


10.0

Design testing for Site 4: 5 Osborne Avenue, Springvale (City of Greater Dandenong)

A large, abstract yellow graphic composed of several overlapping rectangular blocks of varying heights and widths, creating a stepped, architectural-like form that extends across the bottom and right side of the page.

10.1 Market research and demographic analysis

This analysis is prepared by HillPDA for the Osborne 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 to 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.

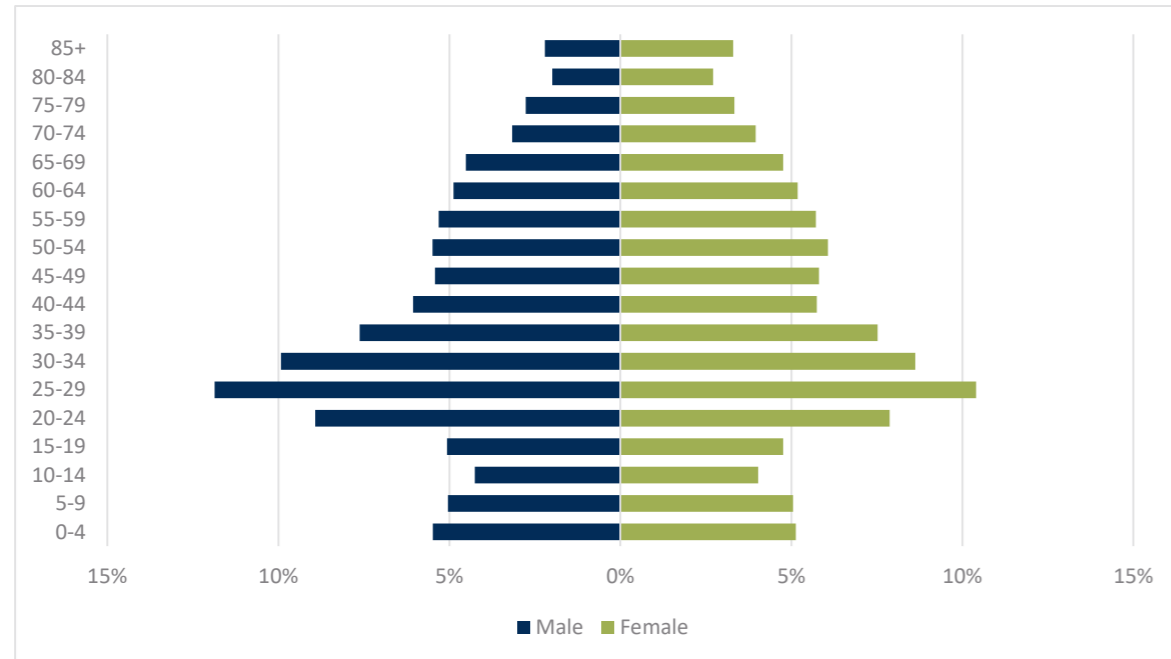
Figure 1: Springvale and surrounds



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.

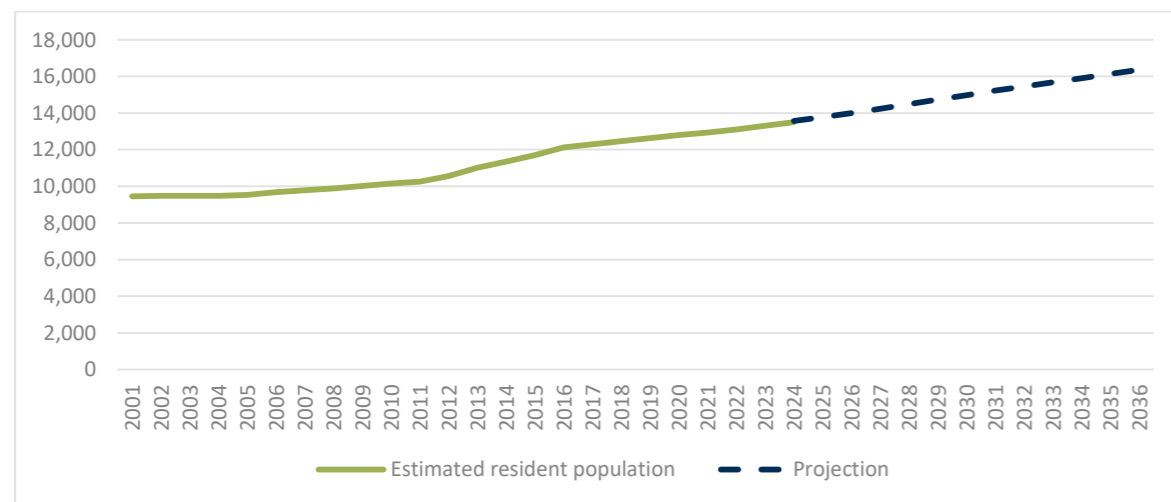
Figure 2: Age distribution in five year age groups (Springvale)



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)



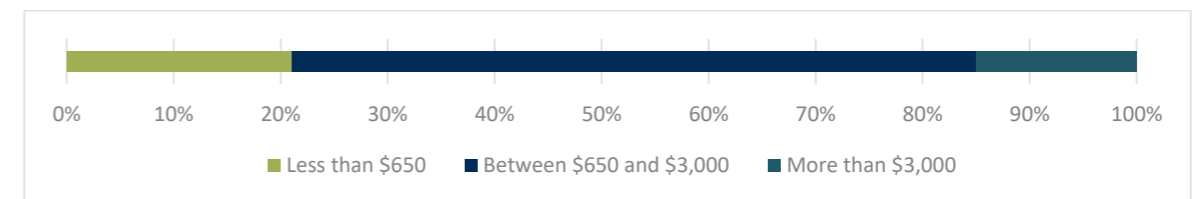
Source: ABS (2025); DTP (2023).

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 bed-sitters)	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.

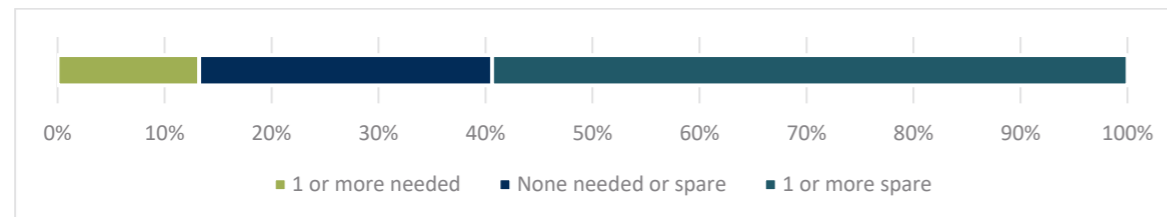
Table 5: Tenure type (Springvale)

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 rising 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 stabilised 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 enhances 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. The 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 Avenue	\$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 Springvale	\$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.

Commercaill Shopfront Prices

- Commercaill 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 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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10.2 Site analysis

10.2.1 Existing buildings

This site contains multiple low-scale buildings, including a sports/recreation hall and other community buildings.

10.2.2 Strategic policy

Zone:

This site is in the **Public Use Zone (PUZ)**. The purpose of this Zone is:

- To recognise public land use for public utility and community services and facilities.
- To provide for associated uses that are consistent with the intent of the public land reservation or purpose.

Design and Development Overlay 6 (DDO6): Springvale Activity Centre

The site is located within Springvale Activity Centre, as shown within 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.

However, this site is identified in DDO6 as 'other non-residential areas inside activity centre', and is not within a DDO precinct, and is not allocated built form controls in the DDO, presumably due to its Public Use Zoning and existing community/civic uses.

Planning Policy reform: Activity Centres Program

As outlined above, the Activity Centre Program is now being expanded to include 50 more train and tram zones, including Springvale Station.

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 1000m² 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.

It is assumed that the Ormond Avenue site would fall within the activity centre core, subject to future planning.

10.2.3 Site parameters

Location and access

This site is located approximately 400m walking distance from Springvale station (5 minutes' walk), via the Djerring Trail, a paved path which runs along the southern side of the rail corridor, adjacent the site.

The Djerring Trail extends for some 38km connecting to Yarraman Station to the south-east, close to Central Dandenong, and to Caulfield to the north-west, with other trails connecting from there to the Melbourne CBD.

A pedestrian bridge across the rail corridor adjacent to the site links to Springvale Reserve and the industrial area to the north, which also contains churches, and connects to Springvale Road to the east.

Street frontages

The triangular site has three street frontages:

- Osborne Avenue (south), approximately 19m wide including footpaths, with suburban residential development opposite;
- Victoria Avenue (west), approximately 20m wide with parallel parking both sides, also with suburban residential development opposite;
- Queens Avenue (north/east), one-way (south/eastbound), approximately 20m wide with angled parking both sides, adjoining the rail corridor.

Width

The site is approximately 92m wide (east-west).

Length

The site is approximately 72m long (north-south).

Area

6,790 sq.m.

10.2.4 Site constraints

Zoning

The current Public Use Zone would need to be changed to accommodate residential development.

Existing uses

The existing community groups and activities which utilise the site would require new accommodation within a development on the site, or in an alternative location. This includes potential temporary relocation during construction.

Low-scale built form context

Potential for higher-density housing may be constrained by market conditions and the generally low-scale context.

Rail interface

Noise impacts from the rail corridor would require mitigation.

Existing buildings

The existing buildings on the site would require demolition and removal, or retention and adaptation for re-use. They do not have formal heritage status, but may hold local cultural value.

10.2.5 Site opportunities

Separation/island site

The site does not have any direct boundary interfaces to residential properties, as it is surrounded by streets.

Activity Centre location / proximity to Station

The site's location within Springvale Activity Centre and within walking distance to Springvale Station supports higher density residential development. The adjacent footbridge enhances walkability within the Activity Centre.

Passive surveillance and safety

New residential development would enhance activation and passive surveillance opportunities for adjoining streets and existing and new open spaces.

Queens Avenue site expansion

It has been identified that a development on this site may occupy part of the Queens Avenue streetscape, to increase the site size and potential residential yield.

10.3 Design concept plans

This section comprises the analysis, design strategies, concept plans and yield analysis, prepared by Austin Maynard Architects for the Osborne Avenue, Springvale site.

1 Site & Context Analysis

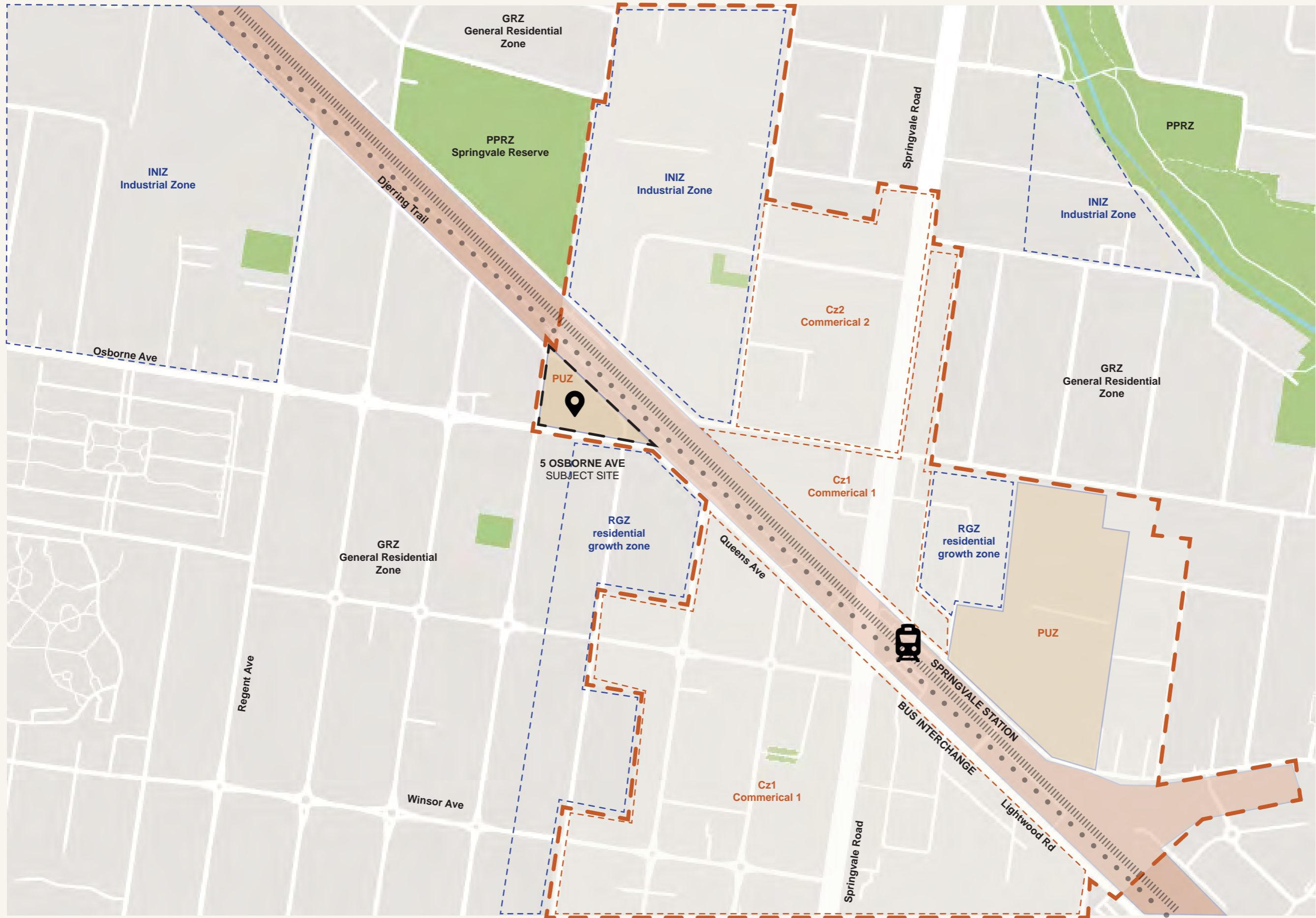
2 Precedents

3 Adaptive Re-use

4 Concept Plans

5 Sketch Images

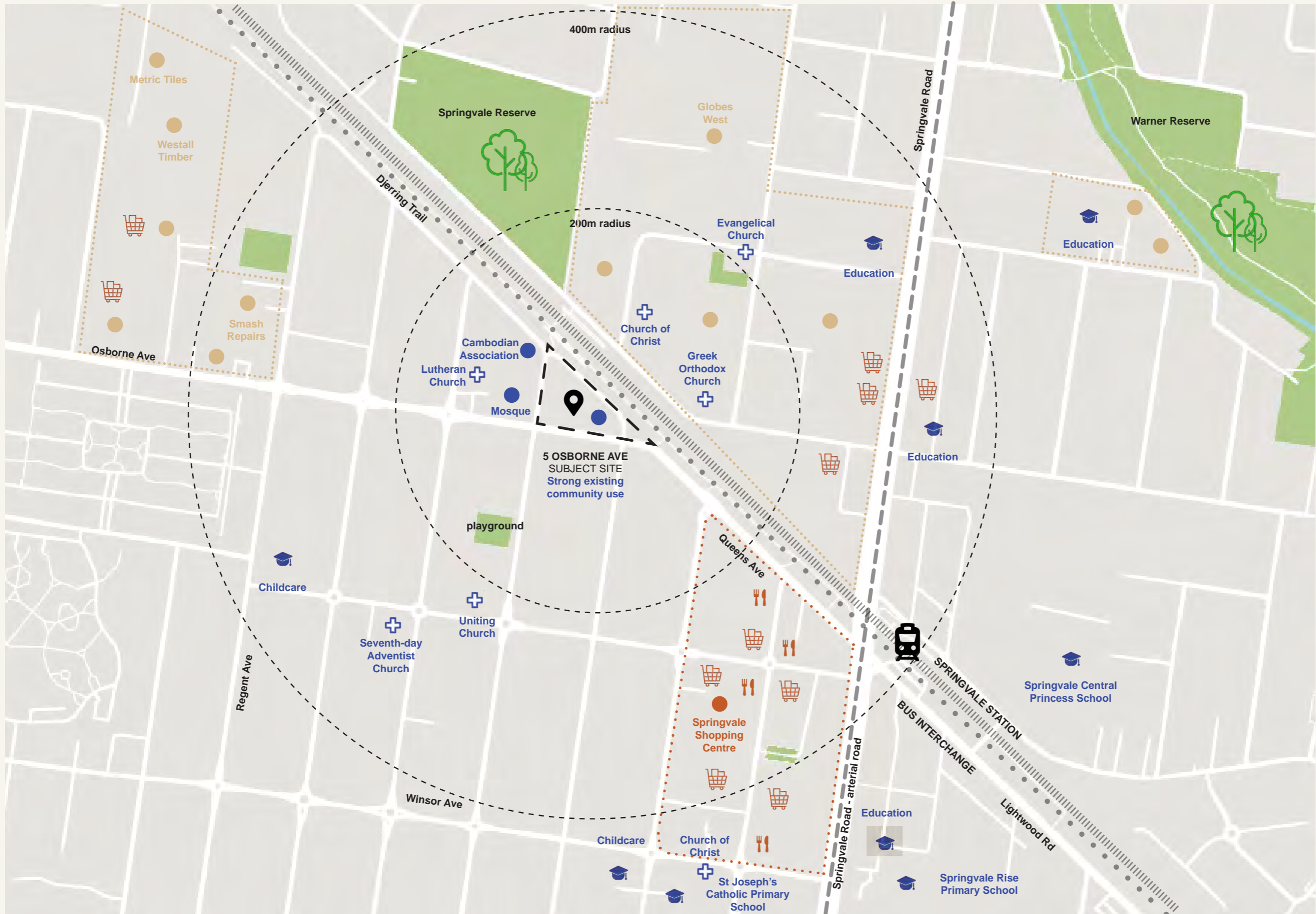
6 Development Summary



LEGEND

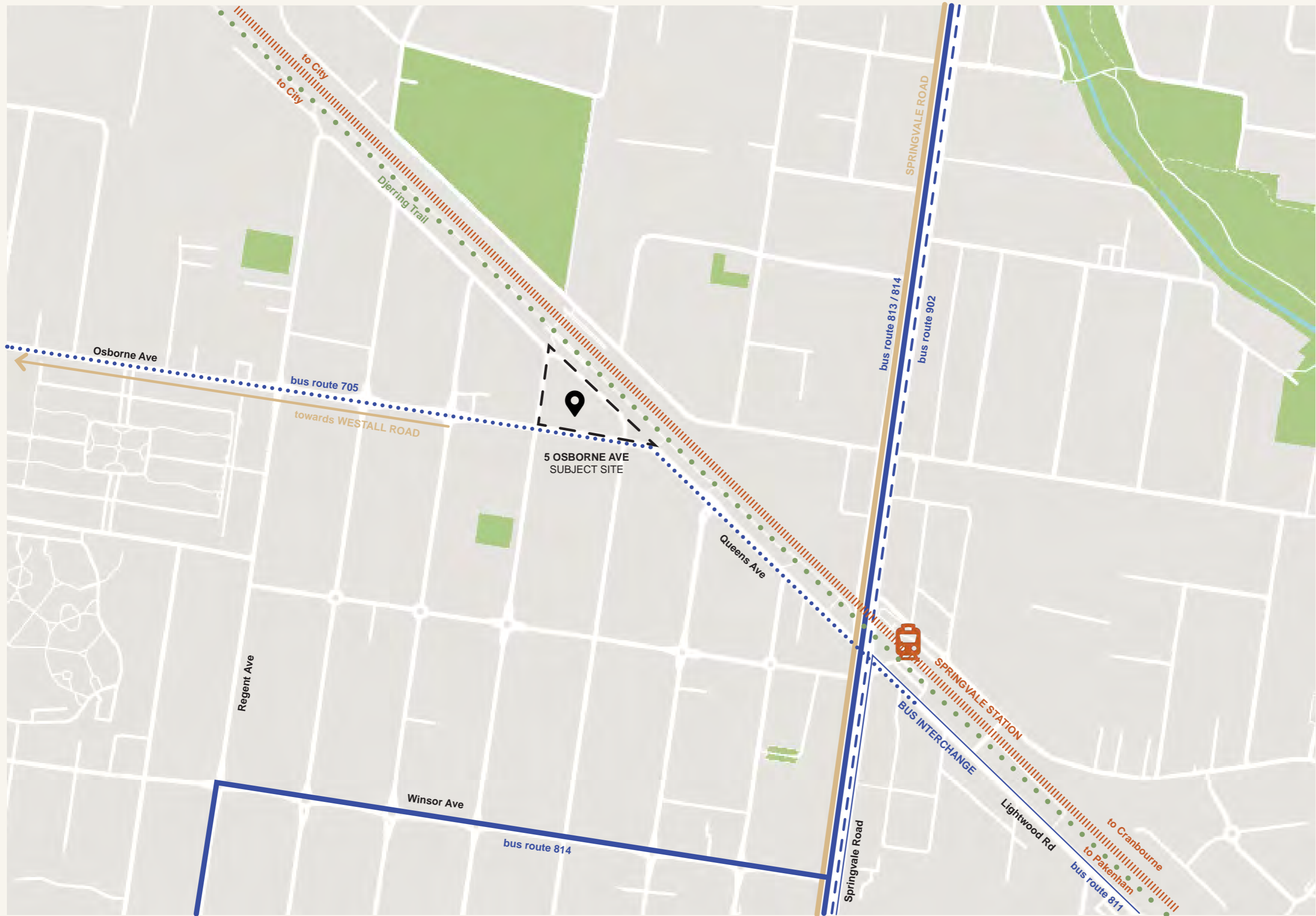
- GDPS Activity Centre Plan
- GRZ: General Residential
- PUZ: Public Use - Local Government
- PPRZ: Public Park and Recreation
- RGZ: Residential Growth Zone
- TRZ1: State Transport Infrastructure
- IN1Z: Industrial Zone
- C1Z: Commercial 1
- C2Z: Commercial 2
- Subject Site
- Railway Line
- Bike/ Walking Route





- LEGEND**
- Retail (orange dotted line)
 - Community Use (blue dotted line)
 - Light Industry / Commercial (orange dotted line)
 - Public Green Space (green shaded area)
 - Community Buildings (blue circle)
 - Retail Buildings (orange circle)
 - Commerical Buildings (orange circle)
 - Subject Site (dashed line with pin)
 - Railway Line (dashed line with cross-ticks)
 - Bike/ Walking Route (dotted line)
 - Arterial Road (dashed line)





LEGEND

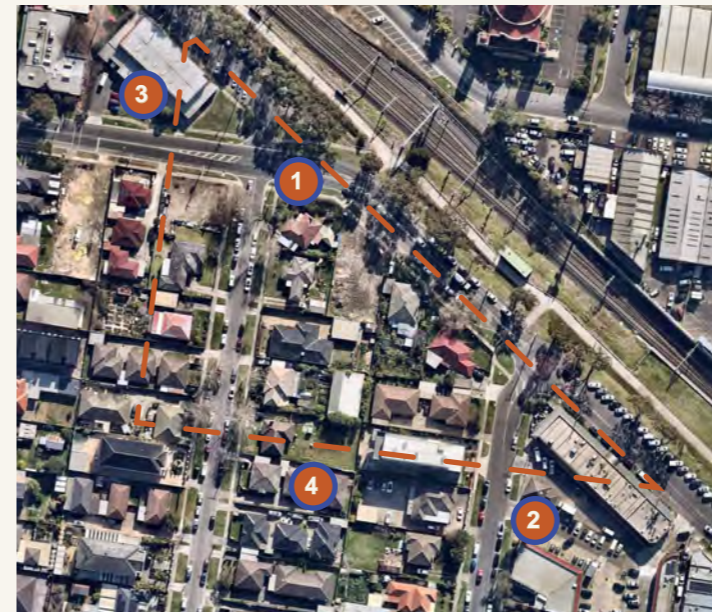
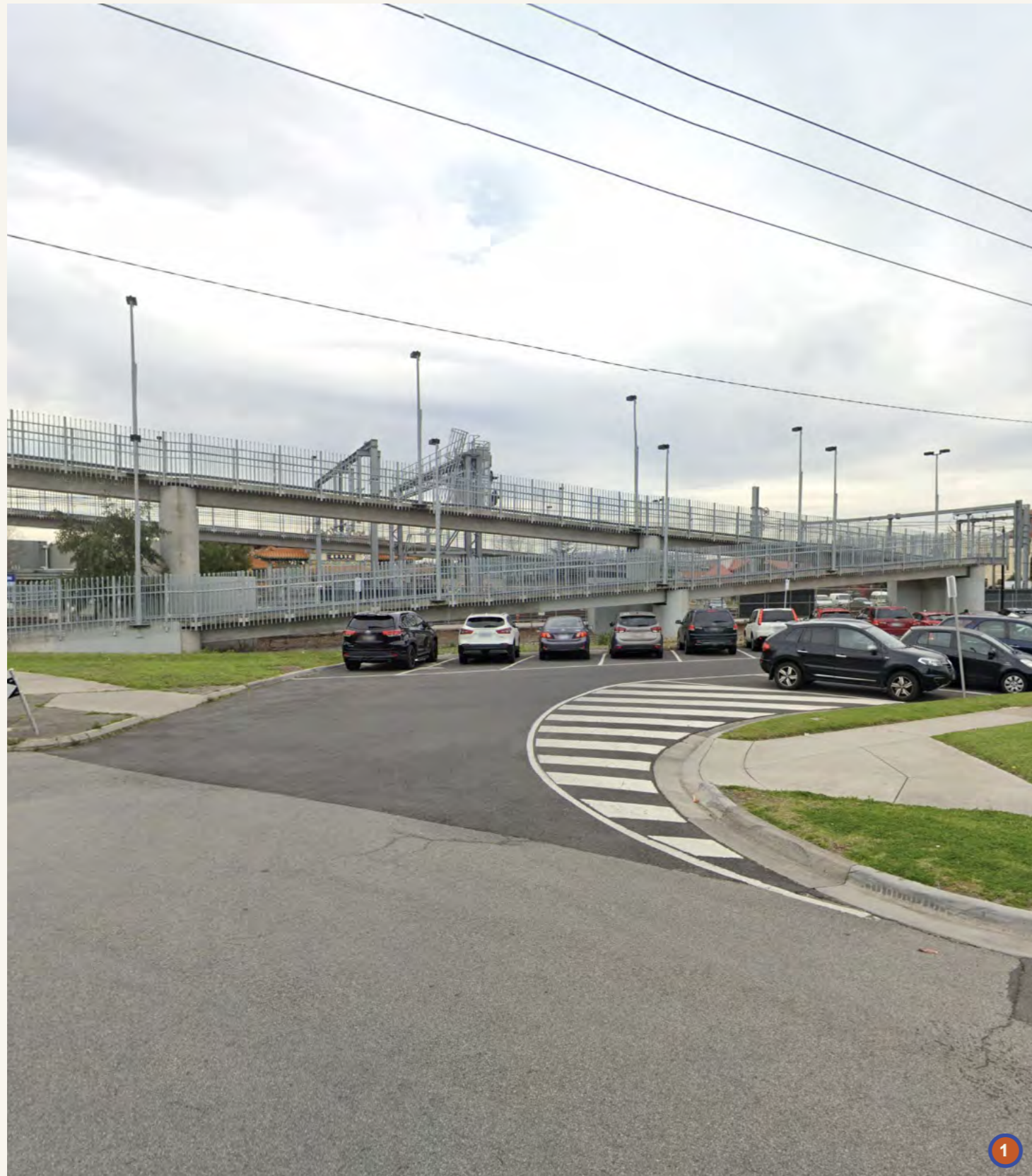
- Bus Routes**
 - Solid blue line
 - Dashed blue line
 - Dotted blue line
- Train Line**
 - Orange dashed line
- Main Road**
 - Orange solid line
- Bike / Walking Route**
 - Green dotted line
- Subject Site**
 - Dashed black box







1. Existing power lines and Queens Ave through subject site
2. South east corner of site, interface between Queens and Osborne Ave
3. Existing adjacent pedestrian overpass to railway
4. Existing building on subject site



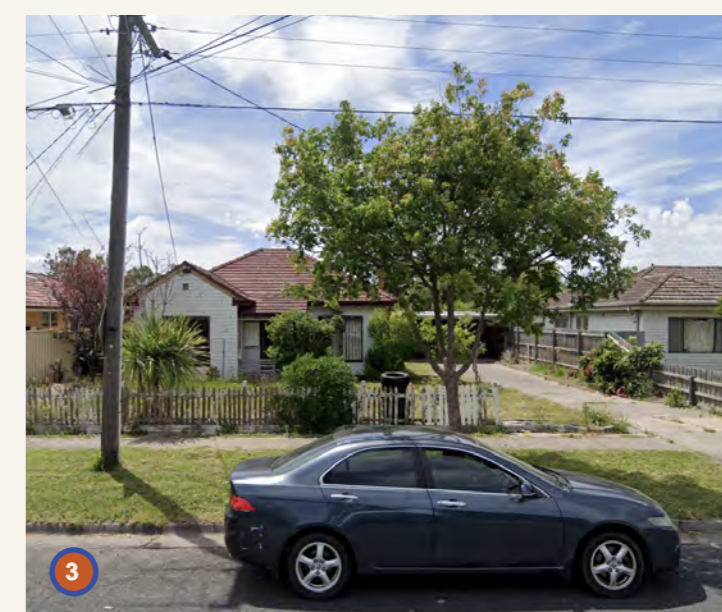
1. Springvale Station & Bus Interchange / Springvale Road
2. Existing single residential homes Victoria Ave
3. Existing single residential homes Victoria Ave
4. Springvale Shopping Centre



1



2



3



4

Precedents

- 1. Central Garden
- 2. Active Rooftops
- 3. Communal Gardens

- 4. Communal Gardens
- 5. Breaks in buildings
- 6. Communal balcony spaces



1 Site & Context Analysis

2 Precedents

3 Adaptive Re-use

4 Concept Plans

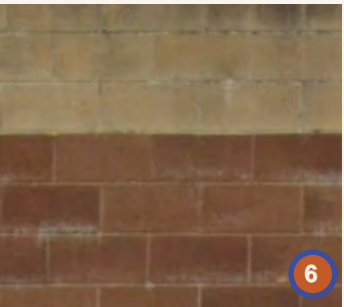
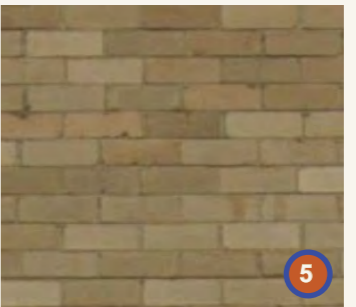
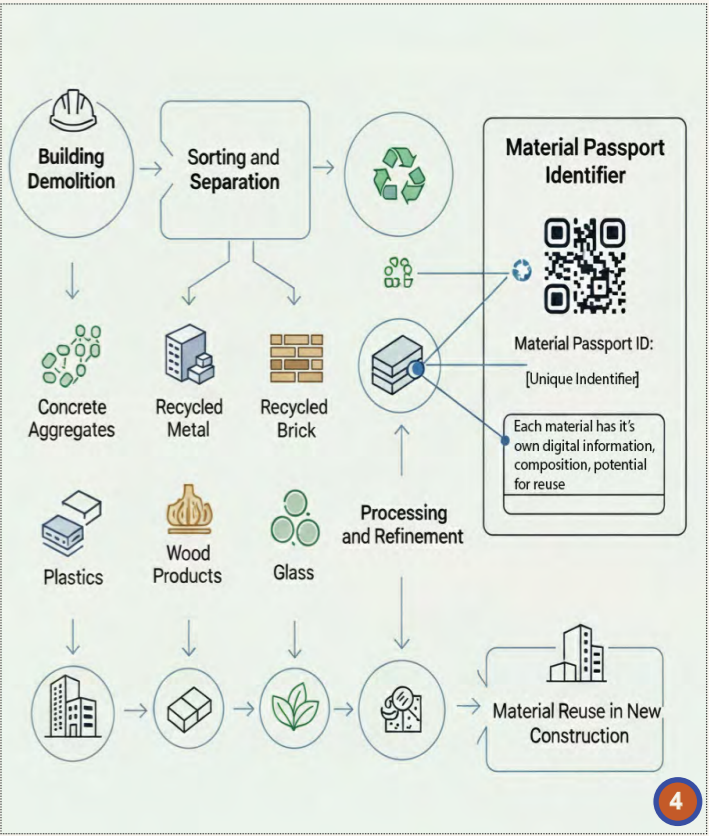
5 Sketch Images

6 Development Summary

Adaptive Re-use

- 1. Photo of Existing Hall
- 2. Photo of Existing Hall
- 3. Adaptive Re-Use

- 4. Material Passport
- 5. Existing Brick
- 6. Existing Brick



Of the three existing buildings currently in use, the main hall has the greatest potential for adaptive re-use. This building could be retained for community use, adapted and brought up to code.

Additional levels could be built over it - at a degree of additional complexity, with new cores and additional structure. The outline of this building impacts the extent of basement that could be constructed.

The other remaining buildings on site have less ability to be successfully adapted for use. It is therefore proposed that these buildings be deconstructed and their materials be re-used - either in future buildings on site, or on other sites.

A "Material Passport" system could be developed whereby each material object / instance is catalogued and traced for re-use.

1 Site & Context Analysis

2 Precedents

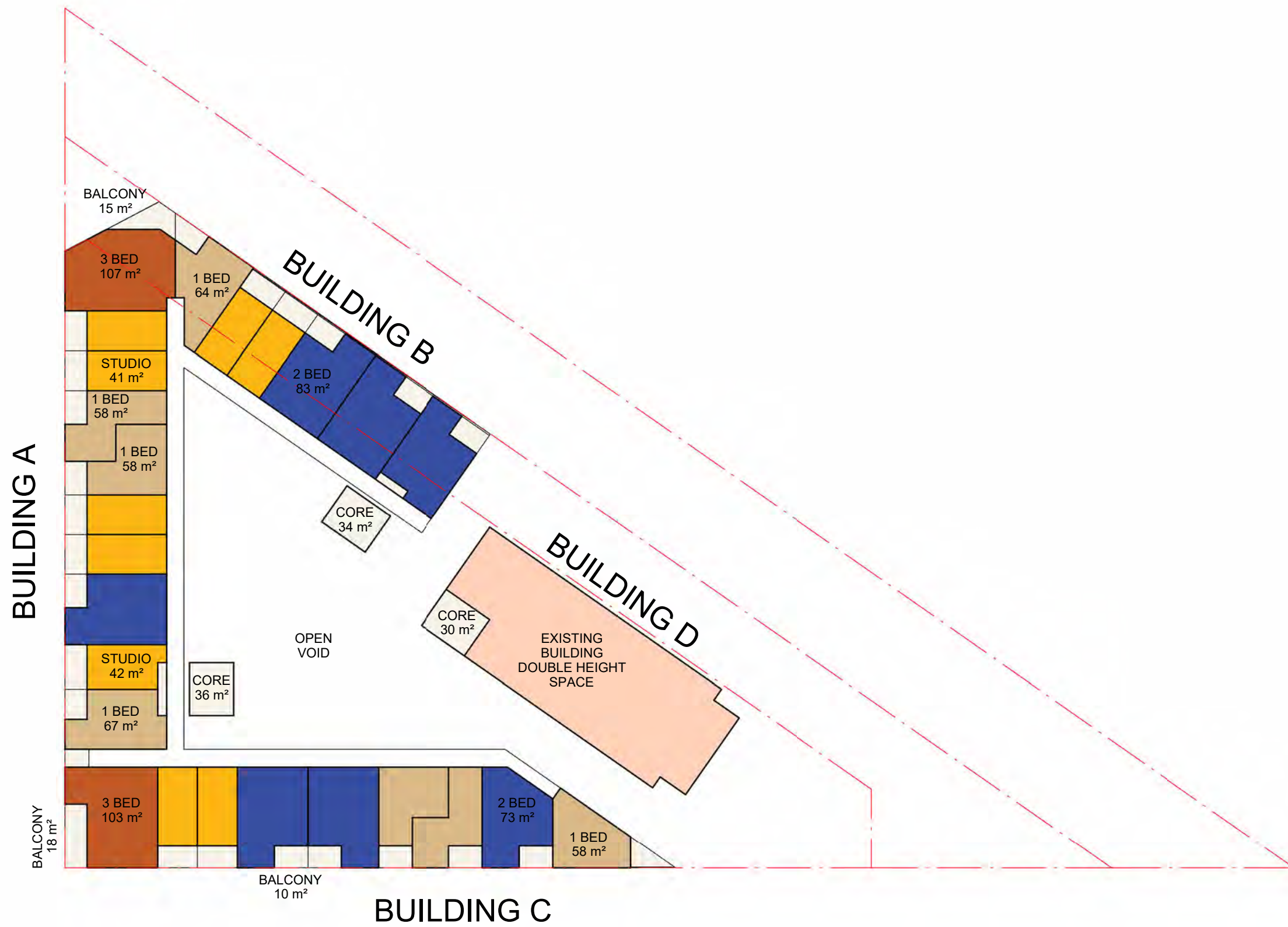
3 Adaptive Re-use

4 Concept Plans

5 Sketch Images

6 Development Summary





BUILDING A

BUILDING B

BUILDING D

BUILDING C

BALCONY
15 m²

3 BED
107 m²

STUDIO
41 m²

1 BED
58 m²

1 BED
58 m²

STUDIO
42 m²

1 BED
67 m²

CORE
36 m²

OPEN VOID

CORE
34 m²

CORE
30 m²

EXISTING BUILDING
DOUBLE HEIGHT SPACE

BALCONY
18 m²

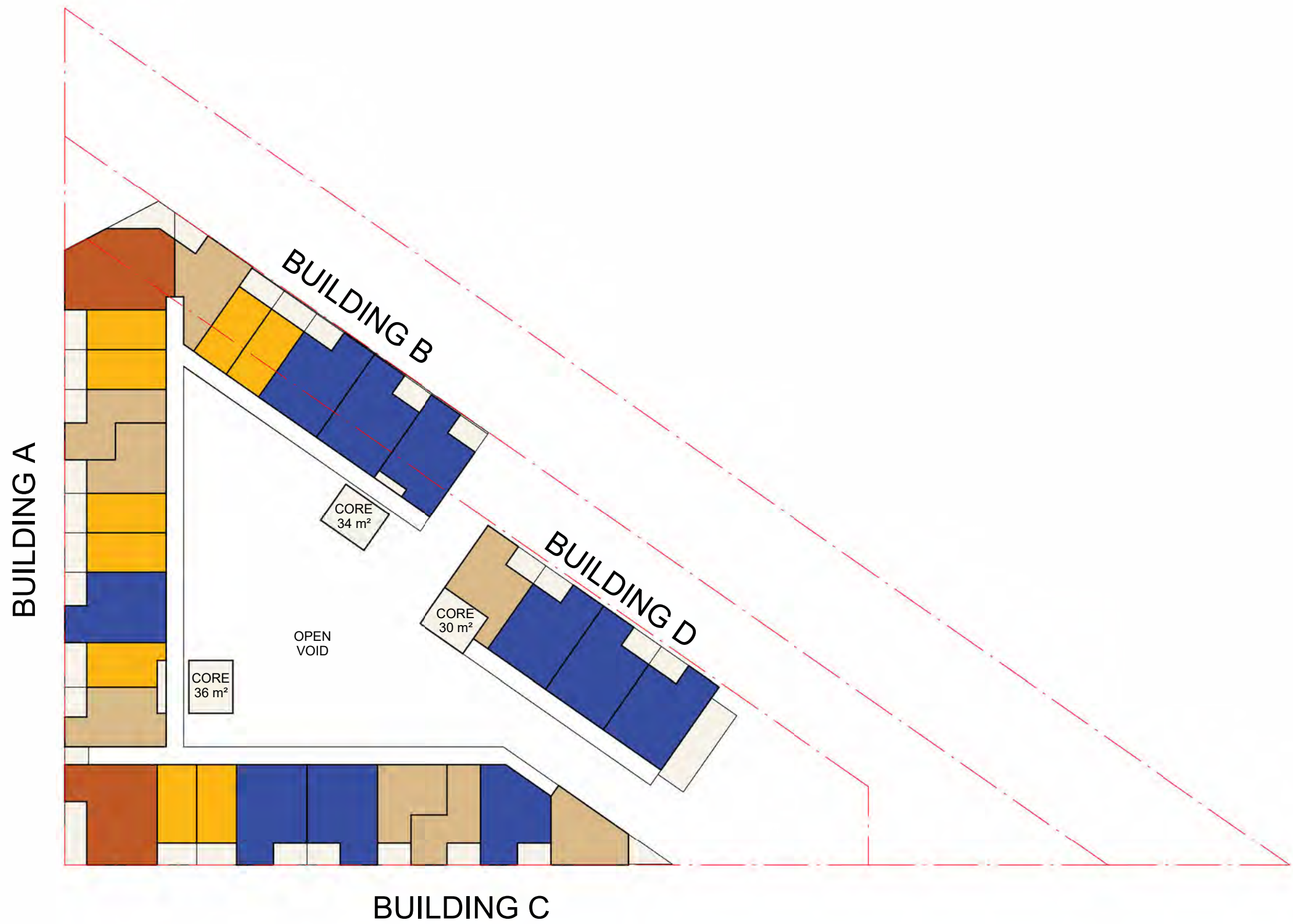
3 BED
103 m²

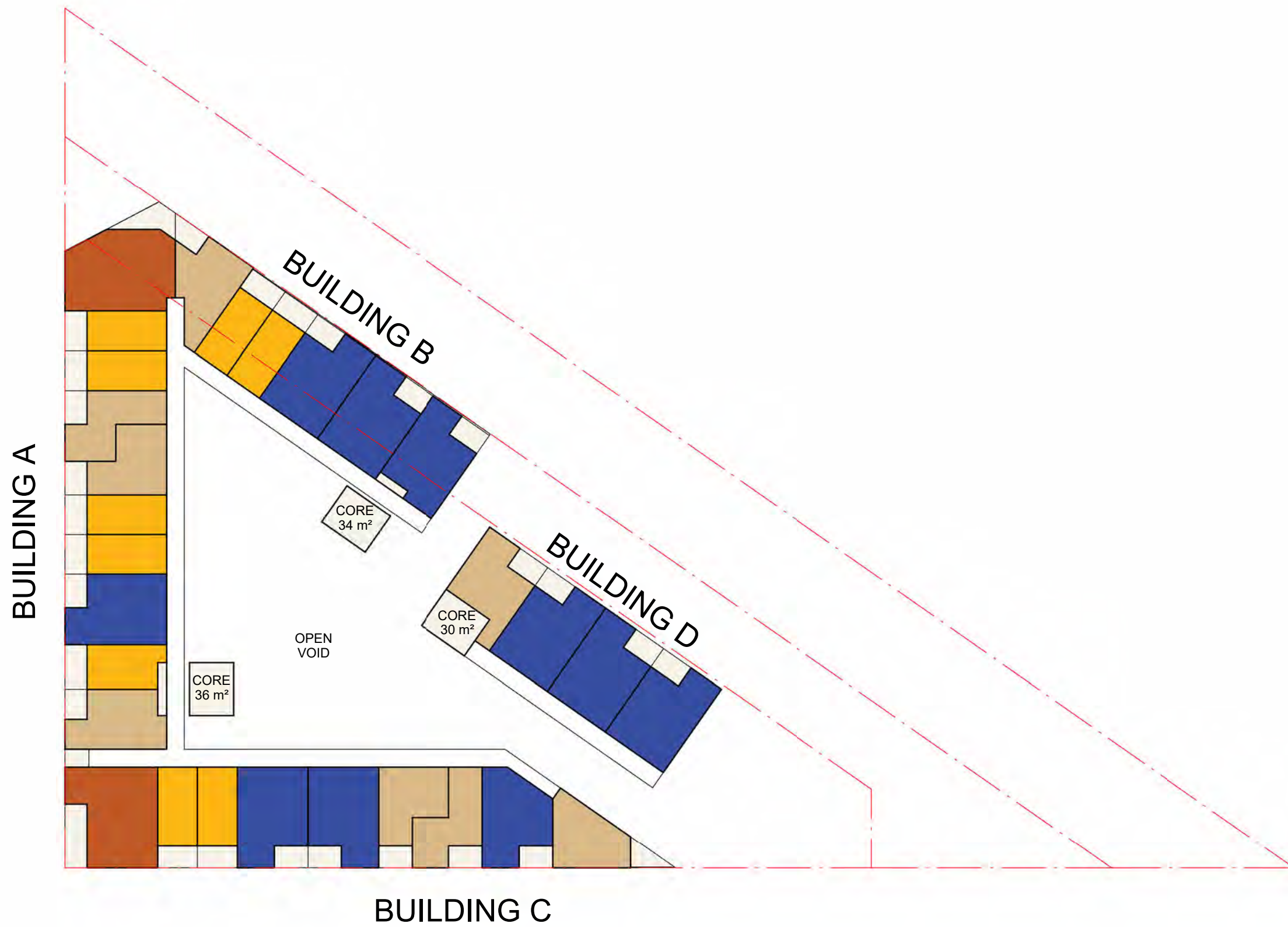
BALCONY
10 m²

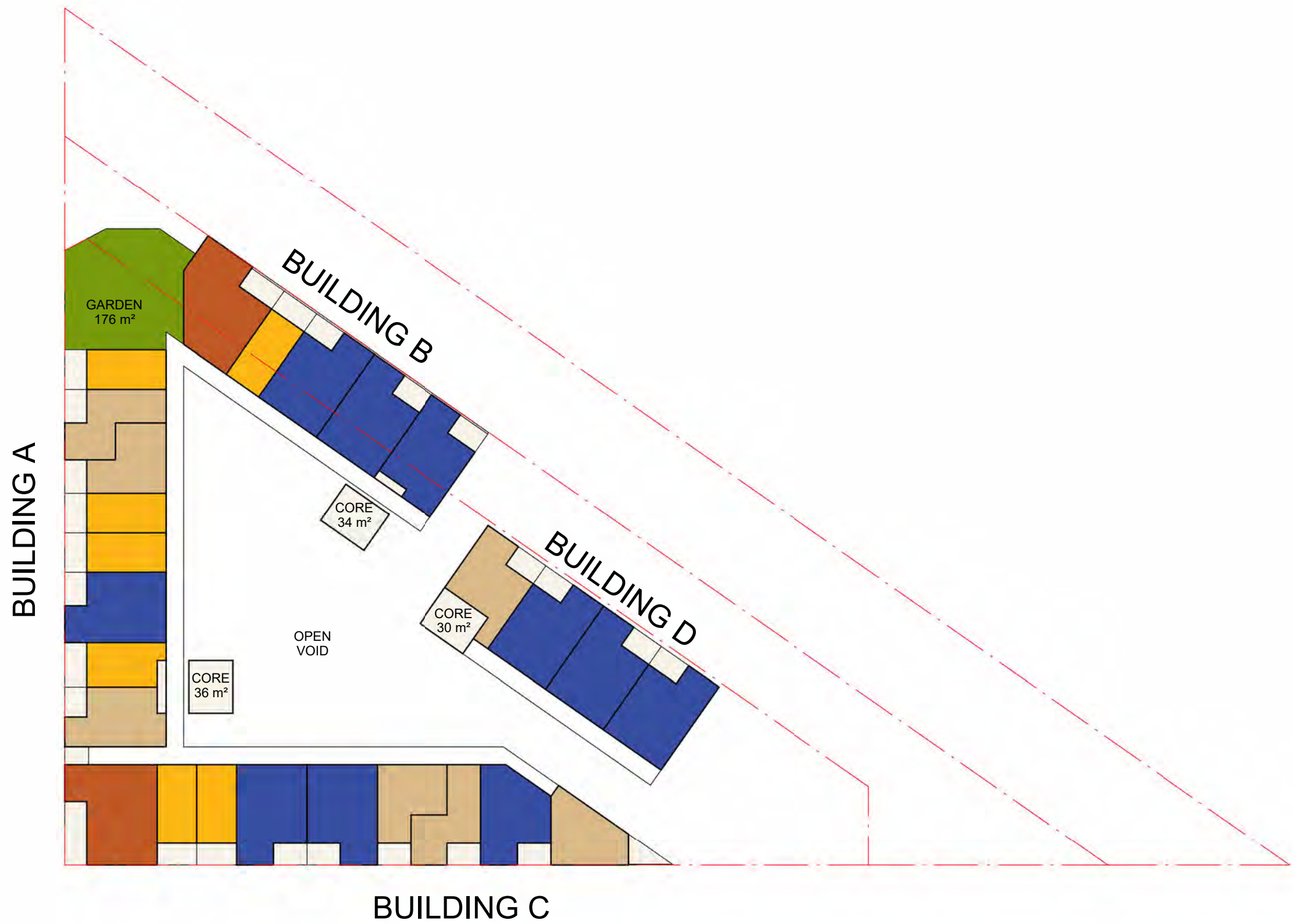
2 BED
73 m²

1 BED
58 m²

LEVEL 01







BUILDING A

BUILDING B

BUILDING D

BUILDING C

GARDEN
176 m²

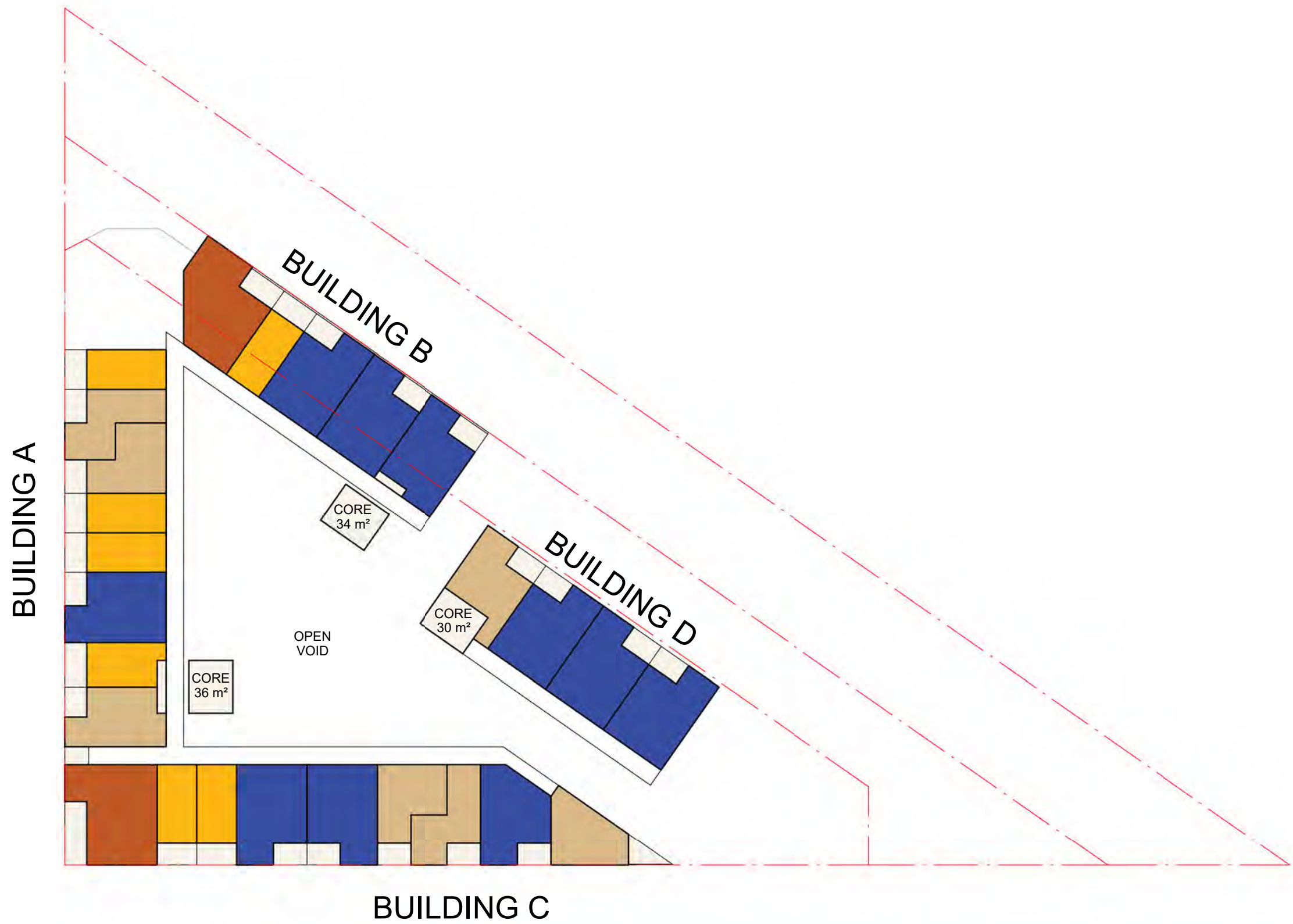
CORE
34 m²

CORE
30 m²

CORE
36 m²

OPEN
VOID





BUILDING A

BUILDING B

BUILDING D

BUILDING C

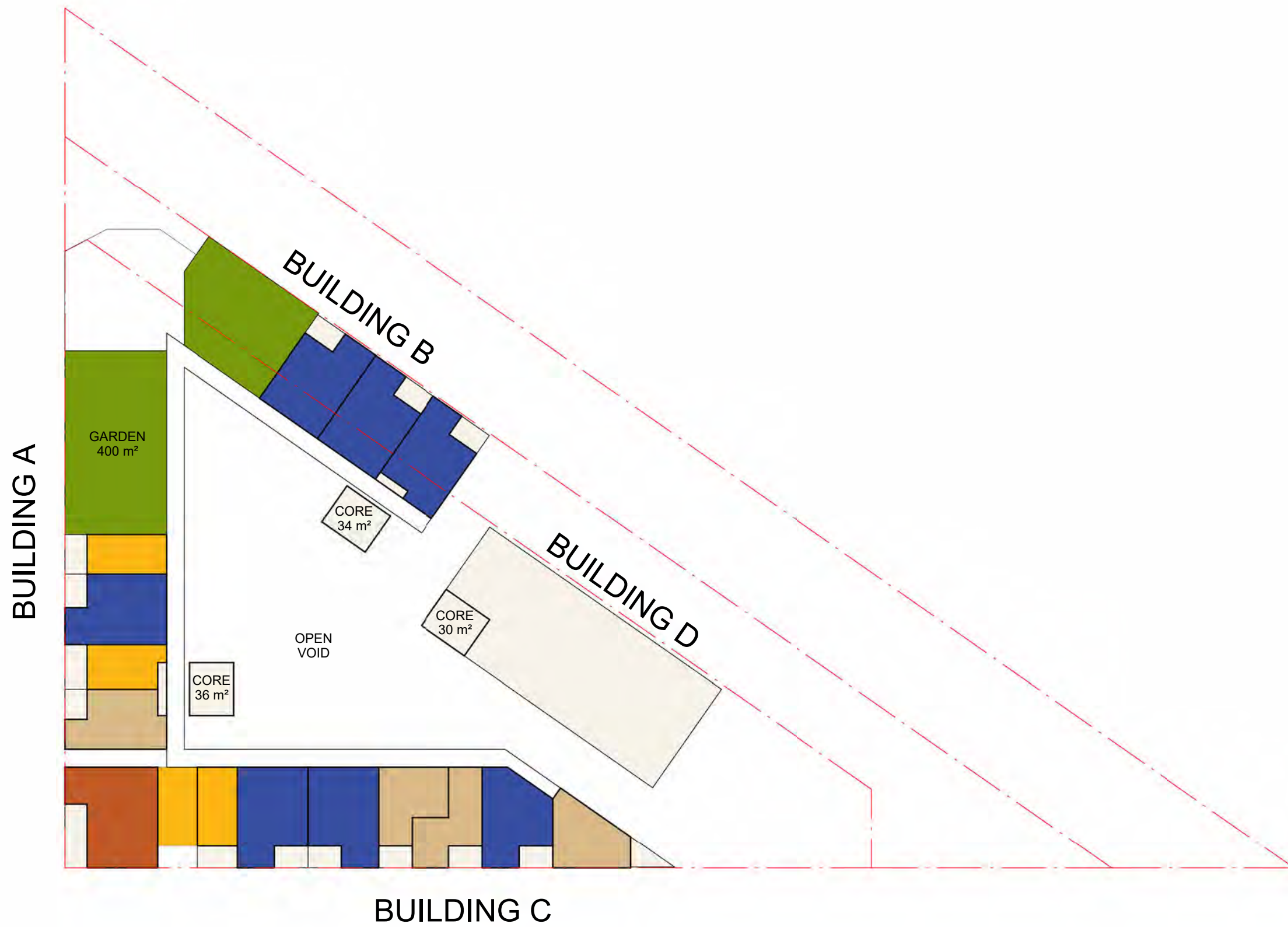
CORE
34 m²

CORE
36 m²

CORE
30 m²

OPEN
VOID





BUILDING A



LEVEL 07

BUILDING A

BUILDING B

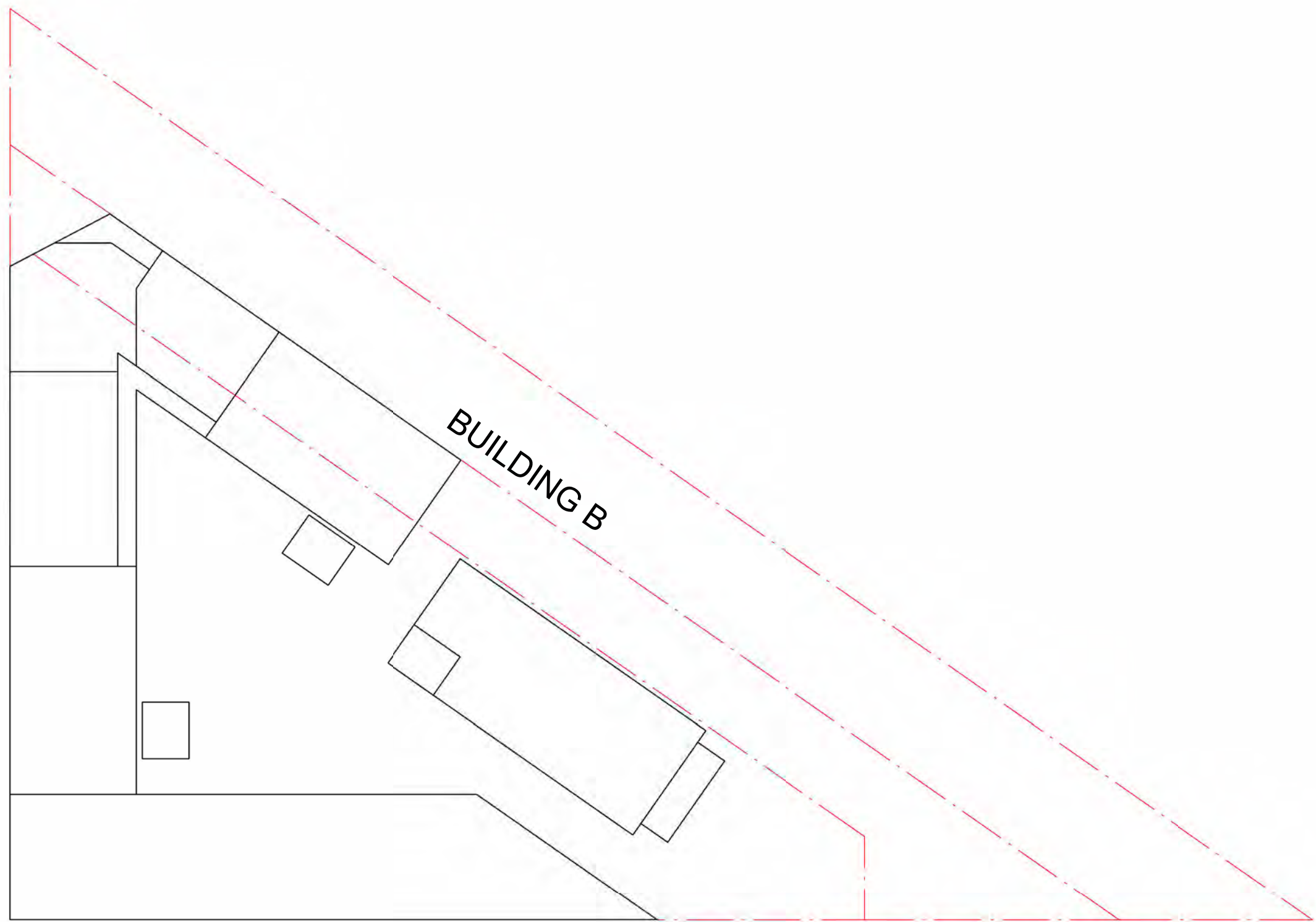


CORE
30 m²

CORE
30 m²

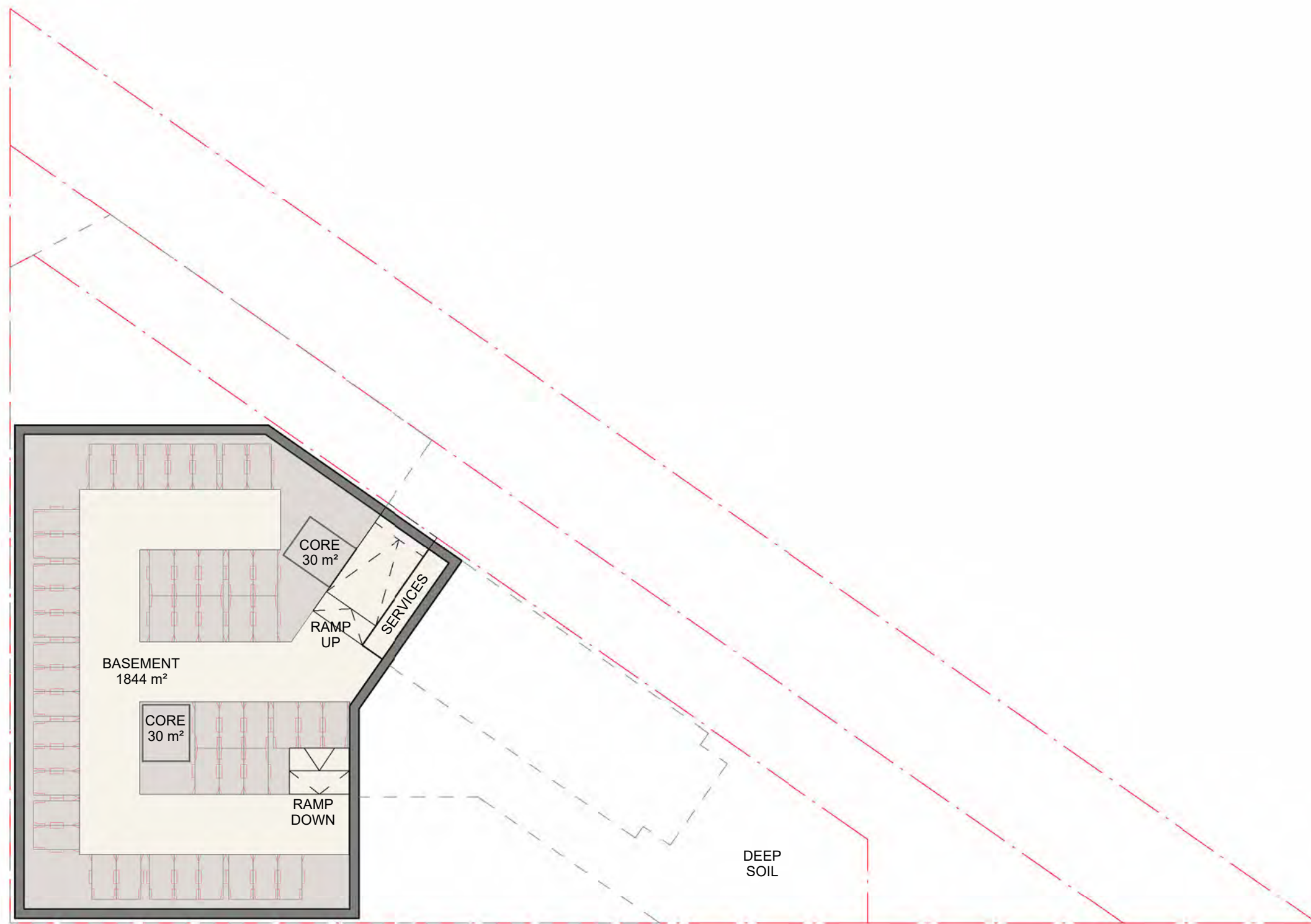
OPEN
VOID

LEVEL 08

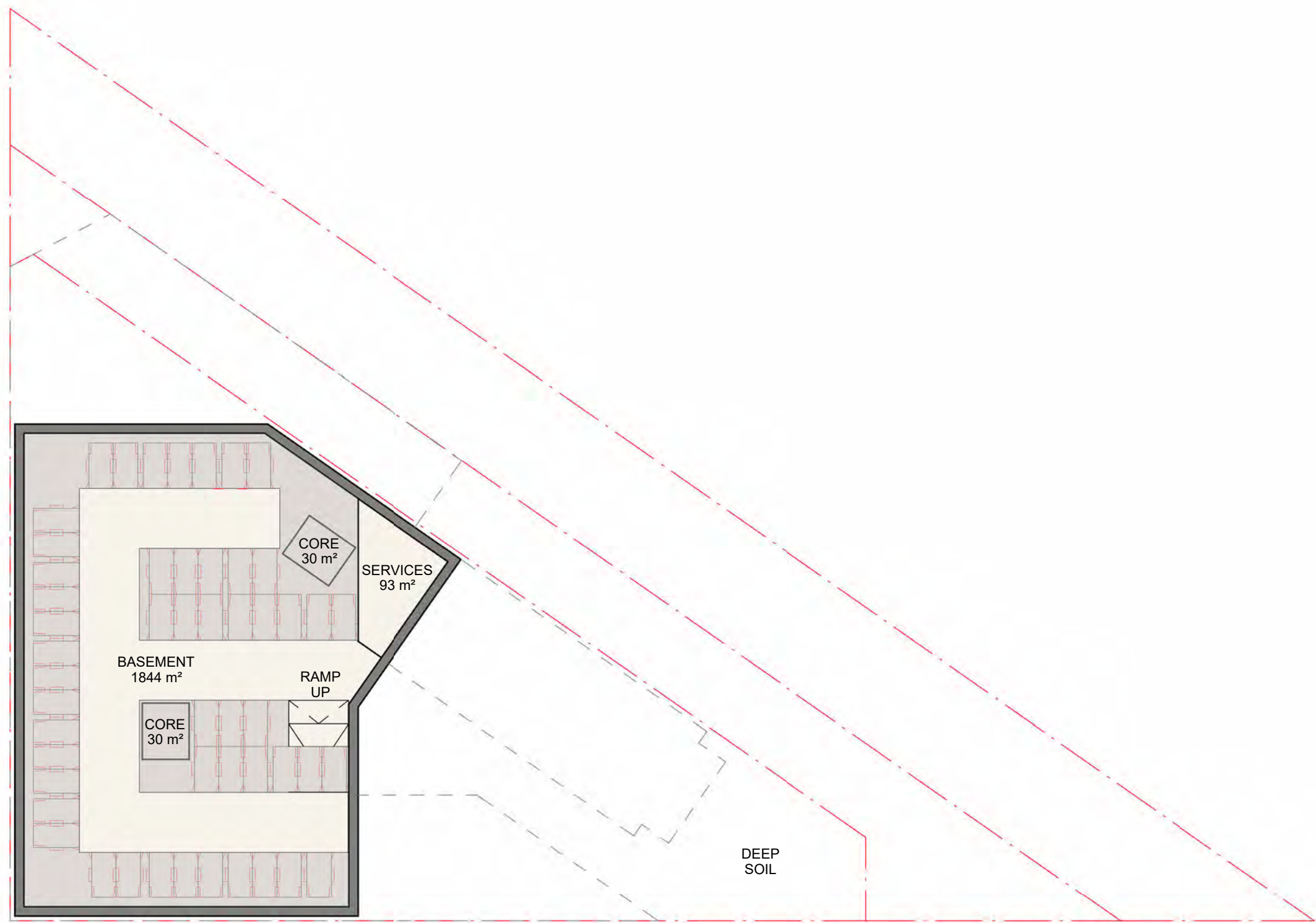


ROOF LEVEL





BASEMENT LEVEL 1 PLAN



BASEMENT LEVEL 2 PLAN

Sketch Images

- 1. Central Garden
- 2. Active Rooftops
- 3. Communal Gardens

- 4. Communal Gardens
- 5. Breaks in buildings
- 6. Communal balcony spaces



1 Site & Context Analysis

2 Precedents

3 Adaptive Re-use

4 Concept Plans

5 Sketch Images

6 Development Summary

MAV: Housing innovation study - concept design

Site name/location:	Springvale
Local Government Area:	City of Greater Dandenong
Type:	New build

Site area	6790 sq.m	0.679 ha
Site coverage	3850 sq.m	
Site coverage %	57%	

Development Summary

Apartments:

	Non-resi NSA	Resi NSA	No. Studios	No. 1-beds	No. 2-beds	No. 3-beds	Dwellings	
GROUND	2090	0	0	0	0	0	0	0
LEVEL 1	0	1560	9	7	7	7	2	25
LEVEL 2	0	1872	9	8	10	10	2	29
LEVEL 3	0	1872	9	8	10	10	2	29
LEVEL 4	0	1716	7	7	10	10	2	26
LEVEL 5	0	1716	7	7	10	10	2	26
LEVEL 6	0	1029	3	4	7	7	1	15
LEVEL 7	0	473	2	1	4	4	0	7
Total	2090	10238	46	42	58	11		157

TOTAL DWELLINGS 157

Net density (site) 231.2223859

Dwellings

	GFA/storey	Storeys	Total GFA
Building A	800	8	5450
Building B	907	7	6348
Building C	800	7	5600
Building D	435	5	2180
Total			19578 sq.m
	2507		

Car parking

	Spaces
Basement 1	47
Basement 2	51
Total	98 spaces
Apartment car rate	62 %

Communal space

	GFA
Communal indoor	3428 sq.m
Communal outdoor - ground	1877 sq.m
Total	5305

10.4 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 site has been expanded through particle occupation of Queens Avenue to the north, and treatment of this narrowed streetscape as a slow speed/shared driveway.

The brick recreation building is to be retained, with its position on the site providing for a landscaped frontage garden space interfacing to Queens Avenue and Osborne Avenue.

The broader siting builds on this ground floor arrangement to form a courtyard development, with built form along the three frontages enclosing a central courtyard space.

This ensures defined frontages to all three streets, and clear delineation between public space (streets and frontage garden), and communal space (courtyard), which is protected from rail noise, for example, by the frontage building form.

Massing

The triangular composition is moderated through varied heights and steps in the massing, configured to allow solar access to the courtyard space. The overall building heights of 6-8 levels reflect a moderate mid-rise condition which is clear distinct from nearby houses, but appropriate to the defined edge of the activity centre and rail corridor interface location.

The defined vertical breaks between building components will allow for visibility into the courtyard garden space, and a sense of the distinctive 'perimeter block' massing and layout.

Layouts

The Ground Floor spaces are dedicated to community uses, effectively replacing existing buildings on the site in accommodating these and other activities.

