McP

PART B

Local Government
Housing Innovation Program

March 2026

An Evidence Base for Action

Municipal Association of Victoria
City of Greater Dandenong

With

Austin Maynard Architects
BKK Architects
Six Degrees Architects
HillPDA Consulting
Movement and Place Consulting
PlanCost
RMIT University, Centre for Post-Carbon Research

GREATER DANDENONG
City of Opportunity

MAV
MUNICIPAL ASSOCIATION OF VICTORIA

The Municipal Association of Victoria, City of Greater Dandenong and our project team acknowledge the Traditional Owners of Country throughout Victoria, and recognise their continuing connection to lands, waters, and culture. We pay our respect to Elders past and present who carry the stories, traditions, cultures, and aspirations of First Peoples, and who forged the path ahead for emerging leaders.

McP

Prepared for

Municipal Association of Victoria
City of Greater Dandenong

Prepared by

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Project Team

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Project team and process

1.1 Consultant team

This study has been led by Simon McPherson of McP Studio Pty Ltd, an independent, collaborative Urban Design consultancy. Simon is a Registered Architect and qualified Urban Designer and Cities specialist. The multi-disciplinary consultant team includes the following organisations:

Research and investigation

— Post-Carbon Research Centre, RMIT University
— McP Studio

Architectural design

— Austin Maynard Architects
— BKK Architects
— Six Degrees Architects

Cost Planning (Quantity Surveying)

— PlanCost

Property economics

— HillPDA

Transport advice

— Movement and Place Consulting

1.1.1 Project process

Research

The research phase comprised three (3) components:

↘ **Industry insights:** Interviews with prominent housing industry participants, from range of disciplines/ backgrounds.

↘ **Completed project 'deep dive' case studies:** Interviews with the participating Architects, on one of their completed, innovative housing projects.

↘ **Case studies of Local Government participation:** Investigation, interviews and policy direction from three projects involving Council driving housing delivery, in other locations.

Concept design

McP worked with MAV officers and interested Councils in identifying six (6) land parcels identified for potential housing-led redevelopment. The sites are mostly Council-owned (one is VicTrack owned), and three are identified for 'new build'; development, while three are for potential adaptive re-use utilising existing buildings.

The three Architects prepared concept designs for two sites each (one new build, one adaptive re-use), in response to briefings from the relevant Councils.

Movement and Place Consulting provided transport advice for the concept designs, to inform vehicle access, car parking and other factors.

Feasibility assessment

Cost Plans were then prepared for the concept designs, as a basis for a feasibility assessment, examining the potential economic viability of the conceptual developments. The analysis, plans and assessments are all set out in this report.

The project process is summarised in the following diagram:

Information Exchange workshops

Throughout the process, the consultant team engaged with MAV officers, City of Greater Dandenong and other participating Council officers, through a series of Information Exchange Workshops, to share and review the work in progress. These included:

↘ **Information Exchange Workshop 1 (W1):** Inception/briefing meeting:

— Held online.

↘ **Information Exchange Workshops 2 and 3 (W2 and W3):** Research review: best practice case studies; constraints and opportunities:

— Held at RMIT University.

↘ (Workshops 4 and 5 replaced by individual meetings with participating Councils).

↘ **Information Exchange Workshop 6 (W6):** Concept designs review – redevelopment sites:

— Held at MAV headquarters, on 24 September 2025.
— With participating Council officers.
— Outline of housing economics context (HillPDA).
— Presentation of case studies research (RMIT).
— Review of concept designs for new build sites.

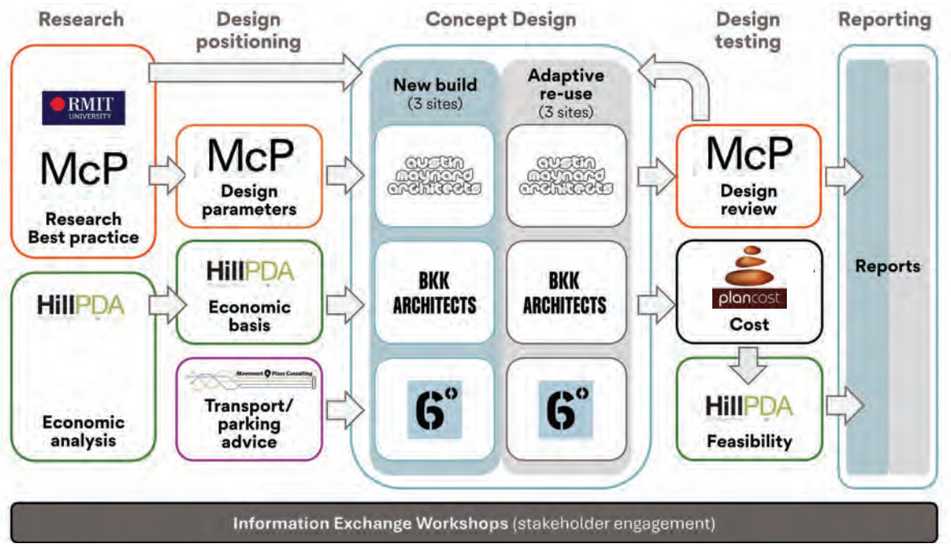
↘ **Information Exchange Workshop 7 (W7):** Concept designs review – adaptive re-use sites:

— Held at MAV headquarters, on 1 October 2025.
— With participating Council officers.
— Presentation of industry insights and local case studies research (McP).
— Review of concept designs for adaptive re-use sites.

↘ **Information Exchange Workshops W6a and W7a:** Costings and Feasibility review:

— Held online, in two parts, on 7 November 2025, as an addition to W6 and W7.
— With participating Council officers.
— Additional workshop held for expanded Springvale site, 28 November 2025.

↘ **Information Exchange Workshop 8 (W8):** Presentation of Draft Report.



2.0

Policy context and directions for housing

2.1 The Commonwealth housing reform context

2.1.1 National Housing Accord

The Federal Government announced the National Housing Accord in October 2022, as an agreement to address the supply and affordability of housing.

It is intended to align the efforts of all levels of government, institutional investors and the construction sector to help tackle the nation's housing problem, with a shared ambition to build one million new well-located homes over five years from 2024.

Source: **https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/national-housing-accord-working-together-help-tackle**

The Commonwealth and states and territories agreed to update this target at National Cabinet in August 2023 to 1.2 million new well-located homes over 5 years from mid-2024. National Cabinet also endorsed the Commonwealth providing $3.5 billion in payments to state, territory and local governments to support the delivery of new homes towards this target.

Source: **https://treasury.gov.au/policy-topics/housing/accord**

2.1.2 Housing Support Program

The Australian Government's $1.5 billion Housing Support Program (HSP) is one of a range of measures designed to help achieve the National Housing Accord's target of building 1.2 million new, well-located homes over 5 years from 1 July 2024. There are three streams under the HSP.

Stream 1 aims to provide funding to state, territory and local governments for projects which will improve planning capability. This includes resources to support increased delivery of new housing and master planning to support increasing housing in well-located areas.

The Community Enabling Infrastructure Stream provides funding to local, state and territory governments for enabling infrastructure and community amenity projects.

The Community Enabling Infrastructure Stream is designed to remove barriers to housing construction by ensuring enabling infrastructure and community amenities are in place.

The Priority Works Stream provides funding to state and territory governments for significant enabling infrastructure and deliver social housing. Funding will expedite housing development to support meeting the National Housing Accord target of 1.2 million new homes.

Source: **https://www.infrastructure.gov.au/territories-regions/cities/housing-support-program**

2.1.3 Housing Australia Future Fund

The Housing Australia Future Fund (HAFF), established on 1 November 2023, is a dedicated investment vehicle to provide additional funding to support and increase social and affordable housing, as well as other acute housing needs. The HAFF was credited with $10 billion on establishment.

Source: **https://www.finance.gov.au/government/australian-government-investment-funds/housing-australia-future-fund**

To date, 279 projects have been committed under the first two funding rounds, delivering 18,650 homes nationwide, comprising 9,284 social housing dwellings and 9,366 affordable housing dwellings.

Housing Australia has secured at least 1,200 dwellings in each of the five largest states. In Victoria across rounds 1 and 2, 2,551 social dwellings and 2,867 affordable dwellings have been secured.

The largest funding round to date under the Housing Australia Future Fund Facility (HAFFF) and National Housing Accord Facility (NHAF) is set to launch in late January 2026, unlocking investment to deliver the remaining 21,350 social and affordable homes to reach the national target of 40,000 homes by 2029. In Round 3, Housing Australia will offer:

- funding packages of various sizes encouraging industry partnerships led by Community Housing Providers and other eligible funding recipients;
- partnership opportunities for States and Territories;
- $600 million in dedicated funding for First Nations housing organisations.

Source: **https://www.housingaustralia.gov.au/housing-australia-future-fund-facility-and-national-housing-accord-facility**

2.1.4 National Housing and Homelessness Plan

The Australian Government, in close collaboration with state and territory governments, is developing a National Housing and Homelessness Plan to help more Australians access safe and affordable housing. The Plan will set out a shared national vision across the responsibilities of different levels of government to improve housing outcomes and help address homelessness in Australia.

This recognises long-standing calls from the states and territories and non-government organisations for a national plan to identify the key short, medium and longer-term reforms needed to improve outcomes across the housing spectrum and address homelessness. The Plan will consider the housing system as a whole, providing an opportunity to better unite governments, unions, not-for-profits, industry bodies, superannuation funds and other experts in housing, finance and urban development in achieving better housing and homelessness outcomes across the country.

Source: **National Housing and Homelessness Plan Issues Paper, 2023**

MAV submission

The Municipal Association of Victoria (MAV) produced a submission to the National Housing and Homelessness Plan Issues Paper, including stating that:

- An adequate supply of well-designed and well-located housing integrated into the local landscape supports improved life outcomes for all Australians, which in turn drives the prosperity of the nation.
- Funding for social housing and providing access to a financing facility that can be accessed for housing projects should be the number one priority for the new Plan. Many small-scale and place-based projects have potential to make significant inroads to solving the housing shortage through their cumulative impact.
- A serious examination of Commonwealth and State Government taxation policies is also required. Taxation reform is urgently required to address the significant investments in housing assets at the expense of other productive asset classes.
- Partnerships are also key to addressing current Partnerships are also key to addressing current challenges. Working through the Australian Local Government Association (ALGA), information flows to state local government associations and councils will link initiatives arising through the National Housing Accord with local place-based demand and business case development.

2.1.5 National Urban Policy (2024)

This Policy sets out the Australian Government's urban goals as follows:

- **Liveable and equitable:** Our urban places should support access for everyone to the basics of a decent life, including suitable and affordable housing, health care, education and work.
- **Productive and innovative:** Our urban places should support economic growth and encourage innovation.
- **Sustainable and resilient.**

MAV submission

The Municipal Association of Victoria (MAV) produced a submission to the National Urban Policy, stating that:

- We welcome the Federal Government's renewed interest in urban policy and its commitment to working with state and local governments to design, develop and deliver the policy and projects needed to help our communities thrive.
- The NUP is the Federal Government's opportunity to lead a national conversation in a rapidly changing world.
- Local government plays a critical role in ensuring our urban areas are liveable, sustainable and resilient.
- Improved collaboration and cooperation between our three levels of government must be prioritised in the NUP to unlock new opportunities for local places and to respond to national and global issues including climate change and environmental decline, housing affordability and new ways of working post-pandemic.

2.2 The Victorian Planning Reform context – housing supply-side reforms

2.2.1 Victoria's Housing Statement

The Victorian Government released ***Victoria's Housing Statement: The decade ahead 2024-2034***, in September 2023.

This document strongly links housing delivery with housing affordability, stating that *right across the nation, housing is one of the biggest challenges we face.* It continues:

The status quo isn't an option. If we don't act now, Victoria will end up falling short – by more than 25,000 homes each year over the next ten years. That means more house prices skyrocketing, more families priced out of the market, and more competition for rental properties.

It all comes back to supply. It's a simple reality: as a country, we need to do more to build enough houses for all of the people who need them.

To quantify this challenge, to make sure the current problem doesn't get worse, we need to build 1.6 million homes by 2051 – that's around 57,000 homes a year. To ease the acute pressure people are currently facing, we need to deliver 2.24 million homes by 2051 – that's around 80,000 a year.

A key direction of the Housing Statement is *cheaper housing, closer to where you work,* through:

- *Unlocking new spaces to build – including across established suburbs and government land – to boost supply and stop urban sprawl;*
- *Building more homes closer to where people have the transport, roads, hospitals and schools they need;*
- *Delivering vital community infrastructure – like footpaths and parks – faster.*

It further states that:

We need to create more housing, with the best design standards, where people want to live. And that means going up and out – not just out. By unlocking new spaces to build homes across established suburbs, we'll stop urban sprawl and boost housing supply in the places Victorians want to be – close to where they work, or send their kids to school.

2.2.2 Plan for Victoria

This new long-term plan incorporates five pillars for action:

- **Pillar 1:** Housing for all Victorians.
- **Pillar 2:** Accessible jobs and services.
- **Pillar 3:** Great places, suburbs and towns.
- **Pillar 4:** Sustainable environments.
- **Pillar 5:** Self-determination and caring for Country.

The people's panel vision for Victoria by 2050

By 2050, Victoria will be a vibrant, accessible and connected community, valued for its diverse cultures, sustainable environmental practices and respect for the First Peoples of Victoria.

Building a state that provides choices and opportunities for current and future generations of Victorians in quality housing, transport, employment, environment and connectivity will require input from the community, government, local businesses and industry alike.

We will create a society that caters to the unique needs of all Victorians, nurturing individual health through physical and cultural recreation.

2.2.3 Activity Centres Program

The Victorian Government is *planning for more homes in activity centres across Melbourne so more Victorians can access homes in the places they want to live. Activity centres will bring new homes that will be built in and around Melbourne's train and tram lines, jobs and services by 2051.*

This initiative is a key response towards addressing Victoria's Housing Statement.

Plans for the first 10 activity centres have been finalised, to deliver 60,000 homes. The plans identify the activity centre 'core' and 'catchment' areas as follows:

- **Activity centre core:** Various heights between three and 12 storeys in most activity centres and up to 20 storeys in some places in the largest activity centres.
- **Inner catchment:** Up to six storeys on blocks larger than 1000m^2 and up to four storeys in all other places.
- **Outer catchment:** Up to four storeys on blocks larger than 1000m2 and up to three storeys in all other places.

A further 50 train and tram zone activity centres are identified, with draft plans recently released for 25 of these.

2.2.4 Suburban Rail Loop East

With Victoria projected to grow to around 11 million people by the 2050s, and Greater Melbourne reaching around 9 million people, the Suburban Rail Loop (SRL) is planned to support a 'city of centres' and take more than 600,000 cars off our roads every day.

SRL East (Cheltenham to Box Hill) will deliver 6 new underground stations, with over 70,000 homes planned for around these stations. SRL is described as Australia's biggest housing project, in the Draft Structure Plans for the SRL East Precincts.

Source: **https://bigbuild.vic.gov.au/projects/suburban-rail-loop/about**

2.2.5 Other initiatives

As stated on the Department of Transport and Planning's website, DTP is also supporting more homes in well located areas through a range of other initiatives including:

- *updating our planning system to allow faster approvals for well-designed homes. This includes reforms such as the updated Townhouse and Low-Rise Code and the 4 Storey Apartment Standards*
- *developing standards for residential buildings of four to six storeys in locations where such developments are allowed. Draft standards are currently being consulted on with targeted stakeholders, including all Victorian local governments and peak planning, design and development bodies*
- *streamlining planning approvals for significant residential developments that include affordable housing through Victoria's Development Facilitation Program*
- *providing ready-made architectural designs through the Future Homes Program, which can be purchased by developers and get access to a streamlined planning process*
- *developing and attracting investment to precincts to capitalise on the benefits of major infrastructure investments such as the Metro Tunnel and Suburban Rail Loop*
- *delivering on the 10-year plan for Melbourne's greenfields, providing a framework for industry to deliver 180,000 homes in Melbourne's new suburbs*
- *building more and higher quality public and community housing through Victoria's Big Housing Build*
- *unlocking government land for the delivery of much-needed housing in prime locations across Victoria through the Small Sites Program*
- *supporting a strong building system that industry and consumers can trust through a suite of building reforms*
- *reviewing and rewriting the Planning and Environment Act (1987).*

2.2.6 Planning Reform (Better Decisions Made Faster) Bill 2025

This Bill is the most significant reform of Victoria's planning legislation since the Planning and Environment Act 1987 was introduced. The Bill amends the Planning and Environment Act 1987—

- *to provide for objectives for planning in Victoria that respond to contemporary issues and challenges affecting land use and development;*
- *to provide for traditional owners to be notified of, and then participate in, strategic planning and planning permit applications processes;*
- *to establish approval pathways that are proportionate to the risks and complexity an amendment to a planning scheme;*
- *to provide for State and regional planning strategies and require planning scheme amendments to be consistent with those strategies;*
- *to provide for the inquisitorial role of planning panels;*
- *to increase transparency in the decision making and approvals process for amendments to a planning scheme;*
- *to align the scrutiny requirements and processes that apply to amendments to a planning scheme with the requirements and processes that apply to other subordinate instruments;*
- *to establish approval pathways that are proportionate to the risks and complexity of applications for planning permits;*
- *to provide for the specific planning policies applicable to the decision making of planning permit applications;*
- *to provide a process for the approval of plans, drawings or other documents required by conditions on approved planning permits;*
- *to enable planning permit to be issued that breach restrictive covenants, and enable consideration of planning objectives and community benefit when considering such planning applications;*
- *to establish a framework for the declaration of reportable gifts and donations that have been made to specified persons;*
- *to amend compensation provisions to increase clarity around who can claim and how compensation is calculated, as well as making process improvements;*
- *to establish compliance, monitoring and enforcement provisions, penalties and sanctions, to align with regulatory best practices;*
- *to provide additional powers of enforcement to provide for the effective investigation of offences; to provide that Infrastructure Contribution Plans may be used to implement funding arrangements for state infrastructure investments that support and enable the development of specific precincts and places;*
- *other amendments to improve the operation of the Act.*
- *to make consequential amendments to the Land Acquisition and Compensation Act 1986, the Subordinate Legislation Act 1994, and other Acts.*

3.0

Industry insights

3.1 Ms Katherine Sundermann

Principal: MGS Architects, Senior Lecturer - Monash University

Interview conducted Friday 4 April 2025, via Zoom.

3.1.1 What are current and projected challenges for housing provision in Victoria?

Currently the combined increased cost of construction, and the increased cost of finance (due to higher interest rates) has led to apartment sale price increases from approximately $9,500 per square metre (/sq.m) in recent years, to $13,000/sq.m or more, which makes most development proposals unviable, except for luxury apartments (which attract a high price point).

The Age published an article on the same date, 4 April 2025, which explained that some 8,000 completed, unsold apartments are available in Melbourne, mainly in the CBD, Southbank, Footscray and Box Hill. An interviewed consultant stated that the Victorian government *would fail to meet its housing supply targets unless the apartments were sold, as developers would be unlikely to initiate new projects. The unsold apartments can be bought for about $8000 to $10,000 per square metre, while apartments entering the market now need to be priced at $12,500 to $15,000 per square metre.*

https://www.theage.com.au/national/victoria/the-melbourne-suburbs-with-hundreds-of-cheap-brand-new-apartments-20250329-p5lni7.html

Ms Sundermann stated that while there is a housing crisis currently that is dominating discussion in planning circles, other parallel crises, predominantly the climate crisis, presented further challenges but also opportunities for Councils, to support and facilitate innovative housing outcomes.

She referenced the Australian Reduction Roadmap, by the University of Melbourne with Queensland University of Technology, based on a similar study for Denmark, which found that *Australia's targets for new housing, if delivered 'business-as-usual', would consume around 200% of our national emissions budget for everything.*

In response, it seeks to reconcile housing policy with climate policy, through sectoral transformation by carrying out eight (8) key directions.

https://reductionroadmap.au/

Regarding Council participation in housing development, Ms Sundermann observed that Councils typically have limited land supplies, with any competing uses for land, such as community infrastructure.

3.1.2 What current and emerging opportunities do you see to accelerate housing development? Who would be involved?

'Collaborative housing' may be used as an umbrella term to encapsulate models which involve a form of community or citizen participation – so moving beyond the 'typical' approach of private sector development delivering housing to the market. These models are seen as potential solutions to current economic/feasibility and affordability challenges.

The predominant challenges of development cost, and therefore low feasibility and low housing affordability, may be addressed through more stringent planning controls with strictly and precisely limit the potential development yield of any site (and therefore the potential land value of that site). This approach may reduce the competitive environment of land acquisition, and therefore reduce pressure on development yields and sales prices.

The 'primary' planning controls which determine development yield, being quantitative measures such as height, floor space ratio, setbacks, and open space requirements, would be coupled with 'secondary' controls affecting qualitative design outcomes.

3.1.3 How/where do you see the role of Councils in housing development, and what actions should Councils take to support or guide housing delivery?

Opportunities for Council were seen as predominantly in four areas:

- *use of Council land, for development of housing;*
- *development of policy, such as to incentivise new housing models, but also fixing or locking in density controls, to then control the value;*
- *advocacy and brokerage;*
- *strategic initiatives to accelerate housing supply.*

While Council land assets present opportunities to drive housing outcomes, these assets are limited, and often required for other uses, such as community infrastructure and open space, delivered by Councils.

Currently there are limited mechanisms in place to drive land consolidation or site amalgamation, which is important for facilitating higher-density developments, of say 4-6 storeys in suburban/residential contexts. This could be achieved through a 'layer' in the Planning Scheme, to drive land assembly, which Councils could help to implement. Larger sites can more easily accommodate this higher scale of development, with appropriate interfaces to adjoining properties.

A potential opportunity was also raised, to map all public/social housing sites across the city (or Council/government owned land), which can be highly fragmented, and their adjacent properties, to prepare for additional land acquisition when adjoining sites become available, for amalgamation to create bigger sites with greater housing potential.

Planning/built form policy should be generally in line with development feasibility of certain building types or scales. It was raised that in some locations, controls far exceed what is economically viable, in terms of scale. Councils should have development advisors to provide a 'real world' understanding of what could be built.

From an Urban Design perspective, there is benefit in limiting built form to 8 storeys or less, to support street-based buildings, visual interaction and human scale outcomes.

For Councils, further engagement by officers with elected members was seen as important, to support greater alignment between officers and Councillors. Often there is misalignment, and projects can be disrupted or stopped by Councillors, despite officer support.

3.1.4 What strategic initiatives would increase the speed and scale of housing supply?

Establishing a greater degree of certainty about development potential on particular sites was raised as important, as practiced in NSW, for example, through Floor Space Ratio (FSR) controls. This approach of mandatory floor area controls (which cannot be exceeded) can be accompanied by Floor Area Uplift mechanisms, to encourage contribution of community benefits such as:

- Sustainability performance/outcomes.
- Affordable housing.
- Public space.

NSW planning policy includes the Low-Rise Housing Diversity Code and associated SEPP (State Environmental Planning Policy (Exempt and Complying Development Codes) 2008). The Code aims to increase the range of housing in NSW by making it quicker and easier to build homes that offer an alternative to apartments and freestanding houses.

It allows well-designed dual occupancies, manor houses and terraces (up to 2 storeys) to be built under fast-track complying development approval.

Reference was also made to the NSW Housing SEPP, which addresses Boarding houses and Co-living housing, again encouraging more varied, compact forms of housing for diverse household needs.

Greater flexibility around the amount of car parking required in developments would also support housing development viability and affordability.

3.1.5 What locations, examples or reference projects should we seek to learn from and emulate?

The ACT Government's **Demonstration Housing Project** *aims to test innovative forms of housing to address the emerging needs of Canberrans, and to showcase how we can deliver a compact and active city through innovative planning, design and delivery.*

The government is working in partnership with proponents, including through the sale of government land where required, to deliver a small number of built homes *that showcase different housing types such as co-housing and ageing in place homes to make for a more sustainable and inclusive future for Canberra.*

While this project is not expected to deliver housing 'at scale' immediately or directly, it is strongly promoting innovation and new models of housing, by seeking proposals *that showcase best-practice in one or more of the following areas:*

- *excellence in construction and design quality*
- *carbon neutral buildings*
- *medium density infill*
- *innovative planning and engagement approaches*
- *innovative housing products and typologies*
- *close partnership with industry bodies and*
- *options for public and affordable housing.*

It therefore has a focus on densification and more compact housing to support accessibility, alongside delivery mechanisms to boost housing supply, and housing performance for environmental and living affordability benefits.

https://www.planning.act.gov.au/planning-projects/demonstration-housing-project

Also in the ACT, the **Suburban Land Authority's (SLA) Built Form Program** *is designing and constructing sustainable showcase developments and demonstration precincts. They include building innovation from climate-wise buildings, 'missing-middle' housing that is more compact and affordable over its lifetime, and landscape-oriented precincts for the community to connect.*

The initiative to deliver projects to demonstrate better outcomes goes beyond policy or guidance. Current projects include the North Wright Sustainable Precinct and the Jacka Small Footprint Housing precinct.

https://suburbanland.act.gov.au/innovation-and-sustainability/showcasing-our-innovation

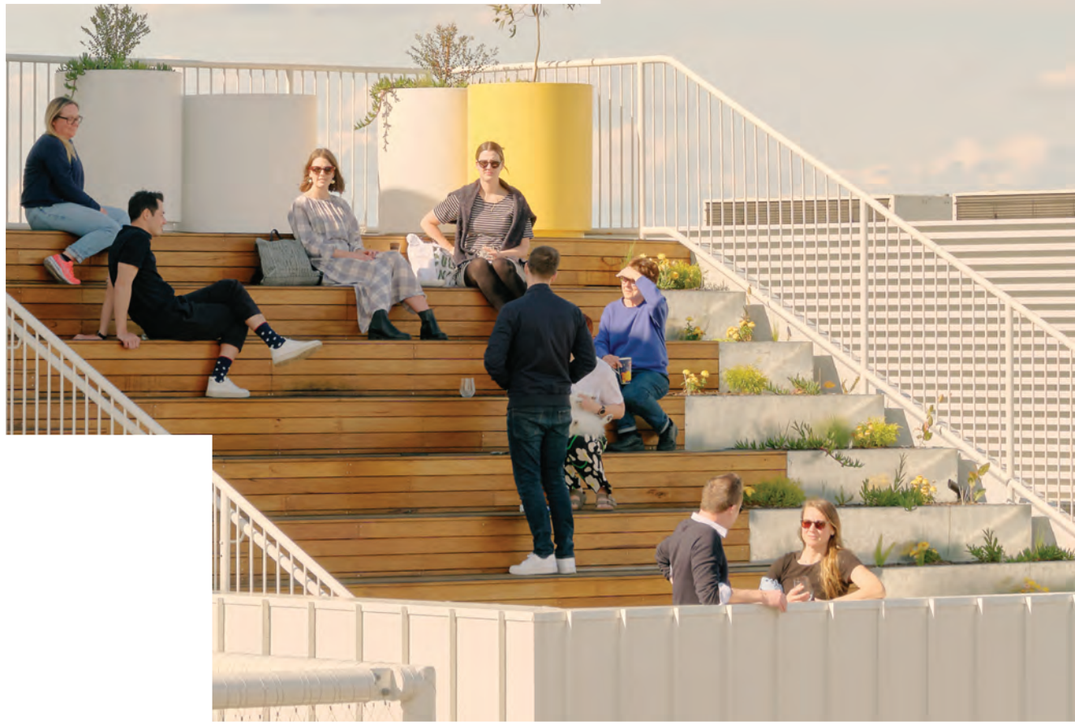
The University of Technology, Sydney (UTS) produced a guide to Collaborative Housing, a European model, focussed on affordability and community-building, which involves significant resident participation in the process of developing and/or managing the housing.

https://www.uts.edu.au/case-studies/collaborative-housing-guide-building-great-life-together

The City of Darebin has leased a parcel of land for affordable housing. The land at **52-60 Townhall Avenue, Preston**, appears to have previously accommodated a car park. Housing Choices Australia was awarded funding from the Victorian Government's Social Housing Growth Fund and delivered a 6-storey development comprising 39 dwellings and 28 public car parks at ground level. The building was designed by Six Degrees Architects, which is involved in this current study.

https://yoursay.darebin.vic.gov.au/affordablehousingpreston

https://www.housingchoices.org.au/housing/projects/city-of-darebin/



3.2 Ms Nicola Foxworthy

Founding Director, Imagine Housing

Interview conducted Wednesday 26 February 2025, via online meeting.

3.2.1 What are current and projected challenges for housing provision in Victoria?

The housing sector is facing really tough times, particularly the Build-to-Sell market (private housing), because housing is so difficult to sell, and where only luxury projects in prime locations seem to work currently.

It is difficult to see that this will change significantly, in the foreseeable future.

A key reason is that land is so expensive.

Councils need to get much better at understanding (property) market economics in their area.

There are good examples of Councils having grand ambitions about (affordable) housing supply, and so placing additional requirements on development applications, because Councils feel like they can make things happen but they can't - they set the conditions to allow things to happen.

Councils have good intentions, and want to set higher standards, which is understandable. While Councils often have an ambition for affordable housing supply, they typically cannot require or demand it, within developments.
For example, a Development Victoria project in Banyule was discontinued (became unviable), because of a higher required proportion of affordable housing

Ms Foxworthy reported that she spends a lot of time with people looking to provide housing, investigating where do they fit (in the sector), and what their role is.

Local Government would benefit from establishing a clearer framework, of their role, and when and how they take certain actions, for example when they own the (surplus/available) land, or when large sites are available. Further, Councils should strongly understand what 'levers' they actually have, to drive action, and also carefully consider what they ask for (in terms of affordable housing), recognising the complexity and uncertainty of this area.

There is a spectrum of opportunities and potential actions, but mixing them all together is unhelpful.

For (affordable) housing providers, it can be difficult to know what funding is available, and when.

3.2.2 What current and emerging opportunities do you see to accelerate housing development? Who would be involved?

The structure of subsidies for affordable housing is changing. Where this previously comprised predominantly capital grants, this has shifted to models such as the Housing Australia Fund's (HAF), Home Guarantee Scheme/First Home Guarantee (FHBG), and the future Help To Buy program, also to be administered by HAF.

From the Housing Australia website: *Under the FHBG, part of an eligible home buyer's home loan from a Participating Lender is guaranteed by Housing Australia. This enables an eligible home buyer to buy a home with as little as 5% deposit without paying Lenders Mortgage Insurance.*

Understanding and mapping Affordable Housing outcomes across Victoria or more widely, to understand what approaches have worked well, or not worked, is important.

The Community Housing Industry Association (CHIA) advocates for the Australian community housing industry, which provides one in five of Australia's social housing properties, complementing public housing, and undertakes research, policy development and advocacy in relation to social and affordable housing issues.

While housing by Community Housing Providers (CHPs) is a significant player, this type can be problematic in higher-density settings, and where specialist services are required, it can create a volatile mix with other housing types.

Ms Foxworthy works with Middle Ground Housing, building a Limited Equity Coop model, which is common in Europe. Looking into what opportunities exist elsewhere, and what would need to happen in Australia to implement similar actions, is seen as important.

From the Middle Ground Housing website: *A new model of cooperative housing that provides secure, sustainable rent-stabilised homes for Australians locked out of homeownership. Our focus is on households who occupy the 'middle ground' – those ineligible for social and affordable housing, but struggling with rapidly rising rents and lack of security in the private rental market.*

There are two major catalysts for affordable housing: The first is access to well-structured debt, such as State Government affordable housing funds. The Victorian Government's Affordable Housing Investment Partnerships (AHIP) makes *low interest loans and government guarantees available to finance social and affordable housing for Victorians who need it most.*

The second catalyst is access to land, particularly leased land (not purchased). In a Town Planning sense, optimal use of land is critical. For example, Councils could privilege proposals that include new housing products.

There is a growing cohort of people that can afford to rent in certain areas, but can't afford to buy property in these areas, and are seeking very stable housing, such as for family reasons, so tend to move outwards to buy in more affordable areas. This has a significant impact on local communities, economies and diversity, and is therefore highly relevant to local government.

This cohort that doesn't need housing subsidies, but needs structural support.

3.2.3 How/where do you see the role of Councils in the housing development, and what actions should Councils take to support or guide housing delivery?

Councils don't have capacity to provide housing subsidies, and affordable housing is reliant on external inputs, so roles for Councils are limited in this space.

The facilitation of land amalgamation would benefit housing supply, because achieving higher density is easier, and leads to better outcomes, on larger, less constrained, sites.

Middle-income-targeted and not for profit housing providers, should be afforded much more support through Council planning assessments, than currently occurs.

Ms Foxworthy expressed general support for planning controls and limitations on built form, but noted that it is difficult to ensure good design through planning mechanisms.

She recognised that Councils are often under-resourced for their planning workload, so better resourcing the application of the Planning Framework would be beneficial, because time delays affect development feasibility, perhaps more than planning controls.

She supports better trained and resourced assessment processes, rather than application of 'as of right' compliance measures.

Small scale development is often detrimentally affected by notifying neighbours, even when the proposal complies with ResCode, and so there is little opportunity for objections. This is an example of where the system creates tension, and unhelpful outcomes.

Finally, Councils have an important role in facilitating a deeper understanding in their communities, of the reasons for housing growth, and who is being housed, which may include the children of local families who want to stay in the area, local downsizers and other households which have local roots. These are important conversations for Councils to lead and facilitate.

Developers proposing affordable housing within developments, could be required (such as through a S173 agreement) to show that they have negotiated with a Registered Housing Provider. There are risks associated with developers allocating a proportion of dwellings as affordable or key worker housing, without having a management arrangement in place.

3.2.4 What strategic initiatives would increase the speed and scale of housing supply?

Alongside initiatives mentioned above around land provision and consolidation, exploring the things that make housing expensive is important, such as car parking provision.

Recognising that there are tensions around car-free development, because it can be difficult for households to not own a car, and so this (parking) potentially impacts on local streets. Councils and participants should acknowledge this unresolved issue, or 'own' the challenge, and work through how it should be balanced out. For example, providing better access to shared vehicles, and/or common/shared car parking.

Shared facilities (such as laundries, outdoor space, even kitchens) may also present opportunities for cost reductions, balanced with living implications.

3.2.5 What locations, examples or reference projects should we seek to learn from and emulate?

There are examples where developers or other proponent organisations have 'gone above and beyond' to create new housing products, and can demonstrate the short-term need, but Councils have been clearly problematic in the process.

The **Brougham Street Co-Housing Collective** is leading a project, with developer Property Collectives, in Eltham (Nillumbik Shire), to deliver approximately 20 homes close to the Eltham activity centre. The project faced local opposition, and was refused by Council.

However, it was described by VCAT, in approving the proposal, as *an exemplar of an innovative approach to dealing with the challenge of providing more diverse housing opportunities to meet the needs of all Victorians.*

The recent matter of Banyule City Council's refusal of a permit for a proposed 'Future Homes' development in Rosanna was also raised as an important precedent. A Victorian government-endorsed 'good design' on an identified suitable site, was rejected anyway at the local government level.

While recognising Councils' authority in planning decisions, there is risk that they can contribute to the housing supply problem, and so should work to get a clearer grip on what they should care about.

The international context for local government is different, and some Councils have been able to facilitate high-level precinct design, that provides new housing products.

The **PRADS model** (Progressive Residential Affordability Development Solutions) has been developed by Housing All Australians (led by Rob Pradolin). It rests on Local Government and the development industry working together, and is based on two accepted principles:

— That the creation of affordable housing requires a subsidy (and that any reasonable developer would support the creation of affordable housing if they are not financially worse off); and

— Local governments are in a position to enable additional value to be created (such as through density bonuses or time savings), and this additional value can be used as the subsidy to create the affordable housing.

The outcome is the creation of privately funded affordable rental housing, rented at agreed below-market rents for at least 30 years. Tenants would need to quality through income tests, similar to the National Rental Affordability Scheme (NRAS). The obligation for the dwelling to remain affordable would exist on the title through a restrictive covenant.

The model was created to target and assist key workers.

https://housingallaustralians.org.au/what-we-do/prads

Marmalade Lane, in Cambridge UK, is an example of how a local authority, as the landowner, can lead integrated planning and delivery, through a partnership with a developer, an eco-house builder, and a co-housing group of future residents.

Cambridge City Council was the owner of a property approved for 37 houses, which was left vacant after the financial crisis. It investigated the potential for self-build housing, inspired by the recognised sustainable community of Vauban, Freiburg, Germany. The Council then identified cohousing, a form of group self-build, as its preferred option because of the added social and community benefits.

A cohousing group was formed, with seed funding from Council. The group developed the client brief, and Council led the tender for a development partner. The selection of TOWN (developer) and TRISVELHUS (eco-house builder) led to full planning permission being granted, followed by construction and occupation from 2018.

With this in case study mind, Councils should think about how they create interactions, well before any permit application processes.

In considering affordable housing within developments, Councils will increasingly have to grapple with non-registered providers, particularly within Build to Rent projects, which do not involve a registered Affordable housing Provider (AHP).

Developers can gain a floor space uplift for providing key worker housing, for example, but Councils need to recognise what is the subsidy/source, and consider how they can protect or ensure the outcome. Currently, there is no tool other than Planning Enforcement.

Therefore evidence of negotiation and agreement with an AHP should be sought. Councils need to hold firm on affordable housing commitments from developers, and to have confidence in holding developers to account.

Community led housing London supports people to take a leading and lasting role over their homes and neighbourhoods, together.

They work with:

— (Community housing) groups at an early stage, offering advice and mentoring on development, partnerships and acquisitions

— Councils (Boroughs) and others to help create opportunities for community led housing.

— Developers and Housing Associations to enable community led housing and coproduction.

Community Led Housing is where people play a leading and lasting role over what matters most to them. Working together, groups of people can create and provide homes, on their own terms. The range of approaches includes housing co-operatives, community land trusts (CLTs), and cohousing.

https://www.communityledhousing.london/about

3.3 Mr Robert Papaleo

National Director, Capital Markets | Residential | Built to Rent, Colliers

Interview conducted Thursday 6 March 2025, via online meeting.

As National Director | Build to Rent, Mr Papaleo supports clients to participate in emerging opportunities derived from the significant growth of this alternative residential asset class.

Drawing on 25+ years of real estate industry experience - spanning agency, research, analytics and consulting - he works across Australia, to deliver opportunities, practical solutions and innovative strategies across the nascent Build to Rent and associated alternative living sectors.

His understanding of demand, supply, policy and industry factors relating to the spectrum of new residential markets (BTR, apartments, urban regeneration, greenfield) underpins his reputation as a trusted strategic advisor to leaders in the residential development and real estate investment industries.

3.3.1 What are current and projected challenges for housing provision in Victoria?

The issues are different for metropolitan and regional settings.

Further, the different housing categories present individual challenges (greenfield, urban infill, brownfield etc.).

Clearly there's a lot more policy focus on Councils delivering higher density activity, stepping up the relative densities in each of the categories. So, what was greenfield land density at 18-20 dwellings per hectare (dw/ha) is probably now moving towards 25 to 30 dw/ha. What was medium density at 60 hectare is now also looking to push up. And what was higher density is looking to push up again (in density) in the activity centres and near stations and transport interchanges.

Its relevant to think about each of the categories of housing and the issues that relate to them, because while there can be some universal issues, there are also some nuanced reasons why one category versus another may be not working, and there might be different solutions for each of those typologies.

Another challenge is the extent of residual housing stock in urban areas, and approved developments which remain unbuilt, and are no longer economically feasible. There is misalignment between the cost of delivery under current conditions, and the price the apartments would need to sell for.

New apartments now would need to attract pricing of approximately $13,500 per sq.m in inner suburban locations (nominally $945,000 for a 70 sq.m, 2-bedroom apartment), to meet delivery costs and profit requirements, while there is extensive residual stock available at approximately $10,000 per sq.m ($700,000 for a 70 sq.m, 2-bedroom apartment). Required pricing tin the Melbourne CBD is now approaching $15,000 per sq.m. Therefore it is very difficult for developers to market and sell new apartments under current conditions, and this is severely restricting activity.

This is compounded by the required wait for purchasers to access newly developed apartments (purchased off the plan).

3.3.2 What current and emerging opportunities do you see to accelerate housing development? Who would be involved?

Boosting the greenfield market, at a metropolitan level or a state level, was previously the 'easiest' way to deliver housing, but remains the fastest way of 'switching on' or 'turning the dial' on housing production.

That's from the perspective of development, but also importantly, it aligns a lot more closely with the bulk of the housing demand, and preferences for the typology of housing.

We're at this crossroads where we're seeing the customer saying they want something versus policy saying we want to see a different outcome. And the industry is caught in the middle and unable to satisfy either aspiration because the policy aspiration is for higher density, which only a still small share of customers (purchasers and renters alike) actually want.

However a higher share of that customer base is needing that (higher density) solution to satisfy their affordability or attainability constraints. So there's a trade off that's actually being made by the customer about what they really want versus what they can attain.

The reality is that the customer is going to have to accept smaller housing to meet their affordability constraints, which then aligns with policy. But going smaller in vertical format is really challenging for developers. Going smaller in greenfield is probably easier but the construction part of the new housing system which delivers that greenfield housing isn't yet geared up to do that. The land subdivision part is relatively easier because that's just dividing up land. Higher density/ smaller properties have a higher cost in terms of services and utilities, but customers have almost become attuned or are expecting a certain level or size of housing, and they cannot afford it in the main.

The only way that the smaller lot housing can work is if we see in Melbourne a lot more of what we see in Sydney, which is that integrated package, where a builder/developer who can offer a 'one stop solution' and achieve efficiencies, to deliver a cheaper price. That cheaper price would then appeal to a wider customer base. A wider customer base will then be able to act more quickly, to speed up delivery.

The other benefit of greenfield versus (urban) density is that from a development point of view you can chop up the parent property into smaller pieces and deliver housing bit by bit and get the output in the hands of the customer a lot more quickly than you can in an apartment building where you can't get the first person in until the last thing is finished.

Currently there is a greater depth of buyer interest (and therefore commercial developer activity) in smaller apartment projects, which is affecting potential land prices. These projects will therefore comprise fewer but larger, more expensive apartments, with fewer units being made available for rent.

Further, the removal of tax depreciation benefits on second-hand properties and higher annual holding charges, there is a higher compliance cost impact for private landlords, so many landlords are actually selling that stock when they can, potentially realising a loss, and likely selling to an owner-occupier rather than another investor, so that stock will also exit the rental pool.

3.3.3 How/where do you see the role of Councils in the housing development, and what actions should Councils take to support or guide housing delivery?

Councils need to advocate to State and Federal Governments.

They need to understand, and communicate, the housing market as a system.

They should prioritise progress over perfection, and be more proactive in demonstrating how opportunities can be realised. This will mean developing and testing different concepts, and understanding (and communicating) which ones work, and which don't, and why.

Utilising land assets may be a key component of this, because land values in the commercial market are a significant barrier to achieving development outcomes currently.

Councils working with Community Housing Providers, as an approach to more direct involvement, presents strong potential to utilise land assets at a local level.

3.3.4 What strategic initiatives would increase the speed and scale of housing supply?

Currently the cost of production plus margin is in most cases remains higher than the bulk of the customer base's affordability threshold.

This is a global issue.

Build to Rent development can play a role in the solution, and planning could seek to encourage that over private, build-to-sell apartments. Current macro-economic conditions affecting customers are favouring rental product, which is professionally managed.

This type of housing can be delivered at scale, across economic cycles, more easily than private build-to-sell, which is more cyclical.

3.3.5 What locations, examples or reference projects should we seek to learn from and emulate?

The **UK's single-family housing program** is a distinct form of Build-to-Rent which is more likely to comprise suburban houses than city centre apartments, so 'horizontal' units rather than vertical, which allows development to be staged, and occupied in smaller increments, and potentially also delivered more quickly. This type allows house builders to partner with the Build-to-Rent sector.

Savills estimates that there could be 30,000 single-family rental homes in operation by 2027 and 70,000 by 2032.

https://www.nhbc.co.uk/media-centre/articles/2023/10/23/the-rise-of-single-family-housing-%28btr%29

This typology means housing occupying more land at lower densities than apartment buildings, but could be a solution for greenfield or outer brownfield sites, to achieve medium density, with dwellings held on a single title, rather than subdivided into individual ownerships.

Land lease communities is another, related model, which responds to the demand for increased housing supply and affordable downsizing options for our ageing population, particularly in regional locations.

Land lease communities, also known as lifestyle communities, are a $12 billion sector that has been labelled the fastest growing solution for downsizers in the country. It has been called out as part of the solution to solve the current housing crisis, as it provides buyers some alternative benefits over traditional land ownership and also supports the unlocking of often underutilised housing stock in the established suburbs.

https://www.realestate.com.au/news/what-are-land-lease-communities-homebuyers-need-to-know

The land lease model sees the developer own the land, while the individual owns the house built on that land. The land is instead leased by the homeowner under a long-term rental agreement. For the occupant, this model avoids stamp duty and council rates, provides newer, more efficient homes, that are professionally managed, with social benefits.

Councils should also look to recent initiatives in Sydney NSW, such as the **Boarding houses and co-living housing (Housing SEPP)**.

Boarding houses and co living housing provide compact rental accommodation for a range of occupants, with minimum tenancies of 3 months.

Both housing types are typically built in well-connected areas, where residents have convenient access to work, study and recreation opportunities.

There are maximum room sizes for private rooms to make a clear distinction between apartments in a residential flat building and these housing types. The smaller room sizes are offset by the shared spaces and communal facilities provided in these developments.

Boarding houses are a type of affordable housing that must be managed by registered community housing providers in perpetuity. Co-living housing has no affordability requirement.

https://www.planning.nsw.gov.au/policy-and-legislation/housing/housing-sepp/boarding-houses-and-co-living

In NSW, co-living is encouraged through FSR bonuses (Floor Space Ratio, a measure of development density). It is intended to allow residents to live in accessible, desirable locations, but with less individual space.

In Victoria, BADS (Better Apartment Design Standards) is geared towards owner-occupied housing, but there may be opportunity for more relaxed requirements, for other housing types, which are inherently more transient, to allow the cost of delivery to be reduced, for more feasible developments and faster housing production.

More broadly, there is opportunity or need for the government to invest in housing, because there has been a market failure. It has been demonstrated that the private market can't deliver the quantum stock that the private market needs, and government has reduced its investment in housing over 30 years.

3.4 Mr Tim Riley

Founder and Development Director, Property Collectives

Interview conducted Friday 7 March 2025, in person.

Tim Riley is originally a marketing professional who has gradually transitioned into property development since founding Property Collectives in 2010. He has grown Property Collectives into Australia's leading deliberative property developer and consultancy. Their citizen-led building group model has created 9 Collectives building 60 homes across Melbourne.

3.4.1 What are current and projected challenges for housing provision in Victoria?

The current status of slow housing production is a feasibility/finance problem, at least partly stemming from landowners' perceptions of land values, which are making developments non-feasible.

Considering the example of Property Collectives' Eltham co-housing project, comprising 20 townhouses, it is based on a 10% profit margin between total development cost, and the projected gross realised value, which includes GST (as a cooperative model).

As a speculative development, this margin would reduce to 7-8%, which would not be considered feasible.

Minimum viability for townhouses is a sales rate of approximately $10,000/sq.m, and for apartments, it is approximately $13,000/sq.m (or more).

This explains why the 'luxury' apartment market continues to work and produce housing, but product below that level is currently in a very stressed market, resulting in very limited development activity.

Other approaches such as combined developer/builder products may be more viable in this context.

3.4.2 What current and emerging opportunities do you see to accelerate housing development? Who would be involved?

Councils can utilise their land assets to accelerate housing production. The party that controls the equity, controls the outcome, and Councils hold equity in land assets.

Commercial developers have a goal of maximising profit, which guides decision making. When this is not the goal, other outcomes are more achievable.

However Councils need a clear and strong vision, for what they want to create.

Marmalade Lane, UK, is a great example of Council leading an elegant process, guided by a strong vision, to manage risk to future residents effectively, because profit-seeking is not a factor.

It utilised the developer partner (TOWN) as a service provider, rather than the project lead. Development is perhaps moving in that direction, 'flipping the script' towards more community-led projects.

Current market obstacles are fundamentally a feasibility problem, not a planning problem, There are plenty of permits out there, which are not being acted upon, because they are not feasible.

3.4.3 How/where do you see the role of Councils in the housing development, and what actions should Councils take to support or guide housing delivery?

There is a massive role for Local Government, more than other levels of government, to authentically engage with the community, to form effective, mixed tenure projects which provide much-needed housing (mixing market, mid-market and social products).

In this way, the community sets the design brief, and effectively becomes the client, with Council as a 'benevolent developer' and facilitator.

Specifically, if Council can provide late settlement terms on land sales, to when construction finance is secured, this makes a big difference to project feasibility and delivery.

The role and purpose of innovation requires further consideration and definition, of what it means and how important it is.

Innovative initiatives need to be carefully and rigorously designed and tested.

Innovation in housing is also curtailed by financial factors. Development projects are subject to valuation for construction finance, for which the valuer relies on directly comparable products elsewhere, as evidence for identified values. Without sufficient evidence for reference, projects can obtain less construction debt, requiring more equity, which affects development costs and therefore feasibility.

3.4.4 What strategic initiatives would increase the speed and scale of housing supply?

Planning and delivering pilot development projects (Council/community led), to test and demonstrate innovative approaches utilising Council assets (land, infrastructure, resourcing), is a key direction for Local Government.

Long-term land leases to facilitate lower-cost housing was also mentioned, including for housing co-operatives (discussed further below).

Council resourcing (to assess Permit Applications) is a big issue. Some developers would happily pay additional application fees for a fast-tracked process (nominally $5,000-$10,000 extra), which may help fund additional Council staff. This idea was likened to VCAT's Major Cases list.

Removing or modifying Neighbourhood Character provisions in Planning Schemes would assist in development approvals to boost housing supply. However the current/recent announcements of new Planning Provisions was also recognised as supporting increased housing supply.

3.4.5 What locations, examples or reference projects should we seek to learn from and emulate?

Property Collectives was involved in advising the OVGA on the design of the Future Homes initiative, which was intended to facilitate medium-density housing in 'middle ring' areas such as West Footscray or Bundoora.

However, analysis identified that the projects required sales rates of approximately $10,000/sq.m to be feasible, but these areas were achieving rates for townhouses of only $7,500/sq.m approximately. Therefore the projects were found to be feasible only in more inner, higher-end locations (also where land values are higher).

The recent refusal by Banyule City Council of the first Future Homes application was also a major setback for the program, which relies on smooth planning processes.

The **La Dinamo** project in Barcelona, Spain, is an example of 'cession of use' housing, on leased land.

By breaking with the logic of private property, cession of use housing cooperatives present collective property as the only possible option for its development. We therefore advocate collective organisation to exercise the right to decent housing. This collective organisation takes the form of the constitution of a cooperative, which will invariably retain ownership of the housing, while the people associated with the cooperative, i.e. its members, will have the right to use it on a fixed and indefinite basis.

Therefore, unlike other housing cooperative systems, the cooperative will always hold ownership and thus the model cannot be changed to obtain privately owned housing. In other words, individual profit cannot be made and speculation is prevented.

https://www.barcelona.cat/metropolis/en/contents/cession-use-housing-cooperatives-new-kind-housing-access-and-interaction

In this model, the cooperative organisation owns the building, and leases the land (presumably from government). Members of the cooperative pay a joining fee, and a monthly residency fee (rent), which covers the coop's costs, including the development debt.

The ACT Government **Suburban Land Agency's (SLA) Built Form Program** is designing and constructing sustainable showcase developments and demonstration precincts, including building innovation from climate-wise buildings, 'missing-middle' housing that is more compact and affordable over its lifetime, and landscape-oriented precincts for the community to connect.

In seeking to ambitiously pilot innovative housing types, the SLA is leading production of:

- Small footprint housing that are more compact but smarter, making the most of cleverly designed spaces;
- Well insulated and airtight buildings;
- Renewable energy technologies;
- Regenerative design practices;
- Multi-generational designs providing housing choices to various family constellations, caring and accessibility needs;
- Affordability over the lifetime through high-quality compact and net zero houses that last and are cheap to run;
- Micro-mobility first, designing streets and open spaces for people to walk, cycle, wheel and play.

https://suburbanland.act.gov.au/innovation-and-sustainability/showcasing-our-innovation

Victoria Street Collective, Brunswick West, by Property Collectives

Renewal SA's **Bowden** development in Adelaide includes a range of innovative housing projects, including Nightingale Bowden and the Sentinel premium Build to Rent development, which couples 5-star amenities with longer lease terms to give tenants choice and control over their living arrangements.

This model will provide renters with a more streamlined and transparent leasing experience which eliminates any need for rent bidding, and it also offers tenants the flexibility to move to different-sized apartments within the building over time as their living requirements change.

https://renewalsa.sa.gov.au/news/new-housing-model-to-deliver-premium-and-sustainable-renting-at-bowden

WGV (White Gum Valley), 3km from Fremantle city centre, is one of DevelopmentWA's 'Innovation through Demonstration' projects, and the focus of a four-year 'living laboratory' research program. It will deliver more than 80 new homes, accommodating approximately 180 new residents through a range of housing options including apartments, maisonettes and 23 single residential homesites.

WGV includes the Gen Y Demonstration Housing project, a practical demonstration of sustainable, flexible and cost-effective dwellings to suit 21st Century living.

As a new housing model, the project provides a practical demonstration that can easily be replicated to provide an affordable living environment for Gen Y'ers and future generations to come.

The three apartments respond to the problem of the 'missing middle' of medium density housing, whereby housing stock in Australia (and internationally) is increasingly either low density single family homes or higher density apartments, with little choice in between.

This model also provides an excellent demonstration of a housing solution that bridges the gap between the single house and large apartment block, providing stealth density in medium density areas that integrates well with the streetscape.

https://developmentwa.com.au/our-work/innovation-through-demonstration/InnovationWGV/GenYProject

Bowden

White Gum Valley

Austin Maynard Architects I BKK Architects I Six Degrees Architects I HillPDA Consulting
Movement and Place Consulting I PlanCost I RMIT University, Centre for Post-Carbon Research

Brougham Street Co-Housing Collective

3.5 Mr Simon Lewin

Senior Development Manager, HAMTON Property

Interview conducted Thursday 13 March 2025, in person.

Simon Lewin is an experienced Development Manager with a demonstrated history of working in the construction industry. He is skilled in Value Engineering, Cost Management, Procurement, Design Management, and Strategic Planning, with engineering qualification from RMIT University.

HAMTON is the developer of large-scale developments including Acacia Place (Eden, Haven, Sanctuary in the Rover), Abbotsford, and Moonee Valley Park (racecourse redevelopment).

Simon was previously employed by developer Neometro, and was involved in the Jewell Station precinct redevelopment, profiled separately in this report.

3.5.1 What are current and projected challenges for housing provision in Victoria?

Construction costs have 'skyrocketed', to the extent that in some cases, the build cost is higher than the potential sale amount for apartments. Developer Contributions are a constraint to development, and can impact purchase prices for apartments. For example, at Moonee Valley Park, the Developer Contribution is approximately $5,000 per apartment, while at Fishermans Bend it may be $25,000 per apartment.

The BADS policy (Better Apartments Design Standards) is recognised as important and necessary, but some aspects could be relaxed to facilitate appropriate and effective development outcomes. For example, BADS can be a disincentive to larger apartments, because daylight requirements (as a percentage of total floor area) are more difficult to achieve in larger dwellings.

Car parking provision remains challenging and costly, but apartments without a parking space are difficult to market/sell, even in buildings with good walkability and immediate public transport access (such as Jewell Station precinct), where substantial discounts of some $60,000 can be made available for apartments without a car space.

The recent announcement of Victorian government legislation to impose a new bond on developers, to cover defects claims, is an additional financial impact on housing provision.

The Amendment Bill would levy a charge on all residential building projects over 3 storeys in height to be held as security for the rectification of defects. The bond will be set at 3% of the total build cost, unless another amount is prescribed. The bond is payable by the developer before an occupancy permit can be obtained.

See: **https://www.maddocks.com.au/insights/big-victorian-building-industry-changes-proposed-impacts-on-regulators-contractors-developers**

3.5.2 What current and emerging opportunities do you see to accelerate housing development? Who would be involved?

Further to the above discussion of BADS, opportunities exist for small but well-designed apartments, coupled with good, diverse communal amenities, to enhance affordability and housing access, but BADS is not supportive of this currently.

Simplifying the planning process would also assist.

Reducing Developer Contribution requirements would help to minimise developer costs, and therefore apartment prices.

While it is generally a State Government responsibility, the timely provision of infrastructure, particularly transport, is important to support development activity. Reference was made to a development proposal in Fishermans Bend, close to the planned tram line.

Packaging government land parcels for private-sector development should be informed by an understanding of the commercial development environment. Reference was made to the VicTrack site adjoining Cheltenham Station where a deck was created for new development. However the interested developer required some 15 storeys to make it feasible, which presented significant planning risk. That is, there is risk in acquiring the site and advancing the project, because such a scale may not receive Planning Permission, or may face a difficult planning process.

ROOFTOP INFINITY POOL - ARTIST'S IMPRESSION

3.5.3 How/where do you see the role of Councils in the housing development, and what actions should Councils take to support or guide housing delivery?

The mix of apartment types should not be mandated by Council, but should be allowed to respond to market demand. For example, currently 2-bedroom / 1-bathroom apartments are difficult to sell, while 2-bedroom / 2-bathroom units are very popular, partly because they can accommodate two 'independent' people or couples.

Alleviating planning risk, where possible, is an important area for Council action, recognising that significant planning policy reform is underway in Victoria, and that effective planning is essential.

Putting Council land forward for partnered development can be an effective and mutually beneficial strategy. The land value can make the difference between a feasible development, and an unviable one.

For the expansive Moonee Valley Park project, the Moonee Valley Racing Club, as landowner, contributed the land for redevelopment, with an agreement to recoup the market value of the land at a later date, when the development is partly or fully completed, plus an agreed margin or an agreed share of the development profit. Similar arrangements may be applicable for Council joint venture partnerships with developers, using Council-owned land.

Where Council may be partnering or contributing land assets, providing favourable commercial terms, such as on land purchase settlements, makes a big difference to developer partners, and to project feasibility. For example, allowing settlement when construction finance is received, avoids the developer carrying the land cost for an extended period.

3.5.4 What strategic initiatives would increase the speed and scale of housing supply?

Public realm enhancements can encourage development, which is attracted to higher amenity streets and spaces.

The Off-the-plan Stamp Duty concession supports new development and housing provision, by making new apartments more attractive to purchasers. It reduces the Stamp Duty amount substantially, by applying it to the purchase price, minus the construction cost, rather than the full purchase price as for existing dwellings.

https://wwwsro.vic.gov.au/land-transfer-duty/offtheplan

The Department of Transport and Planning's Development Facilitation Program, is favourable, because it provides faster planning decisions, and avoids the impact of third-party appeals, while retaining Councils as an advising partner in the assessment process.

Working to help Council team see developers as valuable and necessary partners, and not greedy or 'dodgy' players, is important in generating effective partnership opportunities. This negative perception is already changing at state level. Learning to work with developers, rather than working against them, while recognising that they vary greatly in quality and experience, will support faster housing provision.

Providing (shared/communal) amenity is increasingly important in higher-density settings and for smaller apartments. Innovative provisions such as dog-wash rooms, wine cellars, veggie gardens, and multiple, bookable event/gathering spaces within developments (not just one which can be hard to access), work to attract purchasers and enhance liveability.

3.5.5 What locations, examples or reference projects should we seek to learn from and emulate?

The **Neometro** development at 9 Smith Street, Fitzroy, designed by MAArchitects, is high-density but provides daylight, air and spatial 'relief' through a central landscaped courtyard, as a contrast to the busy urban environment.

The **Moonee Valley Park** project takes an approach of high-density living and a mix of uses, but with extensive green space and green streets and lanes. It also includes a green space which will be handed over to Council for ongoing management, even though it has basement parking below it. This allowed for a more efficient, cost-effective car park solution, and is an example of Council showing flexibility in response to site requirements.

Much of the footpaths and street spaces within the precinct is privately owned and maintained, but publicly accessible, so provides benefits to residents and the wider community, without maintenance costs to Council.

The integration of urban greening and vegetation in developments is a central objective for HAMTON, which has established Nature-based Cities, a not-for-profit organisation developing an assessment tool for sustainable developments based on greening and vegetation, informed by extensive research and expertise. It is envisaged that this tool may be integrated with other established ESD rating tools.

The current apartment building at Moonee Valley Park contains 400 apartments, but the design works to 'break up' the quantum into smaller clusters, so residents feel part of a smaller 'neighbourhood'.

https://naturebasedcities.org.au/main

4.0

Architects’ case studies

4.1 Case study 1: ParkLife, Brunswick

4.1.1 Site

Location: 8-10 Duckett Street, Brunswick

Site Area: 706 sq.m

Total floor area: 4,210 sq.m

Street frontages: Duckett Street (south); Bulleke-Bek Park (north)

Zone: Commercial 1 (C1Z)

Prior land use and built form: Light industrial/warehouse

Constraints:

- The site is relatively long and narrow, with abuttals to adjoining sites to the east and west;
- Existing planning controls: DDO18 stipulates a preferred maximum height of 17m (nominally 5 storeys), and a street wall height equal to the street width, with upper levels set back below the resultant 45-degree plane.

Opportunities:

- Transit-oriented development, close to rail and trams;
- Direct interface to a new park/open space;
- Integrated development design across six (6) parcels;
- At the time of design, the site's northern interface comprised existing warehouses across a laneway, which allowed the development to adopt a shear wall interface (no upper level setbacks). This area is now the new Bulleke-bek Park (opened 2021), but the ParkLife development is south of the park, so the vertical frontage does not cause shadows to the open space.

4.1.2 Context (outline)

This development is located in the Sydney Road and Upfield Corridor, within the Brunswick Activity Centre, in Merri-bek LGA. This locality has undergone extensive redevelopment in recent years, led by the Nightingale Housing initiative. This development forms part of Nightingale Village, a collection of 6 neighbouring buildings along Duckett Street.

The Anstey Station platform is within 100m of the development (Station entrance approximately 130m further north, at Albion Street). The Sydney Road commercial strip and tram corridor is approximately 260m walk to the east, via Hope Street.

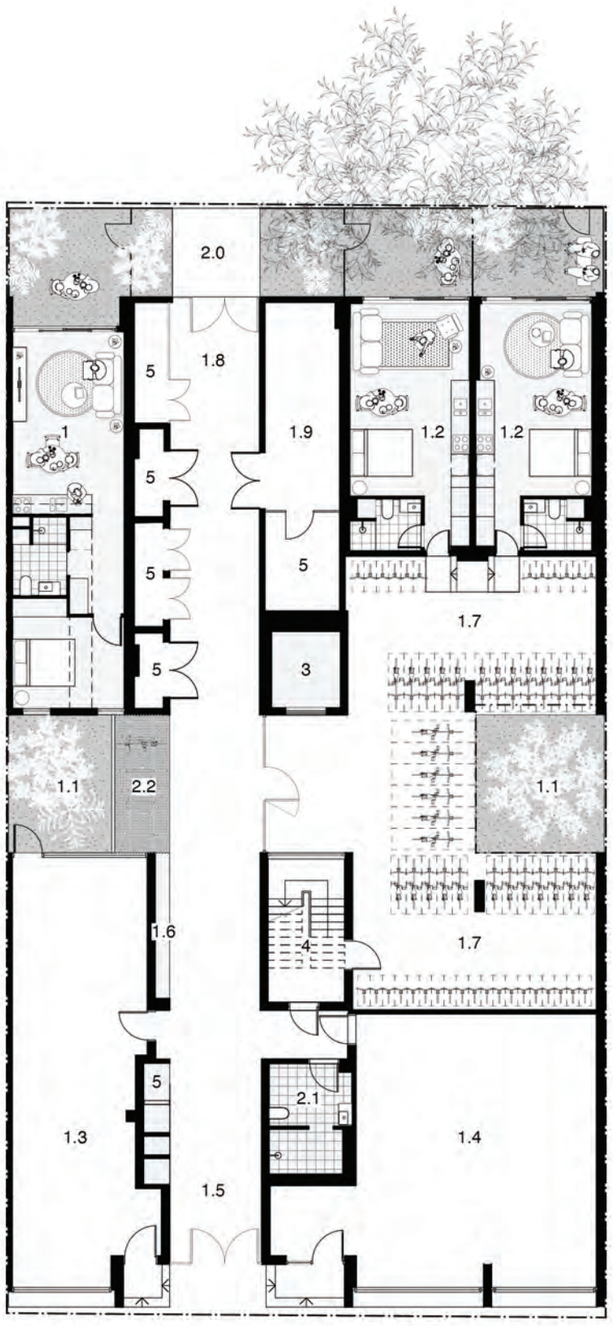
The site achieves a Walk Score (walkscore.com) of 98 (*'Walker's Paradise' - Daily errands do not require a car*) and a Transit Score of 71 (*'Excellent Transit' – Transit is convenient for most trips*).

4.1.3 Project

Proponent:

Austin Maynard Architects was the developer for this project, as well as the Project Architect. A separate entity, Duckett Acquisition Collective, was formed to administer whole-of-precinct matters, including a single Planning Application for the 6 sites, and a single finance facility. Nightingale Housing supported and guided the project, including through its pre-exiting purchaser database.

Date completed: 2022



Floor Plan Key

1. One Bedroom Home
2. Two Bedroom Home
3. Lift
4. Stair
5. Services
6. Light Court
7. External Common Area

1.1 Garden
1.2 Teilhaus
1.3 Retail Tenancy 01
1.4 Retail Tenancy 02
1.5 Duckett St Entrance
1.6 Letter boxes
1.7 Bike Parking
1.8 Park Entrance
1.9 Bin Room + Services
2.0 Common Garden
2.1 Accessible WC
2.2 Visitor Bike Parking

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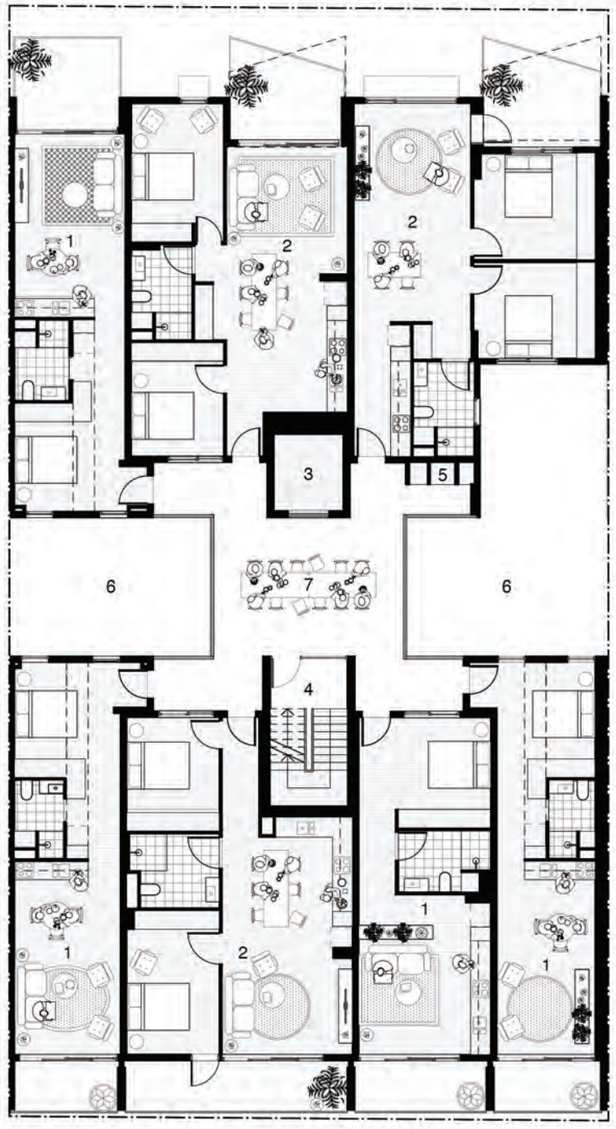
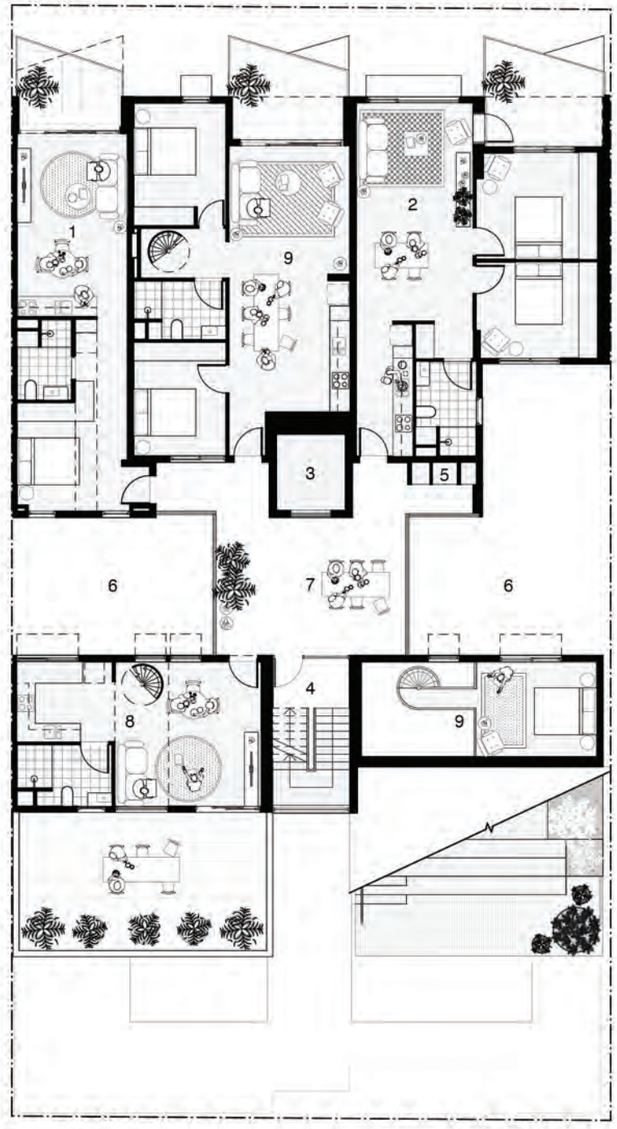




Ground Floor Plan

Level 2

Level 6

4.1.4 Brief/proposal

The Brief for the project provided a degree of freedom in the mix of dwelling types. Nightingale Housing played a quasi 'real estate agent' role in advising on the size, mix and type of dwellings, in response to the pre-existing purchaser database. The project provides:

— 2 x 'Teilhaus' (studio) apartments;

— 14 x 1-bedroom apartments;

— 19 x 2-bedroom apartments;

— 2 x 3-bedroom apartments;

— 2 x commercial tenancies.

The apartments are predominantly owner-occupied, in accordance with Nightingale aspirations. Five of the apartments were pre-allocated to Housing Choices Australia as affordable housing.

The two retail/commercial tenancies front onto Duckett Street and Ground Floor level.

The development is fossil fuel -free and achieves an average 9+ star NatHERS rating, supported by:

— Rooftop solar array;

— Low embodied energy materials;

— Rainwater collected for common area use and commercial tenancy toilets;

— Energy Recovery Ventilation (ERV) system;

— Energy efficient heat pump hot water system.

4.1.5 Design

4.1.5.1 Design concepts/ideas

The design reflects multiple conceptual ideas, including:

— Reflecting and responding to the distinct interfaces of Duckett Street to the south, and the new park to the north;

— Providing a defined street wall and upper-level setback to the southern Duckett Street interface, in response to planning controls, and to allow daylight/sunlight to the street;

— Creating a direct, open, transparent through-connection between the street and the park (currently secure for residents);

— Interaction/integration with the neighbouring 'Evergreen' development (Clare Cousins Architect);

— Creating a distinctive roof form/profile;

— Responding to the former warehouse context of the locality.

The Architects referenced their extensive learnings from a previous apartment development, 'Terrace House' (Sydney Road, Brunswick), which is also a high-performance sustainability-focussed residential building.

In response, the approach to ParkLife was to create a refined, simplified design and layout, to support efficiency and reduce construction costs, to improve housing affordability.

4.1.5.2 Client and authority engagement on design

Merri-bek City Council officers engaged extensively with the pre-planning design process. Because the six developments formed part of a single consolidated Planning Permit Application, the process required efficient resolution of issues for individual buildings, to allow others to proceed.

The individual architects also engaged closely as a collective.

As Architects for ParkLife, Austin Maynard Architects worked closely with Clare Cousins Architect (adjoining site to the west), to ensure strong design interaction, including designing for a shared light court between the two buildings, and a visual link through to that buildings Ground Floor lobby space and stairwell.

4.1.5.3 Design innovation

The Architects opted to direct the project budget into components which are permanent and cannot be changed. So, rather than increasing investment in kitchens and appliances, the focus is on higher-value/higher performance cladding and windows, to ensure excellent thermal performance. This in turn (as reported by the Architects):

— Increases occupant comfort and amenity;

— Reduces energy bills;

— Supports or improves mental health outcomes.

The rooftop area incorporates a stepped 'amphitheatre' providing a communal social space and enhanced outlook towards the south.

The 'collective' approach to the six individual developments also allowed for shared infrastructure/services, for example, to further reduce costs and streamline processes.

The development utilises Askin high-performance insulated cladding panels, which was likened to wrapping the thermal mass of the building (concrete structure) in a blanket, to ensure high thermal comfort and efficiency.

4.1.6 Delivery process

4.1.6.1 Planning permit

Process:

The Application process followed a conventional path, but as a consolidated package of six discrete buildings within one Application, which required all the buildings to be resolved in parallel.

The Architects worked extensively to avoid VCAT, for cost and time reasons. This was achieved, with Council granting the Planning Permit.

Obstacles/challenges:

The integrated approach to planning meant that design issues in individual buildings could slow progress on the others. This created impetus for accelerating the resolution of issues with Council officers.

The Architects were supportive of lower-height street walls and upper-level setbacks where this provided a clear benefit for sunlight to the street, for example, but felt that sometimes these provisions were applied arbitrarily or unnecessarily.

4.1.6.2 Design Development and Documentation

Contract type/management:

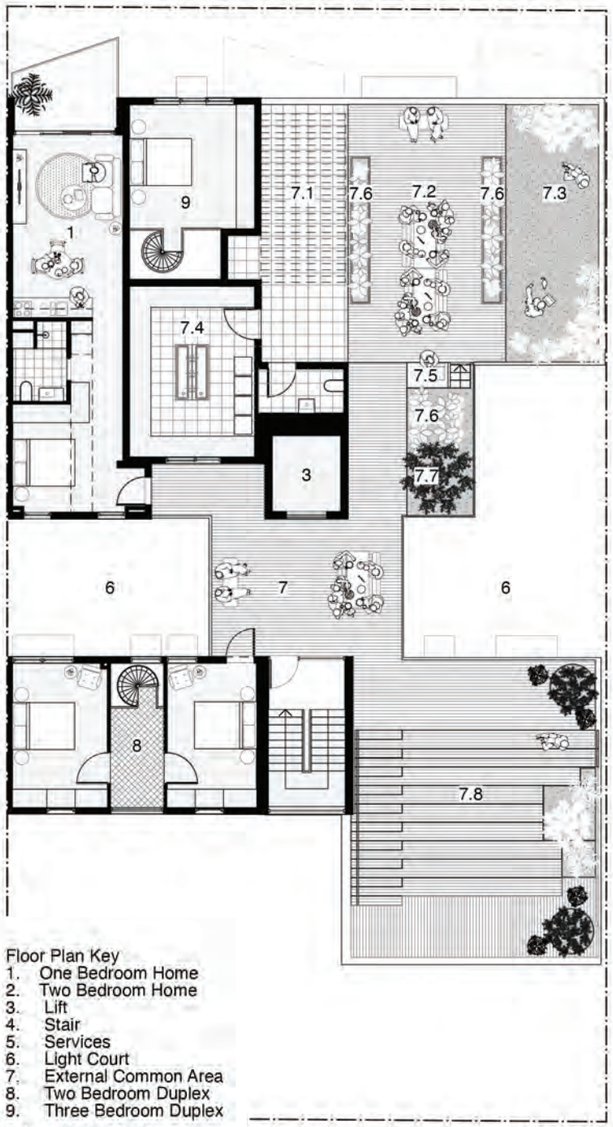
The development was constructed under a Design and Construct (novated) contract, but the Architect was the Principle (as developer).

Challenges/design constraints:

The entire precinct of six buildings was documented (construction drawings, schedules, specifications) by one Architect (Hayball), to support efficiency, clarity and consistency in the documents.

One builder (Hacer) delivered all six buildings, as a single project.

The construction contract was signed pre-Covid, with the pandemic arriving during construction, creating time and cost impacts.



Floor Plan Key
1. One Bedroom Home
2. Two Bedroom Home
3. Lift
4. Stair
5. Services
6. Light Court
7. External Common Area
8. Two Bedroom Duplex
9. Three Bedroom Duplex

7.1 Hanging Area
7.2 Communal Area
7.3 Lawn
7.4 Laundry/ Workshop
7.5 BBQ
7.6 Productive Gardens
7.7 Fruit Tree
7.8 Amphitheatre

0 1 2 3 4 5

Level 7

Elevations

Technical innovation:

The use of Askin insulated cladding panels enhanced the thermal performance of the building envelope, and supports the lack of air conditioning.

The building is all-electric (no gas).

Indoor thermal comfort is achieved through:

- High degrees of insulation;
- High-performance glazing;
- Thermal mass in north-facing apartments;
- Energy recovery ventilators to all apartments;
- Natural ventilation opportunities;
- High degree of air tightness;
- Ceiling fans.

The building also incorporates:

- External clothes drying lines and condensing clothes dryers included in communal laundry;
- Apartment master switch installed to turn off unnecessary electrical appliances when the apartment is not in use;
- LED light fittings throughout the building;
- Embedded Network with 100% Green Electricity;
- High Water Efficiency fixtures & appliances throughout;
- 20,000L Rainwater collection for harvesting and reuse;
- Water sensitive landscaping.

4.1.6.3 Construction

Management, monitoring:

Air permeability testing was conducted during construction to determine the air tightness of the building envelope. This was important to ascertain as air tightness has a direct correlation to the thermal efficiency of building fabric.

Outcomes, relative to design intent:

Testing during construction allowed for the builder to detect air leaks in the building fabric and ensure that sealing of the envelope was achieved to meet the design aspirations.

4.1.7 Economics

This development forms part of a relatively unique development strategy.

The individual lots that form Nightingale Village, then known as the Duckett Street precinct, had been acquired by a previous owner, but retained as separate allotments. The Duckett Acquisition Collective ('the Group') purchased all the properties, which we then distributed to individual Architects (as investors/developers), with values based on lot size.

The Architects then sought separate seed investors to fund the development construction.

Nightingale Housing retained a database of interested purchasers, built on the back of previous Nightingale projects, which became the 'market' for this development.

The apartments were sold at below market cost levels, as a result of the development model.

It was noted by the Architects that the high-performance, air conditioning-free, car free apartments would likely be difficult to sell in the general market, though this sentiment is changing.

4.1.8 Outcomes / post occupancy

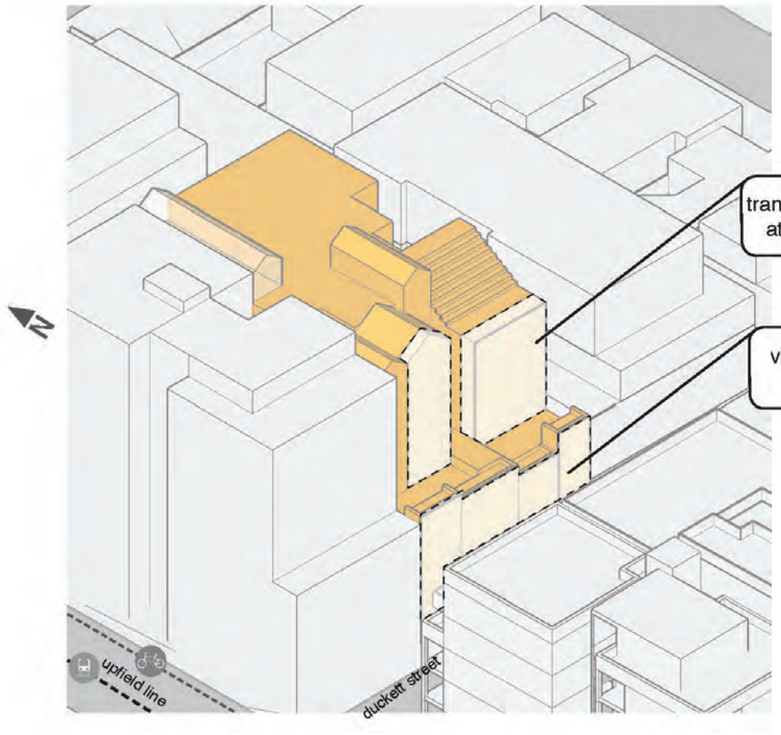
4.1.8.1 Post-occupancy evaluation

RMIT University was engaged by Sustainability Victoria to conduct an evaluation for Nightingale Village (comprising six buildings, including ParkLife), resulting in the report ***Nightingale Village post-occupancy evaluation: Final report*** (December 2024), which RMIT provided for this case study.

The report captures monitoring and analysis of thermal comfort, air quality, occupancy, acoustics, and energy consumption for 18 apartments (three per development) for a one-month period in summer and in winter, but it does not differentiate between the different buildings within the Village. The study also involved interviews with householders in the Village.

The report found that:

- The design of apartments averaged almost 8 stars which was 2 stars above minimum requirements at the time of design and construction, and is higher than the new 7 star requirements.
- While indoor temperatures were below the upper limit set by the WHO (2018) of 26 °C most of the time in summer, three apartments had indoor temperatures which exceeded 28 °C for periods. While it would be expected that residents would be able to adapt to short periods of elevated indoor temperatures, one apartment saw three days of elevated indoor temperatures, peaking at 29.6 °C.
- Indoor temperatures were mostly within an acceptable range during the winter months. When compared to the WHO (2018) guidelines, all but one apartment achieved a median living room air temperature within the 18 °C to 24 °C range recommended.
- For many apartments, the median relative humidity was observed to be higher than the preferred maximum recommended.
- Apartments were found to use an average of 4.2 kWh per day of electricity. This compares to a benchmark of 13.3 kWh per day for a two-adult household in Melbourne.
- A pattern of use saw electricity use increase as outdoor temperatures became more extreme (colder or hotter), indicating the use of portable heaters and coolers. These apartments were also amongst the highest energy users in the study group.
- Participants expectations around thermal comfort, air quality and noise were high. There was less consideration given to light by many participants.
- Thermal comfort expectations were largely met although there were challenges for some participants during hot or cold periods. Some participants were contemplating installing reverse cycle air conditioners and several were using additional portable heating devices to ensure thermal comfort.
- Indoor air quality was reported by many to be good, although some participants noted the difficulties in ventilating their apartments due to a lack of fly screens or protection of doors/windows from the weather. The ERV systems were reported to improve air quality.
- External (street/train) and internal (other apartments) noise was largely meeting expectations when apartments were closed up. However, the front door was identified as an acoustic weak spot. There were issues with noise when doors/windows were open in relation to the trains and the use of train horns. Many participants reflected that this noise was more significant than they expected.
- Natural light had mixed responses with some participants unsatisfied with the level of natural or electrical light in some spaces (e.g., rooms on South side, bedrooms) with some installing additional lighting or using portable lights to improve lighting outcomes.



Street Wall Articulation

4.1.8.2 Media, awards

The development has won multiple awards, as follows:

- WINNER - WORLD ARCHITECTURE FESTIVAL 2024 - Housing
- INTERNATIONAL UNION OF ARCHITECTS, UIA 2030, Award Winner.
- AUSTRALIAN DESIGN AWARDS 2024 - Environmental Sustainability.
- AUSTRALIAN DESIGN AWARDS 2024 - Multi-residential Architecture.
- BEST OF THE BEST - INDE Awards.
- BEST IN CLASS - The Good Design Awards.
- BEST ARCHITECTURE PROJECTS OF 2023 - Domus.
- ARCHILOVERS - Best Project 2023.
- ARCHITECTURAL RECORD - Top Ten Projects of 2023.
- GOLD - The Good Design Awards.
- GOLD - Better Future Awards, Environmental Sustainability.
- SILVER - Better Future Awards, Multi-residential Architecture.
- SILVER - Wild Design Awards 2024, Multi Residential - Constructed.
- SILVER - Wild Design Awards 2024, Better Future - Environmental Sustainability.
- WINNER - DEZEEN Awards, Housing Project of the Year 2023.
- WINNER - DEZEEN Awards, Sustainable Building of the Year 2023.
- WINNER - The Frederick Romberg Award for Multiple Housing, RAIA National Awards.
- WINNER - The Oppenheim Award for Sustainable Architecture, RAIA National Awards.
- WINNER - The Allan and Beth Coldicutt Award for Sustainable Architecture.
- WINNER - Victorian Institute of Architects' Urban Design Award.
- WINNER - Victorian Institute of Architects' Dimity Reed Melbourne Prize.
- WINNER - Victorian Institute of Architects' Multiple Housing Award.
- WINNER - The 'Places - Sustainability' Award at the Design Anthology Awards.
- WINNER - Best Multi-Residential Building, INDE Awards.
- WINNER - ULI Asia Pacific Awards for Excellence.
- WINNER - ULI Global Award for Excellence.
- WINNER - Excellence in Sustainability, The Urban Developer Awards.
- WINNER - ULI Award for Decarbonisation, The Urban Developer Awards.
- WINNER - Excellence in Design Innovation, The Urban Developer Awards.
- WINNER - MBV 'Best Sustainable Project'.
- WINNER - FRAME's May monthly awards.
- WINNER - Co-Living Complex of the Year, FRAME awards 2023.
- WINNER - Sustainable Places: Industry Leader Award. Premier's Sustainability Awards.
- HIGHLY COMMENDED - Victorian Premier's Design Awards 2023.
- NATIONAL COMMENDATION - Urban Design, 2023 RAIA National Architecture Awards.

4.1.8.3 Building performance (materials, weathering, systems)

The building is relatively new, and some construction defects are still being resolved.

It was reported that one household had opted to install air conditioning, in response to the arrival of a new baby.

4.1.8.4 Usage patterns (reported)

ParkLife is regarded as the social hub of the Nightingale Village, providing a unique rooftop amphitheatre, as well as a variety of social/communal areas, diverse in scale, location and character.

4.1.9 Lessons learned

What worked well?

Much of the applicable learnings had been developed from the earlier 'Terrace House' development, resulting in a simplified, more consistent and efficient development design, such as through consistent layouts on each floor, to avoid complex technical and structural challenges.

In turn, learnings from ParkLife are now informing the planned 'ParkLife2' development in Brunswick, being developed by HIP V HYPE.

What might be done differently next time?

The Architects reported that the design of innovative residential buildings encompassed a continual process of learning, but that there was not much that would be done differently from this project, in terms of design.

Acting as developer clearly presented a much more complex challenge for the Architects, than a conventional project, which also carried financial burden and risk, but allowed the pursuit of innovative outcomes.

What should Councils know, be aware of, support, promote, encourage or facilitate?

The Architects encouraged Councils to develop a greater understanding of the commercial 'realities'; of property development, particularly in the content of aspirational, innovative, and well-intentioned design, and to be open to receiving this information, as a foundation for decision making.

While supporting the general requirement for positive, beneficial outcomes from design and development, the inevitable compromises should be considered in the context of a commercially achievable proposition overall.

How can Councils best support good quality housing projects like this?

Building a greater understanding of the commercial (economic) drivers, imperatives and constraints affecting good-quality development, would help Council officers to provide more balanced assessments reflecting realistic and achievable aspirations.

While recognising that each project is different, with varying economic opportunities and constraints, and it is Council's right to seek optimal outcomes, a clear and open dialogue will support this. However, Council officers should seek familiarity or knowledge of the commercial development process, including considerations such as construction efficiency,

The Architects also explained how contemporary Planning Applications contains a greater extent and level of information and explanation, than in earlier times. They work to present the "why" of the proposals, explaining the design intent, rationale, process and outcomes.

Council staff should seek to fully engage with and understand this information, and to consider it within any established visual/built form framework.

In applying planning controls to development proposals, it was posited that Council officers can lack flexibility, or willingness to engage in discussion of the relative merits and outcomes of achieving (or diverting from) prescribed built form outcomes. In some cases, a non-compliant approach may be appropriate or even preferable, if the benefits can be demonstrated, and Council officers should be open to this dialogue.

How could Councils lead the delivery of housing developments like this?

The Architects outlined that taking on the developer role carries significant complexity and risk, and that Councils are better placed to lead through facilitation initiatives.

4.1.10 Additional information

Austin Maynard Architects:

https://maynardarchitects.com/parklife-by-austin-maynard-architects

ArchDaily:

https://www.archdaily.com/1022160/parklife-apartment-building-austin-maynard-architects

4.2 Case study 2: Union Street, Brunswick

(Jewell Station precinct, north building)

4.2.1 Site

Location: 17 Union Street, Brunswick, adjacent to Jewell Station

Area: 579 sq.m

Street frontages: Union Street (north), and rear (south) access from Wilson Avenue and Little Gold Street

Zone: Mixed Use Zone (MUZ1)

Prior land use and built form: The site was previously vacant, being former VicTrack-owned railway land

Constraints:

- Rail adjacency – noise, vibration;
- The site is long and narrow;
- Subject to existing strategic planning. DDO18 stipulates a preferred maximum height of 25m, and a street wall height equal to the street width, with upper levels set back below the resultant 45-degree plane;
- Long frontages to east and west, creating potential solar impacts;
- Equitable development opportunities for neighbouring sites.

Opportunities:

- Transit-oriented development;
- Ground Floor activation around a Station environment and highly-used bike route.

4.2.2 Context (outline)

The site is in a mixed-use urban area between the Sydney Road Activity Centre corridor to the east, and the Upfield railway line to the west, within the Merri-bek municipality. The site directly adjoins the entrance to Jewell Station, and the Sydney Road tram route is approximately 140m to the east.

The site achieves a Walk Score (walkscore.com) of 96 (*'Walker's Paradise' - Daily errands do not require a car*) and a Transit Score of 73 (*'Excellent Transit' – Transit is convenient for most trips*).

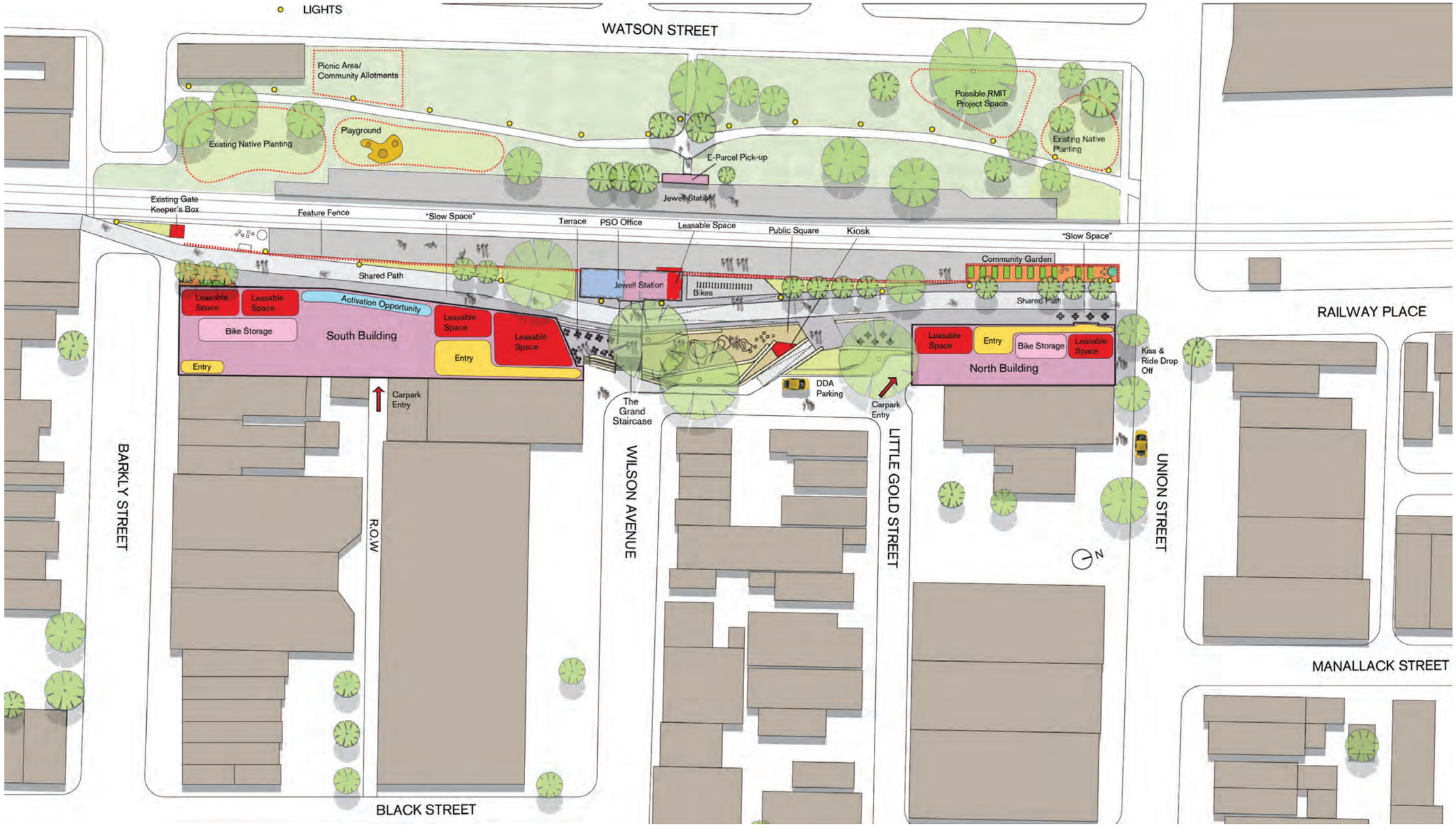
17 Union Street forms the North Building, one of two buildings within the development adjoining Jewell Station. The South Building (same developer, different Architect) was delivered first, and informed the market positioning for the North Building.

4.1.3 Project

Proponent:

Neometro (**https://neometro.com.au**) through a partnership with VicTrack as the original landowner.

Date completed: 2021


LIGHTS
WATSON STREET
Picnic Area/
Community Allotments
Existing Native Planting
Playground
Possible RMIT
Project Space
Existing Native
Planting
E-Parcel Pick-up
Jewell Station
Existing Gate
Keeper's Box
Feature Fence
"Slow Space"
Terrace
PSO Office
Leasable Space
Public Square
Kiosk
"Slow Space"
Community Garden
Shared Path
Jewell Station
Bikes
Shared Path
Leasable
Space
Leasable
Space
Activation Opportunity
Bike Storage
South Building
Leasable
Space
Leasable
Space
Entry
Entry
Leasable
Space
Entry
Bike Storage
Leasable
Space
North Building
RAILWAY PLACE
Kiss &
Ride Drop
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Carpark
Entry
The
Grand
Staircase
DDA
Parking
Carpark
Entry
BARKLY STREET
R.O.W
WILSON AVENUE
LITTLE GOLD STREET
UNION STREET
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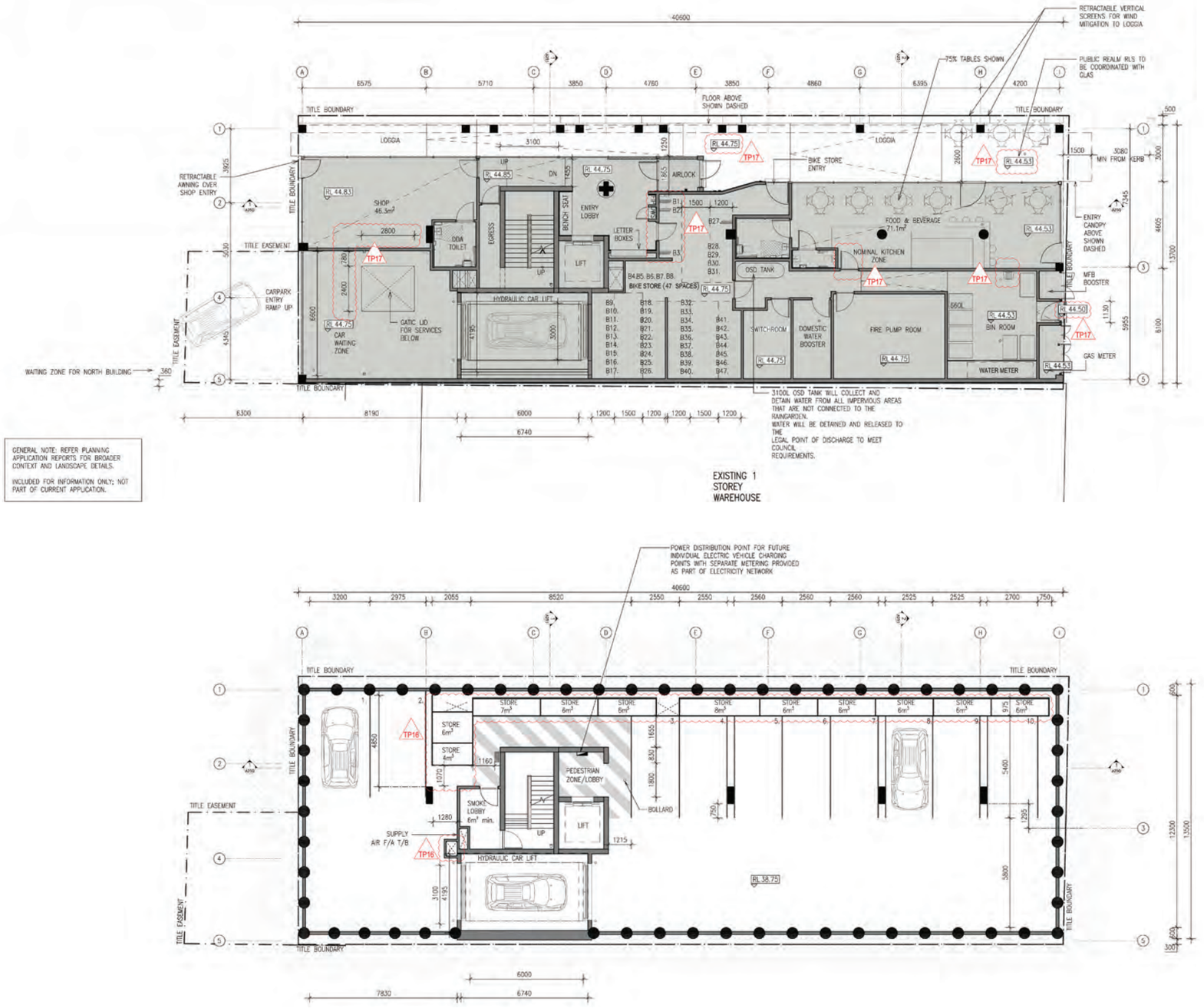
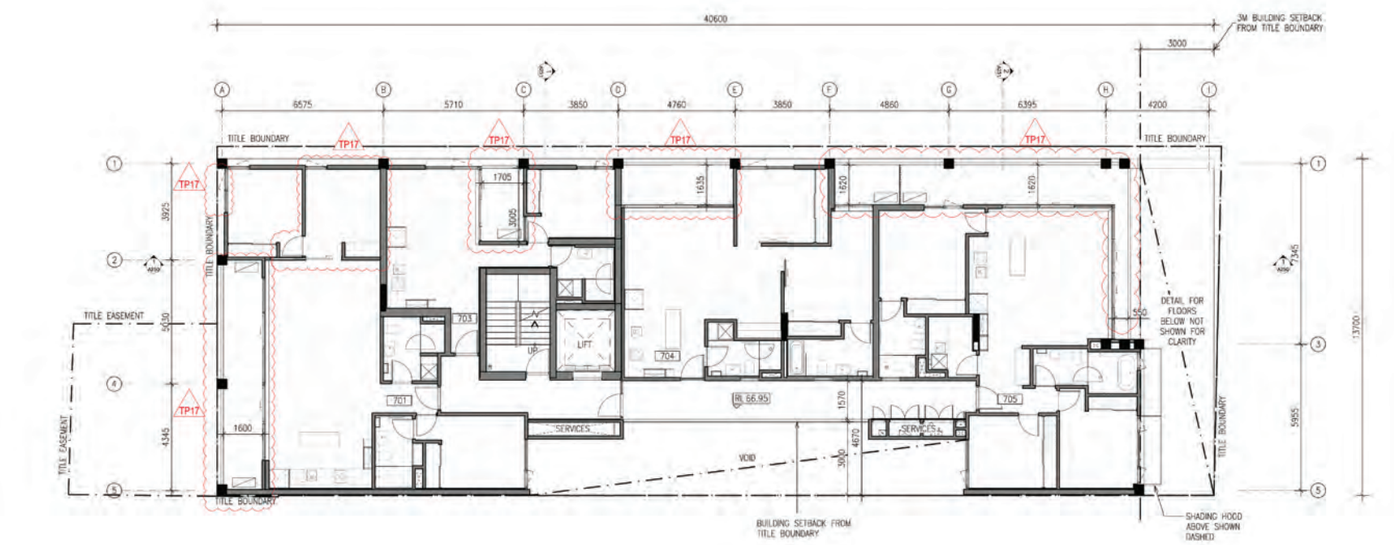
MANALLACK STREET
BLACK STREET

Site Plan

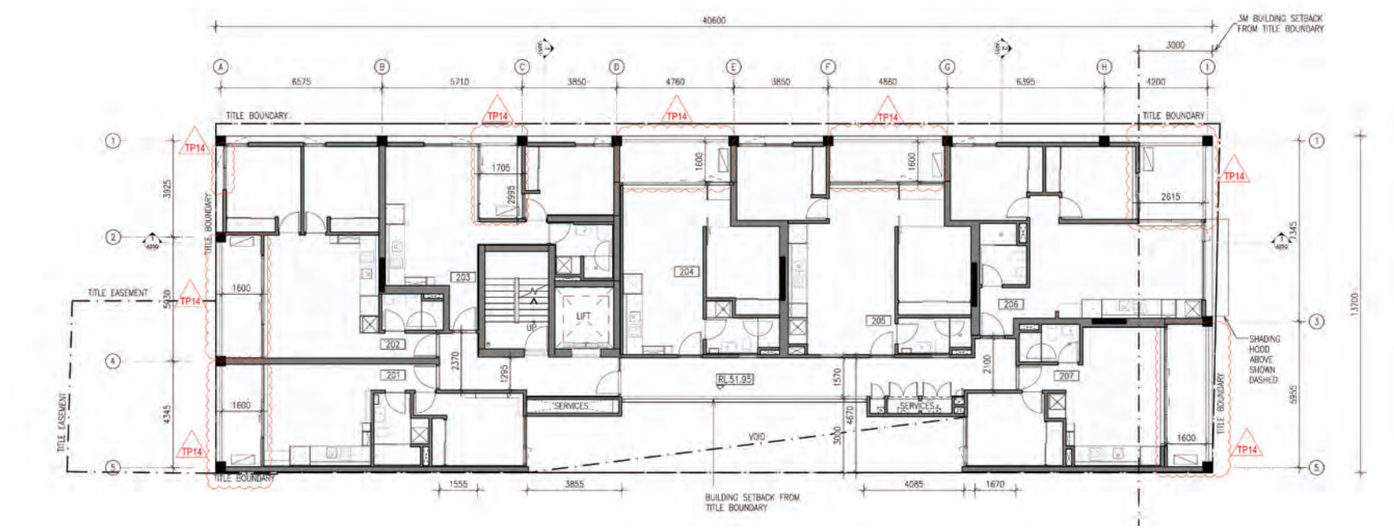


Ground Floor

Typical Basement Level



Level 7



Level 2

4.2.4 Brief/proposal

Yield:

The building comprises a total of 38 apartments, comprising a mix of 13 x 1-bedroom, 23 x 2-bedroom and 2 x 3- bedroom units, informed by the market conditions for the preceding South building. The apartment mix was changed multiple times during the design phase, in response to market demand.

The building provides 27 car spaces over three basement levels, and 47 bike parking spaces at Ground Floor, adjoining the entry lobby.

Tenure type(s):

The apartments are all private market housing. The proportion of rented apartments is not known.

Other uses/spaces:

Ground Floor comprises two (2) commercial tenancies, the northern space occupied by an RMIT University research lab/ studio/display space.

Sustainability:

The project was designed in response to developer Neometro's stated belief that ***community, liveability, sustainability and longevity are the key qualities that help people live better***. It utilises a simplified, modular design than is adaptable over time.

Importantly, the two residential buildings were designed to transform and activate the previous run-down Jewell station precinct, thereby enhancing the public transport experience, and that of using the adjacent bike corridor path. Neometro contributed financially to an upgrade of the station entry area. It is understood that the development achieves a NatHERS rating of 7 stars.

Extensive daylight modelling was carried out during the design process, in response to stringent Council requirements.

4.2.5 Design

4.2.5.1 Design concepts/ideas

The design approach for the North building was driven by a deliberate strategy to support longevity, adaptability and identity, utilising a ***democratic, concrete grid structure that can be infilled or adapted whilst maintaining architectural clarity***, and which ***provides a framework for the lives of residents to animate the built form***.

4.2.5.2 Client and authority engagement on design

It was reported that Council officers were actively engaged participants in the design process, through an extended pre-Application engagement activity.

The extended design process also involved engagement with stakeholders including Metro Trains, VicTrack and Public Transport Victoria.

The Office of the Victorian Government Architect was involved in helping VicTrack select the developer partner.

4.2.5.3 Design innovation

Working within the constraints of a narrow building envelope, the apartments maximise resident amenity, incorporating study nooks for flexible working arrangements, double glazing to mitigate train noise, and inboard balconies providing shade and enclosure whilst maximising views. A large rooftop terrace area provides a shared place for residents to connect, complete with clothes lines, gardens, sheltered areas and 360 views.

The narrow site led to incorporation of an inset, single-loaded, open corridor, with apartments facing north, west and south.

4.2.6 Delivery process

4.2.6.1 Planning permit process

The project followed a typical Permit Application process, including multiple pre-application meetings with Council officers. It did not go to VCAT.

4.2.6.2 Obstacles/challenges

The building height is generally compliant with the applicable DDO18 preferred maximum height of 25m ('mid-rise').
It measures 25.45m to the roof level parapet, with roof terrace and rooftop[services above that.

The site is located on the southern side of Union Street, facing north, and so does not overshadow the street. Union Street is approximately 20m wide.

DDO18 requires a 5-8m street wall height, and minimum 5m setback to upper levels.

The development instead provides a 3-storey (10.5m) street wall, then a tapered frontage above, angling back from the street frontage, for the western portion of the frontage, adjacent to the Station interface. This reflects a design intent to retain a street wall expression at lower scale, and reduce the perceived mass of the upper levels, but without a distinct step or set back to a recessive vertical facade.

This key element required significant discussion with Council officers.

It is acknowledged that such design initiatives seek to optimise development/floorspace outcomes, and exceed the preferred planning envelope, but are seen to address the principle of, in this case, and expressed street wall and recessive upper-level form.

The eastern portion of the frontage adopts a more conventional step-back above the street wall, with a 3m setback distance (relative to the preferred 5m under DDO18).

While the project is not on a 'main street' or part of a shopping strip/precinct, the design team worked hard to activate the Ground Floor interfaces, through commercial tenancies and visible bike storage.

4.2.6.3 Design Development and Documentation

Contract type/management:

The construction was carried out under a Design and Construct contract, where the Architect was novated to the builder, as is typical for this type/scale of project.

Brief changes:

The brief changed multiple times in relation to the preferred mix and size of apartments, in response to market demand. The grid structure and modular layout of the building allowed for these changes relatively easily.

Challenges/design constraints:

Equitable development outcomes were an important consideration in discussion with Council, ands this can be challenging on narrow sites. The project builds up to its eastern boundary, adjoining 15 Union Street, with the only windows in this frontage facing the recessed external walkways.

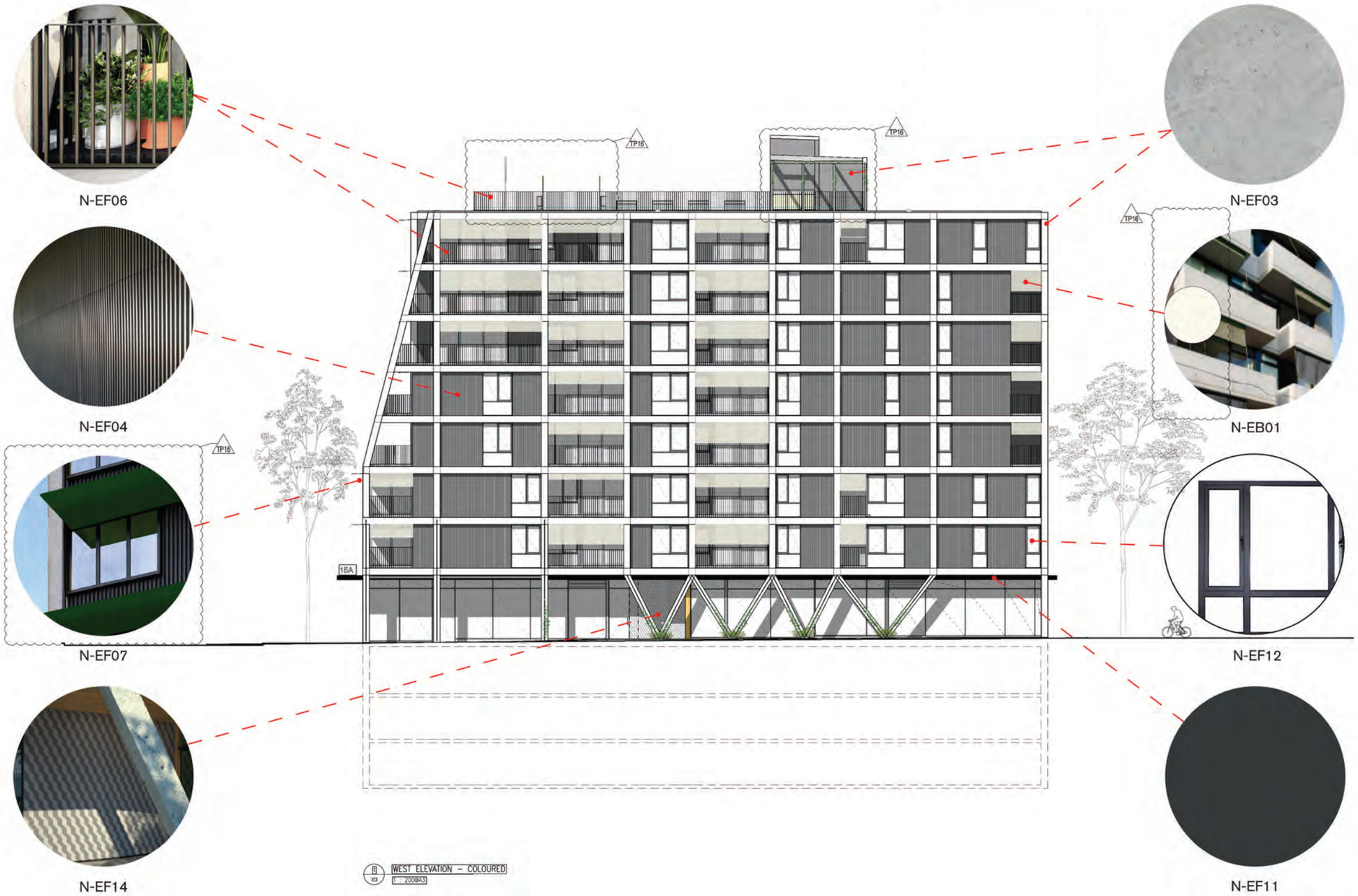
The adjoining 15 Union Street has since been redeveloped (Flux Apartments), also building up to the boundary, so abutting the building at 17 Union Street.

Technical issues:

Technical innovation

The development utilises a car lift, to avoid the need for ramps to the three (3) basement levels. The single vehicle lift is accessed from the rear of the building.

The project uses double-glazed, acoustically treated windows, in response to the urban, rail-adjacent setting.



West Elevation

4.2.6.4 Construction

Management, monitoring:

Outcomes, relative to design intent

The Architects reported that the 'end product' is generally consistent with the design intent, having resulted from an extended design process, but that some proposed façade features may have been pared back, such as feature blinds.

4.2.7 Economics

Sales rates (per sq.m):

It was reported that the marketing targeted a relatively high sales rate, of approximately $10,000 per sq.m, up to approximately $12,000 per sq.m. Most of the apartments were sold prior to the building being completed.

4.2.8 Outcomes / post occupancy

Resident reports/feedback:

The developer's website features a range of Resident Stories, including a couple and now small family living in this development. While this content is clearly promotional rather than impartial post-occupancy evaluation, it provides relevant information on the lived experience of the development.

https://neometro.com.au/?oj=at-home-with-helen-and-tim-from-jewell-station

Media, awards:

This project received the Sustainability Advancement Award at the 2022 Australian Interior Design Awards, including for its adaptable, flexible frame structure which supports resilience and adaptability over time.

4.2.9 Lessons learned

What worked well?

The competitive bid process for development rights to the former rail land sites, drove the requirement for a string design vision and narrative. The Office of the Victorian Government Architect's involvement in the developer selection reinforced this aspect.

The developer Neometro is recognised as being very design-focused, and so invests strongly in good design outcomes.

The project reportedly utilised precinct-scale infrastructure, supporting multiple buildings (site servicing, infrastructure upgrades), which reduces the impacts on individual buildings.

What might be done differently next time?

While it would not have been known at the time, the planned Brunswick Level Crossing Removal project will establish an elevated rail line in this location, potentially affecting the outlook and amenity of apartments at Levels 1 and 2, and potentially higher levels, and also affecting the Ground Floor commercial tenancies (although these may benefit from an expanded public realm at ground level).

A more focused and proactive approach to stakeholder engagement early in the design process may have improved efficiency and time outcomes. Identifying the stakeholders and who has a vested interested in the design, bringing them together early, providing a shared forum to voice concerns, would have been beneficial.

What should Councils know, be aware of, support, promote, encourage or facilitate?

The provision of rooftop open space for residents was seen as important in this location. Councils should consider these initiatives in the broader context of available open space and local population growth, in constrained urban settings.

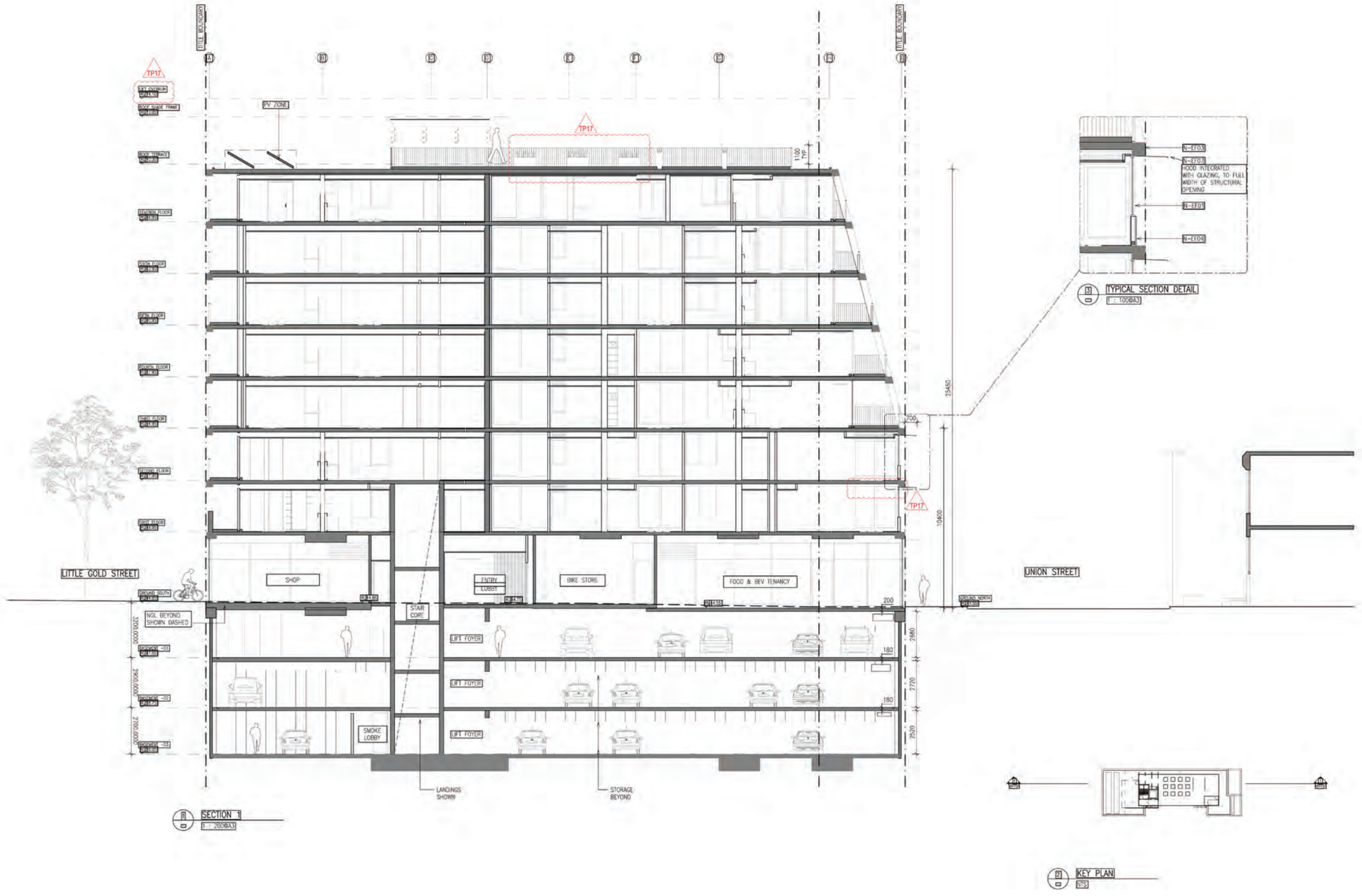
How can Councils best support good quality housing projects like this?

For challenging or constrained development sites, Councils should recognise and understand that there needs to be greater flexibility (in terms of built form), to facilitate development.

Benefits such as all apartments having cross-ventilation, and all bedrooms having natural light, should be supported in the context of other design considerations.

How could Councils lead the delivery of housing developments like this?

Councils could make their surplus land assets available for development, through appropriate partnership or developer selection processes, and potentially with reduced land costs to facilitate development in more challenging or economically marginal locations (as part of the partnership).



North-South Cross Section

4.3 Case study 3: Nightingale 2.0, Fairfield VIC

4.3.1 Site

Location: 30 Railway Place, Fairfield (corner Station Street)

Site Area: 524 sq.m

Street frontages: Station Street (east), Railway Place (south), Fairfield Station platform/rail corridor (north)

Zone: Commercial 1 (C1Z)

Prior land use and built form: The site was previously vacant, being former VicTrack-owned railway land. It had been sold previously, and was subject to Planning Approval for a 5-storey office building.

Constraints:

— Rail adjacency – noise, vibration;

— The site is long and narrow, and has an irregular shape;

— It interfaces with elevated high voltage wires to both sides.

Opportunities:

— Island site, allowing windows on all sides;

— Station adjacency, supporting low car parking provision;

— Long northern interface, for optimal solar access and good outlook (over station);

— Station interface, for negotiated air rights access.

4.3.2 Context (outline)

The site is within the Fairfield Activity Centre, surrounding Fairfield Station, within the City of Darebin.

The site directly adjoins Fairfield Station (Hurstbridge Line), for train access. Bus routes 567 (Northcote to Regent via Northland) and 609 (Hawthorn to Fairfield via Kew) connect to the station, and therefore the site.

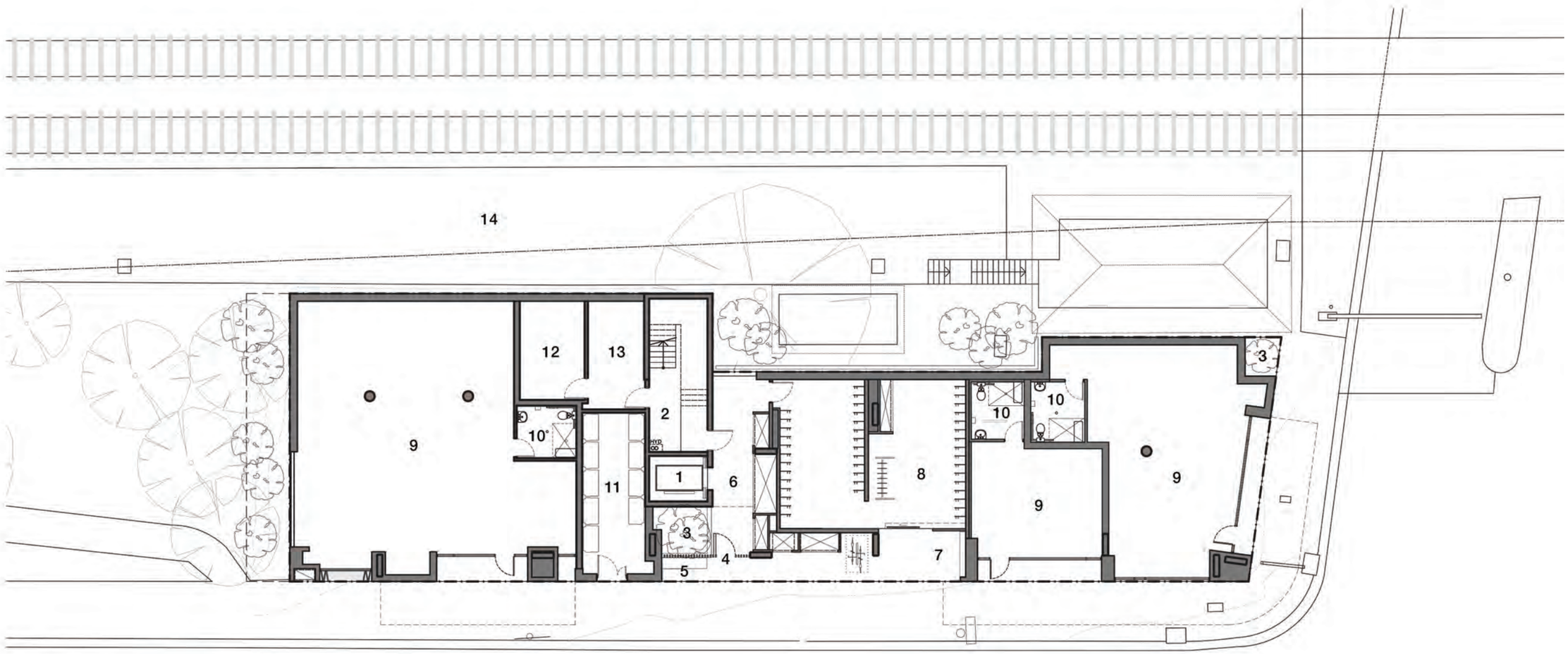
The site achieves a Walk Score (walkscore.com) of 91 (*'Walker's Paradise' - Daily errands do not require a car*) and a Transit Score of 53 (*'Good Transit' - Many nearby public transportation options*).

4.3.3 Project

Proponent: Nightingale Housing.

Date completed: 2019

Typical Floor Plan

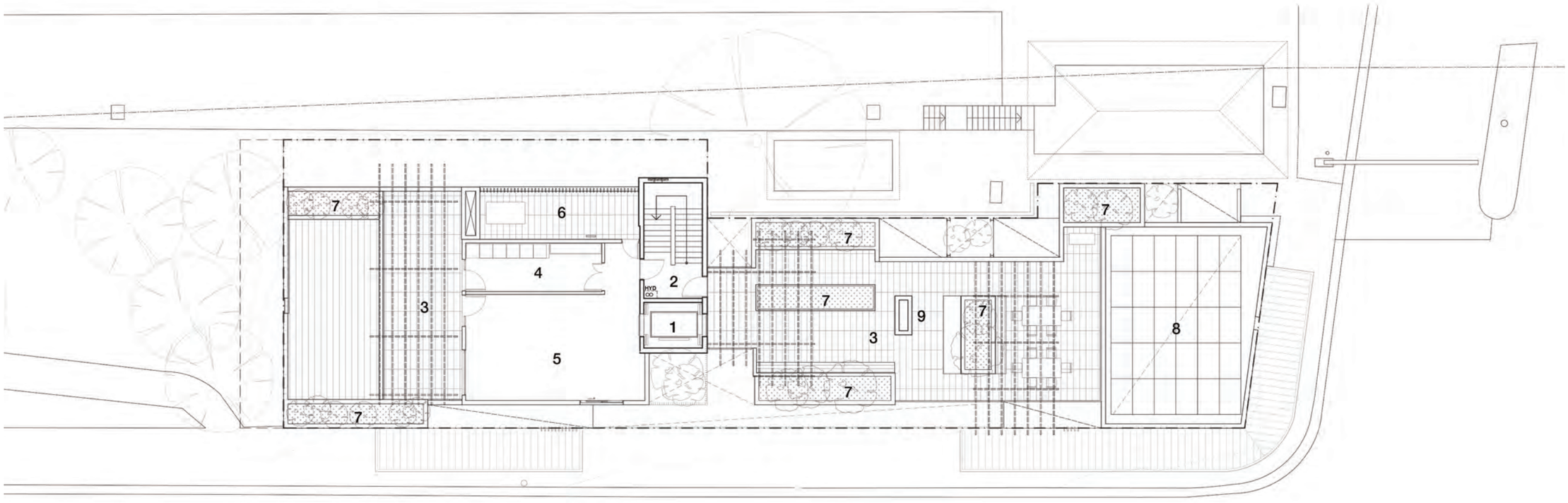


Legend

1	Lift
2	Stair
3	Planter
4	Building Entry
5	Seating
6	Foyer
7	Mail Boxes
8	Bike Storage
9	Retail Tenancy
10	Accessible Bathroom
11	Waste Room
12	Services Room
13	Fire Pump Room
14	Fairfield Train Station

0 2 5
1:200 @ A3

Ground Floor Plan



Legend

1	Lift
2	Stair
3	Roof Deck
4	Communal Laundry
5	Multipurpose Room
6	Services
7	Planter
8	PV Panels
9	Fireplace

0 2 5
1:200 @ A3

Roof Plan

4.3.4 Brief/proposal

Yield:

The development comprises 20 apartments (16 x 2-bedroom and 4 x 1-bedroom), across Levels 1-4.

The residential yield was informed by site feasibility assessment, rather than a specific brief/requirement.

Tenure:

The apartments are all private/owner-occupied. Although one was purchased by one of the residents as an affordable housing dwelling, managed by a housing provider.

Other uses/spaces:

Ground Floor comprises three commercial tenancies, occupied by an ice cream shop, a wine bar, and a Landscape Architecture office.

Sustainability target:

The project objective was to achieve as high as possible sustainability performance, within a feasible development (rather than a specific rating).

The NatHERS (Nationwide House Energy Rating Scheme) tool rates dwellings between 0 and 10 stars for sustainability performance. The development achieved an average NatHERS rating of 8.8 stars, with some apartments above 9.0 stars. This was achieved through a range of initiatives including all electric energy, heat pump hot water and hydronic heating systems, no air conditioning, cross ventilation, PV cells to roof and an embedded network allowing the bulk purchase of 100% green power, large double glazed, well-sealed windows, and north facing apartments.

The lack of car parking in the development does not directly affect the NatHERS rating, but clearly supports more sustainable transport modes. This is supported by a Car Share vehicle located directly outside the development.

4.3.5 Design

4.3.5.1 Design concepts/ideas

The design reflects a conceptual notion of an ‘inhabited ruin’ – a solid wall with varied openings and visual interest, which landscape has permeated over time, and which creates a sense of intrigue and curiosity.

It also seeks a varied skyline profile and rooftop elements which invite curiosity and exploration.

There was an objective for well-designed homes oriented to the north with open access walkways to the south, providing a space for incidental interaction between neighbours and enabling cross flow ventilation and light from two sides. It was important that the ground floor was active and gave back to the street and precinct in which it sat. The ground level is textured and scaled to the pedestrian, and there is a sense of arrival for the residents and an enjoyable journey to their front door. There Is also an importance given to the front door of each apartment, a threshold to one’s home and an intimacy to the materiality.

4.3.5.2 Principles or foundations

Key design drivers include:

— No car parking;

— Highly efficient apartments;

— Single-loaded apartments, with rear external walkaways rather than internal corridors;

— Shared communal facilities (laundry, clothes drying, rooftop spaces);

— Contributing/giving back to the streetscape environment;

— Maximising views and light access for dwellings;

— Durable, textured and robust materiality.

