



WARRINGAH  
COUNCIL

# ATTACHMENT BOOKLET

**ORDINARY COUNCIL MEETING**

**TUESDAY 24 NOVEMBER 2015**



<b>ITEM 8.3</b>	<b>PROPOSED SECTION 94A DEVELOPER CONTRIBUTIONS INCREASE FOR DEE WHY TOWN CENTRE</b>
<b>REPORTING MANAGER</b>	<b>GROUP MANAGER STRATEGIC PLANNING</b>
<b>TRIM FILE REF</b>	<b>2015/005870</b>
<b>ATTACHMENTS</b>	<b>1 Recipient Location of Works 2 Draft Amendments to Warringah Section 94A Developer Contributions Plan</b>

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**EXECUTIVE SUMMARY**

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**PURPOSE**

This report seeks Councils endorsement to publicly exhibit a proposed increase in development contributions within the Dee Why Town Centre.

**SUMMARY**

The adopted Dee Why Town Centre Master Plan 2013 outlines a number of infrastructure and public domain improvements throughout the town centre.

Developing the Master Plan concepts into preliminary designs has allowed for each project to be phased and indicative costs determined.

As the projected costs of delivering the works exceed projected revenue, an assessment of potential increase in funding, including an increase in developer contributions has been carried out.

This report outlines the justification for increasing developer contributions for development within the Dee Why Town Centre from 1% to 5% of development cost. The increase in contributions is to be administered through an amendment to the Warringah S94A Development Contributions Plan.

This report seeks a resolution to exhibit an amended Warringah Section 94A Developer Contributions Plan. After consultation, the Department of Planning and Environment (the Department) will be asked to consider the proposed increase in the Section 94A developer contributions rate. Any increased levy would not come into effect until the Environmental Planning and Assessment Regulation 2000 (EPAR 2000) is amended to reflect the change.

**FINANCIAL IMPACT**

A successful application to increase Section 94A developer contributions will result in additional funding for public domain improvements within the Dee Why town centre.

**POLICY IMPACT**

A successful application to increase the contributions rate will require an amendment to the Warringah Section 94A Developer Contributions Plan 2014.

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**RECOMMENDATION OF DEPUTY GENERAL MANAGER ENVIRONMENT**

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That Council exhibit the proposed increase in development contributions within the Dee Why Town Centre from 1% to 5% of development cost.

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**REPORT**

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**BACKGROUND**

The adopted Dee Why Town Centre Master Plan 2013 (Master Plan) outlines a number of required public infrastructure upgrades and improvements which seek to:

- Create a well-connected town centre through two new roads, new pedestrian connections and intersection upgrades
- Enhance open spaces including embellishment of parks
- Reduce flood impacts and associated hazards
- Incorporate Water Sensitive Urban Design infrastructure into public land
- Provide safe and enjoyable public spaces
- Generate investment through creating an attractive and vibrant town centre
- Foster community sense of pride of place

Many of the required upgrades are considered critical rather than desirable, particularly in reference to flood mitigation, stormwater management and road network upgrades. The full potential of Dee Why under the exiting planning framework cannot be realised without significant expenditure towards these works.

Many of the public improvement projects have been further investigated in terms of design and to determine the optimum staging to ensure minimal interruption to the town centre and the optimum cost efficiency. This exercise has been carried out cognisant of the well-established considerations within the following studies;

- Findings from the Floodplain Risk Management Study, Cardno (July 2014) and drainage amplification assessment.
- Place making opportunities including the integration of art and embellishment of parks
- Upgrades to the road network, cycle ways and pedestrian pathways as identified in the endorsed Dee Why Town Centre Traffic Model Update 2013, Warringah Bike Plan and Warringah Pedestrian Access Mobility Plan
- Identification of optimum bus service routes and associated infrastructure including recent design works by Transport for NSW.

Developing the Master Plan concepts into preliminary designs has allowed for each project to be phased and the likely costs qualified. The costing exercise has revealed that in order for the projects to be completed in the preferred sequence and timeframe, an increase in developer contributions funding is required.

**Legislative Context**

The Environmental Planning and Assessment Act 1979 (EP & A Act 1979) allows local government to charge development contributions to fund the provision, improvement and augmentation of public infrastructure. The current Warringah Section 94A Development Contributions Plan (Contributions Plan) applies a maximum levy of 1% of the quantified cost of development proposals valued over \$200,000. This is consistent with the standard levy imposed under the Environmental Planning and Assessment Regulation 2000 (EPAR 2000).

In order to increase the levy above 1%, Council needs to;

- Resolve to publicly exhibit an amended Contributions Plan with the intended increased developer contributions levy.
- Publicly exhibit the proposal in accordance with legislative requirements.
- Consider any submissions and make any necessary amendments to the draft Contributions Plan.
- Forward the results of the exhibition period, the justification for an increased levy and the intended works programme to the Department of Planning and Environment.

The Department will assess Council's request and seek approval from the Minister for Planning to amend the EP & A Regulations 2000, if it is in agreement with Council's recommendation. The increase in contributions from 1% to 5 % will then come into force when the EP & A Regulations 2000 are amended.

The Warringah Section 94A Contributions Plan contains a schedule of works to be funded by contributions collected under the provision of that Plan. Levies paid through the development process are pooled into a single reserve for expenditure identified in that works programme. There is no requirement to designate a nexus between the specific development to which the levy is being applied, and the infrastructure of facilities in the capital works programme.

This method of contributions collection is preferred compared that afforded under Section 94 of the EP & A Act 1979. Funds collected under this mechanism must be accounted proportionally towards specific projects. In many cases, a project will not commence until sufficient funds are raised within that specific project account which often results in a substantial time lag between developers paying a contributions levy and the actual delivery of works. The ability to pool money under a Section 94A contributions plan allows for flexibility to commence priority projects.

A further advantage of a Section 94A plan/percentage levy is that contributions are levied based on the value of works and not the number of increased dwellings or increased commercial gross floor area. In a town centre, applications for a fit out or refurbishment over a certain value would attract a Section 94A levy but not necessarily a contributions under Section 94.

As Councils can only levy either a Section 94 or 94A for any particular development, it is Councils preferred approach to retain Section 94A contributions levy.

#### **Impact on feasibility**

The proposed 5% contribution levy is based on well researched public works programme that improves the centre's user experience. The increased contributions inevitably increase the attractiveness for investment within Dee Why.

- It is envisaged that the impact on developer feasibility is not of a scale to significantly impact the predicted rate of development, particularly considering the following;
- Current and forecasted market conditions.
- The lack of land supply for residential flat buildings and mixed use development within the region
- The availability of several development sites with minimal site constraints
- The continual investment within the town centre from both local and state government
- Dee Why's unique competitive position of offering a number of civic, business and health services in proximity to a beaches lifestyle

**CONSULTATION**

Council is required to exhibit the draft development contribution plan for a minimum period of 28 days.

The results of the exhibition period will be reported to Council prior to the formal submission to the Department of Planning and Environment.

**Current S94 Contribution Plan**

Council is separately preparing the 2015 Contributions Plan. This includes a Schedule of Works which will align with Council's Capital Works Programme and associated expenditure for the 2015/2016 financial year. Any amendment to the Contributions to Dee Why town Centre will be eventually be incorporated into the 2015 Contribution Plan.

**FINANCIAL IMPACT**

The proposed amendment to the Contributions plan will create a positive revenue stream to fund a range infrastructure and public domain improvements within the town centre. It is envisaged that a successful application to increase contribution levies will increase funding in the vicinity of \$15 million over the next 20 years.

**POLICY IMPACT**

A successful application to increase the contributions rate will require an amendment to the Warringah Section 94A Developer Contributions Plan 2014.

**Conclusion**

An increase in funding is required in order to provide the public infrastructure improvements set out in the Dee Why Master Plan 2013.

Many of the required upgrades are considered critical rather than desirable, particularly in reference to flood mitigation, stormwater management and road network upgrades. The full potential of Dee Why under the exiting planning framework cannot be realised without significant expenditure towards these works.

If an increased developer contributions rate is not endorsed, Council may need to amend the scope and sequencing of public infrastructure upgrades.

# DEVELOPMENT CONTRIBUTIONS PLAN 2015

*(Amendment 1) Draft*

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## PART 1: Introduction

### What is a Section 94A Development Contributions Plan?

Under Section 94A (s94A) of the *Environmental Planning and Assessment Act 1979* (the Act), Council may levy a flat rate contribution towards, or recoup the capital cost of providing or extending facilities, infrastructure and services necessary to meet the increased demand created by new development in its area.

s94A of the Act provides as follows:

#### **94A Fixed Development Application Consent levies**

- (1) *A consent authority may impose, as a condition of Development Application Consent, a requirement that the applicant pay a levy of the percentage, authorised by a contributions plan, of the proposed cost of carrying out the development.*
- (2) *A consent authority cannot impose as a condition of the same Development Application Consent a condition under this section as well as a condition under section 94.*
- (2A) *A consent authority cannot impose a condition under this section in relation to development on land within a special contributions area without the approval of:*
  - (a) *the Minister, or*
  - (b) *a development corporation designated by the Minister to give approvals under this subsection.*
- (3) *Money required to be paid by a condition imposed under this section is to be applied towards the provision, extension or augmentation of public amenities or public services (or towards recouping the cost of their provision, extension or augmentation). The application of the money is subject to any relevant provisions of the contributions plan.*
- (4) *A condition imposed under this section is not invalid by reason only that there is no connection between the development the subject of the Development Application Consent and the object of expenditure of any money required to be paid by the condition.*
- (5) *The regulations may make provision for or with respect to levies under this section, including:*
  - (a) *the means by which the proposed cost of carrying out development is to be estimated or determined, and*
  - (b) *the maximum percentage of a levy.*

The *Warringah Development Contributions Plan 2015 (Amendment 1)* (the Plan) is the mechanism by which the entitlements under s94A of the Act are implemented and accounted for by Council.

The Plan also includes a Works Program (Part 5A and 5B) outlining when and where the new works will be provided.

The Plan is implemented through the development process by attaching conditions to any Development Application Consents or Complying Development Certificates that meets the requirements of this Plan.

Warringah Council has levied contributions for a range of facilities and services under previous Section 94 Development Contributions Plans. The preparation of this Plan provides the opportunity to implement a new, simplified development contributions structure that will improve the efficiency and flexibility of community facility provision, in a manner that best meets the needs of the population for which the contribution was levied.

## PART 2: Administration and Operation

### 1 What is the name of this Plan?

This development contributions plan is called *Warringah Development Contributions Plan 2015 (Amendment 1)*.

### 2 What is the purpose of the Plan?

The primary purposes of the Plan are:

- (1) To authorise, as a condition of Development Application Consent upon effected Development Applications and Complying Development Certificates, the imposition of a contribution pursuant to s94A of the Act
- (2) To assist the Council to provide the appropriate public facilities which are required to maintain and enhance amenity and service delivery within the area
- (3) To publicly identify the purposes for which the levies are required
- (4) To include a revised Section 94 (s94) Works Program which will enable the expenditure of Council's existing s94 reserves.

### 3 When does this Plan commence?

D-MMM 2015.

### 4 What plans does this Plan repeal?

This Plan repeals *Warringah S94A Development Contributions Plan 2015* adopted by Council on 22 June 2015 and in operation on 1 July 2015.

All remaining funds collected under the *Warringah Section 94 Development Contributions Plan 2001* are to be applied toward completing the Works Program in *Warringah Section 94 Development Contributions Plan 2001* in accordance with the revised Section 94 Works Schedule included within Part 6 of this Plan. Upon full completion of the Section 94 Works Program, any remaining funds are to be pooled into the development contributions reserve established as part of this Plan (clause 17) and used upon works listed in Part 5A or Part 5B.

### 5 Land to which this Plan applies

This Plan applies to all land within the local government area of Warringah.

### 6 Development to which this Plan applies

This Plan applies to all applications for Development Application Consent and Complying Development Certificates proposing works whose total development cost is \$100,001 or greater.

The 'total development cost' is determined having accounted for each of the contributing cost factors set out within clause 25J of the *Environmental Planning & Assessment Regulation 2000* (the Regulation). It is provided to Council through the full and accurate completion (to the satisfaction of Council) of the Cost Summary Sheet lodged with the Development Application or Complying Development Certificate Application.

Development that satisfies any one (or more) of the following criteria are exempt from this Plan and from payment of the s94A levy:

- (1) Development Applications and complying Development Applications whose total development cost is less than \$100,001
- (2) Applications lodged under Section 96 of the *EP&A Act 1979* to modify condition/s of an existing consent
- (3) Development Applications and Complying Development Certificate Applications for public purposes as proposed by:
  - a) Council, that involve the use of land classified as Community or Operational under the *Local Government Act 1993* or as Crown Land under the *Crown Lands Act 1989*
  - b) Non-profit organisations, as defined by the Australian Taxation Office, on behalf of, or in partnership with Council
  - c) Government agencies
  - d) Public utility providers.

Development which complies with the Ministerial Direction under s94E dated 10th November 2006 and includes development:

- (1) For the purpose of disabled access
- (2) For the sole purpose of affordable housing
- (3) For the purpose of reducing the consumption of mains-supplied potable water, or reducing the energy consumption of a building
- (4) For the sole purpose of the adaptive reuse of an item of environmental heritage
- (5) Other than the subdivision of land, where a condition under section 94 of the Act has been imposed under a previous Development Application Consent relating to the subdivision of the land on which the development is proposed to be carried out.

To avoid any doubt with regard to item (5) above, the then Department of Infrastructure, Planning and Natural Resources' *Development contributions Practice notes* (2005), provides that 'the Section 94E direction prohibits the use of Section 94A in respect of development that has been the subject of a condition under Section 94 under a previous Development

Application Consent relating to the subdivision of the land on which the development is to be carried out.’

**7 How is the total development cost determined?**

Clause 25J of the Regulation sets out how to determine the total cost of development:

**25J Section 94A levy—determination of proposed cost of development**

- (1) *The proposed cost of carrying out development is to be determined by the consent authority, for the purpose of a section 94A levy, by adding up all the costs and expenses that have been or are to be incurred by the applicant in carrying out the development, including the following:*
  - (a) *if the development involves the erection of a building, or the carrying out of engineering or construction work—the costs of or incidental to erecting the building, or carrying out the work, including the costs (if any) of and incidental to demolition, excavation and site preparation, decontamination or remediation,*
  - (b) *if the development involves a change of use of land—the costs of or incidental to doing anything necessary to enable the use of the land to be changed,*
  - (c) *if the development involves the subdivision of land—the costs of or incidental to preparing, executing and registering the plan of subdivision and any related covenants, easements or other rights.*
- (2) *For the purpose of determining the proposed cost of carrying out development, a consent authority may have regard to an estimate of the proposed cost of carrying out the development prepared by a person, or a person of a class, approved by the consent authority to provide such estimates.*
- (3) *The following costs and expenses are not to be included in any estimate or determination of the proposed cost of carrying out development:*
  - (a) *the cost of the land on which the development is to be carried out,*
  - (b) *the costs of any repairs to any building or works on the land that are to be retained in connection with the development,*
  - (c) *the costs associated with marketing or financing the development (including interest on any loans),*
  - (d) *the costs associated with legal work carried out or to be carried out in connection with the development,*
  - (e) *project management costs associated with the development,*

- (f) *the cost of building insurance in respect of the development,*
- (g) *the costs of fittings and furnishings, including any refitting or refurbishing, associated with the development (except where the development involves an enlargement, expansion or intensification of a current use of land),*
- (h) *the costs of commercial stock inventory,*
- (i) *any taxes, levies or charges (other than GST) paid or payable in connection with the development by or under any law,*
- (j) *the costs of enabling access by disabled persons in respect of the development,*
- (k) *the costs of energy and water efficiency measures associated with the development,*
- (l) *the cost of any development that is provided as affordable housing,*
- (m) *the costs of any development that is the adaptive reuse of a heritage item.*

**8 Cost summary reports must accompany Development Applications or applications for Complying Development Certificates**

A Development Application or application for a Complying Development Certificate is to be accompanied by a Cost Summary Report that addresses the matters set out in clause 25J of the Regulation.

For development with a total cost of \$100,001 or greater, a Cost Summary Report (addressing the matters contained in Appendix A) is to be completed and certified by a person who is considered to be suitably qualified in the opinion of Council.

Council may request the provision of an independent Cost Summary Report (addressing the matters contained within Appendix A) that is certified by a registered quantity surveyor for larger developments or where a major discrepancy in a Cost Summary Report is detected.

**9 Construction Development Certificates and the obligations of Accredited Certifiers**

In accordance with clause 94EC (1) (a) of the Act, this plan specifies that Accredited Certifiers must, if a complying development certificate issued, impose a condition under section 94A. The condition is to be determined as described in clause 11 of this plan.

**10 Construction Certificates and the obligation of Accredited Certifiers**

In accordance with clause 146 of the Regulation, a Certifying Authority must not issue a Construction Certificate for building work or subdivision work under a Development Application Consent unless it has verified that each condition requiring the payment of levies has been satisfied.

In particular, the Accredited Certifier must ensure that the applicant provides a receipt(s) confirming that levies have been fully paid and copies of such receipts must be included with copies of the certified plans provided to the council in accordance with clause 142(2) of the Regulation. Failure to follow this procedure may render such a certificate invalid.

The only exceptions to the requirement are where Council has agreed to works in kind, material public benefit or dedication of land as alternatives to payment of the s94A levy. In such cases, Council will issue a letter confirming that an alternative payment method has been agreed with the applicant.

#### 11 How will the levy be calculated?

The levy will be determined on the basis of the rate as set out in the Summary Schedule, contained within Part 2 of this Plan. The levy will be calculated as follows:

$$\text{Levy payable (O)} = C \times D$$

Where:

**C** = the levy rate applicable

**D** = the proposed cost of carrying out the development

The proposed cost of carrying out the development will be determined in accordance with clause 25J of the Regulation. The procedures set out in Appendix B to this Plan must be followed to enable Council to determine the amount of the levy to be paid.

Council may review the valuation of works and may seek the services of an independent person to verify the costs. In these cases, all costs associated with obtaining such advice will be at the expense of the applicant and no Construction Certificate will be issued until such time that the levy has been paid.

#### 12 When is the levy payable?

A levy must be paid to Council at the time specified in the condition that imposes the levy. If no such time is specified, the levy must be paid prior to the issue of a Subdivision Certificate, Construction Certificate or Complying Development Certificate.

#### 13 How will the levy be adjusted?

Contributions required as a condition of consent under the provisions of this plan will be adjusted at the time of payment of the contribution in accordance with the following formula:

$$\text{Contribution at time of payment} = O + A$$

Where:

**O** = the original contribution as set out in the consent

**A** = is the adjustment amount which is =  $\frac{\$C_o \times (\text{Current CPI} - \text{Base CPI})}{\text{Base CPI}}$

Where:

**Current CPI:** the Consumer Price Index for 'Sydney – All Groups' as published by the Australian Bureau of Statistics available at the time of review of the contribution rate, and

**Base CPI:** the Consumer Price Index for 'Sydney – All Groups' as published by the Australian Bureau of Statistics at the date of adoption of this plan.

**Note:** In the event that the Current CPI for Sydney is less than that for the previous quarter, the Current CPI for Sydney shall be taken as not less than the previous.

**14 Can deferred or periodic payments be made?**

Council does not permit deferred or periodic payments of the s94A levy under this Plan.

**15 How are credits for existing development addressed in this Plan?**

No credits or levy discounts of any kind are issued for either existing development or prior approvals.

**16 Are there alternatives to the payment of the s94A levy?**

An applicant may only elect to forgo the payment of monetary contributions upon effected development through the following means:

- (1) By Council accepting an offer by an applicant to satisfy the contribution by carrying out works in kind, but only where the facility is identified in the works program and it is constructed by the developer to Council's standards and then transferred to Council. In these circumstances, Council will only transfer paid contributions on receipt of invoices not exceeding the amount already collected or committed by the fund
- (2) By both Council and the applicant entering into a written planning agreement in accordance with Section 93F of the Act, whose terms and conditions are voluntarily agreed to and signed by both parties. The agreement:
  - a) may be for the payment of a monetary contribution, the dedication of land free of cost, any other public benefit, or any combination of these, to be used for or applied toward a public purpose (as defined in the Dictionary of this Plan)
  - b) is not invalid by reason only that there is no connection between the development and the works or expenditure of any money it proposes.

Applicants proposing to enter into a Planning Agreement should enquire with Council with regard to the relevant procedures prior to the lodgement of their Development Application.

**17 Pooling of levies**

This plan expressly authorises s94A levies paid for different purposes to be pooled and applied progressively for the delivery of the community facilities and infrastructure listed in the Schedule of Works in Part 5A and 5B of this Plan. The priorities for the expenditure of the levies are shown in this Schedule of Works.

**18 In what circumstances are s94A levies to be refunded?**

Levies collected from a developer under this Plan will only be refunded upon the formal surrender or lapsing of the relevant Development Application Consent to which the contribution was applied.

**19 Is a contributions register kept?**

Council maintains a register of all developer contributions collected and the details of all Voluntary Planning Agreements enacted through a condition of Development Application Consent. The Contributions Register can be inspected at Council's offices and contains the following information:

- (1) Each Development Application Consent which levied contributions for facilities
- (2) The address to which the Development Application Consent was issued, date when contributions are received and the amount
- (3) A detailed account of the monetary contribution, land dedication or other material public benefit negotiated and signed off through any Voluntary Planning Agreement, including a full copy of the agreement.

**20 Plan will be subject to annual review**

Council is to undertake an annual review of the works included in the Schedule of Works within this Plan, including the maintenance of a record of completed works and the introduction of new community facilities in place of those completed.

## **PART 3A: Warringah Local Government Area S94A Levy (Excluding Dee Why Town Centre)**

### **21 Land to which Part 3A of this Plan applies**

Part 3A of this Plan applies to all land within the local government area of Warringah, excluding the areas included within the Dee Why Town Centre (as identified in Appendix B).

### **22 What is the purpose of Part 3A of this Plan?**

The purposes of Part 3A of the Plan are:

- To authorise the Council to impose, as a condition of development consent, a requirement that the applicant pay to the Council a contribution determined in accordance with this Plan
- To require a certifying authority (the Council or an accredited certifier) to impose, as a condition of issuing a complying development certificate, a requirement that the applicant pay to the Council a contribution determined in accordance with Part 3A of this Plan, if development consent was granted subject to a condition authorised by Part 3A of this Plan
- To govern the application of money paid to the Council under a condition authorised by Part 3A of this Plan.

### **23 What is the Part 3A Section 94A Contributions levy rate/amount?**

The Section 94A contributions levy for land within Part 3A is as follows:

<b>Type of Development</b>	<b>Levy</b>
All Development Applications and applications for Complying Development Certificates whose total costs amount to less than \$100,001	Nil
All Development Applications and applications for Complying Development Certificates with a total cost from \$100,001 - \$200,000 (excluding exempt development, Section 96 (s96) applications to modify Development Application Consent and Development Applications proposed by Council)	0.5 per cent
All Development Applications and applications for Complying Development Certificates with a total cost exceeding \$200,000 (excluding exempt development, s96 applications to modify Development Application Consent and Development Applications proposed by Council)	1.0 per cent

### **24 How will the Council apply money obtained from Part 3A of the levy?**

12

Money paid to the Council under a condition authorised by Part 3A of this Plan is to be applied by the Council towards meeting the cost of one or more of the public facilities that will be or have been provided within the Part 5A or Part 5B. Subject to s93E(2) of the Act and Clause 15 of this Plan, the community facilities listed in Part 5A and 5B are to be provided in accordance with the staging listed.

A proportion of all funds collected (0.05%) will be pooled in a separate Council account for use toward ongoing forward planning and administration of development contribution funds. Funds collected in this account will be used to:

- (1) Periodically engage consultants to undertake forward planning studies informing the use of development contributions
- (2) To fund the full time employment of Council's Strategic Planner (S94)
- (3) To fund 30% of the costs of a Management Accounting position within Council.

## **PART 3B: Dee Why Town Centre S94A Levy**

### **25 Land to which Part 3B of this Plan applies**

Part 3B of this Plan applies to all land within the Dee Why Town Centre (as identified in Appendix B).

### **26 What is the purpose of Part 3 of this Plan?**

The purpose of Part 3B of this Plan is to provide for funding towards public works associated with the Dee Why Town Centre Masterplan (2013).

### **27 What is the Part 3B Section 94A Contributions levy rate/amount?**

The Section 94A contributions levy for land within Part 3B is as follows:

<b>Type of Development</b>	<b>Levy</b>
All Development Applications and applications for Complying Development Certificates whose total costs amount to less than \$100,001	Nil
All Development Applications and applications for Complying Development Certificates with a total cost from \$100,001 - \$200,000 (excluding exempt development, Section 96 (s96) applications to modify Development Application Consent and Development Applications proposed by Council)	0.5 per cent
All Development Applications and applications for Complying Development Certificates with a total cost exceeding \$200,000 (excluding exempt development, s96 applications to modify Development Application Consent and Development Applications proposed by Council)	5.0 per cent

### **28 How will the Council apply money obtained from Part 3B of the levy?**

Money paid to the Council under a condition authorised by Part 3B of this Plan is to be applied by the Council towards meeting the cost of one or more of the public facilities that will be or have been provided within the area as listed in Part 5B.

## PART 4: Expected Development and Demand for Public Facilities

Residential population growth and employment generation from new industrial, commercial and retail developments will increase demand on Council's existing public amenities and facilities. To ensure that the community's enjoyment of public facilities is not diminished by population growth Council must augment its existing facilities, and where possible, provide new facilities to accommodate the additional demand.

### Population Growth in Warringah

Warringah has experienced a steady growth rate of over 1% between 2006 and 2011 (the most recent Census years). This growth rate has placed a continuous demand on Warringah Council to provide infrastructure for the growing population. The growth can be summarised as:

- Estimated Residential Population (ERP) of Warringah increased from 139,163 to 147,611, representing a population increase of 8,448 or 6.1%. This equates to an annual growth rate of approximately 1.2% representing a significant increase in residential population growth
- Population growth within Warringah is closely aligned to the Sydney Statistical Division which experienced a population increase of approximately 6.6% or 1.3% per year
- Approximately 2200 additional dwellings have been approved. This equates to an average of 440 new dwellings per annum.

This growth is forecast to continue into the future. Between 2011 and 2021, it is estimated that the following changes will take place:

- Population increase of 11,324 or 0.7% annual growth rate.
- Additional 4550 dwellings or 455 per annum.

Beyond 2021, a steady population growth rate of approximately 1100 people per year is expected. Combined with a falling household size (less people living in each dwelling), it is expected that more dwellings will be required to keep up with demand. This will likely increase density in established centres.

### Metropolitan Strategies

Growth strategy across the Sydney Metropolitan Area is developed by the NSW Department of Planning and Infrastructure. Over the past decade, three metropolitan strategies have been produced by the Department. These strategies have outlined growth expectations across the Metropolitan Area, providing growth guidelines for councils and the public. The strategies have demonstrated an expectation that dwelling growth will exceed that of the natural growth that is forecasted to take place.

The *Sydney Metropolitan Strategy* (2005) set the North East Subregion (comprising the Warringah, Pittwater and Manly local government areas) a target of 17,300 new dwellings from 2006 to 2031.

The more localised component of that strategy, the draft *North East Subregional Strategy* (2007), set Warringah's share of this dwelling target at 10,300 new dwellings, or 412 per year.

The *Metropolitan Plan for Sydney to 2036* (2010) is the five year update to the *Sydney Metropolitan Strategy*. This document updated all subregional housing and employment targets within the Sydney Region. The housing target for the North East Subregion was increased to 29,000 between 2006 and 2036. The plan does not apportion dwelling targets to local government areas within the subregion.

A *Plan For Growing Sydney* (2014) was released in December 2014. This strategy classified Warringah as part of the North subregion. This has been expanded to include Hornsby, Hunters Hill, Ku-ring-gai, Lane Cove, Manly, Mosman, North Sydney, Pittwater, Ryde, Warringah and Willoughby. The strategy does not apportion dwelling or employment targets to the subregion. These are expected to be included in a sub-regional plans released during the 2015/16 financial year.