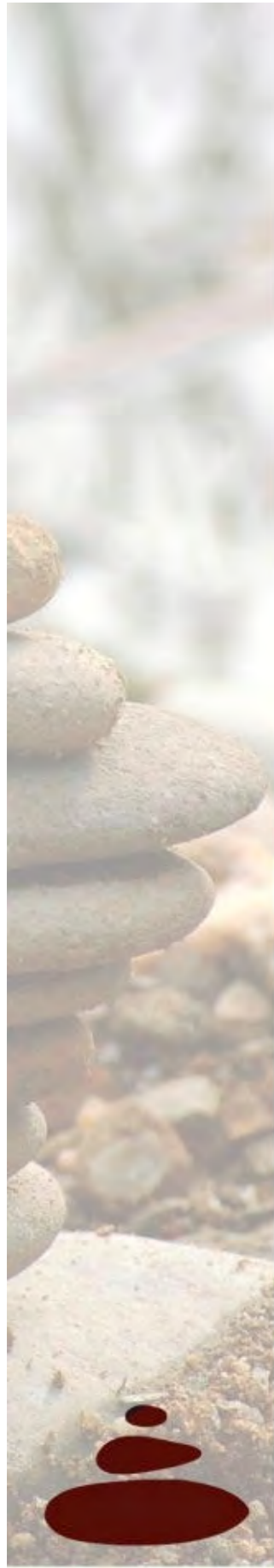
The existing building is retained as a double-height space, with three levels of residential apartments above.

The other wings also accommodate single-loaded (dual-aspect) apartments with external walkways on the courtyard side, with a flexible mix of Studio, 1, 2 and 3-bedroom units, all primarily oriented to the outside (street frontages).

Additional rooftop communal garden spaces are provided at Levels 4 and 6 as the buildings steps up through the levels.

10.5 Cost plan

The construction cost analysis for the above concept plans,
prepared by PlanCost.



29 October 2025

MAV Housing Innovation Study Osborne Ave, Springvale

Cost Plan A

Functional Area



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
Osborne Ave, Springvale**

EXECUTIVE SUMMARY



Cost Plan A

Functional Area

29 October 2025

Introduction

PlanCost Australia has been requested to prepare a Cost Plan based on Functional Area documents received from Austin Maynard Architects and other consultants.

Drawings

The following drawings and specifications have been used to prepare the Cost Plan.

Yield Table Dates: 251013

Cost Estimates

The current anticipated Total End Cost is:

	Low-Mid Range	Mid-High Range
Building Works	\$72,217,149	\$80,960,401
External Works and Services	\$4,939,000	\$4,939,000
Contingencies, Escalation and Allowances	\$23,404,000	\$26,054,000
Fees, FFE, ITC and Other Client items	\$9,752,000	\$10,858,000
Prolongation, Delay and Project risk	excluded	excluded
GST	\$0	\$0
Total End Cost	\$110,312,149	\$122,811,401

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
Akhilesh Goorwappa
AIQS/RICS Member No: 25560

Reviewed By
Holly Phillips
AIQS/RICS Member No: 27296



Cost Plan A

Functional Area

29 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
- 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 October, 2029
- Building permit levy
- Cladding rectification levy
- Lump sum competitive tender

Exclusions

The Cost Plan excludes the following:

- Rock excavation
- Site decontamination
- 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 October, 2029
- GST
- Land purchase



Cost Plan A

Functional Area

29 October 2025

	Quantity	Rate	Total Low-Mid Range	Rate	Total Mid-High Range
COST COMPONENT					
Total Building Cost	19,578 m ²		72,217,149		80,960,401
TOTAL BUILDING COST (TBC)	19,578 m²	3,689	72,217,149	4,135	80,960,401
External works and services			4,939,000		4,939,000
NET CONSTRUCTION COST (NCC)		3,941	77,156,149	4,388	85,899,401
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%		1,929,000		2,147,000
Design contingency	10.00%		7,716,000		8,590,000
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%
Escalation rate	3.00%	Market conditions	0.00%		
Completion	Oct, 29	24	3.00%	70%	4.24%
Escalation is based on an average of 3% p/a ongoing					
TOTAL CONTRACT SUM (TCS)		4,892	95,771,149	5,446	106,622,401
Construction contingency	5.00%		4,789,000		5,331,000
TOTAL CONSTRUCTION COST (TCC)		5,136	100,560,149	5,718	111,953,401
Consultants' fees	7.50%		7,542,000		8,397,000
Disbursements			excluded		excluded
Project management and management support costs	1.00%		1,005,000		1,120,000
Furniture, furnishings and equipment			excluded		excluded
IT, AV and communications equipment			excluded		excluded
Building permit levy	0.13%		129,000		143,000
Cladding rectification levy	0.82%		825,000		918,000
Supply authority and headworks charges	0.25%		251,000		280,000
TOTAL PROJECT COST (TPC)		5,634	110,312,149	6,273	122,811,401
Prolongation, delay and project risk contingency			excluded		excluded
Goods and services tax			excluded		excluded
TOTAL END COST (TEC)	19,578 m²	5,634	110,312,149	6,273	122,811,401



Cost Plan A

Functional Area

29 October 2025

Fully Enclosed Covered Area	12327 m ²
Unclosed Covered Area (including Basement & Circulation)	7251 m ²
GFA (FECA + UCA)	19578 m ²

AREA	Quantity	Rate	Total
¹ Basement Carpark - Level 1-2	3,688 m ²	2,049	7,556,712
² Community use - New	1,647 m ²	4,911	8,088,417
³ Community Use - Refurbished existing building (double height)	442 m ²	4,715	2,084,030
⁴ Apartments - Levels 1-7	10,238 m ²	4,270	43,716,260
⁵ Upper floor garden	576 m ²	1,450	835,200
⁶ Circulation, balconies, plant and sundry areas	2,987 m ²	2,190	6,541,530
⁷ Stairs and lifts	Item		3,395,000
⁸ Preliminaries, overheads and profit	10.00%		Included Above
⁹ Sub-total	19,578 m²	3,689	72,217,149
¹⁰ TOTAL BUILDING COST	19,578 m²	3,689	72,217,149



Cost Plan A

Functional Area

29 October 2025

Fully Enclosed Covered Area	12327 m ²
Unclosed Covered Area (including Basement & Circulation)	7251 m ²
GFA (FECA + UCA)	19578 m ²

AREA	Quantity	Rate	Total
¹ Basement Carpark - Level 1-2	3,688 m ²	2,049	7,556,712
² Community use - New	1,647 m ²	4,911	8,088,417
³ Community Use - Refurbished existing building (double height)	442 m ²	4,715	2,084,030
⁴ Apartments - Levels 1-7	10,238 m ²	5,124	52,459,512
⁵ Upper floor garden	576 m ²	1,450	835,200
⁶ Circulation, balconies, plant and sundry areas	2,987 m ²	2,190	6,541,530
⁷ Stairs and lifts	Item		3,395,000
⁸ Preliminaries, overheads and profit	10.00%		Included Above
⁹ Sub-total	19,578 m²	4,135	80,960,401
¹⁰ TOTAL BUILDING COST	19,578 m²	4,135	80,960,401



Cost Plan A

Functional Area

29 October 2025

	Quantity	Rate	Total
EXTERNAL WORKS			
¹ External demolition	Item		295,000
² Site preparation and excavation	Item		165,000
³ Roads and paving	Item		140,000
⁴ Fences and gates	Nil		0
⁵ External buildings, equipment and furniture (includes Central garden and Playground)	Item		250,000
⁶ Services enclosure	Item		80,000
⁷ Soft landscaping and planting	Item		260,000
⁸ Sub-total EXTERNAL WORKS			1,190,000
EXTERNAL SERVICES			
⁹ External services	Item		2,200,000
¹⁰ Site infrastructure upgrades	Item		1,100,000
¹¹ Sub-total EXTERNAL SERVICES			3,300,000
¹² Preliminaries, overheads and profit on external works and services	10.00%		449,000
¹³ TOTAL SITEWORKS COST (TSC)			4,939,000

10.6 Feasibility analysis

The development feasibility assessment for the above concept plans, prepared by HillPDA.

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MAV Housing Innovation Project: Site 4 Springvale Feasibility Analysis

Prepared for McP Studio and Municipal Association of Victoria

Draft 17 November 2025

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Front cover image: Austin Maynard 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 adaptive reuse 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 Austin Maynard Architects, 13 October 2025
- Construction cost estimate by PlanCost Australia, Cost Plan A, 29 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 to 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:

- 157 apartments and commercail space at ground level in a 7 storey complex
- Four buildings constructed over seven levels in a triangle with central courtyard
- Three existing community buildings on-site retained and renewed
- Other existing buildings de-constructed and materials re-used.

Selected metrics and net sellable area assumptions are shown in the table below.

Table 1: Development metrics

Case study	Adaptive reuse, Springvale		
Address	1-3 Osborne Street, Springvale		
Architect	Austin Maynard Architects, 13 October 2025		
Zone	Public Use Zone - Local Government		
Development metrics			
Site area sqm	6,790		
Site coverage sqm	3,850		
Site coverage %	57%		
GFA	19,578		
GFA - ground	2,942		
GFA - upper floors	16,636		
Commercial			
Ground floor NSA	2,090	71%	
Residential			
	Number	Ave. Size	Area
Studio	46	40	1,840
1 bed	42	55	2,310
2 bed	58	75	4,350
3 bed	11	158	1,738
Total	157		10,238
Site Density dw/ha	231.2		
Car spaces			
	Number		
Basement	98		
Total	98		
Rate	62%		
Units with no parking	59		
Communal space			
Outdoor	3,428		
Indoor	1,877		

Source: Austin Maynard Architects; HillPDA sellable area

3.0 FINANCIAL FEASIBILITY ASSESSMENT

3.1 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.

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. Prices that owner-occupiers and investors can pay has been impacted by inflationary cost of living 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	\$7,600	2,090	\$15,884,000
Apartments			
Studio (no parking)	\$356,000	46	\$16,376,000
1 bed (no parking)	\$356,000	13	\$4,628,000
1 bed	\$564,500	29	\$16,370,500
2 bed	\$671,250	58	\$38,932,500
3 bed	\$1,181,000	11	\$12,991,000
Total		157	\$105,182,000

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 \$6,790,000 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 \$1,737,000 one-off payments for Land Transfer Duty, Windfall Gains Tax, Council Planning Permit Fee, and Open Space Contribution.
- Allowance made for approximately \$188,500 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: 24-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	\$72,217,149	\$80,960,401
External Works and Services	\$4,939,000	\$4,939,000
Contingencies, Escalation and Allowances	\$23,404,000	\$26,054,000
Fees, FFE, ITC and Other Client items	\$9,752,000	\$10,858,000
Prolongation, Delay and Project risk	excluded	excluded
Total End Cost	\$110,312,149	\$122,811,401

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 approximately \$678,000 per unit average.
- The construction cost estimate starts at approximately \$768,000 per unit and the total development cost estimate starts at approximately \$810,000 per unit.
- Assuming costs are held at the level shown, a revenue increase of approximately 36% would be required for commercial viability.
- Assuming costs do not change, the required average revenue per unit would need to be approximately \$922,000 (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-commercial 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

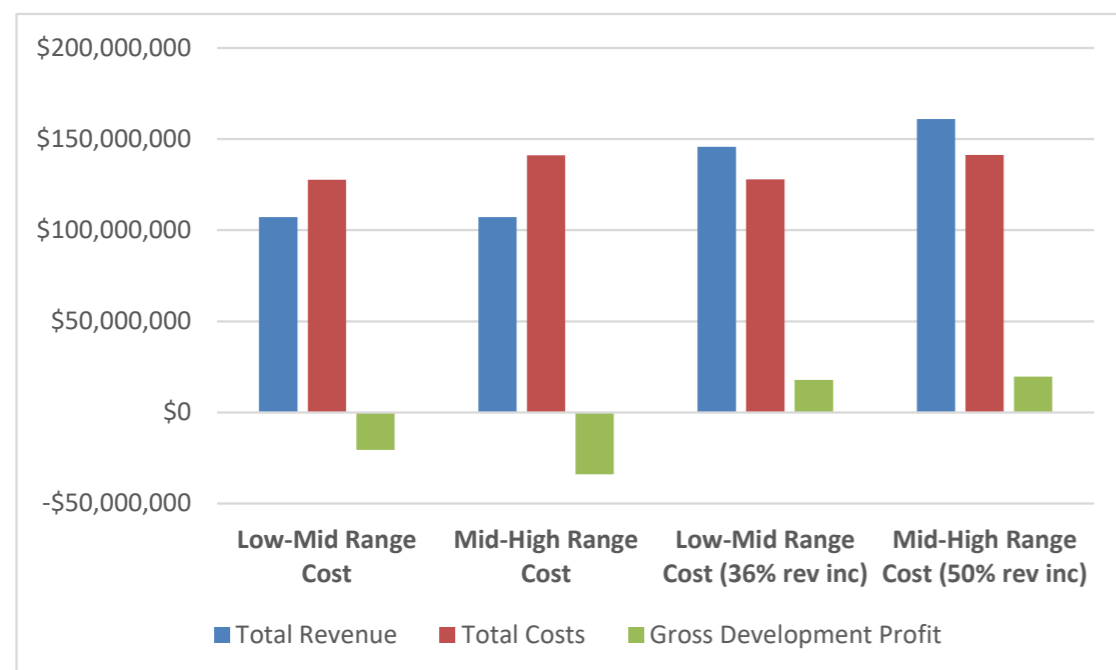


Table 4: Feasibility summary

Option	Low-Mid Range Cost	Mid-High Range Cost	Low-Mid Range Cost (36% rev inc)	Mid-High Range Cost (50% rev inc)
Scenario	1	2	3	4
Units (No.)	157 units	157 units	157 units	157 units
Gross Floor Area (SQM)	19,578 GFA	19,578 GFA	19,578 GFA	19,578 GFA
Site Area	6,790 SqM	6,790 SqM	6,790 SqM	6,790 SqM
Type	Residential	Residential	Residential	Residential
Revenue				
Gross Sales Revenue	\$109,743,571	\$109,743,571	\$149,251,256	\$166,615,356
Less Selling Costs	-\$2,594,148	-\$2,594,148	-\$3,434,783	-\$3,761,696
TOTAL REVENUE (after GST paid)	\$107,149,423	\$107,149,423	\$145,816,474	\$160,853,660
Costs				
Land Purchase Cost	\$6,790,000	\$6,790,000	\$6,790,000	\$6,790,000
Land Acquisition Costs	\$442,930	\$442,930	\$442,930	\$442,930
Construction (inc. Construct. Contingency)	\$121,344,464	\$135,092,541	\$121,344,464	\$135,092,541
Professional Fees	\$2,219,826	\$2,426,047	\$2,229,059	\$2,438,871
Contributions and Charges	\$1,315,634	\$1,315,634	\$1,315,634	\$1,315,634
Other Allowances	\$980,906	\$980,906	\$1,334,033	\$1,471,359
Land Holding Costs	\$585,343	\$585,343	\$585,343	\$585,343
Pre-Sale Commissions	\$729,041	\$729,041	\$991,496	\$1,093,562
Interest Expense	\$4,632,841	\$5,279,808	\$4,315,715	\$4,702,331
TOTAL COSTS (before GST reclaimed)	\$139,374,682	\$154,013,755	\$139,682,371	\$154,304,077
Less GST reclaimed	-\$11,654,735	-\$12,926,744	-\$11,787,958	-\$13,111,776
TOTAL COSTS (after GST reclaimed)	\$127,719,948	\$141,087,011	\$127,894,414	\$141,192,301
Performance				
Gross Development Profit	-\$20,570,524	-\$33,937,588	\$17,922,060	\$19,661,359
Residual Land Value (Target Margin)	-\$26,973,268	-\$39,247,267	\$2,794,963	\$2,282,301
Residual Land Value (TM) / SQM	-\$3,972	-\$5,780	\$412	\$336
Project Internal Rate of Return (IRR)	-14.7%	-24.8%	19.9%	20.1%
Residual Land Value (NPV)	-\$15,757,249	-\$25,551,553	\$10,739,403	\$11,249,353
Residual Land Value (NPV) / SQM	-\$2,321	-\$3,763	\$1,582	\$1,657

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 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.

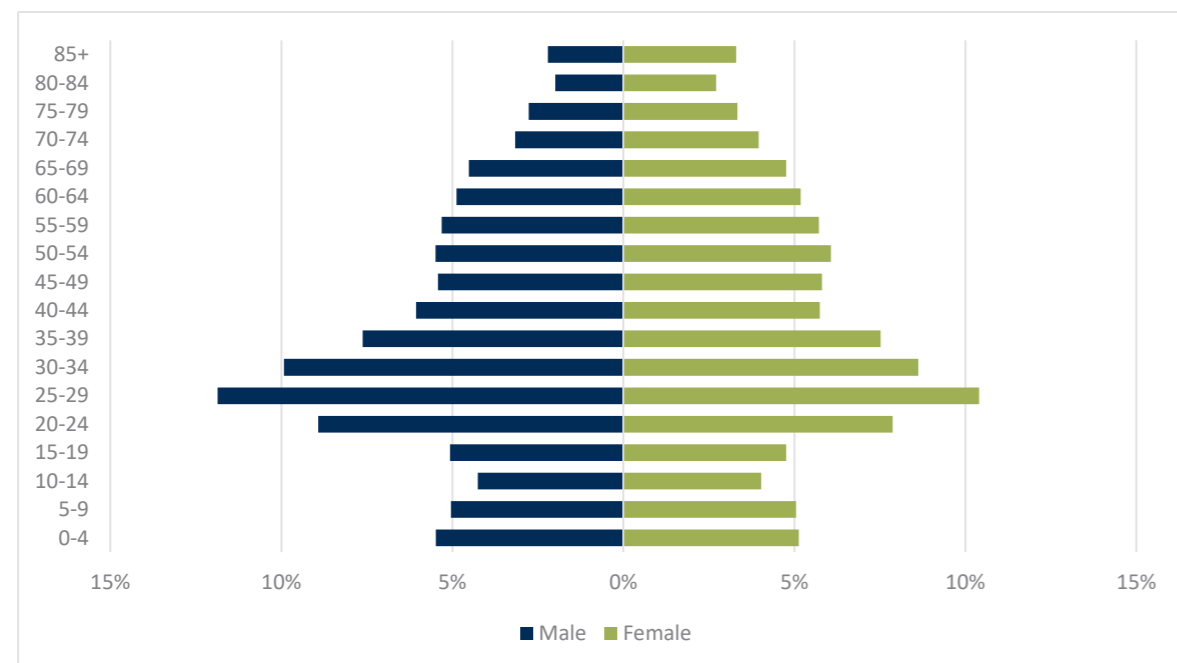
Figure 3: Springvale and surrounds



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.

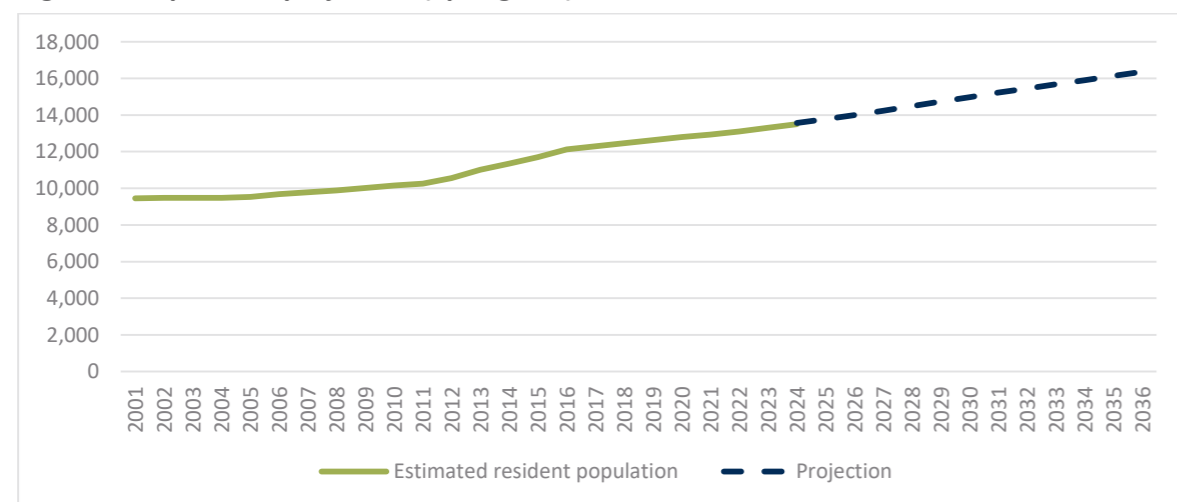
Figure 4: Age distribution in five year age groups (Springvale)



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)



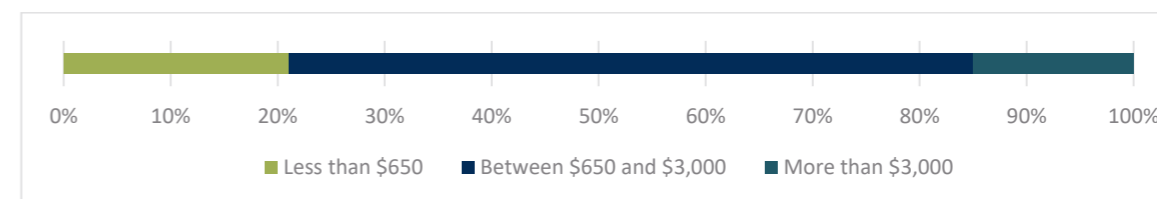
Source: ABS (2025); DTP (2023).

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 bed-sitters)	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.

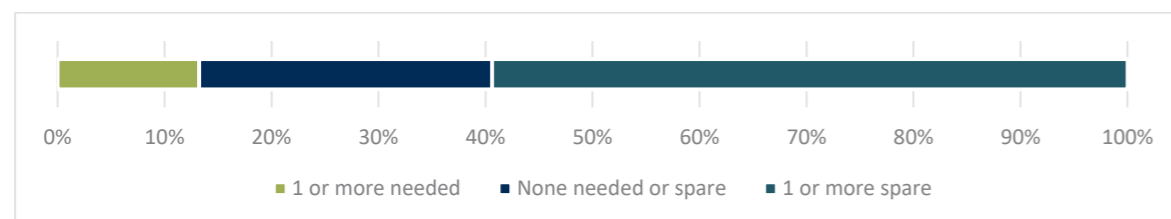
Table 9: Tenure type (Springvale)

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 rising 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 stabilised 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 enhances 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. The 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 Avenue	\$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.

Commercaill Shopfront Prices

- Commercaill 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		1	2	3	4	TOTAL	
CONSOLIDATION OF STAGES		Low-Mid Range Cost	Mid-High Range Cost	OPT 1 - (36% REV INC)	OPT 2 - (50% REV INC)		
Adaptive reuse, Springvale		1	2	3	4		
Licensed to: Hill PDA Pty Ltd							
157 units 19,578 GFA 6,790 SqM		157 units 19,578 GFA 6,790 SqM	157 units 19,578 GFA 6,790 SqM	157 units 19,578 GFA 6,790 SqM	157 units 19,578 GFA 6,790 SqM		
Residential Under Review		Residential Under Review	Residential Under Review	Residential Under Review	Residential Under Review		
Revenues							
Gross Sales Revenue	109,743,571	109,743,571	149,251,256	164,615,356	533,353,754		
Less Selling Costs	(2,594,148)	(2,594,148)	(3,434,783)	(3,761,696)	(12,384,774)		
Less Purchasers Costs	-	-	-	-	-		
NET SALES REVENUE	107,149,423	107,149,423	145,816,474	160,853,660	520,968,980		
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)	107,149,423	107,149,423	145,816,474	160,853,660	520,968,980		
Less GST paid on all Revenue	-	-	-	-	-		
TOTAL REVENUE (after GST paid)	107,149,423	107,149,423	145,816,474	160,853,660	520,968,980		
Costs							
Land Purchase Cost	6,790,000	6,790,000	6,790,000	6,790,000	27,160,000		
Land Acquisition Costs	442,930	442,930	442,930	442,930	1,771,720		
Construction (inc. Construct. Contingency)	121,344,464	135,092,541	121,344,464	135,092,541	512,874,010		
Professional Fees	2,219,826	2,426,047	2,219,826	2,426,047	9,313,803		
Statutory Fees	1,315,634	1,315,634	1,315,634	1,315,634	5,262,536		
Miscellaneous Costs 1	-	-	-	-	-		
Misc 2	-	-	-	-	-		
Marketing	980,906	980,906	1,334,033	1,471,359	4,767,205		
Project Contingency (Reserve)	-	-	-	-	-		
Land Holding Costs	585,343	585,343	585,343	585,343	2,341,373		
Pre-Sale Commissions	729,041	729,041	991,496	1,093,562	3,543,141		
Finance Charges (inc. Fees)	333,697	371,504	333,697	371,504	1,410,404		
Interest Expense	4,632,841	5,279,808	4,315,715	4,702,331	18,930,694		
TOTAL COSTS (before GST reclaimed)	139,374,682	154,013,755	139,682,371	154,304,077	587,374,885		
Less GST reclaimed	(11,654,735)	(12,926,744)	(11,787,958)	(13,111,776)	(49,481,212)		
Plus Corporate Tax	-	-	-	-	-		
TOTAL COSTS (after GST reclaimed)	127,719,948	141,087,011	127,894,414	141,192,301	537,893,673		
Performance Indicators							
1 Gross Development Profit	(20,570,524)	(33,937,588)	17,922,060	19,661,359	(16,924,693)		
2 Net Developer's Profit after Profit Share	(20,570,524)	(33,937,588)	17,922,060	19,661,359	(16,924,693)		
3 Development Margin (Profit/Risk Margin)	(16.08%)	(24.01%)	13.98%	13.89%	(3.14%)		
4 Target Development Margin	18.00%	18.00%	18.00%	18.00%	18.00%		
5 Residual Land Value (Target Margin)	(26,973,268)	(39,247,267)	2,794,963	2,282,301	(61,143,272)		
6 Breakeven Date for Cumulative Cash Flow	N.A. (No Profit)	N.A. (No Profit)	Dec-2028	Dec-2028	Mar-2029		
Discount Rate (Target IRR)	15.00%	15.00%	15.00%	15.00%	15.00%		
7 Net Present Value @ Start of Stage	(22,130,070)	(31,743,155)	3,876,329	4,376,844	(45,620,052)		
Date of Commencement	Jan-26	Jan-26	Jan-26	Jan-26	Jan-26		
Holding Discount Rate	10.00%						
8 NPV at Start of Consolidated Cash Flow	(22,130,070)	(31,743,155)	3,876,329	4,376,844	(45,620,052)		
Benefit Cost Ratio	0.768	0.697	1.041	1.041	0.722%		
9 Project Internal Rate of Return (IRR)	(14.68%)	(24.79%)	19.87%	20.08%	(19,320,046)		
10 Residual Land Value (NPV) @ Start of Stage	(15,757,249)	(25,551,553)	10,739,403	11,249,353	(433,756,173)		
Peak Debt Exposure	102,859,245	113,455,988	103,330,471	114,110,469	433,756,173		
Date of Peak Debt Exposure	Aug-2028	Aug-2028	Aug-2028	Aug-2028	Aug-2028		
11 Breakeven Date for Project Overdraft	Dec-2028	N.A.	Oct-2028	Oct-2028	Feb-2029		
Total Equity Contribution	24,823,749	33,937,588	24,934,863	27,552,195	111,248,395		
Peak Equity Exposure	24,823,749	33,937,588	24,934,863	27,552,195	104,708,678		
Date of Peak Equity Exposure	Jul-2027	Feb-2029	Jul-2027	Jul-2027	Jul-2027		
12 IRR on Equity	(54.92%)	N.A.	25.97%	26.31%	(7.43%)		
Weighted Average Cost of Capital (WACC)	10.00%	10.46%	10.00%	10.00%	10.00%		
Yield Analysis							
Sales		1	2	3	4	TOTAL	
Qty	SqM	Qty	SqM	Qty	SqM	Qty	
Residential - 1 Bedroom Units	42	42	42	42	168		
Residential - 2 Bedroom Units	58	58	58	58	232		
Residential - 3 Bedroom Units	11	11	11	11	44		
Residential - Studio	46	46	46	46	184		
Commercial Office	-	-	-	-	-		
Not Classified	157	157	157	157	628		
TOTAL	314	314	314	314	1,256		
Tenancies		SqM		SqM		SqM	
TOTAL	-	-	-	-	-	-	
Build to Rent Analysis							
Development Phase		1	2	3	4	TOTAL	
Development Margin	20.00%	20.00%	20.00%	20.00%	20.00%		
Net Present Value	29,404,207	32,373,008	29,547,447	32,571,954	123,896,616		
Internal Rate of Return	30.84%	31.49%	30.82%	31.46%	30.91%		
Equity IRR	46.10%	47.27%	46.13%	47.30%	46.95%		
Adopted Handover Value	153,219,593	169,024,630	153,918,401	169,995,197	646,157,821		
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.	N.A.		
Internal Rate of Return (IRR)	N.A.	N.A.	N.A.	N.A.	N.A.		
Breakeven Date	N.A. (No Profit)	N.A. (No Profit)	Dec-2028	Dec-2028	Dec-2028		
Investment Hold Period	N.A.	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 : Adaptive reuse, Springvale

Low-Mid Range Cost : 1

Date of Report :	20-Nov-2025	Project Size :	157 units
Time Span :	Jan-26 to Feb-29 (37 Months)	Project Size :	1 per 43.24 SqM of Site Area
Type :	Residential	Project Size :	19,578 GFA
Status :	Under Review	Project Size :	1 per 0.34 SqM of Site Area
Site Area :	6,790 SqM	FSR :	:1
		Equated GFA :	SqM
Prepared By :	Hill PDA	Address :	1-3 Osborne Street, 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 Adaptive reuse, 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	157.00	-	-	-	-	-	-	-	-	-	-	-	-	-	9.50
Cumulative Units Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.50
% Units Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.1%
SqM Sold	2,090.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold	108,743,571	-	-	-	-	-	-	-	-	-	-	-	-	-	5,407,005
Cumulative AUD Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,407,005
% AUD Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.9%
Handover Summary															
Units Handed Over	157.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	2,090.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	108,743,571	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow															
Revenue															
Gross Sales Revenue	108,743,571	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(2,904,148)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(GST Payments/Incentives)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	107,149,423	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs															
Land and Acquisition	7,232,800	684,395	5,395	5,395	6,537,745	-	-	-	-	-	-	-	-	-	-
Professional Fees	2,219,826	-	-	119,511	119,511	119,511	119,511	119,511	64,511	64,511	64,511	64,511	64,511	64,511	64,511
Construction Costs	121,344,464	-	-	290,367	311,108	362,959	362,959	456,291	580,734	663,696	746,658	871,101	933,322	933,322	663,696
Statutory Fees	1,315,634	-	-	679,000	-	-	-	-	85,458	-	-	-	-	-	-
Miscellaneous Costs 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	980,906	-	-	-	-	-	-	-	-	-	-	-	-	-	48,710
Project Contingency (Reserve)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,710
Land Holding Costs	585,343	188,442	-	-	-	-	-	-	-	-	-	-	-	-	195,037
Pre-Sale Commissions	725,041	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (inc Fees)	333,697	-	333,697	-	-	-	-	-	-	-	-	-	-	-	-
(GST Payments/Incent Credits)	(11,684,720)	-	-	-	(20,398)	(37,262)	(58,147)	(83,801)	(107,346)	(132,891)	(159,436)	(187,981)	(217,526)	(248,071)	(279,616)
TOTAL COSTS	123,067,107	872,837	339,092	1,094,273	6,938,027	445,208	443,322	542,399	601,384	680,861	752,510	869,411	924,090	1,154,525	757,108
Net Cash Flow (before Interest & Corporate Tax)	(15,937,684)	(872,837)	(339,092)	(1,094,273)	(6,938,027)	(445,208)	(443,322)	(542,399)	(601,384)	(680,861)	(752,510)	(869,411)	(924,090)	(1,154,525)	(757,108)
Cumulative Cash Flow	-	(872,837)	(1,211,929)	(2,306,202)	(9,244,229)	(9,689,436)	(10,132,758)	(10,675,157)	(11,217,541)	(11,857,402)	(12,709,912)	(13,579,323)	(14,503,413)	(15,657,938)	(16,415,046)
Corporate Tax	(15,937,684)	(872,837)	(339,092)	(1,094,273)	(6,938,027)	(445,208)	(443,322)	(542,399)	(601,384)	(680,861)	(752,510)	(869,411)	(924,090)	(1,154,525)	(757,108)
Net Cash Flow (before Interest & after Corporate Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing															
Developer's Equity															
Manual Adjustments (Inject + / Repay -)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Injects	24,823,749	872,837	339,092	1,094,273	6,938,027	445,208	443,322	542,399	601,384	680,861	752,510	869,411	924,090	1,154,525	757,108
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	4,253,225	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(20,570,524)	(872,837)	(1,211,929)	(2,306,202)	(9,244,229)	(9,689,436)	(10,132,758)	(10,675,157)	(11,217,541)	(11,857,402)	(12,709,912)	(13,579,323)	(14,503,413)	(15,657,938)	(16,415,046)
Project Cash Account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Injection	4,217,416	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	(4,217,416)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for Adaptive reuse, Springvale

Low-Mid Range Cost - 1

PROJECT CASH FLOW		TOTAL	0	1	2	3	4	5	6	7	8	9	10	11	12	13
		TOTAL	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Senior Loan - Bank		Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Drawdown	(99,294,998)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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%	7.50%
Interest Charged	(4,632,841)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees Charged (Application, Line & Standby)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	103,927,839	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees	4,632,841	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	99,294,998	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Project & Finance Costs (no Interest/Fees and net of GST)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Senior Loan Cash Flow	4,632,841	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	100.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	1.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overlift	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Project & Finance Costs (no Interest/Fees and net of GST)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity % Debt Ratio	29.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Interest Coverage Ratio	100.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	1.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest & Corporate Tax)	(20,570,524)	(872,837)	(339,186)	(1,094,273)	(6,938,027)	(445,208)	(443,322)	(542,399)	(801,384)	(680,861)	(752,510)	(669,411)	(624,090)	(1,154,526)	(757,108)	
Cumulative Cash Flow**	-	(872,837)	(1,211,929)	(2,306,202)	(9,244,229)	(9,689,436)	(10,132,758)	(10,675,157)	(11,276,541)	(11,957,402)	(12,709,912)	(13,579,323)	(14,503,413)	(15,657,939)	(16,415,046)	
Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
GST Liability Summary																
GST Liability on Revenue	(8,154,162)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withheld by Purchaser	(8,154,162)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net GST Liability (Credit / Debt)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax	-	(872,837)	(5,395)	(1,094,273)	(6,968,363)	(445,208)	(443,322)	(542,399)	(801,384)	(680,861)	(752,510)	(669,411)	(624,090)	(1,154,526)	(757,108)	
Static Discount Rate (per ann. effective)	16.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PIV for each Month	(872,837)	(5,333)	(1,069,077)	(6,729,090)	(424,942)	(418,243)	(505,789)	(554,300)	(620,288)	(677,624)	(773,826)	(812,870)	(1,003,835)	(650,732)		
NPV of Future Cash Flows	(22,130,070)	(21,506,280)	(21,752,748)	(20,800,486)	(14,095,336)	(13,810,039)	(13,523,386)	(13,132,978)	(12,678,451)	(11,518,961)	(10,774,309)	(9,965,613)	(8,914,310)			
Variable Discount Rate (per ann. effective)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-		
NPV (using weighted avg discount rate)	(15,634,323)	-	-	-	-	-	-	-	-	-	-	-	-			

**Includes Net Interest from deposit on loan repayment plus interest received from pre-sale receipts

**Cumulative Cash Flow after financing costs (including interest on overlift)

Liabilities: 16.00% Pw 1st

Cash Flow Table for Adaptive reuse, Springvale

Low-Mid Range Cost - 1

PROJECT CASH FLOW		TOTAL	14	15	16	17	18	19	20	21	22	23	24	25	26	27
		TOTAL	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	157.00	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Cumulative Units Sold	157.00	18.00	28.50	38.00	47.50	57.00	66.50	76.00	85.50	95.00	104.50	114.00	123.50	133.00	142.50	152.00
% Units Sold	12.1%	18.2%	24.2%	30.3%	36.3%	42.4%	48.4%	54.5%	60.5%	66.5%	72.5%	78.5%	84.5%	90.5%	96.5%	102.5%
SqM Sold	2,090.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold	2,090.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold	109,743,571	5,422,228	5,438,206	5,453,708	5,469,305	5,485,007	5,500,814	5,516,808	5,532,444	5,548,327	5,564,444	5,580,700	5,597,100	5,613,640	5,630,320	5,647,144
Cumulative AUD Sold	109,743,571	10,893,623	16,287,429	21,721,337	27,190,702	32,675,709	38,176,523	43,693,331	49,225,775	54,774,102	60,338,546	65,919,246	71,517,346	77,133,026	82,766,346	88,417,490
% AUD Sold	-	9.9%	14.8%	19.8%	24.8%	29.8%	34.8%	39.8%	44.9%	49.9%	54.9%	59.9%	64.9%	69.9%	74.9%	79.9%
Handover Summary																
Units Handover	157.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handover	157.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handover	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handover	2,090.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handover	2,090.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handover	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handover	109,743,571	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handover	109,743,571	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handover	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow																
Revenue	109,743,571	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Sales Revenue	109,743,571	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(2,294,148)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(GST Payments / Credits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	107,449,423	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs	7,232,830	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land and Acquisition	2,219,826	64,511	64,511	64,511	64,511	64,511	64,511	64,511	64,511	64,511	64,511	64,511	64,511	64,511	64,511	64,511
Professional Fees	121,344,464	580,734	539,253	1,983,009	3,449,892	5,045,645	3,985,870	4,650,182	4,650,182	5,845,943	7,440,290	8,503,189	9,566,088	11,160,436	11,957,610	
Statutory Fees	1,315,634	-	-	143,408	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous Costs 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Misc 2	980,908	46,710	46,710	46,710	46,710	46,710	46,710	46,710	46,710	46,710	46,710	46,710	46,710	46,710	46,710	
Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Project Contingency (Reserve)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Land Holding Costs	685,343	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pre-Sale Commissions	729,041	72,904	72,904	72,904	72,904	72,904	72,904	72,904	72,904	72,904	72,904	72,904	72,904	72,904	72,904	
Financing Costs (exc. Fees)	333,697	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(GST Payments / Credit)	(11,684,720)	(64,508)	(77,570)	(88,533)	(98,762)	(107,912)	(117,012)	(126,065)	(135,068)	(144,024)	(152,934)	(161,792)	(170,600)	(179,360)	(188,072)	
TOTAL COSTS	121,067,107	669,900	646,303	2,241,006	3,568,254	5,032,758	3,339,629	4,358,912	4,455,216	5,590,585	7,112,028	8,268,085	9,390,807	10,488,528	11,569,075	
Net Cash Flow (before Interest & Corporate Tax)	(15,937,684)	(669,900)	(646,303)	(2,241,006)	(3,568,254)	(5,032,758)	(3,339,629)	(4,358,912)	(4,455,216)	(5,590,585)	(7,112,028)	(8,268,085)	(9,390,807)	(10,488,528)	(11,569,075)	
Cumulative Cash Flow	(17,084,946)	(17,751,249)	(19,972,255)	(23,540,510)	(28,573,267)	(34,606,025)	(40,945,654)	(47,594,566)	(54,549,782)	(61,910,367)	(69,682,395)	(77,864,880)	(86,456,687)	(95,457,762)	(104,868,837)	
Corporate Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Cash Flow (before Interest & after Corporate Tax)</																

Cash Flow Table for Adaptive reuse, 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																
Drawdown	(99,294,998)	-	-	-	-	(3,749,518)	(3,839,629)	(4,358,872)	(4,455,216)	(5,590,585)	(7,112,028)	(8,268,085)	(8,990,807)	(10,488,528)	(11,189,075)	
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	(4,632,841)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees Charged (Application, Line & Standby)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	103,927,839	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees	4,632,841	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	99,294,998	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	(3,749,518)	(7,612,562)	(12,019,033)	(16,549,367)	(22,243,386)	(29,494,435)	(37,946,960)	(47,174,835)	(57,959,206)	(69,509,520)	
% of Project & Finance Costs (no Interest/Fees and net of GST)	-	-	-	-	-	2.94%	5.94%	9.35%	12.84%	17.22%	22.79%	29.26%	36.30%	44.51%	53.27%	
Senior Loan Cash Flow	4,632,841	-	-	-	-	(3,749,518)	(3,839,629)	(4,358,872)	(4,455,216)	(5,590,585)	(7,112,028)	(8,268,085)	(8,990,807)	(10,488,528)	(11,189,075)	
Interest Coverage Ratio	100.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	1.03	-	-	-	-	(3,749,518)	(7,612,562)	(12,019,033)	(16,549,367)	(22,243,386)	(29,494,435)	(37,946,960)	(47,174,835)	(57,959,206)	(69,509,520)	
% of Project & Finance Costs (no Interest/Fees and net of GST)	-	-	-	-	-	2.94%	5.94%	9.35%	12.84%	17.22%	22.79%	29.26%	36.30%	44.51%	53.27%	
Project Overhaul	29,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity % Debt Ratio	29.00%	-	-	-	-	602.00%	327.10%	207.30%	133.33%	112.87%	85.20%	66.42%	53.64%	43.66%	36.48%	
Total Debt Interest Coverage Ratio	100.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	1.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest & Corporate Tax)	(20,570,524)	(669,900)	(646,303)	(2,241,006)	(3,568,254)	(5,032,758)	(6,389,629)	(8,358,872)	(10,824,115)	(13,934,601)	(17,651,028)	(21,968,085)	(26,980,807)	(32,799,528)	(39,419,075)	
Cumulative Cash Flow**	(17,084,846)	(17,731,249)	(18,972,255)	(20,540,510)	(22,512,764)	(24,975,022)	(27,933,901)	(31,392,773)	(35,367,888)	(39,868,489)	(44,903,517)	(50,481,602)	(56,612,609)	(63,302,137)	(70,551,212)	
Check Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary																
GST Liability on Revenue	(8,154,162)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withheld by Purchaser	(8,154,162)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Liability (Cost) (Credit) (over)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax	16.00%	(669,900)	(646,303)	(2,241,006)	(3,568,254)	(5,032,758)	(6,389,629)	(8,358,872)	(10,824,115)	(13,934,601)	(17,651,028)	(21,968,085)	(26,980,807)	(32,799,528)	(39,419,075)	
Static Discount Rate (per ann. effective)	(22,130,070)	(569,110)	(542,705)	(1,859,999)	(2,827,300)	(4,080,931)	(5,077,403)	(6,453,115)	(8,488,571)	(10,824,115)	(13,934,601)	(17,651,028)	(21,968,085)	(26,980,807)	(32,799,528)	
NPV of Future Cash Flows	(8,252,762)	(7,871,695)	(7,107,896)	(4,823,100)	(1,371,325)	3,794,328	7,632,332	12,131,681	16,781,210	22,833,879	30,084,379	38,811,876	49,362,688	62,540,653	78,946,653	
Variable Discount Rate (per ann. effective)	(15,634,323)	(669,900)	(646,303)	(2,241,006)	(3,568,254)	(5,032,758)	(6,389,629)	(8,358,872)	(10,824,115)	(13,934,601)	(17,651,028)	(21,968,085)	(26,980,807)	(32,799,528)	(39,419,075)	
NPV (using weighted avg discount rate)		(669,900)	(646,303)	(2,241,006)	(3,568,254)	(5,032,758)	(6,389,629)	(8,358,872)	(10,824,115)	(13,934,601)	(17,651,028)	(21,968,085)	(26,980,807)	(32,799,528)	(39,419,075)	

**Includes Net Interest from deposit on loan acquisition plus interest received from pre-sale deposits

**Cumulative Cash Flow after interest and corporate tax (including interest on overpaid)

Liabilities: 100.00% (100.00%)

Cash Flow Table for Adaptive reuse, Springvale

Low-Mid Range Cost - 1

PROJECT CASH FLOW	TOTAL	GST	28	29	30	31	32	33	34	35	36	37
			May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29
Developer's Equity												
Manual Adjustments (Inject + / Repay -)	24,823,749	-	-	-	-	-	-	-	-	-	-	-
Interest Charged	4,253,225	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	(20,570,524)	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	(4,217,416)	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(20,570,524)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(20,570,524)
Project Cash Account	4,217,416	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Injection	(4,217,416)	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-
Revenue												
Gross Sales Revenue	106,743,571	-	-	-	-	66,446,159	13,719,901	13,764,753	13,809,757	-	-	-
Selling Costs	(2,294,148)	-	-	-	-	(1,416,162)	(881,413)	(892,854)	(903,899)	-	-	-
Gross Rental Income	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-	-	-	-	-	-	-	-	-	-	-	-
(GST Payments) (Liabilities)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	104,449,423	-	-	-	-	65,030,997	13,328,488	13,372,100	13,415,858	-	-	-
Costs												
Land and Acquisition	7,232,830	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	2,219,826	64,511	64,511	64,511	64,511	64,511	64,511	-	-	-	-	-
Construction Costs	121,344,464	11,967,610	8,503,189	7,440,290	6,908,841	-	-	-	-	-	-	-
Statutory Fees	1,315,634	-	-	-	-	-	427,770	-	-	-	-	-
Miscellaneous Costs 1	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	980,906	46,710	46,710	46,710	46,710	46,710	46,710	-	-	-	-	-
Project Contingency (Reserve)	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	685,343	-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	725,041	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (see Fees)	333,697	-	-	-	-	-	-	-	-	-	-	-
(GST Payments) (Input Credits)	(11,824,896)	(1,367,196)	(1,057,108)	(783,128)	(686,501)	(608,107)	(538,850)	(482,500)	(428,666)	(382,666)	(348,666)	(315,666)
TOTAL COSTS	121,067,107	(11,824,134)	(7,517,243)	(6,454,344)	(5,236,933)	(4,180,488)	(3,366,675)	(2,710,954)	(2,193,954)	(1,809,188)	(1,453,453)	(1,137,884)
Net Cash Flow (before Interest & Corporate Tax)	(15,937,684)	(11,824,134)	(7,517,243)	(6,454,344)	(5,236,933)	(4,180,488)	(3,366,675)	(2,710,954)	(2,193,954)	(1,809,188)	(1,453,453)	(1,137,884)
Corporate Tax	(15,937,684)	(103,910,227)	(111,427,470)	(117,881,814)	(124,118,748)	(129,938,260)	(135,371,584)	(140,499,188)	(145,311,666)	(150,009,188)	(154,681,666)	(159,339,188)
Net Cash Flow (before Interest & after Corporate Tax)	(15,937,684)	(11,824,134)	(7,517,243)	(6,454,344)	(5,236,933)	(4,180,488)	(3,366,675)	(2,710,954)	(2,193,954)	(1,809,188)	(1,453,453)	(1,137,884)
Cumulative Cash Flow	(103,910,227)	(111,427,470)	(117,881,814)	(124,118,748)	(129,938,260)	(135,371,584)	(140,499,188)	(145,311,666)	(150,009,188)	(154,681,666)	(159,339,188)	(164,000,072)
Financing												
Developer's Equity												
Manual Adjustments (Inject + / Repay -)	24,823,749	-	-	-	-	-	-	-	-	-	-	-
Interest Charged	4,253,225	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	(20,570,524)	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	(4,217,416)	-	-	-	-	-	-	-	-	-	-	-
Equity Balance	(20,570,524)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(24,823,749)	(20,570,524)
Project Cash Account	4,217,416	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Injection	(4,217,416)	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-

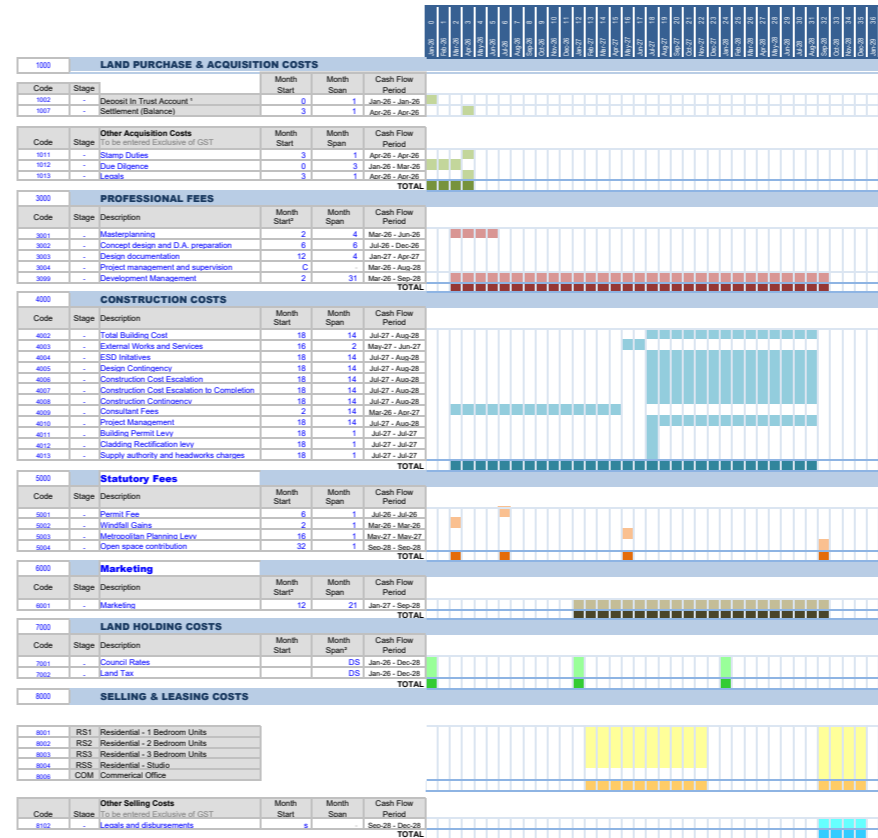
Cash Flow Table for Adaptive reuse, Springvale

PROJECT CASH FLOW	TOTAL	GET	28	29	30	31	32	33	34	35	36	37
			May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29
Senior Loan - Bank												
Drawdown	(99,294,998)		(11,044,134)	(7,517,243)	(6,454,344)	(6,236,933)	-	-	-	-	-	-
Loan Interest Rate (%/ann)			7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(4,632,841)		(434,435)	(506,176)	(558,322)	(600,139)	(642,970)	(677,010)	(714,137)	(757,576)	-	-
Interest & Fees Paid by other Loans	-		-	-	-	-	-	-	-	-	-	-
Loan Repayment	103,927,839		-	-	-	-	67,180,488	13,968,675	13,510,954	9,269,721	-	-
Interest & Fees	4,632,841		-	-	-	-	4,207,117	227,910	141,137	57,076	-	-
Principal	99,294,998		-	-	-	-	62,973,371	13,739,665	13,369,817	9,212,145	-	-
Loan Balance	(80,988,088)		(89,011,507)	(96,022,173)	(102,859,245)	(108,321,027)	(112,581,962)	(115,212,145)	-	-	-	-
% of Project & Finance Costs (no Interest/Fees and net of GST)	61.92%		67.81%	72.86%	77.74%	77.74%	77.74%	77.74%	77.74%	-	-	-
Senior Loan Cash Flow	4,632,841		(11,044,134)	(7,517,243)	(6,454,344)	(6,236,933)	67,180,488	13,968,675	13,510,954	9,269,721	-	-
Interest Coverage Ratio	100.27		-	-	-	-	104.27	58.71	94.75	233.01	-	-
Debt Service Ratio	1.03		-	-	-	-	1.02	0.85	0.99	1.45	-	-
Project Overall†	(80,988,088)		(89,011,507)	(96,022,173)	(102,859,245)	(108,321,027)	(112,581,962)	(115,212,145)	-	-	-	-
% of Project & Finance Costs (no Interest/Fees and net of GST)	61.92%		67.81%	72.86%	77.74%	77.74%	77.74%	77.74%	77.74%	-	-	-
Total Equity to Debt Ratio	29.00%		31.39%	28.66%	26.60%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Total Debt Interest Coverage Ratio	100.27		-	-	-	-	104.27	58.71	94.75	233.01	-	-
Total Debt Service Ratio	1.03		-	-	-	-	1.02	0.85	0.99	1.45	-	-
Net Cash Flow (after Interest & Corporate Tax)	(20,570,524)		(11,476,569)	(8,023,419)	(7,010,966)	(6,837,672)	66,537,617	13,739,665	13,369,817	13,369,866	35,696	35,809
Cumulative Cash Flow**	-		(108,811,838)	(113,635,256)	(120,846,223)	(127,682,994)	(61,145,377)	(47,405,712)	(34,035,895)	(20,642,029)	(20,606,333)	(20,570,524)
Cash Balance	-		-	-	-	-	-	1.86	9.86	1.46	-	-
GST Liability Summary												
GST Liability Summary	(8,154,162)		-	-	-	-	(8,354,838)	(817,870)	(800,555)	(843,148)	-	-
Withheld by Purchaser	(8,154,162)		-	-	-	-	(8,354,838)	(817,870)	(800,555)	(843,148)	-	-
Net Liability (incl. GST) (1/28)	-		-	-	-	-	-	-	-	-	-	-
Project IRR & NPV												
Cash Flow that excludes all financing costs, interest and corp tax	16,00%		(11,044,134)	(7,517,243)	(6,454,344)	(6,236,933)	67,180,488	13,968,675	13,510,954	13,451,441	35,696	35,809
Static Discount Rate (per ann. effective)	(22,130,070)		(7,970,827)	(5,362,560)	(4,551,007)	(4,346,787)	46,278,817	9,509,857	9,069,034	8,948,154	23,471	23,272
NPV of Future Cash Flows	15,634,323)		71,568,303	83,570,135	92,154,459	99,793,698	107,242,723	40,531,561	26,876,591	13,521,708	71,060	35,809
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%
NPV (using weighted avg discount rate)	-		-	-	-	-	-	-	-	-	-	-

* Excludes Net Present from deposit on land acquisition plus interest received from pre-sale deposits
 ** Cumulative Cash Flow after interest on mortgage less costs (including interest on mortgage)
 † Includes the FSCA Pty Ltd

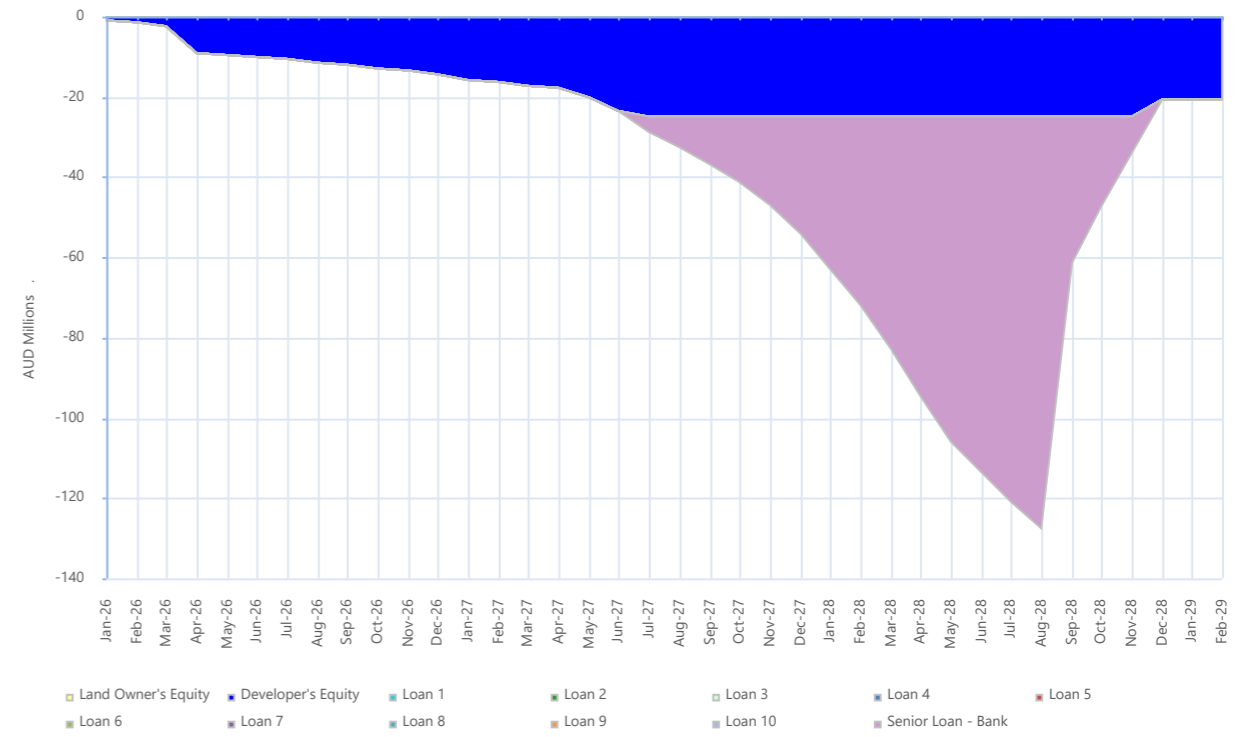
Low-Mid Range Cost - 1

Gantt Chart for Adaptive reuse, Springvale

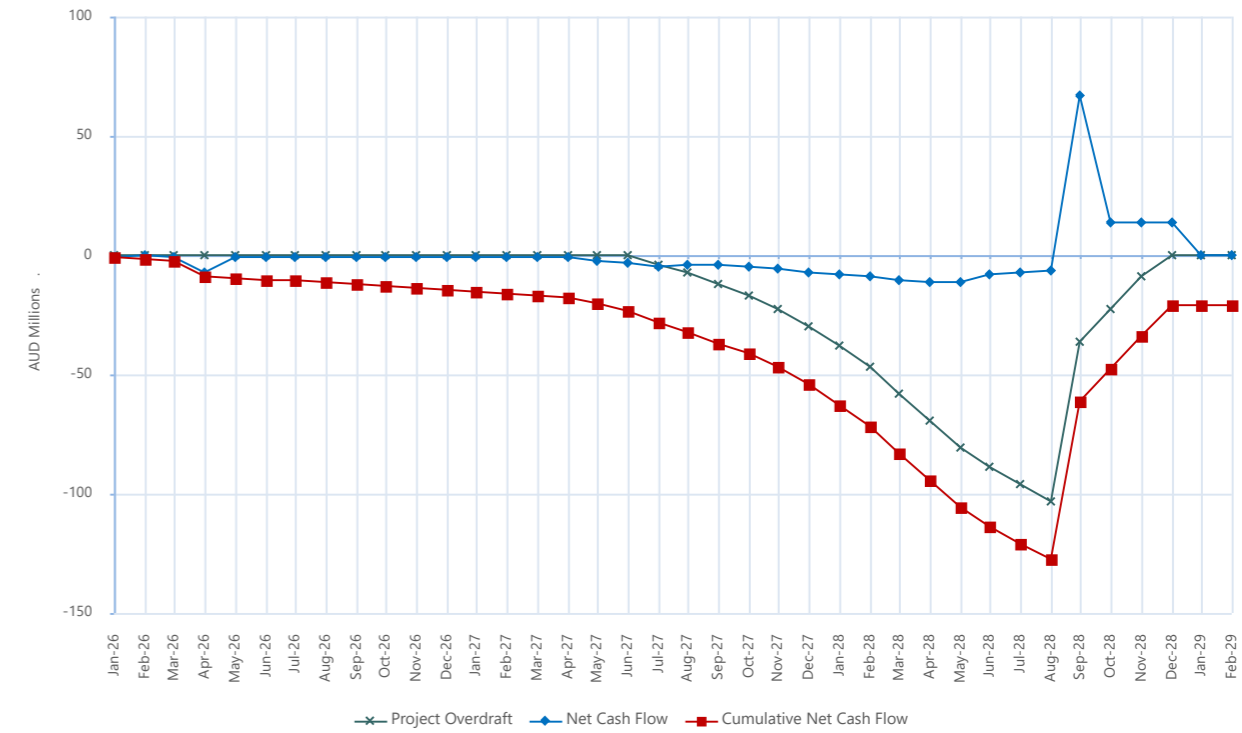


Low-Mid Range Cost - 1

Project Cumulative Cash Flow

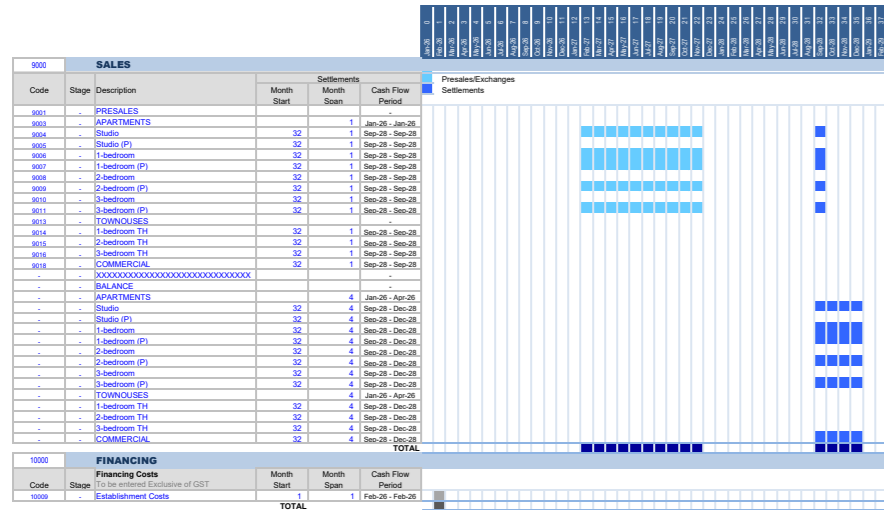


Project Cash Flow & Overdraft



Gantt Chart for Adaptive reuse, Springvale

Low-Mid Range Cost - 1



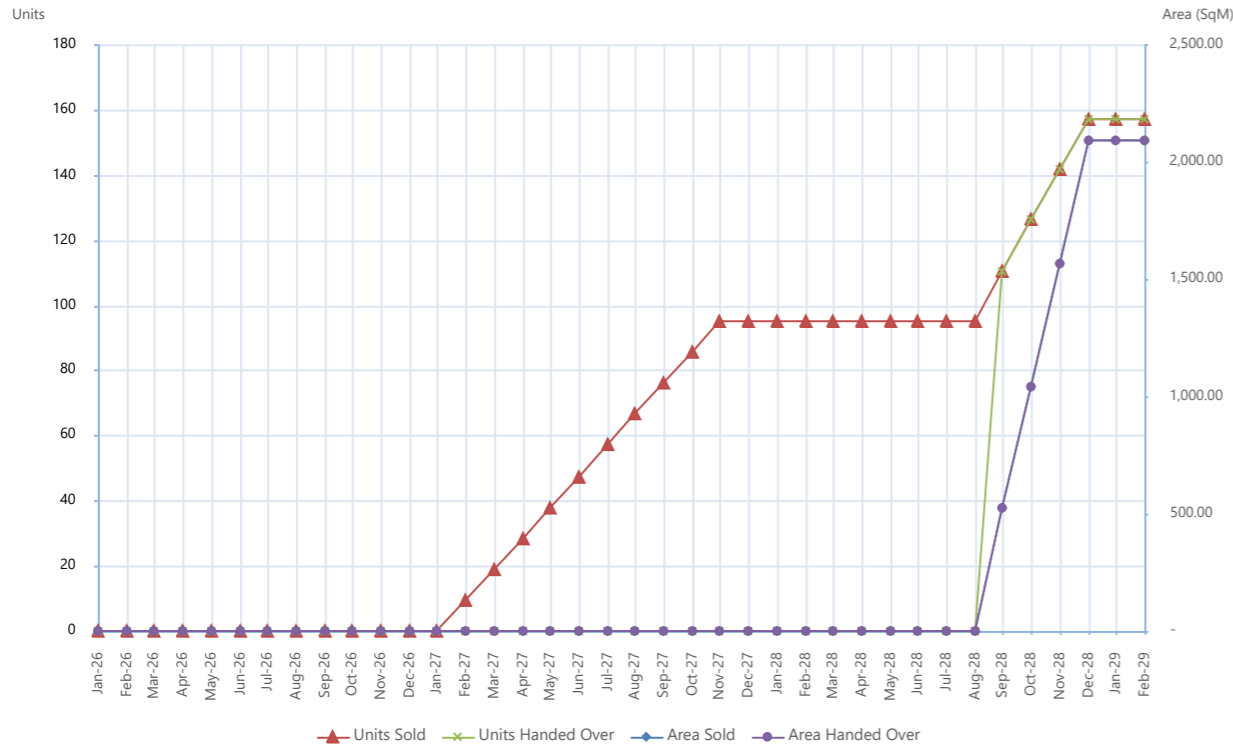
PROJECT CHARTS

Adaptive reuse, Springvale
Low-Mid Range Cost
1

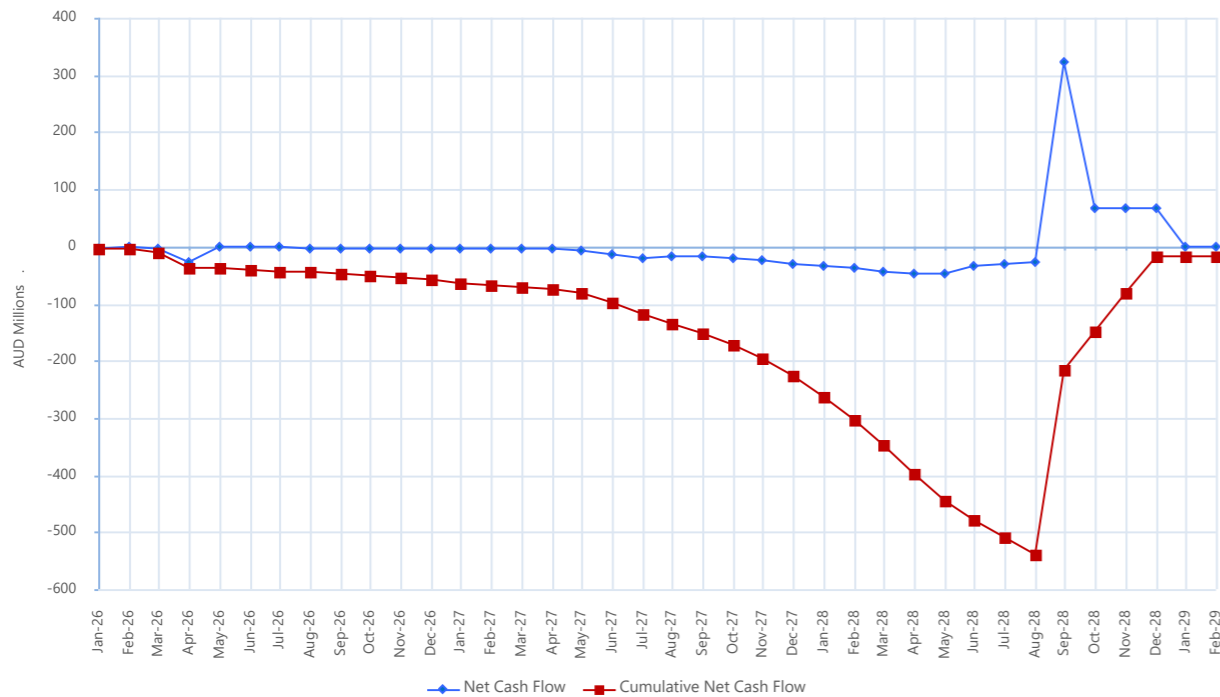


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Stock Summary - Sales vs Handovers



Consolidated Cash Flow



Current Financial Year Cash Flow for Adaptive reuse, 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	157.00	-	47.50	47.50	47.50	62.00
Cumulative Units Sold	-	-	47.50	95.00	142.50	157.00
% Units Sold	-	-	30.3%	60.5%	90.1%	100.0%
SqM Sold	2,090.00	-	-	-	-	2,090.00
Cumulative SqM Sold	-	-	-	-	-	2,090.00
% SqM Sold	-	-	-	-	-	100.0%
AUD Sold	109,743,571	-	27,190,702	27,583,258	54,969,610	109,743,571
Cumulative AUD Sold	-	-	27,190,702	54,773,960	109,743,571	109,743,571
% AUD Sold	-	-	24.8%	49.9%	100.0%	100.0%
Handover Summary						
Units Handed Over	157.00	-	-	-	-	157.00
Cumulative Units Handed Over	-	-	-	-	-	157.00
% Units Handed Over	-	-	-	-	-	100.0%
SqM Handed Over	2,090.00	-	-	-	-	2,090.00
Cumulative SqM Handed Over	-	-	-	-	-	2,090.00
% SqM Handed Over	-	-	-	-	-	100.0%
AUD Handed Over	109,743,571	-	-	-	-	109,743,571
Cumulative AUD Handed Over	-	-	-	-	-	109,743,571
% AUD Handed Over	-	-	-	-	-	100.0%
Project Cash Flow						
Revenue						
Gross Sales Revenue	109,743,571	-	-	-	-	109,743,571
Selling Costs	(2,594,148)	-	-	-	-	(2,594,148)
Gross Rental Income	-	-	-	-	-	-
Leasing Costs	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Interest Received*	-	-	-	-	-	-
GST Payments (Liabilities)	-	-	-	-	-	-
TOTAL NET REVENUE	107,149,423	-	-	-	-	107,149,423
Costs						
Land and Acquisition	7,232,930	7,232,930	-	-	-	-
Professional Fees	2,219,826	478,042	774,126	774,126	-	193,532
Construction Costs	121,344,464	1,327,392	12,401,708	93,266,232	14,349,132	-
Statutory Fees	1,315,634	679,000	208,864	-	-	427,770
Miscellaneous Costs 1	-	-	-	-	-	-
Misc 2	-	-	-	-	-	-
Marketing	980,906	-	280,259	560,518	-	140,129
Project Contingency (Reserve)	-	-	-	-	-	-
Land Holding Costs	585,343	188,442	195,037	201,864	-	-
Pre-Sale Commissions	729,041	-	364,521	364,521	-	-
Financing Costs (exc Fees)	333,697	333,697	-	-	-	-
GST Refunds (Inout Credits)	(11,654,735)	(106,745)	(816,764)	(7,280,301)	(3,450,925)	-
TOTAL COSTS	123,087,107	10,132,758	13,407,751	87,886,960	11,659,637	11,659,637
Net Cash Flow (before Interest & Corporate Tax)	(15,937,684)	(10,132,758)	(13,407,751)	(87,886,960)	(95,489,786)	(95,489,786)
Cumulative Cash Flow	-	(10,132,758)	(23,540,510)	(111,427,470)	(15,937,684)	(15,937,684)
Corporate Tax	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(15,937,684)	(10,132,758)	(13,407,751)	(87,886,960)	(95,489,786)	(95,489,786)
Cumulative Cash Flow	-	(10,132,758)	(23,540,510)	(111,427,470)	(15,937,684)	(15,937,684)
Financing						
Developer's Equity						
Manual Adjustments (Inject + / Repay -)	-	-	-	-	-	-
Injections	24,823,749	10,132,758	13,407,751	1,283,240	-	-
Interest Charged	-	-	-	-	-	-
Equity Repayment	4,253,225	-	-	-	-	4,253,225
Less Profit Share	-	-	-	-	-	-
Equity Balance	(20,570,524)	(10,132,758)	(23,540,510)	(24,823,749)	(20,570,524)	(20,570,524)
Equity Cash Flow	(20,570,524)	(10,132,758)	(13,407,751)	(1,283,240)	4,253,225	4,253,225
Project Cash Account						
Surplus Cash Injection	4,217,416	-	-	-	-	4,217,416
Cash Reserve Drawdown	(4,217,416)	-	-	-	-	(4,217,416)
Interest on Surplus Cash	-	-	-	-	-	-
Surplus Cash Balance	-	-	-	-	-	0
Senior Loan - Bank						
Debt						
Drawdown	(99,294,998)	-	-	(86,603,720)	(12,691,278)	-
Loan Interest Rate (%ann)	-	7.50%	7.50%	-	-	-
Interest Charged	(4,632,841)	-	-	(2,407,786)	(2,225,054)	-
Fees Charged (Application, Line & Standby)	-	-	-	-	-	-
Interest & Fees Paid by other Loans	-	-	-	-	-	-
Loan Repayment	103,927,839	-	-	-	-	103,927,839
Interest & Fees	4,632,841	-	-	-	-	4,632,841
Principal	99,294,998	-	-	-	-	99,294,998
Loan Balance	-	-	-	(89,011,507)	-	-
% of Project & Finance Costs (inc Interest/Fees and net of GST)	-	-	-	-	-	-
Senior Loan Cash Flow	4,632,841	-	-	(86,603,720)	91,236,561	91,236,561
Interest Coverage Ratio	100.27	-	-	-	48.16	48.16
Debt Service Ratio	1.03	-	-	-	1.03	1.03
Project Overdraft	-	-	-	(89,011,507)	-	-
Net Cash Flow (after Interest & Corporate Tax)	(20,570,524)	(10,132,758)	(13,407,751)	(90,294,747)	(93,264,732)	(93,264,732)
Cumulative Cash Flow**	-	(10,132,758)	(23,540,510)	(113,835,256)	(20,570,524)	(20,570,524)
Check Balance	-	-	-	-	-	-
GST Liability Summary						
Total Liability on Revenue	(9,154,162)	-	-	-	-	(9,154,162)
Withheld by Purchaser	(9,154,162)	-	-	-	-	(9,154,162)
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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11.0

Design testing for Site 5: 9-15 Brindisi Street, Mentone (City of Kingston)

A large, abstract yellow graphic composed of several overlapping rectangular blocks of varying heights and widths, creating a stepped, staircase-like effect that extends across the bottom and right side of the page.

