

HILLPDA CONSULTING

CELEBRATING 30 YEARS

HILLPDA
CONSULTING

**INVESTMENT AND
DEVELOPMENT
ADVISORY**

**CAPABILITY
STATEMENT**

BRIDGING THE GAP BETWEEN
PLANNING, ECONOMICS AND
PROPERTY ADVISORY

MARTIN HILL, DIRECTOR

The successful revitalisation of an area draws upon the complex interrelations between strategic planning, commercial intelligence and economic knowhow. HillPDA's knowledge and experience in synergising these factors allows us to create the valuable difference.

ABOUT HILLPDA

Our focus is to provide our clients across all levels of the public and private sectors with value-adding and timely services. Our experience ranges from informing regional-wide level planning frameworks for Government through to detailed site-specific investigations for developers, landowners and investors.

Our collaboration of disciplines and breadth of industry experience, coupled with our passions for our work and reputation, see us as an industry leader that delivers creative and commercially viable outcomes for our clients, in harmony with community needs and expectations.

Over the past 30 years, we have built our reputation as trusted independent advisors with an ability to bridge the understanding gap between economics and planning. We have also repeatedly demonstrated our ability to be innovative and creative thinkers.

This is evidenced by our policy work developing innovative ways to encourage affordable housing and value capture for funding of community infrastructure. We have also been innovators in econometric modelling including retail expenditure and employment land demand modelling.

We stand proud of our contributions to the industry in bridging the understanding gap between planning and economics.

Investment & Development
Advisory
Urban & Retail Economics
Planning
Valuation & Feasibility

**INVESTMENT AND
PROPERTY DEVELOPMENT
IS COMPLEX. OUR
APPROACH IS TO PROVIDE
PRACTICAL SOLUTIONS
AND PATHWAYS TO
ENSURE A PROJECT IS
COMMERCIALY REALISTIC
AND RESULTS DRIVEN.**

OUR TEAM

INVESTMENT & DEVELOPMENT SPECIALISTS

WHETHER YOU NEED OUR TEAM TO LEAD THE ENTIRE PROCESS FROM START TO FINISH OR ASSIST AT SPECIFIC PROJECT STAGES WE CAN ADD VALUE AND HELP YOU ACHIEVE THE BEST POSSIBLE OUTCOME FOR YOUR DEVELOPMENT OR INVESTMENT OPPORTUNITY.

HillPDA's development advisory team brings together a cross-section of backgrounds to deliver integrated and innovative solutions to even the most complex development issues. Our team has the expertise and capability to provide you with the strategic support that you need at all stages of the development and operation lifecycle.



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EXPERT ADVISORY PANEL

Our expert advisors are then called upon as a value-add to the project at no cost to the client. They all have over 25 years of experience in the industry. Their expert knowledge will be invaluable.



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INVESTMENT & DEVELOPMENT ADVISORY CURRICULUM VITAE

Martin Hill - Director - M.Real Estate, M.Property Development, BSc (Hons), FAPI, MRICS, CPV

Martin Hill is the founding director of HillPDA. With over 30 years of industry leadership, Martin specialises in development feasibility and strategy, financial modelling and benchmarks, planning agreement policy and negotiation, complex property valuations, government policy and economic growth. Martin is an expert providing ideas for innovation, feasibility and strategy development.

Sam Taylor - Associate - B. PropEco, Dip Sec & Risk Mgt

Sam has been with HillPDA since 2015. Sam has a reputation for quality work in investment modelling, transactions, due diligence, highest and best use assessments, asset divestment strategy, business case development, portfolio analysis, financial modelling, economic forecasting, property market studies, and property consultancy advice. He understands multiple property/ asset disciplines such as planning, valuations and economics and therefore can strike the perfect balance between planning and economics. This has been noted by multiple clients.

Josh Smith - Consultant - M. Property Development, B.Buss

Josh currently works across the economic, valuations and advisory team. His core role is the development of feasibility models, highest and best use assessments, statistical/property market research and consultancy advice for Council, State Government Agencies, private clients and REIT's. Specific responsibilities include financial and cash flow modelling, cash flow auditing, real estate document analysis, market studies and reporting.

EXPERT ADVISORY PANEL EXPERIENCE

Elizabeth Griffin – Planning Principal

Elizabeth has over 25 years of experience working in the built environment, across the public and private sectors. Her technical skills in statutory planning, policy development, strategic planning and project management will ensure the preparation of a well-rounded strategy. Recent projects where Elizabeth has applied these skills include the North Coast Employment and Economic Action Plans, Military Road Corridor – Economic Analysis and Actions Strategy report, reviews of numerous State Environmental Planning Policies, Byron Employment Lands Strategy and the NSW Business and Industrial Zone Review.

