

**HILLPDA CONSULTING**

CELEBRATING 30 YEARS

**HILLPDA**  
CONSULTING

# **VALUATION AND FEASIBILITY**

## **CAPABILITY STATEMENT**

BRIDGING THE GAP BETWEEN  
PLANNING, ECONOMICS AND  
PROPERTY ADVISORY

**Martin Hill** - Director - M.Real Estate (UNSW), M.Property Development (UTS), 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, economic impact and cost-benefit analysis, complex property valuations, government policy and economic growth. Martin is a Fellow of Australian Property Institute and a certified property valuer. He has testified as an expert witness on valuation, economic impact, discount cash flow analysis, development feasibility and heritage impact to commercial viability in the NSW Land and Environment Court. Martin has provided financial feasibility advice on many of Australia's most complex urban renewal areas, major master plans and developments.

**Virginia Phillips** - Associate - Adv. Dip. of Property Valuation, M. Property Development (UTS), VAL015544

Virginia is an Associate in HillPDA's Valuation and Advisory team with 15 years' experience in the United Kingdom and Australia. She is a registered Valuer and has provided market research on various land uses and financial feasibility advice on a range of urban renewal areas, major master plans and developments for private and public sector clients. Virginia specialises in Feasibility Analysis, Economic Development, Highest and Best Use Studies, Financial Reporting, Affordable Housing Studies, Voluntary Planning Agreements and Market Research and Demand Studies.

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

Sam joined HillPDA as a consultant in 2015 after working in HillPDA's sister company EstateMaster (now Argus EstateMaster). Sam heads up the development advisory team, but also works in the economic and valuations teams for specific project advice. Sam understands multiple property/ asset disciplines such as planning, valuations and economics and therefore can strike the perfect balance between planning and economics.

**Catherine Huynh** - Senior Consultant - GradDipProDev, AdvDipVal, BComSci, AAPI CPV

Catherine Huynh is a Senior Valuer and has ten years of valuation experience across commercial, retail and residential properties for financial reporting, mortgagee and advisory purposes. In addition, Catherine has a keen interest in development feasibility in particular project analysis, Highest and Best use, Voluntary Planning Agreements (VPA) and advisory of both Greenfields and medium to high density mixed-use/residential development for government and private clients.

**Joshua Smith** - Consultant - M. Property Development. B. Business (UTS)

Joshua has diverse property consultancy experience across a variety of services including development, investment, negotiation, strategic decision-making, financial analysis and divestment. Josh 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 public, private and REIT clients. Specific responsibilities include financial and cash flow modelling, cash flow auditing, real estate document analysis, market studies and reporting.

## THE TEAM OFTEN SEEKS SPECIALIST ADVICE FROM OTHER HILLPDA EXPERTS INCLUDING:

**NICHOLAS HILL**

Land use demand,  
forecasting and GIS

**ADRIAN HACK**

Retail and  
economics

**ELIZABETH GRIFFIN**

Planning, social and  
engagement

**ALEX HRELJA**

Infrastructure  
contributions

WE ARE INDEPENDENT  
FINANCIAL EXPERTS  
WHO PROVIDE A DEEP  
UNDERSTANDING OF  
THE INTRICACIES OF  
FINANCIAL PROBLEMS  
AND HAVE THE ABILITY  
TO COMMUNICATE  
COMPLEX ISSUES IN  
SIMPLE TERMS.

## 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.

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

## HILLPDA IS A LEADING PROVIDER OF INDEPENDENT STRATEGIC PLANNING, ECONOMIC, DEVELOPMENT ADVISORY AND VALUATION SERVICES.

### INDEPENDENT

We are an independent consultancy that provides unbiased and client focused advice in an ethical context. We remain independent from retainers and sales transactions, operating in an advisory role for both the government and private sector.

### MULTI-DISCIPLINARY

We offer the opportunity to draw upon the complex synergy between strategic planning, commercial intelligence and economic know-how. The HillPDA team comprises of social, urban and economic planners, property economists and property valuers thus providing the skills necessary to deliver realistic, practical and innovative solutions.