11.1 Market research and demographic analysis

This analysis is prepared by HillPDA for the Brindisi Street, Mentone site.

MENTONE MARKET RESEARCH SUMMARY

Mentone is located approximately 21 kilometres southeast of Melbourne's CBD (2021 population of 13,197).

Mentone has an older and higher income population profile. The suburb is expected to achieve moderate population growth in the future (circa +120 people per annum) based on infill development.

Housing stock has changed over time with townhouses and apartments combined now outnumbering separate houses. The trend towards smaller housing is expected to continue into the future, catering for a range of price points including more affordable housing for younger people and some downsizers and higher end housing for professionals and some downsizers.

Apartments in Mentone are sought after due to the suburb's proximity to the beach, train station and vibrant village centre.

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.

Recent new apartment sales indicate a typical price around \$507,500 per unit at \$7,320/sqm, but new high-end stock can achieve over \$1 million and exceed \$10,000/sqm. There is also potential to consider mixed use projects with shopfronts achieving price rates similar to typical apartments depending on location. Townhouse and terrace style accommodation is very popular in the area.

Note: the last section of this paper provides a preliminary scoping of general housing innovation options on public land.



Source of image: Quinn Property Co

1.0 DEMOGRAPHIC CONTEXT

1.0 Overview

This section provides a demographic profile of Mentone. This information informs market responsive housing options.

1.1 Mentone

Mentone is a suburb approximately 21 kilometres southeast of the Melbourne CBD, within Kingston City Council. Located along Beaumaris Bay, it is served by Mentone Station on the Frankston line.

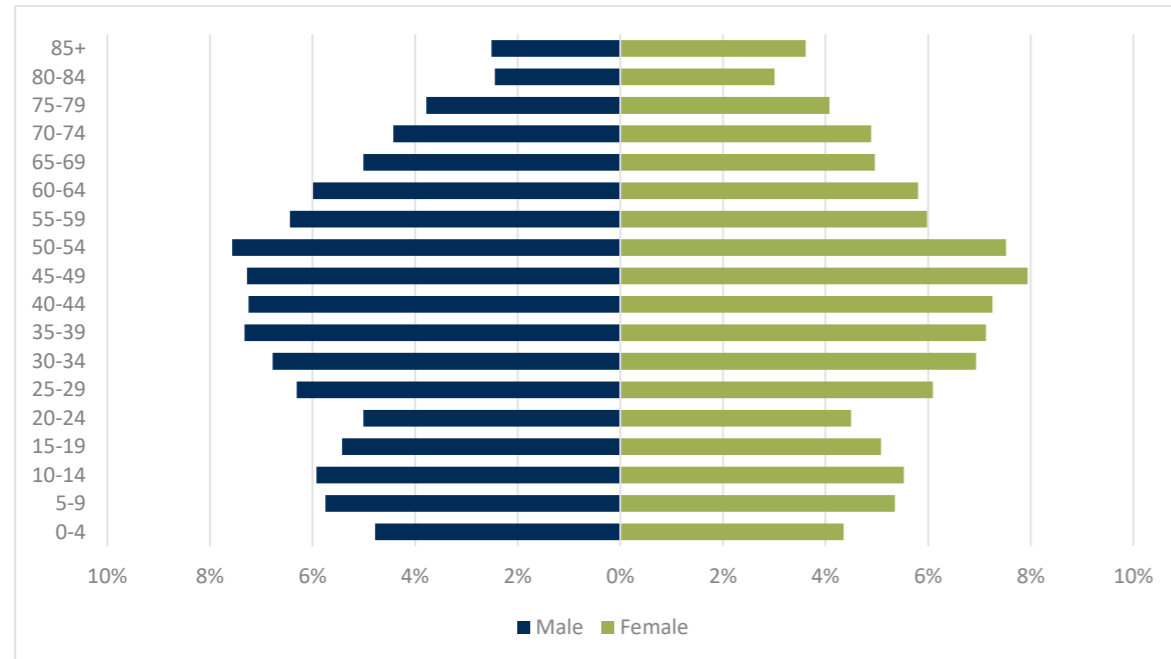
Figure 1: Mentone and surrounds



Imagery: CARTO (2025)

At the 2021 Census, Mentone had an estimated population of 13,197. The population has a mature age profile and a notable concentration of older adults, with almost 10% of people aged 70 years or over. In contrast, about 18% are aged 20-34 years, and around 20% are aged under 20 years.

Figure 2: Age distribution in five year age groups (Mentone)



Source: ABS (2021).

Mentone’s population has remained steady over the past quarter century, with some growth in the early 2010s, taking the population from 11,600 in 2001 to approximately 13,600 in 2024.

Moderate growth is expected in the future, with an annual growth rate of 0.9% projected to bring the population to around 15,000 by 2036.

Figure 3: Population projection (Mentone SA2)



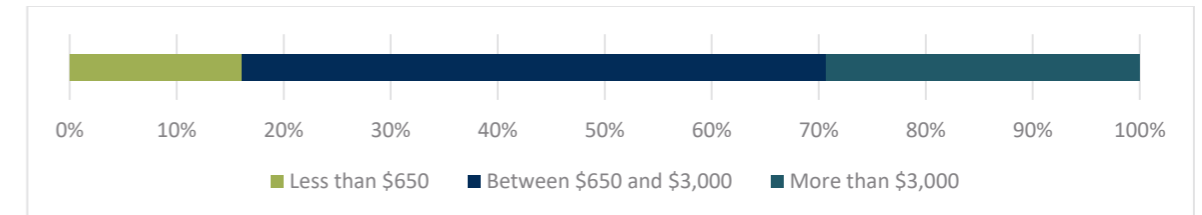
Source: ABS (2025); DTP (2023).

According to the 2021 Census, in Mentone:

- The median weekly household income was \$1,889
- The median monthly mortgage repayment was \$2,167
- The median weekly rent was \$392.

Approximately 16% of households earn below \$650 per week, with almost one third earning more than \$3,000 per week. Incomes have risen over the past decade, with the proportion of households earning more than \$3,000 per week rising from 11.9% in 2011. In the same time frame, the share of households earning less than \$400 per week halved, falling from 12.6% to 6.0%.

Figure 4: Household income ranges (Mentone)



Source: ABS (2021).

Around 30% of Mentone residents were born overseas. English is the dominant language, with over 75% of households using only English at home. The migrant population is well established, with 47.8% of those born overseas arriving in Australia before the year 2000.

Top countries of birth (excluding Australia):

1. England (4.7%)
2. China (excludes SARs and Taiwan) (2.7%)
3. India (1.9%)

Top languages used at home (excluding English):

4. Greek (3.5%)
5. Mandarin (3.0%)
6. Russian (1.5%)

1.2 Dwelling profile

Between 2011 and 2021, the total number of dwellings increased by around 18%. The number of semi-detached homes increased by 1,290 dwellings or over 150%, and now make up over one third of all dwellings in Mentone.

The number of flats or apartments fell, going from around one third of all dwellings to less than 20%, but this may be explained by data discrepancies that result in changes in classification between separate houses, semi-detached, flats, and cabins in the Census data. The number of separate houses increased only marginally (98 new dwellings).

Table 1: Dwelling structure (Mentone)

Description	2011		2021		Change	
	#	%	#	%	#	%
Separate house	2,383	49.9%	2,481	44.0%	+98	+4.1%
Semi-detached, row or terrace house, townhouse etc.	809	16.9%	2,099	37.2%	+1,290	+159.5%
Flat or apartment	1,570	32.9%	1,028	18.2%	-542	-34.5%
Other dwelling	14	0.3%	33	0.6%	+19	+135.7%
Total	4,776	100.0%	5,641	100.0%	+865	+18.1%

Source: ABS (2011; 2021).

Growth was experienced in dwellings of all sizes except studios, which make up a very small proportion of all dwellings within Mentone. Over 65% of all dwellings in the suburb are between 2-3 bedrooms, with 2-bedroom dwellings also experiencing the largest numerical and proportional increase between 2011 and 2021. The average number of bedrooms remains the same, indicating that typical dwelling size has not changed significantly.

Table 2: Number of bedrooms (Mentone)

Description	2011		2021		Change	
	#	%	#	%	#	%
None (includes studio apartments or bed-sitters)	12	0.3%	8	0.1%	-4	-33.3%
1 bedroom	522	11.1%	643	11.5%	+121	+23.2%
2 bedrooms	1,400	29.9%	1,746	31.2%	+346	+24.7%
3 bedrooms	1,731	36.9%	1,925	34.4%	+194	+11.2%
4 or more bedrooms	1,021	21.8%	1,272	22.7%	+251	+24.6%
Total	4,686	100.0%	5,594	100.0%	+908	+19.4%
Average number of bedrooms per dwelling	2.7	-	2.7	-		

Source: ABS (2011; 2021).

Household composition did not change significantly between 2011 and 2021, with all household and family types remaining proportionally similar. All household types experienced growth except group households and other families, which both remain under 3% of all households in Mentone. The average household size also remains the same as in 2011, suggesting stability in household composition despite overall growth.

Table 3: Household composition (Mentone)

Description	2011		2021		Change	
	#	%	#	%	#	%
Lone person	1,557	32.6%	1,865	33.1%	+308	+19.8%
Group	136	2.8%	121	2.1%	-15	-11.0%
Family	3,083	64.6%	3,654	64.8%	+571	+18.5%
Couple family without children	1,237	25.9%	1,503	26.6%	+266	+21.5%
Couple family with children	1,353	28.3%	1,555	27.6%	+202	+14.9%
One parent family	462	9.7%	589	10.4%	+127	+27.5%
Other family	54	1.1%	50	0.9%	-4	-7.4%
Total	4,776	100.0%	5,640	100.0%	+864	+18.1%
Average household size (no. of persons)	2.3	-	2.3	-		

Source: ABS (2011; 2021).

Between 2021 and 2036, the number of households is expected to grow by 13.9%. Couple families with children are expected to experience the biggest increase, projected to become more common than couple families with children by 2036, and the second most common household type after lone person households. Together they are expected to make up over 60% of all households by 2036.

Table 4: Household projections by type (Mentone SA2)

Description	2021	2026	2031	2036		Change 2021-2036	
				#	%	#	%
Couple family without children	1,566	1,633	1,725	1,886	27.8%	+320	+20.4%
Couple family with children	1,623	1,697	1,727	1,780	26.2%	+158	+9.7%
One parent family	614	647	671	703	10.4%	+89	+14.5%
Other family	45	44	47	52	0.8%	+8	+17.5%
Lone person	1,981	2,037	2,103	2,220	32.7%	+240	+12.1%
Group	128	129	135	141	2.1%	+13	+10.1%
Total	5,956	6,187	6,408	6,784	100.0%	+828	+13.9%

Source: DTP (2023).

Dwellings owned with a mortgage increased the most of all tenure types (excluding other tenure type), becoming the most common tenure type by 2021. Dwellings owned outright decreased slightly as a proportion of all dwellings, with each major tenure type now making up roughly one third of all dwellings.

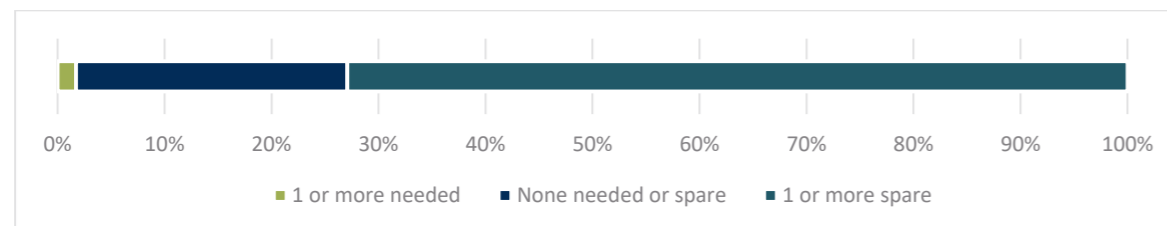
Table 5: Tenure type (Mentone)

Description	2011		2021		Change	
	#	%	#	%	#	%
Owned outright	1,704	36.7%	1,790	32.0%	+86	+5.0%
Owned with a mortgage	1,479	31.9%	1,913	34.2%	+434	+29.3%
Rented	1,434	30.9%	1,816	32.5%	+382	+26.6%
Other tenure type	24	0.5%	70	1.3%	+46	+191.7%
Total	4,641	100.0%	5,589	100.0%	+948	+20.4%

Source: ABS (2011; 2021).

Only one quarter of all dwellings had no bedrooms needed or spare in 2021. Almost 75% had one or more spare bedrooms, and of those dwellings, around 54% had one spare, 35% had two spare, and 11% had three or more bedrooms spare.

Figure 5: Housing suitability (Mentone)



Source: ABS (2021).

2.0 MARKET RESEARCH

2.0 Overview

This section provides a profile of the Mentone 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

Mentone’s apartment and unit market (and broader metropolitan area) has undergone a period of price adjustment over the past two year. Despite this, rental yields remain strong at 4.7% and the vacancy rate of 1.01% is low.

Mentone is currently experiencing a tight housing market, with limited stock available for sale, estimated at just 0.28% of the total housing stock. This low supply environment may lead to upward pressure on prices, particularly if anticipated interest rate cuts in 2025 materialise and stimulate buyer activity.

Even with recent price corrections, affordability remains a key challenge. Based on current income-to-price ratios, it could take up to 39 years to fully own a property for the average income earner, highlighting the need for more price accessible housing solutions to be provided.

Apartments in Mentone are increasingly sought after due to the suburb’s proximity to the beach, train station, and vibrant village centre, which makes Mentone a popular choice for a wide range of buyers.

Several trends are expected to shape Mentone’s property market in the future:

- Affordability pressures in inner and middle Melbourne leading to increased demand for smaller and more affordable housing choices in well-located areas like Mentone (affordable accommodation).
- Downsizing of older aged people that wish to remain in their region of residence in new, low-maintenance housing (lifestyle accommodation and / or affordable accommodation).
- People seeking out Mentone’s bayside and village lifestyle offer (lifestyle accommodation).

Key supply options are:

- Dwelling types: apartments, low-rise units
- Target market: first-home buyers, downsizers, investors, and professionals.

Overall, Mentone is well-positioned for sustainable, long-term growth in its housing market.

2.2 Development sites

Data on active and approved development sites in Mentone reflects the diversity of residential development activity and provides insight into feasibility and market dynamics. Typical projects are:

- A government housing development with 22 apartments and commercail space
- Medium-density townhouse developments, typically delivering around 3 to 6 units.

According to this sample, the pricing of townhouse development land is \$1,480/sqm to \$2,060/sqm or \$416,670/unit to \$502,500/unit.

The apartment project suggests a price of \$2,300/sqm or \$82,150/unit.

Table 6: Development site sales evidence

Mentone	Sold Price	Sold Date	Land Area sqm	No. of Units	\$/sqm	\$/unit	Description
203 Nepean Highway	\$1,807,300	2016	785	22	\$2,302	\$82,150	Construction of a new state government residential housing development, including 22 apartments over three levels, a single ground-floor retail tenancy, and a single basement level of parking. The project is due for completion in 2027.
25 Brindisi Street	\$3,385,000	2021	1,164	1	\$2,908	-	Construction of a dwelling & a shop. Completed in July 2025.
98-100 Patty Street	\$3,015,000	2021	1,457	6	\$2,061	\$502,500	Construction of 6 x 3- & 4-bedroom x 2-storey townhouses. Completed in March 2025.
4 Eblana Avenue	\$2,750,000	2023	3,536	6	\$1,548	\$458,333	Construction of 6 x 3-bedroom x 2-storey townhouses. Completion due in 2027.
17 Southern Road	\$1,250,000	2023	845	3	\$1,479	\$416,667	Demolition of existing dwelling. Construction of 3 x 3 bedroom 2-storey units. Completion due in 2027.

Source: Cordell Connect, RP Data Professional, HillPDA

2.3 Apartment sales evidence

New apartment developments generally feature 1 to 3 bedrooms, open-plan layouts, and secure parking, catering to lifestyle-focused buyers.

Median pricing by size for new constructions (units/apartments):

- 1-Bed Units: \$400,000
- 2-Bed Units: \$679,000
- 3-Bed Units: \$1,021,000.

These figures reflect a 2.9% annual growth in unit prices overall, with 3-bedroom apartments showing the strongest growth at 14.3% year-on-year.

An example of a current off-the-plan apartment sales is Kindred, at 25 Brindisi Street, Mentone. Designed by architectural firm Megowan, Kindred comprises 10 apartments (70% completed). The project is focused on lifestyle accommodation.

The table below shows sales evidence of relatively modern existing apartment stock (generally built in the last decade). The median of the sample shows the typical apartment unit being:

- 2 bedrooms (range of 1 to 3)
- 2 bathrooms (range of 1 to 2)
- 1 car space (range of 1 to 2)
- Floorspace 71 sqm (range 54 to 108)
- Median price \$507,500 (range \$330,000 to \$770,000)
- Median internal floorspace rate of \$7,320/sqm (range \$5,000 to \$7,850).

Table 7: Recent apartment sales, Mentone

Street Address	Bed	Bath	Car	Floorspace sqm	Sale Price	Sale Date	\$/sqm
608/7 BALCOMBE ROAD	3	2	2	108	\$750,000	01 May 2025	\$6,944
303/15 BALCOMBE ROAD	2	2	1	76	\$400,000	03 Dec 2024	\$5,263
307/15 BALCOMBE ROAD	2	2	1	80	\$400,000	03 Jun 2025	\$5,000
2/144 COLLINS STREET	2	2	1	65	\$510,000	04 Apr 2025	\$7,846
5/144 COLLINS STREET	2	2	1	70	\$520,000	06 Dec 2024	\$7,479
106/144 COLLINS STREET	1	1	1	54	\$370,000	06 May 2025	\$6,852
101/7 BALCOMBE ROAD	1	1	1	55	\$330,000	07 Apr 2025	\$6,000
21/76-88 BALCOMBE ROAD	2	2	1	76	\$580,000	09 Dec 2024	\$7,632
103/81 WARRIGAL ROAD	2	2	2	67	\$515,000	12 May 2025	\$7,687
107/81 WARRIGAL ROAD	2	2	1	71	\$505,000	12 Nov 2024	\$7,113
3/1 LONG STREET	2	2	1	103	\$770,000	14 Jan 2025	\$7,476
208/116 BALCOMBE ROAD	2	2	1	82	\$605,000	20 Dec 2024	\$7,378
2/14 STATION STREET	2	1	1	97	\$710,000	20 Mar 2025	\$7,320
214/116 BALCOMBE ROAD	2	1	1	62	\$471,000	21 Jul 2025	\$7,597
303/116 BALCOMBE ROAD	1	1	1	55	\$420,000	24 Jun 2025	\$7,636
102/144 COLLINS STREET	2	2	1	66	\$455,000	25 May 2025	\$6,894
46/76-88 BALCOMBE ROAD	2	1	1	78	\$540,000	27 Feb 2025	\$6,923
High	3	2	2	108	\$770,000	-	\$7,846
Low	1	1	1	54	\$330,000	-	\$5,000
Median	2	2	1	71	\$510,000	-	\$7,320

Source: RP Data Professional, HillPDA

2.4 Townhouses sales evidence

Townhouses in Mentone are popular due to their affordability and low maintenance appeal. While specific median prices vary by location and design, townhouses generally attract both downsizers and investors.

The price of townhouses in the sample below ranges from \$1,060,000 to \$2,050,000. The internal area price is \$6,630/sqm to \$8,550/sqm.

Table 8: Townhouse sales evidence

Address, Mentone	Sold Price	Sold Date	Bedrooms	Bathrooms	Car Spaces	Internal Area (m ²)	\$/sqm
8/77 Beach Road	\$1,515,000	31-May-25	3	2	2	210	\$7,214
2/18 Naples Road	\$1,370,000	31-May-25	3	2	2	185	\$7,405
5/8–10 Alvena Street	\$1,270,000	13-May-25	3	2	2	175	\$7,257
3 Withers Way	\$1,060,000	3-May-25	3	2	2	160	\$6,625
1B Cochrane Avenue	\$2,050,000	15-Apr-25	4	3	2	240	\$8,542

Source: RP Data Professional, HillPDA

2.5 Commercial Property Sector

Mentone’s commercial property market is experiencing steady demand, driven by its bayside location, village-style retail precinct, and connectivity via the Frankston rail line. The area supports a mix of retail, office, medical and light industrial uses, with a growing number of freehold investments and mixed-use developments.

High street retail is concentrated along Balcombe Road, Mentone Parade, and Como Parade, with substantial foot traffic and proximity to Mentone Station.

Office spaces are typically integrated into dual-level retail or warehouse facilities.

Commercail properties range from \$690,000 to over \$4.6 million, depending on size, location, and tenancy.

Smaller strata offices and retail shops (under 150 sqm) typically achieve between \$6,000/sqm to \$8,000 /sqm.

Table 9: Commercial shopfront sales evidence

Address, Mentone	Sold Date	Internal Area sqm	Descriptions
3 Como Parade West	21 Mar 2025	64	Freehold ice cream shop in a strategic bayside location.
15 & 17 Como Parade West	20 Feb 2025	326	Dual retail premises near Mentone Station.
1/135 Lower Dandenong Road	12 Nov 2024	90	Entry-level retail investment.
68–69 Beach Road	11 Nov 2024	270	Bayside retail with panoramic views.
161–163 Nepean Highway	25 Mar 2024	420	Freestanding Hungry Jack’s investment.
189–201 Nepean Highway	30 Nov 2023	387	Former car dealership site.
125 Mentone Parade	Not disclosed	180	Café with long-term lease in Mentone Village.
91 Balcombe Road	Not disclosed	128	Retail investment near Woolworths.

Address, Mentone	Sold Date	Internal Area sqm	Descriptions
1B Balcombe Road	Not disclosed	86	Burgertory with 10-year lease.
140 Balcombe Road	Not disclosed	93	Retail with fixed annual increases.

Source: RP Data Professional, HillPDA

2.6 Market Summary

Development Site Values

- Development site land values range from \$1,480/sqm to \$2,300/sqm.
- Prices per unit range from \$82,150/unit for apartment sites to \$502,500/unit for townhouse sites.
- Most residential developments are townhouse developments and low-rise apartments.

Townhouses Prices

- Townhouses prices can range from \$1,060,000 to \$2,050,000.
- The internal area price is around \$6,630/sqm to \$8,550/sqm.

Apartment Prices

- Apartment sales evidence indicates a typical price around \$507,500 (range from \$330,000 to \$770,000) but new high-end stock can achieve over \$1 million.
- Median internal floorspace sales rates are around \$7,320/sqm (range \$5,000/sqm to \$7,850/sqm) for existing stock, and prices can exceed \$10,000/sqm for new high end stock.
- Floorspace averages are 71 sqm (range 54 to 108).

Commercail Shopfront Prices

- Smaller strata offices and retail shops (under 150 sqm) typically achieve between \$6,000/sqm to \$8,000 /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 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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11.2 Site analysis

11.2.1 Existing buildings

This site contains the vacated Corben House (Mercy Place) aged care facility, comprising predominantly single-level brick buildings, with residential rooms arranged around small courtyards with covered walkways.

11.2.2 Strategic policy

Zoning

The site is in the Activity Centre Zone, Schedule 2. Key objectives from this Schedule include:

- To provide for increased density development which provides for a mix of uses to enable residential living opportunities within the centre which capitalise on access to public transport, open space, community services and retail opportunities.
- To ensure new development achieves appropriate transitions in height and form from significant heritage places and to established surrounding neighbourhoods.
- To ensure built form provides articulation, minimises overshadowing and provides for high quality architecture.
- To achieve a built form and urban fabric which features 'fine grained' elements, such as narrow ground level shop-fronts, articulated facades, and regular openings/entrances to the street.
- To provide attractive and safe urban environments that increase opportunities for social interaction and community life.

This site is in Precinct 4 – Existing Residential Areas, the objectives and guidelines for which are:

- To encourage residential development which provides for a high quality of design and a transition in scale from the Retail Core to the residential areas beyond the Activity Centre boundary.
- To develop the precinct as a focus for new medium density development at a lower scale than is proposed for precincts located in the centre of the Activity Centre.
- Development should consist of new medium density housing comprising a variety of housing types and layouts which responds to the evolving urban character of this precinct.

Precinct 4 has a preferred building height of 2-3 storeys (9m).

However it is expected that this guidance will increase under the new planning policy framework, outlined below.

Planning Policy reform: Activity Centre Program

Mentone is identified as a "Tram and Train Activity Centre", as indicated in the map below and here:

<https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/train-and-tram-zone-activity-centres/about-the-program>

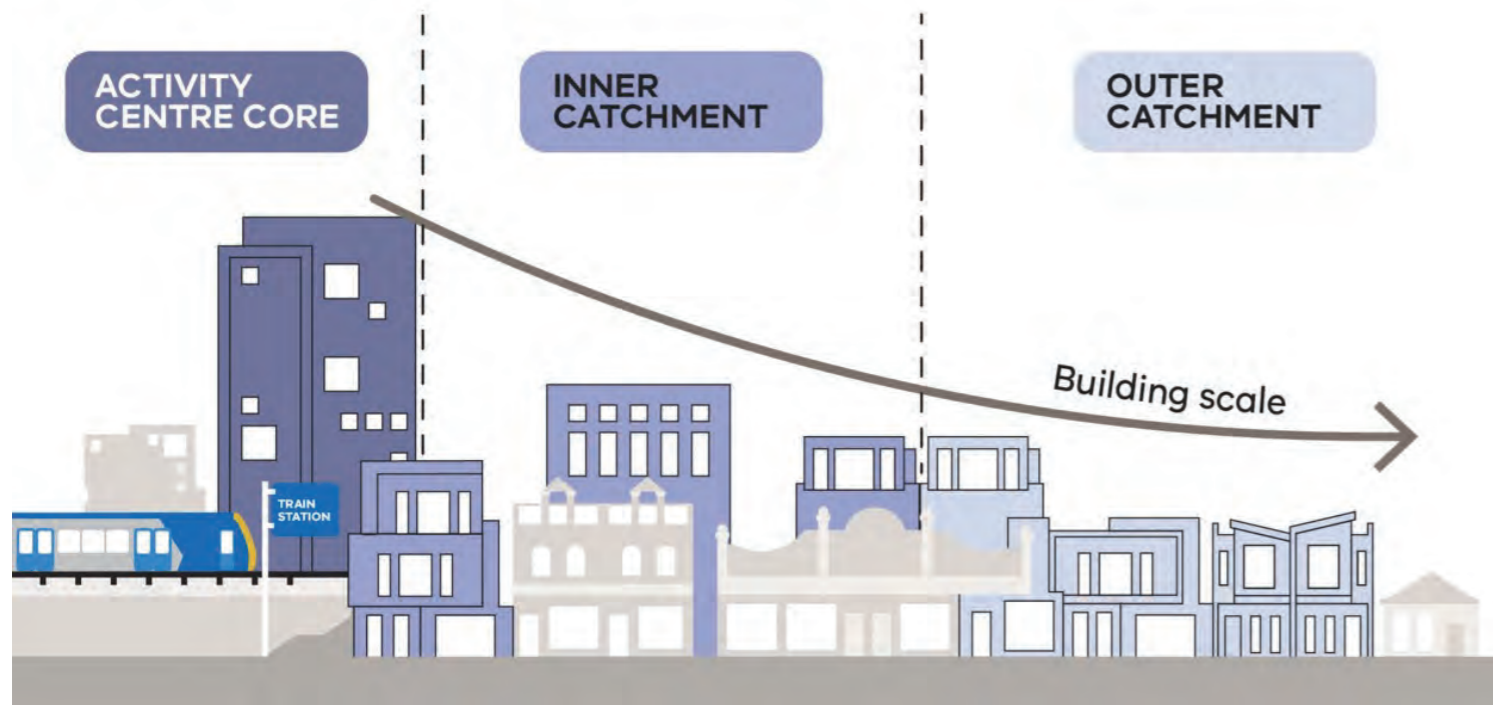
It therefore will be subject to the new planning tools including the Housing Choice and Transport Zone (HCTZ), and the new Built Form Overlay (BFO), which are being applied to activity centre cores. The BFO is also being applied to Suburban Rail Loop centres.

Plans have been prepared for the first 10 Pilot Activity Centres, of about 60 in total.

Draft plans have recently been released for the next 25, including Sandringham, Hampton and Brighton etc. These plans can be found here:

<https://engage.vic.gov.au/project/activity-centres-program/page/north-brighton-sandringham>





For context/reference:

- North Brighton core (Bay Street) is all up to 6 storeys, with one site up to 12 storeys.
- Hampton core (Hampton Street) is mostly up to 8 storeys, with some sites up to 12 and 16 storeys around the Station, but all in the main street or Station context (core).
- Sandringham core has some large sites up to 12 storeys, but all other areas up to 8 storeys towards the periphery of the core.

Mentone Activity Centre has not yet been planned for the new Zone.

The general guidance for the HCTZ is as follows:

- ✎ **Core:** Various heights between three and 12 storeys in most centres and up to 20 storeys in some places in the largest centres.
- ✎ **Inner catchment:** Up to four storeys, and up to six storeys on blocks larger than 1000m².
- ✎ **Outer catchment:** Up to three storeys, and up to four storeys on blocks larger than 1000m².

It is presumed that the Brindisi St site would be in the inner catchment, based on the above.

Therefore, it is reasonable to assume up to 6 storeys on the site (noting this is discretionary, not mandatory, so limited exceedance may be possible, if required).

11.2.3 Site parameters

Location and access

The site is located approximately 450m walking distance from Mentone Station. Mentone Parade is the primary ‘main street’ for retail in the activity centre, and is 200m from the site. Buses run along Mentone Parade.

Mentone Reserve (sports oval) and the adjoining Keith Styles Reserve are located across Brindisi Street from the site.

Mentone Beach is approximately 800m (10 minutes’ walk) from the site.

Street frontages

The site’s only frontage to Brindisi Street is approximately 66m wide.

Width

The site is approximately 66m wide (east-west).

Length

The site is approximately 75m long (north-south).

Area

5,118 sq.m.

11.2.4 Site constraints

Existing buildings and layout

The existing site layout is relatively complex and intricate, with narrow building footprints around multiple compact courtyards, some with mature trees, presenting challenges for adaptive re-use.

The existing building stock is mainly single-level, with no heritage status, but therefore requiring vertical expansion to optimise housing on the site.

Existing trees

The site contains a number of existing trees, some of significant size, mostly within courtyard spaces. Retaining these trees presents a further challenge to modifying the built form on the site.

Residential interfaces

The site interfaces with low-scale residential properties to the north, east and west, but noting that all adjoining properties are also in the Activity Centre Zone.

Uncertain planning controls

While the Activity Centre Program is expected to lead to different planning controls, the specifics and timing of these controls is uncertain.

11.2.5 Site opportunities

Walkable access

The close local proximity of large open spaces, shops and public transport, as well as the beach, make this location highly walkable and cyclable, and therefore well suited to higher density living.

High amenity location

Mentone is an attractive, distinctive, village-like activity centre, with a fine grain main street, significant heritage buildings, and a recently redeveloped train station. It contains various private schools nearby, and has easy beach access.

These factors make the area an attractive, desirable residential location.

Southern orientation to avoid overshadowing

The site is located on the northern side of Brindisi Street, facing south. Therefore higher-scale buildings will have very limited overshadowing impacts on adjoining properties, presenting opportunities for higher-scale built form.

11.3 Design concept plans

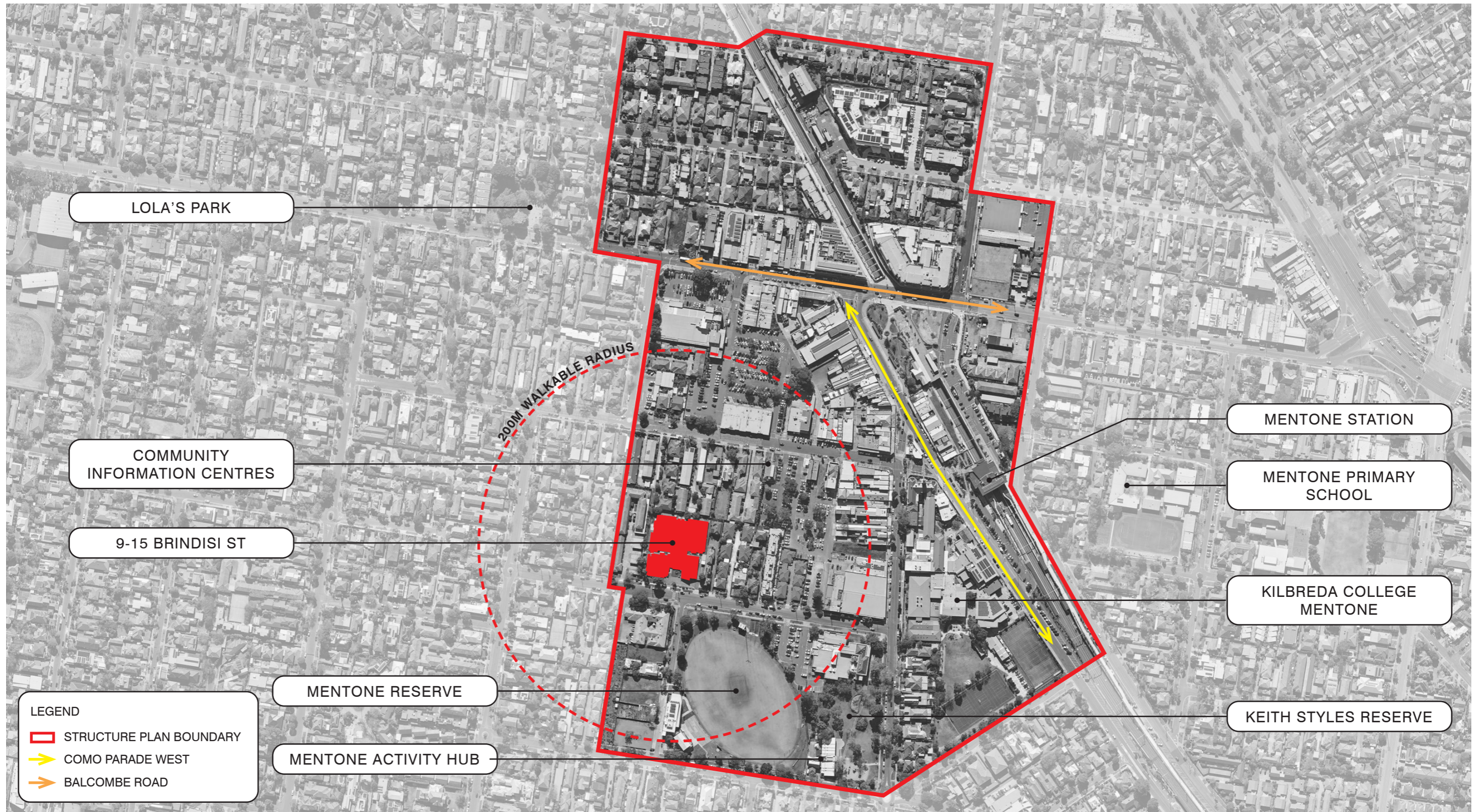
This section comprises the analysis, design strategies, concept plans and yield analysis, prepared by BKK Architects for the Mentone site.

9-15 BRINDISI ST MENTONE

Location Plan



Location Plan



Structure plans

Fig. 3 and 4. Taken from Mentone Activity Centre Structure Plan 2011

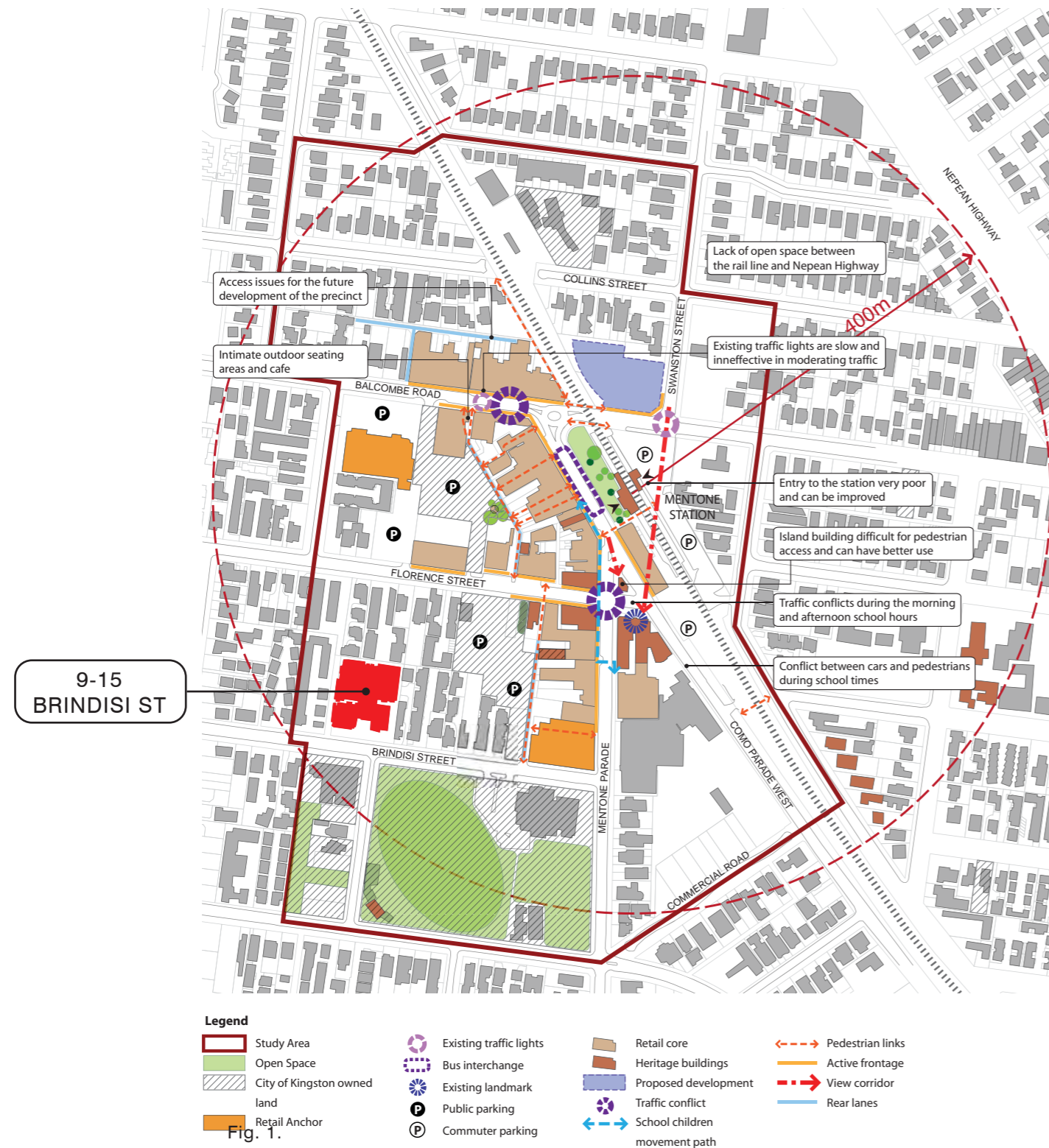


Figure 3 – Constraints and Opportunities

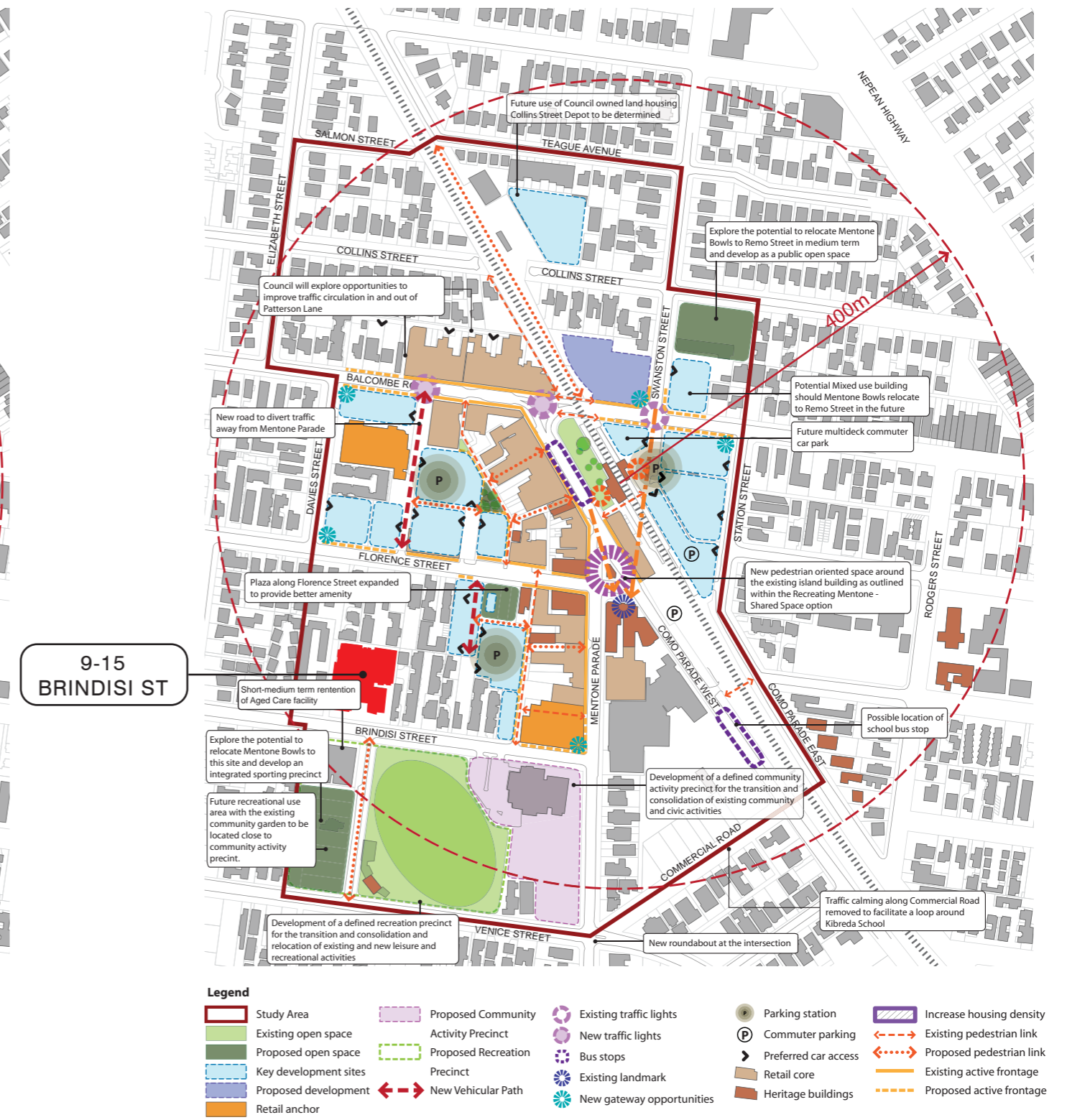


Figure 4 – Concept Strategy

Planning Policy



• Designation & Zoning

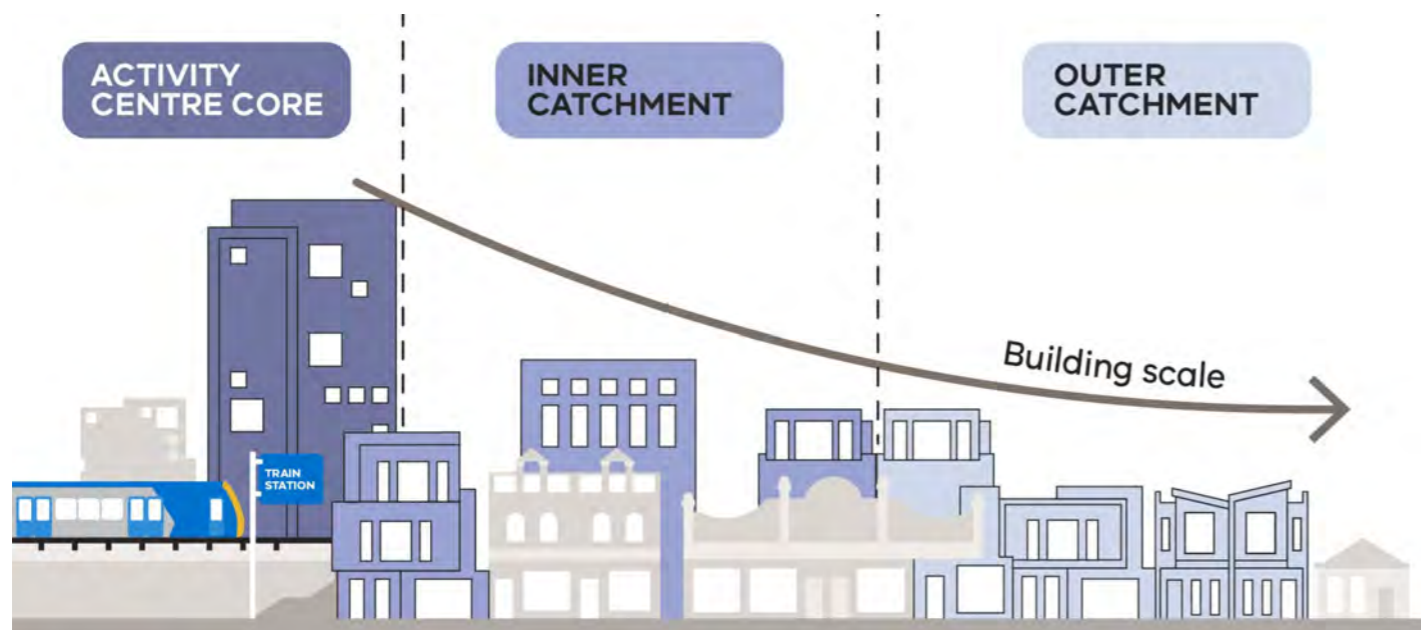
- Mentone is identified as a 'Tram and Train Activity Centre'
- Will be subject to the new Housing Choice and Transport Zone (HCTZ)
- A new Built Form Overlay will also apply to the activity centre core

• Planning Framework

- Plans have been prepared for 10 pilot centres
- Draft plans released for 25 additional centres (e.g., Sandringham, Hampton, Brighton).

• Development Scale Examples from Draft Plans

- North Brighton: Core up to 6 storeys; one site up to 12
- Hampton: Mostly up to 8 storeys; some up to 12–16 storeys near station
- Sandringham: Large sites up to 12 storeys in core; sites within periphery up to 8 storeys



• HCTZ building scale

- Activity Centre core: 3–12 storeys
- Inner catchment: Up to 4 storeys (6 on large blocks > 1000m²)
- Outer catchment: Up to 3 storeys (4 on large blocks > 1000m²)

• Mentone Centre HCTZ – Not Yet Planned

- *Brindisi St Site: Assumed would fall within inner catchment zone*
- *Assumed development potential: Up to 6 storeys*

Precinct Map



- Legend**
- Activity Centre Boundary
 - Precinct Boundary
 - Existing open space
 - Land not subject to ACZ
 - + Trainline & Station
 - B Bus Routes & Stops
 - P Existing landmark
 - P New gateway opportunities
 - P Community Facility
 - P Parking
 - P Commuter parking
 - P Heritage buildings
 - Proposed pedestrian link
 - Existing pedestrian link



Mentone Activity Centre Zone
Precinct 4

October 2012

Precinct 4 - Existing Residential Areas

Precinct Objectives

- To encourage residential development which provides for a high quality of design and a transition in scale from the Retail Core to the residential areas beyond the Activity Centre boundary.
- To develop the precinct as a focus for new medium density development at a lower scale than is proposed for precincts located in the centre of the Activity Centre.

Precinct requirements		
Precinct	Preferred Building Height	Building Setback
4	2-3 storeys (9 metres)	Not specified

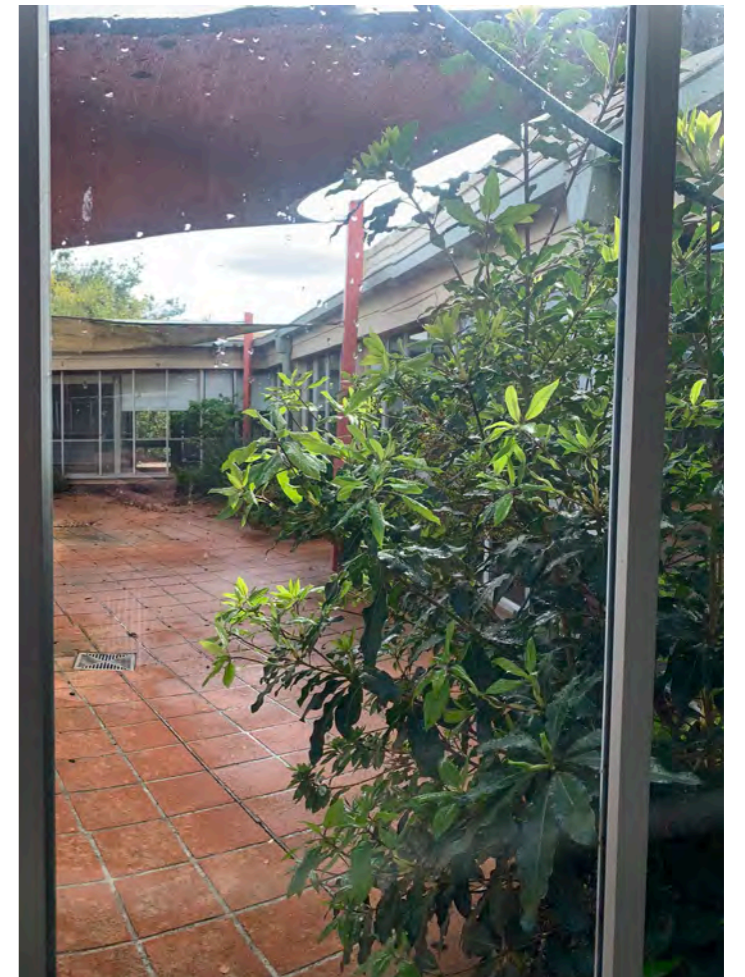
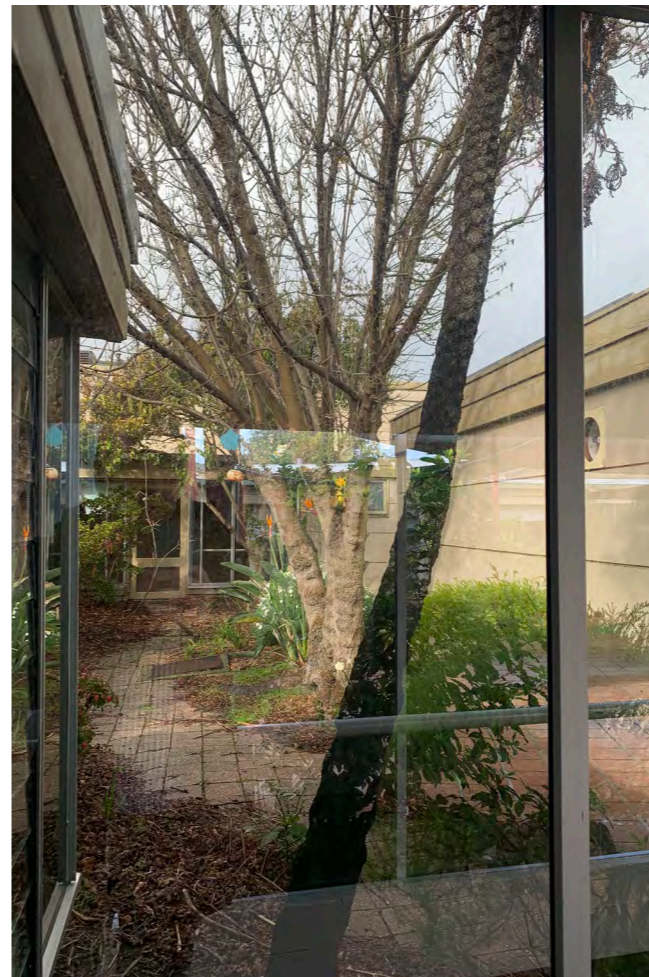
Precinct Plan



Existing Buildings - Exterior



Existing Buildings - Internal & Courtyards



Kingston City Council Brief - Social and Affordable Housing



- **Current Council Action**
 - Council officers are assessing site opportunities for social and affordable housing, including in Mentone.
- **Housing Needs in Kingston**
 - Estimated 2,788 households in Kingston have an unmet need for affordable housing.
 - This represents 4.6% of all households (vs. 6.1% in Greater Melbourne).
 - Lone person households are the most in need (870 households).
- **Supply Issues**
 - Undersupply of social and affordable housing is significant across Kingston.
 - Provision in any suburb would be beneficial despite variations in local need.
- **Waiting List Data:**
 - Mentone and Mordialloc fall within the Cheltenham South broadband.
 - As of March 2025, there are 3,150 applications on the waiting list for this area.
- **Housing Type Considerations:**
 - Likely to focus on studio/small units, especially for short-term/transitional accommodation.
 - Limited diversity in housing types if existing facilities are repurposed.
 - Mixed housing types may be considered to improve project feasibility.
- **Delivery & Funding Approach:**
 - If refurbishing existing buildings: Council could issue an EOI campaign.
 - If unsuitable for repurposing: Council may partner with a housing provider for redevelopment, or partial redevelopment.

Precedents



Little Hero, Fender Katsalidis (2020), Melbourne.
UB® System
<https://fkaustralia.com/project/little-hero/>



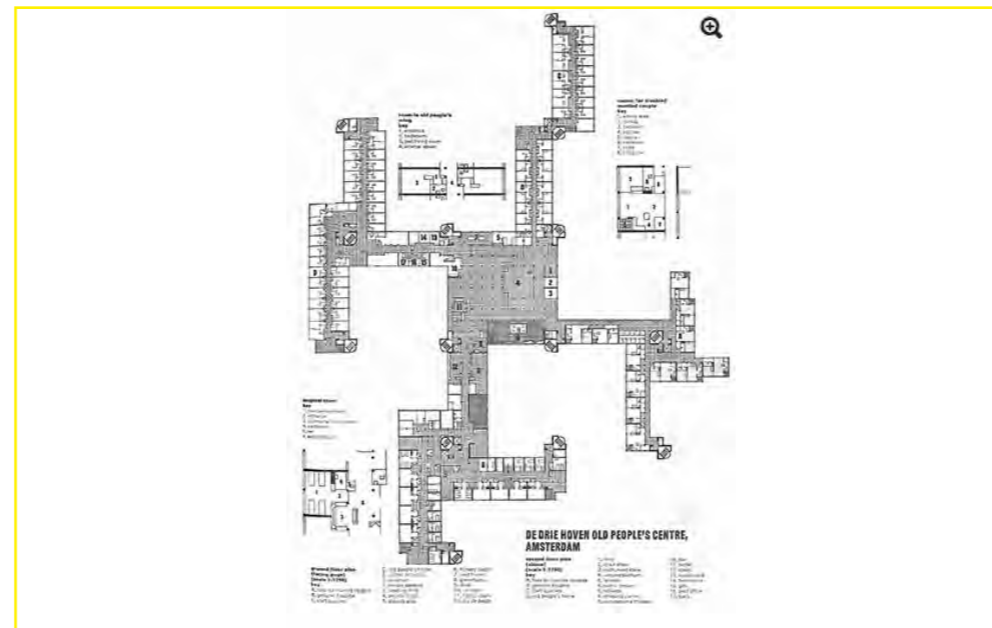
Common Ground, Stoll Architects (2010), 660 Elizabeth Street, Melbourne.
Housing to support needs of people who have experienced long term homelessness.
<https://stollarchitecture.com.au/projects/common-ground-660-elizabeth-street-2/>



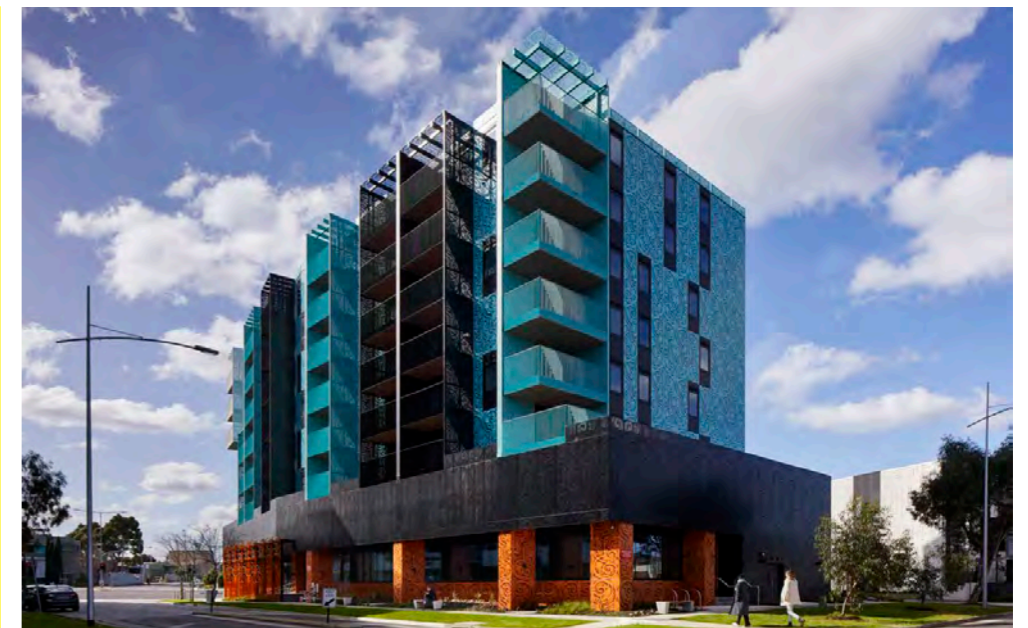
VincentCare Victoria Social Housing, Resource Centre and Accommodation, MGS Architects (2016), North Melbourne, Melbourne.
Housing for homeless people.
<https://mgsarchitects.com.au/projects/housing/ozanam-house>



One9 apartment tower, Amnon Weber Architects (2014), Melbourne.
Constructed in five days using the Hickory Group's UB® System.
<https://www.architectureanddesign.com.au/editorial/industry-news/nine-storey-melbourne-apartment-goes-up-in-just-fi>

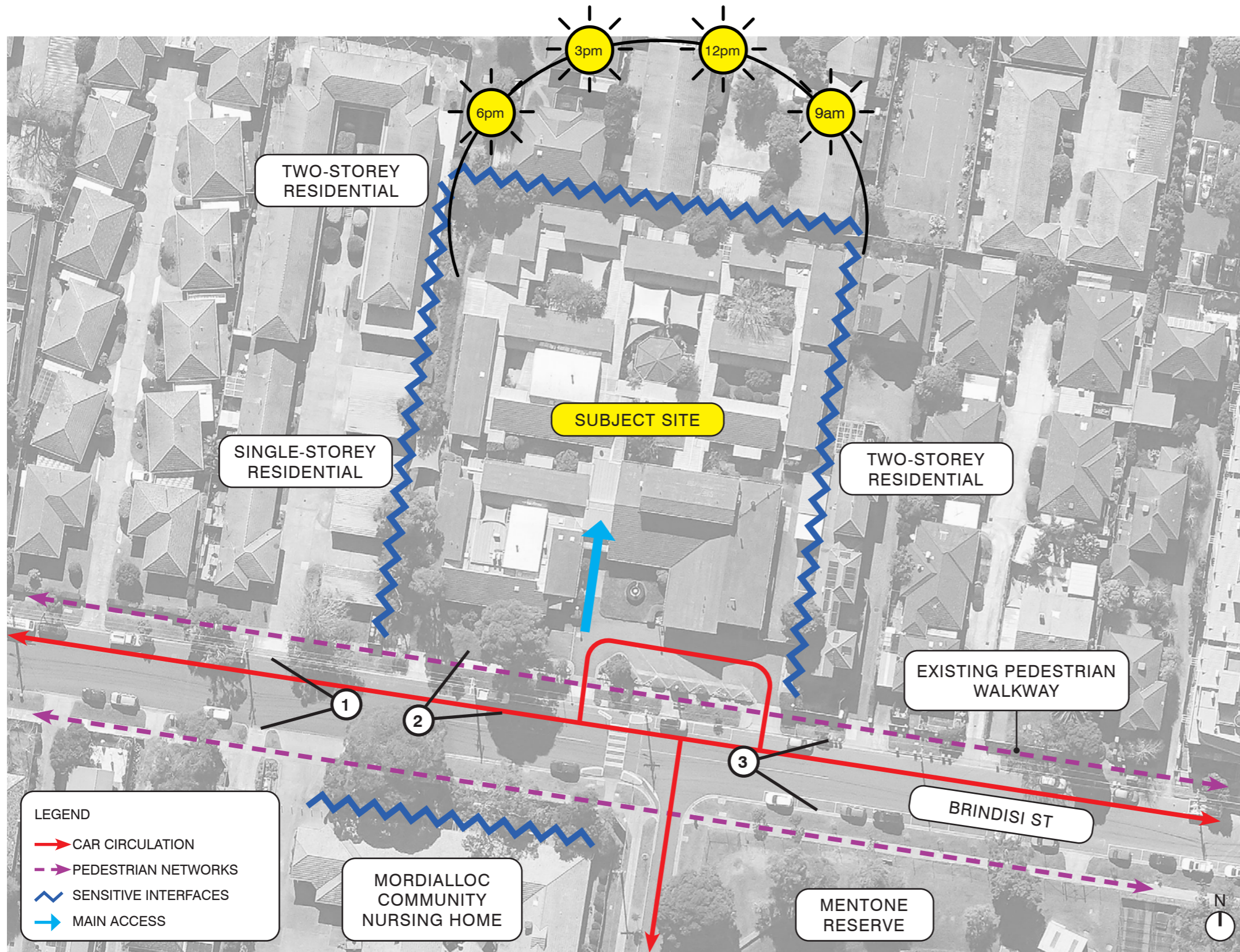


De Drie Hoven Elderly Housing, Herman Hertzberger (1964-1974), Slotervaart, Amsterdam, Netherlands. The building's consistent module of columns, beams, and floors allowed for significant freedom in the utilization of space.
<https://hicarquitectura.com/2024/05/herman-hertzberger-housing-for-old-and-disabled-people/>



Viv's Place, ARM Architecture (2020), Dandenong, Melbourne.
Australian-first, build-to-rent project offering permanent housing for women and children escaping family violence and homelessness.
<https://architectureau.com/articles/safe-and-sanctuary-like-apartments-dedicated-to-at-risk-women-and-children/>

Site Analysis Diagram



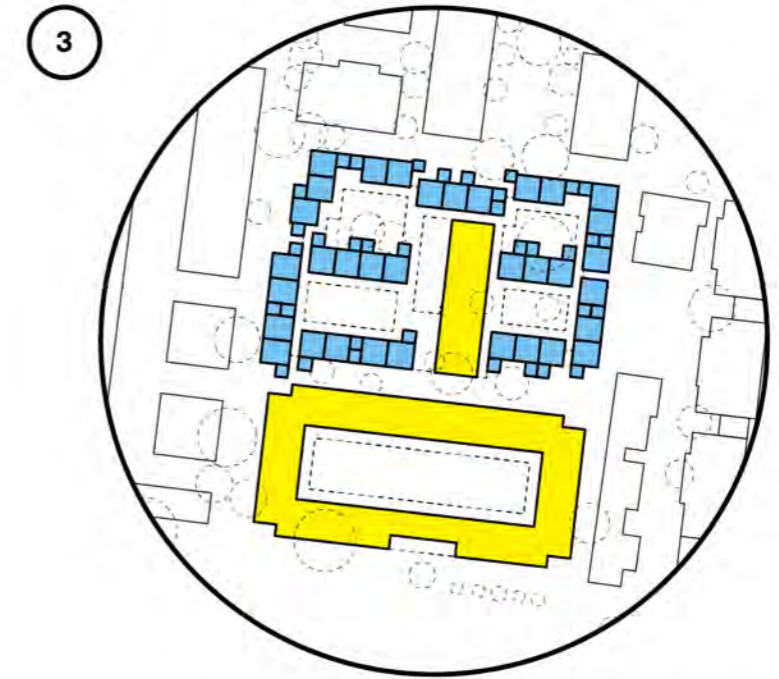
Key Moves



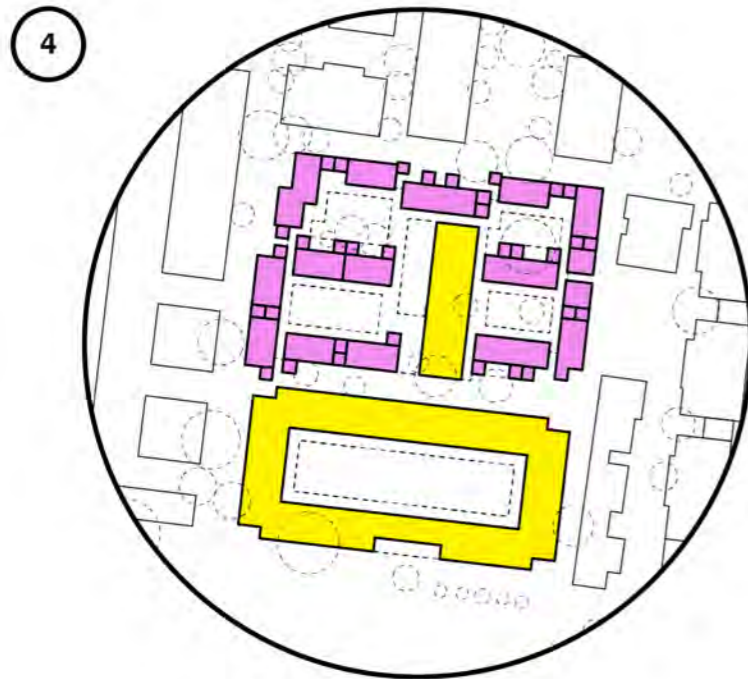
EXISTING - MINOR UPGRADES TO EXISTING BUILDINGS FOR SHORT TERM/TRANSITIONAL HOUSING



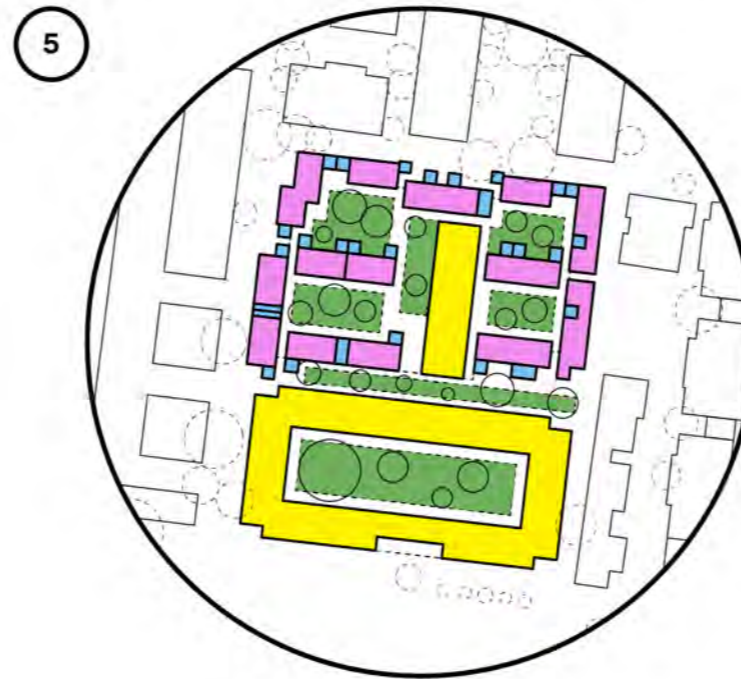
STRATEGIC DEMOLITION TO FREE UP DEVELOPMENT SITE TO SOUTH SIDE OF PROPERTY



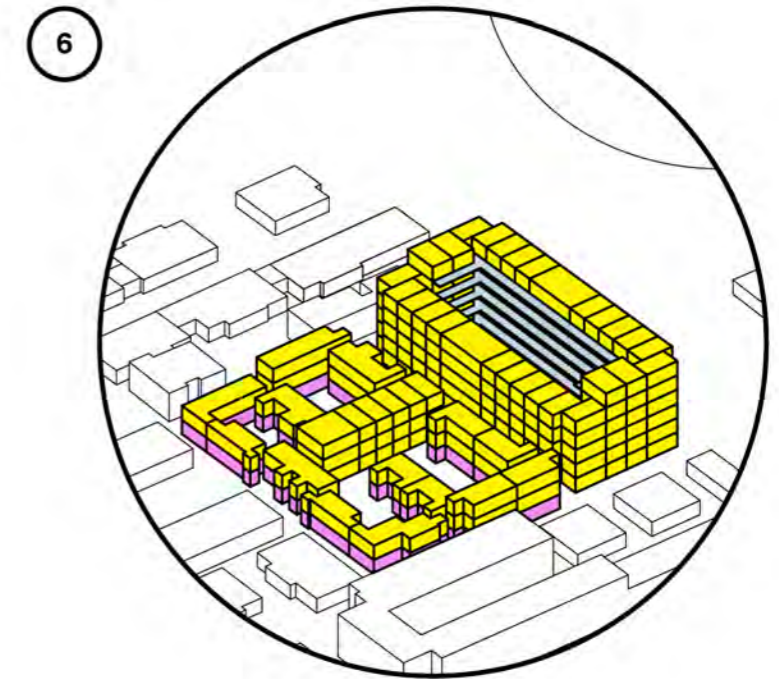
ADAPTIVE REUSE OF DOUBLE BRICK STRUCTURES TO MINIMISE CARBON FOOTPRINT, NEW BUILDING ADDITIONS



CONVERT NURSING STYLE HOMES TO SOLE OCCUPANCY UNITS

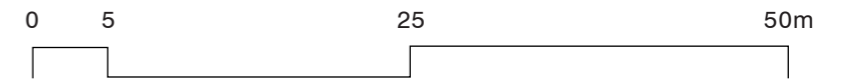


UPGRADING OF LANDSCAPE & COURTYARD



MAXIMISE SOLAR ACCESS BUILDINGS THAT TRANSITIONS FROM RESIDENTIAL INTERFACE TO PRIMARY STREET FRONTAGE + UPLIFT OPPORTUNITY LEVELS