While the 2014 strategy has not apportioned dwellings at the LGA level, it has shown an expectation across the Sydney Metropolitan Area that more dwellings will be delivered. Assuming the same apportionment rate from the 2007 Subregional Strategy is applied to the 2014 strategy, Warringah will be expected to deliver approximately 10,700 dwellings between 2014 and 2031. This is an increase to 630 per year, compared to the 412 target of the 2005 strategy.

### **Employment Growth**

Non-residential development will create demand for the provision or upgrading of roads and traffic management facilities and civic improvements. Understanding the anticipated employment growth and location of growth centres enables Council to target those improvements effectively.

*Warringah Employment Study 2013* was prepared to identify the economic, social and environmental trends which will influence employment growth within the region. It identifies key strategies and principles to better enable the region to accommodate employment growth to 2031.

The employment study has identified that within Warringah, demand for employment in the retail, commercial and industrial sectors will continue to grow in the future. Demand for floorspace within these sectors is forecast to increase by 446,585 square metres and between 2011 and 2036, along with 12,553 jobs. This growth is anticipated to be focused in the main employment lands within Warringah of located in Dee Why, Frenchs Forest, Brookvale, Forestville, and Austlink Business Park.

### **Rationale for Development Levy**

As an established LGA, Warringah does not currently have any identified land release areas. State Government and Council strategic land use policies place significant restrictions on additional

subdivision and development on the fringes of Warringah's urban areas and focuses development within existing centres. As such, the emphasis of development contribution expenditure in Warringah will increasingly take the form of upgrades and augmentations to existing community facilities, as opposed to new land dedications and facilities required to service 'new' residential areas.

There are a number of factors that have traditionally influenced the ability of Council to deliver community facilities in a manner that matches demand using a traditional s94 approach:

- (1) Difficulties defining and maintaining the nexus between who contributes toward the cost of developing community facilities and who the users of the facilities are. The ability to apportion the costs of new community facilities strictly to new populations is increasingly difficult in highly urbanised local government areas such as Warringah. The users of community facilities are increasingly willing to travel to any part of Warringah to access community services, placing an undue burden on specific development to contribute toward their provision
- (2) Low apportionments under a traditional s94 model. The proportion of works funded by development contributions can only match the proportion of new population into this area. Accordingly, new populations moving into established urban areas cannot be expected to fund the entire cost of these upgraded or augmented facilities that are enjoyed by the entire community. Employing this approach again through a new Development Contributions Plan will not enable Council to collect the funds required to deliver community facilities at a rate that matches demand

These problems are overcome through the adoption of a levy which is based on a fixed percentage of the total cost of development. Funds collected under this system are pooled into a single reserve and are used to fund the provision of new public facilities and services in locations where Council has identified demand, through the ongoing residential and non-residential growth. This demand has led to the inclusion of specific projects within the Schedule of Works in the Plan.

With the majority of development types proposed in Warringah requiring Development Application Consent, including some of the most minor forms of residential development, there is justification for the application of a 'development value threshold' which would exempt these smaller developments from the fee being levied. The intent of a 'contribution free' threshold is to relieve smaller developments with negligible impact on the demand for additional community facilities from having to pay the levy. The contributions free threshold is set at \$100,000, in-line with Clause 25K of the Regulation.

#### **Rationale for Dee Why Town Centre Development Levy**

Dee Why is identified in the NSW Government's *A Plan for Growing Sydney* (2015) as a Strategic Centre and has been the focus of Council's residential housing strategy and planning for well over

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a decade. This has been supported by the *Dee Why Town Centre Masterplan* (2013), which aims to create an attractive, liveable and thriving centre, featuring new community facilities, attractive streetscapes, new open spaces and new public car parking - 'a centre by the sea'.

As a Strategic Centre, Dee Why Town Centre will provide facilities for the broader community as well as public domain improvements for those visiting and living in the centre. Intersection and road works as well as drainage works are required to ensure these constraints are properly managed as development occurs. The success of the Dee Why Town Centre requires a combination of infrastructure and public domain improvements that are essential to facilitate development and make it a vibrant liveable place.

The estimated total cost of the necessary infrastructure and public domain improvements is approximately \$65 million. The works program will need to be delivered over the next 20 years as Dee Why develops. However, despite examining all available mechanisms and funding options to deliver the works program, there remains a gap of approximately \$15 million.

A report by GLN Planning, *Dee Why Town Centre 94A Levy*, has identified a S94A levy of 5%, limited to the Dee Why Town Centre Area, as an additional funding source. This levy will ensure that Council will not need to delay or abandon certain works, which would jeopardise the urban renewal of the Dee Why Town Centre. This method will also limit the levy to developments that are most likely to drive the need for additional infrastructure and realise the vision of *A Plan for Growing Sydney*.

## **PART 5A: Warringah Local Government Area Section 94A Schedule of Works**

This Part lists the works to be funded by contributions collected under Part 3A of this plan. It has been compiled based upon Council's Community Strategic Plan, Plans of Management and an analysis of asset requirements throughout Warringah. The works are to be completed using funds collected under this Plan. Projects within this Schedule have been assessed by Council as being a high priority on the basis of community need, safety and risk to Council.

This Schedule of Works is to be progressively updated to reflect the completion of the listed works and to add new projects as the Schedule nears completion. Where applicable, the location of these projects has been mapped at Appendix D.

<b>Project No</b>	<b>Name</b>	<b>Suburb</b>	<b>2015/2016 S.94A Allocation</b>	<b>Estimated Total Project Cost</b>	<b>Estimated Completion</b>
BN5845	St Matthews Farm Reserve, Cromer – Skate Park Design	Cromer	\$47,000	\$47,000	2015/16
BN5881	Sports Capital Assistance Program	Multiple	\$233,000	\$433,000	2016/17
BN6022	Footpath Program – New Works	Multiple	\$450,000	\$800,000	Ongoing
BN6027	Bike Plan Implementation Program	Multiple	\$100,000	\$200,000	Ongoing
BN6039	Berry Reserve and Jamieson Park Upgrades	Narrabeen	\$120,000	\$240,000	2016/17
BN6225	Traffic Works Program	Multiple	\$200,000	\$400,000	Ongoing
BN6433	Birdwood Park, Narrabeen – New Works	Narrabeen	\$100,000	\$200,000	2016/17
BN6548	Griffith Park, Collaroy – New Irrigation Works	Narrabeen	\$50,000	\$50,000	2015/16
BN6553	New Library Technology	Multiple	\$65,000	\$65,000	2015/16
BN6031	King Street, Manly Vale – Traffic Calming*	Traffic	\$0	\$59,000*	TBD

Notes: Estimated Total Project Costs column includes 94A and other sources of funding.  
 \* Currently on hold, pending approval for commencement of works.

## **PART 5B: Dee Why Town Centre Section 94A Schedule of Works**

This Part lists the works to be funded by contributions collected under Part 3A and Part 3B of this plan. It has been compiled based upon Council's Community Strategic Plan, Plans of Management and the Dee Why Town Centre Masterplan. The works are to be completed using funds collected under this Plan. Projects within this Schedule have been assessed by Council as being a high priority on the basis of community need, safety and risk to Council.

This Schedule of Works is to be progressively updated to reflect the completion of the listed works and to add new projects as the Schedule nears completion. Where applicable, the location of these projects has been mapped at Appendix E.

<b>Name</b>	<b>2015/2016 S.94A Allocation</b>	<b>Estimated Total Project Cost</b>	<b>Estimated Completion</b>
<b>New Traffic Facilities and Streetscape Upgrades – Phase 1</b> <ul style="list-style-type: none"> <li>- Pittwater Road (Central)</li> <li>- Redman Road Plaza (East)</li> <li>- Oaks Avenue (West)</li> <li>- Link Road</li> <li>- Howard Avenue (West)</li> </ul>	\$927,652	\$18,346,794	2016-2019
<b>New Traffic Facilities and Streetscape Upgrades – Phase 2</b> <ul style="list-style-type: none"> <li>- Redman Road Plaza (West)</li> <li>- Pittwater Road (Central)</li> <li>- Howard Avenue (East)</li> <li>- Woolworths Lane</li> </ul>	\$0	\$8,021,779	2020-2025
<b>New Traffic Facilities and Streetscape Upgrades – Phase 3</b> <ul style="list-style-type: none"> <li>- Pittwater Road (North and South)</li> <li>- Fisher Road</li> <li>- Mooramba Road</li> <li>- Sturdee Parade</li> <li>- Pacific Avenue</li> <li>- Oaks Avenue (East)</li> <li>- Dee Why Parade</li> <li>- Drainage Channel</li> </ul>	\$0	\$25,138,380	2026-2036
Walter Gors Reserve and Dee Why Parade Shared Path	\$0	\$8,226,034	2016/17
St. David Avenue Pocket Park	\$0	\$1,917,674	2018/19
Triangle Park (North and South)	\$0	\$3,886,147	2020-2025

Notes: Estimated Total Project Costs column includes 94A and other sources of funding.

## **PART 6: Section 94 Schedule of Works**

This Part lists the works to be funded by existing Section 94 contributions collected under the Section 94 Development Contributions Plan 2001.

The projects listed within the Section 94 Schedule of Works, and the allocation of funds for these projects, reflect the intent under which the funds were originally collected.

The location of each project has been mapped in Appendix F. However please note that these maps are only indicative and are subject to more specific detailed plans.

<b>Project No</b>	<b>Name</b>	<b>Suburb</b>	<b>2015/2016 S.94 Allocation</b>	<b>Reserve</b>	<b>Estimated Total Project Cost</b>	<b>Estimated Completion</b>
BN5800	Dee Why Town Centre Parking and Community Facility	Dee Why	\$2,155,793	E10 – Dee Why Parking E5 – Community Centre Dee Why	\$25,000,000	2015/16
BN5856	Walter Gors Reserve New Works and Dee Why Parade Shared Walk	Dee Why	\$1,661,496	E7 – Open Space for Dee Why Town Centre and Surrounds	\$8,226,034	2016/17
BN6062	St David's Reserve, Dee Why – Bus Interchange and Reserve Works	Dee Why	\$0	E7 – Open Space for Dee Why Town Centre and Surrounds	\$1,917,674	2017/18
<b>New Traffic Facilities and Streetscape Upgrades – Phase 1</b>						
BN5908	Pittwater Road, Dee Why – Widening and Signal Adjustment Works	Dee Why	\$447,975	E7 – Open Space for Dee Why Town Centre and Surrounds	\$800,000	2016/17
BN6061	Dee Why Town Centre – Design of New Traffic Facilities and Streetscape	Dee Why	\$413,219	E7 – Open Space for Dee Why Town Centre and Surrounds E8 – Road and Traffic Management	\$690,000	2015/16
BN6429	Dee Why Town Centre – Streetscape Improvement Works	Dee Why	\$0	E7 – Open Space for Dee Why Town Centre and Surrounds E8 – Road and Traffic Management	\$12,100,000	2017/18
BN6430	Dee Why Town Centre – Construction of New Traffic Facilities	Dee Why	\$0	E7 – Open Space for Dee Why Town Centre and Surrounds E8 – Road and Traffic Management	\$430,000	2017/18

Notes: Estimated Total Project Costs column includes 94 and other sources of funding.

## PART 7: References

This Plan has been compiled with reference to the guidelines provided from the following key documents:

- *Department of Infrastructure Planning and Natural Resources, Development Contributions – Practice Note, 2005*
- *Department of Planning, Draft Local Development Contribution Guideline, November 2009*
- *Department of Planning, Metropolitan Plan for Sydney, 2036*
- *Department of Planning, Metropolitan Strategy for Sydney, 'City of Cities – A Plan for Sydney's Future' 2005*
- *Department of Planning, Draft North East Subregional Strategy 2007*
- *Department of Planning and Environment, A Plan for Growing Sydney, 2015*
- *Department of Planning and Infrastructure, Draft Metropolitan Strategy for Sydney to 2031, March 2013*
- *GLN Planning, Dee Why Town Centre Section 94A Levy, 2015*
- *ID Consulting, Warringah Council Community Profile, 2015*
- *SHOROC Regional Employment Study, March 2008*
- *Warringah Council, Warringah Local Environmental Plan 2011*
- *Warringah Council, Warringah Community Strategic Plan 2013*
- *Warringah Council, Warringah Council Section 94 Development Contributions Plan 2001*
- *Warringah Council, Warringah Local Environmental Plan 2000*
- *Warringah Bike Plan 2010*
- *Warringah Pedestrian Access and Mobility Plan 2011*
- *Warringah Playground Strategy 2007*

## Dictionary

In this Plan, unless the context or subject matter otherwise indicates or requires the following definitions apply:

**Act** means the *Environmental Planning and Assessment Act 1979*.

**Council** means Warringah Council.

**Regulation** means the *Environmental Planning and Assessment Regulations 2000*.

**Total development cost** means the cumulative cost of all factors listed in clause 25J of the Regulations and clause 6 of this Plan.

**Public purpose** includes (without limitation) any of the following:

- (a) the provision of (or the recoupment of the cost of providing) public amenities or public services,
- (b) the provision of (or the recoupment of the cost of providing) affordable housing,
- (c) the provision of (or the recoupment of the cost of providing) transport or other infrastructure relating to land,
- (d) the funding of recurrent expenditure relating to the provision of public amenities or public services, affordable housing or transport or other infrastructure,
- (e) the monitoring of the planning impacts of development,
- (f) the conservation or enhancement of the natural environment.

## APPENDIX A: Procedure for determination of an S94A levy

A cost summary report is required to be submitted to allow council to determine the contribution that will be required.

To avoid doubt, section 25J of the *Environmental Planning and Assessment Act 1979* sets out the items that are included in the estimation of the construction costs by adding up all the costs and expenses that have been or are to be incurred by the applicant in carrying out the development, including the following:

- if the development involves the erection of a building, or the carrying out of engineering or construction work—the costs of or incidental to erecting the building, or carrying out the work, including the costs (if any) of and incidental to demolition, excavation and site preparation, decontamination or remediation,
- if the development involves a change of use of land—the costs of or incidental to doing anything necessary to enable the use of the land to be changed,
- if the development involves the subdivision of land—the costs of or incidental to preparing, executing and registering the plan of subdivision and any related covenants, easements or other rights.

The items and components of the following form should be used as guide in determining the total cost of a development, for the purpose of determining the s94A levy that applies.

## APPENDIX B: Sample Cost Summary Report

### Cost Summary Report

DEVELOPMENT APPLICATION No.  REFERENCE

CONSTRUCTION CERTIFICATE No.  DATE

APPLICANT'S NAME:

APPLICANT'S ADDRESS:

DEVELOPMENT NAME:

DEVELOPMENT ADDRESS:

#### ANALYSIS OF DEVELOPMENT COSTS:

Demolition and alterations	\$	Hydraulic services	\$
Structure	\$	Mechanical services	\$
External walls, windows and doors	\$	Fire services	\$
Internal walls, screens and doors	\$	Lift services	\$
Wall finishes	\$	External works	\$
Floor finishes	\$	External services	\$
Ceiling finishes	\$	Other related work	\$
Fittings and equipment	\$	Sub-total	\$

Sub-total above carried forward	\$
Preliminaries and margin	\$
<b>Sub-total</b>	\$
Consultant Fees	\$
Other related development costs	\$
<b>Sub-total</b>	\$
Goods and Services Tax	\$
<b>TOTAL DEVELOPMENT COST</b>	<b>\$</b>

I certify that I have:

- inspected the plans the subject of the application for Development Application Consent or construction certificate.
- calculated the development costs in accordance with the definition of development costs in the S94A Development Contributions Plan of Warringah Council at current prices.
- included GST in the calculation of development cost.

Signed:

Name:

Position and Qualifications:

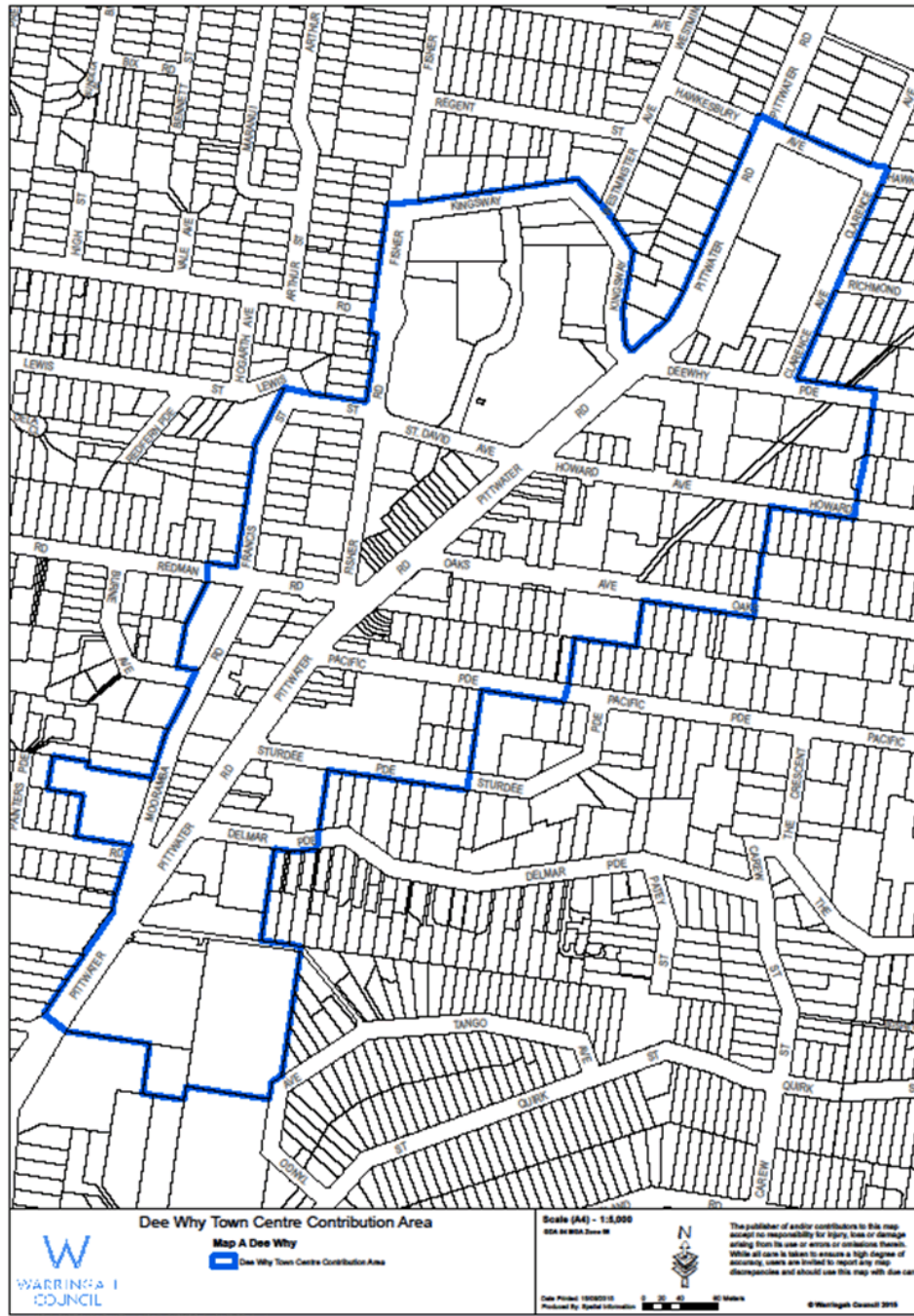
Date:

## APPENDIX C: Contribution Areas

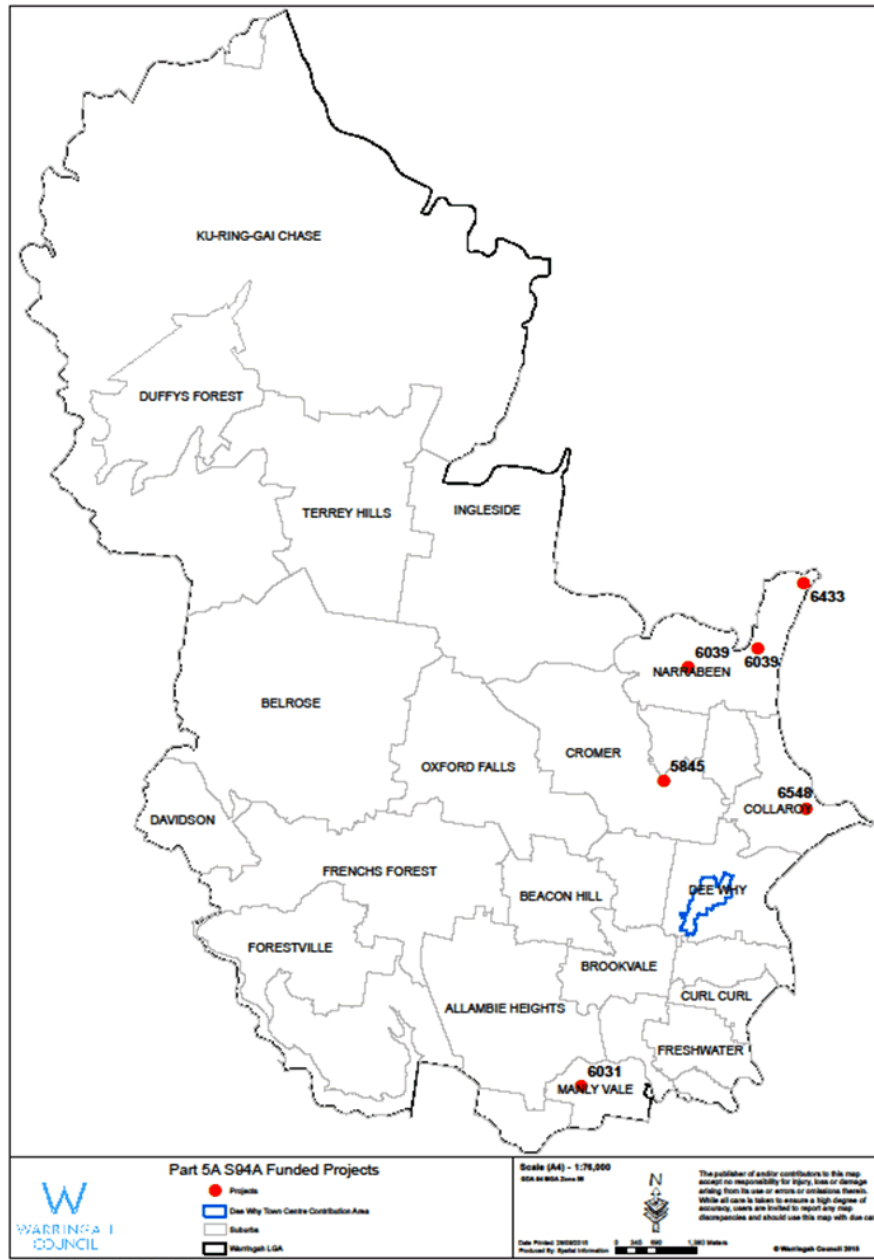
### Warringah LGA Contribution Area



### Dee Why Town Centre Contribution Area

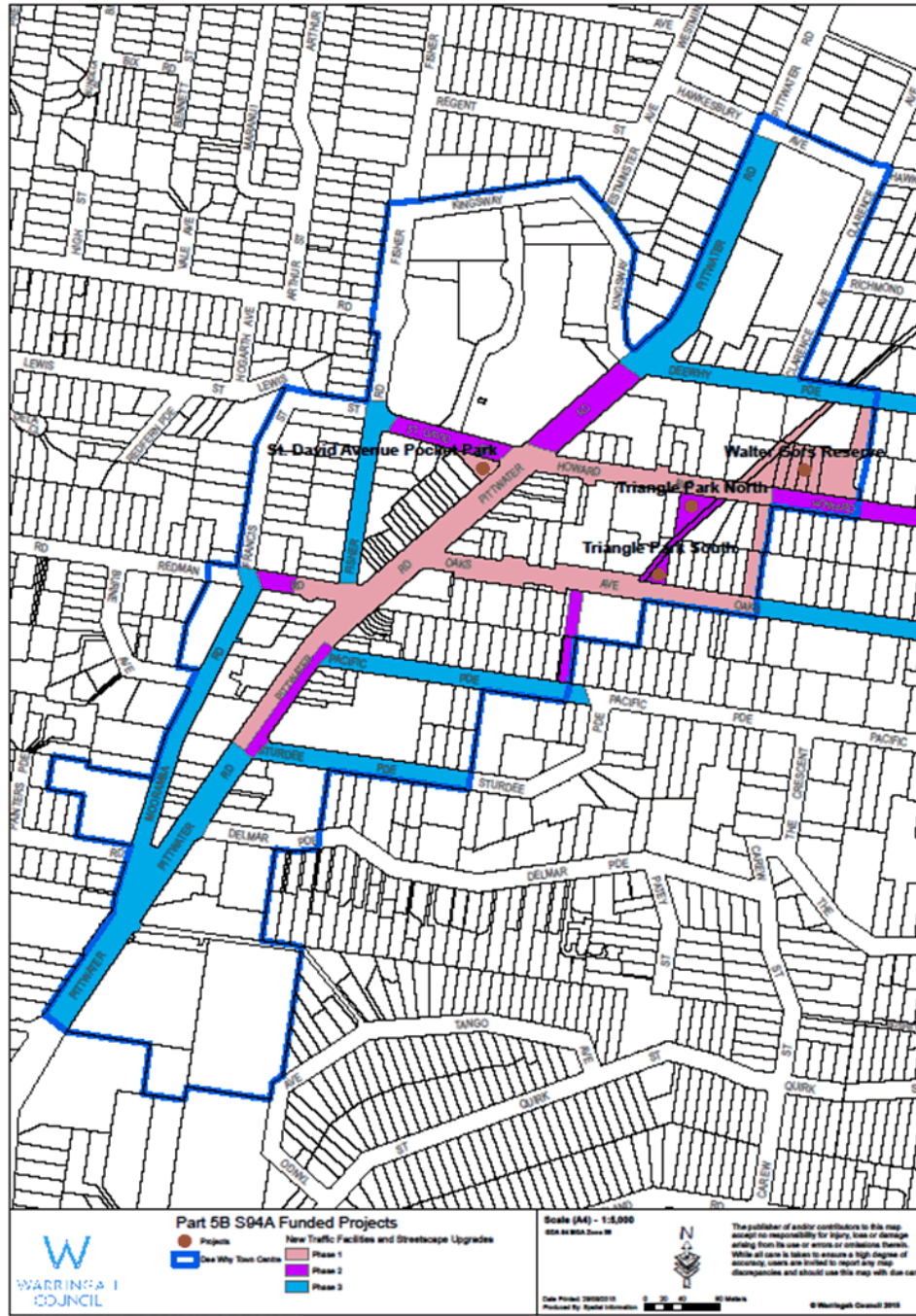


## APPENDIX D: Location of Section 94A Funded Work (Warringah LGA)

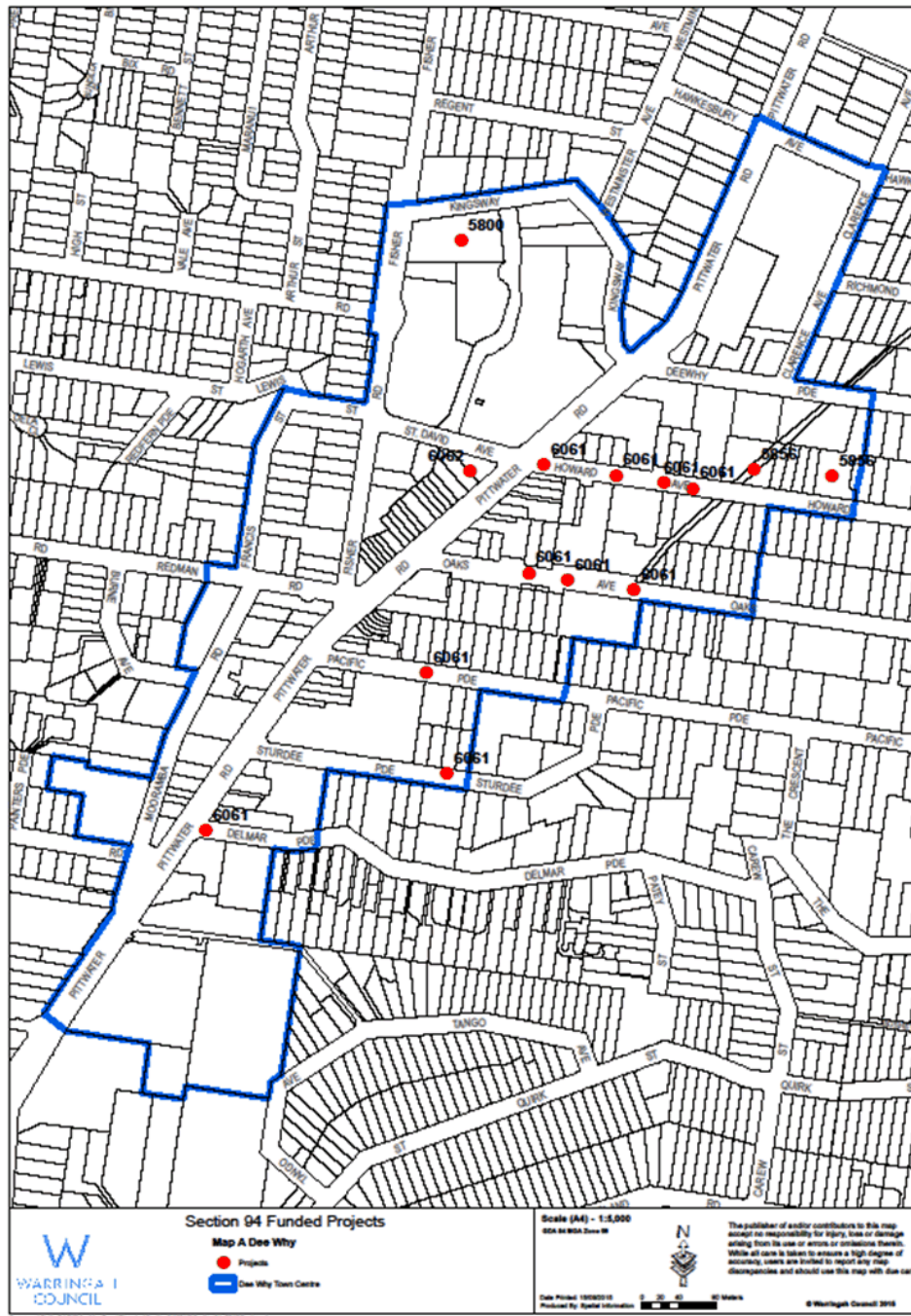


**Note:** Project BN5881, BN6022, BN6027, BN6225 and BN6553 have not been identified on the maps. These projects are to be delivered in multiple locations. See relevant program for project detail.

