber floors, recessed down lights, balcony and basement car parking.</p> <p>Enquiry with the marketing agent (Exclusive Real Estate Concord) has confirmed that 7 out of the 43 units (16% of the residential component of the project) have sold "off the plan" to date reflecting a sales rate of 1.8 units per month. Asking prices for the remaining units start from \$549,000 for the one bedroom units and \$679,000 for the two bedroom units. Sale details are advised but not yet confirmed.</p>		

Figure 9 : 25-29 Smallwood Avenue, Homebush

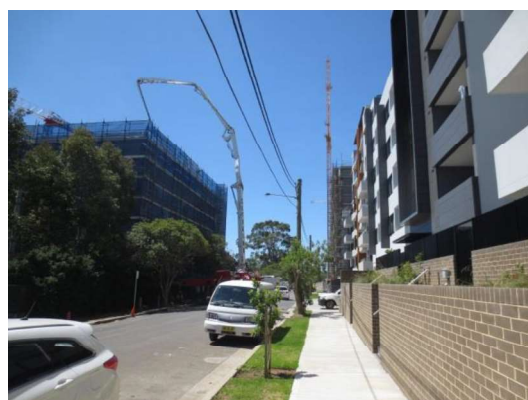


Table 11: 19-23 Short Street, Homebush

Address	Date Span & Prices	Areas	Rate shown
"Como" 19-23 Short Street, Homebush	July to Oct 2017		
	One bedroom : \$530,000 - \$550,000	50m ²	\$10,600 - \$11,000/m ²
	Two bdrms (Affordable): \$600,000 - \$700,000	75m ²	\$8,000 - \$9,333/m ²
	Two bedrooms : \$600,000 - \$700,000	75-82m ²	\$8,000 - \$8,537/m ²
	<p>A recently completed 7 storey residential flat building containing 38 home units (5 x one bedroom & 27 x two bedroom), with 20% of the GFA to be allocated as affordable housing over 2 levels of basement car parking for 34 vehicles.</p> <p>Located in a residential street within close proximity to the M4 Motorway, approximately 850 metres north-west from Bakehouse Quarter shopping amenities and approximately 800 metres north from Homebush Village and railway station.</p> <p>Proposed features and finishes include open floor plans, marble bench tops, stainless steel appliances, fully tiled bathrooms with feature wall, carpet and timber floors, recessed lights, balcony and basement car parking.</p> <p>Enquiry with the marketing agent (Exclusive Real Estate Concord) has confirmed that 22 out of the 38 units (58% of the project) have sold "off the plan" to date reflecting a sales rate of 1.5 units per month.</p>		

Figure 10: 19-23 Short Street, Homebush



VALUATION RATIONALE

5.0 VALUATION RATIONALE

Our valuation rationale is provided for two elements of the project being:

- Land for dedication to road widening (adjusted for the FSR transfer by an explained factor of 25%); and
- Market value of residential units (ARH) to be dedicated to a public housing provider for affordable rental housing.

5.1 Land for Dedication (Road Widening)

The Planning Proposal contains an FSR of 7.3:1 given public amenity to be provided by the developer after negotiation with Council by a road widening land area of 240m² to be dedicated to Council. In assessing an appropriate site rate for the dedication land, we have reflected:

- Freehold tenure; and
- FSR transfer to the balance of the site (reduction by 75% as commonly witnessed in public authority acquisitions when development potential (FSR) is retained by the developer from the dedicated land).

Opportunity Cost for Council to Acquire Land (B4 Mixed Use Density)

The cost to Council of acquiring land (B4 zone) is reflected by the core rate emerging from the development site sales evidence analysed being:

- \$2,300/m² of GFA (average rate or trend level established by the sales evidence).

Reduction for the FSR Transfer

As indicated above 25% of the land rate is adopted as the value of the land given the associated development potential has been transferred to the balance of the site. This is commonly observed in Council transactions to acquire Open Space that typically involves an FSR transfer when the development site adjoins.

FSR's Applied Reflects PRCUTS and the Planning Proposal

The table below reflects an FSR of 5:1 and 7.3:1 being the PRCUTS density and Planning Proposal density respectively.

The higher density of 7.3:1 more accurately aligns the dedication land value to the measure of public benefit to be provided given the scale of the project.

Table 12: Land Dedication – Market Value Based on Two FSR's

Section	Pavement area	FSR	GFA	Rate adopted	FSR Transfer Factor	Value Identified
Parramatta Rd (dedication land)	240m ²	5:1 PRCUTS	1,200m ²	\$2,300/m ² GFA	25%	\$690,000
Based on 7.3:1	240m ²	7.3:1	1,752m ²	\$2,300/m ² GFA	25%	\$1,007,400

The total value assessed for the land dedication equates to \$1,007,400 based on 7.3:1 given the project design.

5.2 Market Value of Residential Units (Affordable Rental Housing-ARH)

It is understood the developer intends to dedicate a proportion of any density uplift achieved in a Planning Proposal as units transferred to an Affordable Housing Provider based on an agreed proportion of the uplift.

To derive a market value for this ARH stock we have had regard to recent sales of comparable residential units as the ARH units could alternatively be sold directly to the market as conventional strata dwellings.