4.3.5.3 Design innovation

Configuration:

The design responds to the complex, constrained site by embracing its rail adjacency, locating living spaces and balconies to look over the station and enjoy northern light. Bedrooms are located along the southern frontage away from the rail noise source, where solar access is less pivotal.

The provision of dual-orientation (dual-aspect) apartments, with external walkways, is also innovative. This allows apartments to have windows to at least two sides, supporting cross-ventilation, and also reduces the energy demand of internal corridors.

Small rooftop spaces:

The rooftop open space is configured as a series of small ‘pocket’ spaces, designed to be inhabited by multiple individuals or small groups, providing a sense of enclosure and privacy/seclusion, even in a communal space. This is contrasted to single, more open deck spaces which tend to be dominated by a single group.

Communal/shared facilities:

Also on the rooftop, communal laundry and clothes drying facilities save space in apartments, while encouraging resident interaction.

Perched landscape:

The façade and rooftop incorporate vegetation that is visible from the streetscape, supporting the overall design concept and enhancing visual amenity.

There is also a productive garden on the rooftop, encouraging residents to participate in food growing.

Design details:

The timber soffits (walkway undersides) in the façade provide for visual softening, texture and variation using natural materials. The timber is effectively protected from excessive weathering in this configuration.

Apartment entrances feature distinct design details and articulation.

4.3.6 Delivery process

4.3.6.1 Planning permit process

The project followed a typical Permit Application process, including multiple pre-application meetings with Council officers. Officers were supportive of the Application, whereas Councillors held mixed opinions, but voted (narrowly) to approve the Application.

A small number of local residents opposed the proposal and sought a review at VCAT. Council also received letters of support for the development. VCAT upheld Council’s decision to grant a Permit.

The site’s location and proximity to the rail corridor meant that several major stakeholders were involved and engaged, including VicTrack, Metro Trains and Powercorp.

4.3.6.2 Obstacles/challenges

Design Development and Documentation:

Changing and labyrinthine requirements of Victrack and Metro made the project difficult. A late requirement for a redesign after a VCAT decision became necessary and almost derailed the project.

The architect, Six Degrees, and all other consultants were engaged by a development entity, Nightingale 2.0, for design, town planning and 70% documentation. They were then novated, in a typical design and construct construction procurement method, to the builder.

Brief changes:

The brief was simply to provide as many high amenity apartments as possible, for the best value to the owner occupier purchasers as possible, and to make them as sustainable as possible. This didn’t change.

Challenges/design constraints:

A small number of local and very vocal NIMBYs, who did not want anything of any height in their neighbourhood, and could not countenance the possibility that someone could happily live without a car or air-conditioning. This was not so much a design constraint as a challenge to explain and educate.

Legend

1	Roof Deck
2	Balcony
3	Open Walkway
4	2 Bed 1 Bath + Study
5	Storage Cages
6	Bike Storage
7	Fairfield Train Station

0 2 5

1:200 @ A3

North-South Section

Technical issues:

"Sag and Sway" Issues around the high voltage wires, created setback constraints and a lot of careful design and thinking around construction methodology. There was significant cost in undergrounding the high voltage lines to the street, and a lot of reporting requirements and management around the high voltage wires to the platform.

Technical innovation (where applicable):

The lack of air conditioning to apartments is innovative for this development type. The apartments are instead designed for thermal comfort through cross ventilation, solar control and thermal mass, with appropriate materials.

4.3.6.3 Construction

Management, monitoring:

Building in close proximity to the rail and on a busy little side street, required a great deal of careful construction management and site foreman who was good with people. The builder did all cranage from mobile street cranes and were in constant contact with Victrack and Metro.

Outcomes, relative to design intent:

The outcomes are exceptional, and the project is held up as an exemplar, visited by many councils and government bodies. The design intents were more than met, and the resident community is flourishing. The locals love it and are very pleased to have a wine bar.

4.3.7 Economics

Sales rates (per sq.m): $8,000 - $9,000 per sq.m approx.

Investor/owner-occupier/other mix: 100% owner-occupier.

4.3.8 Outcomes / post occupancy

4.3.8.1 Resident reports/feedback/satisfaction

RMIT University has carried out post-occupancy analysis of indoor climatic conditions in this development, for the periods:

— 22 July – 26 September 2019 (winter); and

— 27 September 2019 – 9 May 2020 (summer).

The analysis also measured indoor humidity and CO2 levels, in bedrooms and living rooms of eight (8) different apartments, at floor levels 1, 2 and 4.

This limited analysis was not consolidated into a report, but RMIT provided tables of summary data for this case study. The analysis found that

— Average temperatures are within the comfortable temperature range following the comfort standards for winter; and

— Average temperatures are within the comfortable temperature range following the comfort standards for summer conditions. Maximum temperatures were approximate 2-5°C above the summer thermal comfort criteria.

It was reported by the Architects that informal resident engagement has indicated high levels of satisfaction with the development.

4.3.8.2 Media, awards

— AILA National Awards, Winner, 2020

— AILA Victorian Awards, Winner, 2020

— AIA Victorian Architecture Awards, Sustainable Architecture, Commendation, 2020

— Architecture & Design National Sustainability Awards, Multiple Dwelling, Winner, 2019

— Melbourne Design Awards, Mixed Use, Winner, 2019

— Premiere's Sustainability Award, Finalist, 2019.

4.3.9 Lessons learned

4.3.9.1 What worked well?

It is reported that residents have high satisfaction levels, and that many original residents remain in the building.

The single-loaded arrangement allows all dwellings to have a northern orientation, and uninterrupted views as well as potential for cross-ventilation in all apartments.

The interior fitout was bespoke, reflecting a considered, distinctive design, within a cost-effective approach.

The Nightingale model provided for early commitment from future residents. However the construction was financed by separate, private investors, who achieved a limited financial return over a period of time after completion of the development.

4.3.9.2 What might be done differently next time?

The dwellings feature heavy, well-sealed windows and doors, while the proximity to the rail corridor may encourage residents to keep doors and windows closed. This created ventilation and mould problems in some dwellings. A small openable ventilation window was provided above entry doors, but was not well utilised in some cases, restricting ventilation.

In a later, similar development by the same Architect, a mechanical heat exchange system was employed to provide for assisted ventilation to all dwellings.

4.3.9.3 What should Councils know, be aware of, support, promote, encourage or facilitate?

The lack of car parking in the development was a concern for Council, and for local residents, including around impacts for on-street parking availability. A suggestion of preventing residential parking permits for occupants of the building was not achievable, because the locality does not have a residential parking permit system in place, and surrounding residents were reluctant to restrict their own on-street parking potential.

However, basement of internal car parking carries a significant construction cost, which increases the cost of apartments, and therefore affects housing affordability.

In light of the no-parking proposal, a Green Travel Plan was established which included, for example, allocation of $500 per bedroom per year of Owners Corporation fees for bike purchases, bike repairs, use of Car Share and other initiatives.

The Nightingale approach is an innovative development model, which was not well known or recognised at the time of this development. Councils should seek to understand innovative development models and tenure types, which may facilitate increased housing supply and improved affordability.

4.3.9.4 How can Councils best support good quality housing projects like this?

Councils should be open to consideration of innovative or distinctive approaches to housing development, which seek to reduce costs, increase performance, and enhance liveability in higher-density settings.

4.3.9.5 How could Councils lead the delivery of housing developments like this?

The Architects explained that leading the delivery of this type of housing development is challenging for Local government, because of the commercial risks and complexity, however partnering with an affordable housing provider, experienced in the delivery of multi storey housing, has been successfully achieved by various councils.

2 PENCE

5.0

Research Report: Innovation by Local Government for Housing Supply

This report by RMIT University's Post-Carbon Research Centre.

RMIT University
Post-Carbon Research Centre
School of Property, Construction and Project Management

Todd Denham
Louise Dorignon

Innovation by Local Government for Housing Supply

Municipal Association of Victoria
City of Greater Dandenong

October 2025

With ——— McP

Prepared for
Municipal Assocation of Victoria
City of Greater Dandenong

Prepared by
Todd Denham
Louise Dorignon

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Acronyms

ARCHI	Adaptive Reuse City Housing Initiative
BESS	Built Environment Sustainability Scorecard
CBD	Central Business District
ESD	Environmentally Sustainable Design
LGA	Local Government Area
LW	Love Wolverton
MAV	Municipal Association of Victoria
MCC	Maroochydore City Centre
MKCC	Milton Keynes City Council
MMC	Modern Methods of Construction
NABERS	National Australian Built Environment Rating System
PCA	Planning Council of Australia
PCRC	Post-Carbon Research Centre
PPP	Public Private Partnership
SA	South Australia
TOD	Transit Oriented Development

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RMIT University
Post-Carbon Research Centre

Executive Summary

This report focuses on the innovative ways in which local government can support housing delivery. Specifically, it addresses how local governments can intervene to improve housing production and supply, while also improving the sustainability and quality of housing within their jurisdictions. To do so, it evaluates Australian and international case studies, supported by a review of relevant academic and grey literature, and provides policy insights for local government interventions for improving housing outcomes.

The project analysed three ongoing local government housing interventions selected as examples of local government facilitating housing innovation, and to:

1. **Love Wolverton:** The redevelopment of a former retail and leisure centre in Wolverton, UK, and the role of the Milton Keynes City Council.
2. **Maroochydore City Centre:** The Sunshine Coast Council's acquisition of a golf course in central Maroochydore, and the subsequent partnership with Walker, a private developer, to deliver housing alongside other uses to provide a 'CBD' for the Sunshine Coast.
3. **ARCHI (Adaptive Reuse City Housing Initiative):** An incentive scheme funded by the City of Adelaide and the South Australian government to encourage adaptive reuse of buildings in the municipality to address the shortage of rental accommodation.

Overview of the three Case Studies against selection criteria

Name	Maroochydore City Centre	Love Wolverton	ARCHI
Location	Sunshine Coast, Queensland Australia	Milton Keynes, UK	City of Adelaide, Australia
Description	Government-led housing project/precinct	Government-led housing project/precinct Integration of affordable housing	Adaptation of existing buildings for housing
Approach	Mixed-used development	Precinct redevelopment	Policy
Intervention	Land acquisition Public Private Partnership (PPP)	Development facilitation Landlords (Housing supply)	Grant scheme for redevelopment Process support
Timeline	2013 – ongoing	2019 – ongoing	2024 – ongoing
Housing outcomes	CBD (Central Business District) creation, density, employment creation, public transport accessible, housing mix, including one- and two-bedroom units	Urban renewal, revitalisation of underused/derelict site, housing delivery	Assistance to retail, return to CBD, housing delivery, adaptive reuse, retrofit, supply increase, relief to rental crisis

The report addresses the following question: ***what actions can local governments take to improve housing supply within their jurisdictions?***

What housing supply issues are within the remit of local governments?

How can local governments influence housing supply outcomes and/or address barriers, and what are the actions available to them?

What are the potential sustainability and quality outcomes that could come with these innovative supply solutions?

This report shows that there are multiple ways in which local governments may influence or promote housing outcomes, and that such roles involve various levels of responsibility, financial commitment, expertise and political willingness. A key lesson for local government arises from the clear consideration of how the resources and capacities within each of the case study Councils can be marshalled to deliver and influence housing outcomes within their areas. This is more than land parcels, precincts and rezoning, but also includes leveraging
in-house expertise and competencies. More than funding, using information sourcing and strategic procurement to reach their vision was essential in the case of ARCHI and Maroochydore.

The roles for Victorian local government need to be considered in the context of the system of government in Australia, and also the capacities and resources available to local government. This is particularly the case for the Wolverton case study, as in the UK system of government, Milton Keynes City Council has greater responsibilities for social housing provision. The Wolverton and Sunshine Coast Councils have drawn on substantial financial resources in developing the infill development precincts analysed in the case studies included in this report. These examples also show how these Councils have promoted housing innovation through using the leverage of funding to ensure development aligns with strategic objectives. In contrast, the City of Adelaide had limited financial resources and did not have a suitable plot for precinct-scale development, and therefore ARCHI can be seen as a response to address housing supply issues with constrained resources.

Denham, T. & Dorignon, L. (2025). *Innovation by Local Government for Housing Supply*. RMIT University. https://doi.org/10.25439/rmt.30242026

Foreword

A widely understood and acknowledged problem is that access to fit-for-purpose housing in Australia is increasingly difficult for a range of entangled reasons. Housing is unevenly distributed and is not always suitable for modern purposes, either due to location or configuration. Much of the existing housing stock is in need of modernisation so that it can provide affordable shelter, sanctuary and a site of caring in an emerging climate-changed and post-carbon world. Energy efficiency, resilience and flexible layouts are part of this lexicon. Critically, with a growing population and a shift to smaller households, there is a need for more housing to add to the existing stock.

Also clear and widely agreed, delivering additional quality housing supply requires appropriate land supply, as well as materials, labour and finance, all aligned in such a way as to deliver outcomes for those in need. Given that all these commodities are constrained, innovation is essential. Moreover, as so many aspects of housing quality and delivery are distributed across levels of government, it is essential that each steps up to cooperate and actively pursue innovative housing supply projects.

Local governments occupy a unique position in this context, with deep knowledge of existing communities at the local level. They are essential actors in shaping local discourse, unlocking land and resources, and encouraging and facilitating innovative post-carbon housing projects. They can drive innovation by convening institutional, investment, technology and planning interventions that can facilitate increased housing provision.

This report is thus timely in synthesising actions that local governments can take to improve housing supply within their jurisdictions. Through detailed review and casework, it demonstrates how what was once considered expensive, high-end, high-performance, sustainable housing is actually the standard housing we need to build now for a post-carbon future, and it need not cost any more than poorly built housing built to 20th Century specifications. Indeed, it can be cheaper and readily delivered under the right circumstances. Modular and prefabricated housing solutions are undoubtedly party of the picture of these circumstances.

The report highlights a precinct delivery approach, exemplified in cases presented from Maroochydore and Wolverton. It also analyses the case of ARCHI in the City of Adelaide, notable for its policy and grant innovation aspects. In so doing it highlights how varying local government priorities, including activity centre intensification, climate mitigation and adaptation, inclusion and affordability, all intersect with decent housing policy and provision. As a valuable source for local government practitioners and networkers, this report provides ideas for innovators, both regarding funding but also in advocacy and lobbying, working across levels of government and across local government stakeholders.

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1.0
Introduction

The challenge of meeting Victoria's Housing Targets

Housing supply and affordability are prominent topics in political and community discussions and debate in Australia and further afield. In Victoria, housing availability and affordability are widely considered to be in crisis, with a lack of availability in the rental market, escalating costs across tenures, and failure to meet government housing targets. At the same time, households and housing construction use significant energy and resources and much of the existing stock suffers from significant build quality issues[1], also requiring qualitative improvements to construction methods and outcomes alongside the need to meet demands for housing. Concerns around the sustainability and liveability of existing and new housing are growing, yet legislative and regulatory reforms have been slow to address these critical needs and challenges.

As the membership association and the legislated peak body for local government in Victoria, the Municipal Association of Victoria (MAV) is acutely aware of the challenges posed by the lack of social and affordable housing and actively seeks to partner with the Victorian Government so that local Councils can implement State policies[2]. The MAV also works with government representatives and industry bodies to resolve policy issues and facilitate the exchange of information between Councils[4].

The Victorian government is currently implementing a range of policies and requiring housing capacity targets for all 79 local government areas that aim to increase housing supply. There has been a particular focus on supply-side tools to make housing more affordable, as well as delivering more social and below-market rate housing. These policies, among others, were first announced in *Victoria's Housing Statement: The decade ahead 2024-2034* which has set a target of building 2.24 million new homes[3].

Through the *Big Housing Build*, the Victorian Government promised new homes in both the public and community housing sector, including the contentious demolition and rebuild of Melbourne's public housing towers and the retrofit of existing homes via the Public Housing Renewal Program. The Regional Housing Fund aims to deliver a mix of social and affordable housing units in regional Victoria. These ambitious targets require and assume cooperation and willingness from the 79 Councils in Victoria, with at least 70 per cent of homes to be built in the urbanised areas of most local government areas.

Local government housing targets have been accompanied by a range of policies aiming to reform the way housing is delivered and construction monitored in Victoria. The 2024-25 State Budget provided funding to reform the Victorian building regulatory framework to enable a greater use of prefabricated and modular building methods[5]. These methods, known as Modern Methods of Construction (MMC), are being considered for their potential to accelerate housing delivery and improve affordability and how barriers, including regulatory ones, can be overcome is a significant topic of consideration[6].

Aim of this Project

This project has been funded by a Commonwealth Government grant through the Housing Support Program. The aim of this project, as designed by the MAV in partnership with the City of Greater Dandenong and led by McP Studio, was to investigate opportunities for local governments, primarily in Victoria, to affect housing supply, both quality and quantity. Therefore, the project is concerned with interventions to increase and accelerate the delivery of housing that is sustainable, resilient, and energy-efficient while addressing the pressing housing challenges of cost, supply, decarbonisation and affordability. It therefore focuses on innovative political, institutional, planning, financial and technical/material interventions that may facilitate increased housing provision in Local Government areas.

It thus addressed the following aim: ***what actions can local governments take to improve housing supply within their jurisdictions?***

The research aim is addressed by the following research questions:

1. What housing supply issues are within the remit of local governments?
2. How can local governments influence housing supply outcomes and/or address barriers, and what are the actions available to them?
3. What are the potential sustainability and quality outcomes that could come with these innovative supply solutions?

In addition, future material and technological directions for urban housing were also considered in the case studies undertaken for the project, including:

— High-performance, fit-for-purpose and sustainable housing.
— New materials and construction methods (incl. digital tools).
— Modular and prefabricated housing solutions.
— Adaptive housing.

[1] Daniel, L., Lang, M., Barlow, C., Phibbs, P., Baker, E., & Ian, H. (2024). A national roadmap for improving the building quality of Australian housing stock. AHURI Final Report, 426
[2] https://www.mav.asn.au/what-we-do/policy-advocacy/social-and-affordable-housing
[3] https://www.planning.vic.gov.au/planforvictoria/measuring-success/actions-and-outcomes/implementing-housing-targets-for-every-local-government-area
[4] idem
[5] Enabling Modern Methods of Construction through effective building regulation: Discussion Paper. (2025). Department of Transport and Planning, Victoria State Government. https://engage.vic.gov.au/enabling-modern-methods-of-construction
[6] https://engage.vic.gov.au/enabling-modern-methods-of-construction

Housing and Local Government Intervention

Housing Context in Victoria

This report focuses on the innovative ways in which local government can support housing delivery to address the challenges identified above. Specifically, it addresses how local governments can intervene to improve housing production and supply, while also improving the sustainability and quality of housing within their jurisdictions. To do so, it evaluates Australian and international case studies, supported by a review of relevant academic and grey literature, and provides policy insights for local government interventions for improving housing outcomes.

A key area for improvement that has been identified in housing supply research and practice is the way land is used, especially in well-located areas with good access to transport and social infrastructure, and how existing or vacant buildings could be better used[7]. As part of *Victoria's Housing Statement*, the Property Council of Australia and the City of Melbourne have identified commercial office buildings that are underused because of changing work patterns and demand for flexible floor space increasing to facilitate the conversion of offices into apartments and mixed-use properties.

Such changes and aspirations do not come without costs, and there are many variables to consider, as housing design, planning and construction processes are set to evolve, so residential outcomes can be enhanced, and residents' security and well-being are improved or at least preserved. As Action 1 of *Plan for Victoria* demonstrates, local government areas are in a pivotal position to facilitate the implementation of housing targets, not only because they hold knowledge of the local context and population, but also because of their planning responsibilities.

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Investigating Innovation

Innovation is seen as crucial in improving productivity and in transitioning to more sustainable residential outcomes. Innovation is the *application* of new products or processes, and changes in systems distinguish innovation from invention. Innovation may also be the application of new products or processes in a place where they have not been applied before[8]. In applying this understanding of innovation to construction, Francis and Gruneberg[9] list 'the spread or adoption of new ideas, methods, materials, components or products'. This understanding of innovation indicates that the role of local government is in supporting the application of new housing products and processes within their council areas, as it is teased out below.

Innovation and Housing Productivity Challenges

The need to investigate innovation in the realm of housing delivery stems from the stagnant or declining productivity of the construction industry in Australia, a global issue. A recent Productivity Commission report[10] attributed the low productivity to approvals process, regulation, and the low levels of innovation in the sector. Research shows that when the number of houses under construction peaks, completion times blow out[11], which is why innovative building methodologies such as prefabrication and the greater use of offsite construction are increasingly seen as a solution to reduce construction duration. Innovative strategies are also needed to address an increasingly challenging and complex environment for housing supply, with escalating construction costs, cumbersome planning processes, local resistance to change, and mounting development risk and finance constraints. The outcomes of innovation can be considered as going beyond the pursuit of improving productivity, increasing margins and realising greater financial benefits, and can also be considered as the intentional goal of achieving a broad range of outcomes, such as improving working and living conditions.

What can Local Governments do?

There are obvious responsibilities for local government that affect housing, such as planning and building approvals. In Victoria, Councils issue planning permits in accordance with the *Planning and Environment Act 1987*. Building permits are issued under the *Building Act 1983* and can be issued by either a private building surveyor or a municipal (council) building surveyor. Councils also have responsibility for a range of other land use planning functions and for enforcing certain parts of the *Building Act* and regulations. Such services include land use regulation, zone and overlay controls; planning application assessments and permits; neighbourhood character plans; heritage overlays, protection and advice; energy-efficient housing design support; building permits; construction noise compliance; building regulation safety and compliance and; provision of property information. Each council has the responsibility of preparing a planning scheme for its municipality, which aligns with State policy – although it does not change the strategic direction or intent of the planning scheme – through the Planning Policy Framework[12], as well as zones and overlays that control the use and development of land[13].

[7] Easthope, H., Palmer, J., Sharam, A., Nethercote, M., Pignatta, G., & Crommelin, L. (2023). Delivering sustainable apartment housing: New build and retrofit. AHURI Final Report, 400.
[8] Fagerberg, J. (2018). Innovation, economic development and policy: Selected essays. Edward Elgar Publishing.
[9] Gruneberg, S., & Francis, N. (2018). The Economics of Construction (1st ed.). Agenda Publishing.
[10] Productivity Commission, (2025). Housing construction productivity: Can we fix it? - Commission Research Paper. https://www.pc.gov.au/research/completed/housing-construction
[11] https://theconversation.com/building-more-houses-quickly-is-harder-than-it-looks-australia-hasn't-done-it-in-decades-170223
[12] https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/planning-policy-framework-translation
[13] https://www.vicCouncils.asn.au/what-Councils-do/council-services/planning-and-building

Social and Affordable Housing

In Australia, provision and funding of social housing are a Commonwealth and state government responsibility. However, issues such as homelessness, lack of affordable housing and reliance on transient forms of housing such as caravan parks have been shown as having poor health and socio-economic outcomes at a local level[14]. Thus, local government has an important, yet under-researched, role in facilitating housing development in response to these housing challenges, and many Councils have developed housing strategies to address such issues, as exemplified through the advocacy of MAV.

Sustainable Housing

Several rating tools in Australia have been developed to help drive housing standards and performance, such as NABERS (National Australian Built Environment Rating System). In Victoria, Built Environment Sustainability Scorecard (BESS) can be used to inform how planning permit applications address sustainability for small- and large-scale developments. BESS assesses projects against a benchmark in nine environmental categories consistent with the environmental objectives in the Environmentally Sustainable Development Local Planning Policies: management, water, energy, stormwater, indoor environmental quality, transport, waste, urban ecology and innovation. The objective of the 'Innovation' category is to encourage design features and technologies that are not recognised elsewhere within BESS because they are new to Victoria, or because they go well beyond the best practice standard in BESS[15].

The Green Building Council of Australia also highlights how government leadership can help 'to foster resilience, reduce our emissions, encourage innovation and sustainably build productivity over the long term' through coordinated and targeted policies and programs, such as incorporating Green Star into their planning instruments and policies to improve Environmentally Sustainable Design (ESD) outcomes[16].

Instruments and actions available to local government include financial incentives for Green Star rated development proposals (e.g. reduced development application fees, infrastructure charge rebates or deferral of fees); development incentives (e.g. additional floor space ratio or building height, reduced car parking space requirements); by setting specific ESD assessment benchmarks for new development located on land included in certain land use zones; by developing sustainable development policy that aligns with the Green Star rating credits; by incorporating Green Star rating tool credits into assessment benchmarks; by integrating Green Star rating credits into defined outcomes for master planned communities; or by incorporating Green Star requirements for leased or new government assets[17].

Recent research also sets out opportunities for local governments to foster and support innovation. Internationally, there is growing recognition that urban challenges can be better tackled at a local level, or even at a precinct scale. This framing departs from the traditional structure of local governments as hierarchical, vertical and sectorised organisations, whose main aim is to balance divergent, collective interests and stability. An important emerging theme relates to 'experimental governance', as a way municipalities around the world address a wide range of complex sustainability challenges through innovation districts, for instance[18]. Eneqvist and Karvonen established a typology of five strategic functions for municipalities as shown in Table 1. They argue that these functions altogether are producing new opportunities and challenges to urban planning practices. Considering these multiple functions is useful to understand how traditional modes of governance are currently being extended or enhanced, and how long-term policy or regulations are shaped by discrete interventions or projects.

Table 1: Five strategic functions for municipalities in local innovation, in Eneqvist, E., & Karvonen, A. (2021)

	Visioning	Facilitating	Supporting	Amplifying	Guarding
Expertise	Collective leadership	Networking and driving	Administration and assistance	Knowledge translation and application	Democracy and representation
Aims	Define and achieve shared goals	Initiate and steer experiments	Support experiments	Apply and upscale experimental results	Protect democratic values
Target audience	Experimental partners and local constituents	Experimental partners	Experimental partners	Municipalities, national government, global networks	Local constituents

Source: Eneqvist, E., & Karvonen, A. (2021). Experimental governance and urban planning futures: Five strategic functions for municipalities in local innovation. Urban Planning, 6(1), 183-194.

A summary of each function based on Eneqvist and Karvonen (2021) and how they have been applied to housing innovation in this report is provided below:

- **Visioning:** promoting a clear trajectory while framing values, norms and perceptions, to achieve desired housing goals; involves collaboration and engagement and the steering of local stakeholders.
- **Facilitating:** enabling engagement between stakeholders so they can sustain and nurture innovation; involves building trust, developing contacts, identifying resources and developing a common agenda; local government acts as links and ensure coherence across measures.
- **Supporting:** assisting and provisioning (services, resources, infrastructure, etc.); delivering planning permits and other types of administrative support.
- **Amplifying:** upscaling and replicating housing policies and/or residential outcomes; includes internal organisation; promotion to higher levels of governments and/or other municipalities through information and knowledge sharing.
- **Guarding:** protecting public and democratic housing values; maintaining local government's role to promote collective interests and 'greater good' perspectives such as working towards housing for all.

As this typology of strategic functions indicates, local government intervention can be direct, such as interventions that result in housing supply through land acquisition and development, planning interventions, inclusionary zoning and voluntary planning agreements. Indirect forms of interventions include facilitation, development support and policy. Benefits can arise from precinct-scale developments that local government can serve to facilitate.

[14] https://www.mav.asn.au/what-we-do/policy-advocacy/social-and-affordable-housing
[15] https://bess.net.au/tool-notes/5
[16] https://new.gbca.org.au/policy/local-government/
[17] https://gbca-web.s3.amazonaws.com/media/documents/factsheet-local-government-and-green-star.pdf
[18] Eneqvist, E., & Karvonen, A. (2021). Experimental governance and urban planning futures: Five strategic functions for municipalities in local innovation. Urban Planning, 6(1), 183-194.

Methodology and Case Studies

To address the three questions from the aim of this project, the project used an evidence-based methodology consisting of a case study evaluation of three ongoing local government housing interventions.

The case studies were selected as examples of local government facilitating housing innovation, and to:

- Highlight different roles, instruments and mechanisms applicable to local government in Victoria.
- Present forms of innovation by local government, including funding and development processes, and address housing issues: affordability, sustainability, resource efficiency.
- Include a mix of international and Australian case studies.
- Include recent projects, or longer-term but continuing projects, to address current housing industry conditions.
- Provide a range of urban settings: inner city, regional cities and precinct scale.

The three case studies are detailed below and in Table 2:

4. **Love Wolverton:** The redevelopment of a former retail and leisure centre in Wolverton, UK, and the role of the Milton Keynes City Council.
5. **Maroochydore City Centre:** The Sunshine Coast Council's acquisition of a golf course in central Maroochydore, and the subsequent partnership with Walker, a private developer, to deliver housing alongside other uses to provide a 'CBD' for the Sunshine Coast.
6. **ARCHI (Adaptive Reuse City Housing Initiative):** An incentive scheme funded by the City of Adelaide and the South Australian government to encourage adaptive reuse of buildings in the municipality to address the shortage of rental accommodation.

Table 2: Overview of the three Case Studies against selection criteria

Name	Maroochydore City Centre	Love Wolverton	ARCHI
Location	Sunshine Coast, Queensland Australia	Milton Keynes, UK	City of Adelaide, Australia
Description	Government-led housing project/precinct	Government-led housing project/precinct Integration of affordable housing	Adaptation of existing buildings for housing
Approach	Mixed-used development	Precinct redevelopment	Policy
Intervention	Land acquisition Public Private Partnership (PPP)	Development facilitation Landlords (Housing supply)	Grant scheme for redevelopment Process support
Timeline	2013 – ongoing	2019 – ongoing	2024 – ongoing
Housing outcomes	CBD (Central Business District) creation, density, employment creation, public transport accessible, housing mix, including one- and two-bedroom units	Urban renewal, revitalisation of underused/derelict site, housing delivery	Assistance to retail, return to CBD, housing delivery, adaptive reuse, retrofit, supply increase, relief to rental crisis

A total of 18 stakeholders from Local Government and collaborating public and private sector organisations were invited to participate in online interviews. Interviews were conducted online and under an RMIT Research Ethics Agreement. They lasted between 30 and 90 minutes. There were six interviews for ARCHI, five for Maroochydore and six for Love Wolverton, including a mix of representations as shown in Table 3.

Table 3: Number of interviewees across sectors

Sector	Number of interviewees
Local government representative	6
Private developer	5
Community organiser	2
State government representative	2
Architect	1
Building owner	1
Consultant	1

Further details of the interview participants have not been provided due to the requirements of our human research ethics approval, from the RMIT Human Ethics Research Committee, for this research. Any further identification of participants may risk re-identification.

2.0
Housing Innovation Case Studies

2.1. Precinct Redevelopments

2.1.1. Maroochydore City Centre, Queensland, Australia

Key dates:

- **2012:** Sunshine Coast Council purchases the golf course.
- **2014:** Maroochydore City Centre Priority Development Area Development.
- **2015:** Creation of SunCentral by Sunshine Coast Council, an independent entity to guide the development of Maroochydore City Centre.
- **2019:** Site opens to the public.
- **2020:** Public Private Partnership between Sunshine Coast Council and Walker. SunCentral becomes development manager, Walker leads development.
- **2023:** 300 residents, 1000 workers.
- **2032:** Brisbane to host Olympic and Paralympic Games.
- **2040s:** Anticipated completion.

The Maroochydore City Centre project is a major precinct development in the centre of the city, with the aim of creating a 'CBD' style precinct and acting as a hub for the Sunshine Coast region, adjacent to the existing city centre. The project arose from the opportunity presented by the Horton Park Golf Club, a 53ha site and a proposed rail link to Brisbane to be funded by the Queensland Government, alongside other public transport upgrades. When completed, towards the end of the 2040s, the precinct will include 4,000 dwellings located in proximity to commercial, retail and civic land uses, as well as the proposed direct rail link to Brisbane.

The Sunshine Coast Council purchased the land through a resumption by agreement process from the golf club in 2012 for $42 million. Given the scale and importance of the development for the Sunshine Coast and Maroochydore, the Council made a request to Economic Development Queensland to be the responsible authority for planning under a Priority Development Area (PDA). Sunshine Coast Council also established SunCentral as a wholly owned entity to manage the project on its behalf, primarily to minimise conflicts of interest, and to take responsibility for the design, construction of public infrastructure, the marketing and sale of land, and investment attraction[19].

This role changed in 2020, when the Sunshine Coast Council entered an agreement with Walker Corporation to lead the development following an expression of interest process. With this change, SunCentral's role shifted from property developer to development manager and providing independent advice to Council and representing Council's interests in the development negotiations with Walker Corporation. The agreement between Council and Walker is commercial in confidence, but based on publicly available information, works by the transfer of land parcels owned by Council to Walker Corporation on the completion of buildings and public assets set out in the PDA[20]. Overall, Walker Corporation will invest $2.5 billion and gains:

Exclusive rights to market and develop most of the remaining land consistent with the delivery of the city centre vision. As the project is delivered, Council will receive civic assets such as parks, walkways and The Corso, which relieves Council of the obligation to fund and deliver this infrastructure[21].

Council is expected to return a profit on their purchase of the land of approximately $41 million and break even in 2035[22]. The total investment in the precinct is forecast at $2.5 billion, with completion expected by 2040, and the maximum development yields are 4,000 equivalent housing units, 186,000m^2 GFA of commercial, and 54,000m^2 GFA of retail. There is also a hospital planned for the precinct.

Figure 1: Maroochydore City Centre development context
Source: suncentralmaroochydore.com.au/

The Maroochydore City Centre development was instigated by Council in response to the unique opportunity presented by a large greenfield site located in the centre of the city and to meet the needs of the rapidly growing region. The emphasis is on creating a dense activity centre, that includes employment and civic uses alongside housing:

Right from the outset, the Council had the vision of 'all this is going to be our city centre, if we can prioritise development here, then it sends a very clear signal to the community, to the industry and to investors in particular, that this is where we want you to focus'. The endorsement of the site as a PDA by the state government obviously helped elevate that, that focus and ever since then ... the project ,the vision for the project, hasn't really changed significantly from that point of wanting to create an economic and employment centre ... and also build it in a way that took advantage of public transport investment, which helps obviously with that population growth and the transport planning challenges that we're experiencing (MCC IV1).

The site is adjacent to the existing city centre and is supported by Council's investment in the direct undersea cable for high-speed internet connections to Asia. The proposed Direct Sunshine Coast Rail Line will connect the Maroochydore City Centre to Brisbane. These aspects of the Maroochydore City Centre project, along with the scale of development proposed, indicate its importance to the city and the Sunshine Coast.

This case study provides an example of Local Government intervening to realise a major development opportunity and community outcomes, initially through the acquisition of the site and subsequently through the PDA with the State Government, the establishment of SunCentral to oversee the project on behalf of the Sunshine Coast Council, and the Public-Private Partnership (PPP) with Walker Corporation.

[19] https://www.sunshinecoast.qld.gov.au/news/maroochydore-city-centre-takes-a-giant-step-forward
[20] Maroochydore City Centre Development Agreement Fact Sheet.
[21] https://www.sunshinecoast.qld.gov.au/council/planning-and-projects/major-regional-projects/maroochydore-city-centre-project/maroochydore-city-centre
[22] https://www.sunshinecoast.qld.gov.au/news/australias-largest-greenfield-cbd-project-secures-a-commitment-191120

The Sunshine Coast Council

The Sunshine Coast Council is located approximately 100km to the north of Brisbane, the state capital. The Council area had a population of 346,648 people in 2021, increasing by approximately 40,000 over the preceding decade. Population growth was also, like many areas of regional Australia, of people aged over 65, as shown below in Figure 3.

The population is projected to continue growing, to add a further 200,000 people by 2046, with a similar age distribution to the growth over the last decade[23]. Consequently, the Council estimates that a further 141,000 dwellings will be needed to accommodate this population growth. The increase in older people within the Local Government Area (LGA) also indicates a need for housing suited to them, and the current housing is mainly large, detached dwelling houses with three or more bedrooms, typically in low-density neighbourhoods with a high reliance on access by private vehicle use.

The three following figures indicate that the housing and tenure mix in the Sunshine Coast is similar to Queensland, albeit with a slightly lower proportion or renters and a higher proportion of owned outright tenures. However, both the Sunshine Coast and Queensland have high proportions of separate houses and a few studios and single bedroom dwellings.

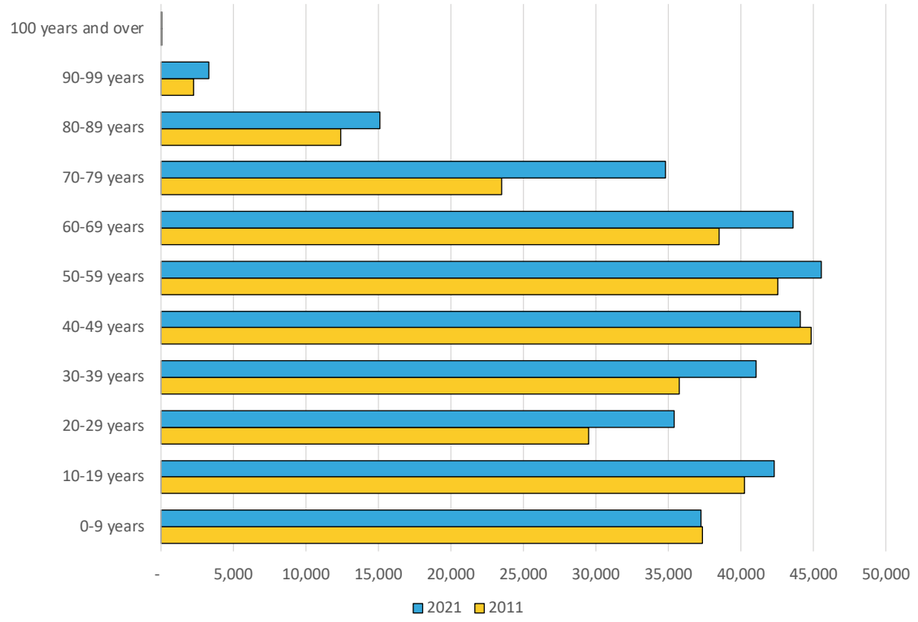


Figure 2: Age of residents, Sunshine Coast Council, 2011-21

Source: Australian Bureau of Statistics, Census of Population and Housing, place of residence, AGE10P Age in Ten Year Groups by LGA (UR).

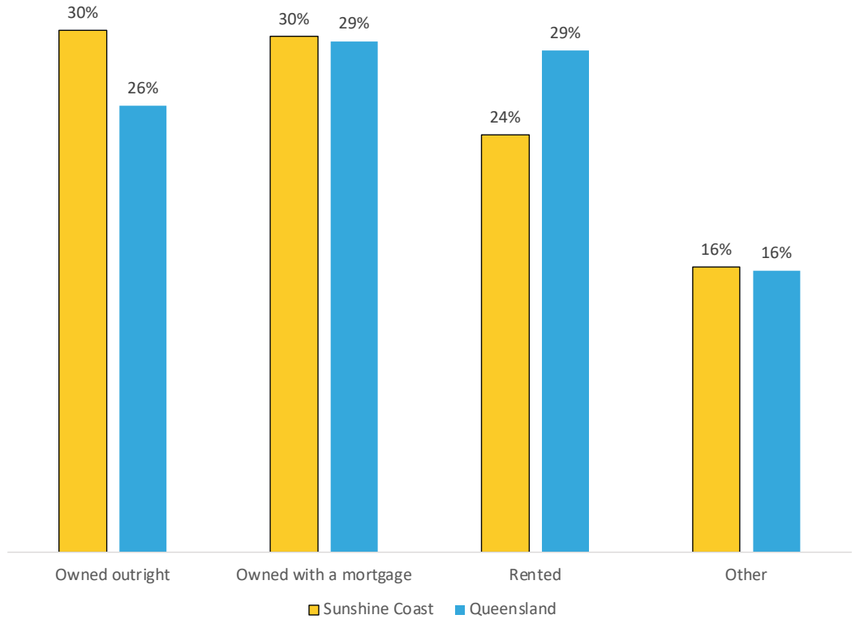


Figure 3: Dwelling tenure, Sunshine Coast Council and Queensland, 2021

Source: ABS (2021), Census of population and housing. LGA (EN) by TEND Tenure Type, counting dwellings.

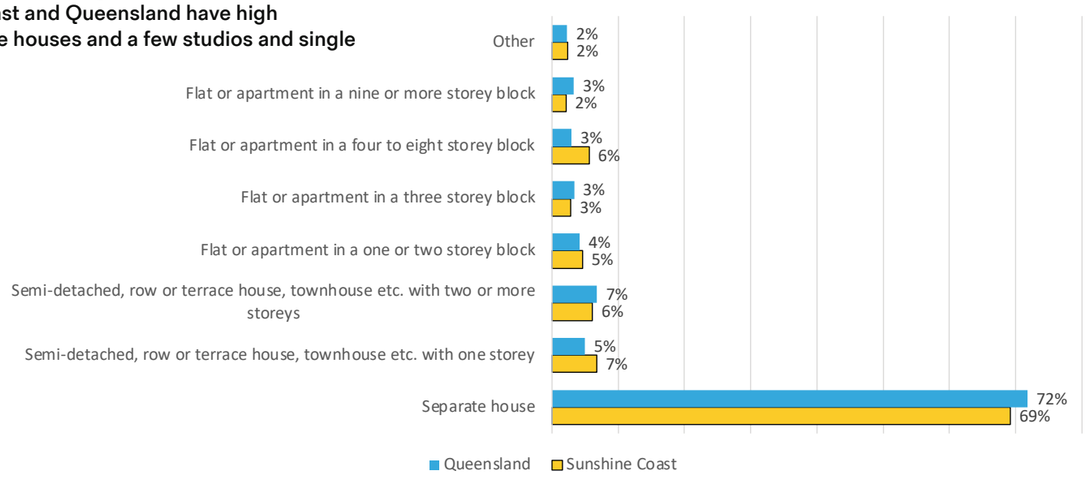


Figure 4: Dwelling type, Sunshine Coast Council and Queensland, 2021

Source: ABS (2021), Census of population and housing. LGA (EN) by STRD Dwelling Structure, counting dwellings.

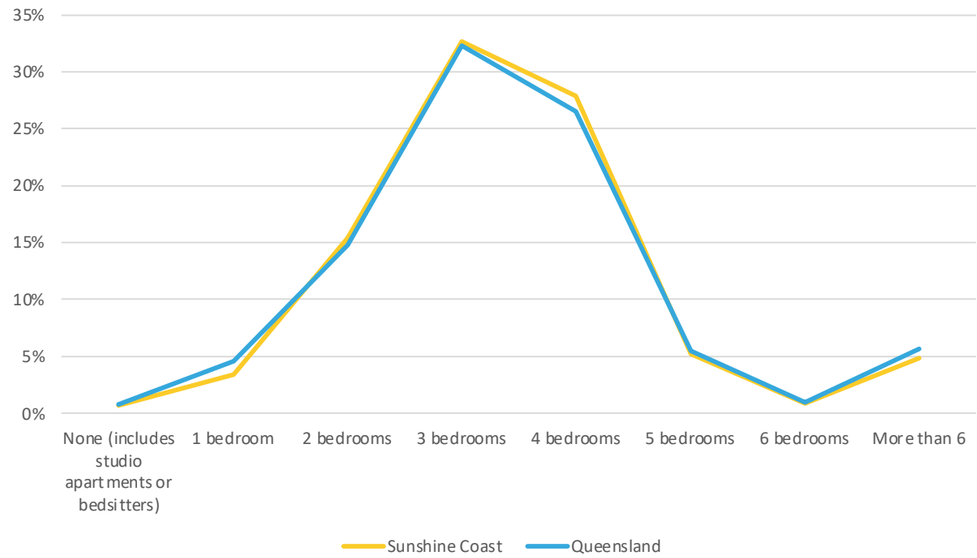


Figure 5: Bedrooms per dwelling, Sunshine Coast Council and Queensland, 2021

Source: ABS (2021), Census of population and housing. LGA (EN) by BEDD Number of Bedrooms in Private Dwelling, counting dwelling.

[23] https://www.sunshinecoast.qld.gov.au/experience-sunshine-coast/statistics-and-maps/population-forecast

A CBD for the Sunshine Coast

The Maroochydore City Centre is a major development on Queensland's Sunshine Coast, including 53ha of land adjacent to the existing city centre and with ocean views, which had previously been a golf course. The vision, supported by the Sunshine Coast Council and Economic Development Queensland, is to create a dense, mixed-use and transport-oriented development that will act as the major activity centre for the Sunshine Coast and assist in managing the growth in the region. The appeal of coastal living has been driving population growth and provided the impetus for the Maroochydore City Centre project:

The Sunshine Coast, obviously, is experiencing significant population growth. People that want to move to the coast will live by the coast, so a level of density was starting to appear on the coastal corridor. The transport planning up here possibly hadn't factored that in to the extent that was occurring. So that fairly typical coastal town growth problem of too many people, not enough houses, not enough roads … all of the development planning instruments in place to manage that growth [were] not necessarily taking into account the fact that we're transitioning from a coastal town with a hospitality and holiday focus to a larger urban centre. (MCC IV1).

In addition to the development of the land, Council has made other investments to support the development of the region, including a direct undersea cable link to Asia, a driver of economic development for Maroochydore[24], and upgrades to the airport:

They needed an opportunity to develop Maroochydore … to be the primary CBD for the Sunshine Coast and their investments, particularly telco, have been really quite magnificent (MCC IV2).

As these reflections on the project indicate, the Sunshine Coast Council has continued to support and influence the development of the Maroochydore City Centre, and that is also part of a suite of actions taken by the Council to address the demands created by population growth in the region, including employment opportunities for residents.

Development History

Sunshine Coast Council issued a notice of intent to the Horton Golf Club in 2010, and the land acquired by Council in 2012 through a resumption by agreement, at a cost of $42 million. Council gained access to the site in 2014. Planning for the redevelopment of the site also commenced in 2010, in response to the Queensland Government's direction to prepare land use plans to support development:

… that was the first time that land use rights had been assigned to the golf course site, so that from a planning perspective, unlocked the site for development … (MCC IV3).

In retrospect, the Horton Golf Club can be seen as a development opportunity too good to pass up, given the size of the site and its location in the centre of Maroochydore, and the population growth on the Sunshine Coast. As housing pressures have escalated in Australian cities, there has been a focus on golf course land, with Victoria instituting a *Golf Course Redevelopment Standing Advisory Committee*[25], and the proposed redevelopment of the Kingswood Golf Course. The Horton Golf Club relocated to a site 8.5km out of town, and was renamed the Maroochy River Golf Club.

Following the resumption of the land, the Sunshine Coast Council requested that the precinct be zoned as a Priority Development Area under the placed under the control of Economic Development Queensland, in response to the possibility of conflict of interest in being a developer and responsible authority. The Maroochydore City Centre Priority Development Area (PDA) Scheme was subsequently declared in July 2014. The project won the 2024 PIA Queensland Strategic Planning Project award, as 'this project illustrates local government as a catalyst for change and progress, providing economic stimulus and innovative infrastructure that underpin this transformative city initiative'[26]. Transferring planning to Economic Development Queensland resolved regulatory issues regarding local government acting directly as property developers, and was instrumental to:

… remove any conflict of interest that Council would judge any development on their land more favourably than what they were judging, say … any of the big developers (MCC IV2).

Figure 6: Maroochydore City Centre Vision
Source: SunCentral - https://www.suncentralmaroochydore.com.au/

[24] https://www.suncentralmaroochydore.com.au/2024/09/04/connecting-maroochydore-city-centre-to-a-world-of-opportunity/
[25] https://www.planningpanels.vic.gov.au/panels-and-committees/projects/golf-course-redevelopment-standing-advisory-committee
[26] PIA 2024, Planning Awards for Excellence: Queensland (link), p.46.

A unique aspect of the Maroochydore PDA is that plan-making for the site has been delegated to the Sunshine Coast Council, who prepared the original scheme. Subsequent amendments to the development scheme are prepared by Council, and then forwarded to the Minister for endorsement. This means Council can 'maintain the vision and the planning principles through the development scheme for the project' *(MCC IV3)*. Economic Development Queensland is responsible for assessing development applications that are made in the site under the PDA.

Once these foundations for the Maroochydore City Centre were put in place, the Sunshine Coast Council formed SunCentral Maroochydore Pty Ltd in 2015, an entity independent from Council to guide the project, as there are limitations on the role of Local Government in commercial development and to mitigate conflicts of interest. At the time of its establishment, SunCentral was tasked with being:

... responsible for the full range of development management responsibilities, including detailed precinct design, oversight of construction of public infrastructure, such as roads, pathways, water and sewerage and public areas, as well as the marketing and sale of land. It will also be charged with attracting capital and business investment into the site[27].

As an entity that emerged from Council, there was a benefit in retaining knowledge and capacity:

... it was fortuitous that the people who were in Council at the time were split between the existing Council team and the new Sun Central, so it wasn't a loss of public knowledge (MCC IV2).

The next major step in the development was in 2020, when Sunshine Coast Council and SunCentral entered a Public-Private Partnership (PPP) with Walker Corporation, a major private sector developer who has completed major urban renewal projects.

... at a certain point of the project, a decision was made to go to market for a single developer to try and engage the types of expertise that live in the market for delivering these mega projects ... bringing on a property developer essentially allows [Maroochydore City Centre] to be managed at a scale that ... is more appropriate for this type of project (MCC IV1).

Walker Corporation was selected following an expression of interest process, based on its experience in and capacity for delivering similar precincts. Council retains ownership of the land, and Walker Corporation has exclusive development rights in accordance with the PDA, in exchange for the development of infrastructure and the land that will be used for public land[28].

The overarching purpose of the development has been retained over its long gestation, with ongoing support from Council, through changes of Councillors following elections and the introduction of Walker Corporation as developers. While the overarching vision has been retained, there have been changes to the development as a result of external influences:

A very practical example, with COVID back in 2020, conflicts in Iran and Ukraine kicking off not long after, we've obviously seen really significant increases in construction materials and supply chain costs, in the vicinity of 30 to 40%. The previous master plan had fairly significant concrete revetment walls for managing water on the site. We have a requirement to manage significant amounts of water in a flood event on the site. So as part of the transitioning in Walker, we went through a process of master plan replanning to look at that, amongst other things, and the resultant update to the master plan kind of removes those hard concrete revetment walls from large portions of the site, which significantly reduced the infrastructure costs (MCC IV1).

The recent change of State Government in Queensland has introduced some uncertainty for the project, as the proposed heavy rail link from Brisbane to Maroochydore is now planned to end at Birtinya, just under 15km from central Maroochydore. This is part of the Queensland government's Wave project[29], which includes high-frequency bus services to the Maroochydore CBD and airport, with the aim of reducing car dependency in the region.

Construction at Maroochydore City Centre has commenced. The site was opened to the public in 2019, the first commercial office building was open in 2020, and a hotel opened in 2022. Construction has also commenced for a private hospital. As of 2023, 300 people were living in the precinct, and 1,000 people were working there[30].

Housing Outcomes

The PDA provides the housing yield for the precinct, totalling 4,000 equivalent dwellings, a measure that accounts for the number of bedrooms per dwelling. It also sets out the ambitions for housing within the precinct, including contributing to the housing mix in the region, and to housing affordability. The PDA includes how the precinct will address affordable and sustainable housing within an 'urban village'. Responding to the current housing mix and demographic forecasts, the housing should:

... suit a variety of households, including families, singles, couples, work-at-home occupiers, students, retirees, group accommodation households and people with special needs, by considering dwelling size, configuration, affordability, location, tenure and universal design[31].

The different forms of housing, including number of bedrooms and tenure type, will be interspersed through the precinct:

... you look at that kind of community that you're trying to create, you need that diversity of people and you also don't want this notion of 'us and them' I suppose or 'this is the owner tower and that's the renter tower' (MCC IV5).

The people interviewed for this case study all highlighted the importance of this addition of different housing forms to Maroochydore and the positive response from the housing market, for example:

I'm buoyed by that. That's one of the great outcomes of creating this mixed-used city centre and the density is that we'll get that diversity of products in the market, which we haven't had before (MCC IV4).

The project has been supported by the community, which is seen as a positive reflection on Council's engagement with the community and important given the scale and uniqueness of the development within Maroochydore.

I think there's a general acceptance in our community that high-rise development will occur in our centres, particularly within the Maroochydore City Centre. [There have been] 2 recent community consultations in respect to the PDA the most submissions ... received was about 40. That shows that there's really not a lot of opposition to the heights (MCC IV3).

The housing mix, density and building heights within the Maroochydore City Centre precinct can all be seen as innovations in housing form within the local context, as there have been few 1-bedroom housing units provided in the region, as discussed above. The 4,000 equivalent dwellings specified in the PDA also provide Walker Corporation with flexibility, and through the weightings applied encourages smaller dwellings, using the following factors:

- a rooming unit equals 0.35 equivalent dwellings;
- a one-bedroom dwelling equals 0.7 equivalent dwellings;
- a two-bedroom dwelling equals 1 equivalent dwelling;
- a three-bedroom dwelling equals 1.35 equivalent dwellings; and
- a dwelling with four or more bedrooms equals 1.7 equivalent dwellings[32].

The provision of smaller housing units, contributing to a change in the housing mix, also aligns with the other planned developments within the precinct development:

... a success metric for us is having people living and working within the precinct. So that comes down to being able to provide a mix of stocks that responds to the type of commercial uses. We've got a private hospital that's been built in here, for example, that hospital is going to be staffed by doctors. It's also going to be staffed by nurses. There's an educational component, so university students, so we need to be able to provide a mix that actually responds to all people that are within here. So that goes from people straight out of uni[versity], or people on low incomes, all the way up to CEOs and executives (MCC IV5).

[27] https://www.sunshinecoast.qld.gov.au/news/maroochydore-city-centre-takes-a-giant-step-forward
[28] Maroochydore City Centre Development Agreement Fact Sheet
[29] https://www.tmr.qld.gov.au/thewave
[30] 2023 SunCentral Annual Report
[31] Maroochydore City Centre Priority Development Area Development Scheme, p.24
[32] Maroochydore City Centre Priority Development Area Development Scheme, p.91

Transit Oriented Development

This commitment to increasing the diversity of housing on offer in the region also supports the strong commitment to Transit Oriented Development (TOD). An underlying aim for the precinct development is to support local job creation and minimise the number of residents of Sunshine Coast commuting to Brisbane for work. The morning work trip to Brisbane on public transport currently takes over two hours, and almost two hours by car, which has contributed to the capture of employment to date.

The PDA includes high-density and mixed uses to encourage active and public transport and supports a long-term reduction in car dependency in the precinct. Transit-oriented development initiatives are dependent on the Queensland Government's planned investment in public transport, referred to as The Wave. There have been various promises for the heavy rail connection to Brisbane, with delivery times connected to the Olympic Games in 2032. The current proposal is to deliver heavy rail to Birtinya, south of Maroochydore, supported by lighter transport options connecting into the city centre precinct (amongst others).

... we're talking about compact and self-contained communities, which means that you have everything within walking distance or within a short commute by active transport or by public transport (MCC IV3).

Transit-oriented development is a significant innovation in the context of a city with typical regional Australian urban structure: low-density residential areas with high car dependency. However, car parking is a particularly contentious issue in the development, raised by multiple interviewees:

For Maroochydore they've ended up trialling for this new, significant principal activity centre, they've tried delivering via a Council, or SunCentral, dedicated standalone multi-deck parking and that was a great learning to see how that's unfolding because there's a lot of rhetoric about it, 'oh, people never use it' (MCC IV2).

While the Sunshine Coast Council and PDA promote transit-oriented development, transitions away from car dependency are dependent on the realisation of the Queensland Government's planned improvements to the region's public transport network:

We have been implementing policies to try to achieve transit-oriented development such as a lower car parking rate in our city centre to ensure a mode shift away from private vehicle use. That's been very challenging in the absence of an actual transit service. But it's part of the vision and we have held fast on that. We really need the state to step it up and deliver transit to our city centre (MCC IV3).

The changes and delays to the public transport create uncertainty for the development, with implications for planning and development decisions:

... to this point have been expecting that the public transport getting delivered would be a passenger rail, not a metro[politan bus system]. And we've always viewed that as an opportunity, but also a bit of a constraint in the sense that once we progress development to an extent, if the rail line hasn't been delivered, whatever we build, it will be impacted by whatever that retrospective solution is ... we want people to be able to get off the public transport and have a really seamless experience from the PT node into wherever it is that they're going ... it's hard to retrospectively do that. (MCC IV5).

As this indicates, the PDA and the detailed development planning and project initiation by Walker Corporation are intended to complement and support public transport provision through the use of transit-oriented development. As such, the changes to the Brisbane rail connection as well as the investment in local services (referred to as a metro above), affect how the development within the precinct proceeds.

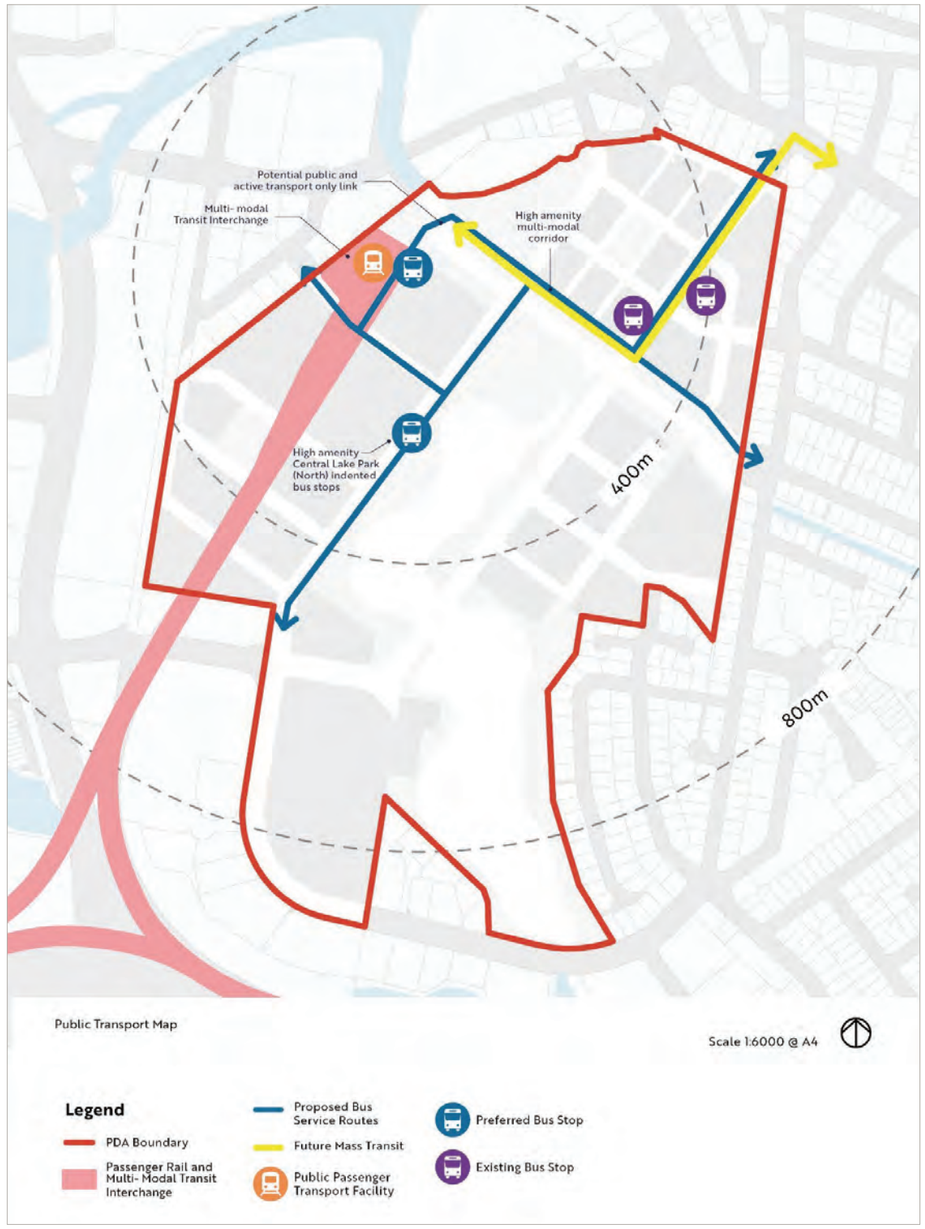


Figure 7: Maroochydore Public Transport Plan

Source: Maroochydore City Centre PDA, p.38.

Sustainable Development

There is also a commitment to sustainable building design, taking into account the subtropical climate of Maroochydore in siting and buildings. The PDA (section 2.6.2.4) states that the *Community and Convention Precinct*, which includes the main civic facilities within the Maroochydore City Centre, will incorporate sustainability and energy efficiency targets. Innovative housing construction methods are supported within the precinct, although not prioritised. In a separate development, Council has led the construction of 22 modular houses at Marcoola as an affordable housing initiative[33].

The introduction of Walker Corporation is also seen as of benefit to delivering these outcomes within the constraints of market viability:

... a lot of those decisions are market driven and if I think in particular in terms of construction methods, for example, the types of knowledge, organisational knowledge and expertise that we would require to make informed decisions about that would have needed a fairly significant expansion of our operations. Bringing on an organisation that does that day to day has the kinds of benefits that are much more efficient (MCC IV1).

Sunshine Coast Council is also forming processes for monitoring the outcomes of the precinct. They report on Green Star building ratings and are currently investigating the use of the Australian Urban Observatory's liveability indicators for the city. They are committed to:

Monitoring housing outcomes over time as well, with the affordable housing component with this strategy that we have got to do, because obviously monitoring and review will be important as part of an implementation (MCC IV4).

Affordable Housing

The PDA includes a commitment to affordable housing, which is a standard within Economic Development Queensland led projects, and the 2024 EDOLA Act states that:

PDA development instruments regulate the supply of housing, including social, affordable and diverse housing in PDAs to deliver more housing supply across the State[34].

In detail, the PDA stipulates that the development:

1. contributes to housing affordability,
2. achieves housing choice and diversity,
3. incorporates universal design, and
4. is suited to a range of household types.

While the Sunshine Coast Council and Economic Development Queensland are committed to affordable housing, delivering it within the precinct is a challenge given the increasing costs of construction and the Sunshine Coast Council's limited capacity to subsidise housing. The Council does recognise the issues associated with the provision of social housing to deal with homelessness in the region, and is addressing these issues in other projects. Within the Maroochydore City Centre, there is a focus on key workers:

... that social benefit opportunities are by actually having key workers ... our housing homeless action plan is really what Council recognises that we need housing for our key workers to provide our economic opportunity. So that's why affordable housing in the city centre is really targeted to that, for the workers in that location (MCC IV4).

As discussed above, the focus on key workers also supports the development of hospitals, hospitality and education facilities within the precinct.

Figure 8: Artist's impression of the new Maroochydore City Centre by developer Walker
Source: https://www.walkercorp.com.au/projects/maroochydore-city-centre

This insight also highlights that the precinct is being developed within the broader social and economic context of the region, which also underpins the arguments to proceed with the development of the precinct as a city centre.
In addition to this case study project, Council is pursuing innovative approaches to housing provision, such as build to rent, and partnerships with government and not-for-profit housing agencies, and are also interested in Nightingale housing models. Council does see the Maroochydore City Centre as an opportunity to provide these forms of housing, as the transport oriented development will support low-cost living, but also makes the outcomes dependent on funding for public transport by the Queensland government. The site has also been selected as one of four Olympic Villages, to provide accommodation for athletes competing in the 2032 games to be held in Brisbane. This is seen as a possible supply of affordable housing, depending on decisions regarding the use of the site following the games.

[33] https://www.sunshinecoastnews.com.au/2024/09/19/modular-homes-on-the-way-to-beach-town/
[34] Economic Development and Other Legislation Act: https://documents.parliament.qld.gov.au/bills/2024/3191/Economic-Development-and-Other-Legislation-Amendment-Bill-2024---Ex-notes-to-Govt-ACID-092e.pdf

Governance

The Maroochydore City Centre project is an example of a Public Private Partnership (PPP), between Walker Corporation as the developer and the Sunshine Coast Council as the landowner. As discussed above, the project governance also includes SunCentral, an independent entity wholly owned by Council, and Economic Development Queensland. The roles of the entities involved in the project are:

- Sunshine Coast Council: landowner, delegated authority for the preparation of the development scheme (PDA) and amendments.
- Economic Development Queensland: planning authority, development approvals.
- SunCentral: Development manager, advice to Council.
- Walker Corporation: Project developer.

This arrangement provides for the separation of the Sunshine Coast Council's roles as landowner and developer from the planning authority for project approvals. This is achieved through SunCentral, as the liaison with Walker Corporation, and Economic Development Queensland for planning approvals. The unique sharing of PDA responsibilities between Sunshine Coast Council and Economic Development Queensland supports continuity in the aims and delivery of the project through joint responsibility, and is also a recognition of the high levels of capacity in the Council as recognised by interviewees.

... the advantage of having the zone, the area declared as a PDA, makes it a little bit more resilient to those changes at a local level because obviously the state is our planning authority. So we seek approval for any developments through them rather than through the local government, but obviously the local government is our Sun Central shareholder and there are party to the development agreement (MCC IV1).

The introduction of Walker Corporation to the project shifted the role of SunCentral and governance to ensure that the benefits of a single large-scale developer were balanced with oversight from the representatives of Sunshine Coast Council:

We do have some fairly rigorous governance in place. That means that all of those decisions are made either collaboratively or with approval ... But obviously the value of bringing on a private developer is they bring their private investment with them. So with their private investment, there's a necessary shifting of decision making that's appropriate to occur ... Walker and the others that there were involved in the process, they were involved in these types of projects and precinct delivery projects around the country and internationally. That level of insight is not something that we could have gained, certainly not quickly. So there's some loss of decision making, but there is governance that keeps those decisions accountable to the partnership. But there's some benefits in that loss of decision making that we wouldn't have been able to capture any other way (MCC IV1).

There are regular meetings of the agencies involved in the project. This includes a 6-monthly meeting of the executive-level Strategic Review Group which includes Walker Corporation, SunCentral and Council, and addresses questions related to future directions and whether the project is responding to the PDA. There is also a monthly project control group meeting between SunCentral and Walker Corporation that discusses the projects under delivery. These arrangements reflect the roles of the organisations listed above and the separation of Sunshine Coast from the day-to-day running of the project.

... the governance is pretty robust. I would say because Council cares about the outcome ultimately, so it's probably a bit more than what you would normally see ... but I think it's important as well, because it's critical on a project like this with many and varied stakeholders that are often looking at things from different angles to kind of get together, so I think it does help (MCC IV5).

Within the governance arrangements of the Maroochydore City Centre project, the continued leadership and consistency of the Council are seen as crucial. Interviewees recognise the importance of this in light of a project approaching 15 years duration, with construction projected to proceed over the following decades. There has been a commitment within the Sunshine Coast Council's planning team to inform new members of Council of the importance of the project:

There's a process of inducting and gaining new insights from new members that always has to occur, and that transition ultimately hasn't resulted in significant change for the project ... I think that speaks to the underlying strengths of the project. Once people understand what we're trying to do and they understand the mechanisms that are in place to help us get there, the planning and economical and social argument for the project is fairly compelling (MCC IV1).

This is also reflected in the recognition that the development will provide significant benefits to the community and that the retention of those benefits is a result of a project:

... that aligns to all of the Council's regional strategies. It's got a really strong strategy platform, a long-term vision for the Sunshine Coast that has been consistently re-endorsed by each Council ... you know every four years (MCC IV4).

Role of Local Government

The Sunshine Coast Council has been instrumental in establishing the Maroochydore City Centre project, as well as ensuring that the social and sustainability aims of the project have been retained over its long duration. This commitment to regional innovation in housing mix and form, Transit Oriented development and sustainable and affordable housing is seen as a direct outcome of the decisions by Council to retain control of the site:

... it would have been very easy for Council to have just sold super lots offered for residential product given the location of this site in Maroochydore, it's ocean views but because that wasn't Council's sole intent, it was very challenging to get that commercial precinct out of the ground initially and attract the investment. I guess that was key to why Council took on the project in the first place. It was a slow burn and there couldn't have been easier wins up front if housing was its sole objective (MCC IV3).

As Interviewee 4 noted, if this approach to development had been taken, then Maroochydore would not 'get the diversity in affordable component, it would just be all premium'. The ongoing interests of the Sunshine Coast Council in the project outcomes, and particularly through their role in the PDA, were also noted:

... we're very much still early days on this project. Projects like this, you don't do a development scheme and then that's ultimately what gets delivered. We'll iterate with Council for the next 20 years to figure out the best way to achieve the vision (MCC IV5).

This is also supported by the strong role of the Sunshine Coast Council in maintaining the strategic aims for the project:

They're very long-term projects and if you've got political elements that come in and change, that are often looking for the quick wins and the easy gains. Having that consistent leadership, long-term vision, maintaining that has been really key to this project (MCC IV3).

It is also of note that after 15 years, the project is still considered to be in its 'early days', which highlights both the continuing commitment of Council to its original aims, also noted by this interviewee, and also the extended time it takes to realise housing outcomes in large-scale developments.

Building Community Support

In addition to the direct interventions in site acquisition and planning, the Council staff have played a significant role in promoting the benefits of the project. This includes, through community engagement, providing evidence of the benefits of project innovations, and advocating for the project to State Government.

Community engagement in this instance is particularly important, due to the limited planning appeal rights under Economic Development Queensland legislation. The project also emerged as the Sunshine Coast Council was formed by the merger of three regional Councils in 2010. This may have made the prioritisation of one location within the newly formed municipality, Maroochydore, controversial. The need to engage with the community was thus seen as crucial in building support for the project:

... over the course of five years, we had seven community consultation or engagement programs. So it's been essential to bring the community along the journey. I think now it's pretty much established that Maroochydore is the city centre for the region and there's a general acceptance that this is where the development will go. But initially there was a lot of effort put into bringing the community along on the journey. (MCC IV2).

The project has not been received positively by all members of the community, but in the view of one interviewee, this can be seen as a reflection of the resources applied by Council to realise the development, and the innovations:

... when it started SunCentral was Council's developer, effectively, so they did the initial subdivisions. And Council acquired the site. So there was a lot of cost in getting the project going and they've invested in some innovative stuff like the automated waste system which you probably heard about, the submarine cable ... if it's looked at in isolation and in a world where people love to criticise (MCC IV5).

Transit-oriented development is an area of innovation strongly supported by Council, and has been a central premise in the PDA to shift the region from car dependency to active and public transport. The Council has been working to provide an example that alternative transport is viable within Maroochydore and the city centre:

... Council's invested in a significant end of trip facility within ... City Hall to try and help that mode shift. So that's to show people and the community around it how it can be done if people embrace that (MCC IV4).

Council is also directly working towards behaviour change:

Our active transport strategy is behavioural change and we do have internally our travel change team that's also trying to facilitate that, both internally within the organisation and externally as well. It's just a hard slog when you don't have the network of support of the public transport and we're still trying to build infrastructure to support all that capability and capacity (MCC IV4).

This is also reflected in the advocacy to State Government, which is also seen as the developing community awareness of the project's aims.

Council's very much been a strong advocate of getting public transport options delivered to our coast. Our counsellors all publicly advocate for that, as we do, to the state government in our plan making and changes to our car parking rates for the city centre ... the community is well aware of what Council's been advocating for our region, which is direct Sunshine Coast rail and Sunshine Coast public transport (MCC IV3).

Similarly, the Council is promoting the benefits of apartment living within the precinct:

We don't have that diversity of choice to demonstrate and show people the value of living that way ... I look out and see all the people living in the new apartment buildings in the city centre and they're all very happy and they've got the access to the restaurants here and it's a good quality build. I think that is generating ... evolution (MCC IV4).

And also affordable housing:

... educating people about affordable housing. Just trying to break the barriers and perceptions (MCC IV3).

These are examples of Council taking on a broader role in the support of housing innovation. The Sunshine Coast Council is providing 'proof of concept' to the community, including residents and developers, and embedding the transitions included in the PDA in the day-to-day lives of its constituents, as well as demystifying them.

Addressing Council Limitations and Restrictions

The Sunshine Coast Council is advocating for changes to legislation to allow them to make better use of their land for housing, due to restrictions on loans, purchasing and how land is disposed of:

... land purchases and consolidation, is that Council's using its existing land assets to lever and deliver housing. So we're not acquiring new land for the purposes of housing, we're using our existing assets and trying to lever those outcomes. Some of those outcomes might be a community outcome as well as a housing outcome. And so we're advocating resulting changes to legislation to help us do that (MCC IV4).

The Sunshine Coast Council is also pursuing innovative development models, such as the Nightingale model, to support affordable housing. Similar to their transit-oriented development initiative, this is also recognised as something that will require support from other agencies, particularly if it is to be included in the Maroochydore City Centre development:

Some of the things that I'm really interested in innovation is affordable build to rent models ... there is a particular opportunity for a build to rent in the Maroochydore city centre, in premium as well as affordable given the scale and location, cause that's where they would go. They're only in Sydney, Melbourne, there's a new one happening in Brisbane, but we just we don't have that market I suppose yet here on the Sunshine Coast, to get that scale. I'd like to get a Nightingale product here, but we don't have the public transport system yet to actually make their model stack up at this point in time. Hopefully that will happen in the future. So we're really looking at innovation (MCC IV4).

Overall, the Sunshine Coast Council has acted to develop the golf course land, a major opportunity for development, and worked to ensure that innovations in housing and transport are realised across the extended life of the project through retaining ownership of land until the development of public realm has been delivered. This is supported through the governance put in place, which ensures transparent decision-making, long-term commitment to development goals, and provides a foundation for appropriate private sector investment.

2.1.2. Love Wolverton, Milton Keynes, England

Key dates:

- **1974:** Wolverton becomes part of the Borough of Milton Keynes.
- **1979:** Milton Keynes Development Corporation opens Agora Shopping Centre designed to revitalise the town, but was unsuccessful in the late 80s.
- Various private sector redeveloped proposals followed, but none came to fruition.
- **2015:** The Wolverton Town Centre Neighbourhood Development Plan becomes part of the Milton Keynes Development Plan, setting out community requirements for the Agora redevelopment.
- **2019:** Agora is purchased by TOWN and Trivselhus for redevelopment, responding to the Neighbourhood Plan.
- **2021:** Redevelopment deemed at risk, leading Milton Keynes City Council to purchase the site and continue with the proposed development with TOWN as development manager.
- **2024:** Site demolition completed.
- **2025:** Construction is delayed due to cost increases, COVID, regulatory changes following the Grenfell disaster and financial situation in the UK.

Love Wolverton is a housing and urban redevelopment project located in the town of Wolverton, within the Milton Keynes City Council area, in the south-east of England and approximately 90kms north of London.

The Love Wolverton project involves the redevelopment of the 1.3ha brownfield site of the Wolverton Agora, a disused shopping and leisure centre and an associated carpark.

Over the years it sort of failed because it was so out of keeping with the rest of the town, and it was a huge barrier to walking through the town because you had to go inside the building ... And when there was nothing in there because the sorts of shops and things were not attractive to people (Wolverton IV2).

The site had been purchased from the previous private owner in 2019 by a partnership between the developer TOWN and the Swedish development and construction firm Trivselhus, under a joint venture called Love Wolverton Pty Ltd[35]. However, in an echo of earlier proposals to redevelop the site[36], the redevelopment struck financial difficulties and the Milton Keynes City Council stepped in, purchasing the site in 2021 from the Trivselhus and TOWN consortium, and continuing with TOWN's proposal for the precinct. This builds on the experience of TOWN in urban developments that include social and sustainability outcomes, such as Marmalade Lane and Northstowe in Cambridge[37].

Love Wolverton was approved for development by Milton Keynes City Council in 2021 and at the time was expected to be completed by 2024. The Agora has been demolished, including extensive asbestos removal, and planning and design work has been undertaken, however, construction and other aspects of the project have been delayed. The delays have been resulted from rapid inflation in construction costs, the introduction of new building safety regulations following the Grenfell Tower disaster in London, as well as local regulations in drainage and waste management[38].

When completed, the project will provide 115 homes in the growing municipality, ranging from 1-bedroom flats to 4-bedroom houses suitable for families, at a cost to Council estimated at £42m at project commencement[39]. Council will act as landlord for the majority of the housing through an independent entity, including 31 below market rent houses[40]. The housing not managed by Council comprises a 29-home cohousing community for people aged over 50, where residents share common spaces and facilities. Twenty-five of these houses will be for sale and the other four are reserved for social rent. In addition to social and affordable housing, the Love Wolverton precinct also includes commitments to environmentally and socially sustainable housing, including access to sunlight and shared spaces, materials and services, photovoltaics and battery installations, and design for a low-car neighbourhood[41]. The project will also reinstate the heritage street layout of the Wolverton town centre, and include street-level shopfronts to revitalise the centre:

They see it as a landmark scheme ... a kind of innovative piece of regeneration, both in terms of the mix of housing, the sustainability aspirations, but also how it will repair the fabric of Wolverton ... if it was just a bland response to the issues of Wolverton, that actually doesn't then tick those boxes in terms of additionality, then there probably would be far less rationale for them using public money to invest in the scheme (Love Wolverton IV1).

Love Wolverton is an example of local government working with the private sector to enact the outcomes of community-led planning policy and to retain the approved and widely supported planning scheme developed by TOWN. The project will deliver affordable housing and revitalise an underused and prominent site, including different types of tenure and providing good quality housing provided by Council at lower than market rent. It also illustrates a case where the need to regenerate a site has been unanimously agreed upon by local residents and actors, such as successive generations of local Councillors, but where the constraints of the site created significant financial barriers, which in turned led to several unrealised attempts to redevelop the site over nearly twenty years.

Figure 9: Love Wolverton redevelopment precinct, artist's impression of main square
Source: provided by TOWN, 2025.

[35] https://futurewolverton.org/agoradevelopment/
[36] For example, the Brick Hill Estates redevelopment proposal in the mid 2010s.
[37] https://www.wearetown.co.uk/projects/marmalade-lane/; https://www.wearetown.co.uk/projects/northstowe/
[38] https://lovewolverton.co.uk/agora-regeneration-update-november-2024/
[39] https://lovewolverton.co.uk/about/
[40] TOWN, 2020. Planning and Economic Statement, Love Wolverton
[41] https://www.wearetown.co.uk/projects/love-wolverton/

Milton Keynes City Council's Housing Strategy

Milton Keynes was established as a district Council in 1974, and declared a unitary authority in 1997 and a city Council in 2022, a marker of its economic and population growth in recent decades. As a unitary authority, Milton Keynes City Council combines the role of borough and county, and is therefore responsible for all local government services within the municipality. The responsibilities of the Council relevant to this case include planning, transport, social care and housing. There are 57 Councillors who represent wards within the Council area, including a Wolverton Ward. Wolverton is also represented by a town Council, the Wolverton and Greenleys Town Council, which is responsible for local issues. Within the UK system of government, this may include consultation on town planning[42]. The Milton Keynes City Council is well regarded:

... you always need the political will and support to be there essentially because ultimately politicians set the agenda and then and then you need ... skilled and pragmatic officers within the Council, who also really buy into that vision, which I think is the case at Milton Keynes (Love Wolverton IV1).

Milton Keynes had a population of 287,000 in 2021, and is also one of the UK's fastest growing municipalities, increasing by 15.3% in the decade to 2021. An interviewee reflected on the position of Milton Keynes in the growth arc between Oxford and Cambridge, and on the housing and employment growth that cities such as Bedford and Milton Keynes are anticipating. However, the population growth in the decade to 2021 was most pronounced for age groups of 65 and older, as shown in Figure 8. It is also economically strong, with major companies, high employment rates and productivity[43].

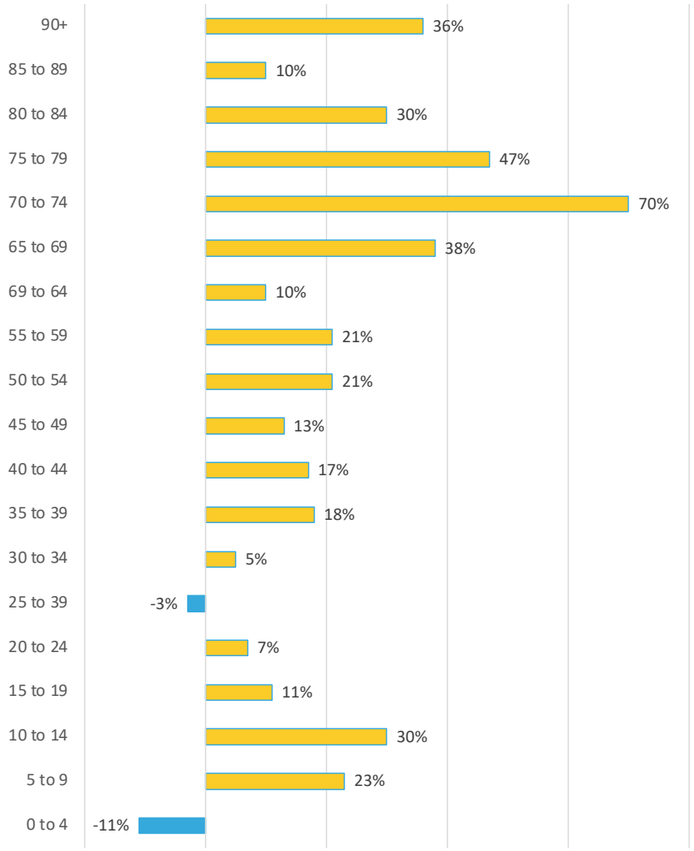


Figure 10: Population change (%) by age group, Milton Keynes, 2011 to 2021

Source: Office for National Statistics. Nomis, official labour market and census statistics.

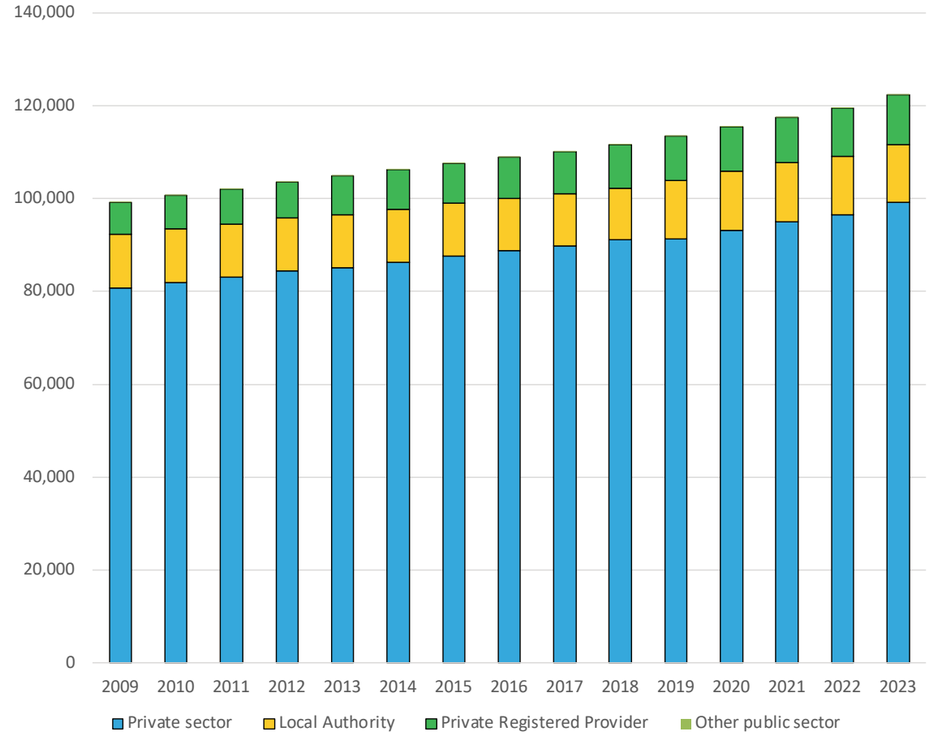


Figure 11: Dwelling stock, Milton Keynes City Council, 2009-23

Source: Live tables on dwelling stock (including vacants), www.gov.uk, Ministry of Housing, Communities and Local Government.

[42] https://www.gov.uk/understand-how-your-council-works; https://www.milton-keynes.gov.uk/your-council-and-elections/how-council-works
[43] Milton Keynes: Better by Design. City Profile – 2025.
[44] Milton Keynes: Better by Design. City Profile – 2025.
[45] Milton Keynes City Council: Annual Report 2023-24.
[46] https://www.ons.gov.uk/explore-local-statistics/indicators/additions-to-the-housing-stock

With strong economic growth in recent years, Milton Keynes City Council is in a sound position to undertake large and innovative projects such as Love Wolverton. The Council was in the main seen by interviewees as a competent, financially stable and growing economy and population, and has benefited from political stability, which supports:

Quite a progressive development agenda ... this is one of a number of quite significant capital projects that they're seeking to do and that is partly, you know, a mixture of reasons for each project in terms of housing regeneration but there is quite a progressive agenda that seems to sit behind the Council and their activities (Love Wolverton IV1).

Almost 3,000 homes were completed in Milton Keynes in 2022-23, which places Milton Keynes in the top 5 Councils for housing delivery within the UK[44]. The UK Government has supported housing development in Milton Keynes through the Housing Infrastructure Fund, providing £95m for infrastructure to enable the development of 5,000 houses in the Council.

The Council manages 11,000 homes, almost 9% of the municipality's total housing stock of 124,705, which are leased at below-market rents. Income from Council housing was more than £70m in 2023-24, which was reinvested in increasing stock, maintenance and improvements. Part of this expenditure is used to encourage tenants to downsize and to free up family homes that are in higher demand within Milton Keynes[45].

... they are a really significant housing and commercial tenant landlord across the city. They probably retain a lot more land and buildings and a bigger estate than most local authorities. And because of the history, because of the fact we're a new town, so as a result it is more experienced in those sorts of things (Love Wolverton IV2).

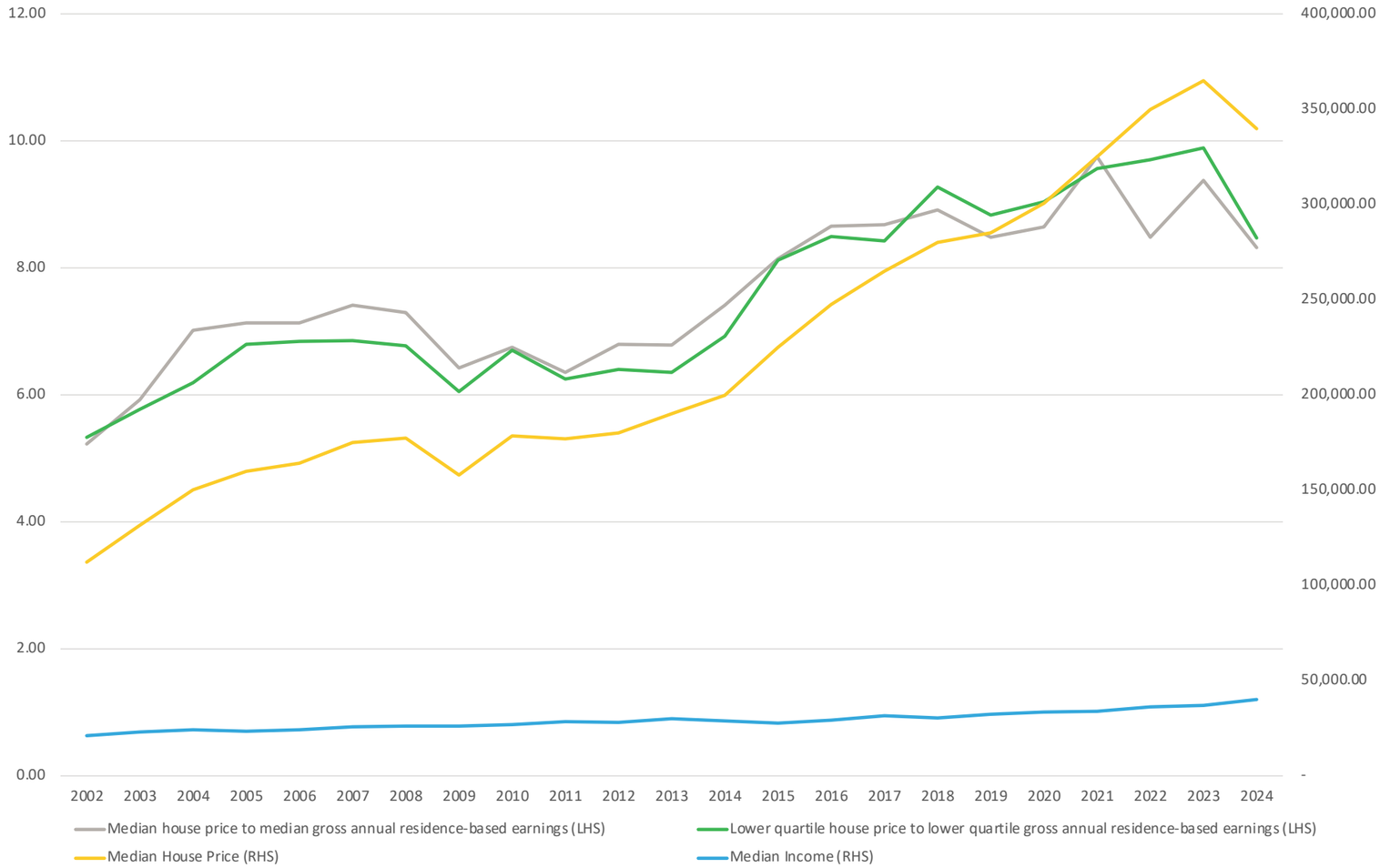


Figure 12: Milton Keynes City Council - ratio of median house price to median gross residential earnings - 2002 to 2024

Source: Office of National Statistics, 2025. Median house prices for administrative geographies (existing dwellings). Crown copyright 2025.

The Milton Keynes Council area has had one of the fastest increases in dwelling stock in recent years[46], adding more than 20,000 dwellings between 2009 and 2023 as shown in Figure 9. Over this period of growth, the proportion of private housing stock has remained between 80% and 82% of the total, and dwellings managed by Milton Keynes Council between 10% and 12%. This reflects the rapid population growth in the area, as well as Council's commitment to affordable housing.

As expected with such growth, Milton Keynes has been facing issues with housing affordability, with steady increases in the ratio between median house prices and incomes up to 2023. This increase has been mainly driven by house prices, as the median has tripled over the twenty-year period, while median incomes have only increased by 1.9 times, as shown in Figure 10.

The housing mix in Milton Keynes is mostly 3 or more bedroom dwellings, comprising 64% of the stock in the municipality, as shown in Figure 11. The low proportion of single and two-bedroom dwellings supports the aim of the Love Wolverton project to address gaps in the housing mix, as discussed in the following section.

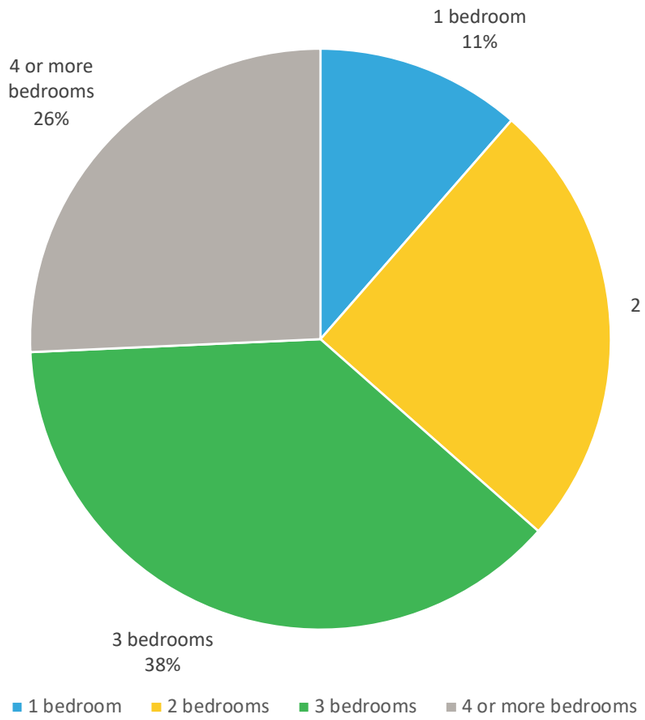


Figure 13: Dwelling mix, Milton Keynes 2021

Source: Office of National Statistics, 2021. Crown copyright 2025.

Transforming the Agora

The Wolverton Agora was formerly a shopping and leisure centre, developed by the Milton Keynes Development Corporation in 1967, which was established to oversee the development of Milton Keynes as a 'new town' and therefore precedes the Milton Keynes City Council. As one resident of Wolverton stated:

We were gifted by the Development Corporation building this spaceship that looked like it had landed in the middle of the town, which completely cut off the grid system that the town operates on ... It was successful for about five years, and then very quickly, it became a huge source of antisocial behaviour and problems, basically loads and loads of social problems (Love Wolverton IV3).

The centre had not achieved the commercial success expected, and in more recent years had struggled to find buyers. Local newspaper sources state that residents were divided about the fate of the centre[47], and that the site was proposed to Historic England for a heritage listing, which it did not obtain[48]. There had been earlier proposals for redevelopment, but none had come to fruition. Included in the development site is the Milton Keynes City Council owned carpark, adjacent to the main Agora site, as shown in Figure 13.

Development History

The Wolverton Town Centre Neighbourhood Development Plan 2015-2025 was developed out of an initiative of the UK Labour Government in 2010 'to democratise and enable more local involvement in neighbourhood planning' (Love Wolverton IV2). The plan states that the:

... principal reason behind the decision to develop a neighbourhood plan for the town centre was the long-standing community aspiration to redevelop the Agora shopping centre[49].

The Wolverton & Greenleys Town Council[50] and Future Wolverton[51], a local community group, were involved in the community consultation and preparation of the Neighbourhood Development Plan, with the vision to:

... ensure that Wolverton's centre, as the heart of the town, is a vibrant, attractive and distinctive neighbourhood with a variety of retail, commercial, cultural, and leisure ...[52].

The Neighbourhood Plan process uncovered strong support for the redevelopment of the Agora site, due to its disruption to the street network, the inappropriate design within a heritage area, its state of disrepair and the failure to attract people to the town. The Neighbourhood Plan sets out 20 principles for any proposals for a redevelopment of the Agora site to gain support, including three with direct relevance to this case study:

- Include a mix of new housing, which complements the existing provision and meets the particular needs of older people (extra care housing) and younger people (supported housing). Housing provided on the site should also meet the Lifetime Homes Standard and best practice guidance in 'Safer Places' and 'Secured by Design'. Some dwellings should support home based working and all homes should have high-speed broadband.
- Include a range of small to medium sized retail (50 to 1000 square metres) and office units and workshops suitable for current town centre businesses that may require relocation and new occupiers. (Allow for a range of land uses and unit sizes.)
- Subject to viability testing, new development will be zero-carbon and resilient to the impact of climate change and served by a district heating network where convenient connection is available[53].

Figure 14: The Agora before it was demolished

Source: https://www.mkcommunityhub.com/post/structural-demolition-of-wolverton-agora-begins-to-make-way-for-award-winning-love-wolverton-scheme

[47] https://www.miltonkeynes.co.uk/news/people/plan-to-demolish-agora-in-milton-keynes-stall-after-mystery-bid-to-make-it-a-listed-building-971131
[48] https://www.miltonkeynes.co.uk/news/politics/council/experts-refuse-to-list-wolvertons-controversial-agora-as-an-historic-building-950147
[49] Wolverton Town Centre Development Plan 2015-2025, p.30.
[50] Wolverton & Greenleys Town Council is a tier of local government below the Milton Keynes City Council, and has input into planning decisions but not the planning authority, which is held by Milton Keynes City Council.
[51] Future Wolverton formed out of earlier community organisations who had worked with the Wolverton community to develop the Neighbourhood plan.
[52] Wolverton Town Centre Development Plan 2015-2025, p.5.
[53] Wolverton Town Centre Development Plan 2015-2025, p.35.

The Neighbourhood Plan also includes a portentous section on options to proceed with the Agora redevelopment if the private sector development proposal in effect in 2015 did not proceed, including community-led development and a public subsidy. The Neighbourhood Plan is important in the history of the Agora redevelopment and the long process that has resulted in the Love Wolverton scheme, the involvement of TOWN and the support of Milton Keynes City Council for the project. One of the founding directors of TOWN, Jonny Anstead, was supportive of and involved in the Neighbourhood plan process, which sets out the community's preferences for the site's redevelopment.

In 2019 a partnership between TOWN and Trivselhus purchased the Agora site, and a planning application was submitted to the Milton Keynes City Council in 2020. TOWN is a London-based profit-with-purpose developer working across the three areas of master planning, urban regeneration and cohousing. The proposal included many innovative aspects, including offsite and low-carbon methods of construction such as the use of structural mass timber, cohousing for seniors, sustainable housing and transport, and below-market rent dwellings. Despite these proposed outcomes, the Wolverton and Greenleys Town Council objected to the planning application because it was perceived as reducing the availability of parking spaces.

By 2021, the project was again at risk due to financial viability. A decision was made by Council to purchase the site from Trivselhus and to continue with the project, with TOWN remaining as the development manager on behalf of Council.

All along it's been very, very commercially difficult because it's a really big development to do, and making sure that it's in keeping obviously has a cost, and making sure it's sustainable has a cost (Love Wolverton IV2).

In the view of a community representative, the Milton Keynes City Council was left without other options to take on the Love Wolverton project ('it would have been political suicide not to do it', Love Wolverton IV3). The Wolverton Neighbourhood plan, as discussed above, sets out the aims for the development. As the project was competing with greenfield sites for investment, the Agora was not going to be redeveloped without public sector support:

If … you have a Greenfield site in the middle of nowhere or Wolverton town centre. What are you going to choose? Of course, you're going to choose the nice greenfield site. So I've always argued the Agora would never have happened had it been left to the public sector … You know, the market wasn't going to deal with this issue. It needed the public sector to be involved … they had to get involved. They only got involved at the point where the whole thing was falling apart (Love Wolverton IV3).

A discussion paper presented to Milton Keynes City Council cabinet in 2021 argued for the purchase of the Agora site for the following reasons:

1. The Agora site was underused and a blight within Wolverton, however the private sector proposals for redevelopment had not come to fruition, over many decades.
2. Council would assume control of the development, including managing the risks and finances of the project.
3. Private developers require a higher rate of return on investment in the Agora site than the Council, as Council does not need to return a profit on top of recouping the costs of purchasing the site.
4. The plans for the Agora site developed by TOWN and Trivselhus were considered to be of high quality and community benefit, preserving Wolverton's heritage as a railway town and restoring the street pattern that had been disrupted by the Agora's construction in the 1970s.
5. The Council would also retain ownership of the housing in the development, with a total of 115 homes, including provision for affordable housing.

The site was purchased by Council, a Tier 1 builder (Wilmot Dixon) was contracted for the build, including 88 new homes[54], and the Agora building was demolished during 2022:

It needs to obviously be commercially viable to an extent but … economic regeneration and social value case are also really important to the Council and that recognising this isn't just a straight-up commercial development (Love Wolverton IV1).

Figure 15: Love Wolverton redevelopment precinct, aerial view
Source: Google Earth.

[54] https://milton-keynes.moderngov.co.uk/documents/s1544/ITEM%2010c_Love%20Wolverton%20Project%20Update.pdf

As indicated above, a key argument for Milton Keynes City Council's intervention was the quality of the proposal prepared by TOWN. The proposal for the Agora site is for a mixed-use precinct, including more than 900m^2 of commercial floor space and 105m^2 for a community centre. The precinct proposal also states that it will support sustainable mobility and active transport, including an upgraded bus stop, bike docks and parks, and car sharing spaces. The project will realise other benefits for Wolverton and its community, as the project will revitalise an underused and central section of Wolverton and re-establish the street network in the centre of Wolverton, as the Agora cut off pedestrian through lines and reduced street traffic.

Council expected construction to commence in the middle of 2025 and to be complete during 2027. The project has experienced delays, as explained on the Love Wolverton website for community engagement:

The last two years have seen unprecedented challenges in the development and construction industry, including record build cost inflation, new legislation (the 2022 Building Safety Act), ongoing changes to the Building Regulations, and evolving local standards, for example in surface-water drainage and waste management.

Incorporating essential changes to the detailed specification and engineering of the scheme, while remaining faithful to the design that obtained planning permission three years ago with widespread community support, has been technically challenging and time-consuming[55].

The delays have led to some community unrest:

The important point is that now I think that community views are ... getting less positive and that's because demolition has happened and what we have now is the same barrier across the town, except not quite as bad visually and an enormous pile of bricks ... The Community [was] really dismissive and defeatist about the Agora, saying it will never be knocked down and then it was, and now they're saying it'll never be replaced. (Love Wolverton IV2).

While this indicates the ongoing challenges faced by Milton Keynes City Council in delivering the project and from its constituents, it also highlights the importance of their intervention of purchasing the site, as otherwise, it is likely that the cycle of failed private sector proposals would have continued.

Figure 16: The Agora's demolition site in 2022
Source: https://lovewolverton.co.uk/demolition-update/

Table 4: Love Wolverton dwelling mix

	Rental		Cohousing		
Housing Type	**Market Rent**	**Affordable/ Discounted Rent**	**Market Sale**	**Affordable – Social Rent**	**Total**
1 Bed	10	5	4	4	23 (20%)
2 Bed	24	10	19	0	53 (46%)
3 Bed	14	10	2	0	26 (23%)
4 Bed	11	2	0	0	13 (11%)
Total	**59 (51%)**	**27 (23%)**	**25 (22%)**	**4 (3%)**	**115 (100%)**

Source: TOWN, 2020. Planning and Economic Statement, Love Wolverton.

[55] Agora Regeneration Update – November 2024. https://lovewolverton.co.uk/agora-regeneration-update-november-2024/

Housing Outcomes

In addition to the attributes of the Love Wolverton project discussed above, the proposal includes a notable intervention in housing supply. A crucial aspect of the intervention by Council is that they will retain ownership of the housing stock, which will be offered for rent by the Milton Keynes Development Partnership. The Milton Keynes Development Partnership (MKDP) was established in 2013, is wholly owned by the Milton Keynes City Council, and has the responsibility of developing Council-owned land to meet Council objectives. The MKDP will lease the dwellings from Council, and then re-let them to tenants. This provides a mechanism for retention of the social and affordable housing goals within the project, and also offers a return on the investment by the Milton Keynes City Council.

As set out in Table 1, the 115 dwellings include 31 offered at affordable or discounted rent, including four within the cohousing precinct within Love Wolverton.

The cohousing aspect of Love Wolverton is provided under a separate development arrangement by Still Green Co-Housing[56], and will provide housing for people aged over 50. The cohousing is focussed on sustainability and low energy use, as well as communal facilities alongside the individual dwellings.

The Love Wolverton sustainability statement, prepared in 2020 prior to Council's purchase of the site, addresses the requirements for housing provision:

- A preference for a timber structural scheme to reduce embodied carbon.
- Using high fabric performance in construction, above regulatory minimums.
- All-electric heating technology, including heat pumps.
- Efficient services including mechanical ventilation with heat recovery (MHVR).
- A passive approach to mitigating overheating.
- On-site renewable generation, including considering a community electricity microgrid[57].

The Milton Keynes City Council planners and Councillors have remained committed to the housing goals included in the development proposal, and to:

The vision that needs to be delivered for the site and that was … quite hard-fought vision because there were lots of compromises, kind of taking people a journey around what needs to be fitted on the site to kind of make it even vaguely viable as a development … I'm pleased to say that, actually, it is relatively intact as a proposal because often these things do get watered down over time, as things are determined to be too hard, too expensive (Love Wolverton IV1).

However, meeting the objectives set for the precinct with TOWN's development proposal and the Wolverton Neighbourhood Development Plan creates tensions within the project planning, which are being navigated by Council and the project partners:

The most important thing is to get the balance right … because we don't want something to come back that is like the Agora, completely out of keeping in sort of heritage visual terms, because that will affect people's response to it as a space. But that obviously means that it's going to have to be less dense than it might otherwise be. So there's a tension there against something which everybody wants in the whole country, which is more housing, and what anyone in their right mind wants, which is more sustainable housing.

If this comes off, it's going to be a good example of how to do something that has those sustainability and environmental objectives, like that's the one where it will stand out more than the other two … but it can't do that at the expense of not providing housing as much as reasonably possible and that housing includes social housing and affordable housing, and at least do the whole thing in such a way that it's successful, visually (Love Wolverton IV2).

Figure 17: Love Wolverton redevelopment precinct, artist's impression of intersection
Source: provided by TOWN, 2025.

[56] https://stillgreencohousing.org/
[57] Max Fordham 2020. Sustainability Statement: Love Wolverton. Note: In the UK, lock-in masonry is the norm for housing construction, rather than timber frames. https://lovewolverton.co.uk/wp-content/uploads/LW-Sustainability-Statement.pdf

The housing outcomes were seen by one interviewee as a direct result of the Neighbourhood Plan, and the extensive community consultation process that informed it:

There is diversity in the scheme that was written into the planning policy, which is the cohousing scheme and also you know the level of affordable housing and that is only there because of the [Neighbourhood Plan] ... There would be no cohousing scheme if it wasn't actually in the planning policy for the site that there should be a development of that nature. The Council didn't write that in. [There is] a community based upon a need that has been identified where older people were leaving the community because they couldn't find anywhere appropriate to live ... So that scheme is there as a direct result of that community input.

It's very deep, very effective exemplar community participation in the planning process that created a quality scheme (Love Wolverton IV3).

While the overarching design of the scheme and its commitments to affordable and sustainable housing have been retained, some aspects have been lost due to design and cost pressures. A key aspect of the changes made by Council have been to:

... improve viability in the economic situation that the project finds itself in. And the Council, I think has been ... realistic ... Part of the changes that were made since the sort of initial outline application, it has been densified ... corner buildings which were originally all going to be three storey, but there are now some four storey blocks on the corners. The local authorities are happy to do that to affect its viability and fundability (Love Wolverton IV2).

The concerns regarding project viability are also evident as the project progresses towards contracting builders. There are ongoing discussions regarding the use of timber frame, which was originally in the design:

Even before getting a contractor involved we'd basically taken the decision to make it a hybrid mix of block work and timber frame. And we've been in a discussion [with contractors] ... around 'is that the best approach?' ... they would prefer to eliminate as much timber as possible owing to perceptions of fire risk, we've got a fire engineer saying that it's going to be fine and that's more their risk averseness [by the] contractor rather than a reality (Love Wolverton IV1).

The decision to reject a timber frame was attributed to Council and stems from concerns regarding insuring the scheme in the context of the *Building Safety Act* and potential further changes in legislation:

The Council was more comfortable with a masonry construction, and that's partly bound to sort of insurability and concerns about fire (Love Wolverton IV4).

While the arguments regarding minimising the embodied carbon in the development continue, there is a focus on operational carbon through measures such as air sealing, triple-glazed windows and external blinds. Air tightness of the housing stock is seen as a vital aspect of this:

Things that ... impact the operational carbon rather than the embodied carbon, because if we move away from timber ... that was the main thing that was supporting a lower embodied carbon because the rest of the scheme or the cladding is mostly brick, which has quite a high embodied carbon ... if we're moving away from timber frame, actually the thing we can try and retain is the operational carbon aspect (Love Wolverton IV1).

This passive approach to sustainable housing is innovative within the UK, which reflects the cooler climate. However, as recent experiences of hotter weather and heatwaves in the UK indicate the impacts of climate change, these measures are becoming more important:

... those are kind of early discussion early on with Milton Keynes City Council when they took on the scheme. Why are we doing this? And they eventually realised why it was actually a good passive measure to allow that user control, mechanical approach (Love Wolverton IV1).

Another example of these challenges was the proposed solar-powered battery system that could sell back to the power grid and thus reduce residents' bills. An appropriate site for the installation could not be identified, to some extent due to the setbacks from housing required by regulation. Other minor changes have been made, such as an increase in tarmac over pavers on the streets due to costs *(Love Wolverton IV1)*.

Even amidst the support for the project, the provision of car parking is a concern amongst the Wolverton residents, which was discussed by multiple interviewees, including:

Lots of people are like, 'oh, can't you just turn it into more car parking' ... That doesn't really work, that's not going to achieve the outcomes that we that are sought here ... so parking is obviously always a kind of absolute bone of contention where everyone immediately starts talking about that ... (Love Wolverton IV1).

As soon as anywhere in this part of the country, you propose anything which reduces the amount of parking that's available, people go up in arms because they think that means that they'll be way more parking on the roads (Love Wolverton IV2).

... people who were really just were so angry, they just couldn't understand how it was going to work. They couldn't make that leap in their heads. That not everyone would have to car parking spaces, they just couldn't get it, you know, and on a community level, it was very, very divisive (Love Wolverton IV3).

The concerns about car parking provision, while a frequent community concern in planning, also stem from the high number of car parks in the precinct in its previous form. The Agora shopping centre was obliged to provide free parking, and the proposal for the precinct:

... has been designed to be sustainable and not to encourage lifestyles dependent upon the use of the car. Furthermore, the investment in sustainable modes of transport and the accessibility of development within a 15-minute neighbourhood will make sustainable travel choices more attractive. Car parking provision for residents is consequently lower than would be permitted under local policy[58].

[58] Love Wolverton Transport Assessment including Parking Assessment, p.33

Role of Local Government

Milton Keynes City Council was seen by one interviewee as:

One of the better examples in the UK of Councils which do get involved in developments ... the City Council is more experienced in leading developments than a lot of other local authority types and they have some other successful ones around the wider city of Milton Keynes (Love Wolverton IV2).

The Milton Keynes City Council has been instrumental in initiating the redevelopment of the site through the Love Wolverton project and in prioritising equitable housing outcomes. First, the Council purchased the site when the development of the Agora by TOWN and Trivselhus became no longer viable. Second, the approved development proposal led by TOWN was retained to secure the benefits arising from the project, including housing and sustainability outcomes. One interviewee, however, pointed out that this project was a 'big learning curve' for Council, who had so far 'never procured direct delivery of housing other than some new build affordable housing through the housing revenue accounts or Council housing programme' *(Love Wolverton IV4).*

Through ownership of the site and the transfer of management to the Milton Keynes Development Partnership, Milton Keynes City Council ensured that a portion of the housing was retained at below-market rent. The Council has been supported by the community in this process:

The Council has funding for that ... and people thought that they would be being involved in the development, which they would then sell or then be able to have social housing in would be of huge benefit to the Council (Love Wolverton IV2).

Milton Keynes City Council's involvement in the project is also seen as a mitigation of 'consent risk' when approaching external sources of funding in the opinion of one interviewee:

... it can go anywhere for that funding because those funds are going to be convinced that the project will go ahead once it reaches that stage because the local authority wants it [and] will give it planning consent (Love Wolverton IV2).

In addition to these interventions, the Council has worked to engender community support for the redevelopment of the Agora site, from the time of the original proposal by TOWN and Trivselhus:

... right from when the neighbourhood plan was drafted through to actually getting planning permission for the Love Wolverton proposal ... it was that political support that then helped, obviously, the Council had to make a big financial decision to then decide to acquire the site and the investment in it to date, in terms of all the kinds of design work and planning work. And then, essentially with that decision, making a big commitment to fund construction, which shows the level of political support there was for it, which obviously has its roots in the local population: residents and businesses really wanting to see this happen (Love Wolverton IV1).

The Milton Keynes City Council has been participants on the decision making on issues related to sustainable housing and has shown the capacity to, financial or political, to assume greater costs in order to deliver more sustainable housing:

It's always a very balanced argument or that they're open to debate. They will certainly challenge it like, why? Why are we doing this? Is this the right approach? And if they understand the logic of the sustainable outcome ... then, provided the cost isn't excessive, then they've always been open to taking a view on it, rather than just saying no, cost is king (Love Wolverton IV1).

According to one interviewee, the Milton Keynes City Council, through one Councillor, also showed readiness to promote unconventional models of housing development, such as opting for a collective garden instead of individual gardens:

He also really bought into the idea that Wolverton was changing ... this plan was going to address the needs of the sort of future generation who did want a bakery and a tap room, and didn't necessarily want a big garden and three parking spaces ... so he and another Councillor, also a Wolverton member in senior position in the cabinet, really got behind it and that made a big difference (Love Wolverton IV4).

Figure 18: Love Wolverton redevelopment precinct, artist's impression of pedestrian street
Source: provided by TOWN, 2025.

This ties into an important aspect of the project that Milton Keynes City Council is the owner of the housing and landlord through the Milton Keynes Development Partnership. Therefore, Council has a strong interest in Love Wolverton's outcomes:

That goes back to your originations of the project of trying to not only create a great regeneration project but also create somewhere that is seen as a good place to live and attractive to live … the Council has a particular view on that because their five blocks will all be for rent, and their subsidiaries are likely to be holding those properties for a long period of time. They have a longer-term view over making sure these places are very liveable (Love Wolverton IV1).

The opportunity to be progressive and innovative also comes from, essentially, being able to take a much longer-term view as the Council is doing in Wolverton rather than seeing it as a quick in and out (Love Wolverton IV1).

The project also benefits from what is seen as a politically central electorate in Milton Keynes, where government is formed across the political spectrum and often in coalitions. This provides stability as the project proceeds:

I certainly think it happened in an election year because that incumbent party wanted to be able to say, 'look, we're doing something about this project'. It won't matter if it changes to a different administration, because they'll still want to get that project going and develop it. I can't think of any possible political change, that would mean that the focus on it would change, to be honest (Love Wolverton IV2).

This also indicates some cynicism in the community regarding Council's intervention to save the project:

The fact that something is constructed on a site by local government that the market would never have put there means it's got to be removed by government. And I maintain that argument, they could have realised that 10 years earlier and saved us all this rubbish. But they didn't. They got involved when the whole thing was about to collapse and all credit to them for getting involved at that point (Love Wolverton IV3).

Underlying this view of the role of Milton Keynes City Council's role in Love Wolverton is that TOWN and Trivselhus's proposal is a manifestation of the Wolverton community's preferred outcomes for the redevelopment of the Agora, as well as Council's support for earlier, less innovative proposals for the site.

There is no doubt that the Wolverton Neighbourhood Plan, which was developed through a community-led process external to Council, provides the framework for the innovations included in the planning scheme. This includes the guidelines for sustainable and affordable housing, reinstating the heritage streetscape and the reduced dependence on car parks within the site. Whether the Milton Keynes City Council's intervention in the project was motivated by the politics of the community priority to demolish the Agora or more progressive ideals such as social inclusion and sustainability, this case study still presents an example of a Council acting to support innovation through direct intervention and ongoing management of the site.

It is also the case that the financial situation in the UK following Brexit, the pandemic, and the Truss Government, as well as increased regulatory standards following the Grenfell disaster, can be seen to have affected what could previously have been seen as a commercially viable project. In this light, Milton Keynes City Council can be seen as a developer of last resort, as commercial ventures had collapsed and left the Agora standing and underused. While some of the ambition is being negotiated away due to the costs and difficulty in identifying suitable construction partners, the integrity of the development scheme is being retained, in partnership with TOWN.

Figure 19: Community engagement activity steered by TOWN for Love Wolverton
Source: https://lovewolverton.co.uk/

2.2. Adaptive Reuse Policy

2.2.1. ARCHI, Adelaide, South Australia, Australia

Key dates:

- **May 2023:** Capital City Committee Adaptive Reuse Forum.
- **July 2024:** ARCHI incentive scheme commences for two years.
- **2025:** ARCHI is renewed for three years.

The Adaptive Reuse City Housing Initiative (ARCHI) Project is a collaboration between the City of Adelaide and the South Australian Government, emerging from the Capital City Committee Adaptive Reuse Forum, held on 5 May 2023[59]. The forum focused on opportunities, problems and barriers to adaptive reuse in central Adelaide, and was attended by an estimated 100 representatives from government, academia, housing agencies and the property industry. The main outcome from the forum was the ARCHI program, funded by the State Government for $250,000 over two years, and the focus of this case study.

The ARCHI program responds to several issues that the City of Adelaide is responding to, related to increasing housing supply in the city:

One of the issues that seems apparent to the just casual observer is that in the cities that have survived well and had less retail vacancy, they actually have people who have residence in the city. And one of the challenges from the perspective of urban design in Australia is that a lot of our retail CBD precincts are shops only, with no residents. So in our city there are very few shops that have over-shop flats that are occupied, they're usually empty, used for storage, and so I was interested in the retail decline and also the homelessness crisis ... one of the things that has always enraged me about Australia is the fact that decent, beautiful buildings are demolished and sent to landfills when they should be changed and repurposed and used (ARCHI IV6).

ARCHI is an incentive scheme which provides grant funding towards the cost of developing and delivering residential adaptive reuse projects. At its core is the administrative and expert support to catalyse residential conversions of existing buildings in the city. ARCHI was formally launched in July 2024, with an initial focus on buildings up to 4 storeys, which provides 'quick wins'. This is important, as the project is a response to the shortage of rental accommodation in the City of Adelaide, as well as the available non-residential areas in 'shop tops' and similar buildings (Figure 17). Therefore, ARCHI presents a distinct case study of Local Government support, as it is an indirect, policy- and facilitation-based intervention intended to activate multiple small-scale residential developments. As a two-year program, ARCHI was initially set to conclude in October 2025, however, a three-year extension of the program was announced in August 2025.

ARCHI addresses several aspects of housing in the City of Adelaide. First, it increases the supply of housing, which should assist in alleviating the current pressures in the rental market. Second, as an adaptive reuse project, it is a low embodied carbon method for increasing housing supply, by making use of otherwise vacant spaces and by reducing the volume of raw materials required to produce housing. ARCHI also has short-term benefits, delivering additional housing within a much shorter timeframe than precinct activation and development.

Figure 20: A shop top in the City of Adelaide

Source: City of Adelaide – https://www.cityofadelaide.com.au/development-infrastructure/archi/

[59] Adaptive Reuse Forum | City of Adelaide

The City of Adelaide

The City of Adelaide is the municipality for the central business district of Adelaide, covering 15.57 km². The city had a population of 27,901 people in 2021, with a target of reaching 50,000 by 2035.

Housing within the City of Adelaide LGA is different to the rest of the state. First, there is a greater proportion of rented dwellings, at 46% of the LGA compared to 24% for South Australia in total, as shown in Figure 18. Second, a lower proportion of dwellings are detached houses, at 8% in the City of Adelaide compared to 77% across the state. Across South Australia, 43% of dwellings in blocks of more than 3 storeys are in the City of Adelaide local government area, as shown in Figure 19.

As shown in Figure 20, the City of Adelaide also has a higher proportion of one- and two-bedroom dwellings, as would be expected given the preponderance of apartments within the LGA.

Central Adelaide is also the location of the state's main universities, indicating that there is demand for student accommodation. The implication is that the demand for housing in the City of Adelaide is suited to the ARCHI intervention, addressing the shortage of rental housing and contributing to population growth targets, through adding to the smaller housing units on offer.

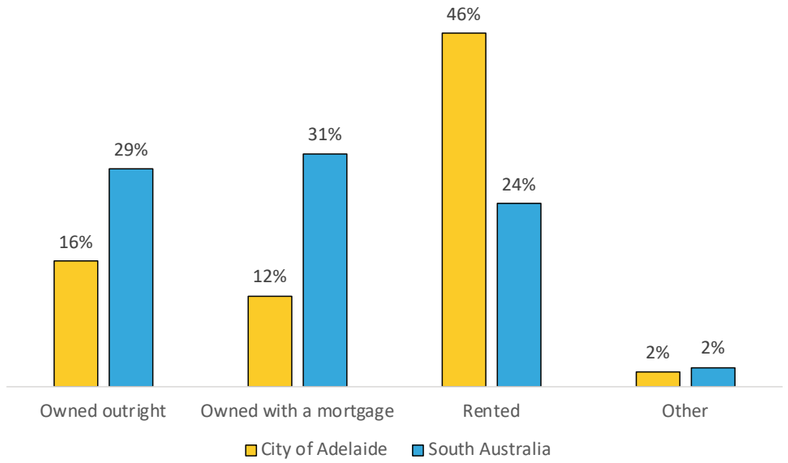


Figure 21: Housing tenure, City of Adelaide and South Australia, 2021

Source: ABS (2021), Census of population and housing. LGA (EN) by TEND Tenure Type, counting dwellings.

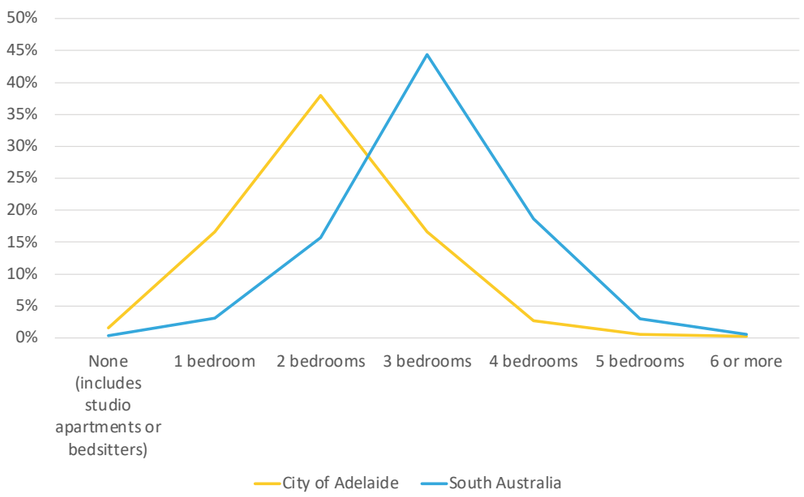


Figure 23: Bedrooms per dwelling, City of Adelaide and South Australia, 2021

Source: ABS (2021), Census of population and housing. LGA (EN) by BEDD Number of Bedrooms in Private Dwelling, counting dwellings.

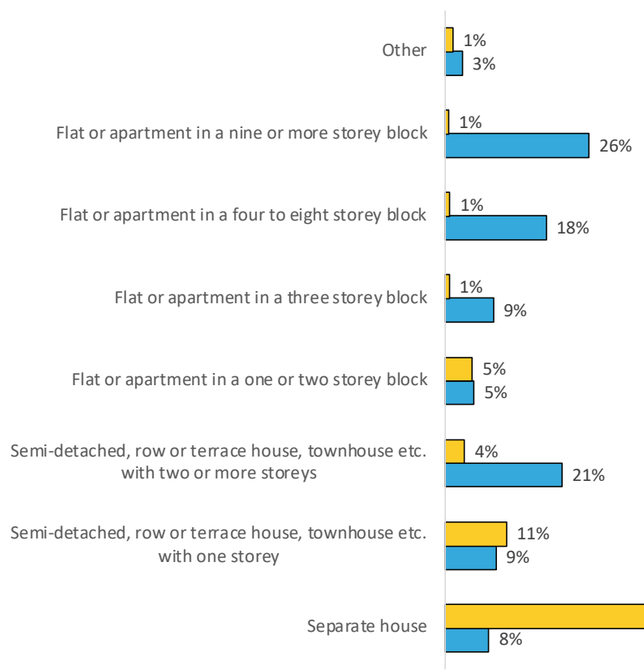


Figure 22: Dwelling type, City of Adelaide and South Australia, 2021

Source: ABS (2021), Census of population and housing. LGA (EN) by STRD Dwelling Structure, counting dwellings.

From Forum to Grant Scheme

An ARCHI History

ARCHI emerged from an Adaptive Reuse Forum organised by Adelaide's Capital City Committee, held on 5 May 2023, and reflects the Lord Mayor's interest in adaptive use and increasing the residential population of the area. The forum brought together government, housing advocates, academics and the property industry to discuss how to promote the conversion of vacant commercial space, including above retail shops, to dwellings[60]. While ARCHI arose from this forum, previous work undertaken by the City of Adelaide underpins the project. The City of Adelaide's ARCHI webpage now serves as a central hub, offering online resources and links to grants and incentives, simplifying access for developers and property owners (*Adaptive Reuse City Housing Initiative | City of Adelaide*). The support of the Lord Mayor for the program is 'critical, in a word' (ARCHI IV2), a view also supported by other interviewees.

This preliminary work led to the instigation of the ARCHI Scheme in July 2024, supported by $250,000 of funding by the South Australian Government plus repurposed building grants administered by the City of Adelaide.

Initial support for eligible projects included:

— Up to $10,000 for feasibility assessment.

— Up to $50,000 towards construction costs.

— Guidelines and process assistance.

The City of Adelaide Strategic Plan also sets the following goals:

— Population target increase from 26,000 to 50,000 by 2036.

— Provide 50 dwellings per year through adaptive reuse.

This funding is used to provide grants towards feasibility assessments, professional advice and documentation for the Development Approval, and also funding towards the construction, and for an officer within Council to administer the project. The scheme is first and foremost aimed at 'shop top' conversions of non-heritage-listed buildings of up to four storeys[61]. In addition to the funding support, a series of guides on adaptive reuse has been prepared by the Council to provide information for developers interested in exploring adaptive reuse[62].

We have identified that's a real opportunity of converting these single storey former dwellings that have been turned into offices in the ... 70s, 80s and 90s back into housing outcomes. That's something we're actively trying to support because it's ... actually fairly low hanging fruit ... you're not going to have all of the fire safety upgrade issues with single storey and it was an original dwelling, so it doesn't have site contamination issues and things like that (ARCHI IV1).

The City of Adelaide developed ARCHI as a housing policy to facilitate adaptive reuse and to contribute to the dwelling and population growth targets for their council area. There were two factors behind the policy-based approach to facilitating adaptive reuse. First, the City of Adelaide owns few assets within the municipal area, limiting the potential for them to activate precinct developments or other large-scale projects to respond to the strategic direction taken by council. Second, *ARCHI IV 2* reported that the advisory group to the Lord Mayor said:

... we want the carrot approach, not the stick. And that was a very deliberate decision because we feel that the stick will come and it is coming through the mandatory reporting and through other policies and frameworks, it's not council responsibility to hold the stick, it needs to come [from a higher] level.

Another interviewee indicated strategic reasons for implementing the ARCHI program related to the aim of increasing activity in the city centre. The increase in working from home was seen as a concern, given the reduced daytime city population, and increased residents in the area may address that. There was also property available within the City of Adelaide that could be considered for adaptive reuse:

The Adelaide context is B, C & D grade buildings are hitting vacancy rates and it's really the new A-Grade buildings that are the ones that entities are moving to ... that perfect storm of wanting the carbon and climate benefits of saying you're in an A-Grade building from that commercial entity space, and new carbon reporting, is driving people off to new products and leaving more empty products that are vacant, not utilised (ARCHI IV4).

Figure 24: The Capital City Committee adaptive reuse forum in Adelaide Town Hall, 5 May 2023
Source: https://www.cityofadelaide.com.au/development-infrastructure/city-policy/adaptive-reuse-forum/

[60] https://www.cityofadelaide.com.au/development-infrastructure/city-policy/adaptive-reuse-forum/
[61] ARCHI Incentives Scheme | City of Adelaide. Note: The City of Adelaide has a Heritage Incentive Scheme in addition to the ARCHI program.
[62] The guides are available from the City of Adelaide's ARCHI website: https://www.cityofadelaide.com.au/development-infrastructure/archi/

ARCHI, as an adaptive reuse program then supports these aims as a 'perfect storm' to:

Get the professional workforce [and] essential workers into the CBD and hit the target of 50,000 [additional residents] in a reasonable time frame. What's then the housing supply that needs to be achieved? How do we keep heritage character and then how do we look at carbon footprint and scope 3 emissions and embodied carbon through adaptive reuse of buildings? (ARCHI IV4).

ARCHI is supported by South Australia's Capital City Committee, which sits under the state's Department of Premier and Cabinet and whose membership includes the Premier, and three state ministers; the Lord Mayor, and three City of Adelaide councillors. The Capital City Committee committed $750,000 to support the program for the 2023-24 and 2024-25 financial years, and the basis for support is included in the committee's annual report:

Adaptive Reuse City Housing Initiative (ARCHI) ... has been established to unlock dwelling potential in underutilised buildings in the City of Adelaide. ARCHI's goal is to diversify the housing supply by repurposing existing structures, while maximising the utilisation of retained embodied energy, activating dormant spaces, and breathing new life into heritage buildings – Capital City Committee, Annual Report 2023-24, p.6.

ARCHI is part of a range of initiatives and strategies put in place by the City of Adelaide:

... to increase housing supply in the context of trying to drive population growth and the proposition that the City of Adelaide is a residential base as much as a place to come and do business ... a very deliberate, intertwined bit of policy and outcome work ... (ARCHI IV4).

Members of the Capital City Committee also sit on the ARCHI Steering Group, which supports the project through guidance, advocacy and oversight. The Steering Group is chaired by the Lord mayor, and includes representatives from the State Government alongside members from academia and industry.

In establishing the program, a key focus was on addressing the risks and barriers, both real and perceived, to adaptive reuse. There was also a lack of examples of successful projects in the city, particularly of buildings of over 5 storeys, which also indicated the need to promote an understanding of what was possible and to support developers in working through the process.

Heritage people 'just didn't think you could do anything to a heritage property to change it'. And probably a little bit around planning, you get a change of use from commercial to residential, 'and doesn't that take ages and planning always takes ages. And you've got to get approvals, and that's too hard'.