**APPENDIX E: Location of Section 94A Funded Work (Dee Why Town Centre)**



## APPENDIX F: Location of Section 94 Funded Work



# Dee Why Town Centre Section 94A Levy

Prepared for:  
Warringah Council  
Date: September 2015  
Project No 10349



Dee Why Town Centre Section 94A Levy  
Warringah Council

# Dee Why Town Centre Section 94A Levy

## Final Report September 2015

Prepared for  
**Warringah Council**

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Project Number: 10349

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**Dee Why Town Centre Section 94A Levy**  
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Dee Why Town Centre Section 94A Levy  
Warringah Council

## Executive Summary

Dee Why is identified in the NSW Government's Metropolitan Strategy as a Strategic Centre and has been the focus of Council's residential housing strategy and planning for well over a decade.

As a Strategic Centre, Dee Why Town Centre will provide facilities for the broader community as well as public domain improvements for those visiting and living in the centre. Intersection and road works as well as drainage works are required to ensure these constraints are properly managed as development occurs. The success of the Dee Why Town Centre requires a combination of infrastructure and public domain improvements that are essential to facilitate development and make it a vibrant liveable place.

The estimated total cost of the necessary infrastructure and public domain improvements is approximately \$65 million. The works program will need to be delivered over the next 20 years as Dee Why develops. However, despite examining all available mechanisms and funding options to deliver the works program, there remains a gap of approximately \$15 million. Council and its ratepayers should not be expected to be financially disadvantaged by the need to provide infrastructure to service the development in the Dee Why Town Centre. Without an additional funding source, Council would need to delay or abandon certain works thus jeopardising the urban renewal of the Dee Why Town Centre.

Since 2006, Warringah Council has imposed a flat rate 'section 94A' levy on all development in the Warringah LGA with a cost exceeding \$200,000. The maximum levy Council charges is 1% of the cost of development, as set by regulation. The funds from collected from development are spent on works within the Dee Why Town Centre and wider Warringah Local Government Area.

Council has identified that it would be appropriate for the expected infrastructure funding shortfall to be made up from an increased section 94A levy that would apply to all future development in the Dee Why Town Centre.

Any increase of the section 94A levy can only be approved by the NSW Minister for Planning. Increases to the levy for other growing Sydney suburban centres have previously been approved. Council has modelled the impacts of applying different levy rates and has determined that a levy of 5% should be sufficient to meet the funding shortfall.

Council is therefore seeking the Minister's support to increase the maximum levy rate from 1% to 5% for all development with a proposed cost of \$200,000 or more within the Dee Why Town Centre area.

This report:

- Discusses the future development in Dee Why Town Centre and the infrastructure needs associated with that expected development.
- Describes Council's strategy to meet the costs of the required local infrastructure.
- Argues the case for an increase in the levy on development as one of the key means of providing the infrastructure needed for the Dee Why Town Centre.
- Examines the potential impact of an increased levy on the viability of development expected in the area.
- Recommends that the Minister for Planning amend the EP&A Regulation to allow consent authorities to impose a levy up to 5% of the cost of future developments in the Dee Why Town Centre.

## 1. Introduction

### 1.1 Purpose of this report

The purpose of the report is to highlight the anticipated funding gap in meeting the cost of the infrastructure program that is necessary to complete the urban renewal of Dee Why Town Centre; and to obtain the support of the Minister for Planning to fund that gap through an increased section 94A levy on the remaining developments in the Dee Why Town Centre.

At its meeting of 24 February 2015 Warringah Council (**Council**) resolved to prepare an application to the Minister for Planning to increase the section 94A levy applying to development on land within the Dee Why Town Centre from 1% to 5%.

The increased levy cannot proceed without the approval of the Minister for Planning. Another purpose of the report is to provide the Department of Planning and Environment (**DPE**) and the Minister with information justifying Council's proposal.

This report will accompany the exhibition of a draft section 94A levy contributions plan. Written submissions that are received on the draft plan will be considered by Council and forwarded to the Minister.

### 1.2 Structure of report

This report is arranged as follows:

Part 1 (this part) identifies the purpose of the report and the criteria that has been provided by DPE for Council's application to increase the section 94A levy.

Part 2 discusses the planning and future development of the Dee Why Town Centre, including the infrastructure planning and works program that has been prepared to enable that development to occur.

Part 3 discusses the range of funding and delivery options apart from the increased development levy that were considered by the Council in developing its proposed funding strategy for the Dee Why Town Centre infrastructure program.

Part 4 examines what impacts a higher levy will have on typical future development in the Dee Why Town Centre.

Part 5 describes the Council's preferred funding mix for the infrastructure program. Council's strategy is that future section 94A levies will have an important but overall minor role in the delivery of Dee Why Town Centre infrastructure; with the balance of the funding task being met by consent conditions, existing section 94 funds, and planning agreements with developers.

### 1.3 Department of Planning and Environment's requirements

DPE provided written advice to Council on 14 November 2014 on the matters to be addressed in any submission justifying an increase in the levy.

Those matters, and notes on where the matters are addressed in this submission, are shown in **Table 1** below.

Dee Why Town Centre Section 94A Levy  
Warringah Council

**Table 1 Submission requirements**

Matter required to be addressed	Section(s) of this report that responds to the matter
1. Details of the scope of works and cost estimates	Refer to Part 2 of this report.
2. An analysis of the implications for the imposition of the increased levy on the cost of development, including:	
(a) an estimate of the per sq m cost and total costs for the typical types of developments expected in the area,	Refer to Part 4 of this report.
(b) the difference between the potential funds collected by current s94 contributions plan/s compared to the proposed s94A plan	Refer to Part 3 of this report.
(c) the impact on development feasibility considering current s94 contributions levied compared to proposed s94A	Refer to Part 4 and Appendix D of this report.
(d) any other relevant information	Refer to all parts of this report.

**Dee Why Town Centre Section 94A Levy**  
Warringah Council

## 2. The new Dee Why Town Centre

### 2.1 Background

The following provides a brief summary and timeline of the key initiatives relating to the development of the Dee Why Town Centre.

**Table 2 Summary of key planning initiatives relating to Dee Why Town Centre**

2000	Gazettal of the Warringah Local Environment Plan 2000 which implements findings from the Dee Why Urban Strategy Document (1996) and Urban Design Master plan and Cost Report (1998). Adoption of Warringah Residential Development Strategy 2000.
2004	NSW Government Architect Master Plan
2005	City of Cities - Metropolitan Strategy by the Department of Planning designates Brookvale / Dee Why as a Major Centre
2007	Release of draft North East Subregional Strategy with specific employment and dwellings targets for Major Centres
2009	Gazettal of the Warringah Local Environment Plan 2000 (Amendment No. 21) which implements specific Site A and Site B planning controls*
2011	Gazettal of the Warringah Local Environment Plan 2011 inclusive of detailed provisions for Site A and Site B
2012	Engagement of Place Design Group and formulation of the Dee Why Town Centre Working Party to deliver a new Dee Why Town Centre Master Plan
2013	Adoption of the Dee Why Town Centre Master Plan 2013. Drafting of Warringah Local Environment Plan 2011 and Development Control Plan amendments seeking to implement Master Plan objectives.
2014	GHD Consultants complete an update of the 2007 GTA Traffic Study (Dee Why Town Centre Traffic Model Update March 2014). Planning Proposal lodged by owner of Site B. A <i>Plan for Growing Sydney</i> identifies Brookvale – Dee Why as a Strategic Centre.
2015	Preparation of the Dee Why Town Centre Planning Proposal and supporting documents which aim to implement the Dee Why Town Centre Master Plan. The Masterplan includes completing the package of infrastructure and urban design improvements tailored for the centre.

\* refer to the masterplan in Appendix A that shows the location of Site A and Site B

The above summary confirms that planning for the major redevelopment of Dee Why as a major town centre was initiated as a cornerstone of Council's Residential Development Strategy in 2000. The planning has undergone a number of revisions in line with its role as a Major Centre / Strategic Centre in the Sydney metropolitan strategy and more recent development aspirations.

Over time, various developments in the Dee Why Town Centre area have been completed, and there are a number of developments that have been approved but have not yet moved to construction. The contributions paid by previous development have been spent on the purpose

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for which they were acquired or form part of the current section 94 and section 94A fund balance that is available to contribute to the future works program.

## 2.2 Metropolitan plan

Dee Why and Brookvale combine to form the largest centre on Sydney's Northern Beaches for employment, shopping and housing.

Dee Why and Brookvale are identified by the State Government's Sydney metropolitan strategy *A Plan for Growing Sydney* as twin 'Strategic Centres'.

Strategic centres are locations that currently have or are planned to have at least 10,000 jobs. They are priority locations for employment, retail, housing, services and mixed-uses.<sup>1</sup> Targeted urban renewal around these centres on the transport network is important to the Government's agenda of providing more homes closer to jobs, maximising infrastructure efficiencies and boosting the productivity of the city.<sup>2</sup>

Action 1.7.1 of *A Plan for Growing Sydney* is **to invest in strategic centres across Sydney to grow jobs and housing and create vibrant hubs of activity**.<sup>3</sup> The plan discusses investment in terms of:

- Improving planning policies to encourage flexibility, higher density and a more diverse range of activities.
- Better governance of centres will help to improve the public spaces and improve the walkability of centres.
- Delivering public transport, traffic management and car parking to improve the business environment of strategic centres.

The State Government's priorities for Brookvale - Dee Why Strategic Centre are:

- Work with council to retain a commercial core in Brookvale-Dee Why, as required, for long-term employment growth.
- Work with council to provide capacity for additional mixed-use development in Brookvale-Dee Why including offices, retail, services and housing.
- Work with council to improve walking and cycling connections between Warringah Mall, Brookvale and Dee Why.
- Progress planning for a Northern Beaches bus rapid transit corridor to service Brookvale-Dee Why.<sup>4</sup>

Council's local infrastructure plans for Dee Why Town Centre will complement the Government's proposed bus rapid transit (BRT) investments. Dee Why is planned as a key destination on the Northern Beaches BRT with a new public transport interchange planned.<sup>5</sup>

Strategic centres such as Dee Why will only reach the nominated potential if they are supported by 21<sup>st</sup> century infrastructure and amenities.

Council wants to improve open space, streetscape and traffic links to make the area more attractive for jobs and housing development, and has an obligation to ensure that these

<sup>1</sup> *A Plan for Growing Sydney*, p21

<sup>2</sup> *ibid.*, pp46-48

<sup>3</sup> *ibid.* p48

<sup>4</sup> *ibid.* p126

<sup>5</sup> NSW Government (2014), *Northern Beaches Transport Action Plan*

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infrastructure plans are financially sustainable. Council intends to meet this obligation by implementing a funding strategy which includes a higher development contribution levy on future development in Dee Why Town Centre that will derive the most benefit from the infrastructure program.

### 2.3 Dee Why Town Centre Masterplan

Council and the community finalised The Dee Why Town Centre Masterplan in 2013.<sup>6</sup>

The masterplan responds to the key planning issue facing the centre, including the infrastructure issues of:

- the Town Centre straddling Pittwater Road
- poor stormwater and drainage
- limited pedestrian connectivity and priority
- lack of access to open space and insufficient landscaping
- poor amenity and streetscape definition.<sup>7</sup>

The overall aim of the Masterplan is to create an attractive, liveable and thriving centre, featuring new community facilities, attractive streetscapes, new open spaces and new public car parking - 'a centre by the sea'.

The infrastructure principles of the plan are to:

- create a well-connected Town Centre
- foster community sense of pride of place
- enhance open spaces
- provide safe and enjoyable public spaces
- generate investment through creating an attractive and vibrant Town Centre.<sup>8</sup>

The masterplan identified a set of strategies and actions applying to private and public land to achieve the planning vision for the Town Centre. A summary of those strategies is shown in **Appendix A**.

The key local infrastructure strategies include:

- A central Community Hub on the Civic Centre site with multipurpose meeting rooms, new library facilities, community services and a landmark Civic Plaza.
- A new Police Citizens Youth Club Centre on the Civic Centre site.
- 560 Council public carpark spaces in and around the Town Centre, with good quality pedestrian connections.
- A Water Sensitive Urban Design (WSUD) approach to development to better manage storm water and make water an attractive, calming and green feature of the Town Centre.
- A place that is attractive and easy to get around with new bike paths, laneways, wider footpaths, new open spaces and improvements to existing parks.

<sup>6</sup> Place Design Group (2013), *Dee Why Town Centre Master Plan*, July

<sup>7</sup> *ibid.*, pp38-39

<sup>8</sup> *ibid.*, pp40-41

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- Enhanced visual appeal at street level through wider footpaths, new spaces and lower building podiums, sculptural landscaping in key areas incorporating green landscaping on median islands and nature strips, creating a sense of arrival and departure.

The masterplan identified that the centre presents as struggling and over the years has been impacted by the strength of Warringah Mall. The challenge now is to foster a strong point of difference for Dee Why and for it not to try to directly compete with the Mall but rather to offer the 'open air experience', cultural diversity, accessibility etc..

Council's infrastructure plans are focused on Dee Why in order to achieve these aims.

## 2.4 The expected development

Based on the planning controls that currently apply, Council expects that approximately 25 sites in the Dee Why Town Centre will be approved for redevelopment in the future.

Council has estimated that the amount of gross floor area that will be developed on these 25 sites is likely to be around 174,000 square metres, made up of:

- 142,000 square metres of residential gross floor area
- 31,000 square metres of retail and commercial gross floor area.

Details of the expected development, including the anticipated development on individual sites and a map showing the location of the sites, is included as **Appendix B**.

One of the most significant of the potential development sites is the Council's Civic Centre site. This site has significant physical and existing civic use constraints, and its future development timeline is uncertain. The development yield from this site has therefore been excluded from the calculations of estimated contributions income. The contributions income assessment is therefore based on overall Dee Why Town Centre development of around 130,000 square metres of gross floor area, made up of:

- 104,000 square metres of residential gross floor area
- 26,000 square metres of retail and commercial gross floor area.

A further 22 sites are the subject of either current approvals, or are development applications awaiting determination. These development sites have been excluded from the estimate of income to be received from a higher section 94A levy as they are already subject to the current 1% section 94A levy. Instead, the income from the 1% levy is taken into account in the overall funding mix. Some of these developments are also subject to voluntary planning agreements that require the developer to provide land or works contributions for local infrastructure.

## 2.5 Planned local infrastructure

### 2.5.1 Roads, streetscape, open space and drainage

The planned Dee Why Town Centre infrastructure schedule is shown in **Table 3**.

Selected plans and images of the proposed works are included in **Appendix C**. Detailed plans of the public domain, open space and streetscape works are contained in the document titled *Dee Why Town Centre Concept Design- Volume 1*, prepared by Tract Consultants, November 2014.

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**Table 3 Dee Why Town Centre infrastructure schedule**

Works category	Summary of works
Roads and traffic	New Link Road Woolworths Lane (Linkway Link)
Open space	Walter Gors Park upgrades St Davids Avenue Pocket Park Redman Road Plaza Triangle Park North Triangle Park South
Streetscape and public domain	Pittwater Road North (Gateway) Pittwater Road Central (Incl. Town Centre Crossing) Pittwater Road South (Gateway) Fischer Road Mooramba Road Sturdee Parade Pacific Parade Oaks Avenue (Pittwater Road to New Link Road) Oaks Avenue (New Link Road to Avon Road) Howard Avenue (Pittwater Road to New Link Road) Howard Avenue (New Link Road to Avon Road) Dee Why Parade
Stormwater drainage	Oaks Avenue drainage upgrade Drainage channel between Dee Why Parade and Richmond Avenue

### 2.5.2 Community Hub

In addition to the roads, streetscape, drainage and open space works that will be delivered by developers and development contributions, Council will also provide new social infrastructure on its significant Dee Why Town Centre land holdings.

Council proposes to build a Community Hub on the Civic Centre site.

The Community Hub envisages a world class and diverse mix of community facilities and government services in one precinct. The revitalised Civic Precinct will centralise community facilities and provide a connection between local government and State Government services.

It is envisaged that the Community Hub will include:

- A community centre
- A new library and public open space
- Community meeting halls, rooms and activity rooms
- Exhibition and public arts space

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- Office space for varied community groups
- A plaza and activated outdoor space for performance and community use
- Alfresco dining through indoor / outdoor cafes
- Potential health facilities.

### **2.5.3 Current projects**

#### **Oaks Avenue drainage**

In October, Council will begin constructing a new culvert and pipes in Oaks Avenue to reduce the level and effects of flooding within Dee Why Town Centre.

Two 900mm pipes will be installed side by side running from the corner of Pittwater Road, down Oaks Avenue and connecting into the existing stormwater culvert near the pedestrian crossing outside Woolworths.

The work is being undertaken this year so that it is complete before the Dee Why Town Centre streetscape works commence. The completed works will significantly reduce the risk to life and property for rare and significant flood events within the Dee Why Town Centre area.

#### **PCYC centre**

Council is committed to providing new social infrastructure in the Dee Why Town Centre and taking advantage of opportunities to partner with other service providers.

Council and the Police Citizens Youth Club (**PCYC**) are about to commence a new youth-oriented facility as the first stage of the Civic Precinct redevelopment. This was a 'catalyst' project identified in the Dee Why Town Centre Masterplan and involves a construction of a multipurpose community facility and 350-space car park.

The facility will contain multipurpose sports courts, flexible spaces that can be used for meetings, and ancillary facilities (e.g. café). The cost of the new centre, which exceeds \$20 million, is to be met by Council land sales, previously collected section 94 contributions, and contributions by the PCYC.

The PCYC development is additional to the schedule of works identified in this submission.



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Source: Warringah Council

**Figure 1 Artist's impression of the PCYC development**

## 2.6 Infrastructure costs

Council engaged two independent cost planners, Rider Levett Bucknall and Wilde and Woollard, to estimate the costs of the Dee Why Town Centre infrastructure program. The estimated costs for each project, and overall project on-costs, are shown in **Table 4** below.

The list does not include the Community Hub project in the Civic Precinct area. The respective locations of the numbered items is shown in **Figure 2**.

**Table 4 Estimated infrastructure costs**

No.	Project	Estimated cost
1	Pittwater Road North (Gateway)	\$2,261,497
2	Pittwater Road Central (Incl. Town Centre Crossing)	\$2,666,906
3	Pittwater Road South (Gateway)	\$3,630,543
4	St Davids Avenue Pocket Park	\$1,479,253
5	Fisher Road Streetscape	\$1,363,626
6	Redman Road Plaza	\$1,746,710
7	Mooramba Road	\$434,314
8	Sturdee Parade	\$2,988,185
9	Pacific Parade	\$3,114,941
10	Oaks Avenue (Pittwater Road to New Link Road)	\$4,401,546
11	Oaks Avenue (New Link Road to Avon Road)	\$3,787,665
12	New Link Road	\$1,527,075
13	Howard Avenue (Pittwater Road to New Link Road)	\$3,163,384
14	Howard Avenue (New Link Road to Avon Road)	\$3,390,164
15	Dee Why Parade	\$2,389,970
16	Triangle Park North	\$1,744,723
17	Triangle Park South	\$1,252,968
18	Woolworths Lane (Linkway Link)	\$1,526,287
19	Walter Gors Park	\$5,208,110
20	Walter Gors Park Stormwater Easement	\$300,000
21	Drainage Channel (Dee Why Parade to Richmond Avenue)	\$1,338,503
	<b>Sub-Total</b>	<b>\$49,716,370</b>
	Preliminaries & Margin	\$7,010,000

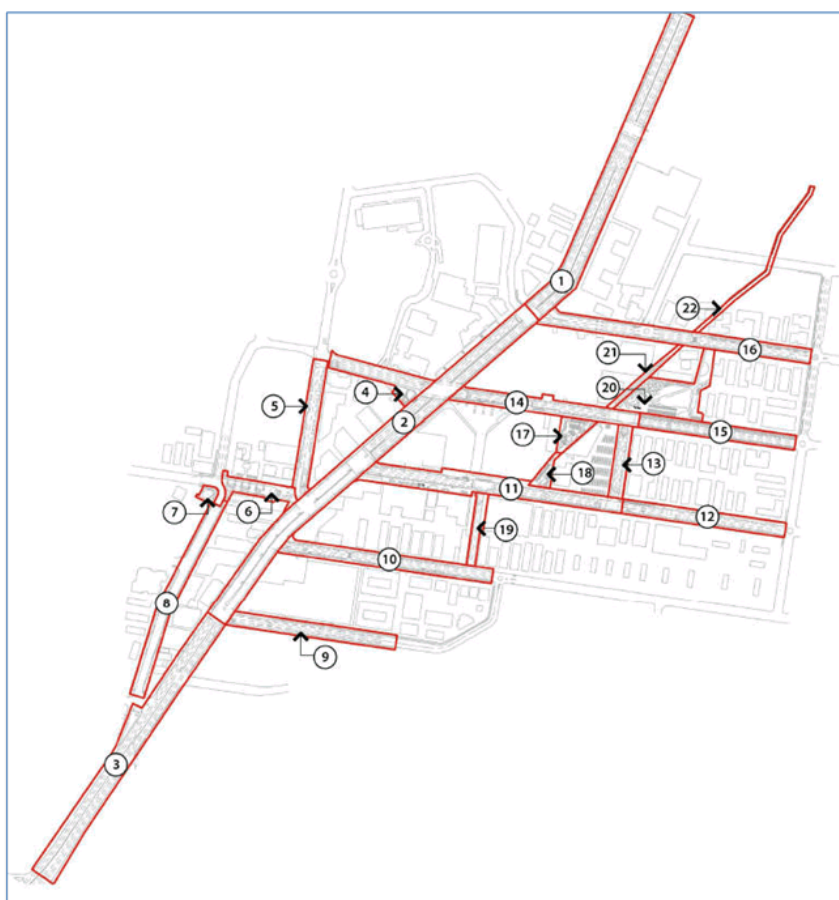
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No.	Project	Estimated cost
	Fees	
	Design Fees	\$1,612,385
	Authority Fees	\$554,000
	Long Service Leave Levy	\$196,000
	Contingency	\$5,610,775
	<b>Total</b>	<b>\$64,699,530</b>

Source: Rider Levett Bucknall



Source: Tract Consultants, *Dee Why Town Centre Concept Design- Volume 1*, Dee Why Town Centre Public Infrastructure Upgrades Feasibility and Investigations Stage, November 2014

**Figure 2 Infrastructure schedule map**

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## 2.7 Infrastructure staging

The adopted Dee Why Town Centre Masterplan presented a proposal for the staging of infrastructure works.<sup>9</sup> Council has reviewed and adjusted this recommended staging to match the expected funding opportunities.

Planning and design for the proposed infrastructure has commenced and will continue until 2016. The planned phasing of works is shown in **Table 5**.

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<sup>9</sup> Place Design Group, op. cit., p110

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**Table 5 Planned works by phase**

Phase	Timing	Summary of works
Phase 1 Construction	2016 to 2019	<ul style="list-style-type: none"> <li>Oaks Avenue drainage upgrades</li> <li>Upgrades to Walter Gors Park</li> <li>New Link Road between Howard Avenue and Oaks Avenue</li> <li>New pedestrian and vehicle signals on Oaks Avenue (2) and Howard Avenue (2)</li> <li>Pittwater Central (Part) and St Davids Park</li> <li>Streetscape works in front of Meriton development</li> <li>Redman Road Plaza (East)</li> </ul>
Phase 2 Construction	2020 to 2025	<ul style="list-style-type: none"> <li>Woolworths Lane works</li> <li>Triangle parks between Site A and Meriton development</li> <li>Howard Avenue streetscape and public domain east of Walter Gors Park</li> <li>Pittwater Central (Part)</li> <li>Redman Road Plaza (West)</li> </ul>
Phase 3 Construction	After 2025	<ul style="list-style-type: none"> <li>Streetscape works on Pittwater Road (north and south), Pacific Parade, Fisher Road, Oaks Avenue (east), Sturdee Parade, Dee Why Parade, Mooramba Road</li> <li>Drainage channel between Dee Why Parade and Richmond Avenue</li> </ul>

The locations of works in Phases 1, 2 and 3 are shown in **Figure 3**. Additional detail for Phase 1 Works is shown in **Figure 4**

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Source: Warringah Council

**Figure 3 Location of Phases 1-3 works**

The locations of Phase 1 works are shown in **Figure 4** below.



Source: Warringah Council

**Figure 4 Location of Phase 1 works**

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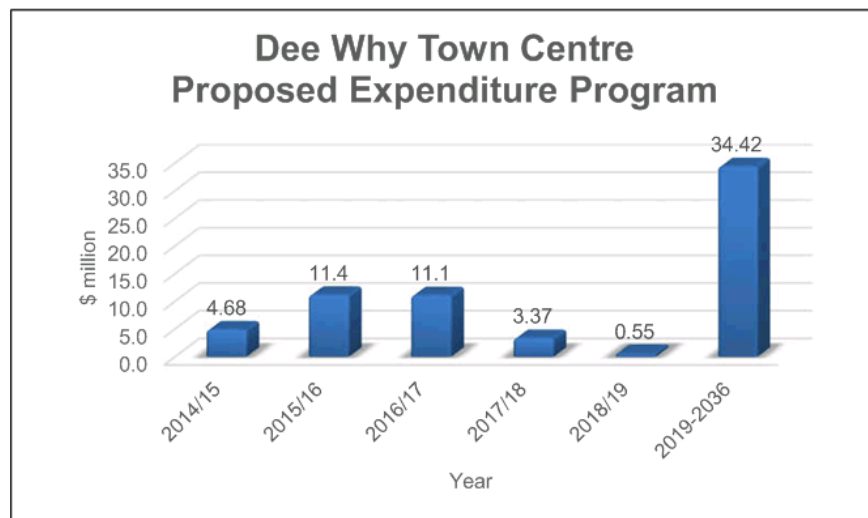
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## 2.8 Expenditure program

The proposed expenditure program to match the works program discussed above is shown in **Table 6** and **Figure 5**. The anticipated expenditure by phase is shown in **Figure 6**.