### COMMUNICATION

We know that the best planning and economic strategies are the ones that are clearly communicated. We pride ourselves on delivering the highest quality documents that are legible, easily interpreted and graphically appealing.

### MODELLING EXPERTS

We set the industry standard in bespoke modelling having developed methodologies and models that are recognised globally. Our models cross multiple disciplines and include EstateMaster (feasibility), the Affordable Housing Calculator, Housing Propensity Model and our Retail Expenditure Model.

### COMMERCIALLY REALISTIC

Our multi-disciplinary firm enables us to deliver commercially grounded planning and economic solutions. We use our understanding and appreciation of the interrelationships between economics and planning, to create strategies that are not only innovative but are grounded by a strong evidence base with ethical justification.

### COLLABORATION

We believe the best ideas emerge from working collaboratively with our clients and key stakeholders to leverage off local knowledge and build a partnership based on communication, trust and quality research. By forming strong relationships with our clients, we can combine our knowledge and work together towards more effective project outcomes.

### THOUGHT LEADERS

We are at the forefront of industry best practices; we don't just follow best practice, we strive to create the 'next practice' as thought leaders and problem solvers. We undertake regular stakeholder engagement including industry and government workshops, surveys and seminars, allowing us to provide the knowledge that supports our clients and provide innovative and realistic solutions.



AS A MULTIDISCIPLINARY FIRM WE ENCOURAGE  
COLLABORATION AND ADDING VALUE TO OUR CLIENT'S  
PROJECTS BY BRINGING IN INSIGHTS FROM OTHER TEAMS.



## Valuation and Feasibility

HillPDA provide industry leading feasibility testing and advisory services. Our services are supported by a strong research-based approach, application of industry endorsed proprietary software, EstateMaster, a deep understanding of the intricacies of financial problems and the ability to communicate complex issues in simple terms.

We analyse development viability with all permutations required.

Our property valuation services use best practice and contemporary financial valuation techniques and theory to ensure our valuation advice is accurate and relevant. Our industry experience, understanding of commercial trends and financial requirements has branded us as leading industry experts for providing independent and unbiased commercial advice for both government and the private sector.

Get in touch:

Martin Hill - Director  
[Martin.Hill@hillpda.com](mailto:Martin.Hill@hillpda.com)

Get in touch:

Virginia Phillips - Associate  
[Virginia.Phillips@hillpda.com](mailto:Virginia.Phillips@hillpda.com)



## Urban and retail economics

Our property economics team offer a large range of urban and retail economic services which are supported by considerable experience, industry accepted in-house economic modelling tools and capabilities. Our comprehensive economic analysis and forecasts have helped our clients across the public and private sectors make better policy, strategy and property decisions.

Get in touch:

Adrian Hack - Principal  
Adrian.Hack@hillpda.com

## Planning and engagement

HillPDA's planning team integrate commercial realism, innovation and deliverability when developing solutions to complex planning problems. Our experts in statutory and strategic planning, urban economics, stakeholder engagement and social infrastructure have been assisting the public and private sectors for over 30 years and have collectively earned a reputation for providing high quality and value-added services.

Get in touch:

Elizabeth Griffin - Principal  
Elizabeth.Griffin@hillpda.com

## Investment and development advisory

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.

Get in touch:

Sam Taylor - Associate  
Sam.Taylor@hillpda.com

## OUR TEAM

### SPECIALISTS

WE ARE A MULTIDISCIPLINARY TEAM OF VALUERS, PROPERTY AND MARKET ADVISORS, FEASIBILITY AND MODELLING EXPERTS.