So you, rather than easy wins, with some of those we had to go 'How do we deal with the hard barriers and put all that effort there?' [And in response] ... Did you realise that the planning pathway on a low-rise building is actually very quick and the city's geared to do it? And if you're willing to do it, we can help you get there quickly (ARCHI IV4).

This process of building support also included engaging with bankers from Sydney and Melbourne, who had experience in funding adaptive reuse projects, to overcome resistance in Adelaide offices. The successes have also been promoted, highlighting the quick turnaround of the adaptive reuse projects and the returns on investment.

A key aspect of the implementation of the ARCHI program is a designated role for Council, with responsibility for:

- Coordinating advice on building regulations and application lodgement. This includes planning and heritage advice from within the City of Adelaide, directing project proponents to appropriate consultants and State Government departments if required.
- Coordinating the development of the guidelines, drawing on consultants and expertise within council.
- Communicating with the development industry regarding opportunities for adaptive reuse.
- Providing recommendations on applications for ARCHI grants to support feasibility studies and projects.

Figure 25: Examples of flyers supporting the ARCHI program
Source: City of Adelaide – https://www.cityofadelaide.com.au/development-infrastructure/archi/

The work of the project officer was seen by interviewees as a source of substantial benefits resulting from the program.

The City of Adelaide continues to support the program, through developing an understanding of the residential market within the municipality by engaging with potential renters and purchasers. Discussions on the future of ARCHI were underway when this report was being written, following the success of the program in facilitating adaptive reuse in the City of Adelaide. A key debate regarding the project is whether to shift the focus to larger, multi-storey buildings to increase the contribution of adaptive reuse to increasing the housing stock within the municipality:

Adelaide is characterised by lower scale main streets outside of our central core, so that was sort of the main the initial focus. But of course, that scale of development isn't going to meet our targets. And while there's lots of really wonderful benefits that come with reusing these spaces, it's not housing at volume, it's certainly become clear that we also should tackle the five plus storey commercial to residential (ARCHI IV1).

The engagement with the community about ARCHI, which has included the use of a digital model of the city to illustrate the opportunity, has underpinned the importance of the program in changing attitudes towards adaptive reuse in the city:

The guideline approach and the engagement approach and then the incentivisation approach is in this short space of two years, a discussion that started with 'what you're doing is ridiculous and it's not commercially viable and no one will ever do it' has turned into 'Can we get more of it? What's the opportunity? When will you extend it to taller buildings?'. So there's been a very deliberate conversation about the future of Adelaide (ARCHI IV4).

Adaptive Reuse Housing Strategy

ARCHI promotes adaptive reuse to meet the City of Adelaide's housing and sustainability objectives. The City of Adelaide Strategic Plan sets out targets for a population of 50,000 people by 2036, an increase of 24,000, which needs to be supported by an increase in dwellings, and especially those that are 'affordable, safe and quality'[63]. ARCHI is directly contributing to the adaptive reuse target of 50 dwellings per year, also included in the Strategic Plan. The funding support for the ARCHI project also responds to the Strategic Plan's direction to increase the use of grants and incentives from council and the State Government to increase housing diversity.

The South Australian government supports adaptive reuse in its 2019 State Planning Policy 3: Adaptive Reuse[64]. This policy includes directions to remove barriers and encourage adaptation of underused buildings, conversion of commercial and office buildings to contribute to localities, and the introduction of incentives for adaptive reuse. The program also aligns with circular economy initiatives, such as Australia's Circular Economy Framework 2024. Representative from the City of Adelaide explained how ARCHI was contributing to council's sustainability goals.

Adaptive reuse is tied into our climate strategy, and … it's also tied into our incentives for sustainability … that's about what can we package up for adaptive reuse projects. So we can really demonstrate retained embodied carbon, improving energy efficiency, we're improving the building envelope. So all of those metrics are really important in terms of demonstrating value (ARCHI IV1).

And, more broadly to address the need for additional housing and to make use of existing buildings:

It's morally wrong to have all these empty buildings in the park stranded assets. It seems that there is a real opportunity to have some changes in policy settings, some inducements, and to get more people in accommodation (ARCHI IV6).

Another interviewee implied the benefit of the adaptive reuse initiative was in the retention and better use of existing buildings, rather than wasteful demolition and rebuild:

We have a responsibility as designers and people in the industry to make the most of what we've got. And I just see vacant buildings as waste. It just really irks me that we are wasting buildings, wasting materials. So I'm trying to shift the conversation to that direction and just say look, it just makes good common sense to use what we've got (ARCHI IV 2).

An additional benefit, highlighted in the way the program is promoted, is that it results in increases in housing supply in the short-term:

… it's critical to the messaging is that this is a way to deliver housing quickly, and without having to go through those processes of demolition and actually the complexities of building new build in the city (ARCHI IV1).

This is in contrast to the other case studies undertaken for this report, which may include more ambitious housing aims in terms of scale, affordability and sustainability, but take much longer to deliver than ARCHI.

Preparative work by the City of Adelaide was conducted to establish the ARCHI program. Suitable building stock for adaptive reuse was identified through an audit to assess the availability and quality of stock available, including those owned by Council and State Government. Detailed analysis of the building stock was undertaken by Colliers, with further assessments undertaken by students at the University of Adelaide. The planning system and building code were also reviewed to identify impediments to adaptive reuse across building types and to support development.

People won't just get up and do the right thing without incentive. So from the conversation with Lord Mayor … she knows people will only do it if it makes financial sense. If it stacks up and they would, they're more likely to do it … if there's obvious support through council through the planning framework (ARCHI IV2).

There has also been a review of grant and incentive schemes and how these could be applied, aggregated, and enhanced to support adaptive reuse – through this work, Council has amended their existing incentive schemes to heritage, sustainability, and noise management to include and prioritise residential adaptive reuse projects. The City of Adelaide has also engaged with the South Australian Government's Director of Building, who is responsible for the building code. Work is ongoing with Local, State and National Governments to facilitate easier approval processes. Work on the financial and insurance aspects of adaptive reuse is also ongoing. The program also aligns with national circular economy initiatives, as outlined in Australia's Circular Economy Framework.

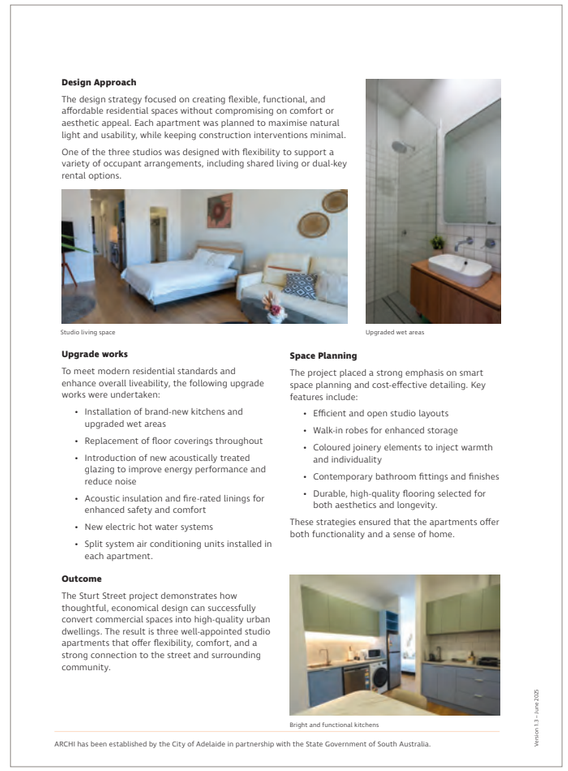


Figure 26: Adaptive reuse Case Study for Sturt Street, Adelaide

Source: https://www.cityofadelaide.com.au/development-infrastructure/archi/

[63] City of Adelaide Strategic Plan 2024-2028, p.13.
[64] https://regional.plan.sa.gov.au/media/documents/spp/State_Planning_Policy_3_Adaptive_Reuse.pdf

Housing Outcomes

Although ARCHI is a relatively new program with limited resources, it has already contributed to the development of adaptive reuse projects and housing supply in the City of Adelaide. As of August 2025, ARCHI had:

- Supported the delivery of 7 adaptive reuse dwellings, with a further 5 projects in the immediate pipeline.
- Supported the 23 change-in use to residential development applications in the system for 45 potential adaptive reuse dwellings.
- Received 35 formal enquiries, covering a range of building types, including single storey former dwellings, shop tops, State and Local Heritage Places and taller commercial assets (5+ storeys) that have the potential to deliver adaptive reuse housing at scale.

An early success of ARCHI is the support it provided for the conversion of ground-floor offices into 3 new studio apartments. The building already had townhouses on upper floors, which assisted with regulatory issues in adaptive reuse, and the owner saw an opportunity to transition from the commercial market in Adelaide to the rental market, with greater unmet demand. This was the developer's first foray into residential adaptive reuse, and they are now working on another adaptive reuse project and ARCHI assisted with the processes and working with builders to deliver the project, and the townhouses have been successfully rented.

In addition to these quantitative outcomes, the case management service offered by the City of Adelaide as part of ARCHI has seen the establishment of relationships between the City of Adelaide and the developers who are interested in and progressing residential adaptive reuse projects. The case management service assists developers interested in adaptive reuse with free pre-lodgement and pre-purchase advice and project support.

One of the key elements to the programme is not just having the strategy, not just having a website, not just having the grants, is to actually hold the hand of the property owner, because very often our stranded assets and our shop top properties are owned by pretty inexperienced, not very professional property owners, mums and dads who are the most difficult to deal with, they're one category. The others are low scale developers who haven't got the width to really work out how to rescue their stranded assets. But the really good part of our programme is what I call the 'triagements'. It's actually the project manager who will talk to everybody and help them through the maze (ARCHI IV6).

Council is considering further support for adaptive reuse innovations. For example, they are discussing the potential of offsite construction with other stakeholders in Adelaide's development, including the South Australian Government Architect and local architectural firms:

What could be prefabricated off site and inserted into these buildings to even further kind of repeatable … the ability to install and infit buildings … in the way that David Jones or Australia Post or Telstra, they prefab and fit out a building very quickly and they refit a building very quickly. Why can't we apply that same thinking to adaptation from commercial to residential and have kitchen products that are ready to install piping that might go through a lift well in a certain building typology and make it quicker (ARCHI IV4).

However, not all proposals for adaptive reuse supported by ARCHI are successful. Interviewee 3 provided an example, as they had received financial and process support for a proposed conversion of a low-rise office building into a dwelling. Council had identified the project as suitable for ARCHI through its lodgement in the planning portal. The support of the officer and grant towards feasibility studies was seen as of benefit to the developer, and reflected positively, but the costs associated with the adaptive reuse proposal put forward by Interviewee 3 were preventing the project from proceeding. This included seismic testing and engineering works, as well as the additional fit-out required for compliance. The recommendation for improving the process for Interviewee 3 was earlier and strategic engagement by Council through the ARCHI program, to enable collaboration between the project proponent and Council to arrive at solutions for adaptive reuse that respond to the constraints of the planning system, building regulations and the aims for increasing housing in the City of Adelaide.

While the example above has not yet realised housing outcomes in the City of Adelaide, Interviewee 3's view that benefits would result from proactive engagement by council, with an understanding of limitations. This was seen as a positive aspect of the ARCHI program:

What ARCHI does really well is just being transparent and being honest … We're not saying that they are not barriers, but we can work with you on those barriers and turning them into opportunities (ARCHI IV2).

Interviewee 5 is from a business that provides digital modelling services to reduce the risks perceived by clients in adaptive reuse projects, and had been introduced to ARCHI project's stakeholders by Council. As they explained:

The main challenges are regulatory uncertainties. Sometimes the owners don't know if the building can be converted until they already invest in resources … There are a lot of fragmented responsibilities without a common view of the whole process. You have the architect, engineer, planners, tradies, electrician, plumber, all working together and each one has their own siloed view and we help with this unified view (ARCHI IV5).

This interviewee provided an example of an ARCHI project they had worked on, where their client was proposing the conversion of the first floor of a commercial building into several residences. In this example, Interviewee 5 connected the ARCHI grants to project outcomes:

With the funding … we assisted the client with the business case to see if this is a feasible opportunity for them (ARCHI IV5).

Role of Local Government

ARCHI is an example of a policy-based and facilitation role taken by local government to foster housing development within its municipal area. The prominent roles for local governments in housing are typically land release and approval processes, both of which enable development market responses. In contrast, ARCHI is an intervention in housing designed to support innovative approaches to housing supply.

The City of Adelaide has provided financial and administrative support to developers under the program. A key part of the success of the program has been to align various other Council initiatives to support adaptive reuse and housing:

We had to incentivise the action we want. For instance, I think that housing should be top of the list for a heritage conservation grant. If the outcome is housing, you should be top of the list for the sustainability grant. If the outcome is housing, you should be top of the list. For assistance with building refits, whether it's to do earthquakes or fire resistance. If you get a housing outcome. We have designed this programme to do all the things (ARCHI IV6).

Further benefits have been discussed above: engendering developer confidence in residential adaptive reuse projects and building relationships between developers and council. As discussed with the example of a project that was supported by ARCHI above, Council is identifying proposals to support:

We pulled through whatever we see in the planning portal into our system. And then [Council worker] reaches out to them in a triage sense and we have one-to-one case management engagement and say 'Did you realise that your property has this potential? If you're interested, come and talk to us and we've got guidelines that can help with your work' (ARCHI IV4).

An important role played by the City of Adelaide was to create support for adaptive reuse in key State Government agencies, such as the Capital City Commission, which directly led to funding for ARCHI. A committee was established prior to ARCHI, to consider adaptive reuse, which then became the program's steering committee:

You invite people who are decision makers to join your steering committee, and then they see the merit and they say yes, we should support it. So the governance structure ends up becoming a critical path to getting the financing (ARCHI IV4).

The role of the South Australian Government through agencies such as the Capital City Commission, the Office for Design and Architecture, and the State Planning Commission has been important to the establishment and success of the program. There was recognition of the importance of this support, and the need for more, at a recent workshop on adaptive reuse in Adelaide:

... one of the big picture, consistent comments was that there has to be more commitment from government across all levels. So it's great that Council is doing this, but they've got limited access to funding: State and Federal have to get involved as well (ARCHI IV2).

The City of Adelaide has also implemented organisational structures and processes to support the program and contribute to its continuity. This includes the establishment of a project officer within Council with responsibility for all aspects of ARCHI, as well as ensuring longevity:

I find that if there's not a champion in an organisation that can push these things through, they don't actually happen. Obviously, the problem then is if that person leaves, these initiatives can fizzle out, which is why it's so important to get them into policy. It's not enough that we have people that think these are good ideas. We also have to have a compelling reason for other people to do them and to take it up, and especially with positions that have a set life span like the Lord Mayor's role ... So it's really critical to have that championship at the highest level, but then build frameworks around it that can carry it through the next iteration or the next person that comes along. (ARCHI IV2).

This was also discussed by Interviewee 4, who discussed the opportunities for staff development in Council, including post-graduate study in fields aligned to ARCHI.

The benefits of the ARCHI program are seen as arising from having a designated officer within Council to run the program and support applications, highlighting the importance of appropriate and targeted resourcing in fostering innovative approaches to housing.

... what got through planning and through building rules and then finally, approved. There's a lot of projects that have got their planning approval, but they got stuck in building consent. So it's also like reaching out to those proponents and ... get a better understanding of what was the blockage for the project. But of course the typical response is complexity and cost. They sort of started that building rules investigation and suddenly they're needing to do ... more complex safety upgrades (ARCHI IV1).

The importance of the project officer role has been supported by industry:

... feedback was the case management and having a dedicated person leading the project that they can come to and they know that they've got one point of contact who can coordinate all the advice, answer their questions - have a coffee and talk about your concerns. So I feel like the case management dedicated role ... has been the feedback from the actual proponents, that's been really important to them (ARCHI IV1).

A similar view was expressed by an interviewee from industry:

There's a real person that you can talk to ... So the fact that there is a real person that will go out to your site and have a look at the building with you and is an architect and does have knowledge and can talk to you about the opportunities of converting your assets, that to me, that's invaluable ... you would pay a lot of money for someone to come out and give you that advice and give you that assistance (ARCHI IV 2).

The grants to support feasibility studies are also important in affirming council's support for adaptive reuse, assisting in the initiation of projects:

Feasibility and cost are, of course, the bottom line for building owners, large and small, embarking on these projects and the feedback has been like the incentives are not huge, right? 10-25 grand is a drop in the ocean of how much these projects are costing. The feedback of owners and proponents has been [that] the case management support is equally valued to the money because it's really trying to ease that pathway through (ARCHI IV1).

In addition to the direct provision of grant money to ARCHI, the City of Adelaide has also supported adaptive reuse and the aims of the program, by aligning:

Other suites of grants around sustainability - incentives, noise management, heritage planning - we did a very simple extension of those to say if you apply for any of these ... If your property also happens to be an adaptive reuse project, you just go to the top of the list, so aggregating what we had communicating it to incentivise people to come off the couch and actually transition their property from dormant and underutilised to activated and rented has been really effective from just getting those first ones, promoting them on social media now taking the cameras through and showing this is what it looked like (ARCHI IV4).

The collaboration with universities was evident in the attendance of academics at the Adaptive Reuse Forum, and in a Masters by Research student internship to support the project. This student is engaged in the audit and survey of building stock in the local government area to help identify buildings suited to adaptive reuse. This included drawing on research that identified:

... building proportions and characteristics that best suit adaptive reuse to residential so you know sort of applying those metrics to our building stock. And having conversations with colleagues and the bigger commercial agents around what the opportunities might be (ARCHI IV1).

Council has been proactive, contacting developers to generate interest in the adaptive reuse through the ARCHI program, drawing on the extensive modelling and auditing of building stock in the city:

We went out through our rates notice process to contact building owners and then there's direct engagement as well ... There have been good conversations around potential that have come about through the agent. So the real estate agent will contact us to say, hey, you know, this building's coming to market. What do you think? How can you support? So that's been a really important conduit and relationship and then also through pre-lodgement as well (ARCHI IV1).

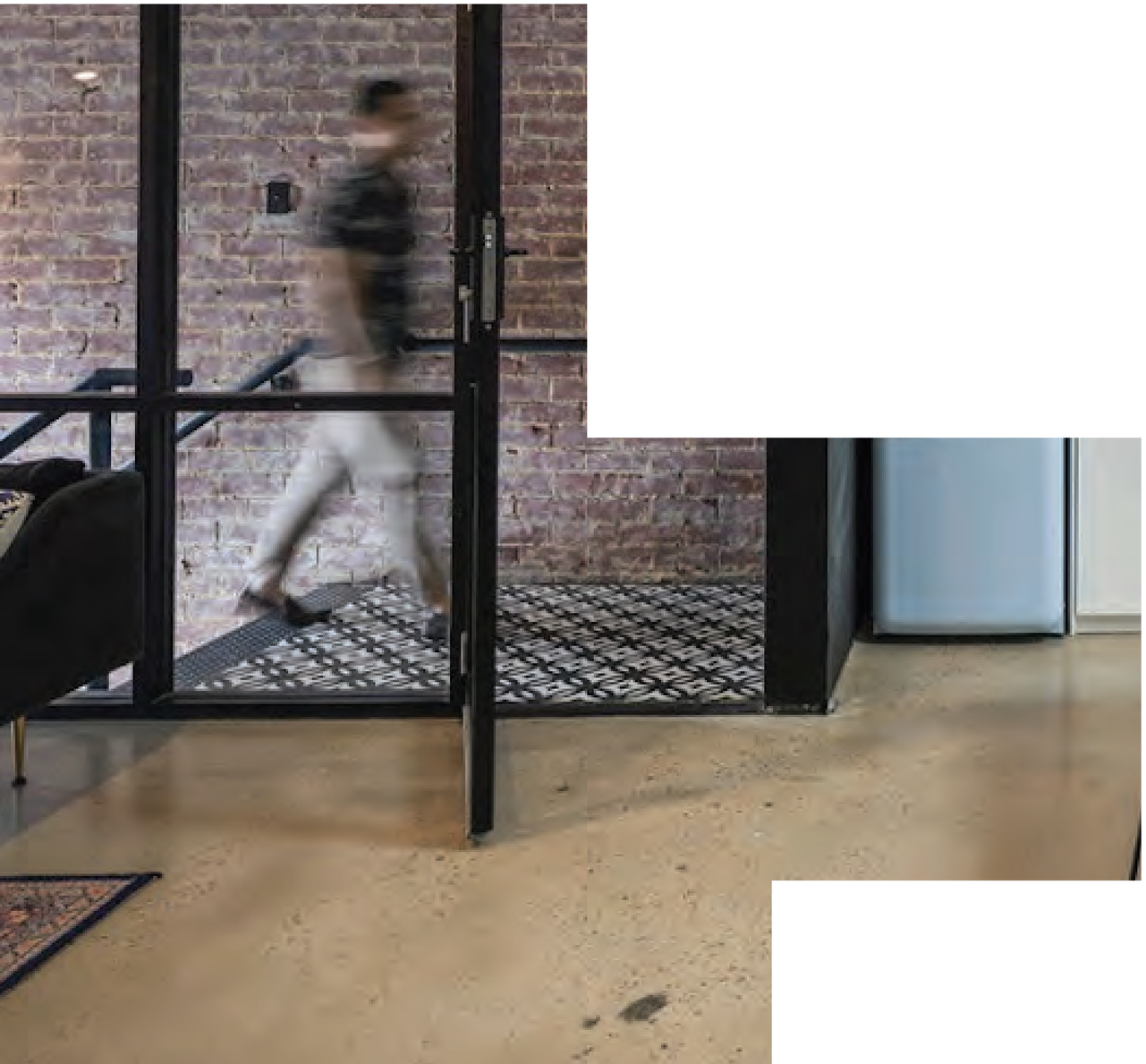
On the surface, ARCHI is a simple program offering support for adaptive reuse developments through grants, advice and process assistance. However, under the surface, ARCHI grew out of and is supported by strategy, research and reflection on how to best address the barriers facing developers. The work undertaken on identifying appropriate building stock for adaptive reuse, and the strong framing of the program within population, housing and sustainability goals indicate that, as Interviewee 4 stated, the efforts applied to program design and structure within Council have been 'deliberate' rather than 'accidental'.

In this way, the case study represents an approach by local government in response to housing aims that uses resources and capacities available to Council, and also recognises its limitations. These limitations include the Council not holding or having access to land suited to precinct-scale development and working with existing building stock, needing to increase the resources available through advocacy and engagement with the South Australian Government.

Figure 27: Streetscape in the City of Adelaide

Source: https://www.cityofadelaide.com.au/about-council/grants-sponsorship-incentives/archi-incentives-scheme/

3.0
Policy Insights: Local Government Interventions



This section gives an overview of the policy insights this research has uncovered regarding the roles and actions available to local government to facilitate housing innovation. The policy insights are presented following Eneqvist & Karvonen's typology of local government's strategic functions as described in Section 1.

The roles for Victorian local government need to be considered in the context of the system of government in Australia, and also the capacities and resources available to local government. This is particularly the case for the Wolverton case study, as in the UK system of government Milton Keynes City Council has greater responsibilities for social housing provision. The Wolverton and Sunshine Coast Councils have drawn on substantial financial resources in developing the infill development precincts analysed in the case studies included in this report. These examples also show how these Councils have promoted housing innovation through using the leverage of funding to ensure development aligns with strategic objectives. In contrast, the City of Adelaide had limited financial resources and did not have a suitable plot for precinct-scale development, and therefore ARCHI can be seen as a response to address housing supply issues with constrained resources.

Visioning

Responding to Housing Supply Gaps

The three case-studies place housing as a crucial element of broader strategic development goals within their municipalities. Maroochydore City Centre and ARCHI address the urgent questions of unmet housing demand and created housing supply goals, albeit at different scales (precinct vs building scale) and involving contrasting timelines (short vs long term).

Maroochydore City Centre recognises emerging and future employment opportunities and seeks to ensure that housing is available for key workers, part of a vision for the Sunshine Coast and Maroochydore as its CBD. This understanding of the emerging housing demand in the region preceded a land acquisition intervention towards creating new housing for health care, hospitality and other essential workers, as well as students.

Love Wolverton represents the desire to transform an underused, if not derelict, shopping centre into a range of housing developments with the capacity to house residents and reinvigorate local streets. Love Wolverton also encapsulates transforming visions and values of homemaking in contemporary England by promoting the use of collective spaces (e.g. gardens) and by including alternative modes of tenure (i.e. cohousing for older residents).

Table 5: Summary of findings across strategic functions

Role	Aims	Maroochydore City Centre	Love Wolverton	ARCHI
Visioning	Define and achieve shared goals	— Regional CBD and urban intensification — Transit Oriented Development — Improved housing mix, approach to sustainable and affordable – unknown market — Establish a strong vision before handing design control to the private sector	— Establish a supported and achievable precinct vision — Identify constraints and strategies to address these (such as costs and feasibility)	— Increase CBD population — Circular economy, adaptive reuse — Develop a city-wide vision that can be achieved incrementally, over time, through individual projects
Facilitating	Initiate and steer innovation	— Transport Oriented Development — Leverage existing or planned transport infrastructure to support higher density, transit-oriented development. — Housing mix — Facilitate more intensive housing in well-serviced settings, to optimise benefits from infrastructure investment	— Utilise the value of government land to provide housing, including affordable stock	— Policy development leadership and advocacy — Developing adaptive reuse capacity through site identification and the role of the project officer 'triaging' proposals — Identification of suitable buildings within the council area
Supporting	Support innovation	— Providing examples of TOD in public facilities: City Hall mode shift, active transport strategies — Innovative waste solution — Effective dwelling criteria support dwelling scales aimed at meeting needs	— Decision to purchase Love Wolverton — Cohousing development — Sustainable housing, passive HVAC	— Grants program — Prioritisation of housing in other programs
Amplifying	Apply and upscale innovative results	— Promote behavioral change through increasing housing density and public transport offer	— Draws on Marmalade Lane, previous examples of cohousing	— Building on experience of adaptive reuse elsewhere, and its role in housing supply (e.g. bringing in financiers from the east coast)
Guarding	Protect democratic values	— Ongoing community consultation to sustain support for the project	— Respecting the Wolverton neighbourhood plan and its aims	— Defend access to rental housing for key workers — Protect urban architectural heritage — Reduce vacancy and promote resource efficiency

Sustainable Development for Australian City Centres

Maroochydore City Centre and ARCHI were examples of visions for Australian city centres (and even CBD in the case of ARCHI). In Maroochydore, the council is leading the community in its desire to create a TOD and thereby reducing car dependency. With ARCHI, the City of Adelaide is promoting population increase in the CBD, with the aim of supporting community and economic development and heritage preservation. ARCHI also carries the council's vision to provide more affordable dwellings in the CBD, suited to the more transient resident population, and where optimal transport and other services and facilities are immediately available, supporting sustainable transport.

All case study stakeholders stated that sustainability and the realisation of decarbonisation goals were part of their projects, although the extent to which this was built in the specifications and procurement was uneven. As an adaptive reuse program, ARCHI is actively retaining embodied carbon in the existing building stock by converting underused commercial buildings into single or multiple dwellings.

The development scheme for Love Wolverton envisioned by Trivselhus and TOWN included massed timber construction and a renewable energy microgrid. The ambition has diminished over time due to the changing regulatory and economic environment in the UK, however, innovative approaches to sustainable housing have been retained. This includes the use of passive air systems, not standard in the UK, and the promotion of active transport in the development.

Housing Diversity as Affordability Vehicle

The below market rental housing to be managed by the Milton Keynes City Council in the Love Wolverton case study is an example of direct housing affordability, building on their extensive portfolio of rental properties and also their responsibilities within the UK system of government. While Maroochydore City Centre and ARCHI do not provide affordable housing, these case studies show how adding to the diversity of housing stock can make housing more affordable within their local government areas. To elaborate, by providing more smaller housing units in medium and higher density forms, households are more able to match their housing needs to local supply and, thus, all else being equal, only pay for the housing they need. This has previously been reported as an issue in regional cities, such as Maroochydore[65], and responds to the expected growth in demand associated with education and health facilities in Maroochydore and Adelaide.

The Maroochydore City Centre project provides apartment-style dwellings with one or two bedrooms, a form of housing in short supply in a region almost entirely comprising standalone dwelling stock. This increase in housing diversity addresses affordability by providing housing of an appropriate type for a greater range of residents in the council area.

Similarly, in Love Wolverton, the rationale for the affordability metric is to provide 1-2 bedrooms (especially 1) apartments. Housing mix was therefore an innovative instrument to enable the vision for a precinct where local workers can afford to live, in the context of an unknown and unstable housing market.

Building upon Residents' Vision

Love Wolverton is the outcome of a long-term community vision for the Agora site. The custodianship for the project's vision does not lie with Council, but rather with local community organisations (i.e. Future Wolverton). Across case studies, local government stakeholders were involved with local stakeholders in varying degrees. Values, norms and perceptions do not necessarily align across time with changing local politics, which was observed in the Love Wolverton case study.

Community Building

Across the Love Wolverton and Maroochydore City Centre projects, there was an emphasis placed on community building through design and spatial features, such as shared gardens and facilities, plaza spaces and pedestrian streets, as well as through the use of high-density and/or attached housing typologies (e.g. townhouses), which can support community engagement and social interactions amongst residents. In Love Wolverton, the cohousing scheme aimed at senior residents was another way to ensure the neighbourhood is socially diverse, that residents have an opportunity to age in place, and provide opportunities for encounter and social interaction. Across all case studies, regular communication, updates and participatory engagement were embedded in the project to ensure local voices were heard and challenges discussed.

[65] Crommelin, L., Denham, T., Troy, L., Harrison, J., Gilbert, H., Dühr, S., & Pinnegar, S. (2022). Understanding the lived experience and benefits of regional cities. Australian Housing and Urban Research Institute Limited. https://doi.org/doi: 10.18408/ahuri7126301

Facilitating

‘Triaging’

In ARCHI, the key innovation was in the development of ‘adaptive reuse capacity’ though the role of the project officer ‘triaging’ proposals and identifying sites and suitable buildings within the council area. This comes with an existing knowledge and network within the area and interstate, including with real-estate agents, architects, financiers and builders.

Consistency and Trust Building

The long timeframes of the Maroochydore City Centre and Love Wolverton projects mean that the Councils needed to be consistent in their plans for the development and build trust with their communities. In Maroochydore City Centre, the Council provided consistent leadership, long-term vision and upholding of the sustainability and affordability ambitions that were developed at the project’s inception. In Love Wolverton, consistency was more challenging to achieve due to the various prior attempts at redeveloping the shopping centre and the political and supply chain disruptions in the wake of Brexit. These fluctuations in vision had clear impacts on the way that Milton Keynes Council was able to facilitate the project in a way that remains consistent with the Wolverton Neighbourhood Plan.

Supporting

Directing Resources

As a grant program, ARCHI provides direct financial support to building owners who may be open to a commercial to residential conversion. However, the role of local government in this case study was not limited to directing funding to potential projects as part of this specific intervention but also included prioritising programs that had housing outcomes as part of their goals. In Love Wolverton, local government chose to keep engaging with TOWN, the profit-for-purpose developer nationally recognised as a leader in delivering innovative forms of housing, including cohousing tenure developments. Resources were directed from within council towards the purchase of the disused shopping centre, so the ambitions expressed by residents were delivered.

Sustainable and Digital Infrastructures

Building the provision of sustainable and digital infrastructure as part of local government strategic procurement can be seen as supporting innovation. Maroochydore City Centre built an innovative waste solution as part of the precinct, as well as a high-speed digital connection to Asia, to place the future precinct at the forefront of technological communications and to generate high-quality employment opportunities alongside housing.

Furthermore, in Maroochydore, the Council led by example by implementing some of the benefits that can be realised with Transit Oriented Developments at an organisational level and in their municipal facilities, such as having a City Hall mode shift and active transport strategies. The Maroochydore initiative was a response to the upcoming rail infrastructure, being a state investment.

Building Performance and Material Innovation

While it was often present in the earlier phases of project design, achieving outstanding building performance and material innovation was often challenging from a financial and feasibility perspective. In this instance, the strategic role of local governments can be in the choice of the developer, who will ultimately guide and advocate for these choices. In Love Wolverton, the developer ensured a cohousing scheme was part of the development on top of the affordable units included in the plans. In Maroochydore and Love Wolverton, the use of structural mass timber was considered but later abandoned, however, other sustainability metrics and the reduction of carbon emissions were achieved using other ways (including reduced car parking, pedestrian streets, low energy use and shared living spaces).

Amplifying

Coordination across Tiers of Government

A significant way in which local government can amplify their actions is by working across tiers or government. By understanding the limits of what they can achieve as local government alone, and without the support of State Government, the City of Adelaide coordinated with the South Australia State Government to help finance and build visibility of the ARCHI program. Similarly, the governance of Maroochydore City Centre project is built on a responsive and transparent structure through which the Queensland government is involved, most directly as the planning authority for the site.

Upscaling and Replicating Precedents

In Love Wolverton, it was apparent that the project was built on an award-winning precedent delivered by the same developer in another nearby city, Cambridge. The cross-referencing of this precinct was useful to build trust and confidence amongst stakeholders. In Maroochydore, other precincts were investigated during the design phase to draw on lessons and avoid mistakes. ARCHI was at the time of this research in its first phase, and the project was set to be upscaled and more complex and taller buildings tackled in the next iteration.

Policy Advocacy and Knowledge Sharing

Policy advocacy was a significant instrument throughout which ARCHI was funded but also disseminated. That was done principally by the City of Adelaide’s Lord Mayor, who championed the project. Two of the case studies also involved partnerships with academia or drawing on research findings (i.e. UniSA and Australian Urban Observatory at RMIT University). Knowledge sharing was therefore a key strategic function of local government but also knowledge creation, as supporting the projects with an evidence base to back the legitimacy of the policy (in the case of ARCHI) was a key factor of success. ARCHI also built on the experience of adaptive reuse elsewhere and its role in housing supply.

Guarding

Managing Conflicts of Interests

The preservation of the collective interests in the case was at the centre of the three local governments' concerns. When local governments are land owners and/or become developers, some conflicts of interest can appear, which is why Maroochydore handed the management of the precinct development to an independent third party. Similarly, Love Wolverton is run by the developer, TOWN, and not by Council. This reflects the limits of local government's capabilities, as well as the need for it to lean on other stakeholders in order to protect the best interests of housing projects. Council then can retain its role in guarding the project's values and commitments, such as the commitment to affordable housing through the Milton Keynes Development Plan.

Commitment to Good Design and Residential Outcomes

Good design and ensuring positive residential outcomes are a key value that local government aims to uphold. The Love Wolverton precinct proposal was built upon a community vision developed over many years and expressed through the Neighbourhood Plan. The City of Adelaide placed good design at the core of the ARCHI program by selecting a trusted project lead who had served as part of the South Australia Government Architect office. In Maroochydore, there is ongoing community consultation to sustain support for the project and ensuring residents are aware of the project development. Love Wolverton's plans, if realised, will consist in best-in-class good design, not only aesthetically but environmentally and socially.

Alignment with Broader Policy

All three case studies take a broader view of the impact and integration of the project in its broader context, especially in relation to State policy, investment and initiatives in Australia. In the UK, the Love Wolverton project is also connected to broader urban and regional ambitions, in terms of providing housing to support the economic growth of Milton Keynes. However, being connected to policy at a different scale of government can also bring pitfalls, as projects can become tied to political agendas and projects or on the contrary, conflicting goals. For instance, the connection of Maroochydore to the railway line was subject to decisions and delays by the Queensland Government, which affected the project's objectives. With ARCHI, a positive outcome from the alignment with broader local government policy, such as its net-zero agenda, means that the initiative is contributing positively to Council's effort and does not detract from it.

4.0
Concluding Thoughts

The report highlighted two different approaches to local government intervention to increase the supply and quality of housing: first a precinct delivery approach via a new precinct in the case of Maroochydore and a revitalised one in Wolverton; and second, a policy approach via the grant scheme ARCHI in the City of Adelaide. Innovation in local government housing projects resides in the governance, procurement and political mechanisms at Council's disposal. Recognising limitations in the case of local government is important: to be able to draw on other tiers of government, not just in terms of funding but also in terms of policy advocacy and lobbying.

This report has shown that there are multiple ways in which local governments may influence or promote housing outcomes, and that such roles involve various levels of responsibility, financial commitment, expertise and political willingness. A key lesson for local government arises from the clear consideration of how the resources and capacities within each of the case study Councils can be marshalled to deliver and influence housing outcomes within their areas. This is more than land parcels, precincts and rezoning, but also includes leveraging in-house expertise and competencies. More than funding, using information sourcing and strategic procurement to reach their vision was essential in the case of ARCHI and Maroochydore.

The examples provided in this report include:

— **ARCHI:** advocacy, development approval assistance and 'triaging', alignment of other programs with housing goals.

— **Maroochydore City Centre:** visioning, project preparation/ planning, and ongoing facilitation and development guidance role.

— **Love Wolverton:** facilitation between private developers' interests and local community vision; safeguarding of long-standing aspirations from residents.

Finally, aligning and embedding housing supply with other strategic goals of council was also a key instrument to develop innovative mechanisms. Such goals included population targets and projections, activity centre intensification, economic development, decarbonisation, inclusion and affordability, and well located and serviced housing.

MUNICIPAL ASSOCIATION OF VICTORIA

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6.0
Design testing - introduction

6.1 Aims

This section focuses on the production of prototype concept designs for hypothetical housing projects, on selected sites in a range of contexts in Victoria.

The aim is to demonstrate good design practices towards liveable, sustainable and economically viable housing projects, in varied settings.

We set out to identify and select a total of six (6) sites – three (3) for new buildings, and three involving adaptive-re-use of retained existing buildings. It was intended that the sites would be Council-owned, with a view to:

- Potentially informing actual housing/development projects on the sites, that the relevant Council may progress beyond this study;
- Demonstrating to other Councils how similar properties may be advanced for housing provision;
- Potentially utilising the value of the land parcels, to formulate the provision of viable and/or affordable housing.

Importantly, these propositions are NOT:

- Actual development proposals;
- Fully developed designs, addressing all relevant technical constraints and requirements;
- Informed by all technical considerations or commercial imperatives;
- Planning Permit Applications.

6.2 Process

The process for this component of the study was as follows:

6.2.1 Analysis

- Site identification and selection, through engagement with officers and CEO's from various Councils, as discussed below;
- Spatial/planning analysis of the sites, including site visits and desktop analysis, by our team's Architects and Urban Designers;
- Economic analysis of the site locations, by our team's Property Economics specialists, to inform the type of developments that might be considered, based on feasibility considerations.

6.2.2 Design

- Preparation of concept-level plans for potential development outcomes on the site, and associated yield/ floor area analysis;
- Traffic inputs from our team's specialist consultant, to inform approaches to access and parking in the development concepts;
- Urban Design review of the concept proposals by our team, to test and demonstrate the design response to its context and site conditions.

6.2.3 Viability testing (in Part 3)

In the subsequent stage of the project, the designs are analysed through:

- Cost Planning: preparation of a (potential construction) cost analysis by our Quantity Surveyor;
- Feasibility analysis / Business Case for the hypothetical development, building on the earlier economic analysis, and the cost analyses for the concepts.

6.3 Site selection: Criteria

The MAV's brief for this project was to utilise a range of site locations in Victoria, comprising both metropolitan Melbourne and regional locations, to demonstrate design and economic responses to various contexts, site parameters and local economic/housing conditions.

Our work identified a range of general criteria for the sites, as follows:

6.3.1 Redevelopment (new build) sites

Size

No set size minimum, but should be large enough to accommodate multi-unit, higher-density residential development.

The sites should be relatively flat, avoiding complex topographic conditions.

It is assumed the sites would accommodate a single building, rather than a complex or precinct of multiple buildings.

Location

Sites should be well-located for access to services, facilities and amenities, including public transport where available.

Locations should be 'open to change' or potential higher-density built form, so preferably avoiding highly restricted or sensitive locations.

Locations should be suited to residential living, so avoiding highly detrimental interfaces or localities.

6.3.2 Adaptive re-use sites (existing buildings)

As above, plus:

Existing buildings

Existing buildings should (ideally) reflect some local/ character value, to warrant retention (at least partially), and to support an attractive residential offering.

Some buildings, such as large floorplate office buildings, present challenges to adaptive re-use for residential, but any significant challenges can be identified early in the selection/ design processes.

Larger buildings should (in principle) incorporate structural capacity for expansion and/or adaptation.

6.4 Site selection: Challenges

The purpose of this study is to develop a process model, which Councils can utilise and replicate, to find, record and analyse sites which may be suitable for housing provision, and to identify potential development outcomes on these sites.

The process of calling for and finding prototype sites for this study, led by the MAV, was more difficult than expected, and faced a range of challenges and obstacles, as follows:

6.4.1 Lack of data or records on ‘known’ sites that may be development-ready

Some Councils were reportedly interested in participating in this study, but could not readily provide a suitable site which had the appropriate approvals for consideration.

In some cases, Council officers provided several site suggestions, some of which were vetoed at CEO level. There was also confusion between specific which sites were being put forward.

It is recognised that Development Victoria and VicTrack, for example, have internal mechanisms for identifying suitable State-owned land for potential development.

The Victorian Government’s Urban Development Program (UDP) is currently being reviewed and so is unavailable, according to the Department of Transport and Planning website, updated in May 2025:

https://www.planning.vic.gov.au/guides-and-resources/Data-spatial-and-insights/discover-and-access-planning-open-data/urban-development-program-unavailable

The UDP did not focus on land or specifically government-owned land, but *monitors and reports on major residential redevelopment projects across metropolitan Melbourne. Major redevelopment projects are those comprising ten or more dwellings. These include projects which may have an existing planning permit, or are in the planning processes, those that are current under construction, as well as potential longer term projects on sites that local councils have identified for residential purposes*

Source: **https://discover.data.vic.gov.au/dataset/urban-development-program-major-residential-redevelopments-sites-2021**

Aside from the UDP, there is not a known resource or mechanism, for identifying Council-owned, potential development sites.

6.4.2 Lack of clear approach or coordination for identifying sites and development potential

In some cases, Councils reported internal challenges around lack of communication or clear information on the location, nature and potential of Council land resources.

Some parcels put forward for consideration had already been considered and/or analysed through other processes.

This was beneficial in terms of building on previous work and ‘momentum’, and supporting ‘real’ project opportunities, but also revealed the limited depth of land identification.

6.4.3 Limited internal combination or information management at Councils

There was also some confusion internally at Councils as to which land assets may be suitable for this study, and which would be approved at CEO-level.

Some blockages identified included:

- Previous work done for some properties, and so reluctance to start a new process;
- Lack of known sites in Council area;
- Lack of internal resources at Councils to participate effectively.

6.4.4 Lack of established process to identify Council-owned surplus land, and progress towards new uses

Councils were generally found to not be prepared or have an identified ‘pipeline’ of (surplus) land assets as potential development sites/opportunities.

6.4.5 Limited land resources

Some Councils reported few or no known available land parcels, and some were unsuitable due to more remote locations or limited size.

Often Council-owned land has an established use which is valued by the community, such as car parking, or public open space. Removal or relocation of these, to make way for new housing, is likely to cause community concern.

Regarding adaptive re-use sites, there was reportedly a lack of land assets for which Council intended to retain existing buildings. Council would opt to remove existing buildings to make way for development, particularly if there was no heritage or community value.

6.4.6 Community perception risk

Finally, some Councils perceived a risk of participating in this prototype design process, in terms of how the community might perceive the process or outputs.

7.0

Design testing for Site 1: Former Wonthaggi Secondary School (Bass Coast Shire)

7.1 Market research and demographic analysis

This analysis is prepared by HillPDA for the Wonthaggi site.

WONTHAGGI MARKET RESEARCH SUMMARY

Wonthaggi is a regional town located approximately 132 kilometres southeast of Melbourne (2021 population of 8,430).

Wonthaggi's population has shown steady growth over the past two decades and is projected to maintain a growth trajectory into the future.

The demographic profile of the town is diversifying with smaller household types growing strongly. Housing stock, which is dominated by separate houses, has not however changed in line with changing demographics.

Demand for smaller and more affordable housing exists. However development feasibility evidence for new formats of smaller housing options is limited.

There is an opportunity to prove the market via use of case study public land to generate new housing formats.

Prices for townhouses provide a guide to potential apartment prices. Lower cost apartment structures should be considered in the first phase of development.

Note: the last section of this paper provides a preliminary scoping of general housing innovation options on public land.

1.0 DEMOGRAPHIC CONTEXT

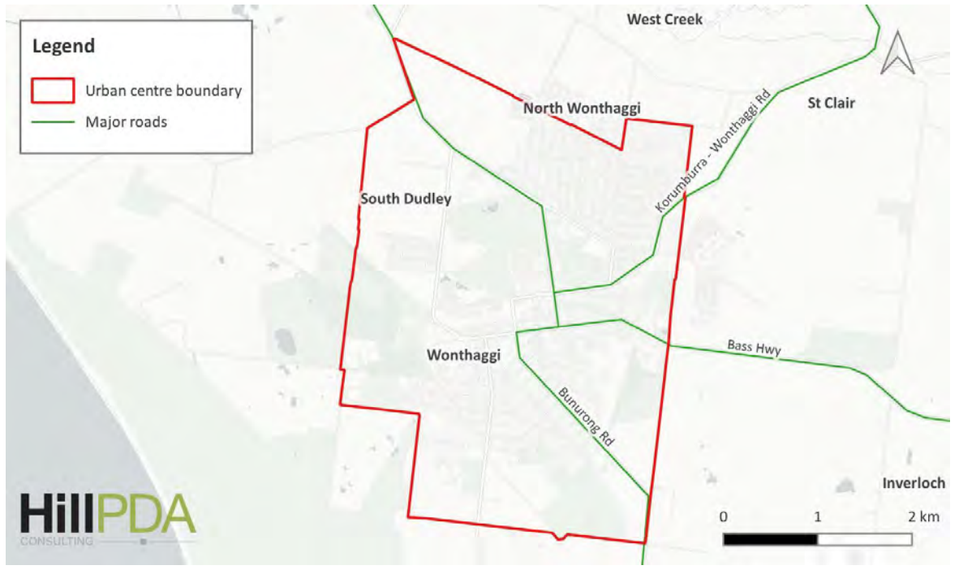
1.0 Overview

This section provides a demographic profile of Wonthaggi. This information informs market responsive housing options.

1.1 Wonthaggi

Wonthaggi is a town within the Bass Coast Shire, located approximately 132 kilometres southeast of Melbourne and accessible via the Bass Highway. Originally a coal mining town, it is now the biggest town within South Gippsland.

Figure 1: Wonthaggi and surrounds

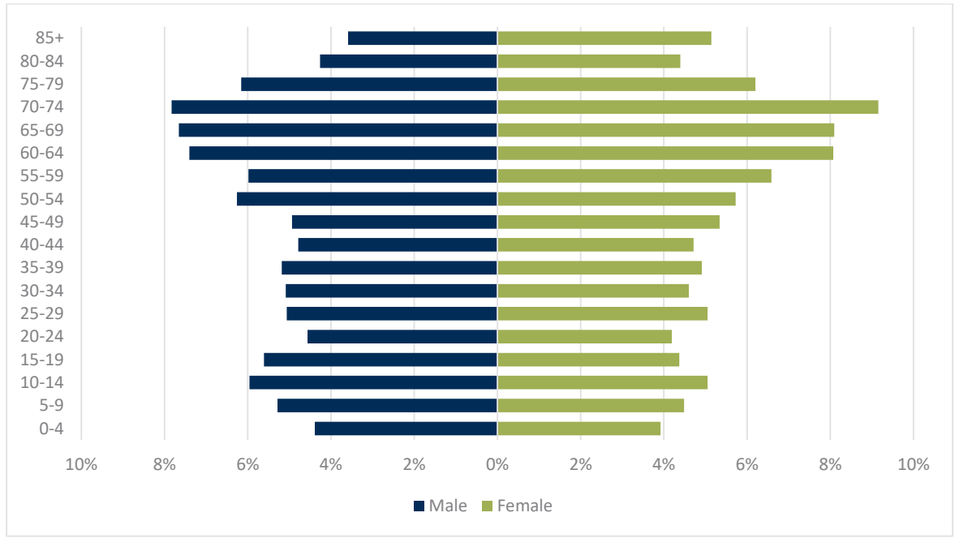


Imagery: CARTO (2025)

At the 2021 Census, Wonthaggi had an estimated population of 8,430.

The age profile is 'older', with an average age of 51. Almost one third of all residents are aged over 65 years, while around one quarter are aged under 20 years.

Figure 2: Age distribution in five year age groups (Wonthaggi)

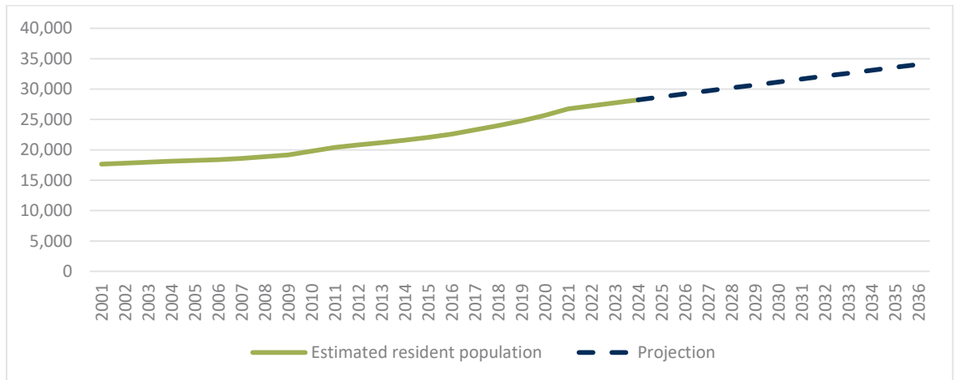


Source: ABS (2021).

Wonthaggi's population has shown steady growth over the past two decades and is projected to maintain this into the future.

The population of the wider Wonthaggi-Inverloch area increased by approximately 10,600 people between 2001 and 2024 and is expected to grow by almost 6,000 to 2036, at a rate of around 1.7% annually.

Figure 3: Population projection (Wonthaggi-Inverloch SA2)



Source: ABS (2025); DTP (2023).

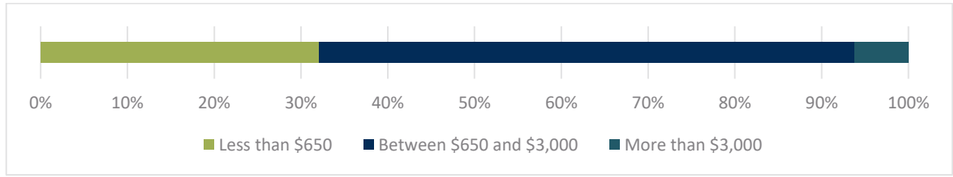
According to the 2021 Census, in Wonthaggi:

- The median weekly household income was $917
- The median monthly mortgage repayment was $1,216

- The median weekly rent was $280.

Around one third of households earn below $650 per week, while only 6.2% earn $3,000 or more. Incomes have increased over the past decade, with the proportion of households earning more than $3,000 per week rising from 3.3% in 2011 (an 87.9% increase). In the same timeframe, the share of households earning less than $400 per week more than halved, falling from 20.2% to 9.0%.

Figure 4: Household income ranges (Wonthaggi)



Source: ABS (2021).

Wonthaggi has a predominantly Australian-born population, with just 13.9% born overseas. English is also the dominant language, with 88.5% of residents using only English at home. Individual migrant populations are small, with the three most common languages other than English each being used by less than 1% of residents.

Top countries of birth (excluding Australia):

1. England (4.9%)
2. New Zealand (1.2%)
3. Italy (0.9%).

Top languages used at home (ex. English):

1. Italian (0.8%)
2. Malayalam (0.6%)
3. Karen (0.4%).

1.2 Dwelling profile

Between 2011 and 2021, the number of dwellings increased by almost one quarter. Separate houses saw the largest absolute growth (892 dwellings), to account for over 90% of all dwellings. The number of semi-detached flats or apartments both fell, with flats and apartments in particular declining by over 90%. Meanwhile the number of other dwellings, specifically cabins/houseboats, increased.

These changes may be partially explained by data discrepancies that result in changes in classification between separate houses, semi-detached, flats, and cabins in the Census.

Table 1: Dwelling structure (Wonthaggi)

Description	2011		2021		Change	
	#	%	#	%	#	%
Separate house	2,429	82.4%	3,321	90.5%	+892	+36.7%
Semi-detached, row or terrace house, townhouse etc.	254	8.6%	218	5.9%	-36	-14.2%
Flat or apartment	247	8.4%	22	0.6%	-225	-91.1%
Other dwelling	19	0.6%	108	2.9%	+89	+468.4%
Total	**2,949**	**100.0%**	**3,669**	**100.0%**	**+720**	**+24.4%**

Source: ABS (2011; 2021).

Wonthaggi has seen a shift towards larger homes, with the number of dwellings with four or more bedrooms growing the most of all types, by 50%.

Two to three bedroom dwellings experienced more modest increases, while the share of smaller zero to one bedroom dwellings stayed relatively stable.

Table 2: Number of bedrooms (Wonthaggi)

Description	2011		2021		Change	
	#	%	#	%	#	%
None (includes studio apartments or bedsitters)	10	0.3%	10	0.3%	0	0.0%
1 bedroom	163	5.7%	159	4.4%	-4	-2.5%
2 bedrooms	648	22.5%	814	22.6%	+166	+25.6%
3 bedrooms	1,498	52.1%	1,781	49.5%	+283	+18.9%
4 or more bedrooms	556	19.3%	834	23.2%	+278	+50.0%
Total	**2,875**	**100.0%**	**3,598**	**100.0%**	**+723**	**+25.1%**
Average number of bedrooms per dwelling	2.9	-	2.9	-	-	-

Source: ABS (2011; 2021).

The number of households grew by 24.1% between 2011 and 2021. This included notable growth in lone person households, which increased by over one third and now make up 36.8% of all households.

The next largest growth occurred in one parent families, which grew by 33.8%. The total number of couple families with children declined slightly, to make up 18.2% of the total population.

This is reflected in the average household size, which saw a decrease from 2.3 to 2.1 over the time period.

Table 3: Household composition (Wonthaggi)

Description	2011		2021		Change	
	#	%	#	%	#	%
Lone person	1,013	33.9%	1,363	36.8%	+350	+34.6%
Group	102	3.4%	113	3.0%	+11	+10.8%
Family	1,870	62.6%	2,229	60.2%	+359	+19.2%
Couple family without children	799	26.8%	1,034	27.9%	+235	+29.4%
Couple family with children	677	22.7%	674	18.2%	-3	-0.4%
One parent family	370	12.4%	495	13.4%	+125	+33.8%
Other family	24	0.8%	26	0.7%	+2	+8.3%
Total	**2,985**	**100.0%**	**3,705**	**100.0%**	**+720**	**+24.1%**
Average household size (no. of persons)	2.3	-	2.1	-		

Source: ABS (2011; 2021).

The number of households is expected to grow by 31.5% by 2036.

Lone person households are expected to see the largest increase in both real numbers and percentage terms, and they will remain the dominant household type. However, all household types are projected to experience strong increases, including couple families with children, which are expected to grow by 19.2%.

Table 4: Household projections by type (Wonthaggi-Inverloch SA2)

Description	2021	2026	2031	2036		Change 2021-2036	
				#	%	#	%
Couple family without children	4,104	4,603	4,986	5,295	33.1%	+1,192	+29.0%
Couple family with children	2,604	2,752	2,899	3,105	19.4%	+501	+19.2%
One parent family	1,181	1,294	1,411	1,550	9.7%	+369	+31.2%
Other family	94	109	121	132	0.8%	+38	+40.2%
Lone person	3,897	4,479	5,020	5,509	34.4%	+1,612	+41.4%
Group	300	338	379	420	2.6%	+120	+39.9%
Total	**12,180**	**13,576**	**14,817**	**16,011**	**100.0%**	**+3,831**	**+31.5%**

Source: DTP (2023).

All tenure types increased in number over 2011 to 2021.

The number of dwellings rented or owned with a mortgage both declined slightly as a proportion of all dwellings, while dwellings owned outright now make up almost 47% of all dwellings. Other tenure type remained a small minority at around 1% of all dwellings.

Table 5: Tenure type (Wonthaggi)

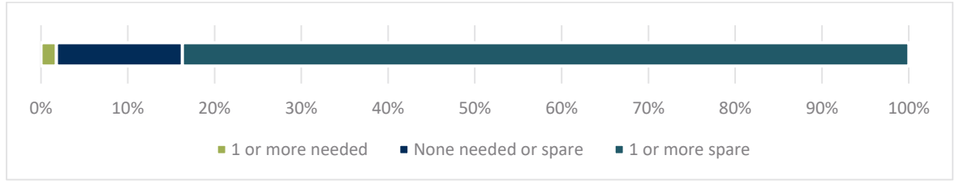
Description	2011		2021		Change	
	#	%	#	%	#	%
Owned outright	1,244	43.6%	1,690	46.9%	+446	+35.9%
Owned with a mortgage	762	26.7%	898	24.9%	+136	+17.8%
Rented	829	29.1%	966	26.8%	+137	+16.5%
Other tenure type	17	0.6%	47	1.3%	+30	+176.5%
Total	**2,852**	**100.0%**	**3,601**	**100.0%**	**+749**	**+26.3%**

Source: ABS (2011; 2021).

In 2021, the vast majority of dwellings (83.7%) had one or more spare bedrooms, and of these, over 12% had three or more spare.

In contrast, less than 2% of dwellings required additional bedrooms, with the vast majority only requiring one extra bedroom.

Figure 5: Housing suitability (Wonthaggi)



Source: ABS (2021).

2.0 MARKET RESEARCH

2.0 Overview

This section provides a profile of the Wonthaggi property market. This information informs market responsive housing options.

The market research provides realistic assumptions around pricing, demand and development activity, which are essential for evaluating the viability of housing options.

2.1 Residential Apartments Market Overview

The apartment and unit market in Wonthaggi has experienced a price correction over the past 12 months. The median unit price is approximately $400,000, reflecting a 5.3% decline.

Rental yields remain strong at 4.7%, with a median weekly rent of $400.

Units typically take 68 days to sell, indicating moderate demand with 258 buyers showing interest in the past month.

2.2 Supply Indicators

Wonthaggi is experiencing a tight housing market with limited available stock for sale at the current time (stock on market is estimated at 0.28%).

This condition is often a precursor to upward pressure on prices, especially if new housing stock is introduced in the context of expected cuts to interest rates during 2025.

2.3 Affordability

Despite recent price corrections, affordability remains a significant challenge.

It is estimated that it could take up to 39 years to own a property outright, based on current income-to-price ratios.

2.4 Rental Market Performance

Wonthaggi attracts investor interest due to its strong rental performance. Rental yields are solid, offering attractive returns compared to metropolitan areas. The vacancy rate is low at 1.01%, indicating a tight rental market with consistent tenant demand.

This combination of low vacancy and strong yields makes Wonthaggi a compelling option for investors seeking long-term rental income.

2.5 Outlook

The following trends are expected to shape Wonthaggi's property landscape:

- Regional migration to the town as affordability pressures continue to adversely impact metropolitan Melbourne.
- Ongoing infrastructure investment that enhances connectivity and liveability will continue to support population growth.

Overall, Wonthaggi is well-positioned for sustainable long-term housing market growth.

2.6 Development sites

The table below presents a summary of active and approved development sites in Wonthaggi, detailing sale prices, site areas, dwelling counts, planning milestones, and key financial metrics. This provides a snapshot of market activity and the feasibility of development across the township.

Table 6: Development site sales evidence

Street Address, Wonthaggi	Sold Price	Sold Date	Land Area	No. of Units	$/sqm	$/unit	Description
32-34 Graham Street	$800,000	2010	-	4	-	$200,000	Construction of four (4) dwellings.
33 Dunn Street	$722,000	2021	1,012	3	713	$240,667	Removal of existing dwelling. Construction of 1 x 2-bedroom & 2 x 3-bedroom x 1-storey dwellings. Car parking for five vehicles. 2022
52 Broome Crescent	$800,000	2021	1,012	3	791	$266,667	Proposed removal of the existing dwelling. Construction of 3 x 2-bedroom x 1-storey dwellings. Car parking for three vehicles.
23 Ivor Street (Lot 48 PS005309)	$800,000	2021	1,295	4	618	$200,000	Demolition of existing dwelling & associated outbuildings. Construction of 4 x 3-bedroom 2-storey townhouses. 519sq m landscaping.
9 Hagelthorn Street	$1,000,000	2022	2,023	6	494	$166,667	Removal of existing buildings. Construction of 4 x 2-bedroom & 2 x 3-bedroom x 1-storey dwellings. Car parking for eight vehicles. 765.3sq m landscaping.
215 Graham Street	$980,000	2022	1,012	3	968	$326,667	Construction of 3 x 2-bedroom x 1-storey dwellings on a vacant site. C Car parking for three vehicles.
326, 328 & 330 White Road	$650,000	2023	3,036	4	214	$162,500	Construct a display home centre to comprise 3 x 4-bedroom x 1-storey & 1 x 4-bedroom x 2-storey display homes with 2 car spaces each. 20 vehicles
3 Edgar Street	$2,500,000	2023	1,579	4	1583	$625,000	Reconfiguration of the existing lot into 4 lots. Construction of 4 x 3-bedroom 2-storey townhouses on a vacant site. Car parking for 8 vehicles. Landscaping.
119 Broome Crescent	$885,000	2023	1,012	3	875	$295,000	Removal of existing dwelling. Construction of 3 x 2-bedroom x 1-storey dwellings. Timber paling fence, concrete driveway, colour coated metal roofing & roller door, face brickwork, weatherboard cladding & aluminium windows & sliding doors. Car parking for 3 vehicles. Landscaping.
46 Hagelthorn Street	$900,000	2023	1,012	3	889	$300,000	Removal of existing dwelling. Construction of 2 x 4-bedroom & 1 x 3-bedroom 2-storey dwellings. Brickwork, aluminium framed window, sliding door & glazing. Car parking for 6 vehicles. Landscaping.
17 Fahey Street	$520,000	2023	1,763	4	295	$130,000	Construction of 4 x 3-bedroom x 1 storey dwellings. Colour coated metal roof sheeting, fascia & gutter, aluminium framed windows & timber paling fence & posts, Car parking for 8 vehicles. Landscaping.
32 Dunn Street	$900,000	2023	1,011	3	890	$300,000	Construction of 3 x 3-bedroom x 1 storey dwellings on a vacant site. Car parking for 6 vehicles. Landscaping.
48 Dunn Street	$950,000	2024	1,012	4	939	$237,500	Demolition of existing dwelling. Construction of 4 x 2-bedroom x 1-storey dwellings. Car parking for 4 vehicles.
12 Cameron Street	$1,200,000	2024	1,012	3	1186	$400,000	Demolition of existing dwelling. Construction of 3 x 3-bedroom x 1-storey townhouses. Car parking for 6 vehicles. Landscaping.
2, 43 Murray Street	$485,000	2024	394	1	21m	$485,000	Construction of a 2-storey building with two dental consulting rooms (74sq m & 110sq m) at ground level & 1 x 2-bedroom apartment at the upper level on a vacant site.
314 White Road	$800,000	2025	1,000	4	800	$200,000	2-storey building with 2 dental consulting rooms (74sq m & 110sq m) at ground level & 1 x 2-bedroom.
Total Dwellings				**56**			

Source: Cordell Connect, RP Data Professional, HillPDA

2.7 Townhouses Sales Evidence

Townhouses in Wonthaggi are gaining popularity due to their affordability and low maintenance appeal.

While specific median prices vary by location and design, townhouses generally attract both downsizers and investors.

New townhouse developments are emerging in infill areas and private estates, catering to growing demand, which is typically described as:

- Dwelling types: townhouses, low-rise
- Design quality: functional, affordable
- Target market: downsizers, retirees, regional movers.

Median pricing by size is repor6ted as:

- 1-Bed Units: $260,000
- 2-Bed Units: $390,000
- 3-Bed Units: $430,000.

Table 7: Townhouse sale evidence

Street Address, Wonthaggi	Sale Price	Bedrooms	Internal Area (sqm)	$/sqm	Sale Date
1/29 Korumburra Road	$480,000	3	114	$4,210	6-May-25
2 Drydale Street	$615,000	2	156	$3,942	23-Aug-23
2/16 Cameron Street	$460,000	2	110	$4,363	2 May 2025
1/8 Brook Street	$420,000	3	121	$3,471	10-Feb-25

Source: RP Data Professional, HillPDA

2.8 Commercail Property Sector

The retail sector in Wonthaggi is well-established, anchored by Wonthaggi Plaza, Big W, supermarkets and complemented by and a variety of specialty stores. Wonthaggi also performs a regional role for bulky goods retail such as furniture, hardware, and whitegoods.

Wonthaggi is an administrative and service centre of the region, and hosts a range of professional services, government office and health-related businesses. The newly developed hospital is a key anchor in the area.

The town's office stock is primarily concentrated around Graham Street and Billson Street, with small to medium-sized tenancies ranging from 150 to 500 sqm.

These spaces typically cater to local businesses, medical practices and community services.

Demand for office space in Wonthaggi is steady, supported by population growth and the decentralisation of services from metropolitan Melbourne.

The commercail market has stable occupancy rates.

Table 8: Commercial shopfront sales evidence

Street Address, Wonthaggi	Sale Price	Floorspace SQM	$ / SQM	Sale Date
55-57 MCBRIDE AVENUE	$820,000	423	$1,939	9-Aug-24
41-43 MCBRIDE AVENUE	$1,045,000	421	$2,482	22-Jul-24
3/156-158 GRAHAM STREET	$300,000	59	$5,085	10-Jul-24
5/156 GRAHAM STREET	$396,000	59	$6,712	26-Nov-24

Source: RP Data Professional, HillPDA

2.9 Market Summary

Development Site Values

- Development site land values range from $210/sqm to $1,590/sqm, or $130,000/unit to $625,000/unit (depending on location and quality / amenity).
- Most residential developments are townhouses and houses.

Townhouses Prices

- Townhouses prices range from $420,000 to $615,000, at $3,470/sqm to $4,370/sqm (internal 125 sqm average).

Apartment Prices

- Limited market evidence is available to support apartment prices for newly constructed stock.

Commercail Shopfront Prices

- Commercail shopfront prices range from $1,900/sqm to $6,750/sqm (shopfronts under 500 sqm).

3.0 NON-MARKET OPTIONS

3.0 Overview

This section provides a preliminary scoping of housing innovation options that may be considered to facilitate the supply of more diverse and / or more affordable housing options via the use of public land (i.e. local government land).

3.1 Council Land Options

Sale or Lease of Land

Councils may from time to time sell land or lease land at market value or at a discount.

The divestment or lease could be made to a to a private entity or to a not-for-profit entity like a housing association or some form of land trust. This could be done for a housing purpose to meet the needs of the local community.

Discounted land sale has the potential to make development projects viable for the developer in cases where financial viability is not possible.

Discounted lease of land to a housing provider can have the same benefit for the housing provider; that is, generating a financially acceptable outcome.

Land Trust Model

A land trust model enables the individual household to purchase a dwelling or build a dwelling on land owned or controlled by a land trust. Land trust arrangements offer the opportunity for home ownership to a group that would otherwise not be able to afford a land with dwelling.

The land trust could have a particular objective such as meeting the needs of key workers, first home buyers or older persons.

3.2 Some Recent Land Innovation Examples

Selected case studies regarding housing investment innovation provide insights into potential responses that may be relevant.

Key Worker and Affordable Housing Project, Warrnambool City Council, Victoria

Facilitating key worker housing supply on council land

Warrnambool City Council in regional Victoria developed this project to tackle the lack of affordable rental homes in the area. This proposed project involves the leasing of land by Council to a Community Housing Agency (CHA) for a period of up to 25 years. The CHA will be required to build a minimum of 50 self-contained units, with a 50/50 split of key worker accommodation and affordable housing. Affordable units would have rents capped at 75 per cent of market rate, while employers would lease the key worker accommodation to their

employees. All built assets will be disposed through sale or relocation at the end of the project period. The project is estimated to cost $15 to $18 million, with council seeking funding from private equity and governments.

Winanglo Community Village, Community Bank Surf Coast, Victoria

Joint venture older persons housing development that included a land contribution from council

The town of Winchelsea (1.5 hours from Melbourne and population of approximately 2,456 in 2021), has a shortage of appropriate housing for older people that are looking to downsize in the town.

In response to this, the Community Bank Surf Coast established a social enterprise called Winanglo to drive the development of 10 independent living units and associated support services locally. The Community Bank committed $1.5 million towards the $5 million project with the remainder supplied through loans. The loans were repaid through the sale of the units, and profits reinvested on other local community projects on an as-needed basis.

Surf Coast Shire Council assisted through the transfer of vacant land for $1. As an incorporated association with charitable status the development is to remain in the ownership of the local community.

Regional Key Worker Housing Scheme, South Australian State Government

State development of key worker housing which are on-sold to investors

Administered by the State Office for Regional Housing, this pilot program aims to address the need for affordable and accessible quality housing options to attract and retain essential workers including police, teachers and healthcare workers in country communities.

The program will develop approximately 35 new homes in key regional centres which will be sold to private investors with long-term, employer-backed leases attached.

Sloane Street Development, Northern Grampians Council, Victoria

Housing development in a location with a limited private sector market

Northern Grampians Council rezoned a parcel of land owned by Council in Stawell for residential purposes and then invited developers to submit proposals for the purchase and development of the land for residential purposes. The Council set terms and conditions, which included the provision of a diverse range of housing on the site. A $500,000 grant was also secured from the State Government's Regional Infrastructure Fund with an equivalent matched funding contribution from the Council to extend services to the site.

Correa Park, Pyrenees Shire Council, Victoria

Housing development in a location with a limited private sector market

Correa Park is a council-developed subdivision in the rural town of Beaufort. It was instigated due to the stagnating population in the area combined with a lack of interest from developers in the large-scale investment required to significantly boost local housing stock.

Pyrenees Shire Council used $6 million in savings and loans to purchase land in a residential zone, as well as for realignment of road and utilities connection. The project was completed in 2021 and costs have been recouped through the sale of the 100 lots within the subdivision.

Harris Transportable Housing, Launch Housing, Maidstone

Low cost housing supply on state owned land

Launch Housing is using nine parcels of vacant VicRoads land in Footscray and Maidstone to create 57 tiny homes for people with a chronic experience of homelessness. They are utilising the Fredi transportable home model, which has 20 sqm of internal space with a 9 sqm verandah. It is designed with passive heating, shading and cooling) to achieve 6+ star rating for reduced occupant running costs.

Disclaimer

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7.2 Site analysis

7.2.1 Strategic policy

Zone

The former school is currently in the **Public Use Zone, Schedule 2 (PUZ2).**

It interfaces to the Commercial 1 Zone to the north, and the General Residential Zone to the south, east and west.

Areas of Aboriginal Cultural Heritage Sensitivity

Limited areas in the northern part of the site are identified as Areas of Aboriginal Cultural Heritage Sensitivity.

Designated bushfire prone areas

A limited area if the south-east corner of the school site is in a Designated bushfire prone area.

Redevelopment Options Assessment & Design Report (Council/MGS Architects, 2022)

The primary objective of this project was to identify and assess appropriate options for the former Wonthaggi Secondary College site use and renewal that:

- *directly respond to current and future community needs*
- *justify future investment by all tiers of Government*
- *are achievable within proximal time frames (<10 years) have clear social purpose and benefit at their core*
- *are inclusive of people of all ages, abilities, cultural backgrounds and genders*
- *contribute to the creation of jobs and economic value*
- *enhance liveability*
- *will significantly contribute to energising and activating Wonthaggi's town centre*
- *are environmentally smart, green and positive*
- *successfully integrate with current and future Wonthaggi Activity Centre development*
- *incorporate Universal Access and Design principles*
- *respect and reflect the site's heritage and place in the community's heart*
- *align with and contribute to BCSC planning priorities and strategies for the town of Wonthaggi and the Bass Coast region.*

The study developed and analysed three conceptual layout options for future redevelopment of the site, as follows:

↘ **Option 1:** Light touch, community investment

— The gradual renovation and re-use of existing structures with fit-for purpose uses to retain local character.

↘ **Option 2:** Civic neighbourhood

— Retain significant structures and strategically develop key sites with regional attractor facilities.

↘ **Option 3:** Vibrant village

— Two key landmark buildings are delivered with low-rise apartments to create a mixed-use, community focused neighbourhood.

Aerial photo of the former secondary school site (centre)

The former secondary school site adjoining the Wonthaggi town centre to the north

7.2.2 Site parameters

Location and access

The former school site is located on the southern edge of the Wonthaggi town centre, and is bounded by Watt Street (north), McKenzie Street (east), Baillieu Street East (south) and McBride Avenue (west).

V/Line coaches service Wonthaggi, including from Dandenong, for rail connections to Melbourne and Traralgon.

Street frontages

- Watt Street (north): low-scale commercial buildings;
- McKenzie Street (east): 'Webbs Shed' at the frontage of the Wonthaggi Bushland Reserve;
- Baillieu Street East (south): Low-scale units and townhouses;
- McBride Avenue (west): Wishart Reserve, between the road lanes, and extending to encompass the war memorial and cenotaph south of Baillieu Street East.

Other interfaces

It is understood that the existing 2-storey brick building on the school site at the corner of McBride Avenue and Watt Street is to be retained and adapted for civic/community uses.

Width

The school site overall is approximately 110m long (north-south).

Length

The school site overall is approximately 175m long (east-west).

7.2.3 Site constraints

Zoning

The current Public Use Zone would need to be changed to accommodate residential development, at least for part of the former school site.

Low-scale built form context

Potential for higher-density housing may be constrained by market conditions and the generally low-scale context.

7.2.4 Site opportunities

Compact housing adjoining the town centre

Future housing on this site will enjoy direct, walkable access to the Wonthaggi town centre and nearby open spaces and community facilities.

Outlook to Reserve

Potential housing in the western part of the school site could benefit from outlook to Wishart Reserve.

Outlook to bushland

Potential housing in the eastern part of the school site could benefit from outlook to the Wonthaggi Bushland Reserve.

New through connections

The large site and future mix of uses may present opportunities for new pedestrian paths or laneways connecting between the surrounding streets, for a finer-grain movement network.

Enhanced public or communal open apace

The expansive school site could incorporate housing as well as outdoor spaces for community use.

Housing diversity

Integrating higher-density housing types, including townhouses and apartments, would contribute to greater diversity of residential types in this locality.

Passive surveillance and safety

New residential development would enhance activation and passive surveillance opportunities for adjoining streets and existing and new open spaces.

7.3 Design concept plans

This section comprises the analysis, design strategies, concept plans and yield analysis, prepared by Six Degrees Architects for the Wonthaggi site.

24 09 2025

MAV Housing Study : the Former Wonthaggi Secondary College Site

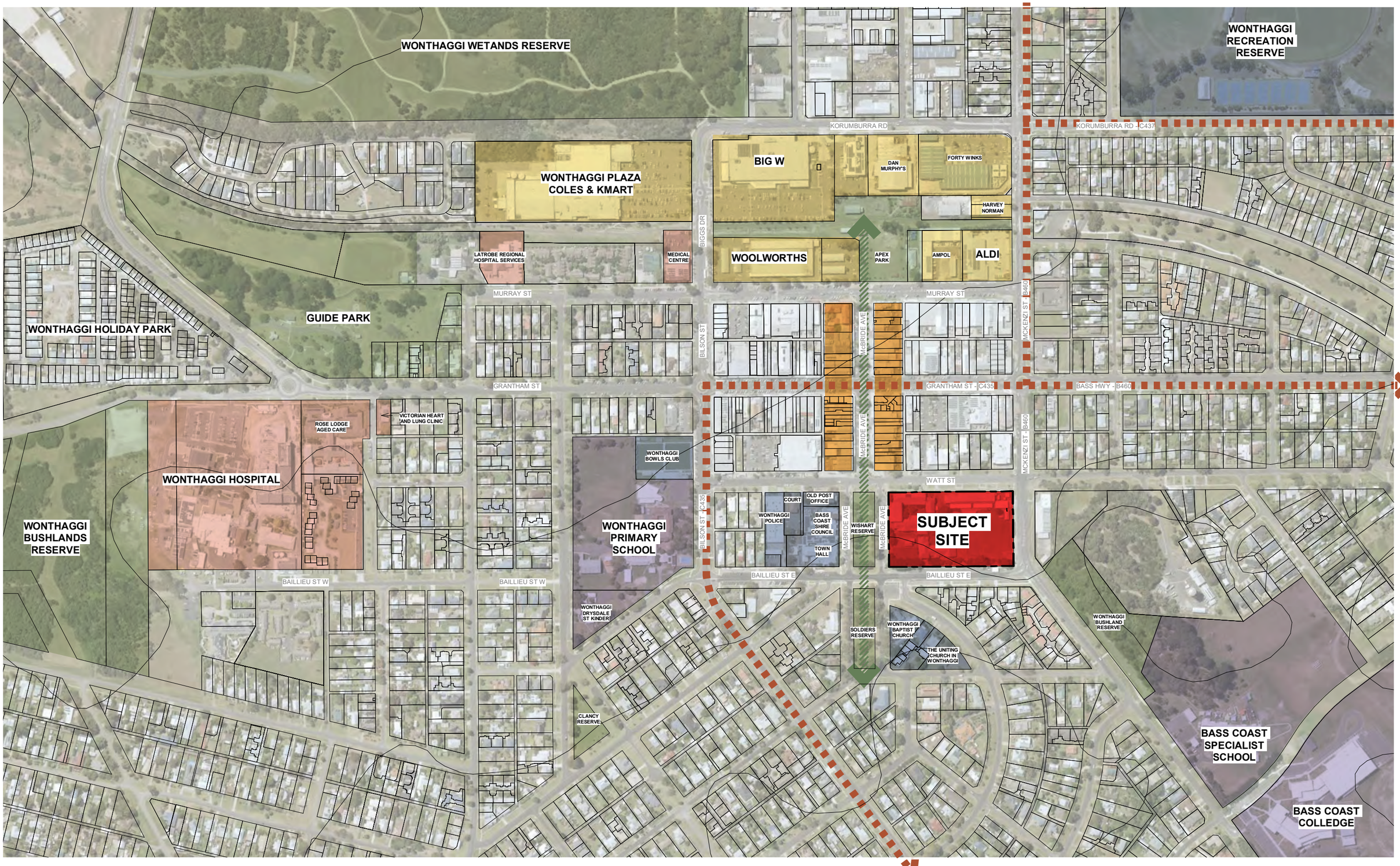
SIX DEGREES ARCHITECTS

This study focuses on ways to unlock housing on the former Wonthaggi Secondary College Site, bringing benefit to the Wonthaggi community.

Six Degrees acknowledges the Bunarong Peoples as the Traditional Custodians of the project site and its surrounds. We acknowledge that Country contains knowledges, histories and memories and that we have a responsibility to care for these. We pay our deepest respects to Elders, past and present.

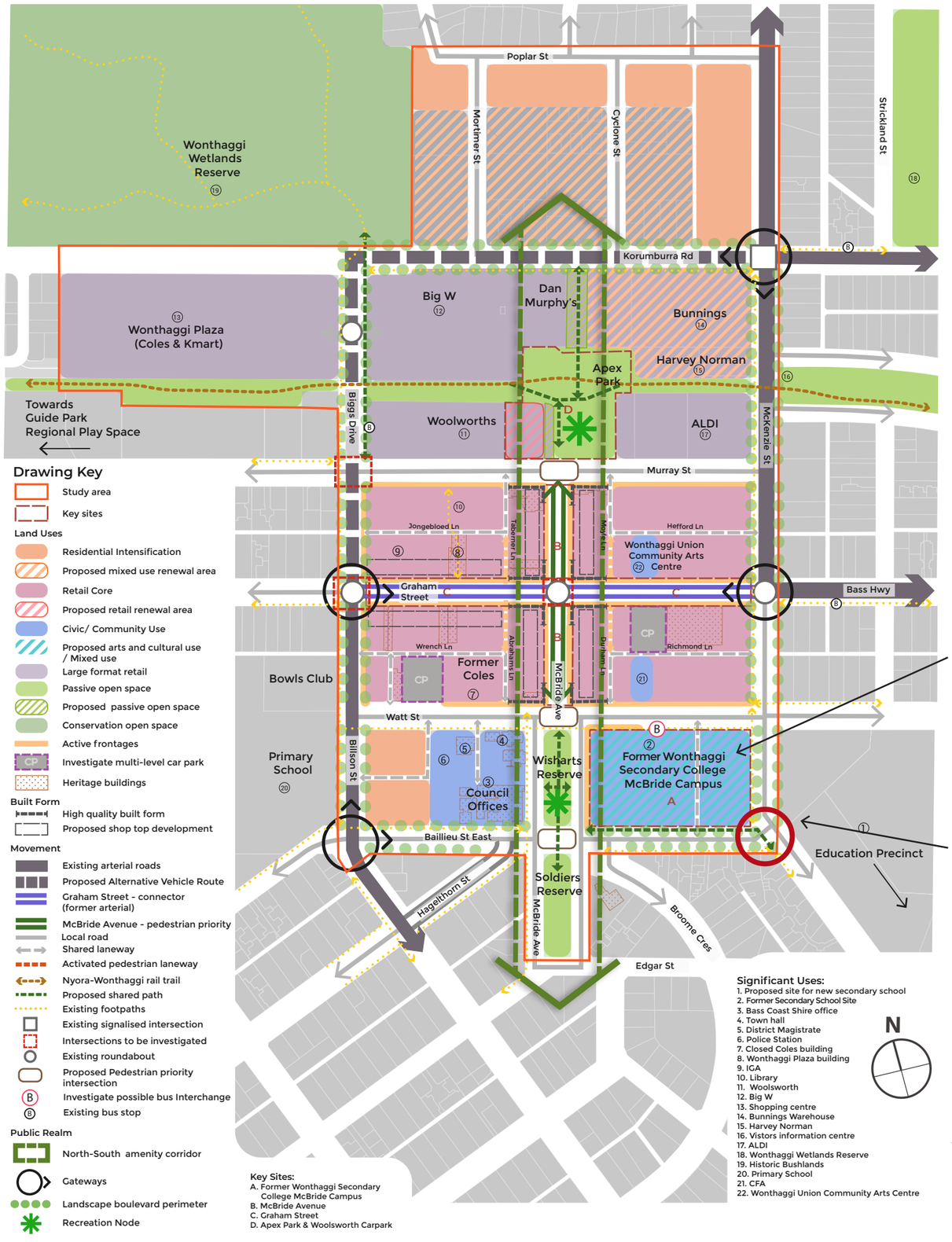
Context Plan

136km to Melbourne CBD (Via M1)



1:5000 @ A3

C435 Bass Hwy
Wonthaggi to Cape Paterson (9.4km)



Six Degrees considers the analysis in the Activity Centre Structure Plan to be generally sound. However the following comments are noted.

Council is investigating opportunities for using this part of the site for housing. The suggested cross-link could be a division line between the site uses.

Six Degrees has added the red circle. It probably makes sense that this corner also be considered a gateway, although perhaps of a lesser hierarchy. This might be through landscape, architectural form, streetscape.

Wonthaggi Activity Centre Plan - Mesh Consultants
Fig 9 Wonthaggi Activity Centre Structure Plan, p32

Six Degrees considers the analysis in the Access and Movement Study to be generally sound. However the following comments are noted.

The study proposed a large carpark on the former secondary college site. This seems disproportionately large, and seems fairly unlikely to be used, given the surplus of closer parking.

If Council wanted both housing and large carpark in this location it would require a very expensive basement, therefore this has not been proposed.

Some additional carparking in the street network has been proposed.

Wonthaggi Access and Movement Study
Recommended parking changes diagram, p85

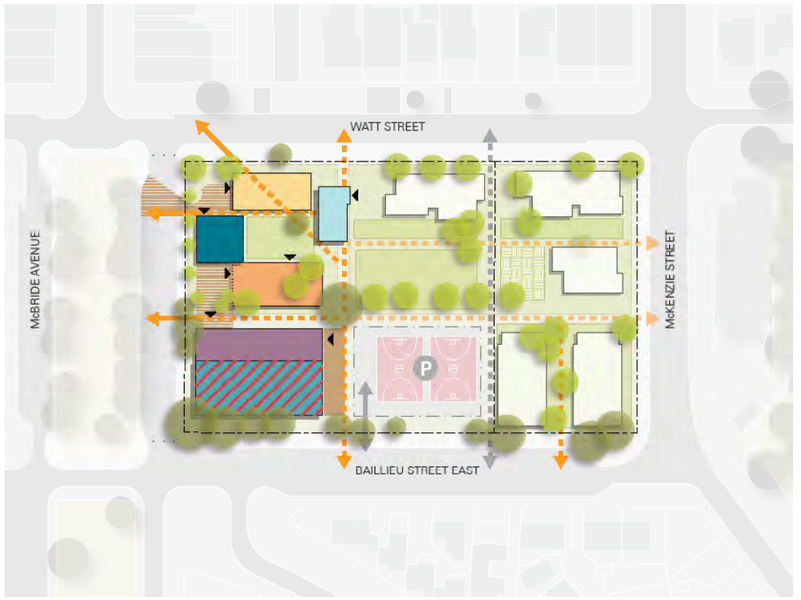
Six Degrees considers the Redevelopment Options Report to be very focussed on civic redevelopment and not that focussed on the potential housing uses. However these options diagrams give some insights.

Council has advise that it favours an approach more similar to Option 3 with respect to the housing, being that it is located to the eastern portion, that there are cross-links into the civic portions that are to the west, and there is potentially open space at the centre.

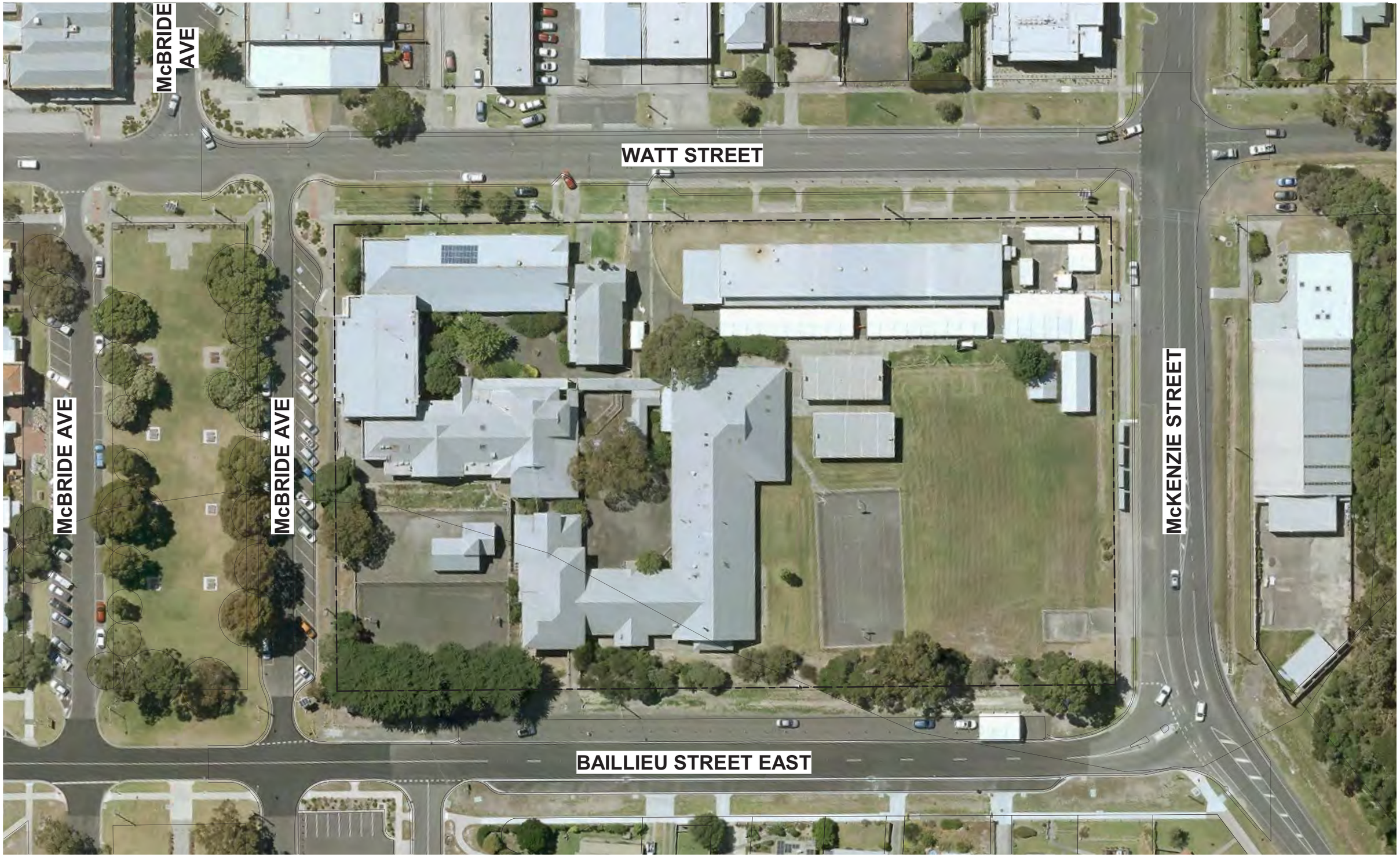
Option 1:
Light touch, community investment
The gradual renovation and re-use of existing structures with fit-for-purpose uses to retain local character.

Option 2:
Civic neighbourhood
Retain significant structures and strategically develop key sites with regional attractor facilities.

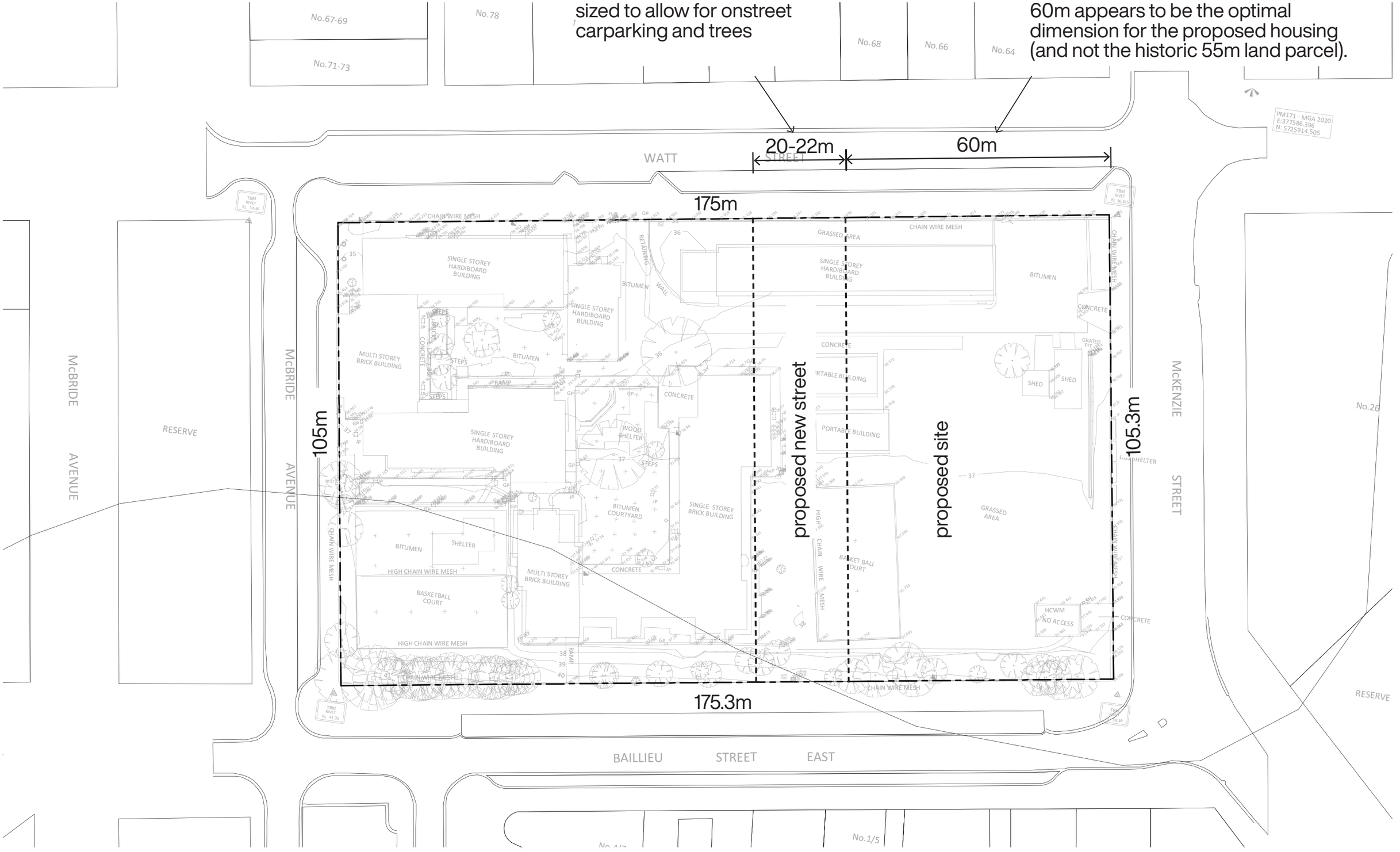
Option 3:
Vibrant village
Two key landmark buildings are delivered with low-rise apartments to create a mixed-use, community-focused neighbourhood.



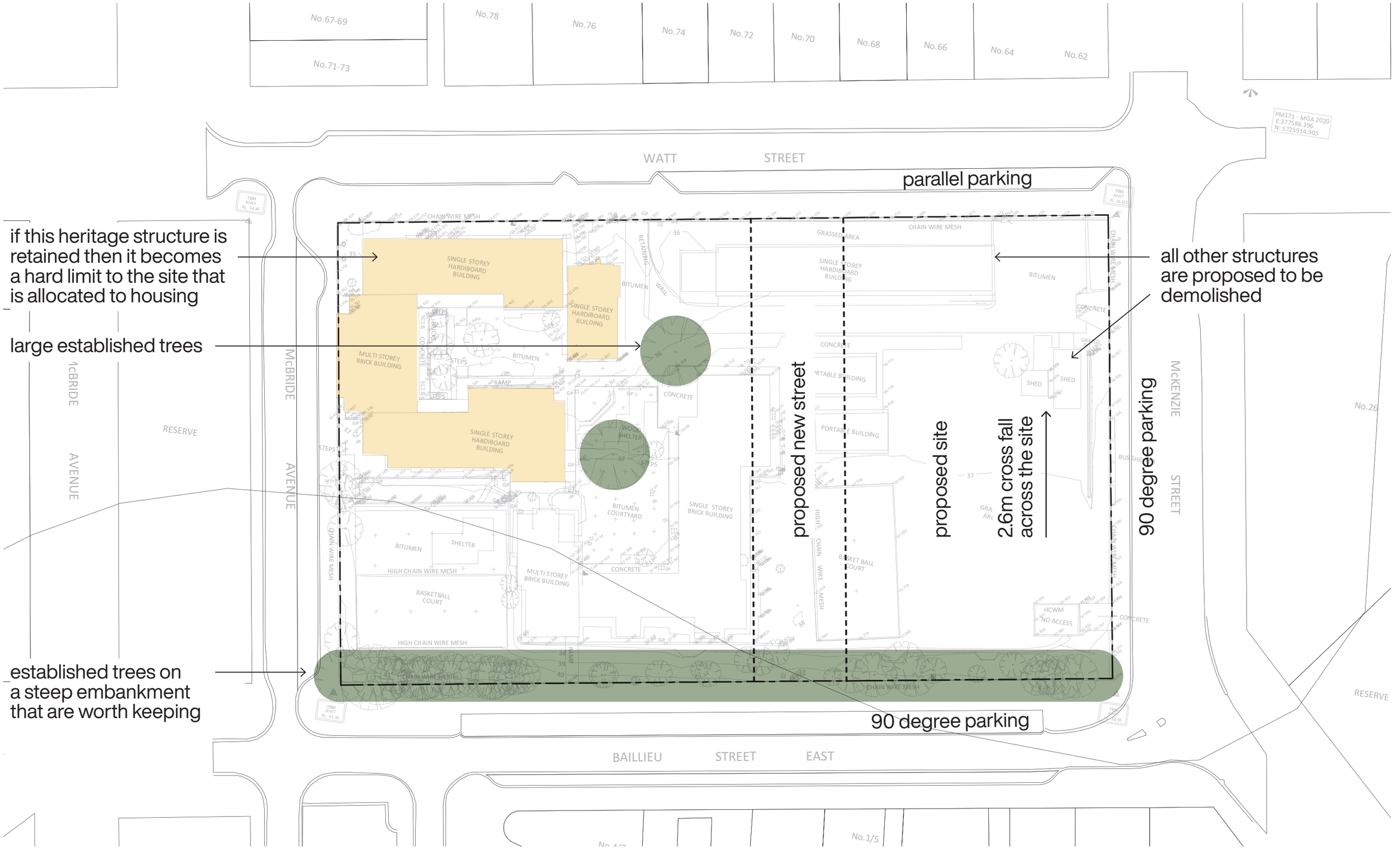
Source: Former Wonthaggi Secondary College Site Redevelopment Options and Assesment Design Report, p64


McBRIDE AVE
WATT STREET
McBRIDE AVE
McBRIDE AVE
McKENZIE STREET
BAILLIEU STREET EAST

1:800 @ A3


sized to allow for onstreet carparking and trees
60m appears to be the optimal dimension for the proposed housing (and not the historic 55m land parcel).
20-22m
60m
175m
105m
105.3m
175.3m
proposed new street
proposed site
WATT STREET
BAILLIEU STREET EAST
McBRIDE AVENUE
McKENZIE STREET
RESERVE
No.67-69
No.71-73
No.78
No.68
No.66
No.64
No.26
No.1/5
PM171 - MGA 2020
E:377586.396
N: 5725914.505
SINGLE STOREY HARDIBOARD BUILDING
MULTI STOREY BRICK BUILDING
SINGLE STOREY BRICK BUILDING
BITUMEN
CONCRETE
GRASSED AREA
CHAIN WIRE MESH
HIGH CHAIN WIRE MESH
BASKETBALL COURT
SHELTER
WOOD SHELTER
BUS SHELTER
BITUMEN COURTYARD
PORTABLE BUILDING
SHED
HCWM NO ACCESS
RAMP
STEPS
RETAINING WALL
TBM RIVET

1:800 @ A3


if this heritage structure is retained then it becomes a hard limit to the site that is allocated to housing
large established trees
established trees on a steep embankment that are worth keeping
all other structures are proposed to be demolished
parallel parking
proposed new street
proposed site
2.6m cross fall across the site
90 degree parking
90 degree parking
WATT STREET
BAILLIEU STREET EAST
McBRIDE AVENUE
McKENZIE STREET
RESERVE
No.67-69
No.71-73
No.78
No.76
No.74
No.72
No.70
No.68
No.66
No.64
No.62
No.26
No.1/5
SINGLE STOREY HARDIBOARD BUILDING
MULTI STOREY BRICK BUILDING
SINGLE STOREY BRICK BUILDING
PORTABLE BUILDING
BASKETBALL COURT
BITUMEN COURTYARD
WOOD SHELTER
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CHAIN WIRE MESH
HIGH CHAIN WIRE MESH
BITUMEN
CONCRETE
GRASSED AREA
RETAINING WALL
RAMP
STEPS
BUS SHELTER
PM171 - MGA 2020
E:377586.396
N:5725914.505

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Development of a Return Brief

Based on initial discussions with Bass Coast Shire and the context analysis, Six Degrees developed 4 Return Brief Options for the delivery of housing:

Return Brief Option 1: Private Model, likely to be 2-4 bed townhouses
Return Brief Option 2: Social and Affordable Model, targeting apartments
Return Brief Option 3: Mixed Model
Return Brief Option 4: Medium Term Modular Housing Units Model

Bass Coast Shire advised that the Option 3 Mixed Model was preferred.

Summary of Option 3 Mixed Model:

This option is a mix of private and social housing, that ideally has the potential to be flexibly adapted if opportunities arise during the development process.

Bass Coast Shire has advised that its current primary focus is on key workers, however council will look to further refining its focus after this feasibility study. This may include consideration for housing needs within the Wonthaggi context, and the opportunities for funding that may come this progressive approach. On this basis Six Degrees is to adopt an approach that is tenure blind and which includes a higher proportion of 1 and 2 bed dwellings that suit a range of cohorts.

Any key worker, affordable, community or social housing would ideally be delivered first, preferably as apartments. Then the private housing could be delivered a few years later. Probably as townhouses for feasibility reasons, but ideally with the flexibility to swap in apartments should opportunity allow.

The rationale for this sequencing is that the earlier development might help to improve the feasibility and sales prices for the later private development. Noting that some key worker, social and affordable housing could also be included in the second phase of the development via various partnerships.

Wonthaggi does not currently have any contemporary apartments or row townhouses so this would likely become a local exemplar project and hopefully a catalyst for good medium density housing in the future.

Priorities:

This option seeks to deliver government led apartments as an initial stage of work. The current primary focus is on key workers. But Bass Coast Shire may broaden its focus to in response to other housing needs within the Wonthaggi context. This could include social, affordable, or targetted community housing.

This option seeks to deliver private townhouses later. Or possibly apartments. Leveraging any benefits to feasibility that come from the initial development.

Potential Outcomes:

The outcome might be a mix of housing types and would depend on negotiations with the various developing entities. The first stage might be 4 storey apartment buildings to the north of the site. The latter stage might be 2 storey townhouses. However it would be ideal that all land parcels be designed to allow for flexibility should the development model and building typology be required to change.

Addressing Housing Need:

This focus is currently on key worker housing. However the inclusion of social, affordable, and community housing could provide additional benefit. To provide flexibility a tenure blind approach has been proposed. With a higher proportion of 1 and 2 bed dwellings that can suit a broad range of cohorts.

Positives:

This approach might use government spending as catalyst for improved outcomes from the private development market in the future. This approach could lead to good housing and good resident diversity across the precinct.

Challenges:

This approach requires careful Council negotiation to ensure good outcomes. Also, obtaining good quality private townhouses will require a good partnership.

Site Allocation:

Approximately 1 /3 of the site

Development Model:

- A mixed model that is likely to include:
- Community Housing Providers, with government funding, and / or
- State Government, typically through development by Homes Victoria
- Funding could might include multiple sources, such as the Regional Workers Accommodation Fund, HAFF Funding
- Future Private Development, possibly also in partnership with the above.
- Note that negotiating with many development partners can be difficult.

Housing Model:

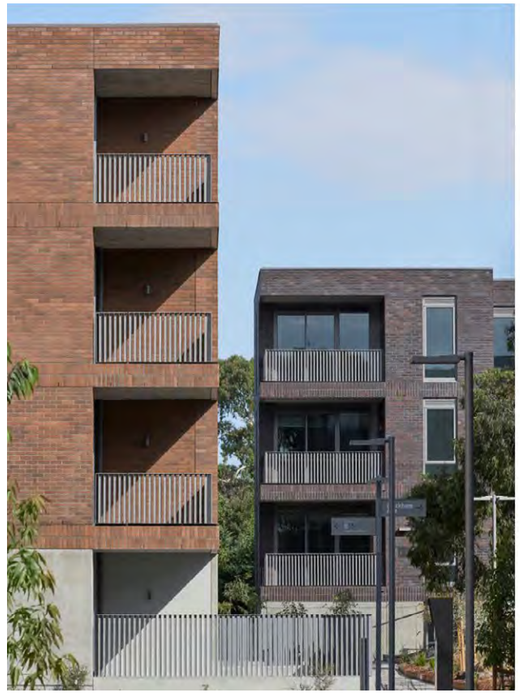
- Two Apartment Building of 4 Storeys to the north east of the site, that focusses on key worker housing but may include other cohorts.
- 2 storey townhouses to the south east of the site, with rear lane access.

Site Layout:

- Deliver a precinct that connects with its context, and is not 'internalised'.
- Dwellings are to face the surrounding streets where possible.
- The extent of single orientation, south facing apartments is to be minimised.
- Streets and lanes will likely be required onsite to service the townhouses, this are to be well sized with good landscape and passive surveillance.
- Impacts of carparking, lanes and turning are to be carefully managed.
- Carparking for the apartments to ideally be in the street rather than basements.
- The buildings are to be broken up with open space / pedestrian cross-links.
- Seek to retain the existing trees along Bailieu Street
- Seek to integrate additional landscape in front yards and corner lots
- If there are a range of different cohorts then the locations of each should be well considered and contribute to a successful, inclusive precinct.
- Opportunities to connect with nearby civic uses should be maximised.

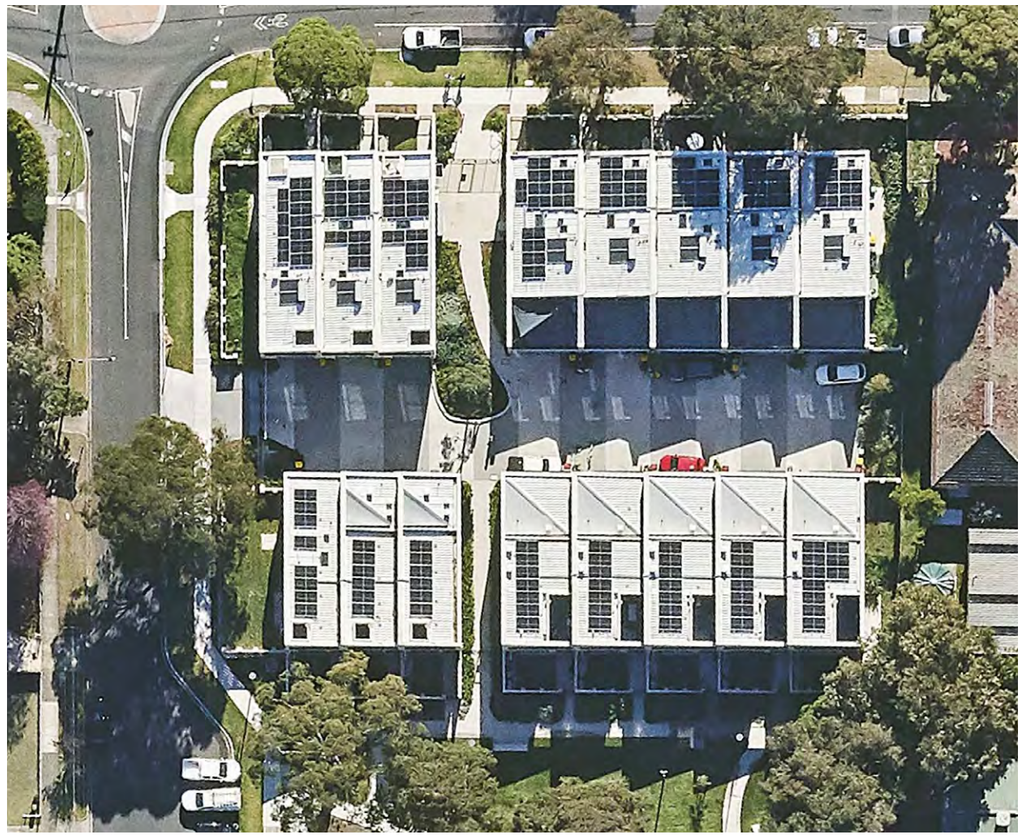
Key Objectives:

1. **Unlocking Opportunites for Housing:**
   that respond to Wonthaggi's specific housing needs,
   are Tenure Blind with a high proportion of 1 and 2 Beds.
   and would include both apartments and townhouses.
2. **Flexibility of Site Layout,**
   to allow future refinements as opportunities arise.
3. **Retain existing trees and maximise landscape,**
   including tree canopy cover and indigenous planting
4. **Homes that face and activate the street edges.**
5. **Pedestrian cross links that connect with open space.**
6. **Well Integrated carparking:**
   Apartment carparking ideally be in the street with reduced car rates
   rather than with expensive basements or above ground undercrofts,
   that otherwise lead to low quality street interfaces and site amenity.
   Townhouse carparking from rear lanes to allow active street edges
   without crossovers, and with more opportunities for canopy trees.
7. **Ambitious and Well Suited for Wonthaggi**



Precedent for well designed 4 storey apartments in landscape:
Markham Avenue Social Housing in Ashburton, by Architectus

Precedent for well designed regional community housing apartments, although of a lower height than is proposed. Belmont Housing Choices, by Kennedy Nolan



Precedent for well designed precinct with market, social and affordable townhouses, within a tenure blind model:Tarakan Avenue, by NH Architecture + Bird de la Couer.

Precedent for tenure blind townhouses that include 1 storey accessible homes.

This opportunity is to further refine the mix for townhouses. With a focus on the specific need for 1 bed housing in Wonthaggi, including for key workers.

1 bed townhouses are not common in the private sector, but government has been experimenting with these for key worker housing and social housing. Six Degrees is currently working on 1 bed 1 storey townhouses for Homes Victoria, while Development Victoria has recently delivered affordable 1 bed townhouses as part of its Luma development in Sunshine. Being able to flexibly swap in some 1 bed townhouses in future could be of substantial benefit. So Six Degrees has considered this when developing the proposed townhouse lot sizes.

In addition, there is considerable effort by government to utilise the productivity and cost benefits that can come from prefabrication. There are recent examples of this including Rural Documents Housing in NSW. It is proposed that if 1 bed prefabricated townhouses could be integrated into the development then there may be advantages including increased government and some opportunities for useful development partnerships.

Precedent for prefabricated 1 bed townhouses / key worker housing that could

Comparison of 1 bed 1 storey social housing townhouse with a 1 bed prefabricated key worker housing module.

Sketch Diagrams

These diagrams explain planning principles that have informed the proposed site layout.

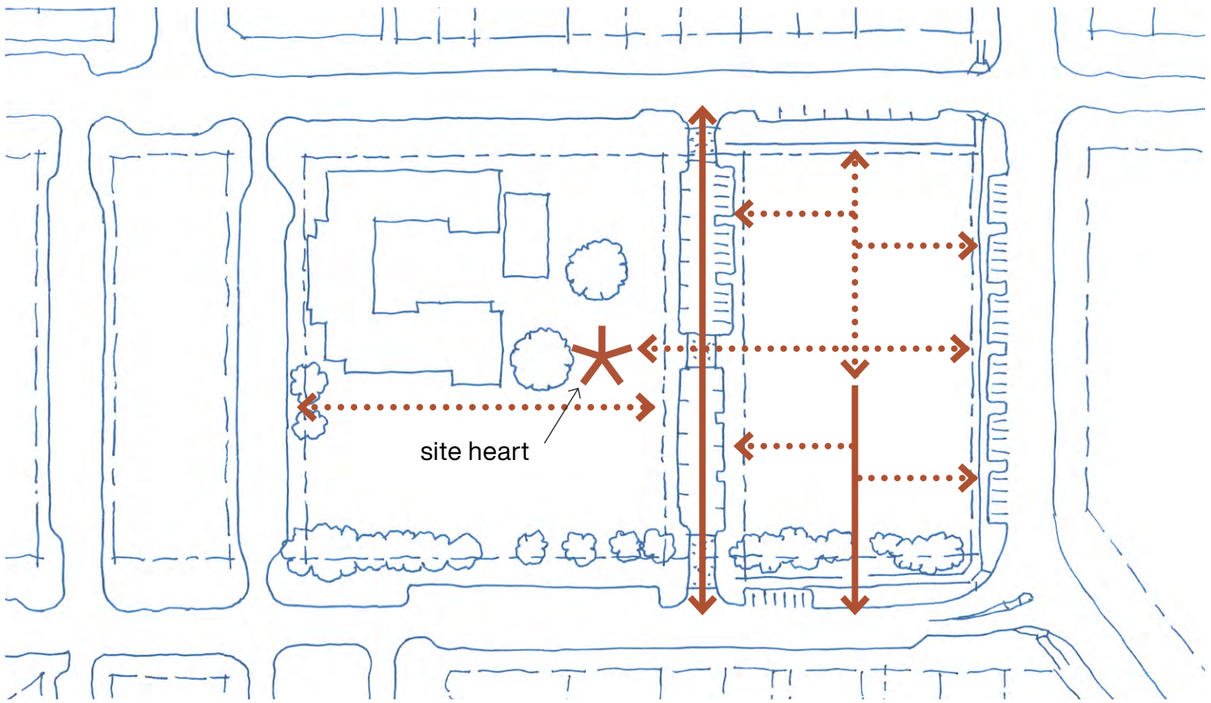


Diagram 1. Notional site breakup with pedestrian cross links

Further discussion of the carparking strategy:

This site has the benefit of streets on all sides as well as a former school use with 90 degree parking on both Baillieu Street East and McKenzie Street. This can be easily re-purposed to provide street sufficient car parking for the apartments.

Particularly if there is social, affordable or community housing and reduced carparking rates are adopted. These rates are typically 0.6 cars / dwelling or less.

Homes Victoria and Housing providers have used this approach on other sites and it can substantially improve feasibility by eliminating basement costs, while also substantially improving onsite amenity.

While the townhouses are proposed to have private garages off a well designed rear lane.

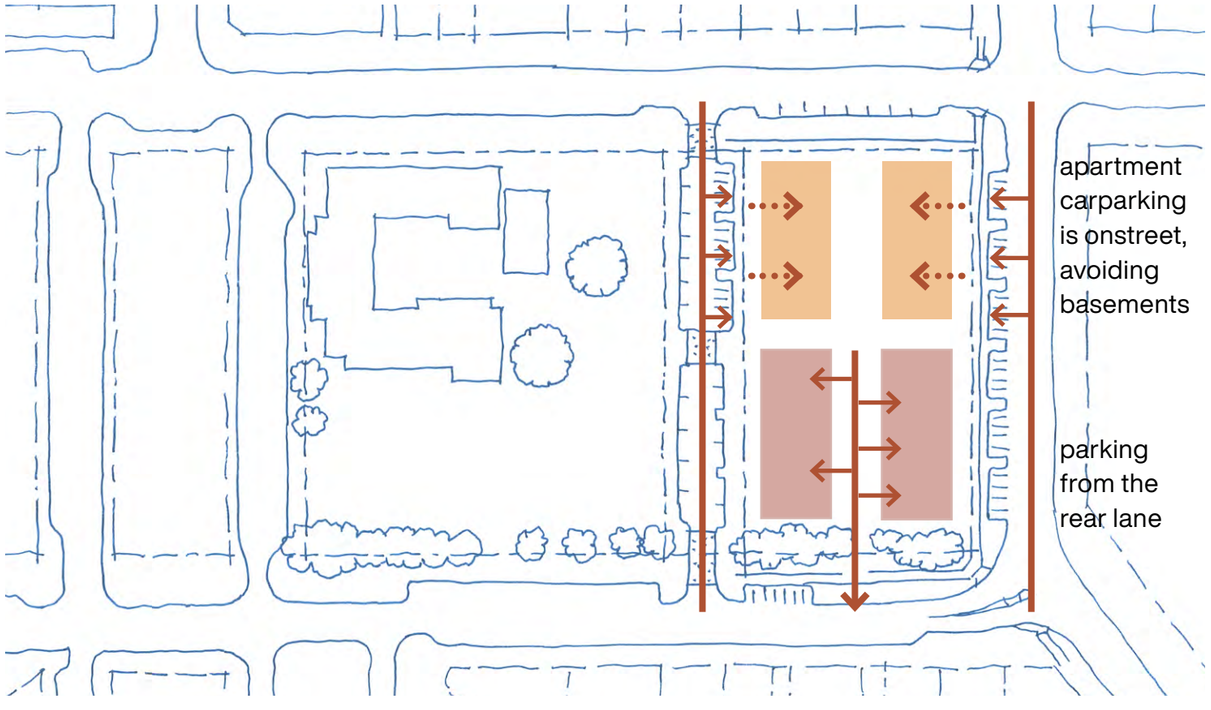


Diagram 4. Carparking strategy that minimises site impacts

Diagram 2. Maximising landscape and canopy cover

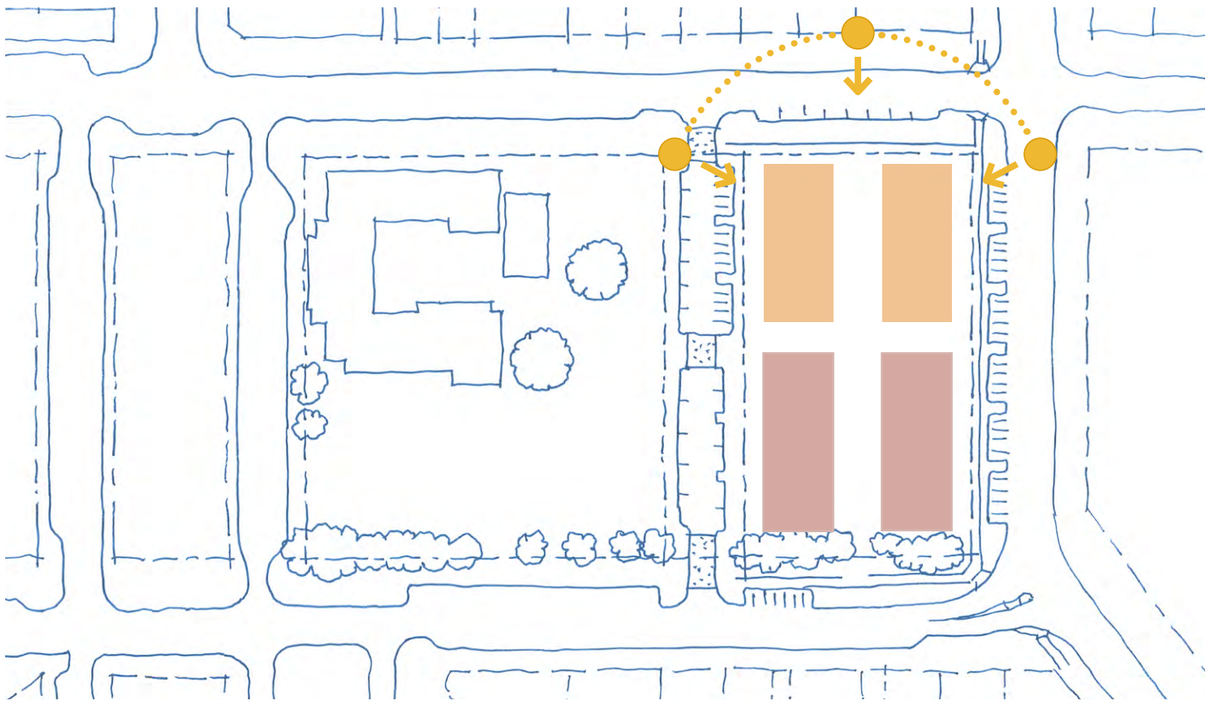


Diagram 3. Maximising solar benefits. No south facing dwellings.

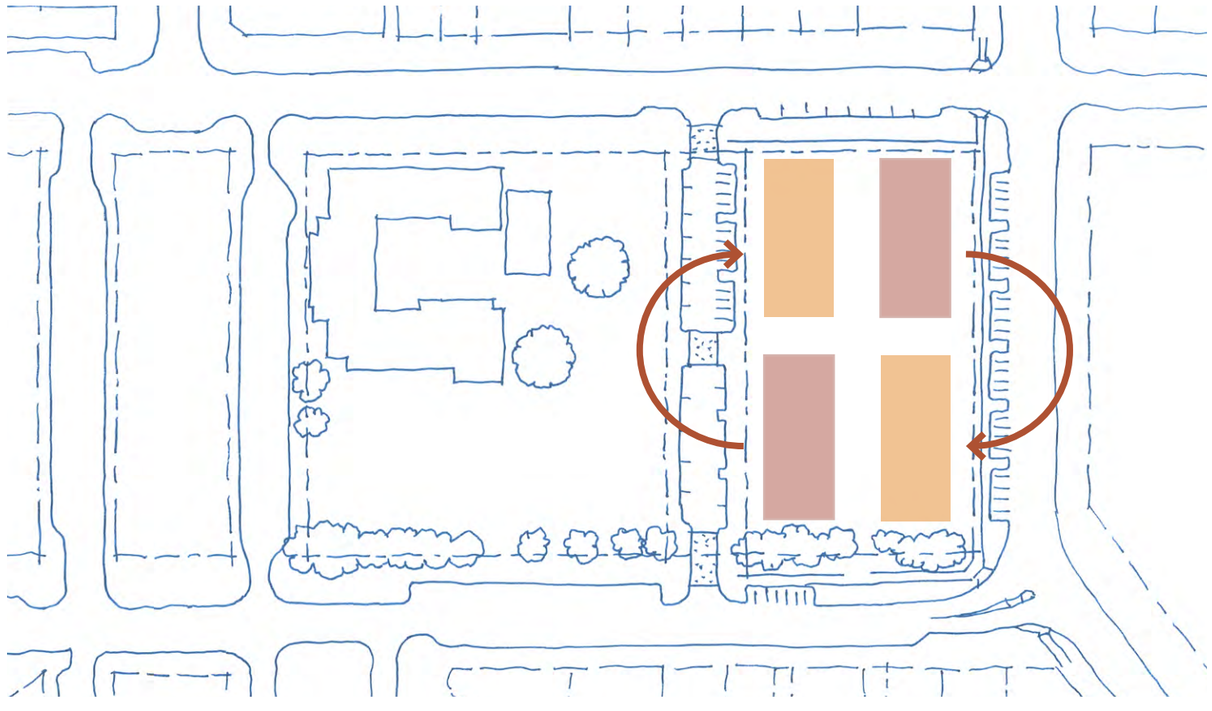


Diagram 5. Flexible site layout that allows future refinements

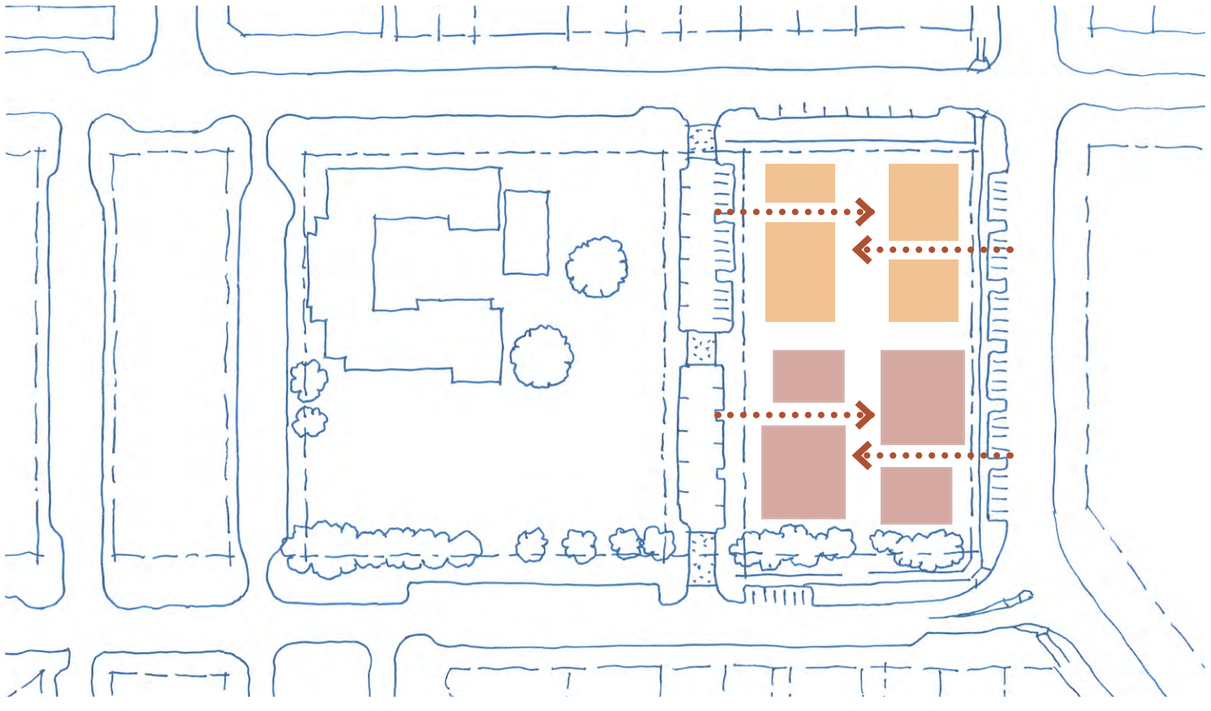


Diagram 6. Pedestian Links help to break up the building forms

FOON'S PHOTOGRAPHICS
No. 72
McBRIDE AVE
SHIVA THAI MASSAGE
No. 67-69
RASO CONSULTING SURVEYORS
No. 71-73
TYER POWER WONTHAGGI
No.78
YES YOUTH HUB
No.76
SOUTH GIPPSLAND ANIMAL AID
No.74
SINGLE STOREY RESIDENTIAL
No.72
SINGLE STOREY RESIDENTIAL
No.70
No.68
No.66
MJ MCMAHON MOTEL
No.64
No.62
SINGLE BRICK RESIDENTIAL
No.60
SINGLE BRIC RESIDENTIA
No58
WATT STREET
60 m
3.5 m
20 m
3 m
9 m
20 m
4.5 m
No. 74
OLD POST OFFICE
No. 76
BASS COAST SIRE COUNCIL
TOWN HALL
WISHART RESERVE
McBRIDE AVE
McBRIDE AVE
EXISTING PERCRY EVERETT SCHOOL BUILDINGS, IF RETAINED
EXISTING COURTYARD
LIKELY DEVELOPMENT SITE FOR CIVIC USES
TREE RETAINED
TREE RETAINED
LIKELY DEVELOPMENT SITE FOR CIVIC USES
RETAINED TREES
RAISED CROSSING
NEW STREET
COMMUNAL COURTYARD
SERVICES
COMMON
60
COMMON
SERVICES
COMMUNAL PATH
TOWN HOUSES:
REVERSE LIVING
PATH
LANE
TOWN HOUSES:
LIVING AT GROUND
TOWN HOUSES:
LIVING AT GROUND
16
TOWN HOUSES:
REVERSE LIVING
RETAINED TREES
RETAINED TREES
McKENZIE STREET
4.5 m
40.66 m
9 m
105.33 m
25 m
5 m
15 m
6.16 m
No.26
BAILLIEU STREET EAST
3.5 m
25 m
10 m
25 m
3.5 m
60 m
CHURCH CARPARK
TO BAPTIST AND UNITYING CHURCH BELOW
No.7
No.5
SINGLE STOREY RESIDENTIAL BLOCK - TOWNHOUSES
No.3
No.21

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Development Summary

APARTMENT DEVELOPMENT SUMMARY					
Level	Unit NSA	No 1 Beds	No 2 Beds	No 3 Beds	Dwellings
GROUND	919 m²	3	7	2	12
LEVEL 1	1144 m²	7	7	2	16
LEVEL 2	1144 m²	7	7	2	16
LEVEL 3	1144 m²	7	7	2	16
Total	4351 m²	24	28	8	60

APARTMENTS

WEST BUILDING 30 DWELLINGS
EAST BUILDING 30 DWELLINGS

	GFA	STOREYS	
WEST BUILDING	805	4	3220
EAST BUILDING	760	4	3040
TOTAL GFA			6260

TOWNHOUSES

MIX

1 BED TOWNHOUSE 5 DWELLINGS
2 BED TOWNHOUSE 11 DWELLINGS
TOTAL NUMBER 16 DWELLINGS

	GFA	STOREYS	GARAGE	NUMBER	GFA
SOUTH WEST	52.5	1	30	5	292.5
NORTH WEST	62.5	2	30	3	405
SOUTH EAST	52.5	2	30	3	345
NORTH EAST	62.5	2	30	5	655
TOTAL GFA					1697.5

CARPARKING

APARTMENT CAR RATE	0.5
APARTMENT ON STREET PARKS	30
VISTOR ON STREET PARKS	40
TOTAL ON STREET PARKS	**70**
TOWNHOUSE OFF STREET PARKS	16

TOTAL DEVELOPMENT GFA 7958 SQM

7.4 Design review

The following concise review of the proposed concept has been prepared by McP, to briefly outline the merits of the design approach to the nominated site.

Siting

The siting of four residential ‘blocks’ creates a permeable development site (total approximately 60m x 105m), with block sizes comparable to nearby properties. It also creates active residential frontages to all streets, including a new street through the site, at the western edge of the proposed residential development.

This street provides resident car parking and potential through-access, and increases the permeability and accessibility of the former school site as it is redeveloped, breaking down the overall block size, and encouraging walking and cycling access to the town centre.

Massing

The modest scale of 2-storey townhouses and 4-storey apartment buildings is both responsive to the local context, flexible, and supports simplified construction.

The adaptable layout can support potential for increased heights, or increased apartments in place of townhouses, for example.