**Table 6 Expenditure program**

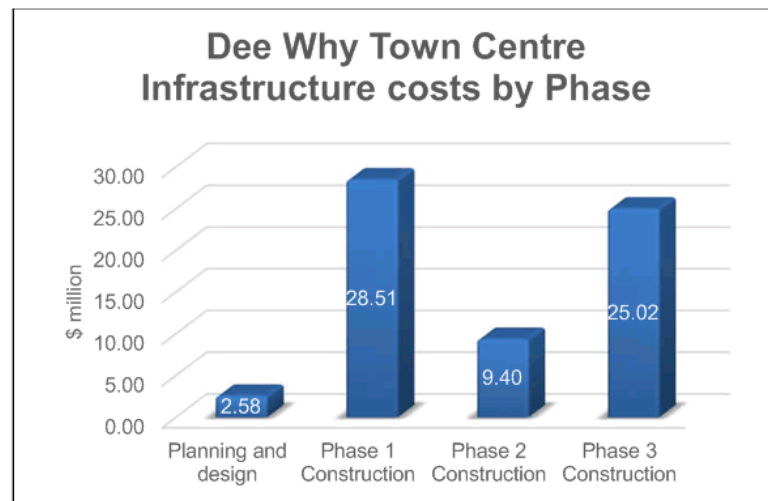
	\$ m						
Component	2014-15	2015-16	2016-17	2017-18	2018-19	2019-2036	Total
Planning and design	1.01	1.15	0.22	0.20			2.58
Phase 1 Construction	3.67	10.25	10.88	3.17	0.55	0.00	28.51
Phase 2 Construction						9.40	9.40
Phase 3 Construction						25.02	25.02
<b>Total</b>	<b>4.68</b>	<b>11.4</b>	<b>11.10</b>	<b>3.37</b>	<b>0.55</b>	<b>34.42</b>	<b>65.52</b>



Source: Warringah Council

**Figure 5 Proposed infrastructure expenditure by year**

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Source: Warringah Council

**Figure 6 Proposed infrastructure expenditure by phase**

### 3. Infrastructure funding and delivery options

Council has considered various options to fund the Dee Why Town Centre infrastructure schedule.

The following discussion reviews the potential options and identifies how they make up Council's preferred funding and delivery strategy. **Table 7** later in this part summaries the various infrastructure funding sources and their contribution towards funding the Dee Why Town Centre infrastructure schedule.

#### 3.1 Development conditions of consent

Developers are often required to carry out works on public land where those works are required to address the environmental impacts of development.

These requirements are authorised to be imposed under section 80A(1)(f) of the EP&A Act. Such works conditions can relate to any matter referred to in section 79C (1) that are applicable to the development.

Generally speaking, section 80A conditions can only relate to works or activities to be undertaken that are entirely required by the development to mitigate that development's environmental impacts. This means that it is usually only works that are immediately proximate to the development site that can be the subject of a section 80A(1)(f) condition.

Section 80A(1)(f) conditions are typically applied to developments to require developers to carry out the following works:

- upgraded road access and new intersections for high traffic generating developments
- new and replacement perimeter footpaths
- kerb and gutter and half-seal of new roads (particularly in new urban subdivisions)
- stormwater drainage works (particularly inter-allotment drainage)
- satisfactory arrangements with utility / energy infrastructure providers (including, for example, rights of way, provision of substation boxes etc.).

Council will impose conditions on all developments requiring the developers to make satisfactory arrangements with utility providers for adequate provision of all non-Council infrastructure.

There is also some scope for developers to directly deliver Council infrastructure required from their Dee Why Town Centre developments.

Council will require footpath and streetscape works to be directly provided by the larger developments in Dee Why. These developments relate to 11 of the 25 sites. The value of these works contributions is estimated to be over \$4.7 million.

## 3.2 Section 94A levies

### 3.2.1 Current approach

Council's current contributions plan, *Warringah Development Contributions Plan 2015*, authorises the imposition of a fixed rate levy for all development that has a development cost greater than \$100,000.

The levy that is imposed is 0.5% of the proposed cost of development, where the development has a cost of less than \$200,000; and is 1% of development cost where the development cost exceeds \$200,000. This is the maximum levy currently allowed to be imposed by the State Government without approval from the Minister for Planning.

Councils have a choice of two mechanisms when seeking contributions for local infrastructure from a development. They can impose on a development a section 94A (fixed rate) levy, or they can impose a section 94 contribution.

There are several differences between the mechanisms, the key differences being:

- A section 94 contribution must be reasonable and meet the principles of nexus. In other words the contribution amount that can be exacted from a development can be no more than the value of that development's demand on infrastructure. If a developer considers that the contribution is not reasonable then the developer can appeal to the Land and Environment Court to have the contribution reduced.
- By contrast, a section 94A levy is a development tax that can be applied towards new works to meet the needs of the general community. There need not be any causal, spatial or temporal connection, or nexus, between the development and the infrastructure.

A fixed rate levy scheme is administratively simpler and has no litigation risk for Council. These reasons are why Council in 2011 chose to repeal its section 94 scheme and implement a section 94A fixed rate scheme.

### 3.2.2 Anticipated funds from approved developments

Council intends to use the following section 94A funds sources to deliver the Dee Why Town Centre infrastructure:

- Currently held section 94A funds that have been received from developments that have been completed across the Warringah LGA.
- Section 94A levies that are expected to be paid by Dee Why Town Centre developments that have already been approved.
- Section 94A levies that are expected to be paid by future developments throughout the Warringah LGA.

The anticipated funding reflects the maximum section 94A levy that Council may charge. This level of funding will remain constant if the Minister agrees to allow Council to impose a higher section 94A levy on Dee Why Town Centre development.

The funding available up to 2036 from the above sources is anticipated to be almost \$14 million.

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### 3.2.3 Anticipated funds from yet to be approved developments in the Dee Why Town Centre

Council intends to continue with section 94A levies as its main development contributions mechanism for all development throughout Warringah LGA, including the yet to be approved developments in Dee Why Town Centre.

Continuing with the current 1% levy regime, Council could expect to receive \$3.8 million that it could apply towards the Dee Why Town Centre. With limited alternative funding sources, these development contributions will not be sufficient to cover the total costs of Dee Why Town Centre infrastructure.

The overall purpose of this submission is to recommend that consent authorities are given the authority to impose a higher section 94A levy on future Dee Why Town Centre development. This is discussed in section 3.7.

### 3.3 Section 94 contributions

As discussed above, Council has the choice of imposing section 94A levies or section 94 contributions on developments. Council intends to continue with the section 94A approach.

Despite this, because of the anticipated funds shortfall from continuing with a 1% levy there is some attraction in Council moving back to a section 94 contributions scheme for Dee Why Town Centre development.

This is because if a reasonable nexus can be established between the expected development and the planned infrastructure, then Council could in theory impose a section 94 contribution of up to \$20,000 per new dwelling for the residential component of the development. This residential amount compares to about \$3,000 to \$4,000 per dwelling that could be exacted from the same development with a 1% levy.

Section 94 contributions plans that authorise residential development contributions up to \$20,000 per dwelling can be approved by a council without the need for Ministerial approval and do not require review by IPART.

Council's preferred approach is to not pursue a section 94 scheme, as the current section 94A approach is simpler and well understood by local developers.

#### 3.3.1 Currently held funds

Council has substantial section 94 reserves arising from funds received under its repealed 2005 section 94 contributions plan. At 30 June 2015, Council held approximately \$20 million in development contributions reserves, with \$15 million in the section 94 fund.

Council is obligated to spend existing section 94 reserves will provide funds of around \$14.1 million for planned Dee Why Town Centre infrastructure.

### 3.4 Voluntary planning agreements

Voluntary planning agreements (VPAs) are voluntary legal arrangements between a developer and a planning authority(ies) that require the developer to provide infrastructure for public purposes. Public purposes are defined as (without limitation):

- (a) the provision of (or the recoupment of the cost of providing) public amenities or public services,

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- (b) the provision of (or the recoupment of the cost of providing) affordable housing,
- (c) the provision of (or the recoupment of the cost of providing) transport or other infrastructure relating to land,
- (d) the funding of recurrent expenditure relating to the provision of public amenities or public services, affordable housing or transport or other infrastructure,
- (e) the monitoring of the planning impacts of development,
- (f) the conservation or enhancement of the natural environment.<sup>10</sup>

A VPA can be proposed in relation to a DA, a section 96 modification to a DA, or an instrument change (rezoning of land).

Contributions that developers can make to a planning authority through a VPA can be the dedication of land, the payment of money, the carrying out of works, or any combination of these.

It is Council's policy that a VPA is to include contributions that are additional to contributions / levies required under section 94 or section 94A of the EP&A Act. Council's policy does not permit a VPA to exclude the application of section 94 contributions or section 94A levies to a development.

VPAs may be registered on the title to land if the parties and all persons who have an estate or interest in the land agree to its registration.

No nexus needs to be established between the infrastructure identified in the VPA and the development affected by the VPA.

A key limitation of VPAs from Council's perspective is they are voluntary arrangements. Under Council's VPA Policy, VPAs cannot substitute having a section 94 or section 94A contributions plan in place. This enables the Council to mandate that developers pay development contributions for infrastructure upgrades.

VPAs are useful where both Council and the developer of a particular site see value in negotiating additional contributions or in agreeing to terms on a more flexible contributions arrangement. Council has considered, and is currently considering, VPAs for major development sites in the Dee Why Town Centre area. These have included VPAs that have secured developer commitment to provide additional infrastructure in exchange for development rights.

VPAs are likely to be a significant source of funding of Dee Why Town Centre infrastructure items. Council has estimated that the value of works that have been and will be negotiated through VPAs for Dee Why Town Centre sites will total approximately \$7.6 million.

### 3.5 Non-developer funding sources

#### 3.5.1 Grants

Council anticipates it will be able to secure \$3.3 million in Commonwealth and State Government grants to undertake streetscape and open space works in the Dee Why Town Centre. These assumed funds are included in the infrastructure funding strategy.

<sup>10</sup> Section 93F(2), Environmental Planning and Assessment Act 1979

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### 3.5.2 Reserves

Council proposes to carry out improvements to the stormwater drainage network in Oaks Avenue in 2015/16. Council has set aside \$2 million from its special projects reserve to undertake this work as one of the first of the Dee Why Town Centre infrastructure projects.

### 3.5.3 Special rate variations

Councils may apply to IPART to seek an increase in land rates above the rate increase that is generally allowed.

Council recently had a special rate variation (SRV) partially approved by IPART. While Council hoped to obtain an accumulative increase of 26.2% over 14 years in order to improve services and infrastructure, a more modest SRV was approved by IPART. This SRV commenced in mid-2014 to help maintain Warringah's services and infrastructure. Increases are limited to the assumed rate peg for 3 years and an increase of 9.4% in 2017/18.

The outcome of the application means that Council is unable to commit additional funds for infrastructure beyond those already planned.

Council could prepare a new SRV application that would see all of Warringah rateable properties contribute to Dee Why Town Centre infrastructure. However, Council has equity concerns with the entire rate base funding the infrastructure within one particular development area such as Dee Why.

It is possible to gain approval for a SRV for a defined area such as Dee Why Town Centre, however Council does not favour an area-specific SRV application. This is due to the significant resourcing required for consultation and application activities, limited rateable properties and the IPART decision of their recent application.

Council therefore does not consider SRVs as a realistic funding source for Dee Why Town Centre infrastructure.

### 3.5.4 Borrowings

Debt funding to provide priority infrastructure that leads to and encourages development is a possible strategy to assist the delivery of local infrastructure, but only if there is a secure funding source to repay the debt. Borrowings are not a discrete funding source, but are a means of providing infrastructure sooner. Income from, say, an SRV could be used to repay debt. However, as stated above, Council has no current strategy to seek further increases to the rate base over what IPART has authorised.

## 3.6 Funding mix summary (without a higher levy)

**Table 7** the page summarises the contributions the various funding sources to meet the cost of the Dee Why Town Centre infrastructure schedule and overall funding shortfall.

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**Table 7 Funding source contributions to Dee Why Town Centre infrastructure schedule**

Funding source	Description	Funding (\$)	Mix (%)
<b>Non developer sources:</b>			
Planned renewal / existing capital reserves	This is funding available from Council's capital reserves set aside for stormwater drainage works in the Dee Why Town Centre	\$2,000,000	3.1%
External grant funding	Anticipated grants from State or Commonwealth Government	\$3,300,000	5.1%
<b>Developer sources:</b>			
Conditions of consent	The anticipated value of streetscape works that will required to be directly provided by developers under conditions of consent imposed on development consents under section 80A(1)(f) of the EP&A Act	\$4,376,908	6.8%
VPA contributions	Current and future agreements entered into between Council and developers to provide road and streetscape works	\$7,880,000	12.2%
Section 94 contributions	These are funds currently held by Council under its 2005 section 94 contributions plan.	\$14,120,627	21.8%
Section 94A levies collected and anticipated	These are existing funds and anticipated contributions from developments: <ul style="list-style-type: none"> <li>completed in the Dee Why Town Centre</li> <li>completed or approved on sites in the remainder Warringah LGA</li> </ul>	\$13,974,344	21.5%
Section 94A levies on future development in Dee Why Town Centre (1%)	These are anticipated contributions from developments in the Dee Why Town Centre area that are yet to be approved	\$3,805,436	5.9%
<b>Total</b>		<b>\$49,457,315</b>	<b>76.4%</b>
<b>Infrastructure schedule Total Cost</b>		<b>\$64,699,540</b>	
<b>Funding shortfall</b>		<b>\$15,242,215</b>	<b>23.6%</b>

### 3.7 Increased section 94A levy to meet the shortfall

The planned infrastructure program to support the urban renewal of the Dee Why Town Centre has a cost of \$65.5 million.

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Council has reviewed the potential funding sources that are available to meet this cost. Council has identified funding sources that will meet \$50.3 million (or 77%) of this cost.

The funding gap is approximately \$15 million.

Council's view is that a realistic and achievable strategy to bridge the funding gap is to impose a higher development contribution on future development approvals in the Dee Why Town Centre area.

Council has modelled different section 94A levy rates and the anticipated additional funds from each of these rates. A summary of these findings is shown in **Table 8**.

**Table 8 Anticipated extra funds achieved from imposing higher section 94A levy rates**

Development type	Potential floor space (m <sup>2</sup> )	Extra funds yielded from a levy set at:			
		2%	3%	4%	5%
Residential	104,617	\$3,295,429	\$6,590,858	\$9,886,288	\$13,181,717
Commercial	26,154	\$510,007	\$1,020,014	\$1,530,021	\$2,040,028
<b>Total</b>	<b>130,771</b>	<b>\$3,805,436</b>	<b>\$7,610,872</b>	<b>\$11,416,308</b>	<b>\$15,221,744</b>

Source: Warringah Council

The analysis shows that the \$15 million funding gap could be addressed if all the remaining development sites were fully developed to their development potential, and those developments paid a total section 94A levy of 5% of the proposed cost of development.

The analysis does not include development on the Civic Centre site. This site has the potential to accommodate over 40,000 square metres of floor space, but has significant physical and existing civic use constraints. Its future development timeline is uncertain.

The estimated \$15 million income projection from the higher levy is considered reasonable despite the exclusion from the calculations of the Civic Centre site. If included, the Civic Centre development would provide funds additional to those identified above. Against this however, it is unlikely that all of the other Dee Why Town Centre sites will be developed to their full potential during the infrastructure delivery period, ending in 2036.

## 4. Impacts of a higher development levy on development feasibility

### 4.1 Introduction

Council is mindful that infrastructure contributions are a cost that developers have to bear when carrying out their developments.

Council wants to ensure that the contribution amount imposed by a consent authority on any development is reasonable in providing the necessary funds for the infrastructure upgrades demanded by that development, but is not so high as to make that development unviable.

To this end, Council has for several years imposed a modest 1% levy on all development in Warringah LGA with a projected development cost greater than \$200,000. This level of contribution is significantly less than what Council could have instead levied using section 94 contributions.<sup>11</sup>

However, the proposed Dee Why Town Centre infrastructure program has a cost which cannot be met by continuing the current development levy strategy. Council proposes that the significant cost be met, in part, by higher development contributions.

The following sections describe the analysis undertaken by Council to determine the impact of a higher development levy on viability of future development in Dee Why Town Centre.

### 4.2 Viability benchmarks

Development contributions are usually treated by a land developer as a cost that is factored into the development feasibility assessment.

When development cost changes are known to a developer prior to a development site being purchased, this will impact on the purchase price a developer is willing to offer to acquire the land. When development cost changes occur after a purchase, then this can impact on the viability of the project and the achievement of the benchmarks, unless offset by a reduction in another cost or an increase in sales revenue.

The cost to acquire a residential or mixed use development site is already reasonably established in most areas. Land acquisition cost is based on subtracting from the gross revenue of the development (i.e. sale price of all the apartments and retail space) in the proposed development, the known costs of the development based on the existing planning controls (including site preparation, construction and development contributions), marketing, statutory fees and professional fees / costs.

Internal Rate of Return (IRR) and Profit Margin are key benchmarks used by developers and their financiers to determine the viability of a development project (refer **Table 9**). Both IRR and Profit Margin are used to determine the amount that can be paid for the land to meet the benchmark returns for the development to proceed. A development feasibility analysis will

<sup>11</sup> The section 94A levy for a typical apartment dwelling would be around \$3,000, assuming a development cost of \$300,000 per dwelling. Larger apartments (i.e. 3 bedroom dwellings) in other LGAs such as Sydney, Ku-ring-gai and Ryde typically attract a section 94 contribution of \$20,000 per dwelling.

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cashflow these costs and revenues with the aim of achieving a target IRR of at least 20% and Profit Margin of around 20%<sup>12</sup>.

**Table 9 Development feasibility benchmarks**

<b>Internal Rate of Return</b>	IRR is effectively the interest rate at which the net present value of costs (negative cash flows) of the investment equals the net present value of the benefits (positive cash flows) of the investment. IRR is calculated before interest (i.e. interest is typically not included in the calculation) and accordingly the longer the period for completion of a project before revenue offset costs, the more the IRR will be eroded.
<b>Profit Margin</b>	Profit Margin is calculated by dividing profit (i.e. forecast net revenue minus the total forecast development costs) by total development costs. The return on costs is typically expressed as an amount and a percentage and would be used by all developers and financiers to measure the investment and return of a particular project.

Acquisition cost can sometimes be summarised into a site value, being the value of the site divided by the number of dwellings to be constructed. Site value is influenced by the planning controls including maximum floor space ratio and maximum building height.

The site value is relevant where the proposal incorporates residential dwellings. The planning controls applying to land in the Dee Why Town Centre require the inclusion of retail / commercial floor space in a mixed use development. In practice, this retail / commercial floor space is often provided to the minimum required by the controls in order to maximize the floor space for residential apartments. This is due to these types of floor space being less profitable and harder to sell. A developer may simply 'net off' the projected revenue against the costs for construction of this non-residential floor space and car parking (i.e. costs will equal revenue), particularly if there is no pre-commitment by an anchor tenant or other user group to occupy constructed tenancies. This means that financial return of a mixed use development project in a suburban centre such as Dee Why is almost exclusively determined based on residential yield.

The market for apartments in Dee Why, like the rest of Sydney, has seen significant growth in the last few years. The data shown in **Figure 7** over page, generated from RP Data, provides a snap shot of key development data occurring in Dee Why.

The buoyancy of the market is evidenced by the data which show that Dee Why apartment prices have risen 7.3% over the past year, and 27.2% over the last 3 years.

<sup>12</sup> These targets are often referred to as a hurdle rate. These targets may be higher depending on various factors such as experience of developer, market conditions, risk of project etc. and are typically viewed by financial institutions when considering to finance proposed developments.

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	House	Unit
Median price	\$1,260,000	\$601,000
Quarterly growth	15.84%	1.61%
12-month growth	25.37%	7.32%
3-year growth	40.00%	27.20%
5-year growth	39.23%	33.56%
Average Annual Growth	4.99%	4.66%
Weekly median advertised rent	\$800	\$505
Number of sales	63	557
Gross rental yield	3.30%	4.37%
Days on market	58.78	32.09

Source: <http://www.yourinvestmentpropertymag.com.au/top-suburbs/nsw-2099-dee-why.aspx>, accessed on 22 June 2015

**Figure 7 Dee Why housing market statistics**

The acquisition of the land (or arrangements to purchase land) is typically the first step in any project. Therefore improvements in market conditions can sometimes offset increases in development costs. The extent of the offset will depend on the timeframe between the date when the acquisition price is agreed between the vendor and purchaser and the date of issue of a development consent.<sup>13</sup> This would typically occur at the commencement of construction locking in the sales price for when construction has been completed and the registration of the subdivision plan and settlement can occur.

Whether the property is actually acquired or is subject to an options agreement, there is typically about a year gap between this event and commencement of construction to allow for development applications to be prepared and the assessment process to be completed. In other words, the purchase price for properties poised to receive consent today would have been negotiated at least 12 months ago or longer. The developers would have thus benefitted from any increase in sales prices in that period offsetting the impact of any new or higher development cost such as a higher section 94A levy.

### 4.3 Methodology and results

The above information has been used for development feasibility modelling. The model tests the impact of the different development contributions strategies that Council could use to fund the costs of infrastructure that is required to meet the expected development in Dee Why Town Centre.

The model has been applied to a hypothetical site within the Dee Why Town Centre<sup>14</sup> and development with the following assumptions:

- A site area of 2,000 square metres.
- A maximum floor space ratio of 4:1.
- A gross floor area of 8,000 square metres, made up of 1,600 square metres of ground floor retail and 6,400 square metres of residential dwellings above (i.e. 70 dwellings).
- A mix of 16% 1-bedroom, 74% 2-bedroom and 10% 3-bedroom dwellings (on average approximately 81m<sup>2</sup> per dwelling).

<sup>13</sup> The consent date enables the sales and marketing process to begin and issuing of sales contracts to occur.

<sup>14</sup> Note the hypothetical site has a similar size and FSR control as at least three sites within the Dee Why Town Centre.

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- Car parking provided on site to Council's minimum provision standards in basement format.
- Estimated average sales prices for new apartments at the following rates: \$650,000 for each 1-bedroom apartment, \$850,000 for each 2-bedroom apartment, \$1,000,000 for each 3-bedroom apartment.
- Further details on underlying assumptions are included in the Input and Calculations sheets included in **Appendix D**.

The contributions strategies tested by the model are as follows:

- the base or default case (a 1% section 94A levy)
- an increased section 94A levy of either 3% or 5%
- a section 94 contribution capped at \$20,000 per dwelling for each residential apartment.

The models have been prepared to show the amount of the contribution to be returned to Council and the impact of each of the alternative strategies on the development benchmarks for a hypothetical project.

A second model has been prepared to reflect the situation where a developer has chosen to purchase (or take an option over the site) prior to lodging a development application. This model demonstrates the project feasibility impacts of an increased section 94A levy on land that has already been purchased for development within the last year. It reduces the sales price by 7% and calculates a new residual land value. All other assumptions remain constant.

The models are based on a set of assumptions that are listed in **Appendix D**.

The results of the feasibility analysis is summarised in **Table 10**.

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**Table 10 Viability impact assessment of different contribution regimes**

Contributions strategy	Development contribution to Council (\$m)	Profit (\$m)	IRR	Profit Margin
<b>Development site acquired today</b>				
Section 94A @ 1% - Base Model	0.31	11.46	20%	23.3%
Section 94A @ 3%	0.94	10.83	19.1%	21.7%
Section 94A @ 5%	1.56	10.2	18.3%	20.2%
Section 94 @ \$20,000 per dwelling	1.4	10.36	18.5%	20.6%
<b>Development site acquired 12 months previous</b>				
Section 94A @ 1% - with price growth over next 12 months	0.31	13.94	25.0%	30.0%
Section 94A @ 3%- with price growth over next 12 months	0.94	13.31	24.1%	28.2%
Section 94A @ 5%- with price growth over next 12 months	1.56	12.68	23.2%	26.5%

Some of the key findings of the analysis are discussed below:

- The section 94 option has a similar impact on developer profit to a section 94A levy if that levy was set at around 4.7%.
- The development contribution increases as the section 94A levy rate increases, with the increase being largely at the expense of the developer's raw profit. If these changes had been known in advance, developers would likely have reduced their offer for the purchase of land or alternatively would likely be no longer viable to achieve finance.
- IRR and Profit Margin are negatively impacted as levy rates increase. At 3% and 5% levy levels, the development fails to reach the IRR benchmark, but the Profit Margin benchmark is still achieved. A development that yielded these viability benchmarks would probably be characterised by developers and financiers as marginal.
- The time of purchase has a significant impact on the modelling results. The first set of results in Table 10 relate to a development site acquired today using current sales results. But 12 months ago, the median sale price of an apartment in Dee Why was on average 7% less than it is today. Any given development site purchased 12 months ago could be expected to have a similarly reduced purchase price. Imputing this earlier purchase time and reduced cost into the model yields significantly improved benchmark results, such that the modelled development would easily exceed the viability benchmarks.
- Most of the remaining development sites in the Dee Why Town Centre area would have been acquired at least 12 months ago at a discount significantly greater than the notional

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12-month growth figure of 7%. Future developments on these sites would therefore be able to absorb the increased levy and easily achieve the affordability benchmarks.

#### 4.4 Summary

Council has modelled the effects of imposing a higher levy on Dee Why Town Centre developments.

The modelling shows that, for a typical mixed use development charged a 3% or a 5% levy, the Internal Rate of Return would be below, but not significantly below, the generally accepted benchmark of 20%. The same levies would not prevent the development still achieving a Profit Margin exceeding the benchmark of 20%.

The impact on viability is however heavily influenced by the time at which the development site was acquired. Site values and median sale prices for apartments in Dee Why have risen significantly in recent years. The modelling shows that, based on conservative assumptions of price increases, a development site acquired at least a year ago would still be a viable development even if the section 94A levy increased to 5%.

## 5. Conclusion

### 5.1 Situation overview

The previous sections of this report have:

- identified future Dee Why Town Centre development and the local infrastructure that is needed to support that development
- the sources that are realistically available to Council to fund the infrastructure, taking into account existing policy settings.

This analysis has identified that there will be a funding shortfall of about \$15 million, and Council proposes to address this by imposing a higher (5%) levy on yet to be approved development in the centre.

The impact of a higher levy on the viability of a hypothetical development has been tested. The impact on viability strongly correlates to the time at which the development site was acquired and any growth in the market. The modelling concluded that the extra development costs arising from a higher levy would be more than offset by gains in the selling price of residential dwellings that have occurred in recent times. The IRR and Profit Margin viability benchmarks should be easily achieved where the site is acquired at least 12 months ago.

The proposed funding strategy including the higher section 94 levy is reasonable and responsible given that:

- Dee Why Town Centre has been recognised as a Strategic Centre in the State Government's metropolitan strategy. The potential of the centre will not be realised without a significant investment in local infrastructure.
- The funding strategy maximises the use of various developer delivery mechanisms and non-developer funding sources.
- Council will maximise use of development contributions it already holds as well as other funding sources.
- Developers of land in the remainder of the Warringah LGA will make a significant contribution to Dee Why infrastructure, reflecting the significance of the Dee Why Town Centre to the residents of the broader Warringah community.
- The funds received from the higher section 94A levy will comprise only 23% of the total funding mix for the infrastructure program.
- The higher levy will not be at the expense of development becoming unviable. Council is mindful that if development costs are too high then development will not occur and the infrastructure program will likely be deferred at the expense of the renewal of the centre.

There is thus a sound basis for the Minister to agree to an increased section 94A levy to help fund Dee Why Town Centre infrastructure.

