

# Appendix B Affordable Housing Contributions Scheme Feasibility Analysis

March 2025

[newcastle.nsw.gov.au](http://newcastle.nsw.gov.au)



City of  
Newcastle

## APPENDIX B: FEASIBILITY ANALYSIS

The following section outlines the findings and recommendations of feasibility testing. The feasibility analysis work was completed by undertaking market research to inform the cost and revenue assumptions. Development activity in the pipeline for each area was reviewed in conjunction with recent sales transaction data to understand what developers were paying for development sites.

HillPDA completed feasibility analysis for the identified areas (D1 to D4) in November 2022. The assumptions, methodology and results of the analysis is outlined below for the three Affordable Housing Contribution Areas:

- Broadmeadow (residential and non-residential)
- Stockton North
- Western Corridor

While CN completed feasibility analysis for the 1% city-wide affordable housing contribution (D5) in October 2024.

### General notes and assumptions

The purpose of the modelling is to investigate affordable housing contribution amounts developers could realistically afford based on existing market conditions. The feasibility analysis details rates achievable for each precinct in relation to required FSR. In undertaking the modelling, HillPDA noted that the following points should be considered:

- The contribution amount has been modelled as a monetary cash contribution (for Broadmeadow and Stockton North) calculated as a percentage (%) of projected project revenue (after construction with escalation) paid prior to construction. This is a critical assumption as fluctuations in market prices would impact the amount of contribution.
- The contribution amount has been modelled as a land contribution (for the Western Corridor) calculated as a percentage (%) of NDA dedicated to CN following the completion of infrastructure and servicing works. The equivalent monetary rate for the Western Corridor is \$300,000 per hectare of NDA.
- The 'as is' value does not account for speculative land purchases where anticipated uplift in zoning, FSR or building height limits are anticipated which may result in unrealistic expectations by the owner.
- The contribution rates may not be viable in all scenarios due to factors such as land purchase price, construction cost escalation and market absorption of the end products. It is likely that larger projects seeking higher uplifts have a greater capacity of absorbing an affordable housing contribution levy.
- For the purposes of the precinct wide modelling, costings from the Rawlinson's 2022 construction handbook were used. Where applicable industry rates were adopted in line with experience and general rules of thumb where no rates were provided. Construction costs have been expressed as a \$/sqm GFA rate applied to the overall project GFA. Typically, an increase in building height would result in a higher rate for construction on a per sqm basis. To account for this escalation in cost as buildings get taller, an additional 10% was applied on construction costs for scenarios above a FSR of 1.9:1 in precincts where built form construction is applicable.

---

## Target hurdle rates

A hurdle rate is defined as the minimum rate of return required on a project or investment. It typically consists of two elements, being the Weighted Average Cost of Capital (WACC) and risk premium that is allocated depending on the project's riskiness. The Internal Rate of Return (IRR) approach has been adopted as the preferred hurdle rate, based on industry consultation with the development and financing sector.

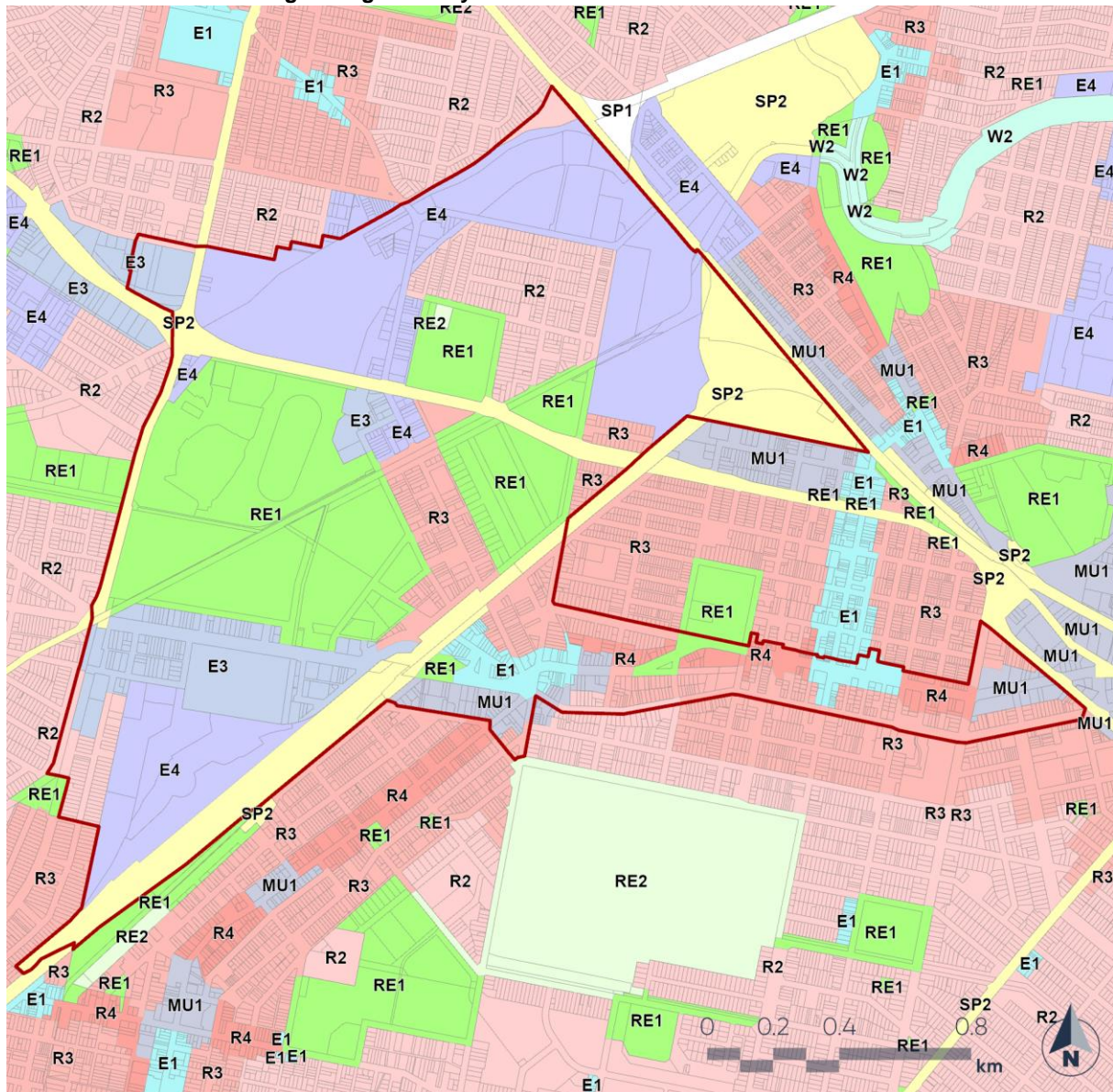
Developers tend to set conservative fixed-hurdle rates that allow them to work through the market cycles. For this analysis, the following hurdle rates were adopted:

- 18% IRR for urban infill development
- 12% IRR for subdivisions reflecting the market demand and lower construction costs and settlement risks

## Broadmeadow

CN is currently planning for Broadmeadow's future via the Broadmeadow Place Strategy. The place strategy will act as a blueprint for how the precinct will change over time, looking at the infrastructure, opportunities and constraints, and highlighting the planning controls needed to enhance the precinct for current and future residents. The Broadmeadow Affordable Housing Contribution Scheme Area is shown below. This boundary aligns with the current boundary for the Broadmeadow Place Strategy.

### Broadmeadow with existing zoning underlay



### Legend

[ ] Newcastle LGA Boundary

[ ] Cadastral boundary

[ ] AHCS Precinct Boundary

NLEP 2012 Land Zoning

E1 Local Centre

E2 Commercial Centre

E3 Productivity Support

E4 General Industrial

MU1 Mixed Use

R2 Low Density Residential

R3 Medium Density Residential

R4 High Density Residential

RE1 Public Recreation

RE2 Private Recreation

SP2 Infrastructure

W2 Recreational Waterways

There have been four identified rezoning sub-precincts identified in the preliminary investigations provided by CN as follows:

- Hunter Park land (rezoning of RE1 to MU1),
- Post industrial urban renewal (rezoning of E4 to either R3 or R4),
- Business development (rezoning of E3 to MU1), and
- Nine Ways/station precinct and renewal corridor (rezoning of R3 to either MU1 or R4).

#### **Broadmeadow preliminary precinct scenarios - for feasibility analysis**

Existing		Future		
	Zoning	Zoning	HOB	FSR
<b>Hunter Park land</b>				
	RE1 Public Recreation	MU1 Mixed Use	3.5-70m	1.9:1
	RE1 Public Recreation	MU1 Mixed Use	3.5-70m	1.9:1
<b>Post industrial urban renewal</b>				
	E4 General Industrial	R3 Medium Density Residential or R4 High Density Residential	7-21m	1.3 - 1.9:1
<b>Business development</b>				
	E3 Productivity Support	MU1 Mixed Use	3.5-28m	1.5 - 2.5:1
<b>Nine Ways/station precinct and renewal corridor</b>				
	E1 Local Centre	MU1 Mixed Use or R4 High Density Residential	21-70m	1.9 - 3.1:1
	MU1 Mixed Use	MU1 Mixed Use & R4 High Density Residential	21-70m	1.9 - 3.1:1
	R3 Medium Density Residential	MU1 Mixed Use & R4 High Density Residential	21-70m	1.9 - 3.1:1

## **Market research**

### **Unimproved land value (ULV)**

The Urbis Broadmeadow Place Analysis 2022 report reviewed land values in the Broadmeadow Precinct categorised by land-use zoning. The analysis looked at unimproved land values for sites without improvements. A review of existing land in Broadmeadow shows most sites are improved and vacant developable land is scarce. In the case of a developer searching for a development site, if vacant lots exist in a suitable location and with suitable site attributes these would be preferred over an improved site due to lower cost and absence of demolition works, however these vacant sites are rare in Broadmeadow. The following table details the Urbis findings of unimproved land value (ULV) by zoning in the Broadmeadow Precinct:

#### **Unimproved land values, Broadmeadow Place Analysis 2022**

Residential	
R2 Low Density Residential	\$600-\$1,000
R3 Medium Density Residential	\$1,000-\$1,600
R4 High Density Residential	\$1,200-\$2,000
MU1 Mixed Use	\$1,000 - \$1,800

Non-residential	
E1 Local Centre	\$1,200 - \$2,000
E3 Productivity Support	\$800 - \$1,200
E4 General Residential	\$300 - \$500

Source: Urbis, Broadmeadow Place Analysis, 2022 \*Unimproved site values

## Site value

Due to the low existing supply of unimproved sites in Broadmeadow developers seeking a suitable site would likely look for dated, or minimally improved sites that could be demolished and re-developed. For modelling purposes, a site value is adopted for land acquisition based on recent market transactions for improved properties. The following table details recent transactions in Broadmeadow categorised by existing zoning.

### Site sale by zoning in Broadmeadow (improved)

Sales by Zoning in 2006 (improvements)							
Zoning	# of sales	Low (\$)	High (\$)	Median (\$)	Adopted rate	# of sales below adopted rate	% of sales below adopted rate
Residential							
R2	7	1,111	5,137	2,622	\$1,800	3	43%
R3	22	554	3,792	2,509		3	14%
R4	3	1,779	2,633	2,358		1	33%
MU1	3	1,299	2,402	1,711		2	67%
Non-residential							
E4	4	862	1,543	1,410	\$1,400	2	50%
E1	4	1,747	3,098	2,400		-	0%
E3	9	998	4,589	1,641		3	33%

Source: HillPDA 2022. Valuer General sales data. \*Improved site values \*\* Refer Appendix for complete sales table

\*\*\*Sales in Broadmeadow from January of 2021 to May 2022

Based on the above, two rates are adopted for Broadmeadow as follows:

- Existing residential land including R2, R3, R4 and MU1 with an uplift - **\$1,800/sqm**.
- Non-residential land including RE1, E4 being rezoned to residential - **\$1,400/sqm**.

For residential sites (within R2, R3, R4 and MU1 zones) the analysis shows a median rate of between **\$1,711-\$2,622/sqm**, with the majority of sales for R3 zoned land. Based on the analysis, a rate of \$1,800/sqm for existing residential sites was adopted. In total 9 sites of the 35 analysed sales were below the \$1,800/sqm rate. This is equivalent to **26%** of analysed residential sales. As the sales data indicates existing residential site values vary greatly, with developers typically looking for lower-middle end sites (likely rundown with minimal improvements and not recently constructed) or premium properties that would achieve the upper end of sale values.

For non-residential sites (within E4, E1 and E3 zones) the analysis shows a median rate of between **\$1,400-\$2,400/sqm**. The non-residential sales rate ranged from between

**\$862-4,589/sqm.** Based on the analysis, a rate of **\$1,400/sqm** for non-residential sites was adopted. This is equivalent to **29%** of analysed residential sales. This means that **29%** of the transactions analysed were acquired at a rate equal to **\$1,400/sqm** or lower. It is considered that these would be the sites that developers would target as development sites.

## Revenue assumptions

To inform revenue side assumptions, recent sales of residential apartments were reviewed in and around the Broadmeadow precinct. The analysis found limited sales in the suburb of Broadmeadow, so the study area was expanded to include neighbouring and comparable suburbs. In arriving at a rate, it relied on multiple transactions in Adamstown and Hamilton as the primary body of evidence. The sales indicate a range of between **\$6,702-\$8,771/sqm NSA**.

### Market evidence for residential apartments in Broadmeadow

Address	Bed	Type	Purchase price	Purchase date	NSA	\$/sqm NSA	
5/104 Brunner Road, Adamstown	2BR	Unit	\$550,000	Feb-2021	63	\$8,771	
3/8 Fourth Street, Adamstown	3BR	Unit	\$694,000	Jun-2020	104	\$6,702	
4/4 Rosemont Street, Adamstown Heights	4BR	Unit	\$1,410,000	Feb-2022	178	\$7,936	
2/2 Winsor Street, Merewether	3BR	Unit	\$968,814	Apr-2020	112	\$8,642	
3/2 Winsor Street, Merewether	2BR	Unit	\$730,000	Feb-2020	68	\$10,672	
4/2 Winsor Street, Merewether	3BR	Unit	\$1,100,000	Feb-2020	112	\$9,812	
5/2 Winsor Street, Merewether	3BR	Unit	\$795,900	Sep-2020	112	\$7,099	
203/37 Donald Street, Hamilton	2BR	Unit	\$490,000	Feb-2020	59	\$8,319	
1/116 Tudor Street, Hamilton	2BR	Unit	\$489,500	Sep-2020	106	\$4,600	
105/116 Tudor Street, Hamilton	1BR	Unit	\$410,000	Aug-2019	48	\$8,462	
204/116 Tudor Street, Hamilton	2BR	Unit	\$596,000	Aug-2020	76	\$7,842	
205/116 Tudor Street, Hamilton	1BR	Unit	\$433,500	Sep-2019	49	\$8,775	
206/116 Tudor Street, Hamilton	3BR	Unit	\$820,000	Jun-2019	108	\$7,571	
303/116 Tudor Street, Hamilton	3BR	Unit	\$835,375	Oct-2020	136	\$6,149	
304/116 Tudor Street, Hamilton	2BR	Unit	\$700,000	Sep-2021	79	\$8,877	
1/1 Jenner Parade, Hamilton South	3BR	Unit	\$1,350,000	Jul-2021	114	\$11,842	
3/1 Jenner Parade, Hamilton South	3BR	Unit	\$1,275,000	Oct-2021	190	\$6,710	

Source: RPdata, Domain, \* Discussion with selling agents \*\* ■ Comparable, ■ Inferior, ■ Superior

Based on the analysis, the following rates were adopted for the Broadmeadow precinct:

- **Revenue – Broadmeadow residential**
  - 1 bedroom - \$506,000 per unit
  - 2 bedroom - \$645,000 per unit
  - 3 bedroom - \$827,400 per unit
- **Land purchase price 'as is value'**
  - Residential \$1,800/sqm site area
  - Non-residential \$1,400/sqm site area

---

## Precinct assumptions

Additional assumptions made in the modelling are as follows:

- Cost escalation - 3% for first two years, 3.5% thereafter
- Revenue escalation - 3% for first three years, 3.5% thereafter
- Equity - 20% equity
- Construction loan - 6.5% interest (with 1% application fee)
- Professional fees - 5% (plus 1.5% development management)
- Construction costs: \$2,700/sqm GFA residential. For higher density developments (>1.9:1 FSR) an additional 10% on construction costs is applied:
  - \$800/sqm balcony
  - \$150/sqm demolition
- Carparking costs - \$1,900 per sqm
- DA & CC fees + 7.11:
  - DA & CC fees: 0.5%
  - 7.11 rates:
    - 1BR - \$10,105
    - 2BR - \$10,778
    - 3BR - \$13,473
- NSW Housing and Productivity Charge - \$6,000 per dwelling
- Demolition and site preparation
  - \$150/sqm GBA

## Residential tipping point analysis

The following table summarises the results of the tipping point analysis. The results show that with no affordable housing, a FSR of **1.4:1** is required to meet the project hurdle rate of 18% IRR and \$2.17m RLV equating to a \$/sqm rate of \$1,800 on the site area. The modelling suggests that affordable housing contributions would only apply to higher density developments greater than 1.4:1 FSR.

The tipping point methodology is applied to understand the floorspace required to achieve affordable housing at FSRs ranging from 1.4:1 to 3.1:1 while still meeting the target hurdle rates. The results show that a FSR of 1.6:1 is required for a 4% contribution, 1.9:1 for a 5.5% contribution, 2.5:1 for a 9.5% contribution and 3.1:1 for a 12% contribution. It is noted the progression of FSR, and the percentage (%) contribution of AH is non-linear reflecting the dwelling size requirement, building layout and stepped floorspace to revenue increase.

### Broadmeadow residential tipping point analysis

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Description	1.40:1 FSR No Affordable housing (Base case)	1.60:1 FSR % Affordable housing contribution	1.90:1 FSR % Affordable housing contribution	2.50:1 FSR % Affordable housing contribution	3.10:1 FSR % Affordable housing contribution
Site area (sqm)	1,200				
FSR	1.40	1.60	1.90	2.50	3.10
AH Contribution (%)	0.00%	4.00%	5.5%	9.50%	12.00%
Land purchase	\$2.16m (@ \$1,800/sqm)				
Hurdle rate (IRR)	18% (Target IRR)				
Project IRR	12.00%	18.08%	18.18%	18.16%	18.04%
RLV (Residual Land Value) @18 discount rate	\$1.66	\$2.17m	\$2.17m	\$2.18m	\$2.16m

Source: HillPDA, 2022

### Non-residential tipping point analysis

The non-residential analysis assumes a \$/sqm rate of \$1,400 for acquisition of land based on the market research. A target IRR of 18% is adopted with RLV as a secondary metric. If the RLV exceeds the acquisition cost, then the project is deemed viable. Typically, if the residual land value is less than the cost of acquisition then the project is not viable. A residual land value of less than **\$1,400/sqm** would mean a project is not viable. It is noted that the adopted **\$1,400/sqm** rate is based on recent sales transactions of improved industrial sites within the Broadmeadow precinct.