Layouts

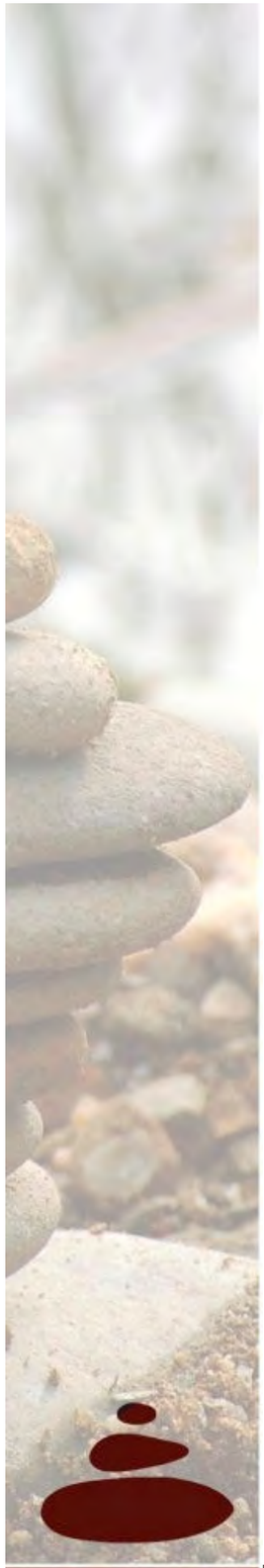
The site layout is also flexible – blocks of apartments or townhouses are interchangeable, and the layout responds to and reinforces the wider street grid structure.

The building siting provides for generous landscaping along street frontages, and significant spacing between buildings for privacy and daylight.

The apartment buildings incorporate vertical access cores and corridors which are exposed to the outside, supporting internal amenity (daylight and ventilation access to circulation/communal spaces) and supporting visual articulation of the buildings.

7.5 Cost plan

The construction cost analysis for the above concept plans, prepared by PlanCost.



26 October 2025

MAV Housing Innovation Study Wonthaggi

Cost Plan A

Functional Area

plancost
L1, 79-83 Maroondah Hwy (PO Box 466), Ringwood Vic 3134
VBA Reg. CQS54305
03 9437 2777 | www.plancost.com.au | officemanager@plancost.com.au

MAV Housing Innovation Study Wonthaggi

EXECUTIVE SUMMARY

plancost

Cost Plan A

Functional Area

26 October 2025

Introduction

PlanCost Australia has been requested to prepare a Cost Plan based on Functional Area documents received from Six Degree Architects.

Drawings

The following drawings and specifications have been used to prepare the Cost Plan.

Yield Table Dates: 250901

Cost Estimates

The current anticipated Total End Cost is:

	Low-Mid Range	Mid-High Range
Building Works	$28,741,980	$32,458,594
External Works and Services	$5,248,500	$5,248,500
Contingencies, Escalation and Allowances	$9,877,000	$10,957,000
Fees, FFE, ITC and Other Client items	$4,582,000	$5,085,000
Prolongation, Delay and Project risk	excluded	excluded
GST	$0	$0
Total End Cost	**$48,449,480**	**$53,749,094**

Refer to the attached Cost Plan A for details.

Note

The Cost Plan is based on preliminary information and therefore should be regarded as indicative only of the possible order of cost.
The cost of various components of the Cost Plan could vary significantly depending on the final design, materials selection and quality of the proposed building works.
We recommend that a detailed Cost Plan be prepared at the next design stage to verify the anticipated total cost.

Should you have any questions or require anything further, please don't hesitate to contact us.

Regards,

Quantity Surveyor
Yubin Lin
AIQS/RICS Member No: 26022

Reviewed By
Holly Phillips
AIQS/RICS Member No: 27296

MAV Housing
Innovation Study
Wonthaggi

EXECUTIVE SUMMARY

Cost Plan A

Functional Area

26 October 2025

Inclusions

The Cost Plan includes allowances for the following:

- Building works
- External works
- External services
- Site and services infrastructure upgrades
- Demolition
- Asbestos removal
- Site decontamination
- Rainwater harvesting
- Landscaping
- Design contingencies
- Construction contingencies
- Environmentally sustainable design initiatives
- Consultants' fees
- Project management and management support costs
- Supply authority and headworks charges
- Cost escalation up to completion of construction April, 2029
- Building permit levy
- Cladding rectification levy
- Lump sum competitive tender

Exclusions

The Cost Plan excludes the following:

- Rock excavation
- Locality and access allowance
- Staging costs
- Alternative procurement methods or contract conditions (D&C, cost plus, negotiated tender)
- Disbursements
- Furniture, furnishings and equipment
- IT, AV and communications equipment
- Prolongation, delay and project risk contingencies
- Cost escalation after April, 2029
- GST
- Land purchase

MAV Housing
Innovation Study
Wonthaggi

COST PLAN SUMMARY

Cost Plan A

Functional Area

26 October 2025

	Quantity	Rate	Total Low-Mid Range	Rate	Total Mid-High Range
COST COMPONENT					
Total Building Cost	7,950 m²	3,615	28,741,980	4,083	32,458,594
TOTAL BUILDING COST (TBC)	7,950 m²	3,615	**28,741,980**	4,083	**32,458,594**
External works and services			5,248,500		5,248,500
NET CONSTRUCTION COST (NCC)		4,276	**33,990,480**	4,743	**37,707,094**
Locality and access allowance			excluded		excluded
Additional costs for staging of the works			excluded		excluded
Additional costs for procurement method or contract conditions			excluded		excluded
Environmentally sustainable design initiatives	2.50%		849,000		943,000
Design contingency	10.00%		3,399,000		3,771,000
Construction cost escalation from Oct, 25					
Up To / Date / Months / %/Year / Weighting	Total %				
Escalation rate 3.00% Market conditions 0.00%					
Commencement Oct, 27 / 24 / 3.00% / 100%	6.09%		2,329,000		2,583,000
Escalation rate 3.00% Market conditions 0.00%					
Completion Apr, 29 / 18 / 3.00% / 70%	3.17%		1,211,000		1,343,000
Escalation is based on an average of 3% p/a ongoing					
TOTAL CONTRACT SUM (TCS)		5,255	**41,778,480**	5,830	**46,347,094**
Construction contingency	5.00%		2,089,000		2,317,000
TOTAL CONSTRUCTION COST (TCC)		5,518	**43,867,480**	6,121	**48,664,094**
Consultants' fees	7.50%		3,290,000		3,650,000
Disbursements			excluded		excluded
Project management and management support costs	1.00%		438,000		487,000
Furniture, furnishings and equipment			excluded		excluded
IT, AV and communications equipment			excluded		excluded
Building permit levy	0.13%		56,000		62,000
Cladding rectification levy	0.82%		360,000		399,000
Supply authority and headworks charges	1.00%		438,000		487,000
TOTAL PROJECT COST (TPC)		6,094	**48,449,480**	6,761	**53,749,094**
Prolongation, delay and project risk contingency			excluded		excluded
Goods and services tax			excluded		excluded
TOTAL END COST (TEC)	7,950 m²	6,094	**48,449,480**	6,761	**53,749,094**

MAV Housing
Innovation Study
Wonthaggi

BUILDING WORKS (LOW-MID RANGE)

Cost Plan A

Functional Area

26 October 2025

Fully **E**nclosed **C**overed **A**rea	7950 m²
Unclosed **C**overed **A**rea	m²
GFA (FECA + UCA)	7950 m²

		Quantity	Rate	Total
	AREA			
	Dwellings			
1	Apartments - Levels 0-3	4,381 m²	4,271	18,711,251
2	Townhouses - Levels 0-1	1,698 m²	2,916	4,951,368
3	Community use	Nil		0
4	Circulation, balconies, plant and sundry areas	1,871 m²	2,191	4,099,361
5	Stair and lifts	Item		980,000
6	Preliminaries, overheads and profit	10.00%		included above
7	**Sub-total Dwellings**	**7,950 m²**	**3,615**	**28,741,980**
8	TOTAL BUILDING COST	**7,950 m²**	**3,615**	**28,741,980**

MAV Housing
Innovation Study
Wonthaggi

BUILDING WORKS (MID-HIGH RANGE)

Cost Plan A

Functional Area

26 October 2025

Fully **E**nclosed **C**overed **A**rea	7950 m²
Unclosed **C**overed **A**rea	m²
GFA (FECA + UCA)	7950 m²

		Quantity	Rate	Total
	AREA			
	Dwellings			
1	Apartments - Levels 0-3	4,381 m²	4,893	21,436,233
2	Townhouses - Levels 0-1	1,698 m²	3,500	5,943,000
3	Community use	Nil		0
4	Circulation, balconies, plant and sundry areas	1,871 m²	2,191	4,099,361
5	Stair and lifts	Item		980,000
6	Preliminaries, overheads and profit	10.00%		included above
7	**Sub-total Dwellings**	**7,950 m²**	**4,083**	**32,458,594**
8	TOTAL BUILDING COST	**7,950 m²**	**4,083**	**32,458,594**

MAV Housing Innovation Study Wonthaggi

SITE WORKS

Cost Plan A

Functional Area

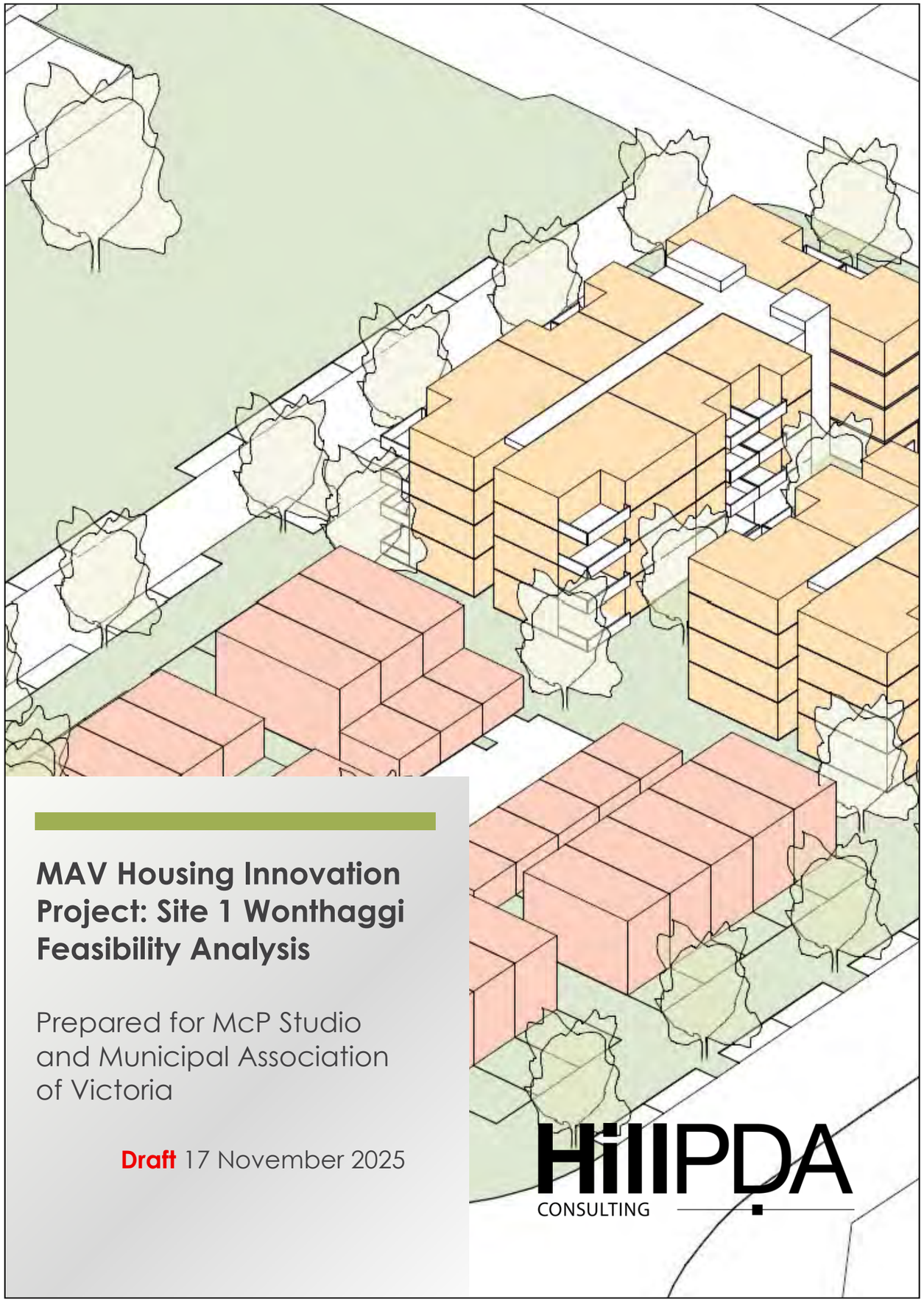
26 October 2025

Fully **E**nclosed **C**overed **A**rea	m²
Unclosed **C**overed **A**rea	222 m²
GFA (FECA + UCA)	222 m²

		Quantity		Rate	Total
	EXTERNAL WORKS				
1	External demolition		Item		250,000
2	Site preparation and excavation		Item		265,000
3	Street and carpark	1,935	m²	300	580,500
4	Roads and paving		Item		480,000
5	Boundary fences and gates		Item		70,000
6	External buildings, equipment and furniture		Item		150,000
7	Soft landscaping and planting		Item		175,000
8	**Sub-total EXTERNAL WORKS**		$8876.13/m²GFA		**1,970,500**
	EXTERNAL SERVICES				
9	External services		Item		1,850,000
10	Site infrastructure upgrades		Item		950,000
11	**Sub-total EXTERNAL SERVICES**		$12612.61/m²GFA		**2,800,000**
12	Preliminaries, overheads and profit on external works and services	10.00%			478,000
13	TOTAL SITEWORKS COST (TSC)		$23641.89/m²GFA		**5,248,500**

7.6 Feasibility analysis

The development feasibility assessment for the above concept plans, prepared by HillPDA.



MAV Housing Innovation Project: Site 1 Wonthaggi Feasibility Analysis

Prepared for McP Studio and Municipal Association of Victoria

Draft 17 November 2025

HillPDA CONSULTING

HillPDA CONSULTING

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Front cover image: Sux Degrees Architects

Bass Coast Shire Council Acknowledgement

Bass Coast Shire Council acknowledge the Bunurong as the Traditional Owners and Custodians of the lands and waters, and pays respect to their Elders past, present and emerging, for they hold the memories, the traditions, the culture and Lore.

1.0 INTRODUCTION

1.1 Purpose

This report provides a financial feasibility assessment of a Wonthaggi new build case study development. The case study was provided by McP Studio as part of a housing innovation project for the Municipal Association of Victoria (MAV) and partner councils. The partner council for this case study is Bass Coast Shire Council.

This assessment should be read in conjunction with the following inputs:

- Design concept for case study site by Six Degrees Architects, 24 September 2025
- Construction cost estimate by PlanCost Australia, Cost Plan A, 26 October 2025.

1.2 Qualification

This analysis is indicative and is based on preliminary design envelopes and cost and revenue inputs. The analysis is designed to inform the MAV housing innovation study brief and should not be relied upon for any other purpose.

1.3 Report Structure

This report is structured as follows:

- Section 2: market research summary and design concept developed for the site
- Section 3: financial feasibility assessment method and results
- Section 4: alternative housing innovation delivery models
- Appendix A: demographic analysis
- Appendix B: market research
- Appendix C: feasibility modelling in more detail.

2.0 MARKET RESEARCH AND DESIGN

2.1 Market Research Summary

Wonthaggi is a regional town located approximately 132 kilometres southeast of Melbourne (2021 population of 8,430).

Wonthaggi's population has shown steady growth over the past two decades and is projected to maintain a growth trajectory into the future.

The demographic profile of the town is diversifying with smaller household types growing strongly. Housing stock, which is dominated by separate houses, has not however changed in line with changing demographics.

Demand for smaller and more affordable housing exists. However development feasibility evidence for new formats of smaller housing options is limited.

There is an opportunity to prove the market via use of case study public land to generate new housing formats.

Prices for townhouses provide a guide to potential apartment prices. Lower cost apartment structures should be considered in the first phase of development.

Figure 1: Image of Wonthaggi

Source of image: iStock

2.2 Design Concept

The design concept provides a guide to floorspace yield based on site attributes, market research information and planning and design guidance. The design process has determined that the site is capable of a development outcome comprising:

- 60 apartments and 16 townhouses constructed on former school site
- Potential to retain some budlings for community use
- Mix of private and affordable/social housing, potential to be flexibly adapted
- Primary focus is on key workers and affordability
- Two apartment buildings of 4 storeys to the north east of the site
- Townhouses to the south east of the site for private sale
- Carparking to be on street / ground level.

Selected metrics and net sellable area assumptions are shown in the table below.

Table 1: Development metrics

Case study	New build, Wonthaggi		
Address	75 McBride Ave, Wonthaggi		
Architect	Six Degrees Architects, 24 September 2025		
Zone	Public Use Zone - Education		
Development metrics			
Site area sqm	6,318		
Site coverage sqm	2,963		
Site coverage %	47%		
Component	Total	Apartment	Townhouse
GFA	7,958	6,260	1,698
GFA - ground	919	919	n.a.
GFA - upper floors	3,432	3,432	n.a.
Commercial			
Ground floor NSA	0	0%	
Residential	**Number**	**Ave. Size**	**Area**
Studio	0	0	0
1 bed	24	55	1,320
2 bed	28	75	2,100
3 bed	8	120	961
Total	60		4,381
Townhouses			
1 bed	5	68	340
2 bed	11	80	880
Total	16		1,220
Total (apt. and t.h.)	76		
Site Density dw/ha	120.3		
Car spaces			
	Apartment	Townhouse	Visitor
Garage	0	16	0
Ground	30	0	40
Total	30	16	40
Rate	50%	100%	
Units with no parking	30	0	
Communal space			
Outdoor	1,893		
Indoor	132		

Source: Six Degrees Architects; HillPDA sellable area

3.0 FINANCIAL FEASIBILITY ASSESSMENT

3.1 Feasibility Testing Method

Development feasibility modelling tests the financial scope of delivering the development on the site.

In a base scenario, it is assumed a developer will seek to purchase and develop the site for a short-term return by selling the finished units/floorspace as soon as possible post-construction.

In this case study, rental of apartment units for affordable housing (key worker accommodation) is also considered.

The method for feasibility testing is discounted cash flow (DCF) analysis. DCF analysis is an appropriate method when project timelines extend beyond one year, and time value of money considerations are included in the analysis. DCF is a valuation method that seeks to determine the feasibility of an investment by examining projected future income and costs or cash flow from the investment, and then discounts that cash flow at a selected rate (discount rate) to arrive at an estimated current value of the investment. Another method is simple Development Margin analysis, which ignores time value of money.

The residual land value is the maximum price a developer would be prepared to pay for a site in exchange for the opportunity to develop the site, whilst achieving target hurdle rates for profit and project return. The residual value must be of a sufficient amount to encourage an owner to sell and/or displace the current use of the land. For development to be viable, the residual land value of a development opportunity must exceed the 'as is' value of the property. If the residual land value is lower than a site's current 'as is' value, redevelopment is not viable.

A target rate of return in the modelling is shown as internal rate of return (IRR). Internal rate of return is the return of an investment on an annualised basis and expressed as a percentage.

3.2 Revenue Assumptions

Base revenue assumptions, before escalation over the development period, are shown in the table below.

These assumptions are based on recent sales evidence. Limited evidence is available for new apartment units in the market area and as such assumptions are made. Prices that owner-occupiers and investors can pay has been impacted by inflationary pressures and interest rates increases in the post-pandemic period.

Scenario testing is undertaken to show higher end sales values in the financial modelling in addition to the base estimate.

Table 2: Base revenue assumptions, October 2025

Revenue	Per Unit	Number	Revenue
Apartments			
1 bed (no parking)	$256,218	24	$6,149,220
2 bed (no parking)	$349,388	6	$2,096,325
2 bed	$424,388	22	$9,336,525
3 bed	$537,385	8	$4,299,080
Townhouses			
1 bed	$374,200	5	$1,871,000
2 bed	$355,000	11	$3,905,000
Total		**76**	**$27,657,150**

Source: HillPDA assumptions

3.3 Cost and Modelling Assumptions

The costs and modelling assumptions of development are assumed as follows.

Revenue:

- Revenue: As shown in the section above (inclusive of GST).
- Escalation: General escalation assumed at 3.5%. Scenarios above this level are included in modelling where shown.
- Pre-sales: 60% pre-sales are assumed.

Land:

- Land cost: A nominal land value input assumed at $3,158,800 has been used to estimated taxes, charges and holding costs.

Construction:

- Construction cost: Based on PlanCost Australia estimate, as shown in the table below.
- Construction cost escalation: Included in PlanCost Australia estimate.

Soft Costs:

- Professional fees: 7.5% of construction cost included in PlanCost Australia estimate.
- Fees, taxes and charges: Allowance made for approximately $688,300 one-off payments for Land Transfer Duty, Windfall Gains Tax, Council Planning Permit Fee, and Open Space Contribution.
- Allowance made for approximately $62,100 annual council, state and utility levies for the duration of development.
- Sales commissions and marketing costs: Deducted to derive net sale proceeds.
- Project contingency: 1.5% of development cost.

Financing:

- Equity and Debt: Interest on debt is assumed at 7.5% per annum. It is assumed that the project is 80% debt and 20% equity funded.

Profit / Risk:

- Target profit risk: >15% internal rate of return and >18% development margin.

Project Timing:

- Pre-planning: Assumed 24 months from project start.
- Construction: 18-month construction period assumed as shown in PlanCost Australia.
- Post completion sales: 4 months post construction.

The main cost input is construction cost with associated professional fees. The PlanCost Australia estimate is shown below.

Table 3: Construction cost estimate by PlanCost Australia

The current anticipated Total End Cost is:	Low-Mid Range	Mid-High Range
Building Works	$28,741,980	$32,458,594
External Works and Services	$5,248,500	$5,248,500
Contingencies, Escalation and Allowances	$9,877,000	$10,957,000
Fees, FFE, ITC and Other Client items	$4,582,000	$5,085,000
Prolongation, Delay and Project risk	excluded	excluded
Total End Cost	**$48,449,480**	**$53,749,094**

Source: PlanCost Australia, includes escalation, excludes GST

Refer to Appendix C for all costs and data modelling assumptions.

3.4 Feasibility Modelling Results

The results are summarised in the table and figure below (with details shown in Appendix C).

- The best estimate data indicates the project is not commercially viable from a private sector investment perspective at the current time, under the low-mid cost scenario (and therefore higher cost scenario).
- For the development, we estimate that the market may be able to absorb revenue (escalated to point of sale) of approximatley $553,000 per unit average.
- The construction cost estimate starts at approximatley $695,000 per unit and the total development cost estimate starts at approximately $737,000 per unit.
- This is consistent with market activity at the current time, which favours lower cost separate houses and villa and townhouse developments in the area.
- Alternative revenue scenarios have been modelled, and these indicate a project could be commercially viable if revenue is 72% higher under the low-mid cost scenario (and 90% under the higher cost scenario). This is a significant required increase and unrealistic in the foreseeable future.
- Assuming costs do not change, the required average revenue per unit would need to be approximately $862,000 (and higher for the mid-high range cost estimate).

- For the project to be delivered, and the key worker housing mix and diversity objectives to be achieved as presented by the concept plan, a form of subsidy would be required, in addition to review and where possible reduction of costs.

Suggested pathways are:

- Consider separating the apartment component of the project as a separate development project and procure a Community Housing Association (CHA) for its delivery. A CHA works to non-commercail metrics and will in most cases access government funding support to deliver and manage housing.
- Consider allocating the townhouse project for private sector development if a commercail return on land is the objective.
- Consider including the adjacent land not included in the concept plan as part of the project to increase its scale and potential appeal to larger developers.
- Undertake a review of costs of development and seek to reduce costs where possible.
- Consider holding the asset for say two years and re-investigate feasibility at a later time.

Figure 2: Feasibility summary

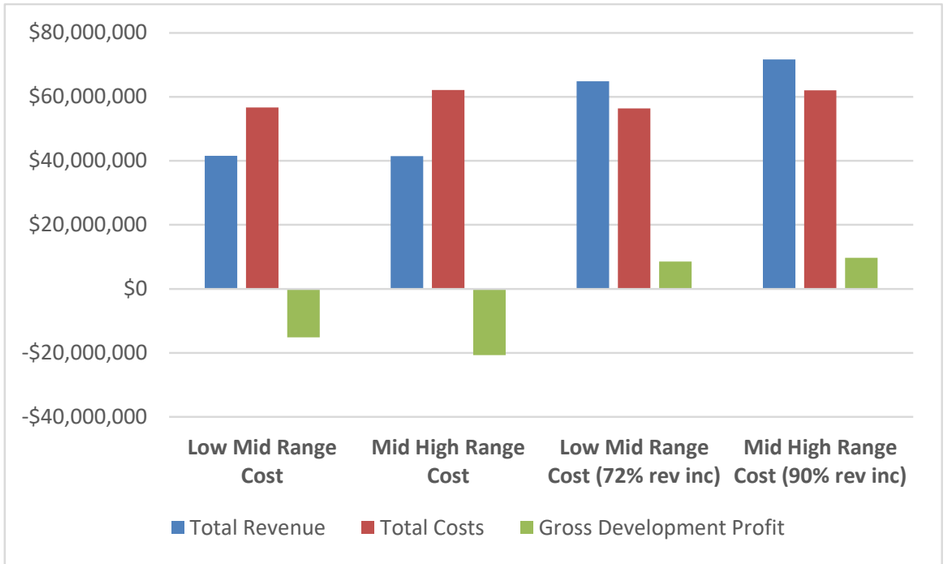


Table 4: Feasibility summary

Option	Low-Mid Range Cost	Mid-High Range Cost	Low-Mid Range Cost (72% rev inc)	Mid-High Range Cost (90% rev inc)
Scenario	**1**	**2**	**3**	**4**
Units (No.)	76 units	76 units	76 units	76 units
Gross Floor Area (SQM)	7,958 GFA	7,958 GFA	7,958 GFA	7,958 GFA
Site Area	6,318 SqM	6,318 SqM	6,318 SqM	6,318 SqM
Type	Residential	Residential	Residential	Residential
Revenue				
Gross Sales Revenue	$42,543,125	$42,457,530	$66,395,550	$73,343,922
Less Selling Costs	-$1,008,125	-$1,006,727	-$1,499,862	-$1,643,701
TOTAL REVENUE (after GST paid)	**$41,534,999**	**$41,450,803**	**$64,895,688**	**$71,700,220**
Costs				
Land Purchase Cost	$3,158,800	$3,158,800	$3,158,800	$3,158,800
Land Acquisition Costs	$199,640	$199,640	$199,640	$199,640
Construction (inc. Construct. Contingency)	$53,453,928	$59,298,903	$53,453,928	$59,298,903
Professional Fees	$1,101,716	$1,189,362	$1,106,112	$1,195,144
Contributions and Charges	$502,943	$502,943	$502,943	$502,943
Other Allowances	$371,906	$371,129	$578,163	$638,668
Land Holding Costs	$261,648	$261,648	$261,648	$261,648
Pre-Sale Commissions	$199,890	$198,751	$286,684	$316,686
Interest Expense	$2,413,937	$2,420,459	$1,885,990	$2,030,244
TOTAL COSTS (before GST reclaimed)	$61,811,407	$67,764,707	$61,580,906	$67,765,748
Less GST reclaimed	-$5,116,597	-$5,657,086	-$5,188,341	-$5,750,561
TOTAL COSTS (after GST reclaimed)	**$56,694,810**	**$62,107,621**	**$56,392,566**	**$62,015,187**
Performance				
Gross Development Profit	-$15,159,811	-$20,656,818	$8,503,122	$9,685,033
Project Internal Rate of Return (IRR)	-24.7%	-36.0%	19.5%	20.4%
Residual Land Value (NPV)	-$10,556,050	-$14,048,400	$4,787,638	$5,278,571
Residual Land Value (NPV) / SQM	-$1,671	-$2,224	$758	$835

4.0 ALTERNATIVE HOUSING DELIVERY MODELS

4.1 Overview

This section provides a preliminary scoping of housing innovation options that may be considered to facilitate the supply of more diverse and / or more affordable housing options via the use of public land (i.e. local government land).

4.2 Council Land Options

Sale or Lease of Land

Councils may from time to time sell land or lease land at market value or at a discount.

The divestment or lease could be made to a to a private entity or to a not-for-profit entity like a housing association or some form of land trust. This could be done for a housing purpose to meet the needs of the local community.

Discounted land sale has the potential to make development projects viable for the developer in cases where financial viability is not possible.

Discounted lease of land to a housing provider can have the same benefit for the housing provider; that is, generating a financially acceptable outcome.

Land Trust Model

A land trust model enables the individual household to purchase a dwelling or build a dwelling on land owned or controlled by a land trust. Land trust arrangements offer the opportunity for home ownership to a group that would otherwise not be able to afford a land with dwelling.

The land trust could have a particular objective such as meeting the needs of key workers, first home buyers or older persons.

4.3 Some Recent Land Innovation Examples

Selected case studies regarding housing investment innovation provide insights into potential responses that may be relevant.

Key Worker and Affordable Housing Project, Warrnambool City Council, Victoria

Facilitating key worker housing supply on council land

Warrnambool City Council in regional Victoria developed this project to tackle the lack of affordable rental homes in the area. This proposed project involves the leasing of land by Council to a Community Housing Agency (CHA) for a period of up to 25 years. The CHA will be required to build a minimum of 50 self-contained units, with a 50/50 split of key worker accommodation and affordable housing. Affordable units would have rents capped at 75 per cent of market rate, while employers would lease the key worker accommodation to their

employees. All built assets will be disposed through sale or relocation at the end of the project period. The project is estimated to cost $15 to $18 million, with council seeking funding from private equity and governments.

Winanglo Community Village, Community Bank Surf Coast, Victoria

Joint venture older persons housing development that included a land contribution from council

The town of Winchelsea (1.5 hours from Melbourne and population of approximately 2,456 in 2021), has a shortage of appropriate housing for older people that are looking to downsize in the town.

In response to this, the Community Bank Surf Coast established a social enterprise called Winanglo to drive the development of 10 independent living units and associated support services locally. The Community Bank committed $1.5 million towards the $5 million project with the remainder supplied through loans. The loans were repaid through the sale of the units, and profits reinvested on other local community projects on an as-needed basis.

Surf Coast Shire Council assisted through the transfer of vacant land for $1. As an incorporated association with charitable status the development is to remain in the ownership of the local community.

Regional Key Worker Housing Scheme, South Australian State Government

State development of key worker housing which are on-sold to investors

Administered by the State Office for Regional Housing, this pilot program aims to address the need for affordable and accessible quality housing options to attract and retain essential workers including police, teachers and healthcare workers in country communities.

The program will develop approximately 35 new homes in key regional centres which will be sold to private investors with long-term, employer-backed leases attached.

Sloane Street Development, Northern Grampians Council, Victoria

Housing development in a location with a limited private sector market

Northern Grampians Council rezoned a parcel of land owned by Council in Stawell for residential purposes and then invited developers to submit proposals for the purchase and development of the land for residential purposes. The Council set terms and conditions, which included the provision of a diverse range of housing on the site. A $500,000 grant was also secured from the State Government's Regional Infrastructure Fund with an equivalent matched funding contribution from the Council to extend services to the site.

Correa Park, Pyrenees Shire Council, Victoria

Housing development in a location with a limited private sector market

Correa Park is a council-developed subdivision in the rural town of Beaufort. It was instigated due to the stagnating population in the area combined with a lack of interest from developers in the large-scale investment required to significantly boost local housing stock.

Pyrenees Shire Council used $6 million in savings and loans to purchase land in a residential zone, as well as for realignment of road and utilities connection. The project was completed in 2021 and costs have been recouped through the sale of the 100 lots within the subdivision.

Harris Transportable Housing, Launch Housing, Maidstone

Low cost housing supply on state owned land

Launch Housing is using nine parcels of vacant VicRoads land in Footscray and Maidstone to create 57 tiny homes for people with a chronic experience of homelessness. They are utilising the Fredi transportable home model, which has 20 sqm of internal space with a 9 sqm verandah. It is designed with passive heating, shading and cooling) to achieve 6+ star rating for reduced occupant running costs.

APPENDIX A: DEMOGRAPHIC ANALYSIS

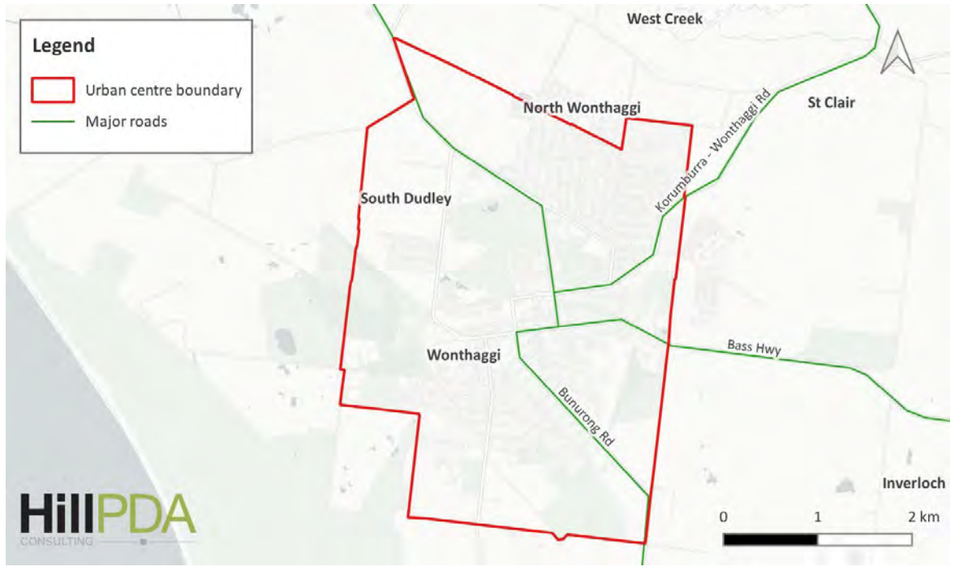
A.1 Overview

This section provides a demographic profile of Wonthaggi. This information informs market responsive housing options.

A.2 Wonthaggi

Wonthaggi is a town within the Bass Coast Shire, located approximately 132 kilometres southeast of Melbourne and accessible via the Bass Highway. Originally a coal mining town, it is now the biggest town within South Gippsland.

Figure 3: Wonthaggi and surrounds

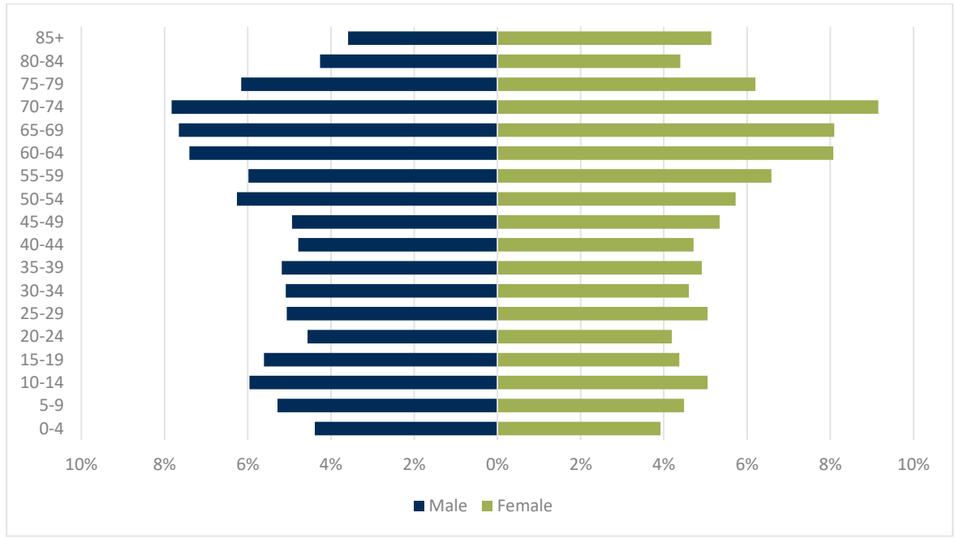


Imagery: CARTO (2025)

At the 2021 Census, Wonthaggi had an estimated population of 8,430.

The age profile is 'older', with an average age of 51. Almost one third of all residents are aged over 65 years, while around one quarter are aged under 20 years.

Figure 4: Age distribution in five year age groups (Wonthaggi)

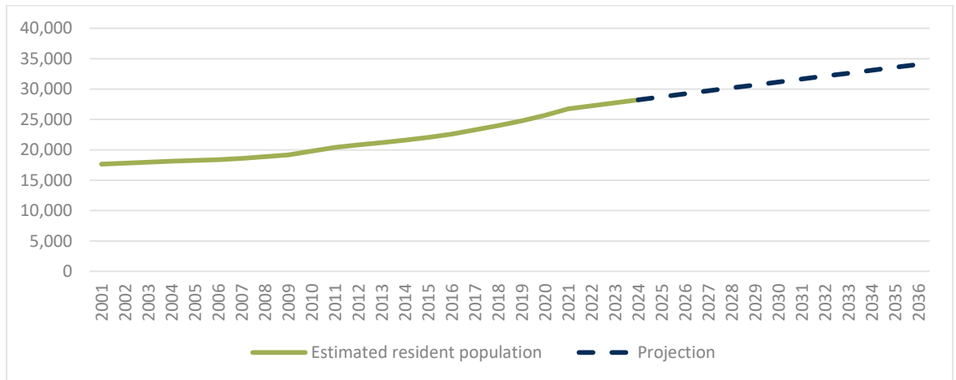


Source: ABS (2021).

Wonthaggi's population has shown steady growth over the past two decades and is projected to maintain this into the future.

The population of the wider Wonthaggi-Inverloch area increased by approximately 10,600 people between 2001 and 2024 and is expected to grow by almost 6,000 to 2036, at a rate of around 1.7% annually.

Figure 5: Population projection (Wonthaggi-Inverloch SA2)



Source: ABS (2025); DTP (2023).

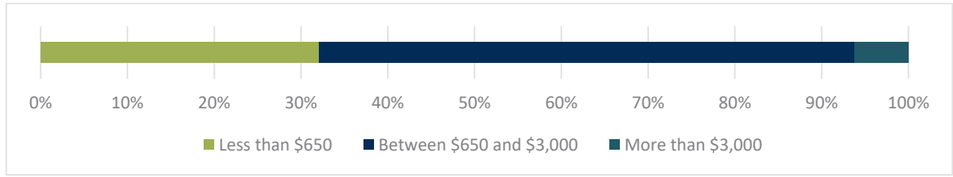
According to the 2021 Census, in Wonthaggi:

- The median weekly household income was $917
- The median monthly mortgage repayment was $1,216

- The median weekly rent was $280.

Around one third of households earn below $650 per week, while only 6.2% earn $3,000 or more. Incomes have increased over the past decade, with the proportion of households earning more than $3,000 per week rising from 3.3% in 2011 (an 87.9% increase). In the same timeframe, the share of households earning less than $400 per week more than halved, falling from 20.2% to 9.0%.

Figure 6: Household income ranges (Wonthaggi)



Source: ABS (2021).

Wonthaggi has a predominantly Australian-born population, with just 13.9% born overseas. English is also the dominant language, with 88.5% of residents using only English at home. Individual migrant populations are small, with the three most common languages other than English each being used by less than 1% of residents.

Top countries of birth (excluding Australia):

1. England (4.9%)
2. New Zealand (1.2%)
3. Italy (0.9%).

Top languages used at home (ex. English):

1. Italian (0.8%)
2. Malayalam (0.6%)
3. Karen (0.4%).

A.3 Dwelling Profile

Between 2011 and 2021, the number of dwellings increased by almost one quarter. Separate houses saw the largest absolute growth (892 dwellings), to account for over 90% of all dwellings. The number of semi-detached flats or apartments both fell, with flats and apartments in particular declining by over 90%. Meanwhile the number of other dwellings, specifically cabins/houseboats, increased.

These changes may be partially explained by data discrepancies that result in changes in classification between separate houses, semi-detached, flats, and cabins in the Census.

Table 5: Dwelling structure (Wonthaggi)

Description	2011		2021		Change	
	#	%	#	%	#	%
Separate house	2,429	82.4%	3,321	90.5%	+892	+36.7%
Semi-detached, row or terrace house, townhouse etc.	254	8.6%	218	5.9%	-36	-14.2%
Flat or apartment	247	8.4%	22	0.6%	-225	-91.1%
Other dwelling	19	0.6%	108	2.9%	+89	+468.4%
Total	**2,949**	**100.0%**	**3,669**	**100.0%**	**+720**	**+24.4%**

Source: ABS (2011; 2021).

Wonthaggi has seen a shift towards larger homes, with the number of dwellings with four or more bedrooms growing the most of all types, by 50%.

Two to three bedroom dwellings experienced more modest increases, while the share of smaller zero to one bedroom dwellings stayed relatively stable.

Table 6: Number of bedrooms (Wonthaggi)

Description	2011		2021		Change	
	#	%	#	%	#	%
None (includes studio apartments or bedsitters)	10	0.3%	10	0.3%	0	0.0%
1 bedroom	163	5.7%	159	4.4%	-4	-2.5%
2 bedrooms	648	22.5%	814	22.6%	+166	+25.6%
3 bedrooms	1,498	52.1%	1,781	49.5%	+283	+18.9%
4 or more bedrooms	556	19.3%	834	23.2%	+278	+50.0%
Total	**2,875**	**100.0%**	**3,598**	**100.0%**	**+723**	**+25.1%**
Average number of bedrooms per dwelling	2.9	-	2.9	-	-	-

Source: ABS (2011; 2021).

The number of households grew by 24.1% between 2011 and 2021. This included notable growth in lone person households, which increased by over one third and now make up 36.8% of all households.

The next largest growth occurred in one parent families, which grew by 33.8%. The total number of couple families with children declined slightly, to make up 18.2% of the total population.

This is reflected in the average household size, which saw a decrease from 2.3 to 2.1 over the time period.

Table 7: Household composition (Wonthaggi)

Description	2011		2021		Change	
	#	%	#	%	#	%
Lone person	1,013	33.9%	1,363	36.8%	+350	+34.6%
Group	102	3.4%	113	3.0%	+11	+10.8%
Family	1,870	62.6%	2,229	60.2%	+359	+19.2%
Couple family without children	799	26.8%	1,034	27.9%	+235	+29.4%
Couple family with children	677	22.7%	674	18.2%	-3	-0.4%
One parent family	370	12.4%	495	13.4%	+125	+33.8%
Other family	24	0.8%	26	0.7%	+2	+8.3%
Total	**2,985**	**100.0%**	**3,705**	**100.0%**	**+720**	**+24.1%**
Average household size (no. of persons)	2.3	-	2.1	-		

Source: ABS (2011; 2021).

The number of households is expected to grow by 31.5% by 2036.

Lone person households are expected to see the largest increase in both real numbers and percentage terms, and they will remain the dominant household type. However, all household types are projected to experience strong increases, including couple families with children, which are expected to grow by 19.2%.

Table 8: Household projections by type (Wonthaggi-Inverloch SA2)

Description	2021	2026	2031	2036		Change 2021-2036	
				#	%	#	%
Couple family without children	4,104	4,603	4,986	5,295	33.1%	+1,192	+29.0%
Couple family with children	2,604	2,752	2,899	3,105	19.4%	+501	+19.2%
One parent family	1,181	1,294	1,411	1,550	9.7%	+369	+31.2%
Other family	94	109	121	132	0.8%	+38	+40.2%
Lone person	3,897	4,479	5,020	5,509	34.4%	+1,612	+41.4%
Group	300	338	379	420	2.6%	+120	+39.9%
Total	**12,180**	**13,576**	**14,817**	**16,011**	**100.0%**	**+3,831**	**+31.5%**

Source: DTP (2023).

All tenure types increased in number over 2011 to 2021.

The number of dwellings rented or owned with a mortgage both declined slightly as a proportion of all dwellings, while dwellings owned outright now make up almost 47% of all dwellings. Other tenure type remained a small minority at around 1% of all dwellings.

Table 9: Tenure type (Wonthaggi)

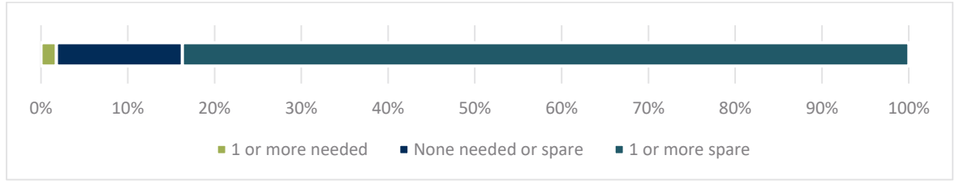
Description	2011		2021		Change	
	#	%	#	%	#	%
Owned outright	1,244	43.6%	1,690	46.9%	+446	+35.9%
Owned with a mortgage	762	26.7%	898	24.9%	+136	+17.8%
Rented	829	29.1%	966	26.8%	+137	+16.5%
Other tenure type	17	0.6%	47	1.3%	+30	+176.5%
Total	**2,852**	**100.0%**	**3,601**	**100.0%**	**+749**	**+26.3%**

Source: ABS (2011; 2021).

In 2021, the vast majority of dwellings (83.7%) had one or more spare bedrooms, and of these, over 12% had three or more spare.

In contrast, less than 2% of dwellings required additional bedrooms, with the vast majority only requiring one extra bedroom.

Figure 7: Housing suitability (Wonthaggi)



Source: ABS (2021).

APPENDIX B: MARKET RESEARCH

B.1 Overview

This section provides a profile of the Wonthaggi property market. This information informs market responsive housing options.

The market research provides realistic assumptions around pricing, demand and development activity, which are essential for evaluating the viability of housing options.

B.2 Residential Apartments Market Overview

The apartment and unit market in Wonthaggi has experienced a price correction over the past 12 months. The median unit price is approximately $400,000, reflecting a 5.3% decline.

Rental yields remain strong at 4.7%, with a median weekly rent of $400.

Units typically take 68 days to sell, indicating moderate demand with 258 buyers showing interest in the past month.

B.3 Supply Indicators

Wonthaggi is experiencing a tight housing market with limited available stock for sale at the current time (stock on market is estimated at 0.28%).

This condition is often a precursor to upward pressure on prices, especially if new housing stock is introduced in the context of expected cuts to interest rates during 2025.

B.4 Affordability

Despite recent price corrections, affordability remains a significant challenge.

It is estimated that it could take up to 39 years to own a property outright, based on current income-to-price ratios.

B.5 Rental Market Performance

Wonthaggi attracts investor interest due to its strong rental performance. Rental yields are solid, offering attractive returns compared to metropolitan areas. The vacancy rate is low at 1.01%, indicating a tight rental market with consistent tenant demand.

This combination of low vacancy and strong yields makes Wonthaggi a compelling option for investors seeking long-term rental income.

B.6 Outlook

The following trends are expected to shape Wonthaggi's property landscape:

- Regional migration to the town as affordability pressures continue to adversely impact metropolitan Melbourne.
- Ongoing infrastructure investment that enhances connectivity and liveability will continue to support population growth.

Overall, Wonthaggi is well-positioned for sustainable long-term housing market growth.

B.7 Development sites

The table below presents a summary of active and approved development sites in Wonthaggi, detailing sale prices, site areas, dwelling counts, planning milestones, and key financial metrics. This provides a snapshot of market activity and the feasibility of development across the township.

Table 10: Development site sales evidence

Street Address, Wonthaggi	Sold Price	Sold Date	Land Area	No. of Units	$/sqm	$/unit	Description
32-34 Graham Street	$800,000	2010	-	4	-	$200,000	Construction of four (4) dwellings.
33 Dunn Street	$722,000	2021	1,012	3	713	$240,667	Removal of existing dwelling. Construction of 1 x 2-bedroom & 2 x 3-bedroom x 1-storey dwellings. Car parking for five vehicles. 2022
52 Broome Crescent	$800,000	2021	1,012	3	791	$266,667	Proposed removal of the existing dwelling. Construction of 3 x 2-bedroom x 1-storey dwellings. Car parking for three vehicles.
23 Ivor Street (Lot 48 PS005309)	$800,000	2021	1,295	4	618	$200,000	Demolition of existing dwelling & associated outbuildings. Construction of 4 x 3-bedroom 2-storey townhouses. 519sq m landscaping.
9 Hagelthorn Street	$1,000,000	2022	2,023	6	494	$166,667	Removal of existing buildings. Construction of 4 x 2-bedroom & 2 x 3-bedroom x 1-storey dwellings. Car parking for eight vehicles. 765.3sq m landscaping.
215 Graham Street	$980,000	2022	1,012	3	968	$326,667	Construction of 3 x 2-bedroom x 1-storey dwellings on a vacant site. C Car parking for three vehicles.
326, 328 & 330 White Road	$650,000	2023	3,036	4	214	$162,500	Construct a display home centre to comprise 3 x 4-bedroom x 1-storey & 1 x 4-bedroom x 2-storey display homes with 2 car spaces each. 20 vehicles
3 Edgar Street	$2,500,000	2023	1,579	4	1583	$625,000	Reconfiguration of the existing lot into 4 lots. Construction of 4 x 3-bedroom 2-storey townhouses on a vacant

Street Address, Wonthaggi	Sold Price	Sold Date	Land Area	No. of Units	$/sqm	$/unit	Description
							site. Car parking for 8 vehicles. Landscaping.
119 Broome Crescent	$885,000	2023	1,012	3	875	$295,000	Removal of existing dwelling. Construction of 3 x 2-bedroom x 1-storey dwellings. Timber paling fence, concrete driveway, colour coated metal roofing & roller door, face brickwork, weatherboard cladding & aluminium windows & sliding doors. Car parking for 3 vehicles. Landscaping.
46 Hagelthorn Street	$900,000	2023	1,012	3	889	$300,000	Removal of existing dwelling. Construction of 2 x 4-bedroom & 1 x 3-bedroom 2-storey dwellings. Brickwork, aluminium framed window, sliding door & glazing. Car parking for 6 vehicles. Landscaping.
17 Fahey Street	$520,000	2023	1,763	4	295	$130,000	Construction of 4 x 3-bedroom x 1 storey dwellings. Colour coated metal roof sheeting, fascia & gutter, aluminium framed windows & timber paling fence & posts, Car parking for 8 vehicles. Landscaping.
32 Dunn Street	$900,000	2023	1,011	3	890	$300,000	Construction of 3 x 3-bedroom x 1 storey dwellings on a vacant site. Car parking for 6 vehicles. Landscaping.
48 Dunn Street	$950,000	2024	1,012	4	939	$237,500	Demolition of existing dwelling. Construction of 4 x 2-bedroom x 1-storey dwellings. Car parking for 4 vehicles.
12 Cameron Street	$1,200,000	2024	1,012	3	1186	$400,000	Demolition of existing dwelling. Construction of 3 x 3-bedroom x 1-storey townhouses. Car parking for 6 vehicles. Landscaping.
2, 43 Murray Street	$485,000	2024	394	1	21m	$485,000	Construction of a 2-storey building with two dental consulting rooms (74sq m & 110sq m) at ground level & 1 x 2-bedroom apartment at the upper level on a vacant site.
314 White Road	$800,000	2025	1,000	4	800	$200,000	2-storey building with 2 dental consulting rooms (74sq m & 110sq m) at ground level & 1 x 2-bedroom.
Total Dwellings				**56**			

Source: Cordell Connect, RP Data Professional, HillPDA

B.8 Townhouses Sales Evidence

Townhouses in Wonthaggi are gaining popularity due to their affordability and low maintenance appeal.

While specific median prices vary by location and design, townhouses generally attract both downsizers and investors.

New townhouse developments are emerging in infill areas and private estates, catering to growing demand, which is typically described as:

- Dwelling types: townhouses, low-rise
- Design quality: functional, affordable
- Target market: downsizers, retirees, regional movers.

Median pricing by size is repor6ted as:

- 1-Bed Units: $260,000
- 2-Bed Units: $390,000
- 3-Bed Units: $430,000.

Table 11: Townhouse sale evidence

Street Address, Wonthaggi	Sale Price	Bedrooms	Internal Area (sqm)	$/sqm	Sale Date
1/29 Korumburra Road	$480,000	3	114	$4,210	6-May-25
2 Drydale Street	$615,000	2	156	$3,942	23-Aug-23
2/16 Cameron Street	$460,000	2	110	$4,363	2 May 2025
1/8 Brook Street	$420,000	3	121	$3,471	10-Feb-25

Source: RP Data Professional, HillPDA

B.9 Commercail Property Sector

The retail sector in Wonthaggi is well-established, anchored by Wonthaggi Plaza, Big W, supermarkets and complemented by and a variety of specialty stores. Wonthaggi also performs a regional role for bulky goods retail such as furniture, hardware, and whitegoods.

Wonthaggi is an administrative and service centre of the region, and hosts a range of professional services, government office and health-related businesses. The newly developed hospital is a key anchor in the area.

The town's office stock is primarily concentrated around Graham Street and Billson Street, with small to medium-sized tenancies ranging from 150 to 500 sqm.

These spaces typically cater to local businesses, medical practices and community services.

Demand for office space in Wonthaggi is steady, supported by population growth and the decentralisation of services from metropolitan Melbourne.

The commercail market has stable occupancy rates.

Table 12: Commercial shopfront sales evidence

Street Address, Wonthaggi	Sale Price	Floorspace SQM	$ / SQM	Sale Date
55-57 MCBRIDE AVENUE	$820,000	423	$1,939	9-Aug-24
41-43 MCBRIDE AVENUE	$1,045,000	421	$2,482	22-Jul-24
3/156-158 GRAHAM STREET	$300,000	59	$5,085	10-Jul-24
5/156 GRAHAM STREET	$396,000	59	$6,712	26-Nov-24

Source: RP Data Professional, HillPDA

B.10 Market Summary

Development Site Values

- Development site land values range from $210/sqm to $1,590/sqm, or $130,000/unit to $625,000/unit (depending on location and quality / amenity).
- Most residential developments are townhouses and houses.

Townhouses Prices

- Townhouses prices range from $420,000 to $615,000, at $3,470/sqm to $4,370/sqm (internal 125 sqm average).

Apartment Prices

- Limited market evidence is available to support apartment prices for newly constructed stock.

Commercail Shopfront Prices

- Commercail shopfront prices range from $1,900/sqm to $6,750/sqm (shopfronts under 500 sqm).

APPENDIX C: FEASIBILITY MODEL DATA

The sheet overleaf shows a summary of the modelling scenarios.

- Low-mid range cost feasibility summary
- Mid-high range cost feasibility summary
- Low-mid range cost feasibility summary with revenue increase required to make the project commercially viable
- Mid-high range cost feasibility summary with revenue increase required to make the project commercially viable.

After that sheet, more detailed modelling data is shown for the base feasibility mode: low-mid range cost feasibility.

ARGUS EstateMaster | Development Feasibility

COMPARISON OF OPTIONS

New build, Wonthaggi

	1 Low Mid Range	2 Mid High Range	3 OPT 1 (72% Rev)	4 OPT 2 (90% rev inc)
	1	2	3	4
	76 units 7,958 GFA 6,318 SqM Residential Under Review	76 units 7,958 GFA 6,318 SqM Residential Under Review	76 units 7,958 GFA 6,318 SqM Residential Under Review	76 units 7,958 GFA 6,318 SqM Residential Under Review
Licensed to: Hill PDA Pty Ltd				
Revenues				
Gross Sales Revenue	42,543,125	42,457,530	66,395,550	73,343,922
Less Selling Costs	(1,008,125)	(1,006,727)	(1,499,862)	(1,643,701)
Less Purchasers Costs	-	-	-	-
NET SALES REVENUE	41,534,999	41,450,803	64,895,688	71,700,220
Gross Rental Income	-	-	-	-
Less Outgoings & Vacancies	-	-	-	-
Less Letting Fees	-	-	-	-
Less Incentives (Rent Free & Fitout Costs)	-	-	-	-
Less Turnover Costs	-	-	-	-
Less Other Leasing Costs	-	-	-	-
NET RENTAL INCOME	-	-	-	-
Interest Received	-	-	-	-
Other Income	-	-	-	-
TOTAL REVENUE (before GST paid)	41,534,999	41,450,803	64,895,688	71,700,220
Less GST paid on all Revenue	-	-	-	-
TOTAL REVENUE (after GST paid)	41,534,999	41,450,803	64,895,688	71,700,220
Costs				
Land Purchase Cost	3,158,800	3,158,800	3,158,800	3,158,800
Land Acquisition Costs	199,640	199,640	199,640	199,640
Construction (inc. Construct. Contingency)	53,453,928	59,298,903	53,453,928	59,298,903
Professional Fees	1,101,716	1,189,362	1,106,112	1,195,144
Statutory Fees	502,943	502,943	502,943	502,943
Miscellaneous Costs 1	-	-	-	-
Misc 2	-	-	-	-
Marketing	371,906	371,129	578,163	638,668
Project Contingency (Reserve)	-	-	-	-
Land Holding Costs	261,648	261,648	261,648	261,648
Pre-Sale Commissions	199,890	198,751	286,684	316,686
Finance Charges (inc. Fees)	146,998	163,072	146,998	163,072
Interest Expense	2,413,937	2,420,459	1,885,990	2,030,244
TOTAL COSTS (before GST reclaimed)	61,811,407	67,764,707	61,580,906	67,765,748
Less GST reclaimed	(5,116,597)	(5,657,086)	(5,188,341)	(5,750,561)
Plus Corporate Tax	-	-	-	-
TOTAL COSTS (after GST reclaimed)	56,694,810	62,107,621	56,392,566	62,015,187
Performance Indicators	1	2	3	4
[1] Gross Development Profit	(15,159,811)	(20,656,818)	8,503,122	9,685,033
[2] Net Developer's Profit after Profit Share	(15,159,811)	(20,656,818)	8,503,122	9,685,033
[3] Development Margin (Profit/Risk Margin)	(26.70%)	(33.21%)	15.04%	15.58%
Target Development Margin	18.00%	18.00%	18.00%	18.00%
[5] Breakeven Date for Cumulative Cash Flow	N.A. (No Profit)	N.A. (No Profit)	Jun-2029	Jun-2029
Discount Rate (Target IRR)	15.00%	15.00%	15.00%	15.00%
[6] Net Present Value	(13,455,630)	(16,881,972)	1,598,052	2,079,706
[8] Benefit Cost Ratio	0.662	0.609	1.040	1.048
[9] Project Internal Rate of Return (IRR)	(24.70%)	(36.00%)	19.45%	20.40%
[10] Residual Land Value (NPV)	(10,556,050)	(14,048,400)	4,787,638	5,278,571
Peak Debt Exposure	45,521,245	49,814,671	45,549,422	50,108,526
Date of Peak Debt Exposure	Feb-2029	Feb-2029	Feb-2029	Feb-2029
[11] Breakeven Date for Project Overdraft	N.A.	Aug-2029	May-2029	May-2029
Total Equity Contribution	15,159,811	20,656,819	11,012,438	12,125,174
Peak Equity Exposure	15,159,811	20,656,819	11,012,438	12,125,174
Date of Peak Equity Exposure	Aug-2029	Aug-2029	Feb-2028	Feb-2028
[12] IRR on Equity	N.A.	N.A.	24.38%	25.71%
Weighted Average Cost of Capital (WACC)	10.72%	11.25%	10.00%	10.00%

Yield Analysis	1		2		3		4	
Sales	Qty	SqM	Qty	SqM	Qty	SqM	Qty	SqM
Residential - 1 Bedroom Units	24	-	24	-	24	-	24	-
Residential - 2 Bedroom Units	28	-	28	-	28	-	28	-
Residential - 3 Bedroom Units	8	-	8	-	8	-	8	-
Townhouse Lots	16	-	16	-	5	-	5	-
Commerical Office	-	2,090	-	2,090	-	2,090	-	2,090
Not Classified	76	-	76	-	76	-	76	-
TOTAL	152	2,090	152	2,090	141	2,090	141	2,090
Tenancies		SqM		SqM		SqM		SqM
TOTAL		-		-		-		-

Build to Rent Analysis	1	2	3	4
Development Phase	Jan-2026 - Feb-2029	Jan-2026 - Feb-2029	Jan-2026 - Feb-2029	Jan-2026 - Feb-2029
Development Margin	20.00%	20.00%	20.00%	20.00%
Net Present Value	13,173,809	14,114,266	12,945,677	14,202,817
Internal Rate of Return	26.72%	29.31%	28.47%	29.27%
Equity IRR	37.88%	40.03%	38.85%	40.04%
Adopted Handover Value	67,757,699	74,244,423	67,874,232	74,680,440
Investment Phase	No Investment Phase	No Investment Phase	No Investment Phase	No Investment Phase
Initial Yield	-	-	-	-
Net Present Value	N.A.	N.A.	N.A.	N.A.
Internal Rate of Return (IRR)	N.A.	N.A.	N.A.	N.A.
Breakeven Date	N.A. (No Profit)	N.A. (No Profit)	Jun-2029	Jun-2029
Investment Hold Period	N.A.	N.A.	N.A.	N.A.
Terminal Capitalised Value	-	-	-	-

Footnotes (based on current Preferences):

1. Development Profit: is total revenue less total cost including interest paid and received
2. Developer's Net Profit after distribution of profit share.
3. Development Margin: is profit divided by total costs (exc selling & leasing costs)
5. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
6. Net Present Value: is the project's cash flow stream discounted to present value. It excludes all financing costs, interest and corp tax.
8. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and excludes all financing costs, interest and corp tax.
9. Internal Rate of Return: is the discount rate where the NPV above equals Zero.
10. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
11. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
12. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.

Development Feasibility Model

ARGUS EstateMaster Licensed to: Hill PDA Pty Ltd

M25013 : New build, Wonthaggi

Low Mid Range : 1

Date of Report :	19-Nov-2025	**Project Size :**	76 units
Time Span :	Jan-26 to Aug-29 (43 Months)		1 per 83.13 SqM of Site Area
Type :	Residential	**Project Size :**	7,958 GFA
Status :	Under Review		1 per 0.79 SqM of Site Area
Site Area :	6,318 SqM	**FSR :**	:1
		Equated GFA :	SqM
Prepared By :	Hill PDA	**Address :**	75 McBride Ave, Wonthaggi
Prepared For :	McP Studio for MAV		Wongthaggi
Developer :	TBD		Victoria
			Australia

Disclaimer

1.This report and its attached appendices are based on estimates, assumptions and information provided by the Client or sourced and referenced from external sources by Hill PDA. While we endeavour to check these estimates, assumptions and information, no warranty is given in relation to their reliability, feasibility, accuracy or reasonableness. Hill PDA presents these estimates and assumptions as a basis for the Client's interpretation and analysis. With respect to forecasts, Hill PDA does not present them as results that will actually be achieved. Hill PDA relies upon the interpretation of the Client to judge for itself the likelihood of whether these projections can be achieved or not.
2. Due care has been taken to prepare the attached financial models from available information at the time of writing, however no responsibility can be or is accepted for errors or inaccuracies that may have occurred either with the programming or the resultant financial projections and their assumptions.

Cash Flow Table for New build, Wonthaggi — Low Mid Range - 1

PROJECT CASH FLOW	TOTAL	GST	0	1	2	3	4	5	6	7	8	9	10	11	12	13
			Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Sale Summary																
Units Sold	76.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Sold	2,090.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SoM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold	42,543,125		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Handover Summary																
Units Handed Over	76.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	2,090.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	42,543,125		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow																
Revenue																
Gross Sales Revenue	42,543,125		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(1,008,125)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	41,534,999		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs																
Land and Acquisition	3,358,440		319,459	3,579	3,579	3,031,821										
Professional Fees	1,101,716		-	-	78,830	78,830	78,830	78,830	23,830	23,830	23,830	23,830	23,830	23,830	23,830	23,830
Construction Costs	53,453,928		-	-	91,355	91,355	105,058	114,194	114,194	123,329	146,168	182,710	182,710	182,710	228,388	264,930
Statutory Fees	502,943		-	-	315,880	-	-	-	29,123	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	371,906		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	261,648		62,076	-	-	-	-	-	-	-	-	-	-	-	64,249	-
Pre-Sale Commissions	199,890		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	146,998		-	146,998	-	-	-	-	-	-	-	-	-	-	-	-
GST Rebates (Input Credits)	(5,116,597)		-	-	-	(13,363)	(15,471)	(15,471)	(16,717)	(17,548)	(12,548)	(13,378)	(15,454)	(18,776)	(18,776)	(18,776)
TOTAL COSTS	54,280,873		381,536	150,578	489,645	3,188,643	168,417	177,553	150,430	129,612	157,451	193,162	191,086	187,764	297,690	269,983
Net Cash Flow (before Interest & Corporate Tax)	(12,745,873)		(381,536)	(150,578)	(489,645)	(3,188,643)	(168,417)	(177,553)	(150,430)	(129,612)	(157,451)	(193,162)	(191,086)	(187,764)	(297,690)	(269,983)
Cumulative Cash Flow			(381,536)	(532,113)	(1,021,758)	(4,210,401)	(4,378,818)	(4,556,371)	(4,706,801)	(4,836,412)	(4,993,863)	(5,187,025)	(5,378,111)	(5,565,875)	(5,863,565)	(6,133,548)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(12,745,873)		(381,536)	(150,578)	(489,645)	(3,188,643)	(168,417)	(177,553)	(150,430)	(129,612)	(157,451)	(193,162)	(191,086)	(187,764)	(297,690)	(269,983)
Cumulative Cash Flow			(381,536)	(532,113)	(1,021,758)	(4,210,401)	(4,378,818)	(4,556,371)	(4,706,801)	(4,836,412)	(4,993,863)	(5,187,025)	(5,378,111)	(5,565,875)	(5,863,565)	(6,133,548)
Financing																
Developer's Equity																
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	15,159,811		381,536	150,578	489,645	3,188,643	168,417	177,553	150,430	129,612	157,451	193,162	191,086	187,764	297,690	269,983
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(15,159,811)		(381,536)	(532,113)	(1,021,758)	(4,210,401)	(4,378,818)	(4,556,371)	(4,706,801)	(4,836,412)	(4,993,863)	(5,187,025)	(5,378,111)	(5,565,875)	(5,863,565)	(6,133,548)
Equity Cash Flow	(15,159,811)		(381,536)	(150,578)	(489,645)	(3,188,643)	(168,417)	(177,553)	(150,430)	(129,612)	(157,451)	(193,162)	(191,086)	(187,764)	(297,690)	(269,983)
Project Cash Account																
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for New build, Wonthaggi

Low Mid Range - 1

PROJECT CASH FLOW	TOTAL	GST	0	1	2	3	4	5	6	7	8	9	10	11	12	13
			Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Senior Loan - Bank	Debt															
Drawdown	(43,774,020)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(2,413,937)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	46,187,957		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees	2,413,937		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	43,774,020		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).																
Senior Loan Cash Flow	2,413,937		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	67.63															
Debt Service Ratio	0.90															
Project Overdraft	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).																
Total Equity to Debt Ratio	34.63%		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Interest Coverage Ratio	67.63															
Total Debt Service Ratio	0.90															
Net Cash Flow (after Interest & Corporate Tax)	(15,159,811)		(381,536)	(150,578)	(489,645)	(3,188,643)	(198,417)	(177,553)	(150,430)	(129,612)	(157,451)	(193,162)	(191,086)	(187,764)	(297,690)	(269,983)
Cumulative Cash Flow**			(381,536)	(532,113)	(1,021,758)	(4,210,401)	(4,378,818)	(4,556,371)	(4,706,801)	(4,836,412)	(4,993,863)	(5,187,025)	(5,378,111)	(5,565,875)	(5,863,565)	(6,133,548)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary																
Total Liability on Revenue	(2,536,416)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withheld by Purchaser	(2,536,416)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Liability (+ve) / Credit (+ve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax.			(381,536)	(3,579)	(489,645)	(3,202,007)	(168,417)	(177,553)	(150,430)	(129,612)	(157,451)	(193,162)	(191,086)	(187,764)	(297,690)	(269,983)
Static Discount Rate (per ann. effective)	15.00%															
PV for each Month	(13,455,630)		(381,536)	(3,538)	(478,371)	(3,092,059)	(160,751)	(167,508)	(140,277)	(119,464)	(143,443)	(173,940)	(170,077)	(165,186)	(258,861)	(232,050)
NPV of Future Cash Flows			(13,455,630)	(13,227,257)	(13,378,592)	(13,039,940)	(9,953,184)	(9,899,395)	(9,835,733)	(9,798,765)	(9,782,427)	(9,737,732)	(9,656,384)	(9,576,183)	(9,498,404)	(9,308,499)
Variable Discount Rate (per ann. effective)	0.00%		15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(12,612,238)															

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Licensed to: Hill PDA Pty Ltd

Cash Flow Table for New build, Wonthaggi

Low Mid Range - 1

PROJECT CASH FLOW	TOTAL	GST	14	15	16	17	18	19	20	21	22	23	24	25	26	27
			Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28
Sale Summary																
Units Sold	76.00		-	-	-	-	-	3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83
Cumulative Units Sold			-	-	-	-	-	3.83	7.67	11.50	15.33	19.17	23.00	26.83	30.67	34.50
% Units Sold			-	-	-	-	-	5.0%	10.1%	15.1%	20.2%	25.2%	30.3%	35.3%	40.4%	45.4%
SqM Sold	2,090.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SoM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold	42,543,125		-	-	-	-	-	1,231,866	1,235,403	1,238,949	1,242,506	1,246,073	1,249,651	1,253,238	1,256,836	1,260,444
Cumulative AUD Sold			-	-	-	-	-	1,231,866	2,467,268	3,706,218	4,948,724	6,194,797	7,444,448	8,697,686	9,954,522	11,214,966
% AUD Sold			-	-	-	-	-	2.9%	5.8%	8.7%	11.6%	14.6%	17.5%	20.4%	23.4%	26.4%
Handover Summary																
Units Handed Over	76.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	2,090.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	42,543,125		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow																
Revenue																
Gross Sales Revenue	42,543,125		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(1,008,125)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	41,534,999		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs																
Land and Acquisition	3,358,440															
Professional Fees	1,101,716		23,830	23,830	23,830	23,830	23,830	23,830	23,830	23,830	23,830	23,830	23,830	23,830	23,830	23,830
Construction Costs	53,453,928		274,065	292,336	310,607	274,065	182,710	182,710	179,056	131,551	2,107,273	3,666,077	2,104,580	1,629,085	1,900,600	1,900,600
Statutory Fees	502,943		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	371,906		-	-	-	-	17,710	17,710	17,710	17,710	17,710	17,710	17,710	17,710	17,710	17,710
Project Contingency (Reserve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	261,648		-	-	-	-	-	-	-	-	-	66,498	-	-	-	-
Pre-Sale Commissions	199,890		-	-	-	-	-	16,658	16,658	16,658	16,658	16,658	16,658	16,658	16,658	16,658
Financing Costs (exc Fees)	146,998		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(5,116,597)		(22,929)	(26,251)	(27,081)	(28,742)	(30,403)	(27,081)	(20,386)	(21,901)	(21,568)	(17,250)	(196,861)	(338,570)	(196,616)	(153,389)
TOTAL COSTS	54,280,873		274,966	289,915	307,356	269,153	193,847	213,826	216,867	167,848	2,143,902	3,707,025	2,032,414	1,348,712	1,762,181	1,805,408
Net Cash Flow (before Interest & Corporate Tax)	(12,745,873)		(274,966)	(289,915)	(307,356)	(269,153)	(193,847)	(213,826)	(216,867)	(167,848)	(2,143,902)	(3,707,025)	(2,032,414)	(1,348,712)	(1,762,181)	(1,805,408)
Cumulative Cash Flow			(6,408,514)	(6,698,430)	(7,005,785)	(7,274,938)	(7,468,785)	(7,682,611)	(7,899,478)	(8,067,326)	(10,211,228)	(13,918,252)	(15,950,666)	(17,299,379)	(19,061,560)	(20,866,968)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(12,745,873)		(274,966)	(289,915)	(307,356)	(269,153)	(193,847)	(213,826)	(216,867)	(167,848)	(2,143,902)	(3,707,025)	(2,032,414)	(1,348,712)	(1,762,181)	(1,805,408)
Cumulative Cash Flow			(6,408,514)	(6,698,430)	(7,005,785)	(7,274,938)	(7,468,785)	(7,682,611)	(7,899,478)	(8,067,326)	(10,211,228)	(13,918,252)	(15,950,666)	(17,299,379)	(19,061,560)	(20,866,968)
Financing																
Developer's Equity																
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	15,159,811		274,966	289,915	307,356	269,153	193,847	213,826	216,867	167,848	2,143,902	732,277	-	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(15,159,811)		(6,408,514)	(6,698,430)	(7,005,785)	(7,274,938)	(7,468,785)	(7,682,611)	(7,899,478)	(8,067,326)	(10,211,228)	(10,943,505)	(10,943,505)	(10,943,505)	(10,943,505)	(10,943,505)
Equity Cash Flow	(15,159,811)		(274,966)	(289,915)	(307,356)	(269,153)	(193,847)	(213,826)	(216,867)	(167,848)	(2,143,902)	(732,277)	-	-	-	-
Project Cash Account																
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for New build, Wonthaggi

Low Mid Range - 1

PROJECT CASH FLOW	TOTAL	GST	14	15	16	17	18	19	20	21	22	23	24	25	26	27
			Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28
Senior Loan - Bank	Debt															
Drawdown	(43,774,020)		-	-	-	-	-	-	-	-	-	(2,974,747)	(2,032,414)	(1,348,712)	(1,762,181)	(1,805,408)
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(2,413,937)		-	-	-	-	-	-	-	-	-	-	(18,592)	(31,411)	(40,037)	(51,301)
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	46,187,957		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees	2,413,937		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	43,774,020		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	(2,974,747)	(5,025,754)	(6,405,877)	(8,208,095)	(10,064,803)
% of Project & Finance Costs (inc Interest/Fees and net of GST).												5.25%	8.83%	11.21%	14.32%	17.50%
Senior Loan Cash Flow	2,413,937		-	-	-	-	-	-	-	-	-	(2,974,747)	(2,032,414)	(1,348,712)	(1,762,181)	(1,805,408)
Interest Coverage Ratio	67.63		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	0.90		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft	-		-	-	-	-	-	-	-	-	-	(2,974,747)	(5,025,754)	(6,405,877)	(8,208,095)	(10,064,803)
% of Project & Finance Costs (inc Interest/Fees and net of GST).												5.25%	8.83%	11.21%	14.32%	17.50%
Total Equity to Debt Ratio	34.63%		-	-	-	-	-	-	-	-	-	367.88%	218.56%	172.18%	134.80%	110.28%
Total Debt Interest Coverage Ratio	67.63		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	0.90		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest & Corporate Tax)	(15,159,811)		(274,966)	(289,915)	(307,356)	(269,153)	(193,847)	(213,826)	(216,867)	(187,848)	(2,143,902)	(3,707,025)	(2,051,006)	(1,380,123)	(1,802,218)	(1,856,708)
Cumulative Cash Flow**			(6,408,514)	(6,698,430)	(7,005,785)	(7,274,938)	(7,468,785)	(7,682,611)	(7,899,478)	(8,067,326)	(10,211,228)	(13,918,252)	(15,969,259)	(17,349,382)	(19,151,600)	(21,008,308)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary																
Total Liability on Revenue	(2,536,416)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withheld by Purchaser	(2,536,416)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Liability (+ve) / Credit (+ve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax.			(274,966)	(289,915)	(307,356)	(269,153)	(193,847)	(213,826)	(216,867)	(187,848)	(2,143,902)	(3,707,025)	(2,032,414)	(1,348,712)	(1,762,181)	(1,805,408)
Static Discount Rate (per ann. effective)	15.00%															
PV for each Month	(13,455,630)		(233,596)	(243,444)	(255,100)	(220,806)	(157,185)	(171,378)	(171,803)	(131,430)	(1,659,302)	(2,835,881)	(1,536,797)	(1,008,012)	(1,301,783)	(1,318,272)
NPV of Future Cash Flows			(9,144,402)	(8,973,340)	(8,785,150)	(8,577,111)	(8,405,285)	(8,307,635)	(8,188,627)	(8,065,149)	(7,989,817)	(5,914,400)	(2,233,234)	(203,173)	1,158,960	2,955,362
Variable Discount Rate (per ann. effective)	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(12,612,238)															

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Licensed to: Hill PDA Pty Ltd

Cash Flow Table for New build, Wonthaggi

Low Mid Range - 1

PROJECT CASH FLOW	TOTAL	GST	28	29	30	31	32	33	34	35	36	37	38	39	40	41
			May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29	Apr-29	May-29	Jun-29
Sale Summary																
Units Sold	76.00		3.83	3.83	3.83	-	-	-	-	-	-	-	7.50	7.50	7.50	7.50
Cumulative Units Sold			38.33	42.17	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	53.50	61.00	68.50	76.00
% Units Sold			50.4%	55.5%	60.5%	60.5%	60.5%	60.5%	60.5%	60.5%	60.5%	60.5%	70.4%	80.3%	90.1%	100.0%
SqM Sold	2,090.00		-	-	-	-	-	-	-	-	-	-	522.50	522.50	522.50	522.50
Cumulative SqM Sold			-	-	-	-	-	-	-	-	-	-	522.50	1,045.00	1,567.50	2,090.00
% SoM Sold			-	-	-	-	-	-	-	-	-	-	25.0%	50.0%	75.0%	100.0%
AUD Sold	42,543,125		1,264,063	1,267,692	1,271,331	-	-	-	-	-	-	-	6,843,999	6,868,784	6,893,660	6,918,629
Cumulative AUD Sold			12,479,029	13,746,721	15,018,053	15,018,053	15,018,053	15,018,053	15,018,053	15,018,053	15,018,053	15,018,053	21,862,052	28,730,835	35,624,496	42,543,125
% AUD Sold			29.3%	32.3%	35.3%	35.3%	35.3%	35.3%	35.3%	35.3%	35.3%	35.3%	51.4%	67.5%	83.7%	100.0%
Handover Summary																
Units Handed Over	76.00		-	-	-	-	-	-	-	-	-	-	53.50	7.50	7.50	7.50
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	53.50	61.00	68.50	76.00
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	70.4%	80.3%	90.1%	100.0%
SqM Handed Over	2,090.00		-	-	-	-	-	-	-	-	-	-	522.50	522.50	522.50	522.50
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	522.50	1,045.00	1,567.50	2,090.00
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	25.0%	50.0%	75.0%	100.0%
AUD Handed Over	42,543,125		-	-	-	-	-	-	-	-	-	-	21,862,052	6,868,784	6,893,660	6,918,629
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	21,862,052	28,730,835	35,624,496	42,543,125
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	51.4%	67.5%	83.7%	100.0%
Project Cash Flow																
Revenue																
Gross Sales Revenue	42,543,125		-	-	-	-	-	-	-	-	-	-	21,862,052	6,868,784	6,893,660	6,918,629
Selling Costs	(1,008,125)		-	-	-	-	-	-	-	-	-	-	(469,547)	(178,898)	(179,525)	(180,155)
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	41,534,999		-	-	-	-	-	-	-	-	-	-	21,392,505	6,689,886	6,714,135	6,738,474
Costs																
Land and Acquisition	3,358,440												-	-	-	-
Professional Fees	1,101,716		23,830	23,830	23,830	23,830	23,830	23,830	23,830	23,830	23,830	23,830	23,830	-	-	-
Construction Costs	53,453,928		2,389,325	3,040,959	3,475,382	3,909,805	4,561,439	4,887,256	4,887,256	3,475,382	3,040,959	2,823,748	-	-	-	-
Statutory Fees	502,943		-	-	-	-	-	-	-	-	-	157,940	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	371,906		17,710	17,710	17,710	17,710	17,710	17,710	17,710	17,710	17,710	17,710	17,710	-	-	-
Project Contingency (Reserve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	261,648		-	-	-	-	-	-	-	-	68,825	-	-	-	-	-
Pre-Sale Commissions	199,890		16,658	16,658	16,658	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	146,998		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(5,116,597)		(178,072)	(178,072)	(222,502)	(281,742)	(321,235)	(359,213)	(418,453)	(448,072)	(448,072)	(319,720)	(280,227)	(260,481)	(46,462)	(16,263)
TOTAL COSTS	54,280,873		2,269,450	2,921,084	3,311,078	3,669,603	4,281,745	4,569,583	4,510,344	3,068,850	2,703,252	2,545,568	(80,747)	(260,481)	(46,462)	(16,263)
Net Cash Flow (before Interest & Corporate Tax)	(12,745,873)		(2,269,450)	(2,921,084)	(3,311,078)	(3,669,603)	(4,281,745)	(4,569,583)	(4,510,344)	(3,068,850)	(2,703,252)	(2,545,568)	21,473,252	6,950,366	6,760,597	6,754,738
Cumulative Cash Flow			(23,136,418)	(26,057,503)	(29,368,580)	(33,038,184)	(37,319,928)	(41,889,511)	(46,399,855)	(49,468,705)	(52,171,957)	(54,717,525)	(33,244,273)	(26,293,907)	(19,533,309)	(12,778,571)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(12,745,873)		(2,269,450)	(2,921,084)	(3,311,078)	(3,669,603)	(4,281,745)	(4,569,583)	(4,510,344)	(3,068,850)	(2,703,252)	(2,545,568)	21,473,252	6,950,366	6,760,597	6,754,738
Cumulative Cash Flow			(23,136,418)	(26,057,503)	(29,368,580)	(33,038,184)	(37,319,928)	(41,889,511)	(46,399,855)	(49,468,705)	(52,171,957)	(54,717,525)	(33,244,273)	(26,293,907)	(19,533,309)	(12,778,571)
Financing																
Developer's Equity																
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	15,159,811		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(15,159,811)		(10,943,505)	(10,943,505)	(10,943,505)	(10,943,505)	(10,943,505)	(10,943,505)	(10,943,505)	(10,943,505)	(10,943,505)	(10,943,505)	(10,943,505)	(10,943,505)	(10,943,505)	(10,943,505)
Equity Cash Flow	(15,159,811)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Account																
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for New build, Wonthaggi

Low Mid Range - 1

PROJECT CASH FLOW	TOTAL	GST	28	29	30	31	32	33	34	35	36	37	38	39	40	41
			May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29	Apr-29	May-29	Jun-29
Senior Loan - Bank	Debt															
Drawdown	(43,774,020)		(2,269,450)	(2,921,084)	(3,311,078)	(3,669,603)	(4,281,745)	(4,569,583)	(4,510,344)	(3,068,850)	(2,703,252)	(2,545,568)	-	-	-	-
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(2,413,937)		(62,905)	(77,482)	(96,223)	(117,519)	(141,188)	(168,832)	(198,447)	(227,877)	(248,481)	(266,930)	(284,508)	(152,078)	(109,589)	(68,020)
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	46,187,957		-	-	-	-	-	-	-	-	-	-	21,473,252	6,950,366	6,760,597	6,754,738
Interest & Fees	2,413,937		-	-	-	-	-	-	-	-	-	-	2,031,733	152,078	109,589	68,020
Principal	43,774,020		-	-	-	-	-	-	-	-	-	-	19,441,519	6,798,288	6,651,009	6,686,718
Loan Balance	-		(12,397,159)	(15,395,725)	(18,803,026)	(22,590,149)	(27,013,082)	(31,751,497)	(36,460,287)	(39,757,014)	(42,708,747)	(45,521,245)	(24,332,500)	(17,534,212)	(10,883,204)	(4,196,486)
% of Project & Finance Costs (inc Interest/Fees and net of GST).			21.51%	26.66%	32.50%	38.97%	46.52%	54.58%	62.54%	67.95%	72.72%	77.21%	77.21%	77.21%	77.21%	77.21%
Senior Loan Cash Flow	2,413,937		(2,269,450)	(2,921,084)	(3,311,078)	(3,669,603)	(4,281,745)	(4,569,583)	(4,510,344)	(3,068,850)	(2,703,252)	(2,545,568)	21,473,252	6,950,366	6,760,597	6,754,738
Interest Coverage Ratio	67.63		-	-	-	-	-	-	-	-	-	-	75.19	43.99	61.27	99.07
Debt Service Ratio	0.90		-	-	-	-	-	-	-	-	-	-	1.00	0.96	0.99	1.00
Project Overdraft			(12,397,159)	(15,395,725)	(18,803,026)	(22,590,149)	(27,013,082)	(31,751,497)	(36,460,287)	(39,757,014)	(42,708,747)	(45,521,245)	(24,332,500)	(17,534,212)	(10,883,204)	(4,196,486)
% of Project & Finance Costs (inc Interest/Fees and net of GST).			21.51%	26.66%	32.50%	38.97%	46.52%	54.58%	62.54%	67.95%	72.72%	77.21%	77.21%	77.21%	77.21%	77.21%
Total Equity to Debt Ratio	34.63%		89.75%	72.41%	59.39%	49.53%	41.49%	35.36%	30.86%	28.41%	26.54%	25.00%	25.00%	25.00%	25.00%	25.00%
Total Debt Interest Coverage Ratio	67.63		-	-	-	-	-	-	-	-	-	-	75.19	43.99	61.27	99.07
Total Debt Service Ratio	0.90		-	-	-	-	-	-	-	-	-	-	1.00	0.96	0.99	1.00
Net Cash Flow (after Interest & Corporate Tax)	(15,159,811)		(2,332,355)	(2,998,567)	(3,407,301)	(3,787,122)	(4,422,933)	(4,738,415)	(4,708,790)	(3,296,727)	(2,951,733)	(2,812,498)	21,186,744	6,798,288	6,651,009	6,686,718
Cumulative Cash Flow**			(23,340,664)	(26,339,230)	(29,746,531)	(33,533,654)	(37,956,587)	(42,695,001)	(47,403,792)	(50,700,519)	(53,652,252)	(56,464,749)	(35,276,005)	(28,477,717)	(21,826,709)	(15,139,991)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary																
Total Liability on Revenue	(2,536,416)		-	-	-	-	-	-	-	-	-	-	(1,759,347)	(258,281)	(259,022)	(259,766)
Withheld by Purchaser	(2,536,416)		-	-	-	-	-	-	-	-	-	-	(1,759,347)	(258,281)	(259,022)	(259,766)
Net Liability (+ve) / Credit (+ve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax.			(2,269,450)	(2,921,084)	(3,311,078)	(3,669,603)	(4,281,745)	(4,569,583)	(4,510,344)	(3,068,850)	(2,703,252)	(2,545,568)	21,473,252	6,950,366	6,760,597	6,754,738
Static Discount Rate (per ann. effective)	15.00%															
PV for each Month	(13,455,630)		(1,637,919)	(2,083,808)	(2,334,666)	(2,557,504)	(2,949,578)	(3,111,412)	(3,035,515)	(2,041,457)	(1,777,432)	(1,654,371)	13,793,929	4,413,059	4,242,862	4,190,098
NPV of Future Cash Flows			4,816,541	7,169,003	10,208,293	13,677,748	17,550,575	22,088,083	26,969,959	31,849,091	35,327,002	38,475,775	41,501,905	20,263,287	13,468,880	6,786,870
Variable Discount Rate (per ann, effective)	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(12,612,238)															

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Licensed to: Hill PDA Pty Ltd

Cash Flow Table for New build, Wonthaggi

Low Mid Range - 1

PROJECT CASH FLOW	TOTAL	GST	42	43
			Jul-29	Aug-29
Sale Summary				
Units Sold	76.00		-	-
Cumulative Units Sold			76.00	76.00
% Units Sold			100.0%	100.0%
SqM Sold	2,090.00		-	-
Cumulative SqM Sold			2,090.00	2,090.00
% SoM Sold			100.0%	100.0%
AUD Sold	42,543,125		-	-
Cumulative AUD Sold			42,543,125	42,543,125
% AUD Sold			100.0%	100.0%
Handover Summary				
Units Handed Over	76.00		-	-
Cumulative Units Handed Over			76.00	76.00
% Units Handed Over			100.0%	100.0%
SqM Handed Over	2,090.00		-	-
Cumulative SqM Handed Over			2,090.00	2,090.00
% SqM Handed Over			100.0%	100.0%
AUD Handed Over	42,543,125		-	-
Cumulative AUD Handed Over			42,543,125	42,543,125
% AUD Handed Over			100.0%	100.0%
Project Cash Flow				
Revenue				
Gross Sales Revenue	42,543,125		-	-
Selling Costs	(1,008,125)		-	-
Gross Rental Income	-		-	-
Leasing Costs	-		-	-
Other Income	-		-	-
Interest Received*	-		-	-
GST Payments (Liabilities)	-		-	-
TOTAL NET REVENUE	41,534,999		-	-
Costs				
Land and Acquisition	3,358,440		-	-
Professional Fees	1,101,716		-	-
Construction Costs	53,453,928		-	-
Statutory Fees	502,943		-	-
Miscellaneous Costs 1	-		-	-
Misc 2	-		-	-
Marketing	371,906		-	-
Project Contingency (Reserve)	-		-	-
Land Holding Costs	261,648		-	-
Pre-Sale Commissions	199,890		-	-
Financing Costs (exc Fees)	146,998		-	-
GST Refunds (Input Credits)	(5,116,597)		(16,320)	(16,378)
TOTAL COSTS	54,280,873		(16,320)	(16,378)
Net Cash Flow (before Interest & Corporate Tax)	(12,745,873)		16,320	16,378
Cumulative Cash Flow			(12,762,251)	(12,745,873)
Corporate Tax	-		-	-
Net Cash Flow (before Interest & after Corporate Tax)	(12,745,873)		16,320	16,378
Cumulative Cash Flow			(12,762,251)	(12,745,873)
Financing				
Developer's Equity				
Manual Adjustments (Inject + / Repay -)			0	0
Injections	15,159,811		-	4,216,306
Interest Charged	-		-	-
Equity Repayment	-		-	-
Less Profit Share	-		-	-
Equity Balance	(15,159,811)		(10,943,505)	(15,159,811)
Equity Cash Flow	(15,159,811)		-	(4,216,306)
Project Cash Account				
Surplus Cash Injection	-		-	-
Cash Reserve Drawdown	-		-	-
Interest on Surplus Cash	-		-	-
Surplus Cash Balance			-	-

Cash Flow Table for New build, Wonthaggi

PROJECT CASH FLOW	TOTAL	GST	42 Jul-29	43 Aug-29
Senior Loan - Bank	Debt			
Drawdown	(43,774,020)		-	-
Loan Interest Rate (%/ann)			7.50%	7.50%
Interest Charged	(2,413,937)		(26,228)	(26,290)
Fees Charged (Application, Line & Standby)	-		-	-
Interest & Fees Paid by other Loans				
Loan Repayment	46,187,957		16,320	4,232,683
Interest & Fees	2,413,937		16,320	36,198
Principal	43,774,020		-	4,196,486
Loan Balance	-		(4,206,393)	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).			77.21%	
Senior Loan Cash Flow	2,413,937		16,320	4,232,683
Interest Coverage Ratio	67.63		-	-
Debt Service Ratio	0.90		-	-
Project Overdraft			(4,206,393)	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).			77.21%	
Total Equity to Debt Ratio	34.63%		25.00%	34.63%
Total Debt Interest Coverage Ratio	67.63		-	-
Total Debt Service Ratio	0.90			
Net Cash Flow (after Interest & Corporate Tax)	(15,159,811)		(8,968)	(8,972)
Cumulative Cash Flow**			(15,149,898)	(15,159,811)
Check Balance	-		-	-
GST Liability Summary				
Total Liability on Revenue	(2,536,416)		-	-
Withheld by Purchaser	(2,536,416)		-	-
Net Liability (+ve) / Credit (+ve)	-		-	-
Project IRR & NPV				
Cash Flow that excludes all financing costs, interest and corp tax.			16,320	16,378
Static Discount Rate (per ann. effective)	15.00%			
PV for each Month	(13,455,630)		10,007	9,926
NPV of Future Cash Flows			32,509	16,378
Variable Discount Rate (per ann, effective)	0.00%		0.00%	0.00%
NPV (using weighted avg discount rate)	(12,612,238)			

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

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Gantt Chart for New build, Wonthaggi

1000 LAND PURCHASE & ACQUISITION COSTS

Code	Stage	Description	Month Start	Month Span	Cash Flow Period
1002	-	Deposit In Trust Account *	0	1	Jan-26 - Jan-26
1007	-	Settlement (Balance)	3	1	Apr-26 - Apr-26

Code	Stage	Other Acquisition Costs To be entered Exclusive of GST	Month Start	Month Span	Cash Flow Period
1011	-	Stamp Duties	3	1	Apr-26 - Apr-26
1012	-	Due Diligence	0	3	Jan-26 - Mar-26
1013	-	Legals	3	1	Apr-26 - Apr-26
					TOTAL

3000 PROFESSIONAL FEES

Code	Stage	Description	Month Start*	Month Span	Cash Flow Period
3001	-	Masterplanning	2	4	Mar-26 - Jun-26
3002	-	Concept design and D.A. preparation	6	6	Jul-26 - Dec-26
3003	-	Design documentation	18	4	Jul-27 - Oct-27
3004	-	Project management and supervision	C		Mar-26 - Feb-29
3099	-	Development Management	2	37	Mar-26 - Mar-29
					TOTAL

4000 CONSTRUCTION COSTS

Code	Stage	Description	Month Start	Month Span	Cash Flow Period
4002	-	Total Building Cost	24	14	Jan-28 - Feb-29
4003	-	External Works and Services	22	2	Nov-27 - Dec-27
4004	-	ESD Initiatives	24	14	Jan-28 - Feb-29
4005	-	Design Contingency	24	14	Jan-28 - Feb-29
4006	-	Construction Cost Escalation	24	14	Jan-28 - Feb-29
4007	-	Construction Cost Escalation to Completion	24	14	Jan-28 - Feb-29
4008	-	Construction Contingency	24	14	Jan-28 - Feb-29
4009	-	Consultant Fees	2	20	Mar-26 - Oct-27
4010	-	Project Management	24	14	Jan-28 - Feb-29
4011	-	Building Permit Levy	24	1	Jan-28 - Jan-28
4012	-	Cladding Rectification levy	24	1	Jan-28 - Jan-28
4013	-	Supply authority and headworks charges	24	1	Jan-28 - Jan-28
					TOTAL

5000 Statutory Fees

Code	Stage	Description	Month Start	Month Span	Cash Flow Period
5001	-	Permit Fee	6	1	Jul-26 - Jul-26
5002	-	Windfall Gains	2	1	Mar-26 - Mar-26
5003	-	Metropolitan Planning Levy	22	1	Nov-27 - Nov-27
5004	-	Open space contribution	38	1	Mar-29 - Mar-29
					TOTAL

6000 Marketing

Code	Stage	Description	Month Start*	Month Span	Cash Flow Period
6001	-	Marketing	18	21	Jul-27 - Mar-29
					TOTAL

7000 LAND HOLDING COSTS

Code	Stage	Description	Month Start	Month Span*	Cash Flow Period
7001	-	Council Rates		DS	Jan-26 - Jun-29
7002	-	Land Tax		DS	Jan-26 - Jun-29
					TOTAL

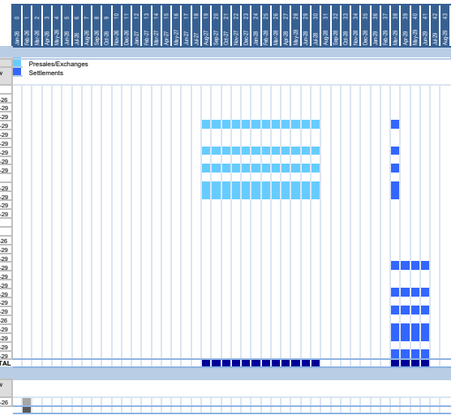
8000 SELLING & LEASING COSTS

8001	RS1	Residential - 1 Bedroom Units
8002	RS2	Residential - 2 Bedroom Units
8003	RS3	Residential - 3 Bedroom Units
8005	RTH	Townhouse Lots
8006	COM	Commercial Office

Code	Stage	Other Selling Costs To be entered Exclusive of GST	Month Start	Month Span	Cash Flow Period
8102	-	Legals and disbursements	x		Mar-29 - Jun-29
					TOTAL

Gantt Chart for New build, Wonthaggi

Low Mid Range - 1



Code	Stage	Description	Settlements Month Start	Settlements Month Span	Cash Flow Period
9000		**SALES**			
9001	-	PRESALES			-
9003	-	APARTMENTS		1	Jan-26 - Jan-26
9004	-	Studio	38	1	Mar-29 - Mar-29
9005	-	Studio (P)	38	1	Mar-29 - Mar-29
9006	-	1-bedroom	38	1	Mar-29 - Mar-29
9007	-	1-bedroom (P)	38	1	Mar-29 - Mar-29
9008	-	2-bedroom	38	1	Mar-29 - Mar-29
9009	-	2-bedroom (P)	38	1	Mar-29 - Mar-29
9010	-	3-bedroom	38	1	Mar-29 - Mar-29
9011	-	3-bedroom (P)	38	1	Mar-29 - Mar-29
9013	-	TOWNOUSES			-
9014	-	1-bedroom TH	38	1	Mar-29 - Mar-29
9015	-	2-bedroom TH	38	1	Mar-29 - Mar-29
9016	-	3-bedroom TH	38	1	Mar-29 - Mar-29
9018	-	COMMERCIAL	38	1	Mar-29 - Mar-29
-	-	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			-
-	-	BALANCE			-
-	-	APARTMENTS		4	Jan-26 - Apr-26
-	-	Studio	38	4	Mar-29 - Jun-29
-	-	Studio (P)	38	4	Mar-29 - Jun-29
-	-	1-bedroom	38	4	Mar-29 - Jun-29
-	-	1-bedroom (P)	38	4	Mar-29 - Jun-29
-	-	2-bedroom	38	4	Mar-29 - Jun-29
-	-	2-bedroom (P)	38	4	Mar-29 - Jun-29
-	-	3-bedroom	38	4	Mar-29 - Jun-29
-	-	3-bedroom (P)	38	4	Mar-29 - Jun-29
-	-	TOWNOUSES		4	Jan-26 - Apr-26
-	-	1-bedroom TH	38	4	Mar-29 - Jun-29
-	-	2-bedroom TH	38	4	Mar-29 - Jun-29
-	-	3-bedroom TH	38	4	Mar-29 - Jun-29
-	-	COMMERCIAL	38	4	Mar-29 - Jun-29
		TOTAL			

Code	Stage	**FINANCING** Financing Costs (To be entered Exclusive of GST)	Month Start	Month Span	Cash Flow Period
10000		**FINANCING**			
10009	-	Establishment Costs	1	1	Feb-26 - Feb-26
		TOTAL			

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SUMMARY OF PROJECT RETURNS

New build, Wonthaggi
Low Mid Range
1

Licensed to: Hill PDA Pty Ltd

Time Span:	Jan-26 to Aug-29 (43 Months)	
Type:	Residential - 1	
Status:	Under Review	
Site Area:	6,318 SqM	
FSR:	:1	
Project Size:	76 units	1 per 83.13 SqM of Site Area
	7,958 GFA	1 per 0.79 SqM of Site Area

	Quantity	SqM	AUD/Quantity	Total AUD	AUD Per unit	AUD Per GFA	% of Total Net Revenue	Total Exc GST
Revenues								
Gross Sales Revenue	152	2,090.00	279,888.98	42,543,125	559,778	5,346	102.4%	42,543,125
Residential - 1 Bedroom Units	24	-	254,455.92	6,106,942				6,106,942
Residential - 2 Bedroom Units	28	-	331,046.36	9,269,298				9,269,298
Residential - 3 Bedroom Units	8	-	532,730.71	4,261,846				4,261,846
Townhouse Lots	16	-	357,879.80	5,726,077				5,726,077
Commerical Office	-	2,090.00	-	17,178,962				17,178,962
Not Classified	76	-	-	-				-
Less Selling Costs				(1,008,125)	(13,265)	(127)	-2.4%	(916,478)
Less Purchasers Costs				-			0.0%	-
NET SALES REVENUE				41,534,999	546,513	5,219	100.0%	41,626,647
	Quantity	SqM	AUD/SqM/annum					
Gross Rental Income	-	-	-	-	-	-	0.0%	-
Less Outgoings & Vacancies				-	-	-	0.0%	-
Less Letting Fees				-	-	-	0.0%	-
Less Incentives (Rent Free & Fitout Costs)				-	-	-	0.0%	-
Less Turnover Costs				-	-	-	0.0%	-
Less Other Leasing Costs				-	-	-	0.0%	-
NET RENTAL INCOME				-	-	-	0.0%	-
Interest Received				-	-	-	0.0%	-
Other Income				-	-	-	0.0%	-
TOTAL REVENUE (before GST paid)				41,534,999	546,513	5,219	100.0%	41,626,647
Less GST paid on all Revenue	Excludes 2,536,416 withheld by Purchasers			-			0.0%	-
TOTAL REVENUE (after GST paid)				**41,534,999**	**546,513**	**5,219**	100.0%	41,626,647
Costs								
Land Purchase Cost				3,158,800	41,563	397	7.6%	3,158,800
Land Acquisition Costs				199,640	2,627	25	0.5%	199,640
Construction Costs				53,453,928	703,341	6,717	128.7%	48,594,480
Escalations and Contingencies				10,404,900	136,907	1,307	25.1%	9,459,000
Built Form				32,550,078	428,291	4,090	78.4%	29,590,980
External Works				5,773,350	75,965	725	13.9%	5,248,500
Other (Counsultant Fees and Levies)				4,725,600	62,179	594	11.4%	4,296,000
Professional Fees				1,101,716	14,496	138	2.7%	1,001,560
Statutory Fees				502,943	6,618	63	1.2%	502,943
Miscellaneous Costs 1				-	-	-	0.0%	-
Misc 2				-	-	-	0.0%	-
Marketing				371,906	4,894	47	0.9%	338,097
Project Contingency (Reserve)				-	-	-	0.0%	-
Land Holding Costs				261,648	3,443	33	0.6%	261,648
Pre-Sale Commissions				199,890	2,630	25	0.5%	181,718
Finance Charges (inc. Fees)				146,998	1,934	18	0.4%	133,635
Interest Expense				2,413,937	31,762	303	5.8%	2,413,937
TOTAL COSTS (before GST reclaimed)				61,811,407	813,308	7,767	148.8%	56,786,458
Less GST reclaimed				(5,116,597)	(67,324)	(643)	-12.3%	-
Plus Corporate Tax				-	-	-	0.0%	-
TOTAL COSTS (after GST reclaimed)				**56,694,810**	**745,984**	**7,124**	136.5%	56,786,458

Performance Indicators			Per unit	Per GFA	Total Exc GST
[1] **Net Development Profit**		**(15,159,811)**	(199,471)	(1,905)	
[3] **Development Margin (Profit/Risk Margin)**	Based on total costs (exc selling & leasing costs)	**-26.70%**			
[5] **Net Present Value**	Based on Discount Rate of 15% p.a. Effective	**(13,455,630)**			
[6] Benefit Cost Ratio		0.6623			
[7] **Project Internal Rate of Return (IRR)**	Per annum Effective	**-24.70%**			
[8] Residual Land Value	Based on NPV (Exclusive of GST)	(10,556,050)	(138,895)	(1,326)	(10,556,050)
Equity IRR	Per annum Effective	N.A.			
Equity Contribution		15,159,811			
Peak Debt Exposure		45,521,245			
Equity to Debt Ratio		34.63%			
[9] Weighted Average Cost of Capital (WACC)		10.72%			
[10] Breakeven Date for Cumulative Cash Flow		N.A. (No Profit)			
[11] Yield on Cost		0.00%			
[12] Rent Cover		N.A.			
[13] Profit Erosion		N.A.			

Footnotes:

1. Development Profit: is total revenue less total cost including interest paid and received
2. Note: No redistribution of Developer's Gross Profit
3. Development Margin: is profit divided by total costs (exc selling & leasing costs)
5. Net Present Value: is the project's cash flow stream discounted to present value. It excludes all financing costs, interest and corp tax.
6. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and excludes all financing costs, interest and corp tax.
7. Internal Rate of Return: is the discount rate where the NPV above equals Zero.
8. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
9. The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
10. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
11. Yield on Cost is Current Net Annual Rent divided by Total Costs (before GST reclaimed), including all Selling Costs.
12. The total net development profit divided by the current net annual rental expressed as a number of years/months.
13. The period of time post practical completion that it can remain unsold (but leased out) until finance and land holding costs erodes the profit for the development to zero.

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SUMMARY OF PROJECT RETURNS

New build, Wonthaggi
Low Mid Range
1

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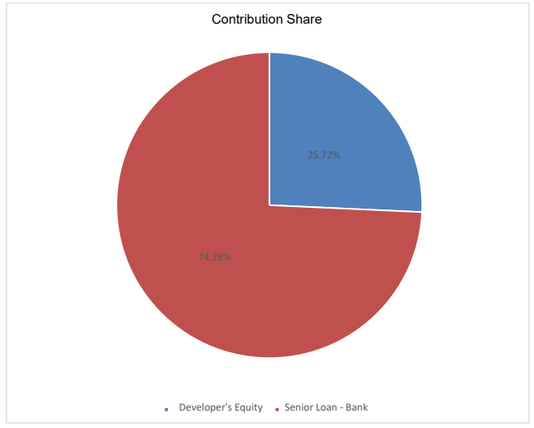
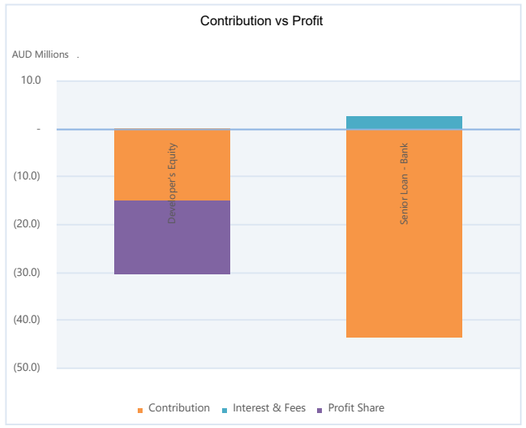
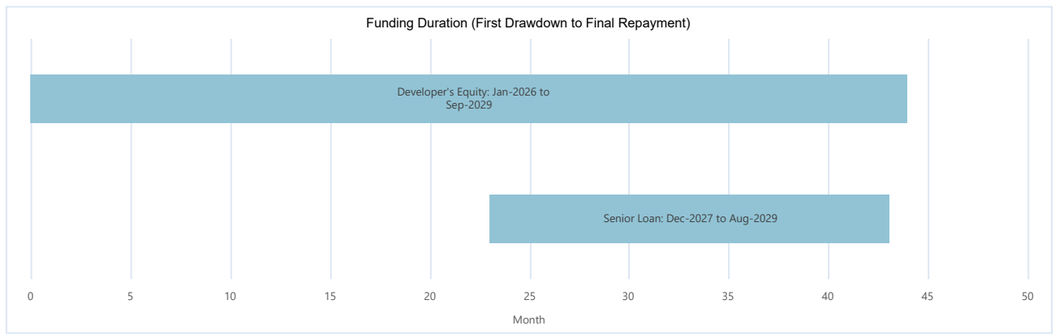
Returns on Funds Invested	Developer's Equity	Senior Loan	Total Equity	Total Debt	Total Funding
	Equity	Debt Bank			
[1] Funds Invested (Cash Outlay)	15,159,811	43,774,020	15,159,811	43,774,020	58,933,831
% of Total Funds Invested	25.72%	74.28%	25.72%	74.28%	100.00%
[2] Peak Exposure	15,159,811	45,521,245	15,159,811	45,521,245	
Date of Peak Exposure	Aug-29	Feb-29	Aug-29	Feb-29	
Month of Peak Exposure	Month 43	Month 37	Month 43	Month 37	
Weighted Average Interest Rate	N.A.	7.50%	N.A.	7.50%	
Interest Charged	-	2,413,937	-	2,413,937	2,413,937
Line & Standby Fees Charged	-	-	-	-	-
Application Fees Charged	-	-	-	-	-
Profit Share Received	-	-	-	-	-
[3] Total Profit to Funders	(15,159,811)	2,413,937	(15,159,811)	2,413,937	(12,745,873)
[4] Margin on Funds Invested	-100.00%	5.51%	-100.00%	5.51%	
[5] Payback Date	Sep-29	Aug-29	N.A.	N.A.	
Month of Payback	Month 44	Month 43	Not Repaid	Not Repaid	
[6] IRR on Funds Invested	N.A.	7.76%	N.A.	7.76%	
[7] Loan to Value Ratio	35.63%	107.00%	35.63%	107.00%	
[8] Loan Ratio	27.93%	81.47%	26.74%	81.47%	
	of Project Costs (net of Interest/Fees and GST).	of Project & Finance Costs (inc Interest/Fees and net of GST).	of Project & Finance Costs (inc Interest/Fees and net of GST).	of Project & Finance Costs (inc Interest/Fees and net of GST).	







Footnotes:
1. The total amount of funding injected into the project cash flow.
2. The maximum cash flow exposure of that equity/debt facility including capitalised interest.
3. The total repayments less funds invested, including profit share paid or received.
4. Margin is net profit divided by total funds invested (cash outlay).
5. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
6. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.
7. Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
8. Loan Ratio is the total funds invested by the lender (cash outlay) divided by the nominated ratio calculation method. It includes capitalised interest and fees.

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PROJECT CHARTS

New build, Wonthaggi
Low Mid Range
1

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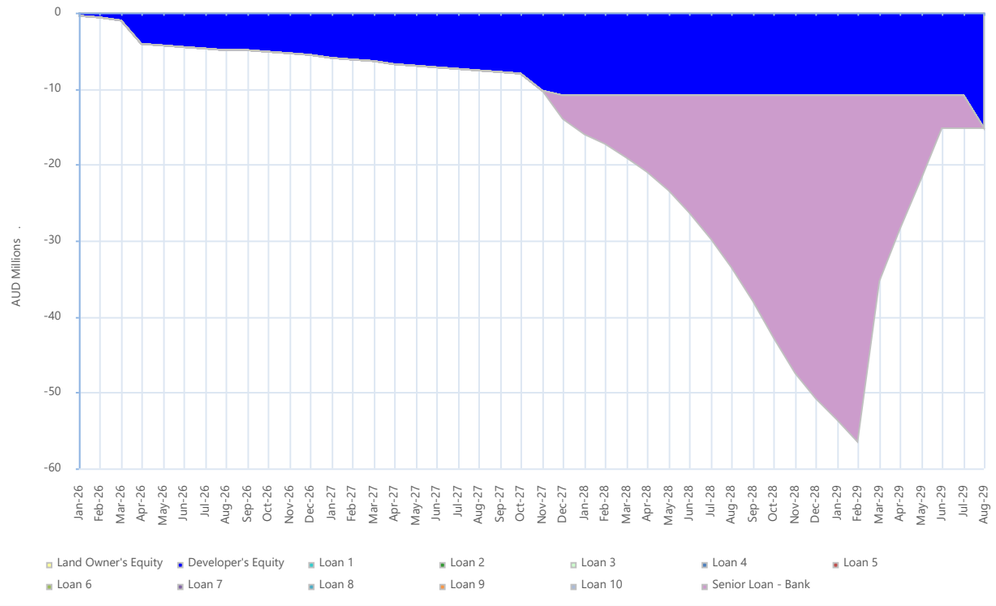
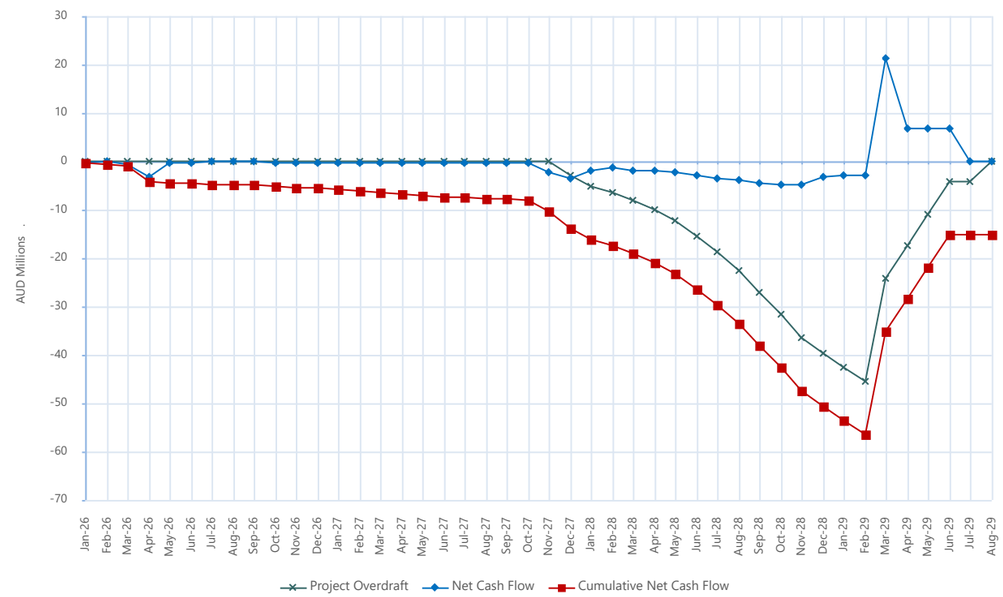
Project Cumulative Cash Flow



Project Cash Flow & Overdraft



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PROJECT CHARTS

New build, Wonthaggi
Low Mid Range
1

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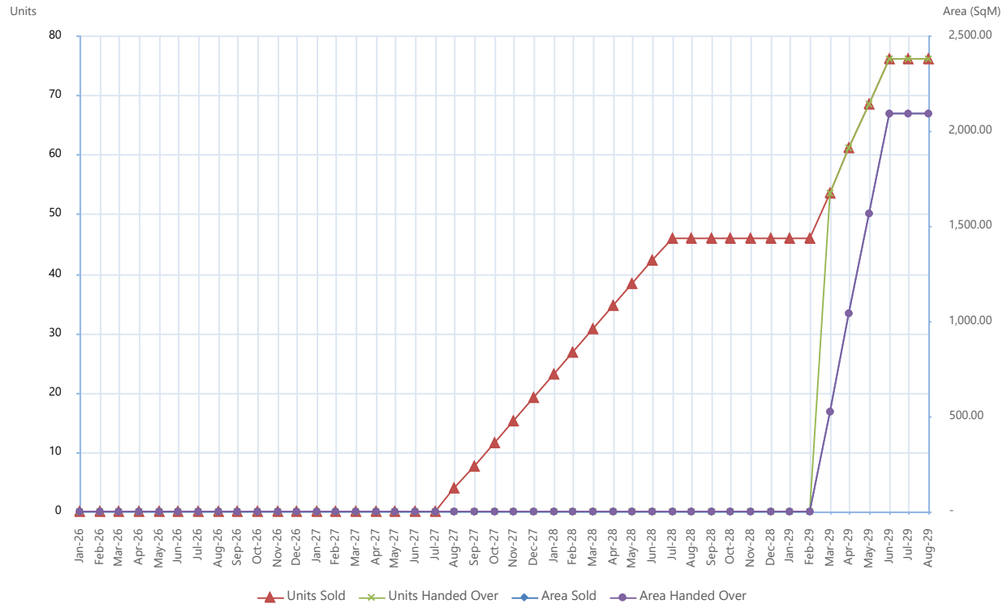
Stock Summary - Sales vs Handovers



Comparison of Options

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8.0

Design testing for Site 2: Eaglehawk Station Precinct (City of Greater Bendigo / VicTrack)

8.1 Market research and demographic analysis

This analysis is prepared by HillPDA for the Eaglehawk Station Precinct.

EAGLEHAWK MARKET RESEARCH SUMMARY

Eaglehawk is a historic town of the regional city of Bendigo, located approximately 6 kilometres from the Bendigo CBD and 155 kilometres north of Melbourne (2021 population of 5,538). The town is served by the Eaglehawk Railway Station with connects to Bendigo, Melbourne and Swan Hill.

The population of the wider district has shown steady growth over the past two decades and is expected to continue a growth trajectory into the future.

The age profile of Eaglehawk is broadly balanced and is ageing. Household profiles are also changing. Lone person households, couples without children and one parent families are projected to increase over time.

Most dwelling stock comprises detached houses on large lots, although semi-detached dwellings (villa units and townhouses) have become more popular and are growing strongly off a low base.

Adding more smaller and lower maintenance homes for older persons and other smaller household types is a potential growth segment for the local area. The market research shows Eaglehawk is well-positioned for sustainable long-term housing market growth, having solid interest from owner-occupiers and investors.

The primary smaller housing choice at the current time comprises single-level layouts with 2 or 3 bedrooms with private outdoor spaces and garages. This is shifting to two level townhouses in the region and the next phase of development may include low-scale apartments that provide similar attributes and pricing to the villa units and townhouses.

Note: the last section of this paper provides a preliminary scoping of general housing innovation options on public land.

Source: iStock

1.0 DEMOGRAPHIC CONTEXT

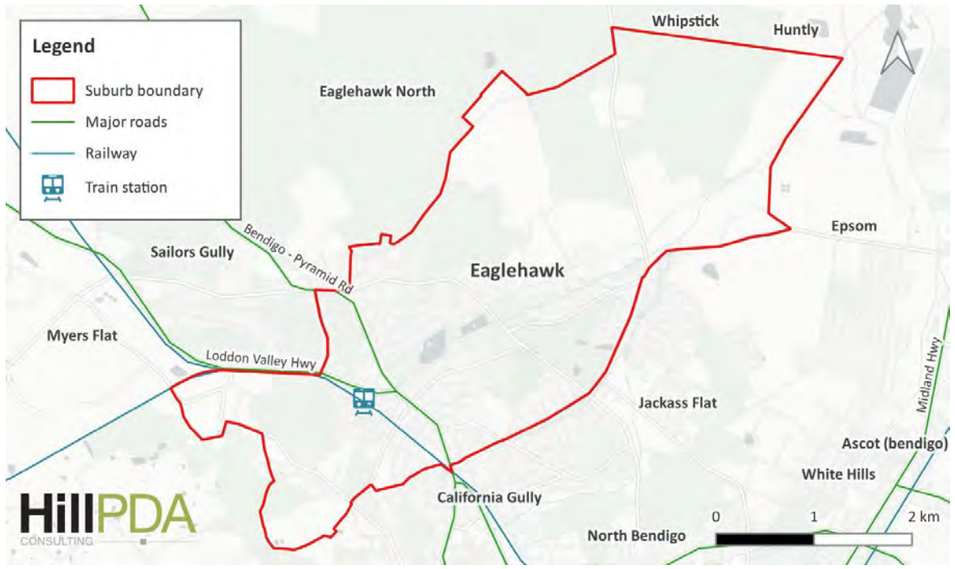
1.0 Overview

This section provides a demographic profile of Eaglehawk. This information informs market responsive housing options.

1.1 Eaglehawk

Eaglehawk is a historic suburb of the regional city of Bendigo, located approximately 6 kilometres from the Bendigo CBD and 155 kilometres north of Melbourne. It is served by the Eaglehawk Railway Station with connects to Bendigo, Melbourne and Swan Hill.

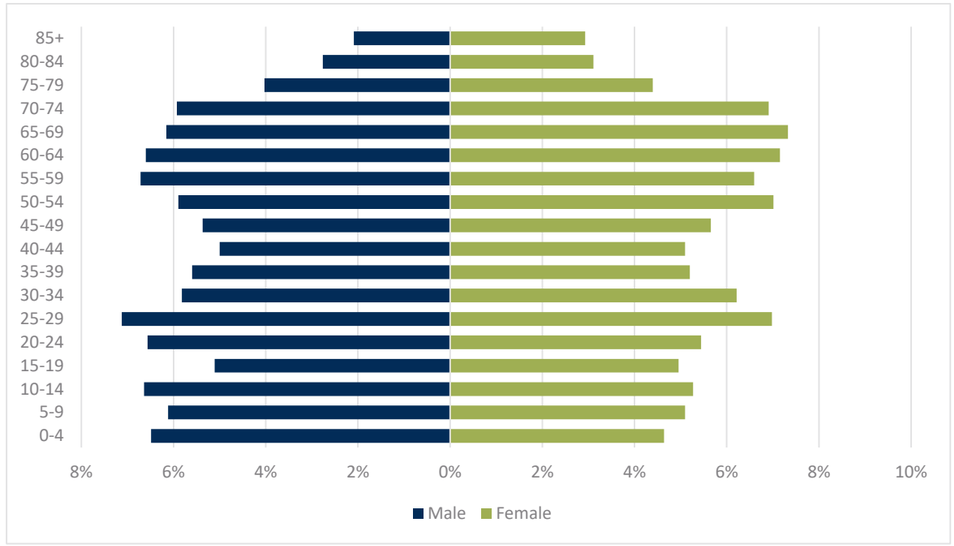
Figure 1: Eaglehawk and surrounds



Imagery: CARTO (2025)

At the 2021 Census, Eaglehawk had an estimated population of 5,538. The age profile is broadly balanced; however the population also shows signs of ageing, with an average age of 43. There are more residents in their 50s and 60s (26.7%) than in their 30s and 40s (22%), and a significant 22.9% of the population is aged 65 and over.

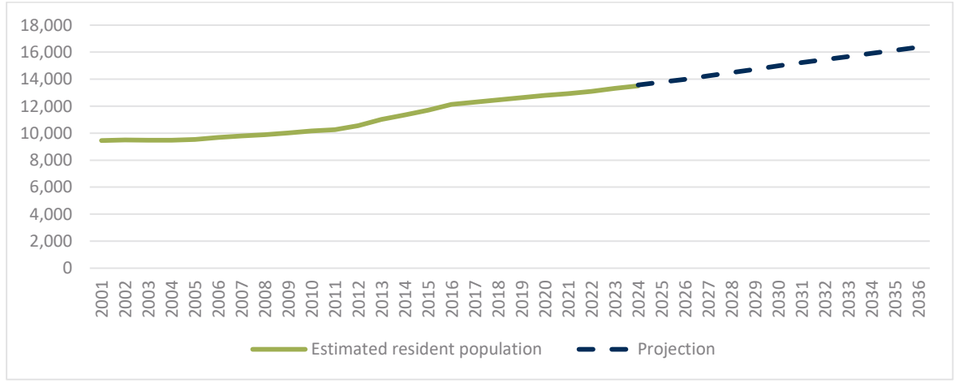
Figure 2: Age distribution in five year age groups (Eaglehawk)



Source: ABS (2021).

Population projections are published by the state government for a larger area called California Gully – Eaglehawk (2021 population 12,949). The population of this wider district has shown steady growth over the past two decades, accelerating somewhat after 2010, with moderate growth projected into the future. The population increased by approximately 4,050 people between 2001 and 2024 and is expected to grow by almost 3,000 to 2036, at a rate of around 1.7% annually.

Figure 3: Population projection (California Gully – Eaglehawk)



Source: ABS (2025); DTP (2023).

According to the 2021 Census, in Eaglehawk:

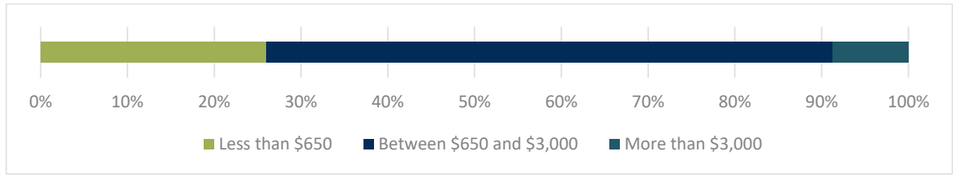
- The median weekly household income was $1,140
- The median monthly mortgage repayment was $1,300
- The median weekly rent was $265.

Just over a quarter of households earn below $650 per week, while only 8.7% earn $3,000 or more.

Incomes have increased over the past decade, with the proportion of households earning more than $3,000 per week showing growth.

In the same time frame, the share of households earning less than $400 per week almost halved, falling from 17.6% to 7.5%.

Figure 4: Household income ranges (Eaglehawk)



Source: ABS (2021).

Eaglehawk has a predominantly Australian-born population, with 7.1% born overseas. English is the dominant language, with 90.5% of residents using only English at home. A small migrant community from Myanmar is present, with approximately 43 residents born there and 78 speaking Karen languages at home.

Top countries of birth (excluding Australia):

1. England (1.8%)
2. Myanmar (0.8%)
3. New Zealand (0.7%)

Top languages used at home (excluding English):

1. Karen (1.4%)
2. Punjabi (0.3%)
3. Greek (0.3%)

1.2 Dwelling profile

Between 2011 and 2021, the number of dwellings increased by almost 20%. Separate houses saw the largest absolute growth (509 dwellings), to account for over 90% of all dwellings. Semi-detached dwellings more than doubled, increasing by 165.6%, although they still represent a relatively small share. The number of flats or apartments fell from 249 in 2011 to zero in 2021. This sharp decline may be partially explained by data discrepancies that result in changes in classification between separate houses, semi-detached and flats in the selected Census periods.

Table 1: Dwelling structure (Eaglehawk)

Description	2011		2021		Change	
	#	%	#	%	#	%
Separate house	1,673	84.1%	2,182	92.6%	+509	+30.4%
Semi-detached, row or terrace house, townhouse etc.	64	3.2%	170	7.2%	+106	+165.6%
Flat or apartment	249	12.5%	0	0.0%	-249	-100.0%
Other dwelling	3	0.2%	4	0.2%	+1	+33.3%
Total	**1,989**	**100.0%**	**2,356**	**100.0%**	**+367**	**+18.5%**

Source: ABS (2011; 2021).

Eaglehawk has seen a shift toward larger homes, with the number of dwellings with four or more bedrooms growing the most of all types, increasing by 48.4%. In comparison, the share of smaller zero to two bedroom dwellings stayed relatively stable.

Table 2: Number of bedrooms (Eaglehawk)

Description	2011		2021		Change	
	#	%	#	%	#	%
None (includes studio apartments or bedsitters)	9	0.5%	3	0.1%	-6	-66.7%
1 bedroom	89	4.6%	90	3.9%	+1	+1.1%
2 bedrooms	450	23.5%	502	21.6%	+52	+11.6%
3 bedrooms	990	51.7%	1,163	50.2%	+173	+17.5%
4 or more bedrooms	378	19.7%	561	24.2%	+183	+48.4%
Total	**1,916**	**100.0%**	**2,319**	**100.0%**	**+403**	**+21.0%**
Average number of bedrooms per dwelling	2.9	-	3	-	-	-

Source: ABS (2011; 2021).

The number of households grew by 18.1% between 2011 and 2021. This included notable growth in lone person households, which increased by 25.3% and now make up 35.9% of all households. The next largest growth occurred in couple families without children, which grew by 110 households, or 23.1%. This is reflected in the average household size, which saw a minor decrease from 2.3 to 2.2 over the time period.

Table 3: Household composition (Eaglehawk)

Description	2011		2021		Change	
	#	%	#	%	#	%
Lone person	677	33.9%	848	35.9%	+171	+25.3%
Group	63	3.2%	70	3.0%	+7	+11.1%
Family	1,260	63.0%	1,443	61.1%	+183	+14.5%
Couple family without children	476	23.8%	586	24.8%	+110	+23.1%
Couple family with children	481	24.1%	503	21.3%	+22	+4.6%
One parent family	290	14.5%	325	13.8%	+35	+12.1%
Other family	13	0.7%	29	1.2%	+16	+123.1%
Total	**2,000**	**100.0%**	**2,361**	**100.0%**	**+361**	**+18.1%**
Average household size (no. of persons)	2.3	-	2.2	-		

Source: ABS (2011; 2021).

In terms of expected growth for the wider California Gully – Eaglehawk district, households are expected to grow by around 30% by 2036. Lone person households are expected to see the largest increase in both real numbers and percentage terms. While they will remain the dominant household type, their share of total households is expected to decline slightly (by around 3%) due to growth in other household types. In particular, couple families without children and one parent families are projected to increase their share of all households over the period.

Table 4: Household projections by type (California Gully – Eaglehawk)

Description	2021	2026	2031	2036		Change 2021-2036	
				#	%	#	%
Couple family without children	1,351	1,475	1,586	1,692	23.4%	+341	+25.2%
Couple family with children	1,292	1,417	1,533	1,662	23.0%	+370	+28.7%
One parent family	900	977	1,063	1,167	16.1%	+267	+29.6%
Other family	90	97	106	110	1.5%	+20	+22.0%
Lone person	1,758	1,953	2,171	2,379	32.9%	+621	+35.3%
Group	168	185	200	218	3.0%	+50	+29.6%
Total	**5,559**	**6,103**	**6,658**	**7,227**	**100.0%**	**+1,668**	**+30.0%**

Source: DTP (2023).

All tenure types increased in number over 2011 to 2021. While the number of dwellings owned with a mortgage declined slightly as a proportion of all dwellings (from 33.9% to 32.4%), the proportion of homes owned outright increased marginally (from 36.2% to 37.5%). Dwellings were spread evenly across each main tenure type, while other tenure type remained a small minority at around 1% of all dwellings.