Adrian Hack – Economist advisor – Economics Principal

Adrian is an expert in market appraisal, demand forecasting, economic appraisal (cost-benefit analysis), economic impact assessment, development feasibility testing and retail economics. Adrian can also forecast job creation, remuneration and industry value added (contribution to the local economies). His work on Fern Bay and North Stockton Retail and Commercial Lands Study, Port Kembla Revitalisation Plan 2050, Shellharbour LGA Retail/ Commercial Centres Study and Maitland Business Centres has applied these techniques.

Alex Hrelja – Activity centres specialist – Principal

Alex provides expert advice on integrate land-use and infrastructure planning and the delivery of city-building outcomes. He is an expert in urban and property economics, strategic planning and economic development. Alex has provided expertise to clients including local, State and Commonwealth government agencies. Much of his work is based on an expert understanding of urban economic and social patterns and drivers, reviewing supply side conditions and forecasting demand conditions for specific projects to complex urban and regional development areas. His work ranges from feasibility studies for specific projects through to regional urban economic plans.



OUR SERVICES

EXPERIENCE & CAPABILITY

INVESTMENT AND PROPERTY DEVELOPMENT IS COMPLEX. OUR APPROACH IS TO PROVIDE PRACTICAL SOLUTIONS AND PATHWAYS TO ENSURE A PROJECT IS COMMERCIALY REALISTIC AND RESULTS DRIVEN.

- BUSINESS CASE DEVELOPMENT
- STRATEGIC ASSET ADVISORY
- PORTFOLIO ANALYSIS
- DUE DILIGENCE FOR PROPERTY ACQUISITION
- PROJECT GOVERNANCE AND DELIVERY
- INDEPENDENT ADVICE AND SPECIALIST EXPERTISE
- TRANSACTION ADVICE
- EOI / TENDER PREPARATION, EVALUATION AND RESPONSE
- FINANCIAL VIABILITY AND FINANCIAL STRUCTURE
- DEVELOPMENT FEASIBILITY AND MARKET ANALYSIS
- PROJECT CONTROL / PERFORMANCE MONITORING
- DEVELOPMENT APPROVAL ADVISORY



Business case development

As businesses consider new opportunities, approval for the new venture rests with the development of a robust business case. This ensures that the business case decisions are evidence based, value for money, and mitigates risks. We are well versed in the development of business cases, using government guidelines and bespoke methods to analyse a specific property or portfolio transactions.

High level businesses cases can use a cost benefit analysis, which includes the identification of benefits and costs and their quantification and cash flow modelling to derive an overall cost / benefit for a nominated standing. Detailed business cases can analyse cashflows using the net present value method to determine the best value for money. We also understand that a financial metric may not be the best way to assess an opportunity as there could be other qualitative benefits, particularly for environmental, social and cultural sustainability outcomes.

BLUE MOUNTAINS WORK PLACE STRATEGIC BUSINESS CASE

Blue Mountains City Council

HillPDA prepared the future workplace strategy and developed an initial business case that identifies a range of workplace options to position Council's facilities and workspaces into the future. A Background Report was prepared that determined that Council's existing administrative and operational facilities were at the end of their economic use and no longer fit for purpose. Twelve sites were assessed on how to best accommodate Council employees and the associated administrative services to enhance the efficiency of workplace operations and maximise the utilisation of Council facilities.

The analysis explored the potential divestment of surplus Council owned assets to fund a workplace option. Factors influencing the economics of property development in each of the Town Centres were considered. Site location assessment (including planning opportunities), market research and subsequent feasibility modelling was undertaken in relation to required floor space demand to ensure a holistic and commercially realistic outcome.

Due diligence for property acquisition

Due diligence is a regular occurrence for property transactions. Too often purchasers neglect to conduct a full due diligence check on a property. With our multidisciplinary team that includes planners, economists and valuers, our process of evaluating a potential investment seeks to understand the assets true commercial potential and identification of real or perceived risks that could impact the transaction value.

STRATEGIC ASSET MANAGEMENT & DIVESTMENT

Penrith City Council

HillPDA has been engaged by Penrith City Council on numerous assets in their property portfolio. This work for the Council involves:

- Market research and appraisal
- Valuations
- Planning control interpretation
- Economic assessment
- Highest and best use
- Centre revitalisation
- Commercial viability
- Divestment options
- Tender Assessment
- Evaluation and scoring

Notable major development projects include; Penrith Union Road; Penrith Living Well Precinct; Penrith Former Council Chambers redevelopment; Regatta Park; Soper Place Development; Penrith City Park; and Thornton Masterplan.