The cost of demolition and site preparation works has been included in the feasibility assessment. It is noted that additional remediation may result in less viable development.

The following table summarises the results of tipping point analysis to establish the base FSR where development would be viable under current market conditions. The results show that with no affordable housing a base FSR of 1.3:1 is required to meet the project hurdle rate of 18% IRR and \$1.68m RLV equating to a \$/sqm rate of **\$1,400** on the site area. The modelling suggests that affordable housing contributions would only apply to higher density developments greater than 1.3:1 FSR for the non-residential areas. The results show that at a FSR of 1.4:1, a 1% AH contribution is achievable, at 1.5:1, 5.6% is viable, 6.70% at 1.90:1 and 12% at 2.5:1.

### Broadmeadow non-residential tipping point analysis

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Description	1.30:1 FSR No Affordable housing (Base case)	1.40:1 FSR % Affordable housing contribution	1.50:1 FSR % Affordable housing contribution	1.90:1 FSR % Affordable housing contribution	2.5:1 FSR % Affordable housing contribution
Site area (sqm)	1,200				
FSR	1.30	1.40	1.50	1.90	2.50

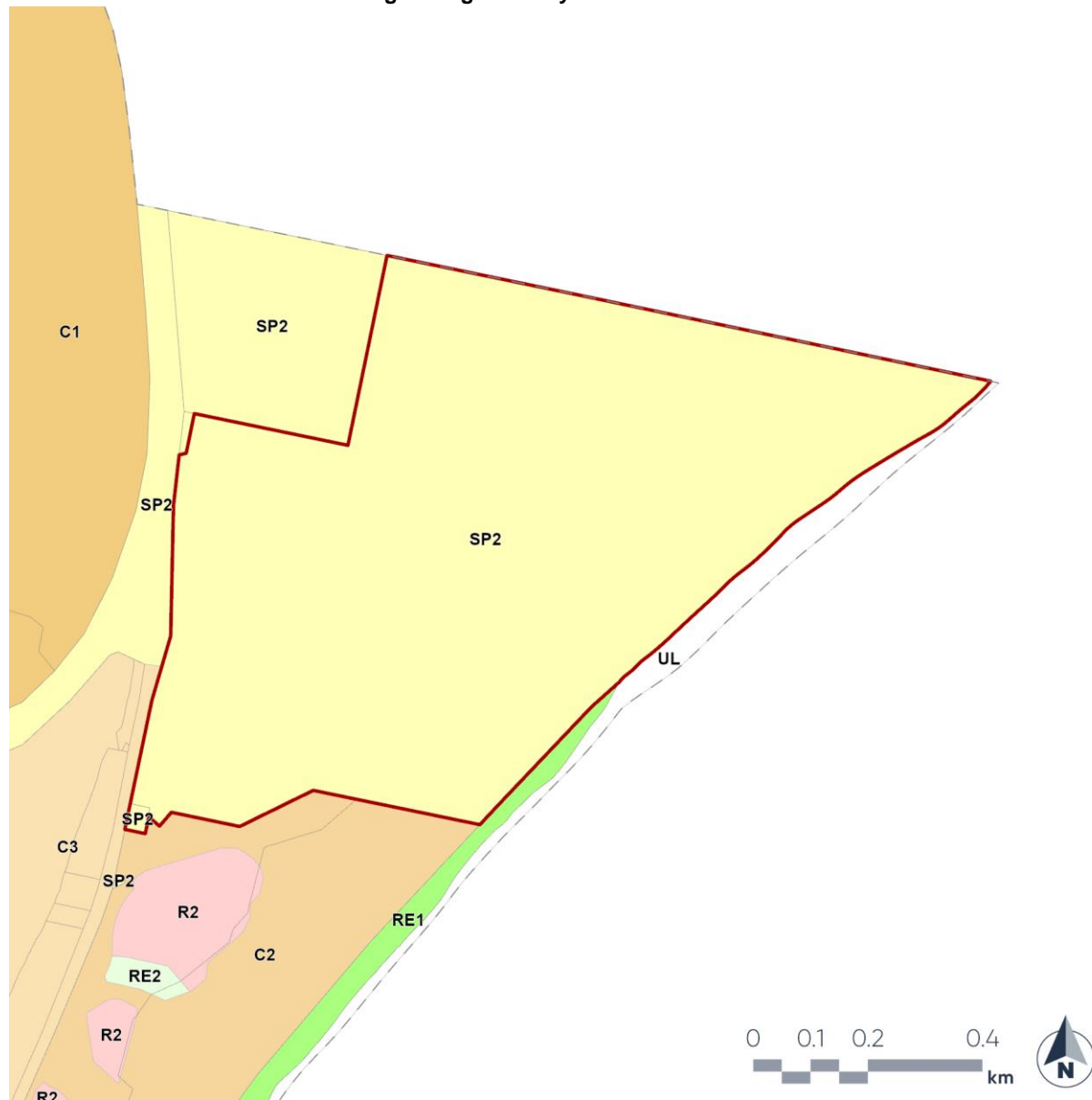
AH Contribution (%)	0.00%	3.30%	5.60%	6.70%	12%
Land purchase	\$1.68m (@\$1,400/sqm)				
Hurdle rate (IRR)	18% (Target IRR)				
Project IRR	17.57%	18.00%	18.0%	17.98%	18.05%
RLV (Residual Land Value) @18 discount rate	\$1.65m	\$1.68m	\$1.68m	\$1.68m	\$1.68m

Source: HillPDA, 2022

## Stockton North

Stockton North is north of Newcastle City Centre and forms part of the larger Stockton suburb. Stockton is the only residential suburb in Newcastle that is located north of the Hunter River. The Stockton North precinct is zoned SP2 Infrastructure and is in government ownership. There are no residential buildings on the site with the majority of residential development occurring south of the precinct in Stockton. The Stockton North Affordable Housing Contribution Scheme Area is shown below.

### Stockton North Precinct with existing zoning underlay



### Legend

<span style="border: 1px dashed black; display: inline-block; width: 20px; height: 10px;"></span> Newcastle LGA Boundary	<span style="background-color: #f4a460; display: inline-block; width: 20px; height: 10px;"></span> C3 Environmental Management
<span style="border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> Cadastral boundary	<span style="background-color: #f8a4a4; display: inline-block; width: 20px; height: 10px;"></span> R2 Low Density Residential
<span style="border: 2px solid red; display: inline-block; width: 20px; height: 10px;"></span> AHCS Precinct Boundary	<span style="background-color: #a4f8a4; display: inline-block; width: 20px; height: 10px;"></span> RE1 Public Recreation
NLEP 2012 Land Zoning	<span style="background-color: #a4f8a4; display: inline-block; width: 20px; height: 10px;"></span> RE2 Private Recreation
<span style="background-color: #f4a460; display: inline-block; width: 20px; height: 10px;"></span> C1 National Parks and Nature Reserves	<span style="background-color: #ffffa4; display: inline-block; width: 20px; height: 10px;"></span> SP2 Infrastructure
<span style="background-color: #f4a460; display: inline-block; width: 20px; height: 10px;"></span> C2 Environmental Conservation	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> UL Unzoned Land

## Market research

Stockton North is primarily undeveloped and held by government bodies with no housing sales within the precinct. To develop revenue and cost assumptions, Stockton was utilised as a proxy for the precinct as it is physically close to North Stockton (around 1km) and possesses similar amenity.

Based on market and feasibility analysis, there is potential for a 5.8% contribution based on uplift of existing residential in Stockton. Since Stockton North possesses a lower land value, with no existing residential development and limited amalgamation of sites, there is capacity for at least a 5.8% contribution. It should be noted that the NSW Government made a pre-election commitment to ensure that developments on surplus public land includes a minimum of 30% affordable, social and universal housing.

For the purposes of modelling, a site value for land acquisition based on recent market transactions for improved properties in Stockton has been adopted. This site value is conservative, as the land in Stockton North is currently owned by government agencies, so would be developed on a residual land value basis. The following table details the analysis of recent transactions in the suburb of Stockton categorised by existing land use zoning.

### Site sale by zoning in Stockton (improved)

Zoning	# of sales	Low	High	Median	Adopted rate	# of sales below adopted rate	% of sales below adopted rate
R2	125	\$1,027	\$4,956	\$2,434	<b>\$2,200</b>	41	33%
E1	8	\$574	\$4,818	\$3,568	<b>\$2,200</b>	3	38%

Source: HillPDA analysis, 2022. Valuer General sales data. \*Improved site values \*\* Refer Appendix for sales

\*\*\*Sales in Stockton from January of 2021 to May 2022

For residential sites (R2 Low Density Residential), the analysis shows a median rate of between **\$1,027-\$4,956/sqm**. Residential land ranged from a sale rate of **\$1,027-4,956/sqm**. Based on the analysis, a rate of **\$2,200/sqm** for existing residential sites is adopted. In total, 41 sites of the 125 analysed sales were below the **\$2,200/sqm** rate. This is equivalent to **33%** of analysed residential sales. As the sales data indicates existing residential site values vary greatly, with developers typically looking for lower-middle end sites (likely rundown with minimal improvements and not recently constructed) or premium properties that would achieve the upper end of sale values.

There were only 8 sales transactions analysed for the E1 zone, with 3 of the 8 sales transacting for below \$2,200. The median rate for E1 land was higher than R2 land, however for the purposes of modelling a rate of \$2,200 for both R2 and E1 land is adopted.

## Revenue assumptions

To inform revenue side assumptions, recent sales of residential apartments were reviewed in and around North Stockton. The analysis showed no existing sales in the suburb of Stockton the study area was expanded to include neighbouring and comparable areas. For the purposes of modelling, comparable markets in premium areas either close to the water or high in amenity including Cooks Hill and Wickham were used.

Address	Bed	Type	Purchase price	Purchase date	NSA	\$/sqm NSA	
1/31 Laman Street, Cooks Hill	4BR	Unit	\$810,000	Dec-2020	108	\$7,500	
2/31 Laman Street, Cooks Hill	1BR	Unit	\$465,000	Jul-2020	50	\$9,300	
3/31 Laman Street, Cooks Hill	1BR	Unit	\$465,000	Aug-2020	50	\$9,300	

103/31 Laman Street, Cooks Hill	1BR	Unit	\$490,000	Jul-2020	50	\$9,800	
506/10 Bishopsgate Street, Wickham	2BR	Unit	\$890,000	Sep-2021	88	\$10,114	
701/10 Bishopsgate Street, Wickham	2BR	Unit	\$745,000	Sep-2021	83	\$8,976	
1301/10 Bishopsgate Street, Wickham	3BR	Unit	\$1,197,000	Sep-2021	119	\$10,059	
610/11 Dangar Street, Wickham	1BR	Unit	\$485,000	Jun-2021	53	\$9,151	
1110/11 Dangar Street, Wickham	1BR	Unit	\$640,000	Feb-2022	51	\$12,549	
1206/11 Dangar Street, Wickham	2BR	Unit	\$755,000	Feb-2021	62	\$12,177	

Source: RPdata, Domain, \*Discussion with selling agents \*\* Comparable, Inferior, Superior

Core assumptions for North Stockton are as follows:

- **Revenue – North Stockton**
  - 1 bedroom - \$550,000 per unit
  - 2 bedroom - \$750,000 per unit
  - 3 bedroom - \$987,000 per unit
- **Land purchase price 'as is value'**
  - \$2,200/sqm site area

Note that the precinct is mostly in government ownership and this rate represents an improved value for a development site in Stockton through consolidating existing residential developments. Therefore, it is likely that the actual 'as is value' would reflect a residual land value of a development opportunity and therefore would likely be lower. This would improve the viability and capacity to pay a contribution.

### Precinct assumptions

The same general modelling assumptions as the preceding precincts have been made. Additional assumptions made specific to North Stockton are as follows:

- Construction costs: \$2,800/sqm\* of residential GFA. \*Premium quality build for North Stockton reflecting the high level of amenity.

### Tipping point analysis

The following table summarises the results of the tipping point analysis to establish the base case in which development would be viable under current market conditions in North Stockton. The results show that with no affordable housing, a base FSR of 1.2:1 is required to meet the project hurdle rate of 18% IRR.

The tipping point methodology is applied to understand the affordable housing contribution possible at various FSRs to still satisfy the target hurdle rates. The analysis gives an indication of the performance under current market conditions in Stockton. The results show that at an FSR of 1.2:1, the project is viable with no affordable housing contribution. This suggests that affordable housing contributions would only apply to higher-density developments greater than 1.2:1 FSR in North Stockton.

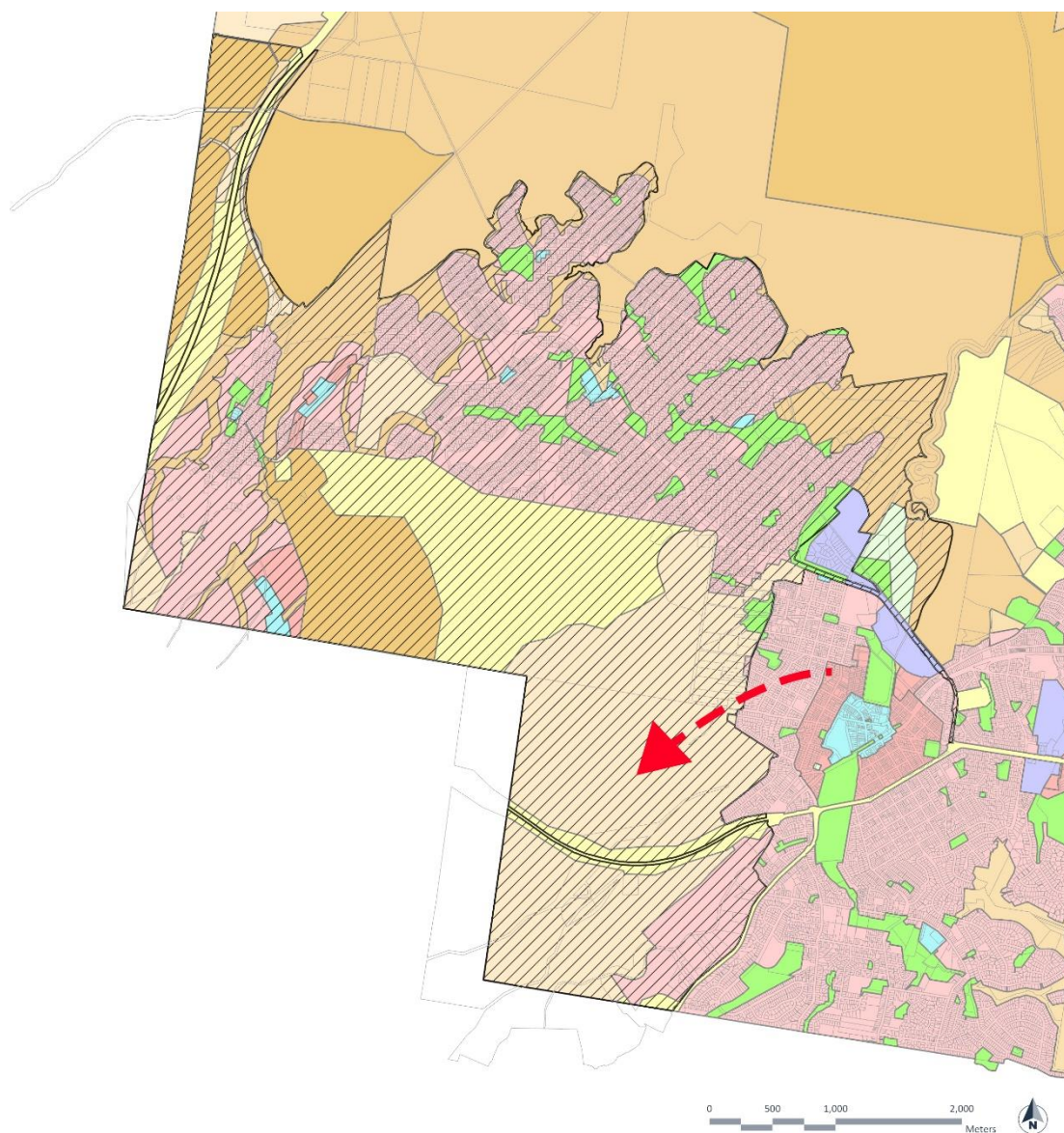
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Description	1.20:1 FSR No Affordable housing	1.30:1 FSR % Affordable housing contribution	1.40:1 FSR % Affordable housing contribution	2.00:1 FSR % Affordable housing contribution	2.10:1 FSR % Affordable housing contribution

	<b>(Base case)</b>				
Site area (sqm)	1,200				
FSR	1.20	1.30	1.40	2.00	2.10
AH Contribution (%)	0.00%	2.35%	4.30%	12.99%	12.70%
Land purchase	<b>\$2.6m</b> (@\$2,200/sqm)				
Hurdle rate (IRR)	18% (Target IRR)				
Project IRR	22.67%	18.07%	18.32%	17.70%	18.10%
RLV (Residual Land Value) @18 discount rate	\$3.06m	\$2.64m	\$2.67m	\$2.59m	\$2.65m





















## Western Corridor

The Western Corridor has been identified as an Affordable Housing Contribution Area. Feasibility analysis for the Western Corridor Affordable Housing Contribution Area is included should any lands within this area be found appropriate for future development. It is noted that this scheme would apply to development in an urban release area, or development on a new residential site in the Western Corridor subject to detailed technical studies and investigations. The site known as Eden Estates (identified by red arrow on map below) has been used as example site for feasibility purposes as it is considered representative of the Western Corridor. It is identified as a housing investigation area with the potential to deliver a new community in future. Any future development of the site as an urban release area is subject to detailed technical studies and investigations.