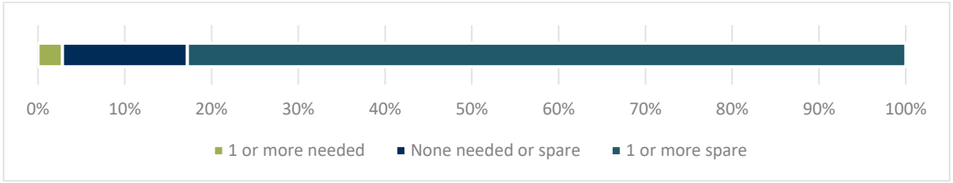
Table 5: Tenure type (Eaglehawk)

Description	2011		2021		Change	
	#	%	#	%	#	%
Owned outright	689	36.3%	867	37.5%	+178	+25.8%
Owned with a mortgage	644	33.9%	749	32.4%	+105	+16.3%
Rented	552	29.1%	675	29.2%	+123	+22.3%
Other tenure type	13	0.7%	22	1.0%	+9	+69.2%
Total	**1,898**	**100.0%**	**2,313**	**100.0%**	**+415**	**+21.9%**

Source: ABS (2011; 2021).

In 2021, the vast majority (82.8%) had one or more spare bedrooms. Of these, while the majority had only one to two bedrooms spare, 11.4% had three or more spare. In contrast, less than 3% of dwellings required additional bedrooms, with 73.4% of them requiring one more, 21.9% requiring two, and 4.7% requiring three or more.

Figure 5: Housing suitability (Eaglehawk)



Source: ABS (2021).

2.0 MARKET RESEARCH

2.0 Overview

This section provides a profile of the Eaglehawk property market. This information informs market responsive housing options.

The market research provides realistic assumptions around pricing, demand and development activity, which are essential for evaluating the viability of housing options.

2.1 Residential Market Overview

The residential unit market in Eaglehawk primarily comprises townhouses and villa units. The market has undergone a price correction over the past 12 months with the median unit price being approximately $340,000, reflecting a 15% decline year-on-year.

2.2 Supply Indicators

Eaglehawk currently has limited housing stock on the market, with 2 units and 25 houses available in the past month.

The median time on market for houses is 29 days, suggesting active buyer engagement and a competitive market.

Units typically take 56 days to sell, indicating moderate demand, with 94 buyers showing interest in the past month.

2.3 Affordability

The median house price in Eaglehawk is $526,500, while the median household income is estimated at $792 per week. This implies a high price-to-income ratio.

2.4 Rental Market Performance

Eaglehawk attracts investor interest due to its strong rental performance. Houses yield around 4.8%, while units offer up to 6.2%.

The vacancy rate is low, with units leasing in 15 days on average, and houses in 18 days, reflecting consistent tenant demand.

2.5 Drivers and Outlook

The factors that will support ongoing market interest and demand in the area include:

- Regional migration from Melbourne due to affordability pressures
- Infrastructure availability including transport linkages, train services and ongoing growth and development in the Greater Bendigo region
- Investor confidence supported by solid rental yields and relatively low entry prices.

Overall, Eaglehawk is well-positioned for sustainable long-term housing market growth.

2.6 Sales Evidence

Our research indicates that there are no residential apartment developments for sale in Eaglehawk.

In this location smaller housing options are available as villa-style units rather than traditional multi-storey apartment buildings. These properties typically feature:

- Single-level layouts
- Private outdoor spaces
- Individual driveways and garages
- A design that blends the privacy of a standalone home with low-maintenance attributes similar to apartment style accommodation.

The recent sales of villa-style units in Eaglehawk show a range of sale prices from $379,000 to $430,000, with internal areas varying between 62 and 97 square meters. The price per square metre ranges from $4,290/sqm to $6,720/sqm.

Table 6: Villa unit sales evidence

Address, Eaglehawk	Sale Price	Bedrooms	Internal Area (sqm)	$/sqm	Sale Date
1/16 Bright Street, Eaglehawk	$379,000	2	62	$6,112	May 25
3/2A Church Street, Eaglehawk	$430,000	2	64	$6,719	May 25
2/25 Simpsons Road, Eaglehawk	$416,000	2	97	$4,288	Jun-25

Source: RP Data Professional, HillPDA

2.7 New Townhouses in North Bendigo

Our research revealed that there are no new townhouse developments in Eaglehawk but there are projects in the wider northern Bendigo region:

- 17 Bakewell Street, North Bendigo: A new townhouse development in planning.
- 9 & 10/36 Bayne Street, North Bendigo: Currently listed for $650,000 to $700,000 for 3-bed, 2-bath, 2-car modern townhouses, targeting the upper end of the market for new builds.

Following is a sample of recent townhouse sales in North Bendigo. The dwellings are 2 or 3 bedroom and sell for between $400,000 to $560,000. Internal areas range from 72 sqm to 104 sqm. Sales rates range from $4,430/sqm to $5,560/sqm.

Table 7: North Bendigo Townhouses Sales Evidence

Street Address, North Bendigo	Sale Price	Internal Area	$/sqm	Bedrooms	Sale Date
4/69 Thunder Street	$400,000	72	$5,555	2	June 25
2/164 Arnold Street	$560,000	103	$5,436	2	May 25
3/18 Dooley Street	$483,000	104	$4,644	3	April 25
20A Lobb Street	$425,000	96	$4,427	3	April 25

Source: RP Data Professional, HillPDA

2.8 Development Site Sales

A review of recent development applications reveals that the majority are for single-storey residential dwellings, reflecting a continued preference for low-density housing. Two applications involve multi-unit developments to be constructed by 2026.

Table 8: Eaglehawk development site sales

Address, Eaglehawk	Sold Price	Sold Date	Site Area	Units	$/sqm land	$/unit
7 Kneebone Street	$440,000	2024	1,008	3	$436	$146,667
45 Orlando Street	$515,000	2022	1,334	3	$386	$171,667

Source: RP Data Professional, HillPDA

2.9 Commercail Property Market

Eaglehawk's commercial property market is characterised by a mix of local retail shopfronts, industrial warehouses, and development sites, reflecting its role as a suburban hub within Greater Bendigo.

Retail properties are typically small-format shopfronts located along High Street and Victoria Street, serving residents and passing trade.

There are limited recent sales with one 74 sqm shopfront transacting at $250,000 at $3,380/sqm.

Table 9: Eaglehawk commercial sales

Address, Eaglehawk	Sale Price	Sale Date	Floorspace (sqm)	$/sqm	Type
40 High Street	$250,000	May 2023	74	$3,378	Sigle storey retail
2 Baldock Court	$935,000	Jan 24	3,450	$246	Industrial site
8 Baldock Court	$1,150,000	Dec 2023	333	$3,453	Industrial building

Source: RP Data Professional, HillPDA

2.10 Market Summary

Development Site Values

- Development site land values range from $390/sqm to $440/sqm, or $146,670/unit to $171,670/unit.
- Most residential developments are townhouses (villa units) and houses.

Townhouses Prices

- Townhouses (villa unit) prices range from $379,000 to $430,000, at $4,290/sqm to $6,720/sqm (internal area 60 to 100 sqm).
- In nearby North Bendigo, there is evidence of higher pricing for 2- and 3-bedroom units that sell for between $400,000 to $560,000.

Apartment Prices

- Limited market evidence is available to support apartment prices for newly constructed stock.

Commercail Shopfront Prices

- Commercail shopfront price evidence is limited but a recent example indicates $3,380/sqm (shopfront under 100 sqm).

3.0 NON-MARKET OPTIONS

3.0 Overview

This section provides a preliminary scoping of housing innovation options that may be considered to facilitate the supply of more diverse and / or more affordable housing options via the use of public land (i.e. local government land).

3.1 Council Land Options

Sale or Lease of Land

Councils may from time to time sell land or lease land at market value or at a discount.

The divestment or lease could be made to a to a private entity or to a not-for-profit entity like a housing association or some form of land trust. This could be done for a housing purpose to meet the needs of the local community.

Discounted land sale has the potential to make development projects viable for the developer in cases where financial viability is not possible.

Discounted lease of land to a housing provider can have the same benefit for the housing provider; that is, generating a financially acceptable outcome.

Land Trust Model

A land trust model enables the individual household to purchase a dwelling or build a dwelling on land owned or controlled by a land trust. Land trust arrangements offer the opportunity for home ownership to a group that would otherwise not be able to afford a land with dwelling.

The land trust could have a particular objective such as meeting the needs of key workers, first home buyers or older persons.

3.2 Some Recent Land Innovation Examples

Selected case studies regarding housing investment innovation provide insights into potential responses that may be relevant.

Key Worker and Affordable Housing Project, Warrnambool City Council, Victoria

Facilitating key worker housing supply on council land

Warrnambool City Council in regional Victoria developed this project to tackle the lack of affordable rental homes in the area. This proposed project involves the leasing of land by Council to a Community Housing Agency (CHA) for a period of up to 25 years. The CHA will be required to build a minimum of 50 self-contained units, with a 50/50 split of key worker accommodation and affordable housing. Affordable units would have rents capped at 75 per cent of market rate, while employers would lease the key worker accommodation to their

employees. All built assets will be disposed through sale or relocation at the end of the project period. The project is estimated to cost $15 to $18 million, with council seeking funding from private equity and governments.

Winanglo Community Village, Community Bank Surf Coast, Victoria

Joint venture older persons housing development that included a land contribution from council

The town of Winchelsea (1.5 hours from Melbourne and population of approximately 2,456 in 2021), has a shortage of appropriate housing for older people that are looking to downsize in the town.

In response to this, the Community Bank Surf Coast established a social enterprise called Winanglo to drive the development of 10 independent living units and associated support services locally. The Community Bank committed $1.5 million towards the $5 million project with the remainder supplied through loans. The loans were repaid through the sale of the units, and profits reinvested on other local community projects on an as-needed basis.

Surf Coast Shire Council assisted through the transfer of vacant land for $1. As an incorporated association with charitable status the development is to remain in the ownership of the local community.

Regional Key Worker Housing Scheme, South Australian State Government

State development of key worker housing which are on-sold to investors

Administered by the State Office for Regional Housing, this pilot program aims to address the need for affordable and accessible quality housing options to attract and retain essential workers including police, teachers and healthcare workers in country communities.

The program will develop approximately 35 new homes in key regional centres which will be sold to private investors with long-term, employer-backed leases attached.

Sloane Street Development, Northern Grampians Council, Victoria

Housing development in a location with a limited private sector market

Northern Grampians Council rezoned a parcel of land owned by Council in Stawell for residential purposes and then invited developers to submit proposals for the purchase and development of the land for residential purposes. The Council set terms and conditions, which included the provision of a diverse range of housing on the site. A $500,000 grant was also secured from the State Government's Regional Infrastructure Fund with an equivalent matched funding contribution from the Council to extend services to the site.

Correa Park, Pyrenees Shire Council, Victoria

Housing development in a location with a limited private sector market

Correa Park is a council-developed subdivision in the rural town of Beaufort. It was instigated due to the stagnating population in the area combined with a lack of interest from developers in the large-scale investment required to significantly boost local housing stock.

Pyrenees Shire Council used $6 million in savings and loans to purchase land in a residential zone, as well as for realignment of road and utilities connection. The project was completed in 2021 and costs have been recouped through the sale of the 100 lots within the subdivision.

Harris Transportable Housing, Launch Housing, Maidstone

Low cost housing supply on state owned land

Launch Housing is using nine parcels of vacant VicRoads land in Footscray and Maidstone to create 57 tiny homes for people with a chronic experience of homelessness. They are utilising the Fredi transportable home model, which has 20 sqm of internal space with a 9 sqm verandah. It is designed with passive heating, shading and cooling) to achieve 6+ star rating for reduced occupant running costs.

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8.2 Site analysis

8.2.1 Strategic policy

Zone

The land is in the **TRZ1 - State Transport Infrastructure Zone.** This zoning extends between Hall Street to the south of the station, and the rear of properties fronting the Loddon Valley Highway to the north of the Station.

The site is surrounded by land predominantly in the General Residential Zone, with some land in the Commercial 1 Zone to the north-east.

Heritage Overlays

The subject land is located within two Heritage Overlays:

↘ **HO355 - Hall Street, Eaglehawk / Eaglehawk Railway Station**

— Incorporated plan: Greater Bendigo Heritage Incorporated Plan – Permit Exemptions, September 2020

↘ **HO21 - Peg Leg Road, Eaglehawk / Peg Leg Precinct**

— Incorporated plan: Greater Bendigo Heritage Incorporated Plan – Permit Exemptions, September 2020

Specific Controls Overlay

SCO5 - Bendigo Signalling Upgrade Project Incorporated Document, May 2020

(Adjoining) Design and Development Overlay

Part of the site interfaces directly with DDO23 – Eaglehawk Activity Centre.

The DDO23 design objectives are as follows:

— *To promote a high quality activity centre that provides a diverse range of land uses to support economic, social land community activities and open spaces.*

— *To encourage the expansion and intensification of the built environment that consolidates underutilised areas and provides safe and convenient car parking that avoids causing a visual impact on the streetscape and public places.*

— *To support design, height and setbacks of buildings which respect Eaglehawk's heritage character and protect the amenity of adjacent residential areas.*

— *To support development with active frontages and pedestrian links that contribute to the amenity, public safety and pedestrian use between the Eaglehawk town centre, adjoining public open space and Eaglehawk railway station.*

— *To encourage the inclusion of environmentally sustainable design principles, including the efficient utilisation of infrastructure and sustainable transport options.*

Preferred building heights under DDO23 are 8-12m (2-3 storeys).

Aerial photo of the site area around Eaglehawk Station (centre)

Eaglehawk Station Precinct Master Plan (2016)

This document was prepared for the City of Greater Bendigo and the Victorian Government, to consider future redevelopment of VicTrack owned land around Eaglehawk Station. Council will advise of its current status.

Since this Master Plan, new at-grade car parking has been constructed on the southern (Hall Street) aside of the rail line, east of the Station building. Council reported that it is not heavily used, and that most passengers board on the northern side, for trains to Bendigo and Melbourne.

The Master Plan proposes 2-4 storey residential development around and facing onto an enhanced public open space north of the Station, and 'backing onto' existing back fences of properties fronting Peg Leg Road.

8.2.2 Site parameters

Location and access

The site is centred on Eaglehawk Station, which carries V-Line train services, providing six (6) train services per weekday to Melbourne.

Local bus routes 51, 52 and 53 (all linking between Bendigo Station and Eaglehawk), run past Eaglehawk Station (at Market Street).

Eaglehawk Station is approximately 10 minutes' drive from the Bendigo city centre.

Street frontages

Eaglehawk Station and the car park on the southern side of the rail line has a long frontage to Hall Street, which connects to Caldwells Road to the west, with its bridge over the rail corridor.

On the northern side, the land is large set behind frontage properties facing the Loddon Valley Highway (Peg Leg Road) with access via Sutton Lane, and onto Market Street to the east.

Other interfaces

↘ **North:**

— Existing disused brick railway shed with adjacent raised platform;

— Separate existing shed building to north (to be investigated);

— Rear fences of properties fronting Peg Leg Road.

↘ **East:**

— Rear of townhouses/units fronting Market Street.

↘ **South:**

— Railway line.

↘ **West:**

— Caldwells Road / overpass across the rail corridor.

Width

The northern area is approximately 70m wide (north-south).

Length

The northern area is approximately 210m long (east-west).

Eaglehawk Station Precinct Master Plan (2016)

Eaglehawk Station Precinct Master Plan (2016)

8.2.3 Site constraints

Zoning

The current Transport zoning would presumably need to be changed to accommodate residential development.

Land ownership and availability

The existing Master Plan indicates that VicTrack, as landowners, may see the land as surplus to transport requirements, and therefore potentially available for sale and redevelopment. However, this needs to be confirmed.

8.2.4 Site opportunities

Transit-oriented housing

New housing close to a town centre and adjacent to a train station, and with bus links, would provide a range of benefits for future residents.

Housing diversity

Integrating higher-density housing types, including townhouses and apartments, would contribute to greater diversity of residential types in this locality.

New open space as Station forecourt or gardens

Creating a new landscaped open space, edged by new housing, would also benefit the Station/transport experience, providing a space for waiting, play and social activity.

Passive surveillance and safety

Establishing residential frontages facing onto the Station and associated spaces will increase passive surveillance opportunities and therefore safety in and around the Station, noting that the current edge around the Station is back fences.

Pedestrian connectivity

Redevelopment of the norther area could provide enhanced public realm connections along Sutton Lane and Milburn Place, connecting to Peg Leg Road for town centre access, and also to Market Street, for access between the Train Station and bus stop area.

8.3 Design concept plans

This section comprises the analysis, design strategies, concept plans and yield analysis, prepared by Austin Maynard Architects for the Eaglehawk Station Precinct.

1 Site & Context Analysis

2 Precedents

3 Concept Plans

4 Development Summary

MAV HOUSING INNOVATION STUDY
12 HALL STREET, EAGLEHAWK VIC 3556
OCTOBER 2025

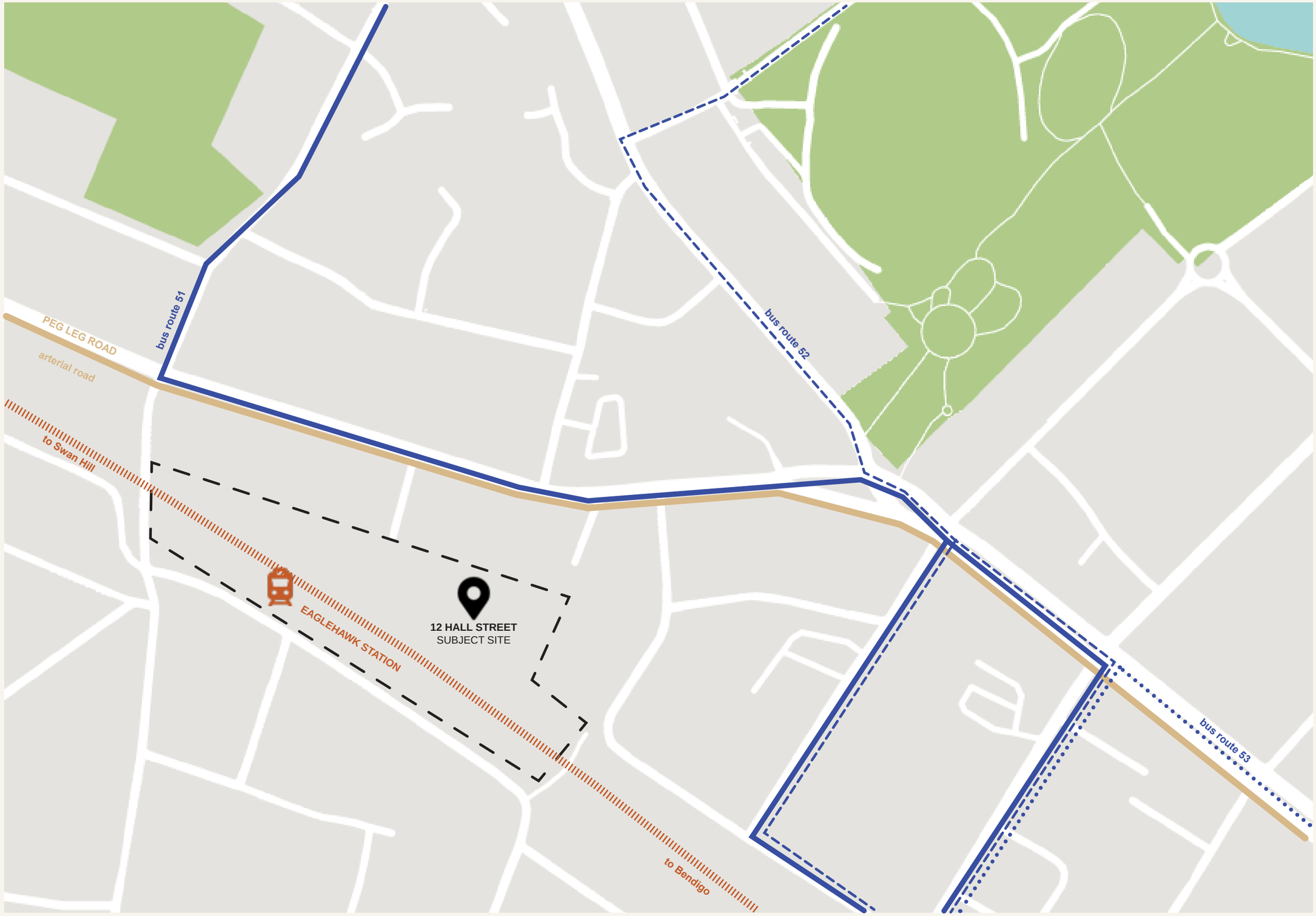
SITE MAP
POLICY OVERLAY

AUSTIN MAYNARD ARCHITECTS

MAV HOUSING INNOVATION STUDY
12 HALL STREET, EAGLEHAWK VIC 3556
OCTOBER 2025

SITE MAP
CONTEXTUAL FIT

AUSTIN • MAYNARD ARCHITECTS



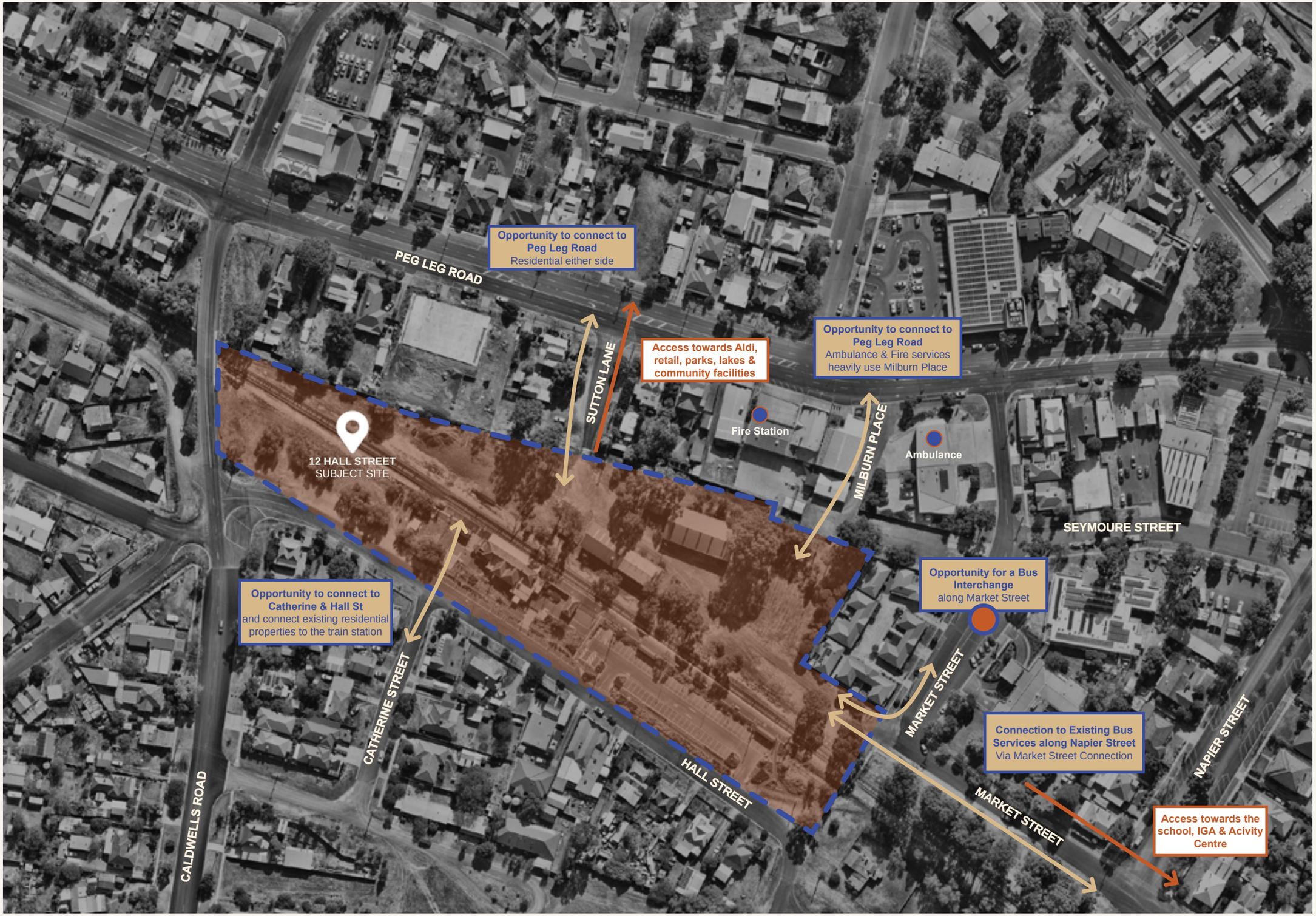
MAV HOUSING INNOVATION STUDY
12 HALL STREET, EAGLEHAWK VIC 3556
OCTOBER 2025

SITE MAP
TRANSPORT

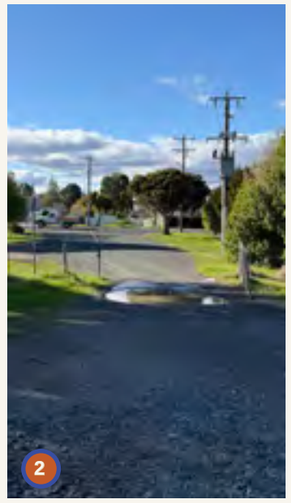
AUSTIN • MAYNARD ARCHITECTS

PEG LEG ROAD
Opportunity to better connect main road to station
Existing Vehicle Overpass creates site constraint
Underutilised land on subject site Opportunity to future proof for DTP
SUTTON LANE
MILBURN PLACE
12 HALL STREET
SUBJECT SITE
Opportunity to extend platform
SEYMOURE STREET
Opportunity for a Bus Interchange
along Market Street
Opportunity to create pedestrian overpass
Opportunity for second track responding to incresing population and network capacity
CATHERINE STREET
MARKET STREET
NAPIER STREET
CALDWELLS ROAD
Opportunity to better connect to residential areas
HALL STREET
MARKET STREET

N


PEG LEG ROAD
Opportunity to connect to Peg Leg Road
Residential either side
SUTTON LANE
Access towards Aldi, retail, parks, lakes & community facilities
Opportunity to connect to Peg Leg Road
Ambulance & Fire services heavily use Milburn Place
Fire Station
Ambulance
MILBURN PLACE
SEYMOURE STREET
12 HALL STREET
SUBJECT SITE
Opportunity to connect to Catherine & Hall St
and connect existing residential properties to the train station
Opportunity for a Bus Interchange
along Market Street
MARKET STREET
Connection to Existing Bus Services along Napier Street
Via Market Street Connection
NAPIER STREET
CATHERINE STREET
HALL STREET
MARKET STREET
CALDWELLS ROAD
Access towards the school, IGA & Acivity Centre
N

1. Existing single sided station & short platform
2. Current connection / interface with Sutton Lane
3. Existing residential neighbours to the east of the subject site
4. Underutilised space to the north west portion of the site
5. Underutilised space to the north west portion of the site



1. Eaglehawk Fire Station
2. Uniting Church
3. Railway Station Hotel
4. Existing Residential Character
5. Court House

1

2

3

4

5

1 Site & Context Analysis

2 Precedents

3 Concept Plans

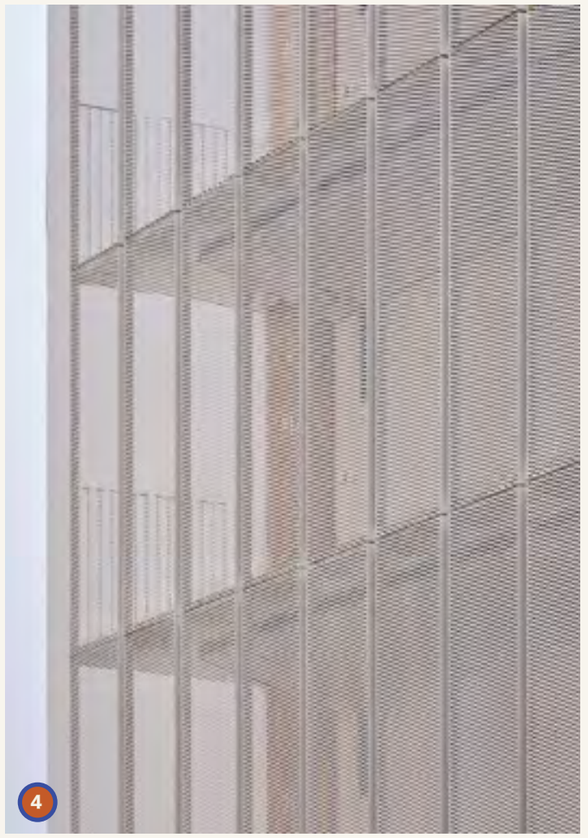
4 Development Summary

1.Courtyard spaces
2. Domestic scale
3. Responding to local character
4. Screening
5. Courtyard spaces

1

2

3


4

5

1 Site & Context Analysis

2 Precedents

3 Concept Plans

4 Development Summary

GROUND LEVEL PLAN

AUSTIN MAYNARD ARCHITECTS

LEVEL 1 PLAN

AUSTIN MAYNARD ARCHITECTS

LEVEL 2 PLAN

AUSTIN MAYNARD ARCHITECTS

LEVEL 3 PLAN

AUSTIN MAYNARD ARCHITECTS

LEVEL 4 PLAN

AUSTIN MAYNARD ARCHITECTS

LEVEL 5 PLAN

AUSTIN MAYNARD ARCHITECTS

MAV HOUSING INNOVATION STUDY
12 HALL STREET, EAGLEHAWK VIC 3556
OCTOBER 2025

3D VISUALISATION

AUSTIN
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ARCHITECTS

MAV HOUSING INNOVATION STUDY
12 HALL STREET, EAGLEHAWK VIC 3556
OCTOBER 2025

3D VISUALISATION

AUSTIN
• MAYNARD
ARCHITECTS

MAV HOUSING INNOVATION STUDY
12 HALL STREET, EAGLEHAWK VIC 3556
OCTOBER 2025

3D VISUALISATION

AUSTIN
• MAYNARD
ARCHITECTS

MAV HOUSING INNOVATION STUDY
12 HALL STREET, EAGLEHAWK VIC 3556
OCTOBER 2025

3D VISUALISATION

AUSTIN
• MAYNARD
ARCHITECTS

1 Site & Context Analysis

2 Precedents

3 Concept Plans

4 Development Summary

MAV: Housing innovation study - concept design

Site name/location:	EAGLEHAWK STATION
Local Government Area:	City of Greater Bendigo
Type:	New build

Site area	22966	sq.m	2.2966	ha
Site coverage	6022	sq.m		
Site coverage %	26%			

Development Summary

Apartments:

	Non-resi NSA	Resi NSA	No. 1-beds	No. 2-beds	No. 3-beds	Dwellings
GROUND	1560	0	0	0	0	**0**
LEVEL 1	1315	2977	30	15	0	**45**
LEVEL 2	0	3716	37	19	0	**56**
LEVEL 3	0	2923	29	15	0	**44**
LEVEL 4	0	1191	12	6	0	**18**
LEVEL 5	0	0	0	0	0	**0**
LEVEL 6	0	0	0	0	0	**0**
LEVEL 7	0	0	0	0	0	**0**
LEVEL 8	0	0	0	0	0	**0**
LEVEL 9	0	0	0	0	0	**0**
LEVEL 10	0	0	0	0	0	**0**
Total	**2875**	**10807**	**108**	**55**	**0**	**163**

Townhouses:

GROUND		900	0	0	18	**18**
LEVEL 1		900				
LEVEL 2		900				
Total		**2700**	0	0	18	**18**

TOTAL DWELLINGS	**181**
Net density (site)	**78.8121571**

Dwellings

	GFA/storey	Storeys	Total GFA	
Building/Block A	2337	4	9348	
Building/Block B	1125	3	3375	
Building/Block C	1660	5	8300	
Building/Block D (townhouses)	900	3	2700	
Total			23723	sq.m

6022

Car parking

	Spaces	
Location 1 (A)	87	
Location 2 (B)	32	
Location 2 (C)	64	(existing car park)
Location 3 (TH garages)	18	
Total	**201**	spaces

Apartment car rate		%
Townhouse car rate		%

Communal space

	GFA	
Communal indoor	0	sq.m
Communal outdoor - ground	1400	sq.m
Communal outdoor - upper	200	sq.m
Total	1600	

8.4 Design review

The following concise review of the proposed concept has been prepared by McP, to briefly outline the merits of the design approach to the nominated site.

Siting

The southern side of the rail corridor is occupied by two rows of apartments running parallel to the rail, to each side of the Station building. This effectively responds to the narrow site area, uses underutilised car parking space, and provides all north-facing, dual aspect apartments.

On the northern side, the central access route (Sutton Lane) is met by a curved arrival space and Station facility, with apartments running along the railway edge (facing north), opposite townhouses along the 'back fence' of adjoining properties, to create an enclosed courtyard space.

Potential access into this courtyard from Market Street is retained, and the layout provides space for potential future duplication of the rail line.

This layout creates a higher-density residential setting which is focused on the railway function, but also supports residential amenity and accessibility.

Massing

The built form is configured as elongated rows or interlocking units, of 3-5 storeys in height, including car parking at ground level. The forms are distinctive in this location, but responsive to the precinct shape, size, and orientation.

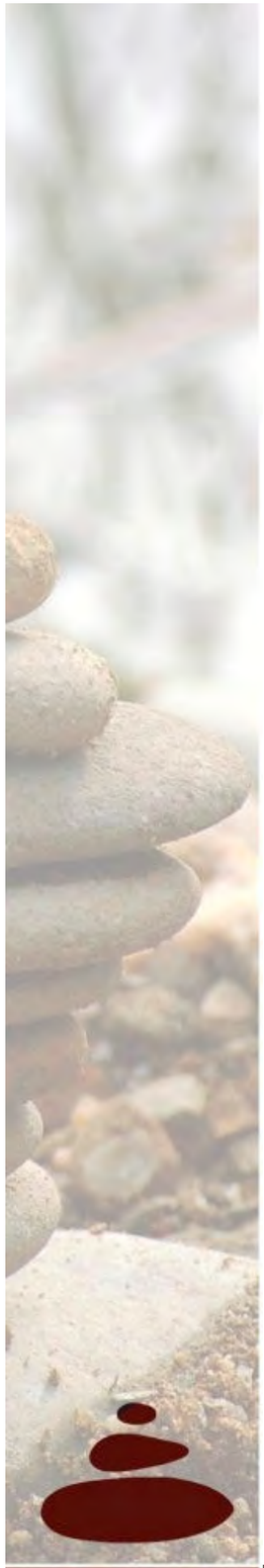
The repetitive, linear, modestly-scaled forms may support modular construction or pre-fabrication of units, to enhance efficiency and cost effectiveness.

Layouts

The extended rows of both townhouses and apartments allow for northern solar access and dual-aspect / cross-ventilation for all dwellings. The layout makes effective use of the underutilised, isolated space between the rail corridor and existing buildings to the north, creating an activated courtyard space.

8.5 Cost plan

The construction cost analysis for the above concept plans, prepared by PlanCost.



26 October 2025

MAV Housing Innovation Study Eaglehawk Station

Cost Plan A

Functional Area

plancost
L1, 79-83 Maroondah Hwy (PO Box 466), Ringwood Vic 3134
VBA Reg. CQS54305
03 9437 2777 | www.plancost.com.au | officemanager@plancost.com.au

Cost Plan A

Functional Area

26 October 2025

Introduction

PlanCost Australia has been requested to prepare a Cost Plan based on Functional Area documents received from Austin Maynard Architects.

Drawings

The following drawings and specifications have been used to prepare the Cost Plan.

Yield Table Dates: 250911

Cost Estimates

The current anticipated Total End Cost is:

	Low-Mid Range	Mid-High Range
Building Works	$93,180,989	$104,937,969
External Works and Services	$10,331,140	$10,331,140
Contingencies, Escalation and Allowances	$31,840,000	$35,456,000
Fees, FFE, ITC and Other Client items	$14,143,000	$15,747,000
Prolongation, Delay and Project risk	excluded	excluded
GST	$0	$0
Total End Cost	**$149,495,129**	**$166,472,109**

Refer to the attached Cost Plan A for details.

Note

The Cost Plan is based on preliminary information and therefore should be regarded as indicative only of the possible order of cost.
The cost of various components of the Cost Plan could vary significantly depending on the final design, materials selection and quality of the proposed building works.
We recommend that a detailed Cost Plan be prepared at the next design stage to verify the anticipated total cost.

Should you have any questions or require anything further, please don't hesitate to contact us.

Regards,

Quantity Surveyor
Yubin Lin
AIQS/RICS Member No: 26022

Reviewed By
Holly Phillips
AIQS/RICS Member No: 27296

MAV Housing
Innovation Study
Eaglehawk Station

EXECUTIVE SUMMARY

Cost Plan A

Functional Area

26 October 2025

Inclusions

The Cost Plan includes allowances for the following:

- Building works
- External works
- External services
- Site and services infrastructure upgrades
- Demolition
- Asbestos removal
- Site decontamination
- Rainwater harvesting
- Landscaping
- Design contingencies
- Construction contingencies
- Environmentally sustainable design initiatives
- Consultants' fees
- Project management and management support costs
- Supply authority and headworks charges
- Cost escalation up to completion of construction December, 2029
- Building permit levy
- Cladding rectification levy
- Lump sum competitive tender

Exclusions

The Cost Plan excludes the following:

- Rock excavation
- Locality and access allowance
- Staging costs
- Alternative procurement methods or contract conditions (D&C, cost plus, negotiated tender)
- Disbursements
- Furniture, furnishings and equipment
- IT, AV and communications equipment
- Prolongation, delay and project risk contingencies
- Cost escalation after December, 2029
- GST
- Land purchase

MAV Housing
Innovation Study
Eaglehawk Station

COST PLAN SUMMARY

Cost Plan A

Functional Area

26 October 2025

		Quantity	Rate	Total Low-Mid Range	Rate	Total Mid-High Range
COST COMPONENT						
Total Building Cost		16,147 m²	4,312	69,620,162	5,040	81,377,142
Station		1,809 m²	13,024	23,560,827	13,024	23,560,827
TOTAL BUILDING COST (TBC)		17,956 m²	5,189	**93,180,989**	5,844	**104,937,969**
External works and services				10,331,140		10,331,140
NET CONSTRUCTION COST (NCC)			5,765	**103,512,129**	6,420	**115,269,109**
Locality and access allowance				excluded		excluded
Additional costs for staging of the works				excluded		excluded
Additional costs for procurement method or contract conditions				excluded		excluded
Environmentally sustainable design initiatives		2.50%		2,588,000		2,882,000
Design contingency		10.00%		10,351,000		11,527,000
Construction cost escalation from	Oct, 25					
Up To / Escalation rate	Date / 3.00%	Months / Market conditions	%/Year / 0.00%	Weighting	Total %	
Commencement	Oct, 27	24	3.00%	100%	6.09%	7,092,000		7,897,000
Completion	Dec, 29	26	3.00%	70%	4.61%	5,363,000		5,973,000
Escalation is based on an average of 3% p/a ongoing						
TOTAL CONTRACT SUM (TCS)			7,179	**128,906,129**	7,994	**143,548,109**
Construction contingency		5.00%		6,446,000		7,177,000
TOTAL CONSTRUCTION COST (TCC)			7,538	**135,352,129**	8,394	**150,725,109**
Consultants' fees		7.50%		10,152,000		11,304,000
Disbursements				excluded		excluded
Project management and management support costs		1.00%		1,354,000		1,507,000
Furniture, furnishings and equipment				excluded		excluded
IT, AV and communications equipment				excluded		excluded
Building permit levy		0.13%		173,000		193,000
Cladding rectification levy		0.82%		1,110,000		1,236,000
Supply authority and headworks charges		1.00%		1,354,000		1,507,000
TOTAL PROJECT COST (TPC)			8,326	**149,495,129**	9,271	**166,472,109**
Prolongation, delay and project risk contingency				excluded		excluded
Goods and services tax		0.00%		excluded		excluded
TOTAL END COST (TEC)		17,956 m²	8,326	**149,495,129**	9,271	**166,472,109**

MAV Housing
Innovation Study
Eaglehawk Station

EXCLUDED COSTS AND OPTIONS

Cost Plan A

Functional Area

26 October 2025

	COST OPTIONS			
1	Future north platform (allow 180mL x 4.7mW)	Additional		4,720,000
2	Future second rail line including track, earthworks and signalling (allow 1000 track meter)	Additional		17,320,000
11	Public pedestrian overpass including lift and stair	Additional		6,360,000

The options indicated above include builder's margin and all % mark-ups included in the Cost Plan.

MAV Housing
Innovation Study
Eaglehawk Station

BUILDING WORKS (LOW-MID RANGE)

Cost Plan A

Functional Area

26 October 2025

Fully **E**nclosed **C**overed **A**rea	16147 m²
Unclosed **C**overed **A**rea	1809 m²
GFA (FECA + UCA)	17956 m²

		Quantity	Rate	Total
	AREA			
	Dwellings			
1	Apartments - Levels 1-4	10,807 m²	4,698	50,771,286
2	Townhouses - Levels 0-2	2,700 m²	2,961	7,994,700
3	Community use	1,069 m²	4,914	5,253,066
4	Circulation, balconies, plant and sundry areas	1,571 m²	2,410	3,786,110
5	Stair and lifts	Item		1,815,000
6	Preliminaries, overheads and profit	10.00%		included above
7	**Sub-total Dwellings**	**16,147 m²**	**4,312**	**69,620,162**
	Train Station			
8	Station including stair and lifts	1,809 m²	9,303	16,829,127
9	Existing station and south platform	No Work		0
10	Future north platform (allow 180mL x 4.7mW)	Option		0
11	Future second rail line including track, earthworks and signalling (allow 1000 track meter)	Option		0
12	Public pedestrian overpass including lift and stair	Option		0
13	Preliminaries, overheads and profit	40.00%		6,731,700
14	**Sub-total Train Station**	**1,809 m²**	**13,024**	**23,560,827**
15	TOTAL BUILDING COST	**17,956 m²**	**5,189**	**93,180,989**

MAV Housing
Innovation Study
Eaglehawk Station

BUILDING WORKS (MID-HIGH RANGE)

Cost Plan A

Functional Area

26 October 2025

Fully **E**nclosed **C**overed **A**rea	16147 m²
Unclosed **C**overed **A**rea	1809 m²
GFA (FECA + UCA)	17956 m²

		Quantity		Rate	Total
	AREA				
	Dwellings				
1	Apartments - Levels 1-4	10,807	m²	5,638	60,929,866
2	Townhouses - Levels 0-2	2,700	m²	3,553	9,593,100
3	Community use	1,069	m²	4,914	5,253,066
4	Circulation, balconies, plant and sundry areas	1,571	m²	2,410	3,786,110
5	Stair and lifts		Item		1,815,000
6	Preliminaries, overheads and profit		10.00%		included above
7	**Sub-total Dwellings**	**16,147**	**m²**	**5,040**	**81,377,142**
	Train Station				
8	Station including stair and lifts	1,809	m²	9,303	16,829,127
9	Existing station and south platform		No Work		0
10	Future north platform (allow 180mL x 4.7mW)		Option		0
11	Future second rail line including track, earthworks and signalling (allow 1000 track meter)		Option		0
12	Public pedestrian overpass including lift and stair		Option		0
13	Preliminaries, overheads and profit		40.00%		6,731,700
14	**Sub-total Train Station**	**1,809**	**m²**	**13,024**	**23,560,827**
15	TOTAL BUILDING COST	**17,956**	**m²**	**5,844**	**104,937,969**

MAV Housing
Innovation Study
Eaglehawk Station

SITE WORKS

Cost Plan A

Functional Area

26 October 2025

Fully **E**nclosed **C**overed **A**rea	m²
Unclosed **C**overed **A**rea	222 m²
GFA (FECA + UCA)	222 m²

		Quantity		Rate	Total
	EXTERNAL WORKS				
1	External demolition		Item		145,000
2	Site preparation and excavation		Item		305,000
3	Ground level carpark	3,983	m²	300	1,194,900
4	Existing ground level carpark	1,784	m²	110	196,240
5	Roads and paving		Item		490,000
6	Boundary fences and gates		Item		55,000
7	External buildings, equipment and furniture		Item		150,000
8	Soft landscaping and planting		Item		855,000
9	**Sub-total EXTERNAL WORKS**		$15275.41/m²GFA		**3,391,140**
	EXTERNAL SERVICES				
10	External services		Item		4,000,000
11	Site infrastructure upgrades		Item		2,000,000
12	**Sub-total EXTERNAL SERVICES**		$27027.03/m²GFA		**6,000,000**
13	Preliminaries, overheads and profit on external works and services		10.00%		940,000
14	TOTAL SITEWORKS COST (TSC)		$46536.67/m²GFA		**10,331,140**

8.6 Feasibility analysis

The development feasibility assessment for the above concept plans, prepared by HillPDA.

MAV Housing Innovation Project: Site 2 Eaglehawk Feasibility Analysis

Prepared for McP Studio and Municipal Association of Victoria

Draft 17 November 2025

HillPDA CONSULTING

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Front cover image: Austin Maynard Architects

City of Greater Bendigo Acknowledgement

The City of Greater Bendigo is located on the traditional lands of the Dja Dja Wurrung and the Taungurung Peoples of the Kulin Nation. They are the traditional custodians of this land.

1.0 INTRODUCTION

1.1 Purpose

This report provides a financial feasibility assessment of a Eaglehawk new build case study development. The case study was provided by McP Studio as part of a housing innovation project for the Municipal Association of Victoria (MAV) and partner councils. The partner council for this case study is City of Greater Bendigo.

This assessment should be read in conjunction with the following inputs:

- Design concept for case study site by Austin Maynard Architects, 11 September 2025
- Construction cost estimate by PlanCost Australia, Cost Plan A, 26 October 2025.

1.2 Qualification

This analysis is indicative and is based on preliminary design envelopes and cost and revenue inputs. The analysis is designed to inform the MAV housing innovation study brief and should not be relied upon for any other purpose.

1.3 Report Structure

This report is structured as follows:

- Section 2: market research summary and design concept developed for the site
- Section 3: financial feasibility assessment method and results
- Section 4: alternative housing innovation delivery models
- Appendix A: demographic analysis
- Appendix B: market research
- Appendix C: feasibility modelling in more detail.

2.0 MARKET RESEARCH AND DESIGN

2.1 Market Research Summary

Eaglehawk is a historic town of the regional city of Bendigo, located approximately 6 kilometres from the Bendigo CBD and 155 kilometres north of Melbourne (2021 population of 5,538). The town is served by the Eaglehawk Railway Station with connects to Bendigo, Melbourne and Swan Hill.

The population of the wider district has shown steady growth over the past two decades and is expected to continue a growth trajectory into the future.

The age profile of Eaglehawk is broadly balanced and is ageing. Household profiles are also changing. Lone person households, couples without children and one parent families are projected to increase over time.

Most dwelling stock comprises detached houses on large lots, although semi-detached dwellings (villa units and townhouses) have become more popular and are growing strongly off a low base.

Adding more smaller and lower maintenance homes for older persons and other smaller household types is a potential growth segment for the local area. The market research shows Eaglehawk is well-positioned for sustainable long-term housing market growth, having solid interest from owner-occupiers and investors.

The primary smaller housing choice at the current time comprises single-level layouts with 2 or 3 bedrooms with private outdoor spaces and garages. This is shifting to two level townhouses in the region and the next phase of development may include low-scale apartments that provide similar attributes and pricing to the villa units and townhouses.

Figure 1: Image of Eaglehawk

Source: iStock

2.2 Design Concept

The design concept provides a guide to floorspace yield based on site attributes, market research information and planning and design guidance. The design process has determined that the site is capable of a development outcome comprising:

- 163 apartments and 18 townhouses constructed in the train station precinct
- Three apartment buildings (3, 4 and 5 level), includes commercail space
- Townhouses (terraces) in a row of 18.
- Note that a significant share of cost (approximatley 22.5% of estimated cost) relates to train station and rail works. It is assumed this cost is borne by the state government and not the developer of the housing project.

Selected metrics and net sellable area assumptions are shown in the table below.

Table 1: Development metrics

Case study	New build, Eaglehawk			
Address	Eaglehawk Train Station Precinct, Hall Street & Malket Street, Eaglehawk			
Architect	Austin Maynard Architects, 11 September 2025			
Zone	Public Use Zone - Transport			
Development metrics				
Site area sqm	22,966			
Site coverage sqm	6,022			
Site coverage %	26%			
Component	Total	Common	Apartment	Townhouse
GFA	23,723	4,876	16,147	2,700
GFA - ground	4,876	4,876	0	n.a.
GFA - upper floors	18,847	0	16,147	n.a.
Commercial				
Ground + Level 1 NSA	2,875			
Residential	**Number**	**Ave. Size**	**Area**	
1 bed	108	57	6,133	
2 bed	55	85	4,675	
Total	163		10,808	69%
Townhouses				
3 bed	18	120	2,160	
Total	18		2,160	80%
Total (apt. and t.h.)	181			
Site Density dw/ha	78.8			
Car spaces				
	Apartment	Townhouse	Visitor / Existing	
Garage	0	18	0	
Ground	119	0	64	
Total	119	18	64	
Rate	73%	100%		
Units with no parking	44	0		
Communal space				
Outdoor	1,400			
Upper	200			

Source: Austin Maynard Architects; HillPDA sellable area

2.3 Financial Feasibility Assessment

Development feasibility modelling tests the financial scope of delivering the development on the site.

In a base scenario, it is assumed a developer will seek to purchase and develop the site for a short-term return by selling the finished units/floorspace as soon as possible post-construction.

In this case study, it is assumed the state government undertakes part of the construction associated with train station and rail works. Details are shown below.

The method for feasibility testing is discounted cash flow (DCF) analysis. DCF analysis is an appropriate method when project timelines extend beyond one year, and time value of money considerations are included in the analysis. DCF is a valuation method that seeks to determine the feasibility of an investment by examining projected future income and costs or cash flow from the investment, and then discounts that cash flow at a selected rate (discount rate) to arrive at an estimated current value of the investment. Another method is simple Development Margin analysis, which ignores time value of money.

The residual land value is the maximum price a developer would be prepared to pay for a site in exchange for the opportunity to develop the site, whilst achieving target hurdle rates for profit and project return. The residual value must be of a sufficient amount to encourage an owner to sell and/or displace the current use of the land. For development to be viable, the residual land value of a development opportunity must exceed the 'as is' value of the property. If the residual land value is lower than a site's current 'as is' value, redevelopment is not viable.

A target rate of return in the modelling is shown as internal rate of return (IRR). Internal rate of return is the return of an investment on an annualised basis and expressed as a percentage.

2.4 Revenue Assumptions

Base revenue assumptions, before escalation over the development period, are shown in the table below.

These assumptions are based on recent sales evidence. Limited evidence is available for new apartment units in the market area and as such assumptions are made. Prices that owner-occupiers and investors can pay has been impacted by inflationary pressures and interest rates increases in the post-pandemic period.

Scenario testing is undertaken to show higher end sales values in the financial modelling in addition to the base estimate.

Table 2: Base revenue assumptions, October 2025)

Revenue	Per Unit	Number	Revenue
Commercial	$3,400	2,875	$9,775,000
Apartments			
1 bed (no parking)	$324,998	44	$14,299,894
2 bed (no parking)	$442,255	64	$28,304,320
2 bed	$517,255	55	$28,449,025
Townhouses			
3 bed	$591,000	18	$10,638,000
Total		**182**	**$91,466,239**

Source: HillPDA assumptions

2.5 Cost and Modelling Assumptions

The costs and modelling assumptions of development are assumed as follows.

Revenue:

- Revenue: As shown in the section above (inclusive of GST).
- Escalation: General escalation assumed at 3.5%. Scenarios above this level are included in modelling where shown.
- Pre-sales: 60% pre-sales are assumed.

Land:

- Land cost: A nominal $11,483,000 land value input is assumed to estimated taxes, charges and holding costs.

Construction:

- Construction cost: Based on PlanCost Australia estimate, as shown in the table below.
- Construction cost escalation: Included in PlanCost Australia estimate.

Soft Costs:

- Professional fees: 7.5% of construction cost included in PlanCost Australia estimate.
- Fees, taxes and charges: Allowance made for approximately $2,514,300 one-off payments for Land Transfer Duty, Windfall Gains Tax, Council Planning Permit Fee, and Open Space Contribution.
- Allowance made for approximately $351,800 annual council, state and utility levies for the duration of development.
- Sales commissions and marketing costs: Deducted to derive net sale proceeds.
- Project contingency: 1.5% of development cost.

Financing:

- Equity and Debt: Interest on debt is assumed at 7.5% per annum. It is assumed that the project is 80% debt and 20% equity funded.

Profit / Risk:

- Target profit risk: >15% internal rate of return and >18% development margin.

Project Timing:

- Pre-planning: Assumed 22 months from project start.
- Construction: 26-month construction period assumed as shown in PlanCost Australia.
- Post completion sales: 16 months post construction.

The main cost input is construction cost with associated professional fees. The PlanCost Australia estimate is shown below.

Table 3: Construction cost estimate by PlanCost Australia

The current anticipated Total End Cost is:	Low-Mid Range	Mid-High Range
Building Works	$93,180,989	$104,937,969
External Works and Services	$10,331,140	$10,331,140
Contingencies, Escalation and Allowances	$31,840,000	$35,456,000
Fees, FFE, ITC and Other Client items	$14,143,000	$15,747,000
Prolongation, Delay and Project risk	excluded	excluded
Total End Cost	**$149,495,129**	**$166,472,109**

Source: PlanCost Australia, includes escalation, excludes GST

It is assumed that the apportionment of costs is approximatley 22.5% to the state government for train station and rail works and the remainder (77.5%) to the developer.

Table 4: Assumed apportionment of costs

The current anticipated Total End Cost is:	Low-Mid Range	Mid-High Range
State Government	**$33,564,866**	**$37,376,563**
Developer	**$115,930,263**	**$129,095,546**

Source: derived from PlanCost Australia data, includes escalation, excludes GST

Refer to Appendix C for all costs and data modelling assumptions.

2.6 Feasibility Modelling Results

The results are summarised in the table and figure below (with details shown in Appendix C).

- The best estimate data indicates the project is not commercially viable from a private sector investment perspective at the current time, under the low-mid cost scenario (and therefore higher cost scenario). This includes the state contributing 22.5% of the total estimated construction costs.
- For the development, we estimate that the market may be able to absorb revenue (escalated to point of sale) of approximatley $489,000 per unit average.
- The construction cost estimate starts at approximatley $512,000 per unit and the total development cost estimate starts at approximately $648,000 per unit.
- Alternative revenue scenarios have been modelled, and these indicate a project could be commercially viable if revenue is 51% higher under the low-mid cost scenario (and 69% under the higher cost scenario). This is a significant required increase and is unrealistic in the foreseeable future.
- Assuming costs do not change, the required average revenue per unit would need to be approximately $736,000 (and higher for the mid-high range cost estimate).
- Given the complexity of this project being on rail land and having a construction interface with state transport works, the project is likley best achieved via the state government development agency, Development Victoria.
- Following completion of station and rail works, development packages could be offered to the development market.

- This is likley to require a Community Housing Association (CHA) for delivery of the apartment components. A CHA works to non-commercail metrics and will in most cases access government funding support to deliver and manage housing.
- Consider allocating the townhouse project for private sector development if a commercail return on land is the objective.
- Undertake a review of costs of development and seek to reduce costs where possible.

Figure 2: Feasibility summary

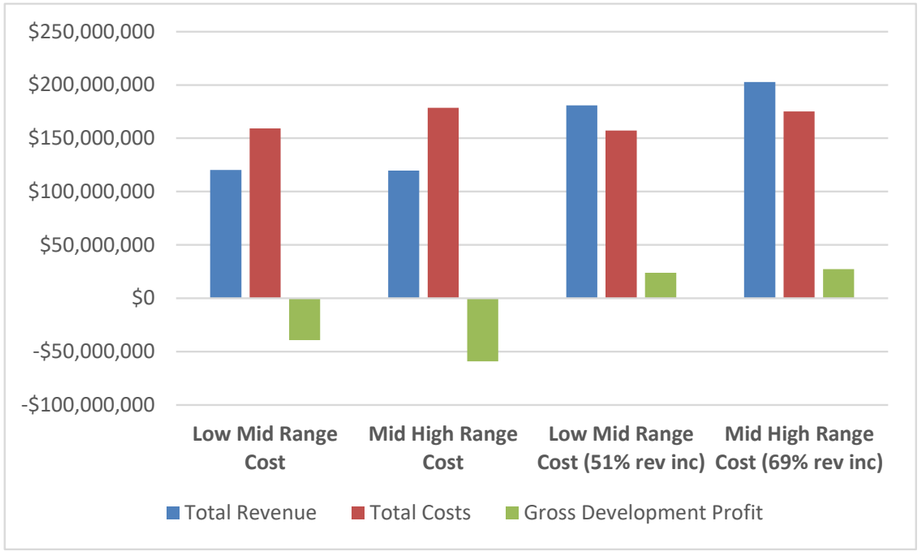


Table 5: Feasibility summary

Option	Low-Mid Range Cost	Mid-High Range Cost	Low-Mid Range Cost (51% rev inc)	Mid-High Range Cost (69% rev inc)
Scenario	**1**	**2**	**3**	**4**
Units (No.)	245 units	245 units	245 units	245 units
Gross Floor Area (SQM)	23,723 GFA	23,723 GFA	23,723 GFA	23,723 GFA
Site Area	22,966 SqM	22,966 SqM	22,966 SqM	22,966 SqM
Type	Residential	Residential	Residential	Residential
Revenue				
Gross Sales Revenue	$123,330,922	$122,777,197	$185,393,568	$207,493,464
Less Selling Costs	-$3,074,454	-$3,065,409	-$4,422,600	-$4,901,609
TOTAL REVENUE (after GST paid)	**$120,256,468**	**$119,711,788**	**$180,970,968**	**$202,591,855**
Costs				
Land Purchase Cost	$11,483,000	$11,483,000	$11,483,000	$11,483,000
Land Acquisition Costs	$13,810,566	$13,810,566	$13,810,566	$13,810,566
Construction (inc. Construct. Contingency)	$125,739,132	$144,229,010	$125,739,132	$144,229,010
Professional Fees	$2,592,257	$2,869,425	$2,607,052	$2,889,685
Contributions and Charges	$1,315,634	$1,315,634	$1,315,634	$1,315,634
Other Allowances	$1,109,284	$1,104,259	$1,667,430	$1,866,197
Land Holding Costs	$864,836	$865,157	$865,157	$865,157
Pre-Sale Commissions	$860,640	$853,270	$1,288,437	$1,442,026
Interest Expense	$13,357,686	$15,588,680	$10,408,197	$11,032,150
TOTAL COSTS (before GST reclaimed)	$171,478,817	$192,515,630	$169,530,388	$189,330,055
Less GST reclaimed	-$12,156,505	-$13,865,273	-$12,370,040	-$14,156,833
TOTAL COSTS (after GST reclaimed)	**$159,322,313**	**$178,650,357**	**$157,160,349**	**$175,173,222**
Performance				
Gross Development Profit	-$39,065,845	-$58,938,568	$23,810,619	$27,418,632
Residual Land Value (Target Margin)	-$35,712,833	-$52,287,883	$8,351,518	$8,549,132
Residual Land Value (TM) / SQM	-$1,555	-$2,277	$364	$372
Project Internal Rate of Return (IRR)	-10.2%	-16.6%	11.8%	12.3%
Residual Land Value (NPV)	-$29,459,052	-$41,851,232	$5,480,061	$5,906,258
Residual Land Value (NPV) / SQM	-$1,283	-$1,822	$239	$257

3.0 ALTERNATIVE HOUSING DELIVERY MODELS

3.1 Overview

This section provides a preliminary scoping of housing innovation options that may be considered to facilitate the supply of more diverse and / or more affordable housing options via the use of public land (i.e. local government land).

3.2 Council Land Options

Sale or Lease of Land

Councils may from time to time sell land or lease land at market value or at a discount.

The divestment or lease could be made to a to a private entity or to a not-for-profit entity like a housing association or some form of land trust. This could be done for a housing purpose to meet the needs of the local community.

Discounted land sale has the potential to make development projects viable for the developer in cases where financial viability is not possible.

Discounted lease of land to a housing provider can have the same benefit for the housing provider; that is, generating a financially acceptable outcome.

Land Trust Model

A land trust model enables the individual household to purchase a dwelling or build a dwelling on land owned or controlled by a land trust. Land trust arrangements offer the opportunity for home ownership to a group that would otherwise not be able to afford a land with dwelling.

The land trust could have a particular objective such as meeting the needs of key workers, first home buyers or older persons.

3.3 Some Recent Land Innovation Examples

Selected case studies regarding housing investment innovation provide insights into potential responses that may be relevant.

Key Worker and Affordable Housing Project, Warrnambool City Council, Victoria

Facilitating key worker housing supply on council land

Warrnambool City Council in regional Victoria developed this project to tackle the lack of affordable rental homes in the area. This proposed project involves the leasing of land by Council to a Community Housing Agency (CHA) for a period of up to 25 years. The CHA will be required to build a minimum of 50 self-contained units, with a 50/50 split of key worker accommodation and affordable housing. Affordable units would have rents capped at 75 per cent of market rate, while employers would lease the key worker accommodation to their

employees. All built assets will be disposed through sale or relocation at the end of the project period. The project is estimated to cost $15 to $18 million, with council seeking funding from private equity and governments.

Winanglo Community Village, Community Bank Surf Coast, Victoria

Joint venture older persons housing development that included a land contribution from council

The town of Winchelsea (1.5 hours from Melbourne and population of approximately 2,456 in 2021), has a shortage of appropriate housing for older people that are looking to downsize in the town.

In response to this, the Community Bank Surf Coast established a social enterprise called Winanglo to drive the development of 10 independent living units and associated support services locally. The Community Bank committed $1.5 million towards the $5 million project with the remainder supplied through loans. The loans were repaid through the sale of the units, and profits reinvested on other local community projects on an as-needed basis.

Surf Coast Shire Council assisted through the transfer of vacant land for $1. As an incorporated association with charitable status the development is to remain in the ownership of the local community.

Regional Key Worker Housing Scheme, South Australian State Government

State development of key worker housing which are on-sold to investors

Administered by the State Office for Regional Housing, this pilot program aims to address the need for affordable and accessible quality housing options to attract and retain essential workers including police, teachers and healthcare workers in country communities.

The program will develop approximately 35 new homes in key regional centres which will be sold to private investors with long-term, employer-backed leases attached.

Sloane Street Development, Northern Grampians Council, Victoria

Housing development in a location with a limited private sector market

Northern Grampians Council rezoned a parcel of land owned by Council in Stawell for residential purposes and then invited developers to submit proposals for the purchase and development of the land for residential purposes. The Council set terms and conditions, which included the provision of a diverse range of housing on the site. A $500,000 grant was also secured from the State Government's Regional Infrastructure Fund with an equivalent matched funding contribution from the Council to extend services to the site.

Correa Park, Pyrenees Shire Council, Victoria

Housing development in a location with a limited private sector market

Correa Park is a council-developed subdivision in the rural town of Beaufort. It was instigated due to the stagnating population in the area combined with a lack of interest from developers in the large-scale investment required to significantly boost local housing stock.

Pyrenees Shire Council used $6 million in savings and loans to purchase land in a residential zone, as well as for realignment of road and utilities connection. The project was completed in 2021 and costs have been recouped through the sale of the 100 lots within the subdivision.

Harris Transportable Housing, Launch Housing, Maidstone

Low cost housing supply on state owned land

Launch Housing is using nine parcels of vacant VicRoads land in Footscray and Maidstone to create 57 tiny homes for people with a chronic experience of homelessness. They are utilising the Fredi transportable home model, which has 20 sqm of internal space with a 9 sqm verandah. It is designed with passive heating, shading and cooling) to achieve 6+ star rating for reduced occupant running costs.

APPENDIX A: DEMOGRAPHIC ANALYSIS

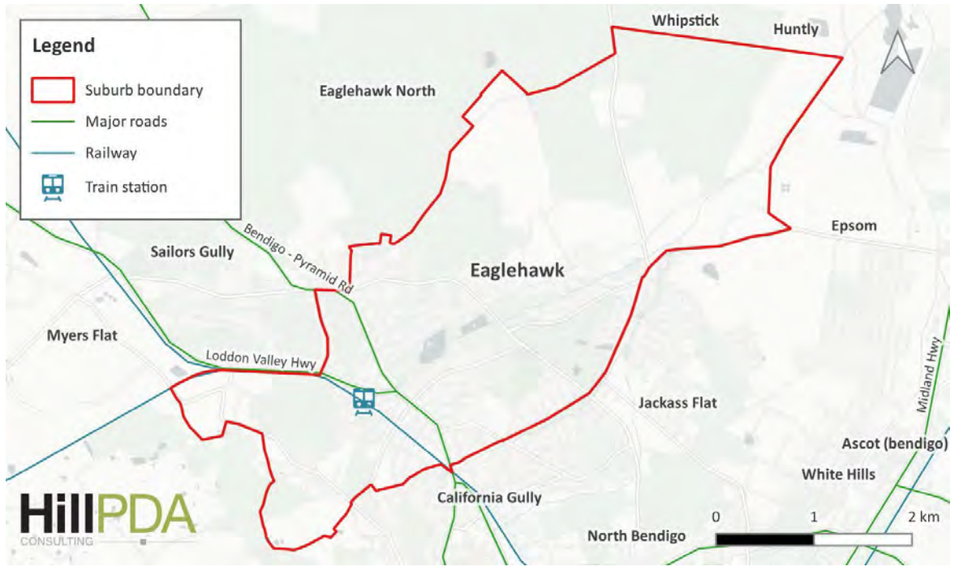
A.1 Overview

This section provides a demographic profile of Eaglehawk. This information informs market responsive housing options.

A.2 Eaglehawk

Eaglehawk is a historic suburb of the regional city of Bendigo, located approximately 6 kilometres from the Bendigo CBD and 155 kilometres north of Melbourne. It is served by the Eaglehawk Railway Station with connects to Bendigo, Melbourne and Swan Hill.

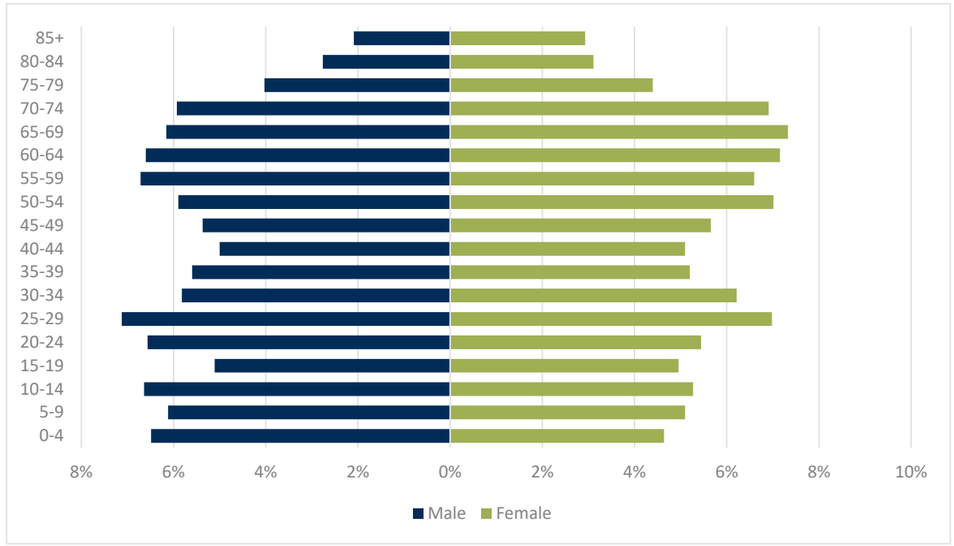
Figure 3: Eaglehawk and surrounds



Imagery: CARTO (2025)

At the 2021 Census, Eaglehawk had an estimated population of 5,538. The age profile is broadly balanced; however the population also shows signs of ageing, with an average age of 43. There are more residents in their 50s and 60s (26.7%) than in their 30s and 40s (22%), and a significant 22.9% of the population is aged 65 and over.

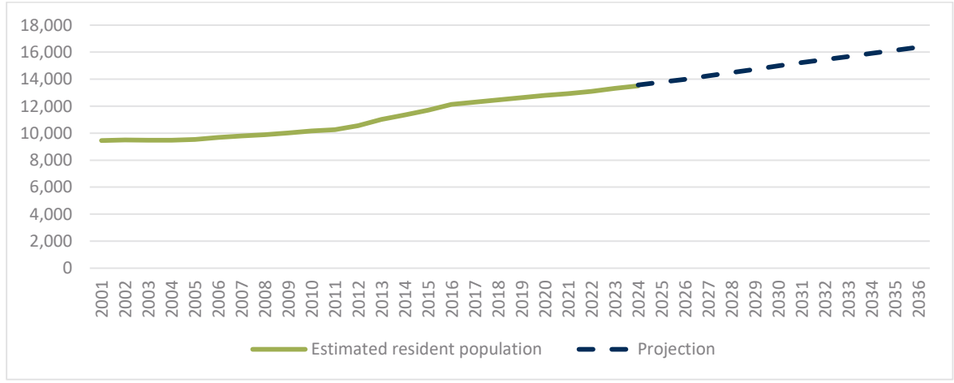
Figure 4: Age distribution in five year age groups (Eaglehawk)



Source: ABS (2021).

Population projections are published by the state government for a larger area called California Gully – Eaglehawk (2021 population 12,949). The population of this wider district has shown steady growth over the past two decades, accelerating somewhat after 2010, with moderate growth projected into the future. The population increased by approximately 4,050 people between 2001 and 2024 and is expected to grow by almost 3,000 to 2036, at a rate of around 1.7% annually.

Figure 5: Population projection (California Gully – Eaglehawk)



Source: ABS (2025); DTP (2023).

According to the 2021 Census, in Eaglehawk:

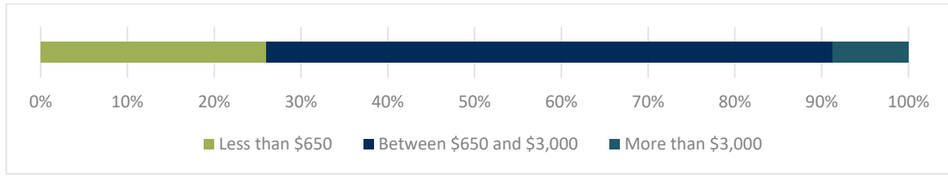
- The median weekly household income was $1,140
- The median monthly mortgage repayment was $1,300
- The median weekly rent was $265.

Just over a quarter of households earn below $650 per week, while only 8.7% earn $3,000 or more.

Incomes have increased over the past decade, with the proportion of households earning more than $3,000 per week showing growth.

In the same time frame, the share of households earning less than $400 per week almost halved, falling from 17.6% to 7.5%.

Figure 6: Household income ranges (Eaglehawk)



Source: ABS (2021).

Eaglehawk has a predominantly Australian-born population, with 7.1% born overseas. English is the dominant language, with 90.5% of residents using only English at home. A small migrant community from Myanmar is present, with approximately 43 residents born there and 78 speaking Karen languages at home.

Top countries of birth (excluding Australia):

1. England (1.8%)
2. Myanmar (0.8%)
3. New Zealand (0.7%)

Top languages used at home (excluding English):

1. Karen (1.4%)
2. Punjabi (0.3%)
3. Greek (0.3%)

A.3 Dwelling Profile

Between 2011 and 2021, the number of dwellings increased by almost 20%. Separate houses saw the largest absolute growth (509 dwellings), to account for over 90% of all dwellings. Semi-detached dwellings more than doubled, increasing by 165.6%, although they still represent a relatively small share. The number of flats or apartments fell from 249 in 2011 to zero in 2021. This sharp decline may be partially explained by data discrepancies that result in changes in classification between separate houses, semi-detached and flats in the selected Census periods.

Table 6: Dwelling structure (Eaglehawk)

Description	2011		2021		Change	
	#	%	#	%	#	%
Separate house	1,673	84.1%	2,182	92.6%	+509	+30.4%
Semi-detached, row or terrace house, townhouse etc.	64	3.2%	170	7.2%	+106	+165.6%
Flat or apartment	249	12.5%	0	0.0%	-249	-100.0%
Other dwelling	3	0.2%	4	0.2%	+1	+33.3%
Total	**1,989**	**100.0%**	**2,356**	**100.0%**	**+367**	**+18.5%**

Source: ABS (2011; 2021).

Eaglehawk has seen a shift toward larger homes, with the number of dwellings with four or more bedrooms growing the most of all types, increasing by 48.4%. In comparison, the share of smaller zero to two bedroom dwellings stayed relatively stable.

Table 7: Number of bedrooms (Eaglehawk)

Description	2011		2021		Change	
	#	%	#	%	#	%
None (includes studio apartments or bedsitters)	9	0.5%	3	0.1%	-6	-66.7%
1 bedroom	89	4.6%	90	3.9%	+1	+1.1%
2 bedrooms	450	23.5%	502	21.6%	+52	+11.6%
3 bedrooms	990	51.7%	1,163	50.2%	+173	+17.5%
4 or more bedrooms	378	19.7%	561	24.2%	+183	+48.4%
Total	**1,916**	**100.0%**	**2,319**	**100.0%**	**+403**	**+21.0%**
Average number of bedrooms per dwelling	2.9	-	3	-	-	-

Source: ABS (2011; 2021).

The number of households grew by 18.1% between 2011 and 2021. This included notable growth in lone person households, which increased by 25.3% and now make up 35.9% of all households. The next largest growth occurred in couple families without children, which grew

by 110 households, or 23.1%. This is reflected in the average household size, which saw a minor decrease from 2.3 to 2.2 over the time period.

Table 8: Household composition (Eaglehawk)

Description	2011		2021		Change	
	#	%	#	%	#	%
Lone person	677	33.9%	848	35.9%	+171	+25.3%
Group	63	3.2%	70	3.0%	+7	+11.1%
Family	1,260	63.0%	1,443	61.1%	+183	+14.5%
Couple family without children	476	23.8%	586	24.8%	+110	+23.1%
Couple family with children	481	24.1%	503	21.3%	+22	+4.6%
One parent family	290	14.5%	325	13.8%	+35	+12.1%
Other family	13	0.7%	29	1.2%	+16	+123.1%
Total	**2,000**	**100.0%**	**2,361**	**100.0%**	**+361**	**+18.1%**
Average household size (no. of persons)	2.3	-	2.2	-		

Source: ABS (2011; 2021).

In terms of expected growth for the wider California Gully – Eaglehawk district, households are expected to grow by around 30% by 2036. Lone person households are expected to see the largest increase in both real numbers and percentage terms. While they will remain the dominant household type, their share of total households is expected to decline slightly (by around 3%) due to growth in other household types. In particular, couple families without children and one parent families are projected to increase their share of all households over the period.

Table 9: Household projections by type (California Gully – Eaglehawk)

Description	2021	2026	2031	2036		Change 2021-2036	
				#	%	#	%
Couple family without children	1,351	1,475	1,586	1,692	23.4%	+341	+25.2%
Couple family with children	1,292	1,417	1,533	1,662	23.0%	+370	+28.7%
One parent family	900	977	1,063	1,167	16.1%	+267	+29.6%
Other family	90	97	106	110	1.5%	+20	+22.0%
Lone person	1,758	1,953	2,171	2,379	32.9%	+621	+35.3%
Group	168	185	200	218	3.0%	+50	+29.6%
Total	**5,559**	**6,103**	**6,658**	**7,227**	**100.0%**	**+1,668**	**+30.0%**

Source: DTP (2023).

All tenure types increased in number over 2011 to 2021. While the number of dwellings owned with a mortgage declined slightly as a proportion of all dwellings (from 33.9% to 32.4%), the proportion of homes owned outright increased marginally (from 36.2% to 37.5%). Dwellings were spread evenly across each main tenure type, while other tenure type remained a small minority at around 1% of all dwellings.

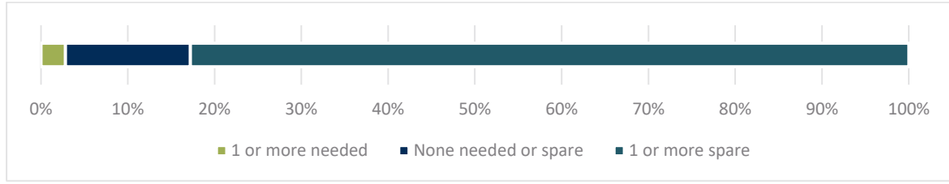
Table 10: Tenure type (Eaglehawk)

Description	2011		2021		Change	
	#	%	#	%	#	%
Owned outright	689	36.3%	867	37.5%	+178	+25.8%
Owned with a mortgage	644	33.9%	749	32.4%	+105	+16.3%
Rented	552	29.1%	675	29.2%	+123	+22.3%
Other tenure type	13	0.7%	22	1.0%	+9	+69.2%
Total	**1,898**	**100.0%**	**2,313**	**100.0%**	**+415**	**+21.9%**

Source: ABS (2011; 2021).

In 2021, the vast majority (82.8%) had one or more spare bedrooms. Of these, while the majority had only one to two bedrooms spare, 11.4% had three or more spare. In contrast, less than 3% of dwellings required additional bedrooms, with 73.4% of them requiring one more, 21.9% requiring two, and 4.7% requiring three or more.

Figure 7: Housing suitability (Eaglehawk)



Source: ABS (2021).

APPENDIX B: MARKET RESEARCH

B.1 Overview

This section provides a profile of the Eaglehawk property market. This information informs market responsive housing options.

The market research provides realistic assumptions around pricing, demand and development activity, which are essential for evaluating the viability of housing options.

B.2 Residential Market Overview

The residential unit market in Eaglehawk primarily comprises townhouses and villa units. The market has undergone a price correction over the past 12 months with the median unit price being approximately $340,000, reflecting a 15% decline year-on-year.

B.3 Supply Indicators

Eaglehawk currently has limited housing stock on the market, with 2 units and 25 houses available in the past month.

The median time on market for houses is 29 days, suggesting active buyer engagement and a competitive market.

Units typically take 56 days to sell, indicating moderate demand, with 94 buyers showing interest in the past month.

B.4 Affordability

The median house price in Eaglehawk is $526,500, while the median household income is estimated at $792 per week. This implies a high price-to-income ratio.

B.5 Rental Market Performance

Eaglehawk attracts investor interest due to its strong rental performance. Houses yield around 4.8%, while units offer up to 6.2%.

The vacancy rate is low, with units leasing in 15 days on average, and houses in 18 days, reflecting consistent tenant demand.

B.6 Drivers and Outlook

The factors that will support ongoing market interest and demand in the area include:

- Regional migration from Melbourne due to affordability pressures
- Infrastructure availability including transport linkages, train services and ongoing growth and development in the Greater Bendigo region
- Investor confidence supported by solid rental yields and relatively low entry prices.

Overall, Eaglehawk is well-positioned for sustainable long-term housing market growth.

B.7 Sales Evidence

Our research indicates that there are no residential apartment developments for sale in Eaglehawk.

In this location smaller housing options are available as villa-style units rather than traditional multi-storey apartment buildings. These properties typically feature:

- Single-level layouts
- Private outdoor spaces
- Individual driveways and garages
- A design that blends the privacy of a standalone home with low-maintenance attributes similar to apartment style accommodation.

The recent sales of villa-style units in Eaglehawk show a range of sale prices from $379,000 to $430,000, with internal areas varying between 62 and 97 square meters. The price per square metre ranges from $4,290/sqm to $6,720/sqm.

Table 11: Villa unit sales evidence

Address, Eaglehawk	Sale Price	Bedrooms	Internal Area (sqm)	$/sqm	Sale Date
1/16 Bright Street, Eaglehawk	$379,000	2	62	$6,112	May 25
3/2A Church Street, Eaglehawk	$430,000	2	64	$6,719	May 25
2/25 Simpsons Road, Eaglehawk	$416,000	2	97	$4,288	Jun-25

Source: RP Data Professional, HillPDA

B.8 New Townhouses in North Bendigo

Our research revealed that there are no new townhouse developments in Eaglehawk but there are projects in the wider northern Bendigo region:

- 17 Bakewell Street, North Bendigo: A new townhouse development in planning.
- 9 & 10/36 Bayne Street, North Bendigo: Currently listed for $650,000 to $700,000 for 3-bed, 2-bath, 2-car modern townhouses, targeting the upper end of the market for new builds.

Following is a sample of recent townhouse sales in North Bendigo. The dwellings are 2 or 3 bedroom and sell for between $400,000 to $560,000. Internal areas range from 72 sqm to 104 sqm. Sales rates range from $4,430/sqm to $5,560/sqm.

Table 12: North Bendigo townhouses sales evidence

Street Address, North Bendigo	Sale Price	Internal Area	$/sqm	Bedrooms	Sale Date
4/69 Thunder Street	$400,000	72	$5,555	2	June 25
2/164 Arnold Street	$560,000	103	$5,436	2	May 25
3/18 Dooley Street	$483,000	104	$4,644	3	April 25
20A Lobb Street	$425,000	96	$4,427	3	April 25

Source: RP Data Professional, HillPDA

B.9 Development Site Sales

A review of recent development applications reveals that the majority are for single-storey residential dwellings, reflecting a continued preference for low-density housing. Two applications involve multi-unit developments to be constructed by 2026.

Table 13: Eaglehawk development site sales

Address, Eaglehawk	Sold Price	Sold Date	Site Area	Units	$/sqm land	$/unit
7 Kneebone Street	$440,000	2024	1,008	3	$436	$146,667
45 Orlando Street	$515,000	2022	1,334	3	$386	$171,667

Source: RP Data Professional, HillPDA

B.10 Commercail Property Market

Eaglehawk's commercial property market is characterised by a mix of local retail shopfronts, industrial warehouses, and development sites, reflecting its role as a suburban hub within Greater Bendigo.

Retail properties are typically small-format shopfronts located along High Street and Victoria Street, serving residents and passing trade.

There are limited recent sales with one 74 sqm shopfront transacting at $250,000 at $3,380/sqm.

Table 14: Eaglehawk commercial sales

Address, Eaglehawk	Sale Price	Sale Date	Floorspace (sqm)	$/sqm	Type
40 High Street	$250,000	May 2023	74	$3,378	Sigle storey retail
2 Baldock Court	$935,000	Jan 24	3,450	$246	Industrial site
8 Baldock Court	$1,150,000	Dec 2023	333	$3,453	Industrial building

Source: RP Data Professional, HillPDA

B.11 Market Summary

Development Site Values

- Development site land values range from $390/sqm to $440/sqm, or $146,670/unit to $171,670/unit.
- Most residential developments are townhouses (villa units) and houses.

Townhouses Prices

- Townhouses (villa unit) prices range from $379,000 to $430,000, at $4,290/sqm to $6,720/sqm (internal area 60 to 100 sqm).
- In nearby North Bendigo, there is evidence of higher pricing for 2- and 3-bedroom units that sell for between $400,000 to $560,000.

Apartment Prices

- Limited market evidence is available to support apartment prices for newly constructed stock.

Commercail Shopfront Prices

- Commercail shopfront price evidence is limited but a recent example indicates $3,380/sqm (shopfront under 100 sqm).

APPENDIX C: FEASIBILITY MODEL DATA

The sheet overleaf shows a summary of the modelling scenarios.

- Low-mid range cost feasibility summary
- Mid-high range cost feasibility summary
- Low-mid range cost feasibility summary with revenue increase required to make the project commercially viable
- Mid-high range cost feasibility summary with revenue increase required to make the project commercially viable.

After that sheet, more detailed modelling data is shown for the base feasibility mode: low-mid range cost feasibility.

ARGUS EstateMaster | Development Feasibility

COMPARISON OF OPTIONS

New build, Eaglehawk

Licensed to: Hill PDA Pty Ltd

	1	2	3	4
	Low-Mid Range Cost	Mid-High Range Cost	OPT 1 - (51% REV INC)	OPT 2 - (69% REV INC)
	1	2	3	4
	245 units 23,723 GFA 22,966 SqM Residential Under Review	245 units 23,723 GFA 22,966 SqM Residential Under Review	245 units 23,723 GFA 22,966 SqM Residential Under Review	245 units 23,723 GFA 22,966 SqM Residential Under Review
Revenues				
Gross Sales Revenue	123,330,922	122,777,197	185,393,568	207,493,464
Less Selling Costs	(3,074,454)	(3,065,409)	(4,422,600)	(4,901,609)
Less Purchasers Costs	-	-	-	-
NET SALES REVENUE	120,256,468	119,711,788	180,970,968	202,591,855
Gross Rental Income	-	-	-	-
Less Outgoings & Vacancies	-	-	-	-
Less Letting Fees	-	-	-	-
Less Incentives (Rent Free & Fitout Costs)	-	-	-	-
Less Turnover Costs	-	-	-	-
Less Other Leasing Costs	-	-	-	-
NET RENTAL INCOME	-	-	-	-
Interest Received	-	-	-	-
Other Income	-	-	-	-
TOTAL REVENUE (before GST paid)	120,256,468	119,711,788	180,970,968	202,591,855
Less GST paid on all Revenue	-	-	-	-
TOTAL REVENUE (after GST paid)	120,256,468	119,711,788	180,970,968	202,591,855
Costs				
Land Purchase Cost	11,483,000	11,483,000	11,483,000	11,483,000
Land Acquisition Costs	13,810,566	13,810,566	13,810,566	13,810,566
Construction (inc. Construct. Contingency)	125,739,132	144,229,010	125,739,132	144,229,010
Professional Fees	2,592,257	2,869,425	2,607,052	2,889,685
Statutory Fees	1,315,634	1,315,634	1,315,634	1,315,634
Miscellaneous Costs 1	-	-	-	-
Misc 2	-	-	-	-
Marketing	1,109,284	1,104,259	1,667,430	1,866,197
Project Contingency (Reserve)	-	-	-	-
Land Holding Costs	864,836	865,157	865,157	865,157
Pre-Sale Commissions	860,640	853,270	1,288,437	1,442,026
Finance Charges (inc. Fees)	345,783	396,630	345,783	396,630
Interest Expense	13,357,686	15,588,680	10,408,197	11,032,150
TOTAL COSTS (before GST reclaimed)	171,478,817	192,515,630	169,530,388	189,330,055
Less GST reclaimed	(12,156,505)	(13,865,273)	(12,370,040)	(14,156,833)
Plus Corporate Tax	-	-	-	-
TOTAL COSTS (after GST reclaimed)	159,322,313	178,650,357	157,160,349	175,173,222
Performance Indicators	1	2	3	4
[1] Gross Development Profit	(39,065,845)	(58,938,568)	23,810,619	27,418,632
[2] Net Developer's Profit after Profit Share	(39,065,845)	(58,938,568)	23,810,619	27,418,632
[3] Development Margin (Profit/Risk Margin)	(24.48%)	(32.94%)	15.11%	15.61%
Target Development Margin	18.00%	18.00%	18.00%	18.00%
[5] Breakeven Date for Cumulative Cash Flow	N.A. (No Profit)	N.A. (No Profit)	Aug-2030	Aug-2030
Discount Rate (Target IRR)	15.00%	15.00%	15.00%	15.00%
[6] Net Present Value	(40,152,630)	(52,305,871)	(5,887,194)	(5,469,215)
[8] Benefit Cost Ratio	0.633	0.568	0.946	0.955
[9] Project Internal Rate of Return (IRR)	(10.25%)	(16.61%)	11.84%	12.27%
[10] Residual Land Value (NPV)	(29,459,052)	(41,851,232)	5,480,061	5,906,258
Peak Debt Exposure	126,168,949	140,439,567	126,988,106	141,528,620
Date of Peak Debt Exposure	Aug-2029	Aug-2029	Aug-2029	Aug-2029
[11] Breakeven Date for Project Overdraft	N.A.	N.A.	Mar-2030	Mar-2030
Total Equity Contribution	39,065,845	58,938,568	29,477,255	32,988,253
Peak Equity Exposure	39,065,845	58,938,568	29,477,255	32,988,253
Date of Peak Equity Exposure	Feb-2031	Feb-2031	Oct-2026	Feb-2027
[12] IRR on Equity	N.A.	N.A.	13.05%	13.54%
Weighted Average Cost of Capital (WACC)	10.63%	11.38%	10.00%	10.00%

Yield Analysis	1		2		3		4	
Sales	Qty	SqM	Qty	SqM	Qty	SqM	Qty	SqM
Residential - 1 Bedroom Units	57	-	57	-	57	-	57	-
Residential - 2 Bedroom Units	170	-	170	-	170	-	170	-
Townhouse Lots	18	-	18	-	18	-	18	-
Commerical Office	-	2,875	-	2,875	-	2,875	-	2,875
Not Classified	245	-	245	-	245	-	245	-
TOTAL	490	2,875	490	2,875	490	2,875	490	2,875
Tenancies		SqM		SqM		SqM		SqM
TOTAL		-		-		-		-

Build to Rent Analysis	1	2	3	4
Development Phase	Jan-2026 - Aug-2029	Jan-2026 - Aug-2029	Jan-2026 - Aug-2029	Jan-2026 - Aug-2029
Development Margin	20.00%	20.00%	20.00%	20.00%
Net Present Value	40,387,420	44,467,251	40,686,506	44,839,557
Internal Rate of Return	17.17%	17.62%	17.16%	17.62%
Equity IRR	24.26%	24.69%	24.29%	24.74%
Adopted Handover Value	186,559,476	207,818,260	187,758,432	209,420,247
Investment Phase	No Investment Phase	No Investment Phase	No Investment Phase	No Investment Phase
Initial Yield	-	-	-	-
Net Present Value	N.A.	N.A.	N.A.	N.A.
Internal Rate of Return (IRR)	N.A.	N.A.	N.A.	N.A.
Breakeven Date	N.A. (No Profit)	N.A. (No Profit)	Aug-2030	Aug-2030
Investment Hold Period	N.A.	N.A.	N.A.	N.A.
Terminal Capitalised Value	-	-	-	-

Footnotes (based on current Preferences):

1. Development Profit: is total revenue less total cost including interest paid and received
2. Developer's Net Profit after distribution of profit share.
3. Development Margin: is profit divided by total costs (exc selling & leasing costs)
5. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
6. Net Present Value: is the project's cash flow stream discounted to present value.
   It excludes all financing costs, interest and corp tax.
8. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and excludes all financing costs, interest and corp tax.
9. Internal Rate of Return: is the discount rate where the NPV above equals Zero.
10. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
11. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
12. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.

Development Feasibility Model

ARGUS EstateMaster Licensed to: Hill PDA Pty Ltd

M25013 : New build, Eaglehawk

Low-Mid Range Cost : 1

Date of Report :	20-Nov-2025	**Project Size :**	245 units
Time Span :	Jan-26 to Feb-31 (61 Months)		1 per 93.73 SqM of Site Area
Type :	Residential	**Project Size :**	23,723 GFA
Status :	Under Review		1 per 0.96 SqM of Site Area
Site Area :	22,966 SqM	**FSR :**	:1
		Equated GFA :	SqM
Prepared By :	Hill PDA	**Address :**	Eaglehawk Train Station Precinct, Hall Street & Malket Street, Eaglehawk
Prepared For :	McP Studio for MAV		Springvale
Developer :	TBD		Victoria
			Australia

Disclaimer

1.This report and its attached appendices are based on estimates, assumptions and information provided by the Client or sourced and referenced from external sources by Hill PDA. While we endeavour to check these estimates, assumptions and information, no warranty is given in relation to their reliability, feasibility, accuracy or reasonableness. Hill PDA presents these estimates and assumptions as a basis for the Client's interpretation and analysis. With respect to forecasts, Hill PDA does not present them as results that will actually be achieved. Hill PDA relies upon the interpretation of the Client to judge for itself the likelihood of whether these projections can be achieved or not.
2. Due care has been taken to prepare the attached financial models from available information at the time of writing, however no responsibility can be or is accepted for errors or inaccuracies that may have occurred either with the programming or the resultant financial projections and their assumptions.

Cash Flow Table for New build, Eaglehawk

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	0	1	2	3	4	5	6	7	8	9	10	11	12	13
			Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Sale Summary																
Units Sold	245.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Sold	2,875.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SoM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold	123,330,922		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Handover Summary																
Units Handed Over	245.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	2,875.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	123,330,922		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow																
Revenue																
Gross Sales Revenue	123,330,922		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(3,074,454)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	120,256,468		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs																
Land and Acquisition	25,293,566		1,156,042	7,742	7,742	24,122,042	-	-	-	-	-	-	-	-	-	-
Professional Fees	2,592,257		-	-	110,169	110,169	110,169	110,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169
Construction Costs	125,739,132		-	-	214,940	262,227	253,629	322,410	268,675	376,145	408,386	515,856	515,856	537,350	752,290	644,820
Statutory Fees	1,315,634		-	-	679,000	-	-	-	65,458	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	1,109,284		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	864,836		188,442	-	-	-	-	-	-	-	-	-	-	-	195,037	-
Pre-Sale Commissions	860,640		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	345,783		-	345,783	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(12,156,505)		-	-	-	(31,435)	(29,555)	(33,854)	(33,073)	(39,325)	(29,440)	(39,210)	(42,141)	(51,911)	(51,911)	(53,865)
TOTAL COSTS	145,964,626		1,344,484	353,524	1,011,850	24,463,002	334,243	398,725	356,229	391,988	434,114	531,814	528,883	540,607	950,585	646,123
Net Cash Flow (before Interest & Corporate Tax)	(25,708,159)		(1,344,484)	(353,524)	(1,011,850)	(24,463,002)	(334,243)	(398,725)	(356,229)	(391,988)	(434,114)	(531,814)	(528,883)	(540,607)	(950,585)	(646,123)
Cumulative Cash Flow			(1,344,484)	(1,698,008)	(2,709,858)	(27,172,860)	(27,507,103)	(27,905,827)	(28,262,057)	(28,654,045)	(29,088,160)	(29,619,974)	(30,148,858)	(30,689,465)	(31,640,050)	(32,286,173)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(25,708,159)		(1,344,484)	(353,524)	(1,011,850)	(24,463,002)	(334,243)	(398,725)	(356,229)	(391,988)	(434,114)	(531,814)	(528,883)	(540,607)	(950,585)	(646,123)
Cumulative Cash Flow			(1,344,484)	(1,698,008)	(2,709,858)	(27,172,860)	(27,507,103)	(27,905,827)	(28,262,057)	(28,654,045)	(29,088,160)	(29,619,974)	(30,148,858)	(30,689,465)	(31,640,050)	(32,286,173)
Financing																
Developer's Equity																
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	39,065,845		1,344,484	353,524	1,011,850	24,463,002	334,243	398,725	356,229	391,988	434,114	209,121	-	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(39,065,845)		(1,344,484)	(1,698,008)	(2,709,858)	(27,172,860)	(27,507,103)	(27,905,827)	(28,262,057)	(28,654,045)	(29,088,160)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)
Equity Cash Flow	(39,065,845)		(1,344,484)	(353,524)	(1,011,850)	(24,463,002)	(334,243)	(398,725)	(356,229)	(391,988)	(434,114)	(209,121)	-	-	-	-
Project Cash Account																
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for New build, Eaglehawk

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	0	1	2	3	4	5	6	7	8	9	10	11	12	13
			Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Senior Loan - Bank	Debt															
Drawdown	(117,189,123)		-	-	-	-	-	-	-	-	-	(322,693)	(528,883)	(540,607)	(950,585)	(646,123)
Loan Interest Rate (%/annn)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(13,357,686)		-	-	-	-	-	-	-	-	-	-	(2,017)	(5,335)	(8,747)	(14,743)
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	130,546,809		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees	13,357,686		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	117,189,123		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	(322,693)	(853,594)	(1,399,536)	(2,358,868)	(3,019,734)
% of Project & Finance Costs (inc Interest/Fees and net of GST)												0.20%	0.53%	0.87%	1.47%	1.88%
Senior Loan Cash Flow	13,357,686		-	-	-	-	-	-	-	-	-	(322,693)	(528,883)	(540,607)	(950,585)	(646,123)
Interest Coverage Ratio	28.25		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	0.92		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft			-	-	-	-	-	-	-	-	-	(322,693)	(853,594)	(1,399,536)	(2,358,868)	(3,019,734)
% of Project & Finance Costs (inc Interest/Fees and net of GST)												0.20%	0.53%	0.87%	1.47%	1.88%
Total Equity to Debt Ratio	33.34%		-	-	-	-	-	-	-	-	-	9078.99%	3440.36%	2104.41%	1250.54%	980.21%
Total Debt Interest Coverage Ratio	28.25		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	0.92		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest & Corporate Tax)	(39,065,845)		(1,344,484)	(353,524)	(1,011,850)	(24,463,002)	(334,243)	(398,725)	(356,229)	(391,988)	(434,114)	(531,814)	(530,900)	(545,942)	(958,332)	(660,866)
Cumulative Cash Flow**			(1,344,484)	(1,698,008)	(2,709,858)	(27,172,860)	(27,507,103)	(27,905,827)	(28,262,057)	(28,654,045)	(29,088,160)	(29,619,974)	(30,150,874)	(30,696,817)	(31,656,149)	(32,317,015)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary																
Total Liability on Revenue	(11,127,694)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withheld by Purchaser	(11,127,694)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Liability (-ve) / Credit (+ve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax.			(1,344,484)	(7,742)	(1,011,850)	(24,494,437)	(334,243)	(398,725)	(356,229)	(391,988)	(434,114)	(531,814)	(528,883)	(540,607)	(950,585)	(646,123)
Static Discount Rate (per ann. effective)	15.00%															
PV for each Month	(40,152,630)		(1,344,484)	(7,652)	(988,553)	(23,653,369)	(319,028)	(376,168)	(332,186)	(361,299)	(365,493)	(478,891)	(470,737)	(475,601)	(826,596)	(555,341)
NPV of Future Cash Flows			(40,152,630)	(39,262,780)	(39,714,908)	(39,156,461)	(14,833,788)	(14,669,407)	(14,437,862)	(14,246,598)	(14,016,915)	(13,741,922)	(13,364,863)	(12,986,352)	(12,591,545)	(11,777,333)
Variable Discount Rate (per ann. effective)	0.00%		15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(25,393,811)															

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Licensed to: HB PDA Pty Ltd

PROJECT CASH FLOW

	TOTAL	GST	14	15	16	17	18	19	20	21	22	23	24	25	26	27
			Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28
Sale Summary																
Units Sold	245.00		-	8.17	8.17	8.17	8.17	8.17	8.17	8.17	8.17	8.17	8.17	8.17	8.17	8.17
Cumulative Units Sold			-	8.17	16.33	24.50	32.67	40.83	49.00	57.17	65.33	73.50	81.67	89.83	98.00	106.17
% Units Sold			-	3.3%	6.7%	10.0%	13.3%	16.7%	20.0%	23.3%	26.7%	30.0%	33.3%	36.7%	40.0%	43.3%
SqM Sold	2,875.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SoM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold	123,330,922		-	3,505,420	3,515,484	3,525,576	3,535,698	3,545,849	3,556,028	3,566,237	3,576,476	3,586,743	3,597,041	3,607,367	3,617,724	3,628,110
Cumulative AUD Sold			-	3,505,420	7,020,904	10,546,480	14,082,178	17,628,027	21,184,055	24,750,293	28,326,768	31,913,512	35,510,552	39,117,920	42,735,643	46,363,753
% AUD Sold			-	2.8%	5.7%	8.6%	11.4%	14.3%	17.2%	20.1%	23.0%	25.9%	28.8%	31.7%	34.7%	37.6%
Handover Summary																
Units Handed Over	245.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	2,875.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	123,330,922		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow																
Revenue																
Gross Sales Revenue	123,330,922		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(3,074,454)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	120,256,468		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs																
Land and Acquisition	25,293,566			-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	2,592,257		55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169
Construction Costs	125,739,132		859,760	687,808	644,820	429,880	515,856	386,892	4,147,953	7,216,301	3,460,890	2,610,112	2,270,797	3,210,438	2,610,112	3,262,640
Statutory Fees	1,315,634		-	-	-	-	-	-	143,406	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	1,109,284		35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783
Project Contingency (Reserve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	864,836		-	-	-	-	-	-	-	-	-	-	201,864	-	-	-
Pre-Sale Commissions	860,640		-	47,813	47,813	47,813	47,813	47,813	47,813	47,813	47,813	47,813	47,813	47,813	47,813	47,813
Financing Costs (exc Fees)	345,783		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(12,156,505)		(73,405)	(63,635)	(86,428)	(75,143)	(71,235)	(51,695)	(59,511)	(47,787)	(389,702)	(668,642)	(327,241)	(249,898)	(219,051)	(304,473)
TOTAL COSTS	145,964,626		877,307	762,938	697,157	493,502	583,386	473,962	4,370,613	7,307,280	3,209,953	2,080,235	2,284,185	3,099,305	2,529,826	3,096,932
Net Cash Flow (before Interest & Corporate Tax)	(25,708,159)		(877,307)	(762,938)	(697,157)	(493,502)	(583,386)	(473,962)	(4,370,613)	(7,307,280)	(3,209,953)	(2,080,235)	(2,284,185)	(3,099,305)	(2,529,826)	(3,096,932)
Cumulative Cash Flow			(33,163,480)	(33,926,418)	(34,623,575)	(35,117,078)	(35,700,464)	(36,174,426)	(40,545,039)	(47,852,319)	(51,062,272)	(53,142,507)	(55,426,693)	(58,525,998)	(61,055,824)	(64,152,756)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(25,708,159)		(877,307)	(762,938)	(697,157)	(493,502)	(583,386)	(473,962)	(4,370,613)	(7,307,280)	(3,209,953)	(2,080,235)	(2,284,185)	(3,099,305)	(2,529,826)	(3,096,932)
Cumulative Cash Flow			(33,163,480)	(33,926,418)	(34,623,575)	(35,117,078)	(35,700,464)	(36,174,426)	(40,545,039)	(47,852,319)	(51,062,272)	(53,142,507)	(55,426,693)	(58,525,998)	(61,055,824)	(64,152,756)
Financing																
Developer's Equity																
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	39,065,845		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(39,065,845)		(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)
Equity Cash Flow	(39,065,845)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Account																
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-

PROJECT CASH FLOW

	TOTAL	GST	14	15	16	17	18	19	20	21	22	23	24	25	26	27
			Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28
Senior Loan - Bank	Debt															
Drawdown	(117,189,123)		(877,307)	(762,938)	(697,157)	(493,502)	(583,386)	(473,962)	(4,370,613)	(7,307,280)	(3,209,953)	(2,080,235)	(2,284,185)	(3,099,305)	(2,529,826)	(3,096,932)
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(13,357,686)		(18,873)	(24,474)	(29,396)	(33,937)	(37,233)	(41,112)	(44,331)	(71,925)	(118,045)	(138,845)	(152,714)	(167,945)	(188,365)	(205,354)
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	130,546,809		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees	13,357,686		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	117,189,123		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		(3,915,914)	(4,703,327)	(5,429,880)	(5,957,319)	(6,577,939)	(7,093,013)	(11,507,957)	(18,887,162)	(22,215,160)	(24,434,240)	(26,871,139)	(30,138,389)	(32,856,580)	(36,158,866)
% of Project & Finance Costs (inc Interest/Fees and net of GST)			2.43%	2.91%	3.34%	3.65%	4.02%	4.32%	7.06%	11.65%	13.66%	14.97%	16.40%	18.35%	19.93%	21.88%
Senior Loan Cash Flow	13,357,686		(877,307)	(762,938)	(697,157)	(493,502)	(583,386)	(473,962)	(4,370,613)	(7,307,280)	(3,209,953)	(2,080,235)	(2,284,185)	(3,099,305)	(2,529,826)	(3,096,932)
Interest Coverage Ratio	28.25		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	0.92		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft			(3,915,914)	(4,703,327)	(5,429,880)	(5,957,319)	(6,577,939)	(7,093,013)	(11,507,957)	(18,887,162)	(22,215,160)	(24,434,240)	(26,871,139)	(30,138,389)	(32,856,580)	(36,158,866)
% of Project & Finance Costs (inc Interest/Fees and net of GST)			2.43%	2.91%	3.34%	3.65%	4.02%	4.32%	7.06%	11.65%	13.66%	14.97%	16.40%	18.35%	19.93%	21.88%
Total Equity to Debt Ratio	33.34%		757.78%	632.89%	550.05%	503.41%	457.54%	426.01%	260.47%	157.89%	134.61%	122.86%	112.12%	100.23%	92.25%	84.05%
Total Debt Interest Coverage Ratio	28.25		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	0.92		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest & Corporate Tax)	(39,065,845)		(896,180)	(787,413)	(726,553)	(527,439)	(620,620)	(515,075)	(4,414,944)	(7,379,204)	(3,327,998)	(2,219,080)	(2,436,899)	(3,267,250)	(2,718,191)	(3,302,286)
Cumulative Cash Flow**			(33,213,195)	(34,000,608)	(34,727,161)	(35,254,600)	(35,875,219)	(36,390,294)	(40,805,238)	(48,184,443)	(51,512,441)	(53,731,520)	(56,168,420)	(59,435,670)	(62,153,861)	(65,456,147)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary																
Total Liability on Revenue	(11,127,694)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withheld by Purchaser	(11,127,694)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Liability (+ve) / Credit (-ve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax.			(877,307)	(762,938)	(697,157)	(493,502)	(583,386)	(473,962)	(4,370,613)	(7,307,280)	(3,209,953)	(2,080,235)	(2,284,185)	(3,099,305)	(2,529,826)	(3,096,932)
Static Discount Rate (per ann. effective)	15.00%															
PV for each Month	(40,152,630)		(745,311)	(640,644)	(578,629)	(404,856)	(473,053)	(379,873)	(3,462,416)	(5,721,824)	(2,484,388)	(1,591,384)	(1,727,172)	(2,316,384)	(1,868,868)	(2,261,318)
NPV of Future Cash Flows			(11,261,611)	(10,505,955)	(9,857,156)	(9,267,308)	(8,876,590)	(8,390,357)	(8,009,135)	(3,681,147)	3,668,613	6,959,148	9,145,278	11,563,359	14,834,436	17,567,683
Variable Discount Rate (per ann. effective)	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(25,393,811)															

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Licensed to: HB PDA Pty Ltd

Cash Flow Table for New build, Eaglehawk

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	28	29	30	31	32	33	34	35	36	37	38	39	40	41
			May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29	Apr-29	May-29	Jun-29
Sale Summary																
Units Sold	245.00		8.17	8.17	8.17	8.17	8.17	-	-	-	-	-	-	-	-	-
Cumulative Units Sold			114.33	122.50	130.67	138.83	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00
% Units Sold			46.7%	50.0%	53.3%	56.7%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
SqM Sold	2,875.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SoM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold	123,330,922		3,638,526	3,648,972	3,659,447	3,669,953	3,680,489	-	-	-	-	-	-	-	-	-
Cumulative AUD Sold			50,002,279	53,651,250	57,310,698	60,980,651	64,661,141	64,661,141	64,661,141	64,661,141	64,661,141	64,661,141	64,661,141	64,661,141	64,661,141	64,661,141
% AUD Sold			40.5%	43.5%	46.5%	49.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%	52.4%
Handover Summary																
Units Handed Over	245.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	2,875.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	123,330,922		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow																
Revenue																
Gross Sales Revenue	123,330,922		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(3,074,454)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	120,256,468		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs																
Land and Acquisition	25,293,566		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	2,592,257		55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169	55,169
Construction Costs	125,739,132		3,001,629	4,437,190	4,176,179	5,220,224	5,220,224	5,220,224	7,308,313	6,264,269	7,830,336	7,308,313	8,352,358	5,742,246	5,220,224	4,176,179
Statutory Fees	1,315,634		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	1,109,284		35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783	35,783
Project Contingency (Reserve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	864,836		-	-	-	-	-	-	-	-	208,929	-	-	-	-	-
Pre-Sale Commissions	860,640		47,813	47,813	47,813	47,813	47,813	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	345,783		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(12,156,505)		(249,898)	(309,219)	(285,490)	(415,996)	(392,268)	(487,181)	(487,181)	(482,834)	(672,661)	(577,747)	(720,117)	(672,661)	(767,574)	(530,291)
TOTAL COSTS	145,964,626		2,890,496	4,266,737	4,029,454	4,942,993	4,966,722	4,823,995	6,912,085	5,872,387	7,457,556	6,821,518	7,723,193	5,160,538	4,543,602	3,736,840
Net Cash Flow (before Interest & Corporate Tax)	(25,708,159)		(2,890,496)	(4,266,737)	(4,029,454)	(4,942,993)	(4,966,722)	(4,823,995)	(6,912,085)	(5,872,387)	(7,457,556)	(6,821,518)	(7,723,193)	(5,160,538)	(4,543,602)	(3,736,840)
Cumulative Cash Flow			(67,043,253)	(71,309,990)	(75,339,444)	(80,282,437)	(85,249,159)	(90,073,154)	(96,985,239)	(102,857,625)	(110,315,182)	(117,136,700)	(124,859,894)	(130,020,431)	(134,564,034)	(138,300,874)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(25,708,159)		(2,890,496)	(4,266,737)	(4,029,454)	(4,942,993)	(4,966,722)	(4,823,995)	(6,912,085)	(5,872,387)	(7,457,556)	(6,821,518)	(7,723,193)	(5,160,538)	(4,543,602)	(3,736,840)
Cumulative Cash Flow			(67,043,253)	(71,309,990)	(75,339,444)	(80,282,437)	(85,249,159)	(90,073,154)	(96,985,239)	(102,857,625)	(110,315,182)	(117,136,700)	(124,859,894)	(130,020,431)	(134,564,034)	(138,300,874)
Financing																
Developer's Equity																
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	39,065,845		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(39,065,845)		(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)
Equity Cash Flow	(39,065,845)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Account																
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for New build, Eaglehawk

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	28	29	30	31	32	33	34	35	36	37	38	39	40	41
			May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29	Apr-29	May-29	Jun-29
Senior Loan - Bank	Debt															
Drawdown	(117,189,123)		(2,890,496)	(4,266,737)	(4,029,454)	(4,942,993)	(4,966,722)	(4,823,995)	(6,912,085)	(5,872,387)	(7,457,556)	(6,821,518)	(7,723,193)	(5,160,538)	(4,543,602)	(3,736,840)
Loan Interest Rate (%/annn)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(13,357,686)		(225,993)	(245,471)	(273,672)	(300,567)	(333,339)	(366,464)	(398,905)	(444,599)	(484,080)	(533,715)	(579,685)	(631,578)	(667,779)	(700,350)
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	130,546,809		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees	13,357,686		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	117,189,123		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		(39,275,355)	(43,787,563)	(48,090,690)	(53,334,250)	(58,634,310)	(63,824,770)	(71,135,760)	(77,452,745)	(85,394,381)	(92,749,614)	(101,052,492)	(106,844,608)	(112,055,990)	(116,493,180)
% of Project & Finance Costs (inc Interest/Fees and net of GST)			23.69%	26.37%	28.90%	32.00%	35.12%	38.15%	42.48%	46.17%	50.85%	55.13%	59.98%	63.22%	66.07%	68.42%
Senior Loan Cash Flow	13,357,686		(2,890,496)	(4,266,737)	(4,029,454)	(4,942,993)	(4,966,722)	(4,823,995)	(6,912,085)	(5,872,387)	(7,457,556)	(6,821,518)	(7,723,193)	(5,160,538)	(4,543,602)	(3,736,840)
Interest Coverage Ratio	28.25		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	0.92		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft			(39,275,355)	(43,787,563)	(48,090,690)	(53,334,250)	(58,634,310)	(63,824,770)	(71,135,760)	(77,452,745)	(85,394,381)	(92,749,614)	(101,052,492)	(106,844,608)	(112,055,990)	(116,493,180)
% of Project & Finance Costs (inc Interest/Fees and net of GST)			23.69%	26.37%	28.90%	32.00%	35.12%	38.15%	42.48%	46.17%	50.85%	55.13%	59.98%	63.22%	66.07%	68.42%
Total Equity to Debt Ratio	33.34%		77.62%	69.73%	63.63%	57.46%	52.36%	48.21%	43.28%	39.83%	36.16%	33.35%	30.66%	29.09%	27.83%	26.88%
Total Debt Interest Coverage Ratio	28.25		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	0.92		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest & Corporate Tax)	(39,065,845)		(3,116,489)	(4,512,208)	(4,303,126)	(5,243,560)	(5,300,061)	(5,190,460)	(7,310,990)	(6,316,985)	(7,941,636)	(7,355,233)	(8,302,878)	(5,792,116)	(5,211,381)	(4,437,190)
Cumulative Cash Flow**			(68,572,636)	(73,084,844)	(77,387,970)	(82,631,531)	(87,931,591)	(93,122,051)	(100,433,040)	(106,750,026)	(114,691,662)	(122,046,895)	(130,349,773)	(136,141,889)	(141,353,270)	(145,790,461)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary																
Total Liability on Revenue	(11,127,694)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withheld by Purchaser	(11,127,694)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Liability (+ve) / Credit (-ve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax.			(2,890,496)	(4,266,737)	(4,029,454)	(4,942,993)	(4,966,722)	(4,823,995)	(6,912,085)	(5,872,387)	(7,457,556)	(6,821,518)	(7,723,193)	(5,160,538)	(4,543,602)	(3,736,840)
Static Discount Rate (per ann. effective)	15.00%															
PV for each Month	(40,152,630)		(2,086,143)	(3,043,753)	(2,841,199)	(3,444,985)	(3,421,440)	(3,284,640)	(4,651,916)	(3,906,423)	(4,903,464)	(4,433,323)	(4,961,204)	(3,276,627)	(2,851,505)	(2,318,037)
NPV of Future Cash Flows			20,906,700	24,075,978	28,674,748	33,087,329	38,475,844	43,951,492	49,346,888	56,918,042	63,526,013	71,815,136	79,557,876	88,303,560	94,559,022	100,263,604
Variable Discount Rate (per ann. effective)	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(25,393,811)															

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Licensed to: HB PDA Pty Ltd

Cash Flow Table for New build, Eaglehawk

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	42	43	44	45	46	47	48	49	50	51	52	53	54	55
			Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	Jan-30	Feb-30	Mar-30	Apr-30	May-30	Jun-30	Jul-30	Aug-30
Sale Summary																
Units Sold	245.00		-	-	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13
Cumulative Units Sold			147.00	147.00	153.13	159.25	165.38	171.50	177.63	183.75	189.88	196.00	202.13	208.25	214.38	220.50
% Units Sold	-		60.0%	60.0%	62.5%	65.0%	67.5%	70.0%	72.5%	75.0%	77.5%	80.0%	82.5%	85.0%	87.5%	90.0%
SqM Sold	2,875.00		-	-	179.69	179.69	179.69	179.69	179.69	179.69	179.69	179.69	179.69	179.69	179.69	179.69
Cumulative SqM Sold			-	-	179.69	359.38	539.06	718.75	898.44	1,078.13	1,257.81	1,437.50	1,617.19	1,796.88	1,976.56	2,156.25
% SoM Sold	-		-	-	6.3%	12.5%	18.8%	25.0%	31.3%	37.5%	43.8%	50.0%	56.3%	62.5%	68.8%	75.0%
AUD Sold	123,330,922		-	-	3,581,884	3,593,046	3,604,244	3,615,478	3,626,747	3,638,053	3,649,394	3,660,772	3,672,186	3,683,637	3,695,124	3,706,648
Cumulative AUD Sold			64,661,141	64,661,141	68,243,024	71,836,070	75,440,314	79,055,791	82,682,538	86,320,591	89,969,985	93,630,757	97,302,944	100,986,580	104,681,705	108,388,353
% AUD Sold			52.4%	52.4%	55.3%	58.2%	61.2%	64.1%	67.0%	70.0%	73.0%	75.9%	78.9%	81.9%	84.9%	87.9%
Handover Summary																
Units Handed Over	245.00		-	-	153.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13	6.13
Cumulative Units Handed Over			-	-	153.13	159.25	165.38	171.50	177.63	183.75	189.88	196.00	202.13	208.25	214.38	220.50
% Units Handed Over	-		-	-	62.5%	65.0%	67.5%	70.0%	72.5%	75.0%	77.5%	80.0%	82.5%	85.0%	87.5%	90.0%
SqM Handed Over	2,875.00		-	-	179.69	179.69	179.69	179.69	179.69	179.69	179.69	179.69	179.69	179.69	179.69	179.69
Cumulative SqM Handed Over			-	-	179.69	359.38	539.06	718.75	898.44	1,078.13	1,257.81	1,437.50	1,617.19	1,796.88	1,976.56	2,156.25
% SqM Handed Over	-		-	-	6.3%	12.5%	18.8%	25.0%	31.3%	37.5%	43.8%	50.0%	56.3%	62.5%	68.8%	75.0%
AUD Handed Over	123,330,922		-	-	68,243,024	3,593,046	3,604,244	3,615,478	3,626,747	3,638,053	3,649,394	3,660,772	3,672,186	3,683,637	3,695,124	3,706,648
Cumulative AUD Handed Over			-	-	68,243,024	71,836,070	75,440,314	79,055,791	82,682,538	86,320,591	89,969,985	93,630,757	97,302,944	100,986,580	104,681,705	108,388,353
% AUD Handed Over			-	-	55.3%	58.2%	61.2%	64.1%	67.0%	70.0%	73.0%	75.9%	78.9%	81.9%	84.9%	87.9%
Project Cash Flow																
Revenue																
Gross Sales Revenue	123,330,922		-	-	68,243,024	3,593,046	3,604,244	3,615,478	3,626,747	3,638,053	3,649,394	3,660,772	3,672,186	3,683,637	3,695,124	3,706,648
Selling Costs	(3,074,454)		-	-	(1,380,300)	(110,552)	(110,889)	(111,227)	(111,567)	(111,907)	(112,248)	(112,590)	(112,934)	(113,278)	(113,624)	(113,970)
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	120,256,468		-	-	66,862,724	3,482,494	3,493,354	3,504,250	3,515,181	3,526,146	3,537,146	3,548,182	3,559,253	3,570,359	3,581,501	3,592,678
Costs																
Land and Acquisition	25,293,566					-	-	-	-	-	-	-	-	-	-	-
Professional Fees	2,592,257		55,169	55,169	55,169	-	-	-	-	-	-	-	-	-	-	-
Construction Costs	125,739,132		5,115,819	3,758,561	-	-	-	-	-	-	-	-	-	-	-	-
Statutory Fees	1,315,634		-	-	427,770	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	1,109,284		35,783	35,783	35,783	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	864,836		-	-	-	-	-	-	70,563	-	-	-	-	-	-	-
Pre-Sale Commissions	860,640		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	345,783		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(12,156,505)		(482,834)	(387,921)	(473,343)	(349,956)	(133,750)	(10,050)	(10,081)	(10,112)	(10,142)	(10,173)	(10,204)	(10,235)	(10,267)	(10,298)
TOTAL COSTS	145,964,826		4,723,937	3,461,592	45,379	(349,956)	(133,750)	(10,050)	60,482	(10,112)	(10,142)	(10,173)	(10,204)	(10,235)	(10,267)	(10,298)
Net Cash Flow (before Interest & Corporate Tax)	(25,708,159)		(4,723,937)	(3,461,592)	66,817,345	3,832,449	3,627,105	3,514,300	3,454,698	3,536,257	3,547,289	3,558,355	3,569,457	3,580,594	3,591,767	3,602,976
Cumulative Cash Flow			(143,024,812)	(146,486,404)	(79,669,059)	(75,836,610)	(72,209,505)	(68,695,205)	(65,240,507)	(61,704,249)	(58,156,961)	(54,598,606)	(51,029,149)	(47,448,554)	(43,856,787)	(40,253,811)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(25,708,159)		(4,723,937)	(3,461,592)	66,817,345	3,832,449	3,627,105	3,514,300	3,454,698	3,536,257	3,547,289	3,558,355	3,569,457	3,580,594	3,591,767	3,602,976
Cumulative Cash Flow			(143,024,812)	(146,486,404)	(79,669,059)	(75,836,610)	(72,209,505)	(68,695,205)	(65,240,507)	(61,704,249)	(58,156,961)	(54,598,606)	(51,029,149)	(47,448,554)	(43,856,787)	(40,253,811)
Financing																
Developer's Equity																
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	39,065,845		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(39,065,845)		(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)
Equity Cash Flow	(39,065,845)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Account																
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for New build, Eaglehawk

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	42	43	44	45	46	47	48	49	50	51	52	53	54	55
			Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	Jan-30	Feb-30	Mar-30	Apr-30	May-30	Jun-30	Jul-30	Aug-30
Senior Loan - Bank	Debit															
Drawdown	(117,189,123)		(4,723,937)	(3,461,592)	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(13,357,686)		(728,082)	(762,158)	(788,556)	(375,876)	(354,272)	(333,817)	(313,939)	(294,309)	(274,047)	(253,590)	(232,935)	(212,081)	(191,028)	(169,774)
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans			-	-												
Loan Repayment	130,546,809		-	-	66,817,345	3,832,449	3,627,105	3,514,300	3,454,698	3,536,257	3,547,289	3,558,355	3,569,457	3,580,594	3,591,767	3,602,976
Interest & Fees	13,357,686		-	-	9,768,382	375,876	354,272	333,817	313,939	294,309	274,047	253,590	232,935	212,081	191,028	169,774
Principal	117,189,123		-	-	57,048,962	3,456,573	3,272,832	3,180,483	3,140,759	3,241,948	3,273,241	3,304,766	3,336,522	3,368,513	3,400,739	3,433,202
Loan Balance	-		(121,945,200)	(126,168,949)	(60,140,161)	(56,683,587)	(53,410,755)	(50,230,272)	(47,089,513)	(43,847,565)	(40,574,324)	(37,269,558)	(33,933,036)	(30,564,523)	(27,163,784)	(23,730,582)
% of Project & Finance Costs (inc Interest/Fees and net of GST).			71.38%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%
Senior Loan Cash Flow	13,357,686		(4,723,937)	(3,461,592)	66,817,345	3,832,449	3,627,105	3,514,300	3,454,698	3,536,257	3,547,289	3,558,355	3,569,457	3,580,594	3,591,767	3,602,976
Interest Coverage Ratio	28.25		-	-	84.79	9.27	9.86	10.50	11.20	11.98	12.91	13.99	15.28	16.83	18.75	21.16
Debt Service Ratio	0.92		-	-	1.00	0.91	0.96	1.00	1.02	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Project Overdraft			(121,945,200)	(126,168,949)	(60,140,161)	(56,683,587)	(53,410,755)	(50,230,272)	(47,089,513)	(43,847,565)	(40,574,324)	(37,269,558)	(33,933,036)	(30,564,523)	(27,163,784)	(23,730,582)
% of Project & Finance Costs (inc Interest/Fees and net of GST).			71.38%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%	73.55%
Total Equity to Debt Ratio	33.34%		25.76%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Total Debt Interest Coverage Ratio	28.25		-	-	84.79	9.27	9.86	10.50	11.20	11.98	12.91	13.99	15.28	16.83	18.75	21.16
Total Debt Service Ratio	0.92		-	-	1.00	0.91	0.96	1.00	1.02	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Net Cash Flow (after Interest & Corporate Tax)	(39,080,845)		(5,452,020)	(4,223,750)	66,028,789	3,456,573	3,272,832	3,180,483	3,140,759	3,241,948	3,273,241	3,304,766	3,336,522	3,368,513	3,400,739	3,433,202
Cumulative Cash Flow**			(151,242,480)	(155,466,230)	(89,437,442)	(85,980,868)	(82,708,036)	(79,527,553)	(76,386,794)	(73,144,846)	(69,871,605)	(66,566,839)	(63,230,317)	(59,861,804)	(56,461,065)	(53,027,863)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary																
Total Liability on Revenue	(11,127,694)		-	-	(6,751,241)	(285,945)	(286,766)	(287,589)	(288,415)	(289,243)	(290,073)	(290,906)	(291,741)	(292,579)	(293,419)	(294,261)
Withheld by Purchaser	(11,127,694)		-	-	(6,751,241)	(285,945)	(286,766)	(287,589)	(288,415)	(289,243)	(290,073)	(290,906)	(291,741)	(292,579)	(293,419)	(294,261)
Net Liability (+ve) / Credit (-ve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax.			(4,723,937)	(3,461,592)	66,817,345	3,832,449	3,627,105	3,514,300	3,454,698	3,536,257	3,547,289	3,558,355	3,569,457	3,580,594	3,591,767	3,602,976
Static Discount Rate (per ann. effective)	15.00%															
PV for each Month	(40,152,630)		(2,896,421)	(2,097,854)	40,024,919	2,269,131	2,122,682	2,032,852	1,975,235	1,998,455	1,981,476	1,964,642	1,947,952	1,931,403	1,914,996	1,898,729
NPV of Future Cash Flows			105,218,801	111,230,708	116,035,911	49,795,158	46,501,158	43,376,319	40,328,999	37,306,281	34,165,636	30,977,039	27,739,891	24,453,589	21,117,520	17,731,065
Variable Discount Rate (per ann. effective)	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(25,393,811)															

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Licensed to: HB PDA Pty Ltd

Cash Flow Table for New build, Eaglehawk

PROJECT CASH FLOW	TOTAL	GST	56	57	58	59	60	61
			Sep-30	Oct-30	Nov-30	Dec-30	Jan-31	Feb-31
Sale Summary								
Units Sold	245.00		6.13	6.13	6.13	6.13	-	-
Cumulative Units Sold			226.63	232.75	238.88	245.00	245.00	245.00
% Units Sold			92.5%	95.0%	97.5%	100.0%	100.0%	100.0%
SqM Sold	2,875.00		179.69	179.69	179.69	179.69	-	-
Cumulative SqM Sold			2,335.94	2,515.63	2,695.31	2,875.00	2,875.00	2,875.00
% SoM Sold			81.3%	87.5%	93.8%	100.0%	100.0%	100.0%
AUD Sold	123,330,922		3,718,209	3,729,806	3,741,441	3,753,113	-	-
Cumulative AUD Sold			112,106,561	115,836,368	119,577,809	123,330,922	123,330,922	123,330,922
% AUD Sold			90.9%	93.9%	97.0%	100.0%	100.0%	100.0%
Handover Summary								
Units Handed Over	245.00		6.13	6.13	6.13	6.13	-	-
Cumulative Units Handed Over			226.63	232.75	238.88	245.00	245.00	245.00
% Units Handed Over			92.5%	95.0%	97.5%	100.0%	100.0%	100.0%
SqM Handed Over	2,875.00		179.69	179.69	179.69	179.69	-	-
Cumulative SqM Handed Over			2,335.94	2,515.63	2,695.31	2,875.00	2,875.00	2,875.00
% SqM Handed Over			81.3%	87.5%	93.8%	100.0%	100.0%	100.0%
AUD Handed Over	123,330,922		3,718,209	3,729,806	3,741,441	3,753,113	-	-
Cumulative AUD Handed Over			112,106,561	115,836,368	119,577,809	123,330,922	123,330,922	123,330,922
% AUD Handed Over			90.9%	93.9%	97.0%	100.0%	100.0%	100.0%
Project Cash Flow								
Revenue								
Gross Sales Revenue	123,330,922		3,718,209	3,729,806	3,741,441	3,753,113	-	-
Selling Costs	(3,074,454)		(114,318)	(114,667)	(115,016)	(115,367)	-	-
Gross Rental Income	-		-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-
TOTAL NET REVENUE	120,256,468		3,603,891	3,615,140	3,626,425	3,637,746	-	-
Costs								
Land and Acquisition	25,293,566		-	-	-	-	-	-
Professional Fees	2,592,257		-	-	-	-	-	-
Construction Costs	125,739,132		-	-	-	-	-	-
Statutory Fees	1,315,634		-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-
Marketing	1,109,284		-	-	-	-	-	-
Project Contingency (Reserve)	-		-	-	-	-	-	-
Land Holding Costs	864,836		-	-	-	-	-	-
Pre-Sale Commissions	860,640		-	-	-	-	-	-
Financing Costs (exc Fees)	345,783		-	-	-	-	-	-
GST Refunds (Input Credits)	(12,156,505)		(10,329)	(10,361)	(10,393)	(10,424)	(10,456)	(10,488)
TOTAL COSTS	145,964,626		(10,329)	(10,361)	(10,393)	(10,424)	(10,456)	(10,488)
Net Cash Flow (before Interest & Corporate Tax)	(25,708,159)		3,614,220	3,625,501	3,636,817	3,648,170	10,456	10,488
Cumulative Cash Flow			(36,639,591)	(33,014,090)	(29,377,273)	(25,729,103)	(25,718,647)	(25,708,159)
Corporate Tax	-		-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(25,708,159)		3,614,220	3,625,501	3,636,817	3,648,170	10,456	10,488
Cumulative Cash Flow			(36,639,591)	(33,014,090)	(29,377,273)	(25,729,103)	(25,718,647)	(25,708,159)
Financing								
Developer's Equity								
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0
Injections	39,065,845		-	-	-	-	-	9,768,564
Interest Charged	-		-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-
Equity Balance	(39,065,845)		(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(29,297,281)	(39,065,845)
Equity Cash Flow	(39,065,845)		-	-	-	-	-	(9,768,564)
Project Cash Account								
Surplus Cash Injection	-		-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-

Cash Flow Table for New build, Eaglehawk

PROJECT CASH FLOW	TOTAL	GST	56	57	58	59	60	61
			Sep-30	Oct-30	Nov-30	Dec-30	Jan-31	Feb-31
Senior Loan - Bank	Debt							
Drawdown	(117,189,123)		-	-	-	-	-	-
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(13,357,686)		(148,316)	(126,654)	(104,786)	(82,711)	(60,427)	(60,739)
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-
Interest & Fees Paid by other Loans	-		-	-	-	-	-	-
Loan Repayment	130,546,809		3,614,220	3,625,501	3,636,817	3,648,170	10,456	9,779,052
Interest & Fees	13,357,686		148,316	126,654	104,786	82,711	10,456	110,711
Principal	117,189,123		3,465,904	3,498,847	3,532,031	3,565,459	-	9,668,342
Loan Balance	-		(20,264,678)	(16,765,831)	(13,233,800)	(9,668,342)	(9,718,313)	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).			73.55%	73.55%	73.55%	73.55%	73.55%	-
Senior Loan Cash Flow	13,357,686		3,614,220	3,625,501	3,636,817	3,648,170	10,456	9,779,052
Interest Coverage Ratio	28.25		24.30	28.54	34.61	43.98	-	-
Debt Service Ratio	0.92		1.00	1.00	1.00	1.00	-	-
Project Overdraft			(20,264,678)	(16,765,831)	(13,233,800)	(9,668,342)	(9,718,313)	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).			73.55%	73.55%	73.55%	73.55%	73.55%	-
Total Equity to Debt Ratio	33.34%		25.00%	25.00%	25.00%	25.00%	25.00%	33.34%
Total Debt Interest Coverage Ratio	28.25		24.30	28.54	34.61	43.98	-	-
Total Debt Service Ratio	0.92		1.00	1.00	1.00	1.00		
Net Cash Flow (after Interest & Corporate Tax)	(39,065,845)		3,465,904	3,498,847	3,532,031	3,565,459	(49,971)	(50,252)
Cumulative Cash Flow**			(49,561,959)	(46,063,112)	(42,531,081)	(38,965,623)	(39,015,594)	(39,065,845)
Check Balance	-		-	-	-	-	-	-
GST Liability Summary								
Total Liability on Revenue	(11,127,694)		(295,106)	(295,953)	(296,803)	(297,655)	-	-
Withheld by Purchaser	(11,127,694)		(295,106)	(295,953)	(296,803)	(297,655)	-	-
Net Liability (+ve) / Credit (-ve)	-		-	-	-	-	-	-
Project IRR & NPV								
Cash Flow that excludes all financing costs, interest and corp tax.			3,614,220	3,625,501	3,636,817	3,648,170	10,456	10,488
Static Discount Rate (per ann. effective)	15.00%							
PV for each Month	(40,152,630)		1,882,600	1,866,609	1,850,754	1,835,034	5,198	5,154
NPV of Future Cash Flows			14,293,599	10,804,487	7,263,087	3,668,751	20,823	10,488
Variable Discount Rate (per ann. effective)	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(25,393,811)							

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Licensed to: HB PDA Pty Ltd

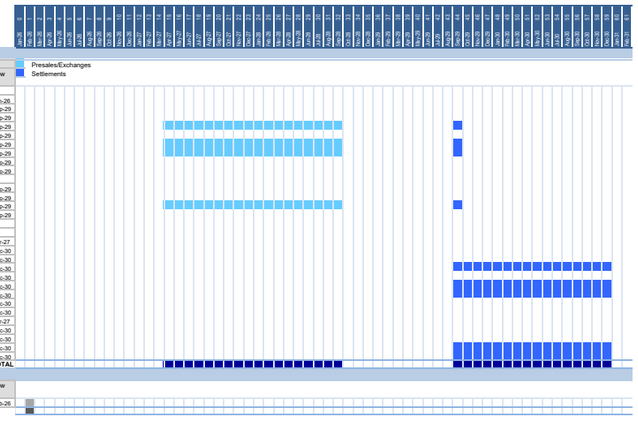
Gantt Chart for New build, Eaglehawk

Low-Mid Range Cost - 1

Code	Stage		Month Start	Month Span	Cash Flow Period
1000		**LAND PURCHASE & ACQUISITION COSTS**			
1002	-	Deposit In Trust Account *	0	1	Jan-26 - Jan-26
1007	-	Settlement (Balance)	3	1	Apr-26 - Apr-26
		Other Acquisition Costs			
Code	Stage	To be entered Exclusive of GST	Month Start	Month Span	Cash Flow Period
1011	-	Stamp Duties	3	1	Apr-26 - Apr-26
1012	-	Due Diligence	0	3	Jan-26 - Mar-26
1013	-	Legals	3	1	Apr-26 - Apr-26
		TOTAL			
3000		**PROFESSIONAL FEES**			
Code	Stage	Description	Month Start*	Month Span	Cash Flow Period
3001	-	Masterplanning	2	4	Mar-26 - Jun-26
3002	-	Concept design and D.A. preparation	6	6	Jul-26 - Dec-26
3003	-	Design documentation	16	4	May-27 - Aug-27
3004	-	Project management and supervision	C		Mar-26 - Aug-29
3099	-	Development Management	2	43	Mar-26 - Sep-29
		TOTAL			
4000		**CONSTRUCTION COSTS**			
Code	Stage	Description	Month Start	Month Span	Cash Flow Period
4002	-	Total Building Cost	22	22	Nov-27 - Aug-29
4003	-	External Works and Services	20	2	Sep-27 - Oct-27
4004	-	ESD Initatives	22	22	Nov-27 - Aug-29
4005	-	Design Contingency	22	22	Nov-27 - Aug-29
4006	-	Construction Cost Escalation	22	22	Nov-27 - Aug-29
4007	-	Construction Cost Escalation to Completion	22	22	Nov-27 - Aug-29
4008	-	Construction Contingency	22	22	Nov-27 - Aug-29
4009	-	Consultant Fees	2	18	Mar-26 - Aug-27
4010	-	Project Management	22	22	Nov-27 - Aug-29
4011	-	Building Permit Levy	22	1	Nov-27 - Nov-27
4012	-	Cladding Rectification levy	22	1	Nov-27 - Nov-27
4013	-	Supply authority and headworks charges	22	1	Nov-27 - Nov-27
		TOTAL			
5000		**Statutory Fees**			
Code	Stage	Description	Month Start	Month Span	Cash Flow Period
5001	-	Permit Fee	6	1	Jul-26 - Jul-26
5002	-	Windfall Gains	2	1	Mar-26 - Mar-26
5003	-	Metropolitan Planning Levy	20	1	Sep-27 - Sep-27
5004	-	Open space contribution	44	1	Sep-29 - Sep-29
		TOTAL			
6000		**Marketing**			
Code	Stage	Description	Month Start*	Month Span	Cash Flow Period
6001	-	Marketing	14	31	Mar-27 - Sep-29
		TOTAL			
7000		**LAND HOLDING COSTS**			
Code	Stage	Description	Month Start	Month Span*	Cash Flow Period
7001	-	Council Rates		DS	Jan-26 - Dec-30
7002	-	Land Tax		DS	Jan-26 - Dec-30
		TOTAL			
8000		**SELLING & LEASING COSTS**			
8001	RS1	Residential - 1 Bedroom Units			
8002	RS2	Residential - 2 Bedroom Units			
8005	RTH	Townhouse Lots			
8006	COM	Commerical Office			
		Other Selling Costs			
Code	Stage	To be entered Exclusive of GST	Month Start	Month Span	Cash Flow Period
8102	-	Legals and disbursements	s		Sep-29 - Dec-30
		TOTAL			

Gantt Chart for New build, Eaglehawk

Low-Mid Range Cost - 1



Code	Stage	Description	Settlements Month Start	Settlements Month Span	Cash Flow Period
9000		**SALES**			
9001	-	PRESALES			-
9003	-	APARTMENTS		1	Jan-26 - Jan-26
9004	-	Studio	44	1	Sep-29 - Sep-29
9005	-	Studio (P)	44	1	Sep-29 - Sep-29
9006	-	1-bedroom	44	1	Sep-29 - Sep-29
9007	-	1-bedroom (P)	44	1	Sep-29 - Sep-29
9008	-	2-bedroom	44	1	Sep-29 - Sep-29
9009	-	2-bedroom (P)	44	1	Sep-29 - Sep-29
9010	-	3-bedroom	44	1	Sep-29 - Sep-29
9011	-	3-bedroom (P)	44	1	Sep-29 - Sep-29
9013	-	TOWNOUSES			-
9014	-	1-bedroom TH	44	1	Sep-29 - Sep-29
9015	-	2-bedroom TH	44	1	Sep-29 - Sep-29
9016	-	3-bedroom TH	44	1	Sep-29 - Sep-29
9018	-	COMMERCIAL	44	1	Sep-29 - Sep-29
-	-	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			-
-	-	BALANCE			-
-	-	APARTMENTS		16	Jan-26 - Apr-27
-	-	Studio	44	16	Sep-29 - Dec-30
-	-	Studio (P)	44	16	Sep-29 - Dec-30
-	-	1-bedroom	44	16	Sep-29 - Dec-30
-	-	1-bedroom (P)	44	16	Sep-29 - Dec-30
-	-	2-bedroom	44	16	Sep-29 - Dec-30
-	-	2-bedroom (P)	44	16	Sep-29 - Dec-30
-	-	3-bedroom	44	16	Sep-29 - Dec-30
-	-	3-bedroom (P)	44	16	Sep-29 - Dec-30
-	-	TOWNOUSES		16	Jan-26 - Apr-27
-	-	1-bedroom TH	44	16	Sep-29 - Dec-30
-	-	2-bedroom TH	44	16	Sep-29 - Dec-30
-	-	3-bedroom TH	44	16	Sep-29 - Dec-30
-	-	COMMERCIAL	44	16	Sep-29 - Dec-30
		TOTAL			
10000		**FINANCING**			
Code	Stage	**Financing Costs** To be entered Exclusive of GST	Month Start	Month Span	Cash Flow Period
10009	-	Establishment Costs	1	1	Feb-26 - Feb-26
		TOTAL			

ARGUS EstateMaster | Development Feasibility

SUMMARY OF PROJECT RETURNS

New build, Eaglehawk
Low-Mid Range Cost
1

HillPDA CONSULTING
Licensed to: Hill PDA Pty Ltd

Time Span:	Jan-26 to Feb-31 (61 Months)		
Type:	Residential - 1		
Status:	Under Review		
Site Area:	22,966 SqM		
FSR:	:1		
Project Size:	245 units	1 per 93.73 SqM of Site Area	
	23,723 GFA	1 per 0.96 SqM of Site Area	

Revenues

	Quantity	SqM	AUD/Quantity	Total AUD	AUD Per unit	AUD Per GFA	% of Total Net Revenue	Total Exc GST
Gross Sales Revenue	490	2,875.00	251,695.76	123,330,922	503,392	5,199	102.6%	123,330,922
Residential - 1 Bedroom Units	57	-	326,734.51	18,623,867				18,623,867
Residential - 2 Bedroom Units	170	-	482,181.61	81,970,873				81,970,873
Townhouse Lots	18	-	593,455.67	10,682,202				10,682,202
Commerical Office	-	2,875.00	-	12,053,980				12,053,980
Not Classified	245	-	-					
Less Selling Costs				(3,074,454)	(12,549)	(130)	-2.6%	(2,794,958)
Less Purchasers Costs				-			0.0%	-
NET SALES REVENUE				120,256,468	490,843	5,069	100.0%	120,535,963

	Quantity	SqM	AUD/SqM/annum					
Gross Rental Income	-	-	-	-	-	-	0.0%	-
Less Outgoings & Vacancies				-	-	-	0.0%	-
Less Letting Fees				-	-	-	0.0%	-
Less Incentives (Rent Free & Fitout Costs)				-	-	-	0.0%	-
Less Turnover Costs				-	-	-	0.0%	-
Less Other Leasing Costs				-	-	-	0.0%	-
NET RENTAL INCOME				-	-	-	0.0%	-
Interest Received				-	-	-	0.0%	-
Other Income				-	-	-	0.0%	-
TOTAL REVENUE (before GST paid)				120,256,468	490,843	5,069	100.0%	120,535,963
Less GST paid on all Revenue	Excludes 11,127,694 withheld by Purchasers			-	-	-	0.0%	-
TOTAL REVENUE (after GST paid)				**120,256,468**	**490,843**	**5,069**	100.0%	120,535,963

Costs

Land Purchase Cost				11,483,000	46,869	484	9.5%	11,483,000
Land Acquisition Costs				13,810,566	56,370	582	11.5%	13,810,566
Construction Costs				125,739,132	513,221	5,300	104.6%	114,308,302
Escalations and Contingencies				24,477,200	99,907	1,032	20.4%	22,252,000
Built Form				78,781,078	321,555	3,321	65.5%	71,619,162
External Works				11,364,254	46,385	479	9.5%	10,331,140
Other (Counsultant Fees and Levies)				11,116,600	45,374	469	9.2%	10,106,000
Professional Fees				2,592,257	10,581	109	2.2%	2,356,598
Statutory Fees				1,315,634	5,370	55	1.1%	1,315,634
Miscellaneous Costs 1				-	-	-	0.0%	-
Misc 2				-	-	-	0.0%	-
Marketing				1,109,284	4,528	47	0.9%	1,008,440
Project Contingency (Reserve)				-	-	-	0.0%	-
Land Holding Costs				864,836	3,530	36	0.7%	864,836
Pre-Sale Commissions				860,640	3,513	36	0.7%	782,400
Finance Charges (inc. Fees)				345,783	1,411	15	0.3%	314,348
Interest Expense				13,357,686	54,521	563	11.1%	13,357,686
TOTAL COSTS (before GST reclaimed)				171,478,817	699,914	7,228	142.6%	159,601,809
Less GST reclaimed				(12,156,505)	(49,618)	(512)	-10.1%	
Plus Corporate Tax				-	-	-	0.0%	-
TOTAL COSTS (after GST reclaimed)				**159,322,313**	**650,295**	**6,716**	132.5%	159,601,809

Performance Indicators

			Per unit	Per GFA	Total Exc GST
[1] **Net Development Profit**		**(39,065,845)**	(159,452)	(1,647)	
[3] **Development Margin (Profit/Risk Margin)**	Based on total costs (exc selling & leasing costs)	**-24.48%**			
[4] Residual Land Value	Based on Target Margin of 18% (Exclusive of GST)	(35,712,833)	(145,767)	(1,505)	(35,712,833)
[5] **Net Present Value**	Based on Discount Rate of 15% p.a. Effective	**(40,152,630)**			
[6] Benefit Cost Ratio		0.6328			
[7] **Project Internal Rate of Return (IRR)**	Per annum Effective	**-10.25%**			
[8] Residual Land Value	Based on NPV (Exclusive of GST)	(29,459,052)	(120,241)	(1,242)	(29,459,052)
Equity IRR	Per annum Effective	N.A.			
Equity Contribution		39,065,845			
Peak Debt Exposure		126,168,949			
Equity to Debt Ratio		33.34%			
[9] Weighted Average Cost of Capital (WACC)		10.63%			
[10] Breakeven Date for Cumulative Cash Flow		N.A. (No Profit)			
[11] Yield on Cost		0.00%			
[12] Rent Cover		N.A.			
[13] Profit Erosion		N.A.			