### 5.2 Preferred funding strategy

Council proposes to meet the cost of the Dee Why Town Centre infrastructure using a number of funding sources.

The sources, a description of what they mean, and their relative contribution to the total costs equation over time, are shown in **Tables 11** and **12** and **Figure 8** on the following pages.

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**Table 11 Proposed funding sources**

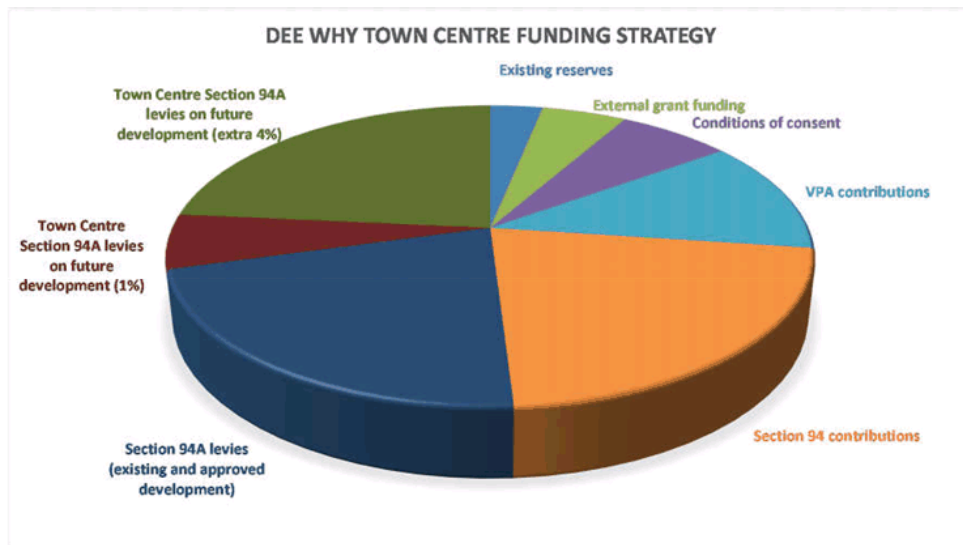
Funding source	Description	Funding (\$)	Mix (%)
<b>Non developer sources:</b>			
Planned renewal / existing capital reserves	This is funding available from Council's capital reserves set aside for stormwater drainage works in the Dee Why Town Centre	\$2,000,000	3.1%
External grant funding	Anticipated grants from State or Commonwealth Government	\$3,300,000	5.1%
<b>Developer sources:</b>			
Conditions of consent	The anticipated value of streetscape works that will required to be directly provided by developers under conditions of consent imposed on development consents under section 80A(1)(f) of the EP&A Act	\$4,376,908	6.8%
VPA contributions	Current and future agreements entered into between Council and developers to provide road and streetscape works	\$7,880,000	12.2%
Section 94 contributions	These are funds currently held by Council under its 2005 section 94 contributions plan.	\$14,120,627	21.8%
Section 94A levies collected and anticipated	These are existing funds and anticipated contributions from developments: <ul style="list-style-type: none"> <li>completed in the Dee Why Town Centre</li> <li>completed or approved on sites in the remainder Warringah LGA</li> </ul>	\$13,974,344	21.5%
Section 94A levies on future development in Dee Why Town Centre (1%)	These are anticipated contributions from developments in the Dee Why Town Centre area that are yet to be approved	\$3,805,436	5.9%
<i>Increased section 94A levies on development in Dee Why Town Centre (additional 4%)</i>	<i>These are the estimated additional funds from a higher levy imposed on developments in the Dee Why Town Centre area that are yet to be approved</i>	<i>\$15,221,744</i>	<i>23.6%</i>
<b>Total</b>		<b>\$64,699,530</b>	<b>100.0%</b>

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**Table 12 Proposed funding sources over time**

	\$ million						
Component	2014-15	2015-16	2016-17	2017-18	2018-19	2019-36	Total
<b>Non developer sources</b>							
Planned renewal / existing capital reserves		2.0					2.0
External grant funding				1.3		2.0	3.3
<b>Developer sources</b>							
Conditions of consent				3.5		0.9	4.4
VPA contributions				0.3		7.6	7.9
Section 94 contributions	1.1	2.2	6.4	4.5			14.1
Section 94A levies (1%) <ul style="list-style-type: none"> <li>existing and approved development</li> <li>future Dee Why Town Centre development</li> </ul>	0.2	0.4	3.3	1.6	3.2	9.2	17.8
<i>Increased section 94A levies on development in Dee Why Town Centre (additional 4%)</i>						15.2	15.2
<b>Totals</b>	<b>1.2</b>	<b>4.6</b>	<b>9.7</b>	<b>11.1</b>	<b>3.2</b>	<b>35.0</b>	<b>64.7</b>

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**Figure 8 Proposed funding mix**

### 5.3 Precedents in other centres

The State Government has allowed higher development levies to be collected from development in significant centres identified by regional planning strategies.

The EP&A Regulation authorises the following higher rate levies in centres:

**Table 13 Section 94A levies permitted above 1%**

Liverpool City Centre	2% or 3%, depending on land use zone
Wollongong City Centre	2%
Gosford City Centre	4%
Parramatta City Centre	3%
Newcastle City Centre	up to 3%
Burwood Town Centre	4%
Chatswood Central Business District	up to 3%

Of these centres, only the Chatswood CBD higher section 94A levy was initiated by a proposal to the Minister from the local council.

In that case, Willoughby City Council was able to demonstrate to the Minister that a proposed 4% levy would not have a deleterious impact on the viability of carrying out development in the Chatswood CBD. The Minister ultimately approved the higher section 94A levy at a rate of 3%.

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This submission has demonstrated that a 5% section 94A levy paid by a typical Dee Why Town Centre development will still meet viability benchmarks.

It is also noteworthy that many mixed use and apartment developments in several other suburban centres of Sydney, for example in Ryde and Ku-ring-gai, are subject to section 94 contribution amounts that are equivalent to 5% fixed rate levies. The viability of development in these areas similarly does not appear to have been adversely affected by this level of contribution.

#### 5.4 Consequences of refusal

If the Minister decides not to approve Council's application for an increased section 94A levy, Council will have no choice but to defer or abandon some of Phase 3 of the Dee Why Town Centre infrastructure upgrades and not complete the vision of the Master Plan. This is likely to have the effect of limiting the capacity of the Dee Why Town Centre to support more intense commercial and residential development due to the reliance on this infrastructure being delivered.

This would be unfortunate given the State Government's planned infrastructure improvements in the area such as the BRT and Northern Beaches Hospital Precinct which can be expected to lead to a greater demand for housing in Dee Why Town Centre.

These housing developments require minimum standards of local infrastructure. Council's infrastructure program is designed to meet this need, but it cannot be fully implemented without the Minister's support of Council's application for a higher section 94A levy.

## Glossary of terms and abbreviations

BRT	Bus Rapid Transit
DPE	Department of Planning and Environment
EP&A Act	Environmental Planning and Assessment Act 1979
EP&A Regulation	Environmental Planning and Assessment Regulation 2000
IPART	Independent Pricing and Regulatory Tribunal
IRR	Internal rate of Return
LEP	Local Environmental Plan
LGA	Local Government Area
LIGS	Local Infrastructure Growth Scheme
LIRS	Local Infrastructure Renewal Scheme
SEPP	State Environmental Planning Policy
VPA	Voluntary Planning Agreement

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## References

NSW Government (2014), *A Plan for Growing Sydney*, December

NSW Government (2014), *Northern Beaches Transport Action Plan*

Warringah Council (2013), *Planning Report - 36-48 Kingsway – proposed Multipurpose Community Facility and Carpark*

Tract Consultants (2014), *Dee Why Town Centre Concept Design - Volumes 1 and 2*, Dee Why Town Centre Public Infrastructure Upgrades Feasibility and Investigations Stage

Place Design Group (2013), *Dee Why Town Centre Master Plan*, July

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## APPENDIX A



MASTER PLAN



DEE WHY TOWN CENTRE MASTER PLAN | July 2013

# DEE WHY TOWN CENTRE MASTER PLAN

## LEGEND

01	Pittwater Road North Entry Sequence streetscape and arrival treatment	15	Drainage Channel Proposed boardwalk over current open channel creates pedestrian link to / from Lagoon walk/ storm water easement	27	Triangle Park North Riparian park typology corridor development with enhanced pedestrian connectivity and user amenity	38	Fisher Road Streetscape Streetscape refurbishment
02	Building A Council owned building	16	Stormwater Easement Pedestrian linkage with exposed low flow water filtration function diverted from main drainage channel. Opportunities for WSUD interventions, interpretation / contact and storage of treated water. Seamless edge to Walter Gors Park	28	Howard Street East Upgraded pedestrian walkway experience to the beach with new bus / cycle lane. Tree planting to ensure strong physical / visual link to the beach retained	39	Pittwater Road South Entry Sequence with street tree and median treatment
03	Building B Council owned building	17	Pittwater Road Streetscape refurbishment work as per streetscape sections	29	Site B Based on DA approved Multiplex proposal	40	Stoney Range Regional Botanical Garden
04	Building C Council owned building	18	Walter Gors Park Expanded park with facilities for all ages. Proposed onsite detention/ WSUD. Removal of existing Council cottages	30	Triangle Park South Pedestrian plaza to support adjacent uses, enhance pedestrian connectivity and reinforce local character	41	Triangular Block Test case study for amalgamation of similar sized blocks within the Dee Why Town Centre
05	Landscape Conservation Area	19	St David Ave Pocket Park Redesigned to compliment adjacent development	31	Church Lane North-South one way traffic flow with shared cycle and pedestrian access		
06	Building E PCYC Sports facilities with carpark	20	Proposed Multi Unit Residential As per current DA	32	Fisher Road Corner Block Case study amalgamated block. Pocket park with character and identity defining works as Town Centre nodal point. Physical linkage across Fisher Road to Redman Rd pocket plaza to west		
07	Building F Case study amalgamation area	21	Site A Existing residential buildings.	33	Redman Pocket Plaza Upgraded plaza space utilising existing mature tree planting with integrated WSUD functions and features		
08	Building G Case study amalgamation area	22	Site A Council owned site	34	Mooramba Pocket Park Upgraded park space with integrated WSUD functions and features.		
09	Building H Case study amalgamation area	23	Triangular Block Laneway Pedestrian access throughout the block explored within case study amalgamation area.	35	Oaks Ave Streetscape Significant streetscape refurbishment to embrace 'alfresco' dining with widened footpaths and WSUD integration		
10	Building I Case study amalgamation area	24	Town Centre Crossing Upgraded pedestrian amenity and stronger visual linkage to Civic site	36	Woolworths Lane Proposed shared lane through site access with retail and restaurant activation.		
11	Building J Council owned carpark	25	Dee Why Town Square Based on DA approved proposal with varying program for the public realm	37	Pacific Parade Streetscape Significant streetscape refurbishment to embrace 'alfresco' dining with widened footpaths and WSUD integration		
12	Warringham Council Building / Civic Centre Existing Civic Centre conserved with associated public realm development	26	Howard Ave Streetscape refurbishment as primary boulevard linking Dee Why beach, Town Square and Civic Plaza				
13	Dee Why Library Building Heritage building conserved with future proposed use for discussion						
14	Civic Plaza Multi level plaza with water features with accessible pathways / ramps to Library and Council						

## APPENDIX B



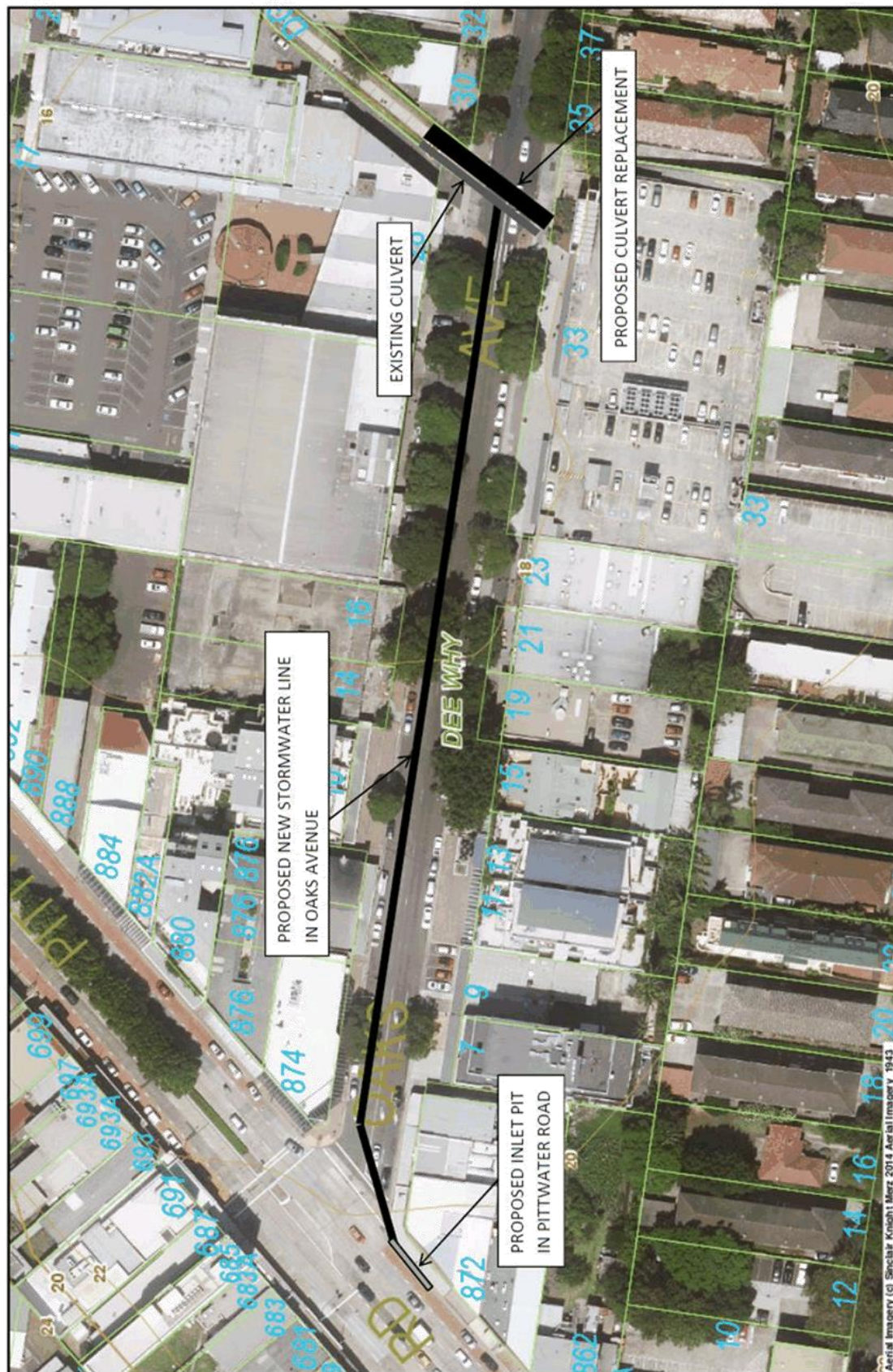
**EXPECTED DEVELOPMENT IN DEE WHY TOWN CENTRE**  
**Excludes approved and pending development applications**

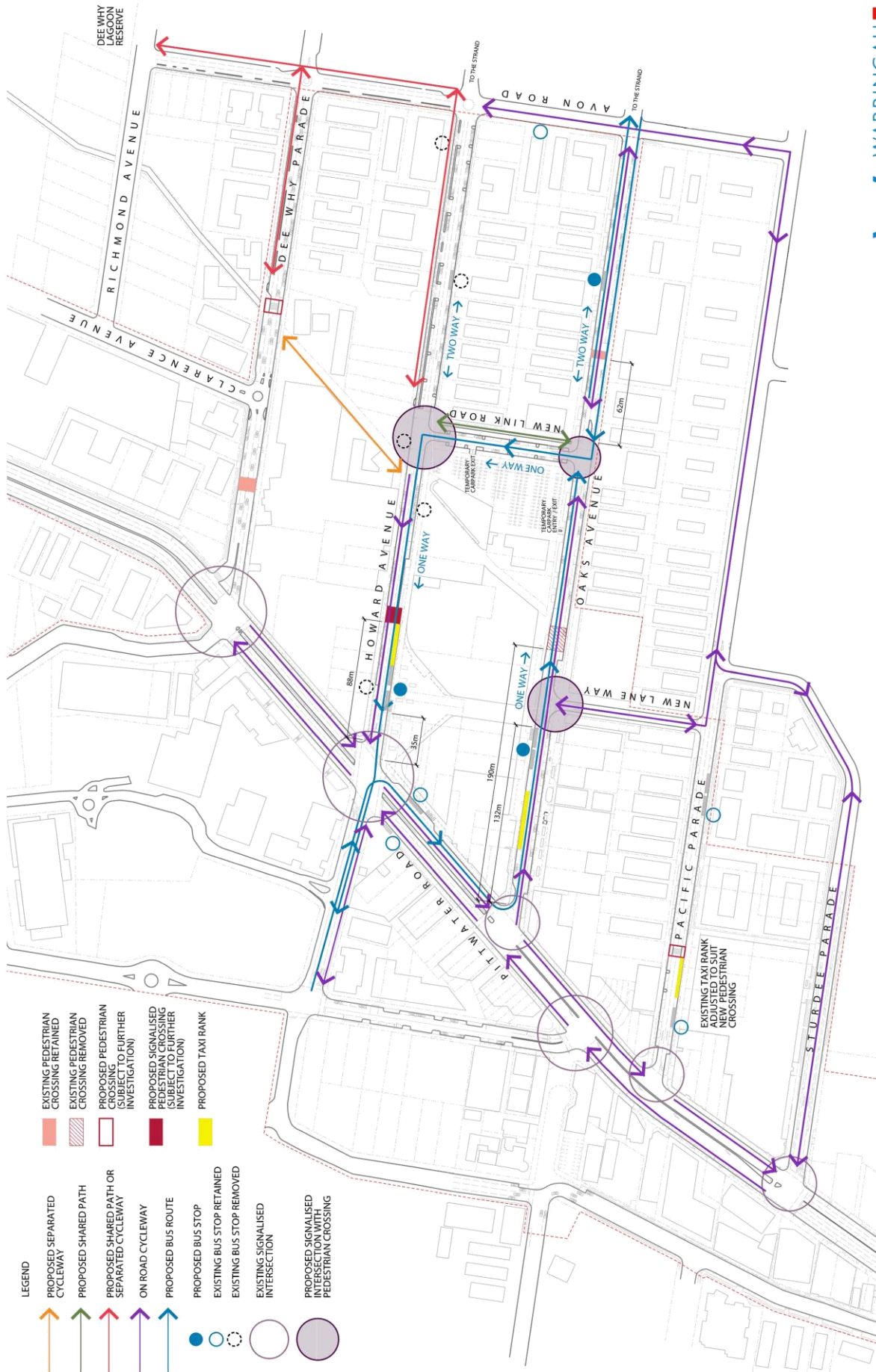
Address	Site Area (m2)	Assumed FSR of the resultant development	Estimated Residential GFA (m <sup>2</sup> )	No. of residential dwellings @80m <sup>2</sup> per dwelling	Retail GFA (m <sup>2</sup> )
6 Dee Why Pde	471	3.04	1,130	14	301
18-22 Howard	2,177	4.1	7,532	94	1,393
31-35 Howard & 36-44 Oaks	6,927	2.5	12,884	161	4,433
9 Oaks	691	3.4	1,907	24	442
19-21 Oaks	1,530	3.4	4,223	53	979
L8 & 12 Pacific	1,310	2.4	2,306	29	838
16 Pacific	768	1.8	891	11	492
900 Pittwater & 10 Howard	2,032	4.1	7,031	88	1,300
854-860 Pittwater	2,154	4	7,237	90	1,379
836-844 Pittwater & 1 Pacific	1,834	3.2	4,695	59	1,174
627 Pittwater	229	3.2	586	7	147
635 Pittwater	1,398	3.2	3,579	45	895
643 Pittwater	342	3.2	876	11	219
651-661 Pittwater	2,332	3.2	5,970	75	1,492
673-683A Pittwater	1,965	4	6,602	83	1,258
687-693A Pittwater	1,284	4	4,314	54	822
23 Fisher	10,677	1.45	8,648	108	6,833
Civic Centre	30,187	1.45	43,361	542	410
727 Pittwater	587	2.9	1,327	17	376
10 Fisher	492	2.4	866	11	315
16-20 Fisher	2,103	2.4	3,701	46	1,346
28-30 Fisher	2,100	2.4	3,696	46	1,344
36 Fisher	1,190	2.4	2,094	26	762
1-3 St. David; L1 & L2 Fisher	2,446	2.4	4,305	54	1,565
21 Mooramba & 665 Pittwater	1,185	3.2	3,034	38	758
			142,795	1,786	31,273
<b>Total GFA</b>					<b>174,068</b>



## APPENDIX C







**PROPOSED TRANSPORT DIAGRAM**

1:1250 @ A1





INDICATIVE SKETCH: OAKS AVENUE STREETScape

DEE WHY TOWN CENTRE MASTER PLAN | July 2013

# 05 MASTER PLAN



INDICATIVE SKETCH: HOWARD AVENUE STREETScape

DEE WHY TOWN CENTRE MASTER PLAN | PLACE Design Group



INDICATIVE SKETCH: FISHER ROAD LANEWAY

DEE WHY TOWN CENTRE MASTER PLAN | July 2013

# 05 MASTER PLAN



INDICATIVE SKETCH: REDMAN ROAD PLAZA

DEE WHY TOWN CENTRE MASTER PLAN | PLACE DESIGN GROUP







DAY TIME VIEW WITH WATER FEATURE ACTIVITIES LOOKING TOWARDS CHILDREN'S PLAYGROUND



AERIAL PERSPECTIVE DURING AN EVENING COMMUNITY EVENT WITH OUTDOOR CINEMAS AND MARKETS



TODDLERS BIKE CIRCUIT



CHILDREN'S NATURE PLAY



WATER FEATURE AND CHILDREN'S PLAYGROUND



THE OPEN LAWN ADJACENT OUTDOOR KITCHEN WITH VIEWS TO CHILDREN'S BIKE TRACK AND NATURE PLAY

## WALTER GORS PARK: Artist Impressions

DEE WHY TOWN CENTRE PHASE 1 UPGRADE



**LEGEND**

1. SHARED VEHICLE AND PEDESTRIAN ZONE WITH INTERLOCKING PAVING
2. ACCESS TO PROPERTIES
3. VEHICLE TURNING AREA
4. VEHICLE TURNING AREA WITH MANGING GARDENS
5. SHADE CANOPY OVER WATER FEATURE
6. WATER FEATURE WITH JETS
7. FLUSH WITH ADJOINING PAVING
8. FINAL DESIGN TO BE DETERMINED
9. GARDEN BEDS WITH 100mm HIGH KERB
10. ENTRY TO EXISTING CARPARK
11. EXIT FROM EXISTING CARPARK
12. NEW PEDESTRIAN RAMPS
13. REFUGE ISLANDS ADJUSTED FOR NEW KERB ALIGNMENT
14. NEW STREET LIGHTS TO PLAZA
15. NEW BENCH SEATING IN PLAZA
16. BOLLARDS TO VEHICLE TURNING AREA
17. NEW DECIDUOUS TREES
18. WARNING TACTILES TO VEHICLE CROSSOVERS
19. PUBLIC DOMAIN PAVING
20. PLAZA HIGHLIGHT PAVING
21. PRECAST CONCRETE PAVES
22. GRANITE PAVING 'UPPER'
23. GRANITE PAVING 'LOWER'
24. PRECAST CONCRETE PAVES
25. GRANITE PAVING 'UPPER'
26. GRANITE PAVING 'LOWER'
27. SHARED ZONE INTERLOCKING PAVING
28. WATER FEATURE PAVING
29. GRANITE PAVING 'UPPER'
30. GRANITE PAVING 'LOWER'
31. AWNING / BUILDING OVERHANG
32. PROPERTY BOUNDARY
33. LIMIT OF WORKS

**REDMAN ROAD PLAZA: CONCEPT PLAN**

WARRINGAH COUNCIL

DEE WHY TOWN CENTRE PHASE 1 UPGRADE (PROPOSED) 02/14/2015, 09:01

NO. 12-14 NO. 10 NO. 1 NO. 5 NO. 11 NO. 01 NO. 02 NO. 03 NO. 04 NO. 05 NO. 06 NO. 07 NO. 08 NO. 09 NO. 10 NO. 11 NO. 12

FRANCIS STREET

MOORAMBA ROAD

PITWATER ROAD

FISHER ROAD

PROPOSED FUTURE TRAFFIC SIGNALS SUBJECT TO RMS APPROVAL

EXISTING PRIVATE CARPARK

NO. 21 NO. 661 NO. 665

1:200

0 10 20m

DATE: 29/05/2015

NO. 12-14 NO. 10 NO. 1 NO. 5 NO. 11 NO. 01 NO. 02 NO. 03 NO. 04 NO. 05 NO. 06 NO. 07 NO. 08 NO. 09 NO. 10 NO. 11 NO. 12



## REDMAN ROAD PLAZA: Art Impression &amp; Precedent Images

DEE WHY TOWN CENTRE PHASE 1 UPGRADE

PROJ\_ORG NO 0214 0356\_Comms\_003

REV D DATE June 2015 Tract

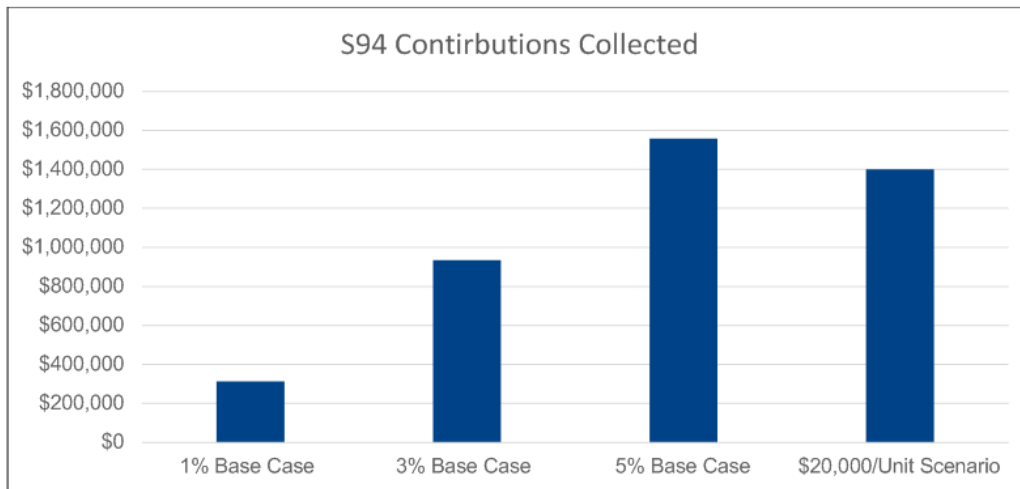




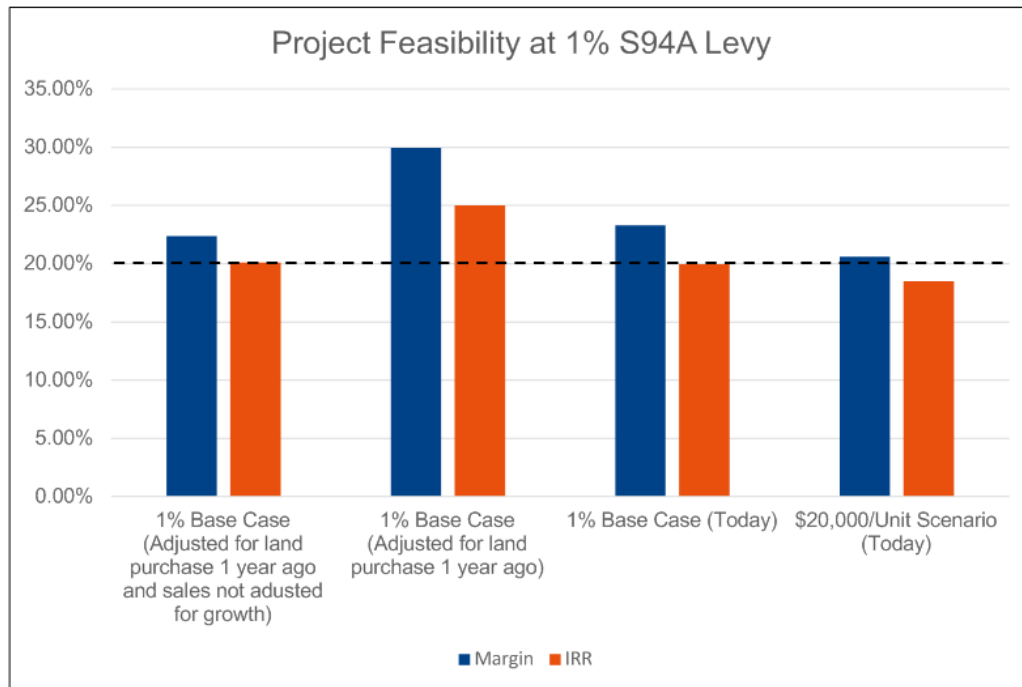
## APPENDIX D



## Summary of Results



This graphs demonstrates the difference in s94 revenue that can be generated from the hypothetical development at the different rates. It is important to note that a standard S94 Contribution Plan that levied \$20,000/unit would generate just below the 5% S94A Levy that Council is proposing. This scenario assumes no contribution is levied on retail or commercial development.