### Western Corridor with existing zoning underlay



#### Legend

 Western Corridor	 E3 Productivity Support	 RE1 Public Recreation
 C1 National Parks and Nature Reserves	 E4 General Industrial	 RE2 Private Recreation
 C2 Environmental Conservation	 E5 Heavy Industrial	 SP2 Infrastructure
 C3 Environmental Management	 MU1 Mixed Use	 SP3 Tourist
 C4 Environmental Living	 R2 Low Density Residential	 W2 Recreational Waterways
 E1 Local Centre	 R3 Medium Density Residential	 UL Unzoned Land
 E2 Commercial Centre	 R4 High Density Residential	

For the purposes of modelling, a 45ha sub-precinct was identified to test the viability of an affordable housing contribution in the current market. Typically, a large greenfield site like Eden Estates would be staged depending on market take-up. To understand the high-level implications of an affordable housing contribution in greenfield areas a super lot comprising 45ha assuming subdivision, infrastructure costs, and dedication of a proportion of serviced developable land as affordable housing, or an equivalent monetary contribution has been identified.

## Market research

To inform revenue side assumptions, sales of serviced lots and englobo land (unserviced, undeveloped land) in and around Eden Estates were reviewed. The analysis showed limited sales of englobo land in the study area, so the study area was expanded to include neighbouring and comparable greenfield areas. The following table summarises the results.

### Market evidence for englobo land sales in and around the study area

Land sales	Purchase price	Zoning	Purchase date	Site area	\$/ha	
102 Lake Road Elmore Vale	\$14,650,000	-	Feb-2022	25.63ha	\$571,595	
1 Glendon Crescent, Glendale	\$27,500,000	-	Dec-2019	736.18ha	\$37,354	
173 Waterside Drive, Fletcher	\$470,000	-	Jul-2020	4.85	\$96,907	

Source: RPdata, Domain, \*Discussion with selling agents \*\*---- Comparable, ---- Inferior, ---- Superior

There were a total of three englobo land sales in the surrounding region with largely varying rates. Typically, larger lots achieve a lower \$/ha rate. The sale at 1 Glendon Crescent in Glendale was for a 736.18 hectare lot in 2019 for a \$37,354/ha site area. In adopting a land value the sale at 102 Lake Road, Elmore Vale was considered to be most comparable, achieving a rate of \$571.595/ha in February 2022.

### Market evidence for serviced lots in and around the study area

Address	Purchase price	Zoning	Purchase date	Site area	\$/sqm site area	
30 Watalong Way Edgeworth	\$450,000	R2	May-2021	1,655	\$271.90	
2 Keylkeyl Close Edgeworth	\$315,000	R2	Jun-2020	622	\$506.43	
42 Watalong Way Edgeworth	\$515,000	R2	Aug-2021	80	\$638.95	
21 Mortlock Road Cameron Park	\$500,000	R2	Mar-2022	502	\$996.01	
20 Mortlock Road Cameron Park	\$500,000	R2	Mar-2022	512	\$976.56	
47 Estelville Circuit Cameron Park	\$520,000	R2	Mar-2022	563	\$923.62	
9 Turnock Drive Cameron Park	\$570,000	R2	Dec-2021	1092	\$521.97	
126 Estelville Circuit Cameron Park	\$500,000	R2	Feb-2022	542	\$922.50	
16 Milburn Circuit Boolaroo	\$461,000	R2	Jul-2021	537	\$858.47	
4 Milburn Circuit Boolaroo	\$520,000	R2	Dec-2021	523	\$994.26	

Source: RPdata, Domain, \*Discussion with selling agents \*\*---- Comparable, ---- Inferior, ---- Superior

Based on the market evidence above, the following land cost and revenue assumptions have been made for the purposes of modelling:

- **Revenue**
  - \$600/sqm lot sale (\$300,000 per lot) (conservative rate)
- **Land purchase price 'as is value'**
  - Residential \$600,000/ha site area (conservative rate)

## Precinct assumptions

The same general modelling assumptions as the preceding precincts have been made. Additional assumptions specific to this precinct are as follows:

- Assuming 14 dwellings per hectare (on-site area)
- Assuming NDA is 60% of site area, and gross developable area (GDA) is 85% of site area (site minus constrained lands)
- Infrastructure cost is \$1.7mil per hectare of GDA
- % land dedication for affordable housing (serviced land)
- Take up rate of 10 lots per month (over 3 stages)
- Consultants and professional fees: 4.0%

## Tipping point analysis

Based on the analysis, a 5% affordable housing contribution is currently viable. A dedication of 8% and 10% is not viable in the current market. The sensitivity modelling indicates that a 1.5% increase in revenue would be sufficient to make Scenario 2 viable. It is possible that a market escalation of 1.5% would be possible over a medium-long term.

	Scenario 1	Scenario 2	Scenario 3
Description	Base case 5% affordable housing contribution	8% affordable housing contribution	10% affordable housing contribution
Site area (sqm)*	45ha	45ha	45ha
AH Contribution (%)	5%	8%	10%
Land purchase	\$27m (@600,000/ha)		
Hurdle rate	12% (IRR)		
Take up rate	10 lots per month		
Stages	3 stages		
IRR	12.79%	11.21%	10.41%
RLV	\$28.2m	\$25.77m	\$24.63m

---

## 1% city-wide affordable housing contribution

### Purpose

To ensure the proposed inclusionary zoning contribution of 1 percent does not impact development feasibility and overall housing supply, and to satisfy the following gateway determination conditions:

- 1) that the affordable housing contribution remains accurate with current values and has accurately reflected all additional costs and the residual land value;
- 2) feasibility assessment of the inclusionary rate is to be finalised and included;
- 3) whether any sensitivity testing was carried out on the feasibility to ensure that the proposed rates will remain viable under different economic conditions.

This report includes section that outlines the method and assumptions used for development feasibility modelling; summarises each suburb's development feasibility including further information; and outlines our findings and recommendations. Refer to the Excel workbook *CN - 1 Percent Feasibility Analysis - Final - AHCS PP* for detailed feasibility testing.

### Method and Assumptions

#### Establishing a Market Value/sqm

CN established the proposed contribution rate using market research to determine the average gross realisation/sqm (GR/sqm) for new residential development. GR/sqm is the total purchase price of a new dwelling divided by the GFA for dual occupancy and multi-dwellings, or the net sellable area for residential flat building and shop top housing.

Sales and development data from 571 dwellings across 75 developments were analysed to determine the average GR/sqm for each suburb. Only developments completed and sold in the last 5 years were used. To account for the growth in property values over the last 5 years, the sales price was indexed to 2024 values based on the suburb's annual growth. For example, in 2021 a new townhouse (3 bed, 2 bath, 2 car garage) in Adamstown sold for \$780,000—the growth rate for units (including apartments and multi dwellings) in Adamstown was 23% from 2021–2024; therefore, today's market value for that property was estimated at \$982,800.

For suburbs with limited new development, the rate from a neighbouring suburb with similar characteristics was adopted i.e., Cooks Hill and Hamilton South. Where data was unavailable for a suburb, the GR/sqm was calculated using REA<sup>1</sup> data by averaging the median unit and house price for a suburb and applying the percentage variation using Adamstown as the baseline value. For example, the average median property price in Adamstown is \$868,250, whereas the average median property price in Beresfield is \$610,500, a variation of 29.6%. When applying this percentage variation to Adamstown's GR/sqm of \$9,376, the GR/sqm for Beresfield is calculated at \$6,593.

## Contribution Rate

The contribution rate was calculated as 1 percent of the GR/sqm, see Table 1 for applicable rate.

**Table 1: Contribution rates by suburb**

Suburb	Gross Realisation / sqm	1% AHCR
Adamstown	\$ 9,376	\$ 94
Adamstown Heights	\$ 8,109	\$ 81
Bar Beach	\$ 12,634	\$ 126
Beresfield	\$ 6,593	\$ 66
Birmingham Gardens	\$ 7,243	\$ 72
Broadmeadow	\$ 8,832	\$ 88
Carrington	\$ 8,798	\$ 88
Cooks Hill	\$ 12,634	\$ 126
Elernmore Vale	\$ 6,418	\$ 64
Fletcher	\$ 6,109	\$ 61
Georgetown	\$ 7,768	\$ 78
Hamilton	\$ 9,973	\$ 100
Hamilton East	\$ 12,634	\$ 126
Hamilton North	\$ 9,973	\$ 100
Hamilton South	\$ 12,634	\$ 126
Islington	\$ 9,973	\$ 100
Jesmond	\$ 7,243	\$ 72
Kotara	\$ 8,109	\$ 81
Lambton	\$ 9,494	\$ 95
Maryland	\$ 7,425	\$ 74
Maryville	\$ 9,973	\$ 100
Mayfield	\$ 7,768	\$ 78
Mayfield East	\$ 7,768	\$ 78
Mayfield West	\$ 7,008	\$ 70
Merewether	\$ 10,374	\$ 104
Merewether Heights	\$ 10,374	\$ 104
Minmi	\$ 6,684	\$ 67
New Lambton	\$ 9,494	\$ 95
New Lambton Heights	\$ 9,494	\$ 95
Newcastle	\$ 14,779	\$ 148
Newcastle East	\$ 14,779	\$ 148
Newcastle West	\$ 8,997	\$ 90
North Lambton	\$ 7,420	\$ 74
Rankin Park	\$ 7,604	\$ 76
Shortland	\$ 6,952	\$ 70
Stockton	\$ 9,588	\$ 96
Tarro	\$ 6,294	\$ 63
The Hill	\$ 12,382	\$ 124
The Junction	\$ 10,374	\$ 104

Tighes Hill	\$ 9,973	\$ 100
Wallsend	\$ 7,243	\$ 72
Warabrook	\$ 7,772	\$ 78
Waratah	\$ 7,235	\$ 72
Waratah West	\$ 7,195	\$ 72
Wickham	\$ 8,997	\$ 90

## Development Assumptions

### Existing land use value

A factor of total construction costs includes the existing land use value. For land zoned for low-rise residential development (R2 and R3 zones with an FSR of 0.6:1, 0.75:1, and 0.9:1) it is calculated by multiplying by 600 the suburb's 25<sup>th</sup> percentile sqm rate for properties sold over the last three years. For example, in the last three years 267 properties sold in Adamstown. A sqm rate was calculated for each sale by dividing the sales price by the site area. Adamstown's 25<sup>th</sup> percentile sqm rate was \$1,882.79, this multiplied by 600 gives an assumed existing land use value of \$1,129,674 for a 600m<sup>2</sup> site. While this is above the median 3-year sale price for Adamstown at \$961,750, it is considered reasonable given the average lot size is only 470m<sup>2</sup>.

To account for the increase in property value for sites with greater development potential (i.e., R4, MU1 and E1 zones with FSRs of ≤1) an additional 10 percent was added to the sqm rate.

### Development and construction costs

The construction costs used are from *Rawlinson's 2024 Construction Cost Guide* and 2024 Australia Riders Digest (Sydney).

**Table 2: Construction cost assumptions**

Construction cost	Lower	Upper	Adopted
Demolition (m <sup>2</sup> )	\$ 160.00	\$ 230.00	\$ 195.00
Low-rise residential* (m <sup>2</sup> )	\$ 2,315.00	\$ 2,495.00	\$ 2,405.00
Mid-rise residential** (m <sup>2</sup> )	\$ 2,877.76	\$ 2,978.27	\$ 2,928.02
Balconies (m <sup>2</sup> )	\$ 634.80	\$ 1,269.60	\$ 952.20
Car parking (per space)	\$ 962.78	\$ 1,036.84	\$ 999.81
Open driveway/parking area (m <sup>2</sup> )	\$ 112.00	\$ 154.00	\$ 133.00
Landscaping (m <sup>2</sup> )	\$ 200.00	\$ 265.00	\$ 232.50

\* assumes dual occ and multi dwellings up to 3 storey, \*\* assumes small scale walk-up RFB between 3–8 storey

**Table 3: Finance, taxes, professional fees and other associated costs**

Other costs	Rate applied
Selling costs	3%
Professional fees	10%
Statutory fees	1%
Goods and Services Tax	10%
7.11 Contribution*	\$15,538.52
House Productivity Contribution*	\$8,000

Land Interest expense	6.3%	
Construction Interest	11%	
Stamp Duty	\$351,000–\$1,168,000	\$10,530 + \$4.50 for every \$100 over \$351,000
	\$1,168,000–\$3,505,000	\$47,295 + \$5.50 for every \$100 over \$1,168,000
	Over \$3,505,000	\$175,830 + \$7.00 for every \$100 over \$3,505,000

\* *Per additional dwelling*

## Adamstown

### Development controls:

Applicable zones: R2, R3, R4, MU1, E1

Floor space ratio: 0.6, 0.75, 0.9, 1.5, 2

Height of building (metres): 8.5m, 10m, 11m, 14m, 17m, 20m

### Lot characteristics:

Average lot size (non-strata): 470m<sup>2</sup>

Standard deviation: 263m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 267

3-year median sales price: \$961,750

Existing land use value (0.6, 0.75, 0.9): \$1,882.79/sqm

Existing land use value (1, 1.5, 2): \$2,071.07/sqm

**Table 4: Adamstown development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	2:1
Gross floor area	360	450	540		900	1200
Indicative no# dwellings	3	4	5		10	12
1% Contribution	\$10,001	\$17,580	\$25,502		\$65,685	\$103,135
Total development cost (inc. 1 percent)	\$2,598,716	\$2,923,156	\$3,247,971		\$5,449,070	\$6,714,764
Total revenue	\$2,946,652	\$3,683,314	\$4,419,977		\$7,366,629	\$9,822,172
Gross development profit (inc. 1 percent)	\$347,936	\$760,158	\$1,172,006		\$1,917,559	\$3,107,408
Gross development profit (excl. 1 percent)	\$357,937	\$777,738	\$1,197,509		\$1,983,244	\$3,210,543
Development margin (inc. 1 percent)	13.39%	26.00%	36.08%		35.19%	46.28%
Development margin (excl. 1 percent)	13.83%	25.69%	37.16%		36.84%	48.56%
Development margin variation	0.44%	0.76	1.08%		1.65%	2.28%
Target Residual Land Use Value (inc. 1 percent)	\$1,039,317	\$1,302,686	\$1,561,147		\$1,923,244	\$2,634,569
Target Residual Land Use Value (excl. 1 percent)	\$1,048,801	\$1,317,071	\$1,585,268		\$1,990,481	\$2,732,075

## Adamstown Heights

### Development controls:

Applicable zones: R2, R3

Floor space ratio: 0.6, 0.75, 0.9

Height of building: 8.5m, 10m

### Lot characteristics:

Average lot size: 670m<sup>2</sup>

Standard deviation: 216m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 277

3-year median sales price: \$995,000

Existing land use value (0.6, 0.75, 0.9): \$1,352.59/sqm

Existing land use value (1, 1.5, 2): \$1,487.85/sqm

**Table 5: Adamstown Heights development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1			
Gross floor area	360	450	540			
Indicative no# dwellings	3	4	5			
1% Contribution	\$8,650	\$15,205	\$22,057			
Total development cost (inc. 1 percent)	\$2,163,697	\$2,549,846	\$2,872,251			
Total revenue	\$2,548,569	\$3,185,711	\$3,822,853			
Gross development profit (inc. 1 percent)	\$320,802	\$635,864	\$950,602			
Gross development profit (excl. 1 percent)	\$329,452	\$651,069	\$972,659			
Development margin (inc. 1 percent)	14.40%	24.94%	33.10%			
Development margin (excl. 1 percent)	14.85%	25.69%	34.13%			
Development margin variation	0.45%	0.75%	1.03%			
Target Residual Land Use Value (inc. 1 percent)	\$750,691	\$942,349	\$1,126,464			
Target Residual Land Use Value (excl. 1 percent)	\$758,883	\$954,795	\$1,150,614			

## Beresfield

### Development controls:

Applicable zones: R2, R3, E1  
 Floor space ratio: 0.6, 0.75, 0.9, 1.5  
 Height of building: 8.5m, 10m, 11m

### Lot characteristics:

Average lot size: 634m<sup>2</sup>  
 Standard deviation: 590m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 214  
 3-year median sales price: \$580,000  
 Existing land use value (0.6, 0.75, 0.9): \$790.77/sqm  
 Existing land use value (1, 1.5, 2): \$869.84/sqm

**Table 6: Beresfield development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	
Gross floor area	360	450	540		900	
Indicative no# dwellings	3	4	5		10	
1% Contribution	\$7,032	\$12,361	\$17,932		\$53,400	
Total development cost (inc. 1 percent)	\$1,888,327	\$2,207,580	\$2,527,097		\$4,575,479	
Total revenue	\$2,071,904	\$2,589,880	\$3,107,856		\$5,179,760	
Gross development profit (inc. 1 percent)	\$183,577	\$382,300	\$580,759		\$604,282	
Gross development profit (excl. 1 percent)	\$190,609	\$394,661	\$598,691		\$657,681	
Development margin (inc. 1 percent)	9.72%	17.32%	22.98%		13.21%	
Development margin (excl. 1 percent)	10.13%	17.98%	23.86%		14.54%	
Development margin variation	0.41%	0.66%	0.88%		1.34%	
Target Residual Land Use Value (inc. 1 percent)	\$405,157	\$510,729	\$611,800		\$360,114	
Target Residual Land Use Value (excl. 1 percent)	\$411,808	\$521,905	\$630,083		\$410,033	

## Bar Beach

### Development controls:

Applicable zones: R2, R3, E1  
 Floor space ratio: 0.6, 0.75, 0.9  
 Height of building: 8.5m, 10m, 11m

### Lot characteristics:

Average lot size: 640m<sup>2</sup>  
 Standard deviation: 92m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 23  
 3-year median sales price: \$3,570,000  
 Existing land use value (0.6, 0.75, 0.9): \$4374.25/sqm  
 Existing land use value (1, 1.5, 2): \$4,811.67/sqm

**Table 7: Bar Beach development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	
Gross floor area	360	450	540		900	
Indicative no# dwellings	3	4	5		10	
1% Contribution	\$13,477	\$23,689	\$34,365		\$102,338	
Total development cost (inc. 1 percent)	\$4,342,696	\$4,673,207	\$5,004,225		\$7,421,592	
Total revenue	\$3,970,725	\$4,963,407	\$5,956,088		\$9,926,814	
Gross development profit (inc. 1 percent)	-\$371,970	\$290,199	\$951,863		\$2,505,222	
Gross development profit (excl. 1 percent)	-\$358,493	\$313,889	\$986,229		\$2,607,560	
Development margin (inc. 1 percent)	-8.57%	6.21%	19.02%		33.76%	
Development margin (excl. 1 percent)	-8.28%	6.75%	19.84%		35.63%	
Development margin variation	0.28%	0.54%	0.82%		1.87%	
Target Residual Land Use Value (inc. 1 percent)	\$1,776,279	\$2,220,633	\$2,658,263		\$3,733,795	
Target Residual Land Use Value (excl. 1 percent)	\$1,788,948	\$2,240,085	\$2,690,146		\$3,840,886	