Footnotes:
1. Development Profit: is total revenue less total cost including interest paid and received
2. Note: No redistribution of Developer's Gross Profit
3. Development Margin: is profit divided by total costs (exc selling & leasing costs)
5. Net Present Value: is the project's cash flow stream discounted to present value. It excludes all financing costs, interest and corp tax.
6. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and excludes all financing costs, interest and corp tax.
7. Internal Rate of Return: is the discount rate where the NPV above equals Zero.
8. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
9. The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
10. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
11. Yield on Cost is Current Net Annual Rent divided by Total Costs (before GST reclaimed), including all Selling Costs.
12. The total net development profit divided by the current net annual rental expressed as a number of years/months.
13. The period of time post practical completion that it can remain unsold (but leased out) until finance and land holding costs erodes the profit for the development to zero.

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SUMMARY OF PROJECT RETURNS

New build, Eaglehawk
Low-Mid Range Cost
1

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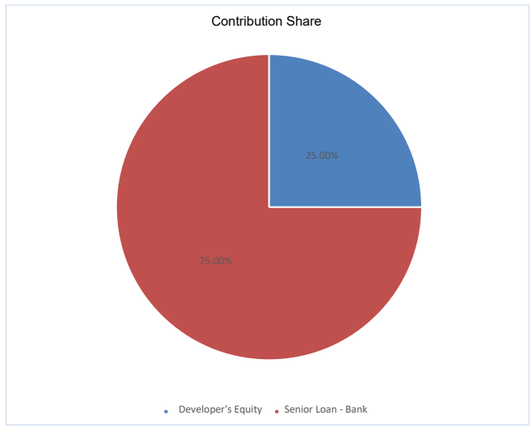
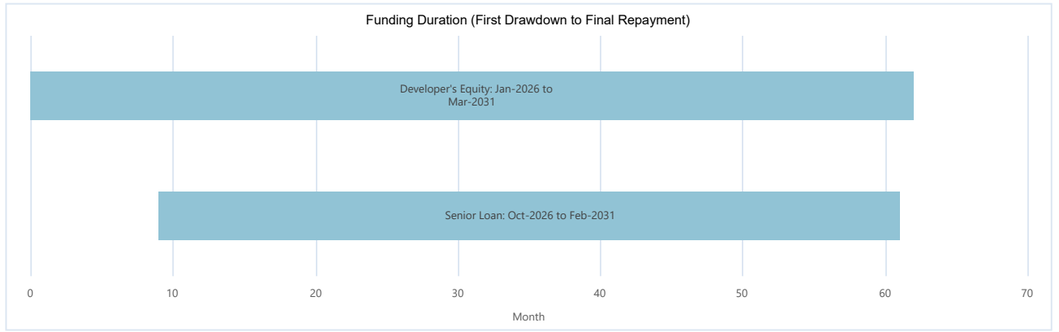
Returns on Funds Invested

	Developer's Equity	Senior Loan	Total Equity	Total Debt	Total Funding
	Equity	Debt Bank			
[1] Funds Invested (Cash Outlay)	39,065,845	117,189,123	39,065,845	117,189,123	156,254,968
% of Total Funds Invested	25.00%	75.00%	25.00%	75.00%	100.00%
[2] Peak Exposure	39,065,845	126,168,949	39,065,845	126,168,949	
Date of Peak Exposure	Feb-31	Aug-29	Feb-31	Aug-29	
Month of Peak Exposure	Month 61	Month 43	Month 61	Month 43	
Weighted Average Interest Rate	N.A.	7.50%	N.A.	7.50%	
Interest Charged	-	13,357,686	-	13,357,686	13,357,686
Line & Standby Fees Charged	-	-	-	-	-
Application Fees Charged	-	-	-	-	-
Profit Share Received	-	-	-	-	-
[3] Total Profit to Funders	(39,065,845)	13,357,686	(39,065,845)	13,357,686	(25,708,159)
[4] Margin on Funds Invested	-100.00%	11.40%	-100.00%	11.40%	
[5] Payback Date	Mar-31	Feb-31	N.A.	N.A.	
Month of Payback	Month 62	Month 61	Not Repaid	Not Repaid	
[6] IRR on Funds Invested	N.A.	7.76%	N.A.	7.76%	
[7] Loan to Value Ratio	31.68%	102.30%	31.68%	102.30%	
[8] Loan Ratio	26.76% of Project Costs (net of Interest/Fees and GST).	81.94% of Project & Finance Costs (inc Interest/Fees and net of GST).	24.52% of Project & Finance Costs (inc Interest/Fees and net of GST).	81.94% of Project & Finance Costs (inc Interest/Fees and net of GST).	





Footnotes:
1. The total amount of funding injected into the project cash flow.
2. The maximum cash flow exposure of that equity/debt facility including capitalised interest.
3. The total repayments less funds invested, including profit share paid or received.
4. Margin is net profit divided by total funds invested (cash outlay).
5. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
6. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.
7. Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
8. Loan Ratio is the total funds invested by the lender (cash outlay) divided by the nominated ratio calculation method. It includes capitalised interest and fees.

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PROJECT CHARTS

New build, Eaglehawk
Low-Mid Range Cost
1

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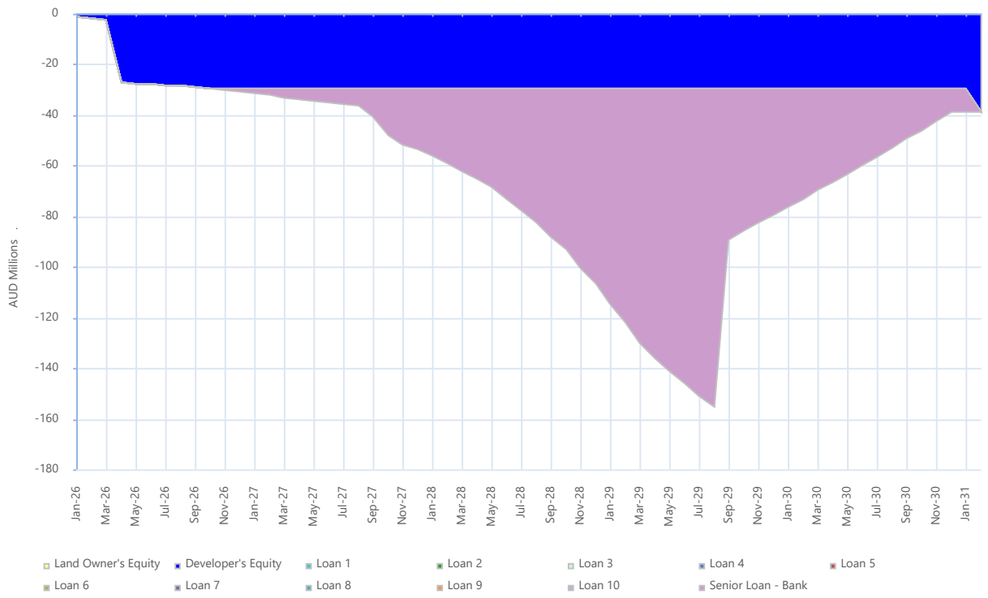
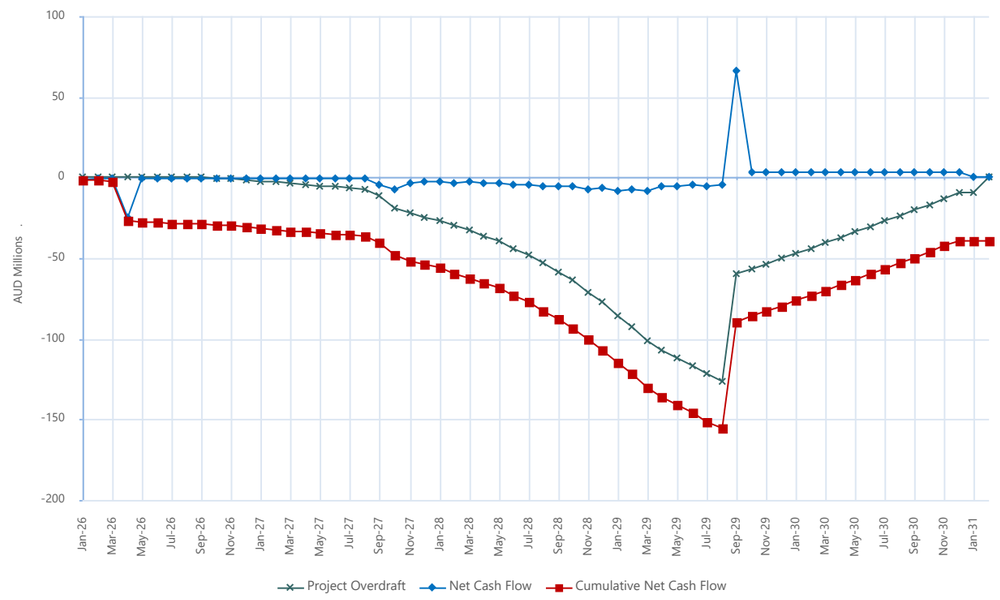
Project Cumulative Cash Flow



Project Cash Flow & Overdraft



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PROJECT CHARTS

New build, Eaglehawk
Low-Mid Range Cost
1

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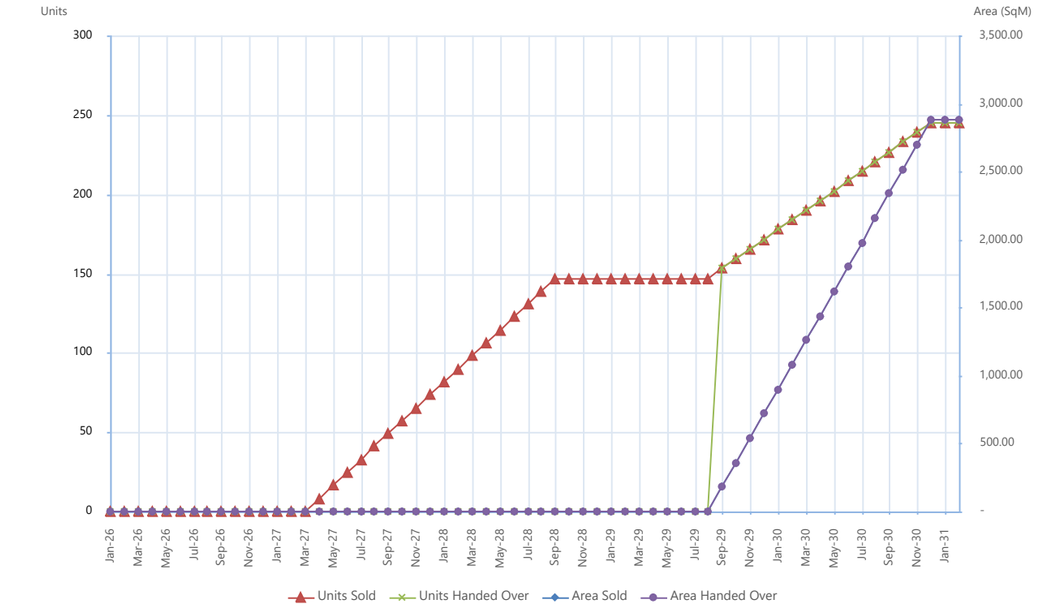
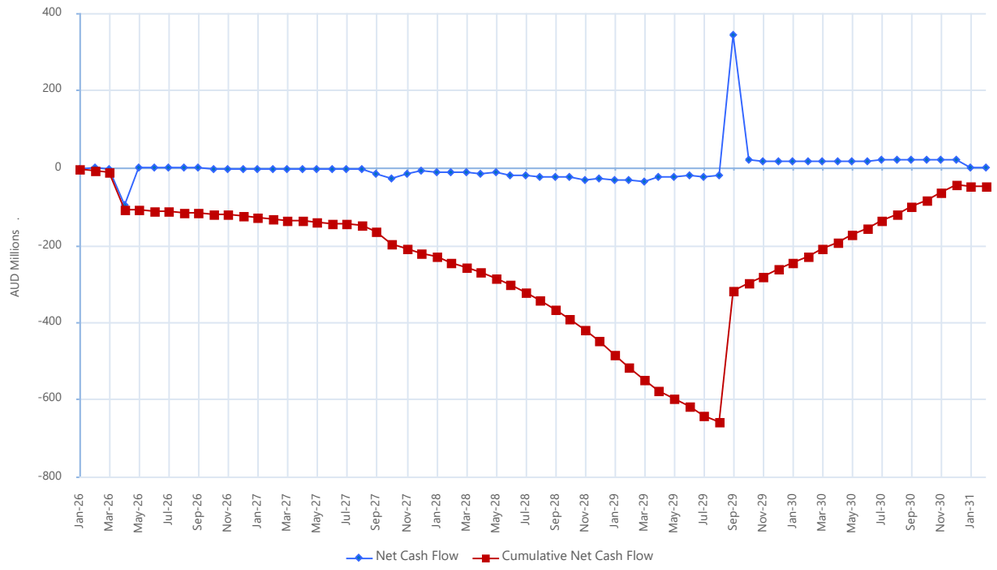
Stock Summary - Sales vs Handovers



Consolidated Cash Flow



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9.0

Design testing for Site 3: 4-16 and 32-24 Warwick Avenue, Springvale (City of Greater Dandenong)

9.1 Market research and demographic analysis

This analysis is prepared by HillPDA for the Warwick Avenue, Springvale site.

SPRINGVALE MARKET RESEARCH SUMMARY

Springvale is located approximately 25 kilometres southeast of Melbourne's CBD (2021 population of 22,174).

Springvale has a younger age profile and is one of the most culturally diverse suburbs in Victoria. The leading overseas countries are Vietnam, India, Cambodia and China.

Whilst economic and property market trends have impacted the viability of development in the recent past, conditions are expected to improve in the future, especially if interest rates continue to decline.

Springvale is expected a achieve solid population growth in the future (circa 400 per annum) based on infill development. The suburb is undergoing a transformation as it shifts from a predominantly detached house, townhouse and villa unit market to a more viable apartment sector.

In a metropolitan context, Springvale provides an affordability advantage for households that seek a location near transport linkages and shops and its strong cultural identity further enhances its appeal as a growth area for medium and high density living.

Recent new apartment sales indicate a price range from $405,000 to $630,000 per unit at $6,990/sqm to $8,850/sqm. There is also potential to consider mixed use projects with shopfronts achieving a range of prices based on location.

Note: the last section of this paper provides a preliminary scoping of general housing innovation options on public land.

Source of image: First National Real Estate

1.0 DEMOGRAPHIC CONTEXT

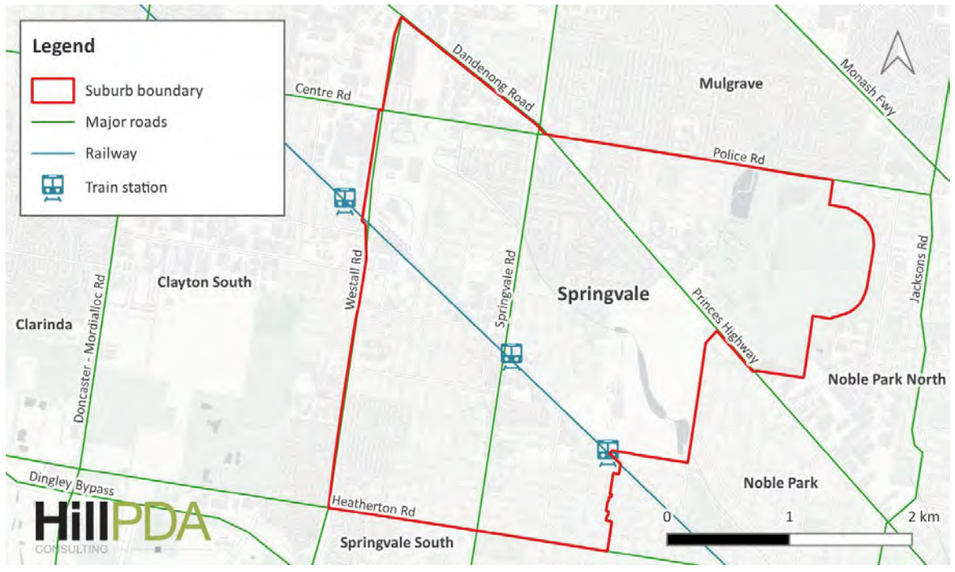
1.0 Overview

This section provides a demographic profile of Springvale. This information informs market responsive housing options.

1.1 Springvale

Springvale is a suburb located approximately 25 kilometres southeast of Melbourne's CBD, within the City of Greater Dandenong. It is well-connected by major roads and public transport, including two railway stations on the Pakenham/Cranbourne lines.

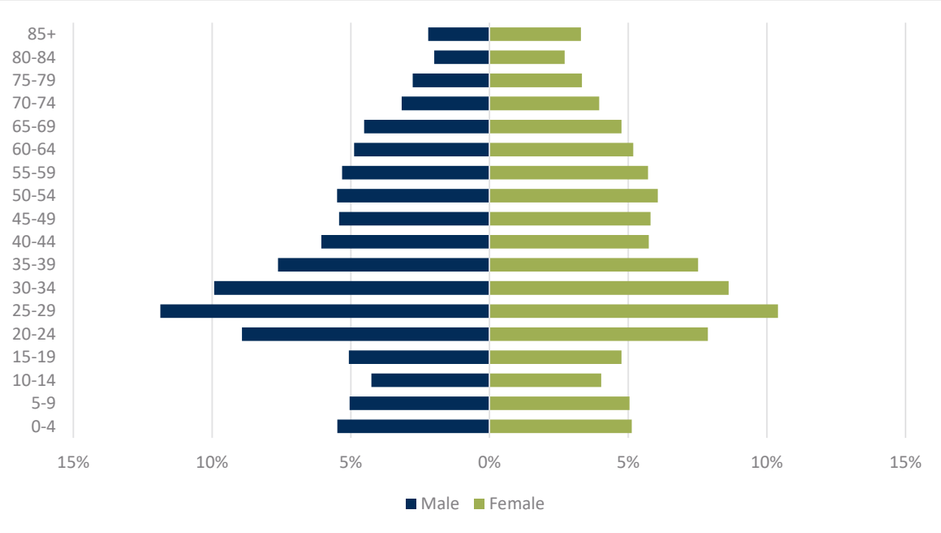
Figure 1: Springvale and surrounds



Imagery: CARTO (2025)

At the 2021 Census, Springvale had an estimated population of 22,174. The median age was 36 years, with the most common age group being 25-29 years, accounting for 11.2% of the population. More than one third of residents were aged 20-39 years, highlighting a predominantly young adult demographic.

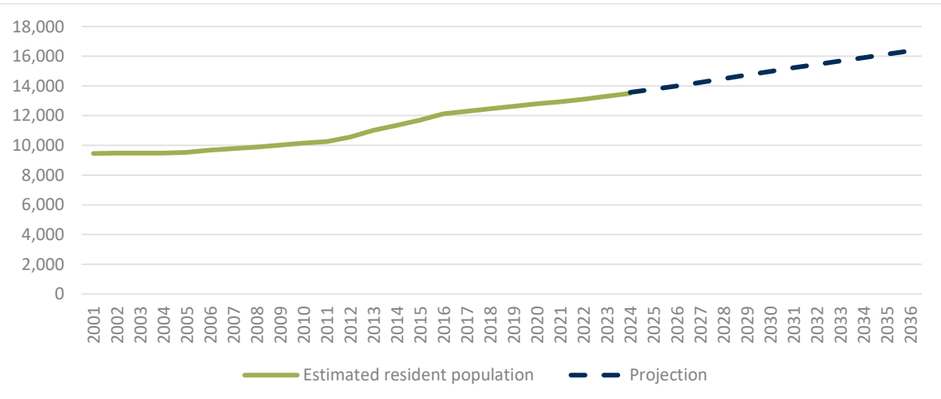
Figure 2: Age distribution in five year age groups (Springvale)



Source: ABS (2021).

The population of Springvale remained stable in the first few years of the 2000s before beginning to grow steadily from around 2006, averaging an increase of around 350 people per year until 2020. After two years of decline during the COVID-19 pandemic, growth has recovered and is anticipated to grow by more than 400 per year through to 2036.

Figure 3: Population projection (Springvale)



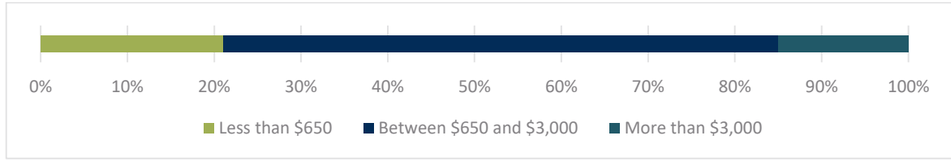
Source: ABS (2025); DTP (2023).

According to the 2021 Census, in Springvale:

- The median weekly household income was $1,402
- The median monthly mortgage repayment was $1,750
- The median weekly rent was $357.

Approximately one in five households reported a total weekly income of less than $650. Conversely, almost 15% of households reported earning over $3,000 per week.

Figure 4: Household income ranges (Springvale)



Source: ABS (2021).

Springvale is one of the most culturally diverse suburbs in Victoria. Approximately 66.4% of residents were born outside of Australia, up from 65.2% in 2011. Over 80% of households use a non-English language (75% in 2011).

Top countries of birth (excluding Australia):

1. Vietnam (20.9%)
2. India (7.4%)
3. Cambodia (5.6%)

Top languages used at home (excluding English):

1. Vietnamese (25.2%)
2. Mandarin (6.7%)
3. Cantonese (6.3%).

Across Victoria, only 1.3% of people were born in Vietnam. Approximately 6% of the total Vietnamese-born population of Victoria are based within Springvale.

1.2 Dwelling profile

Springvale has experienced housing growth in the past decade. The number of semi-detached dwellings nearly doubled between 2011 and 2021 and now make up around 20% of all dwellings in the area. Meanwhile, the proportion of flats and apartments declined. However, the decrease for flats was entirely within one to three storey blocks, while there was an increase of 85.4% in dwellings in four or more storey blocks (from 48 to 89 dwellings).

Table 1: Dwelling structure (Springvale)

Description	2011		2021		Change	
	#	%	#	%	#	%
Separate house	4,624	71.3%	4,972	69.5%	+348	+7.5%
Semi-detached, row or terrace house, townhouse etc.	732	11.3%	1,441	20.1%	+709	+96.9%
Flat or apartment	1,015	15.6%	644	9.0%	-371	-36.6%
Other dwelling	115	1.8%	101	1.4%	-14	-12.2%
Total	**6,486**	**100.0%**	**7,158**	**100.0%**	**+672**	**+10.4%**

Source: ABS (2011; 2021).

Dwellings with four or more bedrooms increased by 37% between 2011 and 2021, while the number of dwellings with no bedrooms declined by over 50%. Despite the growth in larger homes, the average number of bedrooms per dwelling decreased slightly. Of the additional dwellings built during the period, over half had one to three bedrooms.

Table 2: Number of bedrooms (Springvale)

Description	2011		2021		Change	
	#	%	#	%	#	%
None (includes studio apartments or bedsitters)	51	0.8%	24	0.3%	-27	-52.9%
1 bedroom	475	7.3%	525	7.3%	+50	+10.5%
2 bedrooms	1,169	18.0%	1,365	19.1%	+196	+16.8%
3 bedrooms	3,338	51.4%	3,457	48.3%	+119	+3.6%
4 or more bedrooms	1,200	18.5%	1,649	23.0%	+449	+37.4%
Total	**6,233**	**100.0%**	**7,020**	**100.0%**	**+787**	**+12.6%**
Average number of bedrooms per dwelling	3	-	2.9	-	-	-

Source: ABS (2011; 2021).

Total households grew by a small amount between 2011 and 2021. The biggest increase was in group households, which grew by almost 50%. Lone person households also experienced modest growth. There was a small decline in family households, with the biggest decline in couple families without children. The average household size has remained the same.

Table 3: Household composition (Springvale)

Description	2011		2021		Change	
	#	%	#	%	#	%
Lone person	1,429	20.7%	1,577	22.0%	+148	+10.4%
Group	328	4.7%	483	6.7%	+155	+47.3%
Family	5,153	74.6%	5,112	71.3%	-41	-0.8%
Couple family without children	1,672	24.2%	1,570	21.9%	-102	-6.1%
Couple family with children	2,304	33.3%	2,349	32.8%	+45	+2.0%
One parent family	1,019	14.7%	976	13.6%	-43	-4.2%
Other family	158	2.3%	217	3.0%	+59	+37.3%
Total	**6,910**	**100.0%**	**7,172**	**100.0%**	**+262**	**+3.8%**
Average household size (no. of persons)	2.9	-	2.9	-	-	-

Source: ABS (2011; 2021).

The number of households is expected to grow by almost 2,000 or 26.1% between 2021 and 2036. The biggest net increase is projected in couple families with children, which are expected to grow by more than double the amount of the next fastest-growing group.

Despite this expected growth, the overall proportion of household types is expected to remain relatively stable. Couple families with children are expected to remain the largest share of households, followed by couples without children and lone person households.

Table 4: Household projections by type (Springvale)

Description	2021	2026	2031	2036		Change 2021-2036	
				#	%	#	%
Couple family without children	1,685	1,816	1,948	2,102	21.8%	+418	+24.8%
Couple family with children	2,484	2,700	3,039	3,428	35.5%	+944	+38.0%
One parent family	1,060	1,097	1,186	1,315	13.6%	+255	+24.1%
Other family	236	252	266	285	2.9%	+49	+20.7%
Lone person	1,665	1,674	1,732	1,838	19.0%	+174	+10.4%
Group	534	589	636	694	7.2%	+160	+30.0%
Total	**7,663**	**8,128**	**8,807**	**9,663**	**100.0%**	**+1,999**	**+26.1%**

Source: DTP (2023).

All tenure types increased in number over 2011 to 2021, though dwellings owned outright and owned with a mortgage declined as proportions of all households. The proportion of households living in rented dwellings increased by almost a quarter over the decade. The most dramatic rise was in other tenure types (including life tenure schemes and rent-free arrangements), which more than doubled.

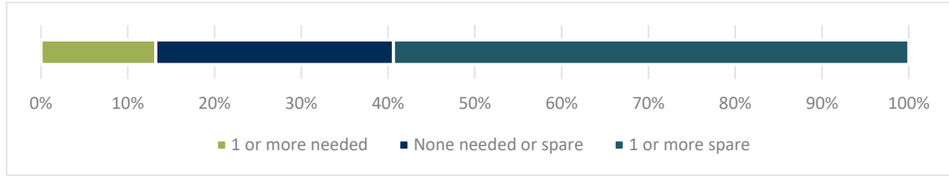
Table 5: Tenure type (Springvale)

Description	2011		2021		Change	
	#	%	#	%	#	%
Owned outright	2,248	36.8%	2,271	32.5%	+23	+1.0%
Owned with a mortgage	1,480	24.2%	1,650	23.6%	+170	+11.5%
Rented	2,265	37.1%	2,810	40.2%	+545	+24.1%
Other tenure type	111	1.8%	266	3.8%	+155	+139.6%
Total	**6,104**	**100.0%**	**6,997**	**100.0%**	**+893**	**+14.6%**

Source: ABS (2011; 2021).

Based on the 2021 Census, 13% of households in Springvale were considered to require at least one additional bedroom. A majority of households had one or more spare bedroom, suggesting that most dwellings in Springvale either meet or exceed the space requirements of the people living in them.

Figure 5: Housing suitability (Springvale)



Source: ABS (2021).

2.0 MARKET RESEARCH

2.0 Overview

This section provides a profile of the Springvale property market. This information informs market responsive housing options.

The market research provides realistic assumptions around pricing, demand and development activity, which are essential for evaluating the viability of housing options.

2.1 Property Market Context

Residential prices in metropolitan Melbourne are now rinsing following a period of stagnation. Growth has been fuelled by post-pandemic population growth and more recent stabilisation in inflation and cuts to interest rates.

Rents spiked in all areas in Victoria over the past year or so, driven by rising costs for investors and rapid growth in demand.

The cost to build increased significantly in recent years due to broader inflationary pressures including labour cost increases and material cost increases. Costs appear to have stablished in recent months.

These trends have impacted the viability of development at the current time, but conditions are expected to improve in the future, especially if interest rates continue to decline.

2.2 Residential Apartments Market Overview

Springvale is undergoing a transformation as it shifts from a predominantly detached house, townhouse and villa unit market to a more viable apartment sector.

Recent data indicates that apartment unit prices are rising, with 2-bedroom units increasing by 10.4% per annum. Rental yields for apartments are also strong (approximately 4.9%).

This trend is supported by government policy, which aims to facilitate the construction of more apartment units around key transport and activity centre nodes. Springvale has some notable renewal precincts including the Warwick Avenue precinct and Balmoral Avenue site.

In a metropolitan context Springvale provides an affordability advantage for households that seek a location near transport linkages and shops.

The suburb's strong cultural identity further enhance its appeal as a growth area for medium and high density living.

2.3 Supply Indicators

Springvale has a moderate level of housing stock, with 68 units and 69 houses available for sale in the past month. The median time on market for houses is 79 days, while units sell faster

at 44 days, suggesting stronger demand for smaller housing options. This supply level is relatively balanced but could tighten if interest rates fall s.

2.4 Affordability

The median house price is $843,500, while the median household income is $1,402 per week. With monthly mortgage repayments averaging $1,750, many households are spending close to or above 30% of their income on housing, indicating housing stress.

2.5 Rental Market Performance

Springvale's rental market is performing strongly. Units yield 4.7%, and houses yield 3.7%, with rents rising by 12.8% for units and 10% for houses over the past year. he median rent for units is $500 per week, and for houses, it is $550 per week. Properties lease quickly, with units taking 27 days and houses 28 days on average.

Overall, Springvale is well-positioned for sustainable long-term housing market growth, particularly in the apartment and rental sectors.

2.6 Development Sites Sales

The development site sales in Springvale over the last two years have been townhouse developments. On average, properties sold for $1,283,500, with land areas averaging 935 sqm. The average land value per square metre was $1,470, and the average cost per proposed dwelling was $257,820. The transactions are outlined in the table below.

Table 6: Development site sales

Address, Springvale	Sold Price	Land Area	No. Proposed Dwellings	Sold Date	$/sqm	$/Dwelling
14 Whitworth Avenue	$630,000	813	6	2024	$774	$105,000
931 Heatherton Road	$955,000	1,173	5	2024	$814	$191,000
69 Glendale Road	$907,000	789	3	2024	$1,150	$302,333
6 Watt Street	$1,220,000	700	7	2023	$1,742	$174,286
459-461 Springvale Road	$2,150,000	1,809	8	2024	$1,188	$268,750
37 Osborne Avenue	$1,508,000	832	4	2022	$1,812	$377,000
25 St James Avenue	$1,606,000	702	5	2021	$2,288	$321,200
24 Elm Grove	$1,292,000	665	4	2021	$1,943	$323,000

Source: RP Data Professional, HillPDA

2.7 Apartment Sales Evidence

Our research indicates that there are currently limited examples of modern apartment buildings in Springvale with relatively few new developments entering the market.

This scarcity is reflected in the pricing and density of recent sales. These figures suggest that well-located, newer apartments can command prices ranging from $6,990 to $8,850/sqm, while more modest or older stock transacts at lower rates. The Windsor Avenue sale highlights strong demand for compact, high-quality stock.

Table 7: Apartment developments sold in 2025

Address, Springvale	Sold Price	Internal Area	$/sqm	Image
201/15 Windsor Avene	$630,000 June 25	64 3 bedroom	$9,843	
109/20 Avenue, Springvale	$405,000 May 25	58 2 bedroom	$6,983	

Source: RP Data Professional, HillPDA

2.8 Townhouses Sales Evidence

The average sold price across the five properties shown in the table below is $712,000, with the highest being $800,000 (25 Talara Close, Springvale) and the lowest at $630,000 (2/794 Princes Highway).

The average internal area is 99.6 sqm, ranging from 62 sqm (2/14 Lucian Avenue) to 137 sqm (25 Talara Close). In terms of price per square metre, the average was $7,570/sqm, with the highest being $10,810/sqm (2/14 Lucian Avenue) and the lowest at $5,730/sqm (2/794 Princes Highway).

Table 8: Townhouse developments sold in 2025

Address	Sold Price	Internal Area	$/sqm	Image
2/14 Lucian Avenue, Springvale	$670,000 Jul 25	62	$10,806	
25 Talara Close Srpingvale	$800,000 Jul 25 3 bedroom	137	$5,840	
2/794 Princes Highway	$630,000 Jul 24 2 bedroom	110	$5,727	
1/897 Heatherton Road	#680,000 Jan 25 3 bedroom	88	$7,727	
2/40 Gove Street	$780,000 Jan 24 3 bedroom	101	$7,722	

Source: RP Data Professional, HillPDA

2.9 Commercial Sales Evidence

Discussions with local agents and recent listings suggest that retail shopfronts in Springvale vary significantly in both size and price, reflecting a diverse and evolving commercial landscape.

Smaller tenancies, such as those on Windsor Avenue, offer investment opportunities for owner-occupiers or small businesses. These properties tend to be more affordable and easier to manage, making them attractive to first-time investors.

In contrast, larger sites like those on Princes Highway and Buckingham Avenue represent strategic holdings with potential for redevelopment or higher-yield commercial use. These properties are often located in high-traffic zones and may appeal to developers or institutional investors seeking long-term growth.

This variation in property scale and pricing highlights the importance of site-specific analysis when evaluating commercial opportunities in Springvale.

Table 9: Retail shopfronts sales evidence

Address, Springvale	Sale Price	Floorspace (sqm)	$/sqm	Other comments
2/15 Windsor Avenue	$1,150,000	61	$18,852	Asking price – Retail/ office/ medical
10 Erica Street	$600,000–$660,000	137	$4,388–$4,818	Asking Price – Retail
337-339 Springvale Road	$4,039,000	360	$11,219	Sold price March 2025 – two shop top retail buildings
97 Springvale Road	$800,000	208	$3,846	Sold office space – single storey office/ shop front.

Source: RP Data Professional, HillPDA

2.10 Market Summary

Development Site Values

- Development site land values range from $780/sqm to $2,290/sqm, or $105,000/unit to $377,000/unit (depending on location).
- The average price of the sample of recent sales is $1,283,500 for 935 sqm of land, at $1,470/sqm and $257,820 per unit.
- Most residential developments are townhouses.

Townhouses Prices

- Townhouses prices range from $630,000 to $800,000, at $6,730/sqm to $10,810/sqm (internal area 100 to 140 sqm).

Apartment Prices

- A limited number of new apartment sales indicates a price range from $405,000 to $630,000 at $6,990/sqm to $8,850/sqm.

Commercail Shopfront Prices

- Commercail shopfront prices range from $3,850/sqm to $11,220/sqm (shopfronts under 400 sqm), but vary significantly based on location.

3.0 NON-MARKET OPTIONS

3.0 Overview

This section provides a preliminary scoping of housing innovation options that may be considered to facilitate the supply of more diverse and / or more affordable housing options via the use of public land (i.e. local government land).

3.1 Council Land Options

Sale or Lease of Land

Councils may from time to time sell land or lease land at market value or at a discount.

The divestment or lease could be made to a to a private entity or to a not-for-profit entity like a housing association or some form of land trust. This could be done for a housing purpose to meet the needs of the local community.

Discounted land sale has the potential to make development projects viable for the developer in cases where financial viability is not possible.

Discounted lease of land to a housing provider can have the same benefit for the housing provider; that is, generating a financially acceptable outcome.

Land Trust Model

A land trust model enables the individual household to purchase a dwelling or build a dwelling on land owned or controlled by a land trust. Land trust arrangements offer the opportunity for home ownership to a group that would otherwise not be able to afford a land with dwelling.

The land trust could have a particular objective such as meeting the needs of key workers, first home buyers or older persons.

3.2 Some Recent Land Innovation Examples

Selected case studies regarding housing investment innovation provide insights into potential responses that may be relevant.

Key Worker and Affordable Housing Project, Warrnambool City Council, Victoria

Facilitating key worker housing supply on council land

Warrnambool City Council in regional Victoria developed this project to tackle the lack of affordable rental homes in the area. This proposed project involves the leasing of land by Council to a Community Housing Agency (CHA) for a period of up to 25 years. The CHA will be required to build a minimum of 50 self-contained units, with a 50/50 split of key worker accommodation and affordable housing. Affordable units would have rents capped at 75 per cent of market rate, while employers would lease the key worker accommodation to their

employees. All built assets will be disposed through sale or relocation at the end of the project period. The project is estimated to cost $15 to $18 million, with council seeking funding from private equity and governments.

Winanglo Community Village, Community Bank Surf Coast, Victoria

Joint venture older persons housing development that included a land contribution from council

The town of Winchelsea (1.5 hours from Melbourne and population of approximately 2,456 in 2021), has a shortage of appropriate housing for older people that are looking to downsize in the town.

In response to this, the Community Bank Surf Coast established a social enterprise called Winanglo to drive the development of 10 independent living units and associated support services locally. The Community Bank committed $1.5 million towards the $5 million project with the remainder supplied through loans. The loans were repaid through the sale of the units, and profits reinvested on other local community projects on an as-needed basis.

Surf Coast Shire Council assisted through the transfer of vacant land for $1. As an incorporated association with charitable status the development is to remain in the ownership of the local community.

Regional Key Worker Housing Scheme, South Australian State Government

State development of key worker housing which are on-sold to investors

Administered by the State Office for Regional Housing, this pilot program aims to address the need for affordable and accessible quality housing options to attract and retain essential workers including police, teachers and healthcare workers in country communities.

The program will develop approximately 35 new homes in key regional centres which will be sold to private investors with long-term, employer-backed leases attached.

Sloane Street Development, Northern Grampians Council, Victoria

Housing development in a location with a limited private sector market

Northern Grampians Council rezoned a parcel of land owned by Council in Stawell for residential purposes and then invited developers to submit proposals for the purchase and development of the land for residential purposes. The Council set terms and conditions, which included the provision of a diverse range of housing on the site. A $500,000 grant was also secured from the State Government's Regional Infrastructure Fund with an equivalent matched funding contribution from the Council to extend services to the site.

Correa Park, Pyrenees Shire Council, Victoria

Housing development in a location with a limited private sector market

Correa Park is a council-developed subdivision in the rural town of Beaufort. It was instigated due to the stagnating population in the area combined with a lack of interest from developers in the large-scale investment required to significantly boost local housing stock.

Pyrenees Shire Council used $6 million in savings and loans to purchase land in a residential zone, as well as for realignment of road and utilities connection. The project was completed in 2021 and costs have been recouped through the sale of the 100 lots within the subdivision.

Harris Transportable Housing, Launch Housing, Maidstone

Low cost housing supply on state owned land

Launch Housing is using nine parcels of vacant VicRoads land in Footscray and Maidstone to create 57 tiny homes for people with a chronic experience of homelessness. They are utilising the Fredi transportable home model, which has 20 sqm of internal space with a 9 sqm verandah. It is designed with passive heating, shading and cooling) to achieve 6+ star rating for reduced occupant running costs.

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9.2 Site analysis

This site comprises two separate land parcels, currently existing car parks, on the same street, but approximately 50m apart. Site conditions and local constraints directed the consideration of two sites as a combined redevelopment opportunity.

9.2.1 Strategic policy

Zone:

The parcels are in the **Commercial 1 Zone (C1Z)**. The purpose of this Zone is:

- *To create vibrant mixed use commercial centres for retail, office, business, entertainment and community uses.*
- *To provide for residential uses at densities complementary to the role and scale of the commercial centre.*

Design and Development Overlay 6 (DDO6): Springvale Activity Centre

The parcels are affected by this Overlay. The relevant Design Objectives are:

- *To implement the Springvale Activity Centre Structure Plan (2017) and the Springvale Activity Centre Building Heights and Setbacks Study (2016) to maintain and create a strong and distinct image of the Springvale Major Activity Centre.*
- *To encourage higher density development, whilst maintaining the fine grain rhythm at street level, and achieve a transition down in scale to reduce amenity impacts to the surrounding established residential areas.*
- *To ensure the height and setbacks of development delivers a high quality public realm which maintains sunlight and comfortable wind conditions.*
- *To encourage high quality buildings and ensure building separation and setbacks achieve high levels of external and internal amenity for occupants, visitors and the general public which may require consolidation of sites.*

The Overshading Requirement for the opposite (eastern) footpath is: Solar access is maintained within 4 metres of the property boundaries from 12pm – 2pm.

The parcels are in Precinct 6 under DDO6.

The preferred maximum building height is 10 storeys.

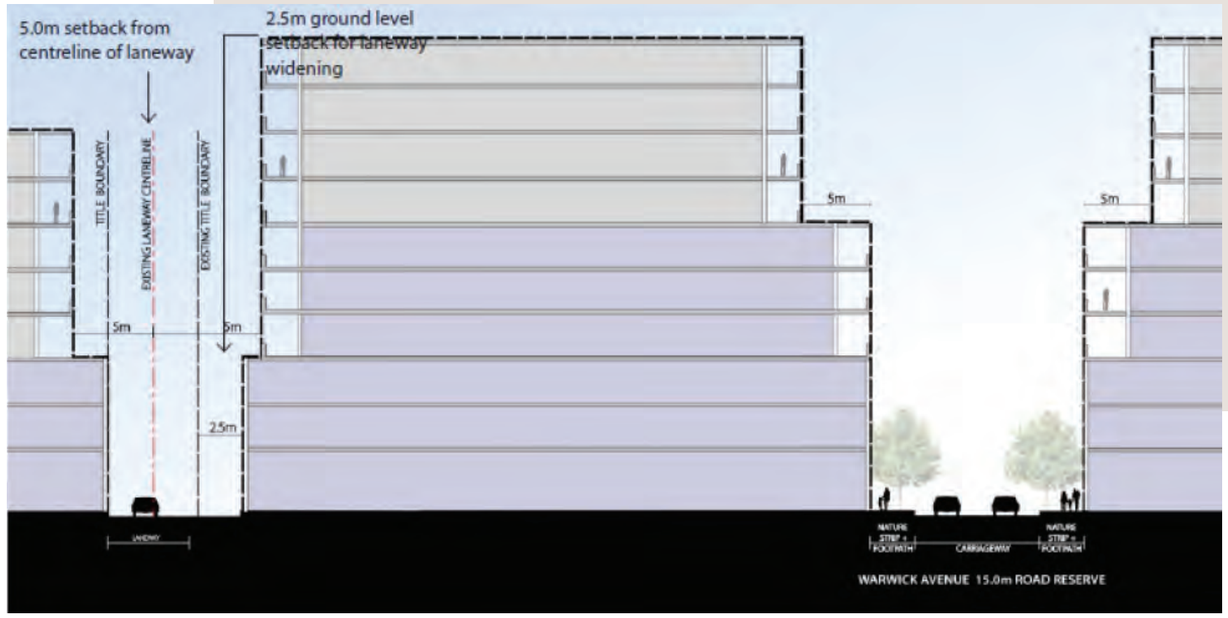
The preferred maximum street edge heights are 6 storeys to Warwick Avenue, and 3 storeys to the rear lane.

A rear ground level setback is required for laneway widening.

The Warwick Avenue interface is a Primary Active Frontage, and is in the weather protection area.

Other built form parameters include:

- *Zero front, side and rear setbacks for development up to 22.5 metres (6 storeys) unless adjoining a Residential Zone.*
- *If overall building height is greater than 22.5 metres (6 storeys). provide a minimum 5 metre front setback for storeys above 22.5 metres (6 storeys).*
- *New development should provide rear setbacks to enable the adequate servicing of existing and future development.*
- *Development should respect the heritage buildings at the Springvale Rise Primary School.*



Sectional diagram of built from fronting Warwick Avenue, from, DDO6

Planning Policy reform: Activity Centres Program

The Victorian government has finalised plans for the first 10 pilot activity centres in this program. The program is now being expanded to include 50 more train and tram zones, including Springvale Station

Source: **https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/activity-centres-program/about-activity-centres/about-our-plans**

The plans for each activity centre includes:

↘ **Activity centre core:**

- The core is the central part of the activity centre, closest to public transport, jobs and services;
- Various heights between three and 12 storeys in most activity centres and up to 20 storeys in some places in the largest activity centres.

↘ **Inner catchment:**

- The catchment is the surrounding area within approximately 10 minutes' walk of the activity centre core;
- Up to six storeys on blocks larger than 1000m^2 and up to four storeys in all other places.

↘ **Outer catchment:**

- Up to four storeys on blocks larger than 1000m^2 and up to three storeys in all other places.

Noting that the applicable DDO (above) provides for heights of 10 storeys on the site, it is derived that the site would fall within the activity centre core, subject to future planning.

9.2.2 Site parameters

Location and access

The parcels are within approximately 2-5 minutes' walk from the entrance to Springvale Station. Bus stops on Lightwood Road and Springvale Road are even closer.

The parcels are within approximately 50m from the main retail street of Springvale Road, is immediately adjacent to a Primary School, with other schools nearby.

Springvale Road is used by several bus routes, providing a range of local and longer-distance connections:

- 811: Dandenong – Brighton
- 811-812: Dandenong – Brighton
- 813: Dandenong to Waverley Gardens Shopping Centre
- 902: Chelsea Railway Station to Airport West Shopping Centre.

Street frontages

The parcels front onto Warwick Avenue (eastern interface), and a rear access lane to the west.

Warwick Avenue is approximately 15m wide (including footpaths), and the rear land is approximately 6m wide.

Other interfaces

↘ **4-16 Warwick Avenue:**

- North: single-level, low-grade, narrow commercial building; and Council-owned triangular site under the Heritage Overlay, accommodating a community use and open space fronting Lightwood Road;
- South: Telstra exchange building.

↘ **32-34 Warwick Avenue:**

- North: Recent 8-storey apartment building at 28-30 Warwick Avenue, with:
  - Entrance off Warwick Avenue;
  - Ground Floor retail/commercial fronting Warwick Avenue;
  - Ground Floor car parking, with rear lane access;
  - Basement car parking, with rear lane access;
  - Apartments at Levels 1-7, facing mainly north, south and east.
- South: Springvale Rise Primary School, with car parking, storage building and outdoor play space along the boundary.

Width

The parcel at 4-16 Warwick Avenue is approximately 60m wide at the street frontage.

The parcel at 32-34 Warwick Avenue is approximately 30m wide at the street frontage.

Length

The parcels are approximately 49m long from front to back.

Area

The combined site area is approximately 4,410 sq.m.

9.2.3 Site constraints

Adjacent apartment building: solar access impacts

The relatively tall (8 storeys) building to the immediate north of 32-34 Warwick Avenue creates significant shadowing impacts to the subject site, particularly in cooler months when the sun is lower in the sky, causing longer shadows.

This will significantly, detrimentally impact a future building on this parcel, particularly at the lower levels.

Adjacent apartment building: separation and overlooking

The adjacent building incorporates several primary balconies and habitable room windows facing south towards the subject site, with limited setbacks of approximately 3m.

This results in the potential need for future development on the subject site to provide a larger setback to ensure acceptable building separation outcomes, manage overlooking and associated risks, and limit the amenity impacts to that existing building.

The design of the adjacent building does not adequately address equitable development opportunities, or protect its own amenity, from future development to the south. In effect, it 'borrows' amenity from the Council car park site (outlook and daylight), which would be reduced if that site was developed.

Potential through-link

The Council proposal to create a one-way vehicle street link through the parcel at 32-34 Warwick Avenue, connecting between Warwick Avenue and the rear laneway, then on to Springvale Road via an existing or expanded connection, creates spatial challenges for this relatively small parcel.

That is, a street link will take up a significant proportion of the Ground Floor space on the site, and a potential undercroft link (with built form above) presents a range of design, amenity and safety challenges.

Existing public car parking

Redevelopment of the site would result in the loss of the existing free public car parking, comprising approximately 52 spaces.

If this parking was required to be replaced within a future development, this would create a significant cost and design impact.

Emerging apartment market

Springvale is a relatively new, emerging or 'potential'; activity centre for higher density, apartment-type housing.

School interface

The adjoining school presents significant constraints for development of the parcel at 32-34 Warwick Avenue, relating to overshadowing impacts and privacy/overlooking issues.

The school is within Heritage Overlay HO68 for the extent interfacing with this parcel.

9.2.4 Site opportunities

Major corridor location

Springvale is located on the Sunbury to Cranbourne-Pakenham line using the Metro Tunnel. This corridor links a range of major commercial, institutional and educational hubs, including:

- Dandenong Metropolitan Activity Centre and National Employment and Innovation Cluster (NEIC);
- Monash Health Precinct (Clayton);
- Monash University, Clayton and Caulfield;
- Richmond/Cremorne (technology cluster);
- Melbourne CBD;
- St Kilda Road via Anzac Station;
- Parkville and Arden;
- Potential future link to Melbourne Airport; and
- Connection to the Latrobe Valley.

Transit-Oriented Development (TOD)

Residential development on this site will benefit from easy access to Springvale Station, various bus services, and local shops, services and facilities, supporting local walking access. The site achieves a Walk Score of 86% ('Very Walkable - most errands can be accomplished on foot') to 91% (Walker's Paradise – daily errands do not require a car); and a Transit Score of 71% ('Excellent Transit – transit is convenient for most trips').

Affordable housing

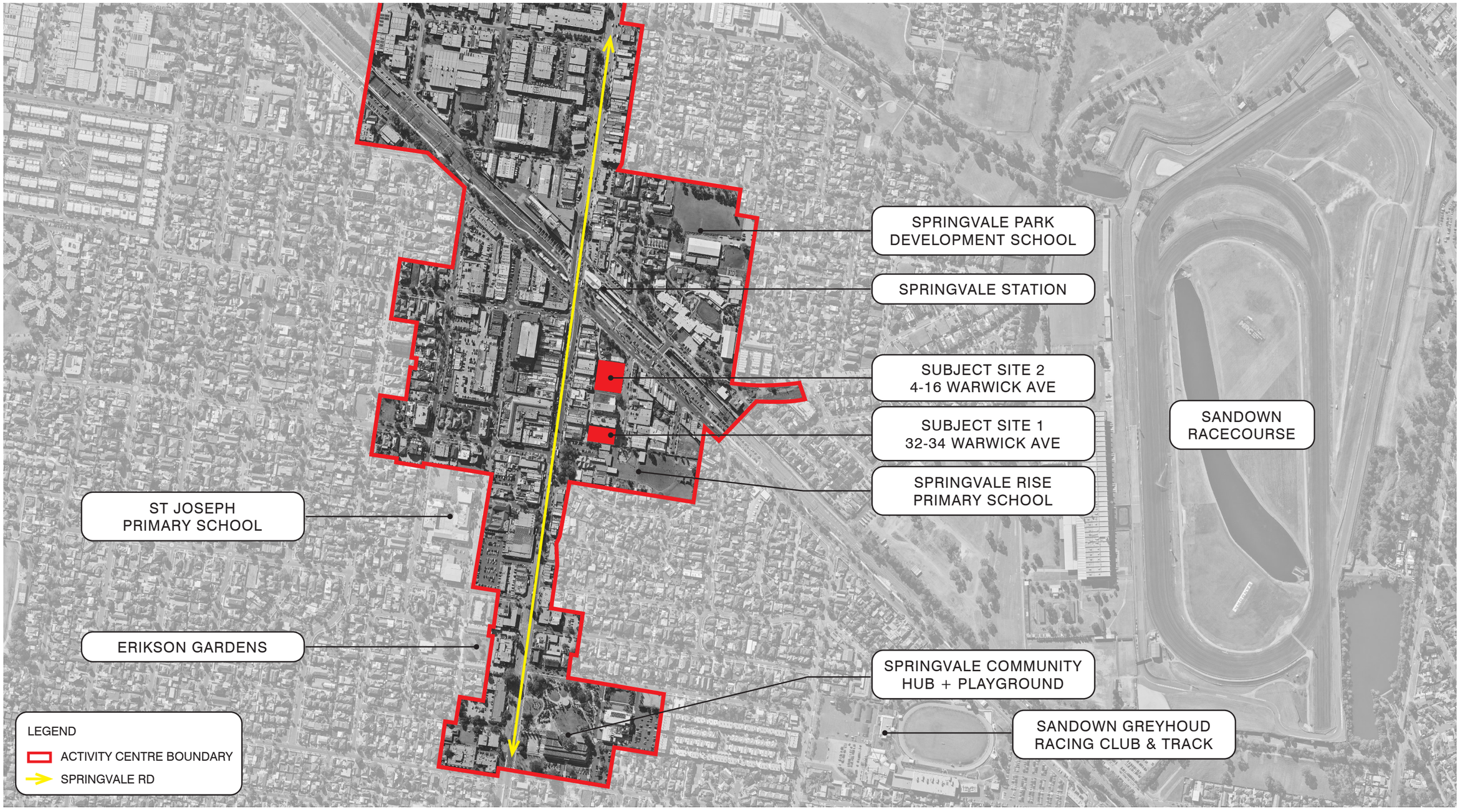
The abovementioned locational benefits may make the site suitable for affordable housing, subject to design and viability considerations.

9.3 Design concept plans

This section comprises the analysis, design strategies, concept plans and yield analysis, prepared by BKK Architects for the Warwick Avenue, Springvale site.

Springvale - Location Plan

Springvale Activity Centre - Location Plan



Springvale Activity Centre - Structure Plan

Fig. 1 and 2. from Springvale Activity Centre Structure Plan 2017 pdf version (A4491202)

SITE 2
4-16 WARWICK AVE

SITE 1
32-34 WARWICK AVE

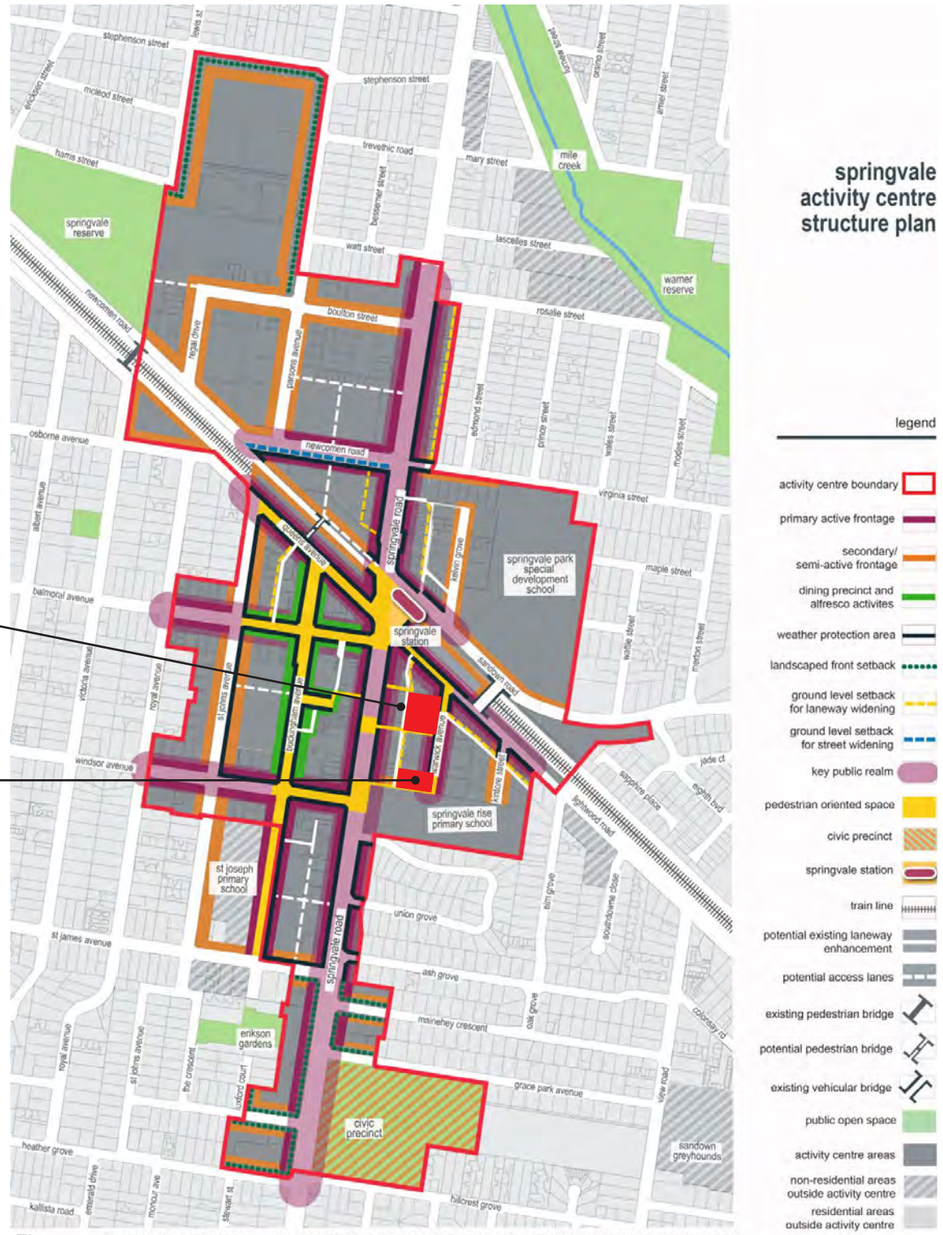


Fig. 1. ACTIVITY CENTRE BUILT FORM & GROUND FLOOR ACTIVE FRONTAGE PLAN

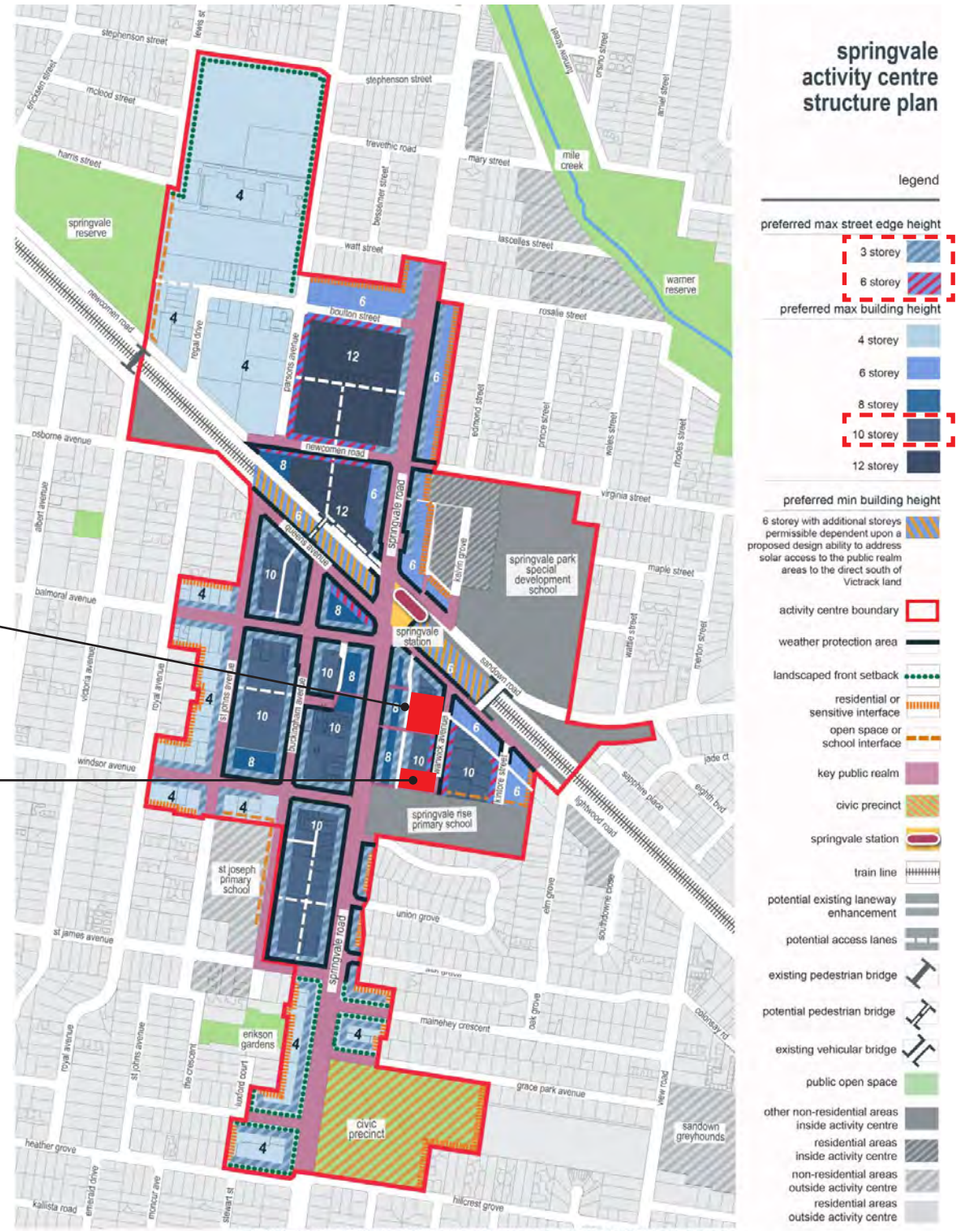
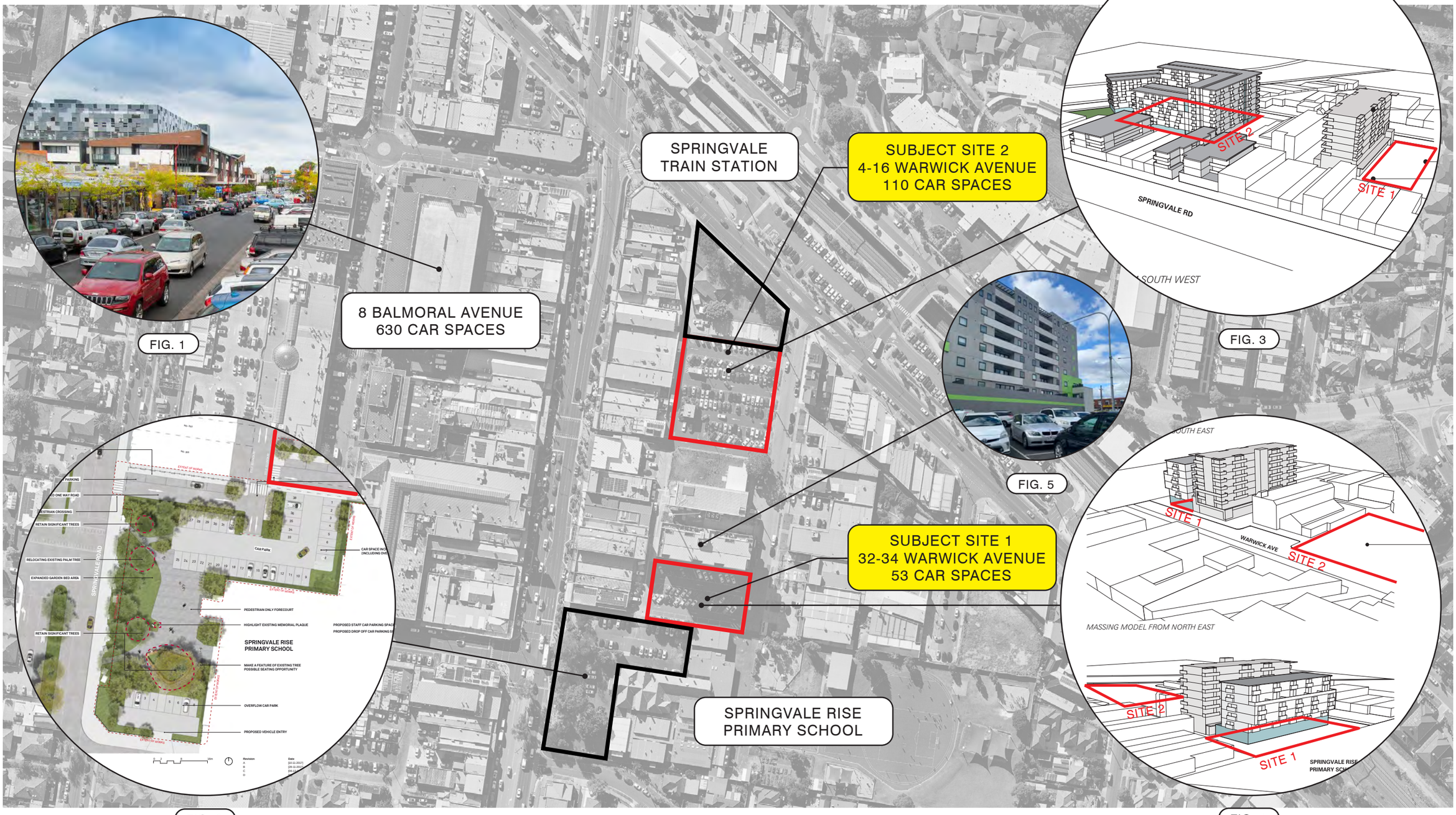


Fig. 2. ACTIVITY CENTRE BUILT FORM AND BUILDING HEIGHT PLAN

Springvale Activity Centre - Precinct Development Context

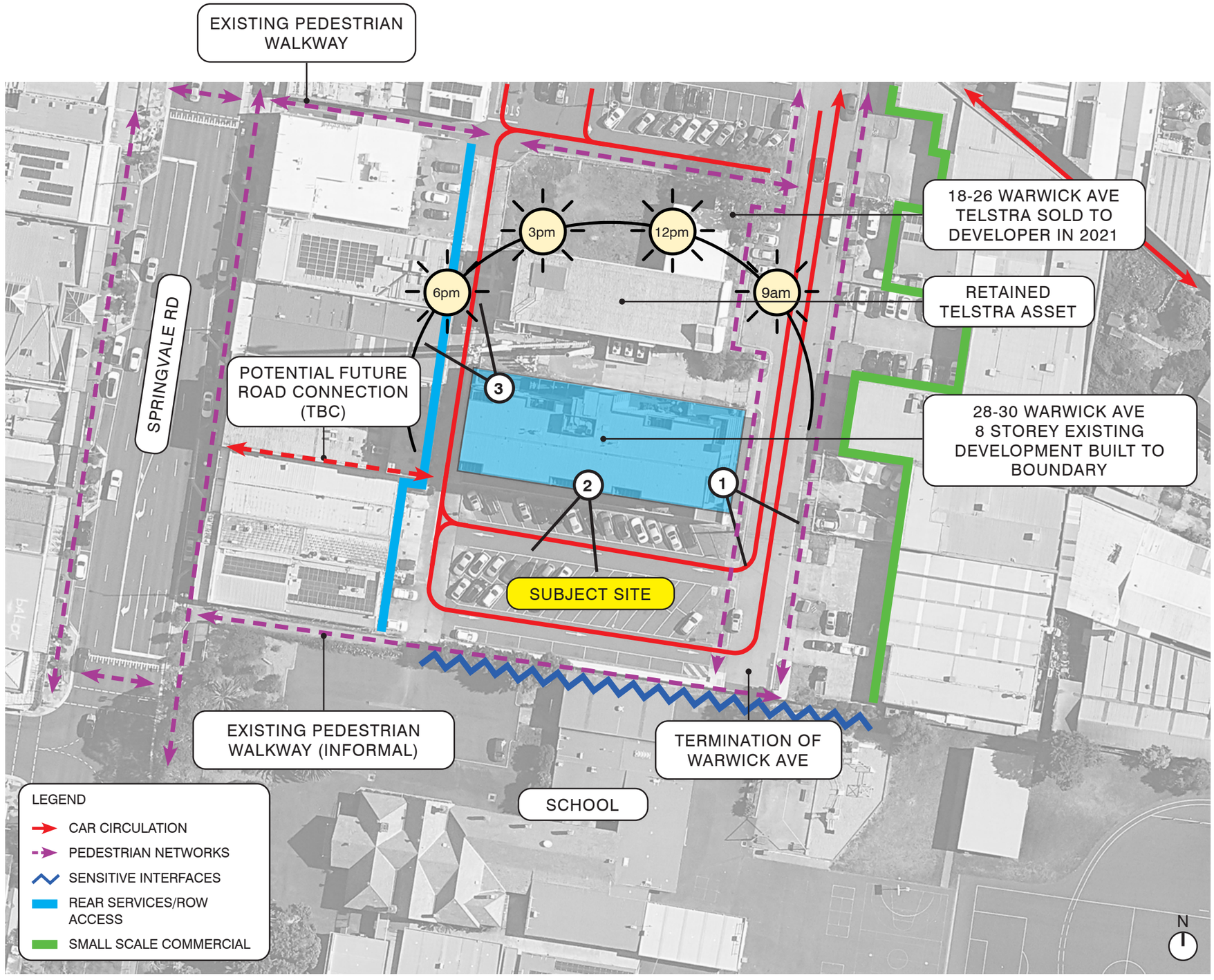
Fig. 1. Number 8 Buckingham Mixed-use Development (2010), Kane Construction. Greater Dandenong Council. https://www.greaterdandenong.vic.gov.au/parking/parking-springvale
Fig. 2. Warwick Avenue Precinct - Springvale Rise Primary School -Concept Plan V1- 20.03.2018 (A4881960)
Fig. 3 and 4. WBa_WARWICK AV. DEVELOPMENT REPORT Final Draft for Review 27-08-2014
Fig. 7. 28-30 Warwick Ave Development (2017), Artisan Architects



Springvale Activity Centre - Carparking Provision

SITE 1: 32–34 WARWICK AVE SPRINGVALE

Site Analysis Diagram



Massing Studies - South Open Corridor

OPTION B GFA = APPROX 5800M²

PROS

- Open corridor allows for mini ‘front yard’ entry to all units, creates sense of community
- Placing core to south of open corridor provides buffer to the school
- Opportunity for shared use spaces in zone south of the corridor (i.e. workshop, dining room, movie room, games room)
- Cross ventilation to all units

CONS

- At winter solstice, only the units on top 4 floors receive over 3hrs of sunlight
- Poor outlook from many units that face towards the apartment building next door
- Arrangement of cores increases less efficient construction

2 SK003 B_01_FIRST FLOOR
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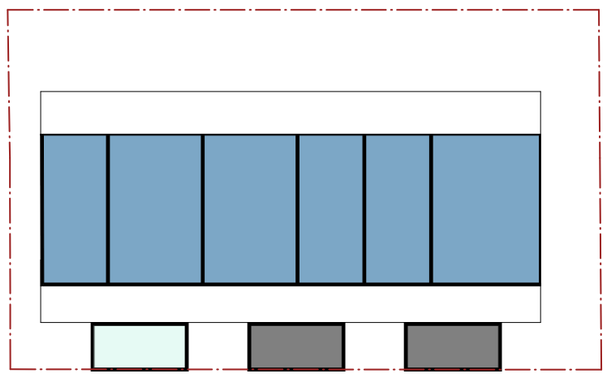
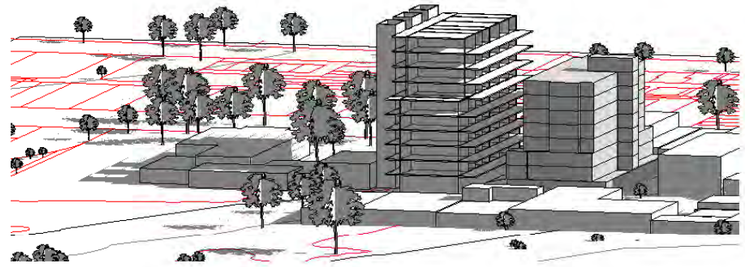
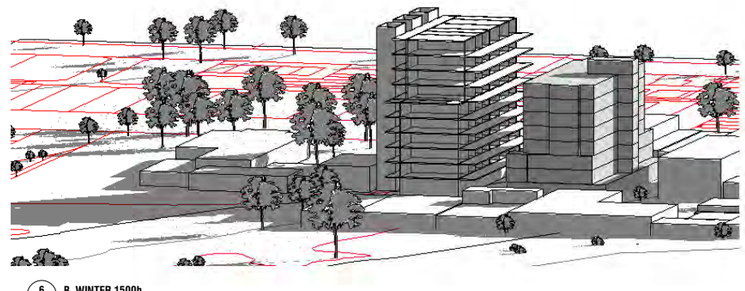


1 SK003 B_09_LEVEL 9
1 : 200 @ A1

4 B_WINTER 900h
@ A1



5 B_WINTER 1200h
@ A1



6 B_WINTER 1500h
@ A1

Massing Studies - South Open Corridor on Boundary

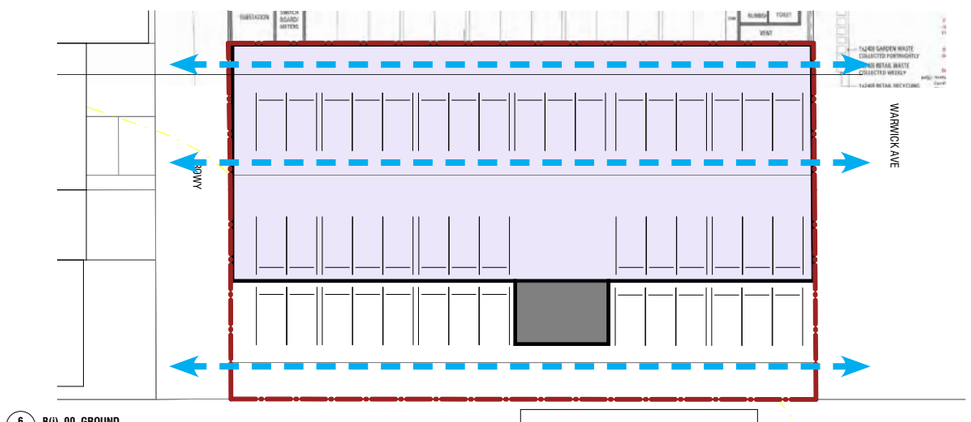
OPTION B(I) GFA = APPROX 5550M²

PROS

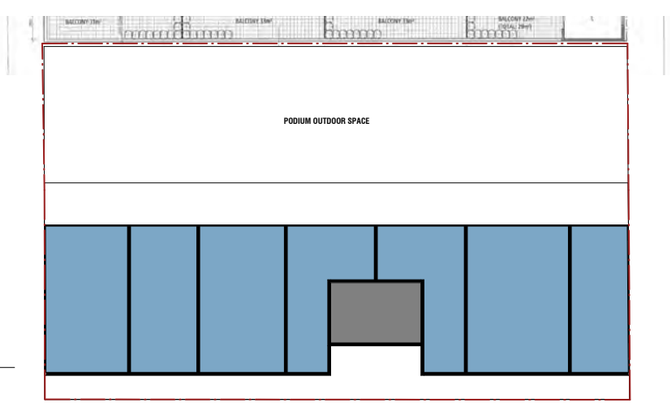
- Open corridor allows for mini 'front yard' entry to all units, creates sense of community
- Placing core within unit footprint provides less overbearing interface to the school
- Cross ventilation to all units
- Good outlook to south from open corridor
- Where units face toward apartment building, it is 15m setback
- Shared open space at podium level, however in shade most of the day during winter, would limit planting options

CONS

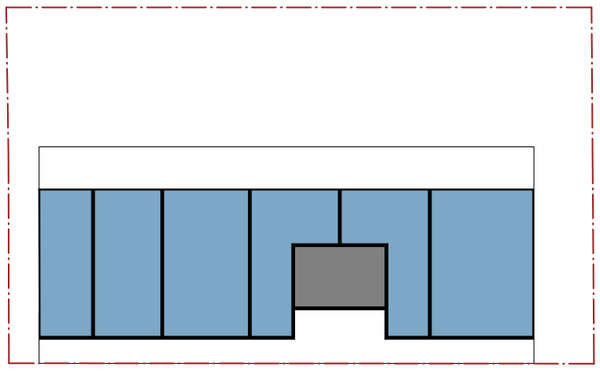
- At winter solstice, only the units on top 4 floors receive over 3hrs of sunlight
- Poor outlook from many units that face towards the apartment building next door



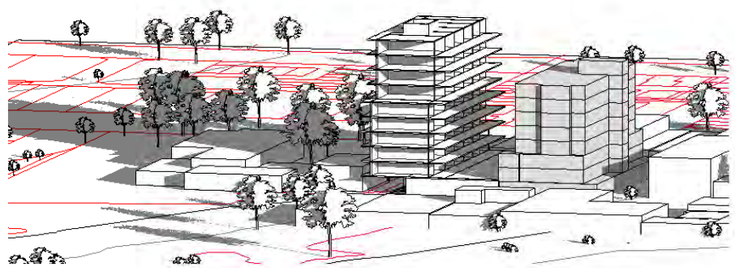
6 SK003 B(i)_00_GROUND
1 : 200 @ A1



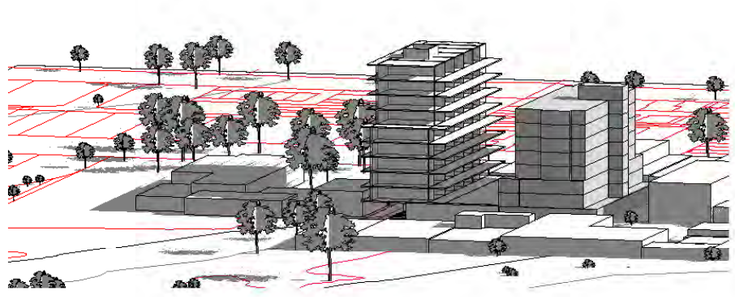
1 SK003 B(i)_01_FIRST FLOOR
1 : 200 @ A1



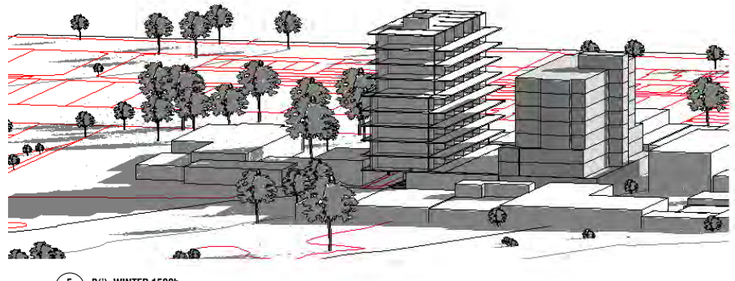
2 B(i)_09_LEVEL 9
1 : 200 @ A1



3 B(i)_WINTER 900h
@ A1



4 B(i)_WINTER 1200h
@ A1



5 B(i)_WINTER 1500h
@ A1

Massing Studies - Side Facing

OPTION C GFA = APPROX 7700M²

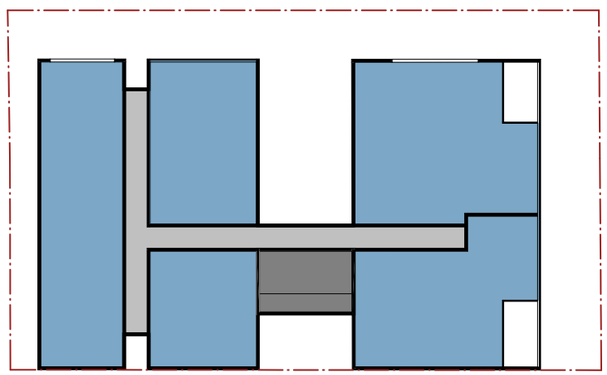
PROS

- Reduced number of units face towards apartments
- East/west facing units will have good outlook/views
- Flexible footprint for apartments, could look at innovative layout of units that could be adjusted to suit multi generational households etc.

CONS

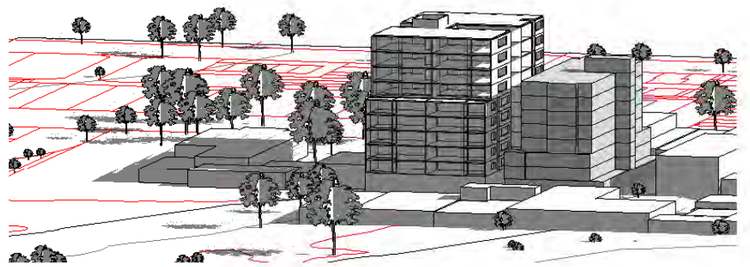
- Less optimal outlook - most units face east/ west
- Some units face south - no sunlight, but good views
- Some units face towards apartment building, with 7m setback

2 C_01_FIRST FLOOR
SK003 1 : 200 @ A1

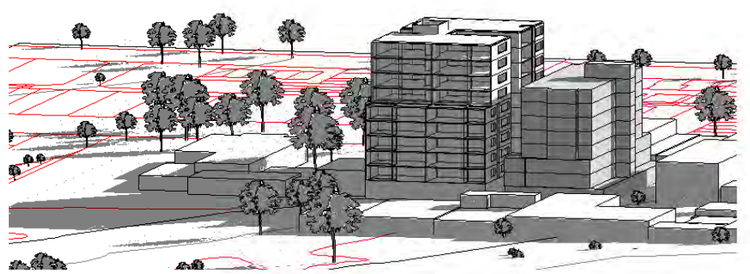


1 C_09_LEVEL 9
SK003 1 : 200 @ A1

3 C_WINTER 900h
@ A1



4 C_WINTER 1200h
@ A1



5 C_WINTER 1500h
@ A1

Massing Studies - Side Facing Single-Loaded

OPTION D GFA = APPROX 5500M²

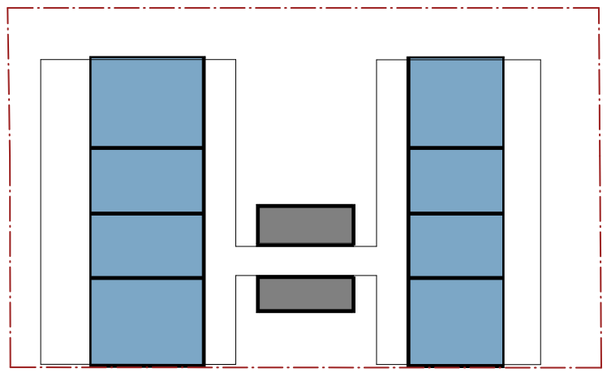
PROS

- Reduced number of units face towards apartments
- East/west facing units will have good outlook/views
- Flexible footprint for apartments, could look at innovative layout of units that could be adjusted to suit multi-generational households etc.
- The open corridor with mini ‘front yard’ would mean in winter most units have sunlight in private open space throughout the day
- Could be adjusted to be two separate buildings, allowing for staged development

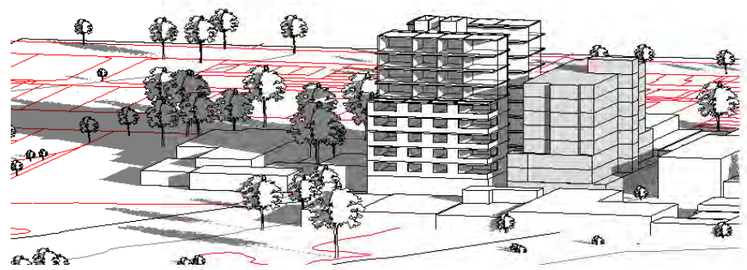
CONS

- Less optimal outlook - most units face east/ west

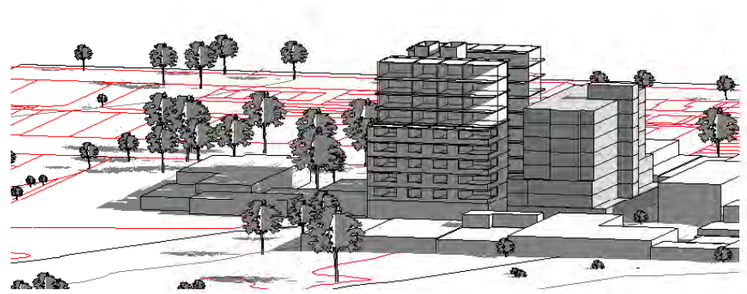
1 D_01_FIRST FLOOR
1 : 200 @ A1



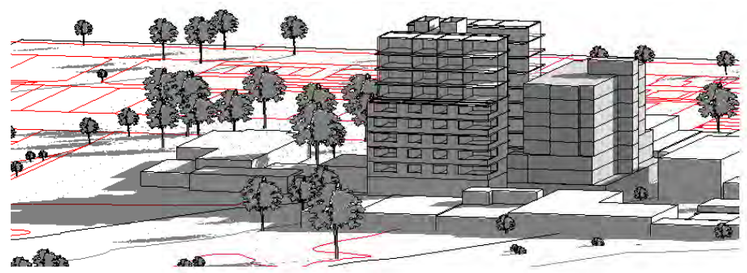
2 D_09_LEVEL 9
1 : 200 @ A1



3 D_WINTER 900h
@ A1



4 D_WINTER 1200h
@ A1

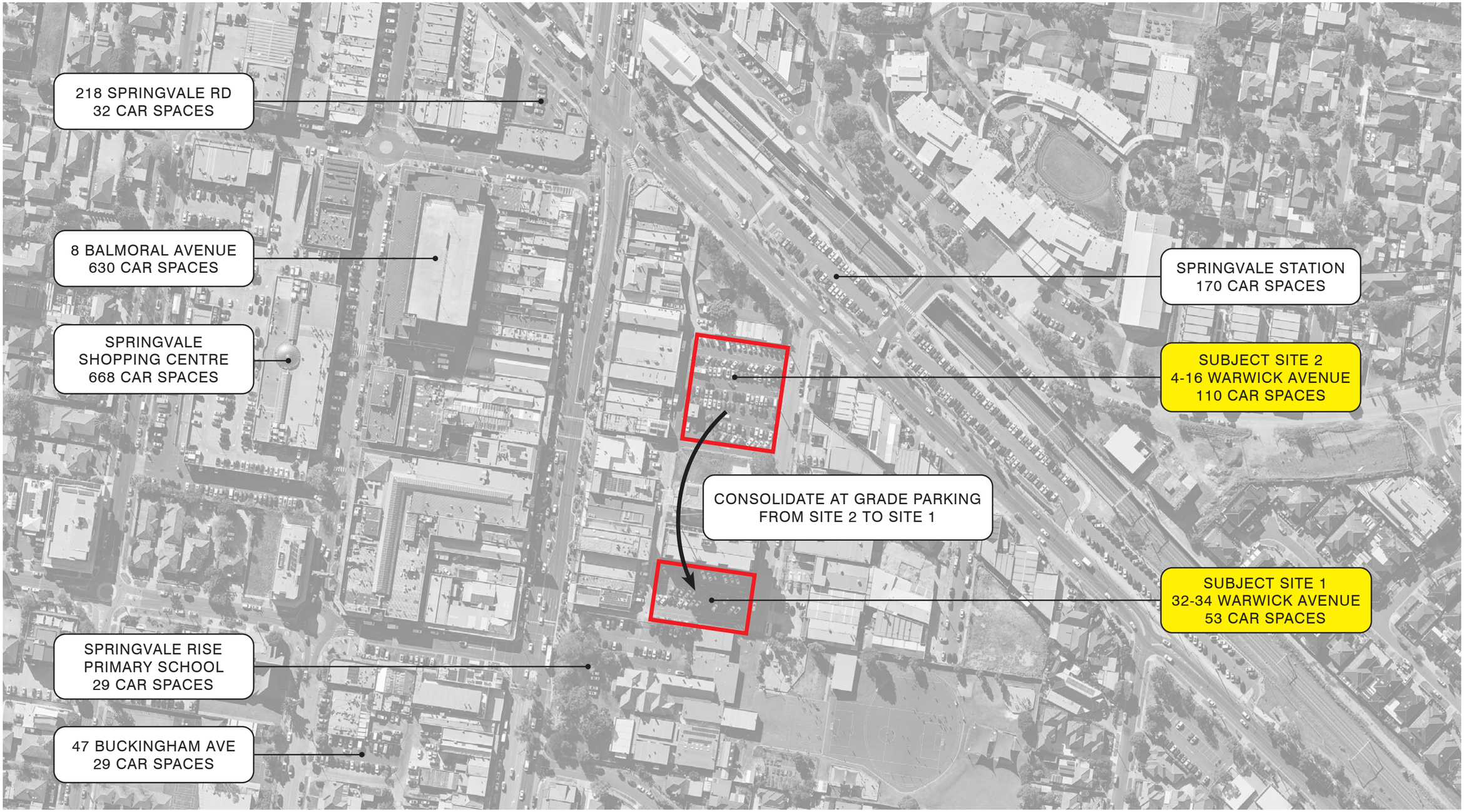


5 D_WINTER 1500h
@ A1

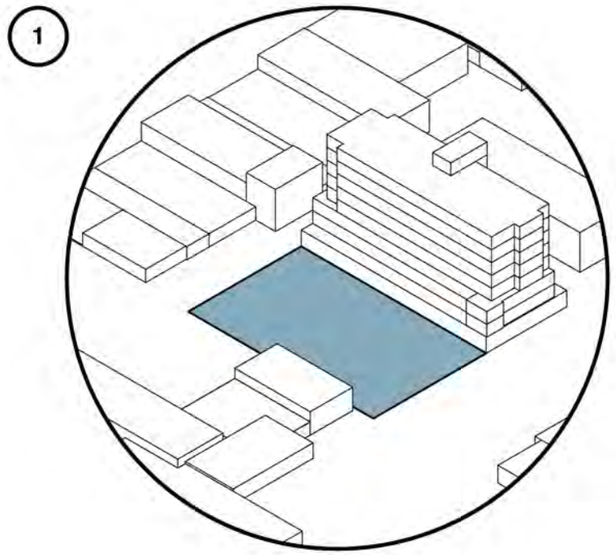
Precinct Based Development Proposal - Carparking Strategy

Given the significant constraints associated with Site 1, namely with existing built form to the immediate north and sensitive interface to the the Springvale Rise Primary School to the immediate South, a precinct based approach was adopted to consider how Site 1 might be used to provide/replace public carparking from other sites within the precinct. This approach was deemed optimal in order to:

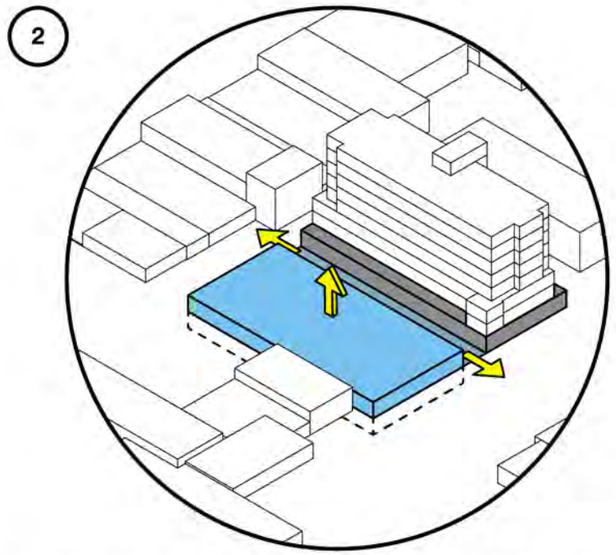
- develop a multistorey carparking component on Site 1 where amenity for residential use would be compromised
- offset existing public parking on Site 2, which has much greater amenity and development potential



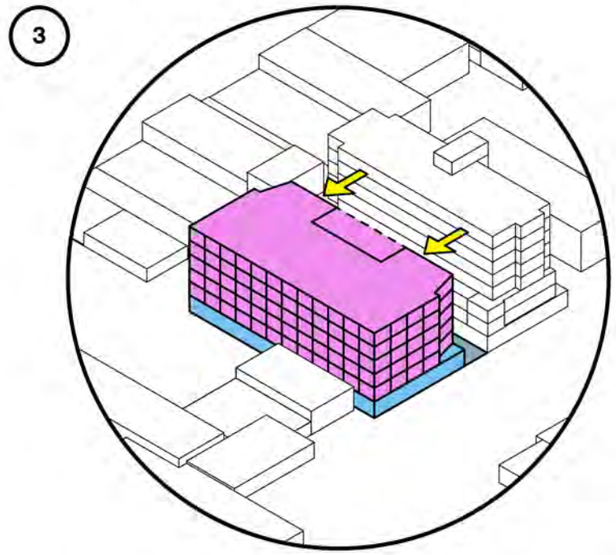
Key Moves



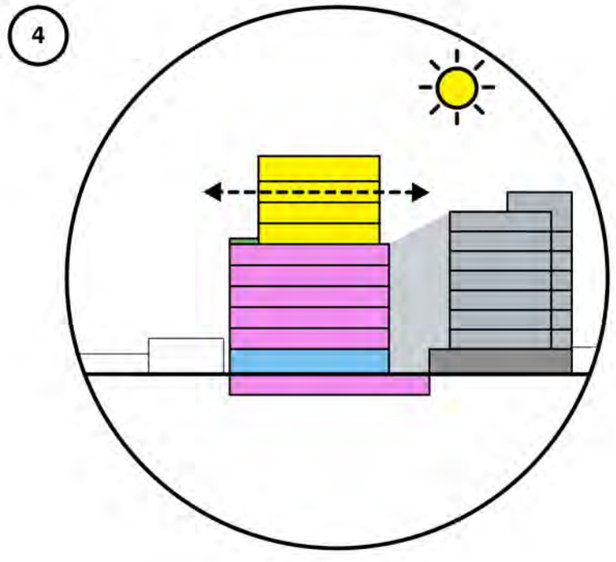
THE SITE



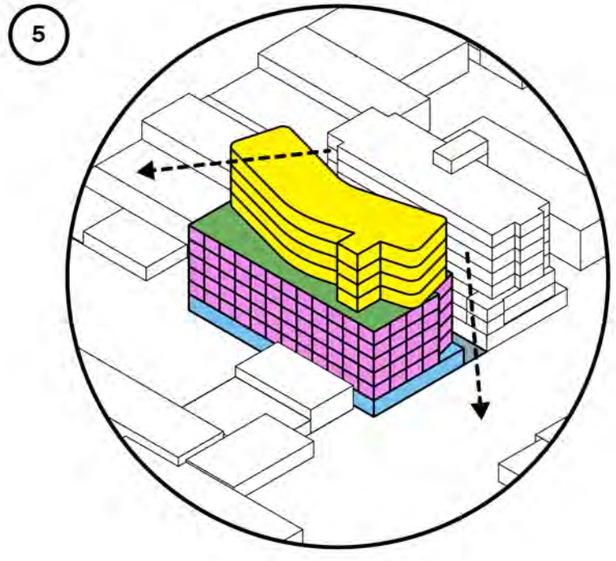
MATCH HEIGHT OF NEIGHBOURING CARPARK + 6M SETBACK FROM NORTHERN BOUNDARY TO PROVIDE TRAFFIC CONNECTION



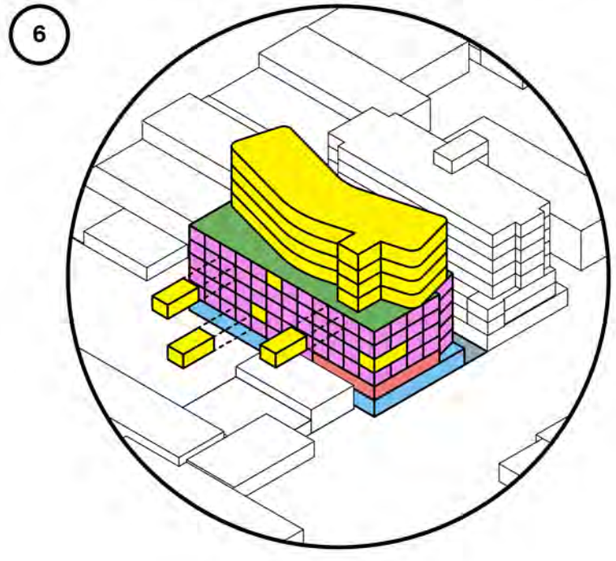
SAME 6M SETBACK FOR PRIVACY FROM NEIGHBOURING BUILDING + CONSOLIDATING NEARBY CARPARKING



MAXIMISING NATURAL DAYLIGHT AND VIEWS



ENABLING VIEWS OF NEIGHBOURING BUILDING



ALLOWANCES FOR FUTURE ADAPTIVE REUSE OF CARPARK LEVELS (I.E. YOGA, GYM, PICKLEBALL

Precedents - Hybrid Carpark/Mixed Use Buildings

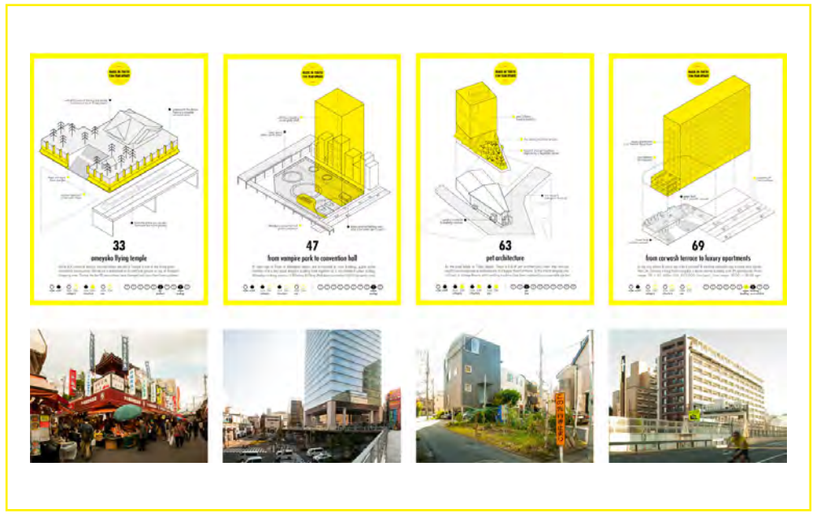
Hybrid Use Building Typology:
Total House, Bogle & Banfield Associates
https://storeyofmelbourne.org/2020/04/23/total-house-russell-street-1962/

Flexible Structural System:
17 Union Street, BKK Architects
https://b-k-k.com.au/projects/17-union-street

Carpark as Multipurpose Space:
Park ‘n’ Play, JAJA Architects
https://moresports.network/park-n-play-in-copenhagen/?lang=en

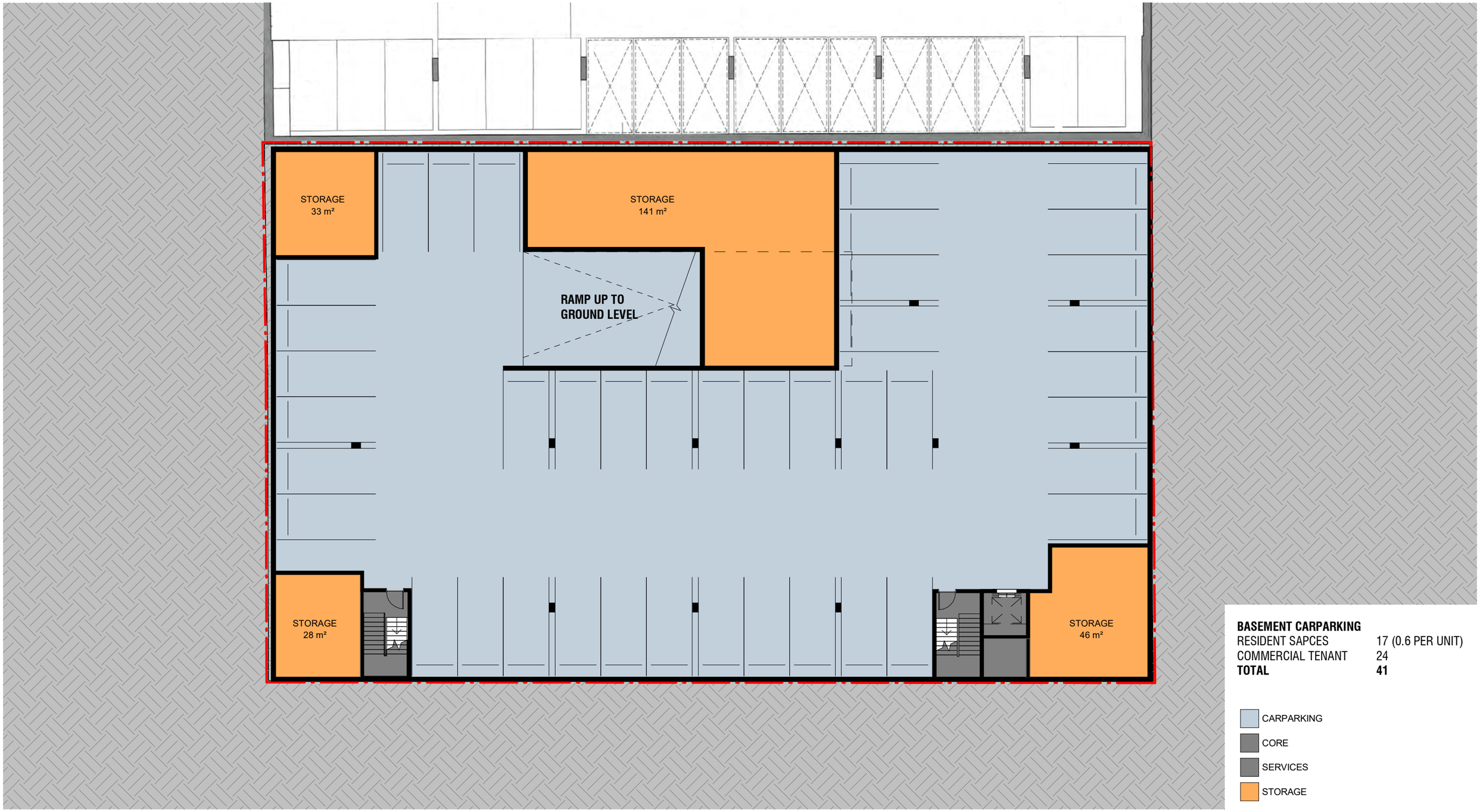
Hybrid Use Building Typology:
Circle Square Hotel and Car Park, FCBStudios
https://fcbstudios.com/projects/circle-square-hotel-and-car-park/

Hybrid Use Building Typology:
Vertical Gym Chacao, Urban-Think Tank
https://www.uttdesign.com/projects/vertical-gym-chacao



Hybrid Use Building Typologies:
Made in Tokyo
https://www.lysvillalba.net/Made-in-Tokyo-15th-Year-Update

Basement Floor Plan



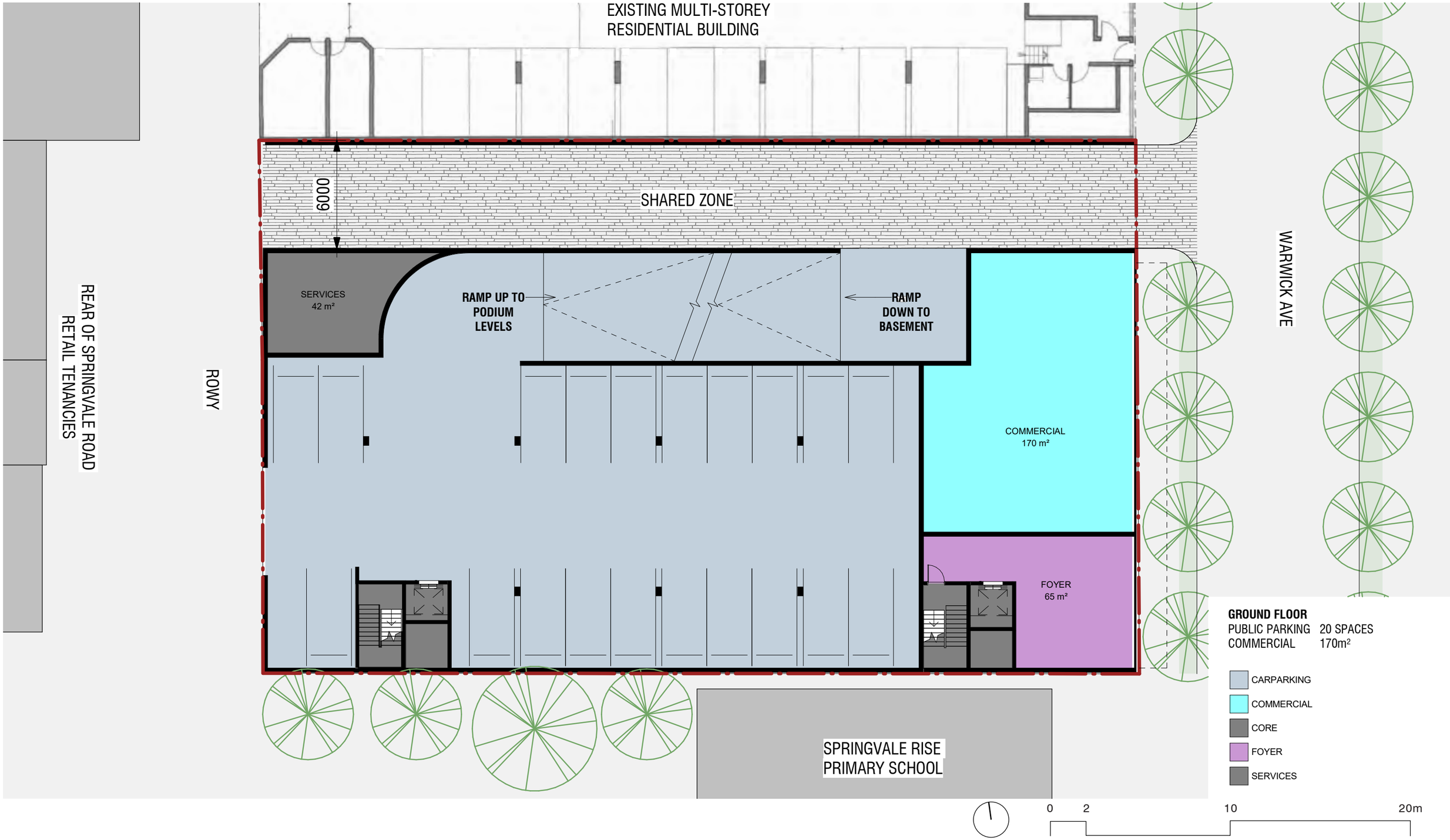
BASEMENT CARPARKING

RESIDENT SAPCES	17 (0.6 PER UNIT)
COMMERCIAL TENANT	24
TOTAL	**41**

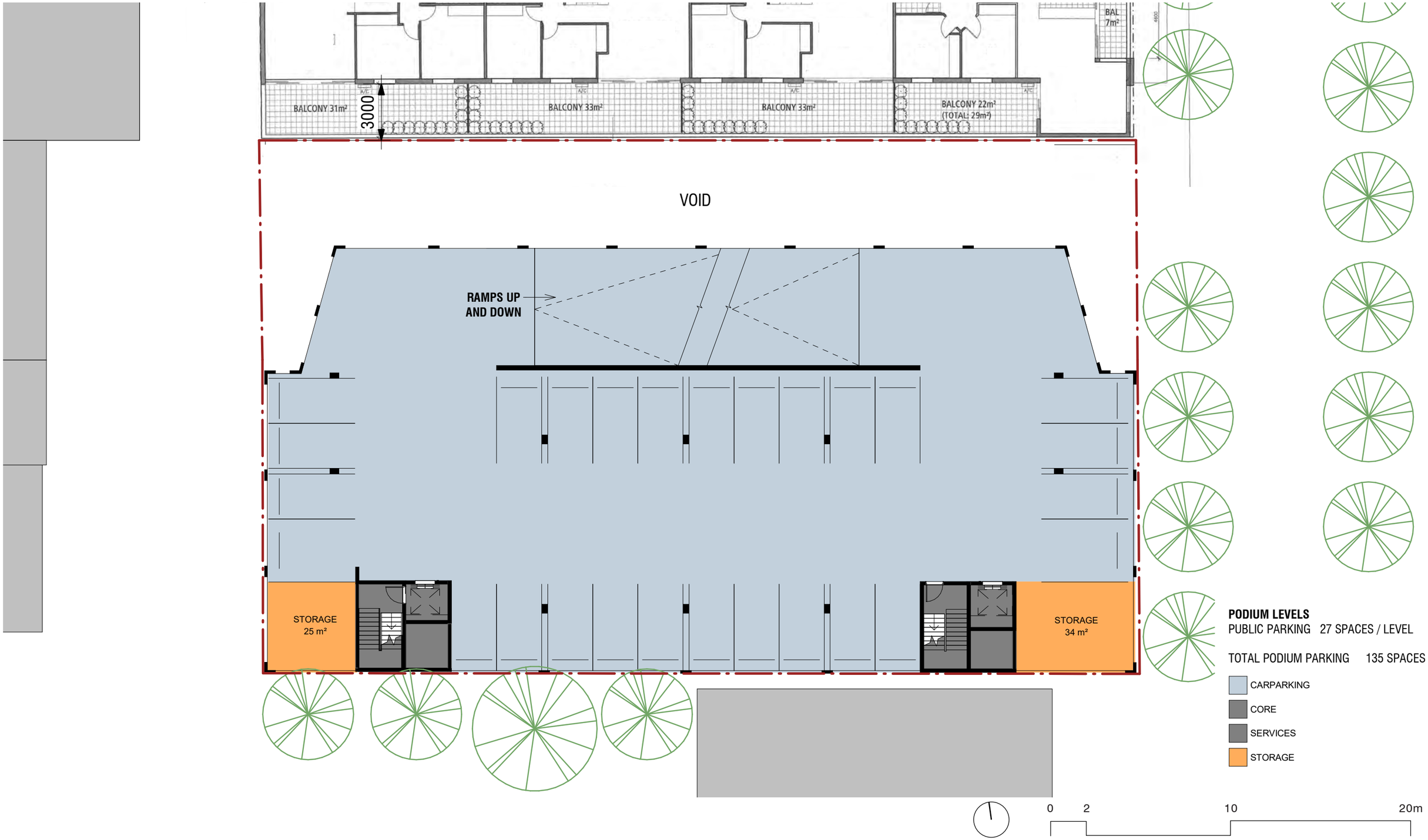
CARPARKING
CORE
SERVICES
STORAGE

0 2 10 20m

Ground Floor Plan

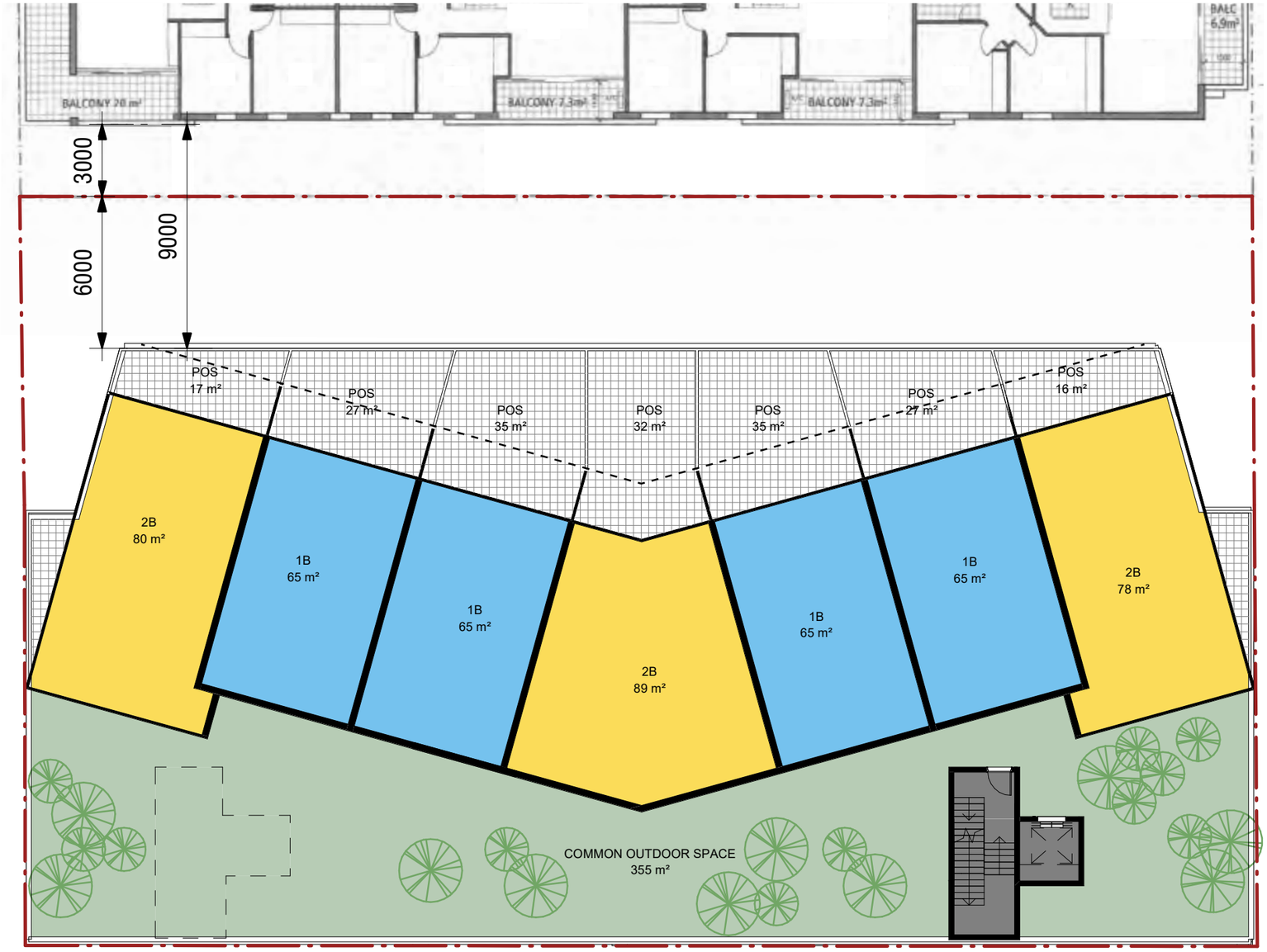


Typical Podium Floor Plan (1-5)