**MARTIN HILL**

DIRECTOR  
Martin.Hill@hillpda.com



**VIRGINIA PHILLIPS**

ASSOCIATE  
Virginia.Phillips@hillpda.com



**SAM TAYLOR**

ASSOCIATE  
Sam.Taylor@hillpda.com



**CATHERINE HUYNH**

SENIOR CONSULTANT  
Catherine.Huynh@hillpda.com



**JOSHUA SMITH**

CONSULTANT  
Joshua.Smith@hillpda.com



# OUR SERVICES

EXPERIENCE & CAPABILITY

OUR FOCUS IS TO PROVIDE OUR CLIENTS ACROSS ALL LEVELS OF THE PUBLIC AND PRIVATE SECTORS WITH VALUE-ADDING AND TIMELY SERVICES.

## LAND AND PROPERTY VALUATIONS

- Land and property valuation
- Property portfolio valuation
- Pre-purchase or disposal advice due diligence
- Compulsory acquisition and negotiation advice
- Highest and best use appraisal
- Leasehold interest

## FEASIBILITY ASSESSMENT

- Tipping point analysis
- Masterplan Input and strategic advice
- Value capture modelling
- Affordable housing
- Developer contribution

## INDEPENDENT PEER REVIEW

- Voluntary planning agreements
- Financial models
- Developer tender review

## MARKET DEMAND AND TRENDS

- Commercial and retail
- Residential and industrial
- Tourism

## BESPOKE FINANCIAL MODELLING

- Feasibility template model
- Affordable housing calculator

## LAND AND PROPERTY VALUATIONS

HillPDA has been providing property valuation services for over 30 years. As registered valuers, we use up-to-the-minute financial valuation techniques and theory to ensure our valuation advice is accurate and relevant. We offer our property valuation, research and advisory services to corporate and institutional investors, developers and Local and State Government bodies.

---

### Property portfolio valuation

The ongoing management of an extensive property portfolio can be daunting, particularly as property market conditions 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 performance of your portfolio or asset against industry benchmarks, which includes reviewing rents or target hurdle rates. We can value your property for financial reporting purposes or with the assistance of our Development Management team advise on the financial performance of your property portfolio.

### Expert court witness

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, economic impact and cost-benefit analysis, complex property valuations, government policy and economic growth.

He has provided financial feasibility advice on many of Australia's most complex urban renewal areas, major master plans and developments and is a Fellow of API and a certified property valuer.

Martin has testified as an expert witness on valuation, economic impact, discount cash flow analysis, development feasibility, retail demand and heritage impact to commercial viability in the Land and Environment Court. If you have a dispute regarding a development site with a developer or government body and require an independent opinion, HillPDA is here to assist.

### Pre-purchase or disposal advice due diligence

Due diligence is critical 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.

### Compulsory acquisition and negotiation advice

Is your interest in a property affected by a compulsory acquisition? HillPDA can provide an impartial, objective and independent advice on your behalf and maximise the amount of compensation available to you. This does not only include the impact on the value of your property but also other matters of compensation such as the property's special value, professional fees, loss and damage caused, relocation costs or solatium (non-financial disadvantage).

### Highest and best use appraisal

Do you know the full potential of your property? Operating within a changing market, along with reviews to land use zones and planning regulations results in different value outcomes. Here at HillPDA we will consider not only its current use but also its value based on alternative uses which may include re-adaptive/refurbishment, higher density (i.e. townhouses or apartments), affordable housing or student accommodation. HillPDA differs from other consulting firms as our multidisciplinary team that includes planners, economists and valuers will give us insight into many areas that are often overlooked.



## ACQUISITION OF BARTON PARK RESERVE

Department of Primary Industries Lands

HillPDA was commissioned to value the Crown land component of Barton Park Reserve that is Crown Reserve notified for Public Recreation comprising a 33.965 hectare parcel. The NSW Government intended to consider acquisition of the land known as Barton Park from the Bayside Council with commercial negotiations that may require amounts of compensation under the Just Terms Act referred to. The matter may be resolved without litigation, however, the advice was prepared with the anticipation of a contested dispute. The valuation report and advice were intended to facilitate negotiations between NSW Department of Industry – Lands and Bayside Council.