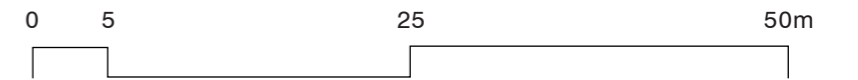
Floor Plan - Existing



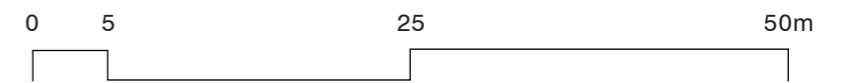
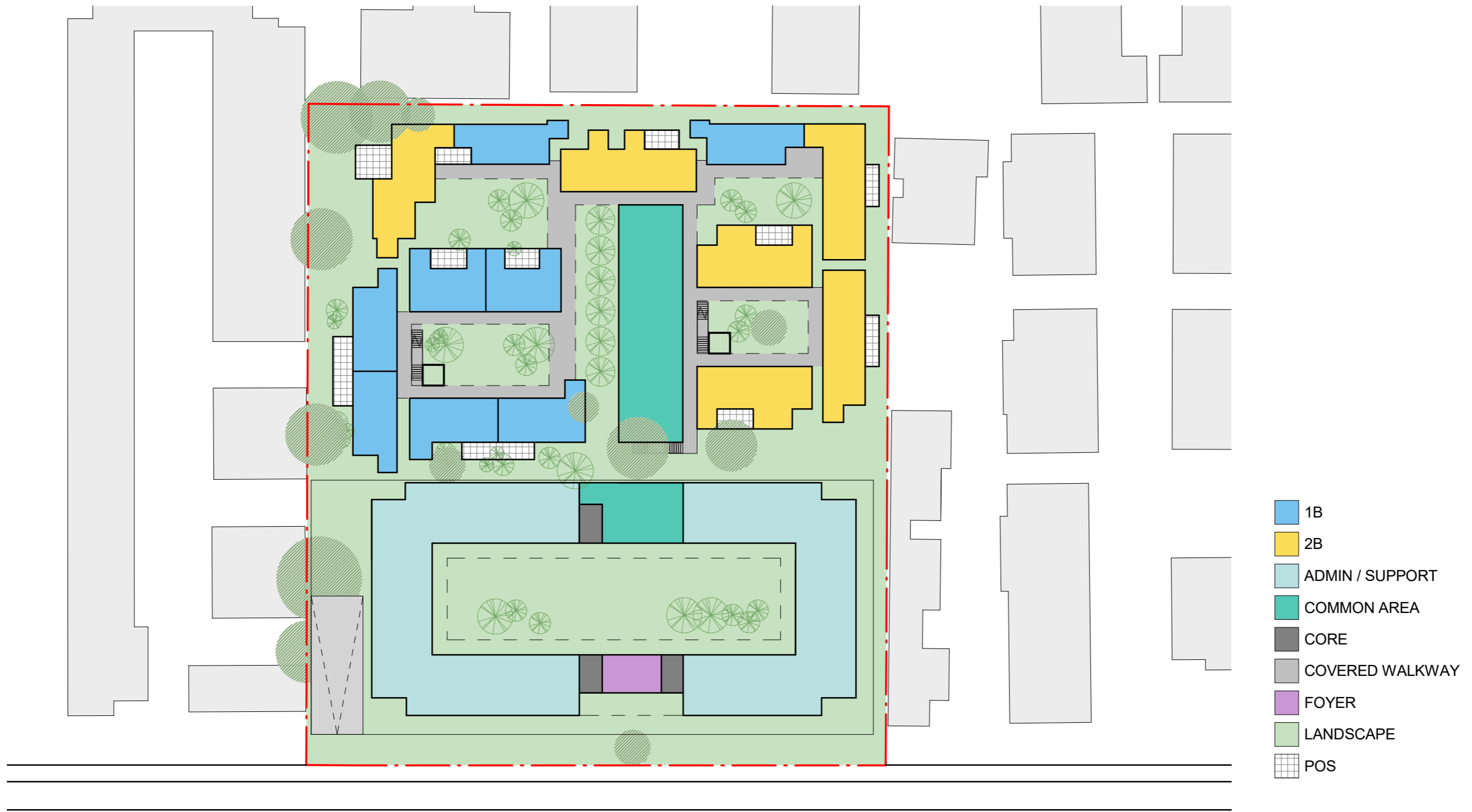
Floor Plan - Basement



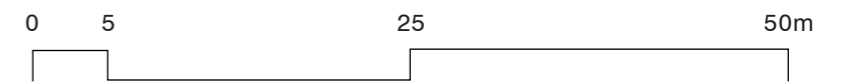
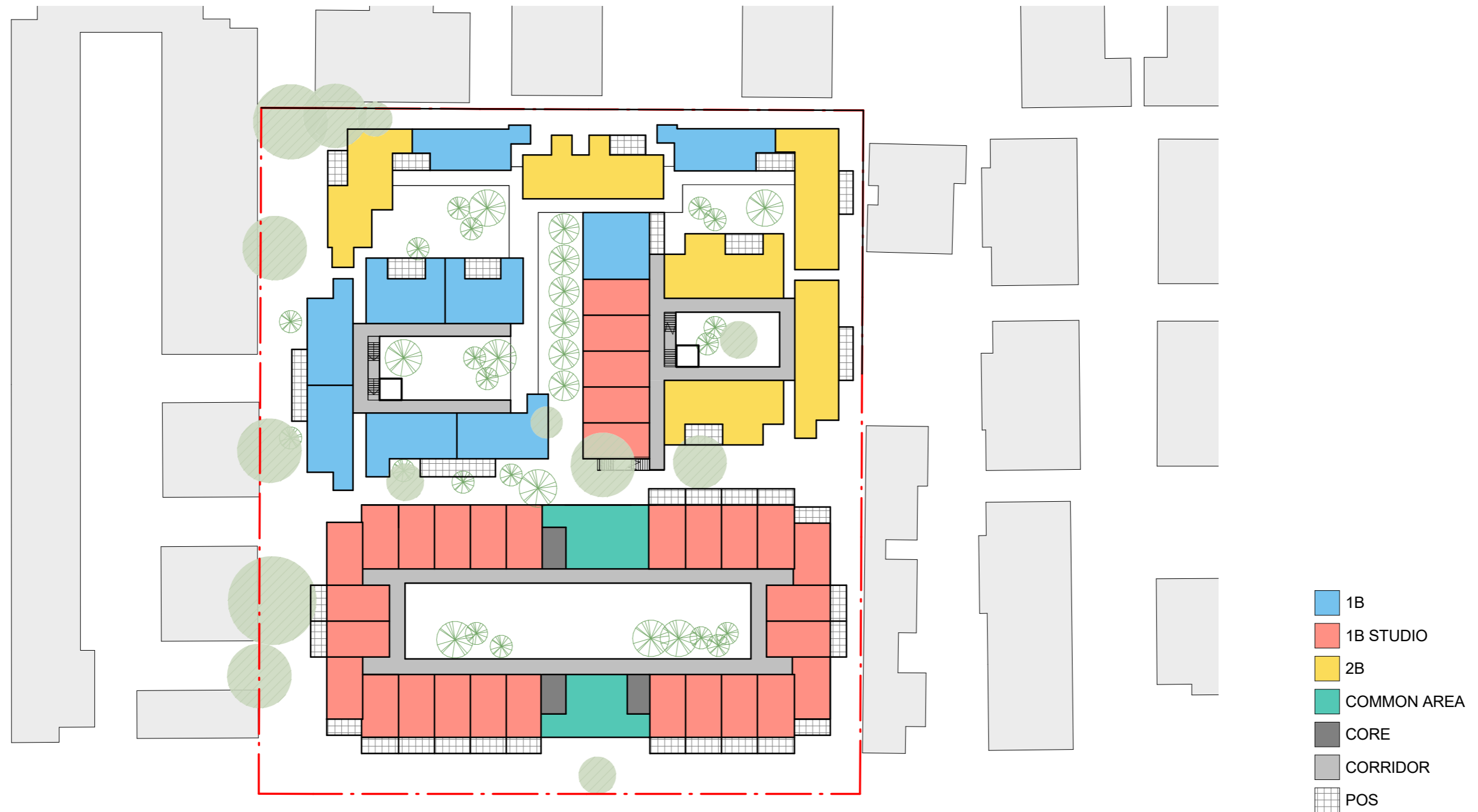
- 1B
- 2B
- ADMIN / SUPPORT
- COMMON AREA
- CORE
- COVERED WALKWAY
- FOYER
- LANDSCAPE
- POS



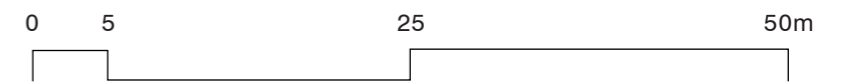
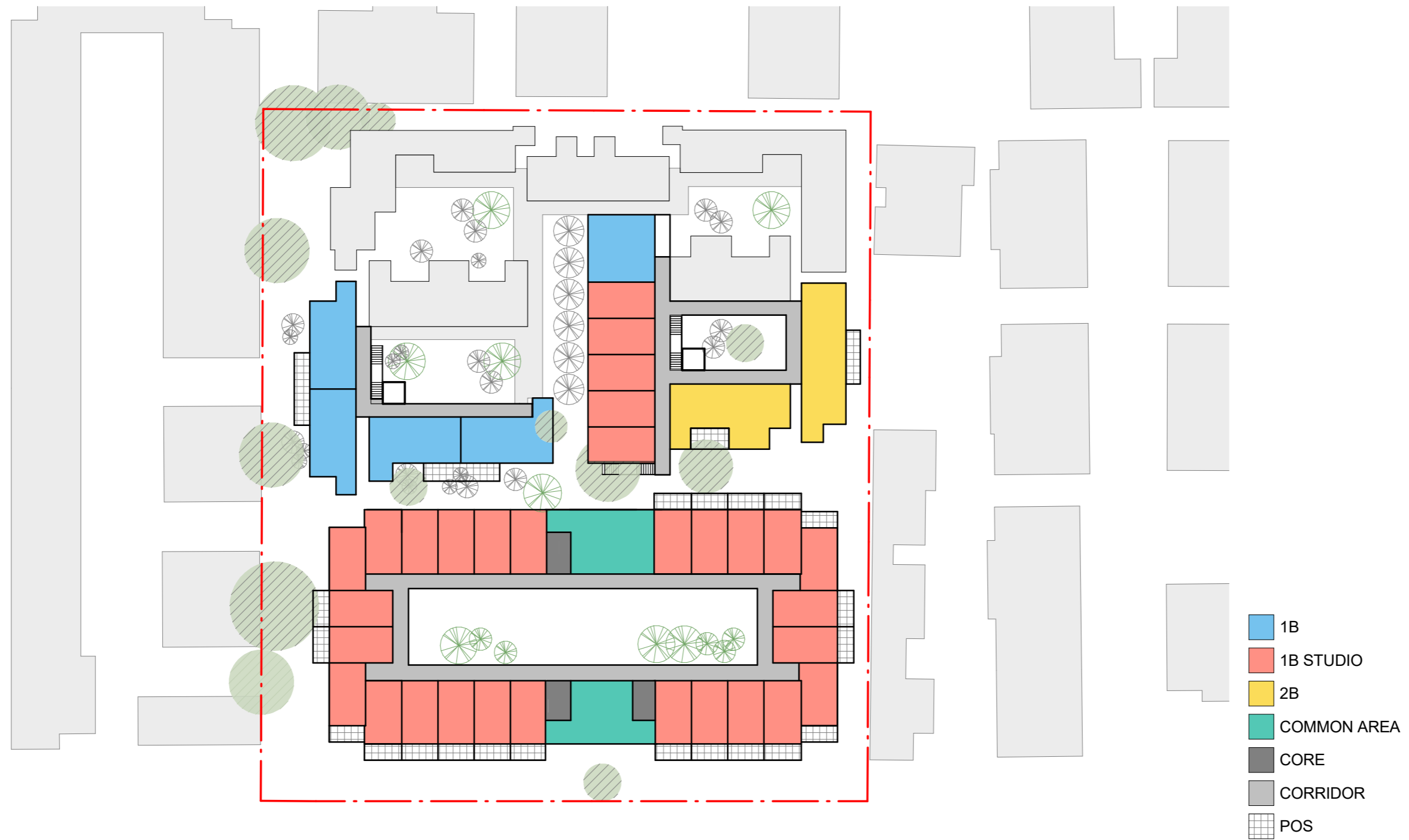
Floor Plan - Ground



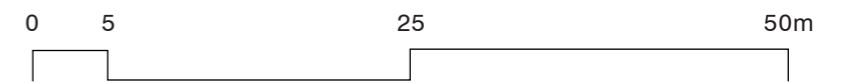
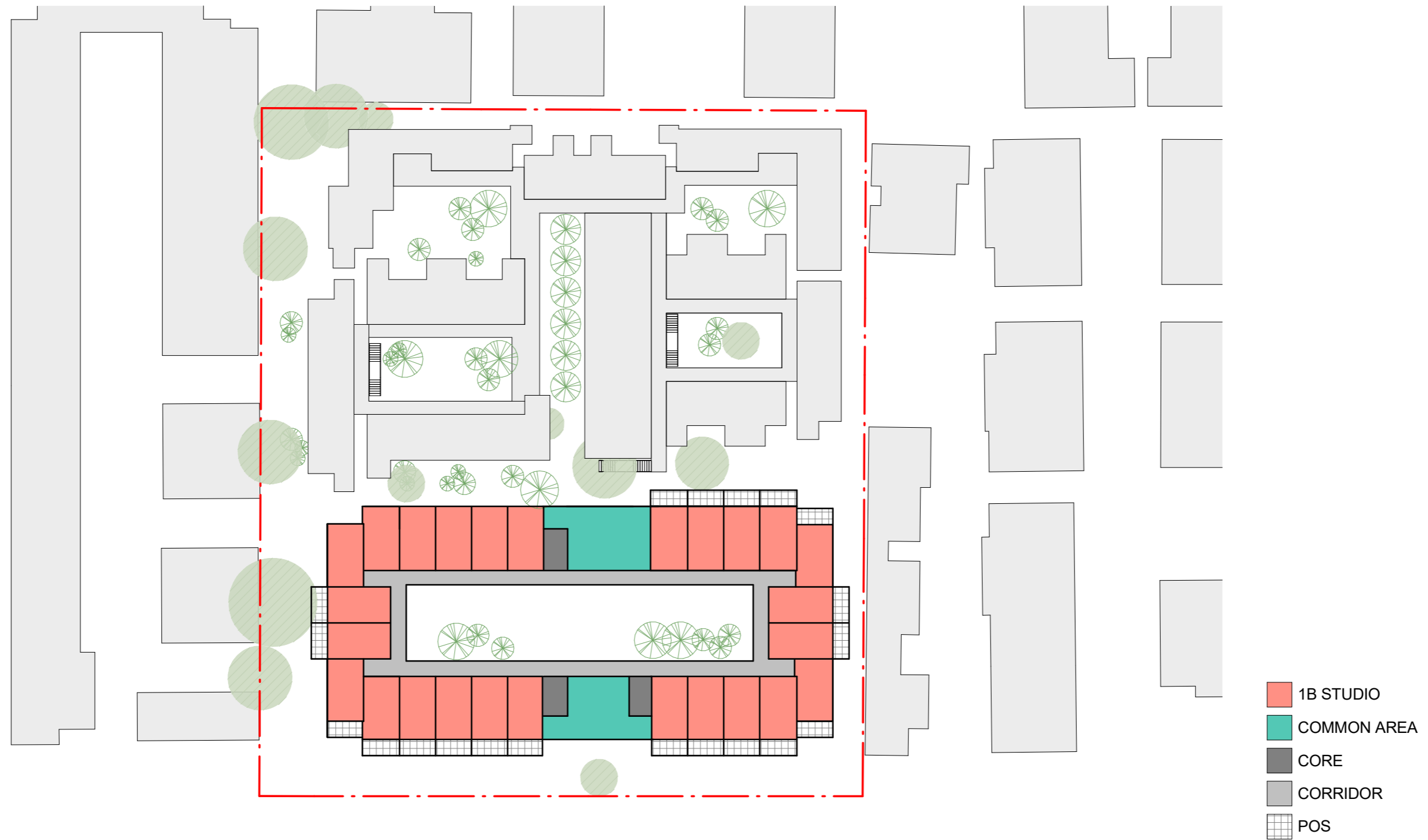
Floor Plan - Level 1



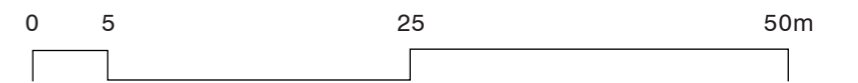
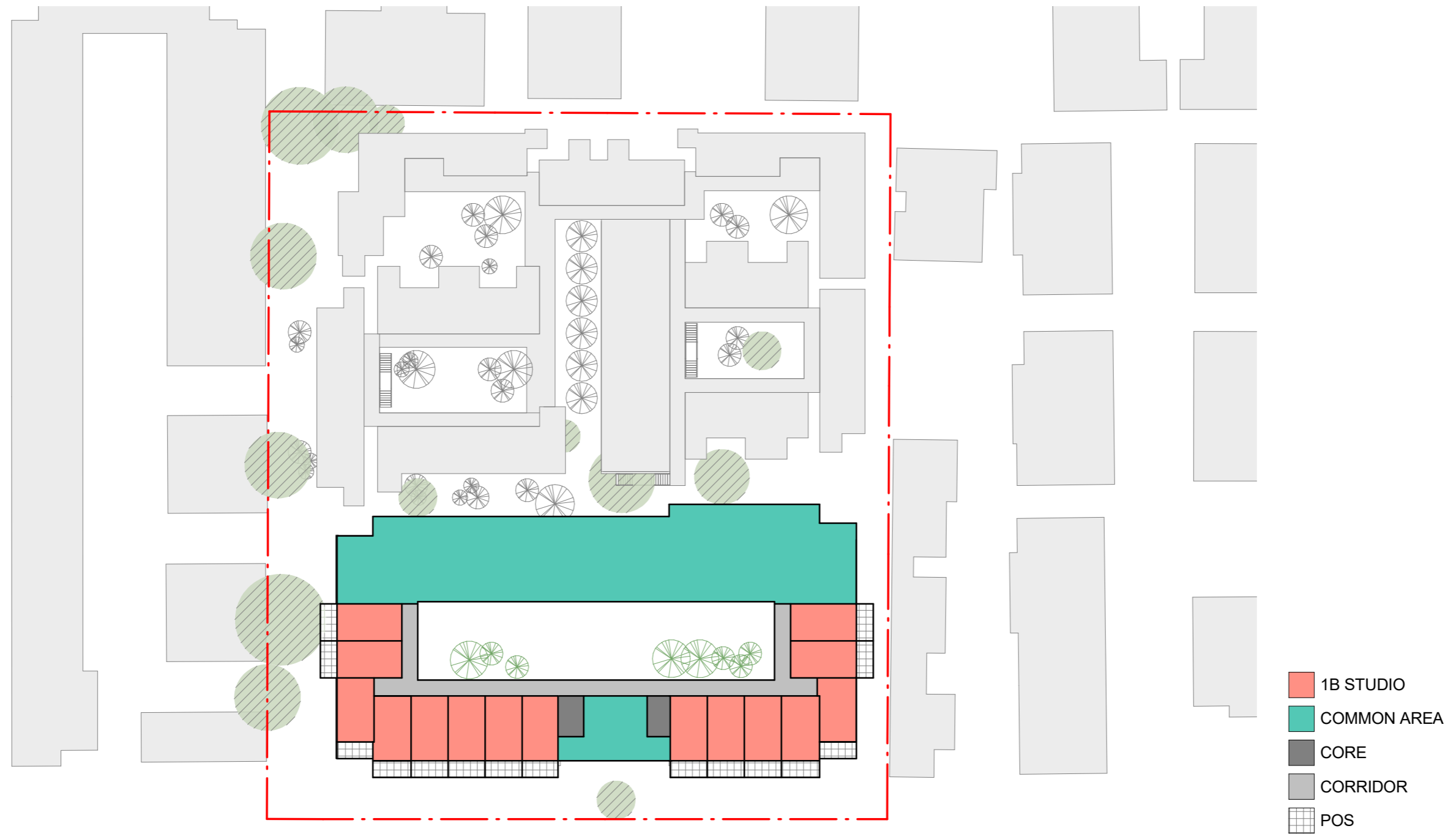
Floor Plan - Level 2



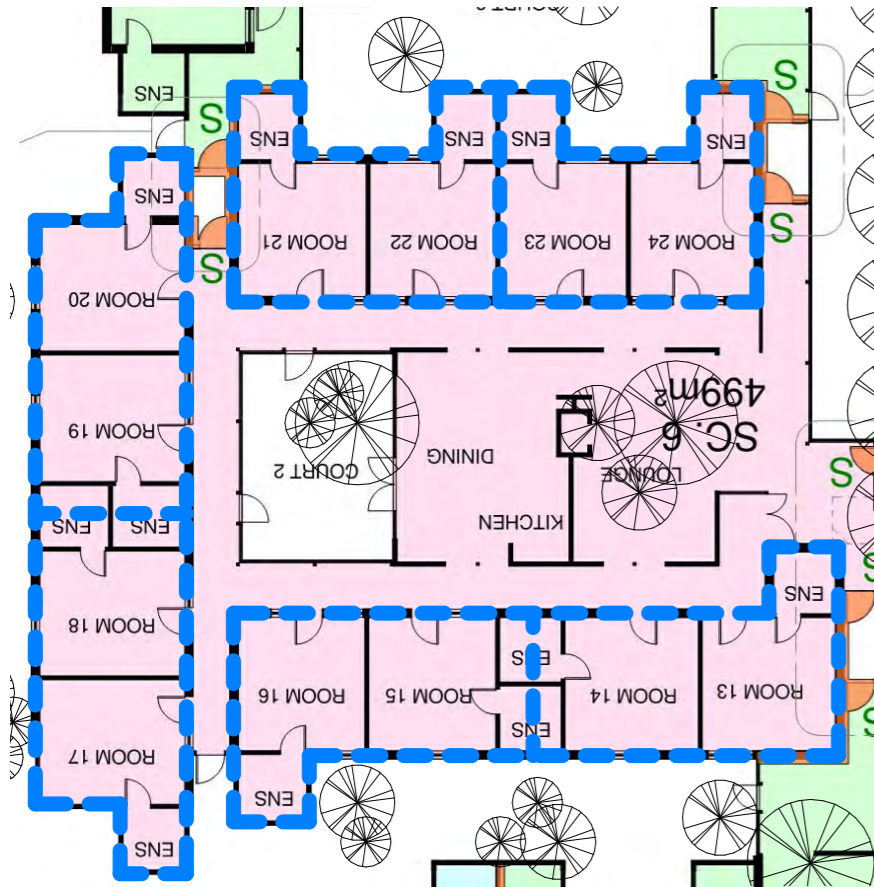
Floor Plan - Level 3 & 4



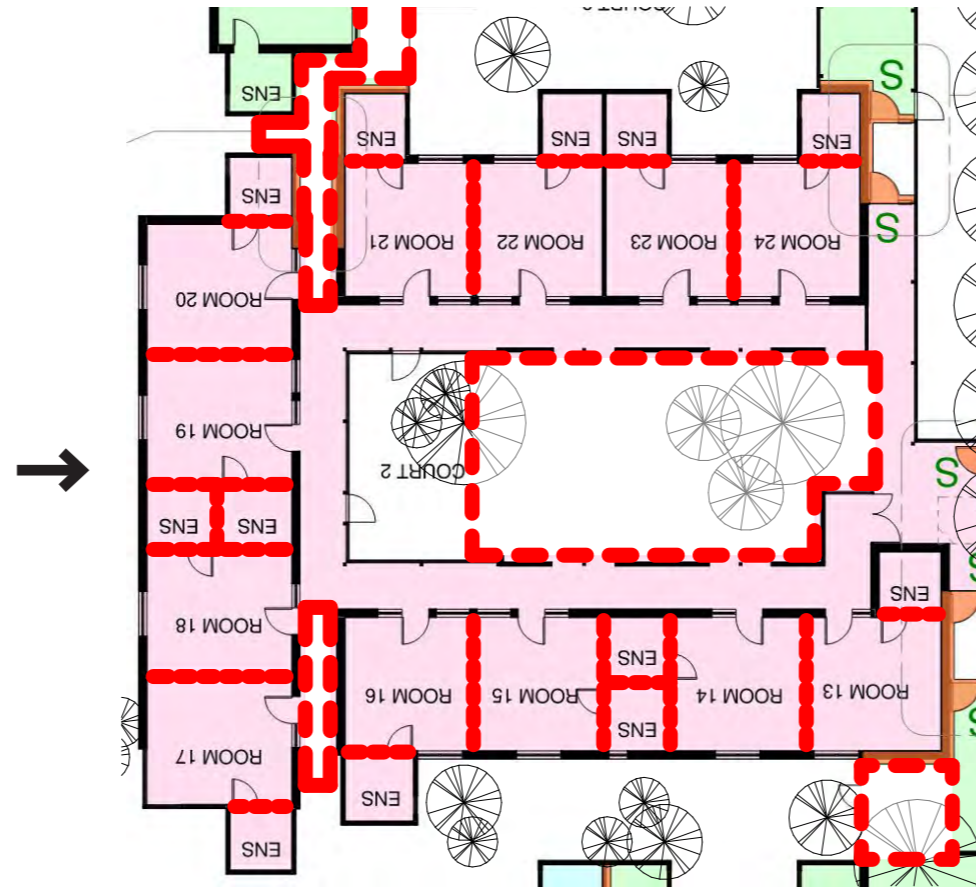
Floor Plan - Level 5-6



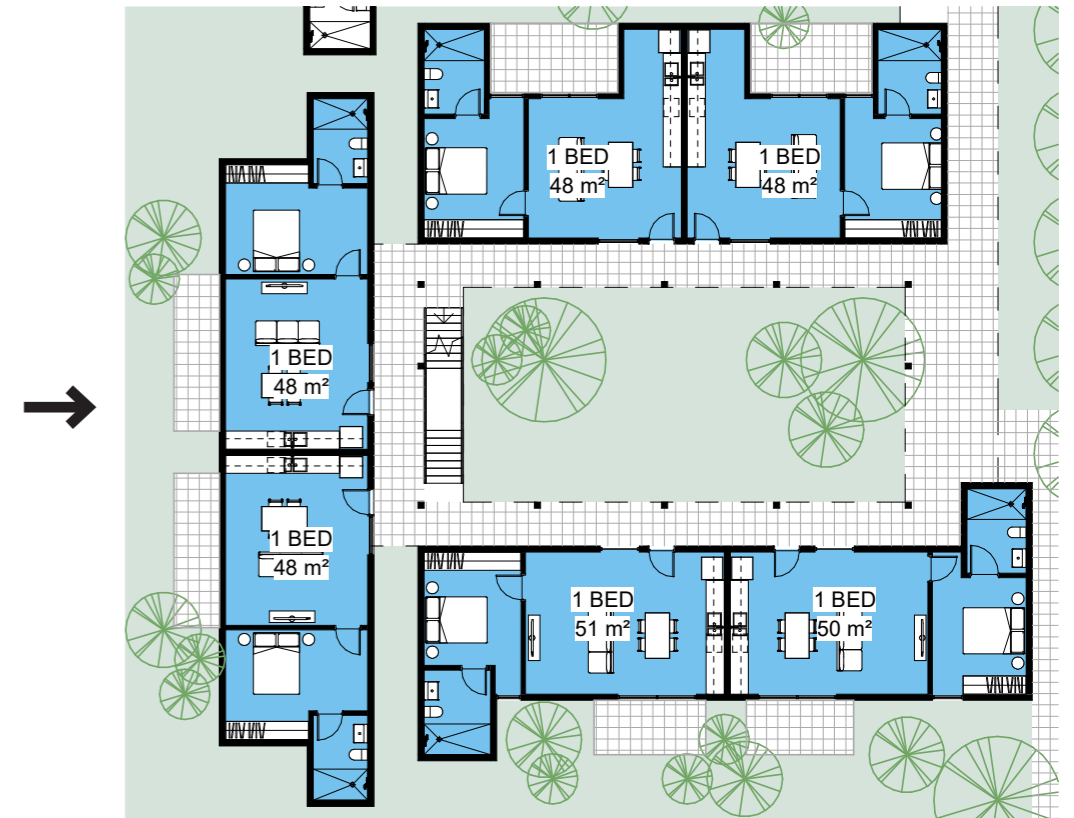
Adaptive Reuse Approach



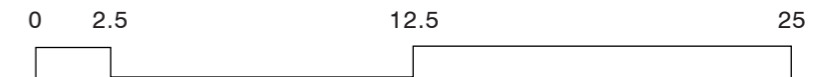
12 x ROOMS DIVIDE INTO
6 x 1 BEDROOM UNITS



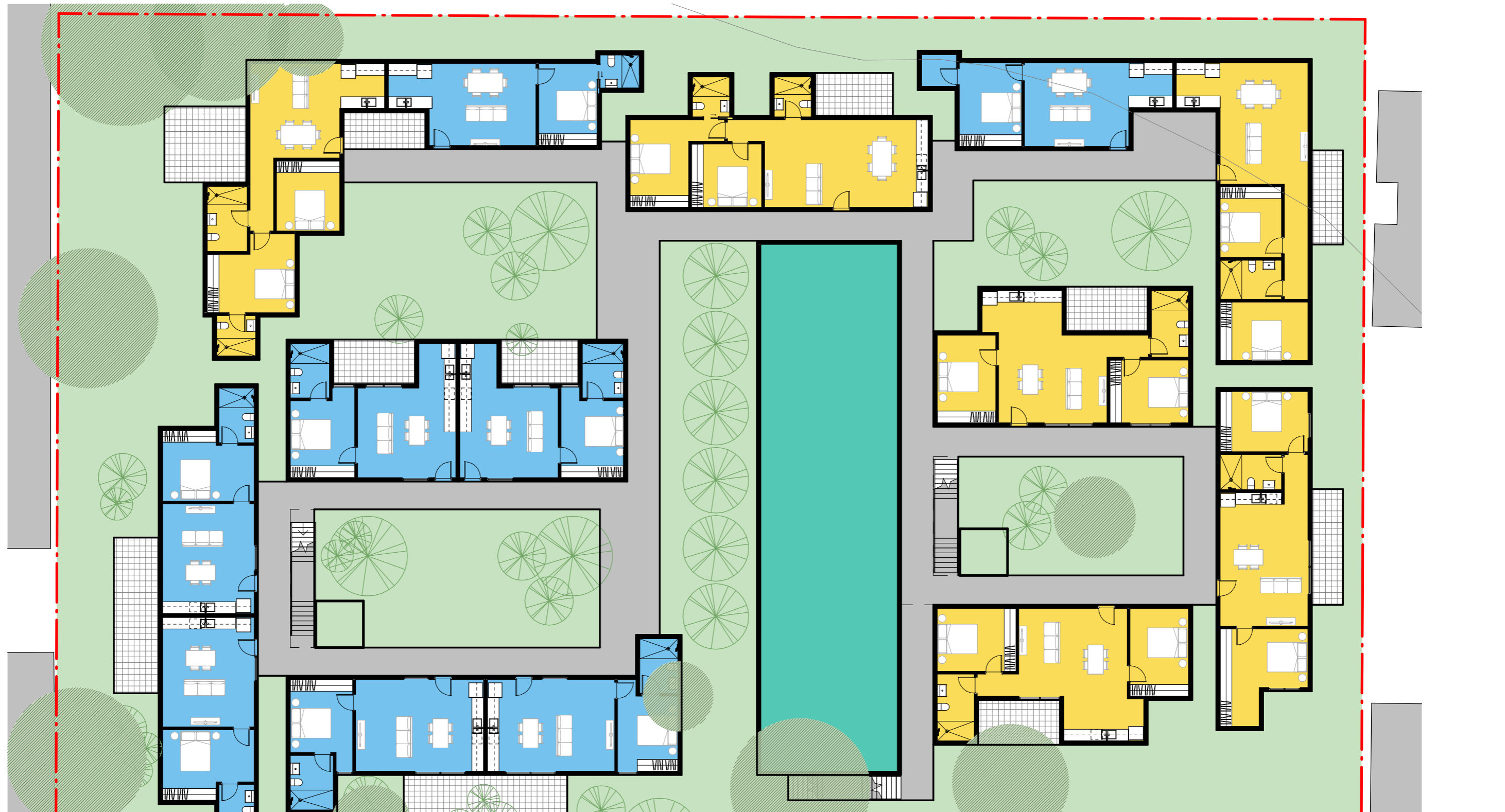
STRATEGIC DEMOLITION



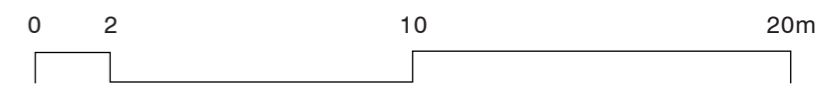
1 BEDROOM UNITS WITH CENTRAL COURTYARD



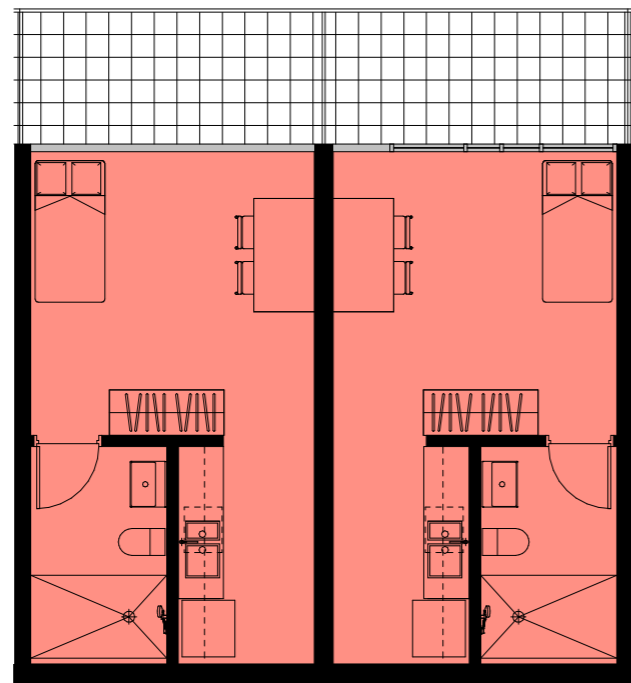
Existing Building Re-fit



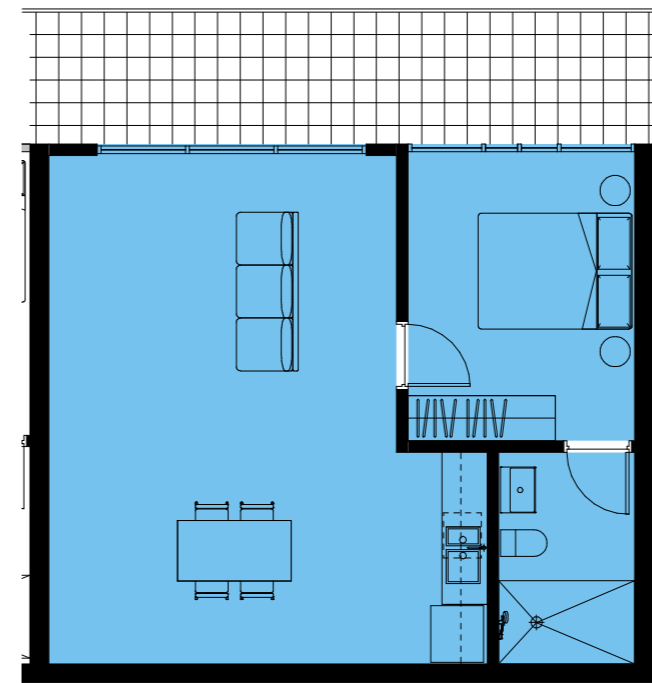
1B 2B COMMON AREA COVERED WALKWAY LANDSCAPE POS



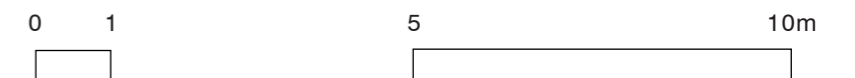
New Building Layouts



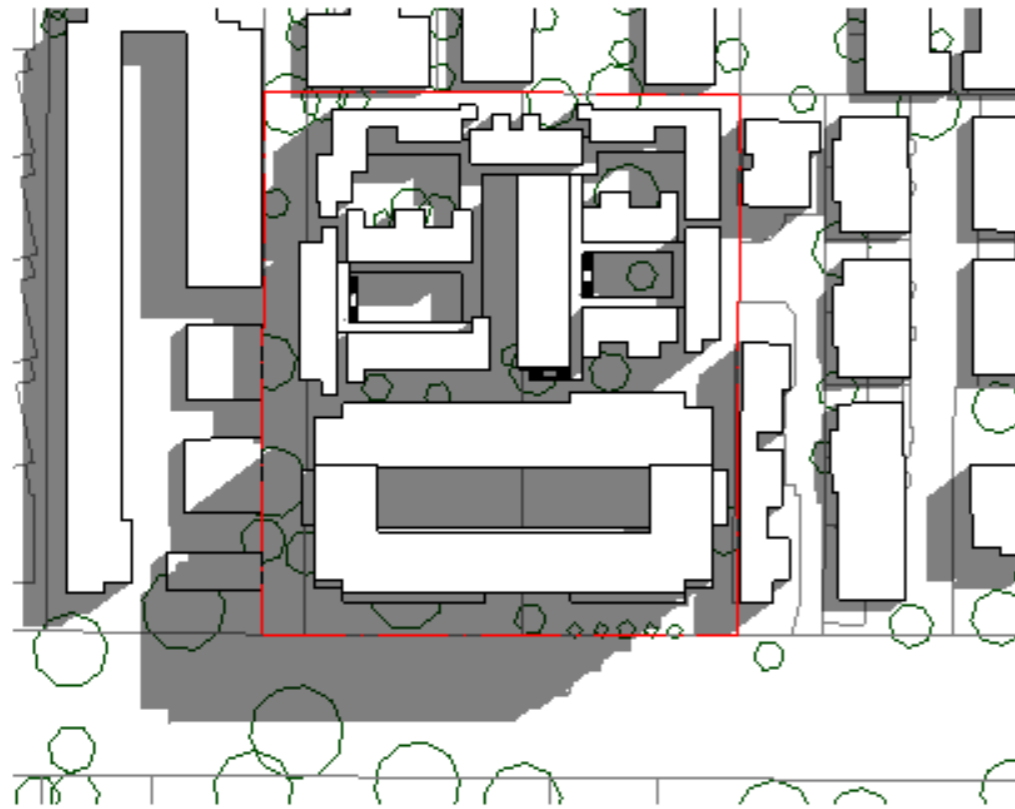
2 X STUDIO LAYOUTS



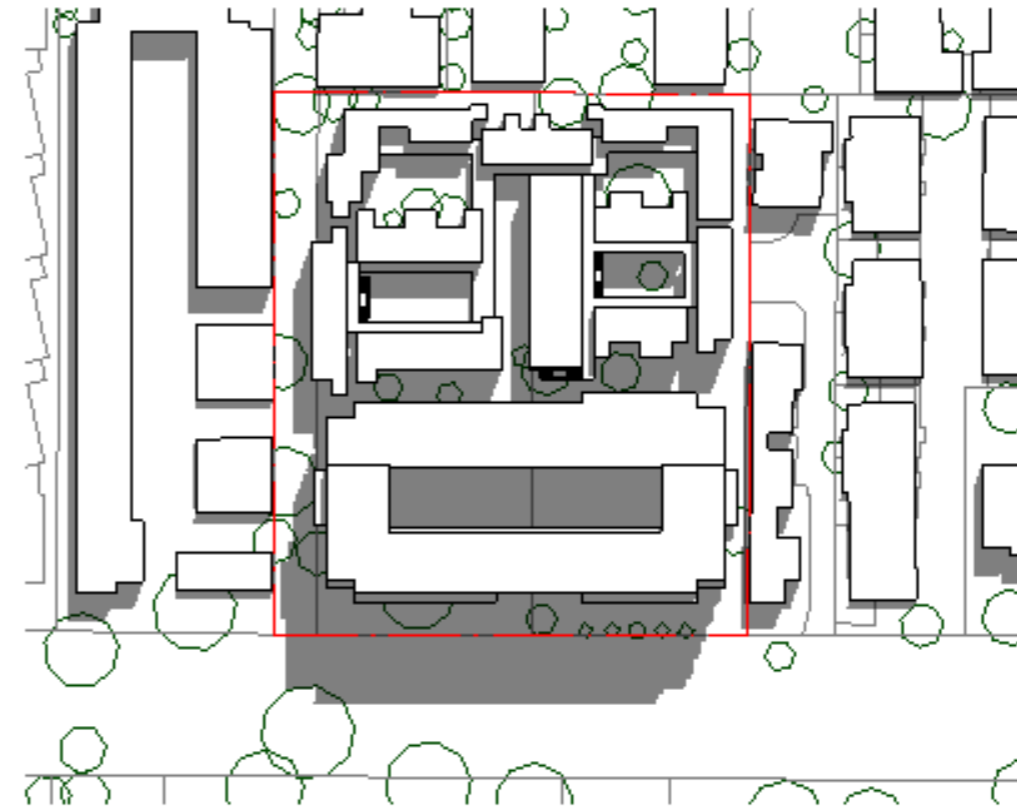
**1 BED LAYOUT
WITH SAME BATHROOM AND KITCHEN POD**



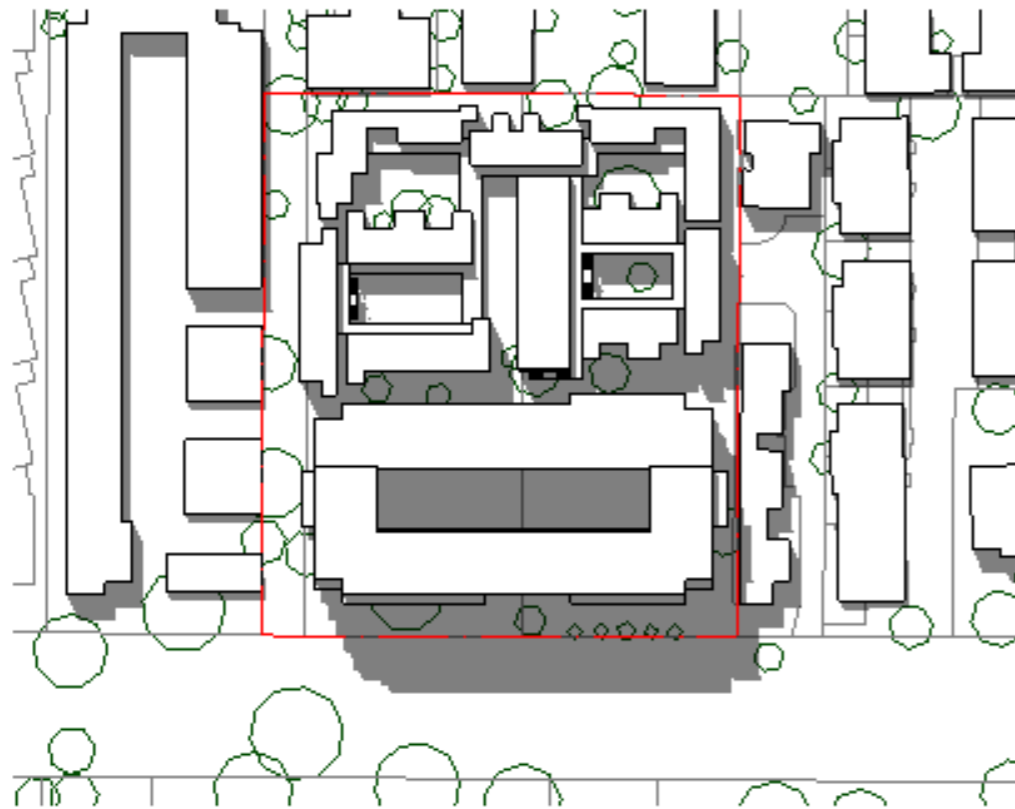
Shadow Diagrams



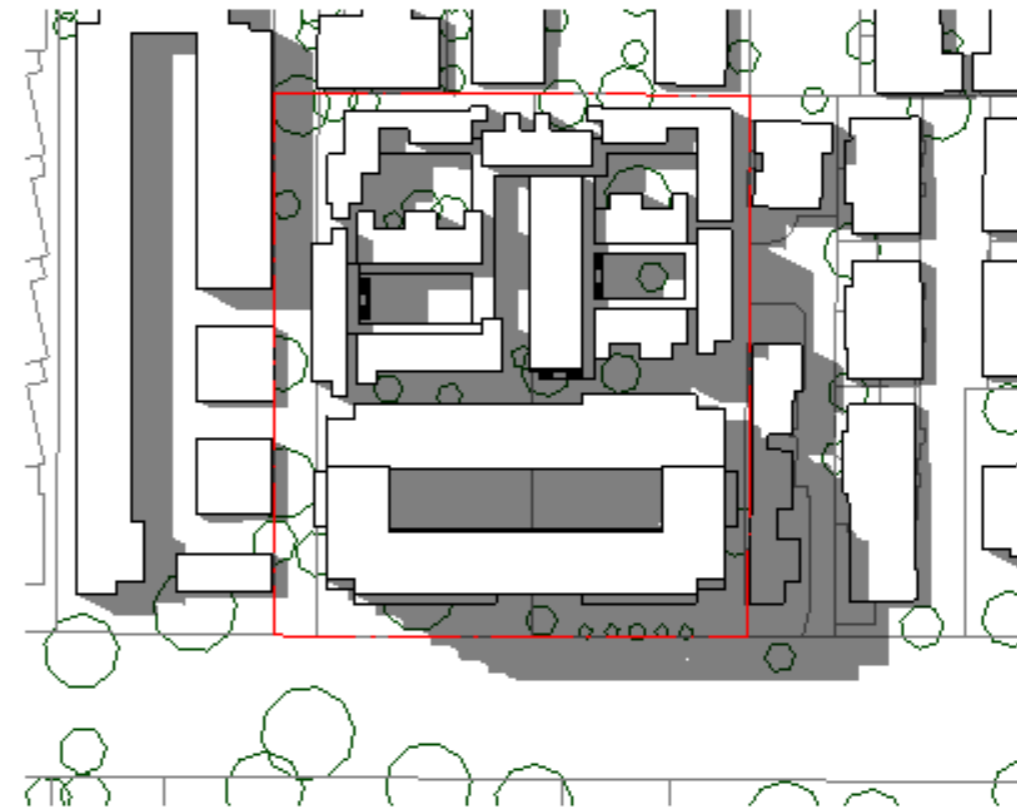
SPRING EQUINOX 9AM



SPRING EQUINOX 11AM

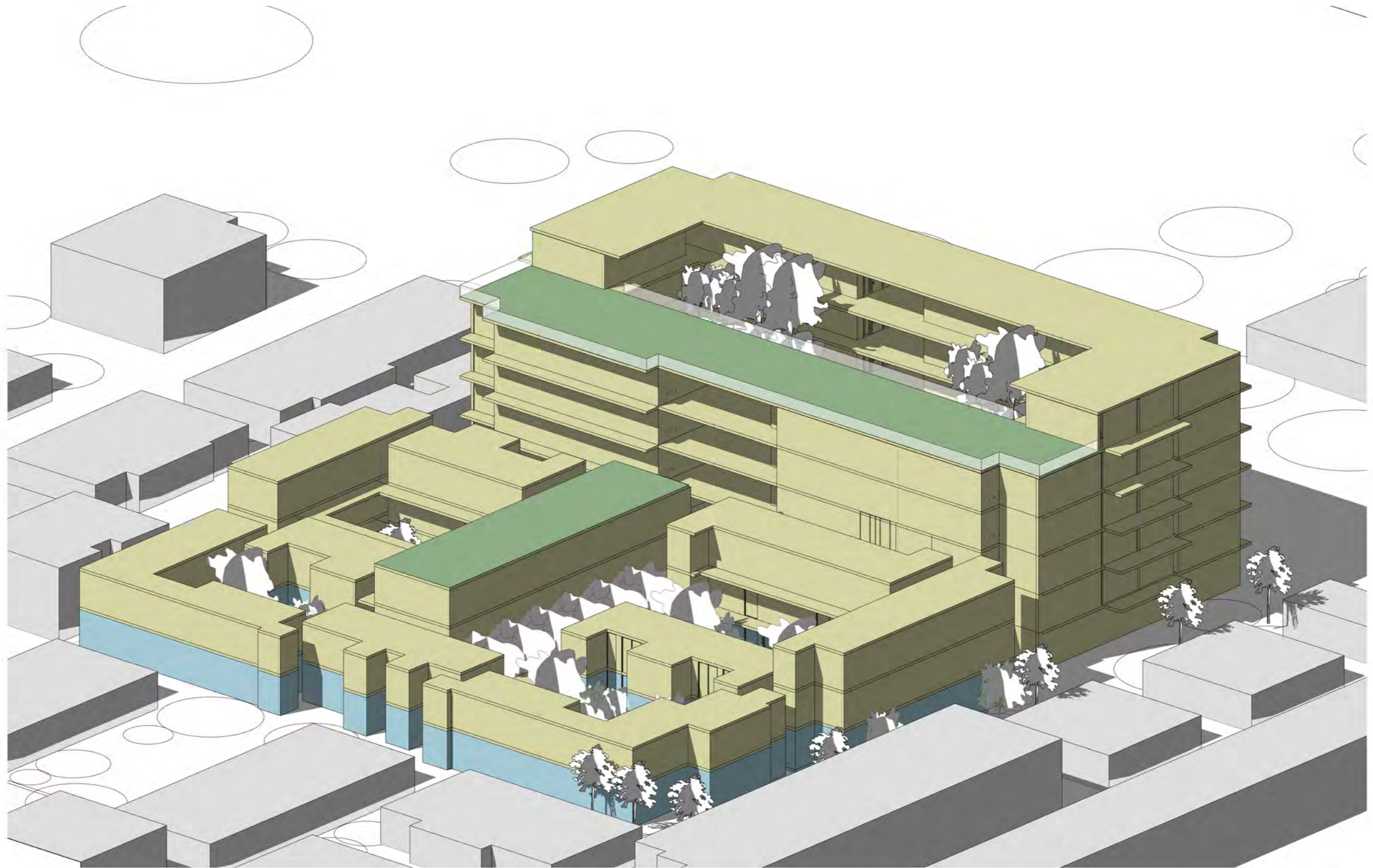


SPRING EQUINOX 1PM



SPRING EQUINOX 3PM

Indicative 3D View 1



Indicative 3D View 2 & Yield



DEVELOPMENT YIELD

PROPOSED DEVELOPMENT

STUDIO	135
1 BEDROOM	16
2 BEDROOM	14
TOTAL UNITS	165

GFA	10,570m ²
-----	----------------------

PROPOSED CARPARKING

BASEMENT	54
APARTMENT CAR RATE	32.7%

GFA	990m ²
-----	-------------------

EXISTING DEVELOPMENT

1 BEDROOM WITH ENSUITE	46
COMMUAL DINING/LIVING AREAS	4

GFA	2630m ² (approximate)
-----	----------------------------------

Yield Table

MAV: Housing innovation study - concept design

Site name/location:	Brindisi Street, Mentone
Local Government Area:	Kingston
Type:	Adaptive Reuse

Site area	5118 sq.m	0.5118 ha
Site coverage	2058 sq.m	
Site coverage %	40%	

Development Summary

Apartments:

	Non-resi NSA	Resi NSA	No. 1-beds	No. 2-beds	No. 3-beds	Dwellings	
GROUND	1126	931	8	6	0	14	
LEVEL 1	0	0	40	6	0	46	
LEVEL 2	0	0	36	2	0	38	
LEVEL 3	0	0	26	0	0	26	
LEVEL 4	0	0	26	0	0	26	
LEVEL 5	0	0	15	0	0	15	
Total	1126	931	151	14	0	165	

Townhouses:

GROUND		0	0	0	0	0
LEVEL 1		0				
LEVEL 2		0				
Total		0	0	0	0	0

TOTAL DWELLINGS

165

Net density (site)

322.3915592

Dwellings

	GFA/storey	Storeys	Total GFA
Building - basement	972	1	972
Building - ground	2100	1	2100
Building - Level 1	2720	1	2720
Building - Level 2	1970	1	1970
Building - Level 3-4	1260	2	2520
Building - Level 5	1260	1	1260
Total			11542 sq.m

Car parking

	Spaces
Location 1 - basement	54
Location 2 - ground	0
Location 3 - podium	0
Total	54 spaces

Apartment car rate	32.7 %
Townhouse car rate	0 %

Communal space

	GFA
Communal indoor	275 sq.m
Communal outdoor - ground	1300 sq.m
Communal outdoor - level 1	132
Communal outdoor - level 2	132
Communal outdoor - level 3	132
Communal outdoor - level 4	132
Communal outdoor - level 5	590
Total	2693

11.4 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 strategy provides for a larger building form at the street interface, and further removed from residential interfaces to the rear. Therefore, the street frontage presents a strong urban form within the activity centre context, which transitions down to lower-scale form to the south.

The northern part of the concept closely follows the existing siting layout of dwelling units around courtyards with external walkways, as the basis for a unique housing configuration.

Massing

The location of the higher-scale form to the south avoids overshadowing impacts to the lower-scale forms, or adjacent residential properties.

The 6-storey height of the frontage building is considered appropriate for this location at the fringe of the activity centre, recognising the low-scale residential context of neighbouring sites. This building also incorporates a central courtyard, with external walkways allowing for dual-aspect dwellings on both sides.

The intensity of development in this concept is relatively modest, given the retention of existing fabric (and the structural and constructional limitations of this), and the sensitive residential interfaces.

A higher-density development would potentially be achievable if the existing buildings were removed, but the existing fabric provides a distinctive character to the development outcomes.

Layouts

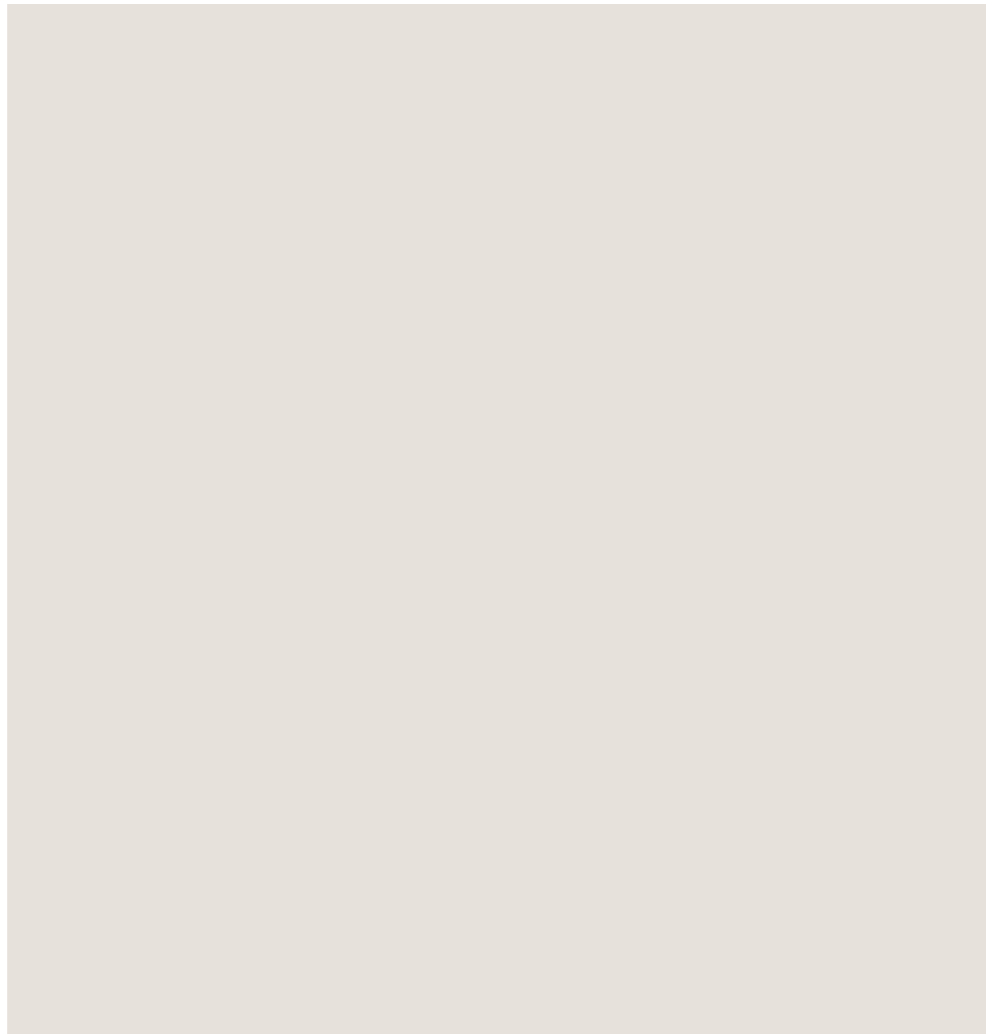
The northern arrangement of units around small courtyards retains the existing site layout, and also supports social interaction and communal activity in amenable outdoor 'rooms'. The courtyards become the focus for small 'communities' of dwellings facing each green space.

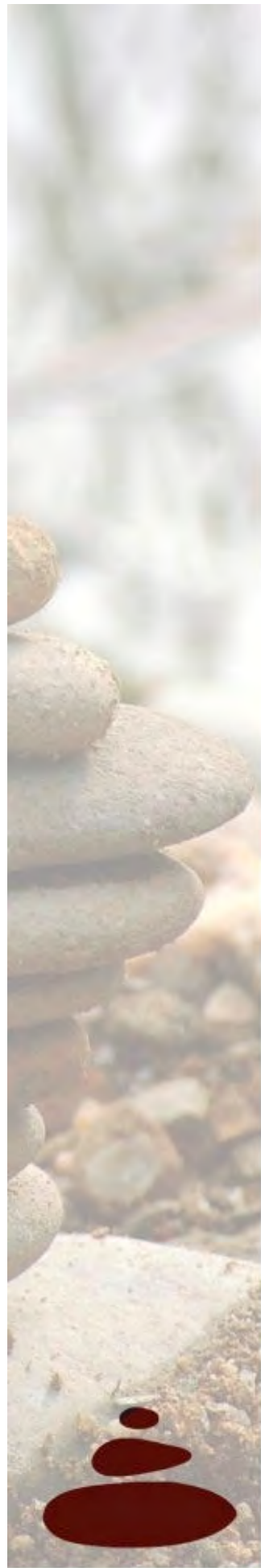
The new southern building's courtyard layout also supports dual aspect apartments for improved daylight and ventilation outcomes, while the courtyard provides a passive recreation space for residents.

Car parking is provided in a basement level below the new building, to avoid impacts on the public realm and retain a continuous landscaped ground plane.

11.5 Cost plan

The construction cost analysis for the above concept plans,
prepared by PlanCost.





26 October 2025



MAV Housing Innovation Study Brindisi St, Mentone

Cost Plan A

Functional Area



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
Brindisi St, Mentone**

EXECUTIVE SUMMARY



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 and other consultants.

Drawings

The following drawings and specifications have been used to prepare the Cost Plan.

Yield Table Dates: 251010

Cost Estimates

The current anticipated Total End Cost is:

	Low-Mid Range	Mid-High Range
Building Works	\$56,346,059	\$63,165,627
External Works and Services	\$3,777,000	\$3,777,000
Contingencies, Escalation and Allowances	\$18,238,000	\$20,305,000
Fees, FFE, ITC and Other Client items	\$7,600,000	\$8,461,000
Prolongation, Delay and Project risk	excluded	excluded
GST	\$0	\$0
Total End Cost	\$85,961,059	\$95,708,627

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
Akhilesh Goorwappa
AIQS/RICS Member No: 25560

Reviewed By
Holly Phillips
AIQS/RICS Member No: 27296



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
- 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 October, 2029
- Building permit levy
- Cladding rectification levy
- Lump sum competitive tender

Exclusions

The Cost Plan excludes the following:

- Rock excavation
- Site decontamination
- 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 October, 2029
- GST
- Land purchase



Cost Plan A

Functional Area

26 October 2025

	Quantity	Rate	Total Low-Mid Range	Rate	Total Mid-High Range
COST COMPONENT					
Total Building Cost	14,796 m ²		56,346,059		63,165,627
TOTAL BUILDING COST (TBC)	14,796 m²	3,808	56,346,059	4,269	63,165,627
External works and services			3,777,000		3,777,000
NET CONSTRUCTION COST (NCC)		4,063	60,123,059	4,524	66,942,627
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%		1,503,000		1,674,000
Design contingency	10.00%		6,013,000		6,694,000
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%
Escalation rate	3.00%	Market conditions	0.00%		
Completion	Oct, 29	24	3.00%	70%	4.24%
Escalation is based on an average of 4% p/a ongoing					
TOTAL CONTRACT SUM (TCS)		5,044	74,630,059	5,616	83,092,627
Construction contingency	5.00%		3,731,000		4,155,000
TOTAL CONSTRUCTION COST (TCC)		5,296	78,361,059	5,897	87,247,627
Consultants' fees	7.50%		5,877,000		6,544,000
Disbursements			excluded		excluded
Project management and management support costs	1.00%		784,000		872,000
Furniture, furnishings and equipment			excluded		excluded
IT, AV and communications equipment			excluded		excluded
Building permit levy	0.13%		100,000		112,000
Cladding rectification levy	0.82%		643,000		715,000
Supply authority and headworks charges	0.25%		196,000		218,000
TOTAL PROJECT COST (TPC)		5,810	85,961,059	6,469	95,708,627
Prolongation, delay and project risk contingency			excluded		excluded
Goods and services tax			excluded		excluded
TOTAL END COST (TEC)	14,796 m²	5,810	85,961,059	6,469	95,708,627



Cost Plan A

Functional Area

26 October 2025

Fully Enclosed Covered Area	13002 m ²
Unclosed Covered Area (including Basement & Circulation)	1794 m ²
GFA (FECA + UCA)	14796 m ²

AREA	Quantity	Rate	Total
1 Basement Carpark	1,909 m ²	1,863	3,556,467
2 Admin/ Support	816 m ²	4,911	4,007,376
3 Common areas - Ground	275 m ²	4,911	1,350,525
4 Common areas - Level 1-6	1,118 m ²	5,402	6,039,436
5 Foyer	31 m ²	5,402	167,462
6 Apartments - Ground floor (Re-fit)	1,981 m ²	3,603	7,137,543
7 Apartments - Levels 1-6	6,872 m ²	4,270	29,343,440
8 Circulation, balconies, plant and sundry areas	449 m ²	2,190	983,310
9 Covered walkways and corridors	Item		2,610,500
10 Stairs and lifts	Item		1,150,000
11 Preliminaries, overheads and profit	10.00%		Included Above
12 Sub-total	14,796 m²	3,808	56,346,059
13 TOTAL BUILDING COST	14,796 m²	3,808	56,346,059



Cost Plan A

Functional Area

26 October 2025

Fully Enclosed Covered Area	13002 m ²
Unclosed Covered Area (including Basement & Circulation)	1794 m ²
GFA (FECA + UCA)	14796 m ²

AREA	Quantity	Rate	Total
1 Basement Carpark	1,909 m ²	1,863	3,556,467
2 Admin/ Support	816 m ²	4,911	4,007,376
3 Common areas - Ground	275 m ²	4,911	1,350,525
4 Common areas - Level 1-6	1,118 m ²	5,402	6,039,436
5 Foyer	31 m ²	5,402	167,462
6 Apartments - Ground floor (Re-fit)	1,981 m ²	4,083	8,088,423
7 Apartments - Levels 1-6	6,872 m ²	5,124	35,212,128
8 Circulation, balconies, plant and sundry areas	449 m ²	2,190	983,310
9 Covered walkways and corridors	Item		2,610,500
10 Stairs and lifts	Item		1,150,000
11 Preliminaries, overheads and profit	10.00%		Included Above
12 Sub-total	14,796 m²	4,269	63,165,627
13 TOTAL BUILDING COST	14,796 m²	4,269	63,165,627



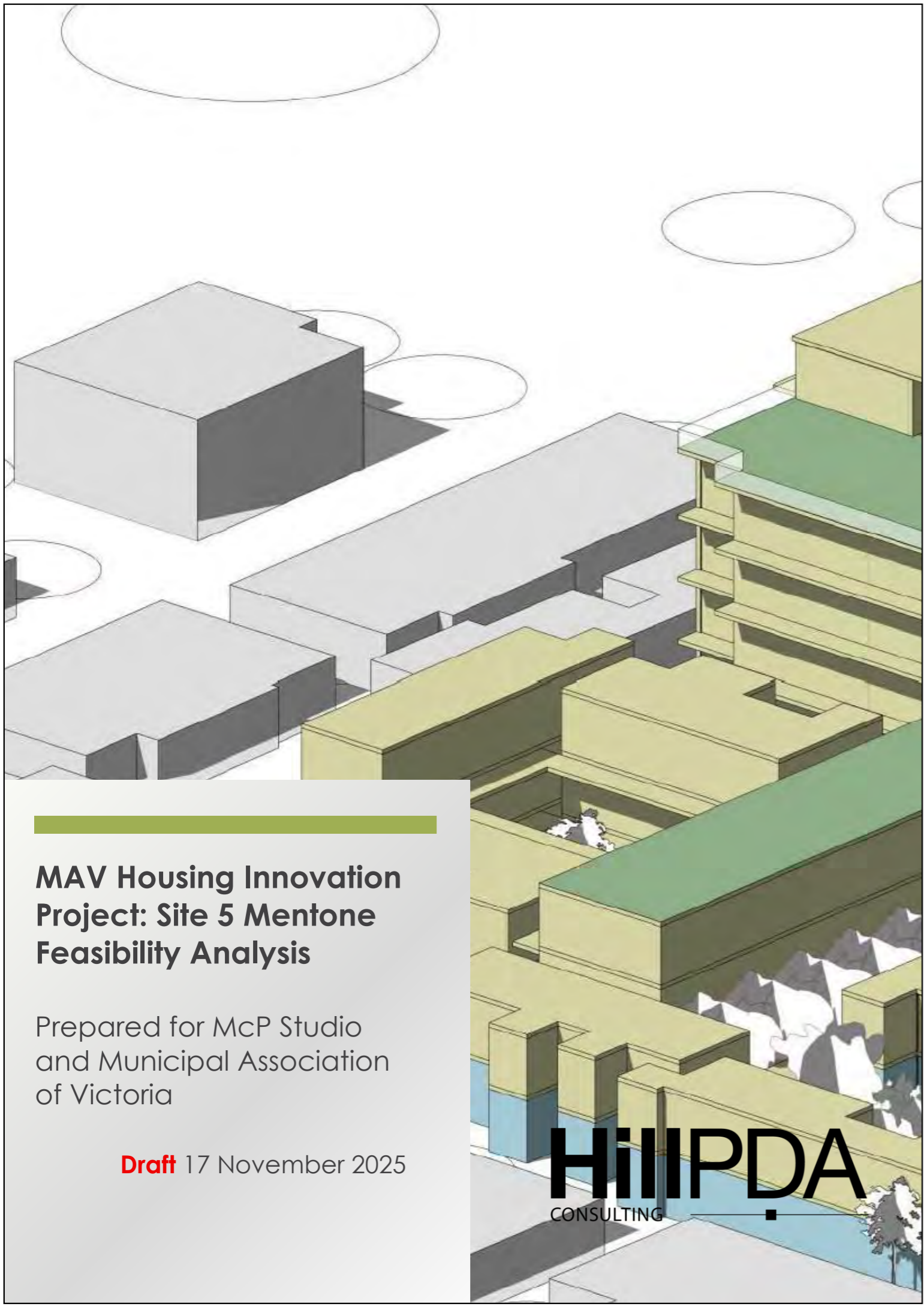
	Quantity	Rate	Total
EXTERNAL WORKS			
¹ External demolition	Item		253,000
² Site preparation and excavation	Item		120,000
³ Roads and paving	Item		100,000
⁴ Fences and gates	Nil		0
⁵ External buildings, equipment and furniture	Item		180,000
⁶ Services enclosure	Nil		0
⁷ Soft landscaping and planting	Item		230,000
⁸ Sub-total EXTERNAL WORKS			883,000
EXTERNAL SERVICES			
⁹ External services	Item		1,700,000
¹⁰ Site infrastructure upgrades	Item		850,000
¹¹ Sub-total EXTERNAL SERVICES			2,550,000
¹² Preliminaries, overheads and profit on external works and services	10.00%		344,000
¹³ TOTAL SITEWORKS COST (TSC)			3,777,000

11.6 Feasibility analysis

The development feasibility assessment for the above concept plans, prepared by HillPDA.

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MAV Housing Innovation Project: Site 5 Mentone Feasibility Analysis

Prepared for McP Studio and Municipal Association of Victoria

Draft 17 November 2025

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Front cover image: BKK Architects

City of Kingston Acknowledgement

The City of Kingston proudly acknowledges the Bunurong People of the Kulin Nation as the Traditional Owners and Custodians of this land, and we pay our respect to their Elders, past and present.

1.0 INTRODUCTION

1.1 Purpose

This report provides a financial feasibility assessment of a Mentone adaptive reuse 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 Kingston.

This assessment should be read in conjunction with the following inputs:

- Design concept for case study site by BKK Architects, 10 October 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

Mentone is located approximately 21 kilometres southeast of Melbourne's CBD (2021 population of 13,197).

Mentone has an older and higher income population profile. The suburb is expected to achieve moderate population growth in the future (circa +120 people per annum) based on infill development.

Housing stock has changed over time with townhouses and apartments combined now outnumbering separate houses. The trend towards smaller housing is expected to continue into the future, catering for a range of price points including more affordable housing for younger people and some downsizers and higher end housing for professionals and some downsizers.

Apartments in Mentone are sought after due to the suburb's proximity to the beach, train station and vibrant village centre.

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.

Recent new apartment sales indicate a typical price around \$507,500 per unit at \$7,320/sqm, but new high-end stock can achieve over \$1 million and exceed \$10,000/sqm. There is also potential to consider mixed use projects with shopfronts achieving price rates similar to typical apartments depending on location. Townhouse and terrace style accommodation is very popular in the area.

Figure 1: Image of Mentone



Source of image: Quinn Property Co

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:

- 165 apartments and commercail space at ground level in a 6 storey complex
- Former nursing home with 46 units retained and refurbished
- Refurbished units potentially used for short-term / transitional accommodation.

Selected metrics and net sellable area assumptions are shown in the table below.