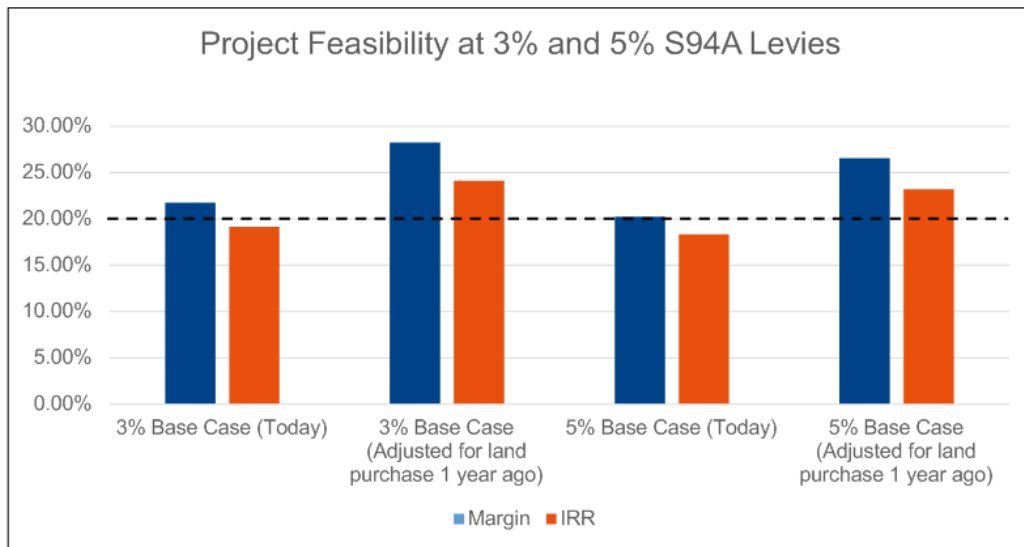


The black dashed line in this chart indicated a hurdle rate IRR of 20% that is typically applied when considering the feasibility of a project (note some developers/banks may adopt a higher hurdle rate for a variety of factors). The first column set plotted represent the typical assumptions that a developer would have made a year ago when purchasing land (ie. sale prices for apartments based on present day rates and land purchased a year ago). At this stage, a minimum IRR of 20% would have been required.

The second column set demonstrates the improvement in the projects feasibility as a result of increased sales prices of units as a result of current market conditions (ie. allowance for 7% growth) if the land was bought a year ago.

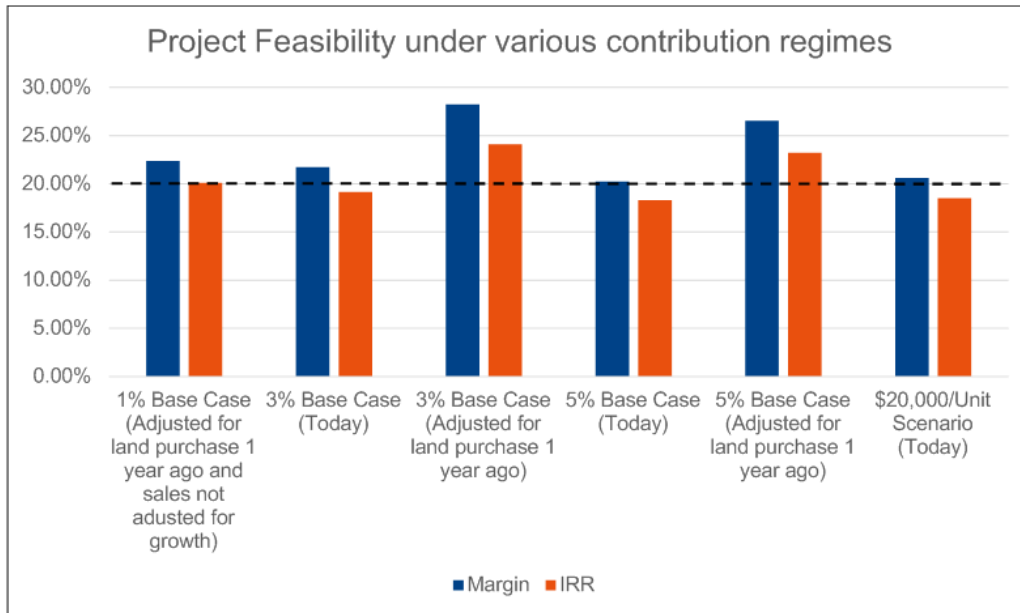
The third column set represents the scenario that the same site was bought today based on the current market conditions and sales prices for apartments.

The fourth column set demonstrates the impact of a new Section 94 Plan that levied a \$20,000 contribution per unit. This assumes a developer would pay the same price for land as in the third column set (ie. today's rates). At this point, projects IRR drops below the necessary hurdle rate to achieve finance. For the project to become viable again, the developer would have to reduce costs either in construction (unlikely) or reduce the price they were prepared to pay for the site (which is unlikely to motivate a seller).



The red line in this chart indicated a hurdle rate IRR of 20% that is typically applied when considering the feasibility of a project (note some developers/banks may adopt a higher hurdle rate for a variety of factors). Whilst this graph shows that if you bought the site today (proposing the same development, costs etc) and a new S94A levy of 3% or 5% was introduced tomorrow (see the first and third column sets), the developer would have paid too much for the land and the project would no longer meet the necessary 20% hurdle rate to achieve finance.

However, it is reasonable to assume that the majority of land within the catchment area for the proposed S94A levy has been held/optioned for at least a year to allow for necessary planning proposals/development applications to obtain approvals. So when you take this into account, based on the significant market growth that has been experienced within the last year (approximately 7%), this project would still achieve the 20% hurdle rate and still make a significant profit.



The black dashed line in this chart indicated a hurdle rate IRR of 20% that is typically applied when considering the feasibility of a project (note some developers/banks may adopt a higher hurdle rate for a variety of factors). This graph presents the impacts on the feasibility that the various contribution regimes would have.

The first column set represents the base case for determining the projects feasibility in that the site was acquired/optioned 1 year ago, with the value of land being determined on the same construction rates but with no allowance in growth in revenue (ie. sales prices of apartments were not forecasted to increase over the period of time a development approval was obtained. This is considered to be a reasonable/conservative approach however more bullish developers may have counted on forecasted growth in apartment prices to be more competitive in the value for land they can offer a seller).

Again, the graph shows that in the situation a site was purchased today and a new contribution regime was put in place tomorrow, there would be significant impacts on the viability of the project (largely that the developer would have paid too much for the land). However, it is reasonable to assume that the majority of land within the catchment area for the proposed S94A levy has been held/optioned for at least a year to allow for necessary planning proposals/development applications to obtain approvals. So when you take this into account, based on the significant market growth that has been experienced within the last year (approximately 7%), this project would still achieve the 20% hurdle rate and still make a significant profit if a S94A levy of 3% to 5% was imposed. The imposition of a base \$20,000/unit contribution would however have significant impact that would likely render the project unfeasible.

## Dee Why Feasibility - Base Case 1% S94A Levy Summary Sheet

SITE DETAILS	
Address	Representative
Floor Space Ratio	4.0
Land Area	2,000
Site Value/Unit	\$135,714
Number of Dwellings	70



REVENUE		
	Average/Unit (\$,000) Ex Retail	Development (\$,000) Inc Retail
<b>GROSS REVENUE</b>	<b>834</b>	<b>\$67,230</b>
<b>GST</b>	<b>75</b>	<b>\$5,248</b>
<b>Less Selling Costs</b>	<b>19</b>	<b>\$1,350</b>
<b>NET REVENUE</b>	<b>866</b>	<b>\$60,632</b>
COSTS		
	Average/ Unit (\$,000) Inc Retail	Development (\$,000) Inc Retail
Land (including acquisition costs)	136	9,500
Acquisition costs	17	1,162
Construction	445	31,160
Consultants	18	1,246
Section 94A - Commercial	1	84
Section 94A - Residential	3	228
Statutory Fees & Contributions	11	801
On Costs	9	623
Marketing	19	1,345
Cost before Interest	659	46,149
Finance (incl Loan Est Fees)	43	3,023
<b>TOTAL DEVELOPMENT COSTS</b>	<b>702</b>	<b>\$49,172</b>
<b>TOTAL PROJECT SURPLUS</b>	<b>23.3%</b>	<b>\$11,461</b>
<b>PROJECT IRR BEFORE INTEREST</b>	<b>20.0%</b>	

## Dee Why Feasibility - Base Case 1% S94A Levy

### Input Sheet

#### SITE DETAILS

Address	Representative
Floor Space Ratio	4.0 : 1
Achievable FSR	8,000 m2
Land Area	2,000 m2
Site Value/Unit	135,714
Any 1 parcel over \$3M	Yes
LVR (Debt/Equity)	70%
Date to start feasibility	Mar-15



#### DEVELOPMENT COSTS

Cost Items	Cost (\$)	Period Commencing	Term (Months)
<b>LAND</b>			
Land Purchase	9,500,000		
Loan Establishment Costs	15,460		
Stamp Duty	1,113,480		
Legals 0.4%	33,250		
LAND ACQUISITION COSTS - Deposit	950,000	1	1
LAND ACQUISITION COSTS - Settlement	9,712,190	2	1
CONSTRUCTION COSTS 2,000	31,160,050	12	20
PROFESSIONAL FEES 4% const costs	1,246,402	1	31
<b>APPLICATION FEES</b>			
DA Fees	153,132	3	1
CC Fees	59,666	12	1
Section 94	311,601	31	1
LPI Fees	10,540	31	1
<b>LAND TAX/RATES</b>			
Land Tax/Rates Year 1	192,500	10	1
Land Tax/Rates Year 2	192,500	22	1
Land Tax/Rates Year 3	192,500	34	1
ONCOSTS 3.0%	623,201	2	30
MARKETING 2% gross revenue	1,344,600	12	19
<b>TOTAL COST</b>	<b>46,148,881</b>		

#### UNIT MIX AND SALES

Unit Type	No.	Unit Floor Space m2	Total FSR+5%	Car Parking	Basement Parking Yes/No	Price (\$)	Total (\$)	Actual Mix	Preferred Mix
<b>NON RESIDENTIAL</b>									
Retail		1,600	1,600	98	Yes	8,880,000	8,880,000		
Commercial		0	0	0	Yes	0	0		
<b>RESIDENTIAL UNITS</b>									
1 bedroom	11	60	693	11	Yes	650,000	7,150,000	16%	15%
2 bedroom	52	80	4,784	62	Yes	850,000	44,200,000	74%	75%
3 bedroom	7	120	966	11	Yes	1,000,000	7,000,000	10%	10.0%
4 bedroom	0	130	0	0	Yes	0	0		0.0%
<b>TOTAL</b>	<b>70</b>		<b>8,043</b>	<b>182</b>	<b>Yes</b>		<b>67,230,000</b>	<b>100%</b>	<b>100%</b>
Average m2/unit	81								
<b>ADDITIONAL INCLUSIONS</b>									
Other visitor parking				14					
<b>TOTAL YIELD</b>	<b>70</b>		<b>8,043</b>	<b>196</b>			<b>67,230,000</b>		
		FSR	4.022						
		Target Floorspace	8,000						

Sheet 2 of 4

## Dee Why Feasibility - Base Case 1% S94A Levy Calculations



REVENUE		
GROSS REVENUE		67,230,000
GST		5,248,182
SELLING EXPENSES		
Sales Commission (On Settlement)	2% on gross rev	1,344,600
Legals (On Settlement)	70 lot	4,900
<b>TOTAL - SELLING COSTS</b>		<b>1,349,500</b>
<b>GROSS REVENUE- GST &amp; SELLING COSTS</b>		<b>60,632,318</b>

STAMP DUTY		
LAND VALUE	THRESHOLD	TAX
14,000		0
14,000	30,000	0
30,000	80,000	0
80,000	300,000	0
300,000	1,000,000	0
1,000,000		507,990
3,000,000	Premium Property Tax	605,490
<b>TOTAL</b>		<b>1,113,480</b>

BUILDING COSTS				
Build Costs	Rates \$/m2	FSR +10% 1	UG Parking 45,000	Grade Parking
Apartments	2,850	18,362,550	3,775,500	0
Retail	2,500	4,000,000	4,392,000	0
Commercial	2,500	0	0	0
Visitor Parking			630,000	0
<b>TOTALS</b>		22,362,550	8,797,500	0
<b>TOTAL BUILD COST</b>			<b>31,160,050</b>	

CONTRIBUTIONS		
<b>SECTION 94A</b>	<b>1%</b>	
COSTS		
Retail	8,392,000	\$83,920
Commercial	0	\$0
Residential	22,768,050	\$227,681
<b>TOTAL VALUE</b>	31,160,050	
<b>TOTAL CONTRIBUTION</b>		<b>\$311,601</b>

CAR PARKING	
Unit Type	No. Spaces
1 bed/studio	1
2 bed	1
3+ bed	2
Shops	6.1
Commercial	40
Visitor parking	In any case, min 1 visitor space is required

DA FEES		
CONSTRUCTION COST THRESHOLDS		
50,001	250,000	0
250,001	500,000	0
500,001	1,000,000	0
1,000,001	10,000,000	0
More than \$10,000,000		44,072
<b>LSL</b>	<b>0.35%</b>	<b>109,060</b>
<b>TOTAL DA FEES</b>		<b>153,132</b>

RATES		
	1,200	2,400
Land Tax	100	190,000
<b>TOTAL RATES</b>		<b>192,500</b>

LPI FEES			
Strata	Base Fee	Per Dwg fee	
	1,321	132	10,540
<b>TOTAL LPI FEES</b>			<b>10,540</b>

CC FEES	
Construction Costs	
Exceeding \$200,000	59,666
<b>TOTAL CC FEES</b>	<b>59,666</b>

### Dee Why Feasibility - Base Case 1% S94A Levy

**Assumed Development Cashflow**

DEVELOPMENT SUMMARY	
IRR Before Interest	19.96%
Surplus	\$11,461
% Surplus on D.C	23.31%
Max Loan Balance Debt/Equity	-\$48,801
Debt/Equity	100.00%



Project	Month	Start	Lead	Professional Fees	DA/Fees	CC/Fees	Construction Costs	Section 84	LPI/Fees	Utility Costs	Onsite	Marketing	Total Costs	Sales	Gross Revenue	GST	Selling Costs	Net Revenue	Monthly Outlays	Net CashFlow	Monthly Revenue	Total Funds Committed	Project Status
Resort	Mar-15	6	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	1
Resort	Apr-15	6	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	2
Resort	May-15	2	6,742	0	0	0	0	0	0	0	0	0	\$6,732	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	3
Resort	Jun-15	3	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	4
Resort	Jul-15	4	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	5
Resort	Aug-15	5	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	6
Resort	Sep-15	6	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	7
Resort	Oct-15	7	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	8
Resort	Nov-15	8	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	9
Resort	Dec-15	9	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	10
Resort	Jan-16	10	0	0	0	0	0	0	0	183	0	0	\$183	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	11
Resort	Feb-16	11	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	12
Resort	Mar-16	12	0	0	0	60	1,558	0	0	0	0	21	\$1,719	0	\$0	\$0	\$0	\$0	\$1,719	\$0	\$0	0	13
Resort	Apr-16	13	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	14
Resort	May-16	14	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	15
Resort	Jun-16	15	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	16
Resort	Jul-16	16	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	17
Resort	Aug-16	17	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	18
Resort	Sep-16	18	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	19
Resort	Oct-16	19	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	20
Resort	Nov-16	20	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	21
Resort	Dec-16	21	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	22
Resort	Jan-17	22	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	23
Resort	Feb-17	23	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	24
Resort	Mar-17	24	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	25
Resort	Apr-17	25	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	26
Resort	May-17	26	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	27
Resort	Jun-17	27	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	28
Resort	Jul-17	28	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	29
Resort	Aug-17	29	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	30
Resort	Sep-17	30	0	0	0	0	1,558	0	0	0	0	21	\$1,558	0	\$0	\$0	\$0	\$0	\$1,558	\$0	\$0	0	31
Resort	Oct-17	31	0	0	0	0	1,558	312	11	0	0	0	\$1,871	0	\$0	\$0	\$0	\$0	\$1,871	\$0	\$0	0	32
Resort	Nov-17	32	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	33
Resort	Dec-17	33	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	34
Resort	Jan-18	34	0	0	0	0	0	0	0	163	0	0	\$163	76	\$67,250	\$5,448	\$1,360	\$66,892	\$163	\$66,729	\$176	\$1,361	35
Resort	Feb-18	35	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	36
Resort	Mar-18	36	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	37
Resort	Apr-18	37	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	38
Resort	May-18	38	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	39
Resort	Jun-18	39	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	40
Resort	Jul-18	40	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	41
Resort	Aug-18	41	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	42
Resort	Sep-18	42	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	43
Resort	Oct-18	43	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	44
Resort	Nov-18	44	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	45
Resort	Dec-18	45	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	46
Resort	Jan-19	46	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	47
Resort	Feb-19	47	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	48
Resort	Mar-19	48	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	49
Resort	Apr-19	49	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	50
Resort	May-19	50	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	51
Resort	Jun-19	51	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	52
Resort	Jul-19	52	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	53
Resort	Aug-19	53	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	54
Resort	Sep-19	54	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	55
Resort	Oct-19	55	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	56
Resort	Nov-19	56	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	57
Resort	Dec-19	57	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	58
Resort	Jan-20	58	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	59
Resort	Feb-20	59	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	60
Resort	Mar-20	60	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	61
Resort	Apr-20	61	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	62
Resort	May-20	62	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	63
Resort	Jun-20	63	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	64
Resort	Jul-20	64	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	65
Resort	Aug-20	65	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	66
Resort	Sep-20	66	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	67
Resort	Oct-20	67	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	68
Resort	Nov-20	68	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	69
Resort	Dec-20	69	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	70
Resort	Jan-21	70	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	71
Resort	Feb-21	71	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	72
Resort	Mar-21	72	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	73
Resort	Apr-21	73	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	74
Resort	May-21	74	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	75
Resort	Jun-21	75	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	76
Resort	Jul-21	76	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	77
Resort	Aug-21	77	0																				

Sheet 4 of 4

**DEE WHY FEASIBILITY - 1% S94A Levy adjusted for purchase in previous year**

**Summary Sheet**

**SITE DETAILS**

Address	Representative
Floor Space Ratio	4.0
Land Area	2,000
Site Value	107,143
Number of Dwellings	70



**REVENUE**

	Average/Unit (\$,000) Ex Retail	Development (\$,000) Inc Retail
<b>GROSS REVENUE</b>	<b>834</b>	<b>\$67,230</b>
GST	78	\$5,430
Less Selling Costs	19	\$1,350
<b>NET REVENUE</b>	<b>864</b>	<b>\$60,451</b>

**COSTS**

Land (including acquisition costs)	107	7,500
Acquisition costs	13	904
Construction	445	31,160
Consultants	18	1,246
Section 94A - Commercial	1	84
Section 94A - Residential	3	228
Statutory Fees & Contributions	10	681
On Costs	9	623
Marketing	19	1,345
Cost before Interest	625	43,771
Finance (incl Loan Est Fees)	39	2,738
<b>TOTAL DEVELOPMENT COSTS</b>	<b>664</b>	<b>\$46,508</b>
<b>TOTAL PROJECT SURPLUS</b>	<b>30.0%</b>	<b>\$13,942</b>
<b>PROJECT IRR BEFORE INTEREST</b>	<b>25.0%</b>	

Sheet 1 of 4

**DEE WHY FEASIBILITY - 1% S94A Levy adjusted for purchase in previous year**

**Input Sheet**

SITE DETAILS	
Address	Representative
Floor Space Ratio	4.0 :1
Achievable FSR	8,000 m2
Land Area	2,000 m2
Site Value	107,143
Any 1 parcel over \$3M	Yes
LVR (Debt/Equity)	70%
Date to start feasibility	Mar-15



DEVELOPMENT COSTS				
Cost Items		Cost (\$)	Period Commencing (month)	Term (months)
LAND				
Land Purchase		7,500,000		
Loan Establishment Costs		14,260		
Stamp Duty		863,480		
Legals 0.4%		26,250		
LAND ACQUISITION COSTS - Deposit		750,000	1	1
LAND ACQUISITION COSTS - Settlement		7,653,990	2	1
CONSTRUCTION COSTS 2,000		31,160,050	12	20
PROFESSIONAL FEES 4% const costs		1,246,402	1	31
APPLICATION FEES				
DA Fees		153,132	3	1
CC Fees		59,666	12	1
Section 94		311,601	31	1
LPI Fees		10,540	31	1
LAND TAX/RATES				
Land Tax/Rates	Year 1	152,500	10	1
Land Tax/Rates	Year 2	152,500	22	1
Land Tax/Rates	Year 3	152,500	34	1
ONCOSTS 3.0%		623,201	2	30
MARKETING 2% gross revenue		1,344,600	12	19
TOTAL COST		43,770,681		

UNIT MIX AND SALES									
Unit Type	No.	Unit Floor Space m2	Total FSR+5%	Car Parking	Basement Parking Yes/No	Price (\$)	Total (\$)	Actual Mix	Preferred Mix
NON RESIDENTIAL									
Retail		1,600	1,600	98	Yes	8,880,000	8,880,000		
Commercial		0	0	0	Yes	0	0		
RESIDENTIAL									
1 bedroom	11	60	693	11	Yes	650,000	7,150,000	16%	15%
2 bedroom	52	80	4,784	62	Yes	850,000	44,200,000	74%	75%
3 bedroom	7	120	966	11	Yes	1,000,000	7,000,000	10%	10.0%
4 bedroom	0	130	0	0	Yes	0	0		0.0%
TOTAL	70		8,043	182	Yes		67,230,000	100%	100%
Average m2/unit	81								
ADDITIONAL INCLUSIONS									
Other visitor parking				14					
TOTAL YIELD	70		8,043	196			67,230,000		
		FSR	4.022						
		Target Floorspace	8,000						

Sheet 2 of 4

**DEE WHY FEASIBILITY - 1% S94A Levy adjusted for purchase in previous year**

**Calculations**



REVENUE		
GROSS REVENUE		67,230,000
GST		5,430,000
SELLING EXPENSES		
Sales Commission (On Settlement)	2% on gross rev	1,344,600
Legals (On Settlement)	70 lot	4,900
TOTAL - SELLING COSTS		1,349,500
GROSS REVENUE- GST & SELLING COSTS		60,450,500

STAMP DUTY		
LAND VALUE THRESHOLDS		TAX
14,000		0
14,000	30,000	0
30,000	80,000	0
80,000	300,000	0
300,000	1,000,000	0
1,000,000		397,990
3,000,000	Premium Property Tax	465,490
TOTAL		863,480

BUILDING COSTS				
Build Costs	Rates (m2)	FSR +10% 1	UG Parking 45,000	Grade Parking
Apartments	2,850	18,362,550	3,775,500	0
Retail	2,500	4,000,000	4,392,000	0
Commercial	2,500	0	0	0
Visitor Parking			630,000	0
TOTALS		22,362,550	8,797,500	0
TOTAL BUILD COST				31,160,050

CONTRIBUTIONS		
SECTION 94A		1%
COSTS		
Retail	8,392,000	\$83,920
Commercial	0	\$0
Residential	22,768,050	\$227,681
TOTAL VALUE	31,160,050	
TOTAL CONTRIBUTION		\$311,601

CAR PARKING	
Unit Type	No. Spaces
1 bed/studio	1
2 bed	1
3+ bed	2
Shops	6.1
Commercial	40
Visitor parking	In any case, min 1 visitor space is required

DA FEES		
CONSTRUCTION COST THRESHOLDS		
50,001	250,000	0
250,001	500,000	0
500,001	1,000,000	0
1,000,001	10,000,000	0
More than \$10,000,000		44,072
LSL	0.35%	109,060
TOTAL DA FEES		153,132

RATES		
	1,200	2,400
Land Tax	100	150,000
TOTAL RATES		152,500

LPI FEES			
Strata	Base Fee	Per Dwg fee	
	1,321	132	10,540
TOTAL LPI FEES			10,540

CC FEES	
CONSTRUCTION COSTS	
Exceeding \$200,000	59,666
TOTAL CC FEES	59,666

Sheet 3 of 4

**Dee Why Feasibility - 1% S94A Levy adjusted for purchase in previous year**  
**Assumed Development Cashflow**

DEVELOPMENT SUMMARY	
IRR Before Interest	25.00%
Surplus	\$13,942
% Surplus on D.C	29.98%
Max Loan Balance Debt/Equity	-\$46,188
Debt/Equity	100.00%

[illegible]

**DEE WHY FEASIBILITY** - 1% S94A Levy adjusted for purchase in previous year and 7% reduction in sales

**Summary Sheet**

SITE DETAILS	
Address	Representative
Floor Space Ratio	4.0
Land Area	2,000
Site Value	107,143
Number of Dwellings	70



REVENUE		
	Average/Unit (\$,000) Ex Retail	Development (\$,000) Inc Retail
GROSS REVENUE	775	\$63,146
GST	72	\$5,059
Less Selling Costs	18	\$1,268
NET REVENUE	812	\$56,819
COSTS		
Land (including acquisition costs)	107	7,500
Acquisition costs	13	904
Construction	445	31,160
Consultants	18	1,246
Section 94A - Commercial	1	84
Section 94A - Residential	3	228
Statutory Fees & Contributions	10	681
On Costs	9	623
Marketing	18	1,263
Cost before Interest	624	43,689
Finance (incl Loan Est Fees)	39	2,734
TOTAL DEVELOPMENT COSTS	663	\$46,423
TOTAL PROJECT SURPLUS	22.4%	\$10,396
PROJECT IRR BEFORE INTEREST	20.1%	

Sheet 1 of 4

**DEE WHY FEASIBILITY - 1% S94A Levy adjusted for purchase in previous year and 7% reduction in sales**

**Input Sheet**

SITE DETAILS	
Address	Representative
Floor Space Ratio	4.0 :1
Achievable FSR	8,000 m2
Land Area	2,000 m2
Site Value	107,143
Any 1 parcel over \$3M	Yes
LVR (Debt/Equity)	70%
Date to start feasibility	Mar-15



DEVELOPMENT COSTS				
Cost Items		Cost (\$)	Period Commencing (month)	Term (months)
LAND				
Land Purchase		7,500,000		
Loan Establishment Costs		14,260		
Stamp Duty		863,480		
Legals 0.4%		26,250		
LAND ACQUISITION COSTS - Deposit		750,000	1	1
LAND ACQUISITION COSTS - Settlement		7,653,990	2	1
CONSTRUCTION COSTS 2,000		31,160,050	12	20
PROFESSIONAL FEES 4% const costs		1,246,402	1	31
APPLICATION FEES				
DA Fees		153,132	3	1
CC Fees		59,666	12	1
Section 94		311,601	31	1
LPI Fees		10,540	31	1
LAND TAX/RATES				
Land Tax/Rates	Year 1	152,500	10	1
Land Tax/Rates	Year 2	152,500	22	1
Land Tax/Rates	Year 3	152,500	34	1
ONCOSTS 3.0%		623,201	2	30
MARKETING 2% gross revenue		1,262,910	12	19
TOTAL COST		43,688,991		