## Birmingham Gardens

### Development controls:

Applicable zones: R2

Floor space ratio: 0.6, 0.75

Height of building: 8.5m

### Lot characteristics:

Average lot size: 595m<sup>2</sup>

Standard deviation: 172m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 141

3-year median sales price: \$680,000

Existing land use value (0.6, 0.75, 0.9): \$1,018.91/sqm

Existing land use value (1, 1.5, 2): \$1,120.80/sqm

**Table 8: Birmingham Garden development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1				
Gross floor area	360	450				
Indicative no# dwellings	3	4				
1% Contribution	\$7,726	\$13,581				
Total development cost (inc. 1 percent)	\$2,064,010	\$2,384,476				
Total revenue	\$2,276,459	\$2,845,574				
Gross development profit (inc. 1 percent)	\$212,449	\$461,097				
Gross development profit (excl. 1 percent)	\$220,175	\$474,679				
Development margin (inc. 1 percent)	10.29%	19.34%				
Development margin (excl. 1 percent)	10.71%	20.02%				
Development margin variation	0.41%	0.68%				
Target Residual Land Use Value (inc. 1 percent)	\$553,483	\$695,880				
Target Residual Land Use Value (excl. 1 percent)	\$560,810	\$706,753				

## Broadmeadow

### Development controls:

Applicable zones: E1, MU1, R2, R3, R4

Floor space ratio: 0.6, 0.75, 0.9

Height of building: 8.5m, 10m, 11m, 14m, 17m, 21m

### Lot characteristics:

Average lot size: 430m<sup>2</sup>

Standard deviation: 177m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 88

3-year median sales price: \$865,000

Existing land use value (0.6, 0.75, 0.9): \$1,771.11/sqm

Existing land use value (1, 1.5, 2): \$1,948.22/sqm

**Table 9: Broadmeadow development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	2:1
Gross floor area	360	450	540		900	1200
Indicative no# dwellings	3	4	5		10	12
1% Contribution	\$9,421	\$16,560	\$24,023		\$71,539	\$97,152
Total development cost (inc. 1 percent)	\$2,519,170	\$2,842,596	\$3,166,376		\$5,364,924	\$6,615,927
Total revenue	\$2,775,721	\$3,469,651	\$4,163,581		\$6,939,302	\$9,252,403
Gross development profit (inc. 1 percent)	\$256,551	\$627,055	\$997,205		\$1,574,379	\$2,636,477
Gross development profit (excl. 1 percent)	\$265,972	\$643,615	\$1,021,228		\$1,645,918	\$2,733,629
Development margin (inc. 1 percent)	10.18%	22.06%	31.49%		29.35%	39.85%
Development margin (excl. 1 percent)	10.60%	22.77%	32.50%		31.09%	41.93%
Development margin variation	0.41%	0.72%	1.01%		1.75%	2.08%
Target Residual Land Use Value (inc. 1 percent)	\$915,327	\$1,147,937	\$1,374,832		\$1,610,854	\$2,228,083
Target Residual Land Use Value (excl. 1 percent)	\$922,925	\$1,161,483	\$1,397,280		\$1,682,411	\$2,318,794

## Carrington

### Development controls:

Applicable zones: E1, R2,  
 Floor space ratio: 0.6, 0.75, 1.5  
 Height of building: 8.5m, 11m

### Lot characteristics:

Average lot size: 254m<sup>2</sup>  
 Standard deviation: 116m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 157  
 3-year median sales price: \$875,000  
 Existing land use value (0.6, 0.75, 0.9): \$3,222.62/sqm  
 Existing land use value (1, 1.5, 2): \$3,544.88/sqm

**Table 10: Carrington development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1			1.5:1	
Gross floor area	360	450			900	
Indicative no# dwellings	3	4			10	
1% Contribution	\$9,384	\$16,496			\$71,263	
Total development cost (inc. 1 percent)	\$3,524,536	\$3,847,899			\$6,471,540	
Total revenue	\$2,765,009	\$3,456,262			\$6,912,523	
Gross development profit (inc. 1 percent)	-\$759,527	-\$391,638			\$440,983	
Gross development profit (excl. 1 percent)	-\$750,142	-\$375,141			\$512,246	
Development margin (inc. 1 percent)	-21.55%	-10.18%			6.81%	
Development margin (excl. 1 percent)	-21.34%	-9.79%			8.00%	
Development margin variation	0.21%	0.39%			1.19%	
Target Residual Land Use Value (inc. 1 percent)	\$909,734	\$1,138,631			\$1,593,679	
Target Residual Land Use Value (excl. 1 percent)	\$918,597	\$1,152,039			\$1,663,464	

## Cooks Hill

### Development controls:

Applicable zones: R3, E1, MU1

Floor space ratio: 0.9, 1.5, 2

Height of building: 10m, 11m, 14m, 17m 24 m, 30m, 35m

### Lot characteristics:

Average lot size: 250m<sup>2</sup>

Standard deviation: 193m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 130

3-year median sales price: \$1,370,000

Existing land use value (0.6, 0.75, 0.9): \$5,217.24/sqm

Existing land use value (1, 1.5, 2): \$5,738.96/sqm

**Table 11: Cooks Hill development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio			0.9:1		1.5:1	2:1
Gross floor area			540		900	1200
Indicative no# dwellings			5		10	12
1% Contribution			\$34,365		\$102,338	\$138,978
Total development cost (inc. 1 percent)			\$5,588,822		\$8,462,635	\$7,818,570
Total revenue			\$5,956,088		\$9,926,814	\$13,235,751
Gross development profit (inc. 1 percent)			\$367,266		\$1,464,179	\$5,417,182
Gross development profit (excl. 1 percent)			\$401,631		\$1,566,517	\$5,556,160
Development margin (inc. 1 percent)			6.57%		17.30%	69.29%
Development margin (excl. 1 percent)			7.23%		18.74%	72.35%
Development margin variation			0.66%		1.44%	3.06%
Target Residual Land Use Value (inc. 1 percent)			\$2,658,699		\$3,738,144	\$5,065,315
Target Residual Land Use Value (excl. 1 percent)			\$2,690,947		\$3,840,852	\$5,195,691

## Elernore Vale

### Development controls:

Applicable zones: E1, R2

Floor space ratio: 0.6, 0.75, 1.5

Height of building: 8.5m, 11m

### Lot characteristics:

Average lot size: 788m<sup>2</sup>

Standard deviation: 883m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 232

3-year median sales price: \$785,000

Existing land use value (0.6, 0.75, 0.9): \$983.40/sqm

Existing land use value (1, 1.5, 2): \$1,081.74/sqm

**Table 12: Elernore Vale development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1			1.5:1	
Gross floor area	360	450			900	
Indicative no# dwellings	3	4			10	
1% Contribution	\$6,846	\$12,034			\$51,986	
Total development cost (inc. 1 percent)	\$2,032,954	\$2,351,882			\$4,724,200	
Total revenue	\$2,017,049	\$2,521,311			\$5,042,623	
Gross development profit (inc. 1 percent)	-\$15,905	\$169,429			\$318,422	
Gross development profit (excl. 1 percent)	-\$9,059	\$181,463			\$370,408	
Development margin (inc. 1 percent)	-0.78%	7.20%			6.74%	
Development margin (excl. 1 percent)	-0.45%	7.76%			7.93%	
Development margin variation	0.34%	0.55%			1.19%	
Target Residual Land Use Value (inc. 1 percent)	\$366,016	\$461,177			\$253,351	
Target Residual Land Use Value (excl. 1 percent)	\$372,418	\$471,684			\$305,188	

## Fletcher

### Development controls:

Applicable zones: C2, C4, E1, R2, RE1

Floor space ratio: 0.6, 1.5

Height of building: 8.5m, 11m

### Lot characteristics:

Average lot size: 660m<sup>2</sup>

Standard deviation: 839m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 409

3-year median sales price: \$860,000

Existing land use value (0.6, 0.75, 0.9): \$1,256.88/sqm

Existing land use value (1, 1.5, 2): \$1,382.57/sqm

**Table 13: Fletcher development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1				1.5:1	
Gross floor area	360				900	
Indicative no# dwellings	3				10	
1% Contribution	\$6,516				\$49,483	
Total development cost (inc. 1 percent)	\$1,922,731				\$4,925,250	
Total revenue	\$1,919,937				\$4,799,841	
Gross development profit (inc. 1 percent)	-\$111,445				-\$125,409	
Gross development profit (excl. 1 percent)	-\$104,928				-\$75,926	
Development margin (inc. 1 percent)	-5.49%				-2.55%	
Development margin (excl. 1 percent)	-5.18%				-1.56%	
Development margin variation	0.30%				0.99%	
Target Residual Land Use Value (inc. 1 percent)	\$295,044				\$79,110	
Target Residual Land Use Value (excl. 1 percent)	\$301,236				\$128,331	

## Georgetown

### Development controls:

Applicable zones: E1, R2, R3

Floor space ratio: 0.6, 0.75, 0.9, 1.5

Height of building: 8.5m, 10m, 11m

### Lot characteristics:

Average lot size: 419m<sup>2</sup>

Standard deviation: 100m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 102

3-year median sales price: \$894,999

Existing land use value (0.6, 0.75, 0.9): \$1,983.96/sqm

Existing land use value (1, 1.5, 2): \$2,182.36/sqm

**Table 14: Adamstown Heights development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	
Gross floor area	360	450	540		900	
Indicative no# dwellings	3	4	5		10	
1% Contribution	\$8,285	\$14,564	\$21,128		\$62,917	
Total development cost (inc. 1 percent)	\$2,660,305	\$2,981,749	\$3,303,503		\$5,507,438	
Total revenue	\$2,441,192	\$3,051,490	\$3,661,788		\$6,102,980	
Gross development profit (inc. 1 percent)	-\$219,113	\$69,741	\$358,285		\$595,542	
Gross development profit (excl. 1 percent)	-\$210,828	\$ 84,305	\$379,413		\$658,459	
Development margin (inc. 1 percent)	-8.24%	2.34%	10.85%		10.81%	
Development margin (excl. 1 percent)	-7.95%	2.84%	11.56%		12.09%	
Development margin variation	0.29%	0.50%	0.71%		1.28%	
Target Residual Land Use Value (inc. 1 percent)	\$677,138	\$848,011	\$1,014,854		\$1,015,734	
Target Residual Land Use Value (excl. 1 percent)	\$684,949	\$859,863	\$1,033,425		\$1,078,665	

## Hamilton

### Development controls:

Applicable zones: E1, MU1, R3, R4

Floor space ratio: 0.75, 0.9, 1.5, 2

Height of building: 8.5m, 10m, 11m, 14m, 17m

### Lot characteristics:

Average lot size: 333m<sup>2</sup>

Standard deviation: 178m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 236

3-year median sales price: \$1,005,000

Existing land use value (0.6, 0.75, 0.9): \$2,906.27/sqm

Existing land use value (1, 1.5, 2): \$3,196.90/sqm

**Table 15: Hamilton development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio		0.75:1	0.9:1		1.5:1	2:1
Gross floor area		450	540		900	1200
Indicative no# dwellings		4	5		10	12
1% Contribution		\$18,699	\$27,127		\$80,781	\$109,703
Total development cost (inc. 1 percent)		\$3,636,688	\$3,962,639		\$6,264,677	\$7,510,483
Total revenue		\$3,917,893	\$4,701,472		\$7,835,786	\$10,447,715
Gross development profit (inc. 1 percent)		\$281,205	\$738,832		\$1,583,649	\$2,937,232
Gross development profit (excl. 1 percent)		\$299,905	\$765,959		\$1,664,430	\$3,046,935
Development margin (inc. 1 percent)		7.73%	18.64%		25.33%	39.11%
Development margin (excl. 1 percent)		8.29%	19.46%		26.97%	41.17%
Development margin variation		0.56%	0.82%		1.64%	2.06%
Target Residual Land Use Value (inc. 1 percent)		\$1,469,945	\$1,761,200		\$2,249,146	\$3,075,321
Target Residual Land Use Value (excl. 1 percent)		\$1,485,323	\$1,784,894		\$2,329,900	\$3,183,978

## Hamilton East

### Development controls:

Applicable zones: MU1, R2, R3

Floor space ratio: 0.9, 1.5

Height of building: 10m, 14m, 17m

### Lot characteristics:

Average lot size: 515m<sup>2</sup>

Standard deviation: 244m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 48

3-year median sales price: \$1,650,000

Existing land use value (0.6, 0.75, 0.9): \$2,852.39/sqm

Existing land use value (1, 1.5, 2): \$3,137.63/sqm

**Table 16: Hamilton East development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio			0.9:1		1.5:1	
Gross floor area			540		900	
Indicative no# dwellings			5		10	
1% Contribution			\$34,365		\$102,338	
Total development cost (inc. 1 percent)			\$3,948,846		\$6,260,675	
Total revenue			\$5,956,088		\$9,926,814	
Gross development profit (inc. 1 percent)			\$2,007,242		\$3,666,138	
Gross development profit (excl. 1 percent)			\$2,041,607		\$3,768,477	
Development margin (inc. 1 percent)			50.83%		58.56%	
Development margin (excl. 1 percent)			52.16%		61.19%	
Development margin variation			1.32%		2.63%	
Target Residual Land Use Value (inc. 1 percent)			\$2,658,207		\$3,738,142	
Target Residual Land Use Value (excl. 1 percent)			\$2,690,596		\$3,840,803	

## Hamilton North

### Development controls:

Applicable zones: R2, R3

Floor space ratio: 0.6, 0.9

Height of building: 8.5m, 10m

### Lot characteristics:

Average lot size: 421m<sup>2</sup>

Standard deviation: 230m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 61

3-year median sales price: \$885,000

Existing land use value (0.6, 0.75, 0.9): \$1,993.95/sqm

Existing land use value (1, 1.5, 2): \$2,193.35/sqm

**Table 17: Hamilton North development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1		0.9:1			
Gross floor area	360		540			
Indicative no# dwellings	3		5			
1% Contribution	\$10,638		\$27,127			
Total development cost (inc. 1 percent)	\$2,678,459		\$3,329,964			
Total revenue	\$3,134,314		\$4,701,472			
Gross development profit (inc. 1 percent)	\$455,855		\$1,371,508			
Gross development profit (excl. 1 percent)	\$466,493		\$1,398,634			
Development margin (inc. 1 percent)	17.02%		41.19%			
Development margin (excl. 1 percent)	17.49%		42.35%			
Development margin variation	0.47%		1.16%			
Target Residual Land Use Value (inc. 1 percent)	\$1,175,079		\$1,469,339			
Target Residual Land Use Value (excl. 1 percent)	\$1,184,406		\$1,484,362			

## Hamilton South

### Development controls:

Applicable zones: E1, R2, R3

Floor space ratio: 0.6, 0.75, 1.5

Height of building: 8.5m, 11m

### Lot characteristics:

Average lot size: 548m<sup>2</sup>

Standard deviation: 172m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 148

3-year median sales price: \$1,625,500

Existing land use value (0.6, 0.75, 0.9): \$2,595.48/sqm

Existing land use value (1, 1.5, 2): \$2,855.03/sqm

**Table 18: Hamilton South development feasibility summary**

Scenario		1	2	3	4	5	6
Floor Space Ratio		0.6:1	0.75:1			1.5:1	
Gross floor area		360	450			900	
Indicative no# dwellings		3	4			10	
1% Contribution		\$13,477	\$23,689			\$102,338	
Total development cost (inc. 1 percent)		\$3,117,633	\$3,448,145			\$6,064,697	
Total revenue		\$3,970,725	\$4,963,407			\$9,926,814	
Gross development profit (inc. 1 percent)		\$853,092	\$1,515,262			\$3,862,117	
Gross development profit (excl. 1 percent)		\$866,569	\$1,538,951			\$3,964,455	
Development margin (inc. 1 percent)		27.36%	43.94%			63.68%	
Development margin (excl. 1 percent)		27.92%	44.94%			66.49%	
Development margin variation		0.55%	1%			2.81%	
Target Residual Land Use Value (inc. 1 percent)		\$1,776,202	\$2,219,464			\$3,737,801	

---

Target Residual Land Use Value (excl. 1 percent)		\$1,788,913	\$2,238,438			\$3,840,276	
--------------------------------------------------------	--	-------------	-------------	--	--	-------------	--

## Islington

### Development controls:

Applicable zones: E1, MU1, R3, R4

Floor space ratio: 0.75, 0.9, 1.5, 2

Height of building: 8.5m, 10m, 11m, 14m, 17m

### Lot characteristics:

Average lot size: 315m<sup>2</sup>

Standard deviation: 232m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 138

3-year median sales price: \$895,500

Existing land use value (0.6, 0.75, 0.9): \$2,884.60/sqm

Existing land use value (1, 1.5, 2): \$3,173.06/sqm

**Table 19: Islington development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio		0.75:1	0.9:1		1.5:1	2:1
Gross floor area		450	540		900	1200
Indicative no# dwellings		4	5		10	12
1% Contribution		\$18,699	\$27,127		\$80,781	\$109,703
Total development cost (inc. 1 percent)		\$3,592,269	\$3,918,220		\$6,235,607	\$7,493,953
Total revenue		\$3,917,893	\$4,701,472		\$7,835,786	\$10,447,715
Gross development profit (inc. 1 percent)		\$325,624	\$783,251		\$1,600,179	\$2,953,762
Gross development profit (excl. 1 percent)		\$344,324	\$810,378		\$1,680,961	\$3,063,465
Development margin (inc. 1 percent)		9.06%	19.99%		25.66%	39.42%
Development margin (excl. 1 percent)		9.64%	20.83%		27.31%	41.49%
Development margin variation		0.57%	0.84%		1.65%	2.07%
Target Residual Land Use Value (inc. 1 percent)		\$1,469,888	\$1,759,557		\$2,249,099	\$3,078,047
Target Residual Land Use Value (excl. 1 percent)		\$1,485,311	\$1,784,713		\$2,329,800	\$3,183,967

## Jesmond

### Development controls:

Applicable zones: C3, E1, E4, R2, R3, RE1, SP2

Floor space ratio: 0.6, 0.75, 0.9, 2

Height of building: 8.5m, 10m, 14m

### Lot characteristics:

Average lot size: 585m<sup>2</sup>

Standard deviation: 434m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 110