Strategic asset advisory

Strategic asset planning has become the new normal for property assets. With increased approval times, businesses now explore medium to long term asset positioning. This could be a value-add play and/ or the development of an exit strategy. Our services look at a businesses core objectives and mission statement then, through research and stakeholder consultation work to develop a plan for the asset(s). This may include the highest and best use assessment for an asset, align an asset with long term economic trends or provide advice on how an asset could reposition to meet the changing trends. Our advice and support extends beyond observations and recommendations by providing the development pathway, regularly peer reviewing a strategy, provide project advice to a board or project control group meetings.

HONEYSUCKLE STRATEGIC DIVESTMENT AND ADVISORY

Hunter Central Coast Development Corporation

Hunter Central Coast Development Corporation NSW (HCCDC) is responsible for urban renewal projects across the Newcastle City Centre. Specifically the HCCDC mandate is to activate the city to attract people, jobs and tourism to Newcastle. In parallel the NSW Government is investing more than \$650 million to transform the city centre by strengthening connections between the city and waterfront, creating job opportunities, providing new housing and delivering attractive public spaces connected to better transport.

HCCDC engaged Hillpda to provide strategic advisory services in the divestment of three assets known as Lee Wharf A (ground lease), Lee 5, Throsby and Wickham.

Financial portfolio analysis

The ongoing management of a large property portfolio can be daunting, particularly as property markets change and unforeseen risks present themselves. Variables that frequently change include rents, yields, end sale values, market conditions (macro & micro), market demand and interest rates.

We can assess the actual performance of your portfolio or asset against industry benchmarks, which includes reviewing rents or target hurdle rates. We can also identify underperforming assets and run hypothetical feasibility testing to develop a better financial outcome for the portfolio or specific asset. Some of our major clients include:

- Northern Beaches Council
- Inner West Council
- Blue Mountains City Council
- Canada Bay Council
- Penrith City Council
- NSW Department of Education
- Avid Property Group
- Aboriginal Housing Organisation
- Land and Housing Corporation
- Property NSW
- University of Newcastle
- Australian Turf Club
- Evergrande Properties
- Holdmark Property



Financial viability & structure

Stress testing assets is important to understand its financial viability. We have the capability and experience to review the viability of an existing asset and provide guidance on an appropriate financial structure. This could include looking outside for box for institutional funding, build to rent, Build Own Operate Terminate schemes and Public Private Partnerships.

WATERLOO ESTATE

Land and Housing Corporation (and UrbanGrowth NSW)

UrbanGrowth NSW and LaHC engaged HillPDA to undertake financial feasibility services for the Waterloo Estate and its surrounds. The objective of this work is to rigorously test the financial viability of the design options and test staging impacts. The outcome is to prove a preferred design and development scheme that can be presented in a Business Case to government.

Using a bespoke financial model HillPDA tested numerous development options with varying density and land use mix. HillPDA was able to provide qualitative feedback regarding:

- Each options financial strengths and weaknesses
- Design issues impacting the viability of each option
- Ensuring other project interdependencies such as relocation time and cost was factored into the masterplan
- How staging certain project components assist in ensuring a viable development.

STUDENT ACCOMMODATION AND NEW CAMPUS DEVELOPMENT

University of Newcastle

The University of Newcastle (the University) engaged HillPDA to provide financial advice for the development of the Honeysuckle City Campus Development (HCCD) at 16 Honeysuckle Drive, Newcastle. The primary focus for the financial advice related to the potential external funding options for the Purpose-Built Student Accommodation (PBSA) facility and student accommodation portfolio.

Development feasibility & market analysis

One of the most vexing questions in development is whether there is market demand for a land use. HillPDA's development advisory and market research experts delve into a nominated market or markets using multiple mapping, statistical and research tools along with strong industry contacts. Our research then supports our analysis and advice concerning the degree and timing of demand to assist you in making the correct decisions across retail, residential, commercial, industrial and tourism markets as well as other niche markets.

Based on the market research we can then test the development feasibility options on the site to reality check the preferred design. We can also provide advise for what it would take for a development to be considered viable.

PLANNING DUE DILIGENCE - HIGHEST AND BEST USE ADVISORY

Property NSW

HillPDA has been commissioned by Property NSW on various occasions to provide planning due diligence reports and highest and best use analysis for redundant sites in the NSW Government's property portfolio. This work was undertaken in various locations in metropolitan and regional NSW.

The studies explored the planning and economic grounds for redevelopment including, where in scope, feasibility testing of potential scenarios. The planning advice including outlining the characteristics of the site and reviewing possible scenarios under various planning pathways.

Where in scope, HillPDA undertook economic modelling of the proposed highest and best use scenarios to ensure that what was proposed would be viable from a market perspective. This included market research and FSR viability testing.

The planning due diligence reports and highest and best use planning and economic modelling of various land use scenarios assisted in informing Property NSW on the pathways for each site.