Our sample of unit sales (gross realisations – GR's) is included above that shows the following average rates adjusted for a lack of parking and least appealing location as commonly encountered in ARH stock.

Table 13: Unit Rates from Analysis Adjusted for No Parking

Unit Rates from Analysis Adjusted for No Parking	Bedroom No.	Average Rate (enclosed area)	Adjusted Rate for No Parking Provision
	Studio	\$10,500/m ²	\$10,500/m ²
	One bedroom	\$10,500/m ²	\$9,500/m ²
	Two bedrooms	\$10,000/m ²	\$9,400/m ²

The rates adopted for the ARH stock below reflects the specific features of a low rise location, lack of parking and a position in the building of least appeal.

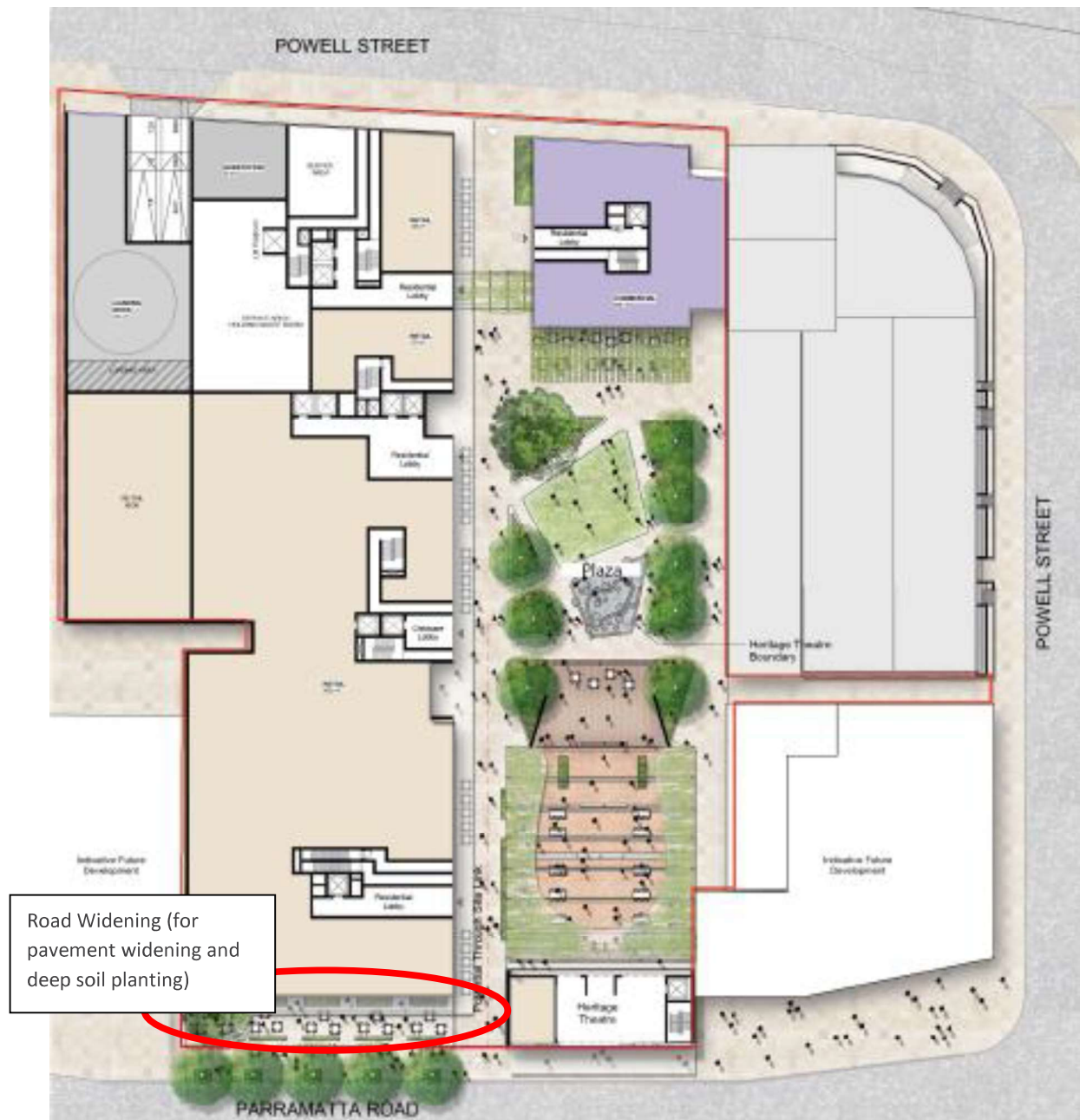
Conclusion – Market Value Assessed for ARH Stock

Table 14: Adopted Rates for the Subject Property

Adopted Rates for the Subject property	Bedroom No.	Rate Adopted	Enclosed Living Area	Estimated Market Value
ARH stock	Studios	\$10,500/m ²	45m ²	\$472,500
	One bedroom	\$9,500/m ²	55m ²	\$522,500
	Two bedrooms	\$9,400/m ²	75m ²	\$705,000

APPENDICES

APPENDIX A: SITE PLAN



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