Adapted Layout

Podium Top - Level 6 Floor Plan



RESIDENTIAL LEVELS (L6-9)

2 BED APARTMENTS	12
1 BED APARTMENTS	16
TOTAL	**28**

COMMUNAL OPEN SPACE **355m²**

- 1B
- 2B
- COMMON OUTDOOR SPACE
- CORE
- POS

0 2 10 20m

Typical Residential Floor Plan (Level 7-9)

RESIDENTIAL LEVELS (L6-9)

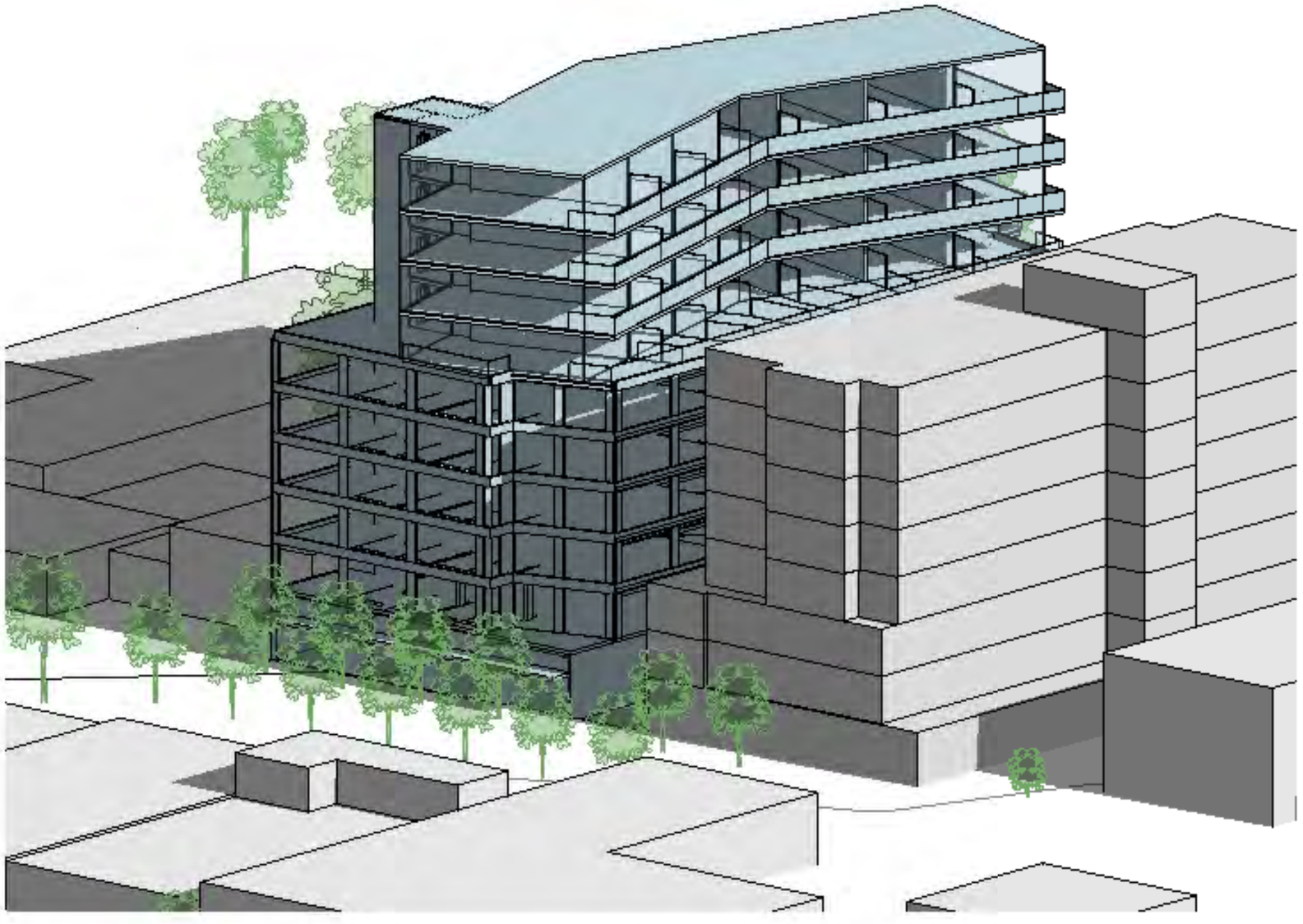
2 BED APARTMENTS	12
1 BED APARTMENTS	16
TOTAL	**28**

COMMUNAL OPEN SPACE **355m²**

- 1B
- 2B
- CORE
- CORRIDOR
- POS

0 2 10 20m

3D View

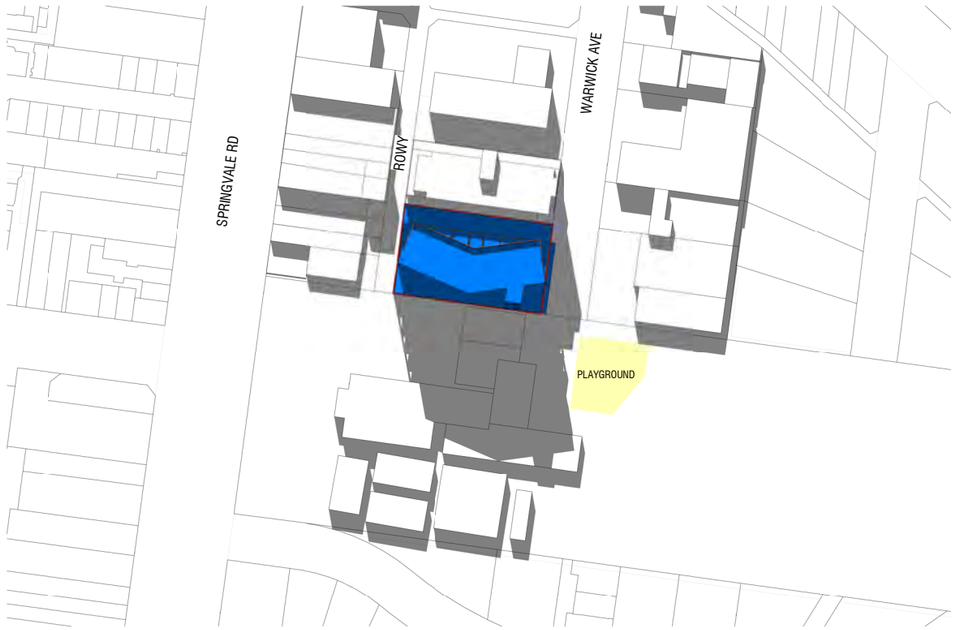


DEVELOPMENT YEILD

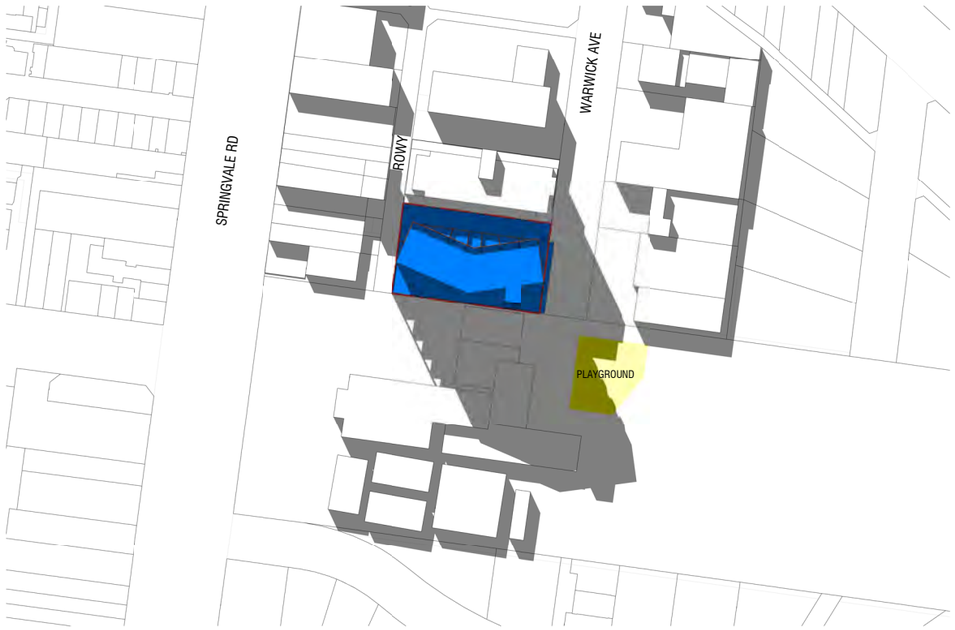
RESIDENTIAL	
1 BED	16
2 BED	12
TOTAL	**28**
COMMERCIAL	**170m²**
CARPARKING	
PUBLIC SPACES	155
RESIDENT SAPCES	17 (0.6 PER UNIT)
COMMERCIAL TENANT	24
TOTAL	**196**

Shadow Diagrams - Winter

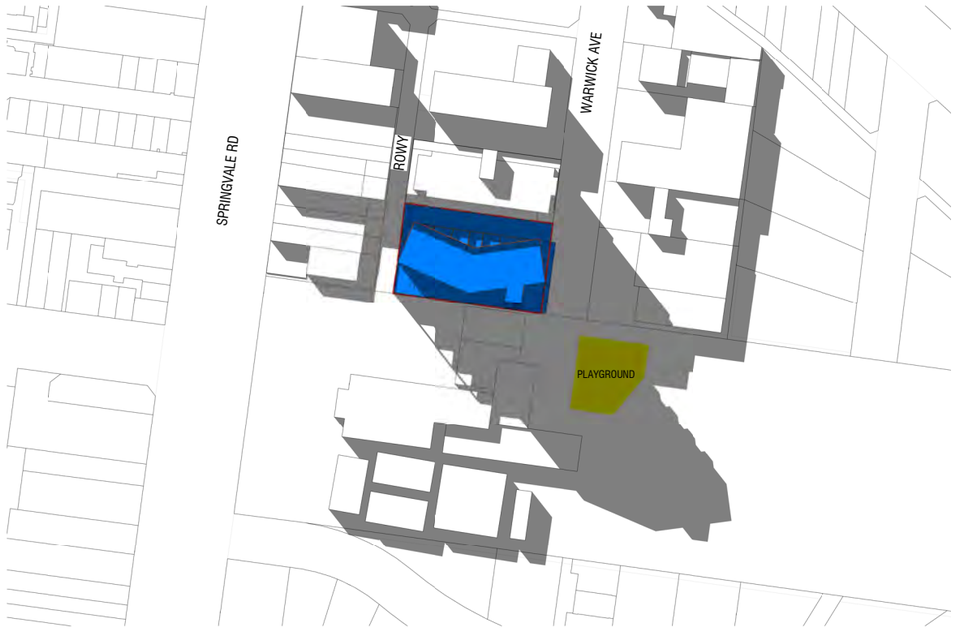
1 **WINTER SOLSTICE - 1200h**
1 : 1000 @ A1



2 **WINTER SOLSTICE - 1300h**
1 : 1000 @ A1



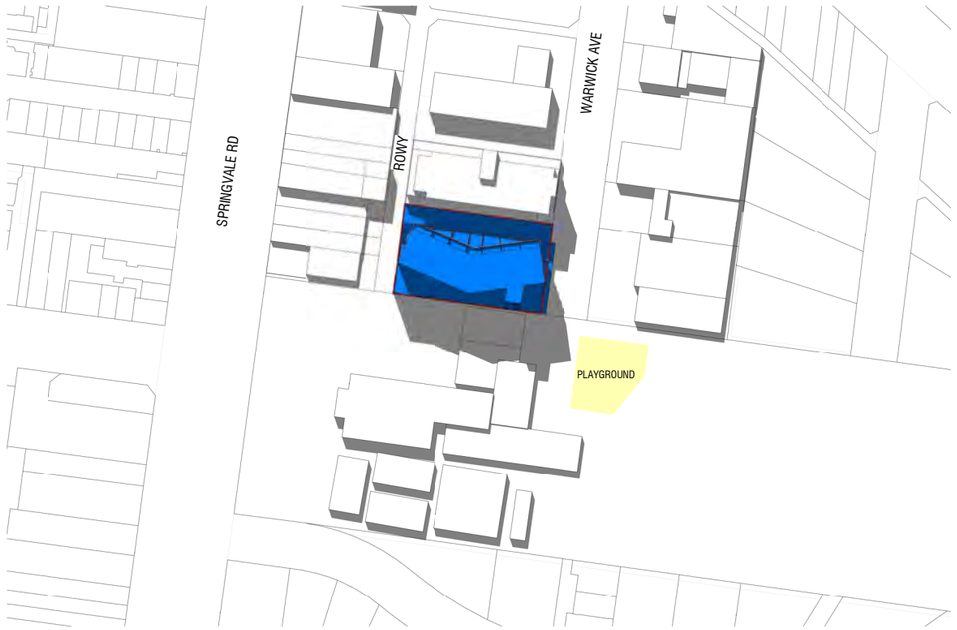
3 **WINTER SOLSTICE - 1400h**
1 : 1000 @ A1



4 **WINTER SOLSTICE - 1500h**
1 : 1000 @ A1

Shadow Diagrams - Equinox

1 **EQUINOX - 1200h**
1 : 1000 @ A1



2 **EQUINOX - 1300h**
1 : 1000 @ A1

3 **EQUINOX - 1400h**
1 : 1000 @ A1

4 **EQUINOX - 1500h**
1 : 1000 @ A1

Development Yield

MAV: Housing innovation study - concept design

Site name/location:	Warwick Avenue, Springvale					
Local Government Area:	Dandenong					
Type:	New build					
Site area	1438	sq.m	0.1438	ha		
Site coverage	1140	sq.m				
Site coverage %	79%					

Development Summary

Apartments:

	Non-resi NSA	Resi NSA	No. 1-beds	No. 2-beds	No. 3-beds	Dwellings
GROUND	170	0	0	0	0	**0**
LEVEL 1	0	0	0	0	0	**0**
LEVEL 2	0	0	0	0	0	**0**
LEVEL 3	0	0	0	0	0	**0**
LEVEL 4	0	0	0	0	0	**0**
LEVEL 5	0	0	0	0	0	**0**
LEVEL 6	0	0	4	3	0	**7**
LEVEL 7	0	0	4	3	0	**7**
LEVEL 8	0	0	4	3	0	**7**
LEVEL 9	0	0	4	3	0	**7**
LEVEL 10	0	0	0	0	0	**0**
Total	**170**	**0**	**16**	**12**	**0**	**28**

TOTAL DWELLINGS	**28**
Net density (site)	**194.7148818**

Dwellings

	GFA/storey	Storeys	Total GFA			
Building - basement	1392	1	1392			
Building - ground	1140	1	1140			
Building - podium	1103	5	5515			
Building - podium top	1087	1	1087			
Building - apartments	681	3	2043			
Total			11177	sq.m		

Car parking

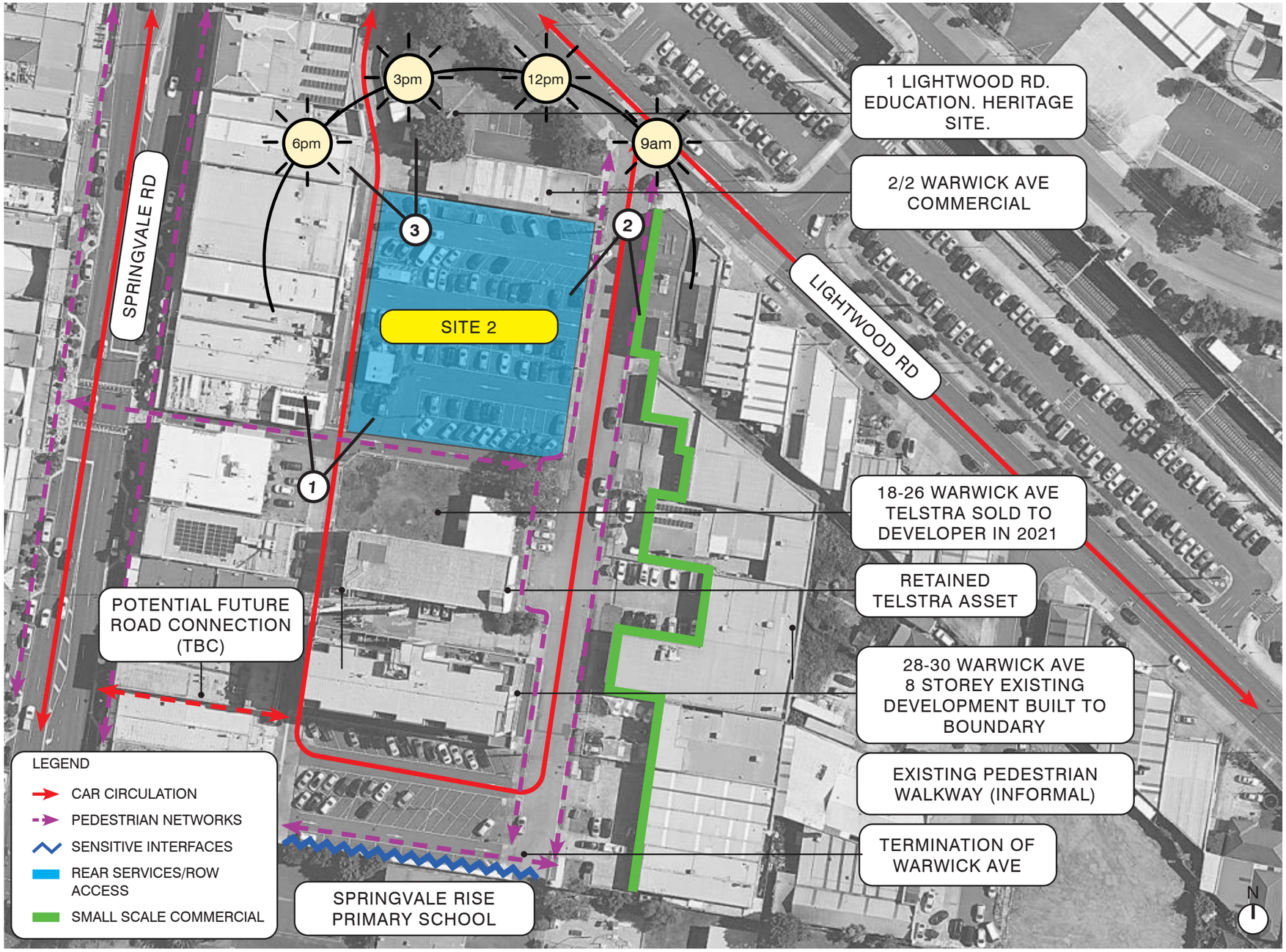
	Spaces	
Location 1 - basement	41	
Location 2 - ground	20	
Location 3 - podium	135	
Total	**196**	spaces
Apartment car rate	0.6	%
Townhouse car rate	0	%

Communal space

	GFA	
Communal indoor	0	sq.m
Communal outdoor - ground	0	sq.m
Communal outdoor - upper	374	sq.m
Total	374	

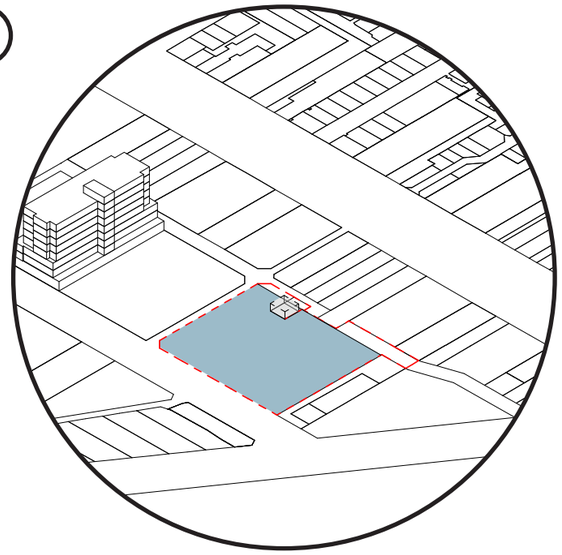
SITE 2: 4–16 WARWICK AVE SPRINGVALE

Site Analysis Diagram



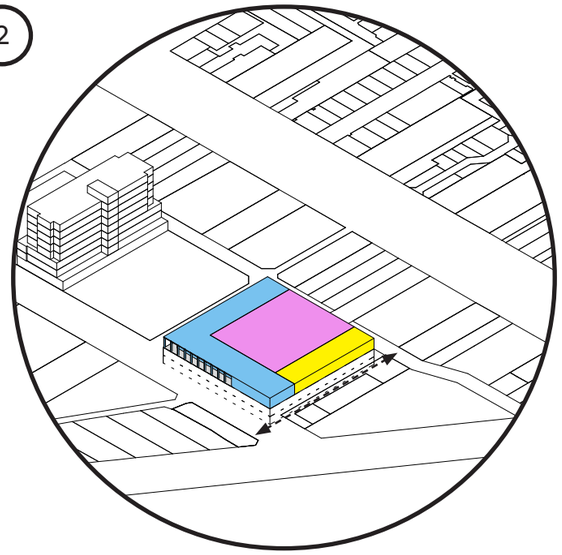
Key Moves

1



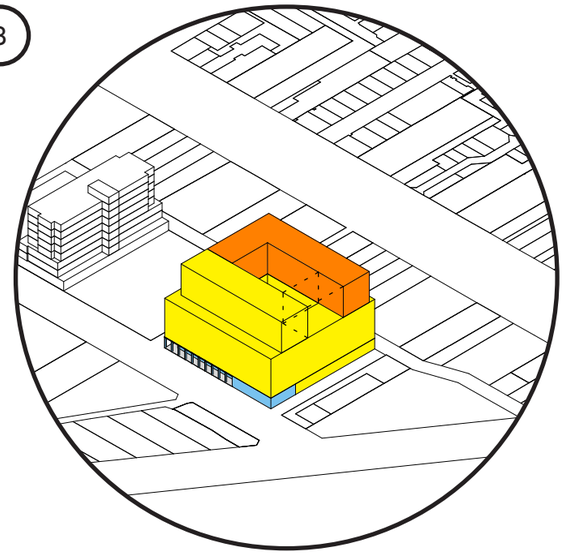
THE SITE.
RELOCATE EXISTING SUBSTATION.

2



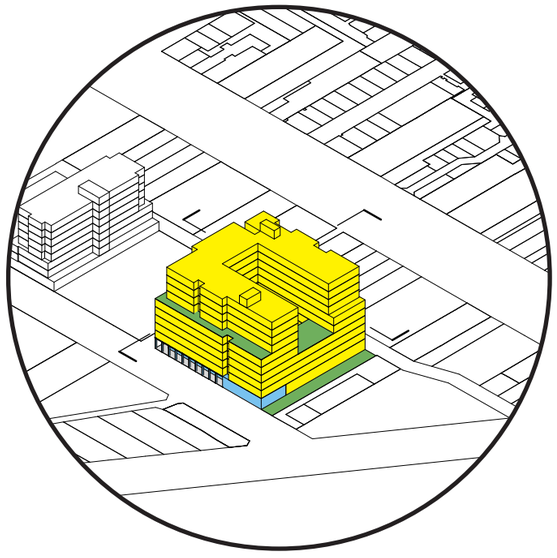
ACTIVATE GROUND PLANE. PROVIDE LOGGIA AND COMMERCIAL TENANCIES + SETBACK 5M FROM NORTH BOUNDARY. NEW PEDESTRIAN CONNECTION

3



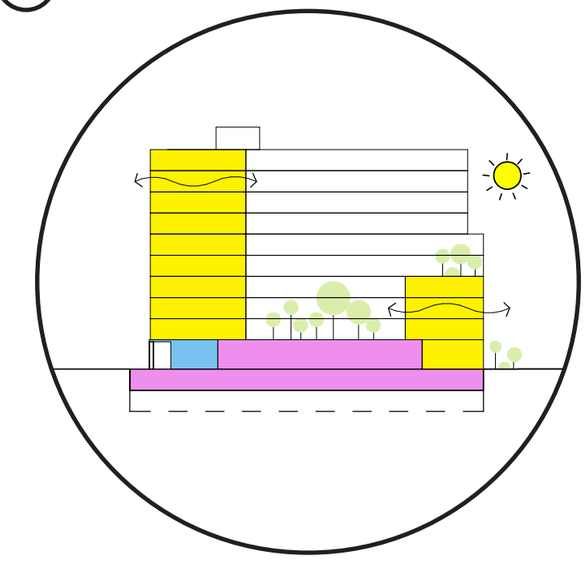
SETBACK 5M FROM EAST AND 2.5M AT SOUTH/ WEST + ESTABLISH 10 STOREY VOLUME + CREATE COURTYARD IN MASS FOR LIGHT/AIR/COMMUNAL SPACE. OPPORTUNITY TO CREATE 2 BUILDINGS

4



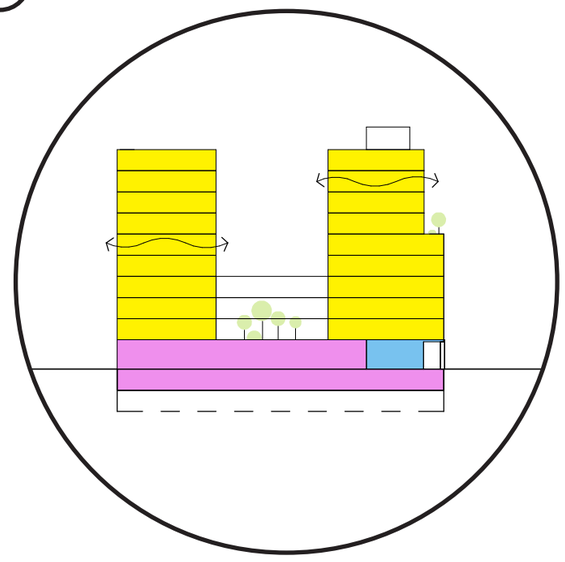
PROVIDE BALCONIES AND SPACES FOR PLANTING

5



MAXIMISE NORTHERN NATURAL LIGHT AND CROSS VENTILATION. PROVIDE LARGE COMMUNAL OPEN SPACES.

6



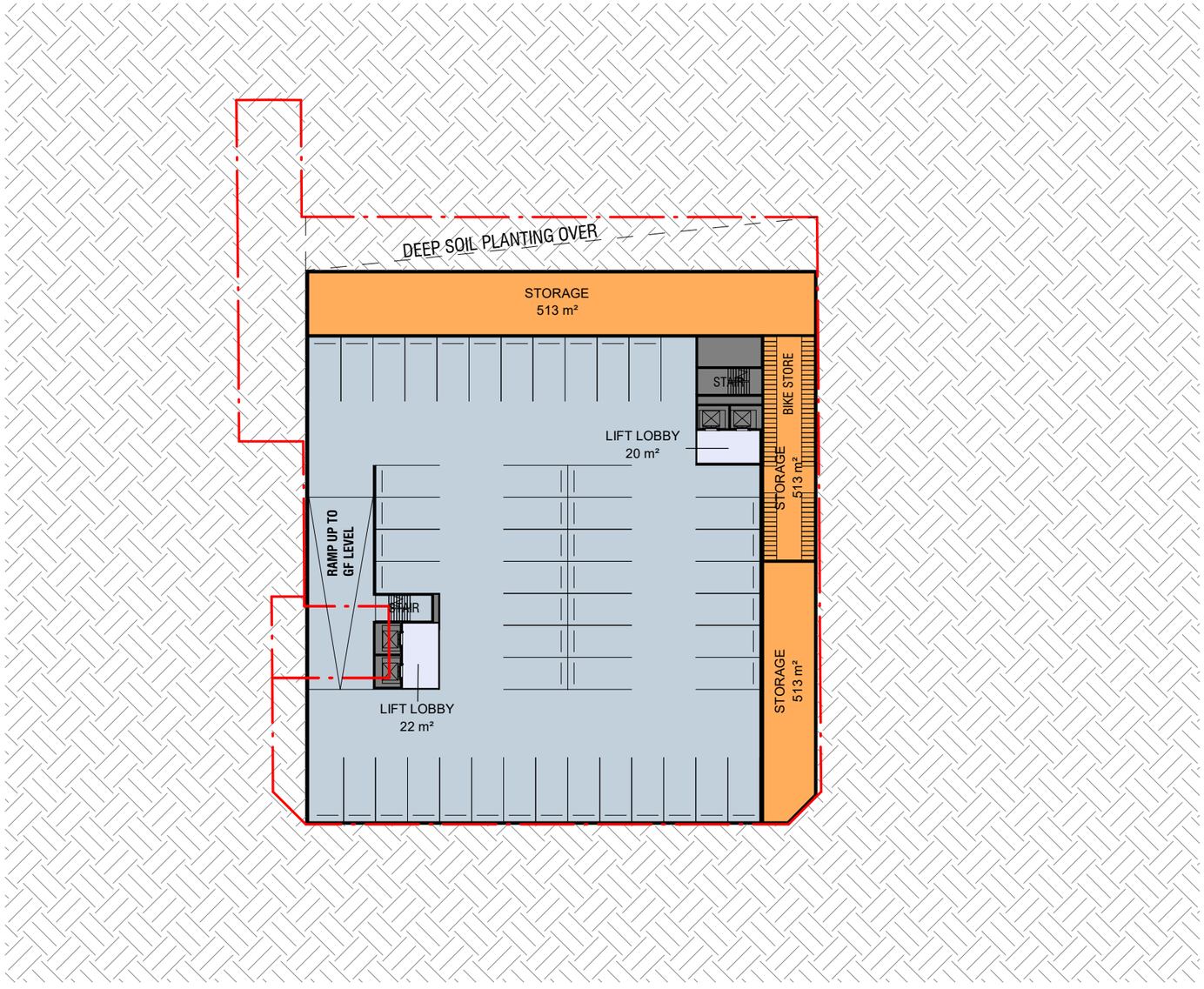
Precedents

Courtyard Housing Typology:
Kerr Street Residences, Kerstin Thompson Architects (KTA)
https://kerstinthompson.com/projects/kerr-street

Courtyard Public Housing Typology:
Social Housing 1737, HARQUITECTES
https://www.archdaily.com/1000469/social-housing-1737-harquitectes

Shiel St North Melbourne, Community Housing Project, Clare Cousins Architects
https://clarecousins.com.au/projects/hca-shiel-st/

Basement Floor Plan

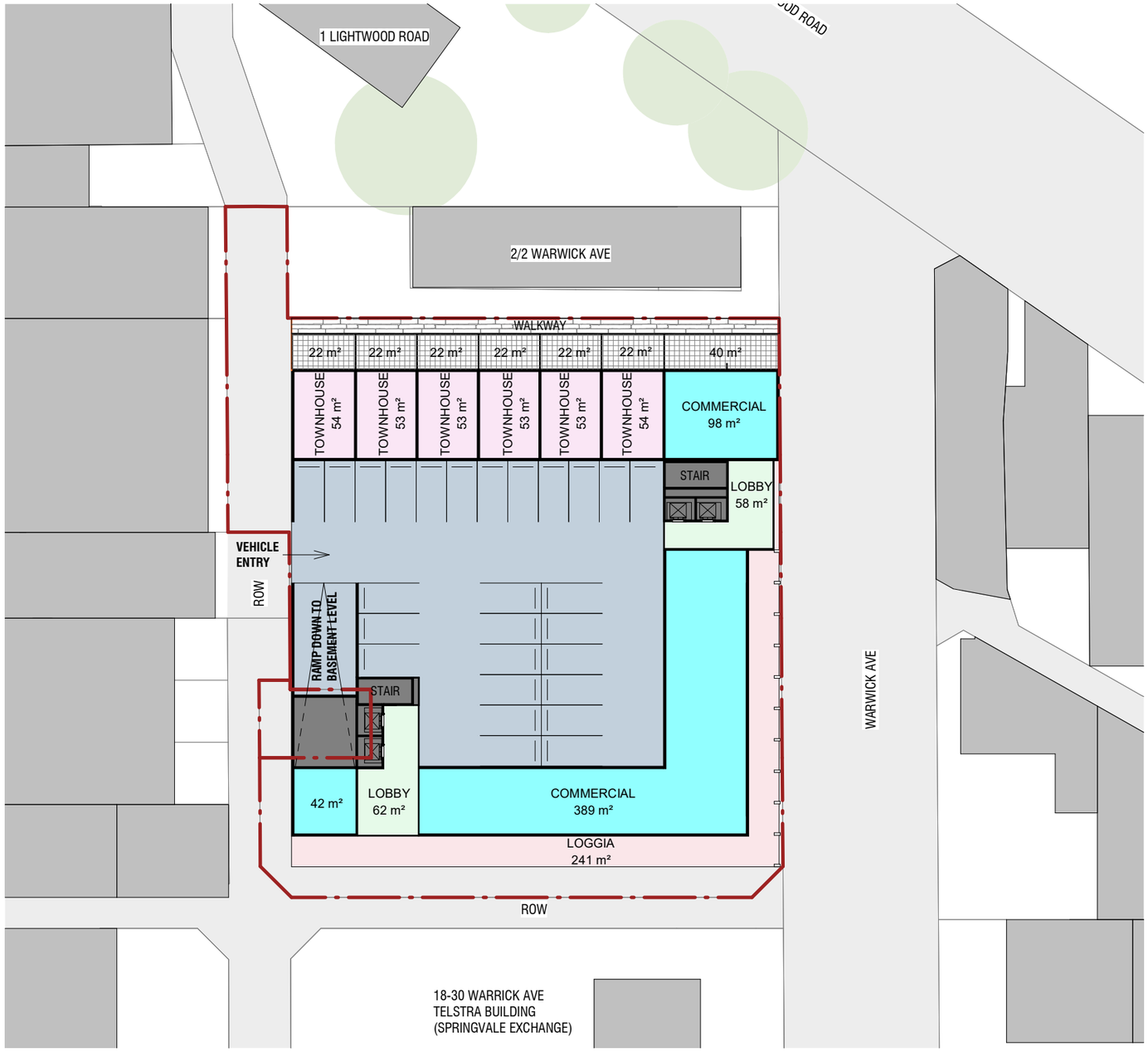


BASEMENT CARPARKING
PARKING 49

- CARPARKING
- CORE
- LIFT LOBBY
- SERVICES
- STORAGE

0 5 25 50m

Ground Floor Plan



GROUND FLOOR

PARKING	27 SPACES
COMMERCIAL	529m²

- CARPARKING
- COMMERCIAL
- CORE
- LOBBY
- LOGGIA
- POS
- SERVICES
- TOWNHOUSE

0 5 25 50m

Level 1 Floor Plan

RESIDENTIAL - LEVEL 1

2 BED TOWNHOUSE (DOUBLE STOREY G - L1)	6
3 BED APARTMENTS	2
2 BED APARTMENTS	4
1 BED APARTMENTS	6
TOTAL	**18**

COMMUNAL OPEN SPACE **368m²**

- 1B
- 2B
- 3B
- COMMON OUTDOOR SPACE
- CORE
- POS
- SERVICES
- TOWNHOUSE
- WALKWAY

0 5 25 50m

Level 2-3 Floor Plan

RESIDENTIAL - LEVELS 2 & 3

3 BED APARTMENTS	8
2 BED APARTMENTS	12
1 BED APARTMENTS	12
TOTAL	**32**

- 1B
- 2B
- 3B
- CORE
- POS
- SERVICES
- WALKWAY

0 5 25 50m

Level 4-5 Floor Plan

RESIDENTIAL - LEVELS 4 & 5

3 BED APARTMENTS	8
2 BED APARTMENTS	8
1 BED APARTMENTS	10
TOTAL	**26**

COMMUNAL OPEN SPACE	**256m²**

- 1B
- 2B
- 3B
- COMMON OUTDOOR SPACE
- CORE
- POS
- SERVICES
- WALKWAY

0 5 25 50m

Level 6-9 Floor Plan

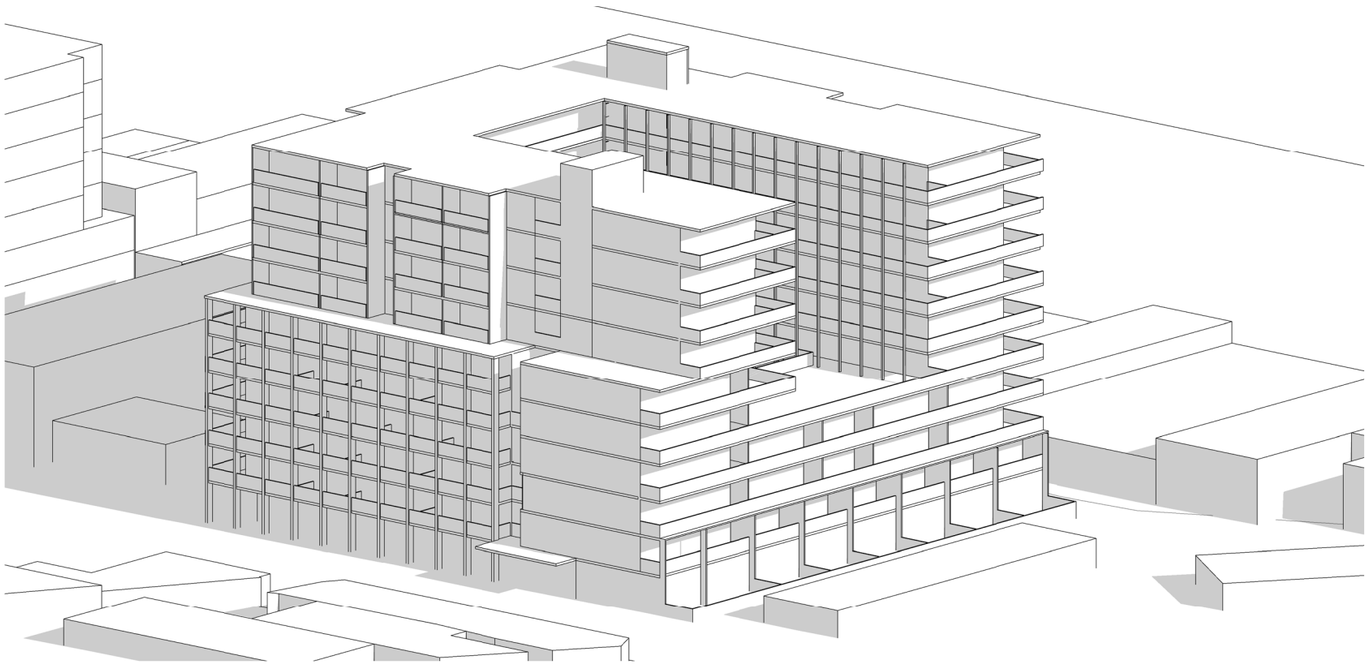
RESIDENTIAL - LEVELS 6 TO 9

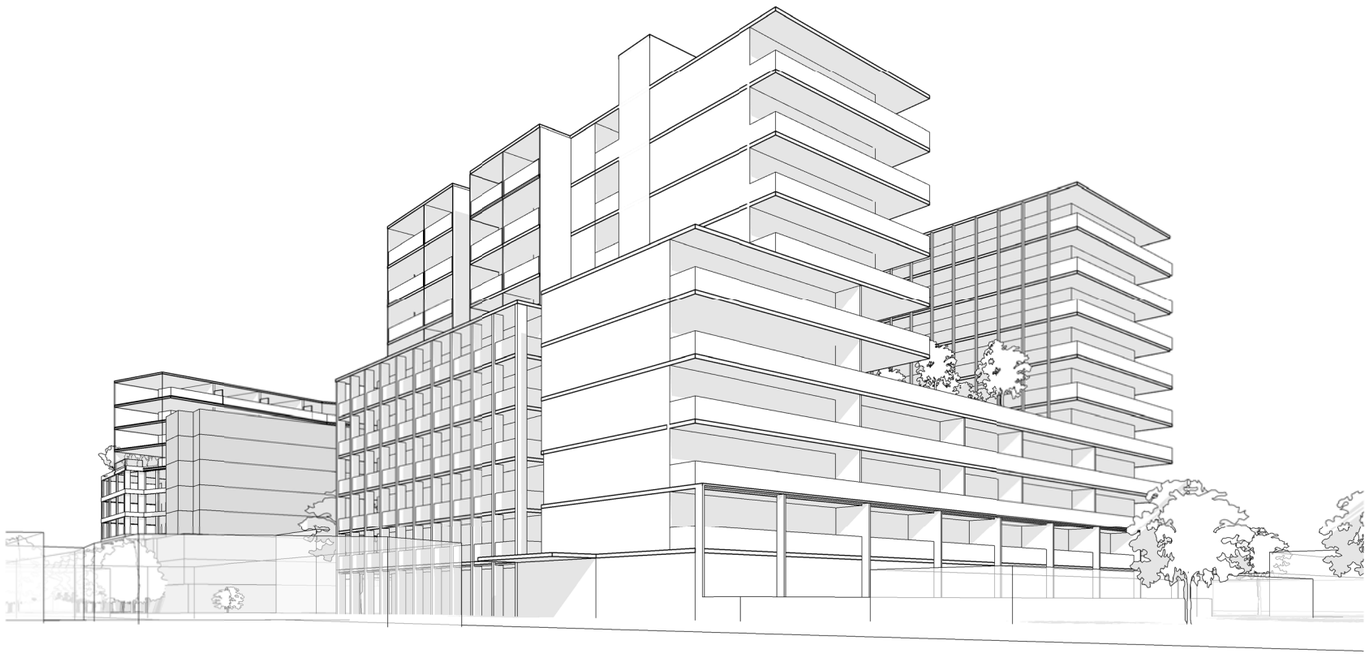
2 BED APARTMENTS	28
1 BED APARTMENTS	24
TOTAL	**52**

- 1B
- 2B
- CORE
- POS
- SERVICES
- WALKWAY

0 5 25 50m

3D Views

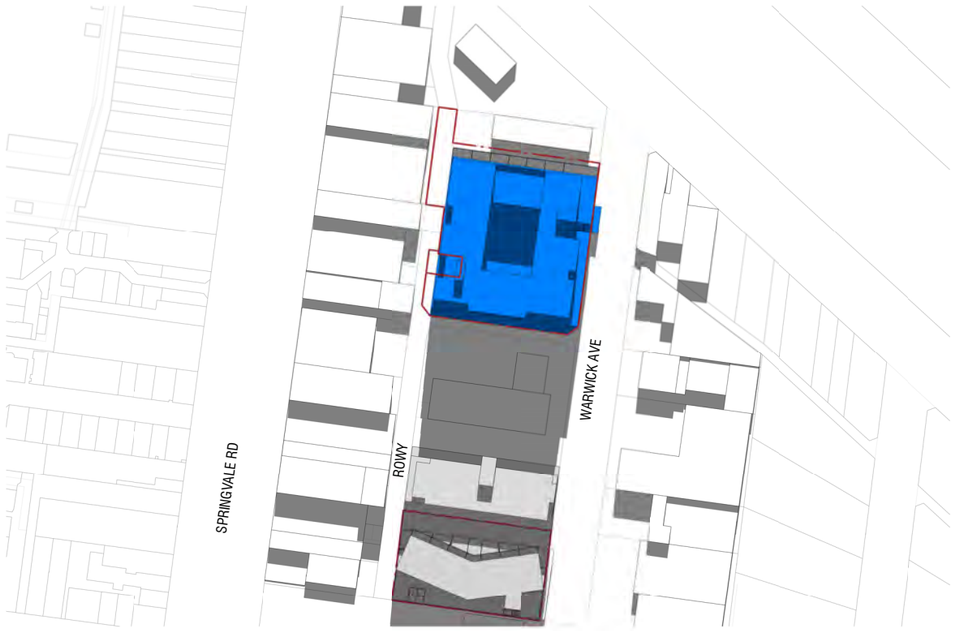




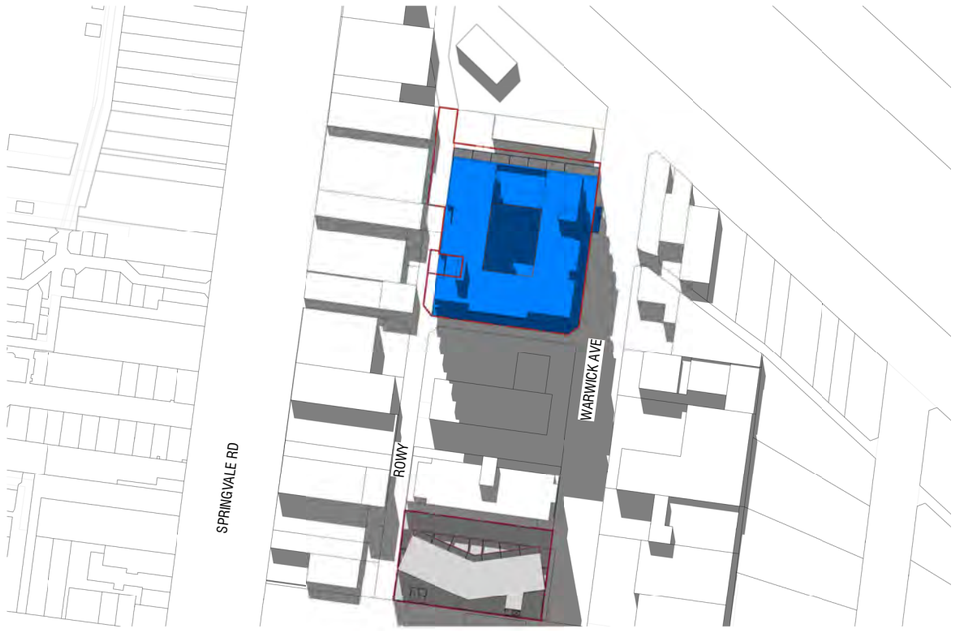
DEVELOPMENT YEILD - SITE 2

RESIDENTIAL	
1 BED	52
2 BED	52
3 BED	18
TOWNHOUSE (2 BED)	6
TOTAL	**128**
COMMERCIAL	**529m²**
CARPARKING	
RESIDENT SAPCES	76 (0.6 PER UNIT)
TOTAL	**76**

Shadow Diagrams - Winter



1 **WINTER SOLSTICE - 1200h**
1 : 1000 @ A1



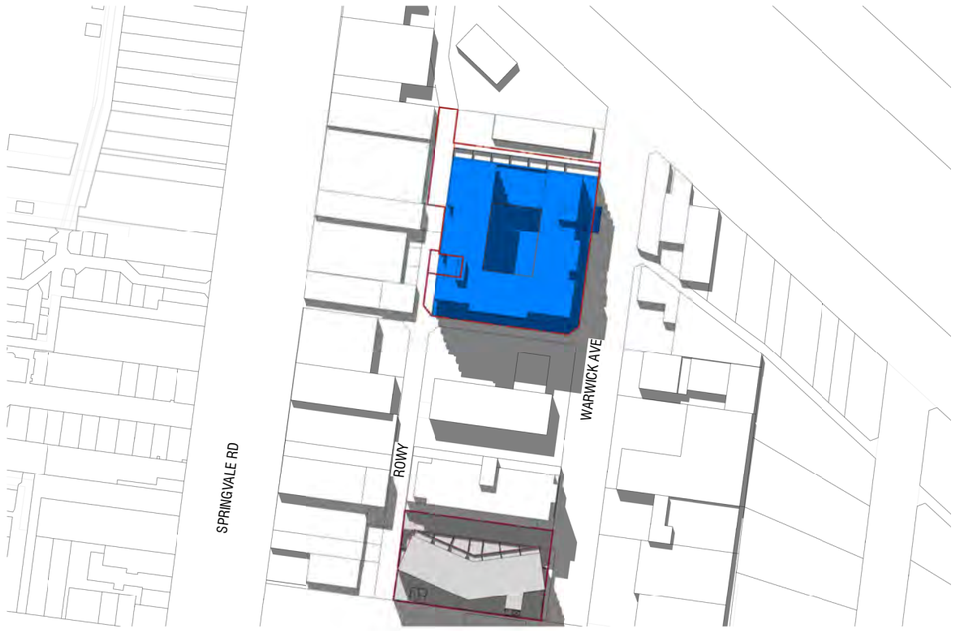
2 **WINTER SOLSTICE - 1300h**
1 : 1000 @ A1

3 **WINTER SOLSTICE - 1400h**
1 : 1000 @ A1

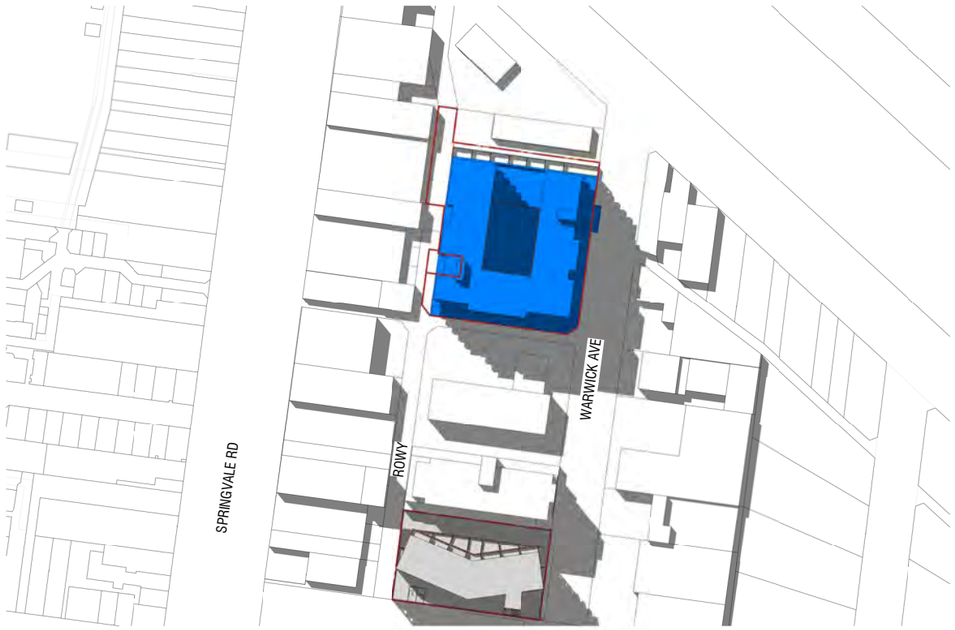
4 **WINTER SOLSTICE - 1500h**
1 : 1000 @ A1

Shadow Diagrams - Equinox

1 **EQUINOX - 1200h**
1 : 1000 @ A1



2 **EQUINOX - 1300h**
1 : 1000 @ A1



3 **EQUINOX - 1400h**
1 : 1000 @ A1

4 **EQUINOX - 1500h**
1 : 1000 @ A1

Development Yield

MAV: Housing innovation study - concept design								
								Notes
Site name/location:	4-16 Warwick Avenue, Springvale							
Local Government Area:	Dandenong							
Type:	New build							
Site area	2997	sq.m	0.2997	ha				Site Area includes existing and future (larger) ROW and separate title (which comprises the existing substation).
Site coverage	2343	sq.m						Site Coverage does not include Townhouse private open space on Ground Floor
Site coverage %	78%							
Development Summary								
Apartments:								
	Non-resi NSA	**Resi NSA**	**No. 1-beds**	**No. 2-beds**	**No. 3-beds**	**No. Townhouse**	**Dwellings**	
GROUND	529	331	0	0	0	6	**6**	Townhouses are 2 bedroom and double storey (from Ground to L1). POS / Balconies not Included in Resi NSA
LEVEL 1	0	1214	6	4	2	0	**12**	Balconies are not included in Resi NSA
LEVEL 2	0	1194	6	6	4	0	**16**	
LEVEL 3	0	1194	6	6	4	0	**16**	
LEVEL 4	0	1003	5	4	4	0	**13**	
LEVEL 5	0	1003	5	4	4	0	**13**	
LEVEL 6	0	896	6	7	0	0	**13**	
LEVEL 7	0	896	6	7	0	0	**13**	
LEVEL 8	0	896	6	7	0	0	**13**	
LEVEL 9	0	896	6	7	0	0	**13**	
Total	**529**	**9523**	**52**	**52**	**18**	**6**	**128**	
	Commercial							
TOTAL DWELLINGS							**128**	
Net density (site)							**427.0937604**	
Dwellings								
	GFA/storey	**Storeys**	**Total GFA**					Areas include Balconies. Areas do not include Voids.
Building - basement	2483	1	2483					Future proofing for additional basement level (ramp to Basement 2)
Building - ground	2583	1	2583					Inc. POS, Balconies, Core and Walkways
Building - L1	2338	1	2338					Inc. Balconies, Core and Walkways
Building - L2 & L3	1955	2	3910					
Building - L4 & L5	1955	2	3910					
Building - L6, L7, L8 & L9	1441	4	5764					
Total			20988	sq.m				
Car parking								
	Spaces							
Location 1 - basement	49							
Location 2 - ground	27							
Total	**76**	spaces						
Apartment car rate	0.55	%						
Townhouse car rate	0.08	%						
Communal space								
	GFA							
Communal outdoor - L1	368	sq.m						Common Area
Communal outdoor - GF	241	sq.m						Loggia
Communal outdoor - L4	236	sq.m						Common Area
Total	845							

9.4 Design review

The following concise review of the proposed concept has been prepared by McP, to briefly outline the merits of the design approach to the nominated site.

9.4.1 Southern site

Siting

The siting provides space for a vehicle through-link between Warwick Avenue and the rear lane, to enhance local access. The building holds the street edge to support active frontages.

Massing

The massing seeks to minimise amenity impacts to the adjoining apartment building, and to the adjacent school to the south. It is therefore concentrated to the south at the lower levels, for maximum building separation to the north, then adopts an angled form at the upper levels, to limit overshadowing to the school. This is an appropriate strategy, given the significant site constraints.

A significant proportion of the building massing is allocated to car parking (with potential future adaptation for other uses). This is due to the low-amenity conditions for apartments at the lower levels, through overshadowing and overlooking from the adjacent apartment building.

Layouts

The multi-level car park layout is efficient and functional, while also providing for potential future adaptation for recreation uses (indoor sports). The upper-level residential component provides for all north facing, dual-aspect dwellings, for optimal solar access and control, and cross-ventilation.

The angled layout allows for oblique views from all apartments towards the east and west, in response to the visual obstruction of the existing building to the north.

9.4.2 Northern site

Siting

The concept appropriately occupies the majority of the site, but establishes a ‘loggia’ space to expand the existing laneway along the southern boundary, and a walkway space along the northern interface. A limited setback/loggia space at the Ground Floor street frontage provides additional space for retail activation or outdoor seating.

The basement is set-in from the northern boundary to provide a deep soil planting space with good solar access.

Massing

The building height and setbacks comply with the applicable DDO, including the street wall height. Subject to further investigation, and potential revision to planning controls, there may be potential for limited additional floor space beyond this envelope.

The massing proposed provides for a robust, mid-rise form with upper-level setbacks for enhanced streetscape experience.

The large site generates a substantial building form in the context, but this is moderated through varied massing and design articulation.

Layouts

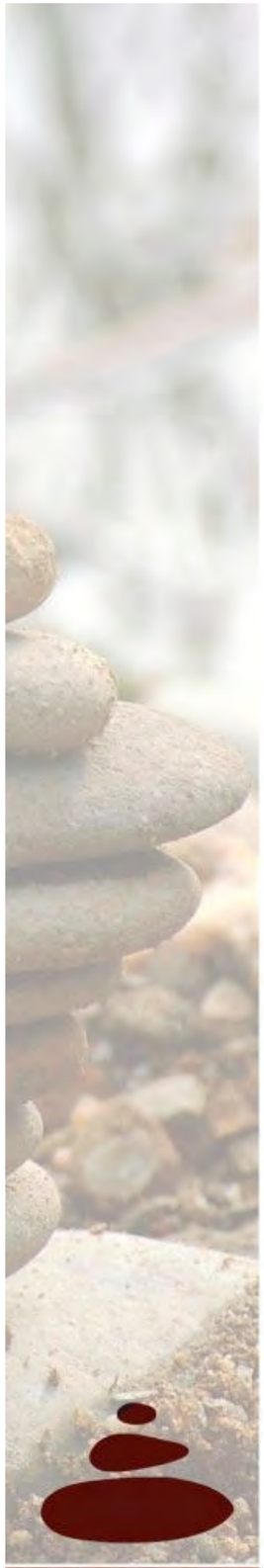
The proposed layout distributes apartments around a central landscaped courtyard, with external walkways accessing dual-aspect dwellings throughout.

The northern wing has a lower height to ensure solar access into the courtyard space, and contains townhouse types for increased housing diversity, alongside the mix of apartment types.

Communal outdoor spaces are located at Levels 1 and 4, providing north-facing outdoor space for residents, which enhances liveability for apartment dwellers in this location.

9.5 Cost plan

The construction cost analysis for the above concept plans, prepared by PlanCost.



26 October 2025

MAV Housing Innovation Study Warwick Ave, Springvale

Cost Plan A

Functional Area

plancost

L1, 79-83 Maroondah Hwy (PO Box 466), Ringwood Vic 3134
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MAV Housing
Innovation Study
Warwick Ave, Springvale

EXECUTIVE SUMMARY

plancost

Cost Plan A

Functional Area

26 October 2025

Introduction

PlanCost Australia has been requested to prepare a Cost Plan based on Functional Area documents received from BKK Architects.

Drawings

The following drawings and specifications have been used to prepare the Cost Plan.

Yield Table Dates: 250924

Cost Estimates

The current anticipated Total End Cost is:

	Low-Mid Range	Mid-High Range
Building Works	$26,746,653	$28,926,493
External Works and Services	$1,713,000	$1,713,000
Contingencies, Escalation and Allowances	$8,270,000	$8,903,000
Fees, FFE, ITC and Other Client items	$3,562,000	$3,835,000
Prolongation, Delay and Project risk	excluded	excluded
GST	$0	$0
Total End Cost	**$40,291,653**	**$43,377,493**

Refer to the attached Cost Plan A for details.

Note

The Cost Plan is based on preliminary information and therefore should be regarded as indicative only of the possible order of cost.
The cost of various components of the Cost Plan could vary significantly depending on the final design, materials selection and quality of the proposed building works.
We recommend that a detailed Cost Plan be prepared at the next design stage to verify the anticipated total cost.

Should you have any questions or require anything further, please don't hesitate to contact us.

Regards,

Quantity Surveyor
Yubin Lin
AIQS/RICS Member No: 26022

Reviewed By
Holly Phillips
AIQS/RICS Member No: 27296

MAV Housing
Innovation Study
Warwick Ave, Springvale

EXECUTIVE SUMMARY

Cost Plan A

Functional Area

26 October 2025

Inclusions

The Cost Plan includes allowances for the following:

- Building works
- External works
- External services
- Site and services infrastructure upgrades
- Demolition
- Asbestos removal
- Site decontamination
- Rainwater harvesting
- Landscaping
- Design contingencies
- Construction contingencies
- Environmentally sustainable design initiatives
- Consultants' fees
- Project management and management support costs
- Supply authority and headworks charges
- Cost escalation up to completion of construction April, 2029
- Building permit levy
- Cladding rectification levy
- Lump sum competitive tender

Exclusions

The Cost Plan excludes the following:

- Rock excavation
- Locality and access allowance
- Staging costs
- Alternative procurement methods or contract conditions (D&C, cost plus, negotiated tender)
- Disbursements
- Furniture, furnishings and equipment
- IT, AV and communications equipment
- Prolongation, delay and project risk contingencies
- Cost escalation after April, 2029
- GST
- Land purchase

MAV Housing
Innovation Study
Warwick Ave, Springvale

COST PLAN SUMMARY

Cost Plan A

Functional Area

26 October 2025

	Quantity	Rate	Total Low-Mid Range	Rate	Total Mid-High Range
COST COMPONENT					
Total Building Cost	11,177 m²		26,746,653		28,926,493
TOTAL BUILDING COST (TBC)	11,177 m²	2,393	**26,746,653**	2,588	**28,926,493**
External works and services			1,713,000		1,713,000
NET CONSTRUCTION COST (NCC)		2,546	**28,459,653**	2,741	**30,639,493**
Locality and access allowance			excluded		excluded
Additional costs for staging of the works			excluded		excluded
Additional costs for procurement method or contract conditions			excluded		excluded
Environmentally sustainable design initiatives	2.50%		711,000		766,000
Design contingency	10.00%		2,846,000		3,064,000
Construction cost escalation from Oct, 25					
Up To / Date / Months / %/Year / Weighting / Total %					
Escalation rate 3.00% Market conditions 0.00%					
Commencement Oct, 27 / 24 / 3.00% / 100% / 6.09%			1,950,000		2,099,000
Escalation rate 3.00% Market conditions 0.00%					
Completion Apr, 29 / 18 / 3.00% / 70% / 3.17%			1,014,000		1,091,000
Escalation is based on an average of 3% p/a ongoing					
TOTAL CONTRACT SUM (TCS)		3,130	**34,980,653**	3,369	**37,659,493**
Construction contingency	5.00%		1,749,000		1,883,000
TOTAL CONSTRUCTION COST (TCC)		3,286	**36,729,653**	3,538	**39,542,493**
Consultants' fees	7.50%		2,754,000		2,966,000
Disbursements			excluded		excluded
Project management and management support costs	1.00%		368,000		395,000
Furniture, furnishings and equipment			excluded		excluded
IT, AV and communications equipment			excluded		excluded
Building permit levy	0.13%		47,000		51,000
Cladding rectification levy	0.82%		301,000		324,000
Supply authority and headworks charges	0.25%		92,000		99,000
TOTAL PROJECT COST (TPC)		3,605	**40,291,653**	3,881	**43,377,493**
Prolongation, delay and project risk contingency			excluded		excluded
Goods and services tax			excluded		excluded
TOTAL END COST (TEC)	11,177 m²	3,605	**40,291,653**	3,881	**43,377,493**

MAV Housing
Innovation Study
Warwick Ave, Springvale

BUILDING WORKS (LOW-MID RANGE)

Cost Plan A

Functional Area

26 October 2025

Fully **E**nclosed **C**overed **A**rea	8164 m²
Unclosed **C**overed **A**rea **(including Basement & Circulation)**	3013 m²
GFA (FECA + UCA)	11177 m²

		Quantity	Rate	Total
	AREA			
	Area 1			
1	Basement carpark	1,087 m²	1,863	2,025,081
2	Ground floor carpark	786 m²	1,200	943,200
3	Podium carpark - Level 1-5	5,182 m²	1,600	8,291,200
4	Commercial use	170 m²	4,911	834,870
5	Apartments - Levels 6-9	2,026 m²	4,697	9,516,122
6	Upper floor communal outdoor space	374 m²	1,450	542,300
7	Circulation, balconies, plant and sundry areas	1,552 m²	2,190	3,398,880
8	Stairs and lifts	Item		1,195,000
9	Preliminaries, overheads and profit	10.00%		Included Above
10	**Sub-total Area 1**	**11,177 m²**	**2,393**	**26,746,653**
11	TOTAL BUILDING COST	**11,177 m²**	**2,393**	**26,746,653**

MAV Housing
Innovation Study
Warwick Ave, Springvale

BUILDING WORKS (MID-HIGH RANGE)

Cost Plan A

Functional Area

26 October 2025

Fully **E**nclosed **C**overed **A**rea	8164 m²
Unclosed **C**overed **A**rea **(including Basement & Circulation)**	3013 m²
GFA (FECA + UCA)	11177 m²

		Quantity	Rate	Total
	AREA			
	Area 1			
1	Basement carpark	1,087 m²	1,863	2,025,081
2	Ground floor carpark	786 m²	1,200	943,200
3	Podium carpark - Level 1-5	5,182 m²	1,600	8,291,200
4	Commercial use	170 m²	5,893	1,001,810
5	Apartments - Levels 6-9	2,026 m²	5,637	11,420,562
6	Upper floor communal outdoor space	374 m²	1,740	650,760
7	Circulation, balconies, plant and sundry areas	1,552 m²	2,190	3,398,880
8	Stairs and lifts	Item		1,195,000
9	Preliminaries, overheads and profit	10.00%		Included Above
10	**Sub-total Area 1**	**11,177 m²**	**2,588**	**28,926,493**
11	TOTAL BUILDING COST	**11,177 m²**	**2,588**	**28,926,493**

MAV Housing
Innovation Study
Warwick Ave, Springvale

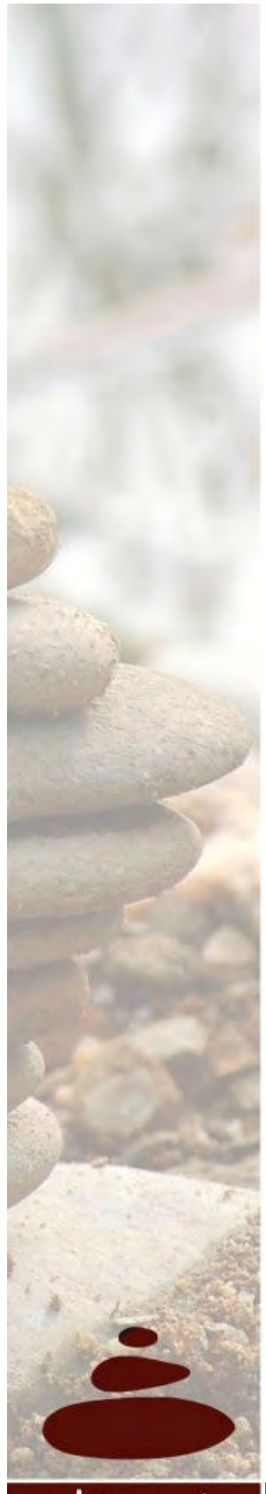
SITE WORKS

Cost Plan A

Functional Area

26 October 2025

		Quantity	Rate	Total
	EXTERNAL WORKS			
1	External demolition	Item		72,000
2	Site preparation and excavation	Item		25,000
3	Fences and gates	Nil		0
4	External buildings, equipment and furniture	Item		25,000
5	Landscaping including paving, soft landscaping and planting	Item		135,000
6	**Sub-total EXTERNAL WORKS**			**257,000**
	EXTERNAL SERVICES			
7	External services	Item		850,000
8	Site infrastructure upgrades	Item		450,000
9	**Sub-total EXTERNAL SERVICES**			**1,300,000**
10	Preliminaries, overheads and profit on external works and services	10.00%		156,000
11	TOTAL SITEWORKS COST (TSC)			**1,713,000**



20 November 2025

MAV Housing Innovation Study
4-16 Warwick Ave, Springvale

Cost Plan A

Functional Area

plancost
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03 9437 2777 | www.plancost.com.au | officemanager@plancost.com.au

Cost Plan A

Functional Area

20 November 2025

Introduction

PlanCost Australia has been requested to prepare a Cost Plan based on Functional Area documents received from BKK Architects.

Drawings

The following drawings and specifications have been used to prepare the Cost Plan.

Yield Table Dates: 13/11/2025

Cost Estimates

The current anticipated Total End Cost is:

	Low-Mid Range	Mid-High Range
Building Works	$69,901,615	$78,861,029
External Works and Services	$3,874,500	$3,874,500
Contingencies, Escalation and Allowances	$21,439,000	$24,042,000
Fees, FFE, ITC and Other Client items	$9,233,000	$10,356,000
Prolongation, Delay and Project risk	excluded	excluded
GST	$0	$0
Total End Cost	**$104,448,115**	**$117,133,529**

Refer to the attached Cost Plan A for details.

Note

The Cost Plan is based on preliminary information and therefore should be regarded as indicative only of the possible order of cost.
The cost of various components of the Cost Plan could vary significantly depending on the final design, materials selection and quality of the proposed building works.
We recommend that a detailed Cost Plan be prepared at the next design stage to verify the anticipated total cost.

Should you have any questions or require anything further, please don't hesitate to contact us.

Regards,

Quantity Surveyor
Yubin Lin
AIQS/RICS Member No: 26022

Reviewed By
Holly Phillips
AIQS/RICS Member No: 27296

MAV Housing
Innovation Study
4-16 Warwick Ave, Springvale

EXECUTIVE SUMMARY

Cost Plan A

Functional Area

20 November 2025

Inclusions

The Cost Plan includes allowances for the following:

- Building works
- External works
- External services
- Site and services infrastructure upgrades
- Demolition
- Asbestos removal
- Site decontamination
- Rainwater harvesting
- Landscaping
- Design contingencies
- Construction contingencies
- Environmentally sustainable design initiatives
- Consultants' fees
- Project management and management support costs
- Supply authority and headworks charges
- Cost escalation up to completion of construction April, 2029
- Building permit levy
- Cladding rectification levy
- Lump sum competitive tender

Exclusions

The Cost Plan excludes the following:

- Rock excavation
- Locality and access allowance
- Staging costs
- Alternative procurement methods or contract conditions (D&C, cost plus, negotiated tender)
- Disbursements
- Furniture, furnishings and equipment
- IT, AV and communications equipment
- Prolongation, delay and project risk contingencies
- Cost escalation after April, 2029
- GST
- Land purchase

MAV Housing
Innovation Study
4-16 Warwick Ave, Springvale

COST PLAN SUMMARY

Cost Plan A

Functional Area

20 November 2025

	Quantity	Rate	Total Low-Mid Range	Rate	Total Mid-High Range
COST COMPONENT					
Total Building Cost	20,988 m²		69,901,615		78,861,029
TOTAL BUILDING COST (TBC)	20,988 m²	3,331	**69,901,615**	3,757	**78,861,029**
External works and services			3,874,500		3,874,500
NET CONSTRUCTION COST (NCC)		3,515	**73,776,115**	3,942	**82,735,529**
Locality and access allowance			excluded		excluded
Additional costs for staging of the works			excluded		excluded
Additional costs for procurement method or contract conditions			excluded		excluded
Environmentally sustainable design initiatives	2.50%		1,845,000		2,068,000
Design contingency	10.00%		7,377,000		8,274,000
Construction cost escalation from Oct, 25					
Up To / Date / Months / %/Year / Weighting	Total %				
Escalation rate 3.00% Market conditions 0.00%					
Commencement Oct, 27 / 24 / 3.00% / 100%	6.09%		5,055,000		5,668,000
Escalation rate 3.00% Market conditions 0.00%					
Completion Apr, 29 / 18 / 3.00% / 70%	3.17%		2,628,000		2,947,000
Escalation is based on an average of 3% p/a ongoing					
TOTAL CONTRACT SUM (TCS)		4,321	**90,681,115**	4,845	**101,692,529**
Construction contingency	5.00%		4,534,000		5,085,000
TOTAL CONSTRUCTION COST (TCC)		4,537	**95,215,115**	5,088	**106,777,529**
Consultants' fees	7.50%		7,141,000		8,008,000
Disbursements			excluded		excluded
Project management and management support costs	1.00%		952,000		1,068,000
Furniture, furnishings and equipment			excluded		excluded
IT, AV and communications equipment			excluded		excluded
Building permit levy	0.13%		122,000		137,000
Cladding rectification levy	0.82%		780,000		876,000
Supply authority and headworks charges	0.25%		238,000		267,000
TOTAL PROJECT COST (TPC)		4,977	**104,448,115**	5,581	**117,133,529**
Prolongation, delay and project risk contingency			excluded		excluded
Goods and services tax			excluded		excluded
TOTAL END COST (TEC)	20,988 m²	4,977	**104,448,115**	5,581	**117,133,529**

MAV Housing
Innovation Study
4-16 Warwick Ave, Springvale

BUILDING WORKS (LOW-MID RANGE)

Cost Plan A

Functional Area

20 November 2025

Fully **E**nclosed **C**overed **A**rea	11058 m²
Unclosed **C**overed **A**rea **(including Basement & Circulation)**	9930 m²
GFA (FECA + UCA)	20988 m²

		Quantity	Rate	Total
	AREA			
	Area 1			
1	Basement carpark	2,483 m²	1,863	4,625,829
2	Ground floor carpark	1,006 m²	1,200	1,207,200
3	Commercial use	529 m²	4,911	2,597,919
4	Townhouses - Levels 0-1	631 m²	2,823	1,781,313
5	Apartments - Levels 1-9	8,892 m²	4,697	41,765,724
6	Upper floor communal outdoor space	845 m²	1,450	1,225,250
7	Circulation, balconies, plant and sundry areas including loggia and walkway	6,602 m²	2,190	14,458,380
8	Stairs and lifts	Item		2,240,000
9	Preliminaries, overheads and profit	10.00%		Included Above
10	**Sub-total Area 1**	**20,988 m²**	**3,331**	**69,901,615**
11	TOTAL BUILDING COST	**20,988 m²**	**3,331**	**69,901,615**

MAV Housing
Innovation Study
4-16 Warwick Ave, Springvale

BUILDING WORKS (MID-HIGH RANGE)

Cost Plan A

Functional Area

20 November 2025

Fully **E**nclosed **C**overed **A**rea	11058 m²
Unclosed **C**overed **A**rea **(including Basement & Circulation)**	9930 m²
GFA (FECA + UCA)	20988 m²

		Quantity	Rate	Total
	AREA			
	Area 1			
1	Basement carpark	2,483 m²	1,863	4,625,829
2	Ground floor carpark	1,006 m²	1,200	1,207,200
3	Commercial use	529 m²	4,911	2,597,919
4	Townhouses - Levels 0-1	631 m²	3,387	2,137,197
5	Apartments - Levels 1-9	8,892 m²	5,637	50,124,204
6	Upper floor communal outdoor space	845 m²	1,740	1,470,300
7	Circulation, balconies, plant and sundry areas including loggia and walkway	6,602 m²	2,190	14,458,380
8	Stairs and lifts	Item		2,240,000
9	Preliminaries, overheads and profit	10.00%		Included Above
10	**Sub-total Area 1**	**20,988 m²**	**3,757**	**78,861,029**
11	TOTAL BUILDING COST	**20,988 m²**	**3,757**	**78,861,029**

MAV Housing
Innovation Study
4-16 Warwick Ave, Springvale

SITE WORKS

Cost Plan A

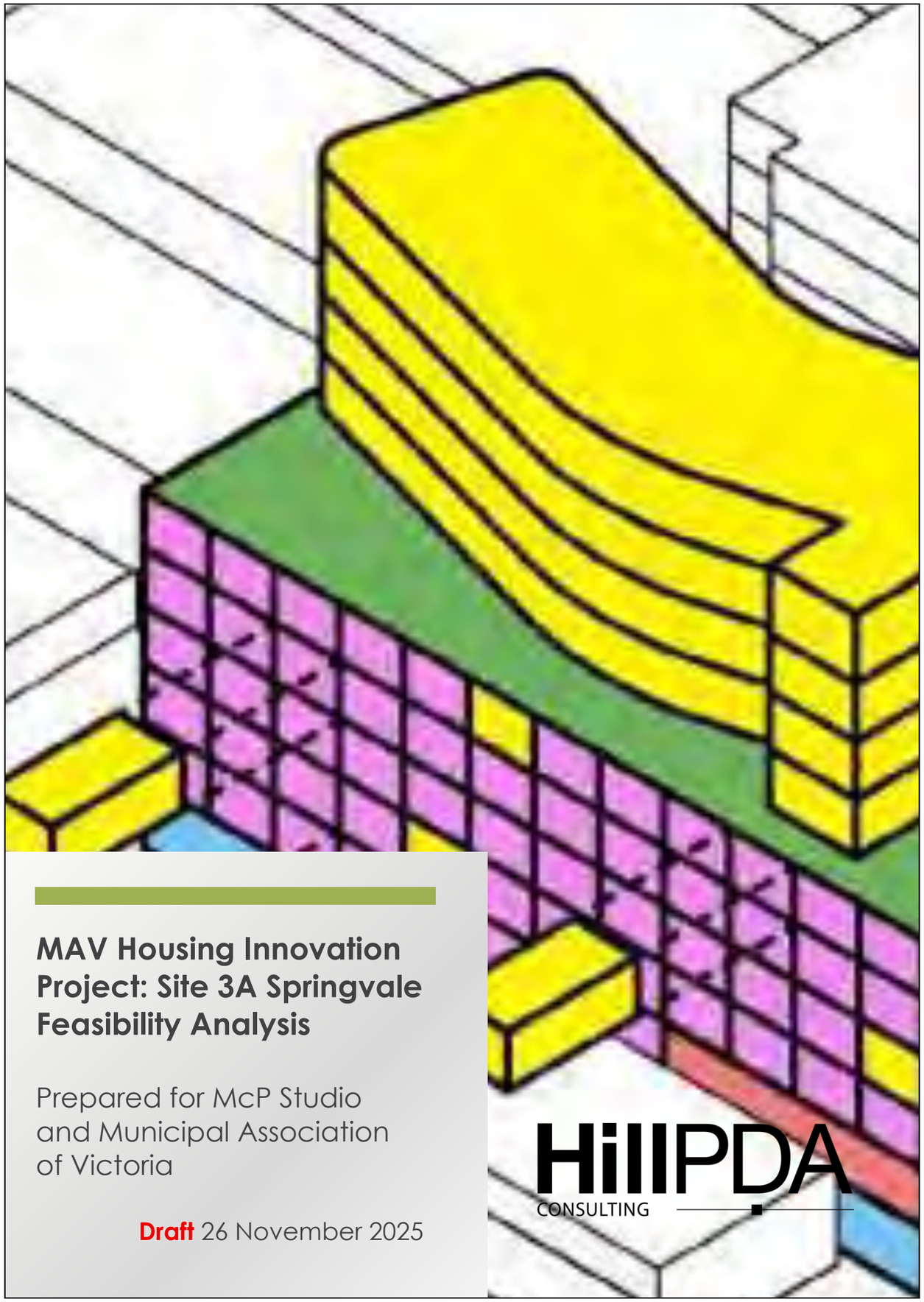
Functional Area

20 November 2025

		Quantity	Rate	Total
	EXTERNAL WORKS			
1	External demolition	Item		150,000
2	Site preparation and excavation	Item		35,000
3	Boundary fences and gates	Item		11,500
4	External buildings, equipment and furniture	Item		75,000
5	Landscaping including paving, soft landscaping and planting	Item		100,000
6	**Sub-total EXTERNAL WORKS**			**371,500**
	EXTERNAL SERVICES			
7	External services	Item		2,100,000
8	Site infrastructure upgrades	Item		1,050,000
9	**Sub-total EXTERNAL SERVICES**			**3,150,000**
10	Preliminaries, overheads and profit on external works and services	10.00%		353,000
11	TOTAL SITEWORKS COST (TSC)			**3,874,500**

9.6 Feasibility assessment

The development feasibility assessment for the above concept plans, prepared by HillPDA.



MAV Housing Innovation Project: Site 3A Springvale Feasibility Analysis

Prepared for McP Studio and Municipal Association of Victoria

Draft 26 November 2025

HillPDA CONSULTING

HillPDA CONSULTING

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Front cover image: BKK Architects

Greater Dandenong City Council Acknowledgement

Greater Dandenong City Council acknowledges the Traditional Custodians of this land, the Bunurong People, and pays respect to their Elders past and present. We recognise and respect their continuing connections to climate, Culture, Country and waters.

1.0 INTRODUCTION

1.1 Purpose

This report provides a financial feasibility assessment of a Springvale new build case study development. The case study was provided by McP Studio as part of a housing innovation project for the Municipal Association of Victoria (MAV) and partner councils. The partner council for this case study is Greater Dandenong City Council.

This assessment should be read in conjunction with the following inputs:

- Design concept for case study site by BKK Architects, 28 September 2025
- Construction cost estimate by PlanCost Australia, Cost Plan A, 26 October 2025.

1.2 Qualification

This analysis is indicative and is based on preliminary design envelopes and cost and revenue inputs. The analysis is designed to inform the MAV housing innovation study brief and should not be relied upon for any other purpose.

1.3 Report Structure

This report is structured as follows:

- Section 2: market research summary and design concept developed for the site
- Section 3: financial feasibility assessment method and results
- Section 4: alternative housing innovation delivery models
- Appendix A: demographic analysis
- Appendix B: market research
- Appendix C: feasibility modelling in more detail.

2.0 MARKET RESEARCH AND DESIGN

2.1 Market Research Summary

Springvale is located approximately 25 kilometres southeast of Melbourne's CBD (2021 population of 22,174).

Springvale has a younger age profile and is one of the most culturally diverse suburbs in Victoria. The leading overseas countries are Vietnam, India, Cambodia and China.

Whilst economic and property market trends have impacted the viability of development in the recent past, conditions are expected to improve in the future, especially if interest rates continue to decline.

Springvale is expected a achieve solid population growth in the future (circa 400 per annum) based on infill development. The suburb is undergoing a transformation as it shifts from a predominantly detached house, townhouse and villa unit market to a more viable apartment sector.

In a metropolitan context, Springvale provides an affordability advantage for households that seek a location near transport linkages and shops and its strong cultural identity further enhances its appeal as a growth area for medium and high density living.

Recent new apartment sales indicate a price range from $405,000 to $630,000 per unit at $6,990/sqm to $8,850/sqm. There is also potential to consider mixed use projects with shopfronts achieving a range of prices based on location.

Figure 1: Image of Springvale

Source of image: First National Real Estate

2.2 Design Concept

The design concept provides a guide to floorspace yield based on site attributes, market research information and planning and design guidance. The design process has determined that the site is capable of a development outcome comprising:

- 11 storey building with 196 carparking spaces and 28 apartments on upper levels
- Addresses amenity issues from adjacent site by accommodating apartments on upper floors
- Provides basement and podium parking
- Parking provided for activity centre uses and for uses within the building
- Includes relocated parking from 4-16 Warwick Avenue, Springvale.

Selected metrics and net sellable area assumptions are shown in the table below.

Table 1: Development metrics

Case study	New build, Springvale			
Address	32-34 Warwick Avenue, Springvale			
Zone	Commercial 1 Zone			
Architect	BKK Architects, 2 September 2025			
Development metrics				
Site area sqm	1,438			
Site coverage sqm	1,140			
Site coverage %	79%			
GFA	11,177			
GFA - basement	1,392			
GFA - ground	1,140			
GFA - podium	6,602			
GFA - upper floors (residential)	2,043			
Commercial				
Ground floor NSA	160			
Residential	**Number**	**Ave. Size**	**Area**	
1 bed	16	55	880	
2 bed	12	75	900	
Total	28		1,780	
Site Density dw/ha	194.7			
Car spaces				
	Total	**Residential**	**Commercail**	**Public**
Basement	40	17	23	
Ground	21		1	20
Podium	135			135
Total	196	17	24	155
Rate		61%		
Units with no parking		11		
Communal space				
Upper	374			
Other				
Ground level other	298			

Source: BKK Architects; HillPDA sellable area

3.0 FINANCIAL FEASIBILITY ASSESSMENT

3.1 Feasibility Testing Method

Development feasibility modelling tests the financial scope of delivering the development on the site.

In a base scenario, it is assumed a developer will seek to purchase and develop the site for a short-term return by selling the finished units/floorspace as soon as possible post-construction.

The method for feasibility testing is discounted cash flow (DCF) analysis. DCF analysis is an appropriate method when project timelines extend beyond one year, and time value of money considerations are included in the analysis. DCF is a valuation method that seeks to determine the feasibility of an investment by examining projected future income and costs or cash flow from the investment, and then discounts that cash flow at a selected rate (discount rate) to arrive at an estimated current value of the investment. Another method is simple Development Margin analysis, which ignores time value of money.

The residual land value is the maximum price a developer would be prepared to pay for a site in exchange for the opportunity to develop the site, whilst achieving target hurdle rates for profit and project return. The residual value must be of a sufficient amount to encourage an owner to sell and/or displace the current use of the land. For development to be viable, the residual land value of a development opportunity must exceed the 'as is' value of the property. If the residual land value is lower than a site's current 'as is' value, redevelopment is not viable.

A target rate of return in the modelling is shown as internal rate of return (IRR). Internal rate of return is the return of an investment on an annualised basis and expressed as a percentage.

3.2 Revenue Assumptions

Base revenue assumptions, before escalation over the development period, are shown in the table below. These assumptions are based on recent sales evidence. Scenario testing is undertaken to show higher end sales values in the financial modelling in addition to the base estimate.

Note that in the base feasibility model, it is assumed all non-residential car parking is purchased - or a subsidy provided - at a rate of $75,000 per space. Other scenarios are possible.

Table 2: Base revenue assumptions, October 2025

Revenue	Per Unit	Number	Revenue
Commercial	$7,600	160	$1,216,000
Apartments			
1 bed (no parking)	$489,500	16	$7,832,000
2 bed (no parking)	$596,250	1	$596,250
2 bed	$671,250	11	$7,383,750
Non-Residential Parking			
Commercail Car Spaces	$75,000	24	$1,800,000
Public Car Spaces	$75,000	155	$11,625,000
Total			**$30,453,000**

Source: HillPDA assumptions

3.3 Cost and Modelling Assumptions

The costs and modelling assumptions of development are assumed as follows.

Revenue:

- Revenue: As shown in the section above (inclusive of GST).
- Escalation: General escalation assumed at 3.5%. Scenarios above this level may be included in modelling where shown.
- Pre-sales: 60% pre-sales are assumed.

Land:

- Land cost: A nominal land value input assumed at $2,157,000 has been used to estimated taxes, charges and holding costs.

Construction:

- Construction cost: Based on PlanCost Australia estimate, as shown in the table below.
- Construction cost escalation: Included in PlanCost Australia estimate.

Soft Costs:

- Professional fees: 7.5% of construction cost included in PlanCost Australia estimate.
- Fees, taxes and charges: Allowance made for approximately $337,600 one-off payments for Land Transfer Duty, Council Planning Permit Fee, and Open Space Contribution.
- Allowance made for approximately $24,300 annual council, state and utility levies for the duration of development.
- Sales commissions and marketing costs: Deducted to derive net sale proceeds.
- Project contingency: 1.5% of development cost.

Financing:

- Equity and Debt: Interest on debt is assumed at 7.5% per annum. It is assumed that the project is 80% debt and 20% equity funded.

Profit / Risk:

- Target profit risk: >15% internal rate of return and >18% development margin.

Project Timing:

- Pre-planning: Assumed 18 months from project start.
- Construction: 18-month construction period assumed as shown in PlanCost Australia.
- Post completion sales: 4 months post construction.

The main cost input is construction cost with associated professional fees. The PlanCost Australia estimate is shown below.

Table 3: Construction cost estimate by PlanCost Australia

The current anticipated Total End Cost is:	Low-Mid Range	Mid-High Range
Building Works	$26,746,653	$28,926,493
External Works and Services	$1,713,000	$1,713,000
Contingencies, Escalation and Allowances	$8,270,000	$8,903,000
Fees, FFE, ITC and Other Client items	$3,562,000	$3,835,000
Prolongation, Delay and Project risk	excluded	excluded
Total End Cost	**$40,291,653**	**$43,377,493**

Source: PlanCost Australia, includes escalation, excludes GST

3.4 Feasibility Modelling Results

The results are summarised in the table and figure below (with details shown in Appendix C).

- The best estimate data indicates the project is not commercially viable from a private sector investment perspective at the current time based on the preliminary data inputs used.
- This project performs a significant car parking role and that cost cannot be recovered from the 28 apartment units based on the assumptions used in this assessment. The parking spaces would need to be sold for a higher price or delivered by a public agency. We have assumed a nominal price for the spaces to test initial feasibility, and the result is a significant financial loss.
- A greater price or subsidy is required to achieve a positive financial result for this project.
- Assuming costs are held at the level shown, a revenue increase of approximatley 205% would be required for commercail viability.

Other suggested pathways are:

- Consider procurement of a Community Housing Association (CHA) for the residential component of the project. A CHA works to non-commercail metrics and will in most cases access government funding support to deliver and manage housing.
- Undertake a review of costs of development and seek to reduce costs where possible.
- Consider holding the asset for say two years and re-investigate feasibility at a later time.

Figure 2: Feasibility summary

Table 4: Feasibility summary

Option	Low-Mid Range Cost	Mid-High Range Cost	Low-Mid Range Cost (205% rev inc)	Mid-High Range Cost (250% rev inc)
Scenario	**1**	**2**	**3**	**4**
Units (No.)	28 units	28 units	28 units	28 units
Gross Floor Area (SQM)	11,177 GFA	11,177 GFA	11,177 GFA	11,177 GFA
Site Area	1,438 SqM	1,438 SqM	1,438 SqM	1,438 SqM
Type	Residential	Residential	Residential	Residential
Revenue				
Gross Sales Revenue	$30,206,965	$31,353,695	$54,442,840	$58,246,738
Less Selling Costs	-$584,104	-$601,542	-$1,082,415	-$1,157,665
TOTAL REVENUE (after GST paid)	**$29,622,861**	**$30,752,153**	**$53,360,425**	**$57,089,073**
Costs				
Land Purchase Cost	$2,157,000	$2,157,000	$2,157,000	$2,157,000
Land Acquisition Costs	$132,519	$132,519	$132,519	$132,519
Construction (inc. Construct. Contingency)	$44,320,818	$47,715,242	$44,320,818	$47,715,242
Professional Fees	$936,590	$987,368	$941,831	$993,478
Contributions and Charges	$217,393	$217,393	$217,393	$217,393
Other Allowances	$261,898	$269,643	$475,170	$507,973
Land Holding Costs	$75,206	$75,206	$75,206	$75,206
Pre-Sale Commissions	$129,647	$112,662	$265,776	$281,654
Interest Expense	$2,002,769	$2,168,012	$1,661,136	$1,766,769
TOTAL COSTS (before GST reclaimed)	$50,355,724	$53,966,263	$50,368,733	$53,978,452
Less GST reclaimed	-$4,214,086	-$4,528,880	-$4,291,627	-$4,617,021
TOTAL COSTS (after GST reclaimed)	**$46,141,638**	**$49,437,383**	**$46,077,106**	**$49,361,431**
Performance				
Gross Development Profit	-$16,518,778	-$18,685,230	$7,283,319	$7,727,641
Residual Land Value (Target Margin)	-$17,011,427	-$19,153,765	$1,368,401	$1,252,491
Residual Land Value (TM) / SQM	-$11,830	-$13,320	$952	$871
Project Internal Rate of Return (IRR)	-37.2%	-39.7%	21.2%	21.2%
Residual Land Value (NPV)	-$12,057,964	-$13,699,424	$4,017,076	$4,136,972
Residual Land Value (NPV) / SQM	-$8,385	-$9,527	$2,794	$2,877

4.0 ALTERNATIVE HOUSING DELIVERY MODELS

4.1 Overview

This section provides a preliminary scoping of housing innovation options that may be considered to facilitate the supply of more diverse and / or more affordable housing options via the use of public land (i.e. local government land).

4.2 Council Land Options

Sale or Lease of Land

Councils may from time to time sell land or lease land at market value or at a discount.

The divestment or lease could be made to a to a private entity or to a not-for-profit entity like a housing association or some form of land trust. This could be done for a housing purpose to meet the needs of the local community.

Discounted land sale has the potential to make development projects viable for the developer in cases where financial viability is not possible.

Discounted lease of land to a housing provider can have the same benefit for the housing provider; that is, generating a financially acceptable outcome.

Land Trust Model

A land trust model enables the individual household to purchase a dwelling or build a dwelling on land owned or controlled by a land trust. Land trust arrangements offer the opportunity for home ownership to a group that would otherwise not be able to afford a land with dwelling.

The land trust could have a particular objective such as meeting the needs of key workers, first home buyers or older persons.

4.3 Some Recent Land Innovation Examples

Selected case studies regarding housing investment innovation provide insights into potential responses that may be relevant.

Key Worker and Affordable Housing Project, Warrnambool City Council, Victoria

Facilitating key worker housing supply on council land

Warrnambool City Council in regional Victoria developed this project to tackle the lack of affordable rental homes in the area. This proposed project involves the leasing of land by Council to a Community Housing Agency (CHA) for a period of up to 25 years. The CHA will be required to build a minimum of 50 self-contained units, with a 50/50 split of key worker accommodation and affordable housing. Affordable units would have rents capped at 75 per cent of market rate, while employers would lease the key worker accommodation to their

employees. All built assets will be disposed through sale or relocation at the end of the project period. The project is estimated to cost $15 to $18 million, with council seeking funding from private equity and governments.

Winanglo Community Village, Community Bank Surf Coast, Victoria

Joint venture older persons housing development that included a land contribution from council

The town of Winchelsea (1.5 hours from Melbourne and population of approximately 2,456 in 2021), has a shortage of appropriate housing for older people that are looking to downsize in the town.

In response to this, the Community Bank Surf Coast established a social enterprise called Winanglo to drive the development of 10 independent living units and associated support services locally. The Community Bank committed $1.5 million towards the $5 million project with the remainder supplied through loans. The loans were repaid through the sale of the units, and profits reinvested on other local community projects on an as-needed basis.

Surf Coast Shire Council assisted through the transfer of vacant land for $1. As an incorporated association with charitable status the development is to remain in the ownership of the local community.

Regional Key Worker Housing Scheme, South Australian State Government

State development of key worker housing which are on-sold to investors

Administered by the State Office for Regional Housing, this pilot program aims to address the need for affordable and accessible quality housing options to attract and retain essential workers including police, teachers and healthcare workers in country communities.

The program will develop approximately 35 new homes in key regional centres which will be sold to private investors with long-term, employer-backed leases attached.

Sloane Street Development, Northern Grampians Council, Victoria

Housing development in a location with a limited private sector market

Northern Grampians Council rezoned a parcel of land owned by Council in Stawell for residential purposes and then invited developers to submit proposals for the purchase and development of the land for residential purposes. The Council set terms and conditions, which included the provision of a diverse range of housing on the site. A $500,000 grant was also secured from the State Government's Regional Infrastructure Fund with an equivalent matched funding contribution from the Council to extend services to the site.

Correa Park, Pyrenees Shire Council, Victoria

Housing development in a location with a limited private sector market

Correa Park is a council-developed subdivision in the rural town of Beaufort. It was instigated due to the stagnating population in the area combined with a lack of interest from developers in the large-scale investment required to significantly boost local housing stock.

Pyrenees Shire Council used $6 million in savings and loans to purchase land in a residential zone, as well as for realignment of road and utilities connection. The project was completed in 2021 and costs have been recouped through the sale of the 100 lots within the subdivision.

Harris Transportable Housing, Launch Housing, Maidstone

Low cost housing supply on state owned land

Launch Housing is using nine parcels of vacant VicRoads land in Footscray and Maidstone to create 57 tiny homes for people with a chronic experience of homelessness. They are utilising the Fredi transportable home model, which has 20 sqm of internal space with a 9 sqm verandah. It is designed with passive heating, shading and cooling) to achieve 6+ star rating for reduced occupant running costs.

APPENDIX A: DEMOGRAPHIC ANALYSIS

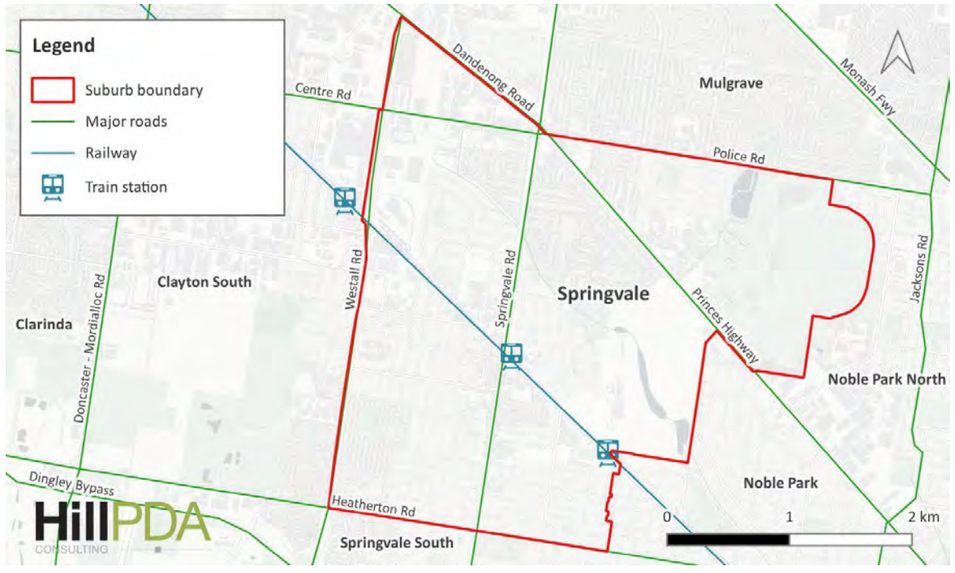
A.1 Overview

This section provides a demographic profile of Springvale. This information informs market responsive housing options.

A.2 Springvale

Springvale is a suburb located approximately 25 kilometres southeast of Melbourne's CBD, within the City of Greater Dandenong. It is well-connected by major roads and public transport, including two railway stations on the Pakenham/Cranbourne lines.

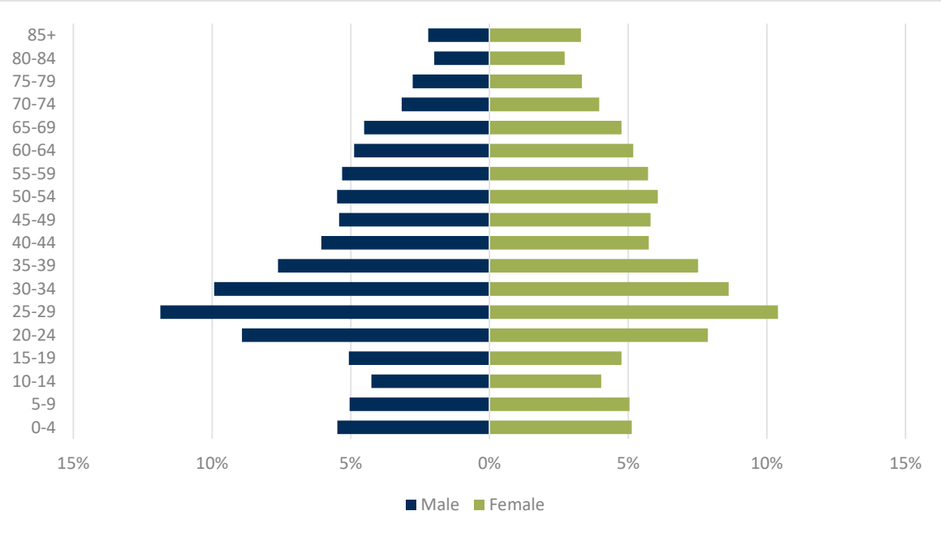
Figure 3: Springvale and surrounds



Imagery: CARTO (2025)

At the 2021 Census, Springvale had an estimated population of 22,174. The median age was 36 years, with the most common age group being 25-29 years, accounting for 11.2% of the population. More than one third of residents were aged 20-39 years, highlighting a predominantly young adult demographic.

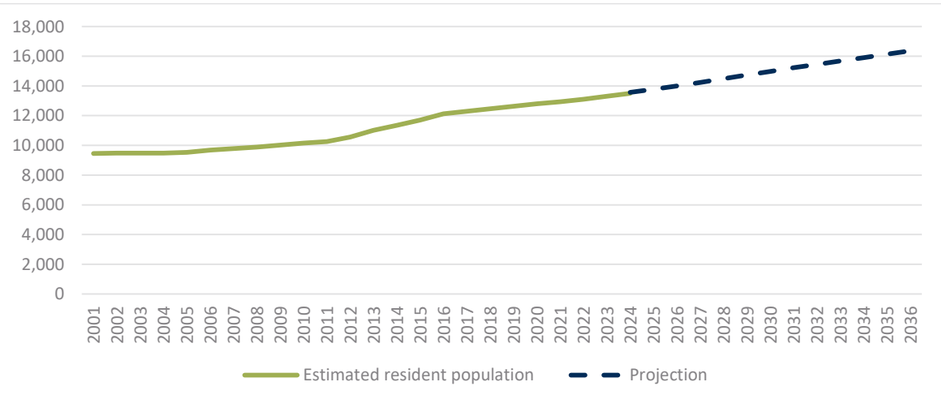
Figure 4: Age distribution in five year age groups (Springvale)



Source: ABS (2021).

The population of Springvale remained stable in the first few years of the 2000s before beginning to grow steadily from around 2006, averaging an increase of around 350 people per year until 2020. After two years of decline during the COVID-19 pandemic, growth has recovered and is anticipated to grow by more than 400 per year through to 2036.

Figure 5: Population projection (Springvale)



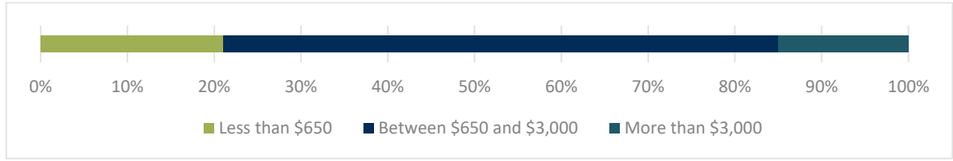
Source: ABS (2025); DTP (2023).

According to the 2021 Census, in Springvale:

- The median weekly household income was $1,402
- The median monthly mortgage repayment was $1,750
- The median weekly rent was $357.

Approximately one in five households reported a total weekly income of less than $650. Conversely, almost 15% of households reported earning over $3,000 per week.

Figure 6: Household income ranges (Springvale)



Source: ABS (2021).

Springvale is one of the most culturally diverse suburbs in Victoria. Approximately 66.4% of residents were born outside of Australia, up from 65.2% in 2011. Over 80% of households use a non-English language (75% in 2011).

Top countries of birth (excluding Australia):

1. Vietnam (20.9%)
2. India (7.4%)
3. Cambodia (5.6%)

Top languages used at home (excluding English):

1. Vietnamese (25.2%)
2. Mandarin (6.7%)
3. Cantonese (6.3%).

Across Victoria, only 1.3% of people were born in Vietnam. Approximately 6% of the total Vietnamese-born population of Victoria are based within Springvale.

A.3 Dwelling Profile

Springvale has experienced housing growth in the past decade. The number of semi-detached dwellings nearly doubled between 2011 and 2021 and now make up around 20% of all dwellings in the area. Meanwhile, the proportion of flats and apartments declined. However, the decrease for flats was entirely within one to three storey blocks, while there was an increase of 85.4% in dwellings in four or more storey blocks (from 48 to 89 dwellings).

Table 5: Dwelling structure (Springvale)

Description	2011		2021		Change	
	#	%	#	%	#	%
Separate house	4,624	71.3%	4,972	69.5%	+348	+7.5%
Semi-detached, row or terrace house, townhouse etc.	732	11.3%	1,441	20.1%	+709	+96.9%
Flat or apartment	1,015	15.6%	644	9.0%	-371	-36.6%
Other dwelling	115	1.8%	101	1.4%	-14	-12.2%
Total	**6,486**	**100.0%**	**7,158**	**100.0%**	**+672**	**+10.4%**

Source: ABS (2011; 2021).

Dwellings with four or more bedrooms increased by 37% between 2011 and 2021, while the number of dwellings with no bedrooms declined by over 50%. Despite the growth in larger homes, the average number of bedrooms per dwelling decreased slightly. Of the additional dwellings built during the period, over half had one to three bedrooms.

Table 6: Number of bedrooms (Springvale)

Description	2011		2021		Change	
	#	%	#	%	#	%
None (includes studio apartments or bedsitters)	51	0.8%	24	0.3%	-27	-52.9%
1 bedroom	475	7.3%	525	7.3%	+50	+10.5%
2 bedrooms	1,169	18.0%	1,365	19.1%	+196	+16.8%
3 bedrooms	3,338	51.4%	3,457	48.3%	+119	+3.6%
4 or more bedrooms	1,200	18.5%	1,649	23.0%	+449	+37.4%
Total	**6,233**	**100.0%**	**7,020**	**100.0%**	**+787**	**+12.6%**
Average number of bedrooms per dwelling	3	-	2.9	-	-	-

Source: ABS (2011; 2021).

Total households grew by a small amount between 2011 and 2021. The biggest increase was in group households, which grew by almost 50%. Lone person households also experienced modest growth. There was a small decline in family households, with the biggest decline in couple families without children. The average household size has remained the same.

Table 7: Household composition (Springvale)

Description	2011		2021		Change	
	#	%	#	%	#	%
Lone person	1,429	20.7%	1,577	22.0%	+148	+10.4%
Group	328	4.7%	483	6.7%	+155	+47.3%
Family	5,153	74.6%	5,112	71.3%	-41	-0.8%
Couple family without children	1,672	24.2%	1,570	21.9%	-102	-6.1%
Couple family with children	2,304	33.3%	2,349	32.8%	+45	+2.0%
One parent family	1,019	14.7%	976	13.6%	-43	-4.2%
Other family	158	2.3%	217	3.0%	+59	+37.3%
Total	**6,910**	**100.0%**	**7,172**	**100.0%**	**+262**	**+3.8%**
Average household size (no. of persons)	2.9	-	2.9	-	-	-

Source: ABS (2011; 2021).

The number of households is expected to grow by almost 2,000 or 26.1% between 2021 and 2036. The biggest net increase is projected in couple families with children, which are expected to grow by more than double the amount of the next fastest-growing group.

Despite this expected growth, the overall proportion of household types is expected to remain relatively stable. Couple families with children are expected to remain the largest share of households, followed by couples without children and lone person households.

Table 8: Household projections by type (Springvale)

Description	2021	2026	2031	2036		Change 2021-2036	
				#	%	#	%
Couple family without children	1,685	1,816	1,948	2,102	21.8%	+418	+24.8%
Couple family with children	2,484	2,700	3,039	3,428	35.5%	+944	+38.0%
One parent family	1,060	1,097	1,186	1,315	13.6%	+255	+24.1%
Other family	236	252	266	285	2.9%	+49	+20.7%
Lone person	1,665	1,674	1,732	1,838	19.0%	+174	+10.4%
Group	534	589	636	694	7.2%	+160	+30.0%
Total	**7,663**	**8,128**	**8,807**	**9,663**	**100.0%**	**+1,999**	**+26.1%**

Source: DTP (2023).

All tenure types increased in number over 2011 to 2021, though dwellings owned outright and owned with a mortgage declined as proportions of all households. The proportion of households living in rented dwellings increased by almost a quarter over the decade. The most dramatic rise was in other tenure types (including life tenure schemes and rent-free arrangements), which more than doubled.

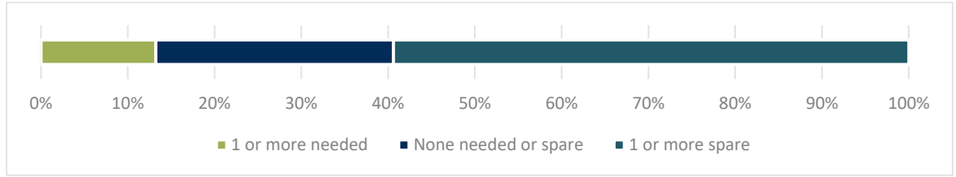
Table 9: Tenure type (Springvale)

Description	2011		2021		Change	
	#	%	#	%	#	%
Owned outright	2,248	36.8%	2,271	32.5%	+23	+1.0%
Owned with a mortgage	1,480	24.2%	1,650	23.6%	+170	+11.5%
Rented	2,265	37.1%	2,810	40.2%	+545	+24.1%
Other tenure type	111	1.8%	266	3.8%	+155	+139.6%
Total	**6,104**	**100.0%**	**6,997**	**100.0%**	**+893**	**+14.6%**

Source: ABS (2011; 2021).

Based on the 2021 Census, 13% of households in Springvale were considered to require at least one additional bedroom. A majority of households had one or more spare bedroom, suggesting that most dwellings in Springvale either meet or exceed the space requirements of the people living in them.

Figure 7: Housing suitability (Springvale)



Source: ABS (2021).

APPENDIX B: MARKET RESEARCH

B.1 Overview

This section provides a profile of the Springvale property market. This information informs market responsive housing options.

The market research provides realistic assumptions around pricing, demand and development activity, which are essential for evaluating the viability of housing options.

B.2 Property Market Context

Residential prices in metropolitan Melbourne are now rinsing following a period of stagnation. Growth has been fuelled by post-pandemic population growth and more recent stabilisation in inflation and cuts to interest rates.

Rents spiked in all areas in Victoria over the past year or so, driven by rising costs for investors and rapid growth in demand.

The cost to build increased significantly in recent years due to broader inflationary pressures including labour cost increases and material cost increases. Costs appear to have stablished in recent months.

These trends have impacted the viability of development at the current time, but conditions are expected to improve in the future, especially if interest rates continue to decline.

B.3 Residential Apartments Market Overview

Springvale is undergoing a transformation as it shifts from a predominantly detached house, townhouse and villa unit market to a more viable apartment sector.

Recent data indicates that apartment unit prices are rising, with 2-bedroom units increasing by 10.4% per annum. Rental yields for apartments are also strong (approximately 4.9%).

This trend is supported by government policy, which aims to facilitate the construction of more apartment units around key transport and activity centre nodes. Springvale has some notable renewal precincts including the Warwick Avenue precinct and Balmoral Avenue site.

In a metropolitan context Springvale provides an affordability advantage for households that seek a location near transport linkages and shops.

The suburb's strong cultural identity further enhance its appeal as a growth area for medium and high density living.

B.4 Supply Indicators

Springvale has a moderate level of housing stock, with 68 units and 69 houses available for sale in the past month. The median time on market for houses is 79 days, while units sell faster

at 44 days, suggesting stronger demand for smaller housing options. This supply level is relatively balanced but could tighten if interest rates fall s.

B.5 Affordability

The median house price is $843,500, while the median household income is $1,402 per week. With monthly mortgage repayments averaging $1,750, many households are spending close to or above 30% of their income on housing, indicating housing stress.

B.6 Rental Market Performance

Springvale's rental market is performing strongly. Units yield 4.7%, and houses yield 3.7%, with rents rising by 12.8% for units and 10% for houses over the past year. he median rent for units is $500 per week, and for houses, it is $550 per week. Properties lease quickly, with units taking 27 days and houses 28 days on average.

Overall, Springvale is well-positioned for sustainable long-term housing market growth, particularly in the apartment and rental sectors.

B.7 Development Sites Sales

The development site sales in Springvale over the last two years have been townhouse developments. On average, properties sold for $1,283,500, with land areas averaging 935 sqm. The average land value per square metre was $1,470, and the average cost per proposed dwelling was $257,820. The transactions are outlined in the table below.

Table 10: Development site sales

Address, Springvale	Sold Price	Land Area	No. Proposed Dwellings	Sold Date	$/sqm	$/Dwelling
14 Whitworth Avenue	$630,000	813	6	2024	$774	$105,000
931 Heatherton Road	$955,000	1,173	5	2024	$814	$191,000
69 Glendale Road	$907,000	789	3	2024	$1,150	$302,333
6 Watt Street	$1,220,000	700	7	2023	$1,742	$174,286
459-461 Springvale Road	$2,150,000	1,809	8	2024	$1,188	$268,750
37 Osborne Avenue	$1,508,000	832	4	2022	$1,812	$377,000
25 St James Avenue	$1,606,000	702	5	2021	$2,288	$321,200
24 Elm Grove	$1,292,000	665	4	2021	$1,943	$323,000

Source: RP Data Professional, HillPDA

B.8 Apartment Sales Evidence

Our research indicates that there are currently limited examples of modern apartment buildings in Springvale with relatively few new developments entering the market.

This scarcity is reflected in the pricing and density of recent sales. These figures suggest that well-located, newer apartments can command prices ranging from $6,990 to $8,850/sqm, while more modest or older stock transacts at lower rates. The Windsor Avenue sale highlights strong demand for compact, high-quality stock.

Table 11: Apartment developments sold in 2025

Address, Springvale	Sold Price	Internal Area	$/sqm	Image
201/15 Windsor Avene	$630,000 June 25	64 3 bedroom	$9,843	
109/20 Avenue, Springvale	$405,000 May 25	58 2 bedroom	$6,983	

Source: RP Data Professional, HillPDA

B.9 Townhouses Sales Evidence

The average sold price across the five properties shown in the table below is $712,000, with the highest being $800,000 (25 Talara Close, Springvale) and the lowest at $630,000 (2/794 Princes Highway).

The average internal area is 99.6 sqm, ranging from 62 sqm (2/14 Lucian Avenue) to 137 sqm (25 Talara Close). In terms of price per square metre, the average was $7,570/sqm, with the highest being $10,810/sqm (2/14 Lucian Avenue) and the lowest at $5,730/sqm (2/794 Princes Highway).

Table 12: Townhouse developments sold in 2025

Address	Sold Price	Internal Area	$/sqm	Image
2/14 Lucian Avenue, Springvale	$670,000 Jul 25	62	$10,806	
25 Talara Close Srpingvale	$800,000 Jul 25 3 bedroom	137	$5,840	
2/794 Princes Highway	$630,000 Jul 24 2 bedroom	110	$5,727	
1/897 Heatherton Road	#680,000 Jan 25 3 bedroom	88	$7,727	
2/40 Gove Street	$780,000 Jan 24 3 bedroom	101	$7,722	

Source: RP Data Professional, HillPDA

B.10 Commercial Sales Evidence

Discussions with local agents and recent listings suggest that retail shopfronts in Springvale vary significantly in both size and price, reflecting a diverse and evolving commercial landscape.

Smaller tenancies, such as those on Windsor Avenue, offer investment opportunities for owner-occupiers or small businesses. These properties tend to be more affordable and easier to manage, making them attractive to first-time investors.

In contrast, larger sites like those on Princes Highway and Buckingham Avenue represent strategic holdings with potential for redevelopment or higher-yield commercial use. These properties are often located in high-traffic zones and may appeal to developers or institutional investors seeking long-term growth.

This variation in property scale and pricing highlights the importance of site-specific analysis when evaluating commercial opportunities in Springvale.

Table 13: Retail shopfronts sales evidence

Address, Springvale	Sale Price	Floorspace (sqm)	$/sqm	Other comments
2/15 Windsor Avenue	$1,150,000	61	$18,852	Asking price – Retail/ office/ medical
10 Erica Street	$600,000–$660,000	137	$4,388–$4,818	Asking Price – Retail
337-339 Springvale Road	$4,039,000	360	$11,219	Sold price March 2025 – two shop top retail buildings
97 Springvale Road	$800,000	208	$3,846	Sold office space – single storey office/ shop front.

Source: RP Data Professional, HillPDA

B.11 Market Summary

Development Site Values

- Development site land values range from $780/sqm to $2,290/sqm, or $105,000/unit to $377,000/unit (depending on location).
- The average price of the sample of recent sales is $1,283,500 for 935 sqm of land, at $1,470/sqm and $257,820 per unit.
- Most residential developments are townhouses.

Townhouses Prices

- Townhouses prices range from $630,000 to $800,000, at $6,730/sqm to $10,810/sqm (internal area 100 to 140 sqm).

Apartment Prices

- A limited number of new apartment sales indicates a price range from $405,000 to $630,000 at $6,990/sqm to $8,850/sqm.

Commercail Shopfront Prices

- Commercail shopfront prices range from $3,850/sqm to $11,220/sqm (shopfronts under 400 sqm), but vary significantly based on location.

APPENDIX C: FEASIBILITY MODEL DATA

The sheet overleaf shows a summary of the modelling scenarios.

- Low-mid range cost feasibility summary
- Mid-high range cost feasibility summary
- Low-mid range cost feasibility summary with revenue increase required to make the project commercially viable
- Mid-high range cost feasibility summary with revenue increase required to make the project commercially viable.

After that sheet, more detailed modelling data is shown for the base feasibility mode: low-mid range cost feasibility.

ARGUS EstateMaster | Development Feasibility

COMPARISON OF OPTIONS

	1	2	3	4
	Low-Mid Range Cost	Mid-High Range Cost	OPT 1 - (205% REV INC)	OPT 2 - (250% REV INC)
New build, Springvale	1	2	3	4
	28 units 11,177 GFA 1,438 SoM Residential Under Review	28 units 11,177 GFA 1,438 SoM Residential Under Review	28 units 11,177 GFA 1,438 SoM Residential Under Review	28 units 11,177 GFA 1,438 SoM Residential Under Review
Licensed to: Hill PDA Pty Ltd				
Revenues				
Gross Sales Revenue	30,206,965	31,353,695	54,442,840	58,246,738
Less Selling Costs	(584,104)	(601,542)	(1,082,415)	(1,157,665)
Less Purchasers Costs	-	-	-	-
NET SALES REVENUE	29,622,861	30,752,153	53,360,425	57,089,073
Gross Rental Income	-	-	-	-
Less Outgoings & Vacancies	-	-	-	-
Less Letting Fees	-	-	-	-
Less Incentives (Rent Free & Fitout Costs)	-	-	-	-
Less Turnover Costs	-	-	-	-
Less Other Leasing Costs	-	-	-	-
NET RENTAL INCOME	-	-	-	-
Interest Received	-	-	-	-
Other Income	-	-	-	-
TOTAL REVENUE (before GST paid)	29,622,861	30,752,153	53,360,425	57,089,073
Less GST paid on all Revenue	-	-	-	-
TOTAL REVENUE (after GST paid)	29,622,861	30,752,153	53,360,425	57,089,073
Costs				
Land Purchase Cost	2,157,000	2,157,000	2,157,000	2,157,000
Land Acquisition Costs	132,519	132,519	132,519	132,519
Construction (inc. Construct. Contingency)	44,320,818	47,715,242	44,320,818	47,715,242
Professional Fees	936,590	987,368	941,831	993,478
Statutory Fees	217,393	217,393	217,393	217,393
Miscellaneous Costs 1	-	-	-	-
Misc 2	-	-	-	-
Marketing	261,898	269,643	475,170	507,973
Project Contingency (Reserve)	-	-	-	-
Land Holding Costs	75,206	75,206	75,206	75,206
Pre-Sale Commissions	129,647	112,662	265,776	281,654
Finance Charges (inc. Fees)	121,882	131,217	121,882	131,217
Interest Expense	2,002,769	2,168,012	1,661,136	1,766,769
TOTAL COSTS (before GST reclaimed)	50,355,724	53,966,263	50,368,733	53,978,452
Less GST reclaimed	(4,214,086)	(4,528,880)	(4,291,627)	(4,617,021)
Plus Corporate Tax	-	-	-	-
TOTAL COSTS (after GST reclaimed)	46,141,638	49,437,383	46,077,106	49,361,431
Performance Indicators	1	2	3	4
[1] Gross Development Profit	(16,518,778)	(18,685,230)	7,283,319	7,727,641
[2] Net Developer's Profit after Profit Share	(16,518,778)	(18,685,230)	7,283,319	7,727,641
[3] Development Margin (Profit/Risk Margin)	(35.76%)	(37.75%)	15.77%	15.62%
Target Development Margin	18.00%	18.00%	18.00%	18.00%
[4] Residual Land Value (Target Margin)	(17,011,427)	(19,153,765)	1,368,401	1,252,491
[5] Breakeven Date for Cumulative Cash Flow	N.A. (No Profit)	N.A. (No Profit)	Jan-2029	Jan-2029
Discount Rate (Target IRR)	15.00%	15.00%	15.00%	15.00%
[6] Net Present Value	(13,950,991)	(15,561,969)	1,825,535	1,943,204
[8] Benefit Cost Ratio	0.588	0.571	1.054	1.053
[9] Project Internal Rate of Return (IRR)	(37.19%)	(39.66%)	21.16%	21.20%
[10] Residual Land Value (NPV)	(12,057,964)	(13,699,424)	4,017,076	4,136,972
Peak Debt Exposure	36,928,338	39,540,837	37,196,557	39,854,057
Date of Peak Debt Exposure	Sep-2028	Sep-2028	Sep-2028	Sep-2028
[11] Breakeven Date for Project Overdraft	N.A.	Mar-2029	Dec-2028	Dec-2028
Total Equity Contribution	16,518,778	18,685,230	8,957,733	9,601,490
Peak Equity Exposure	16,518,778	18,685,230	8,957,733	9,601,490
Date of Peak Equity Exposure	Mar-2029	Mar-2029	Jul-2027	Jul-2027
[12] IRR on Equity	N.A.	N.A.	28.65%	28.73%
Weighted Average Cost of Capital (WACC)	11.46%	11.61%	10.00%	10.00%

Yield Analysis	1		2		3		4	
Sales	Qty	SqM	Qty	SqM	Qty	SqM	Qty	SqM
Residential - 1 Bedroom Units	16	-	16	-	16	-	16	-
Residential - 2 Bedroom Units	12	-	12	-	12	-	12	-
Commerical Office	-	160	-	529	-	529	-	529
Carpark	179	-	179	-	179	-	179	-
Not Classified	28	-	28	-	28	-	28	-
TOTAL	235	160	235	529	235	529	235	529
Tenancies		SqM		SqM		SqM		SqM
TOTAL		-		-		-		-

Build to Rent Analysis	1	2	3	4
Development Phase	Jan-2026 - Sep-2028	Jan-2026 - Sep-2028	Jan-2026 - Sep-2028	Jan-2026 - Sep-2028
Development Margin	20.00%	20.00%	20.00%	20.00%
Net Present Value	10,625,000	11,362,183	10,707,287	11,458,496
Internal Rate of Return	30.17%	30.55%	30.12%	30.50%
Equity IRR	45.75%	46.44%	45.79%	46.48%
Adopted Handover Value	54,987,629	58,882,513	55,385,148	59,346,656
Investment Phase	No Investment Phase	No Investment Phase	No Investment Phase	No Investment Phase
Initial Yield	-	-	-	-
Net Present Value	N.A.	N.A.	N.A.	N.A.
Internal Rate of Return (IRR)	N.A.	N.A.	N.A.	N.A.
Breakeven Date	N.A. (No Profit)	N.A. (No Profit)	Jan-2029	Jan-2029
Investment Hold Period	N.A.	N.A.	N.A.	N.A.
Terminal Capitalised Value	-	-	-	-

Footnotes (based on current Preferences):

1. Development Profit: is total revenue less total cost including interest paid and received
2. Developer's Net Profit after distribution of profit share.
3. Development Margin: is profit divided by total costs (exc selling & leasing costs)
4. Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.
5. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
6. Net Present Value: is the project's cash flow stream discounted to present value. It excludes all financing costs, interest and corp tax.
8. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and excludes all financing costs, interest and corp tax.
9. Internal Rate of Return: is the discount rate where the NPV above equals Zero.
10. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
11. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
12. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.

Development Feasibility Model

ARGUS EstateMaster Licensed to: Hill PDA Pty Ltd

M25013 : New build, Springvale

Low-Mid Range Cost : 1

Date of Report :	27-Nov-2025	**Project Size :**	28 units
Time Span :	Jan-26 to Mar-29 (38 Months)		1 per 51.35 SqM of Site Area
Type :	Residential	**Project Size :**	11,177 GFA
Status :	Under Review		1 per 0.12 SqM of Site Area
Site Area :	1,438 SqM	**FSR :**	:1
		Equated GFA :	SqM
Prepared By :	Hill PDA	**Address :**	32-34 Warwick Avenue, Springvale
Prepared For :	McP Studio for MAV		Springvale
Developer :	TBD		Victoria
			Australia

Disclaimer

1.This report and its attached appendices are based on estimates, assumptions and information provided by the Client or sourced and referenced from external sources by Hill PDA. While we endeavour to check these estimates, assumptions and information, no warranty is given in relation to their reliability, feasibility, accuracy or reasonableness. Hill PDA presents these estimates and assumptions as a basis for the Client's interpretation and analysis. With respect to forecasts, Hill PDA does not present them as results that will actually be achieved. Hill PDA relies upon the interpretation of the Client to judge for itself the likelihood of whether these projections can be achieved or not.
2. Due care has been taken to prepare the attached financial models from available information at the time of writing, however no responsibility can be or is accepted for errors or inaccuracies that may have occurred either with the programming or the resultant financial projections and their assumptions.