UNIT MIX AND SALES									
Unit Type	No.	Unit Floor Space m2	Total FSR+5%	Car Parking	Basement Parking Yes/No	Price (reduced by 7%) (\$)	Total (\$)	Actual Mix	Preferred Mix
NON RESIDENTIAL									
Retail		1,600	1,600	98	Yes	8,880,000	8,880,000		
Commercial		0	0	0	Yes	0	0		
RESIDENTIAL									
1 bedroom	11	60	693	11	Yes	604,500	6,649,500	16%	15%
2 bedroom	52	80	4,784	62	Yes	790,500	41,106,000	74%	75%
3 bedroom	7	120	966	11	Yes	930,000	6,510,000	10%	10.0%
4 bedroom	0	130	0	0	Yes	0	0		0.0%
TOTAL	70		8,043	182	Yes		63,145,500	100%	100%
Average m2/unit	81								
ADDITIONAL INCLUSIONS									
Other visitor parking				14					
TOTAL YIELD	70		8,043	196			63,145,500		
		FSR	4.022						
		Target Floorspace	8,000						

Sheet 2 of 4

**DEE WHY FEASIBILITY - 1% S94A Levy adjusted for purchase in previous year and 7% reduction in sales**

**Calculations**



REVENUE		
GROSS REVENUE		63,145,500
GST		5,058,682
SELLING EXPENSES		
Sales Commission (On Settlement)	2% on gross rev	1,262,910
Legals (On Settlement)	70 lot	4,900
TOTAL - SELLING COSTS		1,267,810
GROSS REVENUE- GST & SELLING COSTS		56,819,008

STAMP DUTY		
LAND VALUE THRESHOLDS		TAX
14,000		0
14,000	30,000	0
30,000	80,000	0
80,000	300,000	0
300,000	1,000,000	0
1,000,000		397,990
3,000,000	Premium Property Tax	465,490
TOTAL		863,480

BUILDING COSTS				
Build Costs	Rates (m2)	FSR +10% 1	UG Parking 45,000	Grade Parking
Apartments	2,850	18,362,550	3,775,500	0
Retail	2,500	4,000,000	4,392,000	0
Commercial	2,500	0	0	0
Visitor Parking			630,000	0
TOTALS		22,362,550	8,797,500	0
TOTAL BUILD COST			31,160,050	

CONTRIBUTIONS		
SECTION 94A		1%
COSTS		
Retail	8,392,000	\$83,920
Commercial	0	\$0
Residential	22,768,050	\$227,681
TOTAL VALUE	31,160,050	
TOTAL CONTRIBUTION		\$311,601

CAR PARKING	
Unit Type	No. Spaces
1 bed/studio	1
2 bed	1
3+ bed	2
Shops	6.1
Commercial	40
Visitor parking	In any case, min 1 visitor space is required

DA FEES		
CONSTRUCTION COST THRESHOLDS		
50,001	250,000	0
250,001	500,000	0
500,001	1,000,000	0
1,000,001	10,000,000	0
More than \$10,000,000		44,072
LSL	0.35%	109,060
TOTAL DA FEES		153,132

RATES		
	1,200	2,400
Land Tax	100	150,000
TOTAL RATES		152,500

LPI FEES			
Strata	Base Fee	Per Dwg fee	
	1,321	132	10,540
TOTAL LPI FEES			10,540

CC FEES	
CONSTRUCTION COSTS	
Exceeding \$200,000	59,666
TOTAL CC FEES	59,666

**Dee Why Feasibility - 1% S94A Levy adjusted for purchase in previous year and 7% reduction in sales Assumed Development Cashflow**

DEVELOPMENT SUMMARY	
IRR Before Interest	20.10%
Surplus	\$10,396
% Surplus on D.C	22.39%
Max Loan Balance Debt/Equity	-\$46,102
Debt/Equity	100.00%



Actual	Month	Start	End	Professional Fees	GA Fees	Construction Costs	Section 64 LP/FFS	LP/FFS	Sewerage Costs	Grants	Marketing	Total Costs	Sales	Gross Revenue	GST	Setback Costs	Net Revenue	Monthly Outlays	Net Cashflow	Monthly Interest	Total Funds Cashflow	Period																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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Sheet 4 of 4

## Dee Why Feasibility - Base Case 3% S94A Levy

### Summary Sheet

#### SITE DETAILS

Address	Representative
Floor Space Ratio	4.0
Land Area	2,000
Site Value	135,714
Number of Dwellings	70



#### REVENUE

	Average/ Unit (\$,000) Ex Retail	Development (\$,000) Inc Retail
<b>GROSS REVENUE</b>	<b>834</b>	<b>\$67,230</b>
<b>GST</b>	<b>75</b>	<b>\$5,248</b>
<b>Less Selling Costs</b>	<b>19</b>	<b>\$1,350</b>
<b>NET REVENUE</b>	<b>866</b>	<b>\$60,632</b>

#### COSTS

Land (including acquisition costs)	136	9,500
Acquisition costs	17	1,162
Construction	445	31,160
Consultants	18	1,246
Section 94A - Commercial	4	252
Section 94A - Residential	10	683
Statutory Fees & Contributions	11	801
On Costs	9	623
Marketing	19	1,345
Cost before Interest	668	46,772
Finance (incl Loan Est Fees)	43	3,030
<b>TOTAL DEVELOPMENT COSTS</b>	<b>711</b>	<b>\$49,802</b>
<b>TOTAL PROJECT SURPLUS</b>	<b>21.7%</b>	<b>\$10,830</b>
<b>PROJECT IRR BEFORE INTEREST</b>	<b>19.1%</b>	

Sheet 1 of 4

## Dee Why Feasibility - Base Case 3% S94A Levy

### Input Sheet

SITE DETAILS	
Address	Representative
Floor Space Ratio	4.0:1
Achievable FSR	8,000/m2
Land Area	2,000/m2
Site Value	135,714
Any 1 parcel over \$3M	Yes
LVR (Debt/Equity)	70%
Date to start feasibility	Mar-15



DEVELOPMENT COSTS				
Cost Items		Cost (\$)	Period Commencing (month)	Term (months)
LAND				
Land Purchase		9,500,000		
Loan Establishment Costs		15,460		
Stamp Duty		1,113,480		
Legals 0.4%		33,250		
LAND ACQUISITION COSTS - Deposit		950,000	1	1
LAND ACQUISITION COSTS - Settlement		9,712,190	2	1
CONSTRUCTION COSTS 2,000		31,160,050	12	20
PROFESSIONAL FEES 4% const costs		1,246,402	1	31
APPLICATION FEES				
DA Fees		153,132	3	1
CC Fees		59,666	12	1
Section 94		934,802	31	1
LPI Fees		10,540	31	1
LAND TAX/RATES				
Land Tax/Rates	Year 1	192,500	10	1
Land Tax/Rates	Year 2	192,500	22	1
Land Tax/Rates	Year 3	192,500	34	1
ONCOSTS 3.0%		623,201	2	30
MARKETING 2% gross revenue		1,344,600	12	19
TOTAL COST		46,772,082		

UNIT MIX AND SALES									
Unit Type	No.	Dwelling Floor Space m2	Total FSR+5%	Car Parking	Basement Parking Yes/No	Price (\$)	Total (\$)	Actual Mix	Preferred Mix
<b>NON RESIDENTIAL</b>									
Retail		1,600	1,600	98	Yes	8,880,000	8,880,000		
Commercial		0	0	0	Yes	0	0		
<b>RESIDENTIAL</b>									
1 bedroom	11	60	693	11	Yes	650,000	7,150,000	16%	15%
2 bedroom	52	80	4,784	62	Yes	850,000	44,200,000	74%	75%
3 bedroom	7	120	966	11	Yes	1,000,000	7,000,000	10%	10.0%
4 bedroom	0	130	0	0	Yes	0	0		0.0%
<b>TOTAL</b>	<b>70</b>		<b>8,043</b>	<b>182</b>	<b>Yes</b>		<b>67,230,000</b>	<b>100%</b>	<b>100%</b>
Average m2/unit	81								
<b>ADDITIONAL INCLUSIONS</b>									
Other visitor parking				14					
<b>TOTAL YIELD</b>	<b>70</b>		<b>8,043</b>	<b>196</b>			<b>67,230,000</b>		
		FSR	4.022						
		Target Floorspace	8,000						

Sheet 2 of 4

## Dee Why Feasibility - Base Case 3% S94A Levy

### Calculations



REVENUE		
<b>GROSS REVENUE</b>		<b>67,230,000</b>
<b>GST</b>		<b>5,248,182</b>
SELLING EXPENSES		
Sales Commission (On Settlement)	2% on gross rev	1,344,600
Legals (On Settlement)	70 lot	4,900
<b>TOTAL - SELLING COSTS</b>		<b>1,349,500</b>
<b>GROSS REVENUE- GST &amp; SELLING COSTS</b>		<b>60,632,318</b>

STAMP DUTY		
LAND VALUE THRESHOLD	TAX	
14,000	30,000	0
14,000	80,000	0
30,000	300,000	0
80,000	1,000,000	0
300,000		507,990
1,000,000		605,490
3,000,000	Premium Property Tax	605,490
<b>TOTAL</b>		<b>1,113,480</b>

BUILDING COSTS				
Build Costs	Rates \$/m2	FSR +10% 1	UG Parking 45,000	Grade Parking
Apartments	2,850	18,362,550	3,775,500	0
Retail	2,500	4,000,000	4,392,000	0
Commercial	2,500	0	0	0
Visitor Parking			630,000	0
<b>TOTALS</b>		<b>22,362,550</b>	<b>8,797,500</b>	<b>0</b>
<b>TOTAL BUILD COST</b>				<b>31,160,050</b>

CONTRIBUTIONS		
<b>SECTION 94A</b>		<b>3%</b>
COSTS		
Retail	8,392,000	\$251,760
Commercial	0	\$0
Residential	22,768,050	\$683,042
<b>TOTAL VALUE</b>		<b>31,160,050</b>
<b>TOTAL CONTRIBUTION</b>		<b>\$934,802</b>

CAR PARKING	
Unit Type	No. Spaces
1 bed/studio	1
2 bed	1
3+ bed	2
Shops	6.1
Commercial	40
Visitor parking	In any case, min 1 visitor space is required

DA FEES		
CONSTRUCTION COST THRESHOLDS		
50,001	250,000	0
250,001	500,000	0
500,001	1,000,000	0
1,000,001	10,000,000	0
More than \$10,000,000		44,072
<b>LSL</b>		<b>0.35%</b>
<b>TOTAL DA FEES</b>		<b>109,060</b>
<b>TOTAL DA FEES</b>		<b>153,132</b>

RATES		
	1,200	2,400
Land Tax	100	190,000
<b>TOTAL RATES</b>		<b>192,500</b>

LPI FEES			
Strata	Base Fee	Per Dwg fee	
	1,321	132	10,540
<b>TOTAL LPI FEES</b>			<b>10,540</b>

CC FEES	
CONSTRUCTION COSTS	
Exceeding \$200,000	59,666
<b>TOTAL CC FEES</b>	<b>59,666</b>

### Dee Why Feasibility - Base Case 3% S94A Levy

DEVELOPMENT SUMMARY	
IRR Before Interest	19.13%
Surplus	\$10,830
% Surplus on D.C	21.75%
Max Loan Balance Debt/Equity	-\$49,429
Debt/Equity	100.00%



Actual	Month	Less	Professional Fees	SA Fees	Pays	Construction Costs	Section 54 LI/Pays	Royalty Costs	Gross	Marketing	Total	Sales	Gross Revenue	GST	Selling Costs	Net Revenue	Monthly Outlays	Net Profit	Interest	Total Funds Collected	Notes
Budget	Mar-15	0	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	0
Budget	Apr-15	1	900	40	0	0	0	0	0	0	\$500	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	1
Budget	May-15	2	0	1,122	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	2
Budget	Jun-15	3	0	0	133	0	0	0	0	0	\$214	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	3
Budget	Jul-15	4	0	0	0	0	0	0	0	0	\$61	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	4
Budget	Aug-15	5	0	40	0	0	0	0	0	0	\$61	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	5
Budget	Sep-15	6	0	0	0	0	0	0	0	0	\$61	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	6
Budget	Oct-15	7	0	0	0	0	0	0	0	0	\$61	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	7
Budget	Nov-15	8	0	0	0	0	0	0	0	0	\$61	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	8
Budget	Dec-15	9	0	0	0	0	0	0	0	0	\$61	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	9
Budget	Jan-16	10	0	40	0	0	0	0	0	0	\$203	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	10
Budget	Feb-16	11	0	40	0	0	0	0	0	0	\$61	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	11
Budget	Mar-16	12	0	0	0	80	1,588	0	0	0	\$1,149	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	12
Budget	Apr-16	13	40	1,588	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	13
Budget	May-16	14	40	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	14
Budget	Jun-16	15	40	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	15
Budget	Jul-16	16	0	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	16
Budget	Aug-16	17	0	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	17
Budget	Sep-16	18	40	1,588	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	18
Budget	Oct-16	19	0	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	19
Budget	Nov-16	20	0	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	20
Budget	Dec-16	21	0	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	21
Budget	Jan-17	22	0	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	22
Budget	Feb-17	23	40	1,588	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	23
Budget	Mar-17	24	0	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	24
Budget	Apr-17	25	0	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	25
Budget	May-17	26	0	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	26
Budget	Jun-17	27	0	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	27
Budget	Jul-17	28	0	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	28
Budget	Aug-17	29	0	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	29
Budget	Sep-17	30	0	0	0	1,588	0	0	0	0	\$1,689	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	30
Budget	Oct-17	31	0	40	0	1,588	505	11	0	0	\$2,564	0	\$0	0	\$2,364	\$1,689	\$2,564	\$1,689	\$44,011	21	
Budget	Nov-17	32	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	32
Budget	Dec-17	33	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	33
Budget	Jan-18	34	0	0	0	0	0	0	0	0	\$120	70	\$67,220	\$3,249	\$1,200	\$66,252	\$113	\$66,450	\$1180	\$110,330	34
Budget	Feb-18	35	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	35
Budget	Mar-18	36	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	36
Budget	Apr-18	37	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	37
Budget	May-18	38	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	38
Budget	Jun-18	39	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	39
Budget	Jul-18	40	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	40
Budget	Aug-18	41	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	41
Budget	Sep-18	42	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	42
Budget	Oct-18	43	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	43
Budget	Nov-18	44	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	44
Budget	Dec-18	45	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	45
Budget	Jan-19	46	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	46
Budget	Feb-19	47	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	47
Budget	Mar-19	48	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	48
Budget	Apr-19	49	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	49
Budget	May-19	50	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	50
Budget	Jun-19	51	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	51
Budget	Jul-19	52	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	52
Budget	Aug-19	53	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	53
Budget	Sep-19	54	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	54
Budget	Oct-19	55	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	55
Budget	Nov-19	56	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	56
Budget	Dec-19	57	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	57
Budget	Jan-20	58	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	58
Budget	Feb-20	59	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	59
Budget	Mar-20	60	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	60
Budget	Apr-20	61	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	61
Budget	May-20	62	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	62
Budget	Jun-20	63	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	63
Budget	Jul-20	64	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	64
Budget	Aug-20	65	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	65
Budget	Sep-20	66	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	66
Budget	Oct-20	67	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	67
Budget	Nov-20	68	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	68
Budget	Dec-20	69	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	69
Budget	Jan-21	70	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	70
Budget	Feb-21	71	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	71
Budget	Mar-21	72	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	72
Budget	Apr-21	73	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	73
Budget	May-21	74	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	74
Budget	Jun-21	75	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	75
Budget	Jul-21	76	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	76
Budget	Aug-21	77	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	77
Budget	Sep-21	78	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	78
Budget	Oct-21	79	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	79
Budget	Nov-21	80	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	80
Budget	Dec-21	81	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	81
Budget	Jan-22	82	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	82
Budget	Feb-22	83	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	83
Budget	Mar-22	84	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	84
B																					

**DEE WHY FEASIBILITY - 3% S94A Levy adjusted for purchase in previous year**

**Summary Sheet**

**SITE DETAILS**

Address	Representative
Floor Space Ratio	4.0
Land Area	2,000
Site Value	107,143
Number of Dwellings	70



**REVENUE**

	Average/Unit (\$,000) Ex Retail	Development (\$,000) Inc Retail
<b>GROSS REVENUE</b>	<b>834</b>	<b>\$67,230</b>
<b>GST</b>	<b>78</b>	<b>\$5,430</b>
<b>Less Selling Costs</b>	<b>19</b>	<b>\$1,350</b>
<b>NET REVENUE</b>	<b>864</b>	<b>\$60,451</b>

**COSTS**

<b>Land (including acquisition costs)</b>	<b>107</b>	<b>7,500</b>
<b>Acquisition costs</b>	<b>13</b>	<b>904</b>
<b>Construction</b>	<b>445</b>	<b>31,160</b>
<b>Consultants</b>	<b>18</b>	<b>1,246</b>
<b>Section 94A - Commercial</b>	<b>4</b>	<b>252</b>
<b>Section 94A - Residential</b>	<b>10</b>	<b>683</b>
<b>Statutory Fees &amp; Contributions</b>	<b>10</b>	<b>681</b>
<b>On Costs</b>	<b>9</b>	<b>623</b>
<b>Marketing</b>	<b>19</b>	<b>1,345</b>
<b>Cost before Interest</b>	<b>634</b>	<b>44,394</b>
<b>Finance (incl Loan Est Fees)</b>	<b>39</b>	<b>2,745</b>
<b>TOTAL DEVELOPMENT COSTS</b>	<b>673</b>	<b>\$47,138</b>
<b>TOTAL PROJECT SURPLUS</b>	<b>28.2%</b>	<b>\$13,312</b>
<b>PROJECT IRR BEFORE INTEREST</b>	<b>24.1%</b>	

Sheet 1 of 4

**DEE WHY FEASIBILITY - 3% S94A Levy adjusted for purchase in previous year**

**Input Sheet**



SITE DETAILS	
Address	Representative
Floor Space Ratio	4.0 :1
Achievable FSR	8,000 m2
Land Area	2,000 m2
Site Value	107,143
Any 1 parcel over \$3M	Yes
LVR (Debt/Equity)	70%
Date to start feasibility	Mar-15

DEVELOPMENT COSTS				
Cost Items		Cost (\$)	Period Commencing (month)	Term (months)
LAND				
Land Purchase		7,500,000		
Loan Establishment Costs		14,260		
Stamp Duty		863,480		
Legals	0.4%	26,250		
LAND ACQUISITION COSTS - Deposit		750,000	1	1
LAND ACQUISITION COSTS - Settlement		7,653,990	2	1
CONSTRUCTION COSTS 2,000		31,160,050	12	20
PROFESSIONAL FEES 4% const costs		1,246,402	1	31
APPLICATION FEES				
DA Fees		153,132	3	1
CC Fees		59,666	12	1
Section 94		934,802	31	1
LPI Fees		10,540	31	1
LAND TAX/RATES				
Land Tax/Rates	Year 1	152,500	10	1
Land Tax/Rates	Year 2	152,500	22	1
Land Tax/Rates	Year 3	152,500	34	1
ONCOSTS 3.0%		623,201	2	30
MARKETING 2% gross revenue		1,344,600	12	19
TOTAL COST		44,393,882		

UNIT MIX AND SALES									
Unit Type	No.	Unit Floor Space m2	Total FSR+5%	Car Parking	Basement Parking Yes/No	Price (\$)	Total (\$)	Actual Mix	Preferred Mix
NON RESIDENTIAL									
Retail		1,600	1,600	98	Yes	8,880,000	8,880,000		
Commercial		0	0	0	Yes	0	0		
RESIDENTIAL									
1 bedroom	11	60	693	11	Yes	650,000	7,150,000	16%	15%
2 bedroom	52	80	4,784	62	Yes	850,000	44,200,000	74%	75%
3 bedroom	7	120	966	11	Yes	1,000,000	7,000,000	10%	10.0%
4 bedroom	0	130	0	0	Yes	0	0		0.0%
TOTAL	70		8,043	182	Yes		67,230,000	100%	100%
Average m2/unit	81								
ADDITIONAL INCLUSIONS									
Other visitor parking				14					
TOTAL YIELD	70		8,043	196			67,230,000		
		FSR	4.022						
		Target Floorspace	8,000						

Sheet 2 of 4

**DEE WHY FEASIBILITY - 3% S94A Levy adjusted for purchase in previous year**

**Calculations**



REVENUE		
GROSS REVENUE		67,230,000
GST		5,430,000
SELLING EXPENSES		
Sales Commission (On Settlement)	2% on gross rev	1,344,600
Legals (On Settlement)	70 lot	4,900
TOTAL - SELLING COSTS		1,349,500
GROSS REVENUE- GST & SELLING COSTS		60,450,500

STAMP DUTY		
LAND VALUE THRESHOLDS		TAX
14,000		0
14,000	30,000	0
30,000	80,000	0
80,000	300,000	0
300,000	1,000,000	0
1,000,000		397,990
3,000,000	Premium Property Tax	465,490
TOTAL		863,480

BUILDING COSTS				
Build Costs	Rates (m2)	FSR +10% 1	UG Parking 45,000	Grade Parking
Apartments	2,850	18,362,550	3,775,500	0
Retail	2,500	4,000,000	4,392,000	0
Commercial	2,500	0	0	0
Visitor Parking			630,000	0
TOTALS		22,362,550	8,797,500	0
TOTAL BUILD COST				31,160,050

CONTRIBUTIONS		
SECTION 94A		3%
COSTS		
Retail	8,392,000	\$251,760
Commercial	0	\$0
Residential	22,768,050	\$683,042
TOTAL VALUE	31,160,050	
TOTAL CONTRIBUTION		\$934,802

CAR PARKING	
Unit Type	No. Spaces
1 bed/studio	1
2 bed	1
3+ bed	2
Shops	6.1
Commercial	40
Visitor parking	In any case, min 1 visitor space is required

DA FEES		
CONSTRUCTION COST THRESHOLDS		
50,001	250,000	0
250,001	500,000	0
500,001	1,000,000	0
1,000,001	10,000,000	0
More than \$10,000,000		44,072
LSL	0.35%	109,060
TOTAL DA FEES		153,132

RATES		
	1,200	2,400
Land Tax	100	150,000
TOTAL RATES		152,500

LPI FEES			
Strata	Base Fee	Per Dwg fee	
	1,321	132	10,540
TOTAL LPI FEES			10,540

CC FEES	
CONSTRUCTION COSTS	
Exceeding \$200,000	59,666
TOTAL CC FEES	59,666

Sheet 3 of 4

**Dee Why Feasibility - 3% S94A Levy adjusted for purchase in previous year**  
**Assumed Development Cashflow**

DEVELOPMENT SUMMARY	
IRR Before Interest	24.10%
Surplus	\$13,312
% Surplus on D.C	28.24%
Max Loan Balance Debt/Equity	-\$46,815
Debt/Equity	100.00%

[illegible]

## Dee Why Feasibility Base Case 5% S94A Levy

### Summary Sheet

SITE DETAILS	
Address	Representative
Floor Space Ratio	4.0
Land Area	2,000
Site Value	135,714
Number of Dwellings	70



REVENUE		
	Average/Unit (\$,000) Ex Retail	Development (\$,000) Inc Retail
GROSS REVENUE	834	\$67,230
GST	75	\$5,248
Less Selling Costs	19	\$1,350
NET REVENUE	866	\$60,632
COSTS		
Land (including acquisition costs)	136	9,500
Acquisition costs	17	1,162
Construction	445	31,160
Consultants	18	1,246
Section 94A - Commercial	6	420
Section 94A - Residential	16	1,138
Statutory Fees & Contributions	11	801
On Costs	9	623
Marketing	19	1,345
Cost before Interest	677	47,395
Finance (incl Loan Est Fees)	43	3,037
TOTAL DEVELOPMENT COSTS	720	\$50,432
TOTAL PROJECT SURPLUS	20.2%	\$10,200
PROJECT IRR BEFORE INTEREST	18.3%	

Sheet 1 of 4

## Dee Why Feasibility Base Case 5% S94A Levy

### Input Sheet

SITE DETAILS	
Address	Representative
Floor Space Ratio	4.0 : 1
Achievable FSR	8,000 m2
Land Area	2,000 m2
Site Value	135,714
Any 1 parcel over \$3M	Yes
LVR (Debt/Equity)	70%
Date to start feasibility	Mar-15



DEVELOPMENT COSTS				
Cost Items		Cost (\$)	Period Commencing (month)	Term (Months)
LAND				
Land Purchase		9,500,000		
Loan Establishment Costs		15,460		
Stamp Duty		1,113,480		
Legals	0.4%	33,250		
LAND ACQUISITION COSTS - Deposit		950,000	1	1
LAND ACQUISITION COSTS - Settlement		9,712,190	2	1
CONSTRUCTION COSTS 2,000		31,160,050	12	20
PROFESSIONAL FEES	4% const costs	1,246,402	1	31
APPLICATION FEES				
DA Fees		153,132	3	1
CC Fees		59,666	12	1
Section 94		1,558,003	31	1
LPI Fees		10,540	31	1
LAND TAX/RATES				
Land Tax/Rates	Year 1	192,500	10	1
Land Tax/Rates	Year 2	192,500	22	1
Land Tax/Rates	Year 3	192,500	34	1
ONCOSTS		3.0% 623,201	2	30
MARKETING		2% gross revenue 1,344,600	12	19
TOTAL COST		47,395,283		

UNIT MIX AND SALES									
Unit Type	No.	Unit Floor Space m2	Total FSR+5%	Car Parking	Basement Parking Yes/No	Price (\$)	Total (\$)	Actual Mix	Preferred Mix
<b>NON RESIDENTIAL</b>									
Retail		1,600	1,600	98	Yes	8,880,000	8,880,000		
Commercial		0	0	0	Yes	0	0		
<b>RESIDENTIAL UNITS</b>									
1 bedroom	11	60	693	11	Yes	650,000	7,150,000	16%	15%
2 bedroom	52	80	4,784	62	Yes	850,000	44,200,000	74%	75%
3 bedroom	7	120	966	11	Yes	1,000,000	7,000,000	10%	10.0%
4 bedroom	0	130	0	0	Yes	0	0		0.0%
<b>TOTAL</b>	<b>70</b>		<b>8,043</b>	<b>182</b>	<b>Yes</b>		<b>67,230,000</b>	<b>100%</b>	<b>100%</b>
Average m2/unit	81								
<b>ADDITIONAL INCLUSIONS</b>									
Other visitor parking				14					
<b>TOTAL YIELD</b>	<b>70</b>		<b>8,043</b>	<b>196</b>			<b>67,230,000</b>		
		FSR	4.022						
		Target Floorspace	8,000						

Sheet 2 of 4

## Dee Why Feasibility Base Case 5% S94A Levy Calculations



REVENUE		
<b>GROSS REVENUE</b>		<b>67,230,000</b>
<b>GST</b>		<b>5,248,182</b>
SELLING EXPENSES		
Sales Commission (On Settlement)	2% on gross rev	1,344,600
Legals (On Settlement)	70 lot	4,900
<b>TOTAL - SELLING COSTS</b>		<b>1,349,500</b>
<b>GROSS REVENUE- GST &amp; SELLING COSTS</b>		<b>60,632,318</b>

STAMP DUTY		
LAND VALUE THRESHOLD		TAX
14,000		0
14,000	30,000	0
30,000	80,000	0
80,000	300,000	0
300,000	1,000,000	0
1,000,000		507,990
3,000,000	Premium Property Tax	605,490
<b>TOTAL</b>		<b>1,113,480</b>