3-year median sales price: \$685,000

Existing land use value (0.6, 0.75, 0.9): \$1,133.99/sqm

Existing land use value (1, 1.5, 2): \$1,247.39/sqm

**Table 20: Jesmond development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1			2:1
Gross floor area	340	450	540			1200
Indicative no# dwellings	3	4	5			12
1% Contribution	\$7,726	13,581	\$19,702			\$79,678
Total development cost (inc. 1 percent)	\$2,073,076	\$2,393,543	\$2,714,299			\$6,094,256
Total revenue	\$2,276,459	\$2,845,574	\$3,414,688			\$7,588,196
Gross development profit (inc. 1 percent)	\$203,383	\$452,031	\$700,389			\$1,493,940
Gross development profit (excl. 1 percent)	\$211,109	\$465,612	\$720,091			\$1,573,618
Development margin (inc. 1 percent)	9.81%	18.89%	25.80%			24.51%
Development margin (excl. 1 percent)	10.22%	19.56%	26.72%			26.16%
Development margin variation	0.42%	0.68%	0.92%			1.65%
Target Residual Land Use Value (inc. 1 percent)	\$553,518	\$696,003	\$834,771			\$1,039,725
Target Residual Land Use Value (excl. 1 percent)	\$560,837	\$706,960	\$853,421			\$1,117,721

## Kotara

### Development controls:

Applicable zone: E1, R2, R3

Floor space ratio: 0.6, 0.75, 0.9, 1.5, 2

Height of building: 8.5m, 10m, 14m

### Lot characteristics:

Average lot size: 685m<sup>2</sup>

Standard deviation: 247m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 206

3-year median sales price: \$850,000

Existing land use value (0.6, 0.75, 0.9): \$1,099.53/sqm

Existing land use value (1, 1.5, 2): \$1,209.48/sqm

**Table 21: Kotara development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	2:1
Gross floor area	340	450	540		900	1200
Indicative no# dwellings	3	4	5		10	12
1% Contribution	\$8,650	\$15,205	\$22,057		\$65,685	\$89,202
Total development cost (inc. 1 percent)	\$2,129,383	\$2,451,463	\$2,773,868		\$4,843,566	\$6,089,917
Total revenue	\$2,548,569	\$3,185,711	\$3,822,853		\$6,371,422	\$8,495,229
Gross development profit (inc. 1 percent)	\$419,185	\$734,248	\$1,048,986		\$1,527,856	\$2,405,312
Gross development profit (excl. 1 percent)	\$427,835	\$749,452	\$1,071,043		\$1,593,541	\$2,494,513
Development margin (inc. 1 percent)	19.69%	29.95%	37.82%		31.54%	39.50%
Development margin (excl. 1 percent)	20.17%	30.76%	38.92%		33.35%	41.57%
Development margin variation	0.49%	0.81%	1.10%		1.81%	2.07%
Target Residual Land Use Value (inc. 1 percent)	\$750,409	\$941,680	\$1,128,552		\$1,205,713	\$1,693,212
Target Residual Land Use Value (excl. 1 percent)	\$758,421	\$953,973	\$1,149,120		\$1,271,195	\$1,778,794

## Lambton

### Development controls:

Applicable zones: E1, R2,  
 Floor space ratio: 0.6, 0.75, 1.5  
 Height of building: 8.5m, 11m

### Lot characteristics:

Average lot size: 536m<sup>2</sup>  
 Standard deviation: 164m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 234  
 3-year median sales price: \$983,500  
 Existing land use value (0.6, 0.75, 0.9): \$1,616.84/sqm  
 Existing land use value (1, 1.5, 2): \$1,778.52/sqm

**Table 22: Lambton development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1			1.5:1	
Gross floor area	340	450			900	
Indicative no# dwellings	3	4			10	
1% Contribution	\$10,127	\$17,801			\$76,901	
Total development cost (inc. 1 percent)	\$2,416,482	\$2,741,142			\$5,259,590	
Total revenue	\$2,983,774	\$3,729,718			\$7,459,436	
Gross development profit (inc. 1 percent)	\$567,293	\$988,576			\$2,199,846	
Gross development profit (excl. 1 percent)	\$577,419	\$1,006,377			\$2,276,748	
Development margin (inc. 1 percent)	23.48%	36.06%			41.83%	
Development margin (excl. 1 percent)	24.00%	36.95%			43.93%	
Development margin variation	0.52%	0.89%			2.10%	
Target Residual Land Use Value (inc. 1 percent)	\$1,065,959	\$1,336,196			\$1,980,819	
Target Residual Land Use Value (excl. 1 percent)	\$1,075,547	\$1,350,721			\$2,057,296	

## Maryland

### Development controls:

Applicable zone: E1, R2

Floor space ratio: 0.6, 0.75, 1.5

Height of building: 8.5m, 11m

### Lot characteristics:

Average lot size: 633m<sup>2</sup>

Standard deviation: 119m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 358

3-year median sales price: \$722,500

Existing land use value (0.6, 0.75, 0.9): \$1,043.20/sqm

Existing land use value (1, 1.5, 2): \$1,147.52/sqm

**Table 23: Maryland development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1			1.5:1	
Gross floor area	340	450			900	
Indicative no# dwellings	3	4			10	
1% Contribution	\$7,920	\$13,923			\$60,146	
Total development cost (inc. 1 percent)	\$2,083,304	\$2,404,110			\$4,788,212	
Total revenue	\$2,333,650	\$2,917,062			\$5,834,124	
Gross development profit (inc. 1 percent)	\$250,346	\$512,952			\$1,045,912	
Gross development profit (excl. 1 percent)	\$258,266	\$526,875			\$1,106,057	
Development margin (inc. 1 percent)	12.02%	21.34%			21.84%	
Development margin (excl. 1 percent)	12.44%	22.04%			23.39%	
Development margin variation	0.43%	0.71%			1.55%	
Target Residual Land Use Value (inc. 1 percent)	\$593,956	\$747,264			\$819,321	
Target Residual Land Use Value (excl. 1 percent)	\$601,920	\$759,204			\$881,744	

## Maryville

### Development controls:

Applicable zone: R2, R3

Floor space ratio: 0.6, 0.75, 0.9

Height of building: 8.5m

### Lot characteristics:

Average lot size: 633m<sup>2</sup>

Standard deviation: 119m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 85

3-year median sales price: \$722,250

Existing land use value (0.6, 0.75, 0.9): \$1,043.20/sqm

Existing land use value (1, 1.5, 2): \$1,147.52/sqm

**Table 24: Maryville development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1			
Gross floor area	340	450	540			
Indicative no# dwellings	3	4	5			
1% Contribution	\$10,638	\$18,699	\$27,127			
Total development cost (inc. 1 percent)	\$3,397,841	\$3,723,394	\$4,049,345			
Total revenue	\$3,134,314	\$3,917,893	\$4,701,472			
Gross development profit (inc. 1 percent)	-\$263,526	\$194,499	\$652,126			
Gross development profit (excl. 1 percent)	-\$252,888	\$213,199	\$679,253			
Development margin (inc. 1 percent)	-7.76%	5.22%	16.10%			
Development margin (excl. 1 percent)	-7.47%	5.75%	16.89%			
Development margin variation	0.29%	0.53%	0.71%			
Target Residual Land Use Value (inc. 1 percent)	\$1,177,041	\$1,469,666	\$1,758,877			
Target Residual Land Use Value (excl. 1 percent)	\$1,185,603	\$1,485,875	\$1,785,032			

## Mayfield

### Development controls:

Applicable zones: E1, MU1, R2, R3, R4

Floor space ratio: 0.6, 0.75, 0.9, 1.5, 2

Height of building: 8.5m, 10m, 11m, 14m, 17m, 20m

### Lot characteristics:

Average lot size: 421m<sup>2</sup>

Standard deviation: 148m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 559

3-year median sales price: \$815,000

Existing land use value (0.6, 0.75, 0.9): \$1,771.27/sqm

Existing land use value (1, 1.5, 2): \$1,948.40/sqm

**Table 25: Mayfield development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	2:1
Gross floor area	340	450	540		900	1200
Indicative no# dwellings	3	4	5		10	12
1% Contribution	\$8,285	\$14,564	\$21,128		\$62,917	\$85,443
Total development cost (inc. 1 percent)	\$2,513,865	\$2,991,035	\$3,312,789		\$5,345,196	\$6,589,349
Total revenue	\$2,441,192	\$3,051,490	\$3,661,788		\$6,102,980	\$8,137,306
Gross development profit (inc. 1 percent)	-\$72,673	\$60,454	\$348,998		\$757,784	\$1,547,958
Gross development profit (excl. 1 percent)	-\$64,388	\$75,019	\$370,126		\$820,701	\$1,633,401
Development margin (inc. 1 percent)	-2.89%	2.02%	10.53%		14.18%	23.49%
Development margin (excl. 1 percent)	-2.57%	2.52%	11.24%		15.54%	25.11%
Development margin variation	0.32%	0.50%	0.71%		1.36%	1.62%
Target Residual Land Use Value (inc. 1 percent)	\$674,326	\$844,882	\$1,013,539		\$1,014,623	\$1,434,243
Target Residual Land Use Value (excl. 1 percent)	\$674,326	\$857,179	\$1,031,704		\$1,076,991	\$1,514,567

## Mayfield East

### Development controls:

Applicable zones: E4, R2, RE1  
 Floor space ratio: 0.6, 0.75, 0.9  
 Height of building: 8.5m

### Lot characteristics:

Average lot size: 417m<sup>2</sup>  
 Standard deviation: 368m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 120  
 3-year median sales price: \$850,000  
 Existing land use value (0.6, 0.75, 0.9): \$1,997.79/sqm  
 Existing land use value (1, 1.5, 2): \$2,197.57/sqm

**Table 26: Mayfield East development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1			
Gross floor area	340	450	540			
Indicative no# dwellings	3	4	5			
1% Contribution	\$8,285	\$14,564	\$21,128			
Total development cost (inc. 1 percent)	\$2,669,899	\$2,991,342	\$3,313,096			
Total revenue	\$2,441,192	\$3,051,490	\$3,661,788			
Gross development profit (inc. 1 percent)	-\$228,707	\$60,148	\$348,692			
Gross development profit (excl. 1 percent)	-\$220,422	\$74,712	\$369,819			
Development margin (inc. 1 percent)	-8.57%	2.01%	10.52%			
Development margin (excl. 1 percent)	-8.28%	2.51%	11.23%			
Development margin variation	0.28%	0.50%	0.71%			
Target Residual Land Use Value (inc. 1 percent)	\$678,658	\$846,482	\$1,014,874			
Target Residual Land Use Value (excl. 1 percent)	\$684,955	\$859,869	\$1,032,931			

## Mayfield West

### Development controls:

Applicable zones: E4, E5, R2, SP2

Floor space ratio: 0.6, 0.9, 1.5

Height of building: 8.5m, 11m

### Lot characteristics:

Average lot size: 516m<sup>2</sup>

Standard deviation: 116m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 121

3-year median sales price: \$752,500

Existing land use value (0.6, 0.75, 0.9): \$1,258.99/sqm

Existing land use value (1, 1.5, 2): \$1,384.88/sqm

**Table 27: Mayfield West development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1		0.9:1		1.5:1	
Gross floor area	340		540		900	
Indicative no# dwellings	3		5		10	
1% Contribution	\$7,475		\$19,062		\$56,765	
Total development cost (inc. 1 percent)	\$2,157,810		\$2,798,147		\$4,943,611	
Total revenue	\$2,202,474		\$3,303,711		\$5,506,186	
Gross development profit (inc. 1 percent)	\$44,664		\$505,565		\$562,575	
Gross development profit (excl. 1 percent)	\$52,139		\$524,627		\$619,339	
Development margin (inc. 1 percent)	2.07%		18.07%		11.38%	
Development margin (excl. 1 percent)	2.42%		18.88%		12.67%	
Development margin variation	0.35%		0.81%		1.29%	
Target Residual Land Use Value (inc. 1 percent)	\$501,179		\$755,392		\$585,763	
Target Residual Land Use Value (excl. 1 percent)	\$506,903		\$772,802		\$643,010	

## Merewether

### Development controls:

Applicable zones: C1, C3, E1, E3, R2, R3, RE1, SP2,

Floor space ratio: 0.6, 0.75, 0.9, 1.5

Height of building: 8.5m, 10m, 11m, 18m

### Lot characteristics:

Average lot size: 524m<sup>2</sup>

Standard deviation: 225m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 484

3-year median sales price: \$1,950,000

Existing land use value (0.6, 0.75, 0.9): \$2,869.64/sqm

Existing land use value (1, 1.5, 2): \$3,156.60/sqm

**Table 28: Merewether development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	
Gross floor area	360	450	540		900	
Indicative no# dwellings	3	4	5		10	
1% Contribution	\$11,066	\$19,451	\$28,217		\$84029	
Total development cost (inc. 1 percent)	\$3,287,773	\$3,614,073	\$3,940,788		\$6,032,670	
Total revenue	\$3,260,341	\$4,075,426	\$4,890,511		\$8,150,852	
Gross development profit (inc. 1 percent)	-\$27,432	\$461,353	\$949,723		\$2,118,182	
Gross development profit (excl. 1 percent)	-\$16,367	\$480,804	\$977,940		\$2,202,212	
Development margin (inc. 1 percent)	-0.83%	12.77%	24.10%		35.11%	
Development margin (excl. 1 percent)	-0.50%	13.38%	24.99%		37.02%	
Development margin variation	0.33%	0.61%	0.90%		1.91%	
Target Residual Land Use Value (inc. 1 percent)	\$1,267,655	\$1,583,050	\$1,894,671		\$2,472,879	
Target Residual Land Use Value (excl. 1 percent)	\$1,276,263	\$1,599,052	\$1,921,096		\$2,556,333	

## Merewether Heights

### Development controls:

Applicable zones: R2

Floor space ratio: 0.6

Height of building: 8.5m

### Lot characteristics:

Average lot size: 591m<sup>2</sup>

Standard deviation: 186m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 76

3-year median sales price: \$1,530,000

Existing land use value (0.6, 0.75, 0.9): \$2,238.18/sqm

Existing land use value (1, 1.5, 2): \$2,462.00/sqm

**Table 29: Merewether Heights development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1					
Gross floor area	360					
Indicative no# dwellings	3					
1% Contribution	\$11,066					
Total development cost (inc. 1 percent)	\$2,849,869					
Total revenue	\$3,260,341					
Gross development profit (inc. 1 percent)	\$410,472					
Gross development profit (excl. 1 percent)	\$421,537					
Development margin (inc. 1 percent)	14.40%					
Development margin (excl. 1 percent)	14.85%					
Development margin variation	0.45%					
Target Residual Land Use Value (inc. 1 percent)	\$1,266,023					
Target Residual Land Use Value (excl. 1 percent)	\$1,274,678					

## Minmi

### Development controls:

Applicable zone: E1, R2, R3

Floor space ratio: 0.6, 1.5

Height of building: 8,5m, 11m

### Lot characteristics:

Average lot size: 906m<sup>2</sup>

Standard deviation: 403m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 44

3-year median sales price: \$795,000

Existing land use value (0.6, 0.75, 0.9): \$737.85/sqm

Existing land use value (1, 1.5, 2): \$811.64/sqm

**Table 30: Minmi development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1				1.5:1	
Gross floor area	360				900	
Indicative no# dwellings	3				10	
1% Contribution	\$16,443				\$54,140	
Total development cost (inc. 1 percent)	\$2,589,062				\$4,543,471	
Total revenue	\$3,080,950				\$5,251,619	
Gross development profit (inc. 1 percent)	\$491,887				\$708,148	
Gross development profit (excl. 1 percent)	\$508,330				\$762,289	
Development margin (inc. 1 percent)	19.00%				15.59%	
Development margin (excl. 1 percent)	19.76%				16.98%	
Development margin variation	0.76%				1.39%	
Target Residual Land Use Value (inc. 1 percent)	\$668,327				\$401,942	
Target Residual Land Use Value (excl. 1 percent)	\$681,776				\$457,214	

## New Lambton

### Development controls:

Applicable zones: C3, E1, E4, R2, R3, RE1, RE2, SP2

Floor space ratio: 0.6, 0.75, 0.9, 1.5

Height of building: 8.5m, 10m, 11m

### Lot characteristics:

Average lot size: 535m<sup>2</sup>

Standard deviation: 284m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 467

3-year median sales price: \$1,025,000

Existing land use value (0.6, 0.75, 0.9): \$1,724.12/sqm

Existing land use value (1, 1.5, 2): \$1,896.53/sqm

**Table 31: New Lambton development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	
Gross floor area	360	450	540		900	
Indicative no# dwellings	3	4	5		10	
1% Contribution	\$10,127	\$17,801	\$25,824		\$76,901	
Total development cost (inc. 1 percent)	\$2,490,235	\$2,814,895	\$3,139,935		\$5,341,727	
Total revenue	\$2,983,774	\$3,729,718	\$4,475,661		\$7,459,436	
Gross development profit (inc. 1 percent)	\$493,540	\$914,823	\$1,335,727		\$2,117,709	
Gross development profit (excl. 1 percent)	\$503,667	\$932,624	\$1,361,550		\$2,194,611	
Development margin (inc. 1 percent)	19.82%	32.50%	42.54%		39.64%	
Development margin (excl. 1 percent)	20.31%	33.34%	43.72%		41.68%	
Development margin variation	0.49%	1.11%	18%		2.04%	
Target Residual Land Use Value (inc. 1 percent)	\$1,067,623	\$1,334,987	\$1,599,059		\$1,137,919	
Target Residual Land Use Value (excl. 1 percent)	\$1,075,168	\$1,349,297	\$1,626,120		\$2,066,000	

## New Lambton Heights

### Development controls:

Applicable zones: R2  
 Floor space ratio: 0.6  
 Height of building: 8.5m

### Lot characteristics:

Average lot size: 963m<sup>2</sup>  
 Standard deviation: 1101m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 137  
 3-year median sales price: \$1,080,000  
 Existing land use value (0.6, 0.75, 0.9): \$1,084.50/sqm  
 Existing land use value (1, 1.5, 2): \$1,192.95/sqm

**Table 32: New Lambton Heights development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1					
Gross floor area	340					
Indicative no# dwellings	3					
1% Contribution	\$10,127					
Total development cost (inc. 1 percent)	\$2,124,066					
Total revenue	\$2,983,774					
Gross development profit (inc. 1 percent)	\$858,708					
Gross development profit (excl. 1 percent)	\$868,835					
Development margin (inc. 1 percent)	40.41%					
Development margin (excl. 1 percent)	41.08%					
Development margin variation	0.67%					
Target Residual Land Use Value (inc. 1 percent)	\$1,067,021					
Target Residual Land Use Value (excl. 1 percent)	\$1,074,644					