## COMPULSORY ACQUISITION OF WARRINGAH MALL BUS STOP

Transport for NSW

HillPDA was commissioned by Transport for NSW to provide a report and valuation of the compensation for the acquisition of Area 1 and Area 1 as defined under the NSW Land Acquisition (Just Terms Compensation) Act 1991. To acquire narrow sections of land (3) at Warringah Mall along Pittwater Road from the centre owner (Westfield) to facilitate their upgrade of bus services to the Northern beaches (B-Line Program). The land comprises 127sqm (intersection widening), 341sqm for an upgraded bus terminus and a third section for the base of a pedestrian bridge over the road.

## VALUATION OF FORMER SCHOFIELDS AERODROME SITE

Department of Defence

HillPDA was commissioned Department of Defence to provide valuation advice on its Schofields site to facilitate sale negotiations between Defence and Defence Housing Australia who have expressed an intention to acquire the Site through a priority sale submission.

## NSW SCHOOL CLUSTERS STRATEGIC DIVESTMENT AND ADVISORY

Department of Education

HillPDA was engaged in exploring the implications and opportunities of sites throughout NSW from an urban planning perspective and the associated economic drivers to the Department. The Assessment advised on planning and development options for future learning infrastructure, with due consideration given to the financial viability, market dynamics and social implications of each option. Specific sub- regions assessed include:

- Wollongong
- Western Sydney
- Port Macquarie
- Tweed Heads
- Albury/ Griffith
- North Sydney/ Upper North Shore

The project team was multi-disciplinary which included town planners, valuations, land economists, market research and social-economics specialists. The outcomes of the project included:

- Capitalise asset return by understanding the asset tipping point with due regard given to social and community intangible benefits
- Identification and resolution of site benefits, opportunities and risks of boundaries, encumbrances, site constraints, heritage considerations and environment aspects.
- Project informed business cases to NSW Premier and Cabinet
- Use of HillPDA's propriety software Estate Master's product Development Feasibility which calculates key investment performance indicators, performing detailed risk assessments and allowing users to compare multiple options
- This Assessment allowed the Department to make more informed decisions regarding the strategic asset management, acquisition, maintenance and divestment of assets as well as portfolio reporting to the State Government.



## WARRAH SOCIETY PROPERTY PORTFOLIO

Warrah Society

HillPDA undertook the valuation of the Warrah Society Property Portfolio for financial reporting purposes. This also included strategic advice regarding the highest and best use of current assets to better serve the objectives of this non-profit organisation.

## INNER WEST COUNCIL DEPOTS

Inner West Council

Inner West Council engaged HillPDA to prepare a market appraisal and feasibility analysis of the depot sites located in Summer Hill, Leichhardt and Balmain. The hypothetical development analysis was undertaken on the assumption of rezoning to a favourable residential zone with various densities proposed.

The project aim was provide strategic advice for the disposal of Council Assets on the basis of future use which will add to the long term outlook of each precinct consistent with Council objectives.

## PROPERTY PORTFOLIO HIGHEST AND BEST USE ADVISORY

Property NSW

HillPDA was commissioned by Property NSW on various occasions to provide planning due diligence reports and undertake a highest and best use study for redundant sites in the NSW Government property portfolio. The studies explore the planning and economic grounds for redevelopment including feasibility testing of potential scenarios.

The tasks associated with these studies included:

- Prepared the planning advice including reviewing all possible scenarios under various planning pathways
- Undertake economic modelling of the proposed highest and best use scenarios to ensure that what was proposed would be viable from a market perspective
- Undertook market research and floor space ratio viability testing
- We also delivered financial assumptions, EstateMaster financial model summary sheets and residential market research.