Table 1: Development metrics

Case study	Adaptive reuse, Mentone		
Address	Brindisi Street, Mentone		
Architect	BKK Architects, 10 October 2025		
Zone	Activity Centre Zone - Schedule 2		
Development metrics			
Site area sqm	5,118		
Site coverage sqm	2,058		
Site coverage %	40%		
	New Building	Existing Units	Total
GFA	11,542	2,630	14,172
GFA - basement	972		
GFA - ground	2,100		
GFA - upper floors	8,470		
Commercial			
Ground floor NSA	1,126		
Residential			
	Number	Ave. Size	Area
Existing Units	46	35	1,610
New building			
Studio	135	40	5,400
1 bed	16	55	880
2 bed	14	75	1,050
Total New Building	165		7,330
Total (Existing and New)	211	42	8,940
Site Density dw/ha	412.3		
Car spaces			
	Apartment	Existing Units	
Basement	54	0	
Total	54	0	
Rate	33%	0%	
Units with no parking	111		
Communal space			
Outdoor	1,300		
Indoor	275		
Upper	1,118		

Source: BKK Architects; HillPDA sellable area

3.0 FINANCIAL FEASIBILITY ASSESSMENT

3.1 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, rental of villa units for affordable housing 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. 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	\$7,000	1,126	\$7,882,000
Existing Units	\$301,000	46	\$13,846,000
Apartments			
Studio (no parking)	\$400,000	111	\$44,400,000
Studio	\$475,000	24	\$11,400,000
1 bed	\$625,000	16	\$10,000,000
2 bed	\$667,500	14	\$9,345,000
Apartments Total		165	
Total		212	\$96,873,000

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 \$10,236,000 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 \$1,641,500 one-off payments for Land Transfer Duty, Council Planning Permit Fee, and Open Space Contribution.
- Allowance made for approximately \$252,200 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 20 months from project start.
- Construction: 24-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	\$56,346,059	\$63,165,627
External Works and Services	\$3,777,000	\$3,777,000
Contingencies, Escalation and Allowances	\$18,238,000	\$20,305,000
Fees, FFE, ITC and Other Client items	\$7,600,000	\$8,461,000
Prolongation, Delay and Project risk	excluded	excluded
Total End Cost	\$85,961,059	\$95,708,627

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 approximately \$445,000 per unit average (across all types including villa units and apartments).
- The construction cost estimate starts at approximately \$446,000 per unit and the total development cost estimate starts at approximately \$492,000 per unit.
- Assuming costs are held at the level shown, a revenue increase of approximately 30% would be required for commercial viability to be achieved.
- Assuming costs do not change, the required average revenue per unit would need to be approximately \$579,000 (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.
- This project includes refurbished villa units which have been proposed for social housing (crisis accommodation). This component could be taken out of the private project and delivered by a Community Housing Association (CHA). A CHA works to non-commercial

metrics and will in most cases access government funding support to deliver and manage housing.

- The viability gap in this project is not as significant as some other projects. It is recommended a review of costs be undertaken to determine whether cost savings are possible. This will require more detailed plans to be developed.
- Another option is to hold the asset for say two years and re-investigate feasibility at a later time.

Figure 2: Feasibility summary

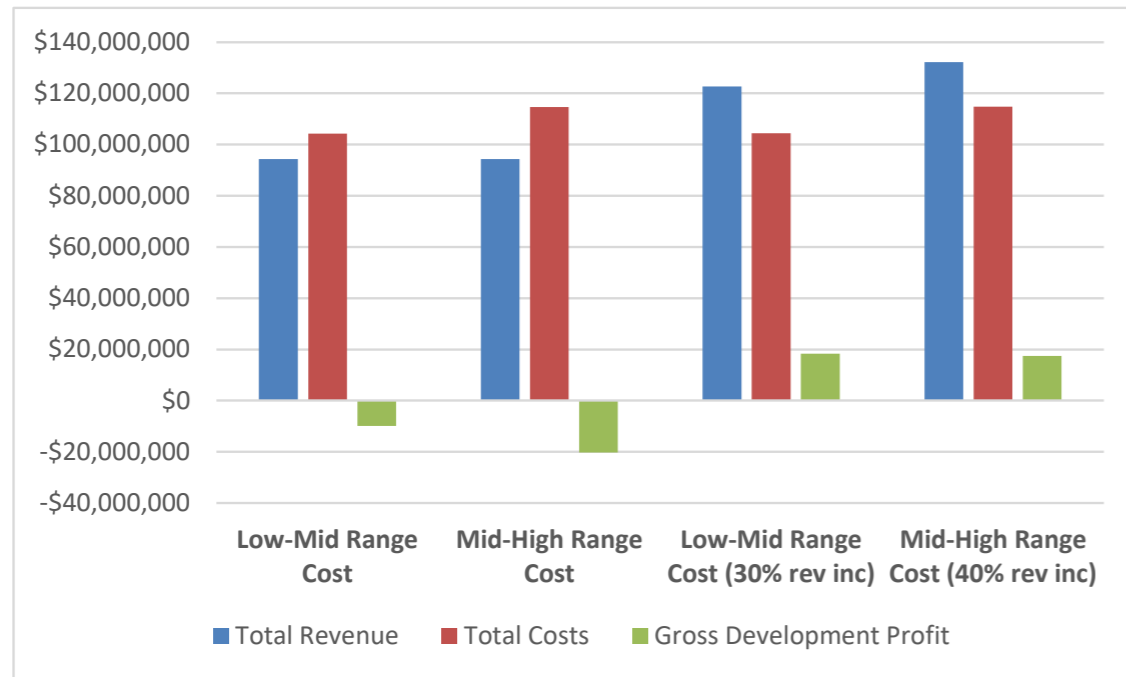


Table 4: Feasibility summary

Option	Low-Mid Range Cost	Mid-High Range Cost	Low-Mid Range Cost (30% rev inc)	Mid-High Range Cost (40% rev inc)
Scenario	1	2	3	4
Units (No.)	211 units	211 units	211 units	211 units
Gross Floor Area (SQM)	14,172 GFA	14,172 GFA	14,172 GFA	14,172 GFA
Site Area	5,118 SqM	5,118 SqM	5,118 SqM	5,118 SqM
Type	Residential	Residential	Residential	Residential
Revenue				
Gross Sales Revenue	\$96,771,524	\$96,771,524	\$125,802,981	\$135,480,133
Less Selling Costs	-\$2,433,457	-\$2,433,457	-\$3,059,048	-\$3,267,579
TOTAL REVENUE (after GST paid)	\$94,338,067	\$94,338,067	\$122,743,933	\$132,212,554
Costs				
Land Purchase Cost	\$10,236,000	\$10,236,000	\$10,236,000	\$10,236,000
Land Acquisition Costs	\$673,812	\$673,812	\$673,812	\$673,812
Construction (inc. Construct. Contingency)	\$94,558,265	\$105,279,490	\$94,558,265	\$105,279,490
Professional Fees	\$1,851,395	\$2,012,213	\$1,858,376	\$2,021,521
Contributions and Charges	\$291,118	\$291,118	\$291,118	\$291,118
Other Allowances	\$870,089	\$870,089	\$1,131,115	\$1,218,124
Land Holding Costs	\$99,104	\$99,104	\$99,104	\$99,104
Pre-Sale Commissions	\$681,263	\$681,263	\$885,642	\$953,768
Interest Expense	\$3,866,189	\$4,298,130	\$3,699,229	\$3,997,761
TOTAL COSTS (before GST reclaimed)	\$113,387,269	\$124,730,737	\$113,692,696	\$125,060,216
Less GST reclaimed	-\$9,150,409	-\$10,142,366	-\$9,250,226	-\$10,275,455
TOTAL COSTS (after GST reclaimed)	\$104,236,860	\$114,588,371	\$104,442,470	\$114,784,761
Performance				
Gross Development Profit	-\$9,898,792	-\$20,250,303	\$18,301,462	\$17,427,793
Residual Land Value (Target Margin)	-\$11,916,593	-\$21,416,907	\$9,814,518	\$7,705,312
Residual Land Value (TM) / SQM	-\$2,328	-\$4,185	\$1,918	\$1,506
Project Internal Rate of Return (IRR)	-6.0%	-15.4%	21.1%	19.3%
Residual Land Value (NPV)	-\$4,216,306	-\$11,687,172	\$14,797,923	\$13,665,131
Residual Land Value (NPV) / SQM	-\$824	-\$2,284	\$2,891	\$2,670

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 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 Mentone. This information informs market responsive housing options.

A.2 Mentone

Mentone is a suburb approximately 21 kilometres southeast of the Melbourne CBD, within Kingston City Council. Located along Beaumaris Bay, it is served by Mentone Station on the Frankston line.

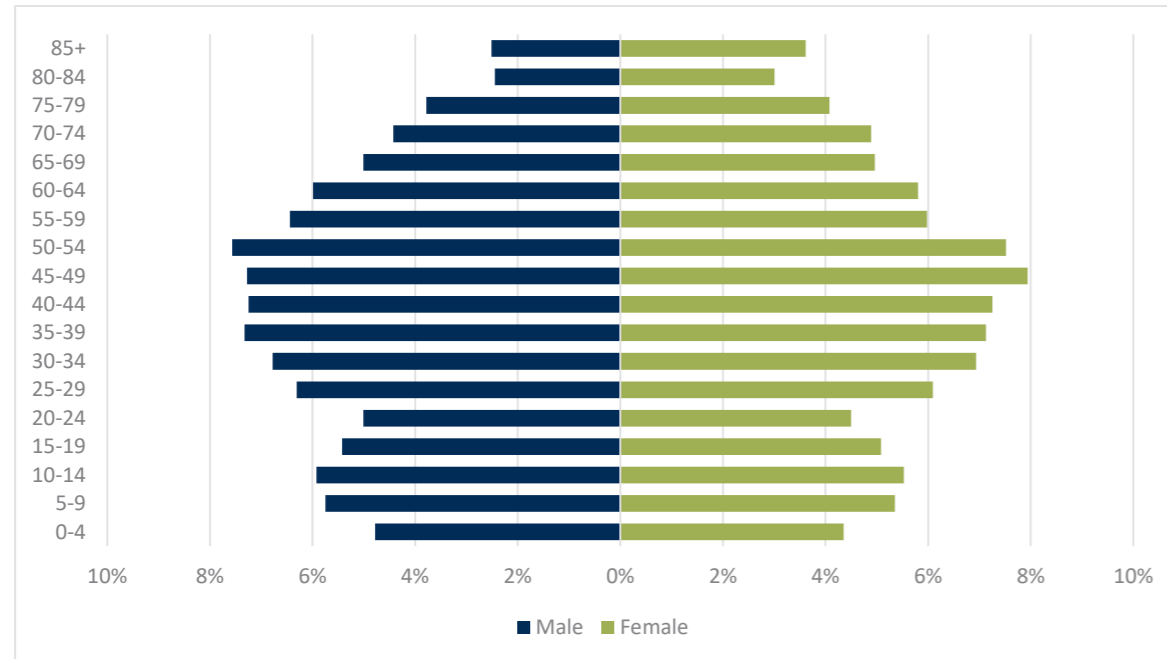
Figure 3: Mentone and surrounds



Imagery: CARTO (2025)

At the 2021 Census, Mentone had an estimated population of 13,197. The population has a mature age profile and a notable concentration of older adults, with almost 10% of people aged 70 years or over. In contrast, about 18% are aged 20-34 years, and around 20% are aged under 20 years.

Figure 4: Age distribution in five year age groups (Mentone)



Source: ABS (2021).

Mentone’s population has remained steady over the past quarter century, with some growth in the early 2010s, taking the population from 11,600 in 2001 to approximately 13,600 in 2024.

Moderate growth is expected in the future, with an annual growth rate of 0.9% projected to bring the population to around 15,000 by 2036.

Figure 5: Population projection (Mentone SA2)



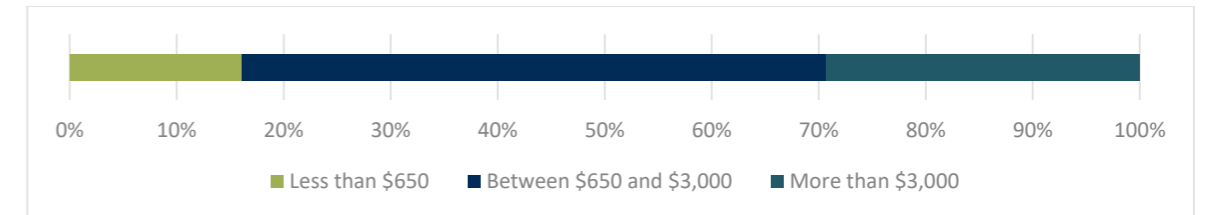
Source: ABS (2025); DTP (2023).

According to the 2021 Census, in Mentone:

- The median weekly household income was \$1,889
- The median monthly mortgage repayment was \$2,167
- The median weekly rent was \$392.

Approximately 16% of households earn below \$650 per week, with almost one third earning more than \$3,000 per week. Incomes have risen over the past decade, with the proportion of households earning more than \$3,000 per week rising from 11.9% in 2011. In the same time frame, the share of households earning less than \$400 per week halved, falling from 12.6% to 6.0%.

Figure 6: Household income ranges (Mentone)



Source: ABS (2021).

Around 30% of Mentone residents were born overseas. English is the dominant language, with over 75% of households using only English at home. The migrant population is well established, with 47.8% of those born overseas arriving in Australia before the year 2000.

Top countries of birth (excluding Australia):

1. England (4.7%)
2. China (excludes SARs and Taiwan) (2.7%)
3. India (1.9%)

Top languages used at home (excluding English):

4. Greek (3.5%)
5. Mandarin (3.0%)
6. Russian (1.5%)

A.3 Dwelling Profile

Between 2011 and 2021, the total number of dwellings increased by around 18%. The number of semi-detached homes increased by 1,290 dwellings or over 150%, and now make up over one third of all dwellings in Mentone.

The number of flats or apartments fell, going from around one third of all dwellings to less than 20%, but this may be explained by data discrepancies that result in changes in classification between separate houses, semi-detached, flats, and cabins in the Census data. The number of separate houses increased only marginally (98 new dwellings).

Table 5: Dwelling structure (Mentone)

Description	2011		2021		Change	
	#	%	#	%	#	%
Separate house	2,383	49.9%	2,481	44.0%	+98	+4.1%
Semi-detached, row or terrace house, townhouse etc.	809	16.9%	2,099	37.2%	+1,290	+159.5%
Flat or apartment	1,570	32.9%	1,028	18.2%	-542	-34.5%
Other dwelling	14	0.3%	33	0.6%	+19	+135.7%
Total	4,776	100.0%	5,641	100.0%	+865	+18.1%

Source: ABS (2011; 2021).

Growth was experienced in dwellings of all sizes except studios, which make up a very small proportion of all dwellings within Mentone. Over 65% of all dwellings in the suburb are between 2-3 bedrooms, with 2-bedroom dwellings also experiencing the largest numerical and proportional increase between 2011 and 2021. The average number of bedrooms remains the same, indicating that typical dwelling size has not changed significantly.

Table 6: Number of bedrooms (Mentone)

Description	2011		2021		Change	
	#	%	#	%	#	%
None (includes studio apartments or bed-sitters)	12	0.3%	8	0.1%	-4	-33.3%
1 bedroom	522	11.1%	643	11.5%	+121	+23.2%
2 bedrooms	1,400	29.9%	1,746	31.2%	+346	+24.7%
3 bedrooms	1,731	36.9%	1,925	34.4%	+194	+11.2%
4 or more bedrooms	1,021	21.8%	1,272	22.7%	+251	+24.6%
Total	4,686	100.0%	5,594	100.0%	+908	+19.4%
Average number of bedrooms per dwelling	2.7	-	2.7	-		

Source: ABS (2011; 2021).

Household composition did not change significantly between 2011 and 2021, with all household and family types remaining proportionally similar. All household types experienced growth except group households and other families, which both remain under 3% of all households in Mentone. The average household size also remains the same as in 2011, suggesting stability in household composition despite overall growth.

Table 7: Household composition (Mentone)

Description	2011		2021		Change	
	#	%	#	%	#	%
Lone person	1,557	32.6%	1,865	33.1%	+308	+19.8%
Group	136	2.8%	121	2.1%	-15	-11.0%
Family	3,083	64.6%	3,654	64.8%	+571	+18.5%
Couple family without children	1,237	25.9%	1,503	26.6%	+266	+21.5%
Couple family with children	1,353	28.3%	1,555	27.6%	+202	+14.9%
One parent family	462	9.7%	589	10.4%	+127	+27.5%
Other family	54	1.1%	50	0.9%	-4	-7.4%
Total	4,776	100.0%	5,640	100.0%	+864	+18.1%
Average household size (no. of persons)	2.3	-	2.3	-		

Source: ABS (2011; 2021).

Between 2021 and 2036, the number of households is expected to grow by 13.9%. Couple families with children are expected to experience the biggest increase, projected to become more common than couple families with children by 2036, and the second most common household type after lone person households. Together they are expected to make up over 60% of all households by 2036.

Table 8: Household projections by type (Mentone SA2)

Description	2021	2026	2031	2036		Change 2021-2036	
				#	%	#	%
Couple family without children	1,566	1,633	1,725	1,886	27.8%	+320	+20.4%
Couple family with children	1,623	1,697	1,727	1,780	26.2%	+158	+9.7%
One parent family	614	647	671	703	10.4%	+89	+14.5%
Other family	45	44	47	52	0.8%	+8	+17.5%
Lone person	1,981	2,037	2,103	2,220	32.7%	+240	+12.1%
Group	128	129	135	141	2.1%	+13	+10.1%
Total	5,956	6,187	6,408	6,784	100.0%	+828	+13.9%

Source: DTP (2023).

Dwellings owned with a mortgage increased the most of all tenure types (excluding other tenure type), becoming the most common tenure type by 2021. Dwellings owned outright decreased slightly as a proportion of all dwellings, with each major tenure type now making up roughly one third of all dwellings.

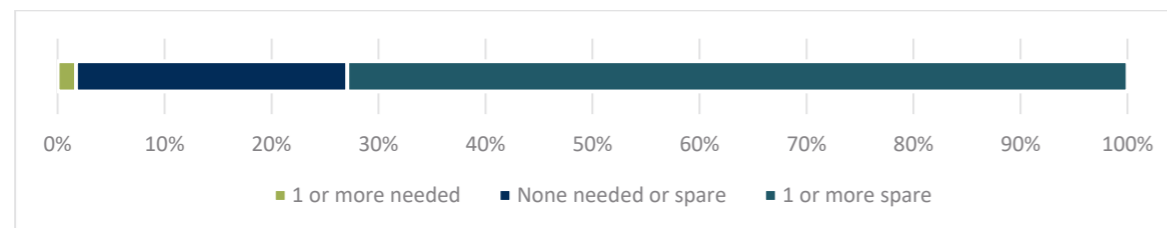
Table 9: Tenure type (Mentone)

Description	2011		2021		Change	
	#	%	#	%	#	%
Owned outright	1,704	36.7%	1,790	32.0%	+86	+5.0%
Owned with a mortgage	1,479	31.9%	1,913	34.2%	+434	+29.3%
Rented	1,434	30.9%	1,816	32.5%	+382	+26.6%
Other tenure type	24	0.5%	70	1.3%	+46	+191.7%
Total	4,641	100.0%	5,589	100.0%	+948	+20.4%

Source: ABS (2011; 2021).

Only one quarter of all dwellings had no bedrooms needed or spare in 2021. Almost 75% had one or more spare bedrooms, and of those dwellings, around 54% had one spare, 35% had two spare, and 11% had three or more bedrooms spare.

Figure 7: Housing suitability (Mentone)



Source: ABS (2021).

APPENDIX B: MARKET RESEARCH

B.1 Overview

This section provides a profile of the Mentone 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

Mentone’s apartment and unit market (and broader metropolitan area) has undergone a period of price adjustment over the past two year. Despite this, rental yields remain strong at 4.7% and the vacancy rate of 1.01% is low.

Mentone is currently experiencing a tight housing market, with limited stock available for sale, estimated at just 0.28% of the total housing stock. This low supply environment may lead to upward pressure on prices, particularly if anticipated interest rate cuts in 2025 materialise and stimulate buyer activity.

Even with recent price corrections, affordability remains a key challenge. Based on current income-to-price ratios, it could take up to 39 years to fully own a property for the average income earner, highlighting the need for more price accessible housing solutions to be provided.

Apartments in Mentone are increasingly sought after due to the suburb’s proximity to the beach, train station, and vibrant village centre, which makes Mentone a popular choice for a wide range of buyers.

Several trends are expected to shape Mentone’s property market in the future:

- Affordability pressures in inner and middle Melbourne leading to increased demand for smaller and more affordable housing choices in well-located areas like Mentone (affordable accommodation).
- Downsizing of older aged people that wish to remain in their region of residence in new, low-maintenance housing (lifestyle accommodation and / or affordable accommodation).
- People seeking out Mentone’s bayside and village lifestyle offer (lifestyle accommodation).

Key supply options are:

- Dwelling types: apartments, low-rise units
- Target market: first-home buyers, downsizers, investors, and professionals.

Overall, Mentone is well-positioned for sustainable, long-term growth in its housing market.

B.3 Development sites

Data on active and approved development sites in Mentone reflects the diversity of residential development activity and provides insight into feasibility and market dynamics. Typical projects are:

- A government housing development with 22 apartments and commercail space
- Medium-density townhouse developments, typically delivering around 3 to 6 units.

According to this sample, the pricing of townhouse development land is \$1,480/sqm to \$2,060/sqm or \$416,670/unit to \$502,500/unit.

The apartment project suggests a price of \$2,300/sqm or \$82,150/unit.

Table 10: Development site sales evidence

Mentone	Sold Price	Sold Date	Land Area sqm	No. of Units	\$/sqm	\$/unit	Description
203 Nepean Highway	\$1,807,300	2016	785	22	\$2,302	\$82,150	Construction of a new state government residential housing development, including 22 apartments over three levels, a single ground-floor retail tenancy, and a single basement level of parking. The project is due for completion in 2027.
25 Brindisi Street	\$3,385,000	2021	1,164	1	\$2,908	-	Construction of a dwelling & a shop. Completed in July 2025.
98-100 Patty Street	\$3,015,000	2021	1,457	6	\$2,061	\$502,500	Construction of 6 x 3- & 4-bedroom x 2-storey townhouses. Completed in March 2025.
4 Eblana Avenue	\$2,750,000	2023	3,536	6	\$1,548	\$458,333	Construction of 6 x 3-bedroom x 2-storey townhouses. Completion due in 2027.
17 Southern Road	\$1,250,000	2023	845	3	\$1,479	\$416,667	Demolition of existing dwelling. Construction of 3 x 3 bedroom 2-storey units. Completion due in 2027.

Source: Cordell Connect, RP Data Professional, HillPDA

B.4 Apartment sales evidence

New apartment developments generally feature 1 to 3 bedrooms, open-plan layouts, and secure parking, catering to lifestyle-focused buyers.

Median pricing by size for new constructions (units/apartments):

- 1-Bed Units: \$400,000
- 2-Bed Units: \$679,000
- 3-Bed Units: \$1,021,000.

These figures reflect a 2.9% annual growth in unit prices overall, with 3-bedroom apartments showing the strongest growth at 14.3% year-on-year.

An example of a current off-the-plan apartment sales is Kindred, at 25 Brindisi Street, Mentone. Designed by architectural firm Megowan, Kindred comprises 10 apartments (70% completed). The project is focused on lifestyle accommodation.

The table below shows sales evidence of relatively modern existing apartment stock (generally built in the last decade). The median of the sample shows the typical apartment unit being:

- 2 bedrooms (range of 1 to 3)
- 2 bathrooms (range of 1 to 2)
- 1 car space (range of 1 to 2)
- Floorspace 71 sqm (range 54 to 108)
- Median price \$507,500 (range \$330,000 to \$770,000)
- Median internal floorspace rate of \$7,320/sqm (range \$5,000 to \$7,850).

Table 11: Recent apartment sales

Street Address	Bed	Bath	Car	Floorspace sqm	Sale Price	Sale Date	\$/sqm
608/7 BALCOMBE ROAD	3	2	2	108	\$750,000	01 May 2025	\$6,944
303/15 BALCOMBE ROAD	2	2	1	76	\$400,000	03 Dec 2024	\$5,263
307/15 BALCOMBE ROAD	2	2	1	80	\$400,000	03 Jun 2025	\$5,000
2/144 COLLINS STREET	2	2	1	65	\$510,000	04 Apr 2025	\$7,846
5/144 COLLINS STREET	2	2	1	70	\$520,000	06 Dec 2024	\$7,479
106/144 COLLINS STREET	1	1	1	54	\$370,000	06 May 2025	\$6,852
101/7 BALCOMBE ROAD	1	1	1	55	\$330,000	07 Apr 2025	\$6,000
21/76-88 BALCOMBE ROAD	2	2	1	76	\$580,000	09 Dec 2024	\$7,632
103/81 WARRIGAL ROAD	2	2	2	67	\$515,000	12 May 2025	\$7,687
107/81 WARRIGAL ROAD	2	2	1	71	\$505,000	12 Nov 2024	\$7,113
3/1 LONG STREET	2	2	1	103	\$770,000	14 Jan 2025	\$7,476
208/116 BALCOMBE ROAD	2	2	1	82	\$605,000	20 Dec 2024	\$7,378
2/14 STATION STREET	2	1	1	97	\$710,000	20 Mar 2025	\$7,320
214/116 BALCOMBE ROAD	2	1	1	62	\$471,000	21 Jul 2025	\$7,597
303/116 BALCOMBE ROAD	1	1	1	55	\$420,000	24 Jun 2025	\$7,636
102/144 COLLINS STREET	2	2	1	66	\$455,000	25 May 2025	\$6,894
46/76-88 BALCOMBE ROAD	2	1	1	78	\$540,000	27 Feb 2025	\$6,923
High	3	2	2	108	\$770,000	-	\$7,846
Low	1	1	1	54	\$330,000	-	\$5,000
Median	2	2	1	71	\$510,000	-	\$7,320

Source: RP Data Professional, HillPDA

B.5 Townhouses sales evidence

Townhouses in Mentone are popular due to their affordability and low maintenance appeal. While specific median prices vary by location and design, townhouses generally attract both downsizers and investors.

The price of townhouses in the sample below ranges from \$1,060,000 to \$2,050,000. The internal area price is \$6,630/sqm to \$8,550/sqm.

Table 12: Townhouse sales evidence

Address, Mentone	Sold Price	Sold Date	Bedrooms	Bathrooms	Car Spaces	Internal Area (m ²)	\$/sqm
8/77 Beach Road	\$1,515,000	31-May-25	3	2	2	210	\$7,214
2/18 Naples Road	\$1,370,000	31-May-25	3	2	2	185	\$7,405
5/8–10 Alvena Street	\$1,270,000	13-May-25	3	2	2	175	\$7,257
3 Withers Way	\$1,060,000	3-May-25	3	2	2	160	\$6,625
1B Cochrane Avenue	\$2,050,000	15-Apr-25	4	3	2	240	\$8,542

Source: RP Data Professional, HillPDA

B.6 Commercial Property Sector

Mentone’s commercial property market is experiencing steady demand, driven by its bayside location, village-style retail precinct, and connectivity via the Frankston rail line. The area supports a mix of retail, office, medical and light industrial uses, with a growing number of freehold investments and mixed-use developments.

High street retail is concentrated along Balcombe Road, Mentone Parade, and Como Parade, with substantial foot traffic and proximity to Mentone Station.

Office spaces are typically integrated into dual-level retail or warehouse facilities.

Commercaill properties range from \$690,000 to over \$4.6 million, depending on size, location, and tenancy.

Smaller strata offices and retail shops (under 150 sqm) typically achieve between \$6,000/sqm to \$8,000 /sqm.

Table 13: Commercial shopfront sales evidence

Address, Mentone	Sold Date	Internal Area sqm	Descriptions
3 Como Parade West	21 Mar 2025	64	Freehold ice cream shop in a strategic bayside location.
15 & 17 Como Parade West	20 Feb 2025	326	Dual retail premises near Mentone Station.
1/135 Lower Dandenong Road	12 Nov 2024	90	Entry-level retail investment.
68–69 Beach Road	11 Nov 2024	270	Bayside retail with panoramic views.
161–163 Nepean Highway	25 Mar 2024	420	Freestanding Hungry Jack’s investment.
189–201 Nepean Highway	30 Nov 2023	387	Former car dealership site.
125 Mentone Parade	Not disclosed	180	Café with long-term lease in Mentone Village.
91 Balcombe Road	Not disclosed	128	Retail investment near Woolworths.

Address, Mentone	Sold Date	Internal Area sqm	Descriptions
1B Balcombe Road	Not disclosed	86	Burgertory with 10-year lease.
140 Balcombe Road	Not disclosed	93	Retail with fixed annual increases.

Source: RP Data Professional, HillPDA

B.7 Market Summary

Development Site Values

- Development site land values range from \$1,480/sqm to \$2,300/sqm.
- Prices per unit range from \$82,150/unit for apartment sites to \$502,500/unit for townhouse sites.
- Most residential developments are townhouse developments and low-rise apartments.

Townhouses Prices

- Townhouses prices can range from \$1,060,000 to \$2,050,000.
- The internal area price is around \$6,630/sqm to \$8,550/sqm.

Apartment Prices

- Apartment sales evidence indicates a typical price around \$507,500 (range from \$330,000 to \$770,000) but new high-end stock can achieve over \$1 million.
- Median internal floorspace sales rates are around \$7,320/sqm (range \$5,000/sqm to \$7,850/sqm) for existing stock, and prices can exceed \$10,000/sqm for new high end stock.
- Floorspace averages are 71 sqm (range 54 to 108).

Commercaill Shopfront Prices

- Smaller strata offices and retail shops (under 150 sqm) typically achieve between \$6,000/sqm to \$8,000 /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		1	2	3	4				
COMPARISON OF OPTIONS		Low Mid Range	Mid High Range	Opt 1 (30% Revenue Increase)	Opt 2 (40% Revenue Increase)				
Adaptive reuse, Mentone		1	2	3	4				
Warning! - Information in the Report is not up to date. Recommend you store the current option/stage. Licensed to: Hill PDA Pty Ltd		211 units 14,172 GFA 5,118 SqM Residential Under Review	211 units 14,172 GFA 5,118 SqM Residential Under Review	211 units 14,172 GFA 5,118 SqM Residential Under Review	211 units 14,172 GFA 5,118 SqM Residential Under Review				
Revenues									
Gross Sales Revenue	96,771,524	96,771,524	125,802,981	135,480,133					
Less Selling Costs	(2,433,457)	(2,433,457)	(3,059,048)	(3,267,579)					
Less Purchasers Costs	-	-	-	-					
NET SALES REVENUE	94,338,067	94,338,067	122,743,933	132,212,554					
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)	94,338,067	94,338,067	122,743,933	132,212,554					
Less GST paid on all Revenue	-	-	-	-					
TOTAL REVENUE (after GST paid)	94,338,067	94,338,067	122,743,933	132,212,554					
Costs									
Land Purchase Cost	10,236,000	10,236,000	10,236,000	10,236,000					
Land Acquisition Costs	673,812	673,812	673,812	673,812					
Construction (inc. Construct. Contingency)	94,558,265	105,279,490	94,558,265	105,279,490					
Professional Fees	1,851,395	2,012,213	1,858,376	2,021,521					
TBC	291,118	291,118	291,118	291,118					
Miscellaneous Costs 1	-	-	-	-					
Misc 2	-	-	-	-					
Marketing	870,089	870,089	1,131,115	1,218,124					
Project Contingency (Reserve)	-	-	-	-					
Land Holding Costs	99,104	99,104	99,104	99,104					
Pre-Sale Commissions	681,263	681,263	885,642	953,768					
Finance Charges (inc. Fees)	260,035	289,519	260,035	289,519					
Interest Expense	3,866,189	4,298,130	3,699,229	3,997,761					
TOTAL COSTS (before GST reclaimed)	113,387,269	124,730,737	113,692,696	125,060,216					
Less GST reclaimed	(9,150,409)	(10,142,366)	(9,250,226)	(10,275,455)					
Plus Corporate Tax	-	-	-	-					
TOTAL COSTS (after GST reclaimed)	104,236,860	114,588,371	104,442,470	114,784,761					
Performance Indicators									
¹ Gross Development Profit	(9,898,792)	(20,250,303)	18,301,462	17,427,793					
² Net Developer's Profit after Profit Share	(9,898,792)	(20,250,303)	18,301,462	17,427,793					
³ Development Margin (Profit/Risk Margin)	(9.48%)	(17.64%)	17.48%	15.14%					
Target Development Margin	18.00%	18.00%	18.00%	18.00%					
⁴ Residual Land Value (Target Margin)	(11,916,593)	(21,416,907)	9,814,518	7,705,312					
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	(14,182,955)	(21,514,586)	4,476,901	3,365,222					
⁷ Benefit Cost Ratio	0.816	0.745	1.058	1.040					
⁸ Project Internal Rate of Return (IRR)	(5.97%)	(15.39%)	21.10%	19.31%					
⁹ Residual Land Value (NPV)	(4,216,306)	(11,687,172)	14,797,923	13,665,131					
Peak Debt Exposure	84,223,747	92,478,941	84,583,977	92,958,311					
Date of Peak Debt Exposure	Oct-2028	Oct-2028	Oct-2028	Oct-2028					
¹¹ Breakeven Date for Project Overdraft	Feb-2029	Feb-2029	Dec-2028	Dec-2028					
Total Equity Contribution	20,277,294	22,284,728	20,361,570	22,397,095					
Peak Equity Exposure	20,277,294	22,284,728	20,361,570	22,397,095					
Date of Peak Equity Exposure	Jul-2027	Aug-2027	Jul-2027	Aug-2027					
¹² IRR on Equity	(22.26%)	(61.80%)	26.68%	24.28%					
Weighted Average Cost of Capital (WACC)	10.00%	10.00%	10.00%	10.00%					
Yield Analysis									
Sales		Qty	SqM	Qty	SqM	Qty	SqM	Qty	SqM
Residential - 1 Bedroom Units	16	-	16	-	16	-	16	-	-
Residential - 2 Bedroom Units	14	-	14	-	14	-	14	-	-
Residential - Studio	135	-	135	-	135	-	135	-	-
Townhouse Lots	46	-	46	-	46	-	46	-	-
Commercial Office	-	1,216	-	1,216	-	1,216	-	1,216	-
Not Classified	211	-	211	-	211	-	211	-	-
TOTAL	422	1,216	422	1,216	422	1,216	422	1,216	1,216
Tenancies		SqM	SqM	SqM	SqM	SqM	SqM	SqM	SqM
TOTAL	-	-	-	-	-	-	-	-	-
Build to Rent Analysis									
Development Phase		Jan-2026 - Oct-2028	Jan-2026 - Oct-2028	Jan-2026 - Oct-2028	Jan-2026 - Oct-2028				
Development Margin	20.00%	20.00%	20.00%	20.00%					
Net Present Value	24,251,175	26,555,963	24,363,203	26,704,211					
Internal Rate of Return	26.75%	27.47%	26.74%	27.45%					
Equity IRR	37.57%	38.74%	37.60%	38.77%					
Adopted Handover Value	125,401,248	137,716,402	125,934,655	138,426,488					
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 : Adaptive reuse, Mentone

Low Mid Range : 1

Date of Report :	20-Nov-2025	Project Size :	211 units
Time Span :	Jan-26 to Apr-29 (39 Months)	Project Size :	1 per 24.25 SqM of Site Area
Type :	Residential	Project Size :	14,172 GFA
Status :	Under Review	Project Size :	1 per 0.36 SqM of Site Area
Site Area :	5,118 SqM	FSR :	:1
		Equated GFA :	SqM
Prepared By :	Hill PDA	Address :	Brindisi Street, Mentone
Prepared For :	McP Studio for MAV		Mentone
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 Adaptive reuse, Mentone													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	211.00	-	-	-	-	-	-	-	-	-	-	-	-	7.94	7.94
Cumulative Units Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	7.94	15.88
% Units Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	3.8%	7.5%
SqM Sold	1,216.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold	96,993.631	-	-	-	-	-	-	-	-	-	-	-	-	3,144,263	3,153,310
Cumulative AUD Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	3,144,263	6,297,569
% AUD Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	3.2%	6.5%
Handover Summary															
Units Handed Over	211.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SqM Handed Over	1,216.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	96,993.631	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow															
Revenue															
Gross Sales Revenue	96,993.631	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(2,437.065)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(GST Payments / Credits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	94,556.566	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs															
Land and Acquisition	10,909.812	1,030,718	7,118	7,118	9,854.858	-	-	-	-	-	-	-	-	-	-
Professional Fees	1,851.469	-	-	-	104,438	104,438	104,438	104,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438
Construction Costs	94,558.265	-	-	193,941	200,406	235,862	282,831	266,669	339,397	387,882	452,529	484,853	581,823	581,823	775,784
TBC	291,118	-	-	-	-	-	-	85,458	-	-	-	-	-	-	-
Miscellaneous Costs 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	872,104	-	-	-	-	-	-	-	-	-	-	-	-	36,338	36,338
Project Contingency (Reserve)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	89,094	30,625	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	684,219	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (inc Fees)	260,035	-	260,035	-	-	-	-	-	-	-	-	-	-	-	-
(GST Payments / Credits)	-	-	-	-	(23,688)	(27,120)	(27,120)	(30,840)	(36,200)	(48,731)	(55,349)	(58,796)	(65,633)	(68,572)	(68,572)
TOTAL COSTS	108,374,919	1,061,343	287,153	305,497	10,148,063	313,275	359,556	350,820	353,629	408,563	466,619	494,535	621,966	693,488	843,613
Net Cash Flow (before Interest & Corporate Tax)	(5,818,373)	(1,061,343)	(287,153)	(305,497)	(10,148,063)	(313,275)	(359,556)	(350,820)	(353,629)	(408,563)	(466,619)	(494,535)	(621,966)	(693,488)	(843,613)
Cumulative Cash Flow	-	(1,061,343)	(1,328,496)	(1,633,994)	(11,780,056)	(12,093,331)	(12,452,887)	(12,803,507)	(13,157,136)	(13,565,719)	(14,032,338)	(14,526,872)	(15,148,838)	(15,842,326)	(16,685,939)
Corporate Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(5,818,373)	(1,061,343)	(287,153)	(305,497)	(10,148,063)	(313,275)	(359,556)	(350,820)	(353,629)	(408,563)	(466,619)	(494,535)	(621,966)	(693,488)	(843,613)
Cumulative Cash Flow	-	(1,061,343)	(1,328,496)	(1,633,994)	(11,780,056)	(12,093,331)	(12,452,887)	(12,803,507)	(13,157,136)	(13,565,719)	(14,032,338)	(14,526,872)	(15,148,838)	(15,842,326)	(16,685,939)
Financing															
Developer's Equity															
Manual Adjustments (Inject - / Repay -)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Injects	20,278,199	1,061,343	287,153	305,497	10,148,063	313,275	359,556	350,820	353,629	408,563	466,619	494,535	621,966	693,488	843,613
Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	(10,602,409)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Cash Flow	(8,675,790)	(1,061,343)	(287,153)	(305,497)	(10,148,063)	(313,275)	(359,556)	(350,820)	(353,629)	(408,563)	(466,619)	(494,535)	(621,966)	(693,488)	(843,613)
Project Cash Account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Injection	10,570,191	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	(10,570,191)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for Adaptive reuse, Mentone

Low Mid Range - 1

PROJECT CASH FLOW		TOTAL	GST	1	2	3	4	5	6	7	8	9	10	11	12	13	
				Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Senior Loan - Bank		Debt															
Drawdown	(81,112,795)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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%	7.50%	7.50%	7.50%
Interest Charged	(3,857,417)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees Charged (Application, Line & Standby)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	84,970,212	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees	3,857,417	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	81,112,795	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Project & Finance Costs (no Interest/Fees and net of GST)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Senior Loan Cash Flow	3,857,417	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Coverage Ratio	126.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	1.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Overlift	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Project & Finance Costs (no Interest/Fees and net of GST)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity % Debt Ratio	29.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Interest Coverage Ratio	126.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	1.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest & Corporate Tax)	(9,075,790)	(1,061,343)	(267,153)	(300,497)	(10,146,063)	(311,275)	(309,356)	(350,620)	(303,629)	(408,583)	(466,619)	(484,535)	(621,966)	(693,488)	(843,613)	(843,613)	(843,613)
Cumulative Cash Flow**	(9,075,790)	(1,061,343)	(1,328,496)	(1,633,994)	(11,786,056)	(12,095,331)	(12,452,887)	(12,803,507)	(13,157,136)	(13,565,719)	(14,032,338)	(14,526,872)	(15,148,838)	(15,842,326)	(16,685,939)	(16,685,939)	(16,685,939)
Check Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary		Debt															
GST liability on Revenue	(8,715,984)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withheld by Purchaser	(8,715,984)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net GST liability (Credit / Debit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV		Debt															
Cash Flow that excludes all financing costs, interest and corp tax	-	(1,061,343)	(7,118)	(300,497)	(10,169,702)	(311,275)	(309,356)	(350,620)	(303,629)	(408,583)	(466,619)	(484,535)	(621,966)	(693,488)	(843,613)	(843,613)	(843,613)
Static Discount Rate (per ann. effective)	16.00%	(1,061,343)	(7,118)	(300,497)	(10,169,702)	(311,275)	(309,356)	(350,620)	(303,629)	(408,583)	(466,619)	(484,535)	(621,966)	(693,488)	(843,613)	(843,613)	(843,613)
PV for each Month	(14,030,837)	(1,061,343)	(7,036)	(298,464)	(9,820,504)	(299,015)	(309,216)	(326,955)	(272,234)	(420,183)	(440,165)	(547,176)	(603,033)	(675,082)	(725,082)	(725,082)	(725,082)
NPV of Future Cash Flows	(14,030,837)	(13,121,431)	(13,267,346)	(13,114,303)	(2,979,096)	(2,697,061)	(2,364,879)	(2,037,856)	(1,703,658)	(1,310,549)	(853,617)	(383,492)	261,502	966,178	1,650,808	2,292,808	2,980,808
Variable Discount Rate (per ann. effective)	0.00%	(1,061,343)	(7,118)	(300,497)	(10,169,702)	(311,275)	(309,356)	(350,620)	(303,629)	(408,583)	(466,619)	(484,535)	(621,966)	(693,488)	(843,613)	(843,613)	(843,613)
NPV (using weighted avg discount rate)	(5,581,977)	(1,061,343)	(7,118)	(300,497)	(10,169,702)	(311,275)	(309,356)	(350,620)	(303,629)	(408,583)	(466,619)	(484,535)	(621,966)	(693,488)	(843,613)	(843,613)	(843,613)

**Includes full interest from deposit on loan acquisition plus interest received from pre-sale receipts
**Cumulative Cash Flow after interest and corporate tax (including interest on overlift)
Licensing: 100 P&A P&A Ltd

Cash Flow Table for Adaptive reuse, Mentone

Low Mid Range - 1

PROJECT CASH FLOW		TOTAL	GST	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		Revenue															
Units Sold	211.00	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94
Cumulative Units Sold	-	23.81	31.75	39.69	47.63	55.56	63.50	71.44	79.38	87.31	95.25	103.19	111.13	119.06	127.00	134.94	142.88
% Units Sold	-	11.3%	15.0%	18.8%	22.6%	26.3%	30.1%	33.9%	37.6%	41.4%	45.1%	48.9%	52.7%	56.4%	60.2%	63.9%	67.7%
Sqm Sold	1,216.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold	96,993,631	3,162,363	3,171,442	3,180,546	3,189,677	3,198,835	3,208,018	3,217,228	3,226,464	3,235,727	3,245,017	3,254,333	3,263,676	3,273,045	3,282,428	3,291,835	3,301,266
Cumulative AUD Sold	-	9,459,666	12,631,107	15,811,943	19,001,621	22,200,456	25,409,474	28,628,702	31,848,166	35,067,894	38,287,912	41,508,340	44,729,168	47,950,406	51,172,054	54,394,102	57,616,150
% AUD Sold	-	9.8%	13.0%	16.3%	19.6%	22.9%	26.2%	29.5%	32.8%	36.2%	39.5%	42.9%	46.2%	49.6%	52.9%	56.2%	59.6%
Handover Summary		Revenue															
Units Handed Over	211.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Units Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sqm Handed Over	1,216.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative SqM Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% SqM Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Handed Over	96,993,631	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative AUD Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% AUD Handed Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow		Revenue															
Gross Sales Revenue	96,993,631	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling Costs	(2,437,065)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(GST Payments / Credits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	94,556,566	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs		Revenue															
Land and Acquisition	10,509,812	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	1,851,469	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438
Construction Costs	94,558,265	549,499	387,882	387,882	355,558	1,516,466	2,638,235	3,934,609	3,108,974	3,627,136	3,627,136	4,559,828	5,803,418	6,632,477	7,461,537	8,290,597	9,119,657
TBC	291,118	-	-	-	-	69,048	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	872,104	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338
Project Contingency (Reserve)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	89,094	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	684,219	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (inc. Fees)	260,035	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	
(GST Payments / Credit)	(8,151,188)	(84,578)	(82,269)	(81,848)	(81,847)	(81,847)	(81,000)	(81,000)	(80,548)	(80,526)	(80,527)	(80,519)	(80,420)	(80,420)	(80,420)	(80,420)	
TOTAL COSTS	106,374,919	613,461	434,212	454,782	437,151	1,867,106	2,722,765	3,913,603	2,985,989	3,386,299	3,386,299	4,379,749	5,590,532	6,334,802	7,050,808	7,766,814	8,482,820
Net Cash Flow (before Interest & Corporate Tax)	(11,818,353)	(11,818,353)	(11,818,35														

Cash Flow Table for Adaptive reuse, Mentone

PROJECT CASH FLOW	TOTAL	GST	Low Mid Range - 1													
			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	(81,112,795)		-	-	-	-	(14,452)	(2,722,765)	(3,913,603)	(2,985,989)	(3,388,299)	(3,461,356)	(4,379,749)	(5,590,532)	(6,334,802)	(7,050,808)
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	(3,857,417)		-	-	-	-	(90)	(17,108)	(41,875)	(60,598)	(82,141)	(104,288)	(132,313)	(168,081)	(208,724)	-
Fees Charged (Application, Line & Standby)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	84,970,212		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees	3,857,417		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	81,112,795		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Balance	-		-	-	-	-	(14,452)	(2,737,308)	(6,668,919)	(9,695,683)	(13,142,579)	(16,688,077)	(21,170,114)	(26,892,959)	(33,395,842)	(40,655,374)
% of Project & Finance Costs (no Interest/Fees and net of GST)			-	-	-	-	0.01%	2.63%	6.38%	9.25%	12.49%	15.82%	20.02%	25.38%	31.46%	38.22%
Senior Cash Cash Flow	3,857,417		-	-	-	-	(14,452)	(2,722,765)	(3,913,603)	(2,985,989)	(3,388,299)	(3,461,356)	(4,379,749)	(5,590,532)	(6,334,802)	(7,050,808)
Interest Coverage Ratio	126.50		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Ratio	1.11		-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Project & Finance Costs (no Interest/Fees and net of GST)			-	-	-	-	(14,452)	(2,737,308)	(6,668,919)	(9,695,683)	(13,142,579)	(16,688,077)	(21,170,114)	(26,892,959)	(33,395,842)	(40,655,374)
Project Overhead	126.50		-	-	-	-	0.01%	2.63%	6.38%	9.25%	12.49%	15.82%	20.02%	25.38%	31.46%	38.22%
Total Equity % Debt Ratio	29.00%		-	-	-	-	149311.38%	740.83%	304.60%	210.42%	155.71%	123.01%	97.19%	76.65%	61.94%	50.90%
Total Debt Interest Coverage Ratio	126.50		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Ratio	1.11		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (after Interest & Corporate Tax)	(9,075,790)		(613,461)	(434,212)	(454,762)	(437,151)	(1,661,106)	(2,722,860)	(3,930,711)	(3,027,864)	(3,446,997)	(3,543,498)	(4,484,037)	(5,722,846)	(6,502,863)	(7,259,532)
Cumulative Cash Flow**			(17,299,490)	(17,733,812)	(18,188,394)	(18,625,945)	(20,292,651)	(23,015,507)	(26,946,218)	(29,973,881)	(33,420,778)	(36,964,276)	(41,448,313)	(47,171,158)	(53,674,041)	(60,933,573)
Check Balance			-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary																
GST Liability on Revenue	(8,715,984)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withheld by Purchaser	(8,715,984)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Liability (Cost) (Credit) (over)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																
Cash Flow that excludes all financing costs, interest and corp tax			(613,461)	(434,212)	(454,762)	(437,151)	(1,661,106)	(2,722,860)	(3,930,711)	(3,027,864)	(3,446,997)	(3,543,498)	(4,484,037)	(5,722,846)	(6,502,863)	(7,259,532)
Static Discount Rate (per ann. effective)	16.00%															
PIV for each Month	(14,030,837)		(521,182)	(964,611)	(377,462)	(358,627)	(1,351,812)	(2,182,254)	(3,100,371)	(2,338,121)	(2,620,872)	(2,847,944)	(3,311,720)	(4,178,297)	(4,679,733)	(5,148,358)
NPV of Future Cash Flows			1,830,982	2,473,090	2,941,361	3,435,628	3,918,452	5,650,982	8,471,855	12,530,323	15,698,216	19,308,199	23,036,289	27,737,215	33,718,179	40,522,198
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)	(5,581,977)															

**Includes Net Interest from deposit on loan acquisition plus interest received from pre-sale deposits
 **Cumulative Cash Flow after interest and corporate tax (including interest on overpaid)
 Lessor: AR MENT2 emf

Cash Flow Table for Adaptive reuse, Mentone

PROJECT CASH FLOW	TOTAL	GST	Low Mid Range - 1													
			28	29	30	31	32	33	34	35	36	37	38	39		
			May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29	Apr-29		
Sale Summary																
Units Sold	211.00		-	-	-	-	-	-	-	21.00	21.00	21.00	21.00	21.00	21.00	211.00
Cumulative Units Sold			127.00	127.00	127.00	127.00	127.00	127.00	127.00	148.00	169.00	190.00	211.00	211.00	211.00	211.00
% Units Sold			60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	70.1%	80.1%	90.0%	100.0%	100.0%	100.0%	100.0%
\$/M Sold	1,216.00		-	-	-	-	-	-	-	304.00	304.00	304.00	304.00	304.00	304.00	1,216.00
Cumulative \$/M Sold			-	-	-	-	-	-	-	304.00	608.00	912.00	1,216.00	1,216.00	1,216.00	1,216.00
% \$/M Sold			-	-	-	-	-	-	-	25.0%	50.0%	75.0%	100.0%	100.0%	100.0%	100.0%
AUD Sold	96,993,631		-	-	-	-	-	-	-	11,343,433	11,378,939	11,414,559	11,450,293	11,486,027	11,521,761	96,993,631
Cumulative AUD Sold			-	-	-	-	-	-	-	11,343,433	22,722,372	34,091,311	45,460,250	56,829,189	68,198,128	96,993,631
% AUD Sold			-	-	-	-	-	-	-	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	100.0%
Handover Summary																
Units Handover	211.00		-	-	-	-	-	-	-	148.00	21.00	21.00	21.00	21.00	21.00	211.00
Cumulative Units Handover			-	-	-	-	-	-	-	148.00	169.00	190.00	211.00	211.00	211.00	211.00
% Units Handover			-	-	-	-	-	-	-	70.1%	80.1%	90.0%	100.0%	100.0%	100.0%	100.0%
\$/M Handover	1,216.00		-	-	-	-	-	-	-	304.00	304.00	304.00	304.00	304.00	304.00	1,216.00
Cumulative \$/M Handover			-	-	-	-	-	-	-	304.00	608.00	912.00	1,216.00	1,216.00	1,216.00	1,216.00
% \$/M Handover			-	-	-	-	-	-	-	25.0%	50.0%	75.0%	100.0%	100.0%	100.0%	100.0%
AUD Handover	96,993,631		-	-	-	-	-	-	-	62,749,840	11,378,939	11,414,559	11,450,293	11,486,027	11,521,761	96,993,631
Cumulative AUD Handover			-	-	-	-	-	-	-	62,749,840	74,128,779	85,543,338	96,993,631	96,993,631	96,993,631	96,993,631
% AUD Handover			-	-	-	-	-	-	-	64.7%	78.4%	88.2%	100.0%	100.0%	100.0%	100.0%
Project Cash Flow																
Revenue	96,993,631		-	-	-	-	-	-	-	62,749,840	11,378,939	11,414,559	11,450,293	11,486,027	11,521,761	96,993,631
Gross Sales Revenue	96,993,631		-	-	-	-	-	-	-	62,749,840	11,378,939	11,414,559	11,450,293	11,486,027	11,521,761	96,993,631
Selling Costs	(2,437,065)		-	-	-	-	-	-	-	(1,377,125)	(262,241)	(263,319)	(264,403)	-	-	-
Gross Rental Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received*	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
(GST Payments/Incentives)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	94,556,566		-	-	-	-	-	-	-	61,372,714	11,026,698	11,061,240	11,095,893	11,130,435	11,164,977	94,556,566
Costs																
Land and Acquisition	10,509,812		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	1,851,469		49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	1,851,469
Construction Costs	94,558,265		8,705,126	9,328,921	9,328,921	9,328,921	6,632,477	5,803,418	5,388,888	-	-	-	-	-	-	-
TBC	291,118		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs 1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	872,104		36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	36,338	872,104
Project Contingency (Reserve)	89,094		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	684,219		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	89,094		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing (inc. Fees)	260,035		-	-	-	-	-	-	-	-	-	-	-	-	-	-
(GST Payments/Incent Credits)	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COSTS	106,374,919		8,754,564	9,378,359	9,378,359	9,378,359	6,681,815	5,852,856	5,434,926	4,883,914	4,474,176	4,064,438	3,654,699	3,244,961	2,835,223	106,374,919
Net Cash Flow (before Interest & Corporate Tax)	(5,818,373)		(8,754,564)	(9,378,359)	(9,378,359)	(9,378,359)	(6,681,815)	(5,852,856)	(5,434,926)	(4,883,914)	(4,474,176)	(4,064,438)	(3,654,699)	(3,244,961)	(2,835,223)	(5,818,373)
Cumulative Cash Flow			(8,754,564)	(18,132,923)	(27,511,282)	(36,889,641)	(46,267,999)	(55,646,358)	(65,024,717)	(74,403,076)	(83,781,435)	(93,159,794)	(102,538,153)	(111,916,512)	(121,294,871)	(130,673,230)
Corporate Tax	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(5,818,373)		(8,754,564)	(9,378,359)	(9,378,359)	(9,378,359)	(6,681,815)	(5,852,856)	(5							

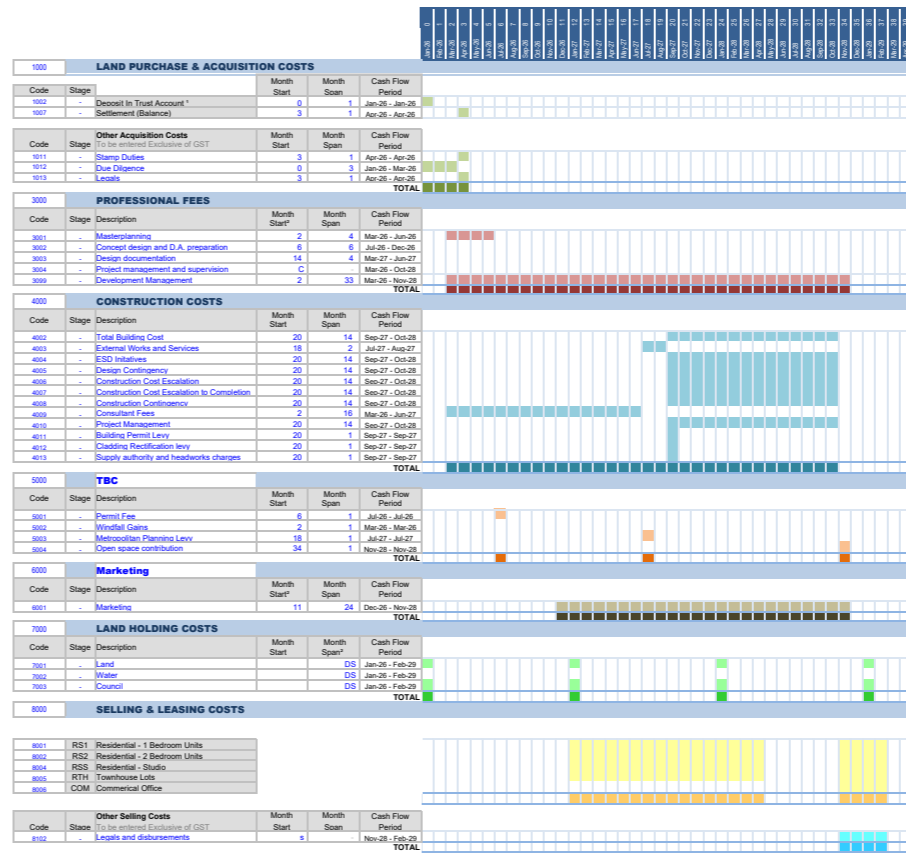
Cash Flow Table for Adaptive reuse, Mentone

PROJECT CASH FLOW	TOTAL	Q1	Year											
			28	29	30	31	32	33	34	35	36	37	38	39
		May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29	Apr-29	
Senior Loan - Bank	Debt													
Drawdown	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	
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%	
Interest Charged	(3,857,417)	(254,096)	(306,786)	(363,226)	(419,325)	(476,586)	(532,912)	(589,302)	(645,747)	(702,251)	(758,814)	(815,434)	(872,109)	
Interest & Fees Paid by other Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loan Repayment	84,970,212	-	-	-	-	-	-	-	-	-	-	-	-	
Interest & Fees	3,857,417	-	-	-	-	-	-	-	-	-	-	-	-	
Principal	81,112,795	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	
Loan Balance	(49,085,730)	(58,115,211)	(67,099,955)	(73,373,833)	(78,865,914)	(84,222,739)	(89,344,424)	(94,130,124)	(98,600,877)	(102,776,724)	(106,663,611)	(110,271,488)	(113,610,405)	
% of Project & Finance Costs (no Interest/Fees and net of GST)	46.07%	54.44%	62.70%	68.32%	73.15%	77.82%	82.27%	86.43%	90.25%	93.77%	97.01%	100.00%	100.00%	
Senior Loan Cash Flow	3,857,417	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	(8,112,795)	
Interest Coverage Ratio	126.50	-	-	-	-	-	-	-	-	-	-	-	-	
Debt Service Ratio	1.11	(49,085,730)	(58,115,211)	(67,099,955)	(73,373,833)	(78,865,914)	(84,222,739)	(89,344,424)	(94,130,124)	(98,600,877)	(102,776,724)	(106,663,611)	(110,271,488)	
Project Overlift	-	-	-	-	-	-	-	-	-	-	-	-	-	
% of Project & Finance Costs (no Interest/Fees and net of GST)	46.07%	54.44%	62.70%	68.32%	73.15%	77.82%	82.27%	86.43%	90.25%	93.77%	97.01%	100.00%	100.00%	
Total Equity to Debt Ratio	25.00%	42.23%	35.14%	31.03%	28.67%	26.59%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
Total Debt Interest Coverage Ratio	126.50	-	-	-	-	-	-	-	-	-	-	-	-	
Total Debt Service Ratio	1.11	-	-	-	-	-	-	-	-	-	-	-	-	
Net Cash Flow (after Interest & Corporate Tax)	(9,970,382)	(8,430,381)	(9,029,476)	(9,376,744)	(9,281,878)	(9,492,080)	(9,306,930)	(9,136,315)	(8,980,124)	(8,745,126)	(8,420,252)	(8,015,318)	(7,530,318)	
Cumulative Cash Flow**	-	(8,430,381)	(17,459,857)	(26,836,601)	(36,118,379)	(45,410,459)	(54,716,844)	(64,053,159)	(73,433,283)	(82,858,407)	(92,328,529)	(101,853,841)	(111,435,159)	
Open Balance	-	(8,430,381)	(17,459,857)	(26,836,601)	(36,118,379)	(45,410,459)	(54,716,844)	(64,053,159)	(73,433,283)	(82,858,407)	(92,328,529)	(101,853,841)	(111,435,159)	
GST Liability Summary														
GST Input Tax	(8,715,984)	-	-	-	-	-	-	-	-	-	-	-	-	
Withheld by Purchaser	(8,715,984)	-	-	-	-	-	-	-	-	-	-	-	-	
Net Liability (incl. GST Input Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Project IRR & NPV														
Cash Flow that excludes all financing costs, interest and corp tax	14,030,837	(5,901,014)	(5,222,487)	(6,073,461)	(4,085,886)	(3,467,438)	(3,311,820)	41,501,759	7,866,248	7,357,781	7,232,062	20,633	20,457	
Static Discount Rate (per ann. effective)	14.00%													
NPV of Future Cash Flows	(14,030,837)	48,130,300	56,966,272	65,456,442	75,951,428	82,772,425	88,834,558	94,796,142	33,518,555	22,251,819	11,191,139	63,965	32,218	
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%	
NPV (using weighted avg discount rate)	(5,811,977)													

Low Mid Range - 1

** Includes Net Interest from deposit on land acquisition plus interest received from pre-sale deposits
 ** Cumulative Cash Flow after interest to measure how much including interest on payments
 * Includes Net Interest from deposit on land acquisition plus interest received from pre-sale deposits
 ** Cumulative Cash Flow after interest to measure how much including interest on payments
 * Includes Net Interest from deposit on land acquisition plus interest received from pre-sale deposits

Gantt Chart for Adaptive reuse, Mentone



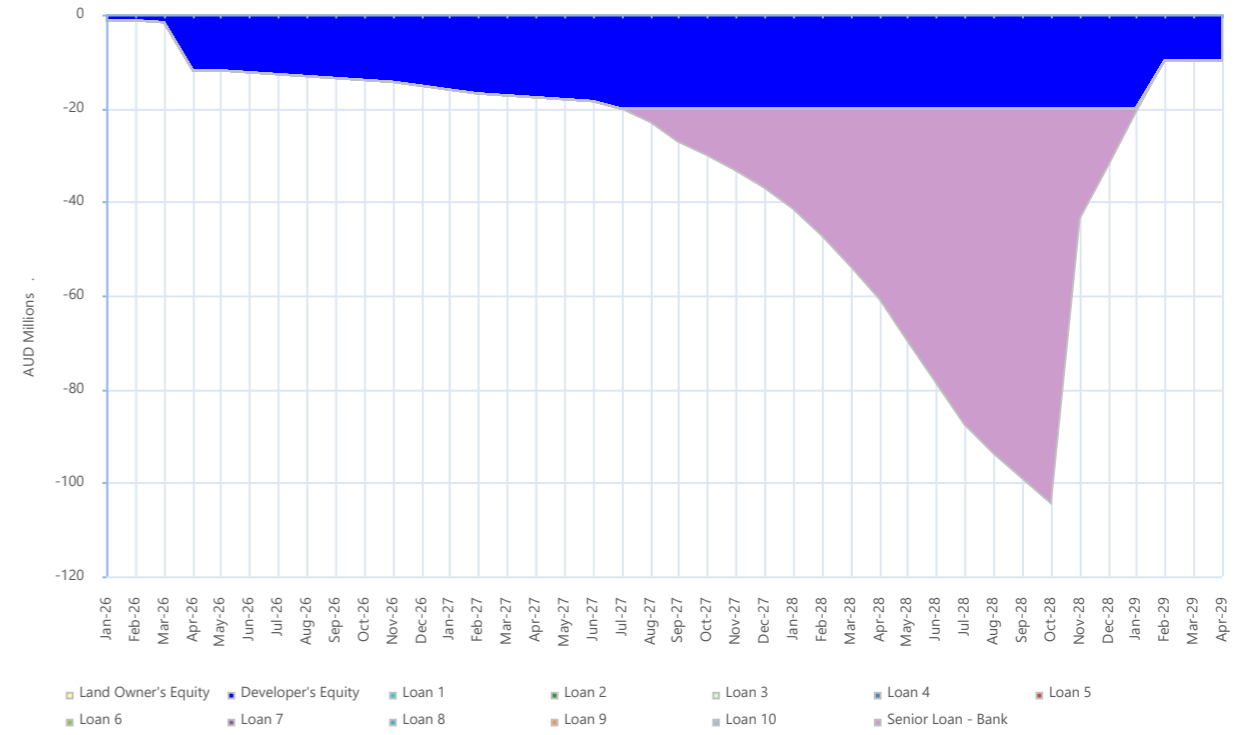
Low Mid Range - 1

Adaptive reuse, Mentone
Low Mid Range
1

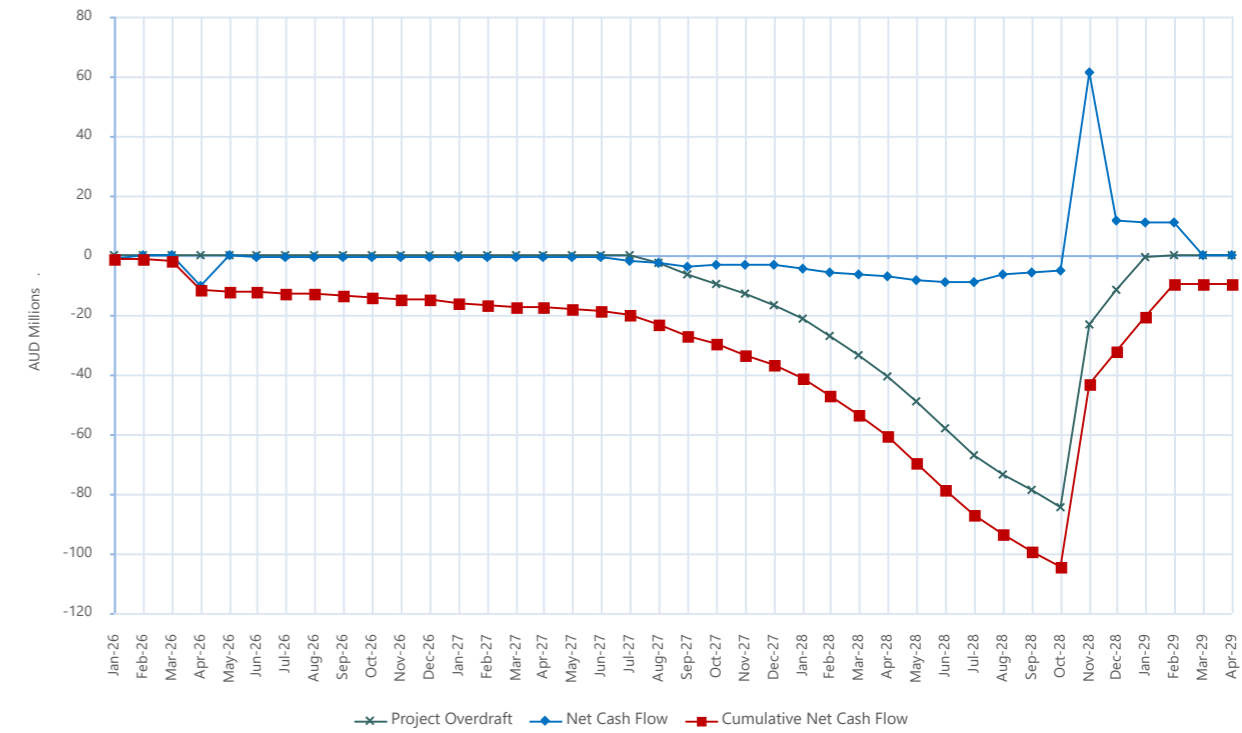


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Project Cumulative Cash Flow

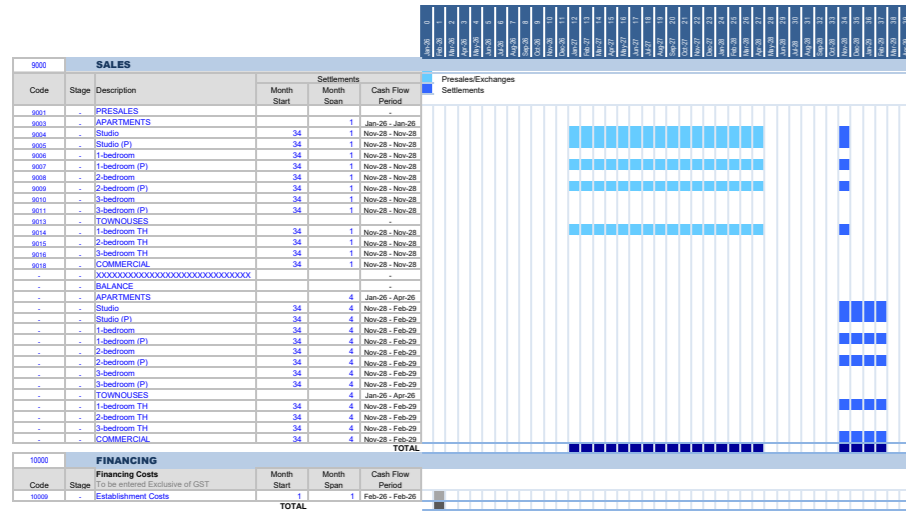


Project Cash Flow & Overdraft



Gantt Chart for Adaptive reuse, Mentone

Low Mid Range - 1



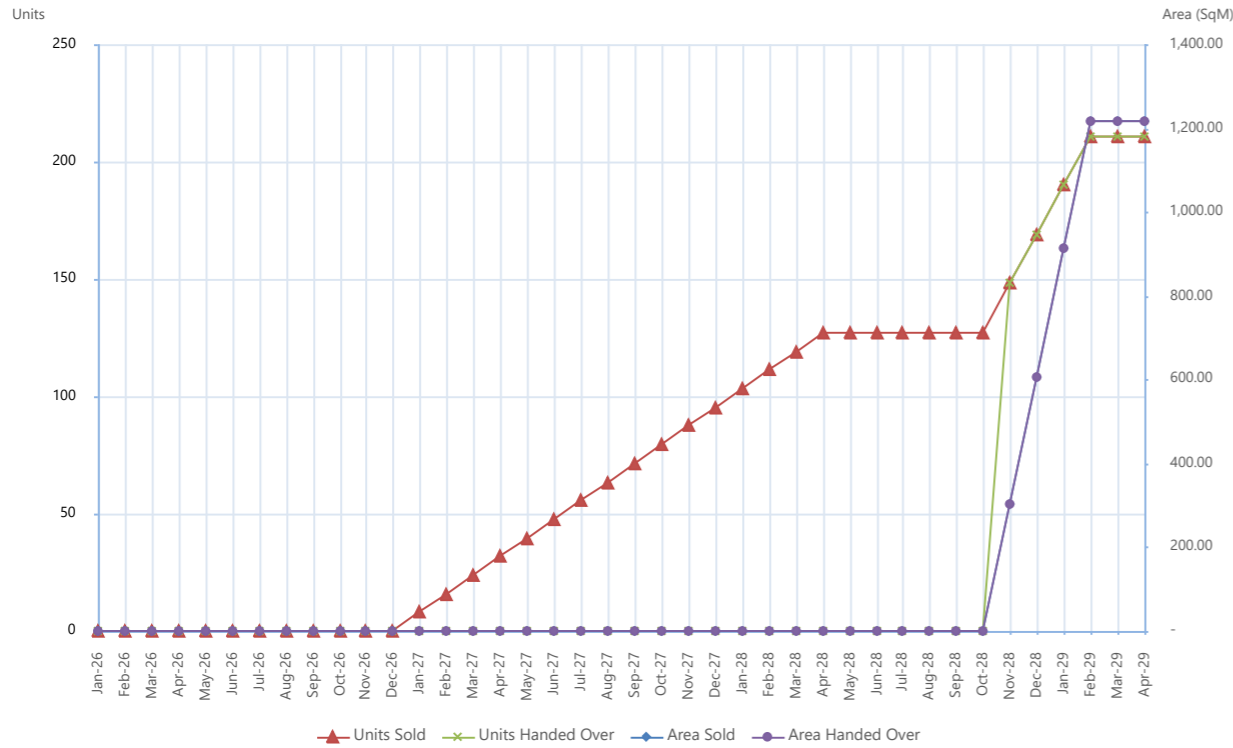
PROJECT CHARTS

Adaptive reuse, Mentone
Low Mid Range
1

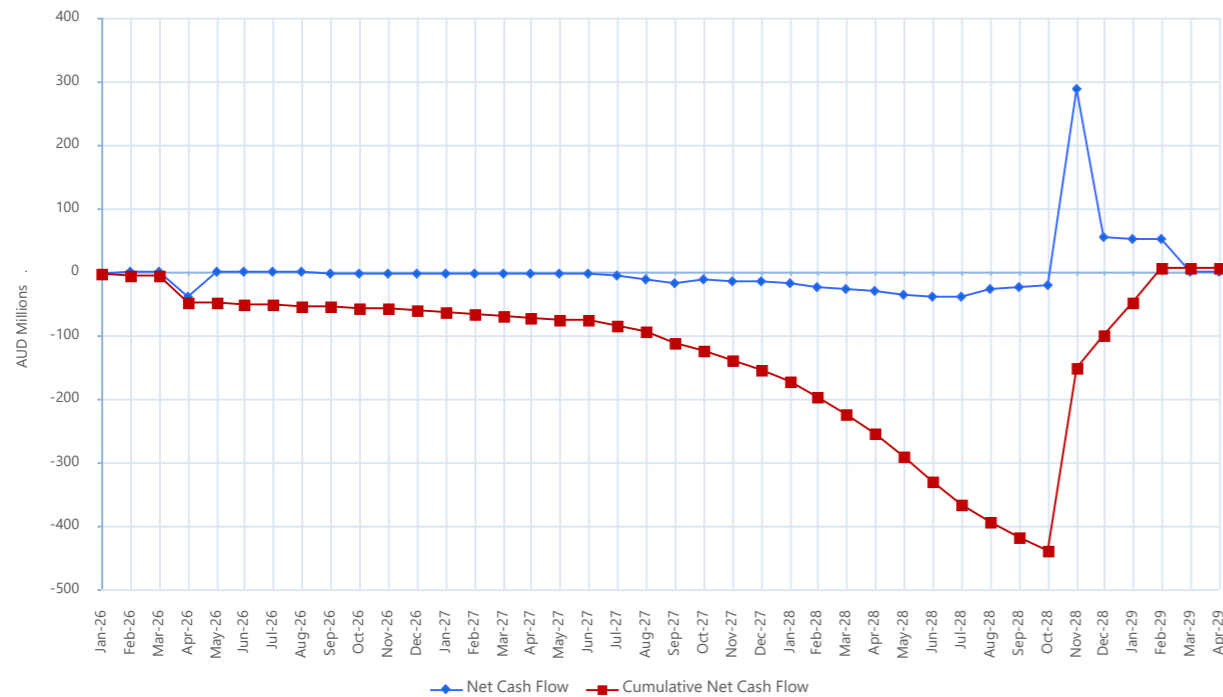


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Stock Summary - Sales vs Handovers



Consolidated Cash Flow



Current Financial Year Cash Flow for Adaptive reuse, Mentone

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	211.00	-	47.63	79.38	84.00	84.00
Cumulative Units Sold	-	-	47.63	127.00	211.00	211.00
% Units Sold	-	-	22.6%	60.2%	100.0%	100.0%
SqM Sold	1,216.00	-	-	-	-	1,216.00
Cumulative SqM Sold	-	-	-	-	-	1,216.00
% SqM Sold	-	-	-	-	-	100.0%
AUD Sold	96,993,631	-	19,001,621	32,404,785	45,587,224	96,993,631
Cumulative AUD Sold	-	-	19,001,621	51,406,406	96,993,631	96,993,631
% AUD Sold	-	-	19.6%	53.0%	100.0%	100.0%
Handover Summary						
Units Handed Over	211.00	-	-	-	-	211.00
Cumulative Units Handed Over	-	-	-	-	-	211.00
% Units Handed Over	-	-	-	-	-	100.0%
SqM Handed Over	1,216.00	-	-	-	-	1,216.00
Cumulative SqM Handed Over	-	-	-	-	-	1,216.00
% SqM Handed Over	-	-	-	-	-	100.0%
AUD Handed Over	96,993,631	-	-	-	-	96,993,631
Cumulative AUD Handed Over	-	-	-	-	-	96,993,631
% AUD Handed Over	-	-	-	-	-	100.0%
Project Cash Flow						
Revenue						
Gross Sales Revenue	96,993,631	-	-	-	-	96,993,631
Selling Costs	(2,437,085)	-	-	-	-	(2,437,085)
Gross Rental Income	-	-	-	-	-	-
Leasing Costs	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Interest Received*	-	-	-	-	-	-
GST Payments (Liabilities)	-	-	-	-	-	-
TOTAL NET REVENUE	94,556,546	-	-	-	-	94,556,546
Costs						
Land and Acquisition	10,909,812	10,909,812	-	-	-	-
Professional Fees	1,851,469	417,754	593,262	593,262	247,192	247,192
Construction Costs	94,558,265	913,139	5,551,561	60,941,861	27,151,704	27,151,704
TBC	291,118	-	65,458	69,048	156,612	156,612
Miscellaneous Costs 1	-	-	-	-	-	-
Misc 2	-	-	-	-	-	-
Marketing	872,104	-	254,364	436,052	181,688	181,688
Project Contingency (Reserve)	-	-	-	-	-	-
Land Holding Costs	99,094	30,625	31,697	32,806	3,966	3,966
Pre-Sale Commissions	684,219	-	256,582	427,637	-	-
Financing Costs (exc Fees)	260,035	260,035	-	-	-	-
GST Refunds (Input Credits)	(9,151,198)	(78,478)	(580,265)	(4,108,703)	(4,383,752)	(4,383,752)
TOTAL COSTS	100,374,919	12,452,887	6,172,658	58,391,963	23,357,411	23,357,411
Net Cash Flow (before Interest & Corporate Tax)	(5,818,373)	(12,452,887)	(6,172,658)	(58,391,963)	(71,199,135)	(71,199,135)
Cumulative Cash Flow	-	(12,452,887)	(18,625,545)	(77,017,509)	(5,818,373)	(5,818,373)
Corporate Tax	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(5,818,373)	(12,452,887)	(6,172,658)	(58,391,963)	(71,199,135)	(71,199,135)
Cumulative Cash Flow	-	(12,452,887)	(18,625,545)	(77,017,509)	(5,818,373)	(5,818,373)
Financing						
Developer's Equity						
Manual Adjustments (Inject + / Repay -)	-	-	-	-	-	-
Injections	20,278,199	12,452,887	6,172,658	1,652,654	-	-
Interest Charged	-	-	-	-	-	-
Equity Repayment	10,602,409	-	-	-	-	10,602,409
Less Profit Share	-	-	-	-	-	-
Equity Balance	(9,675,790)	(12,452,887)	(18,625,545)	(20,278,199)	(9,675,790)	(9,675,790)
Equity Cash Flow	(9,675,790)	(12,452,887)	(6,172,658)	(1,652,654)	10,602,409	10,602,409
Project Cash Account						
Surplus Cash Injection	10,570,191	-	-	-	-	10,570,191
Cash Reserve Drawdown	(10,570,191)	-	-	-	-	(10,570,191)
Interest on Surplus Cash	-	-	-	-	-	-
Surplus Cash Balance	-	-	-	-	-	(0)
Senior Loan - Bank						
Drawdown	(81,112,795)	-	-	(56,739,310)	(24,373,485)	(24,373,485)
Loan Interest Rate (%ann)	-	7.50%	7.50%	-	-	-
Interest Charged	(3,857,417)	-	-	(1,375,901)	(2,481,516)	(2,481,516)
Fees Charged (Application, Line & Standby)	-	-	-	-	-	-
Interest & Fees Paid by other Loans	-	-	-	-	-	-
Loan Repayment	84,970,212	-	-	-	-	84,970,212
Interest & Fees	3,857,417	-	-	-	-	3,857,417
Principal	81,112,795	-	-	-	-	81,112,795
Loan Balance	-	-	-	(58,115,211)	-	-
% of Project & Finance Costs (inc Interest/Fees and net of GST)	-	-	-	-	-	-
Senior Loan Cash Flow	3,857,417	-	-	(56,739,310)	60,596,727	60,596,727
Interest Coverage Ratio	126.50	-	-	-	38.10	38.10
Debt Service Ratio	1.11	-	-	-	1.11	1.11
Project Overdraft	-	-	-	(58,115,211)	-	-
Net Cash Flow (after Interest & Corporate Tax)	(9,675,790)	(12,452,887)	(6,172,658)	(59,767,864)	68,717,619	68,717,619
Cumulative Cash Flow**	-	(12,452,887)	(18,625,545)	(78,393,409)	(9,675,790)	(9,675,790)
Check Balance	-	-	-	-	-	-
GST Liability Summary						
Total Liability on Revenue	(8,715,984)	-	-	-	-	(8,715,984)
Withheld by Purchaser	(8,715,984)	-	-	-	-	(8,715,984)
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)
 Licensed to: Hill PDA Pty Ltd

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12.0

**Design testing for Site 6:
272-284 Lonsdale Street,
Dandenong
(City of Greater Dandenong)**

12.1 Market research and demographic analysis

This analysis is prepared by HillPDA for the Lonsdale Street, Dandenong site.