## Newcastle

### Development controls:

Applicable zones: E2, MU1, R3, R4

Floor space ratio: 1, 1.5, 2, 2.5, 3, 4, 5, 6, 8

Height of building: 10m–90m

### Lot characteristics:

Average lot size: 215m<sup>2</sup>

Standard deviation: 164m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 33

3-year median sales price: \$1,870,000

Existing land use value (0.6, 0.75, 0.9): \$7,922.22/sqm

Existing land use value (1, 1.5, 2): \$8,714.44/sqm

**Table 33: Newcastle development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio				1:1	1.5:1	2:1
Gross floor area				600	900	1200
Indicative no# dwellings				6	10	12
1% Contribution				\$49,263	\$119,710	\$162,569
Total development cost (inc. 1 percent)				\$8,795,006	\$10,193,940	\$11,483,214
Total revenue				\$7,741,240	\$11,611,860	\$15,482,480
Gross development profit (inc. 1 percent)				-\$1,053,766	\$1,417,920	\$3,999,266
Gross development profit (excl. 1 percent)				-\$1,004,502	\$1,537,630	\$4,161,835
Development margin (inc. 1 percent)				-11.98%	13.91%	34.83%
Development margin (excl. 1 percent)				-11.49%	15.26%	36.76%
Development margin variation				0.50%	1.35%	1.94%
Target Residual Land Use Value (inc. 1 percent)				\$3,318,936	\$4,927,103	\$6,620,039
Target Residual Land Use Value (excl. 1 percent)				\$3,365,807	\$5,035,237	\$6,778,631

## Newcastle East

### Development controls:

Applicable zones: R3, RE1

Floor space ratio: 1, 1.5

Height of building: 10m, 14m, 20m

### Lot characteristics:

Average lot size: 116m<sup>2</sup>

Standard deviation: 45m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 26

3-year median sales price: \$1,625,000

Existing land use value (0.6, 0.75, 0.9): \$13,968.27/sqm

Existing land use value (1, 1.5, 2): \$15,365.09/sqm

**Table 34: Newcastle East development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio				1:1	1.5:1	
Gross floor area				600	900	
Indicative no# dwellings				6	10	
1% Contribution				\$49,263	\$119,710	
Total development cost (inc. 1 percent)				\$13,402,178	\$14,865,890	
Total revenue				\$7,741,240	\$11,611,860	
Gross development profit (inc. 1 percent)				-\$5,660,937	-\$3,254,029	
Gross development profit (excl. 1 percent)				-\$5,611,674	-\$3,134,320	
Development margin (inc. 1 percent)				-42.24%	-21.89%	
Development margin (excl. 1 percent)				-42.03%	-21.26%	
Development margin variation				0.21%	0.63%	
Target Residual Land Use Value (inc. 1 percent)				\$3,367,528	\$4,926,219	
Target Residual Land Use Value (excl. 1 percent)				\$3,421,059	\$5,038,109	

## Newcastle West

### Development controls:

Applicable zones: E2, MU1, R3, R4

Floor space ratio: 1.5, 2

Height of building: 14m, 17m, 24m, 45m, 60m, 90m

### Lot characteristics:

Average lot size: 733m<sup>2</sup>

Standard deviation: 559m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 15

3-year median sales price: \$2,400,000

Existing land use value (0.6, 0.75, 0.9): \$3,277.75/sqm

Existing land use value (1, 1.5, 2): \$3,605.53/sqm

**Table 35: Newcastle West development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio					1.5:1	2:1
Gross floor area					900	1200
Indicative no# dwellings					10	12
1% Contribution					\$72,874	\$98,965
Total development cost (inc. 1 percent)					\$6,517,305	\$7,769,369
Total revenue					\$7,068,809	\$9,425,079
Gross development profit (inc. 1 percent)					\$551,504	\$1,655,710
Gross development profit (excl. 1 percent)					\$624,379	\$1,754,675
Development margin (inc. 1 percent)					8.46%	21.31%
Development margin (excl. 1 percent)					9.69%	22.88%
Development margin variation					1.23%	1.57%
Target Residual Land Use Value (inc. 1 percent)					\$1,707,433	\$2,347,360
Target Residual Land Use Value (excl. 1 percent)					\$1,776,175	\$2,443,653

## North Lambton

### Development controls:

Applicable zones: C3, R2, RE1, RE2, SP2

Floor space ratio: 0.6

Height of building: 8.5m

### Lot characteristics:

Average lot size: 536m<sup>2</sup>

Standard deviation: 177m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 226

3-year median sales price: \$767,500

Existing land use value (0.6, 0.75, 0.9): \$1,272.79/sqm

Existing land use value (1, 1.5, 2): \$1,400.07/sqm

**Table 36: North Lambton development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1					
Gross floor area	340					
Indicative no# dwellings	3					
1% Contribution	\$10,127					
Total development cost (inc. 1 percent)	\$2,171,810					
Total revenue	\$2,331,943					
Gross development profit (inc. 1 percent)	\$160,133					
Gross development profit (excl. 1 percent)	\$170,260					
Development margin (inc. 1 percent)	7.37%					
Development margin (excl. 1 percent)	7.88%					
Development margin variation	0.50%					
Target Residual Land Use Value (inc. 1 percent)	\$592,954					
Target Residual Land Use Value (excl. 1 percent)	\$601,476					

## Rankin Park

### Development controls:

Applicable zones: C3, R2, RE1

Floor space ratio: 0.6

Height of building: 8.5m

### Lot characteristics:

Average lot size: 700m<sup>2</sup>

Standard deviation: 220m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 134

3-year median sales price: \$805,000

Existing land use value (0.6, 0.75, 0.9): \$1,066.45/sqm

Existing land use value (1, 1.5, 2): \$1,173.10/sqm

**Table 37: Rankin Park development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1					
Gross floor area	340					
Indicative no# dwellings	3					
1% Contribution	\$8,111					
Total development cost (inc. 1 percent)	\$2,101,795					
Total revenue	\$2,389,749					
Gross development profit (inc. 1 percent)	\$287,954					
Gross development profit (excl. 1 percent)	\$296,064					
Development margin (inc. 1 percent)	13.70%					
Development margin (excl. 1 percent)	14.14%					
Development margin variation	0.44%					
Target Residual Land Use Value (inc. 1 percent)	\$636,945					
Target Residual Land Use Value (excl. 1 percent)	\$643,298					

## Shortland

### Development controls:

Applicable zones: C2, C3, E1, R2, RE1, RE2, SP2

Floor space ratio: 0.6, 0.75, 1.5

Height of building: 8.5m, 11m

### Lot characteristics:

Average lot size: 687m<sup>2</sup>

Standard deviation: 984m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 236

3-year median sales price: \$650,000

Existing land use value (0.6, 0.75, 0.9): \$944.95/sqm

Existing land use value (1, 1.5, 2): \$1,039.45/sqm

**Table 38: Shortland development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1			1.5:1	
Gross floor area	340	450			900	
Indicative no# dwellings	3	4			10	
1% Contribution	\$7,415	\$13,034			\$56,308	
Total development cost (inc. 1 percent)	\$2,006,593	\$2,326,516			\$4,705,076	
Total revenue	\$2,184,747	\$2,730,934			\$5,461,869	
Gross development profit (inc. 1 percent)	\$178,154	\$404,418			\$756,793	
Gross development profit (excl. 1 percent)	\$185,569	\$417,453			\$813,101	
Development margin (inc. 1 percent)	8.88%	17.38%			16.08%	
Development margin (excl. 1 percent)	9.28%	18.04%			17.49%	
Development margin variation	0.40%	0.66%			1.41%	
Target Residual Land Use Value (inc. 1 percent)	\$488,241	\$613,027			\$556,015	
Target Residual Land Use Value (excl. 1 percent)	\$494,160	\$623,667			\$610,592	

## Stockton

### Development controls:

Applicable zones: E1, R2

Floor space ratio: 0.6, 0.75, 1.5

Height of building: 8.5m, 11m, 14m

### Lot characteristics:

Average lot size: 463m<sup>2</sup>

Standard deviation: 157m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 241

3-year median sales price: \$1,050,000

Existing land use value (0.6, 0.75, 0.9): \$1,982.74/sqm

Existing land use value (1, 1.5, 2): \$2,181.01/sqm

**Table 39: Stockton development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1			1.5:1	
Gross floor area	340	450			900	
Indicative no# dwellings	3	4			10	
1% Contribution	\$10,227	\$17,978			\$77,663	
Total development cost (inc. 1 percent)	\$2,668,726	\$2,993,561			\$5,540,462	
Total revenue	\$3,013,317	\$3,766,646			\$7,533,292	
Gross development profit (inc. 1 percent)	\$344,591	\$773,085			\$1,992,830	
Gross development profit (excl. 1 percent)	\$354,818	\$791,062			\$2,070,493	
Development margin (inc. 1 percent)	12.91%	25.82%			35.97%	
Development margin (excl. 1 percent)	13.35%	26.59%			37.90%	
Development margin variation	0.43%	0.76%			1.93%	
Target Residual Land Use Value (inc. 1 percent)	\$1,090,058	\$1,361,362			\$2,036,545	
Target Residual Land Use Value (excl. 1 percent)	\$1,097,988	\$1,375,953			\$2,108,441	

## Tarro

### Development controls:

Applicable zones: C2, C3, R2, RE1, W2, SP2

Floor space ratio: 0.6

Height of building: 8.5

### Lot characteristics:

Average lot size: 927m<sup>2</sup>

Standard deviation: 1495m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 71

3-year median sales price: \$610,000

Existing land use value (0.6, 0.75, 0.9): \$683.03/sqm

Existing land use value (1, 1.5, 2): \$751.33/sqm

**Table 40: Tarro development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1					
Gross floor area	340					
Indicative no# dwellings	3					
1% Contribution	\$6,714					
Total development cost (inc. 1 percent)	\$1,805,174					
Total revenue	\$1,978,078					
Gross development profit (inc. 1 percent)	\$172,904					
Gross development profit (excl. 1 percent)	\$179,617					
Development margin (inc. 1 percent)	9.58%					
Development margin (excl. 1 percent)	9.99%					
Development margin variation	0.41%					
Target Residual Land Use Value (inc. 1 percent)	\$338,310					
Target Residual Land Use Value (excl. 1 percent)	\$343,669					

## The Hill

### Development controls:

Applicable zones: MU1, R2, R3

Floor space ratio: 0.6, 0.75, 0.9, 1.5

Height of building: 8.5m, 10m, 11m, 12m, 14m, 40.8m, 46.1m, 47.5m, 52.3m, 56.8m

### Lot characteristics:

Average lot size: 486m<sup>2</sup>

Standard deviation: 253m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 50

3-year median sales price: \$2,275,000

Existing land use value (0.6, 0.75, 0.9): \$3,519.94/sqm

Existing land use value (1, 1.5, 2): \$3,871.93/sqm

**Table 41: The Hill development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	
Gross floor area	340	450	540		900	
Indicative no# dwellings	3	4	5		10	
1% Contribution	\$13,207	\$23,216	\$33,679		\$100,294	
Total development cost (inc. 1 percent)	\$3,748,965	\$4,079,007	\$4,409,544		\$6,765,194	
Total revenue	\$3,891,415	\$4,864,269	\$5,837,122		\$9,728,537	
Gross development profit (inc. 1 percent)	\$142,450	\$785,262	\$1,427,579		\$2,963,343	
Gross development profit (excl. 1 percent)	\$155,657	\$808,478	\$1,461,258		\$3,063,638	
Development margin (inc. 1 percent)	3.80%	19.25%	32.37%		43.80%	
Development margin (excl. 1 percent)	4.17%	19.93%	33.39%		45.97%	
Development margin variation	0.37%	0.68%	1.02%		2.16%	
Target Residual Land Use Value (inc. 1 percent)	\$1,720,384	\$2,149,217	\$2,571,841		\$3,603,007	
Target Residual Land Use Value (excl. 1 percent)	\$1,732,639	\$2,167,722	\$2,603,132		\$3,697,592	

## The Junction

### Development controls:

Applicable zones: E1, R3

Floor space ratio: 0.9, 2

Height of building: 10m, 14m

### Lot characteristics:

Average lot size: 352m<sup>2</sup>

Standard deviation: 161m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 55

3-year median sales price: \$2,000,000

Existing land use value (0.6, 0.75, 0.9): \$4,930.97/sqm

Existing land use value (1, 1.5, 2): \$5,424.07/sqm

**Table 42: Merewether Heights development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio			0.9:1			2:1
Gross floor area			540			1200
Indicative no# dwellings			5			12
1% Contribution			\$28,217			\$114,114
Total development cost (inc. 1 percent)			\$6,441,561			\$9,061,282
Total revenue			\$4,890,511			\$10,867,802
Gross development profit (inc. 1 percent)			-\$1,521,050			\$1,806,520
Gross development profit (excl. 1 percent)			-\$1,492,833			\$1,920,634
Development margin (inc. 1 percent)			-23.72%			19.94%
Development margin (excl. 1 percent)			-23.39%			21.47%
Development margin variation			0.34%			1.53%
Target Residual Land Use Value (inc. 1 percent)			\$1,894,871			\$3,379,938
Target Residual Land Use Value (excl. 1 percent)			\$1,922,424			\$3,484,972

## Tighes Hill

### Development controls:

Applicable zones: E1, R2, R3

Floor space ratio: 0.6, 0.75, 0.9, 1.5, 2

Height of building: 8.5m, 11m, 14m

### Lot characteristics:

Average lot size: 396m<sup>2</sup>

Standard deviation: 322m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 108

3-year median sales price: \$1,020,000

Existing land use value (0.6, 0.75, 0.9): \$2,479.65/sqm

Existing land use value (1, 1.5, 2): \$2,727.62/sqm

**Table 43: Tighes Hill development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	2:1
Gross floor area	340	450	540		900	1200
Indicative no# dwellings	3	4	5		10	12
1% Contribution	\$10,638	\$18,699	\$27,127		\$80,781	\$109,703
Total development cost (inc. 1 percent)	\$1,015,282	\$3,340,835	\$3,666,787		\$5,926,699	\$7,185,045
Total revenue	\$3,134,314	\$3,917,893	\$4,701,472		\$7,835,786	\$10,447,715
Gross development profit (inc. 1 percent)	\$119,032	\$577,058	\$1,034,685		\$1,909,087	\$3,262,669
Gross development profit (excl. 1 percent)	\$129,670	\$595,757	\$1,061,811		\$1,989,868	\$3,372,372
Development margin (inc. 1 percent)	3.95%	17.27%	28.22%		32.21%	45.41%
Development margin (excl. 1 percent)	4.32%	17.93%	29.17%		34.04%	47.66%
Development margin variation	0.37%	0.66%	0.96%		1.83%	2.25%
Target Residual Land Use Value (inc. 1 percent)	\$1,176,417	\$1,485,204	\$1,759,329		\$2,253,986	\$3,079,278
Target Residual Land Use Value (excl. 1 percent)	\$1,186,257	\$1,488,659	\$1,784,756		\$2,329,841	\$3,181,441

## Wallsend

### Development controls:

Applicable zones: E1, R2, R3

Floor space ratio: 0.6, 0.75, 0.9, 1.5, 2

Height of building: 8.5m, 10m, 11m, 14m

### Lot characteristics:

Average lot size: 671m<sup>2</sup>

Standard deviation: 1220m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 741

3-year median sales price: \$710,000

Existing land use value (0.6, 0.75, 0.9): \$1,032.73/sqm

Existing land use value (1, 1.5, 2): \$1,136.00/sqm

**Table 44: Wallsend development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	2:1
Gross floor area	340	450	540		900	1200
Indicative no# dwellings	3	4	5		10	12
1% Contribution	\$7,726	\$13,581	\$19,702		\$58,672	\$79,678
Total development cost (inc. 1 percent)	\$2,074,460	\$2,394,927	\$2,715,683		\$4,776,900	\$6,017,680
Total revenue	\$2,276,459	\$2,845,574	\$3,414,688		\$5,691,147	\$7,588,196
Gross development profit (inc. 1 percent)	\$201,999	\$450,647	\$699,005		\$914,247	\$1,570,516
Gross development profit (excl. 1 percent)	\$209,725	\$464,228	\$718,707		\$972,918	\$1,650,194
Development margin (inc. 1 percent)	9.74%	18.82%	25.74%		19.14%	26.10%
Development margin (excl. 1 percent)	10.15%	19.49%	26.66%		20.62%	27.79%
Development margin variation	0.41%	0.68%	0.92%		1.48%	1.69%
Target Residual Land Use Value (inc. 1 percent)	\$553,524	\$696,016	\$834,777		\$721,521	\$1,041,842
Target Residual Land Use Value (excl. 1 percent)	\$560,842	\$706,987	\$855,554		\$777,246	\$1,117,313

## Warabrook

### Development controls:

Applicable zones: C3, E1, E4, R2, RE1

Floor space ratio: 0.6, 0.75, 1.5

Height of building: 8.5m, 11m

### Lot characteristics:

Average lot size: 649m<sup>2</sup>

Standard deviation: 206m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 65

3-year median sales price: \$860,000

Existing land use value (0.6, 0.75, 0.9): \$1,133.79/sqm

Existing land use value (1, 1.5, 2): \$1,247.17/sqm

**Table 45: Warabrook development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1			1.5:1	
Gross floor area	340	450			900	
Indicative no# dwellings	3	4			10	
1% Contribution	\$8,290	\$14,573			\$62,953	
Total development cost (inc. 1 percent)	\$2,075,629	\$2,397,081			\$4,863,184	
Total revenue	\$2,442,584	\$3,053,230			\$6,106,460	
Gross development profit (inc. 1 percent)	\$366,955	\$656,149			\$1,243,276	
Gross development profit (excl. 1 percent)	\$375,245	\$670,722			\$1,306,230	
Development margin (inc. 1 percent)	17.68%	27.37%			25.57%	
Development margin (excl. 1 percent)	18.15%	28.15%			27.21%	
Development margin variation	0.47%	0.78%			1.65%	
Target Residual Land Use Value (inc. 1 percent)	\$675,354	\$846,187			\$1,018,724	
Target Residual Land Use Value (excl. 1 percent)	\$680,274	\$858,049			\$1,080,216	

## Waratah

### Development controls:

Applicable zones: E1, R2, R3

Floor space ratio: 0.6, 0.75, 0.9, 1.5, 2

Height of building: 8.5m, 10m, 11m, 14m

### Lot characteristics:

Average lot size: 579m<sup>2</sup>

Standard deviation: 146m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 201