## Court Experience

Our experience in providing evidence and acting as an expert witness in the Land and Environment Court proceedings has been in the following:

- The City of Sydney vs Vision Land (Glebe)
- Bunnings vs Ku-ring-gai Council (3M Building Pymble)
- AMP Investments Ltd v Newcastle City Council
- Australand Industrial No.18 Pty Ltd v Auburn Council
- Baker Kavanagh Architects v Botany Bay Council
- Randall Pty Ltd v Willoughby Council
- Terrace Tower Holdings Pty Ltd v Sutherland Shire Council
- Woolworths Ltd v The Warehouse Group Pty Ltd (Villawood)
- Woolworths Ltd v The Warehouse Group Pty Ltd (Warwick Farm)
- Woolworths Ltd v The Warehouse Group Pty Ltd (Orange)
- Xenos Jordan v Theo Balgowlah
- Mars Capital Corporation Pty Ltd v Sutherland Shire Council
- Totem Centre Redevelopment Balgowlah v Manly City Council
- LEC Proceeding 30669 of 2004 - Alstonville
- Pavlakis v Shoalhaven Council
- Stadion Pty Ltd v Blacktown City Council
- 52 Taren Pt Rd Pty Ltd v Sutherland Shire Council
- Multari v Roads and Traffic Authority
- DEM (Aus) Pty Ltd v Pittwater Council Expert Witness
- Kingswood North West Surveys Pty Ltd v Penrith City Council





## MARKET DEMAND AND TRENDS

An important component of development is understanding demand and market drivers. HillPDA's valuation and feasibility experts can delve into a nominated market or markets using multiple mapping, statistical and research tools along with reliable industry contacts. Our research then supports our analysis and advice concerning the degree and timing of demand to assist you in making the correct decision. Our expert team provides insight across retail, residential, commercial, industrial and tourism markets along with other niche markets.

### CENTRAL STATION BLUEPRINT MARKET RESEARCH

Transport for NSW

HillPDA was commissioned as part of a broader suite of studies and research to inform the Central Station redevelopment. The Study was co-ordinated by Transport for NSW, with input from other consultants including architectural, urban design, planning, transport, and heritage and cost experts.

HillPDA's role was to provide a two-staged report as follows:

- Stage 1: undertake research to better inform the preparation of development options and assumptions for the feasibility assessment
- Stage 2: test the financial viability of these preferred options.

The report determined that Central is an attractive market due to a combination of factors; being in the middle of the metropolitan area, on multiple rail lines with regular trains to all parts of Greater Sydney. The strong market in recent times has seen apartment prices rise, making residential the most viable land-use option.

The Study also determined the market research we have conducted in this location appears to allow, over time, for a higher quality mixed-use multi-faceted offering which will allow the design team to plan with certainty a destination which has the ability to take advantage of the vibrant local community, the growing new community as well as for visitors through tourism and day visits. The vital component of being a transport hub and a centralised vehicular and pedestrian destination adds to the value of the offering.

### EDGECLIFFE MARKET RESEARCH AND ANALYSIS

Anka Property Group

HillPDA was commissioned by Anka Property Group to undertake a market, demographic and industry research to help scope the development of two sites located in Edgecliff. One site is purposed to include 100% commercial and the second site would be a mixed-use development. The audience of this report was for internal purposes to make informed urban design provisions and appropriate land use mix.

In order to undertake the market research, HillPDA undertook the following steps:

- Defined a project boundary and associated precincts to be included in the market analysis
- Provided a tailored economic analysis to help identify key macro and micro-economic trends that are having/may have the potential to influence the future development
- Prepared a concise analysis of existing demographic data and population projections, including but not limited to a review of the 2016 NSW Government population, household and dwelling projections and information available on Profile.Id and Economy Id
- Provided an overview of the existing socio-economic characteristics using a quantitative and qualitative approach at an LGA level
- Provided an overview of the likely socio-economic characteristics of the future community using a quantitative and qualitative approach at an LGA level
- Undertook a market appraisal on residential, retail and commercial property, residential apartments. In addition we analysed residential development site sales to determine likely dollar per unit end sale values.



## LEASEHOLD INTERESTS

Leasehold interests are complex and demanding to understand and value. HillPDA has been involved in some of the largest and most complex leasehold cases in Australia. The purchase of leasehold can cost a great deal of time and money, and a HillPDA valuation and advice in the process will assist in reducing costs and time. Protection of the interest of local and State Government in leasehold purchase or sale negotiations is a HillPDA offer.