DANDENONG MARKET RESEARCH SUMMARY

Dandenong is located approximately 29 kilometres southeast of Melbourne's CBD (2021 population of 30,127).

The suburb has a younger age profile and is one of the most culturally diverse suburbs in Victoria. The local demographic profile is dominated by people born overseas and the leading overseas countries of birth are Afghanistan, India and Sri Lanka.

Population numbers in Dandenong have recovered since the pandemic and have resumed a growth trajectory. Dandenong is expected to experience a strong growth trajectory in the future based on infill development.

The local income and retail expenditure profile is below the metropolitan average but still significant, especially in supermarket, food, groceries, restaurants and apparel stores.

Median house prices in Dandenong are similar to the metropolitan median, whereas unit prices remain more affordable in Dandenong.

The cost to build has increased significantly in recent years due to broader inflationary pressures including labour cost increases and material cost increases. Prices appear to have stabilised in recent months. These trends have impacted the viability of development at the current time, but conditions are improving in part due to interest rate cuts in recent months.

The retail sector across metropolitan Melbourne is experiencing falling vacancy rates in the mid-2020s whereas the office market is not as positive.

Demand for medium and higher density housing is strong. Whilst financial viability is challenging at the current time, projects can work with 'lower' cost land purchase (land provision could be an activation subsidy). Nevertheless, financial conditions are likely to improve in the future as interest rates ease - increasing the capacity of purchases to pay - and costs of development moderate. Prices for new or modern apartments in Dandenong are in the vicinity of \$6,000/sqm.

Note: the last section of this paper provides a preliminary scoping of general housing innovation options on public land.



Source of image: Development Victoria

1.0 DEMOGRAPHIC CONTEXT

1.0 Overview

This section provides a demographic profile of Dandenong. This information informs market responsive housing options.

1.1 Dandenong

Dandenong is a suburb located approximately 29 kilometres southeast of Melbourne's CBD, within the City of Greater Dandenong. It is a commercial, civic, industrial and transport hub at the junction of several major roads, with a central train station serving metropolitan and V-line services to Bairnsdale and Traralgon. It is a major activity centre, and has been undergoing urban renewal over the past two decades.

Figure 1: Dandenong and surrounds

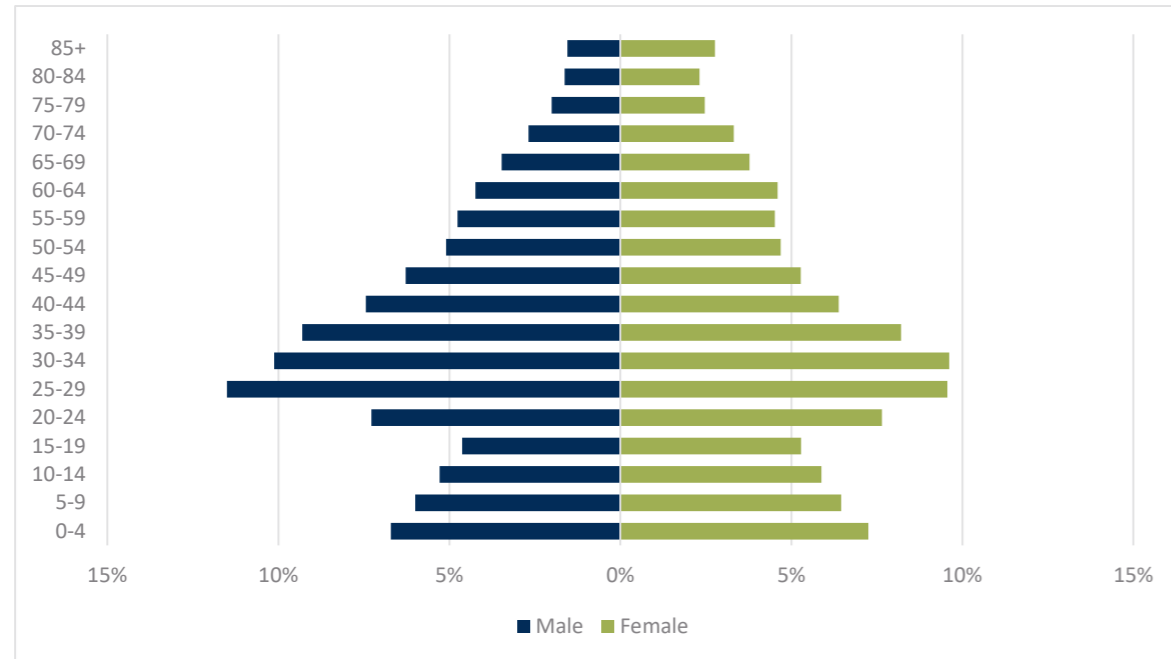


Imagery: CARTO (2025)

At the 2021 Census, Dandenong had an estimated population of 30,127. The median age was 33 years, with over half of all residents aged under 35 years. Only 12.9% of residents were aged over 65 years.

The age pyramid below shows a smaller proportion of teens and those in their early 20s compared to young children, indicating a large presence of young families in the area.

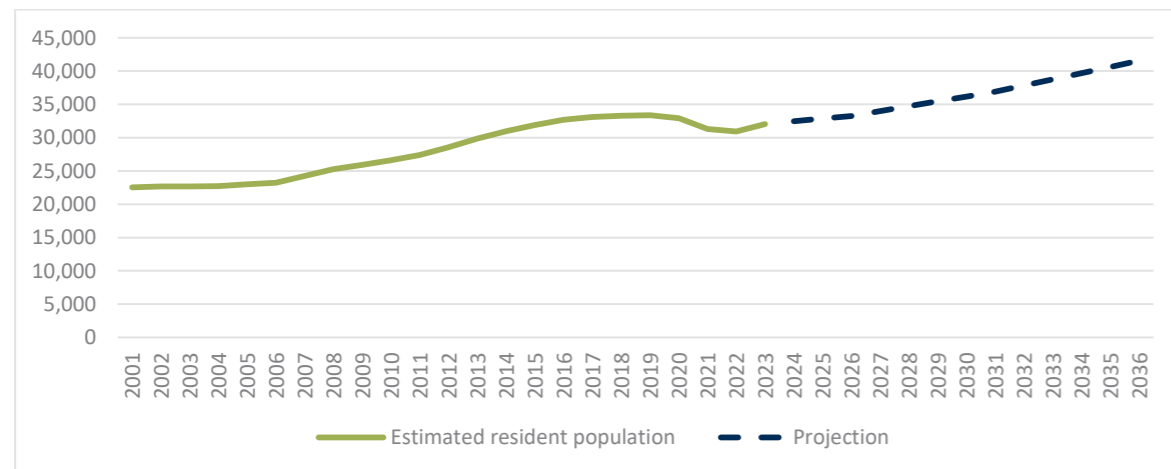
Figure 2: Age distribution in five year age groups (Dandenong)



Source: ABS (2021).

The population of Dandenong experienced steady growth throughout the 2000s and 2010s, before declining due to COVID-19, bringing it back to 2014 levels. Since then, the population has largely recovered and is projected to grow to approximately 41,600 people by 2036, representing an average annual growth rate of around 2.3%.

Figure 3: Population projection (Dandenong)



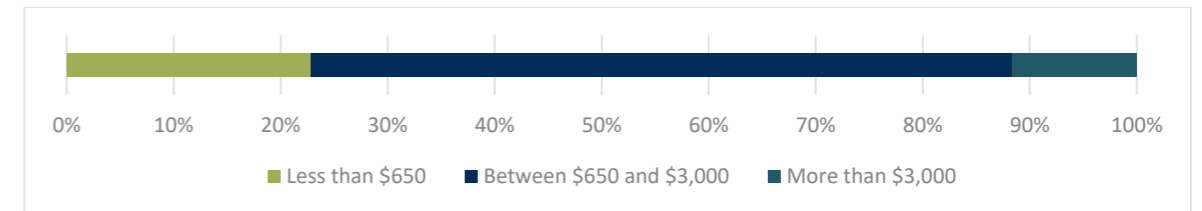
Source: ABS (2025); DTP (2023). Note: Projections are based on the combined populations of Dandenong – North and Dandenong – South SA2s.

According to the 2021 Census, in Dandenong:

- The median weekly household income was \$1,267
- The median monthly mortgage repayment was \$1,517
- The median weekly rent was \$319.

Almost one quarter of households reported a total weekly income of less than \$650, with around 12% reporting earning over \$3,000 per week.

Figure 4: Household income ranges (Dandenong)



Source: ABS (2021).

Dandenong is a highly diverse suburb, with around 59.9% of residents born overseas and 71.7% of households using a language other than English. It is home to a significant Afghan community, in particular those of Hazara ancestry, which has more than doubled since 2011. Around 15% of Greater Melbourne’s Afghan population resides in Dandenong as of 2021.

Top countries of birth (excluding Australia):

1. Afghanistan (11.5%)
2. India (9.5%)
3. Sri Lanka (5.4%)

Top languages used at home (excluding English):

1. Hazaraghi (10.1%)
2. Albanian (5.0%)
3. Dari (4.4%)

1.2 Dwelling profile

Dandenong experienced around a 17% growth in housing in the decade to 2021. While this appears to include a significant increase in semi-detached dwellings and reduction in the number of apartments, this may be partially explained by data discrepancies that result in changes in classification between separate houses, semi-detached, flats, and cabins in the ABS Census.

Table 1: Dwelling structure (Dandenong)

Description	2011		2021		Change	
	#	%	#	%	#	%
Separate house	3,663	43.6%	4,058	41.5%	+395	+10.8%
Semi-detached, row or terrace house, townhouse etc.	678	8.1%	3,827	39.1%	+3,149	+464.5%
Flat or apartment	4,042	48.2%	1,891	19.3%	-2,151	-53.2%
Other dwelling	11	0.1%	8	0.1%	-3	-27.3%
Total	8,394	100.0%	9,784	100.0%	+1,390	+16.6%

Source: ABS (2011; 2021).

In Dandenong, 2 and 3 bedroom dwellings remain the most common, making up an around 80% share of all dwellings in both 2011 and 2021. Smaller dwellings remain a small proportion of total dwellings, though one bedroom dwellings have grown by over 50%. Larger dwellings of 4 or more bedrooms have also seen an over 45% increase, demonstrating a need for various dwelling sizes in the area.

Table 2: Number of bedrooms (Dandenong)

Description	2011		2021		Change	
	#	%	#	%	#	%
None (includes studio apartments or bed-sitters)	61	0.8%	29	0.3%	-32	-52.5%
1 bedroom	363	4.5%	554	5.8%	+191	+52.6%
2 bedrooms	3,622	45.1%	4,162	43.6%	+540	+14.9%
3 bedrooms	3,000	37.4%	3,370	35.3%	+370	+12.3%
4 or more bedrooms	985	12.3%	1,435	15.0%	+450	+45.7%
Total	8,031	100.0%	9,550	100.0%	+1,519	+18.9%
Average number of bedrooms per dwelling	2.6	-	2.6	-	-	-

Source: ABS (2011; 2021).

While all household types grew in number between 2011 and 2021, the biggest increase was seen in lone person households (+455) followed by group households (+286). Group households also experienced the largest proportional increase, growing by almost 65%. Couple families with children remain the most common type at 31.4% of all households. The average household size has grown slightly, from 2.7 in 2011 to 2.8 in 2021.

Table 3: Household composition (Dandenong)

Description	2011		2021		Change	
	#	%	#	%	#	%
Lone person	2,228	25.3%	2,683	26.3%	+455	+20.4%
Group	443	5.0%	729	7.2%	+286	+64.6%
Family	6,118	69.6%	6,773	66.5%	+655	+10.7%
Couple family without children	1,947	22.2%	2,034	20.0%	+87	+4.5%
Couple family with children	2,922	33.2%	3,193	31.4%	+271	+9.3%
One parent family	1,084	12.3%	1,357	13.3%	+273	+25.2%
Other family	165	1.9%	189	1.9%	+24	+14.5%
Total	8,789	100.0%	10,185	100.0%	+1,396	+15.9%
Average household size (no. of persons)	2.7	-	2.8	-		

Source: ABS (2011; 2021).

Between 2021 and 2036, the number of households in Dandenong is projected to grow by almost 3,000 or 30.6%. The largest growth is expected in couple families with children (+1,332) and without children households (+723). Overall, all household types are projected to increase, with proportions to remain largely consistent.

Table 4: Household projections by type (Dandenong)

Description	2021	2026	2031	2036		Change 2021-2036	
				#	%	#	%
Couple family without children	2,136	2,286	2,528	2,859	19.3%	+723	+33.8%
Couple family with children	3,399	3,687	4,137	4,730	31.9%	+1,332	+39.2%
One parent family	1,474	1,543	1,713	1,927	13.0%	+453	+30.7%
Other family	215	241	268	302	2.0%	+87	+40.4%
Lone person	3,292	3,319	3,532	3,847	25.9%	+555	+16.9%
Group	833	916	1,030	1,160	7.8%	+327	+39.3%
Total	11,349	11,993	13,207	14,825	100.0%	+3,476	+30.6%

Source: DTP (2023). Note: Projections are based on the combined populations of Dandenong – North and Dandenong – South SA2s.

Renting remains the most common tenure type in Dandenong, at around 54.2% of all dwellings. The number of dwellings owned outright decreased slightly between 2011 and 2021, and as a share of all dwellings declined by around 4%. Mortgagee households comparatively increased as a proportion of all dwellings by a little over 3%.

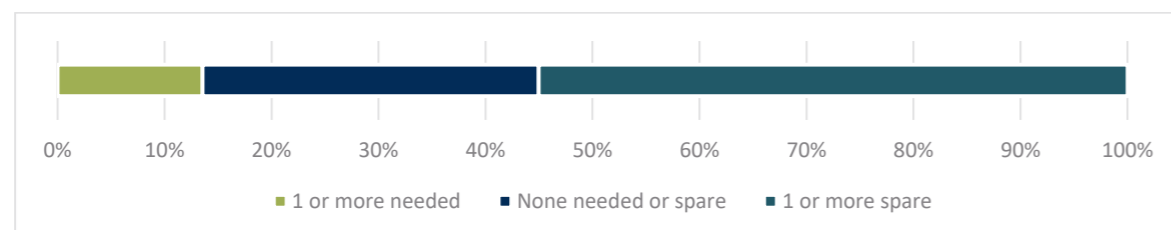
Table 5: Tenure type (Dandenong)

Description	2011		2021		Change	
	#	%	#	%	#	%
Owned outright	1,940	24.4%	1,930	20.2%	-10	-0.5%
Owned with a mortgage	1,658	20.9%	2,300	24.1%	+642	+38.7%
Rented	4,298	54.1%	5,175	54.2%	+877	+20.4%
Other tenure type	54	0.7%	143	1.5%	+89	+164.8%
Total	7,950	100.0%	9,548	100.0%	+1,598	+20.1%

Source: ABS (2011; 2021).

Based on the 2021 Census, a slight majority of households had one or more spare bedrooms, and of these, almost 70% had only one spare. Approximately 14% of households were considered to require at least one additional bedroom, with almost three quarters only requiring one extra bedroom.

Figure 5: Housing suitability (Dandenong)



Source: ABS (2021).

2.0 MARKET RESEARCH

2.0 Overview

This section provides a profile of the Dandenong 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 Context

Residential prices in metropolitan Melbourne are now rising 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 stabilised 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 Retail Sector

The latest available data shows that retail centres across metropolitan Melbourne are experiencing falling vacancy rates in the mid-2020s. This may be due to:

- A rebound in population following the pandemic
- More people working from home, and
- A long-term structural re-adjustment of lease terms, spurred by high vacancies during the pandemic, leading to reduced rents and more flexible lease terms.

The average vacancy rate of selected strip centres that are assessed by real estate firm Fitzroys was 6.3% in 2024. This is slightly better than the Melbourne CBD retail vacancy rate of 6.9%, which is reported to have the lowest CBD retail vacancy rate in Australia.

2.3 Office Sector

The office market is not as positive. The Melbourne CBD office market reported a vacancy rate of 18.0% in mid-2024. This is the highest level since the late-1990s. Tenant demand is reported to be soft and rents remain subdued. A reported issue is the trend towards flexible work practices and working from home.

Office vacancy rates in Southbank are like the CBD, whereas the St Kilda Road office market reported a very high vacancy rate at over 27%. St Kilda Road has older office stock and is less accessible to the main train stations in the city.

The broader inner metropolitan office market is performing better, reporting a 10% vacancy rate. This relates to less stock to absorb and a trend towards decentralisation of some work activities.

The relatively high vacancy rates and weak demand conditions in the state's prime office markets has a knock-on effect to office markets elsewhere including Dandenong.

2.4 Investment Proposals

Capital Alliance

Capital Alliance are working in partnership with Development Victoria on the Revitalising Central Dandenong (RCD) project.

Capital Alliance are undertaking projects around the Train Station / South-Western CBD precinct, including:

- Apartments
- Offices
- Retail
- Replacement of Little India.

Dandenong Square Shopping Centre

Dandenong Square is a 53,000 sqm regional centre anchored by two discount department stores, three supermarkets, cinema, mini majors and speciality stores.

Centre trading performance has been relatively flat in recent years and lower than what was reported five years ago. Turnover was reported at approximately \$200m in 2020, down to \$176 in 2024. Annual pedestrians estimate was 10 million in 2020.

The centre owner, Pelligra, has plans for a refresh to selected spaces and amenities in the centre.

2.5 Other Investment Proposals

Other proposals in and around central Dandenong include:

- \$30m apartment development in Abbott Street
- \$4.5m apartment development in Princes Highway
- \$4.5m townhouse development in King Street
- Other residential and medical centre developments.

2.6 Residential Apartment Prices

Prices for new or modern apartments in Dandenong are in the vicinity of:

- \$5,500 /sqm for 1-bedroom apartments of approximately 50 sqm
- \$5,300 /sqm for 2-bedroom apartments of approximately 72 sqm
- \$4,900 /sqm for 3-bedroom apartments of approximately 94 sqm

However, prices around the \$6,000/sqm can be achieved for new stock.

Medium and higher density housing demand exists. Whilst financial viability is challenging at the current time, projects can work with 'lower' cost land purchase (land provision could be an activation subsidy).

Nevertheless, financial conditions are likely to improve in the future as interest rates ease - increasing the capacity of purchases to pay - and costs of development moderate.

Other Listed Investment Proposals as at February 2025

Project Title	Project Address	Project City	Type	Estimated Value	Project Details	Floor Area	Floors	Site Area	Units	Parking Spaces	Commence Date	Completion Date
In Centre												
7 Abbott Street Apartments	7 Abbott Street	Dandenong	Apartments (65)/Office - 6 Storey	\$30,000,000	6 storey residential development comprising 65 apartments with internal courtyard, and ancillary office and basement car parking.	-	6	2621	76	21	Nov-25	Nov-27
Shepley Regional Multi Purpose Centre	174 Lonsdale Street	Dandenong	Multi Purpose Centre	\$5,000,000	Construction of a multi purpose indoor training centre at Shepley Oval.	-	-	21269	-	-	Oct-25	Oct-26
58 Princes Highway Apartments	58 Princes Highway	Dandenong	Apartments (14) - 4 Storey	\$4,500,000	Construction of a 4 storey residential building to comprise 14 apartments with undercroft car parking.	1936	4	660	14	17	Dec-26	Dec-27
27 & 27a King Street Townhouses	27 & 27a King Street (Lots 2 & 3)	Dandenong	Dwellings (12) - 2 & 3 Storey	\$4,500,000	Construction of 12 dwellings with car parking.	-	3	-	12	-	Mar-26	Jun-27
36-38 Power Street Townhouses	36-38 Power Street (Lot 1)	Dandenong	Townhouses (12) - 2 Storey	\$2,200,000	Construction of 12 townhouses and car parking for 17 vehicles including 1 visitor space.	1419	2	1528	12	17	Apr-26	Aug-27
155 Princes Highway Dandenong - Medical Centre	155 Princes Highway	Dandenong	Medical Centre - 3 Storey	\$2,000,000	Demolition of the existing buildings. Construction of a 3 storey medical centre with car parking for 20 vehicles.	-	3	911	-	20	Jul-25	Jul-26

Project Title	Project Address	Project City	Type	Estimated Value	Project Details	Floor Area	Floors	Site Area	Units	Parking Spaces	Commence Date	Completion Date
South of Centre												
7 Princes & 33 Princes Highway Warehouses & Offices	7 & 33 Princes Highway	Dandenong	Warehouses/Offices	\$111,500,000	Partial demolition of existing buildings; buildings and works associated with multiple warehouses with ancillary offices. Car parking for 516 vehicles and 80 bicycle parking spaces.	67120	-	12210	-	516	Oct-25	Apr-27
Dandenong Sports & Events Centre	To Be Determined	Dandenong	Sports/Events Centre	\$20,000,000	Construction of a major 15,000 seat sports & events centre in Dandenong. The centre would include a rectangular playing field for soccer & rugby as well as festivals and concerts, while also providing facilities for education, training, community outreach programs and conferences.	-	-	-	-	-	Nov-25	Nov-27
Dandenong Oasis - Aquatic & Wellbeing Centre	Clelland Street & Heatherton Road Cnr	Dandenong	Aquatic Centre	\$8,000,000	Replacement of Dandenong Oasis. The new centre would include 50m pool (with moveable boom), 2 warm water pools, learn to swim pool, leisure pool / water play, spa, sauna & steam room, gymnasium, program / group fitness rooms, allied health consulting suites, meeting room/s & creche, café, oyer, reception, administration, changerooms and amenities.	-	-	-	-	-	Jan-26	Feb-27
22-26 Hopkins Street Child Care Centre Dandenong	22-26 Hopkins Street (Lots 12-14)	Dandenong	Child Care Centre - 2 Storey	\$3,500,000	Construction of a 2 storey 112 place child care centre and indoor and outdoor play areas. On-site car parking for 24 vehicles.	1038	2	1755	-	24	Feb-24	Nov-24

Source: Cordell Connect

Sales Evidence

Sample of Recent 1 Bedroom Apartment Sales

Property Photo	Street Address	Bed	Bath	Car	Floorspace sqm	Sale Date	Sale Price	\$/sqm
	16/80 CHELTENHAM ROAD	1	1	1	46	06 Jul 2024	\$292,500	\$6,359
	212/80 CHELTENHAM ROAD	1	1	-	52	08 Nov 2024	\$260,000	\$5,000
	506/80 CHELTENHAM ROAD	1	1	1	52	10 Sep 2024	\$289,000	\$5,558
	119/80 CHELTENHAM ROAD	1	1	-	52	12 Mar 2024	\$274,999	\$5,288
	345/80 CHELTENHAM ROAD	1	1	1	50	17 Jan 2025	\$260,000	\$5,200
	240/80 CHELTENHAM ROAD	1	1	1	44	17 Nov 2024	\$265,000	\$6,023
	6/36 ANN STREET	1	1	2	69	17 Sep 2024	\$320,000	\$4,638
	5/36 ANN STREET	1	2	1	66	17 Sep 2024	\$320,000	\$4,848
	2/36 ANN STREET	1	1	1	71	17 Sep 2024	\$320,000	\$4,507
	421/80 CHELTENHAM ROAD	1	1	1	46	18 Feb 2025	\$295,000	\$6,413
	604/80 CHELTENHAM ROAD	1	1	-	43	19 Jun 2024	\$270,000	\$6,279
	30/12 CLOSE AVENUE	1	1	1	48	19 Oct 2024	\$285,000	\$5,938
	334/80 CHELTENHAM ROAD	1	1	-	72	19 Oct 2024	\$255,000	\$3,542
	251/80 CHELTENHAM ROAD	1	1	1	45.78	21 Jul 2024	\$290,000	\$6,335
	11/80 CHELTENHAM ROAD	1	1	1	49	22 Jun 2024	\$280,000	\$5,714
	243/80 CHELTENHAM ROAD	1	1	-	49	31 Jul 2024	\$265,000	\$5,408
Median of Sample		1	1	1	49.5	-	\$282,500	\$5,483

Source: RP Data Professional

Sample of Recent 2 Bedroom Apartment Sales

Property Photo	Street Address	Bed	Bath	Car	Floorspace sqm	Sale Date	Sale Price	\$/sqm
	807/80 CHELTENHAM ROAD	2	2	2	70	02 Dec 2024	\$419,998	\$6,000
	703/80 CHELTENHAM ROAD	2	2	2	72	04 Nov 2024	\$418,000	\$5,806
	1/69 CLOW STREET	2	2	1	73	04 Sep 2024	\$370,000	\$5,068
	122/80 CHELTENHAM ROAD	2	2	1	79	11 Jul 2024	\$390,000	\$4,937
	7/23 EDITH STREET	2	1	1	74	11 Nov 2024	\$320,000	\$4,324
	428/80 CHELTENHAM ROAD	2	1	1	64	14 Aug 2024	\$334,000	\$5,219
	403/80 CHELTENHAM ROAD	2	1	1	57	14 May 2024	\$320,000	\$5,614
	144/80 CHELTENHAM ROAD	2	1	1	82	14 May 2024	\$400,000	\$4,878
	220/80 CHELTENHAM ROAD	2	2	1	73	16 Mar 2024	\$380,000	\$5,205
	3/69 CLOW STREET	2	2	1	80	17 Jun 2024	\$385,000	\$4,813
	115/80 CHELTENHAM ROAD	2	1	1	51	20 May 2024	\$330,000	\$6,471
	413/80 CHELTENHAM ROAD	2	1	1	52	21 Mar 2024	\$300,000	\$5,769
	143/80 CHELTENHAM ROAD	2	2	1	72	24 Sep 2024	\$390,000	\$5,417
	211/80 CHELTENHAM ROAD	2	1	1	73	28 Nov 2024	\$375,000	\$5,137
	126/80 CHELTENHAM ROAD	2	1	1	52	29 Apr 2024	\$270,000	\$5,192
	407/80 CHELTENHAM ROAD	2	1	1	55	30 May 2024	\$320,000	\$5,818
	427/80 CHELTENHAM ROAD	2	1	1	62	30 Nov 2024	\$325,000	\$5,242
	135/80 CHELTENHAM ROAD	2	2	1	72	30 Sep 2024	\$390,000	\$5,417
Median of Sample		2	1	1	72	-	\$372,500	\$5,230

Source: RP Data Professional

Sample of Recent 3+ Bedroom Apartment Sales

Property Photo	Street Address	Bed	Bath	Car	Floorspace sqm	Sale Date	Sale Price	\$/sqm
	9/69 CLOW STREET	3	2	1	94	13 Oct 2024	\$420,000	\$4,468
	5/79 ANN STREET	3	2	1	87	30 Aug 2024	\$540,000	\$6,207
	2/38 BENGA AVENUE	4	2	1	133	26 Jul 2024	\$640,000	\$4,812
Median of Sample		3	2	1	94	-	\$540,000	\$4,812

Source: RP Data Professional

Sample of Recent Commercial Sales

Property Photo	Street Address	Land sqm	Car	Floorspace sqm	Year Built	Sale Date	Sale Price	\$/sqm
	2/29 PRINCES HIGHWAY	835	-	145	-	23 Feb 2024	\$704,000	\$4,855
	21/15-23 LANGHORNE STREET	4,590	1	76	1960	22 Oct 2024	\$250,000	\$3,289
	7/15-23 LANGHORNE STREET	4,590	1	76	1960	21 Jul 2023	\$200,000	\$2,632
	13-15 PULTNEY STREET	1,031	-	684	-	20 Feb 2024	\$3,200,000	\$4,678
	20 CLOW STREET	258	-	-	-	19 Apr 2024	\$1,900,000	-
	25A LANGHORNE STREET	580	-	146	-	15 Mar 2024	\$1,200,000	\$8,219
	224 LONSDALE STREET	2,785	-	370	-	14 Sep 2024	\$250,000	\$676
	9/50-54 ROBINSON STREET	1,785	4	230	-	13 Oct 2023	\$750,000	\$3,261
	12/236-242 LONSDALE STREET	1,663	1	51	2009	12 Feb 2024	\$350,000	\$6,863
	341 LONSDALE STREET	430	1	-	-	12 Dec 2023	\$1,700,000	-
	39/15-23 LANGHORNE STREET	4,590	-	70	-	11 Sep 2023	\$220,000	\$3,143
	3/50-54 ROBINSON STREET	1,785	-	210	-	01 Nov 2023	\$1,125,000	\$5,357
Median of Sample		1,724	-	146	1960		\$727,000	\$3,984

Source: RP Data Professional

Sample of Current Apartments for Sale (On The Market)

304/54-56 Scott Street, Dandenong, Vic 3175

3-bedroom apartment (approx. 100 sqm), 2 car spaces

Asking: \$590,000 - \$649,000 (\$5,900 to \$6,500 / sqm)



304/54 Scott Street, Dandenong

Residence - 120 m²

This floorplan is for illustration purposes only and no warranty is given to its accuracy. Purchasers are advised to carry out their own investigations.

Source: RP Data Professional

Level 6/9 McFarlane Crescent, Dandenong, Vic 3175

2-bedroom apartment (approx. 75 sqm), 1 car space

Asking: \$370,000 - \$407,000 (\$5,300 to \$5,800 / sqm)

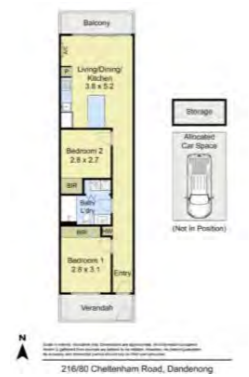


Source: RP Data Professional

216/80 Cheltenham Road, Dandenong, Vic 3175

2-bedroom apartment (approx. 55 sqm), 1 car space

Asking: \$360,000 - \$390,000 (\$6,000 to \$6,500 / sqm)



Source: RP Data Professional

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 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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12.2 Site analysis

12.2.1 Existing buildings

This site contains a single-level brick retail building with high parapet at the intersection, a two-level retail building, a small pocket park, and another single-level retail building.

12.2.2 Strategic policy

Zone

This site comprises four (4) adjoining Council-owned properties, within the Comprehensive Development Zone, Schedule 2 (CDZ2), Precinct B.

This precinct together with Precinct A form the core street front retail precincts within the Dandenong Activity Centre and will promote a greater diversity of use including a mixture of commercial uses at ground level with offices, accommodation above to enliven the public realm 24 hours a day.

The land use objectives of this precinct are:

- *To consolidate and enhance street frontage retailing and activity in the Core.*
- *To encourage a variety of commercial, shops, food and drink premises at ground floor level. Commercial uses may include food and drink premises, offices, shops and service industry facilities such as a postal agency, which are compatible with the location.*
- *To encourage high density office above the ground level.*
- *To encourage community and entertainment based facilities on and south of Walker Street.*
- *To encourage high density residential development above the ground floor level, provided that it does not compromise the nearby entertainment land uses through its location, design, built form or use of materials.*
- *To embrace a pedestrian environment and require active frontages and shop frontages to main roads and public accessways.*
- *To provide innovative design and building frontages which contribute to the aesthetics and amenity of the area.*
- *To develop a strong public realm and public open space network as an extension to private space.*
- *To require enclosed retail to integrate externally with the public realm at the ground floor level.*
- *To encourage safe and efficient pedestrian movement.*
- *To provide for residential uses with appropriate sound insulation and separation from entertainment and recreational activities in the 'cultural hub' of Central Dandenong.*
- *To provide for service industries.*

The CDZ2 does not specify building height limits, but includes a decision guideline that opportunities for residential buildings to be at least 5 storeys in height.

Overlay

The site is covered by Design and Development Overlay, Schedule 2 (DDO2) – central Dandenong Active Frontages and Major Pedestrian Areas. The design objectives include:

- *To ensure ground floor frontages are pedestrian oriented and add interest and vitality to city streets.*
- *To provide continuity of ground floor shops along streets and lanes within Area 1 (see map 1 to this schedule).*
- *To ensure ground floor frontages contribute to city safety by providing public surveillance, lighting and activity.*
- *To improve and protect the appearance of streetscapes.*

Dandenong Market Precinct Plan

The City of Greater Dandenong is in the process of developing the Dandenong Market Precinct Plan, at the time of writing this report. The Precinct Plan is expected to go on public exhibition in early 2026.

This Lonsdale Street site is within the study area for the Precinct Plan, being Council-owned and opposite the Market. The content below has been developed through an appropriate interface between the two projects.

12.2.3 Site parameters

Location and access

The site is very well located in Central Dandenong, opposite Dandenong Market and Dandenong Square Shopping Centre, and adjoining the Lonsdale Street retail street.

The site is approximately 10 minutes' walk (800m) from Dandenong Station, and various buses run nearby.

Street frontages

The triangular site has frontages to:

- Lonsdale Street (Princes Highway), a wide boulevard;
- Palm Plaza, a pedestrianised mall;
- Clow Street; and
- Part of Boyd Lane, a rear access lane.

Width

The site is approximately 45m wide (east-west).

Length

The site is approximately 78m long (north-south).

12.2.4 Site constraints

Existing building facades

Part of the existing facades may be retained with a new development, but this presents additional construction challenges.

Irregular shape; small size

The site's triangular shape and compact size may lead to a complex development plan with possible inefficient layouts. Efficient car parking on the site will be difficult to achieve.

Urban impacts

Being located in a busy activity centre, the site may be affected by impacts such as noise and car headlights, particular from the Lonsdale Street / Princes Highway corridor.

12.2.5 Site opportunities

Views

A future development on the site will enjoy long-range views north along the Princes Highway, as well as across to the west.

Walkable access

The site achieves a Walk Score of 96% ('Walker's Paradise'), with extensive services and facilities in proximity. This walkability may support a car-free development.

12.3 Design concept plans

This section comprises the analysis, design strategies, concept plans and yield analysis, prepared by Six Degrees Architects for the Dandenong site.

29 09 2025

MAV Housing Study : 272-284 Lonsdale Street Dandenong

This study focuses on ways to unlock housing on Council land at 272-284 Lonsdale Street, Dandenong. A site located directly opposite the Dandenong Markets.

Six Degrees acknowledges the Bunurong 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.

35km to Melbourne CBD (Via M1)

16km to Mordialloc Beach via State Route 10



16km to Cranbourne



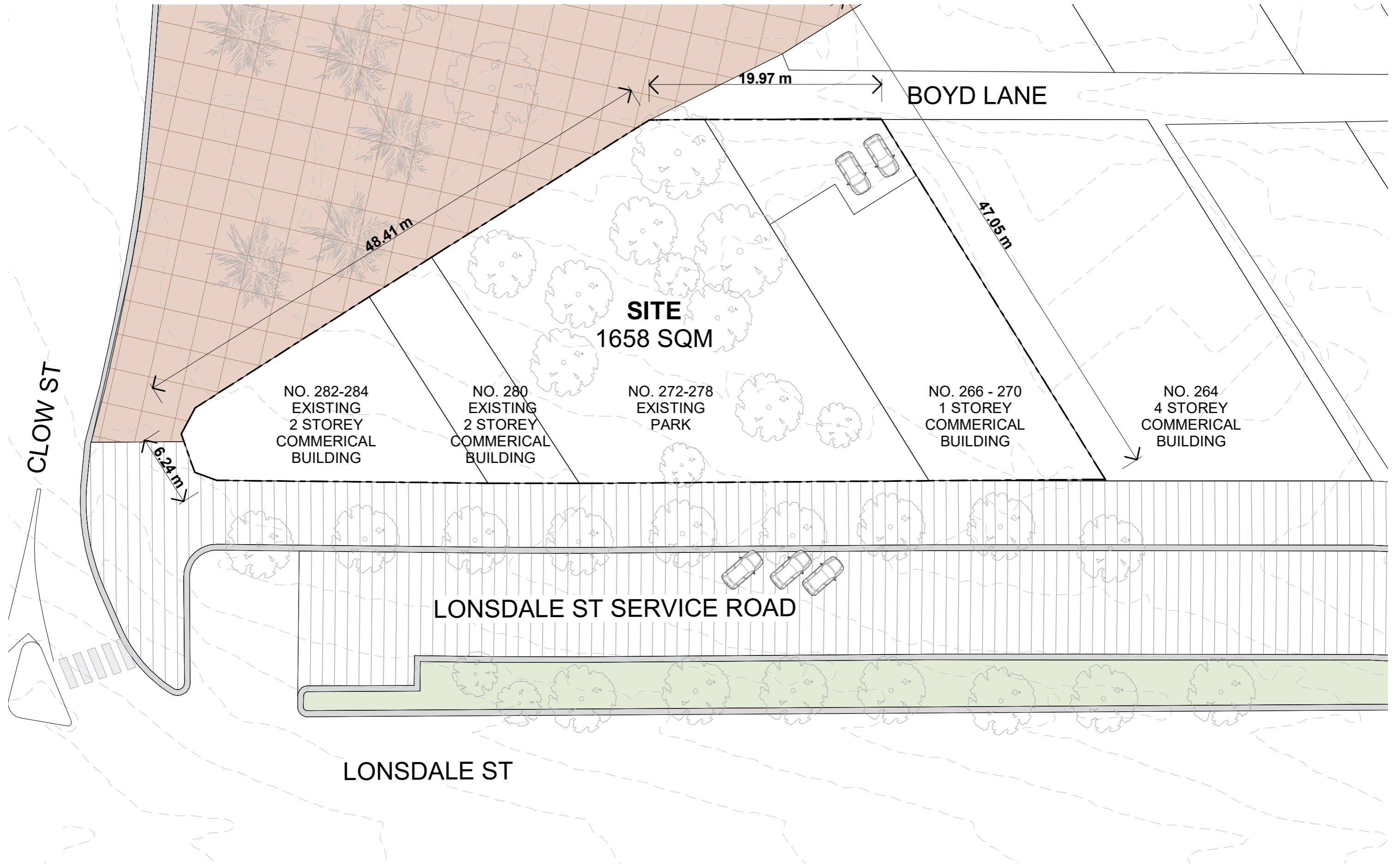
CLOW ST

BOYD LANE

SITE
1658 SQM

LONSDALE ST SERVICE ROAD

LONSDALE ST



Development of a Return Brief

Six Degrees has developed a Return Brief Options for the delivery of housing. This is from discussion with council, site observations and context analysis.

Short Description of the Context:

This site is 266-284 Lonsdale Street, located south of the Dandenong Market. It is a wedge shape and is at the junction of; the market; the shopping streets of Lonsdale and McCrae, and the Princess Highway. The site is seen from multiple angles and this might suggest interesting 'flat iron' building form. Proximity with the market, Dandenong Square shopping centre, services, the train station, and opportunities for jobs make the site ideal for housing.

The Proposed Apartment Development

The proposal is for an 7 Storey Apartment Development.

Development Model:

Council is observed to be open minded whether this would be delivered by government, private developers or through some form of partnership. However there are currently very few private apartments being delivered in Dandenong, so some form of government led development would appear the more likely prospect in the short to medium term. For the purposes of this study it will be assumed that a community housing provider would be the development lead, possibly with the involvement of Homes Victoria, and possibly also with the inclusion of some forms of private rental.

An important objective is that the proposal should be flexible and tenure blind. This would allow council to explore other development pathways. For example the development could be led by a private developer, but also includes some affordable / targeted housing managed by a community housing provider.

The Following Dwelling Mix is Proposed:

The following dwelling mix was in the initial return brief: 40% 1 bed, 5% 1 bed accessible, 40% 2 bed, 5% 2 bed accessible, 5% 3 bed, and 5 % dual key multi generational 4 bed apartments.

This mix was adjusted based on what was achievable for the layout: 38.5% 1 bed, 7.5% 1 bed accessible, 31.5% 2 bed, 7.5% 2 bed accessible, 7.5% 3 bed. The dual key 4 beds combine a 3 bed + a studio so they are not counted in the base mix, but can become 8.5% of an adapted mix. This mix could be further adapted by modifying adjacent apartments, removing the lightweight party walls and consolidating some layouts.

This mix suits the development model and would respond to housing need. It would include a somewhat higher proportion of 1 and 2 bed dwellings, as well as some 3 bed apartments to help to diversify the housing mix.

Active Edges at Ground Level:

Council is keen to ensure that good urban design outcomes are achieved. This includes active edges to all sides. Council considers the interface with Palm Plaza (McCrae Street) to be of higher priority than Lonsdale Street. The majority of the ground level is to be allocated to retail or hospitality. There is an excess of vacant office space in Dandenong. It is council's preference that the proposal should not include further office space.

Potential for Adaptive Reuse:

Council is interested in what potential there is for the existing buildings to be retained and adapted. However it is observed that council does not have a fixed idea that any form of adaptive reuse should necessarily happen. It may be that only some of the facades are feasible to retain and reuse. In this case the facade for 284 Lonsdale Road would be of highest priority.

Consideration for Scale:

The cumulative length of the building will be quite long (over 75m). Long, uniform buildings can mean hostile environments for pedestrians, unless they are broken down into more human scaled and relate-able parts. Several ways to do this might include; incorporating existing building facades; re-interpret historic lot breakups to inform facade massing and composition; or introducing other fine grain elements to improve the urban experience.

Height:

The proposed height is 7 stories with an maximum effective height of 25m.

This does seem fairly appropriate for Dandenong in its current urban form. There was discussion of the opportunities for taller heights. These might be possible, dependant on council's urban vision. Yields can be extrapolated based on the number of dwellings per level achieved for an 8 storey building.

Note that exceeding an effective height of 25m triggers more complex NCC fire safety requirements, so it is usually more feasible to 'step up' from a height of 8 stories to a height of circa 12 stories, and skipping the heights in between. Also note that more height almost always means more issues with carparking, usually less active street interfaces, and more issues from shadows and wind.

Carparking:

Two carparking options have been provided based on advice from Movement and Place Consulting. The base option is an off-site parking strategy, that would include parking at the Dandenong Square Carpark Redevelopment. The other option is onsite basement carparking accessed from Lonsdale Street. Both cases assume a reduction of carparking rates to suit the resident cohort. A carparking rate of 0.6 or less are common for social or community housing, particularly where in proximity to markets, shopping, services and local jobs.



Site Photo:

Photo of the corner building at 284 Lonsdale Road. This building is not heritage listed building but has sufficient merit to be considered for adaptive reuse.

The justifications for this form of approach would be to retain aspects of the existing place character, and to enrich the design. By ensuring the design includes some diversity and fine grain elements. Although noting that this approach would likely have greater cost than outright replacement.

Key Objectives:

1. **Unlocking Opportunities for Housing**

that respond to Dandenong's specific housing needs.

This includes Tenure Blind apartments with a high proportion of 1 and 2 Beds, and also some apartments suitable for families.

2. **Create Opportunities for Multi-Generational Housing,**

which responds to community and council interest in this form of housing and can demonstrate opportunity for future projects.

In this project two innovations have been proposed;

dual key arrangements that allow apartments to be combined; and combinable apartments that could be adapted in future.

3. **Creating a Great, Contextual Urban Design Outcome,**

with retail and foyers that face Lonsdale and MaCrae Street, homes that face street edges and provide passive surveillance, and carparking that is integrated in a well considered way.

4. **Creating Opportunity for an Iconic Flat-iron Built Form**

that marks Dandenong Market and arrival at the town centre.

5. **A proposal that is Ambitious and Well Suited for Dandenong**



Possibly designed with a curved concrete form. This could be green, as a playful match with the existing green building, or be some other colour derived from the context.



Flat-iron Streamline Moderne Apartments, Havana

The existing Facade is potentially retained to form the base for the proposed curved flat-iron building form. This does have some cost and complexity and it may require some modification of height to suit level balconies. However it would add some character to the streetscape experience and overall design.



These diagrams explain planning principles that have informed the proposed site layout.

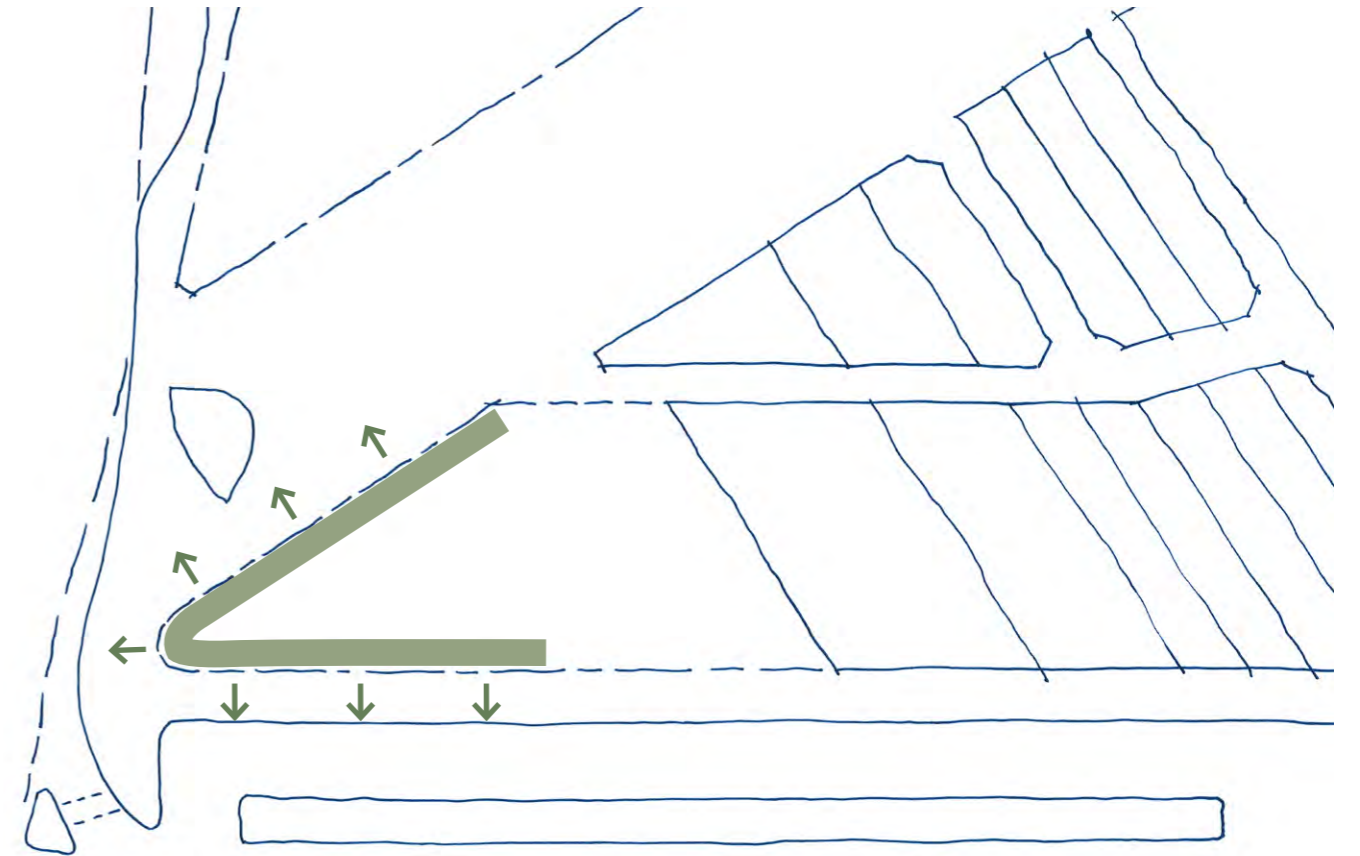


Diagram 1. Accentuating the Flat-iron Form to Create a Distinctive Landmark

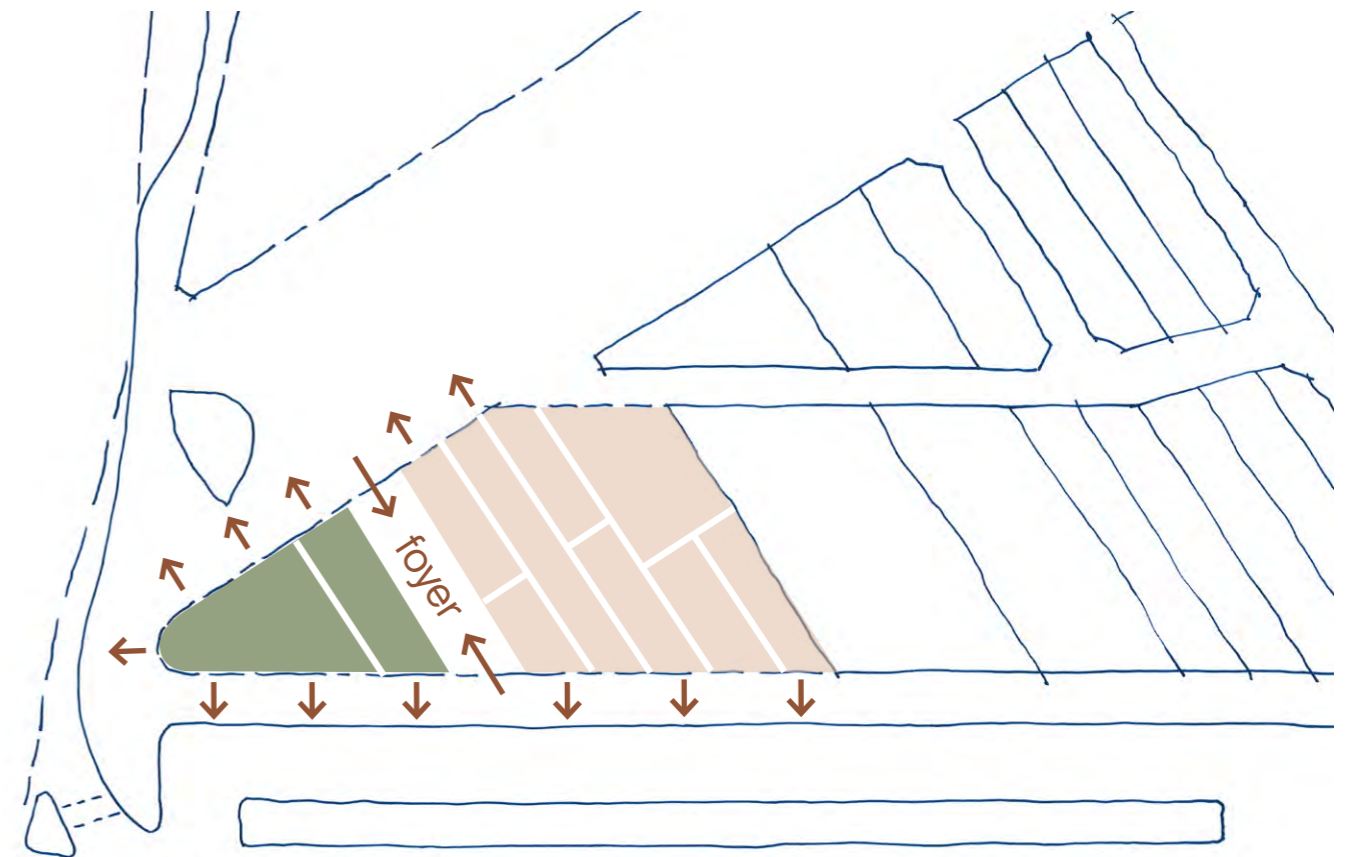


Diagram 4. Targeting Fine Grain Activation Based on Historic Street Patterns

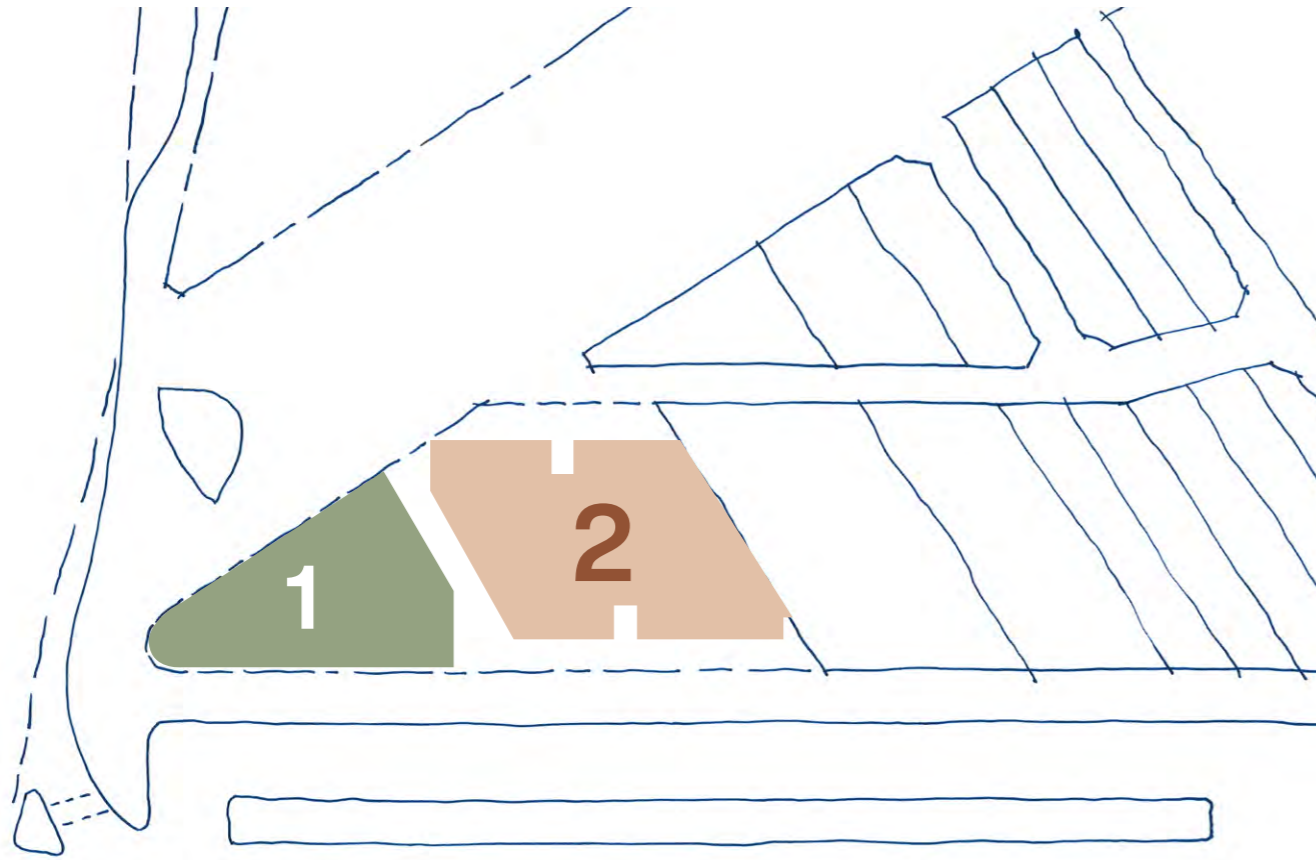


Diagram 2. Breaking Up the Form for Improved Urban Presence

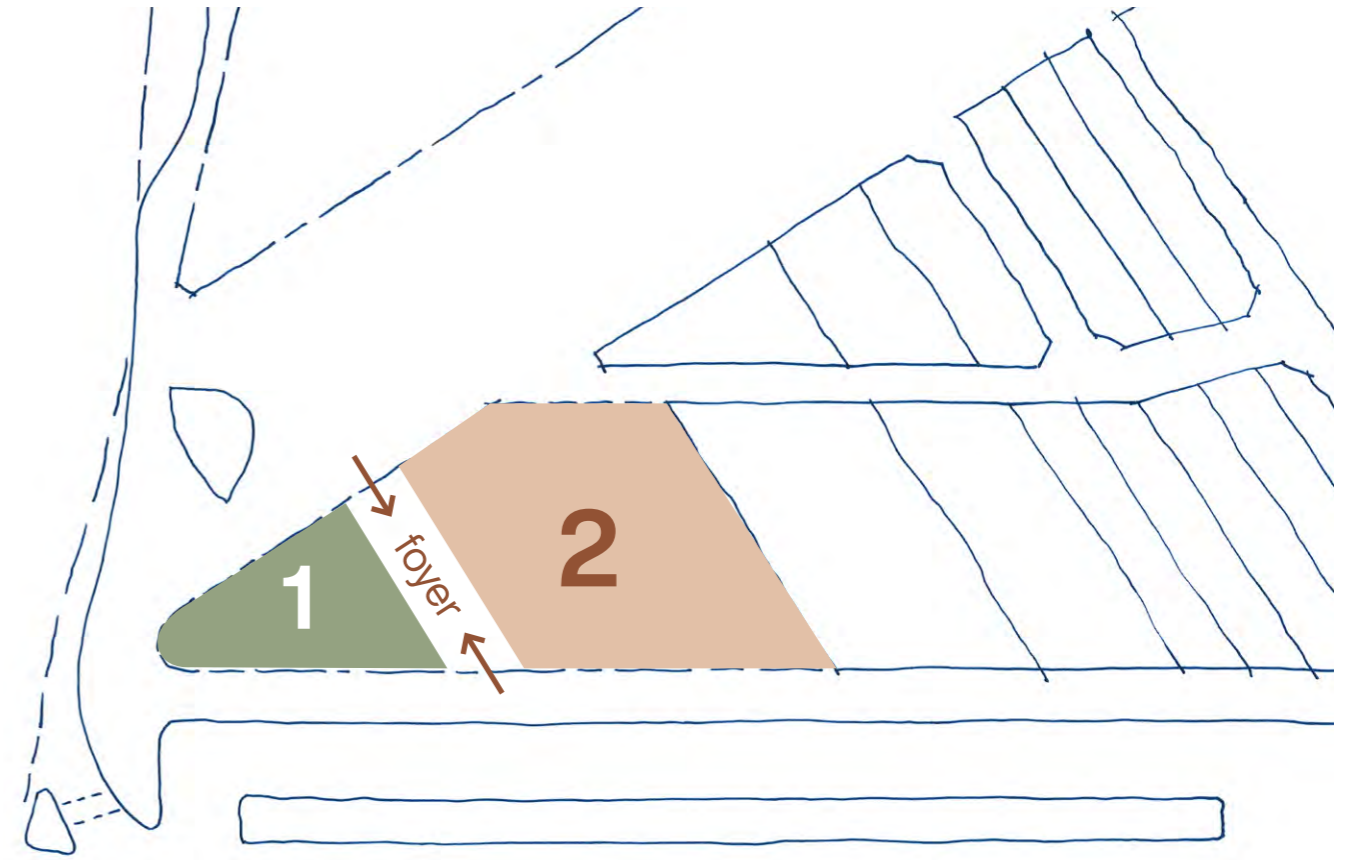


Diagram 3. Also Breaking up the Ground Level to Reduce Urban Scale

option 1:
off-site
parking
strategy

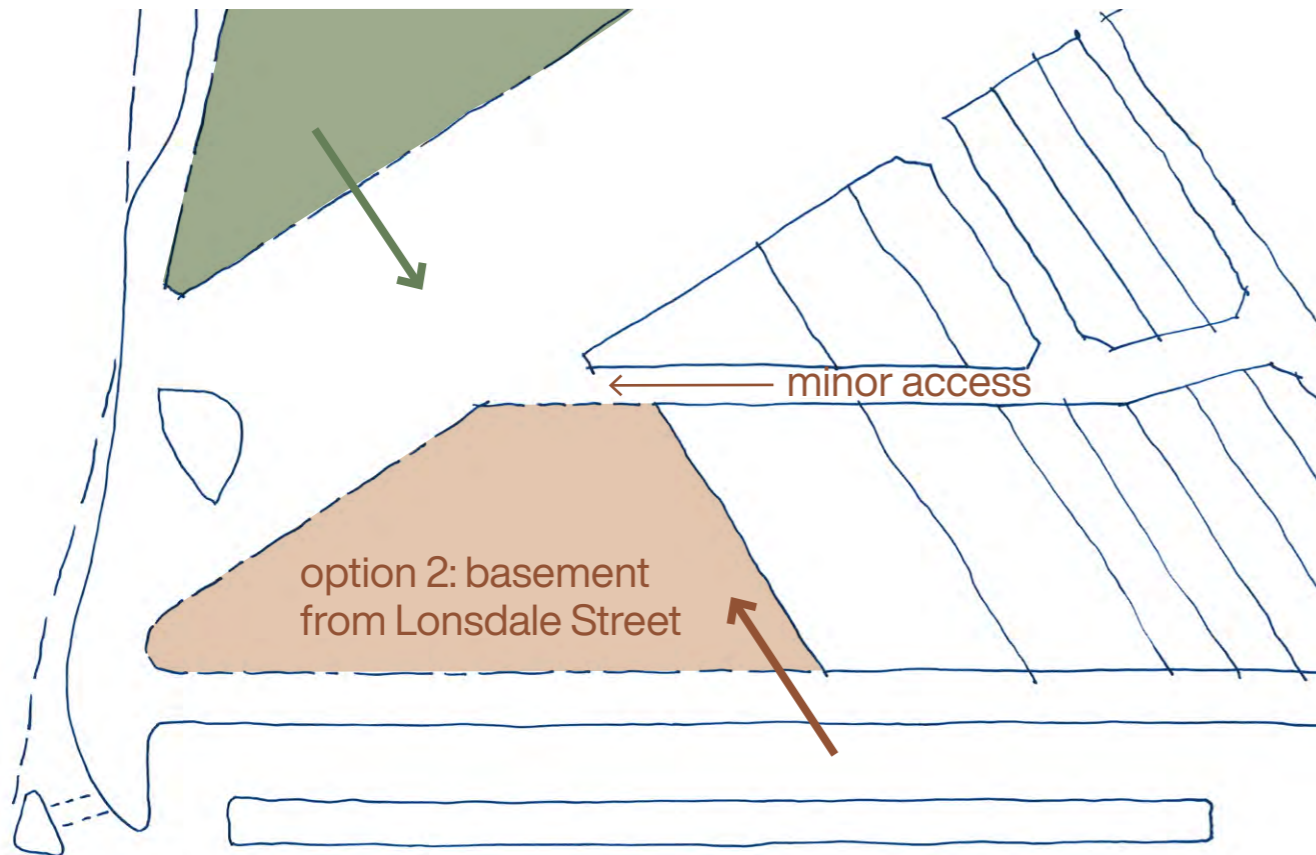
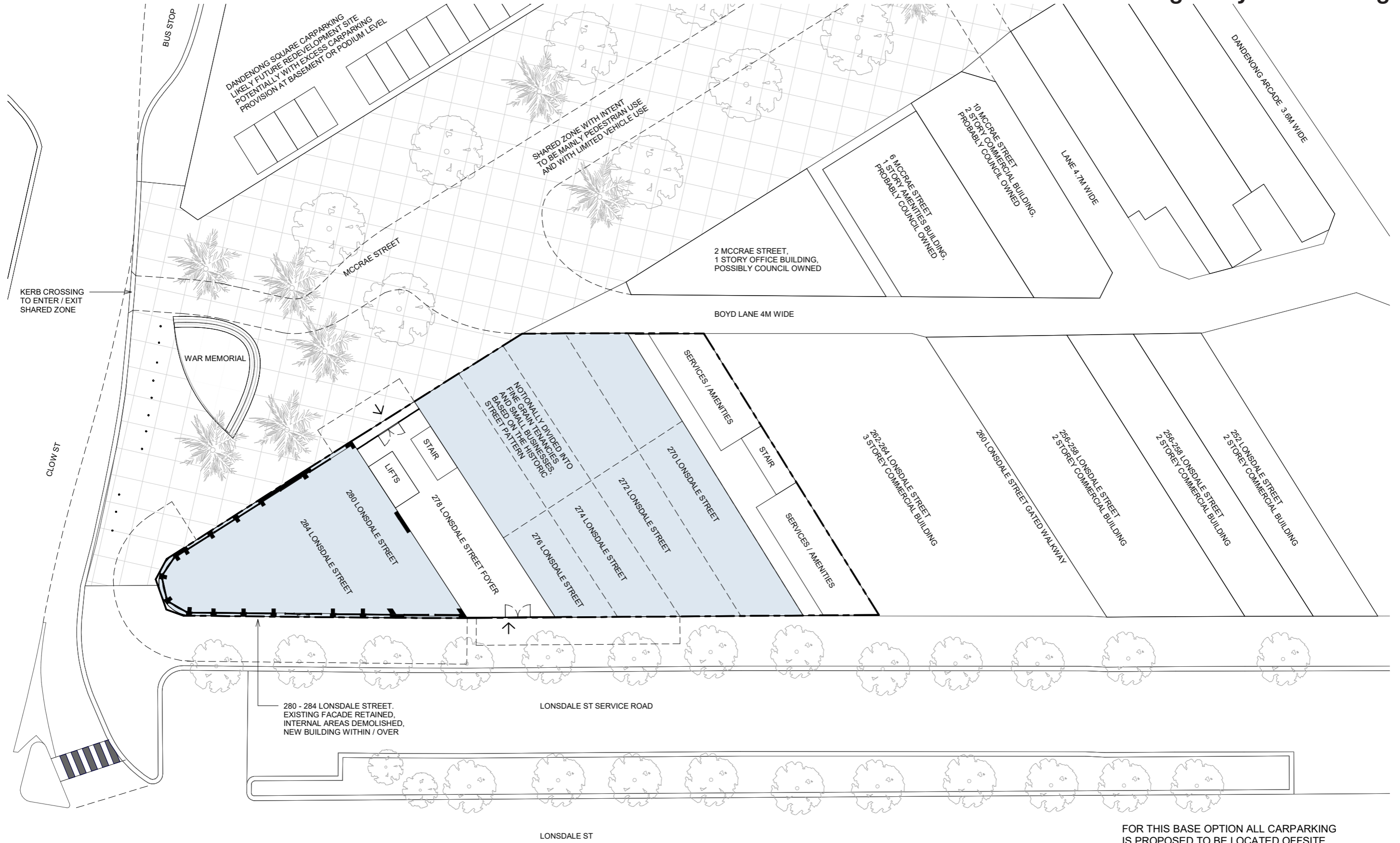


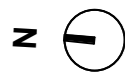
Diagram 5. Options for Carparking

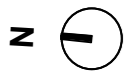


Diagram 6. Combinable Layouts for Multi-generational Families



FOR THIS BASE OPTION ALL CARPARKING IS PROPOSED TO BE LOCATED OFFSITE. ADVISED BY MOVEMENT AND PLACE CONSULTING ON THE BASIS OF; NEARBY CARPARKING AMENITY INCLUDING THE FUTURE REDEVELOPMENT OF THE DANDENONG SQUARE CARPARKING SITE; SUPPLEMENTARY TRANSPORT INCL CARSHARE; THE LOWER CARPARKING REQUIREMENTS OF THE SOCIAL / AFFORDABLE RESIDENT COHORTS; AND THE SPECIFIC COMPLEXITIES OF THE SITE.