Cash Flow Table for New build, Springvale — **Low-Mid Range Cost - 1**

PROJECT CASH FLOW	TOTAL	GST	0	1	2	3	4	5	6	7	8	9	10	11	12	13
			Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Sale Summary																
Units Sold	207.00		-	-	-	-	-	-	-	-	-	-	-	-	-	1.80
Cumulative Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	1.80
% Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	0.9%
SqM Sold	160.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SoM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold	30,206,965		-	-	-	-	-	-	-	-	-	-	-	-	-	961,539
Cumulative AUD Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	961,539
% AUD Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	3.2%
Handover Summary																
Units Handed Over	207.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	160.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	30,206,965		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow																
Revenue																
Gross Sales Revenue	30,206,965		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(584,104)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	29,622,861		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs																
Land and Acquisition	2,289,519		218,779	3,079	3,079	2,064,584										
Professional Fees	936,590		-	-	77,393	77,393	77,393	77,393	22,393	22,393	22,393	22,393	22,393	22,393	22,393	22,393
Construction Costs	44,320,818		-	-	106,068	113,644	132,584	132,584	166,678	212,135	242,440	272,745	318,203	340,931	340,931	242,440
Statutory Fees	217,393		-	-	-	-	-	-	29,123	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	261,698		-	-	-	-	-	-	-	-	-	-	-	-	11,904	11,904
Project Contingency (Reserve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	75,206		24,212	-	-	-	-	-	-	-	-	-	-	-	25,059	-
Pre-Sale Commissions	129,647		-	-	-	-	-	-	-	-	-	-	-	-	-	12,965
Financing Costs (exc Fees)	121,882		-	121,882	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(4,214,085)		-	-	-	(11,080)	(16,678)	(17,367)	(19,089)	(19,089)	(17,188)	(21,321)	(24,076)	(26,831)	(30,963)	(33,030)
TOTAL COSTS	44,138,670		242,990	124,961	186,539	2,244,540	193,300	192,611	199,105	215,440	247,645	273,818	316,520	336,494	369,325	256,673
Net Cash Flow (before Interest & Corporate Tax)	(14,516,009)		(242,990)	(124,961)	(186,539)	(2,244,540)	(193,300)	(192,611)	(199,105)	(215,440)	(247,645)	(273,818)	(316,520)	(336,494)	(369,325)	(256,673)
Cumulative Cash Flow			(242,990)	(367,951)	(554,490)	(2,799,031)	(2,992,330)	(3,184,941)	(3,384,046)	(3,599,486)	(3,847,131)	(4,120,949)	(4,437,469)	(4,773,963)	(5,143,288)	(5,399,961)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(14,516,009)		(242,990)	(124,961)	(186,539)	(2,244,540)	(193,300)	(192,611)	(199,105)	(215,440)	(247,645)	(273,818)	(316,520)	(336,494)	(369,325)	(256,673)
Cumulative Cash Flow			(242,990)	(367,951)	(554,490)	(2,799,031)	(2,992,330)	(3,184,941)	(3,384,046)	(3,599,486)	(3,847,131)	(4,120,949)	(4,437,469)	(4,773,963)	(5,143,288)	(5,399,961)
Financing																
Developer's Equity																
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	16,518,778		242,990	124,961	186,539	2,244,541	193,300	192,611	199,105	215,440	247,645	273,818	316,520	336,494	369,325	256,673
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(16,518,778)		(242,990)	(367,951)	(554,490)	(2,799,031)	(2,992,330)	(3,184,941)	(3,384,046)	(3,599,486)	(3,847,131)	(4,120,949)	(4,437,469)	(4,773,963)	(5,143,288)	(5,399,961)
Equity Cash Flow	(16,518,778)		(242,990)	(124,961)	(186,539)	(2,244,541)	(193,300)	(192,611)	(199,105)	(215,440)	(247,645)	(273,818)	(316,520)	(336,494)	(369,325)	(256,673)
Project Cash Account																
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for New build, Springvale

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	0	1	2	3	4	5	6	7	8	9	10	11	12	13
			Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Senior Loan - Bank	Debt															
Drawdown	(35,578,745)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(2,002,769)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	37,581,513		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees	2,002,769		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	35,578,745		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).																
Senior Loan Cash Flow	2,002,769		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	53.03															
Debt Service Ratio	0.79															
Project Overdraft	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).																
Total Equity to Debt Ratio	46.43%		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Interest Coverage Ratio	53.03															
Total Debt Service Ratio	0.79															
Net Cash Flow (after Interest & Corporate Tax)	(16,518,778)		(242,990)	(124,961)	(186,539)	(2,244,540)	(193,300)	(192,611)	(199,105)	(215,440)	(247,645)	(273,818)	(316,520)	(336,494)	(369,325)	(256,673)
Cumulative Cash Flow**			(242,990)	(367,951)	(554,490)	(2,799,031)	(2,992,330)	(3,184,941)	(3,384,046)	(3,599,486)	(3,847,131)	(4,120,949)	(4,437,469)	(4,773,963)	(5,143,288)	(5,399,961)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary																
Total Liability on Revenue	(1,538,284)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withheld by Purchaser	(1,538,284)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Liability (+ve) / Credit (+ve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax.			(242,990)	(3,079)	(186,539)	(2,255,621)	(193,300)	(192,611)	(199,105)	(215,440)	(247,645)	(273,818)	(316,520)	(336,494)	(369,325)	(256,673)
Static Discount Rate (per ann. effective)	15.00%															
PV for each Month	(13,950,991)		(242,990)	(3,043)	(182,244)	(2,178,169)	(184,501)	(181,715)	(185,667)	(198,572)	(225,613)	(246,569)	(281,721)	(296,031)	(321,152)	(220,610)
NPV of Future Cash Flows			(13,950,991)	(13,868,589)	(14,027,944)	(14,003,555)	(11,885,561)	(11,829,235)	(11,772,946)	(11,709,427)	(11,628,639)	(11,514,321)	(11,372,185)	(11,185,181)	(10,975,779)	(10,730,707)
Variable Discount Rate (per ann. effective)	0.67%		15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(14,405,207)															

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Licensed to: Hill PDA Pty Ltd

Cash Flow Table for New build, Springvale

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	14	15	16	17	18	19	20	21	22	23	24	25	26	27
			Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28
Sale Summary																
Units Sold	207.00		1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	-	-	-	-	-
Cumulative Units Sold			3.60	5.40	7.20	9.00	10.80	12.60	14.40	16.20	18.00	18.00	18.00	18.00	18.00	18.00
% Units Sold			1.7%	2.6%	3.5%	4.3%	5.2%	6.1%	7.0%	7.8%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%
SqM Sold	160.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SoM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold	30,206,965		964,299	967,068	969,844	972,629	975,421	978,221	981,030	983,846	986,670	-	-	-	-	-
Cumulative AUD Sold			1,925,838	2,892,906	3,862,750	4,835,379	5,810,800	6,789,021	7,770,050	8,753,896	9,740,567	9,740,567	9,740,567	9,740,567	9,740,567	9,740,567
% AUD Sold			6.4%	9.6%	12.8%	16.0%	19.2%	22.5%	25.7%	29.0%	32.2%	32.2%	32.2%	32.2%	32.2%	32.2%
Handover Summary																
Units Handed Over	207.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	160.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	30,206,965		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow																
Revenue																
Gross Sales Revenue	30,206,965		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(584,104)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (-Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	29,622,861		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs																
Land and Acquisition	2,289,519															
Professional Fees	936,590		22,393	22,393	22,393	22,393	22,393	22,393	22,393	22,393	22,393	22,393	22,393	22,393	22,393	22,393
Construction Costs	44,320,818		212,135	196,982	687,770	1,196,531	1,651,661	1,430,384	1,683,377	1,459,576	1,946,101	2,627,236	2,335,321	3,016,456	3,794,897	3,502,982
Statutory Fees	217,393		-	-	52,379	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	261,898		11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904
Project Contingency (Reserve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	75,206											-	25,936	-	-	-
Pre-Sale Commissions	129,647		12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	-	-	-	-	-
Financing Costs (exc Fees)	121,882		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(4,214,085)		(34,112)	(26,337)	(23,582)	(22,204)	(66,821)	(113,072)	(154,448)	(134,332)	(157,331)	(136,985)	(181,215)	(241,958)	(215,420)	(277,341)
TOTAL COSTS	44,138,870		225,286	217,909	763,830	1,221,589	1,632,102	1,364,575	1,576,192	1,372,507	1,836,033	2,524,549	2,214,340	2,808,797	3,613,775	3,259,938
Net Cash Flow (before Interest & Corporate Tax)	(14,516,009)		(225,286)	(217,909)	(763,830)	(1,221,589)	(1,632,102)	(1,364,575)	(1,576,192)	(1,372,507)	(1,836,033)	(2,524,549)	(2,214,340)	(2,808,797)	(3,613,775)	(3,259,938)
Cumulative Cash Flow	-		(5,625,247)	(5,843,155)	(6,606,985)	(7,828,574)	(9,460,676)	(10,825,251)	(12,401,443)	(13,773,950)	(15,609,982)	(18,134,531)	(20,348,871)	(23,157,668)	(26,771,443)	(30,031,381)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(14,516,009)		(225,286)	(217,909)	(763,830)	(1,221,589)	(1,632,102)	(1,364,575)	(1,576,192)	(1,372,507)	(1,836,033)	(2,524,549)	(2,214,340)	(2,808,797)	(3,613,775)	(3,259,938)
Cumulative Cash Flow			(5,625,247)	(5,843,155)	(6,606,985)	(7,828,574)	(9,460,676)	(10,825,251)	(12,401,443)	(13,773,950)	(15,609,982)	(18,134,531)	(20,348,871)	(23,157,668)	(26,771,443)	(30,031,381)
Financing																
Developer's Equity																
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	16,518,778		225,286	217,909	763,830	1,221,589	1,066,112	-	-	-	-	-	-	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(16,518,778)		(5,625,247)	(5,843,155)	(6,606,985)	(7,828,574)	(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)
Equity Cash Flow	(16,518,778)		(225,286)	(217,909)	(763,830)	(1,221,589)	(1,066,112)	-	-	-	-	-	-	-	-	-
Project Cash Account																
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for New build, Springvale

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	14	15	16	17	18	19	20	21	22	23	24	25	26	27
			Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28
Senior Loan - Bank	Debt															
Drawdown	(35,578,745)		-	-	-	-	(565,990)	(1,364,575)	(1,576,192)	(1,372,507)	(1,836,033)	(2,524,549)	(2,214,340)	(2,808,797)	(3,613,775)	(3,259,938)
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(2,002,769)		-	-	-	-	-	(3,537)	(12,088)	(22,015)	(30,731)	(42,398)	(58,441)	(72,646)	(90,655)	(113,808)
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	37,581,513		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees	2,002,769		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	35,578,745		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	(565,990)	(1,934,102)	(3,522,382)	(4,916,904)	(6,783,667)	(9,350,614)	(11,623,396)	(14,504,839)	(18,209,269)	(21,583,015)
% of Project & Finance Costs (inc Interest/Fees and net of GST).							1.23%	4.18%	7.60%	10.57%	14.55%	20.02%	24.82%	30.91%	38.74%	45.81%
Senior Loan Cash Flow	2,002,769		-	-	-	-	(565,990)	(1,364,575)	(1,576,192)	(1,372,507)	(1,836,033)	(2,524,549)	(2,214,340)	(2,808,797)	(3,613,775)	(3,259,938)
Interest Coverage Ratio	53.03		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	0.79		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft			-	-	-	-	(565,990)	(1,934,102)	(3,522,382)	(4,916,904)	(6,783,667)	(9,350,614)	(11,623,396)	(14,504,839)	(18,209,269)	(21,583,015)
% of Project & Finance Costs (inc Interest/Fees and net of GST).							1.23%	4.18%	7.60%	10.57%	14.55%	20.02%	24.82%	30.91%	38.74%	45.81%
Total Equity to Debt Ratio	46.43%		-	-	-	-	1571.53%	460.73%	253.64%	182.30%	132.45%	96.26%	77.65%	62.36%	49.76%	42.08%
Total Debt Interest Coverage Ratio	53.03		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	0.79		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest & Corporate Tax)	(16,518,778)		(225,286)	(217,909)	(763,830)	(1,221,589)	(1,632,102)	(1,368,112)	(1,588,280)	(1,394,522)	(1,866,763)	(2,566,947)	(2,272,781)	(2,881,443)	(3,704,430)	(3,373,746)
Cumulative Cash Flow**			(5,625,247)	(5,843,155)	(6,606,985)	(7,828,574)	(9,460,676)	(10,828,788)	(12,417,069)	(13,811,590)	(15,678,354)	(18,245,300)	(20,518,082)	(23,399,525)	(27,103,955)	(30,477,701)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary																
Total Liability on Revenue	(1,538,284)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withheld by Purchaser	(1,538,284)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Liability (+ve) / Credit (+ve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax.			(225,286)	(217,909)	(763,830)	(1,221,589)	(1,632,102)	(1,364,575)	(1,576,192)	(1,372,507)	(1,836,033)	(2,524,549)	(2,214,340)	(2,808,797)	(3,613,775)	(3,259,938)
Static Discount Rate (per ann. effective)	15.00%															
PV for each Month	(13,950,991)		(191,390)	(182,979)	(633,966)	(1,002,159)	(1,323,429)	(1,093,685)	(1,248,666)	(1,074,715)	(1,421,023)	(1,931,284)	(1,674,359)	(2,099,261)	(2,669,618)	(2,380,341)
NPV of Future Cash Flows			(10,596,737)	(10,492,952)	(10,395,414)	(9,744,418)	(8,622,673)	(7,072,465)	(5,774,758)	(4,247,751)	(2,908,928)	(1,085,464)	1,455,944	3,713,281	6,598,483	10,331,894
Variable Discount Rate (per ann. effective)	0.67%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(14,405,207)															

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Licensed to: HB PDA Pty Ltd

Cash Flow Table for New build, Springvale

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	28	29	30	31	32	33	34	35	36	37	38
			May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29
Sale Summary													
Units Sold	207.00		-	-	-	-	-	47.25	47.25	47.25	47.25	-	-
Cumulative Units Sold			18.00	18.00	18.00	18.00	18.00	65.25	112.50	159.75	207.00	207.00	207.00
% Units Sold			8.7%	8.7%	8.7%	8.7%	8.7%	31.5%	54.3%	77.2%	100.0%	100.0%	100.0%
SqM Sold	160.00		-	-	-	-	-	40.00	40.00	40.00	40.00	-	-
Cumulative SqM Sold			-	-	-	-	-	40.00	80.00	120.00	160.00	160.00	160.00
% SoM Sold			-	-	-	-	-	25.0%	50.0%	75.0%	100.0%	100.0%	100.0%
AUD Sold	30,206,965		-	-	-	-	-	5,108,409	5,113,858	5,119,324	5,124,807	-	-
Cumulative AUD Sold			9,740,567	9,740,567	9,740,567	9,740,567	9,740,567	14,848,976	19,962,834	25,082,158	30,206,965	30,206,965	30,206,965
% AUD Sold			32.2%	32.2%	32.2%	32.2%	32.2%	49.2%	66.1%	83.0%	100.0%	100.0%	100.0%
Handover Summary													
Units Handed Over	207.00		-	-	-	-	-	65.25	47.25	47.25	47.25	-	-
Cumulative Units Handed Over			-	-	-	-	-	65.25	112.50	159.75	207.00	207.00	207.00
% Units Handed Over			-	-	-	-	-	31.5%	54.3%	77.2%	100.0%	100.0%	100.0%
SqM Handed Over	160.00		-	-	-	-	-	40.00	40.00	40.00	40.00	-	-
Cumulative SqM Handed Over			-	-	-	-	-	40.00	80.00	120.00	160.00	160.00	160.00
% SqM Handed Over			-	-	-	-	-	25.0%	50.0%	75.0%	100.0%	100.0%	100.0%
AUD Handed Over	30,206,965		-	-	-	-	-	14,848,976	5,113,858	5,119,324	5,124,807	-	-
Cumulative AUD Handed Over			-	-	-	-	-	14,848,976	19,962,834	25,082,158	30,206,965	30,206,965	30,206,965
% AUD Handed Over			-	-	-	-	-	49.2%	66.1%	83.0%	100.0%	100.0%	100.0%
Project Cash Flow													
Revenue													
Gross Sales Revenue	30,206,965		-	-	-	-	-	14,848,976	5,113,858	5,119,324	5,124,807	-	-
Selling Costs	(584,104)		-	-	-	-	-	(276,822)	(102,272)	(102,427)	(102,584)	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-
GST Payments (-)/Refunds (+)	-		-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	29,622,861		-	-	-	-	-	14,572,154	5,011,586	5,016,896	5,022,223	-	-
Costs													
Land and Acquisition	2,289,519												
Professional Fees	936,590		22,393	22,393	22,393	22,393	22,393	22,393	-	-	-	-	-
Construction Costs	44,320,818		4,573,337	4,184,117	2,335,321	2,724,541	2,140,711	-	-	-	-	-	-
Statutory Fees	217,393		-	-	-	-	-	135,891	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-
Marketing	261,898		11,904	11,904	11,904	11,904	11,904	11,904	-	-	-	-	-
Project Contingency (Reserve)	-		-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	75,206		-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	129,647		-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	121,882		-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(4,214,085)		(348,109)	(321,571)	(418,876)	(383,492)	(215,420)	(250,804)	(197,728)	(28,284)	(9,297)	(9,312)	(9,326)
TOTAL COSTS	44,138,870		4,259,526	3,896,844	1,950,743	2,375,347	1,959,589	(80,615)	(197,728)	(28,284)	(9,297)	(9,312)	(9,326)
Net Cash Flow (before Interest & Corporate Tax)	(14,516,009)		(4,259,526)	(3,896,844)	(1,950,743)	(2,375,347)	(1,959,589)	14,652,769	5,209,314	5,045,180	5,031,521	9,312	9,326
Cumulative Cash Flow			(34,290,908)	(38,187,752)	(40,138,495)	(42,513,842)	(44,473,431)	(29,820,662)	(24,611,347)	(19,566,167)	(14,534,646)	(14,525,335)	(14,516,009)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(14,516,009)		(4,259,526)	(3,896,844)	(1,950,743)	(2,375,347)	(1,959,589)	14,652,769	5,209,314	5,045,180	5,031,521	9,312	9,326
Cumulative Cash Flow			(34,290,908)	(38,187,752)	(40,138,495)	(42,513,842)	(44,473,431)	(29,820,662)	(24,611,347)	(19,566,167)	(14,534,646)	(14,525,335)	(14,516,009)
Financing													
Developer's Equity													
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0
Injections	16,518,778		-	-	-	-	-	-	-	-	-	-	7,624,092
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(16,518,778)		(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)	(8,894,686)	(16,518,778)
Equity Cash Flow	(16,518,778)		-	-	-	-	-	-	-	-	-	-	(7,624,092)
Project Cash Account													
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for New build, Springvale

PROJECT CASH FLOW	TOTAL	GST	28	29	30	31	32	33	34	35	36	37	38
			May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29
Senior Loan - Bank	Debt												
Drawdown	(35,578,745)		(4,259,526)	(3,896,844)	(1,950,743)	(2,375,347)	(1,959,589)	-	-	-	-	-	-
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(2,002,769)		(134,894)	(162,359)	(187,729)	(201,094)	(217,197)	(230,802)	(140,665)	(108,986)	(78,135)	(47,176)	(47,413)
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans	-		-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	37,581,513		-	-	-	-	-	14,652,769	5,209,314	5,045,180	5,031,521	9,312	7,633,418
Interest & Fees	2,002,769		-	-	-	-	-	1,580,395	140,665	108,986	78,135	9,312	85,277
Principal	35,578,745		-	-	-	-	-	13,072,374	5,068,650	4,936,194	4,953,386	-	7,548,141
Loan Balance	-		(25,977,435)	(30,036,638)	(32,175,110)	(34,751,552)	(36,928,338)	(22,506,371)	(17,437,721)	(12,501,527)	(7,548,141)	(7,586,005)	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).			55.04%	63.49%	67.71%	72.86%	77.11%	77.11%	77.11%	77.11%	77.11%	77.11%	-
Senior Loan Cash Flow	2,002,769		(4,259,526)	(3,896,844)	(1,950,743)	(2,375,347)	(1,959,589)	14,652,769	5,209,314	5,045,180	5,031,521	9,312	7,633,418
Interest Coverage Ratio	53.03		-	-	-	-	-	63.14	35.63	46.03	64.28	-	-
Debt Service Ratio	0.79		-	-	-	-	-	0.99	0.96	0.99	1.00	-	-
Project Overdraft			(25,977,435)	(30,036,638)	(32,175,110)	(34,751,552)	(36,928,338)	(22,506,371)	(17,437,721)	(12,501,527)	(7,548,141)	(7,586,005)	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).			55.04%	63.49%	67.71%	72.86%	77.11%	77.11%	77.11%	77.11%	77.11%	77.11%	-
Total Equity to Debt Ratio	46.43%		35.02%	30.36%	28.47%	26.46%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	46.43%
Total Debt Interest Coverage Ratio	53.03		-	-	-	-	-	63.14	35.63	46.03	64.28	-	-
Total Debt Service Ratio	0.79		-	-	-	-	-	0.99	0.96	0.99	1.00	-	-
Net Cash Flow (after Interest & Corporate Tax)	(16,318,778)		(4,394,420)	(4,059,203)	(2,138,472)	(2,576,441)	(2,176,786)	14,421,367	3,068,592	4,936,194	4,953,386	(37,864)	(38,087)
Cumulative Cash Flow**			(34,872,121)	(38,931,324)	(41,069,796)	(43,646,238)	(45,823,024)	(31,401,057)	(26,332,407)	(21,396,213)	(16,442,827)	(16,480,691)	(16,518,778)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary													
Total Liability on Revenue	(1,538,284)		-	-	-	-	-	(1,114,507)	(140,854)	(141,258)	(141,664)	-	-
Withheld by Purchaser	(1,538,284)		-	-	-	-	-	(1,114,507)	(140,854)	(141,258)	(141,664)	-	-
Net Liability (+ve) / Credit (+ve)	-		-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV													
Cash Flow that excludes all financing costs, interest and corp tax.			(4,259,526)	(3,896,844)	(1,950,743)	(2,375,347)	(1,959,589)	14,652,769	5,209,314	5,045,180	5,031,521	9,312	9,326
Static Discount Rate (per ann. effective)	15.00%												
PV for each Month	(13,950,991)		(3,074,206)	(2,779,883)	(1,375,484)	(1,655,481)	(1,349,908)	9,977,015	3,505,931	3,356,150	3,308,307	6,052	5,991
NPV of Future Cash Flows			13,751,059	18,221,578	22,377,537	24,613,284	27,304,801	29,607,220	15,129,641	10,036,542	5,049,836	18,529	9,326
Variable Discount Rate (per ann. effective)	0.67%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(14,405,207)												

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Licensed to: HB PDA Pty Ltd

Gantt Chart for New build, Springvale

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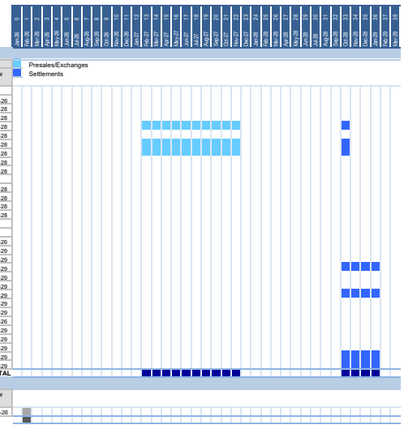
Gantt Chart for New build, Springvale

Low-Mid Range Cost - 1

Code	Stage	Description	Settlements Month Start	Settlements Month Span	Cash Flow Period
9000		**SALES**			
9001	-	PRESALES			-
9003	-	APARTMENTS		1	Jan-26 - Jan-26
9004	-	Studio	33	1	Oct-28 - Oct-28
9005	-	Studio (P)	33	1	Oct-28 - Oct-28
9006	-	1-bedroom	33	1	Oct-28 - Oct-28
9007	-	1-bedroom (P)	33	1	Oct-28 - Oct-28
9008	-	2-bedroom	33	1	Oct-28 - Oct-28
9009	-	2-bedroom (P)	33	1	Oct-28 - Oct-28
9010	-	3-bedroom	33	1	Oct-28 - Oct-28
9011	-	3-bedroom (P)	33	1	Oct-28 - Oct-28
9013	-	TOWNHOUSES			-
9014	-	1-bedroom TH	33	1	Oct-28 - Oct-28
9015	-	2-bedroom TH	33	1	Oct-28 - Oct-28
9016	-	3-bedroom TH	33	1	Oct-28 - Oct-28
9018	-	COMMERCIAL	33	1	Oct-28 - Oct-28
-	-	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			-
-	-	BALANCE			-
-	-	APARTMENTS		4	Jan-26 - Apr-26
-	-	Studio	33	4	Oct-28 - Jan-29
-	-	Studio (P)	33	4	Oct-28 - Jan-29
-	-	1-bedroom	33	4	Oct-28 - Jan-29
-	-	1-bedroom (P)	33	4	Oct-28 - Jan-29
-	-	2-bedroom	33	4	Oct-28 - Jan-29
-	-	2-bedroom (P)	33	4	Oct-28 - Jan-29
-	-	3-bedroom	33	4	Oct-28 - Jan-29
-	-	3-bedroom (P)	33	4	Oct-28 - Jan-29
-	-	TOWNHOUSES		4	Jan-26 - Apr-26
-	-	1-bedroom TH	33	4	Oct-28 - Jan-29
-	-	2-bedroom TH	33	4	Oct-28 - Jan-29
-	-	3-bedroom TH	33	4	Oct-28 - Jan-29
-	-	COMMERCIAL	33	4	Oct-28 - Jan-29
-	-	Carpark	33	4	Oct-28 - Jan-29
		TOTAL			



Code	Stage	Financing Costs (To be entered Exclusive of GST)	Month Start	Month Span	Cash Flow Period
10000		**FINANCING**			
10009	-	Establishment Costs	1	1	Feb-26 - Feb-26
		TOTAL			

ARGUS EstateMaster | Development Feasibility

PROJECT CHARTS

New build, Springvale

Low-Mid Range Cost

1

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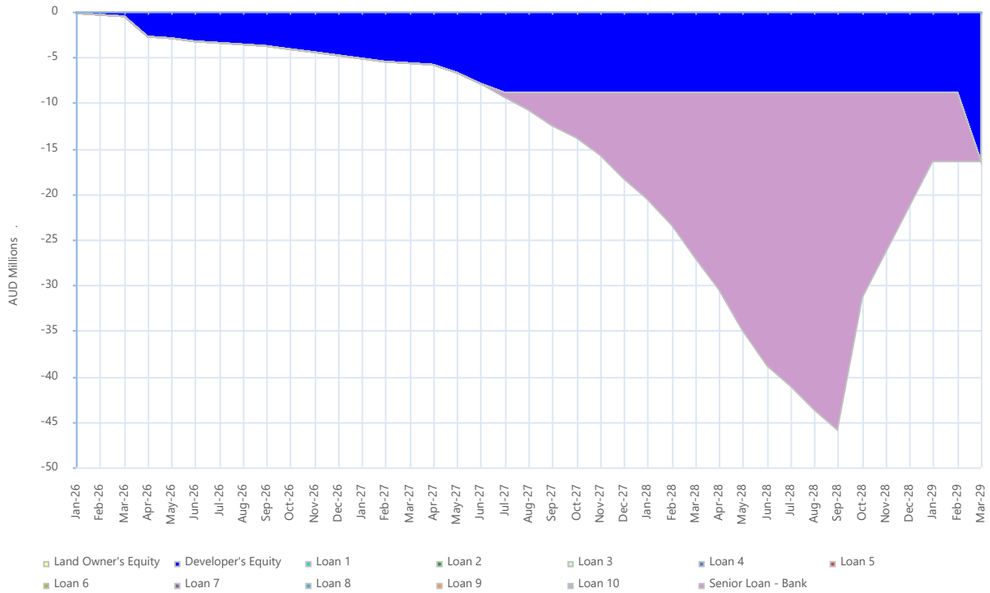
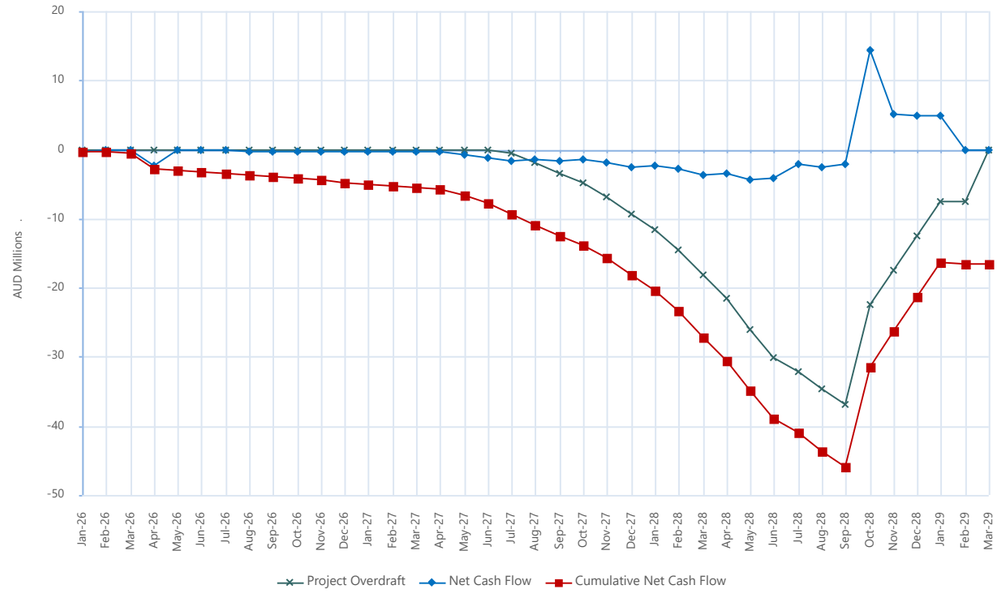
Project Cumulative Cash Flow



Project Cash Flow & Overdraft



ARGUS EstateMaster | Development Feasibility

PROJECT CHARTS

New build, Springvale

Low-Mid Range Cost

1

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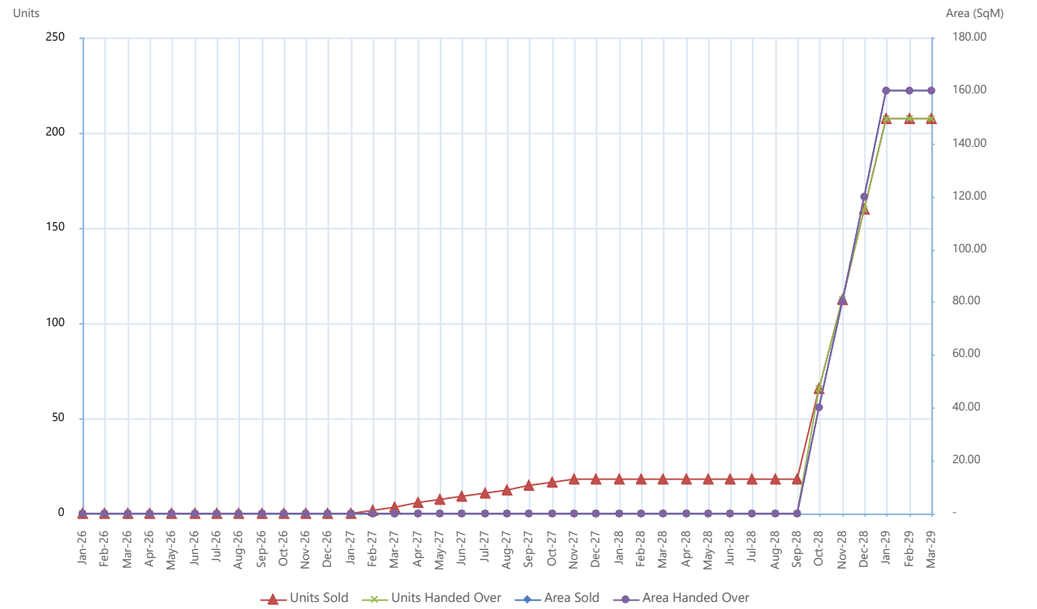
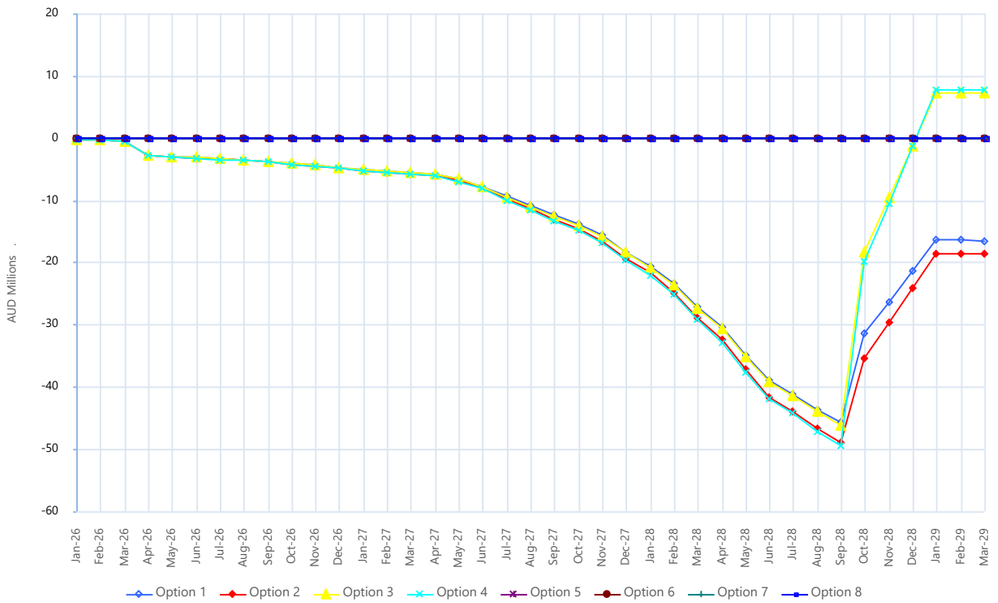
Stock Summary - Sales vs Handovers



Comparison of Options



Current Financial Year Cash Flow for New build, Springvale

PROJECT CASH FLOW	TOTAL	GST	Year 0 Jun-26	Year 1 Jun-27	Year 2 Jun-28	Year 3 Jun-29
Sale Summary						
Units Sold	207.00		-	9.00	9.00	189.00
Cumulative Units Sold			-	9.00	18.00	207.00
% Units Sold			-	4.3%	8.7%	100.0%
SqM Sold	160.00		-	-	-	160.00
Cumulative SqM Sold			-	-	-	160.00
% SqM Sold			-	-	-	100.0%
AUD Sold	30,206,965		-	4,835,379	4,905,188	20,466,398
Cumulative AUD Sold			-	4,835,379	9,740,567	30,206,965
% AUD Sold			-	16.0%	32.2%	100.0%
Handover Summary						
Units Handed Over	207.00		-	-	-	207.00
Cumulative Units Handed Over			-	-	-	207.00
% Units Handed Over			-	-	-	100.0%
SqM Handed Over	160.00		-	-	-	160.00
Cumulative SqM Handed Over			-	-	-	160.00
% SqM Handed Over			-	-	-	100.0%
AUD Handed Over	30,206,965		-	-	-	30,206,965
Cumulative AUD Handed Over			-	-	-	30,206,965
% AUD Handed Over			-	-	-	100.0%
Project Cash Flow						
Revenue						
Gross Sales Revenue	30,206,965		-	-	-	30,206,965
Selling Costs	(584,104)		-	-	-	(584,104)
Gross Rental Income	-		-	-	-	-
Leasing Costs	-		-	-	-	-
Other Income	-		-	-	-	-
Interest Received*	-		-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-
TOTAL NET REVENUE	29,622,861		-	-	-	29,622,861
Costs						
Land and Acquisition	2,289,519		2,289,519	-	-	-
Professional Fees	936,590		309,574	268,721	268,721	89,574
Construction Costs	44,320,818		484,880	4,429,920	32,205,445	7,200,573
Statutory Fees	217,393		-	81,502	-	135,891
Miscellaneous Costs 1	-		-	-	-	-
Misc 2	-		-	-	-	-
Marketing	261,898		-	71,427	142,854	47,618
Project Contingency (Reserve)	-		-	-	-	-
Land Holding Costs	75,206		24,212	25,059	25,936	-
Pre-Sale Commissions	129,647		-	64,823	64,823	-
Financing Costs (exc Fees)	121,882		121,882	-	-	-
GST Refunds (Input Credits)	(4,214,085)		(45,125)	(297,820)	(2,348,602)	(1,522,538)
TOTAL COSTS	44,138,870		3,184,941	4,643,633	30,359,178	5,951,118
Net Cash Flow (before Interest & Corporate Tax)	(14,516,009)		(3,184,941)	(4,643,633)	(30,359,178)	23,671,743
Cumulative Cash Flow			(3,184,941)	(7,828,574)	(38,187,752)	(14,516,009)
Corporate Tax	-		-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(14,516,009)		(3,184,941)	(4,643,633)	(30,359,178)	23,671,743
Cumulative Cash Flow			(3,184,941)	(7,828,574)	(38,187,752)	(14,516,009)
Financing						
Developer's Equity						
Manual Adjustments (Inject + / Repay -)	-		-	-	-	-
Injections	16,518,778		3,184,941	4,643,633	1,066,112	7,624,092
Interest Charged	-		-	-	-	-
Equity Repayment	-		-	-	-	-
Less Profit Share	-		-	-	-	-
Equity Balance	(16,518,778)		(3,184,941)	(7,828,574)	(8,894,686)	(16,518,778)
Equity Cash Flow	(16,518,778)		(3,184,941)	(4,643,633)	(1,066,112)	(7,624,092)
Project Cash Account						
Surplus Cash Injection	-		-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-
Interest on Surplus Cash	-		-	-	-	-
Surplus Cash Balance			-	-	-	-
Senior Loan - Bank	Debt					
Drawdown	(35,578,745)		-	-	(29,293,065)	(6,285,679)
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%
Interest Charged	(2,002,769)		-	-	(743,573)	(1,259,196)
Fees Charged (Application, Line & Standby)	-		-	-	-	-
Interest & Fees Paid by other Loans	-		-	-	-	-
Loan Repayment	37,581,513		-	-	-	37,581,513
Interest & Fees	2,002,769		-	-	-	2,002,769
Principal	35,578,745		-	-	-	35,578,745
Loan Balance	-		-	-	(30,036,638)	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).						
Senior Loan Cash Flow	2,002,769		-	-	(29,293,065)	31,295,834
Interest Coverage Ratio	53.03		-	-	-	23.53
Debt Service Ratio	0.79		-	-	-	0.79
Project Overdraft			-	-	(30,036,638)	-
Net Cash Flow (after Interest & Corporate Tax)	(16,518,778)		(3,184,941)	(4,643,633)	(31,102,750)	22,412,546
Cumulative Cash Flow**			(3,184,941)	(7,828,574)	(38,931,324)	(16,518,778)
Check Balance	-		-	-	-	-
GST Liability Summary						
Total Liability on Revenue	(1,538,284)		-	-	-	(1,538,284)
Withheld by Purchaser	(1,538,284)		-	-	-	(1,538,284)
Net Liability (-ve) / Credit (+ve)	-		-	-	-	-

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

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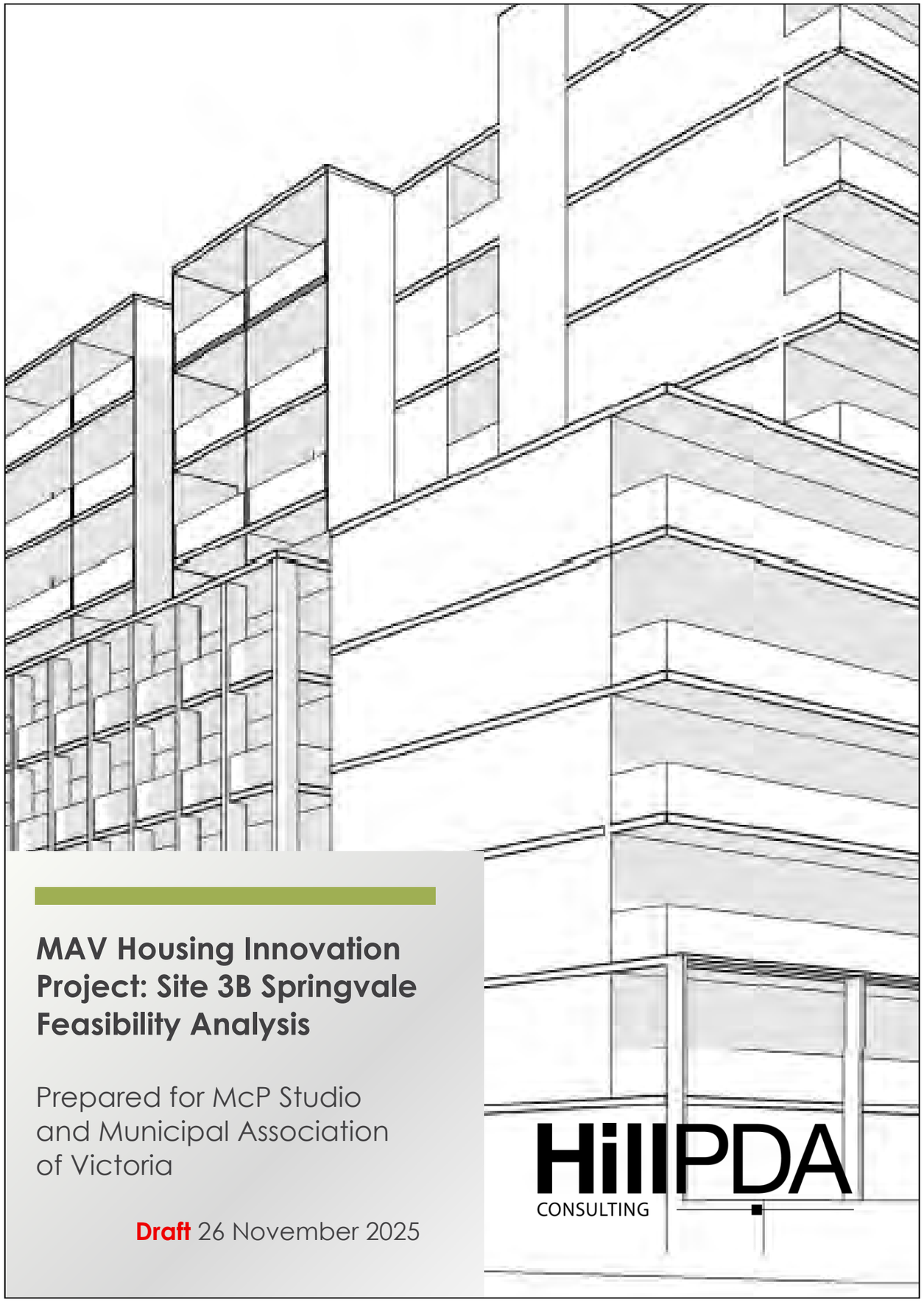

MAV Housing Innovation Project: Site 3B Springvale Feasibility Analysis

Prepared for McP Studio and Municipal Association of Victoria

Draft 26 November 2025

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Front cover image: BKK Architects

Greater Dandenong City Council Acknowledgement

Greater Dandenong City Council acknowledges the Traditional Custodians of this land, the Bunurong People, and pays respect to their Elders past and present. We recognise and respect their continuing connections to climate, Culture, Country and waters.

1.0 INTRODUCTION

1.1 Purpose

This report provides a financial feasibility assessment of a Springvale new build case study development. The case study was provided by McP Studio as part of a housing innovation project for the Municipal Association of Victoria (MAV) and partner councils. The partner council for this case study is Greater Dandenong City Council.

This assessment should be read in conjunction with the following inputs:

- Design concept for case study site by BKK Architects, 14 November 2025
- Construction cost estimate by PlanCost Australia, Cost Plan A, 20 November 2025.

1.2 Qualification

This analysis is indicative and is based on preliminary design envelopes and cost and revenue inputs. The analysis is designed to inform the MAV housing innovation study brief and should not be relied upon for any other purpose.

1.3 Report Structure

This report is structured as follows:

- Section 2: market research summary and design concept developed for the site
- Section 3: financial feasibility assessment method and results
- Section 4: alternative housing innovation delivery models
- Appendix A: demographic analysis
- Appendix B: market research
- Appendix C: feasibility modelling in more detail.

2.0 MARKET RESEARCH AND DESIGN

2.1 Market Research Summary

Springvale is located approximately 25 kilometres southeast of Melbourne's CBD (2021 population of 22,174).

Springvale has a younger age profile and is one of the most culturally diverse suburbs in Victoria. The leading overseas countries are Vietnam, India, Cambodia and China.

Whilst economic and property market trends have impacted the viability of development in the recent past, conditions are expected to improve in the future, especially if interest rates continue to decline.

Springvale is expected a achieve solid population growth in the future (circa 400 per annum) based on infill development. The suburb is undergoing a transformation as it shifts from a predominantly detached house, townhouse and villa unit market to a more viable apartment sector.

In a metropolitan context, Springvale provides an affordability advantage for households that seek a location near transport linkages and shops and its strong cultural identity further enhances its appeal as a growth area for medium and high density living.

Recent new apartment sales indicate a price range from $405,000 to $630,000 per unit at $6,990/sqm to $8,850/sqm. There is also potential to consider mixed use projects with shopfronts achieving a range of prices based on location.

Figure 1: Image of Springvale

Source of image: First National Real Estate

2.2 Design Concept

The design concept provides a guide to floorspace yield based on site attributes, market research information and planning and design guidance. The design process has determined that the site is capable of a development outcome comprising:

- 10 storey apartment complex (122 apartments) with commercail ground floor and basement and ground level parking
- Includes 6 townhouses on site
- Site area includes existing and future (larger) ROW and separate title (which comprises the existing substation)
- Existing public car parking is relocated to another site.

Selected metrics and net sellable area assumptions are shown in the table below.

Table 1: Development metrics

Case study	New build, Springvale		
Address	4-16 Warwick Avenue, Springvale		
Zone	Commercial 1 Zone		
Architect	BKK Architects, 13 November 2025		
Development metrics			
Site area sqm	2,997		
Site coverage sqm	2,343		
Site coverage %	78%		
GFA	20,988		
	Apartment building	Townhouses	
GFA - basement	2,483		
GFA - ground (inc. level 1 for townhouses)	1,535	631	
GFA - upper floors (residential)	8,892		
Circulation, balconies, plant and sundry	6,602		
Commercial			
Ground floor NSA	529		
Residential	**Number**	**Ave. Size**	**Area**
Townhouse	6	105	631
1 bed	52	60	3,120
2 bed	52	80	4,160
3 bed	18	125	2,243
Total	**128**		**9,523**
Site Density dw/ha	427.1		
Car spaces			
Basement	49		
Ground	27		
Total	76		
Rate	59.4%		
Units with no parking	52		
Communal space			
Indoor	236		
Upper	604		

Source: BKK Architects; HillPDA sellable area

3.0 FINANCIAL FEASIBILITY ASSESSMENT

3.1 Feasibility Testing Method

Development feasibility modelling tests the financial scope of delivering the development on the site.

In a base scenario, it is assumed a developer will seek to purchase and develop the site for a short-term return by selling the finished units/floorspace as soon as possible post-construction.

The method for feasibility testing is discounted cash flow (DCF) analysis. DCF analysis is an appropriate method when project timelines extend beyond one year, and time value of money considerations are included in the analysis. DCF is a valuation method that seeks to determine the feasibility of an investment by examining projected future income and costs or cash flow from the investment, and then discounts that cash flow at a selected rate (discount rate) to arrive at an estimated current value of the investment. Another method is simple Development Margin analysis, which ignores time value of money.

The residual land value is the maximum price a developer would be prepared to pay for a site in exchange for the opportunity to develop the site, whilst achieving target hurdle rates for profit and project return. The residual value must be of a sufficient amount to encourage an owner to sell and/or displace the current use of the land. For development to be viable, the residual land value of a development opportunity must exceed the 'as is' value of the property. If the residual land value is lower than a site's current 'as is' value, redevelopment is not viable.

A target rate of return in the modelling is shown as internal rate of return (IRR). Internal rate of return is the return of an investment on an annualised basis and expressed as a percentage.

3.2 Revenue Assumptions

Base revenue assumptions, before escalation over the development period, are shown in the table below. These assumptions are based on recent sales evidence. Scenario testing is undertaken to show higher end sales values in the financial modelling in addition to the base estimate.

Table 2: Base revenue assumptions, October 2025

Revenue	Per Unit	Number	Total
Commercial	$7,600	529	$4,020,400
Townhouse (with parking)	$789,000	6	$4,734,000
1 bed (no parking)	$534,000	52	$27,768,000
2 bed (with parking)	$711,000	52	$36,972,000
3 bed (with parking)	$947,200	18	$17,049,600
Total			**$90,544,000**

Source: HillPDA assumptions

3.3 Cost and Modelling Assumptions

The costs and modelling assumptions of development are assumed as follows.

Revenue:

- Revenue: As shown in the section above (inclusive of GST).
- Escalation: General escalation assumed at 3.5%. Scenarios above this level may be included in modelling where shown.
- Pre-sales: 60% pre-sales are assumed.

Land:

- Land cost: A nominal land value input assumed at $4,496,000 has been used to estimated taxes, charges and holding costs.

Construction:

- Construction cost: Based on PlanCost Australia estimate, as shown in the table below.
- Construction cost escalation: Included in PlanCost Australia estimate.

Soft Costs:

- Professional fees: 7.5% of construction cost included in PlanCost Australia estimate.
- Fees, taxes and charges: Allowance made for approximately $755,300 one-off payments for Land Transfer Duty, Council Planning Permit Fee, and Open Space Contribution.
- Allowance made for approximately $84,800 annual council, state and utility levies for the duration of development.
- Sales commissions and marketing costs: Deducted to derive net sale proceeds.
- Project contingency: 1.5% of development cost.

Financing:

- Equity and Debt: Interest on debt is assumed at 7.5% per annum. It is assumed that the project is 80% debt and 20% equity funded.

Profit / Risk:

- Target profit risk: >15% internal rate of return and >18% development margin.

Project Timing:

- Pre-planning: Assumed 18 months from project start.
- Construction: 18-month construction period assumed as shown in PlanCost Australia.
- Post completion sales: 4 months post construction.

The main cost input is construction cost with associated professional fees. The PlanCost Australia estimate is shown below.

Note the cost estimate does not include replacement of public car parking at another location.

Table 3: Construction cost estimate by PlanCost Australia

The current anticipated Total End Cost is:	Low-Mid Range	Mid-High Range
Building Works	$69,901,615	$78,861,029
External Works and Services	$3,874,500	$3,874,500
Contingencies, Escalation and Allowances	$21,439,000	$24,042,000
Fees, FFE, ITC and Other Client items	$9,233,000	$10,356,000
Prolongation, Delay and Project risk	excluded	excluded
Total End Cost	**$104,448,115**	**$117,133,529**

Source: PlanCost Australia, includes escalation, excludes GST

3.4 Feasibility Modelling Results

The results are summarised in the table and figure below (with details shown in Appendix C).

- The best estimate data indicates the project is not commercially viable from a private sector investment perspective at the current time based on the preliminary data inputs used.
- For the development, we estimate that the market may be able to absorb revenue (escalated to point of sale) of approximatley $674,000 per unit average.
- The construction cost estimate starts at approximatley $891,000 per unit and the total development cost estimate starts at approximately $914,000 per unit. This does not include replacement of public car parking.
- Assuming costs are held at the level shown, a revenue increase of approximatley 36% would be required for commercail viability.
- Assuming costs do not change, the required average revenue per unit would need to be approximately $1,055,000 (and higher for the mid-high range cost estimate).
- Another option is to explore a lower cost plan for the site or pursue a subsidised delivery model.

Suggested pathways are:

- Consider procurement of a Community Housing Association (CHA) for project delivery. A CHA works to non-commercail metrics and will in most cases access government funding support to deliver and manage housing.
- Undertake a review of costs of development and seek to reduce costs where possible.
- Consider holding the asset for say two years and re-investigate feasibility at a later time.

Figure 2: Feasibility summary

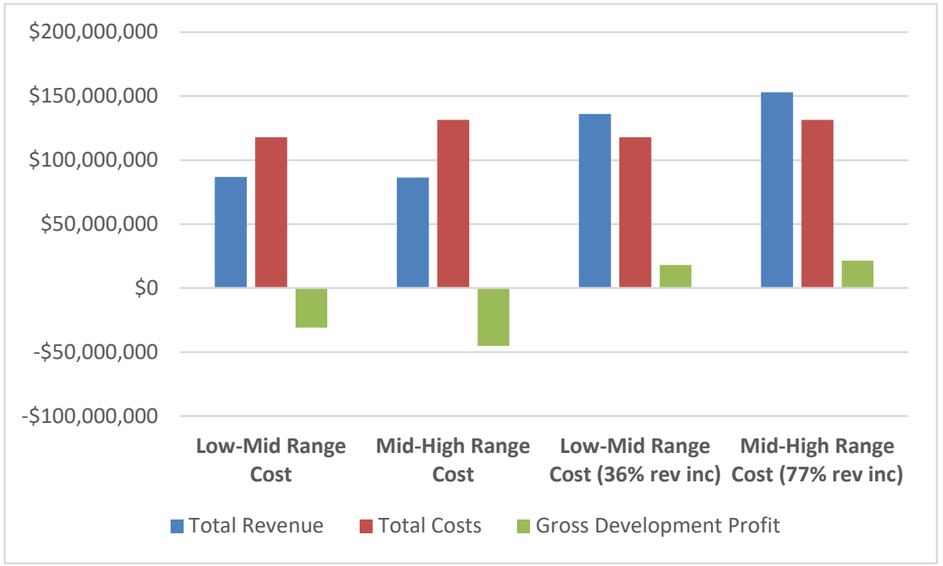


Table 4: Feasibility summary

Option	Low-Mid Range Cost	Mid-High Range Cost	Low-Mid Range Cost (36% rev inc)	Mid-High Range Cost (77% rev inc)
Scenario	**1**	**2**	**3**	**4**
Units (No.)	128 units	128 units	122 units	122 units
Gross Floor Area (SQM)	20,988 GFA	20,988 GFA	20,988 GFA	20,988 GFA
Site Area	2,997 SqM	2,997 SqM	2,997 SqM	2,997 SqM
Type	Residential	Residential	Residential	Residential
Revenue				
Gross Sales Revenue	$88,972,345	$88,463,668	$139,213,556	$156,580,692
Less Selling Costs	-$2,136,940	-$2,127,146	-$3,219,995	-$3,592,524
TOTAL REVENUE (after GST paid)	**$86,835,405**	**$86,336,522**	**$135,993,561**	**$152,988,168**
Costs				
Land Purchase Cost	$4,495,500	$4,495,500	$4,495,500	$4,495,500
Land Acquisition Costs	$273,031	$273,031	$273,031	$273,031
Construction (inc. Construct. Contingency)	$114,892,927	$128,846,882	$114,892,927	$128,846,882
Professional Fees	$2,059,967	$2,269,128	$2,072,247	$2,285,962
Contributions and Charges	$499,244	$499,244	$499,244	$499,244
Other Allowances	$803,608	$798,991	$1,257,066	$1,414,215
Land Holding Costs	$263,308	$263,308	$263,308	$263,308
Pre-Sale Commissions	$663,759	$658,474	$1,028,949	$1,165,498
Interest Expense	$4,592,102	$5,350,008	$4,054,314	$4,468,584
TOTAL COSTS (before GST reclaimed)	$128,859,402	$143,808,896	$129,152,542	$144,066,553
Less GST reclaimed	-$10,988,469	-$12,277,723	-$11,162,467	-$12,514,492
TOTAL COSTS (after GST reclaimed)	**$117,870,933**	**$131,531,173**	**$117,990,074**	**$131,552,061**
Performance				
Gross Development Profit	-$31,035,528	-$45,194,651	$18,003,486	$21,436,107
Residual Land Value (Target Margin)	-$35,990,566	-$48,914,479	$1,952,574	$2,717,280
Residual Land Value (TM) / SQM	-$12,009	-$16,321	$652	$907
Project Internal Rate of Return (IRR)	-27.3%	-37.8%	21.6%	23.0%
Residual Land Value (NPV)	-$24,006,116	-$34,229,860	$9,288,326	$10,913,683
Residual Land Value (NPV) / SQM	-$8,010	-$11,421	$3,099	$3,642

4.0 ALTERNATIVE HOUSING DELIVERY MODELS

4.1 Overview

This section provides a preliminary scoping of housing innovation options that may be considered to facilitate the supply of more diverse and / or more affordable housing options via the use of public land (i.e. local government land).

4.2 Council Land Options

Sale or Lease of Land

Councils may from time to time sell land or lease land at market value or at a discount.

The divestment or lease could be made to a to a private entity or to a not-for-profit entity like a housing association or some form of land trust. This could be done for a housing purpose to meet the needs of the local community.

Discounted land sale has the potential to make development projects viable for the developer in cases where financial viability is not possible.

Discounted lease of land to a housing provider can have the same benefit for the housing provider; that is, generating a financially acceptable outcome.

Land Trust Model

A land trust model enables the individual household to purchase a dwelling or build a dwelling on land owned or controlled by a land trust. Land trust arrangements offer the opportunity for home ownership to a group that would otherwise not be able to afford a land with dwelling.

The land trust could have a particular objective such as meeting the needs of key workers, first home buyers or older persons.

4.3 Some Recent Land Innovation Examples

Selected case studies regarding housing investment innovation provide insights into potential responses that may be relevant.

Key Worker and Affordable Housing Project, Warrnambool City Council, Victoria

Facilitating key worker housing supply on council land

Warrnambool City Council in regional Victoria developed this project to tackle the lack of affordable rental homes in the area. This proposed project involves the leasing of land by Council to a Community Housing Agency (CHA) for a period of up to 25 years. The CHA will be required to build a minimum of 50 self-contained units, with a 50/50 split of key worker accommodation and affordable housing. Affordable units would have rents capped at 75 per cent of market rate, while employers would lease the key worker accommodation to their

employees. All built assets will be disposed through sale or relocation at the end of the project period. The project is estimated to cost $15 to $18 million, with council seeking funding from private equity and governments.

Winanglo Community Village, Community Bank Surf Coast, Victoria

Joint venture older persons housing development that included a land contribution from council

The town of Winchelsea (1.5 hours from Melbourne and population of approximately 2,456 in 2021), has a shortage of appropriate housing for older people that are looking to downsize in the town.

In response to this, the Community Bank Surf Coast established a social enterprise called Winanglo to drive the development of 10 independent living units and associated support services locally. The Community Bank committed $1.5 million towards the $5 million project with the remainder supplied through loans. The loans were repaid through the sale of the units, and profits reinvested on other local community projects on an as-needed basis.

Surf Coast Shire Council assisted through the transfer of vacant land for $1. As an incorporated association with charitable status the development is to remain in the ownership of the local community.

Regional Key Worker Housing Scheme, South Australian State Government

State development of key worker housing which are on-sold to investors

Administered by the State Office for Regional Housing, this pilot program aims to address the need for affordable and accessible quality housing options to attract and retain essential workers including police, teachers and healthcare workers in country communities.

The program will develop approximately 35 new homes in key regional centres which will be sold to private investors with long-term, employer-backed leases attached.

Sloane Street Development, Northern Grampians Council, Victoria

Housing development in a location with a limited private sector market

Northern Grampians Council rezoned a parcel of land owned by Council in Stawell for residential purposes and then invited developers to submit proposals for the purchase and development of the land for residential purposes. The Council set terms and conditions, which included the provision of a diverse range of housing on the site. A $500,000 grant was also secured from the State Government's Regional Infrastructure Fund with an equivalent matched funding contribution from the Council to extend services to the site.

Correa Park, Pyrenees Shire Council, Victoria

Housing development in a location with a limited private sector market

Correa Park is a council-developed subdivision in the rural town of Beaufort. It was instigated due to the stagnating population in the area combined with a lack of interest from developers in the large-scale investment required to significantly boost local housing stock.

Pyrenees Shire Council used $6 million in savings and loans to purchase land in a residential zone, as well as for realignment of road and utilities connection. The project was completed in 2021 and costs have been recouped through the sale of the 100 lots within the subdivision.

Harris Transportable Housing, Launch Housing, Maidstone

Low cost housing supply on state owned land

Launch Housing is using nine parcels of vacant VicRoads land in Footscray and Maidstone to create 57 tiny homes for people with a chronic experience of homelessness. They are utilising the Fredi transportable home model, which has 20 sqm of internal space with a 9 sqm verandah. It is designed with passive heating, shading and cooling) to achieve 6+ star rating for reduced occupant running costs.

APPENDIX A: DEMOGRAPHIC ANALYSIS

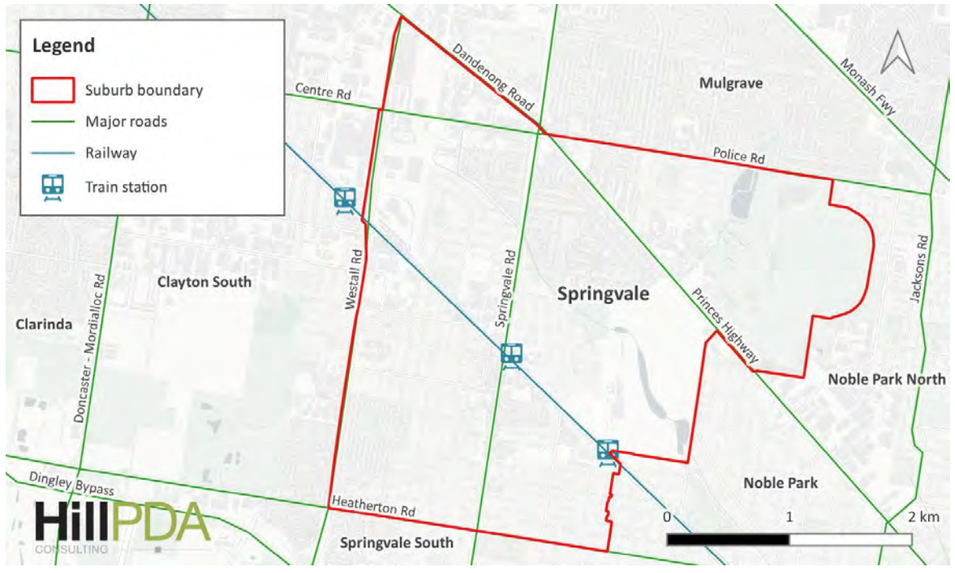
A.1 Overview

This section provides a demographic profile of Springvale. This information informs market responsive housing options.

A.2 Springvale

Springvale is a suburb located approximately 25 kilometres southeast of Melbourne's CBD, within the City of Greater Dandenong. It is well-connected by major roads and public transport, including two railway stations on the Pakenham/Cranbourne lines.

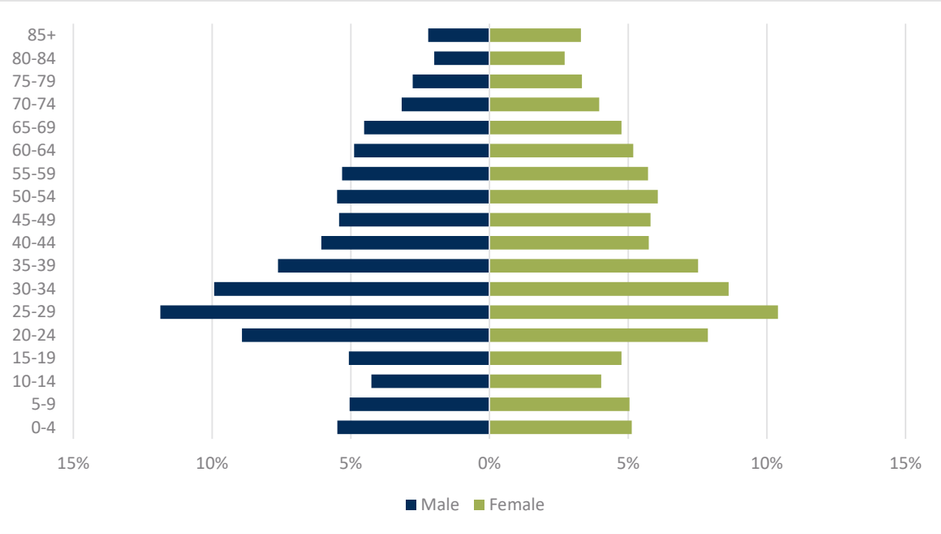
Figure 3: Springvale and surrounds



Imagery: CARTO (2025)

At the 2021 Census, Springvale had an estimated population of 22,174. The median age was 36 years, with the most common age group being 25-29 years, accounting for 11.2% of the population. More than one third of residents were aged 20-39 years, highlighting a predominantly young adult demographic.

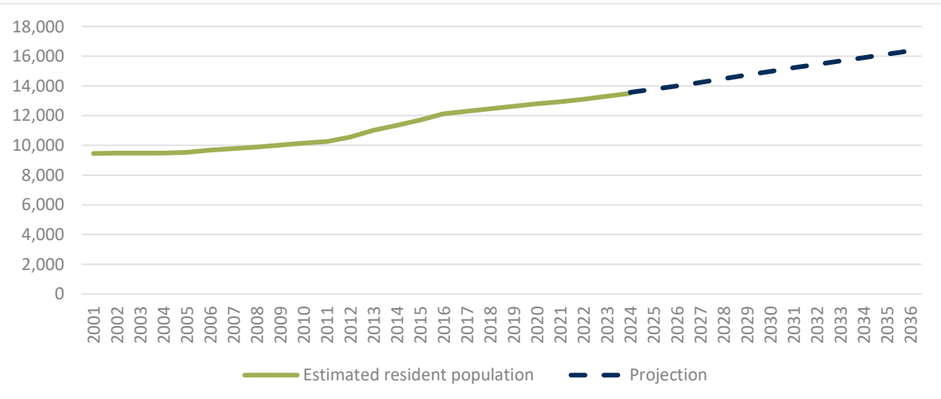
Figure 4: Age distribution in five year age groups (Springvale)



Source: ABS (2021).

The population of Springvale remained stable in the first few years of the 2000s before beginning to grow steadily from around 2006, averaging an increase of around 350 people per year until 2020. After two years of decline during the COVID-19 pandemic, growth has recovered and is anticipated to grow by more than 400 per year through to 2036.

Figure 5: Population projection (Springvale)



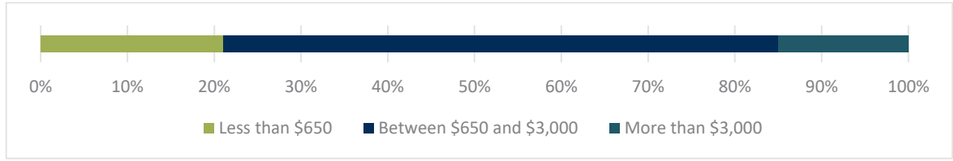
Source: ABS (2025); DTP (2023).

According to the 2021 Census, in Springvale:

- The median weekly household income was $1,402
- The median monthly mortgage repayment was $1,750
- The median weekly rent was $357.

Approximately one in five households reported a total weekly income of less than $650. Conversely, almost 15% of households reported earning over $3,000 per week.

Figure 6: Household income ranges (Springvale)



Source: ABS (2021).

Springvale is one of the most culturally diverse suburbs in Victoria. Approximately 66.4% of residents were born outside of Australia, up from 65.2% in 2011. Over 80% of households use a non-English language (75% in 2011).

Top countries of birth (excluding Australia):

1. Vietnam (20.9%)
2. India (7.4%)
3. Cambodia (5.6%)

Top languages used at home (excluding English):

1. Vietnamese (25.2%)
2. Mandarin (6.7%)
3. Cantonese (6.3%).

Across Victoria, only 1.3% of people were born in Vietnam. Approximately 6% of the total Vietnamese-born population of Victoria are based within Springvale.

A.3 Dwelling Profile

Springvale has experienced housing growth in the past decade. The number of semi-detached dwellings nearly doubled between 2011 and 2021 and now make up around 20% of all dwellings in the area. Meanwhile, the proportion of flats and apartments declined. However, the decrease for flats was entirely within one to three storey blocks, while there was an increase of 85.4% in dwellings in four or more storey blocks (from 48 to 89 dwellings).

Table 5: Dwelling structure (Springvale)

Description	2011		2021		Change	
	#	%	#	%	#	%
Separate house	4,624	71.3%	4,972	69.5%	+348	+7.5%
Semi-detached, row or terrace house, townhouse etc.	732	11.3%	1,441	20.1%	+709	+96.9%
Flat or apartment	1,015	15.6%	644	9.0%	-371	-36.6%
Other dwelling	115	1.8%	101	1.4%	-14	-12.2%
Total	**6,486**	**100.0%**	**7,158**	**100.0%**	**+672**	**+10.4%**

Source: ABS (2011; 2021).

Dwellings with four or more bedrooms increased by 37% between 2011 and 2021, while the number of dwellings with no bedrooms declined by over 50%. Despite the growth in larger homes, the average number of bedrooms per dwelling decreased slightly. Of the additional dwellings built during the period, over half had one to three bedrooms.

Table 6: Number of bedrooms (Springvale)

Description	2011		2021		Change	
	#	%	#	%	#	%
None (includes studio apartments or bedsitters)	51	0.8%	24	0.3%	-27	-52.9%
1 bedroom	475	7.3%	525	7.3%	+50	+10.5%
2 bedrooms	1,169	18.0%	1,365	19.1%	+196	+16.8%
3 bedrooms	3,338	51.4%	3,457	48.3%	+119	+3.6%
4 or more bedrooms	1,200	18.5%	1,649	23.0%	+449	+37.4%
Total	**6,233**	**100.0%**	**7,020**	**100.0%**	**+787**	**+12.6%**
Average number of bedrooms per dwelling	3	-	2.9	-	-	-

Source: ABS (2011; 2021).

Total households grew by a small amount between 2011 and 2021. The biggest increase was in group households, which grew by almost 50%. Lone person households also experienced modest growth. There was a small decline in family households, with the biggest decline in couple families without children. The average household size has remained the same.

Table 7: Household composition (Springvale)

Description	2011		2021		Change	
	#	%	#	%	#	%
Lone person	1,429	20.7%	1,577	22.0%	+148	+10.4%
Group	328	4.7%	483	6.7%	+155	+47.3%
Family	5,153	74.6%	5,112	71.3%	-41	-0.8%
Couple family without children	1,672	24.2%	1,570	21.9%	-102	-6.1%
Couple family with children	2,304	33.3%	2,349	32.8%	+45	+2.0%
One parent family	1,019	14.7%	976	13.6%	-43	-4.2%
Other family	158	2.3%	217	3.0%	+59	+37.3%
Total	**6,910**	**100.0%**	**7,172**	**100.0%**	**+262**	**+3.8%**
Average household size (no. of persons)	2.9	-	2.9	-	-	-

Source: ABS (2011; 2021).

The number of households is expected to grow by almost 2,000 or 26.1% between 2021 and 2036. The biggest net increase is projected in couple families with children, which are expected to grow by more than double the amount of the next fastest-growing group.

Despite this expected growth, the overall proportion of household types is expected to remain relatively stable. Couple families with children are expected to remain the largest share of households, followed by couples without children and lone person households.

Table 8: Household projections by type (Springvale)

Description	2021	2026	2031	2036		Change 2021-2036	
				#	%	#	%
Couple family without children	1,685	1,816	1,948	2,102	21.8%	+418	+24.8%
Couple family with children	2,484	2,700	3,039	3,428	35.5%	+944	+38.0%
One parent family	1,060	1,097	1,186	1,315	13.6%	+255	+24.1%
Other family	236	252	266	285	2.9%	+49	+20.7%
Lone person	1,665	1,674	1,732	1,838	19.0%	+174	+10.4%
Group	534	589	636	694	7.2%	+160	+30.0%
Total	**7,663**	**8,128**	**8,807**	**9,663**	**100.0%**	**+1,999**	**+26.1%**

Source: DTP (2023).

All tenure types increased in number over 2011 to 2021, though dwellings owned outright and owned with a mortgage declined as proportions of all households. The proportion of households living in rented dwellings increased by almost a quarter over the decade. The most dramatic rise was in other tenure types (including life tenure schemes and rent-free arrangements), which more than doubled.

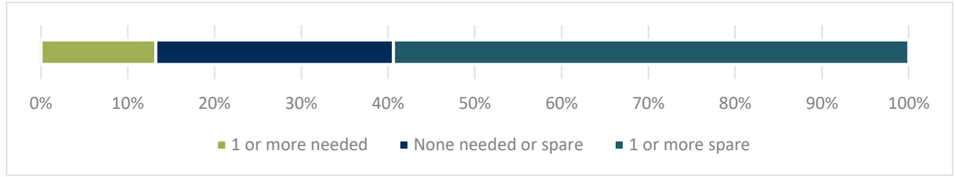
Table 9: Tenure type (Springvale)

Description	2011		2021		Change	
	#	%	#	%	#	%
Owned outright	2,248	36.8%	2,271	32.5%	+23	+1.0%
Owned with a mortgage	1,480	24.2%	1,650	23.6%	+170	+11.5%
Rented	2,265	37.1%	2,810	40.2%	+545	+24.1%
Other tenure type	111	1.8%	266	3.8%	+155	+139.6%
Total	**6,104**	**100.0%**	**6,997**	**100.0%**	**+893**	**+14.6%**

Source: ABS (2011; 2021).

Based on the 2021 Census, 13% of households in Springvale were considered to require at least one additional bedroom. A majority of households had one or more spare bedroom, suggesting that most dwellings in Springvale either meet or exceed the space requirements of the people living in them.

Figure 7: Housing suitability (Springvale)



Source: ABS (2021).

APPENDIX B: MARKET RESEARCH

B.1 Overview

This section provides a profile of the Springvale property market. This information informs market responsive housing options.

The market research provides realistic assumptions around pricing, demand and development activity, which are essential for evaluating the viability of housing options.

B.2 Property Market Context

Residential prices in metropolitan Melbourne are now rinsing following a period of stagnation. Growth has been fuelled by post-pandemic population growth and more recent stabilisation in inflation and cuts to interest rates.

Rents spiked in all areas in Victoria over the past year or so, driven by rising costs for investors and rapid growth in demand.

The cost to build increased significantly in recent years due to broader inflationary pressures including labour cost increases and material cost increases. Costs appear to have stablished in recent months.

These trends have impacted the viability of development at the current time, but conditions are expected to improve in the future, especially if interest rates continue to decline.

B.3 Residential Apartments Market Overview

Springvale is undergoing a transformation as it shifts from a predominantly detached house, townhouse and villa unit market to a more viable apartment sector.

Recent data indicates that apartment unit prices are rising, with 2-bedroom units increasing by 10.4% per annum. Rental yields for apartments are also strong (approximately 4.9%).

This trend is supported by government policy, which aims to facilitate the construction of more apartment units around key transport and activity centre nodes. Springvale has some notable renewal precincts including the Warwick Avenue precinct and Balmoral Avenue site.

In a metropolitan context Springvale provides an affordability advantage for households that seek a location near transport linkages and shops.

The suburb's strong cultural identity further enhance its appeal as a growth area for medium and high density living.

B.4 Supply Indicators

Springvale has a moderate level of housing stock, with 68 units and 69 houses available for sale in the past month. The median time on market for houses is 79 days, while units sell faster

at 44 days, suggesting stronger demand for smaller housing options. This supply level is relatively balanced but could tighten if interest rates fall s.

B.5 Affordability

The median house price is $843,500, while the median household income is $1,402 per week. With monthly mortgage repayments averaging $1,750, many households are spending close to or above 30% of their income on housing, indicating housing stress.

B.6 Rental Market Performance

Springvale's rental market is performing strongly. Units yield 4.7%, and houses yield 3.7%, with rents rising by 12.8% for units and 10% for houses over the past year. he median rent for units is $500 per week, and for houses, it is $550 per week. Properties lease quickly, with units taking 27 days and houses 28 days on average.

Overall, Springvale is well-positioned for sustainable long-term housing market growth, particularly in the apartment and rental sectors.

B.7 Development Sites Sales

The development site sales in Springvale over the last two years have been townhouse developments. On average, properties sold for $1,283,500, with land areas averaging 935 sqm. The average land value per square metre was $1,470, and the average cost per proposed dwelling was $257,820. The transactions are outlined in the table below.

Table 10: Development site sales

Address, Springvale	Sold Price	Land Area	No. Proposed Dwellings	Sold Date	$/sqm	$/Dwelling
14 Whitworth Avenue	$630,000	813	6	2024	$774	$105,000
931 Heatherton Road	$955,000	1,173	5	2024	$814	$191,000
69 Glendale Road	$907,000	789	3	2024	$1,150	$302,333
6 Watt Street	$1,220,000	700	7	2023	$1,742	$174,286
459-461 Springvale Road	$2,150,000	1,809	8	2024	$1,188	$268,750
37 Osborne Avenue	$1,508,000	832	4	2022	$1,812	$377,000
25 St James Avenue	$1,606,000	702	5	2021	$2,288	$321,200
24 Elm Grove	$1,292,000	665	4	2021	$1,943	$323,000

Source: RP Data Professional, HillPDA

B.8 Apartment Sales Evidence

Our research indicates that there are currently limited examples of modern apartment buildings in Springvale with relatively few new developments entering the market.

This scarcity is reflected in the pricing and density of recent sales. These figures suggest that well-located, newer apartments can command prices ranging from $6,990 to $8,850/sqm, while more modest or older stock transacts at lower rates. The Windsor Avenue sale highlights strong demand for compact, high-quality stock.

Table 11: Apartment developments sold in 2025

Address, Springvale	Sold Price	Internal Area	$/sqm	Image
201/15 Windsor Avene	$630,000 June 25	64 3 bedroom	$9,843	
109/20 Avenue, Springvale	$405,000 May 25	58 2 bedroom	$6,983	

Source: RP Data Professional, HillPDA

B.9 Townhouses Sales Evidence

The average sold price across the five properties shown in the table below is $712,000, with the highest being $800,000 (25 Talara Close, Springvale) and the lowest at $630,000 (2/794 Princes Highway).

The average internal area is 99.6 sqm, ranging from 62 sqm (2/14 Lucian Avenue) to 137 sqm (25 Talara Close). In terms of price per square metre, the average was $7,570/sqm, with the highest being $10,810/sqm (2/14 Lucian Avenue) and the lowest at $5,730/sqm (2/794 Princes Highway).

Table 12: Townhouse developments sold in 2025

Address	Sold Price	Internal Area	$/sqm	Image
2/14 Lucian Avenue, Springvale	$670,000 Jul 25	62	$10,806	
25 Talara Close Srpingvale	$800,000 Jul 25 3 bedroom	137	$5,840	
2/794 Princes Highway	$630,000 Jul 24 2 bedroom	110	$5,727	
1/897 Heatherton Road	#680,000 Jan 25 3 bedroom	88	$7,727	
2/40 Gove Street	$780,000 Jan 24 3 bedroom	101	$7,722	

Source: RP Data Professional, HillPDA

B.10 Commercial Sales Evidence

Discussions with local agents and recent listings suggest that retail shopfronts in Springvale vary significantly in both size and price, reflecting a diverse and evolving commercial landscape.

Smaller tenancies, such as those on Windsor Avenue, offer investment opportunities for owner-occupiers or small businesses. These properties tend to be more affordable and easier to manage, making them attractive to first-time investors.

In contrast, larger sites like those on Princes Highway and Buckingham Avenue represent strategic holdings with potential for redevelopment or higher-yield commercial use. These properties are often located in high-traffic zones and may appeal to developers or institutional investors seeking long-term growth.

This variation in property scale and pricing highlights the importance of site-specific analysis when evaluating commercial opportunities in Springvale.

Table 13: Retail shopfronts sales evidence

Address, Springvale	Sale Price	Floorspace (sqm)	$/sqm	Other comments
2/15 Windsor Avenue	$1,150,000	61	$18,852	Asking price – Retail/ office/ medical
10 Erica Street	$600,000–$660,000	137	$4,388–$4,818	Asking Price – Retail
337-339 Springvale Road	$4,039,000	360	$11,219	Sold price March 2025 – two shop top retail buildings
97 Springvale Road	$800,000	208	$3,846	Sold office space – single storey office/ shop front.

Source: RP Data Professional, HillPDA

B.11 Market Summary

Development Site Values

- Development site land values range from $780/sqm to $2,290/sqm, or $105,000/unit to $377,000/unit (depending on location).
- The average price of the sample of recent sales is $1,283,500 for 935 sqm of land, at $1,470/sqm and $257,820 per unit.
- Most residential developments are townhouses.

Townhouses Prices

- Townhouses prices range from $630,000 to $800,000, at $6,730/sqm to $10,810/sqm (internal area 100 to 140 sqm).

Apartment Prices

- A limited number of new apartment sales indicates a price range from $405,000 to $630,000 at $6,990/sqm to $8,850/sqm.

Commercail Shopfront Prices

- Commercail shopfront prices range from $3,850/sqm to $11,220/sqm (shopfronts under 400 sqm), but vary significantly based on location.

APPENDIX C: FEASIBILITY MODEL DATA

The sheet overleaf shows a summary of the modelling scenarios.

- Low-mid range cost feasibility summary
- Mid-high range cost feasibility summary
- Low-mid range cost feasibility summary with revenue increase required to make the project commercially viable
- Mid-high range cost feasibility summary with revenue increase required to make the project commercially viable.

After that sheet, more detailed modelling data is shown for the base feasibility mode: low-mid range cost feasibility.

ARGUS EstateMaster | Development Feasibility

CONSOLIDATION OF STAGES

New build, Springvale

	1	2	3	4	TOTAL
	Low-Mid Range Cost	Mid-High Range Cost	OPT 1 - (36% REV INC)	OPT 2 - (77% REV INC)	
	1	2	3	4	
	128 units 20,988 GFA 2,997 SqM Residential Under Review	128 units 20,988 GFA 2,997 SqM Residential Under Review	122 units 20,988 GFA 2,997 SqM Residential Under Review	122 units 20,988 GFA 2,997 SqM Residential Under Review	
Licensed to: Hill PDA Pty Ltd					
Revenues					
Gross Sales Revenue	88,972,345	88,463,668	139,213,556	156,580,692	473,230,260
Less Selling Costs	(2,136,940)	(2,127,146)	(3,219,995)	(3,592,524)	(11,076,605)
Less Purchasers Costs	-	-	-	-	-
NET SALES REVENUE	86,835,405	86,336,522	135,993,561	152,988,168	462,153,655
Gross Rental Income	-	-	-	-	-
Less Outgoings & Vacancies	-	-	-	-	-
Less Letting Fees	-	-	-	-	-
Less Incentives (Rent Free & Fitout Costs)	-	-	-	-	-
Less Turnover Costs	-	-	-	-	-
Less Other Leasing Costs	-	-	-	-	-
NET RENTAL INCOME	-	-	-	-	-
Interest Received	-	-	-	-	-
Other Income	-	-	-	-	-
TOTAL REVENUE (before GST paid)	86,835,405	86,336,522	135,993,561	152,988,168	462,153,655
Less GST paid on all Revenue	-	-	-	-	-
TOTAL REVENUE (after GST paid)	86,835,405	86,336,522	135,993,561	152,988,168	462,153,655
Costs					
Land Purchase Cost	4,495,500	4,495,500	4,495,500	4,495,500	17,982,000
Land Acquisition Costs	273,031	273,031	273,031	273,031	1,092,124
Construction (inc. Construct. Contingency)	114,892,927	128,846,882	114,892,927	128,846,882	487,479,617
Professional Fees	2,059,967	2,269,128	2,072,247	2,285,962	8,687,304
Statutory Fees	499,244	499,244	499,244	499,244	1,996,976
Miscellaneous Costs 1	-	-	-	-	-
Misc 2	-	-	-	-	-
Marketing	803,608	798,991	1,257,066	1,414,215	4,273,880
Project Contingency (Reserve)	-	-	-	-	-
Land Holding Costs	263,308	263,308	263,308	263,308	1,053,234
Pre-Sale Commissions	663,759	658,474	1,028,949	1,165,498	3,516,680
Finance Charges (inc. Fees)	315,956	354,329	315,956	354,329	1,340,569
Interest Expense	4,592,102	5,350,008	4,054,314	4,468,584	18,465,008
TOTAL COSTS (before GST reclaimed)	128,859,402	143,808,896	129,152,542	144,066,553	545,887,392
Less GST reclaimed	(10,988,469)	(12,277,723)	(11,162,467)	(12,514,492)	(46,943,151)
Plus Corporate Tax	-	-	-	-	-
TOTAL COSTS (after GST reclaimed)	117,870,933	131,531,173	117,990,074	131,552,061	498,944,241
Performance Indicators	1	2	3	4	TOTAL
[1] Gross Development Profit	(31,035,528)	(45,194,651)	18,003,486	21,436,107	(36,790,586)
[2] Net Developer's Profit after Profit Share	(31,035,528)	(45,194,651)	18,003,486	21,436,107	(36,790,586)
[3] Development Margin (Profit/Risk Margin)	(26.29%)	(34.31%)	15.22%	16.25%	(7.36%)
Target Development Margin	18.00%	18.00%	18.00%	18.00%	
[4] Residual Land Value (Target Margin)	(35,990,566)	(48,914,479)	1,952,574	2,717,280	(80,235,191)
[5] Breakeven Date for Cumulative Cash Flow	N.A. (No Profit)	N.A. (No Profit)	Dec-2028	Dec-2028	Apr-2029
Discount Rate (Target IRR)	15.00%	15.00%	15.00%	15.00%	
[6] Net Present Value @ Start of Stage	(27,972,339)	(38,006,228)	4,703,822	6,298,996	
Date of Commencement	Jan-26	Jan-26	Jan-26	Jan-26	
Holding Discount Rate 10.00%					
[7] NPV at Start of Consolidated Cash Flow	(27,972,339)	(38,006,228)	4,703,822	6,298,996	(54,975,749)
[8] Benefit Cost Ratio	0.677	0.606	1.054	1.065	
[9] Project Internal Rate of Return (IRR)	(27.28%)	(37.75%)	21.56%	23.00%	-4.11%
[10] Residual Land Value (NPV) @ Start of Stage	(24,006,116)	(34,229,860)	9,288,326	10,913,683	(38,033,968)
Peak Debt Exposure	94,809,505	105,580,678	95,439,422	106,443,953	402,273,557
Date of Peak Debt Exposure	Sep-2028	Sep-2028	Sep-2028	Sep-2028	Sep-2028
[11] Breakeven Date for Project Overdraft	Mar-2029	Mar-2029	Nov-2028	Nov-2028	Mar-2029
Total Equity Contribution	31,035,528	45,194,651	23,003,055	25,666,557	124,899,791
Peak Equity Exposure	31,035,528	45,194,651	23,003,055	25,666,557	96,988,239
Date of Peak Equity Exposure	Mar-2029	Mar-2029	Jul-2027	Aug-2027	Aug-2027
[12] IRR on Equity	N.A.	N.A.	28.76%	30.88%	(19.44%)
Weighted Average Cost of Capital (WACC)	10.67%	11.34%	10.00%	10.00%	

Yield Analysis	1		2		3		4		TOTAL
Sales	Qty	SqM	Qty	SqM	Qty	SqM	Qty	SqM	Qty
Residential - 1 Bedroom Units	52	-	52	-	52	-	52	-	208
Residential - 2 Bedroom Units	52	-	52	-	52	-	52	-	208
Residential - 3 Bedroom Units	18	-	18	-	18	-	18	-	72
Townhouse Lots	6	-	6	-	-	-	-	-	12
Commerical Office	-	529	-	529	-	529	-	529	-
Not Classified	128	-	128	-	122	-	122	-	500
TOTAL	256	529	256	529	244	529	244	529	1,000
Tenancies		SqM		SqM		SqM		SqM	
TOTAL		-		-		-		-	

Build to Rent Analysis	1	2	3	4	TOTAL
Development Phase	Jan-2026 - Sep-2028	Jan-2026 - Sep-2028	Jan-2026 - Sep-2028	Jan-2026 - Sep-2028	
Development Margin	20.00%	20.00%	20.00%	20.00%	
Net Present Value	27,209,520	30,257,267	27,402,929	30,521,943	
Internal Rate of Return	31.24%	31.77%	31.18%	31.70%	
Equity IRR	47.98%	49.03%	47.99%	49.03%	
Adopted Handover Value	141,197,444	157,253,128	142,130,972	158,532,612	599,114,156
Investment Phase	No Investment Phase	No Investment Phase	No Investment Phase	No Investment Phase	
Initial Yield	-	-	-	-	
Net Present Value	N.A.	N.A.	N.A.	N.A.	
Internal Rate of Return (IRR)	N.A.	N.A.	N.A.	N.A.	
Breakeven Date	N.A. (No Profit)	N.A. (No Profit)	Dec-2028	Dec-2028	
Investment Hold Period	N.A.	N.A.	N.A.	N.A.	
Terminal Capitalised Value	-	-	-	-	-

Footnotes (based on current Preferences):

1. Development Profit: is total revenue less total cost including interest paid and received
2. Developer's Net Profit after distribution of profit share.
3. Development Margin: is profit divided by total costs (exc selling & leasing costs)
4. Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.
5. Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
6. Net Present Value: is the project's cash flow stream discounted to present value.
   It excludes all financing costs, interest and corp tax.
7. Net Present Value of each stage at commencement of the consolidated cash flow using the Holding Discount Rate.
8. Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and excludes all financing costs, interest and corp tax.
9. Internal Rate of Return: is the discount rate where the NPV above equals Zero.
10. Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
11. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
12. IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.

Development Feasibility Model

ARGUS EstateMaster Licensed to: Hill PDA Pty Ltd

M25013 : New build, Springvale

Low-Mid Range Cost : 1

Date of Report :	26-Nov-2025	**Project Size :**	128 units
Time Span :	Jan-26 to Mar-29 (38 Months)		1 per 23.41 SqM of Site Area
Type :	Residential	**Project Size :**	20,988 GFA
Status :	Under Review		1 per 0.14 SqM of Site Area
Site Area :	2,997 SqM	**FSR :**	:1
		Equated GFA :	SqM
Prepared By :	Hill PDA	**Address :**	4-16 Warwick Avenue, Springvale
Prepared For :	McP Studio for MAV		Springvale
Developer :	TBD		Victoria
			Australia

Disclaimer

1.This report and its attached appendices are based on estimates, assumptions and information provided by the Client or sourced and referenced from external sources by Hill PDA. While we endeavour to check these estimates, assumptions and information, no warranty is given in relation to their reliability, feasibility, accuracy or reasonableness. Hill PDA presents these estimates and assumptions as a basis for the Client's interpretation and analysis. With respect to forecasts, Hill PDA does not present them as results that will actually be achieved. Hill PDA relies upon the interpretation of the Client to judge for itself the likelihood of whether these projections can be achieved or not.
2. Due care has been taken to prepare the attached financial models from available information at the time of writing, however no responsibility can be or is accepted for errors or inaccuracies that may have occurred either with the programming or the resultant financial projections and their assumptions.

Cash Flow Table for New build, Springvale — **Low-Mid Range Cost - 1**

PROJECT CASH FLOW	TOTAL	GST	0	1	2	3	4	5	6	7	8	9	10	11	12	13
			Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Sale Summary																
Units Sold	128.00		-	-	-	-	-	-	-	-	-	-	-	-	-	7.70
Cumulative Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	7.70
% Units Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	6.0%
SqM Sold	529.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SoM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold	88,972,345		-	-	-	-	-	-	-	-	-	-	-	-	-	4,922,834
Cumulative AUD Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	4,922,834
% AUD Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	5.5%
Handover Summary																
Units Handed Over	128.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	529.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	88,972,345		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow																
Revenue																
Gross Sales Revenue	88,972,345		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(2,136,940)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	86,835,405		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs																
Land and Acquisition	4,768,531		453,798	4,248	4,248	4,306,238										
Professional Fees	2,059,967		-	-	112,499	112,499	112,499	112,499	57,499	57,499	57,499	57,499	57,499	57,499	57,499	57,499
Construction Costs	114,892,927		-	-	274,929	294,566	343,661	343,661	432,031	549,857	628,408	706,959	824,786	883,699	883,699	628,408
Statutory Fees	499,244		-	-	-	-	-	-	65,458	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	803,608		-	-	-	-	-	-	-	-	-	-	-	-	36,528	36,528
Project Contingency (Reserve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	263,308		84,768	-	-	-	-	-	-	-	-	-	-	-	87,735	-
Pre-Sale Commissions	663,759		-	-	-	-	-	-	-	-	-	-	-	-	-	66,376
Financing Costs (exc Fees)	315,956		-	315,956	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(10,988,469)		-	-	-	(28,723)	(35,221)	(37,008)	(41,469)	(41,469)	(44,503)	(55,214)	(62,355)	(69,496)	(80,208)	(85,563)
TOTAL COSTS	113,278,831		538,566	320,203	391,675	4,684,580	420,939	419,154	513,519	565,887	641,404	709,244	819,929	871,702	985,253	703,247
Net Cash Flow (before Interest & Corporate Tax)	(26,443,426)		(538,566)	(320,203)	(391,675)	(4,684,580)	(420,939)	(419,154)	(513,519)	(565,887)	(641,404)	(709,244)	(819,929)	(871,702)	(985,253)	(703,247)
Cumulative Cash Flow			(538,566)	(858,769)	(1,250,444)	(5,935,024)	(6,355,963)	(6,775,117)	(7,288,635)	(7,854,522)	(8,495,926)	(9,205,170)	(10,025,099)	(10,896,801)	(11,882,053)	(12,585,301)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(26,443,426)		(538,566)	(320,203)	(391,675)	(4,684,580)	(420,939)	(419,154)	(513,519)	(565,887)	(641,404)	(709,244)	(819,929)	(871,702)	(985,253)	(703,247)
Cumulative Cash Flow			(538,566)	(858,769)	(1,250,444)	(5,935,024)	(6,355,963)	(6,775,117)	(7,288,635)	(7,854,522)	(8,495,926)	(9,205,170)	(10,025,099)	(10,896,801)	(11,882,053)	(12,585,301)
Financing																
Developer's Equity																
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	31,035,528		538,566	320,203	391,675	4,684,580	420,939	419,154	513,519	565,887	641,404	709,244	819,929	871,702	985,253	703,247
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(31,035,528)		(538,566)	(858,769)	(1,250,444)	(5,935,024)	(6,355,963)	(6,775,117)	(7,288,635)	(7,854,522)	(8,495,926)	(9,205,170)	(10,025,099)	(10,896,801)	(11,882,053)	(12,585,301)
Equity Cash Flow	(31,035,528)		(538,566)	(320,203)	(391,675)	(4,684,580)	(420,939)	(419,154)	(513,519)	(565,887)	(641,404)	(709,244)	(819,929)	(871,702)	(985,253)	(703,247)
Project Cash Account																
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for New build, Springvale

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	0	1	2	3	4	5	6	7	8	9	10	11	12	13
			Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Senior Loan - Bank	Debt															
Drawdown	(91,420,125)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(4,592,102)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	96,012,227		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees	4,592,102		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	91,420,125		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).																
Senior Loan Cash Flow	4,592,102		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	78.88															
Debt Service Ratio	0.90															
Project Overdraft			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).																
Total Equity to Debt Ratio	33.95%		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Interest Coverage Ratio	78.88															
Total Debt Service Ratio	0.90															
Net Cash Flow (after Interest & Corporate Tax)	(31,035,528)		(538,566)	(320,203)	(391,675)	(4,684,380)	(420,939)	(419,154)	(513,519)	(565,887)	(641,404)	(709,244)	(819,929)	(871,702)	(985,253)	(703,247)
Cumulative Cash Flow**			(538,566)	(858,769)	(1,250,444)	(5,935,024)	(6,355,963)	(6,775,117)	(7,288,635)	(7,854,522)	(8,495,926)	(9,205,170)	(10,025,099)	(10,896,801)	(11,882,053)	(12,585,301)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary																
Total Liability on Revenue	(8,434,648)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withheld by Purchaser	(8,434,648)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Liability (+ve) / Credit (+ve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax.			(538,566)	(4,248)	(391,675)	(4,713,303)	(420,939)	(419,154)	(513,519)	(565,887)	(641,404)	(709,244)	(819,929)	(871,702)	(985,253)	(703,247)
Static Discount Rate (per ann. effective)	15.00%															
PV for each Month	(27,972,339)		(538,566)	(4,199)	(382,657)	(4,551,462)	(401,778)	(395,442)	(478,858)	(521,582)	(584,341)	(638,664)	(729,785)	(766,881)	(856,741)	(604,438)
NPV of Future Cash Flows			(27,972,339)	(27,755,158)	(28,076,009)	(28,008,654)	(23,568,254)	(23,418,484)	(23,268,766)	(23,021,823)	(22,719,005)	(22,336,238)	(21,880,353)	(21,307,145)	(20,674,843)	(19,920,252)
Variable Discount Rate (per ann, effective)	0.00%		15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(26,156,194)															

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Licensed to: Hill PDA Pty Ltd

Cash Flow Table for New build, Springvale

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	14	15	16	17	18	19	20	21	22	23	24	25	26	27
			Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28
Sale Summary																
Units Sold	128.00		7.70	7.70	7.70	7.70	7.70	7.70	7.70	7.70	7.70	-	-	-	-	-
Cumulative Units Sold			15.40	23.10	30.80	38.50	46.20	53.90	61.60	69.30	77.00	77.00	77.00	77.00	77.00	77.00
% Units Sold			12.0%	18.0%	24.1%	30.1%	36.1%	42.1%	48.1%	54.1%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%
SqM Sold	529.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SoM Sold			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold	88,972,345		4,936,967	4,951,141	4,965,355	4,979,610	4,993,906	5,008,243	5,022,621	5,037,040	5,051,501	-	-	-	-	-
Cumulative AUD Sold			9,859,801	14,810,942	19,776,296	24,755,906	29,749,812	34,758,055	39,780,676	44,817,716	49,869,217	49,869,217	49,869,217	49,869,217	49,869,217	49,869,217
% AUD Sold			11.1%	16.6%	22.2%	27.8%	33.4%	39.1%	44.7%	50.4%	56.1%	56.1%	56.1%	56.1%	56.1%	56.1%
Handover Summary																
Units Handed Over	128.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	529.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	88,972,345		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow																
Revenue																
Gross Sales Revenue	88,972,345		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(2,136,940)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	86,835,405		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs																
Land and Acquisition	4,768,531															
Professional Fees	2,059,967		57,499	57,499	57,499	57,499	57,499	57,499	57,499	57,499	57,499	57,499	57,499	57,499	57,499	57,499
Construction Costs	114,892,927		549,857	510,581	1,555,612	2,706,338	4,299,656	3,730,929	4,390,821	3,807,070	5,076,094	6,852,727	6,091,313	7,867,945	9,898,383	9,136,969
Statutory Fees	499,244		-	-	150,569	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	803,608		36,528	36,528	36,528	36,528	36,528	36,528	36,528	36,528	36,528	36,528	36,528	36,528	36,528	36,528
Project Contingency (Reserve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	263,308												90,806			
Pre-Sale Commissions	663,759		66,376	66,376	66,376	66,376	66,376	66,376	66,376	66,376	66,376	-	-	-	-	-
Financing Costs (exc Fees)	315,956		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(10,988,469)		(88,884)	(71,710)	(64,569)	(60,999)	(156,001)	(260,613)	(405,460)	(353,757)	(413,748)	(360,679)	(476,045)	(631,523)	(562,304)	(723,816)
TOTAL COSTS	113,278,831		621,375	599,274	1,802,014	2,805,742	4,304,058	3,630,719	4,145,764	3,613,715	4,822,749	6,586,074	5,800,100	7,330,449	9,430,106	8,507,180
Net Cash Flow (before Interest & Corporate Tax)	(26,443,426)		(621,375)	(599,274)	(1,802,014)	(2,805,742)	(4,304,058)	(3,630,719)	(4,145,764)	(3,613,715)	(4,822,749)	(6,586,074)	(5,800,100)	(7,330,449)	(9,430,106)	(8,507,180)
Cumulative Cash Flow			(13,206,676)	(13,805,950)	(15,607,964)	(18,413,706)	(22,717,764)	(26,348,483)	(30,494,246)	(34,107,962)	(38,930,711)	(45,516,785)	(51,316,884)	(58,647,333)	(68,077,439)	(76,584,619)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(26,443,426)		(621,375)	(599,274)	(1,802,014)	(2,805,742)	(4,304,058)	(3,630,719)	(4,145,764)	(3,613,715)	(4,822,749)	(6,586,074)	(5,800,100)	(7,330,449)	(9,430,106)	(8,507,180)
Cumulative Cash Flow			(13,206,676)	(13,805,950)	(15,607,964)	(18,413,706)	(22,717,764)	(26,348,483)	(30,494,246)	(34,107,962)	(38,930,711)	(45,516,785)	(51,316,884)	(58,647,333)	(68,077,439)	(76,584,619)
Financing																
Developer's Equity																
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injections	31,035,528		621,375	599,274	1,802,014	2,805,742	4,304,058	137,267	-	-	-	-	-	-	-	-
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(31,035,528)		(13,206,676)	(13,805,950)	(15,607,964)	(18,413,706)	(22,717,764)	(22,855,031)	(22,855,031)	(22,855,031)	(22,855,031)	(22,855,031)	(22,855,031)	(22,855,031)	(22,855,031)	(22,855,031)
Equity Cash Flow	(31,035,528)		(621,375)	(599,274)	(1,802,014)	(2,805,742)	(4,304,058)	(137,267)	-	-	-	-	-	-	-	-
Project Cash Account																
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for New build, Springvale

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	14	15	16	17	18	19	20	21	22	23	24	25	26	27
			Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28
Senior Loan - Bank	Debt															
Drawdown	(91,420,125)		-	-	-	-	-	(3,493,451)	(4,145,764)	(3,613,715)	(4,822,749)	(6,586,074)	(5,800,100)	(7,330,449)	(9,430,106)	(8,507,180)
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(4,592,102)		-	-	-	-	-	-	(21,834)	(47,882)	(70,767)	(101,351)	(143,147)	(180,293)	(227,235)	(287,593)
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	96,012,227		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees	4,592,102		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	91,420,125		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	-	(3,493,451)	(7,661,049)	(11,322,646)	(16,216,162)	(22,903,587)	(28,846,834)	(36,357,575)	(46,014,916)	(54,809,689)
% of Project & Finance Costs (inc Interest/Fees and net of GST).								2.96%	6.48%	9.55%	13.64%	19.23%	24.15%	30.37%	38.37%	45.58%
Senior Loan Cash Flow	4,592,102		-	-	-	-	-	(3,493,451)	(4,145,764)	(3,613,715)	(4,822,749)	(6,586,074)	(5,800,100)	(7,330,449)	(9,430,106)	(8,507,180)
Interest Coverage Ratio	78.88		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	0.90		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overdraft			-	-	-	-	-	(3,493,451)	(7,661,049)	(11,322,646)	(16,216,162)	(22,903,587)	(28,846,834)	(36,357,575)	(46,014,916)	(54,809,689)
% of Project & Finance Costs (inc Interest/Fees and net of GST).								2.96%	6.48%	9.55%	13.64%	19.23%	24.15%	30.37%	38.37%	45.58%
Total Equity to Debt Ratio	33.95%		-	-	-	-	-	654.22%	299.18%	203.10%	142.17%	100.85%	80.30%	63.85%	50.54%	42.54%
Total Debt Interest Coverage Ratio	78.88		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	0.90		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest & Corporate Tax)	(31,035,528)		(621,375)	(599,274)	(1,802,014)	(2,805,742)	(4,304,058)	(3,630,719)	(4,167,598)	(3,681,597)	(4,893,515)	(6,687,425)	(5,943,247)	(7,512,742)	(9,657,341)	(8,794,773)
Cumulative Cash Flow**			(13,206,676)	(13,805,950)	(15,607,964)	(18,413,706)	(22,717,764)	(26,348,483)	(30,516,080)	(34,177,678)	(39,071,193)	(45,758,618)	(51,701,865)	(59,212,607)	(68,869,947)	(77,664,720)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary																
Total Liability on Revenue	(8,434,648)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withheld by Purchaser	(8,434,648)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Liability (+ve) / Credit (+ve)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax.			(621,375)	(599,274)	(1,802,014)	(2,805,742)	(4,304,058)	(3,630,719)	(4,145,764)	(3,613,715)	(4,822,749)	(6,586,074)	(5,800,100)	(7,330,449)	(9,430,106)	(8,507,180)
Static Discount Rate (per ann. effective)	15.00%															
PV for each Month	(27,972,339)		(527,886)	(503,214)	(1,495,642)	(2,301,755)	(3,490,047)	(2,909,964)	(3,284,290)	(2,829,650)	(3,732,633)	(5,038,359)	(4,385,709)	(5,478,690)	(6,966,339)	(6,211,772)
NPV of Future Cash Flows			(19,442,131)	(19,041,239)	(18,658,011)	(17,053,463)	(14,414,632)	(10,229,019)	(6,675,599)	(2,559,472)	1,066,594	5,958,336	12,691,366	18,708,092	26,343,580	36,192,772
Variable Discount Rate (per ann. effective)	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(26,156,194)															

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

Licensed to: HB PDA Pty Ltd

Cash Flow Table for New build, Springvale

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	28	29	30	31	32	33	34	35	36	37	38
			May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29
Sale Summary													
Units Sold	128.00		-	-	-	-	-	12.75	12.75	12.75	12.75	-	-
Cumulative Units Sold			77.00	77.00	77.00	77.00	77.00	89.75	102.50	115.25	128.00	128.00	128.00
% Units Sold			60.2%	60.2%	60.2%	60.2%	60.2%	70.1%	80.1%	90.0%	100.0%	100.0%	100.0%
SqM Sold	529.00		-	-	-	-	-	132.25	132.25	132.25	132.25	-	-
Cumulative SqM Sold			-	-	-	-	-	132.25	264.50	396.75	529.00	529.00	529.00
% SoM Sold			-	-	-	-	-	25.0%	50.0%	75.0%	100.0%	100.0%	100.0%
AUD Sold	88,972,345		-	-	-	-	-	9,731,709	9,761,031	9,790,443	9,819,944	-	-
Cumulative AUD Sold			49,869,217	49,869,217	49,869,217	49,869,217	49,869,217	59,600,926	69,361,958	79,152,401	88,972,345	88,972,345	88,972,345
% AUD Sold			56.1%	56.1%	56.1%	56.1%	56.1%	67.0%	78.0%	89.0%	100.0%	100.0%	100.0%
Handover Summary													
Units Handed Over	128.00		-	-	-	-	-	89.75	12.75	12.75	12.75	-	-
Cumulative Units Handed Over			-	-	-	-	-	89.75	102.50	115.25	128.00	128.00	128.00
% Units Handed Over			-	-	-	-	-	70.1%	80.1%	90.0%	100.0%	100.0%	100.0%
SqM Handed Over	529.00		-	-	-	-	-	132.25	132.25	132.25	132.25	-	-
Cumulative SqM Handed Over			-	-	-	-	-	132.25	264.50	396.75	529.00	529.00	529.00
% SqM Handed Over			-	-	-	-	-	25.0%	50.0%	75.0%	100.0%	100.0%	100.0%
AUD Handed Over	88,972,345		-	-	-	-	-	59,600,926	9,761,031	9,790,443	9,819,944	-	-
Cumulative AUD Handed Over			-	-	-	-	-	59,600,926	69,361,958	79,152,401	88,972,345	88,972,345	88,972,345
% AUD Handed Over			-	-	-	-	-	67.0%	78.0%	89.0%	100.0%	100.0%	100.0%
Project Cash Flow													
Revenue													
Gross Sales Revenue	88,972,345		-	-	-	-	-	59,600,926	9,761,031	9,790,443	9,819,944	-	-
Selling Costs	(2,136,940)		-	-	-	-	-	(1,233,064)	(300,399)	(301,291)	(302,186)	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-
GST Payments (-)/Refunds (+)	-		-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	86,835,405		-	-	-	-	-	58,367,863	9,460,632	9,489,152	9,517,758	-	-
Costs													
Land and Acquisition	4,768,531												
Professional Fees	2,059,967		57,499	57,499	57,499	57,499	57,499	57,499	-	-	-	-	-
Construction Costs	114,892,927		11,928,820	10,913,602	6,091,313	7,106,531	5,583,703	-	-	-	-	-	-
Statutory Fees	499,244		-	-	-	-	-	283,217	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-
Marketing	803,608		36,528	36,528	36,528	36,528	36,528	36,528	-	-	-	-	-
Project Contingency (Reserve)	-		-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	263,308		-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	663,759		-	-	-	-	-	-	-	-	-	-	-
Financing Costs (exc Fees)	315,956		-	-	-	-	-	-	-	-	-	-	-
GST Refunds (Input Credits)	(10,988,469)		(908,401)	(839,181)	(1,092,986)	(1,000,693)	(562,304)	(654,596)	(516,157)	(120,645)	(27,309)	(27,390)	(27,471)
TOTAL COSTS	113,278,831		11,114,446	10,168,447	5,092,353	6,199,864	5,115,426	(277,353)	(516,157)	(120,645)	(27,309)	(27,390)	(27,471)
Net Cash Flow (before Interest & Corporate Tax)	(26,443,426)		(11,114,446)	(10,168,447)	(5,092,353)	(6,199,864)	(5,115,426)	58,645,215	9,976,789	9,609,796	9,545,067	27,390	27,471
Cumulative Cash Flow			(87,699,065)	(97,867,512)	(102,959,865)	(109,159,730)	(114,275,156)	(55,629,941)	(45,653,151)	(36,043,355)	(26,498,288)	(26,470,897)	(26,443,426)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(26,443,426)		(11,114,446)	(10,168,447)	(5,092,353)	(6,199,864)	(5,115,426)	58,645,215	9,976,789	9,609,796	9,545,067	27,390	27,471
Cumulative Cash Flow			(87,699,065)	(97,867,512)	(102,959,865)	(109,159,730)	(114,275,156)	(55,629,941)	(45,653,151)	(36,043,355)	(26,498,288)	(26,470,897)	(26,443,426)
Financing													
Developer's Equity													
Manual Adjustments (Inject + / Repay -)			0	0	0	0	0	0	0	0	0	0	0
Injections	31,035,528		-	-	-	-	-	-	-	-	-	-	8,180,497
Interest Charged	-		-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-		-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-		-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(31,035,528)		(22,855,031)	(22,855,031)	(22,855,031)	(22,855,031)	(22,855,031)	(22,855,031)	(22,855,031)	(22,855,031)	(22,855,031)	(22,855,031)	(31,035,528)
Equity Cash Flow	(31,035,528)		-	-	-	-	-	-	-	-	-	-	(8,180,497)
Project Cash Account													
Surplus Cash Injection	-		-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-		-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance			-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for New build, Springvale

PROJECT CASH FLOW	TOTAL	GST	28	29	30	31	32	33	34	35	36	37	38
			May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29
Senior Loan - Bank	Debt												
Drawdown	(91,420,125)		(11,114,446)	(10,168,447)	(5,092,353)	(6,199,864)	(5,115,426)	-	-	-	-	-	-
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(4,592,102)		(342,561)	(414,167)	(480,308)	(515,137)	(557,106)	(592,559)	(229,730)	(168,811)	(109,805)	(50,835)	(50,981)
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans	-		-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	96,012,227		-	-	-	-	-	58,645,215	9,976,789	9,609,796	9,545,067	27,390	8,207,968
Interest & Fees	4,592,102		-	-	-	-	-	3,981,940	229,730	168,811	109,805	27,390	74,426
Principal	91,420,125		-	-	-	-	-	54,663,276	9,747,059	9,440,985	9,435,262	-	8,133,543
Loan Balance	-		(66,266,696)	(76,849,310)	(82,421,971)	(89,136,973)	(94,809,505)	(36,756,849)	(27,009,790)	(17,568,805)	(8,133,543)	(8,156,987)	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).			55.01%	63.64%	67.96%	73.22%	77.56%	77.56%	77.56%	77.56%	77.56%	77.56%	-
Senior Loan Cash Flow	4,592,102		(11,114,446)	(10,168,447)	(5,092,353)	(6,199,864)	(5,115,426)	58,645,215	9,976,789	9,609,796	9,545,067	27,390	8,207,968
Interest Coverage Ratio	78.88		-	-	-	-	-	98.50	41.18	56.21	86.68	-	-
Debt Service Ratio	0.90		-	-	-	-	-	1.00	0.95	0.99	1.00	-	-
Project Overdraft			(66,266,696)	(76,849,310)	(82,421,971)	(89,136,973)	(94,809,505)	(36,756,849)	(27,009,790)	(17,568,805)	(8,133,543)	(8,156,987)	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).			55.01%	63.64%	67.96%	73.22%	77.56%	77.56%	77.56%	77.56%	77.56%	77.56%	-
Total Equity to Debt Ratio	33.95%		35.25%	30.47%	28.53%	26.48%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	33.95%
Total Debt Interest Coverage Ratio	78.88		-	-	-	-	-	98.50	41.18	56.21	86.68	-	-
Total Debt Service Ratio	0.90		-	-	-	-	-	1.00	0.95	0.99	1.00	-	-
Net Cash Flow (after Interest & Corporate Tax)	(31,035,528)		(11,457,007)	(10,582,614)	(5,572,661)	(6,715,002)	(5,672,532)	58,052,856	9,747,059	9,440,985	9,435,262	(23,445)	(23,510)
Cumulative Cash Flow**			(89,121,727)	(99,704,341)	(105,277,002)	(111,992,004)	(117,664,536)	(59,611,880)	(49,864,821)	(40,423,836)	(30,988,574)	(31,012,018)	(31,035,528)
Check Balance	-		-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary													
Total Liability on Revenue	(8,434,648)		-	-	-	-	-	(5,845,150)	(860,693)	(863,164)	(865,642)	-	-
Withheld by Purchaser	(8,434,648)		-	-	-	-	-	(5,845,150)	(860,693)	(863,164)	(865,642)	-	-
Net Liability (-ve) / Credit (+ve)	-		-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV													
Cash Flow that excludes all financing costs, interest and corp tax.			(11,114,446)	(10,168,447)	(5,092,353)	(6,199,864)	(5,115,426)	58,645,215	9,976,789	9,609,796	9,545,067	27,390	27,471
Static Discount Rate (per ann. effective)	15.00%												
PV for each Month	(27,972,339)		(8,021,573)	(7,253,843)	(3,590,657)	(4,320,952)	(3,523,878)	39,931,307	6,714,499	6,392,619	6,276,037	17,801	17,647
NPV of Future Cash Flows			45,223,608	56,998,050	67,953,347	73,901,424	81,039,669	87,164,395	28,853,279	19,097,626	9,598,979	54,543	27,471
Variable Discount Rate (per ann. effective)	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NPV (using weighted avg discount rate)	(26,156,194)												

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

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Gantt Chart for New build, Springvale

1000		LAND PURCHASE & ACQUISITION COSTS			
Code	Stage		Month Start	Month Span	Cash Flow Period
1002	-	Deposit In Trust Account *	0	1	Jan-26 - Jan-26
1007	-	Settlement (Balance)	3	1	Apr-26 - Apr-26

		Other Acquisition Costs			
Code	Stage	To be entered Exclusive of GST	Month Start	Month Span	Cash Flow Period
1011	-	Stamp Duties	3	1	Apr-26 - Apr-26
1012	-	Due Diligence	0	3	Jan-26 - Mar-26
1013	-	Legals	3	1	Apr-26 - Apr-26
					TOTAL

3000		PROFESSIONAL FEES			
Code	Stage	Description	Month Start*	Month Span	Cash Flow Period
3001	-	Masterplanning	2	4	Mar-26 - Jun-26
3002	-	Concept design and D.A. preparation	6	6	Jul-26 - Dec-26
3003	-	Design documentation	12	4	Jan-27 - Apr-27
3004	-	Project management and supervision	C		Mar-26 - Sep-28
3099	-	Development Management	2	32	Mar-26 - Oct-28
					TOTAL

4000		CONSTRUCTION COSTS			
Code	Stage	Description	Month Start	Month Span	Cash Flow Period
4002	-	Total Building Cost	18	15	Jul-27 - Sep-28
4003	-	External Works and Services	16	2	May-27 - Jun-27
4004	-	ESD Initiatives	18	15	Jul-27 - Sep-28
4005	-	Design Contingency	18	15	Jul-27 - Sep-28
4006	-	Construction Cost Escalation	18	15	Jul-27 - Sep-28
4007	-	Construction Cost Escalation to Completion	18	15	Jul-27 - Sep-28
4008	-	Construction Contingency	18	15	Jul-27 - Sep-28
4009	-	Consultant Fees	2	14	Mar-26 - Apr-27
4010	-	Project Management	18	15	Jul-27 - Sep-28
4011	-	Building Permit Levy	18	1	Jul-27 - Jul-27
4012	-	Cladding Rectification levy	18	1	Jul-27 - Jul-27
4013	-	Supply authority and headworks charges	18	1	Jul-27 - Jul-27
					TOTAL

5000		Statutory Fees			
Code	Stage	Description	Month Start	Month Span	Cash Flow Period
5001	-	Permit Fee	6	1	Jul-26 - Jul-26
5002	-	Windfall Gains	2	1	Mar-26 - Mar-26
5003	-	Metropolitan Planning Levy	16	1	May-27 - May-27
5004	-	Open space contribution	33	1	Oct-28 - Oct-28
					TOTAL

6000		Marketing			
Code	Stage	Description	Month Start*	Month Span	Cash Flow Period
6001	-	Marketing	12	22	Jan-27 - Oct-28
					TOTAL

7000		LAND HOLDING COSTS			
Code	Stage	Description	Month Start	Month Span*	Cash Flow Period
7001	-	Council Rates		DS	Jan-26 - Jan-29
7002	-	Land Tax		DS	Jan-26 - Jan-29
					TOTAL

8000		SELLING & LEASING COSTS
8001	RS1	Residential - 1 Bedroom Units
8002	RS2	Residential - 2 Bedroom Units
8003	RS3	Residential - 3 Bedroom Units
8005	RTH	Townhouse Lots
8006	COM	Commercial Office

		Other Selling Costs			
Code	Stage	To be entered Exclusive of GST	Month Start	Month Span	Cash Flow Period
8102	-	Legals and disbursements	x		Oct-28 - Jan-29
					TOTAL

Gantt Chart for New build, Springvale

Low-Mid Range Cost - 1

Code	Stage	Description	Settlements Month Start	Settlements Month Span	Cash Flow Period
9000		**SALES**			
9001	-	PRESALES			-
9003	-	APARTMENTS		1	Jan-26 - Jan-26
9004	-	Studio	33	1	Oct-28 - Oct-28
9005	-	Studio (P)	33	1	Oct-28 - Oct-28
9006	-	1-bedroom	33	1	Oct-28 - Oct-28
9007	-	1-bedroom (P)	33	1	Oct-28 - Oct-28
9008	-	2-bedroom	33	1	Oct-28 - Oct-28
9009	-	2-bedroom (P)	33	1	Oct-28 - Oct-28
9010	-	3-bedroom	33	1	Oct-28 - Oct-28
9011	-	3-bedroom (P)	33	1	Oct-28 - Oct-28
9013	-	TOWNHOUSES			-
9014	-	1-bedroom TH	33	1	Oct-28 - Oct-28
9015	-	2-bedroom TH	33	1	Oct-28 - Oct-28
9016	-	3-bedroom TH	33	1	Oct-28 - Oct-28
9018	-	COMMERCIAL	33	1	Oct-28 - Oct-28
-	-	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
-	-	BALANCE			-
-	-	APARTMENTS		4	Jan-26 - Apr-26
-	-	Studio	33	4	Oct-28 - Jan-29
-	-	Studio (P)	33	4	Oct-28 - Jan-29
-	-	1-bedroom	33	4	Oct-28 - Jan-29
-	-	1-bedroom (P)	33	4	Oct-28 - Jan-29
-	-	2-bedroom	33	4	Oct-28 - Jan-29
-	-	2-bedroom (P)	33	4	Oct-28 - Jan-29
-	-	3-bedroom	33	4	Oct-28 - Jan-29
-	-	3-bedroom (P)	33	4	Oct-28 - Jan-29
-	-	TOWNHOUSES		4	Jan-26 - Apr-26
-	-	1-bedroom TH	33	4	Oct-28 - Jan-29
-	-	2-bedroom TH	33	4	Oct-28 - Jan-29
-	-	3-bedroom TH	33	4	Oct-28 - Jan-29
-	-	COMMERCIAL	33	4	Oct-28 - Jan-29
		TOTAL			

Code	Stage	Financing Costs (To be entered Exclusive of GST)	Month Start	Month Span	Cash Flow Period
10000		**FINANCING**			
10009	-	Establishment Costs	1	1	Feb-26 - Feb-26
		TOTAL			

PROJECT CHARTS

New build, Springvale

Low-Mid Range Cost

1

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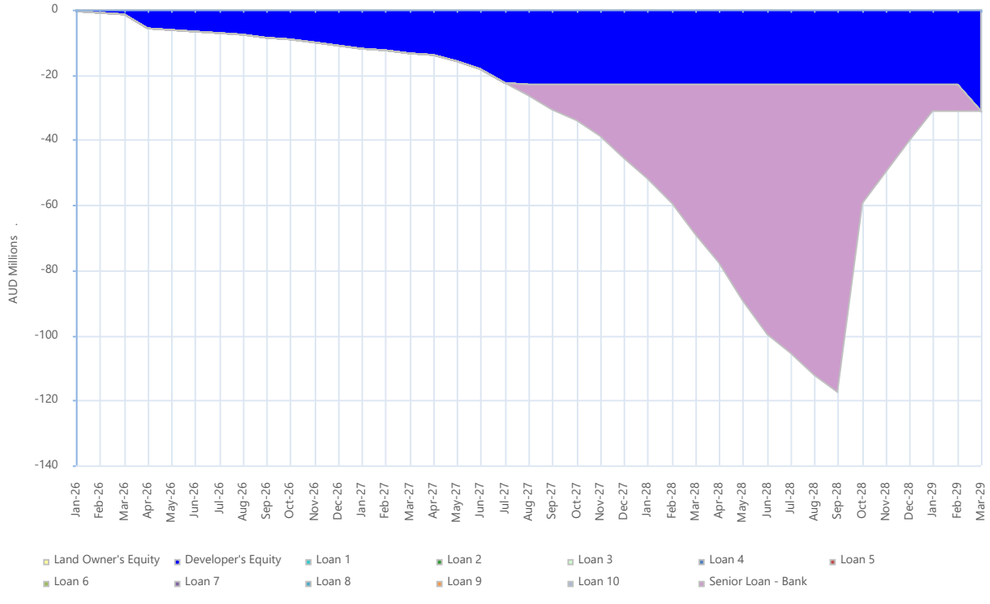
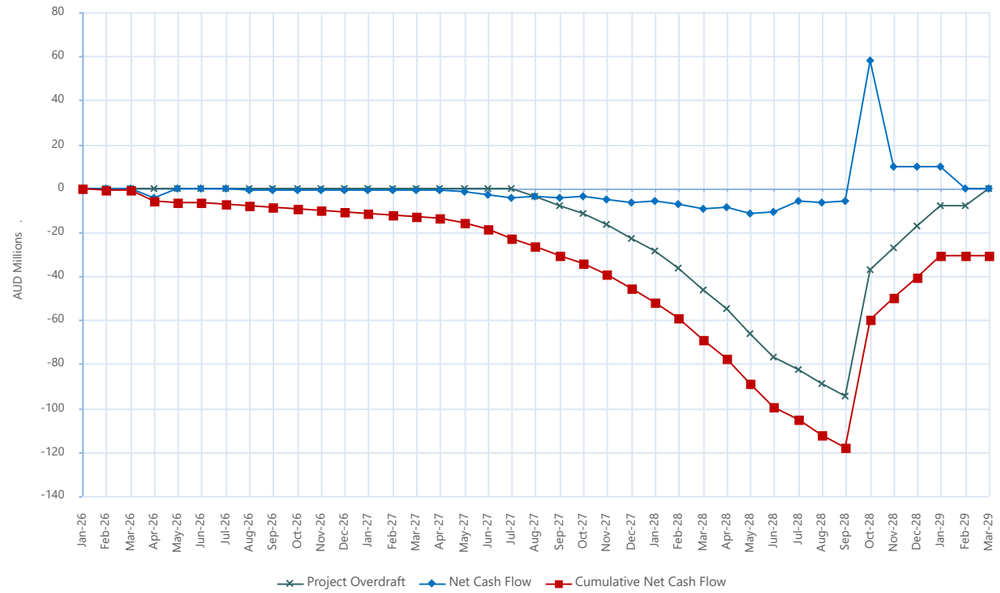
Project Cumulative Cash Flow



Project Cash Flow & Overdraft



ARGUS EstateMaster | Development Feasibility

PROJECT CHARTS

New build, Springvale

Low-Mid Range Cost

1

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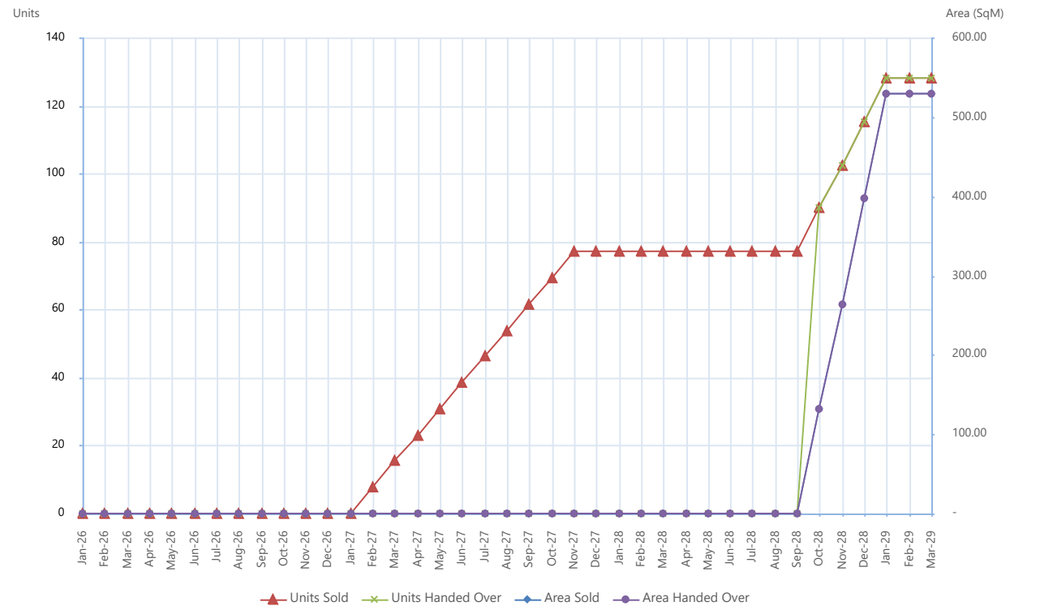
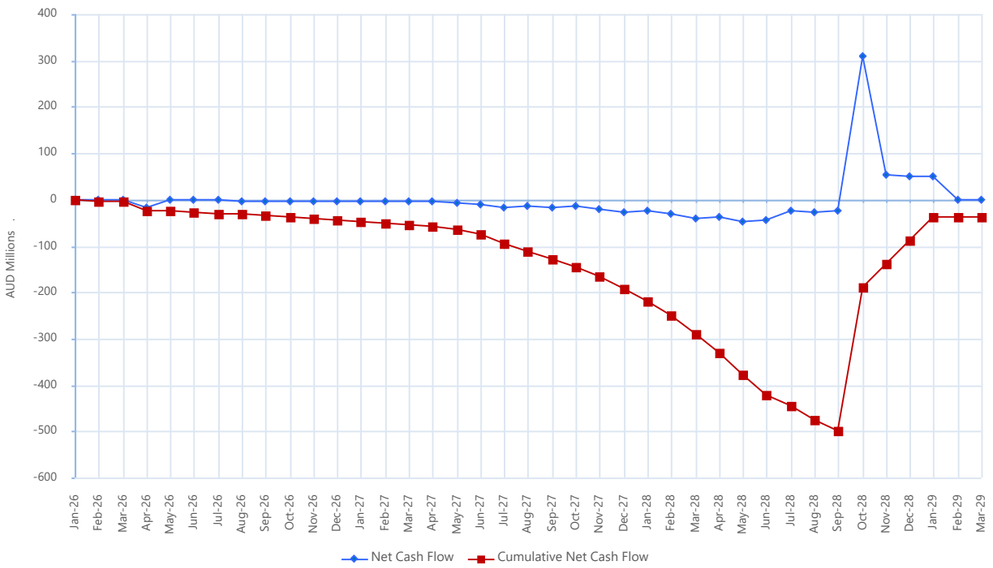
Stock Summary - Sales vs Handovers



Consolidated Cash Flow



Current Financial Year Cash Flow for New build, Springvale

PROJECT CASH FLOW	TOTAL	GST	Year 0	Year 1	Year 2	Year 3
			Jun-26	Jun-27	Jun-28	Jun-29
Sale Summary						
Units Sold	128.00		-	38.50	38.50	51.00
Cumulative Units Sold			-	38.50	77.00	128.00
% Units Sold			-	30.1%	60.2%	100.0%
SqM Sold	529.00		-	-	-	529.00
Cumulative SqM Sold			-	-	-	529.00
% SqM Sold			-	-	-	100.0%
AUD Sold	88,972,345		-	24,755,906	25,113,311	39,103,128
Cumulative AUD Sold			-	24,755,906	49,869,217	88,972,345
% AUD Sold			-	27.8%	56.1%	100.0%
Handover Summary						
Units Handed Over	128.00		-	-	-	128.00
Cumulative Units Handed Over			-	-	-	128.00
% Units Handed Over			-	-	-	100.0%
SqM Handed Over	529.00		-	-	-	529.00
Cumulative SqM Handed Over			-	-	-	529.00
% SqM Handed Over			-	-	-	100.0%
AUD Handed Over	88,972,345		-	-	-	88,972,345
Cumulative AUD Handed Over			-	-	-	88,972,345
% AUD Handed Over			-	-	-	100.0%
Project Cash Flow						
Revenue						
Gross Sales Revenue	88,972,345		-	-	-	88,972,345
Selling Costs	(2,136,940)		-	-	-	(2,136,940)
Gross Rental Income	-		-	-	-	-
Leasing Costs	-		-	-	-	-
Other Income	-		-	-	-	-
Interest Received*	-		-	-	-	-
GST Payments (Liabilities)	-		-	-	-	-
TOTAL NET REVENUE	86,835,405		-	-	-	86,835,405
Costs						
Land and Acquisition	4,768,531		4,768,531	-	-	-
Professional Fees	2,059,967		449,996	689,988	689,988	229,996
Construction Costs	114,892,927		1,256,816	10,860,234	83,994,329	18,781,547
Statutory Fees	499,244		-	216,027	-	283,217
Miscellaneous Costs 1	-		-	-	-	-
Misc 2	-		-	-	-	-
Marketing	803,608		-	219,166	438,331	146,110
Project Contingency (Reserve)	-		-	-	-	-
Land Holding Costs	263,308		84,768	87,735	90,806	-
Pre-Sale Commissions	663,759		-	331,880	331,880	-
Financing Costs (exc Fees)	315,956		315,956	-	-	-
GST Refunds (Input Credits)	(10,988,469)		(100,950)	(766,439)	(6,091,528)	(4,029,552)
TOTAL COSTS	113,278,831		6,775,117	11,638,590	79,453,806	15,411,319
Net Cash Flow (before Interest & Corporate Tax)	(26,443,426)		(6,775,117)	(11,638,590)	(79,453,806)	71,424,086
Cumulative Cash Flow			(6,775,117)	(18,413,706)	(97,867,512)	(26,443,426)
Corporate Tax	-		-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(26,443,426)		(6,775,117)	(11,638,590)	(79,453,806)	71,424,086
Cumulative Cash Flow			(6,775,117)	(18,413,706)	(97,867,512)	(26,443,426)
Financing						
Developer's Equity						
Manual Adjustments (Inject + / Repay -)	-		-	-	-	-
Injections	31,035,528		6,775,117	11,638,590	4,441,325	8,180,497
Interest Charged	-		-	-	-	-
Equity Repayment	-		-	-	-	-
Less Profit Share	-		-	-	-	-
Equity Balance	(31,035,528)		(6,775,117)	(18,413,706)	(22,855,031)	(31,035,528)
Equity Cash Flow	(31,035,528)		(6,775,117)	(11,638,590)	(4,441,325)	(8,180,497)
Project Cash Account						
Surplus Cash Injection	-		-	-	-	-
Cash Reserve Drawdown	-		-	-	-	-
Interest on Surplus Cash	-		-	-	-	-
Surplus Cash Balance			-	-	-	-
Senior Loan - Bank	Debt					
Drawdown	(91,420,125)		-	-	(75,012,481)	(16,407,644)
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%
Interest Charged	(4,592,102)		-	-	(1,836,829)	(2,755,273)
Fees Charged (Application, Line & Standby)	-		-	-	-	-
Interest & Fees Paid by other Loans	-		-	-	-	-
Loan Repayment	96,012,227		-	-	-	96,012,227
Interest & Fees	4,592,102		-	-	-	4,592,102
Principal	91,420,125		-	-	-	91,420,125
Loan Balance	-		-	-	(76,849,310)	-
% of Project & Finance Costs (inc Interest/Fees and net of GST).						
Senior Loan Cash Flow	4,592,102		-	-	(75,012,481)	79,604,583
Interest Coverage Ratio	78.88		-	-	-	31.52
Debt Service Ratio	0.90		-	-	-	0.90
Project Overdraft			-	-	(76,849,310)	-
Net Cash Flow (after Interest & Corporate Tax)	(31,035,528)		(6,775,117)	(11,638,590)	(81,290,635)	68,668,813
Cumulative Cash Flow**			(6,775,117)	(18,413,706)	(99,704,341)	(31,035,528)
Check Balance	-		-	-	-	-
GST Liability Summary						
Total Liability on Revenue	(8,434,648)		-	-	-	(8,434,648)
Withheld by Purchaser	(8,434,648)		-	-	-	(8,434,648)
Net Liability (-ve) / Credit (+ve)	-		-	-	-	-

* Includes half interest from deposit on land acquisition plus Interest received from pre-sale deposits

** Cumulative Cash Flow After Interest is revenue less costs (including interest on overdraft)

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