### 8-10 LEE STREET, SYDNEY LEASEHOLD STRATUM INTEREST VALUATION

Department of Environment, Land, Water and Planning

To provide development feasibility due diligence for the planned redevelopment of a leasehold property, subject to a notional lease-back to the owner-occupier (Atlassian) with identification of market rents floor by floor and other market value conclusions.

### 66 HARRINGTON STREET, THE ROCKS

Property NSW

HillPDA was engaged to undertake a valuation based on two assumptions: 'as is' as a six-storey mixed-use building (retail and office) on the assumption of a lease-back proposition to a major Government tenant and 'as if complete' stratum subdivision.

### 157 GLOUCESTER STREET, THE ROCKS

Property NSW

HillPDA was engaged to undertake a valuation of Science House, 157 Gloucester Street, The Rocks which is circa 1931 built heritage-listed building of seven-storeys comprising multi-tenanted commercial office accommodation and vacant space within the roofline space.

### 16-18 GROSVENOR STREET, THE ROCKS

Property NSW

HillPDA was engaged to undertake a valuation of a circa 1912 built heritage-listed of four storeys of office accommodation on a vacant possession for disposal purposes.

### VALUATION OF LESSOR'S INTEREST

Property NSW

HillPDA was engaged to undertake a valuation of the lessor's interest of the following properties: – Holiday Inn Ground Lease, 55 George Street, The Rocks – Quay West Car-Park Stratum – Novotel Rockford, Darling Harbour – Shangri-La Hotel Ground Lease The assessment was on the assumption of 10, 20 and 30-year lease terms and on the remaining term as per the Crown lease.

### CEREBRAL PALSY ADMINISTRATION OFFICE

Allambie Heights Cerebral Palsy Alliance

HillPDA was engaged to undertake a valuation of the freehold and leasehold value of the Cerebral Palsy Alliance Administration Office, 187 Allambie Road, Allambie Heights for financial reporting purposes. The land is zoned 'SP1 - Special Activities: Health Services Facilities' under the Warringah Local Environmental Plan 2011, and there have been no recent transactions of this nature and of this size. Under State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004, land zoned as a special use may fall under this SEPP. Therefore, we undertook a summation approach and we also assumed a hypothetical senior living development.





## FEASIBILITY ANALYSIS

HillPDA provide industry leading feasibility testing and advisory services. Our services are supported by a strong research-based approach, application of industry endorsed proprietary software, EstateMaster, a deep understanding of the intricacies of financial problems and the ability to communicate complex issues in simple terms.

### Tipping point 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 advice or a 'tipping point' for what it would take for a development to be considered viable. This can be achieved through increases in the gross floor area of the development or through value capture mechanisms like voluntary planning agreements.

### Master plan input and strategic advice

HillPDA has provided advice on the financial feasibility to support the direction of significant masterplans across Australia for over 30 years. We use the sophisticated Estate Master property software and support our modelling with robust market research, a databank of market-tested assumptions and performance benchmarks. Our advice seeks to help realise a masterplan's potential by ensuring it is not simply a case of 'will it work' but 'how best will it work' which is fundamental to the realisation of a sustainable and cohesive development that supports the highest and best use of the land that embraces the landowner's vision.

### Value uplift and value capture modelling

HillPDA are experts in understanding value capture, where the benefits of an uplift in planning controls or infrastructure are shared between land owners and the Government or local Council. This is a critical mechanism in order to fund public investment to maximise community benefits.

HillPDA is in a unique position, where we are able to collaborate across our planning, valuation, property economic and advisory teams to better understand the base case and to devise innovative methods of value capture. This theoretical view is then backed by HillPDA's strong financial modelling skills to ensure market research-based viability.

### Affordable housing and developer contributions expert advice

Martin Hill, our Director set up the first community housing scheme in Sydney and his efforts in affordable housing recently earned him the UTS Chancellor's alumni award for excellence. Martin is an advocate for affordable housing and the positive social outcomes of an all-inclusive community.