DWELLING YIELD AND MIX PER LEVEL

1 X	1 BED STUDIO	= 7.5 %
1 X	1 BED AS1428.1 ACCESSIBLE	= 7.5 %
5 X	1 BED LHDS ADAPTABLE	= 38.5 %
1 X	2 BED AS1428.1 ACCESSIBLE	= 7.5 %
4 X	2 BED LHDS ADAPTABLE	= 31.5 %
1 X	3 BED LHDS ADAPTABLE	= 7.5 %

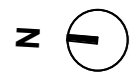
13 APARTMENTS IN TOTAL PER LEVEL

HOUSING DIVERSITY AND ADAPTABILITY

THE MIX OF 1 AND 2 BEDS IS TARGETED FOR A PROPOSED SOCIAL / COMMUNITY HOUSING MIX

THERE IS A DUAL KEY FOYER THAT ALLOWS TO COMBINE THE 3 BED + THE 1 BED STUDIO TO FORM A 4 BED MULTIGENERATION DWELLING, OR THE 3 BED + 1 BED DWELLING IF PREFERRED.

ADJACENT 2 BED DWELLINGS COULD ALSO BE DESIGNED TO ALLOW ADAPTABILITY TO ALLOW COMBINATION FOR CREATE A 3 BED DWELLING.



MAV: Housing innovation study - concept design

Site name/location:	Dandenong
Local Government Area:	Greater Dandenong Council
Type:	New build / adaptive re-use

Site area	1657.27 sq.m	0.165727 ha
Site coverage	1657.27 sq.m	
Site coverage %	100	

Development Summary - Option 1

Apartments:	Non-resi NSA	Resi NSA	No. 1-beds	No. 2-beds	No. 3-beds	Dwellings	
GROUND	1187			0	0	0	0
LEVEL 1	0	727	7	5	1	13	13
LEVEL 2	0	874	7	5	1	13	13
LEVEL 3	0	874	7	5	1	13	13
LEVEL 4	0	874	7	5	1	13	13
LEVEL 5	0	874	7	5	1	13	13
LEVEL 6	0	874	7	5	1	13	13
Total	1187	2475	21	15	3	78	78
TOTAL DWELLINGS							78

Net density (site) **470.65**

Dwellings

	GFA/storey	Storeys	Total GFA
Building (Ground)	1656	1	1656
Building (Level 1)	1606	1	1606
Building (Level 2 to 6)	1286	5	6430
Total			9692 sq.m

Car parking

	Spaces
Location 1 (Basement)	0
Location 2 (at grade)	
Total	0 spaces
Apartment car rate	0%

Communal space

	GFA
Communal indoor	0 sq.m
Communal outdoor - ground	0 sq.m
Communal outdoor - upper	0 sq.m

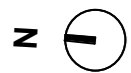
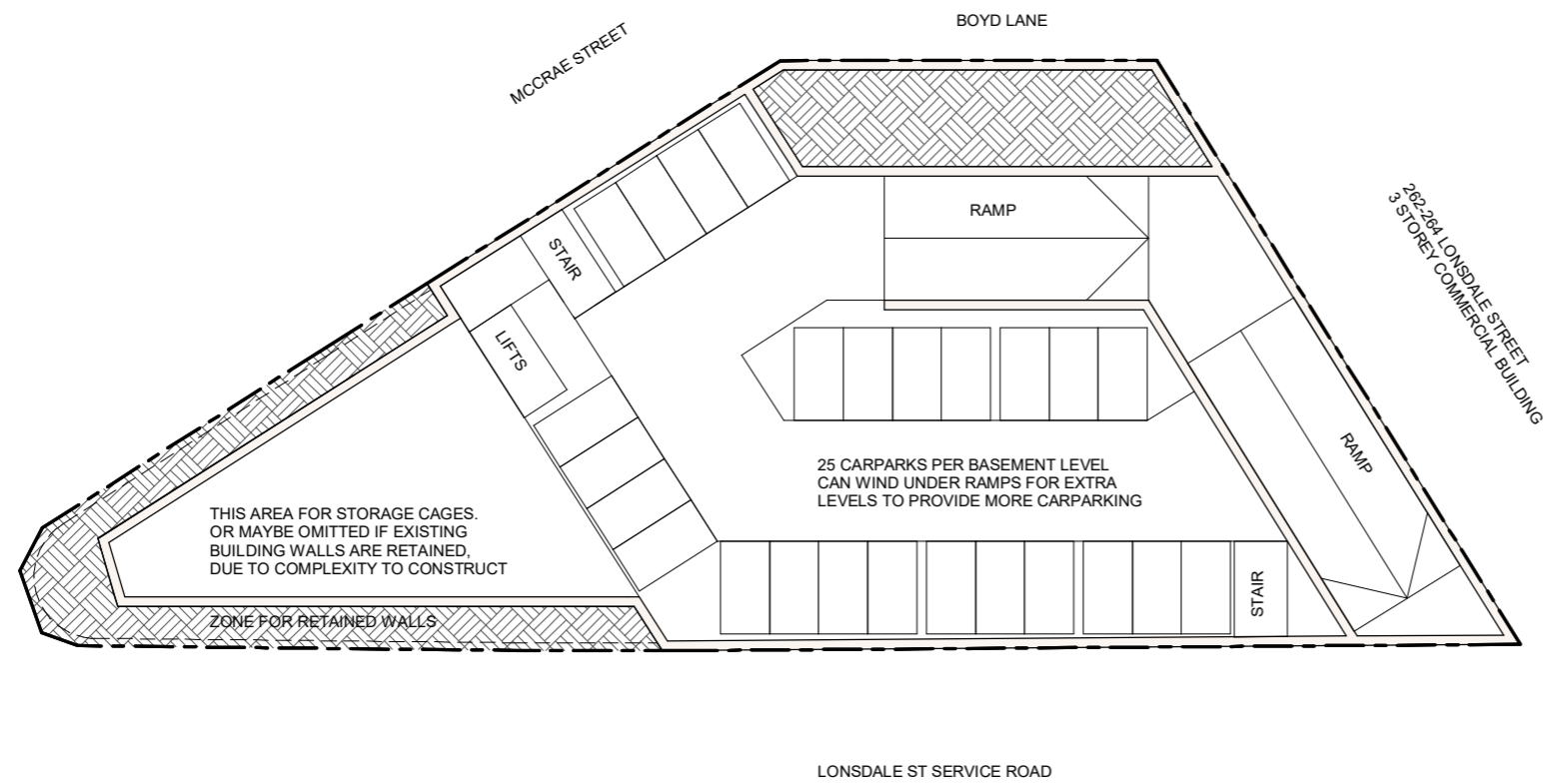
Indicative 3D View



Indicative 3D View

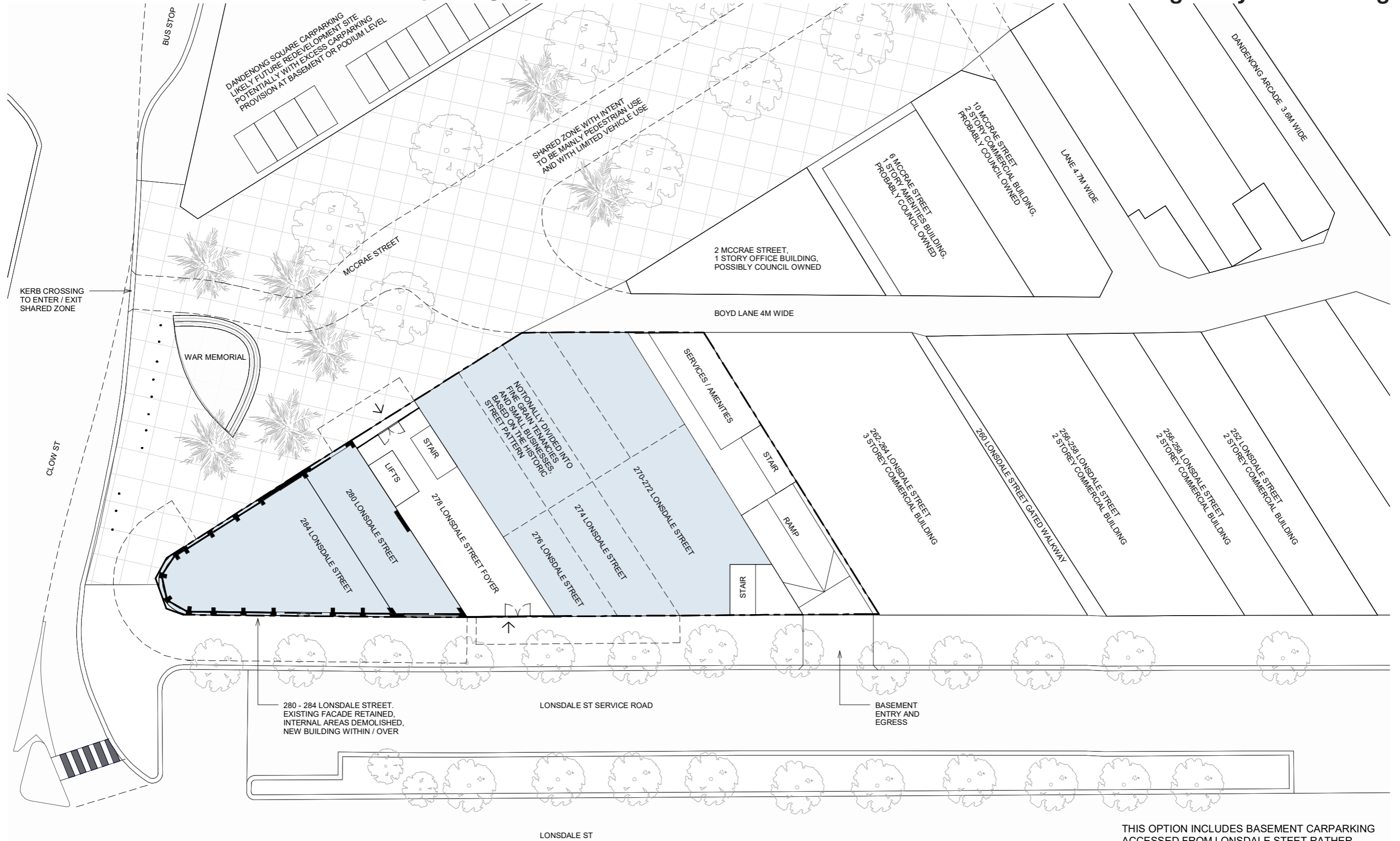


Onsite Basement Carparking Option

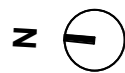


Ground Floor Plan - Onsite basement Carparking Option

MAV Housing Study - Dandenong 20



THIS OPTION INCLUDES BASEMENT CARPARKING ACCESSED FROM LONSDALE STREET RATHER THAN FROM BOYD LANE / MCCRAE STREET. THE NUMBER OF BASEMENTS WOULD DEPEND ON THE REQUIRED CARPARKING RATES, PARTICULARLY NOTING THAT THERE ARE THE LOWER CARPARKING REQUIREMENTS OF THE SOCIAL / AFFORDABLE RESIDENT COHORTS;



MAV: Housing innovation study - concept design

Site name/location:	Dandenong
Local Government Area:	Greater Dandenong Council
Type:	New build / adaptive re-use
Site area	1657.27 sq.m
Site coverage	1657.27 sq.m
Site coverage %	100

0.165727 ha

Development Summary - Option 2

Apartments:

	Non-resi NSA	Resi NSA	No. 1-beds	No. 2-beds	No. 3-beds	Dwellings	
GROUND	1187			0	0	0	0
LEVEL 1	0	727	7	5	1	13	13
LEVEL 2	0	874	7	5	1	13	13
LEVEL 3	0	874	7	5	1	13	13
LEVEL 4	0	874	7	5	1	13	13
LEVEL 5	0	874	7	5	1	13	13
LEVEL 6	0	874	7	5	1	13	13
Total	1187	2475	21	15	3	78	78
TOTAL DWELLINGS							78

Net density (site) 470.65

Dwellings

	GFA/storey	Storeys	Total GFA
Building (Ground)	1656	1	1656
Building (Level 1)	1606	1	1606
Building (Level 2 to 6)	1286	5	6430
Total			9692 sq.m

Car parking

	Spaces
Location 1 (Basement over 3 levels)	76
Location 2 (at grade)	
Total	76 spaces
Apartment car rate	97%

Communal space

	GFA
Communal indoor	0 sq.m
Communal outdoor - ground	0 sq.m

12.4 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 concept provides for full site occupation, which is appropriate given the small site size and local context, providing for direct frontage conditions to both street frontages. This also continues the established pattern of zero-setbacks on the site and in the surrounding area, and responds to the applicable Planning Scheme (DDO2) guidance for active frontages.

Massing

The height is limited to 8 storeys for reasons of constructability and efficiency. However, this moderate mid-rise scale is appropriate to the compact site, and responsive to recent mid-rise development around Dandenong Station.

Further, 8 storeys (approximately 27m in height) is less than the width of Palm Plaza (30m) and Lonsdale Street (60m), so will appear modestly scaled in the local streetscape context. For reference, the nearby Dandenong Square Shopping Centre is subject to an approved Development Plan Overlay for up to approximately 25 storeys, close to the site.

Finally, approximately 25m is recognised as the maximum distance for visual facial recognition, say between the street and upper building level, which is a useful indicator of human scale, and also connection to the public realm for building occupants.

The proposed 8-storey height supports these outcomes.

Above Ground Floor, the residential frontages are set back a small distance in the southern part of the building, to provide for communal or private open space, and increased separation for residents from the streetscape interface.

Layouts

Given the central city location and high levels of pedestrian activity, it is appropriate to accommodate retail/commercial uses at Ground Floor level, to provide activation, and protect residential amenity. The indicative break-up of tenancies reflects an extension of the 'fine grain' modulation of the local area, supporting multiple entrances for increased activation and safety.

The Ground Floor foyer links between the two street frontages providing through-access for residents and visitors, and visual permeability.

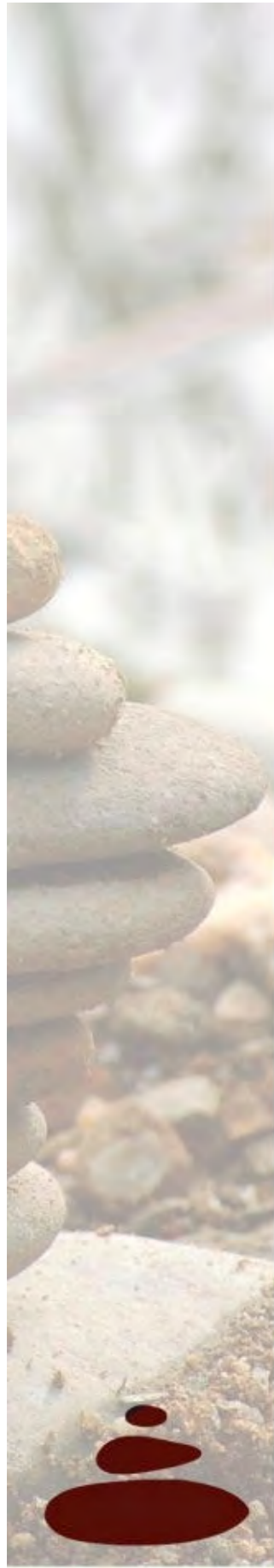
At the upper levels, the central corridor allows dwellings to face both street frontages, and natural light is available to the lift core and foyer space at each level.

Some apartments could be combined to meet occupant requirements for larger multi-generational dwellings, for example.

12.5 Cost plan

The construction cost analysis for the above concept plans,
prepared by PlanCost.





29 October 2025

MAV Housing Innovation Study Lonsdale St, Dandenong

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

EXECUTIVE SUMMARY



**MAV Housing
Innovation Study
Lonsdale St, Dandenong**

Cost Plan A

Functional Area

29 October 2025

Introduction

PlanCost Australia has been requested to prepare a Cost Plan based on Functional Area documents received from Six Degree Architects and other consultants.

Drawings

The following drawings and specifications have been used to prepare the Cost Plan.

Yield Table Dates: 250929

Cost Estimates

The current anticipated Total End Cost is:

	Option 1 Low-Mid Range	Option 2 Low-Mid Range	Option 1 Mid-High Range	Option 2 Mid-High Range
Building Works	\$35,413,131	\$43,118,387	\$39,765,969	\$47,471,225
External Works and Services	\$2,262,000	\$2,262,000	\$2,262,000	\$2,262,000
Contingencies, Escalation and Allowances	\$11,108,000	\$13,379,000	\$12,390,000	\$14,661,000
Fees, FFE, ITC and Other Client items	\$4,331,000	\$5,217,000	\$4,831,000	\$5,717,000
Prolongation, Delay and Project risk	excluded	excluded	excluded	excluded
GST	\$0	\$0	\$0	\$0
Total End Cost	\$53,114,131	\$63,976,387	\$59,248,969	\$70,111,225

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
Akhilesh Goorwappa
AIQS/RICS Member No: 25560

Reviewed By
Holly Phillips
AIQS/RICS Member No: 27296



Cost Plan A

Functional Area

29 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 June, 2029
- Building permit 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 June, 2029
- GST
- Land purchase
- Cladding rectification levy



Cost Plan A

Functional Area

29 October 2025

COST COMPONENT	Quantity	Rate	Option 1	Option 2	Rate	Option 1	Option 2
			Total Low-Mid Range	Total Low-Mid Range		Total Mid-High Range	Total Mid-High Range
Option 1 - Total Building Cost	9,692 m ²	3,654	35,413,131		4,103	39,765,969	
Option 2 - Total Building Cost including carpark	13,138 m ²	3,282	0	43,118,387	3,613		47,471,225
TOTAL BUILDING COST (TBC)	22,830 m²		35,413,131	43,118,387		39,765,969	47,471,225
External works and services			2,262,000	2,262,000		2,262,000	2,262,000
NET CONSTRUCTION COST (NCC)		1,650	37,675,131	45,380,387	1,841	42,027,969	49,733,225
Locality and access allowance			excluded	excluded		excluded	excluded
Additional costs for staging of the works			excluded	excluded		excluded	excluded
Additional costs for procurement method or contract conditions			excluded	excluded		excluded	excluded
Environmentally sustainable design initiatives	2.50%		942,000	1,135,000		1,051,000	1,243,000
Design contingency	10.00%		3,768,000	4,538,000		4,203,000	4,973,000
Construction cost escalation from							
Up To	Date	Months	%/Year	Weighting	Total %		
Escalation rate	3.00%	Market conditions	0.00%				
Commencement	Oct, 27	24	3.00%	100%	6.09%	2,581,000	3,109,000
Escalation rate	3.00%	Market conditions	0.00%				
Completion	Jun, 29	20	3.00%	70%	3.52%	1,494,000	1,799,000
Escalation is based on an average of 4% p/a ongoing							
TOTAL CONTRACT SUM (TCS)		2,035	46,460,131	55,961,387	2,270	51,826,969	61,328,225
Construction contingency	5.00%		2,323,000	2,798,000		2,591,000	3,066,000
TOTAL CONSTRUCTION COST (TCC)		2,137	48,783,131	58,759,387	2,384	54,417,969	64,394,225
Consultants' fees	7.50%		3,659,000	4,407,000		4,081,000	4,830,000
Disbursements			excluded	excluded		excluded	excluded
Project management and management support costs	1.00%		488,000	588,000		544,000	644,000
Furniture, furnishings and equipment			excluded	excluded		excluded	excluded
IT, AV and communications equipment			excluded	excluded		excluded	excluded
Building permit levy	0.13%		62,000	75,000		70,000	82,000
Cladding rectification levy	0.82%		excluded	excluded		excluded	excluded
Supply authority and headworks charges	0.25%		122,000	147,000		136,000	161,000
TOTAL PROJECT COST (TPC)		2,327	53,114,131	63,976,387	2,595	59,248,969	70,111,225
Prolongation, delay and project risk contingency			excluded	excluded		excluded	excluded
Goods and services tax			excluded	excluded		excluded	excluded
TOTAL END COST (TEC)	22,830 m²	2,327	53,114,131	63,976,387	2,595	59,248,969	70,111,225



Cost Plan A

Functional Area

29 October 2025

Fully Enclosed Covered Area	9692 m ²
Unclosed Covered Area (including Basement & Circulation)	m ²
GFA (FECA + UCA)	9692 m ²

AREA	Quantity	Rate	Total
Area 1			
¹ Carpark	Nil		0
² Community use - New/within existing façade	1,187 m ²	4,911	5,829,357
³ Apartments - Levels 1-7	5,097 m ²	4,270	21,764,190
⁴ Circulation, balconies, plant and sundry areas	3,408 m ²	2,048	6,979,584
⁵ Stairs and lifts	Item		840,000
⁶ Preliminaries, overheads and profit	10.00%		Included Above
⁷ Sub-total Area 1	9,692 m²	3,654	35,413,131
⁸ TOTAL BUILDING COST	9,692 m²	3,654	35,413,131



Cost Plan A

Functional Area

29 October 2025

Fully Enclosed Covered Area	13138 m ²
Unclosed Covered Area (including Basement & Circulation)	m ²
GFA (FECA + UCA)	13138 m ²

AREA	Quantity	Rate	Total
Area 1			
¹ Carpark - 3 levels	3,446 m ²	2,236	7,705,256
² Community use - New/within existing façade	1,187 m ²	4,911	5,829,357
³ Apartments - Levels 1-7	5,097 m ²	4,270	21,764,190
⁴ Circulation, balconies, plant and sundry areas	3,408 m ²	2,048	6,979,584
⁵ Stairs and lifts	Item		840,000
⁶ Preliminaries, overheads and profit	10.00%		Included Above
⁷ Sub-total Area 1	13,138 m²	3,282	43,118,387
⁸ TOTAL BUILDING COST	13,138 m²	3,282	43,118,387



Cost Plan A

Functional Area

29 October 2025

Fully Enclosed Covered Area	9692 m ²
Unclosed Covered Area (including Basement & Circulation)	m ²
GFA (FECA + UCA)	9692 m ²

AREA	Quantity	Rate	Total
Area 1			
¹ Carpark	Nil		0
² Community use - New/within existing façade	1,187 m ²	4,911	5,829,357
³ Apartments - Levels 1-7	5,097 m ²	5,124	26,117,028
⁴ Circulation, balconies, plant and sundry areas	3,408 m ²	2,048	6,979,584
⁵ Stairs and lifts	Item		840,000
⁶ Preliminaries, overheads and profit	10.00%		Included Above
⁷ Sub-total Area 1	9,692 m²	4,103	39,765,969
⁸ TOTAL BUILDING COST	9,692 m²	4,103	39,765,969



Cost Plan A

Functional Area

29 October 2025

Fully Enclosed Covered Area	13138 m ²
Unclosed Covered Area (including Basement & Circulation)	m ²
GFA (FECA + UCA)	13138 m ²

AREA	Quantity	Rate	Total
Area 1			
¹ Carpark - 3 levels	3,446 m ²	2,236	7,705,256
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³ Apartments - Levels 1-7	5,097 m ²	5,124	26,117,028
⁴ Circulation, balconies, plant and sundry areas	3,408 m ²	2,048	6,979,584
⁵ Stairs and lifts	Item		840,000
⁶ Preliminaries, overheads and profit	10.00%		Included Above
⁷ Sub-total Area 1	13,138 m²	3,613	47,471,225
⁸ TOTAL BUILDING COST	13,138 m²	3,613	47,471,225



Cost Plan A

Functional Area

29 October 2025

	Quantity	Rate	Total
EXTERNAL WORKS			
¹ External demolition	Item		141,000
² Site preparation and excavation	Item		110,000
³ Roads and paving	Item		55,000
⁴ Fences and gates	Nil		0
⁵ External buildings, equipment and furniture (includes Central garden and Playground)	Item		50,000
⁶ Soft landscaping and planting	Item		50,000
⁷ Sub-total EXTERNAL WORKS			406,000
EXTERNAL SERVICES			
⁸ External services	Item		1,100,000
⁹ Site infrastructure upgrades	Item		550,000
¹⁰ Sub-total EXTERNAL SERVICES			1,650,000
¹¹ Preliminaries, overheads and profit on external works and services	10.00%		206,000
¹² TOTAL SITEWORKS COST (TSC)			2,262,000

12.6 Feasibility analysis

The development feasibility assessment for the above concept plans, prepared by HillPDA.

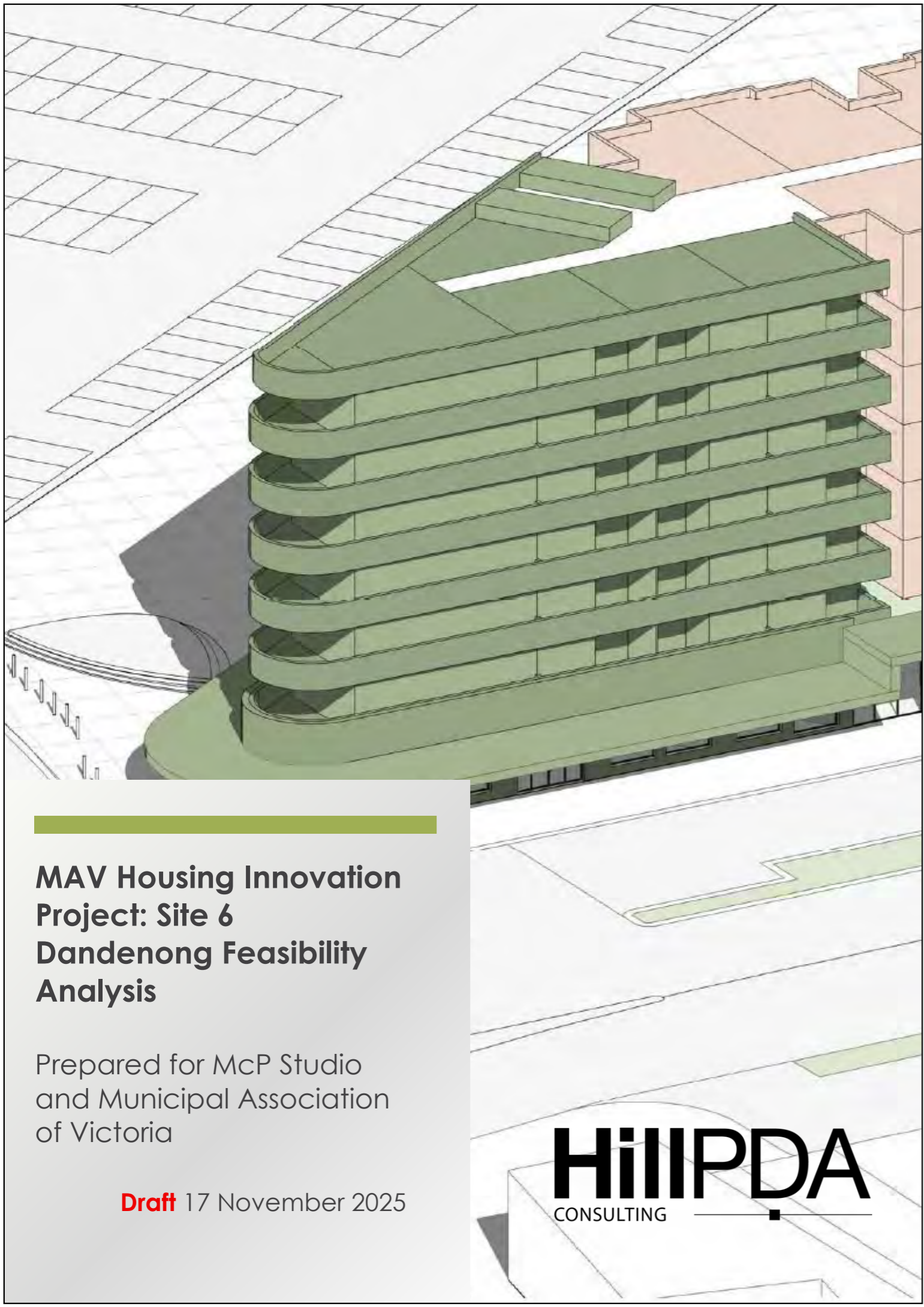
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MAV Housing Innovation Project: Site 6 Dandenong Feasibility Analysis

Prepared for McP Studio and Municipal Association of Victoria

Draft 17 November 2025



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Front cover image: Six Degrees 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 Dandenong adaptive reuse 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 Six Degrees Architects, 29 September 2025
- Construction cost estimate by PlanCost Australia, Cost Plan A, 29 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

Dandenong is located approximately 29 kilometres southeast of Melbourne's CBD (2021 population of 30,127).

The suburb has a younger age profile and is one of the most culturally diverse suburbs in Victoria. The local demographic profile is dominated by people born overseas and the leading overseas countries of birth are Afghanistan, India and Sri Lanka.

Population numbers in Dandenong have recovered since the pandemic and have resumed a growth trajectory. Dandenong is expected to experience a strong growth trajectory in the future based on infill development.

The local income and retail expenditure profile is below the metropolitan average but still significant, especially in supermarket, food, groceries, restaurants and apparel stores.

Median house prices in Dandenong are similar to the metropolitan median, whereas unit prices remain more affordable in Dandenong.

The cost to build has increased significantly in recent years due to broader inflationary pressures including labour cost increases and material cost increases. Prices appear to have stabilised in recent months. These trends have impacted the viability of development at the current time, but conditions are improving in part due to interest rate cuts in recent months.

The retail sector across metropolitan Melbourne is experiencing falling vacancy rates in the mid-2020s whereas the office market is not as positive.

Demand for medium and higher density housing is strong. Whilst financial viability is challenging at the current time, projects can work with 'lower' cost land purchase (land provision could be an activation subsidy). Nevertheless, financial conditions are likely to improve in the future as interest rates ease - increasing the capacity of purchases to pay - and costs of development moderate. Prices for new or modern apartments in Dandenong are in the vicinity of \$4,400/sqm to \$7,300/sqm.

Figure 1: Image of Dandenong



Source of image: Development Victoria

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:

- 78 apartments and commercail space at ground level in a 7 storey building
- Design offers flexible floorplate and tenure options
- High proportion of 1 and 2 beds, some 3 beds
- Two carparking options
 - Option 1: has an off-site parking
 - Option 2: onsite basement carparking accessed from Lonsdale Street.

Selected metrics and net sellable area assumptions are shown in the table below.

Table 1: Development metrics

Case study	Adaptive reuse, Dandenong		
Address	266-284 Lonsdale Street, Dandenong		
Architect	Six Degrees Architects, 29 September 2025		
Zone	Comprehensive Development Zone - Schedule 2		
Concept summary	78 apartments and commercail space at ground level in a 7 storey building		
Development metrics			
Site area sqm	1,657		
Site coverage sqm	1,657		
Site coverage %	100%		
GFA	13,138		
GFA - basement	3,446		
GFA - ground	1,656		
GFA - upper floors	8,036		
Commercial			
Ground floor NSA	1,187	72%	
Residential			
	Number	Ave. Size	Area
1 bed	42	55	2,310
2 bed	30	70	2,100
3 bed	6	115	687
Total	78		5,097
Site Density dw/ha	470.7		
Car spaces			
	Option 1	Option 2	
Basement	0	76	
Rate	0%	97%	
Units with no parking	78	2	
Communal space			
Indoor	147		

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.

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. It should be noted that recent evidence is limited. Prices that owner-occupiers and investors can pay has been impacted by inflationary cost of living 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

Item	Per Unit	Number	Revenue
With Parking			
Commercial	\$5,900	1,187	\$7,003,300
Apartments			
1 bed (no parking)	\$390,500	2	\$781,000
1 bed	\$465,500	40	\$18,620,000
2 bed	\$537,000	30	\$16,110,000
3 bed	\$704,750	6	\$4,228,500
Total		78	\$46,742,800
No Parking			
Commercial	\$5,900	1,187	\$7,003,300
Apartments			
1 bed (no parking)	\$390,500	2	\$781,000
1 bed	\$390,500	40	\$15,620,000
2 bed	\$462,000	30	\$13,860,000
3 bed	\$629,750	6	\$3,778,500
Total		78	\$41,042,800

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 \$2,486,000 has been used to estimate 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 \$432,700 one-off payments for Land Transfer Duty, Council Planning Permit Fee, and Open Space Contribution.
- Allowance made for approximately \$30,700 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: 20-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:	Option 1	Option 2	Option 1	Option 2
	Low-Mid	Low-Mid	Mid-High	Mid-High
Building Works	\$35,413,131	\$43,118,387	\$39,765,969	\$47,471,225
External Works and Services	\$2,262,000	\$2,262,000	\$2,262,000	\$2,262,000
Contingencies, Escalation and Allowances	\$11,108,000	\$13,379,000	\$12,390,000	\$14,661,000
Fees, FFE, ITC and Other Client items	\$4,331,000	\$5,217,000	\$4,831,000	\$5,717,000
Prolongation, Delay and Project risk	excluded	excluded	excluded	excluded
Total End Cost	\$53,114,131	\$63,976,387	\$59,248,969	\$70,111,225

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, 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 approximately \$510,000 per unit average.
- The construction cost estimate starts at approximately \$750,000 per unit and the total development cost estimate starts at approximately \$773,000 per unit.
- Alternative revenue scenarios have been modelled, and these indicate a project could be commercially viable if revenue is at least 60% higher under the low-mid 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 \$791,000 (and higher for the mid-high range cost estimate).
- The central Dandenong area has proposed higher density developments in the train station precinct. If developed, these projects could prove up higher prices and support a better financial model.
- Based on the current preliminary data, for the project to be delivered 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 procuring a Community Housing Association (CHA) for its delivery. A CHA works to non-commercial 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

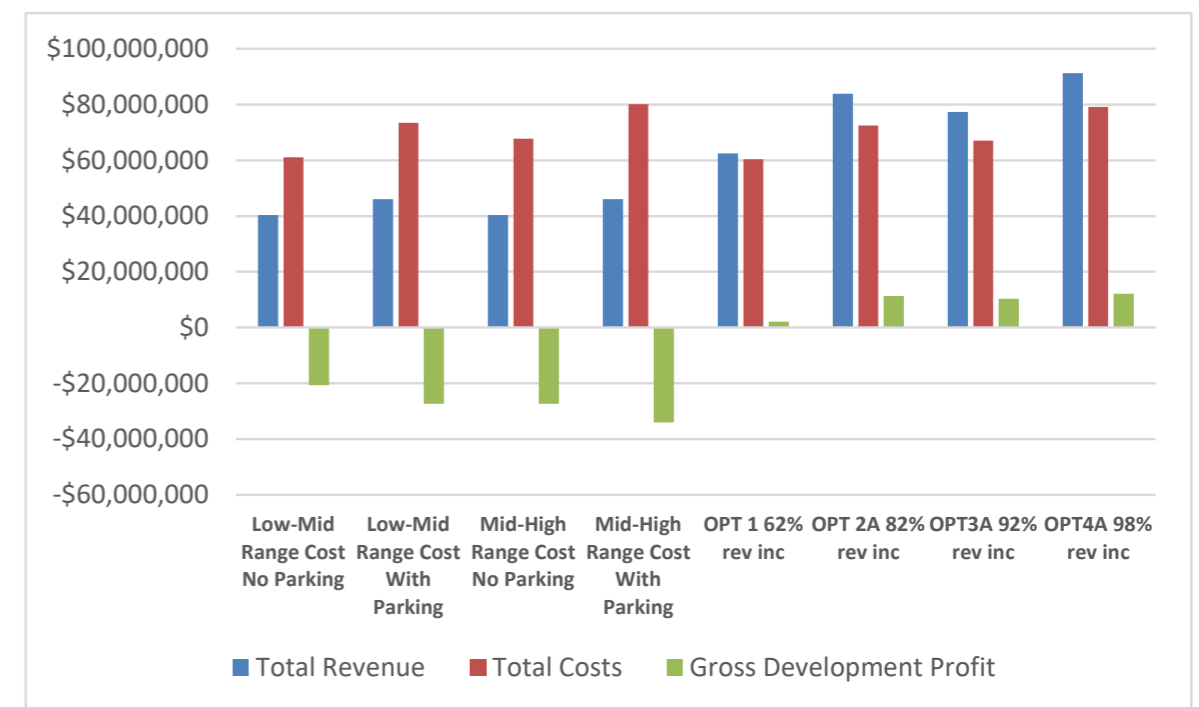


Table 4: Feasibility summary

Option	Low-Mid Range Cost No Parking	Low-Mid Range Cost With Parking	Mid-High Range Cost No Parking	Mid-High Range Cost With Parking	OPT 1 62% rev inc
Scenario	1	2	3	4	5
Units (No.)	78 units and commercial	78 units and commercial	78 units and commercial	78 units and commercial	78 units and commercial
Gross Floor Area (SQM)	9,692 GFA	9,692 GFA	9,692 GFA	9,692 GFA	9,692 GFA
Site Area	1,657.27 SqM	1,657.27 SqM	1,657.27 SqM	1,657.27 SqM	1,657.27 SqM
Type	Residential	Residential	Residential	Residential	Residential
Revenue					
Gross Sales Revenue	\$41,166,177	\$47,061,496	\$41,166,177	\$47,061,496	\$63,807,574
Less Selling Costs	-\$874,887	-\$1,003,951	-\$874,887	-\$1,003,951	-\$1,356,075
NET SALES REVENUE	\$40,291,289	\$46,057,545	\$40,291,289	\$46,057,545	\$62,451,498
Less GST paid on all Revenue	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE (after GST paid)	\$40,291,289	\$46,057,545	\$40,291,289	\$46,057,545	\$62,451,498
Costs					
Land Purchase Cost	\$2,485,905	\$2,485,905	\$2,485,905	\$2,485,905	\$2,485,905
Land Acquisition Costs	\$154,556	\$154,556	\$154,556	\$154,556	\$154,556
Construction (inc. Construct. Contingency)	\$59,252,744	\$71,369,526	\$66,096,766	\$78,213,581	\$59,252,744
Professional Fees	\$1,171,467	\$1,354,897	\$1,274,128	\$1,457,557	\$1,176,657
Contributions and Charges	\$291,118	\$291,118	\$291,118	\$291,118	\$291,118
Other Fees	\$0	\$0	\$0	\$0	\$0
Other Allowances	\$366,962	\$420,354	\$366,962	\$420,354	\$568,791
Land Holding Costs	\$95,128	\$107,959	\$95,128	\$107,959	\$95,128
Pre-Sale Commissions	\$262,061	\$306,396	\$262,061	\$306,396	\$406,195
Interest Expense	\$2,416,390	\$3,512,088	\$2,764,607	\$3,912,875	\$1,490,484
TOTAL COSTS (before GST reclaimed)	\$66,659,276	\$80,199,064	\$73,972,997	\$87,565,387	\$66,084,523
Less GST reclaimed	-\$5,644,642	-\$6,786,490	-\$6,277,870	-\$7,419,721	-\$5,720,310
TOTAL COSTS (after GST reclaimed)	\$61,014,634	\$73,412,574	\$67,695,127	\$80,145,667	\$60,364,214
Performance					
Gross Development Profit	-\$20,723,345	-\$27,355,029	-\$27,403,838	-\$34,088,122	\$2,087,285
Residual Land Value (Target Margin)	-\$22,132,096	-\$28,608,714	-\$28,296,248	-\$34,761,334	-\$4,456,355
Residual Land Value (TM) / SQM	-\$13,357	-\$17,265	-\$17,077	-\$20,978	-\$2,689
Project Internal Rate of Return (IRR)	-37.8%	-36.3%	-46.7%	-42.9%	7.3%
Residual Land Value (NPV)	-\$15,461,086	-\$20,478,107	-\$20,336,707	-\$25,242,138	-\$276,218
Residual Land Value (NPV) / SQM	-\$9,331	-\$12,359	-\$12,273	-\$15,234	-\$167

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 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 Dandenong. This information informs market responsive housing options.

A.2 Dandenong

Dandenong is a suburb located approximately 29 kilometres southeast of Melbourne's CBD, within the City of Greater Dandenong. It is a commercial, civic, industrial and transport hub at the junction of several major roads, with a central train station serving metropolitan and V-line services to Bairnsdale and Traralgon. It is a major activity centre, and has been undergoing urban renewal over the past two decades.

Figure 3: Dandenong and surrounds

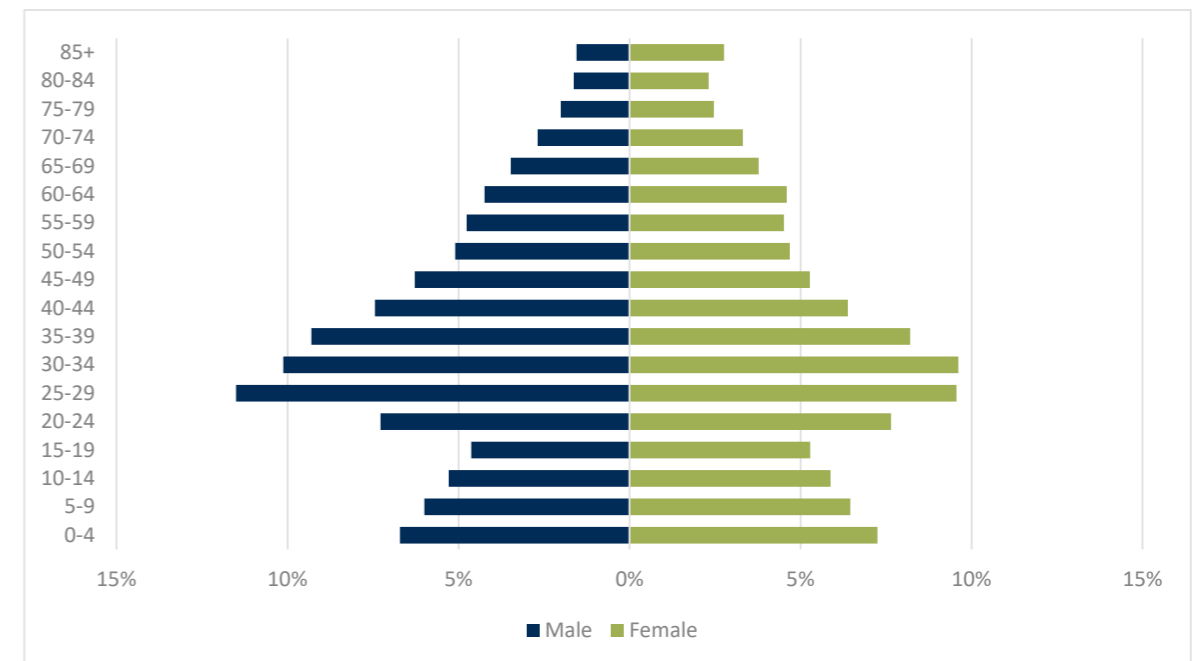


Imagery: CARTO (2025)

At the 2021 Census, Dandenong had an estimated population of 30,127. The median age was 33 years, with over half of all residents aged under 35 years. Only 12.9% of residents were aged over 65 years.

The age pyramid below shows a smaller proportion of teens and those in their early 20s compared to young children, indicating a large presence of young families in the area.

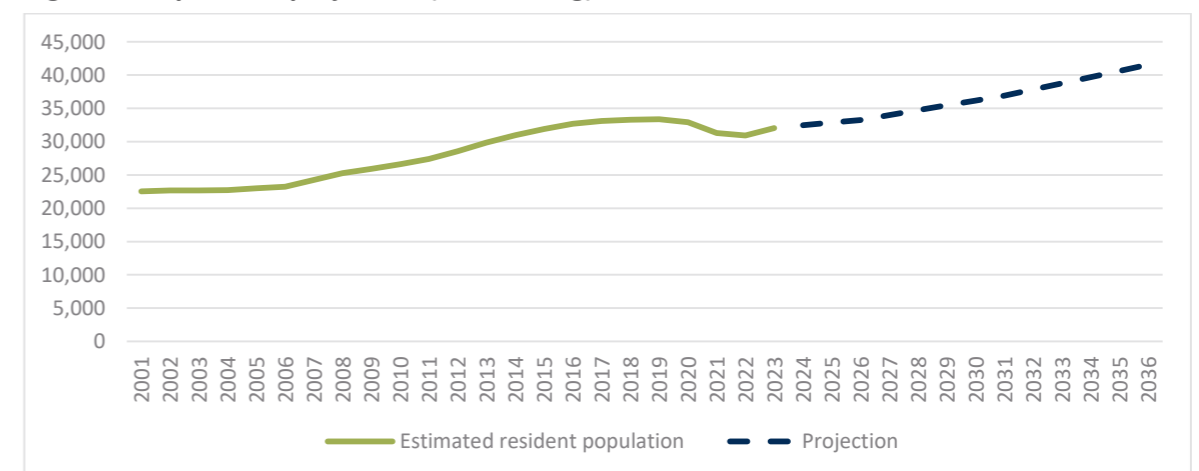
Figure 4: Age distribution in five year age groups (Dandenong)



Source: ABS (2021).

The population of Dandenong experienced steady growth throughout the 2000s and 2010s, before declining due to COVID-19, bringing it back to 2014 levels. Since then, the population has largely recovered and is projected to grow to approximately 41,600 people by 2036, representing an average annual growth rate of around 2.3%.

Figure 5: Population projection (Dandenong)



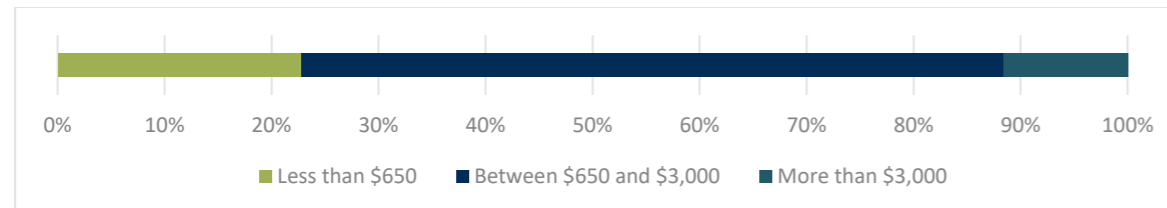
Source: ABS (2025); DTP (2023). Note: Projections are based on the combined populations of Dandenong – North and Dandenong – South SA2s.

According to the 2021 Census, in Dandenong:

- The median weekly household income was \$1,267
- The median monthly mortgage repayment was \$1,517
- The median weekly rent was \$319.

Almost one quarter of households reported a total weekly income of less than \$650, with around 12% reporting earning over \$3,000 per week.

Figure 6: Household income ranges (Dandenong)



Source: ABS (2021).

Dandenong is a highly diverse suburb, with around 59.9% of residents born overseas and 71.7% of households using a language other than English. It is home to a significant Afghan community, in particular those of Hazara ancestry, which has more than doubled since 2011. Around 15% of Greater Melbourne’s Afghan population resides in Dandenong as of 2021.

Top countries of birth (excluding Australia):

1. Afghanistan (11.5%)
2. India (9.5%)
3. Sri Lanka (5.4%)

Top languages used at home (excluding English):

1. Hazaraghi (10.1%)
2. Albanian (5.0%)
3. Dari (4.4%)

A.3 Dwelling Profile

Dandenong experienced around a 17% growth in housing in the decade to 2021. While this appears to include a significant increase in semi-detached dwellings and reduction in the number of apartments, this may be partially explained by data discrepancies that result in changes in classification between separate houses, semi-detached, flats, and cabins in the ABS Census.

Table 5: Dwelling structure (Dandenong)

Description	2011		2021		Change	
	#	%	#	%	#	%
Separate house	3,663	43.6%	4,058	41.5%	+395	+10.8%
Semi-detached, row or terrace house, townhouse etc.	678	8.1%	3,827	39.1%	+3,149	+464.5%
Flat or apartment	4,042	48.2%	1,891	19.3%	-2,151	-53.2%
Other dwelling	11	0.1%	8	0.1%	-3	-27.3%
Total	8,394	100.0%	9,784	100.0%	+1,390	+16.6%

Source: ABS (2011; 2021).

In Dandenong, 2 and 3 bedroom dwellings remain the most common, making up an around 80% share of all dwellings in both 2011 and 2021. Smaller dwellings remain a small proportion of total dwellings, though one bedroom dwellings have grown by over 50%. Larger dwellings of 4 or more bedrooms have also seen an over 45% increase, demonstrating a need for various dwelling sizes in the area.

Table 6: Number of bedrooms (Dandenong)

Description	2011		2021		Change	
	#	%	#	%	#	%
None (includes studio apartments or bedsitters)	61	0.8%	29	0.3%	-32	-52.5%
1 bedroom	363	4.5%	554	5.8%	+191	+52.6%
2 bedrooms	3,622	45.1%	4,162	43.6%	+540	+14.9%
3 bedrooms	3,000	37.4%	3,370	35.3%	+370	+12.3%
4 or more bedrooms	985	12.3%	1,435	15.0%	+450	+45.7%
Total	8,031	100.0%	9,550	100.0%	+1,519	+18.9%
Average number of bedrooms per dwelling	2.6	-	2.6	-	-	-

Source: ABS (2011; 2021).

While all household types grew in number between 2011 and 2021, the biggest increase was seen in lone person households (+455) followed by group households (+286). Group households also experienced the largest proportional increase, growing by almost 65%.

Couple families with children remain the most common type at 31.4% of all households. The average household size has grown slightly, from 2.7 in 2011 to 2.8 in 2021.

Table 7: Household composition (Dandenong)

Description	2011		2021		Change	
	#	%	#	%	#	%
Lone person	2,228	25.3%	2,683	26.3%	+455	+20.4%
Group	443	5.0%	729	7.2%	+286	+64.6%
Family	6,118	69.6%	6,773	66.5%	+655	+10.7%
Couple family without children	1,947	22.2%	2,034	20.0%	+87	+4.5%
Couple family with children	2,922	33.2%	3,193	31.4%	+271	+9.3%
One parent family	1,084	12.3%	1,357	13.3%	+273	+25.2%
Other family	165	1.9%	189	1.9%	+24	+14.5%
Total	8,789	100.0%	10,185	100.0%	+1,396	+15.9%
Average household size (no. of persons)	2.7	-	2.8	-		

Source: ABS (2011; 2021).

Between 2021 and 2036, the number of households in Dandenong is projected to grow by almost 3,000 or 30.6%. The largest growth is expected in couple families with children (+1,332) and without children households (+723). Overall, all household types are projected to increase, with proportions to remain largely consistent.

Table 8: Household projections by type (Dandenong)

Description	2021	2026	2031	2036		Change 2021-2036	
				#	%	#	%
Couple family without children	2,136	2,286	2,528	2,859	19.3%	+723	+33.8%
Couple family with children	3,399	3,687	4,137	4,730	31.9%	+1,332	+39.2%
One parent family	1,474	1,543	1,713	1,927	13.0%	+453	+30.7%
Other family	215	241	268	302	2.0%	+87	+40.4%
Lone person	3,292	3,319	3,532	3,847	25.9%	+555	+16.9%
Group	833	916	1,030	1,160	7.8%	+327	+39.3%
Total	11,349	11,993	13,207	14,825	100.0%	+3,476	+30.6%

Source: DTP (2023). Note: Projections are based on the combined populations of Dandenong – North and Dandenong – South SA2s.

Renting remains the most common tenure type in Dandenong, at around 54.2% of all dwellings. The number of dwellings owned outright decreased slightly between 2011 and 2021, and as a share of all dwellings declined by around 4%. Mortgagee households comparatively increased as a proportion of all dwellings by a little over 3%.

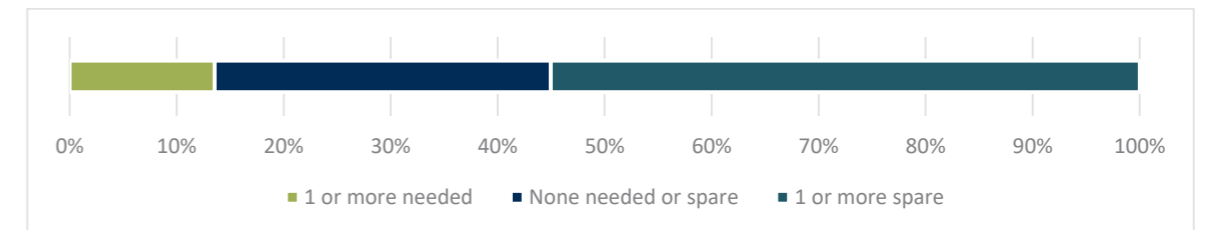
Table 9: Tenure type (Dandenong)

Description	2011		2021		Change	
	#	%	#	%	#	%
Owned outright	1,940	24.4%	1,930	20.2%	-10	-0.5%
Owned with a mortgage	1,658	20.9%	2,300	24.1%	+642	+38.7%
Rented	4,298	54.1%	5,175	54.2%	+877	+20.4%
Other tenure type	54	0.7%	143	1.5%	+89	+164.8%
Total	7,950	100.0%	9,548	100.0%	+1,598	+20.1%

Source: ABS (2011; 2021).

Based on the 2021 Census, a slight majority of households had one or more spare bedrooms, and of these, almost 70% had only one spare. Approximately 14% of households were considered to require at least one additional bedroom, with almost three quarters only requiring one extra bedroom.

Figure 7: Housing suitability (Dandenong)



Source: ABS (2021).

APPENDIX B: MARKET RESEARCH

B.1 Overview

This section provides a profile of the Dandenong property market. This information informs market responsive housing options.

The market research provides assumptions around pricing, demand and development activity, which are essential for evaluating the viability of housing options.

B.2 Residential Market Context

Residential prices in metropolitan Melbourne are now rising 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 stabilised 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 Dandenong Residential Market

The Dandenong residential market has shown resilience amid broader metropolitan fluctuations. While metropolitan Melbourne's median house prices have softened, Dandenong's housing values have remained relatively stable, now aligning closely with the metropolitan median.

B.4 Apartment Sales Evidence

Recent sales data for apartments (any age of building) in Dandenong indicate the following values:

- 1-bedroom apartments: Median price of \$282,500,
- 2-bedroom apartments: Median price of \$372,500
- 3+ bedroom apartments: Median price of \$540,000.

Recent examples of sales of modern residential apartments are shown below.

204/8 Podmore Street, Dandenong, Vic 3175

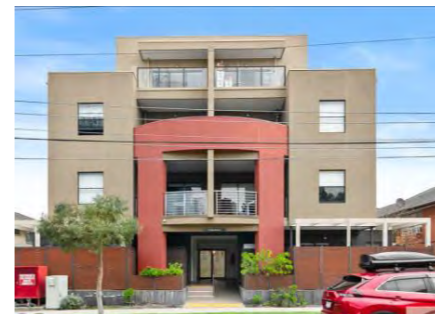
- 2-bedroom apartment (approx. 63 sqm), one car space
- Sold Date: 13th Oct
- Sold Price: \$347,500 (\$5,515 / sqm)



Source: RP Data Professional

4/3 Close Avenue, Dandenong, Vic 3175

- 2-bedroom apartment (approx. 60 sqm), one car space
- Sold date: 1st Oct 2025
- Sold Price: \$340,000 (\$5,666/ sqm)



Source: RP Data Professional

216/80 Cheltenham Road, Dandenong, Vic 3175

- 2-bedroom apartment (approx. 57sqm), one car space
- Sold date: 22nd August 2025
- Sold Price: \$405,000 (\$7,105/sqm)



Source: RP Data Professional

325/80 Cheltenham Road, Dandenong, Vic 3175

- 2-bedroom apartment, one car space
- Sold date: 25th August 2025
- Sold Price: \$405,000



Source: RP Data Professional

B.5 Recent Listings

Apartment listings in Dandenong are priced as follows:

- 3-bedroom apartment (approx. 100 sqm): Asking \$590,000 - \$649,000 (approx. \$5,900 - \$6,500/sqm)
- 2-bedroom apartment (approx. 75 sqm): Asking \$370,000 - \$407,000 (approx. \$5,300 - \$5,800/sqm)
- 2-bedroom apartment (approx. 55 sqm): Asking \$360,000 - \$390,000 (approx. \$6,000 - \$6,500/sqm).

B.6 Development Pipeline

No new residential apartment developments are currently for sale in Dandenong. Despite this, several modern apartment buildings have recently been completed or are under construction, indicating ongoing investment in medium- and high-density housing.

Table 10: Recent apartment and townhouse developments in Dandenong

Address	Type	Description	Completion Year
11 King Street	New	Construction of 1 x 2-bedroom x 2-storey & 6 x 2-bedroom x 3-storey dwellings.	2025
4 Podmore Street (Lot 2)	New	Construction of 4 x 3-bedroom x 2-storey townhouses.	2026
7 Abbott Street	New	Construction of a 6-storey residential development configured in a U shape to support an internal courtyard comprising 65 apartments (39 x 1, 23 x 2, 3 x 3 bedroom) & an ancillary office 100 sqm.	2028

Address	Type	Description	Completion Year
44 Scott Street (Lot 2)	New	Construction of 3 x 2-bedroom & 3 x 3-bedroom x 2-storey townhouses.	2026
145-151 Stud Road	New	Construction of 8 x 2-bedroom, 5 x 3-bedroom & 1 x 4-bedroom x 2-storey townhouses.	2026
18-24 Scott Street	New	Construction of a 13-storey residential building comprising 86 apartments.	2028
15 King Street (Lots 1 & 2)	New	Demolition of the existing building. Construction of a 4-storey residential building comprising 14 x 1 & 2-bedroom units.	2026
33-35 Wilma Avenue (Lots 144 & 145)	New	Construction of 1 x 2-bedroom x 1-storey & 3 x 2-bedroom & 3 x 3-bedroom x 2-storey dwellings.	2026
23 Power Street (Lot 13)	New	Construction of 5 x 3-bedroom x 2-storey townhouses.	2027
23-55 McCrae Street	New	Redevelopment of the Dandenong Plaza may comprise construction of shops, offices, apartments & a hotel.	2029
58 Princes Highway	New	Construction of a 4-storey residential building to comprise 14 apartments (3 x 1, 11 x 2-bedroom).	2027
1452 Heatherton Road (Lot 13)	New	Reconfiguration into four lots. Construction of 1 x 2-bedroom & 3 x 3-bedroom x 2-storey townhouses.	2027
11 Ann Street (Lot 1 & 2)	New	Construction of 6 x 3-bedroom x 2-storey townhouses. Car parking for 10 vehicles. Associated landscaping.	2027

Source: Cordell Connect

B.7 Retail and Commercial Property

The latest available data shows that retail centres across metropolitan Melbourne are experiencing falling vacancy rates in the mid-2020s. This may be due to:

- A rebound in population following the pandemic
- More people working from home, and
- A long-term structural re-adjustment of lease terms, spurred by high vacancies during the pandemic, leading to reduced rents and more flexible lease terms.

The average vacancy rate of selected strip centres that are assessed by real estate firm Fitzroys was 6.3% in 2024. This is slightly better than the Melbourne CBD retail vacancy rate of 6.9%, which is reported to have the lowest CBD retail vacancy rate in Australia.

The office market is not as positive. The Melbourne CBD office market reported a vacancy rate of 18.0% in mid-2024. This is the highest level since the late-1990s. Tenant demand is reported to be soft and rents remain subdued. A reported issue is the trend towards flexible work practices and working from home.

Office vacancy rates in Southbank are like the CBD, whereas the St Kilda Road office market reported a very high vacancy rate at over 27%. St Kilda Road has older office stock and is less accessible to the main train stations in the city.

The broader inner metropolitan office market is performing better, reporting a 10% vacancy rate. This relates to less stock to absorb and a trend towards decentralisation of some work activities.

The relatively high vacancy rates and weak demand conditions in the state’s prime office markets has a knock-on effect to office markets elsewhere including Dandenong.

B.8 Retail Market in Dandenong

The retail property sector in Dandenong is demonstrating resilience and signs of recovery, underpinned by population growth, stable employment and evolving consumer preferences.

Retail properties in Dandenong are typically small-format shopfronts, serving both the residential catchment and passing trade.

There are currently over 30 retail properties for lease in Dandenong, reflecting active leasing conditions.

Recent retail property transactions in Dandenong show that many have transacted off-market or via private treaty. Sales information is shown below.

Table 11: Dandenong retail sales

Address	Sale Price	Sale Date	Floorspace	\$/sqm	Type
40 High Street	\$250,000	May 2023	74 sqm	\$3,378	Single-storey retail
34A Gladstone Road	\$500,000	2025	69 sqm	\$7,246	Tenanted retail investment
36–37/249 Lonsdale Street	Not disclosed	May 2025	36 sqm	N/A	Arcade retail units

Source: RP Data Professional; HillPDA

B.9 Commercial Market in Dandenong

Recent office property transactions in Dandenong highlight interest from investors, particularly in well-located strata offices and freehold buildings with development potential. Sales have occurred both via private treaty and auction, reflecting a mix of confidential negotiations and competitive bidding.

The available data indicates price points ranging from \$4,382/sqm to \$4,818/sqm, with an average of approximately \$4,538/sqm across three recorded transactions.

These figures provide useful benchmarks for assessing the value of small-format office spaces in central Dandenong.

Table 12: Dandenong office sales

Address	Sale Price	Sale Date	Floorspace (sqm)	\$/sqm	Notes
Shop 8, 131–147 Walker Street	\$530,000	2025	110	\$4,818/sqm	No GST payable; located in Hub Arcade
Shop 9, 249–253 Lonsdale Street	\$149,000	2025	34	\$4,382/sqm	Ground floor office/shop in Vanity Court
28/249–253 Lonsdale Street	N/A	2025	24	N/A	Entry-level office investment
5/61 Robinson Street	\$490,000	2025	111	\$4,414/sqm	Office space with development potential
207 Lonsdale Street	N/A	Auction Oct 30	471	N/A	Dual income opportunity; redevelopment site
63–65 Walker Street	N/A	2025	689	N/A	Three-level freehold building
53–59 Walker Street (Cnr Thomas Street)	N/A	2025	753	N/A	Corner freehold office & education building

Source: RP Data Professional; HillPDA

B.10 Investment Proposals

Capital Alliance

Capital Alliance are working in partnership with Development Victoria on the Revitalising Central Dandenong (RCD) project.

Capital Alliance are undertaking projects around the Train Station / South-Western CBD precinct, including:

- Apartments
- Offices
- Retail
- Replacement of Little India.

Dandenong Square Shopping Centre

Dandenong Square is a 53,000 sqm regional centre anchored by two discount department stores, three supermarkets, cinema, mini majors and speciality stores.

Centre trading performance has been relatively flat in recent years and lower than what was reported five years ago. Turnover was reported at approximately \$200m in 2020, down to \$176 in 2024. Annual pedestrians estimate was 10 million in 2020.

The centre owner, Pelligra, has plans for a refresh to selected spaces and amenities in the centre.

B.11 Summary

To assess new developments, we adopt the following sales assumptions for Dandenong (as at October 2025):

- Retail / commercial: \$4,400/sqm to \$7,300/sqm
- Apartment: \$5,500/sqm to \$7,100/sqm
- Car space: \$75,000
- Townhouse: \$4,500/sqm to \$5,800/sqm.

APPENDIX C: FEASIBILITY MODEL DATA

The sheet overleaf shows a summary of the modelling scenarios.

- Low-mid range cost no parking
- Low-mid range cost with parking
- Mid-high range cost no parking
- Mid-high range cost with parking
- Four other scenarios showing various revenue increases for the options.

After that sheet, more detailed modelling data is shown for the base feasibility mode: low-mid range cost no parking feasibility.