3-year median sales price: \$745,000

Existing land use value (0.6, 0.75, 0.9): \$1,072.48/sqm

Existing land use value (1, 1.5, 2): \$1,179.73/sqm

**Table 46: Waratah development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	2:1
Gross floor area	360	450	540		900	1200
Indicative no# dwellings	3	4	5		10	12
1% Contribution	\$7,717	\$13,566	\$19,679		\$58,604	\$79,586
Total development cost (inc. 1 percent)	\$2,030,747	\$2,351,198	\$2,671,938		\$4,806,805	\$6,047,531
Total revenue	\$2,273,834	\$2,842,293	\$3,410,751		\$5,684,586	\$7,579,447
Gross development profit (inc. 1 percent)	\$243,087	\$491,095	\$738,813		\$877,781	\$1,531,917
Gross development profit (excl. 1 percent)	\$250,805	\$504,661	\$758,492		\$936,385	\$1,611,502
Development margin (inc. 1 percent)	11.97%	20.89%	27.65%		18.26%	25.33%
Development margin (excl. 1 percent)	12.40%	21.59%	28.60%		19.72%	27.00%
Development margin variation	0.43%	0.70%	0.95%		1.46%	1.67%
Target Residual Land Use Value (inc. 1 percent)	\$551,934	\$692,648	\$831,676		\$714,915	\$1,035,662
Target Residual Land Use Value (excl. 1 percent)	\$558,201	\$703,224	\$852,330		\$772,014	\$1,111,166

## Waratah West

### Development controls:

Applicable zones: C3, R2, RE1, RE2, SP2

Floor space ratio: 0.6

Height of building: 8.5m

### Lot characteristics:

Average lot size: 499m<sup>2</sup>

Standard deviation: 173m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 175

3-year median sales price: \$865,000

Existing land use value (0.6, 0.75, 0.9): \$1,479.07/sqm

Existing land use value (1, 1.5, 2): \$1,626.98/sqm

**Table 47: Waratah West development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1					
Gross floor area	360					
Indicative no# dwellings	3					
1% Contribution	\$7,674					
Total development cost (inc. 1 percent)	\$2,411,747					
Total revenue	\$2,261,108					
Gross development profit (inc. 1 percent)	-\$150,640					
Gross development profit (excl. 1 percent)	-\$142,966					
Development margin (inc. 1 percent)	-6.25%					
Development margin (excl. 1 percent)	-5.95%					
Development margin variation	0.30%					
Target Residual Land Use Value (inc. 1 percent)	\$543,719					
Target Residual Land Use Value (excl. 1 percent)	\$549,604					

## Wickham

### Development controls:

Applicable zones: E2, MU1, R2, RE1, SP1, SP2

Floor space ratio: 0.6, 0.75, 0.9, 1.5, 2

Height of building: 8.5m, 10m, 14m, 24m, 28m, 35m, 45m, 90m

### Lot characteristics:

Average lot size: 236m<sup>2</sup>

Standard deviation: 142m<sup>2</sup>

### Property sales:

Total number of non-strata sales over 3 years: 78

3-year median sales price: \$945,000

Existing land use value (0.6, 0.75, 0.9): \$3,717.60/sqm

Existing land use value (1, 1.5, 2): \$4,089.36/sqm

**Table 48: Wickham development feasibility summary**

Scenario	1	2	3	4	5	6
Floor Space Ratio	0.6:1	0.75:1	0.9:1		1.5:1	2:1
Gross floor area	360	450	540		900	1200
Indicative no# dwellings	3	4	5		10	12
1% Contribution	\$9,597	\$16,869	\$24,471		\$72,874	\$98,965
Total development cost (inc. 1 percent)	\$3,868,810	\$4,192,543	\$4,516,637		\$6,852,835	\$8,104,899
Total revenue	\$2,827,524	\$3,534,405	\$4,241,286		\$7,068,809	\$9,425,079
Gross development profit (inc. 1 percent)	-\$1,041,286	-\$658,139	-\$275,352		\$215,974	\$1,320,180
Gross development profit (excl. 1 percent)	-\$1,031,689	-\$641,270	-\$250,880		\$288,849	\$1,419,145
Development margin (inc. 1 percent)	-26.91%	-15.70%	-6.10%		3.15%	16.29%
Development margin (excl. 1 percent)	-26.73%	-15.36%	-5.58%		4.26%	17.73%
Development margin variation	0.18%	0.34%	0.51%		1.11%	1.44%
Target Residual Land Use Value (inc. 1 percent)	\$956,018	\$1,194,361	\$1,430,613		\$1,706,960	\$2,350,782
Target Residual Land Use Value (excl. 1 percent)	\$963,352	\$1,208,878	\$1,455,775		\$1,776,076	\$2,445,332

---

## Findings and Recommendations

### Findings

The development feasibility model adopts a target development margin of 18 percent consistent with industry standards. This assumes a development is considered viable if it provides a return on investment of 18 percent. Our testing indicates while the viability of residential development varies across the LGA, the rate of return does improve as the scale of development increases.

Our findings suggest small scale development of 3 dwellings or less is unlikely to achieve the target development margin regardless of applying the 1 percent contribution. For these smaller scale developments, 7 of 45 suburbs (16 percent) return a viable development margin. The viability of development improves significantly when the development contains approximately 5 dwellings with a total GFA of  $\geq 540\text{m}^2$ . For this larger scale, 31 of the 45 suburbs (69 percent) return a viable development margin.

It is important to note that suburbs such as Carrington, Cooks Hill, and Newcastle East to name a few, under these scenarios would never return a viable development margin due to a combination of small lot sizes, number of unimproved properties, and existing development controls.

The findings show a 1 percent contribution has a limited impact on the viability of development. On average, for developments containing 3 dwellings ( $360\text{m}^2$  of GFA), the additional 1 percent contribution reduced the return on investment by 0.38 percent. For development containing 5 dwellings ( $540\text{m}^2$  of GFA), the additional contribution reduced the return on investment by 0.9 percent. However, this is proportional considering the overall increase in profit. For example, in Adamstown the return on investment for a small scale development with a GFA of  $360\text{m}^2$  is 13.83 percent excluding contribution, and 13.39 when the contribution is applied—a reduction of 0.44 percent. Whereas the return on investment for development in Adamstown with a GFA of  $540\text{m}^2$  is 37.17 percent excluding contribution, and 36.08 percent when the contribution is applied—a reduction of 1.08 percent.

Over time, the residual land value will absorb this impact i.e., the amount a developer is willing/able to pay for the site and still maintain an 18 percent development profit. For example, in Adamstown Heights under scenario 3 (table 5, page 7) the residual land value would decrease from \$1,150,614 to \$1,126,464, a reduction of 2.1 percent in existing land use value. The findings show that the 1 percent contribution rate does not have a significant impact on the viability of development. However, as it may be a deterrent, it is recommended to apply the contribution to developments where an additional dwelling is proposed and the total GFA is to be equal to, or greater than  $540\text{m}^2$ . This aims to ensure the contribution does not act as a disincentive for smaller developers with tighter development margins.

### Recommendation

1. To apply the scheme to all residential and mixed-use development in Newcastle, where a development results in:
  - An additional dwelling (or potential dwelling), and
  - More than or equal to  $540\text{sqm}$  residential GFA on the site.
2. To apply a  $200\text{sqm}$  GFA savings to development of 1-10 dwellings.

## Attachment 1 Broadmeadow market research

### Recent site sales in Broadmeadow (Jan 2021 to Mar 2022)

Address	Sale price	Sale date	Area	\$/Sqm	Zone
5 Koree Road, Broadmeadow	885,000	May-22	367	2,413.40	R3
17 Belford Street, Broadmeadow	1,056,000	Apr-22	473	2,231.10	R3
119 Darling Street, Broadmeadow	860,000	Apr-22	328	2,622.00	R2
159 Lambton Road, Broadmeadow	850,000	Mar-22	683	1,244.50	E3
26 Young Road, Broadmeadow	750,000	Mar-22	474	1,581.60	R3
92 Broadmeadow Road, Broadmeadow	878,000	Mar-22	328	2,678.50	R3
170 Dumaresq Street, Broadmeadow	1,291,000	Mar-22	251	5,137.30	R2
137 Darling Street, Broadmeadow	1,315,000	Feb-22	765	1,718.70	R2
1 Heddon Road, Broadmeadow	690,000	Feb-22	316	2,187.00	R3
223 Denison Street, Broadmeadow	844,000	Jan-22	221	3,813.80	R2
Darling Street, Broadmeadow	27,000	Jan-22	36	740.2	RE1
3a Heddon Road, Broadmeadow	815,000	Dec-21	266	3,068.50	R3
21 Coorumbung Road, Broadmeadow	970,000	Dec-21	272	3,567.50	R3
3/180 Broadmeadow Road, Broadmeadow	1,600,000	Dec-21	916	1,747.30	E1
24 Pokolbin Street, Broadmeadow	815,000	Nov-21	304	2,685.30	R3
93 Gosford Road, Broadmeadow	795,000	Oct-21	304	2,619.40	R3
65 Coorumbung Road, Broadmeadow	835,000	Oct-21	405	2,063.30	R3
126 Lambton Road, Broadmeadow	1,777,000	Sep-21	387	4,589.00	E3
6 Newton Street, Broadmeadow	1,720,000	Sep-21	1,048	1,641.20	E3
8 Newton Street, Broadmeadow	1,135,000	Sep-21	708	1,602.70	E3
2 Young Road, Broadmeadow	725,000	Sep-21	234	3,098.30	E1
21 Denney Street, Broadmeadow	870,000	Sep-21	411	2,116.80	R3
4 Cameron Street, Broadmeadow	1,851,300	Sep-21	628	2,949.80	E3
4 Newton Street, Broadmeadow	1,066,500	Sep-21	1,069	997.7	E3
101 Broadmeadow Road, Broadmeadow	715,000	Aug-21	487	1,468.50	E4
26 Pokolbin Street, Broadmeadow	910,000	Aug-21	279	3,267.50	R3
15 Broadmeadow Road, Broadmeadow	2,400,000	Aug-21	1,777	1,350.60	E4
11 Broadmeadow Road, Broadmeadow	2,800,000	Aug-21	3,250	861.5	E4
50 Broadmeadow Road, Broadmeadow	712,000	Aug-21	462	1,542.80	E4
117 Darling Street, Broadmeadow	850,000	Jul-21	765	1,111.00	R2

78 Denney Street, Broadmeadow	790,000	Jul-21	304	2,603.00	R3
3 Melbourne Road, Broadmeadow	650,000	Jul-21	215	3,023.30	R3
23 Melville Road, Broadmeadow	905,000	Jul-21	297	3,045.10	R3
28 Pokolbin Street, Broadmeadow	770,000	Jul-21	272	2,831.90	R3
25 Belford Street, Broadmeadow	530,000	Jun-21	310	1,710.80	MU1
53 Belford Street, Broadmeadow	735,000	Jun-21	327	2,246.30	E1
25 Belford Street, Broadmeadow	1,215,000	Jun-21	506	2,402.10	MU1
1 Melbourne Road, Broadmeadow	855,000	May-21	354	2,414.60	R3
138 Everton Street, Broadmeadow	825,000	Apr-21	235	3,518.10	R2
13 Pokolbin Street, Broadmeadow	958,000	Apr-21	487	1,967.50	R3
206 Denison Street, Broadmeadow	772,000	Mar-21	533	1,448.40	R2
33 Belford Street, Broadmeadow	700,000	Mar-21	539	1,299.00	MU1
2 Belford Street, Broadmeadow	700,690	Mar-21	297	2,357.60	R4
24 Teralba Road, Broadmeadow	735,000	Mar-21	360	2,039.40	R3
6 Cameron Street, Broadmeadow	1,272,728	Mar-21	443	2,875.60	E3
8 Cameron Street, Broadmeadow	1,272,728	Mar-21	492	2,586.80	E3
8 Brown Road, Broadmeadow	807,500	Feb-21	487	1,658.50	R3
57 Brunker Road, Broadmeadow	810,000	Feb-21	455	1,779.00	R4
47 Teralba Road, Broadmeadow	840,000	Feb-21	222	3,792.30	R3
96 Brunker Road, Broadmeadow	516,000	Feb-21	196	2,632.70	R4
14 Teralba Road, Broadmeadow	260,000	Feb-21	469	553.9	R3
1 Tara Road, Broadmeadow	700,000	Feb-21	687	1,018.90	E3
31 Graham Road, Broadmeadow	565,000	Jan-21	221	2,553.10	E1

Source: Valuer General

### Other recent site sales

Address	Purchase price	Zoning	Purchase date	Site area	\$/sqm site area
63 Veda Street Hamilton	\$1,816,000	R3	May-2022	637	\$2,850.86
45 Chatham Street Hamilton	\$1,250,000	R3	May-2022	496	\$2,520.16
47 Chatham Street Hamilton	\$1,260,000	R3	Aug-2021	493	\$2,555.78
2 Young Road Broadmeadow	\$725,000	E1	Sep-2021	234	\$3,098.29
1 Dixon Street Hamilton	\$1,010,000	R3	Apr-2022	405	\$2,493.82
24 Pokolbin Street Broadmeadow	\$815,000	R3	Nov-2021	304	\$2,680.92
13 Reay Street Hamilton	\$1,350,000	R3	Feb-2022	411	\$3,284.67
38 Samdon Street Hamilton	\$1,650,000	R4	Mar-2022	686	\$2,405.24

50 Broadmeadow Road Broadmeadow	\$712,000	E4	Aug-2021	462	\$1,541,13
101 Broadmeadow Road Broadmeadow	\$715,000	E4	Aug-2021	487	\$1,468.17

Source: CoreLogic, 2022

### Strata sales

Address	Bed	Type	Purchase price	Purchase date	NSA	\$/sqm GFA
106-108 Brunker Road, Adamstown	3BR	Unit	\$995,000	Asking price	101	\$9,851
5/104 Brunker Road, Adamstown	2BR	Unit	\$550,000	Feb-2021	66	\$8,333
3/8 Fourth Street, Adamstown	3BR	Unit	\$694,000	Jun-2020	109	\$6,367
4/4 Rosemont Street, Adamstown Heights	4BR	Unit	\$1,410,000	Feb-2022	187	\$7,540
2/2 Winsor Street, Merewether	3BR	Unit	\$968,814	Apr-2020	118	\$8,210
3/2 Winsor Street, Merewether	2BR	Unit	\$730,000	Feb-2020	72	\$10,139
4/2 Winsor Street, Merewether	3BR	Unit	\$1,100,000	Feb-2020	118	\$9,322
5/2 Winsor Street, Merewether	3BR	Unit	\$795,900	Sep-2020	118	\$6,745
104/37 Donald Street	1BR	Unit	\$453,000	Sep-2021		
203/37 Donald Street	2BR	Unit	\$490,000	Feb-2020	62	\$7,903
1/116 Tudor Street	2BR	Unit	\$489,500	Sep-2020	112	\$4,371
105/116 Tudor Street	1BR	Unit	\$410,000	Aug-2019	51	\$8,039
204/116 Tudor Street	2BR	Unit	\$596,000	Aug-2020	80	\$7,450
205/116 Tudor Street	1BR	Unit	\$433,500	Sep-2019	52	\$8,337
206/116 Tudor Street	3BR	Unit	\$820,000	Jun-2019	114	\$7,193
303/116 Tudor Street	3BR	Unit	\$835,375	Oct-2020	143	\$5,842
304/116 Tudor Street	2BR	Unit	\$700,000	Sep-2021	83	\$8,434
1/1 Jenner Parade	3BR	Unit	\$1,350,000	Jul-2021	120	\$11,250
3/1 Jenner Parade	3BR	Unit	\$1,275,000	Oct-2021	200	\$6,375

Source: CoreLogic, 2022

### Development site sales

Address	Site area	FSR	GFA proposed	Levels	Units	Sale date	Price (\$)	\$ Rate / sqm Land	\$ Rate / sqm GFA	\$ Rate / unit
79-83 Brunker Road & 70-74 Gosford Road	2,453	1.47	3,614	5	37	Oct-2017	\$2,075,000	\$845.90	\$574	\$56,081
48-52 Brunker Road	1,591	1.49	2,375	4	26	-	-	-	-	-
144-148 Brunker Road	2258	1.53	3,455	5	40	8/08/2013	\$1,280,000	32,000	\$370.48	\$32,000

Source: Cordell Connect; HillPDA Research, 2022

## Attachment 2 North Stockton market research

### Recent site sales in Stockton (Jan 2021 to Mar 2022)

Address	Sale price	Sale date	Area	\$/sqm	Zone
18 Pembroke Street, Stockton	750,000	Jun-22	284.5	2,636.20	R2
44 Douglas Street, Stockton	1,100,000	Jun-22	505.92	2,174.26	R2
4 Douglas Street, Stockton	800,000	Jun-22	295.4	2,708.19	R2
56 Maitland Street, Stockton	930,000	Jun-22	233.9	3,976.06	E1
25 Newcastle Street, Stockton	800,000	May-22	246	3,252.03	R2
100 Roxburgh Street, Stockton	1,200,000	May-22	297.2	4,037.69	R2
12 Hereford Street, Stockton	1,250,000	May-22	569.1	2,196.45	R2
24 Hunter Street, Stockton	1,265,000	May-22	309.8	4,083.28	R2
58b Fullerton Street, Stockton	1,080,000	May-22	465.4	2,320.58	R2
7 Lomond Street, Stockton	1,150,000	May-22	562.8	2,043.35	R2
5 Roxburgh Street, Stockton	1,240,000	Apr-22	379.4	3,268.32	R2
172 Dunbar Street, Stockton	1,100,000	Apr-22	505.9	2,174.34	R2
214 Fullerton Street, Stockton	980,000	Apr-22	670.3	1,462.03	R2
76 Mitchell Street, Stockton	800,000	Apr-22	371.8	2,151.69	E1
12 Beeston Road, Stockton	1,100,000	Mar-22	575.4	1,911.71	R2
1 Coal Street, Stockton	1,150,000	Mar-22	347.9	3,305.55	R2
23 Pembroke Street, Stockton	800,000	Mar-22	290.8	2,751.03	R2
92 Scobies Lane, Stockton	1,000,000	Feb-22	278.2	3,594.54	R2
213 Dunbar Street, Stockton	1,475,000	Feb-22	505.9	2,915.60	R2
152 Fullerton Street, Stockton	790,000	Feb-22	290.9	2,715.71	R2
21 William Street, Stockton	770,000	Feb-22	346.5	2,222.22	R2
13 Barrie Crescent, Stockton	2,600,000	Feb-22	663.9	3,916.25	R2
83 Mitchell Street, Stockton	1,350,000	Feb-22	375.4	3,596.16	R2
227 Mitchell Street, Stockton	2,500,000	Feb-22	505.3	4,947.56	R2
130 Dunbar Street, Stockton	1,100,000	Feb-22	404.7	2,718.06	R2
14 Roxburgh Street, Stockton	1,050,000	Feb-22	470.2	2,233.09	R2
153 Douglas Street, Stockton	1,450,000	Feb-22	505.9	2,866.18	R2
46 Mitchell Street, Stockton	1,120,000	Feb-22	246.6	4,541.77	E1
92a Mitchell Street, Stockton	1,000,000	Feb-22	416.1	2,403.27	R2
15 Lomond Street, Stockton	1,050,000	Dec-21	404.7	2,594.51	R2