HillPDA offers a high level of sophistication in housing analysis and strategy development to support council's initiative to meet affordable housing targets. HillPDA also provides strategic direction by way of economic feasibility to support local council's facilitation of development contributions which will be used to pay for social benefits in local communities.



## MILITARY ROAD CORRIDOR PLANNING STUDY FEASIBILITY TESTING

North Sydney Council

HillPDA's planning team completed the Military Road Corridor Economic Baseline and Strategy Report. The findings of this report identified the Neutral Bay Town Centre as a vibrant local centre with a highly valued village atmosphere but one that is currently losing local jobs as commercial uses are being replaced by new residential uses. During the initial consultation, the community also identified several public benefits that would enhance the Town Centres operation and attractiveness. It is thought these public benefits might be incorporated in the Town Centres future vision and funded in part as conditions of consent for new development and site amalgamations, and or collected through development levies for new infrastructure.

HillPDA's financial team provided feasibility analysis to support the ideas presented in the Planning Study. The financial feasibility assessment ran viability testing on the entire town centre, tested concept proposals for unsolicited developments, assessed three density options for the Town Centre and associated value capture benefits. The findings informed the MRCPS "Future Directions Paper".

## DOUBLE BAY TOWN CENTRE ECONOMIC FEASIBILITY STUDY

Woollahra Council

HillPDA prepared the Double Bay Economic Feasibility Study, which was commissioned by Council to investigate opportunities for increased residential development within Double Bay Commercial Centre. Council highlighted the underlying intent of the Study was to attract a younger demographic of 'city makers' into the Centre to enhance its vitality and viability and explore why substantial new development is presently not occurring in the Centre.

The report recommended to achieve Council's intent the proposed planning controls densities would be required to increase to facilitate a mixed-used development.

## KINGSFORD TO KENSINGTON DEVELOPMENT CONTRIBUTION SCHEME

Randwick City Council

The Study was commissioned by the City of Randwick to advise of the financial viability of Options for four identified Sites in the Kensington and Kingsford South East Light Rail Line Corridor. HillPDA undertook an analysis of the current market values, value uplift and a financial assessment of proposed development contributions.

The report contained details of our market analysis for each of the sites. This Study was reported in three stages:

**Market advice:** Stage 1 provided market advice on the test Sites in the Study Area. The advice informed land purchase prices used in the feasibility analysis.

**Assessment of value uplift:** Stage 2 involved testing a hypothetical development feasibility based on revised planning controls. The feasibility analysis identified the total value uplift achieved on each selected Sites. The advice informed the viability of the four sites and the potential community infrastructure contribution.

### Development and infrastructure contributions assessment:

Stage 3 tested the total affordable housing percentage, community infrastructure contributions (\$/sqm) and Section 94A development contributions for each site based on the revised planning controls outlined in Stage 2. Stage 3 informs the viability of the sites; also it informed the total net planning capacity and affordable housing contribution.





## WOOLLAHRA COUNCIL CAR PARKS AFFORDABLE HOUSING FEASIBILITY ASSESSMENT

Woollahra Council

In 2014, Woollahra Municipal Council commissioned HillPDA to investigate the redevelopment of two car parks at Wilberforce Avenue and Ian Street, Rose Bay (Subject Site).

The original project examined the feasibility of redeveloping the Subject Site to include community space, car parking, and residential apartments. In 2016 Council agreed on an Option, which was to lease the Subject Site under a Project Delivery Agreement (PDA) in return for 37 car spaces, 153sqm Retail and a 99 year lease of the residential stratum.

HillPDA's Study provided recommendations on:

- Advice on the outcome of the feasibility studies tested
- Contribution rate(s) for inclusionary zoning provisions
- Cash contribution generated by adjustments to the affordable housing rates.

The outcomes and recommendation from this Study provided the evidence to allow Council to make an informed decision with regard to the cash contribution they would receive with the inclusion of varying levels of affordable housing. The results of the financial feasibility models highlight the reduced cash contribution (RLV) the developer can afford to pay Council given the introduction of AFH units. As more AFH units are incorporated into the development the cash contribution Council receives decreases. Importantly, the proposed cash contributions rates are based on a robust feasibility analysis to demonstrate how the contribution rates can achieve the affordable housing objectives without unacceptable impacts on development feasibility.