BUILDING COSTS				
Build Costs	Rates	FSR +10%	UG Parking	Grade
	\$/m2	1	45,000	Parking
Apartments	2,850	18,362,550	3,775,500	0
Retail	2,500	4,000,000	4,392,000	0
Commercial	2,500	0	0	0
Visitor Parking			630,000	0
<b>TOTALS</b>		<b>22,362,550</b>	<b>8,797,500</b>	<b>0</b>
<b>TOTAL BUILD COSTS</b>			<b>31,160,050</b>	

CONTRIBUTIONS		
<b>Section 94A</b>	<b>5%</b>	
COSTS		
Retail	8,392,000	\$419,600
Commercial	0	\$0
Residential	22,768,050	\$1,138,403
<b>TOTAL VALUE</b>	<b>31,160,050</b>	
<b>TOTAL CONTRIBUTION</b>		<b>\$1,558,003</b>

CAR PARKING	
Unit Type	No. Spaces
1 bed/studio	1
2 bed	1
3+ bed	2
Shops	6.1
Commercial	40
Visitor parking	In any case, min 1 visitor space is required

DA FEES		
CONSTRUCTION COST THRESHOLDS		
50,001	250,000	0
250,001	500,000	0
500,001	1,000,000	0
1,000,001	10,000,000	0
More than \$10,000,000		44,072
<b>LSL</b>	<b>0.35%</b>	<b>109,060</b>
<b>TOTAL DA FEES</b>		<b>153,132</b>

RATES		
	1,200	2,400
Land Tax	100	190,000
<b>TOTAL RATES</b>		<b>194,900</b>

LPI FEES			
Strata	Base Fee	Per Dwg fee	
	1,321	132	10,540
<b>TOTAL LPI FEES</b>			<b>10,540</b>

CC FEES	
CONSTRUCTION COSTS	
Exceeding \$200,000	59,666
<b>TOTAL CC FEES</b>	<b>59,666</b>

### Dee Why Feasibility Base Case 5% S94A Levy

DEVELOPMENT SUMMARY	
IRR Before Interest	18.30%
Surplus	\$10,200
% Surplus on D.C	20.23%
Max Loan Balance Debt/Equity	-\$50,057
Debt/Equity	100.00%

[illegible]

Sheet 4 of 4

**DEE WHY FEASIBILITY - 5% S94A Levy adjusted for purchase in previous year**

**Summary Sheet**

**SITE DETAILS**

Address	Representative
Floor Space Ratio	4.0
Land Area	2,000
Site Value	107,143
Number of Dwellings	70



**REVENUE**

	Average/Unit (\$,000) Ex Retail	Development (\$,000) Inc Retail
<b>GROSS REVENUE</b>	<b>834</b>	<b>\$67,230</b>
GST	78	\$5,430
Less Selling Costs	19	\$1,350
<b>NET REVENUE</b>	<b>864</b>	<b>\$60,451</b>

**COSTS**

Land (including acquisition costs)	107	7,500
Acquisition costs	13	904
Construction	445	31,160
Consultants	18	1,246
Section 94A - Commercial	6	420
Section 94A - Residential	16	1,138
Statutory Fees & Contributions	10	681
On Costs	9	623
Marketing	19	1,345
Cost before Interest	643	45,017
Finance (incl Loan Est Fees)	39	2,751
<b>TOTAL DEVELOPMENT COSTS</b>	<b>682</b>	<b>\$47,769</b>
<b>TOTAL PROJECT SURPLUS</b>	<b>26.5%</b>	<b>\$12,682</b>
<b>PROJECT IRR BEFORE INTEREST</b>	<b>23.2%</b>	

Sheet 1 of 4

**DEE WHY FEASIBILITY - 5% S94A Levy adjusted for purchase in previous year**

**Input Sheet**

SITE DETAILS	
Address	Representative
Floor Space Ratio	4.0 :1
Achievable FSR	8,000 m2
Land Area	2,000 m2
Site Value	107,143
Any 1 parcel over \$3M	Yes
LVR (Debt/Equity)	70%
Date to start feasibility	Mar-15



DEVELOPMENT COSTS				
Cost Items		Cost (\$)	Period Commencing (month)	Term (months)
LAND				
Land Purchase		7,500,000		
Loan Establishment Costs		14,260		
Stamp Duty		863,480		
Legals 0.4%		26,250		
LAND ACQUISITION COSTS - Deposit		750,000	1	1
LAND ACQUISITION COSTS - Settlement		7,653,990	2	1
CONSTRUCTION COSTS 2,000		31,160,050	12	20
PROFESSIONAL FEES 4% const costs		1,246,402	1	31
APPLICATION FEES				
DA Fees		153,132	3	1
CC Fees		59,666	12	1
Section 94		1,558,003	31	1
LPI Fees		10,540	31	1
LAND TAX/RATES				
Land Tax/Rates	Year 1	152,500	10	1
Land Tax/Rates	Year 2	152,500	22	1
Land Tax/Rates	Year 3	152,500	34	1
ONCOSTS 3.0%		623,201	2	30
MARKETING 2% gross revenue		1,344,600	12	19
TOTAL COST		45,017,083		

UNIT MIX AND SALES									
Unit Type	No.	Unit Floor Space m2	Total FSR+5%	Car Parking	Basement Parking Yes/No	Price (\$)	Total (\$)	Actual Mix	Preferred Mix
NON RESIDENTIAL									
Retail		1,600	1,600	98	Yes	8,880,000	8,880,000		
Commercial		0	0	0	Yes	0	0		
RESIDENTIAL									
1 bedroom	11	60	693	11	Yes	650,000	7,150,000	16%	15%
2 bedroom	52	80	4,784	62	Yes	850,000	44,200,000	74%	75%
3 bedroom	7	120	966	11	Yes	1,000,000	7,000,000	10%	10.0%
4 bedroom	0	130	0	0	Yes	0	0		0.0%
TOTAL	70		8,043	182	Yes		67,230,000	100%	100%
Average m2/unit	81								
ADDITIONAL INCLUSIONS									
Other visitor parking				14					
TOTAL YIELD	70		8,043	196			67,230,000		
		FSR	4.022						
		Target Floorspace	8,000						

Sheet 2 of 4

**DEE WHY FEASIBILITY - 5% S94A Levy adjusted for purchase in previous year**

**Calculations**



REVENUE		
GROSS REVENUE		67,230,000
GST		5,430,000
SELLING EXPENSES		
Sales Commission (On Settlement)	2% on gross rev	1,344,600
Legals (On Settlement)	70 lot	4,900
TOTAL - SELLING COSTS		1,349,500
GROSS REVENUE- GST & SELLING COSTS		60,450,500

STAMP DUTY		
LAND VALUE THRESHOLDS		TAX
14,000		0
14,000	30,000	0
30,000	80,000	0
80,000	300,000	0
300,000	1,000,000	0
1,000,000		397,990
3,000,000	Premium Property Tax	465,490
TOTAL		863,480

BUILDING COSTS				
Build Costs	Rates (m2)	FSR +10% 1	UG Parking 45,000	Grade Parking
Apartments	2,850	18,362,550	3,775,500	0
Retail	2,500	4,000,000	4,392,000	0
Commercial	2,500	0	0	0
Visitor Parking			630,000	0
TOTALS		22,362,550	8,797,500	0
TOTAL BUILD COST			31,160,050	

CONTRIBUTIONS		
SECTION 94A		5%
COSTS		
Retail	8,392,000	\$419,600
Commercial	0	\$0
Residential	22,768,050	\$1,138,403
TOTAL VALUE	31,160,050	
TOTAL CONTRIBUTION		\$1,558,003

CAR PARKING	
Unit Type	No. Spaces
1 bed/studio	1
2 bed	1
3+ bed	2
Shops	6.1
Commercial	40
Visitor parking	In any case, min 1 visitor space is required

DA FEES		
CONSTRUCTION COST THRESHOLDS		
50,001	250,000	0
250,001	500,000	0
500,001	1,000,000	0
1,000,001	10,000,000	0
More than \$10,000,000		44,072
LSL	0.35%	109,060
TOTAL DA FEES		153,132

RATES		
	1,200	2,400
Land Tax	100	150,000
TOTAL RATES		152,500

LPI FEES			
Strata	Base Fee	Per Dwg fee	
	1,321	132	10,540
TOTAL LPI FEES			10,540

CC FEES	
CONSTRUCTION COSTS	
Exceeding \$200,000	59,666
TOTAL CC FEES	59,666

Sheet 3 of 4

**Dee Why Feasibility - 5% S94A Levy adjusted for purchase in previous year**  
**Assumed Development Cashflow**

DEVELOPMENT SUMMARY	
IRR Before Interest	23.20%
Surplus	\$12,682
% Surplus on D.C	26.55%
Max Loan Balance Debt/Equity	-\$47,443
Debt/Equity	100.00%



Actual	Month	Month	Last	Professional Fees	DA Fees	Construction Costs	Section 54 Costs	LI/Fees	Industry Costs	Onsite	Marketing	Total Costs	Sales	Gross Revenues	GST	Settling Costs	Net Revenue	Monthly Outlays	Monthly Interest	Total Funds Cost	Previous			
Budget	Mar-05	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	0			
Budget	Apr-05	1	7500	40	0	0	0	0	0	0	0	\$7500	0	\$0	0	\$0	\$0	\$0	\$7500	\$7500	\$0	\$7500	1	
Budget	May-05	2	14000	40	0	0	0	0	0	0	0	\$14000	0	\$0	0	\$0	\$0	\$0	\$14000	\$14000	\$0	\$14000	2	
Budget	Jun-05	3	0	48	133	0	0	0	0	0	21	\$214	0	\$0	0	\$0	\$0	\$0	\$214	\$214	\$11	\$8783	3	
Budget	Jul-05	4	0	48	0	0	0	0	0	0	21	\$61	0	\$0	0	\$0	\$0	\$0	\$61	\$61	\$32	\$8445	4	
Budget	Aug-05	5	0	48	0	0	0	0	0	0	21	\$61	0	\$0	0	\$0	\$0	\$0	\$61	\$61	\$32	\$8395	5	
Budget	Sep-05	6	0	48	0	0	0	0	0	0	21	\$61	0	\$0	0	\$0	\$0	\$0	\$61	\$61	\$33	\$8333	6	
Budget	Oct-05	7	0	48	0	0	0	0	0	0	21	\$61	0	\$0	0	\$0	\$0	\$0	\$61	\$61	\$33	\$8127	7	
Budget	Nov-05	8	0	48	0	0	0	0	0	0	21	\$61	0	\$0	0	\$0	\$0	\$0	\$61	\$61	\$33	\$8221	8	
Budget	Dec-05	9	0	48	0	0	0	0	0	0	21	\$61	0	\$0	0	\$0	\$0	\$0	\$61	\$61	\$34	\$8179	9	
Budget	Jan-06	10	48	0	0	0	133	0	0	0	21	\$213	0	\$0	0	\$0	\$0	\$0	\$213	\$213	\$34	\$8183	10	
Budget	Feb-06	11	0	48	0	0	0	0	0	0	21	\$61	0	\$0	0	\$0	\$0	\$0	\$61	\$61	\$35	\$8135	11	
Budget	Mar-06	12	48	0	1368	0	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$35	\$41444	12	
Budget	Apr-06	13	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$36	\$41115	13	
Budget	May-06	14	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$36	\$41013	14	
Budget	Jun-06	15	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$37	\$41003	15	
Budget	Jul-06	16	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$37	\$41001	16	
Budget	Aug-06	17	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$38	\$41001	17	
Budget	Sep-06	18	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$38	\$41001	18	
Budget	Oct-06	19	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$39	\$41001	19	
Budget	Nov-06	20	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$39	\$41001	20	
Budget	Dec-06	21	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$40	\$41001	21	
Budget	Jan-07	22	0	48	0	1368	0	0	133	0	21	\$1362	0	\$0	0	\$0	\$0	\$0	\$1362	\$1362	\$40	\$41001	22	
Budget	Feb-07	23	48	1368	0	1368	0	0	0	0	21	\$1368	0	\$1368	\$1368	\$1368	\$1368	\$1368	\$1368	\$1368	\$1368	\$41	\$41001	23
Budget	Mar-07	24	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$1314	\$42101	24	
Budget	Apr-07	25	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$1314	\$42101	25	
Budget	May-07	26	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$1314	\$42101	26	
Budget	Jun-07	27	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$1314	\$42101	27	
Budget	Jul-07	28	48	1368	0	1368	0	0	0	0	21	\$1368	0	\$1368	\$1368	\$1368	\$1368	\$1368	\$1368	\$1368	\$1368	\$42	\$41001	28
Budget	Aug-07	29	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$1314	\$42101	29	
Budget	Sep-07	30	0	48	0	1368	0	0	0	0	21	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$1314	\$42101	30	
Budget	Oct-07	31	48	0	1368	1368	11	0	0	21	0	\$1368	0	\$0	0	\$0	\$0	\$0	\$1368	\$1368	\$1314	\$42101	31	
Budget	Nov-07	32	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$1314	\$42101	32	
Budget	Dec-07	33	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$1314	\$42101	33	
Budget	Jan-08	34	0	48	0	0	0	133	0	0	0	\$133	70	\$67,260	\$6,433	\$1,363	\$68,451	\$133	\$68,268	\$133	\$12,062	\$4		
Budget	Feb-08	35	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$5		
Budget	Mar-08	36	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$6		
Budget	Apr-08	37	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$7		
Budget	May-08	38	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$8		
Budget	Jun-08	39	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$9		
Budget	Jul-08	40	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$10		
Budget	Aug-08	41	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$11		
Budget	Sep-08	42	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$12		
Budget	Oct-08	43	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$13		
Budget	Nov-08	44	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$14		
Budget	Dec-08	45	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$15		
Budget	Jan-09	46	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$16		
Budget	Feb-09	47	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$17		
Budget	Mar-09	48	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$18		
Budget	Apr-09	49	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$19		
Budget	May-09	50	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$20		
Budget	Jun-09	51	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$21		
Budget	Jul-09	52	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$22		
Budget	Aug-09	53	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$23		
Budget	Sep-09	54	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$24		
Budget	Oct-09	55	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$25		
Budget	Nov-09	56	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$26		
Budget	Dec-09	57	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$27		
Budget	Jan-10	58	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$28		
Budget	Feb-10	59	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$29		
Budget	Mar-10	60	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$30		
Budget	Apr-10	61	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$31		
Budget	May-10	62	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$32		
Budget	Jun-10	63	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$33		
Budget	Jul-10	64	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$34		
Budget	Aug-10	65	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$35		
Budget	Sep-10	66	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$36		
Budget	Oct-10	67	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$37		
Budget	Nov-10	68	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$38		
Budget	Dec-10	69	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$39		
Budget	Jan-11	70	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$40		
Budget	Feb-11	71	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$41		
Budget	Mar-11	72	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$42		
Budget	Apr-11	73	0	48	0	0	0	0	0	0	0	\$0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$12,062	\$43		
Budget	May-11	74	0	48	0	0	0	0	0	0	0	\$0	0	\$0										

## DEE WHY FEASIBILITY - Base Case \$20,000/unit S94 Contribution

### Summary Sheet

#### SITE DETAILS

Address	Representative
Floor Space Ratio	4.0
Land Area	2,000
Site Value	135,714
Number of Dwellings	70



#### REVENUE

	Average/Unit (\$,000) Ex Retail	Development (\$,000) Inc Retail
<b>GROSS REVENUE</b>	<b>834</b>	<b>\$67,230</b>
GST	75	\$5,248
Less Selling Costs	19	\$1,350
<b>NET REVENUE</b>	<b>866</b>	<b>\$60,632</b>

#### COSTS

Land (including acquisition costs)	136	9,500
Acquisition costs	17	1,162
Construction	445	31,160
Consultants	18	1,246
Section 94A - Commercial	0	0
Section 94A - Residential	20	1,400
Statutory Fees & Contributions	11	801
On Costs	9	623
Marketing	19	1,345
Cost before Interest	675	47,237
Finance (incl Loan Est Fees)	43	3,035
<b>TOTAL DEVELOPMENT COSTS</b>	<b>718</b>	<b>\$50,272</b>
<b>TOTAL PROJECT SURPLUS</b>	<b>20.6%</b>	<b>\$10,360</b>
<b>PROJECT IRR BEFORE INTEREST</b>	<b>18.5%</b>	

Sheet 1 of 4

## DEE WHY FEASIBILITY - Base Case \$20,000/unit S94 Contribution

### Input Sheet



SITE DETAILS	
Address	Representative
Floor Space Ratio	4.0 :1
Achievable FSR	8,000 m2
Land Area	2,000 m2
Site Value	135,714
Any 1 parcel over \$3M	Yes
LVR (Debt/Equity)	70%
Date to start feasibility	Mar-15

DEVELOPMENT COSTS				
Cost Items		Cost (\$)	Period Commencing (month)	Term (months)
LAND				
Land Purchase		9,500,000		
Loan Establishment Costs		15,460		
Stamp Duty		1,113,480		
Legals 0.4%		33,250		
LAND ACQUISITION COSTS - Deposit		950,000	1	1
LAND ACQUISITION COSTS - Settlement		9,712,190	2	1
CONSTRUCTION COSTS 2,000		31,160,050	12	20
PROFESSIONAL FEES 4% const costs		1,246,402	1	31
APPLICATION FEES				
DA Fees		153,132	3	1
CC Fees		59,666	12	1
Section 94		1,400,000	31	1
LPI Fees		10,540	31	1
LAND TAX/RATES				
Land Tax/Rates	Year 1	192,500	10	1
Land Tax/Rates	Year 2	192,500	22	1
Land Tax/Rates	Year 3	192,500	34	1
ONCOSTS 3.0%		623,201	2	30
MARKETING 2% gross revenue		1,344,600	12	19
TOTAL COST		47,237,281		

UNIT MIX AND SALES									
Unit Type	No.	Unit Floor Space m2	Total FSR+5%	Car Parking	Basement Parking Yes/No	Price (\$)	Total (\$)	Actual Mix	Preferred Mix
NON RESIDENTIAL									
Retail		1,600	1,600	98	Yes	8,880,000	8,880,000		
Commercial		0	0	0	Yes	0	0		
RESIDENTIAL									
1 bedroom	11	60	693	11	Yes	650,000	7,150,000	16%	15%
2 bedroom	52	80	4,784	62	Yes	850,000	44,200,000	74%	75%
3 bedroom	7	120	966	11	Yes	1,000,000	7,000,000	10%	10.0%
4 bedroom	0	130	0	0	Yes	0	0		0.0%
TOTAL	70		8,043	182	Yes		67,230,000	100%	100%
Average m2/unit	81								
ADDITIONAL INCLUSIONS									
Other visitor parking				14					
TOTAL YIELD	70		8,043	196			67,230,000		
		FSR	4.022						
		Target Floorspace	8,000						

Sheet 2 of 4

## DEE WHY FEASIBILITY - Base Case \$20,000/unit S94 Contribution

### Calculations



REVENUE		
GROSS REVENUE		<b>67,230,000</b>
GST		<b>5,248,182</b>
SELLING EXPENSES		
Sales Commission (On Settlement)	2% on gross rev	1,344,600
Legals (On Settlement)	70 lot	4,900
<b>TOTAL - SELLING COSTS</b>		<b>1,349,500</b>
<b>GROSS REVENUE- GST &amp; SELLING COSTS</b>		<b>60,632,318</b>

STAMP DUTY		
LAND VALUE THRESHOLDS		TAX
14,000		0
14,000	30,000	0
30,000	80,000	0
80,000	300,000	0
300,000	1,000,000	0
1,000,000		507,990
3,000,000	Premium Property Tax	605,490
<b>TOTAL</b>		<b>1,113,480</b>

BUILDING COSTS				
Build Costs	Rates (m2)	FSR +10% 1	UG Parking 45,000	Grade Parking
Apartments	2,850	18,362,550	3,775,500	0
Retail	2,500	4,000,000	4,392,000	0
Commercial	2,500	0	0	0
Visitor Parking			630,000	0
<b>TOTALS</b>		<b>22,362,550</b>	<b>8,797,500</b>	<b>0</b>
<b>TOTAL BUILD COST</b>				<b>31,160,050</b>

CONTRIBUTIONS		
<b>SECTION 94 \$20,000/unit</b>		<b>\$20,000</b>
COSTS		
Retail	8,392,000	\$0
Commercial	0	\$0
Residential	22,768,050	\$1,400,000
<b>TOTAL VALUE</b>	<b>31,160,050</b>	
<b>TOTAL CONTRIBUTION</b>		<b>\$1,400,000</b>

CAR PARKING	
Unit Type	No. Spaces
1 bed/studio	1
2 bed	1
3+ bed	2
Shops	6.1
Commercial	40
Visitor parking	In any case, min 1 visitor space is required

DA FEES		
CONSTRUCTION COST THRESHOLDS		
50,001	250,000	0
250,001	500,000	0
500,001	1,000,000	0
1,000,001	10,000,000	0
More than \$10,000,000		44,072
<b>LSL</b>	<b>0.35%</b>	<b>109,060</b>
<b>TOTAL DA FEES</b>		<b>153,132</b>

RATES		
	1,200	2,400
Land Tax	100	190,000
<b>TOTAL RATES</b>		<b>192,500</b>

LPI FEES			
Strata	Base Fee	Per Dwg fee	
	1,321	132	10,540
<b>TOTAL LPI FEES</b>			<b>10,540</b>

CC FEES	
CONSTRUCTION COSTS	
Exceeding \$200,000	59,666
<b>TOTAL CC FEES</b>	<b>59,666</b>

Sheet 3 of 4

**Dee Why Feasibility - Base Case \$20,000/unit S94 Contribution**  
**Assumed Development Cashflow**

DEVELOPMENT SUMMARY	
IRR Before Interest	18.51%
Surplus	\$10,360
% Surplus on D.C	20.61%
Max Loan Balance Debt/Equity	-\$49,898
Debt/Equity	100.00%



Actual	Month	North	Last	Professional	DA Fees	Fees	Construction	Sector 04	LPI/Fees	Inventory	Credits	Marketing	Total	Sales	Gross	GST	Settling Costs	Net Revenue	Monthly	Monthly	Monthly	Total	Actual
							Costs	Costs	Costs	Costs			Costs						Cost/Rev	Cost/Rev	Cost/Rev	Cost/Rev	
Budget	Mar-05	0	0	0	0	0	0	0	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0
Budget	Apr-05	1	900	40	0	0	0	0	0	0	0	0	\$900	0	\$0	\$0	\$0	\$990	\$990	\$0	\$0	\$0	1
Budget	May-05	2	0,712	40	0	0	0	0	0	0	0	0	\$8,775	0	\$0	\$0	\$0	\$9,487	\$9,487	\$4	\$4	\$4	2
Budget	Jun-05	3	0	40	133	0	0	0	0	0	0	21	\$214	0	\$0	\$0	\$0	\$234	\$234	\$39	\$39	\$1,025	3
Budget	Jul-05	4	0	40	0	0	0	0	0	0	0	21	\$41	0	\$0	\$0	\$0	\$61	\$61	\$40	\$40	\$11,122	4
Budget	Aug-05	5	0	40	0	0	0	0	0	0	0	21	\$61	0	\$0	\$0	\$0	\$81	\$81	\$41	\$41	\$11,223	5
Budget	Sep-05	6	0	40	0	0	0	0	0	0	0	21	\$81	0	\$0	\$0	\$0	\$101	\$101	\$41	\$41	\$11,325	6
Budget	Oct-05	7	0	40	0	0	0	0	0	0	0	21	\$0	0	\$0	\$0	\$0	\$81	\$81	\$41	\$41	\$11,427	7
Budget	Nov-05	8	0	40	0	0	0	0	0	0	0	21	\$0	0	\$0	\$0	\$0	\$61	\$61	\$42	\$42	\$11,529	8
Budget	Dec-05	9	0	40	0	0	0	0	0	0	0	21	\$0	0	\$0	\$0	\$0	\$61	\$61	\$42	\$42	\$11,631	9
Budget	Jan-06	10	0	40	0	0	0	0	0	0	0	21	\$0	0	\$0	\$0	\$0	\$61	\$61	\$42	\$42	\$11,733	10
Budget	Feb-06	11	0	40	0	0	0	0	0	0	0	21	\$0	0	\$0	\$0	\$0	\$61	\$61	\$43	\$43	\$11,835	11
Budget	Mar-06	12	0	40	0	0	0	0	0	0	0	21	\$0	0	\$0	\$0	\$0	\$1,140	\$1,140	\$44	\$44	\$11,937	12
Budget	Apr-06	13	40	1,500	0	0	0	0	0	0	0	21	\$1,500	0	\$1,000	\$0	\$1,000	\$1,600	\$1,600	\$45	\$45	\$12,039	13
Budget	May-06	14	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$47	\$47	\$12,141	14
Budget	Jun-06	15	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$47	\$47	\$12,243	15
Budget	Jul-06	16	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$47	\$47	\$12,345	16
Budget	Aug-06	17	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$47	\$47	\$12,447	17
Budget	Sep-06	18	40	1,500	0	0	0	0	0	0	0	21	\$1,000	0	\$1,000	\$0	\$1,000	\$1,600	\$1,600	\$48	\$48	\$12,549	18
Budget	Oct-06	19	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$49	\$49	\$12,651	19
Budget	Nov-06	20	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$49	\$49	\$12,753	20
Budget	Dec-06	21	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$49	\$49	\$12,855	21
Budget	Jan-07	22	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$49	\$49	\$12,957	22
Budget	Feb-07	23	40	1,500	0	0	0	0	0	0	0	21	\$1,000	0	\$1,000	\$0	\$1,000	\$1,600	\$1,600	\$50	\$50	\$13,059	23
Budget	Mar-07	24	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$50	\$50	\$13,161	24
Budget	Apr-07	25	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$50	\$50	\$13,263	25
Budget	May-07	26	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$50	\$50	\$13,365	26
Budget	Jun-07	27	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$50	\$50	\$13,467	27
Budget	Jul-07	28	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$50	\$50	\$13,569	28
Budget	Aug-07	29	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$50	\$50	\$13,671	29
Budget	Sep-07	30	40	1,500	0	0	0	0	0	0	0	21	\$1,000	0	\$1,000	\$0	\$1,000	\$1,600	\$1,600	\$51	\$51	\$13,773	30
Budget	Oct-07	31	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$13,875	31
Budget	Nov-07	32	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$13,977	32
Budget	Dec-07	33	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$14,079	33
Budget	Jan-08	34	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$14,181	34
Budget	Feb-08	35	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$14,283	35
Budget	Mar-08	36	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$14,385	36
Budget	Apr-08	37	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$14,487	37
Budget	May-08	38	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$14,589	38
Budget	Jun-08	39	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$14,691	39
Budget	Jul-08	40	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$14,793	40
Budget	Aug-08	41	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$14,895	41
Budget	Sep-08	42	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$14,997	42
Budget	Oct-08	43	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$15,099	43
Budget	Nov-08	44	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$15,201	44
Budget	Dec-08	45	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$15,303	45
Budget	Jan-09	46	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$15,405	46
Budget	Feb-09	47	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$15,507	47
Budget	Mar-09	48	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$15,609	48
Budget	Apr-09	49	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$15,711	49
Budget	May-09	50	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$15,813	50
Budget	Jun-09	51	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$15,915	51
Budget	Jul-09	52	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$16,017	52
Budget	Aug-09	53	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$16,119	53
Budget	Sep-09	54	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$16,221	54
Budget	Oct-09	55	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$16,323	55
Budget	Nov-09	56	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$16,425	56
Budget	Dec-09	57	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$16,527	57
Budget	Jan-10	58	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$16,629	58
Budget	Feb-10	59	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$16,731	59
Budget	Mar-10	60	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$16,833	60
Budget	Apr-10	61	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$16,935	61
Budget	May-10	62	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$17,037	62
Budget	Jun-10	63	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$17,139	63
Budget	Jul-10	64	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$17,241	64
Budget	Aug-10	65	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$17,343	65
Budget	Sep-10	66	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$17,445	66
Budget	Oct-10	67	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$17,547	67
Budget	Nov-10	68	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$17,649	68
Budget	Dec-10	69	0	40	0	0	0	0	0	0	0	21	\$1,000	0	\$0	\$0	\$0	\$1,000	\$1,000	\$51	\$51	\$17,751	69
Budget																							