6 Hunter Street, Stockton	1,000,000	Dec-21	290.9	3,437.61	R2
19 Mitchell Street, Stockton	1,300,000	Dec-21	269.8	4,818.38	E1
127 Mitchell Street, Stockton	1,800,000	Nov-21	663.9	2,711.25	R2
37 King Street, Stockton	1,000,000	Nov-21	469.4	2,130.38	R2
1/27 Mitchell Street, Stockton	780,000	Nov-21	0		R2
105 Dunbar Street, Stockton	1,070,000	Nov-21	335.8	3,186.42	R2
34 Eames Avenue, Stockton	1,650,000	Oct-21	505.9	3,261.51	R2
20 Hereford Street, Stockton	1,225,000	Oct-21	505.9	2,421.43	R2
212 Dunbar Street, Stockton	1,150,000	Oct-21	505.9	2,273.18	R2
63 Forfar Street, Stockton	1,100,000	Oct-21	455.3	2,415.99	R2
43 Hereford Street, Stockton	1,450,000	Oct-21	505.9	2,866.18	R2
222 Dunbar Street, Stockton	950,000	Oct-21	309.7	3,067.48	R2
7 Mitchell Street, Stockton	1,010,000	Oct-21	234	4,316.24	R2
2/35 Hereford Street, Stockton	788,000	Oct-21	0		E1
38 Pitt Street, Stockton	1,200,000	Oct-21	430	2,790.70	R2
58 Fullerton Street, Stockton	1,850,000	Oct-21	569.1	3,250.75	R2
45 Maitland Street, Stockton	950,000	Sep-21	335.1	2,834.97	R2
30 Eames Avenue, Stockton	2,100,000	Sep-21	423.7	4,956.34	R2
128 Douglas Street, Stockton	820,000	Sep-21	366.7	2,236.16	R2
186 Douglas Street, Stockton	940,000	Sep-21	505.9	1,858.07	R2
125 Mitchell Street, Stockton	2,200,000	Sep-21	1008	2,182.54	R2
159 Dunbar Street, Stockton	1,350,000	Sep-21	505.9	2,668.51	R2
92 Dunbar Street, Stockton	1,355,000	Sep-21	486.9	2,782.91	R2
62 Hereford Street, Stockton	1,050,000	Sep-21	385.7	2,722.32	R2
243 Mitchell Street, Stockton	2,400,000	Sep-21	505.9	4,744.02	R2
14 Queen Street, Stockton	850,000	Sep-21	271.9	3,126.15	R2
4 Clyde Street, Stockton	955,000	Sep-21	464.8	2,054.65	R2
170 Douglas Street, Stockton	1,000,000	Sep-21	505.9	1,976.68	R2
14 Flint Street, Stockton	1,205,000	Sep-21	784.1	1,536.79	R2
9 William Street, Stockton	900,000	Sep-21	303.5	2,965.40	R2
270 Fullerton Street, Stockton	800,000	Sep-21	366.7	2,181.62	R2
88 Roxburgh Street, Stockton	1,125,000	Sep-21	461.6	2,437.18	R2
13 King Street, Stockton	920,000	Aug-21	360.4	2,552.72	R2

38 Mitchell Street, Stockton	850,000	Aug-21	392.1	2,167.81	E1
2 Punt Road, Stockton	1,120,000	Aug-21	322.5	3,472.87	R2
92 Roxburgh Street, Stockton	815,000	Aug-21	505.9	1,610.99	R2
70 Forfar Street, Stockton	875,000	Jul-21	505.9	1,729.59	R2
3 Barrie Crescent, Stockton	1,650,000	Jul-21	505.9	3,261.51	R2
8 Hereford Street, Stockton	1,100,000	Jul-21	524.8	2,096.04	R2
59 Clyde Street, Stockton	800,000	Jul-21	505.9	1,581.34	R2
2/179 Mitchell Street, Stockton	950,000	Jul-21	0		R2
6b King Street, Stockton	850,000	Jul-21	0		R2
112 Dunbar Street, Stockton	1,320,000	Jul-21	505.9	2,609.21	R2
12 William Street, Stockton	785,000	Jul-21	349.5	2,246.07	R2
5 Lomond Street, Stockton	895,000	Jul-21	468.9	1,908.72	R2
34a Queen Street, Stockton	680,000	Jul-21	204.7	3,321.93	R2
14 Pembroke Street, Stockton	1,690,000	Jul-21	360.4	4,689.23	R2
43 King Street, Stockton	770,000	Jul-21	407.2	1,890.96	R2
60 Hereford Street, Stockton	900,000	Jun-21	385.7	2,333.42	R2
45 Fullerton Street, Stockton	1,540,000	Jun-21	404.71	3,805.19	R2
2/137 Mitchell Street, Stockton	1,225,000	Jun-21	0		R2
70 Newcastle Street, Stockton	1,300,000	Jun-21	446.6	2,910.88	R2
61 Clyde Street, Stockton	440,000	Jun-21	240.3	1,831.04	R2
6a King Street, Stockton	850,000	Jun-21	0		R2
100 Fullerton Street, Stockton	920,000	Jun-21	485.2	1,896.13	R2
26 Flint Street, Stockton	1,000,000	Jun-21	629	1,589.83	R2
166a Douglas Street, Stockton	1,200,000	Jun-21	505.9	2,372.01	R2
32a Douglas Street, Stockton	530,000	Jun-21	244.9	2,164.15	R2
15 North Street, Stockton	920,000	May-21	231.6	3,972.37	R2
11 Beeston Road, Stockton	811,000	May-21	537.5	1,508.84	R2
4/35 Hereford Street, Stockton	640,000	May-21	0		R2
7 Roxburgh Street, Stockton	370,000	May-21	360.4	1,026.64	R2
106a Roxburgh Street, Stockton	903,750	May-21	246.6	3,664.84	R2
5 Roxburgh Street, Stockton	935,000	May-21	379.4	2,464.42	R2
23 Mitchell Street, Stockton	150,000	May-21	261.1	574.49	E1
85 Dunbar Street, Stockton	1,025,000	May-21	597.82	1,714.56	R2

7 Douglas Street, Stockton	995,000	May-21	388.38	2,561.92	R2
6 Monmouth Street, Stockton	865,000	May-21	335.1	2,581.32	R2
91a Roxburgh Street, Stockton	1,150,000	May-21	506	2,272.73	R2
67 Douglas Street, Stockton	776,600	May-21	506	1,534.78	R2
29 Mitchell Street, Stockton	1,230,000	May-21	344.7	3,568.32	E1
2/86 Fullerton Street, Stockton	1,010,000	May-21	746.1	1,353.71	R2
12 Mitchell Street, Stockton	1,110,000	May-21	284.5	3,901.58	R2
40 Monmouth Street, Stockton	1,125,000	Apr-21	701.9	1,602.79	R2
224 Fullerton Street, Stockton	797,000	Apr-21	575.4	1,385.12	R2
6 King Street, Stockton	850,000	Apr-21	0		R2
81 Roxburgh Street, Stockton	790,000	Apr-21	480.6	1,643.78	R2
13 William Street, Stockton	800,000	Apr-21	324	2,469.14	R2
205 Mitchell Street, Stockton	2,020,000	Apr-21	1012	1,996.05	R2
188a Fullerton Street, Stockton	700,000	Apr-21	505.9	1,383.67	R2
98 Dunbar Street, Stockton	1,450,000	Apr-21	1011.83	1,433.05	R2
286 Fullerton Street, Stockton	735,000	Apr-21	370.7	1,982.74	R2
39 Crown Street, Stockton	880,000	Mar-21	376.9	2,334.84	R2
165 Dunbar Street, Stockton	940,000	Mar-21	505.9	1,858.07	R2
206 Dunbar Street, Stockton	931,000	Mar-21	505.92	1,840.21	R2
20 King Street, Stockton	1,200,000	Mar-21	735	1,632.65	R2
11/82 Maitland Street, Stockton	465,000	Mar-21	0		R2
21 Stone Street, Stockton	1,275,000	Mar-21	550.1	2,317.76	R2
102 Dunbar Street, Stockton	1,200,000	Mar-21	505.9	2,372.01	R2
36 Church Street, Stockton	900,000	Mar-21	347.8	2,587.69	R2
112 Roxburgh Street, Stockton	850,000	Mar-21	505.9	1,680.17	R2
22 Queen Street, Stockton	1,100,000	Feb-21	392	2,806.12	R2
133b Douglas Street, Stockton	850,000	Feb-21	230.2	3,692.44	R2
118 Douglas Street, Stockton	830,000	Feb-21	341.5	2,430.45	R2
133d Douglas Street, Stockton	750,000	Feb-21	281.7	2,662.41	R2
47 Hereford Street, Stockton	1,000,000	Feb-21	347.8	2,875.22	R2
2 North Street, Stockton	925,000	Feb-21	373.1	2,479.23	R2
7 Douglas Street, Stockton	850,000	Feb-21	388.38	2,188.58	R2
114 Dunbar Street, Stockton	860,000	Feb-21	461.6	1,863.08	R2

133c Douglas Street, Stockton	850,000	Feb-21	230.7	3,684.44	R2
169b Douglas Street, Stockton	865,000	Jan-21	355.7	2,431.82	R2
72b Dunbar Street, Stockton	880,000	Jan-21	234	3,760.68	R2

Source: Valuer General

### Other recent site sales

Address	Purchase price	Zoning	Purchase date	Site area	\$/sqm site area
127 Mitchell Street Stockton	\$1,800,000		Nov-2021	664	\$2,710.84
14 Roxburgh Street Stockton	\$1,050,000		Feb-2022	470	\$2,234.04
92A Mitchell Street Stockton	\$1,000,000		Feb-2022	416	\$2,403.84
83 Mitchell Street Stockton	\$1,350,000		Feb-2022	375	\$3,600.00
21 William Street Stockton	\$770,000		Feb-2022	347	\$2,219.02
15 Lomond Street Stockton	\$1,050,000		Dec-2021	405	\$2,592.59

Source: CoreLogic, 2022

### Strata sales

Address	Bed	Type	Purchase price	Purchase date	NSA	\$/sqm NSA
1/31 Laman Street, Cooks Hill	4BR	Unit	\$810,000	Dec-2020	108	\$7,500
2/31 Laman Street, Cooks Hill	1BR	Unit	\$465,000	Jul-2020	50	\$9,300
3/31 Laman Street, Cooks Hill	1BR	Unit	\$465,000	Aug-2020	50	\$9,300
103/31 Laman Street, Cooks Hill	1BR	Unit	\$490,000	Jul-2020	50	\$9,800
506/10 Bishopsgate Street, Wickham	2BR	Unit	\$890,000	Sep-2021	88	\$10,114
701/10 Bishopsgate Street, Wickham	2BR	Unit	\$745,000	Sep-2021	83	\$8,976
1301/10 Bishopsgate Street, Wickham	3BR	Unit	\$1,197,000	Sep-2021	119	\$10,059
610/11 Dangar Street, Wickham	1BR	Unit	\$485,000	Jun-2021	53	\$9,151
1110/11 Dangar Street, Wickham	1BR	Unit	\$640,000	Feb-2022	51	\$12,549
1206/11 Dangar Street, Wickham	2BR	Unit	\$755,000	Feb-2021	62	\$12,177

### Development site sales

Address	Site area	FSR	GFA proposed	Levels	Units	Sale date	Price (\$)	\$ rate / sqm land	\$ rate / sqm GFA	\$ rate / unit
71 Hanbury Street (Lot 100 DP854535)	451	1.60	721	3	3	Jul-2021	\$575,000	\$1,274.94	\$797.5	\$191,666
9 & 11 Beaumont Street (Lots 1 & 2 DP137349)	815	1.86	456	2	4	-	-	-	-	-

Source: Cordell Connect; HillIPDA Research, 2022

### Attachment 3

### Western Corridor market research

#### Site sales

Address	Purchase price	Zoning	Purchase date	Site area	\$/sqm site area
<b>Serviced lot sales</b>					
30 Watalong Way Edgeworth	\$450,000	R2	May-2021	1,655sqm	\$271.90
2 Keylkeyl Close Edgeworth	\$315,000	R2	Jun-2020	622sqm	\$506.43
42 Watalong Way Edgeworth	\$515,000	R2	Aug-2021	806sqm	\$638.95
21 Mortlock Road Cameron Park	\$500,000	R2	Mar-2022	502sqm	\$996.01
20 Mortlock Road Cameron Park	\$500,000	R2	Mar-2022	512sqm	\$976.56
47 Estelville Circuit Cameron Park	\$520,000	R2	Mar-2022	563sqms	\$923.62
9 Turnock Drive Cameron Park	\$570,000	R2	Dec-2021	1092sqm	\$521.97
126 Estelville Circuit Cameron Park	\$500,000	R2	Feb-2022	542sqm	\$922.50
16 Milburn Circuit Boolaroo	\$461,000	R2	Jul-2021	537sqm	\$858.47
4 Milburn Circuit Boolaroo	\$520,000	R2	Dec-2021	523sqm	\$994.26
<b>Land sales</b>					
102 Lake Road Elmore Vale	\$14,650,000	-	Feb-2022	25.63ha	\$571,595
177 Woodford Street Minmi	\$38,968,025	-	Sep-2020	11.05ha	*
144 Woodford Street Minmi	\$38,968,025	-	Sep-2020	160.01ha	*
10 Woodford Street Cameron Park	\$38,968,025	-	Sep-2020	163.73ha	*
1 Glendon Crescent Glendale	\$27,500,000	-	Dec-2019	736.18ha	\$37,354
173 Waterside Drive Fletcher	\$470,000	-	Jul-2020	4.85	\$96,907

Source: CoreLogic, 2022

## Attachment 4 Financial feasibility criteria

To undertake the feasibility modelling, HillPDA used the proprietary software Estate Master, an industry standard used by developers, financiers, and property valuers. This method calculates the residual land value (RLV) by subtracting the expected development costs from the expected net sales revenue plus a margin for its profit and risk. A feasibility assessment is based on profit and risk factors that are subjective elements that determine the rate of return expected from the developer, and a subsequent rate the developer is willing and able to purchase a site for based on these expected returns. For the hypothetical modelling, regard has been given to the following performance metrics:

- **Project Internal Rate of Return (IRR):** Is the actual return on the investment on an annualised basis, expressed as a percentage. This metric considers the time value of money in its calculation within a cash flow and indicates average returns over a defined period. Typically, this is 13% for small-scale residential projects, 12% for commercial office buildings and 16-18% for residential high-rise towers.
- **Net Present Value (NPV):** Is the difference between the present value of cash inflows and the present value of cash outflows over a period. NPV is used in capital budgeting and investment planning to analyse the profitability of a projected investment or project.
- **Residual Land Value (RLV):** Is the hypothetical calculated maximum price that a developer would pay for the land to achieve the defined hurdle rates (such as IRR or margin). The residual land value is the maximum price that a hypothetical developer would pay for the land to achieve acceptable hurdle rates based on the most probable development option for the land. Typically, if the residual land value is less than the cost of acquisition then the project is not viable.

To test the viability of the proposed development, HillPDA adopted the IRR and RLV as the primary performance measures to understand the viability of each scenario. It is noted that the DPE guidelines suggest a 20% hurdle rate for the IRR. However, in HillPDA's experience and analysis of data, the current market is lower at 16%-18%.

Considering the lower risk for residential subdivision a **Project IRR of 12% p.a.** was adopted as the primary hurdle rate for the Western Corridor and a **Project IRR of 18% p.a.** for residential developments in Broadmeadow and North Stockton. Additionally, the project residual land value (RLV) was used as a secondary metric.

### Industry-standard performance indicators

Performance	Subdivision (IRR)	Development (IRR)
Feasible	>12%	> 18%
Marginally feasible	11%-12%	17%-18%
Not feasible	< 11%	< 17%

Source: HillPDA 2022

## Attachment 5 Economic context

### Growth by suburb strata

Broadmeadow			Stockton		Newcastle
Period	% Change in price	Sales per annum	% Change	Sales per annum	% Change
Mar 2022	8.17%	10	0%	9	19.63%
Mar 2021	0%	10	0%	2	5.67%
Mar 2020	0%	8	0%	2	-3.57%
Mar 2019	0%	12	0%	1	0.96%
Mar 2018	0%	8	0%	3	8.33%

Source: CoreLogic

### Change in median house price

Broadmeadow			Stockton		Newcastle
Period	% Change in price	Sales per annum	% Change	Sales per annum	% Change
Mar 2022	18.57%	24	22.05%	89	24.26%
Mar 2021	8.53%	37	22.59%	90	12.4%
Mar 2020	11.69%	22	-6.25%	65	-2.42%
Mar 2019	-11.83%	24	-4%	65	0.81%

Source: CoreLogic

### Change in median land price

Broadmeadow			Stockton		Newcastle
Period	% Change	Sales per annum	% Change in price	Sales per annum	% Change
Mar 2022	0%	1	0%	0	31.42%
Mar 2021	0%	0	0%	0	7.79%
Mar 2020	0%	1	0%	0	2.61%
Mar 2019	0%	0	0%	0	9.46%
Mar 2018	0%	0	0%	1	6.46%

Source: CoreLogic

### Greater Newcastle Region Net Dwelling Completions by Financial Year

Newcastle			
Financial Year	Detached	Multi-Unit	Total
2013-14	151	252	403
2014-15	193	467	660

---

2015-16	187	501	<b>688</b>
2016-17	117	708	<b>825</b>
2017-18	240	892	<b>1132</b>
2018-19	140	775	<b>915</b>
2019-20	58	838	<b>896</b>

Source: DPE NSW Housing Activity, 2022