ARGUS EstateMaster Development Feasibility		1	2	3	4	5	6	7	8
COMPARISON OF OPTIONS		Low-Mid Range Cost No Parking	Low-Mid Range Cost With Parking	Mid-High Range Cost No Parking	Mid-High Range Cost With Parking	OPT 1 62%	OPT 2A 82%	OPT3A 92%	OPT4A 98%
Adaptive reuse, Dandenong		1	2	3	4	5	6	7	8
Licensed to: Hill PDA Pty Ltd		9,692 GFA 1,657.27 SqM	9,692 GFA 1,657.27 SqM	9,692 GFA 1,657.27 SqM	9,692 GFA 1,657.27 SqM	9,692 GFA 1,657.27 SqM	9,692 GFA 1,657.27 SqM	9,692 GFA 1,657.27 SqM	9,692 GFA 1,657.27 SqM
Residential Under Review		Residential Under Review	Residential Under Review	Residential Under Review	Residential Under Review	Residential Under Review	Residential Under Review	Residential Under Review	Residential Under Review
Revenues									
Gross Sales Revenue	41,166,177	47,061,496	41,166,177	47,061,496	63,807,574	85,651,923	79,039,059	93,181,762	
Less Selling Costs	(874,887)	(1,003,951)	(874,887)	(1,003,951)	(1,356,075)	(1,827,191)	(1,679,784)	(1,987,823)	
Less Purchasers Costs	-	-	-	-	-	-	-	-	
NET SALES REVENUE	40,291,289	46,057,545	40,291,289	46,057,545	62,451,498	83,824,732	77,359,275	91,193,939	
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)	40,291,289	46,057,545	40,291,289	46,057,545	62,451,498	83,824,732	77,359,275	91,193,939	
Less GST paid on all Revenue	-	-	-	-	-	-	-	-	
TOTAL REVENUE (after GST paid)	40,291,289	46,057,545	40,291,289	46,057,545	62,451,498	83,824,732	77,359,275	91,193,939	
Costs									
Land Purchase Cost	2,485,905	2,485,905	2,485,905	2,485,905	2,485,905	2,485,905	2,485,905	2,485,905	
Land Acquisition Costs	154,556	154,556	154,556	154,556	154,556	154,556	154,556	154,556	
Construction (inc. Construct. Contingency)	59,252,744	71,369,526	66,096,766	78,213,581	59,252,744	71,369,526	66,096,766	78,213,581	
Professional Fees	1,171,467	1,354,897	1,274,128	1,457,557	1,176,657	1,363,836	1,282,808	1,468,241	
Statutory Fees	291,118	291,118	291,118	291,118	291,118	291,118	291,118	291,118	
Miscellaneous Costs 1	-	-	-	-	-	-	-	-	
Misc 2	-	-	-	-	-	-	-	-	
Marketing	366,962	420,354	366,962	420,354	568,791	765,044	704,567	832,300	
Project Contingency (Reserve)	-	-	-	-	-	-	-	-	
Land Holding Costs	95,128	107,959	95,128	107,959	95,128	107,959	95,128	107,959	
Pre-Sale Commissions	262,061	306,396	262,061	306,396	406,195	557,641	503,157	606,665	
Finance Charges (inc. Fees)	162,945	196,266	181,766	215,087	162,945	196,266	181,766	215,087	
Interest Expense	2,416,390	3,512,088	2,764,607	3,912,875	1,490,484	2,156,007	1,603,770	2,334,626	
TOTAL COSTS (before GST reclaimed)	66,659,276	80,199,064	73,972,997	87,565,387	66,084,523	79,447,857	73,399,542	86,710,037	
Less GST reclaimed	(5,644,642)	(6,786,490)	(6,277,870)	(7,419,721)	(5,720,310)	(6,916,319)	(6,404,441)	(7,574,882)	
Plus Corporate Tax	-	-	-	-	-	-	-	-	
TOTAL COSTS (after GST reclaimed)	61,014,634	73,412,574	67,695,127	80,145,667	60,364,214	72,531,538	66,995,101	79,135,155	
Performance Indicators									
Gross Development Profit	(20,723,345)	(27,355,029)	(27,403,838)	(34,088,122)	2,087,285	11,293,194	10,364,174	12,058,784	
Net Developer's Profit after Profit Share	(20,723,345)	(27,355,029)	(27,403,838)	(34,088,122)	2,087,285	11,293,194	10,364,174	12,058,784	
Development Margin (Profit/Risk Margin)	(33.92%)	(37.22%)	(40.43%)	(42.48%)	3.45%	15.53%	15.43%	15.20%	
Target Development Margin	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	
Residual Land Value (Target Margin)	(22,132,096)	(28,608,714)	(28,296,248)	(34,761,334)	(4,456,355)	1,084,695	1,122,582	748,031	
Break-even Date for Cumulative Cash Flow	N.A. (No Profit)	N.A. (No Profit)	N.A. (No Profit)	N.A. (No Profit)	Dec-2028	Mar-2029	Nov-2028	Mar-2029	
Discount Rate (Target IRR)	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	
Net Present Value	(17,614,927)	(22,539,122)	(22,400,337)	(27,215,006)	(2,711,017)	1,692,005	2,529,840	1,744,146	
Benefit Cost Ratio	0.610	0.571	0.551	0.524	0.940	1.032	1.050	1.030	
Project Internal Rate of Return (IRR)	(37.85%)	(36.25%)	(46.89%)	(42.86%)	7.34%	18.38%	21.41%	18.24%	
Residual Land Value (NPV)	(15,461,086)	(20,478,107)	(20,336,707)	(25,242,138)	(276,218)	4,209,806	5,063,436	4,262,930	
Peak Debt Exposure	48,939,568	58,846,932	54,214,753	64,161,007	48,756,385	58,618,331	54,166,587	63,967,069	
Date of Peak Debt Exposure	Aug-2028	Dec-2028	Aug-2028	Dec-2028	Aug-2028	Dec-2028	Aug-2028	Dec-2028	
Break-even Date for Project Overdraft	N.A.	N.A.	N.A.	N.A.	Nov-2028	Feb-2029	Oct-2028	Feb-2029	
Total Equity Contribution	20,723,345	27,355,029	27,403,838	34,088,122	11,887,448	14,190,684	13,210,886	15,490,244	
Peak Equity Exposure	20,723,345	27,355,029	27,403,838	34,088,122	11,887,448	14,190,684	13,210,886	15,490,244	
Date of Peak Equity Exposure	Feb-2029	Jun-2029	Feb-2029	Jun-2029	Jul-2027	Aug-2027	Jul-2027	Aug-2027	
IRR on Equity	N.A.	N.A.	N.A.	N.A.	7.59%	26.28%	30.06%	26.09%	
Weighted Average Cost of Capital (WACC)	11.31%	11.59%	11.79%	11.96%	8.40%	8.40%	8.40%	8.40%	

Yield Analysis		1	2	3	4	5	6	7	8
Sales									
Residential - 1 Bedroom Units	Qty SqM	42 -	42 -	42 -	42 -	42 -	42 -	42 -	42 -
Residential - 2 Bedroom Units	Qty SqM	30 -	30 -	30 -	30 -	30 -	30 -	30 -	30 -
Residential - 3 Bedroom Units	Qty SqM	6 -	6 -	6 -	6 -	6 -	6 -	6 -	6 -
Commercial Office	Qty SqM	-	-	-	-	-	-	-	-
TOTAL		78 1,187	78 1,187	78 1,187	78 1,187	78 1,187	78 1,187	78 1,187	78 1,187
Tenancies									
TOTAL		-	-	-	-	-	-	-	-

Build to Rent Analysis		1	2	3	4	5	6	7	8
Development Phase		Jan-2026 - Aug-2028	Jan-2026 - Dec-2028	Jan-2026 - Aug-2028	Jan-2026 - Dec-2028	Jan-2026 - Aug-2028	Jan-2026 - Dec-2028	Jan-2026 - Aug-2028	Jan-2026 - Dec-2028
Development Margin		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Net Present Value		13,940,522	17,280,433	15,418,366	18,816,164	13,483,493	16,595,820	14,963,781	18,093,089
Internal Rate of Return		32.57%	27.25%	33.16%	27.57%	31.33%	25.97%	31.88%	26.27%
Equity IRR		49.60%	42.05%	50.67%	42.65%	49.32%	41.73%	50.39%	42.33%
Adopted Handover Value		72,917,511	87,515,574	80,785,465	95,426,654	72,772,600	87,370,819	80,852,968	95,348,775
Investment Phase		No Investment Phase	No Investment Phase	No Investment Phase	No 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.	N.A.	N.A.	N.A.	N.A.
Internal Rate of Return (IRR)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Break-even Date		N.A. (No Profit)	N.A. (No Profit)	N.A. (No Profit)	N.A. (No Profit)	Dec-2028	Mar-2029	Nov-2028	Mar-2029
Investment Hold Period		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Terminal Capitalised Value		-	-	-	-	-	-	-	-

Footnotes (based on current Preferences):

- Development Profit is total revenue less total cost including interest paid and received
- Developer's Net Profit after distribution of profit share.
- Development Margin: is profit divided by total costs (exc selling & leasing costs)
- Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.
- Break-even date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
- Net Present Value: is the project's cash flow stream discounted to present value.
- It excludes all financing costs, interest and corp tax.
- Benefit Cost Ratio: is the ratio of discounted incomes to discounted costs and excludes all financing costs, interest and corp tax.
- Internal Rate of Return: is the discount rate where the NPV above equals Zero.
- Residual Land Value (based on NPV) is the purchase price for the land to achieve a zero NPV.
- Payback date for the equity/total facility is the last date when total equity/debt is repaid.
- 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 : Adaptive reuse, Dandenong

Low-Mid Range Cost No Parking : 1

Date of Report :	21-Nov-2025	Project Size :	
Time Span :	Jan-26 to Feb-29 (37 Months)	Project Size :	9,692 GFA
Type :	Residential	Project Size :	1 per 0.17 SqM of Site Area
Status :	Under Review	FSR :	:1
Site Area :	1,657.27 SqM	Equated GFA :	SqM
Prepared By :	Hill PDA	Address :	266-284 Lonsdale Street, Dandenong
Prepared For :	McP Studio for MAV		Dandenong
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 Adaptive reuse, Dandenong

Low-Mid Range Cost No Parking - 1

PROJECT CASH FLOW		TOTAL	GST	0	1	2	3	4	5	6	7	8	9	10	11	12	13
				Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Units Sold		78.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cumulative Units Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	% Units Sold	1,187.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cumulative % Units Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD Sold		41,166,177	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cumulative AUD Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	% AUD Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cumulative % AUD Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Handover Summary		78.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cumulative Units Handover	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	% Units Handover	1,187.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cumulative % Units Handover	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Cash Flow		40,291,289	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue		41,166,177	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross Sales Revenue	(874,887)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Selling Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Leasing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Interest Received*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GST (Revenues/Liabilities)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL NET REVENUE	40,291,289	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs		2,645,461	251,833	3,243	3,243	2,382,141	-	-	-	-	-	-	-	-	-	-	-
	Land and Acquisition	1,171,467	-	-	85,692	85,692	85,692	85,692	30,692	30,692	30,692	30,692	30,692	30,692	30,692	30,692	30,692
	Professional Fees	59,252,744	-	-	141,796	151,924	177,244	177,244	222,822	283,591	324,104	364,617	425,387	455,771	455,771	324,104	-
	Construction Costs	291,118	-	-	-	-	-	-	66,458	-	-	-	-	-	-	-	-
	Stationery Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Miscellaneous Costs 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Misc 2	366,982	-	-	-	-	-	-	-	-	-	-	-	-	-	17,474	17,474
	Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Project Contingency (Reserve)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Land Holding Costs	95,128	30,625	-	-	-	-	-	-	-	-	-	-	-	-	31,697	26,208
	Pre-Sale Commissions	162,945	-	162,945	-	-	-	-	-	-	-	-	-	-	-	-	-
	Financing Costs (inc. Fees)	18,644,622	-	-	-	118,813	(20,981)	(21,961)	(23,961)	(26,961)	(30,961)	(35,961)	(41,961)	(48,961)	(56,961)	(65,961)	(75,961)
	GST (Benefits/Over Credits)	58,598,244	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL COSTS	282,458	166,188	230,731	2,804,945	242,256	241,335	295,069	290,380	331,750	366,738	423,825	450,527	494,173	534,253	584,253	634,253
	Net Cash Flow (before Interest & Corporate Tax)	(282,458)	(166,188)	(230,731)	(2,804,945)	(242,256)	(241,335)	(295,069)	(290,380)	(331,750)	(366,738)	(423,825)	(450,527)	(494,173)	(534,253)	(584,253)	(634,253)
	Cumulative Cash Flow	(282,458)	(448,646)	(679,377)	(3,284,322)	(3,526,578)	(3,767,913)	(4,009,982)	(4,300,362)	(4,632,112)	(5,005,850)	(5,429,588)	(5,903,326)	(6,427,064)	(6,950,802)	(7,474,540)	(7,998,278)
	Net Cash Flow (before Interest & after Corporate Tax)	(18,306,955)	(282,458)	(166,188)	(230,731)	(2,804,945)	(242,256)	(241,335)	(295,069)	(290,380)	(331,750)	(366,738)	(423,825)	(450,527)	(494,173)	(534,253)	(584,253)
	Cumulative Cash Flow	(282,458)	(448,646)	(679,377)	(3,284,322)	(3,526,578)	(3,767,913)	(4,009,982)	(4,300,362)	(4,632,112)	(5,005,850)	(5,429,588)	(5,903,326)	(6,427,064)	(6,950,802)	(7,474,540)	(7,998,278)
Financing		20,723,345	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Manual Adjustments (Inject + / Repay -)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Interest Charged	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Less Profit Share	(20,723,345)	(282,458)	(448,646)	(679,377)	(3,284,322)	(3,526,578)	(3,767,913)	(4,009,982)	(4,300,362)	(4,632,112)	(5,005,850)	(5,429,588)	(5,903,326)	(6,427,064)	(6,950,802)	(7,474,540)
	Equity Cash Flow	(20,723,345)	(282,458)	(448,646)	(679,377)	(3,284,322)	(3,526,578)	(3,767,913)	(4,009,982)	(4,300,362)	(4,632,112)	(5,005,850)	(5,429,588)	(5,903,326)	(6,427,064)	(6,950,802)	(7,474,540)
	Project Cash Account	(20,723,345)	(282,458)	(448,646)	(679,377)	(3,284,322)	(3,526,578)	(3,767,913)	(4,009,982)	(4,300,362)	(4,632,112)	(5,005,850)	(5,429,588)	(5,903,326)	(6,427,064)	(6,950,802)	(7,474,540)
	Surplus Cash Injection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cash Reserve Drawdown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Interest on Surplus Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Surplus Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Table for Adaptive reuse, Dandenong

Low-Mid Range Cost No Parking - 1

PROJECT CASH FLOW		TOTAL	GST	0	1	2	3	4	5	6	7	8	9	10	11	12	13
				Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Senior Loan - Bank		Debt															
	Drawdown	(47,300,007)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	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%	7.50%
	Interest Charged	(2,416,360)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fees Charged (Application, Line & Standby)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Interest & Fees Paid by other Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Loan Repayment	49,716,488	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Interest & Fees	2,416,360	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Principal	47,300,007	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Loan Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	% of Project & Finance Costs (inc Interest Fees and net of GST)	2,416,360	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Senior Loan Cash Flow	60.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Interest Coverage Ratio	0.81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Debt Service Ratio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	% of Project & Finance Costs (inc Interest Fees and net of GST)	43.81%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Equity to Debt Ratio	60.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Debt Interest Coverage Ratio	0.81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Net Cash Flow (after Interest & Corporate Tax)	(20,723,345)	(282,458)	(448,646)	(679,377)	(3,284,322)	(3,526,578)	(3,767,913)	(4,009,982)	(4,252,047)	(4,494,112)	(4,736,177)	(4,978,242)	(5,220,307)	(5,462,372)	(5,704,437)	(5,946,502)
	Cumulative Cash Flow**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary		(3,314,265)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GST Liability on Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Withheld by Purchaser	(3,314,265)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Net GST Liability (Credit / Debt)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV																	
	Cash Flow that excludes all financing costs, interest and corp tax	15.00%	(282,458)	(166,188)	(230,731)	(2,804,945)	(242,256)	(241,335)	(295,069)	(290,380)	(331,750)	(366,738)	(423,825)	(450,527)	(494,173)	(534,253)	(584,253)
	Static Discount Rate (per ann. effective)	(17,614,827)	(3,205)	(225,418)	(2,529,803)	(231,229)	(227,683)	(275,153)	(287,645)	(302,235)	(330,242)	(377,229)	(396,352)	(420,718)	(450,479)	(480,239)	(510,000)
	NPV of Future Cash Flows	(17,614,827)															

Cash Flow Table for Adaptive reuse, Dandenong

PROJECT CASH FLOW	TOTAL	GST	28	29	30	31	32	33	34	35	36	37
			May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29
Sale Summary												
Units Sold	78.00	-	-	-	-	7.75	7.75	7.75	7.75	-	-	-
Cumulative Units Sold			47.00	47.00	47.00	47.00	54.75	62.50	70.25	78.00	78.00	78.00
% Units Sold	60.3%	-	60.3%	60.3%	60.3%	60.3%	70.2%	80.1%	90.1%	100.0%	100.0%	100.0%
Sqm Sold	1,187.00	-	-	-	-	296.75	296.75	296.75	296.75	-	-	-
Cumulative SqM Sold			-	-	-	296.75	593.50	890.25	1,187.00	1,187.00	1,187.00	1,187.00
% SqM Sold	-	-	-	-	-	25.0%	50.0%	75.0%	100.0%	100.0%	100.0%	100.0%
AUD Sold	41,166,177	-	-	-	-	5,342,817	5,360,354	5,378,153	5,396,012	-	-	-
Cumulative AUD Sold			19,689,041	19,689,041	19,689,041	25,031,858	30,392,212	35,770,165	41,166,177	41,166,177	41,166,177	41,166,177
% AUD Sold	-	-	47.8%	47.8%	47.8%	47.8%	60.8%	73.8%	88.9%	100.0%	100.0%	100.0%
Handover Summary												
Units Handed Over	78.00	-	-	-	-	54.75	7.75	7.75	7.75	-	-	-
Cumulative Units Handed Over			-	-	-	54.75	62.50	70.25	78.00	78.00	78.00	78.00
% Units Handed Over	100.0%	-	-	-	-	70.2%	80.1%	90.1%	100.0%	100.0%	100.0%	100.0%
Sqm Handed Over	1,187.00	-	-	-	-	296.75	296.75	296.75	296.75	-	-	-
Cumulative SqM Handed Over			-	-	-	296.75	593.50	890.25	1,187.00	1,187.00	1,187.00	1,187.00
% SqM Handed Over	100.0%	-	-	-	-	25.0%	50.0%	75.0%	100.0%	100.0%	100.0%	100.0%
AUD Handed Over	41,166,177	-	-	-	-	25,031,858	30,392,212	35,770,165	41,166,177	41,166,177	41,166,177	41,166,177
Cumulative AUD Handed Over			-	-	-	25,031,858	30,392,212	35,770,165	41,166,177	41,166,177	41,166,177	41,166,177
% AUD Handed Over	100.0%	-	-	-	-	60.8%	73.8%	88.9%	100.0%	100.0%	100.0%	100.0%
Project Cash Flow												
Revenue												
Gross Sales Revenue	41,166,177	-	-	-	-	25,031,858	5,360,354	5,378,153	5,396,012	-	-	-
Selling Costs	(874,867)	-	-	-	-	(456,274)	(138,060)	(138,537)	(138,892)	-	-	-
Gross Rental Income	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-	-	-	-	-	-	-
GST (Revenues & Inclusions)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET REVENUE	40,291,289	-	-	-	-	24,575,584	5,222,280	5,239,615	5,257,030	-	-	-
Costs												
Land and Acquisition	2,645,461	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	1,171,467	-	-	-	-	-	-	-	-	-	-	-
Construction Costs	59,252,744	5,857,351	4,165,228	3,644,574	3,384,247	-	-	-	-	-	-	-
Stability Fees	291,118	-	-	-	-	156,612	-	-	-	-	-	-
Miscellaneous Costs 1	-	-	-	-	-	-	-	-	-	-	-	-
Misc 2	366,962	17,474	17,474	17,474	17,474	17,474	-	-	-	-	-	-
Marketing	-	-	-	-	-	-	-	-	-	-	-	-
Project Contingency (Reserve)	-	-	-	-	-	-	-	-	-	-	-	-
Land Holding Costs	95,128	-	-	-	-	-	-	-	-	-	-	-
Pre-Sale Commissions	262,061	-	-	-	-	-	-	-	-	-	-	-
Financing Costs (inc. Fees)	162,845	-	-	-	-	-	-	-	-	-	-	-
GST (Expenditures/Excl. Credits)	(5,644,662)	(501,368)	(538,865)	(536,865)	(583,698)	(535,708)	(312,088)	(48,131)	(14,526)	(12,584)	(12,635)	
TOTAL COSTS	68,566,244	(4,044,152)	(3,676,529)	(3,155,876)	(3,049,378)	(24,703,309)	(5,534,298)	(5,285,746)	(5,269,584)	(12,594)	(12,635)	(12,635)
Net Cash Flow (before Interest & Corporate Tax)	(18,306,955)	(49,243,337)	(52,919,867)	(56,075,742)	(59,125,121)	(34,421,812)	(28,887,514)	(23,601,768)	(18,332,184)	(18,319,590)	(18,306,955)	(18,306,955)
Cumulative Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Tax	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)	(18,306,955)	(49,243,337)	(52,919,867)	(56,075,742)	(59,125,121)	(34,421,812)	(28,887,514)	(23,601,768)	(18,332,184)	(18,319,590)	(18,306,955)	(18,306,955)
Cumulative Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Financing												
Developer's Equity												
Manual Adjustments (Inject + / Repay -)												
Interest Charged	20,723,345	-	-	-	-	-	-	-	-	-	-	-
Equity Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Less Profit Share	(20,723,345)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)
Equity Cash Flow	(20,723,345)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)	(11,825,024)
Project Cash Account												
Surplus Cash Injection	-	-	-	-	-	-	-	-	-	-	-	-
Cash Reserve Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Surplus Cash	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-

Low-Mid Range Cost No Parking - 1

Cash Flow Table for Adaptive reuse, Dandenong

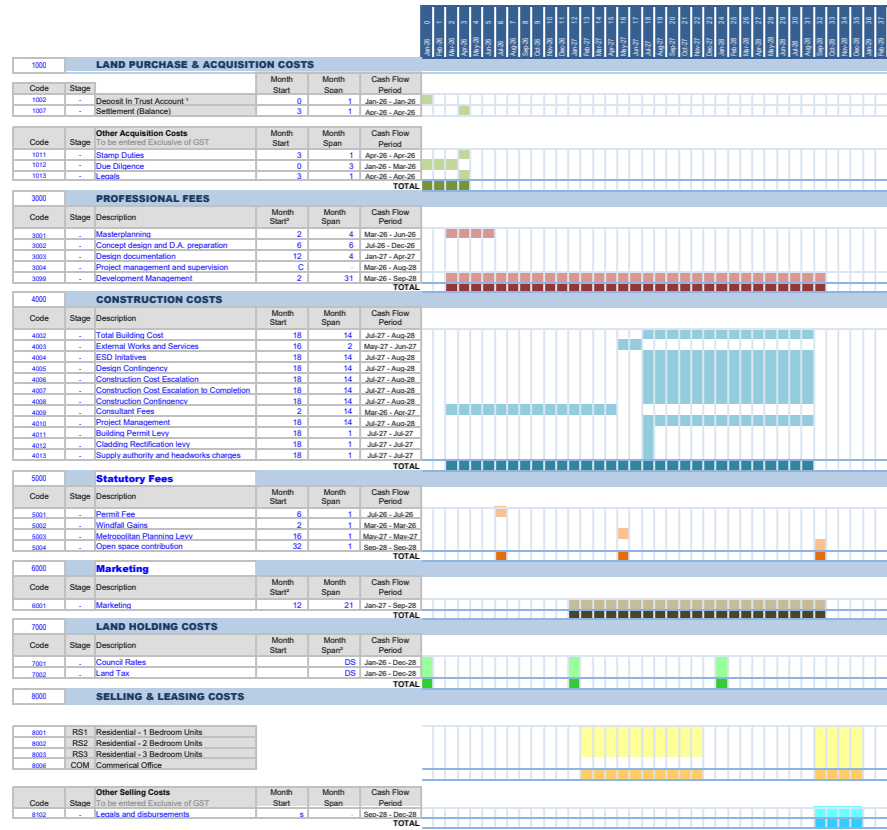
PROJECT CASH FLOW	TOTAL	GST	28	29	30	31	32	33	34	35	36	37
			May-28	Jun-28	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29
Senior Loan - Bank												
Drawdown	(47,300,007)	(5,404,152)	(3,676,529)	(3,155,876)	(3,049,378)	-	-	-	-	-	-	-
Loan Interest Rate (%)		7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Interest Charged	(2,416,386)	(204,135)	(236,187)	(263,660)	(285,032)	(305,872)	(315,388)	(319,758)	(319,758)	(319,758)	(319,758)	(319,758)
Fees Charged (Application, Line & Standby)	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Paid by other Loans	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	49,716,486	-	-	-	-	24,703,309	5,534,298	5,285,746	5,269,584	12,594	12,635	12,635
Interest & Fees	2,416,386	-	-	-	-	22,757,865	5,380,909	5,165,989	5,162,114	12,594	12,635	12,635
Principal	47,300,007	-	-	-	-	(24,542,132)	(19,161,222)	(13,995,234)	(8,813,120)	(8,855,608)	(8,813,120)	(8,813,120)
Loan Balance	(38,269,906)	(42,185,622)	(45,605,158)	(48,939,568)	(49,939,568)	(49,939,568)	(49,939,568)	(49,939,568)	(49,939,568)	(49,939,568)	(49,939,568)	(49,939,568)
% of Project & Finance Costs (inc Interest Fees and net of GST)		61.33%	67.35%	72.52%	77.52%	77.52%	77.52%	77.52%	77.52%	77.52%	77.52%	77.52%
Senior Loan Cash Flow	2,416,386	(5,404,152)	(3,676,529)	(3,155,876)	(3,049,378)	24,703,309	5,534,298	5,285,746	5,269,584	12,594	12,635	12,635
Interest Coverage Ratio	60.45	-	-	-	-	60.34	63.75	63.75	63.75	60.10	-	-
Debt Service Ratio	0.81	(38,269,906)	(42,185,622)	(45,605,158)	(48,939,568)	(49,939,568)	(49,939,568)	(49,939,568)	(49,939,568)	(49,939,568)	(49,939,568)	(49,939,568)
% of Project & Finance Costs (inc Interest Fees and net of GST)		61.33%	67.35%	72.52%	77.52%	77.52%	77.52%	77.52%	77.52%	77.52%	77.52%	77.52%
Total Equity to Debt Ratio	43.81%	31.80%	28.77%	26.72%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Total Debt Interest Coverage Ratio	60.45	-	-	-	-	60.34	63.75	63.75	63.75	60.10	-	-
Total Debt Service Ratio	0.81	-	-	-	-	0.80	0.84	0.84	0.84	0.80	-	-
Net Cash Flow (after Interest & Corporate Tax)	(20,723,345)	(5,808,287)	(5,391,716)	(5,419,536)	(5,334,411)	(5,334,411)	(5,334,411)	(5,334,411)	(5,334,411)	(5,334,411)	(5,334,411)	(5,334,411)
Cumulative Cash Flow**	-	(50,054,930)	(54,010,646)	(57,430,182)	(60,764,092)	(63,367,196)	(65,300,909)	(66,835,320)	(68,000,731)	(68,835,142)	(69,301,553)	(69,508,964)
Check Balance	-	-	-	-	-	-	-	-	-	-	-	-
GST Liability Summary												
GST Liability on Revenues	(3,314,265)	-	-	-	-	-	-	(8,303,756)	(335,813)	(337,777)	(337,777)	(337,777)
Withheld by Purchaser	(3,314,265)	-	-	-	-	-	-	(8,303,756)	(335,813)	(337,777)	(337,777)	(337,777)
Net GST Liability (incl. Credit 1/2)	-	-	-	-	-	-	-	-	-	-	-	-
Project IRR & NPV												
Cash Flow that excludes all financing costs, interest and corp tax												
PV for each Month	15.00%	(5,404,152)	(3,676,529)	(3,155,876)	(3,049,378)	24,703,309	5,534,298	5,285,746	5,269,584	12,594	12,635	12,635
NPV of Future Cash Flows	(17,614,927)	(3,900,311)	(2,622,718)	(2,225,232)	(2,125,243)	17,017,440	3,788,282	3,557,370	3,506,427	8,281	8,211	8,211
Variable Discount Rate (per ann. effective)	0.87%	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)	(18,158,823)	-	-	-	-	-	-	-	-	-	-	-

**Includes Net Interest from Interest on Land Acquisition plus Interest received from pre-sale deposits

**Cumulative Cash Flow after Interest & Corporate Tax costs (including Interest on Land Acquisition)

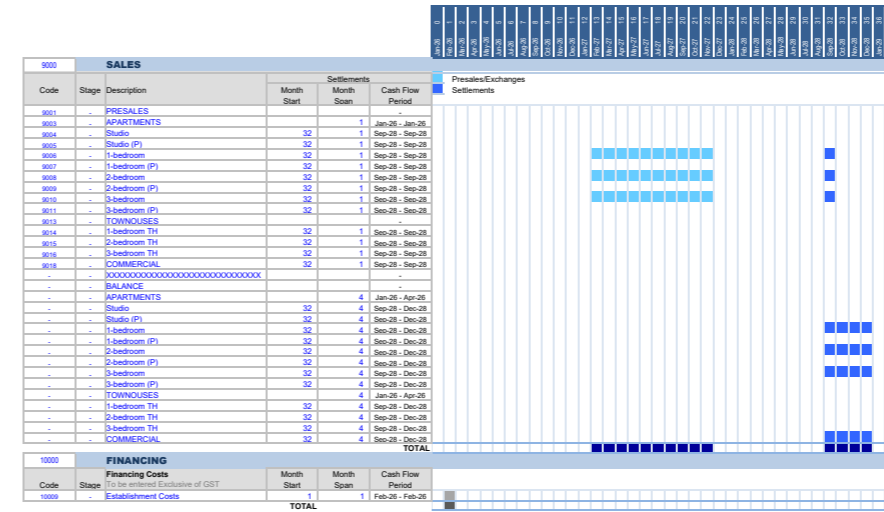
Gantt Chart for Adaptive reuse, Dandenong

Low-Mid Range Cost No Parking - 1



Gantt Chart for Adaptive reuse, Dandenong

Low-Mid Range Cost No Parking - 1

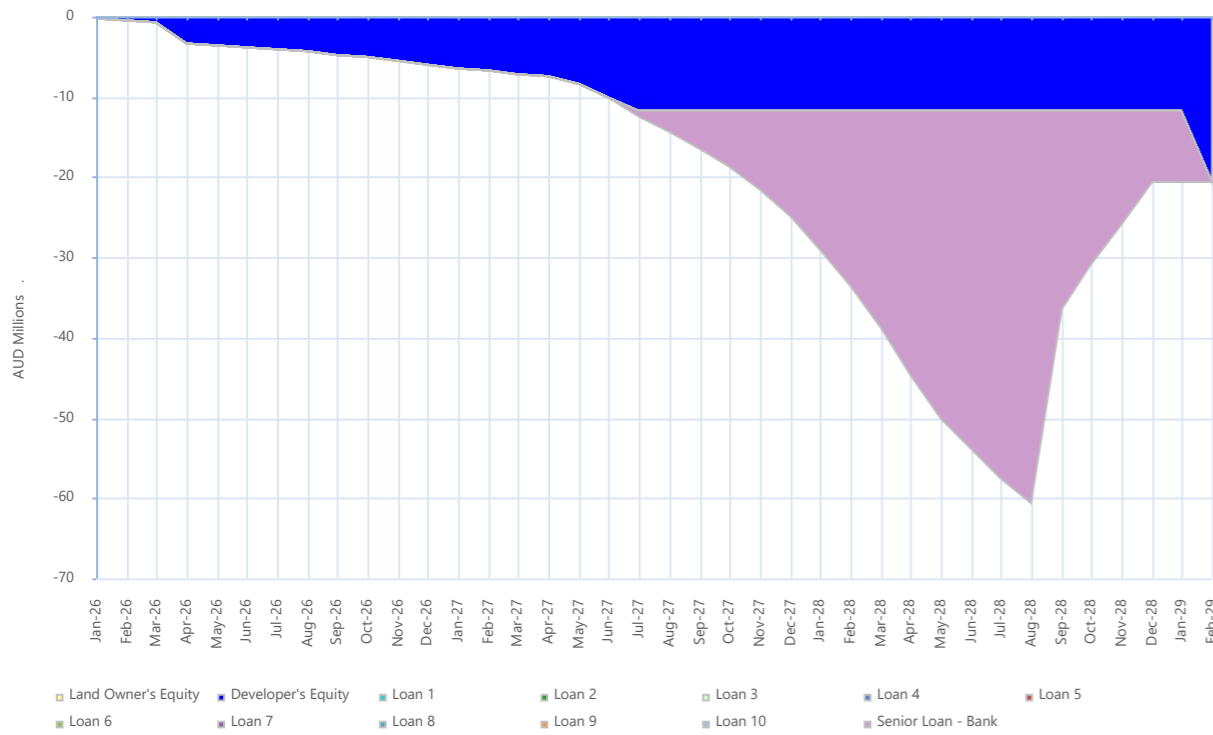


Adaptive reuse, Dandenong
Low-Mid Range Cost No Parking
1

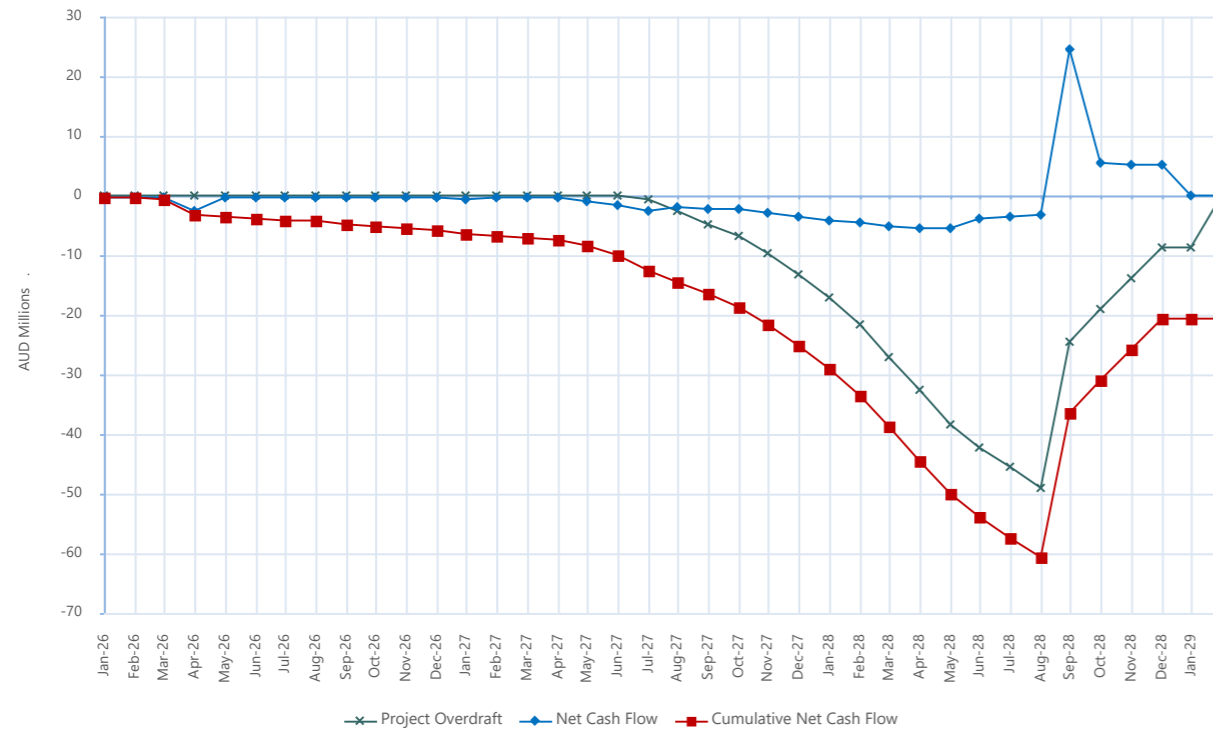


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Project Cumulative Cash Flow



Project Cash Flow & Overdraft

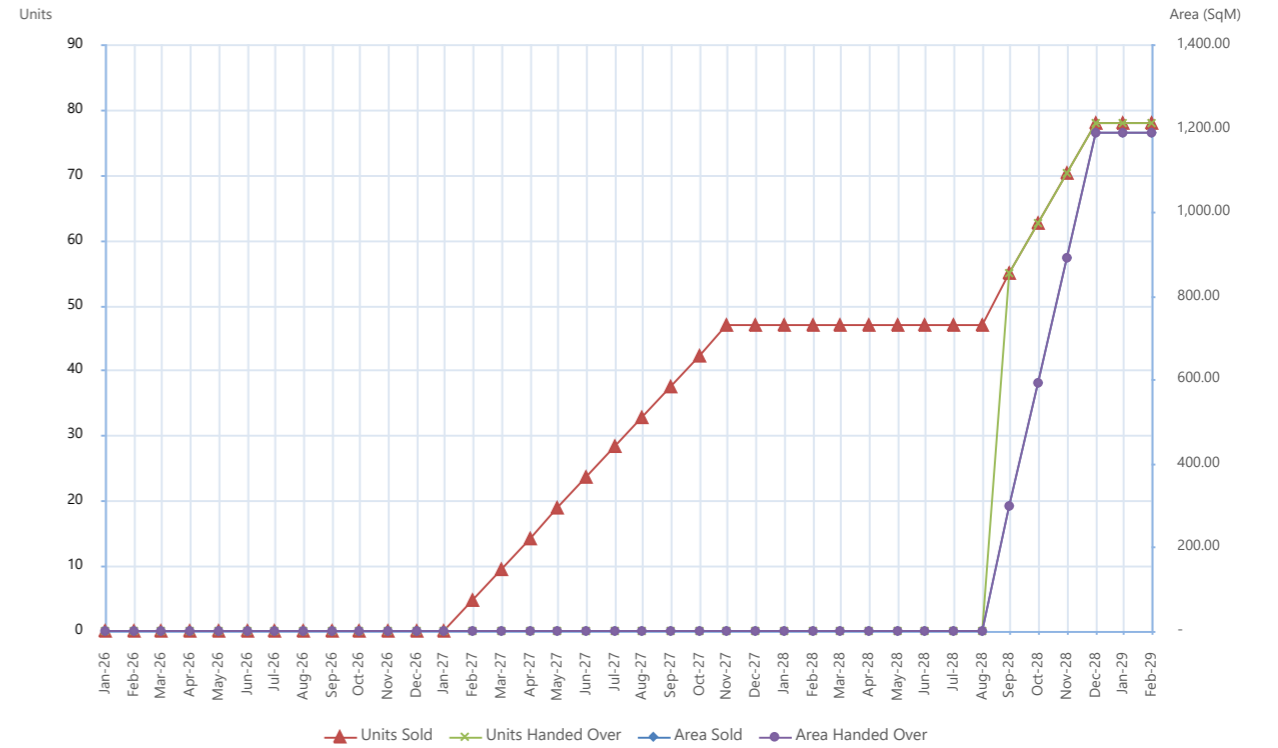


Adaptive reuse, Dandenong
Low-Mid Range Cost No Parking
1

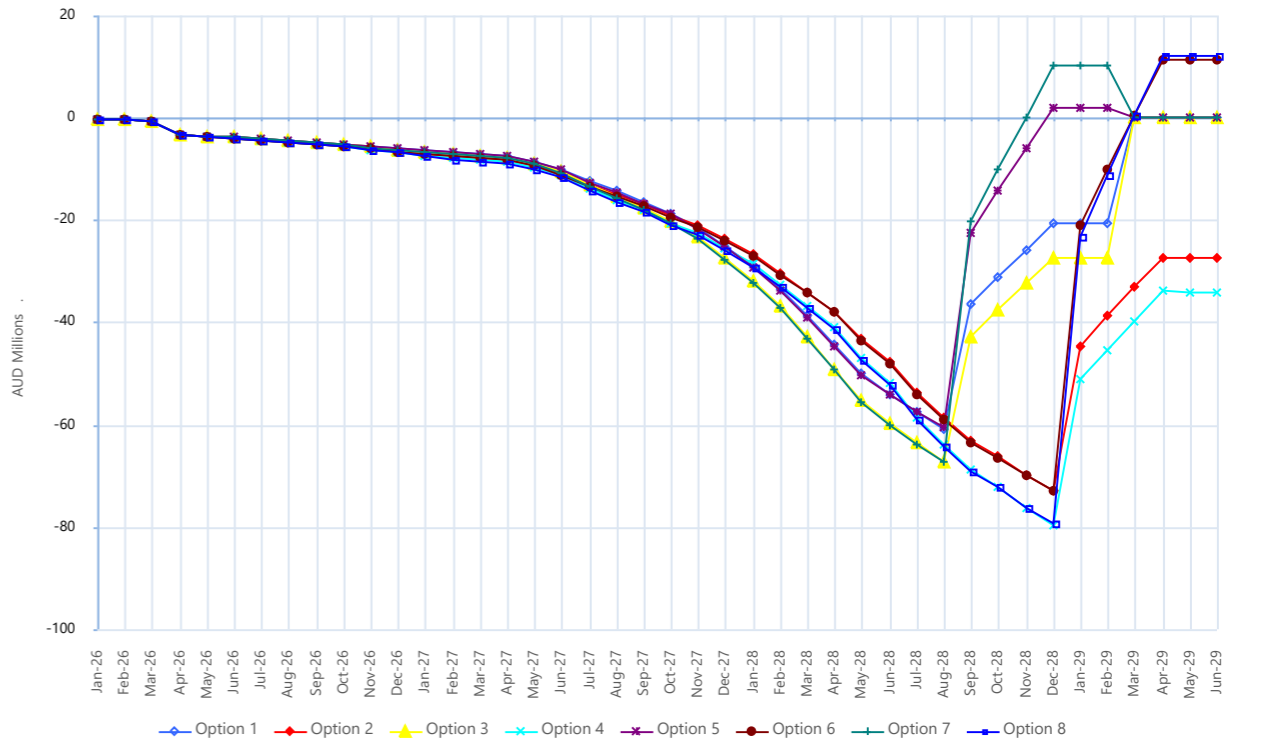


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Stock Summary - Sales vs Handovers



Comparison of Options



Current Financial Year Cash Flow for Adaptive reuse, Dandenong

Low-Mid Range Cost No Parking - 1



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		78.00	-	-	23.50	23.50	31.00
	Cumulative Units Sold				23.50	47.00	78.00
	% Units Sold				30.1%	60.3%	100.0%
SqM Sold		1,187.00	-	-	-	-	1,187.00
	Cumulative SqM Sold						1,187.00
	% SqM Sold						100.0%
AUD Sold		41,166,177	-	-	9,773,966	9,915,075	21,477,136
	Cumulative AUD Sold				9,773,966	19,689,041	41,166,177
	% AUD Sold				23.7%	47.8%	100.0%
Handover Summary							
Units Handed Over		78.00	-	-	-	-	78.00
	Cumulative Units Handed Over						78.00
	% Units Handed Over						100.0%
SqM Handed Over		1,187.00	-	-	-	-	1,187.00
	Cumulative SqM Handed Over						1,187.00
	% SqM Handed Over						100.0%
AUD Handed Over		41,166,177	-	-	-	-	41,166,177
	Cumulative AUD Handed Over						41,166,177
	% AUD Handed Over						100.0%
Project Cash Flow							
Revenue							
Gross Sales Revenue		41,166,177	-	-	-	-	41,166,177
Selling Costs		(874,887)	-	-	-	-	(874,887)
Gross Rental Income		-	-	-	-	-	-
Leasing Costs		-	-	-	-	-	-
Other Income		-	-	-	-	-	-
Interest Received*		-	-	-	-	-	-
GST Payments (Liabilities)		-	-	-	-	-	-
TOTAL NET REVENUE		40,291,289					40,291,289
Costs							
Land and Acquisition		2,640,461	2,640,461	-	-	-	-
Professional Fees		1,171,467	342,770	368,310	368,310	-	92,077
Construction Costs		59,252,744	648,208	5,891,292	45,684,423	-	7,028,821
Statutory Fees		291,118	-	134,506	-	-	156,612
Miscellaneous Costs 1		-	-	-	-	-	-
Misc 2		-	-	-	-	-	-
Marketing		366,962	-	104,846	209,693	-	52,423
Project Contingency (Reserve)		-	-	-	-	-	-
Land Holding Costs		95,128	30,625	31,697	32,806	-	-
Pre-Sale Commissions		262,061	-	131,031	131,031	-	-
Financing Costs (exc Fees)		162,945	162,945	-	-	-	-
GST Refunds (Input Credits)		(5,644,642)	(5,095)	(398,582)	(3,537,408)	-	(1,651,557)
TOTAL COSTS		58,598,244	3,767,913	6,263,099	42,888,854	5,678,378	5,678,378
Net Cash Flow (before Interest & Corporate Tax)		(18,306,955)	(3,767,913)	(6,263,099)	(42,888,854)	34,612,912	(18,306,955)
Cumulative Cash Flow			(3,767,913)	(10,031,013)	(52,919,867)	(18,306,955)	
Corporate Tax		-	-	-	-	-	-
Net Cash Flow (before Interest & after Corporate Tax)		(18,306,955)	(3,767,913)	(6,263,099)	(42,888,854)	34,612,912	(18,306,955)
Cumulative Cash Flow			(3,767,913)	(10,031,013)	(52,919,867)	(18,306,955)	
Financing							
Developer's Equity							
Manual Adjustments (Inject + / Repay -)		-	-	-	-	-	-
Injections		20,723,345	3,767,913	6,263,099	1,794,011	-	8,898,321
Interest Charged		-	-	-	-	-	-
Equity Repayment		-	-	-	-	-	-
Less Profit Share		-	-	-	-	-	-
Equity Balance		(20,723,345)	(3,767,913)	(10,031,013)	(11,825,024)	-	(20,723,345)
Equity Cash Flow		(20,723,345)	(3,767,913)	(6,263,099)	(1,794,011)	-	(8,898,321)
Project Cash Account							
Surplus Cash Injection		-	-	-	-	-	-
Cash Reserve Drawdown		-	-	-	-	-	-
Interest on Surplus Cash		-	-	-	-	-	-
Surplus Cash Balance		-	-	-	-	-	-
Senior Loan - Bank							
Debt							
Drawdown		(47,300,097)	-	-	(41,094,842)	(6,205,254)	-
Loan Interest Rate (%/ann)		-	7.50%	-	7.50%	-	7.50%
Interest Charged		(2,416,390)	-	-	(1,090,779)	(1,325,610)	-
Fees Charged (Application, Line & Standby)		-	-	-	-	-	-
Interest & Fees Paid by other Loans		-	-	-	-	-	-
Loan Repayment		49,716,486	-	-	-	-	49,716,486
Interest & Fees		2,416,390	-	-	-	-	2,416,390
Principal		47,300,097	-	-	-	-	47,300,097
Loan Balance		-	-	-	(42,185,622)	-	-
% of Project & Finance Costs (inc Interest/Fees and net of GST)		-	-	-	-	-	-
Senior Loan Cash Flow		2,416,390	-	-	(41,094,842)	43,511,232	-
Interest Coverage Ratio		60.45	-	-	-	30.39	-
Debt Service Ratio		0.81	-	-	-	0.81	-
Project Overdraft		-	-	-	(42,185,622)	-	-
Net Cash Flow (after Interest & Corporate Tax)		(20,723,345)	(3,767,913)	(6,263,099)	(43,979,633)	33,287,301	(20,723,345)
Cumulative Cash Flow**			(3,767,913)	(10,031,013)	(54,010,646)	(20,723,345)	
Check Balance		-	-	-	-	-	-
GST Liability Summary							
Total Liability on Revenue		(3,314,089)	-	-	-	-	(3,314,089)
Withheld by Purchaser		(3,314,089)	-	-	-	-	(3,314,089)
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)
 Licensed to: HillPDA Pty Ltd

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13.0

Discussion and an action plan for Councils

13.1 An evolving context

13.1.1 Housing as a national priority

As outlined in this report, the pressing need for more housing in Australia is a priority for action at Commonwealth Government level, with recent, aspirational targets for housing delivery now being pursued, through intended collaboration across all levels of government, the private sector and other participants.

The National Housing Accord recognises the supply and affordability of housing as one of our nation's biggest economic challenges, and that most of this supply needs to come from the market with government playing a key role in enabling and kick-starting investment.

13.1.2 Planning policy reform in Victoria

This project has been carried out during a period of significant planning policy reform and debate in Victoria, with the Victorian Government enacting a range of policy initiatives, primarily aimed at facilitating and boosting housing provision.

Key facets of this reform include:

- centralising of planning policy development and implementation within State Government, rather than Local Government, particularly in activity centres and around transport hubs;
- application of more liberal, facilitative controls to drive development activity;
- incentives for housing development, such as fast-tracked planning approvals;
- facilitation of expedited permit processes, including through removal of third-party objection rights; and
- new or modified development charges in locations that are well serviced by infrastructure such as public transport.

13.1.3 Challenging financial conditions

Since the COVID-19 pandemic, the development sector has been severely affected by the combined impacts of substantially increased costs for construction and materials, high interest rates affecting finance availability both for development projects, and for purchasers, and a cost-of-living crisis which is further restricting households' capacity to purchase properties.

13.1.4 Planning/development context in Melbourne and regional Victoria

While the strategic push for higher-density housing in well-serviced locations (activity centres and transport nodes) has been well established since the launch of the Plan Melbourne strategy in 2002, a clear divide has remained, between higher-density apartment development in established, well-serviced and attractive/desirable areas, and continued suburban expansion in the outer growth areas, where land values are much lower, and detached houses more freely available.

That is, the trade-off between dwelling size / living space, and locational attributes, continues to play out, with some households willing to have less dwelling space in exchange for better access to things, shorter travel times, and potentially higher neighbourhood amenity.

Victorian cities and towns have a historic prevalence of detached houses, at least since the advent of the motor car facilitated low-density 'sprawl' development with limited walkability or public transport access in many areas.

Therefore, for many households there is a 'default' preference for a detached house on land. This type, in more fringe locations, also provides perceived value in terms of space, providing 'more house' for a certain price (or cost per square metre).

13.1.5 Inherent tension

There is currently a clear tension, therefore, between a facilitative planning environment, and a very restrictive economic environment, at the present time.

While policy seeks to make development easier, more flexible, and more intensive (and therefore potentially more attractive or profitable), other factors at play are restricting this potential.

Combined with the general economic/financial conditions of recent years, the result is a very challenging environment for housing development, especially in more 'marginal' locations for higher-density housing.

13.2 Housing crisis

13.2.1 Background

The conditions outlined above reflect the extensively-documented 'housing crisis' in Australia, which is also reflected internationally.

It is not the purpose of this study to explain the origins or mechanisms of the housing system in Australia, but a high-level contextual outline provides useful background for the work in this report, and the key findings and directions from it.

It is reported that the current crisis in Australia originates in policy decisions some 70 years ago, when the Australian government was directly funding the delivery of over 50,000 dwellings annually, but the subsequent half a century saw a decline in government support for the development of new housing, particularly for new public housing.

However, the key changes leading to the current affordability crisis stem from around 2000, when discounts on capital gains, and negative gearing mechanisms, provided substantial tax and wealth advantages to property investment, expansively boosting demand in housing (as an investment vehicle). That is, higher income earners could reduce tax on their income, and access a capital gain from their investments. This became a focus for real estate investment in Australia, whereas elsewhere, that focus is on gaining rental income from tenants.

The resulting price growth led to dwelling prices becoming 'detached' from income growth – it is now no longer possible for the average earning household to afford the average house.

Source: 'Australia's 'deeply unfair' housing system is in crisis – and our politicians are failing us, Laurence Troy in *The Conversation*, 11 December 2023.

13.2.2 Recent/current challenges and directions

In parallel to the financial mechanisms shaping housing investment, it is recognised that not enough homes have been built to meet the needs of a growing population, especially in established, accessible, well-serviced locations.

Heading into the pandemic, Australia's housing stock numbered just over 400 dwellings per 1,000 people, a rate which has decreased over the past 20 years, while out cities are amongst the lowest-density in the world.

The Grattan Institute reports that Australia's land-use planning rules are highly prescriptive and complex, and the frameworks and processes that dictate what gets built where are hugely biased against change. For example, nearly half of all residential land in Melbourne is zoned for three storeys or less, and 77 percent of all residential zoned land in Sydney is zoned for low-density residential – which typically permits single homes only.

However, many Australians would prefer a townhouse, semi-detached dwelling or apartment in an inner or middle suburb, rather than a house on the city fringe. The Grattan Institute article continues:

Urban infill could supply a lot of the new housing needed for a growing population while giving Australians more choice over where they live, and upzoning for more housing in established suburbs would make housing cheaper. The NSW Productivity and Equality Commission estimates that a 10 percent increase in housing supply – that is, over and above the level needed to match population growth – would lower housing costs by 25 percent.

This isn't merely theory. In 2016, Auckland, a city of 1.5 million, rezoned about three quarters of its suburban area to promote more dense housing. Researchers later found that the policy had boosted the housing stock by up to 4 percent. About three quarters of the extra housing built was two- and three-storey duplexes and townhouses scattered across the city. That extra housing reduced rent for two- and three-bedroom dwellings by at least 14 percent, compared to if the rezoning hadn't happened, with the biggest fall in rents among cheaper dwellings.

But, Alan Kohler states that blaming planners ultimately misses the point, noting over 100,000 approved but unbuilt dwellings in Australia between 2012 and 2000, and that the *supply system itself is now thoroughly geared to capital flowing from investors. If developers cannot sell to them, or simply cannot make enough profit, the banks won't lend and developers won't build.*

Relevant to the current study, it is also reported that housing will become cheaper still if we can improve our capacity to build more of it: by supporting innovative new methods in housing construction; by growing our local construction workforce and bolstering it with more migrants with construction skills; and by supporting high-quality design that garners public support for more housing.

Source: *How to tackle Australia's housing crisis*, Brendan Coates, The Grattan Institute, 17 June 2025.

13.2.3 The broader value of housing

The City of Vienna, Austria, contains approximately 220,000 municipal (Council owned) flats, and 200,000 subsidised dwellings – the City Government provides funding to not-for-profit developers to build rent-controlled flats – and roughly half of Vienna’s population live in one of these two housing types, which provide for middle-class and lower income households to be intermingled.

It is reported that the Vienna model for affordable housing makes a major contribution to social peace and equity in the city, and reduces demand on government welfare, public hospitals, homelessness services, and theoretically supports lower crime as people have security and feel safe.

Source: ‘Vienna housing model a blueprint for Australian cities?’, Cat Woods, LSJ Online (Law Society of NSW Journal), 4 July 2023.

In Australia, policy from the 1950s onwards shifted public housing from being a key plank in the building of a modern nation, to one of residual welfare., suffering ongoing neglect.

But Kohler argues that housing is not welfare, but an economic right, or indeed a human right, and is integral to the economic welfare of all Australians.

13.2.4 Social housing as investment vehicle

It was reported in 2022 that Australia needs around 36,000 new social and affordable homes each year, but a recent analysis increased this to 45,000 per year for 20 years to meet the current backlog in demand.

Recent research shows that *no one sector can supply Australia’s needed social and affordable housing, increasingly it needs to be financed, developed and managed by partnerships of government, community-based and market providers.*

That study also found that *institutional investors and superannuation funds had a level of interest in investing in social and affordable housing in times of low interest rates despite the fact that yields are typically lower than in other forms of residential investment. Lower yields were seen to be offset by lower risk in the social and affordable rental sector, which some participants advised holds value for longer than market rate rental, thus appealing to institutional investors.*

However, private sector investors participating in the research also identified barriers and risks that must be addressed if the private sector is to support a significant increase in social and affordable housing. Changes in government, changed and discontinued policies and programs and a lack of continuity across political and bureaucratic leadership undermine opportunities to expand social and affordable housing through private sector involvement... certainty is essential for investor confidence.

Source: ‘Stimulating private sector development of social and affordable housing’, AHURi, 13 October 2022, <https://www.ahuri.edu.au/analysis/news/stimulating-private-sector-development-social-and-affordable-housing#:~:text=Participants%20emphasised%20that%20private%20investment,in%20social%20and%20affordable%20housing.>

13.3 Key learnings

13.3.1 Initial research

This first part of this study sets a baseline for consideration of urban housing, encapsulating:

Local case studies: good design and development practice

Projects which demonstrate that higher-density housing can comprise high quality, well-designed, high performance, liveable homes for diverse households.

These projects are completed examples of what is possible, creating attractive, popular, comfortable living environments, which support 'triple bottom line' benefits for households and the wider community:

✎ **Environmental:**

- Compact housing, requiring less land per unit;
- Facilitation of walking, cycling and public transport.

✎ **Social:**

- Carefully considered social/communal spaces within developments, such as roof terraces;
- Open, amenable circulation spaces (stairs, corridors) which facilitate interaction.

✎ **Economic:**

- Integration of affordable housing in some cases;
- Dwellings which are more affordable / cost less than larger houses in similar areas;
- Reduced transport costs through local, walkable access and Public Transport services;
- Reduced energy costs through passive sustainable design (thermal stability, natural light and natural ventilation).

However, these case study projects are located in inner-suburban, established, desirable areas, where there is an established market and context for higher-density living.

Industry perspectives

The presentation of diverse views and perspectives on the challenges and opportunities for housing provision, and Local Government involvement in this process, reflected a range of experiences and suggestions for Council action.

These discussions provide several key messages, concerns, or even warnings, early in the project process, such as articulating:

- ✎ The elevated cost of construction for apartment buildings, which is outstripping potential sales rates;
- ✎ The impacts of construction costs on project viability, and therefore on the provision of housing;
- ✎ The ongoing market demand for 'greenfield' housing;
- ✎ The delivery benefits of greenfield housing, including low construction costs and simplified, flexible project staging;
- ✎ The myriad challenges for housing developers, across land acquisition, holding costs, planning approval processes and disputes, construction finance, government levies, and market competition.

However, these conversations also provided a range of potential actions for Local Government, to help facilitate housing production, such as:

- ✎ Better understanding the commercial development process, and the constraints and opportunities affecting potential outcomes;
- ✎ Utilising land assets to accommodate housing, including using the land value as a subsidy for affordable housing;
- ✎ Supportive financial approaches, such as settlement times for funding;
- ✎ Facilitative planning controls and processes;
- ✎ Flexibility regarding alternative, innovative or strategic design responses.

National/international case studies: good Local Government process/practice

The project-focused research by RMIT University looked at diverse approaches to Local Government involvement in housing projects, in partnership with private sector organisations. These projects go beyond approvals, leveraging Council land assets, finances, technical expertise and strategic capability to drive housing development in important, valuable locations.

While the three projects profiled demonstrate admirable outcomes and ongoing opportunity, they also reflect the challenges for Council of active participation in housing development.

13.4 Testing the potential

13.4.1 Design solutions for Council properties

The design concepts in **Part B** of this report demonstrate potential housing outcomes on a range of sites/locations, through considered, effective design by reputable architects with a track record in innovative housing projects.

The concepts integrate a range of dwelling types and sizes, along with commercial space, community facilities, and communal open spaces.

The sites are affected by a range of constraints and challenges, including:

- Site size and complexity;
- Applicable planning controls;
- Retention of public car parking which exist on some sites;
- Existing buildings;
- Existing community and commercial uses;
- Interfaces to existing residential areas;
- Potential community concern above higher-scale development;
- Existing services infrastructure;
- Impacts from rail or other external sources; and
- Offsite impacts to, or from, a potential development.

These concepts demonstrate that good design can achieve substantial housing yields on Council-owned properties, with varied site conditions, and addressing complex constraints, while also delivering add-on benefits such as activation, community spaces, commercial tenancy opportunities, improved local access, and new public and communal open spaces.

13.4.2 Costing and feasibility assessments

The concept designs set out to demonstrate potential housing development outcomes which utilise the value of Council-owned land to support and facilitate commercially feasible housing development, potentially including affordable housing.

This work was carried out in the context of the challenges outlined in the preceding discussions, above, with the selected sites located predominantly in outer-Melbourne and regional Victorian towns, where higher-density urban housing is less common, compared to inner city locations. While the selected sites are well-located for local access and services, and are in areas with identified demand for smaller dwellings, they are not in established settings for apartment living, or in 'prestige' locations for urban housing.

For each site/design concept, a cost plan was prepared, setting out estimated costs for delivery of the development.

These costings became the basis for a development feasibility assessment, based on a private sector, commercial development approach.

Findings

The key findings of this financial evaluation were:

- Construction costs are very high, reflecting a trend since the COVID-19 pandemic period, despite reported recent stabilisation in price growth;
- Construction costs are generally consistent, regardless of location, but some locations attract much higher revenues (or rent or sales rates) than others;
- The concepts are not currently commercially viable, even if the land value was contributed at no cost to support development, although some sites (Mentone, Springvale) are 'closer' to feasibility than others;
- The construction cost per dwelling is too high, relative to the potential sale value of the units, to support a private sector development.

The findings emphatically show that in current conditions, it is difficult to make housing developments 'stack up' even in attractive locations like Mentone activity centre.

13.4.3 Feasibility in Overview (summary by HillPDA)

The package of case studies provides important insights into the housing needs and delivery challenges facing the Victorian community today.

The case studies are representative of public land opportunities in outer suburban Melbourne (i.e. Dandenong, Springvale and Mentone) and regional Victoria (i.e. Wonthaggi and Eaglehawk).

The research shows that all of the property market areas examined have demand for smaller and more affordable housing options, such as one-, two- and three-bedroom apartments and townhouses of varying types and sizes in well located and serviced areas.

The design process has identified that good design outcomes can be achieved on the case study sites, which vary in size and context.

The main issue impacting the non-delivery of such housing across large part of the state relates to financial viability issues impacting development. Case study projects are estimated to cost more to deliver than expected revenue.

In part this relates to there being no significant recent examples to support required prices for finance and valuation purposes. In part it also relates to a surge in construction costs since the pandemic.

For the case studies, this viability gap is least significant in Mentone and Springvale and higher in areas further away from the metropolitan centre. This is consistent with market research data that shows viable prices are being realised in inner Melbourne (this location is not in the case studies) and this generally falls away with distance from the central city.

Projects in Mentone and Springvale should be reviewed further to explore in more detail their private sector investment potential. It is possible a more detailed investigation into design, costs and revenue may reveal a model that can financially work in the foreseeable future.

If the proposed housing delivery is not possible under a purely private model, a subsidised model should be examined to unlock the housing supply and meet the needs of the community.

Some of the case study projects could be delivered in full or part by Community Housing Associations.

The case studies demonstrate there is likely to be significant stocks of public land located in well serviced and high demand areas capable of being designed for a range of housing typologies.

The key to supporting the delivery of innovative housing supply over the long term relates to:

- Reserving surplus to needs public land for housing
- Unlocking the financial equation for delivery.

Initiatives to assist the process include:

- Delivery of government supported demonstration projects to prove pricing and facilitate housing delivery, and
- Examination of initiatives to reduce the cost of development.

Costs and Benefits

The table (right) provides data for the seven case study developments and shows what they can achieve in terms of delivering housing and providing other benefits. The case studies showcase examples of potential housing yield from smart and strategic use of public land.

The total land area of the seven sites is 47,284 sqm (or approximately 4.73 hectares).

Under a historic conventional density development approach, this amount of land would have yielded around 70 dwellings (at 15 dwellings per hectare) and accommodated a population in the order of 250 residents.

The designs provided for the sites would instead deliver 859 dwellings (773 apartments and 86 townhouses) at a density of 182 dwellings per hectare. The resident population would be in the order of 1,450, some 1,200 more than the conventional approach.

The developments would also deliver retail and commercial floorspace of nearly 8,000 sqm.

The developments would expect support around 400 ongoing jobs from this floorspace (and more via working from home), and support nearly 1,300 jobs (job years) during construction on the seven sites, not including flow-ons via multipliers in the economy.

And this is across just six small sites, in 3 LGAs in one state. The potential for this across local, state and federal government land in Australia is therefore enormous.

Concept/site specific metrics, costs and benefits are shown (right).

Case study	New build, Wonthaggi	New build, Eaglehawk	New build, Springvale	New build, Springvale	Adaptive reuse, Springvale	Adaptive reuse, Mentone	Adaptive reuse, Dandenong	Total of Case Studies
Direct investment estimate (cost)								
Construction cost (low-mid range)	\$48,449,480	\$149,495,129	\$40,291,653	\$104,448,115	\$110,312,149	\$85,961,059	\$53,114,131	\$592,071,716
Total estimate development cost*	\$56,694,810	\$159,322,313	\$46,141,638	\$117,870,933	\$127,719,948	\$104,236,860	\$61,014,634	\$673,001,136
Development metrics delivered								
Site area sqm	6,318	22,966	1,438	2,997	6,790	5,118	1,657	47,284
Gross floor area sqm	7,958	23,723	11,177	20,988	19,578	14,172	13,138	110,734
Apartments	60	163	28	122	157	165	78	773
Townhouses	16	18	0	6	0	46	0	86
Total dwellings	76	181	28	128	157	211	78	859
Density per hectare	120	79	195	427	231	412	471	182
Commercial area sqm	0	2875	160	529	2090	1126	1187	7,967
Car parking	86	137	196	76	98	54	0 or 76	647 to 723
Population and jobs supported on site								
Population	134	304	45	210	251	374	125	1,443
Ongoing jobs	11	123	10	37	93	69	51	394
Jobs during construction (job years)	97	299	81	209	221	172	106	1,184

Site / concept	New build, Wonthaggi	New build, Eaglehawk	New build, Springvale (south: 32-34 Warwick Ave)	New build, Springvale (north: 4-16 Warwick Ave)	Adaptive reuse, Springvale	Adaptive reuse, Mentone	Adaptive reuse, Dandenong	Total of Design Concepts
Other benefits	Makes use of strategic site in central part of town. Potential key worker housing supply to support local economy. Increased local housing diversity. New access through former college site. Activation to local streets.	Makes use of strategic site at rail station precinct. Enhances station setting and outlook form platform. Creates new public open space. Improves station access routes. Potential new station facilities and integrated footbridge.	Consolidates public car parking on this site, which is amenity challenged, to release development potential at 4-16 Warwick Avenue. Potential vehicular through-access to rear lane and further to Springvale Road. Increased street activation. Limited impacts to adjacent school.	Makes use of strategic site in central part of Springvale close to shops, services and public transport. Increased street definition and activation. Increased local population to support businesses. New small commercial/retail/ business spaces.	Makes use of strategic site in central part of Springvale close to shops, services and public transport. Increased activation to streets and rail corridor/path. New and refurbished community/recreation spaces. Retention of existing building fabric to retain local character.	Makes use of strategic site in central part of Mentone close to shops, services and public transport. Potential reuse of buildings for social housing/ crisis accommodation. Distinctive compact housing around small courtyards.	Makes use of strategic site in central part of Dandenong close to shops, services and public transport. Enhanced entrance/gateway presentation to Central Dandenong. Enhanced definition of street network at major intersection. Increased activation to Lonsdale Street and Palm Plaza.	Showcases examples of potential yield on and benefit from use of public land for housing. Increased housing mix/diversity. Expanded housing opportunity in accessible locations. Increased local populations which supports local businesses.

* Includes land, construction and soft costs

GST excluded in values

Summary of developments and costs and benefits, prepared by HillPDA.

13.4.4 Ways forward: Where to now?

It is not the aim or purpose of this study to 'solve' the housing crisis, but to articulate the context, challenges, learnings and directions for Local Government to more actively participate and contribute to housing production.

The feasibility assessment outcomes are less optimistic than hoped for the project, but nonetheless provide a range of potential directions for Councils to consider and pursue, as outlined below.

13.5 Implementation strategy for utilising Council-owned land

The following sections are put forward in the context of ongoing, significant policy reform in Victoria, as mentioned above, which may overlap with the following recommendations, including initiatives such as expedited/fast-tracked approvals, more flexible planning controls, higher-scale provisions in some locations, and broad-based rezonings to speed up amendment processes.

13.5.1 Strategic planning

Councils may establish a strategic approach to facilitating housing on government sites, as an ongoing program of activity, potentially including:

- Identifying and collating/mapping relevant sites and applicable site data;
- Acquiring additional/adjoining sites to increase scale and capacity in key locations;
- Consolidating Council activities to 'free up' land parcels;
- Master planning and/or concept design work;
- Community engagement and communications.

13.5.2 Test options

The work in this report focused on one design concept for each of the sites, after a considered yet high-level design process. There may be benefit in developing and testing alternative approaches, such as higher- or lower-density designs, for cost and feasibility results.

13.5.3 Site preparation

Utilising Council-owned land for housing development remains an effective strategy if the land is surplus to requirements, and is well-located in relation to services and facilities. It is expected that the economic conditions for development will improve over time, so it is useful to prepare sites for development in advance, in order to:

- Reduce obstacles for development partners in future;
- Reduce costs to developers of affordable housing;
- Reduce development risk;
- Speed up delivery when conditions become supportive.

13.5.4 Planning approvals

Councils may also prepare and obtain Planning Permits for key sites, based on good design proposals that are commercially informed, to reduce barriers for private sector investors, and speed up the development process.

13.5.5 Local investment/improvement

Ongoing local area improvements, focusing on the public environment, transport facilities, streetscapes and buildings, contributes to improved conditions for attracting development activity and apartment dwellers.

Households will seek attractive, enjoyable, amenable and safe neighbourhoods, as well as good proximity and access to daily needs.

13.5.6 Community infrastructure

Providing increased community infrastructure and open space to accommodate increased local population, and attract residents, may also help to attract housing investment.

13.5.7 Reduce costs

Councils should consider where they can reduce costs to developers/investors in housing projects, such as finance costs, land holding costs, and permit approval process costs, as small reductions can make a big difference to getting projects 'off the ground'.

13.5.8 Remove profit demand

Supporting not-for-profit organisations to deliver housing is likely to provide lower-cost housing products, and/or make development more feasible, by removing the need for a profit margin in the project financial calculations. Innovative development models such as that applied by Nightingale Housing reflect this approach.

Community Housing Providers also deliver housing at lower margins, to make development more viable.

13.5.9 Invest in early catalyst projects

While it is recognised that most Councils are operating in very constrained financial conditions, direct investment in housing development, in partnership with not-for-profit and/or private sector organisations, may catalyse further private sector investment in emerging areas for apartment living.

The feasibility analysis for this project identified that the unfeasible concepts in the areas studies partly relates to there being few or no recent examples in these locations, to support required prices, for finance and valuation purposes.

13.5.10 Support and encourage good design

Well-designed buildings which provide for high levels of amenity and liveability, demonstrate the benefits of apartment living (relative to other housing types in the area), and will help to promote further growth in this sector, in emerging locations.

Developments which contribute positively to the local urban environment are likely to be more well-received or accepted by local communities.

However, it is recognised that for projects which are pioneering in their location, or financially marginal in terms of their feasibility, achieving good design outcomes may be more challenging.

13.5.11 Reduce parking requirements and public car parking levels

Car parking within basement or above-ground levels in developments adds a substantial cost to the construction, and therefore to the price of apartments – in the order of \$100,000 per car space for basement parking.

The requirement for car parking for dwellings is being reduced at State Government level at the time of writing. This should be supported in principle, although it is recognised that the marketing of apartments may ‘need’ car parking to be sellable.

If Councils can free up car park sites for development, without the need to ‘replace’; the public parking (especially if it is free parking), this would add significantly to development prospects, and is likely to enhance the amenity and liveability of developments.

13.5.12 Scaling up

Consolidating parcels into larger parcels and/or clusters of properties or precincts, provides for greater potential scale of development, which is a requirement for some investment vehicles.

Larger developments may combine different housing tenure types, such as private market rental, affordable and social housing, with the market housing supporting the other types financially. Larger sites may also be more attractive to large, institutional investors with long-term strategies, so may support more housing than smaller sites.

13.5.13 Facilitating innovation

Innovative construction methodologies may reduce costs, to contribute to feasibility outcomes. In this project, the cost planning identified that prefabricated apartments are currently, approximately commensurate with conventional construction in terms of cost per dwelling, but are expected to become less costly over time, relative to conventional methods.



Portable housing units, Maidstone, for Launch Housing (source: Schored Projects).

13.5.14 Consider temporary site usage

If surplus government land is not commercially ‘ready’ for development, it may be suitable for temporary housing, such as movable public housing units as offered by Housing Vic.

Source: <https://www.housing.vic.gov.au/public-housing-movable-units#about-public-housing-movable-units>

In a recent case study in Melbourne, a collaborative partnership between VicRoads, Launch Housing, Department of Health & Human Services and Schored Projects, is delivering 57 transportable homes in Melbourne’s inner west for persons at risk of homelessness. The studio-sized units are on nine vacant VicRoads-owned properties on Ballarat Road in Footscray and Maidstone, and leased to Launch Housing for five years. When the land is required for road widening the units will be moved to an alternative site with ease.

Sources: <https://architectureau.com/articles/schored-designs-portable-units-to-tackle-homelessness/>
<https://schoredprojects.com.au/HARRIS-TRANSPORTABLE-HOUSING-1>

13.5.15 Housing diversity

Alternative or innovative housing types such as co-housing and small dwellings should be facilitated and encouraged, towards lowering housing costs for consumers. These models may combine lesser floor space per dwelling, and more shared facilities, to reduce the cost per dwelling unit.



Portable housing unit interior, Maidstone, for Launch Housing (source: Schored Projects).

13.6 Implementation strategy for Council action on housing

13.6.1 Engage in discourse

Discussing and sharing information on delivering housing, amongst other Local Government organisations, other levels of government, agencies, community housing providers, researchers and the private sector, will support increased knowledge and confidence in progressing housing outcomes.

13.6.2 Provide reasonable flexibility on planning controls

Developers seeking to exceed planning provisions for housing projects is an ongoing challenging for planning policy and processes. While the value and importance of considered, robust, locally responsive controls is not disputed, there may be opportunity for Council officers to provide for increased flexibility to support the delivery of housing, especially in relation to good design and high-quality outcomes.

13.6.3 Engage with the design process

Active participation in the design process is an important aspect of Council's role in facilitating well-designed housing outcomes, and accommodating flexibility where this is desirable. While the independent role of the architect should be acknowledged, Council officers may seek to test, push and encourage the design towards optimal outcomes.

13.6.4 Engage with commercial drivers

Recognising and building an understanding of the commercial context, constraints and risks affecting housing development, will support effective engagement and decision making by Council officers. While any commercial consideration needs to be balanced against established policy and aspirations for quality, it is useful to understand the broader process as far as reasonable.

13.6.5 Engage the market

Presenting partnership opportunities to the private sector should be done with flexibility and an openness to innovation or alternative approaches, inviting the market to respond in a range of ways, for Council consideration.

13.6.6 Support innovative approaches

Projects seeking to apply and implement innovation approaches to design, procurement, construction and operation of housing, should be positively received and considered. Strategies to address or respond to the 'macro' issues affecting housing development currently, are much needed, so should be welcomed by Local Government.

13.6.7 Co-invest

Partnership opportunities for delivering social and affordable housing should be welcomed and considered by Local Government, if its involvement can accelerate housing delivery. This may involve contributing or leasing Council land assets to accommodate housing, as has been achieved in other Melbourne LGAs.

13.6.8 Engage communities

Engaging local communities about housing dynamics, and the benefits and challenges of accommodating housing growth, should be an ongoing activity, in preparation for change in identified locations. Communicating Council plans and strategies around housing, as early as possible, may reduce community concern, or at least build community awareness, of the housing issue.

14.0

Conclusion



This report, and the project process that sits behind it, seek to provide Local Government officers and elected officials with a range of resources, which are relevant to Council activity towards increasing housing production in Victoria.

While the work confirms the challenging conditions currently affecting housing development, driven by high construction costs and related economic settings, it also provides a range of starting points for further work, investigation and strategic development, towards applicable solutions for housing delivery.

It reinforces that there is much work to be done, and significant hurdles to overcome, but that Local Government is uniquely positioned to pull a range of levers, or make a range of discrete actions, which in combination can help to accelerate housing production outcomes.

These potential interventions or actions span the entire delivery process, from project formation, site selection, project partnerships, funding/financing, design, approvals, construction, occupation and operation.

In the short term, it is imperative that Councils identify and prepare development sites/opportunities, to reduce the time, cost and risk for commercial and community partners, and in readiness for when economic conditions become more favourable.

Proactive work is essential now and in the short term, with a view to an ongoing contribution to housing outcomes over the medium and longer terms, and towards more equitable, welcoming, safe and connected local communities.