Project governance & delivery

Project governance is an important framework design to achieve an end state that is not only robust but defensible. Our governance framework provides linkages between various strategic, policy and statutory protocols. We can also ensure that staff are equipped with the required information and direction to effectively manage the delivery of a property project. Our governance advice also provides a long-term framework for consistent and transparent decision making and reporting for a portfolio or individual.

PORTFOLIO REVIEW & PROPERTY STRATEGY

Northern Beaches Council

The council amalgamations of Manly, Warringah and Pittwater as Northern Beaches Council (Council) created a large portfolio of land and buildings that serve a range of community, administrative and commercial uses. The consolidated portfolio resulted with 540 buildings and over 2,500 land parcels held by Council.

Council commissioned HillPDA to undertake a strategic property review of Council's portfolio. The objective of this review was to provide the Council with a documented position about the portfolio of land and buildings, including a commentary on every building within the property portfolio, with regards to performance, utilisation, need and provision. The culmination of this project provided Council with a Prioritised Property List for resolution.

The second part of the engagement provided this long-term Property Strategy framework on which to base key portfolio decisions which address how property is utilised, optimised and developed for the long-term benefit of the Northern Beaches, the Council and its community.

EOI / Tender preparation, evaluation and response

Selling quality property assets can be challenging. Whether you are looking to seek expressions of interest, soft marketing or divest a property we can prepare the appropriate tender documentation. This documentation can be mapped back to specific business divestment objectives and align with procurement procedures. We also know the assessment of tenders; particularly the assessment financial offers can be complex. Our experience and expertise can extract this financial information and communicate it clearly to board or approval authority mapped back against clear evaluation objectives and metrics. Our proven process has been noted to save significant amounts of costs to both public and private clients.

DIVESTMENT CLARENCE STREET BURWOOD

Vinter Apartments Pty Ltd

HillPDA was engaged by the owners of 15-19 Clarence Street Burwood to undertake a highest and best use assessment, which subsequently led to divestment advisory. Tasks included:

- Competitive tender and selection process for the engagement of a sales agent
- Input into the Information Memorandum
- Ongoing divestment advisory advice throughout the sales campaign
- Continual management of the EOIs in both the first and second round
- Financial and qualitative assessment of all purchase offers

Our value add was the assembly of a multi-disciplinary team of town planners, valuers, land economists, market researchers, legal, accountancy and sales agents. This team was able to quickly answer complex divestment questions from the vendor, purchasers and agents. The outcome of the divestment was 13 unconditional offers in the first round, and 6 unconditional offers with no due diligence period were received in the second round of EOIs. The site was sold under a put/ call option with extremely favorable terms. HillPDA saved the client in agent fees through our competitive agent tender process. We also helped achieve an additional revenue for the vendor. This revenue was over the estimated market value in a declining market.



Project control / performance monitoring

Development performance monitoring is critical to ensuring a project's cashflow remains positive and aligns with approved budgets. To ensure the business can effectively report on the pipeline expansion, companies often seek a reputable analyst and accounts team to track the performance of a development.

As the architects of the Argus EstateMaster software, we can bring a strong level of oversight to your property development projects. This includes:

- The development of a customised financial model that would act as a proforma for all developments from feasibility to actual. This would include the development/integration with the MYOB or Xero chart of accounts.
- End of month financial reporting, forecasting and actual vs budget checks.

Our team can lead a development's project control group or seamlessly integrate with an existing project control team.

Some of our major clients include:

- FAC'S
- Dacland
- Evergrande
- Avid Property Group
- Stockland
- Woolworths
- Sun Property
- Palm Hills Development Egypt
- Defence Housing

Development approval advisory

The planning process is riddled with red tape, which results in our clients getting stuck and frustrated with many hurdles' property development can impose. We work to provide practical solutions and pathways to ensure a project can continue to progress.

Independent advice & specialist expertise

Whether you are after specific independent property advice or specialist expertise we are here to help.

ASSET PLANNING - SOUTH EAST QUEENSLAND

Department of Defence

HillPDA was engaged to provide the Department of Defence a detailed market analysis and highest and best use for land holdings located in South East Queensland.

This market informed the strategic asset planning for the relocation of Defence units. The second part of the project used the market research to understand the highest and best use of potentially surplus property holdings.

As part of this study, HillPDA delivered:

- Analysis of the current strategic planning context for property holdings.
- Market analysis for residential, retail, hotel and commercial typologies
- Highest and best use of land holdings with consideration of specific planning constraints and site contamination issues
- Accommodation options on existing land holdings that could be used for the relocation of units
- Associated disposal risks to the Department of Defence

Overall HillPDA was able to provide the Department of Defence a clear understanding of the property market, relocation costs, redevelopment options and highest and best use of their assets.

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