## RHODES EAST AFFORDABLE RENTAL HOUSING EVIDENCE REPORT

City of Canada Bay

The purpose of this Evidence Report was to support the City of Canada Bay in its desire to deliver a 5% affordable rental housing target for key workers within the Priority Precinct of Rhodes East.

Specifically, this Report, along with the Affordable Housing Program and updated Affordable Housing Policy would be crucial in calculating and justifying the affordable housing contribution rates and the delivery mechanisms available to Council and developers.

HillPDA understood that significant work had already been undertaken by the Council to assist in the facilitation and delivery of more affordable housing and therefore worked collaboratively with the local affordable housing experts within Council to build on this invaluable body of work. The study provided the evidence of the need for affordable housing in the LGA.

HillPDA investigated three methodologies that could be used by Council and/ or a private developers to calculate the contribution made towards affordable housing within Rhodes East. These methodologies or tools are outlined as follows:

- Monetary contribution analysis and testing
- Dwelling in-kind analysis and testing
- Land contribution analysis and testing.
- Dwelling in-kind analysis and testing.

Underpinned by the outcomes of these methods, HillPDA prepared a robust Affordable Housing Program that was practical and easy to implement.

The report has been used to support council's application to allow an affordable housing contribution levy at Rhodes East.

## INDEPENDENT PEER REVIEW

HillPDA are leaders in the industry and our peer review is able to provide assurances around the accuracy, consistency and transparency of the financial modelling and an independent opinion on the validity of the assumptions and methodology used.

---

### PEER REVIEW OF A DEVELOPMENT FEASIBILITY STABLES RANDWICK

Randwick Council

HillPDA was commissioned to undertake a peer review on a financial feasibility analysis which has been undertaken on a master planned site in Randwick to assess the financial feasibility of a 5% contribution towards affordable housing on this site. This peer review would assess the variables used in the analysis including estimated sales prices, cost of finance, construction costs and profit margin. A short report on the outcomes of this review including comments on reasonable profit margins expected in light of the affordable housing contribution.

### WATERLOO ESTATE PRECINCT FEASIBILITY STUDY PEER REVIEW

Land and Housing Corporation and UrbanGrowth NSW

HillPDA was engaged by UrbanGrowth NSW (UGNSW) to carry out a peer review of financial modelling undertaken with respect to the proposed redevelopment of the Land & Housing Corporation's Waterloo Estate. The purpose of HillPDA's peer review is to provide assurance around the accuracy, consistency and transparency of the financial modelling and an independent opinion on the validity of the assumptions and methodology used.

HillPDA was also asked to conduct a preliminary market sounding. Five major developers, capable of undertaking single or multiple stages of the super lot development were approached and asked for their opinions on the project.

The report was able to verify that on the whole the inputs were appropriate for project being at the preliminary stage. However, we did identify a number of assumptions which we believed warranted further review and investigation in the next stage of the project. The report also provided nine detailed measures which UrbanGrowth could adopt to further mitigate risk.

### IVANHOE ESTATE RFP PEER REVIEW

Land and Housing Corporation

HillPDA assisted LAHC in the preparation of the RFP including the Modelling benchmarks and acting as an expert on the tender review panel.

The purpose of HillPDA's peer review is to provide assurance around the accuracy, consistency and transparency of the financial modelling and an independent opinion on the validity of the assumptions and methodology used. HillPDA was required to review and prepare feasibility studies based on the provided Joint Venture Project Delivery Agreement (PDA) structures.

### EDMONDSON PARK TENDER REVIEW - FEASIBILITY AND RETAIL ADVICE

UrbanGrowth NSW

HillPDA were engaged to review the Edmondson Park tender documents.

The assessment of the tenders was for the delivery of the Edmondson Park Town Centre and the review encompassed the proposed retail and commercial mix and type, development feasibility and appropriateness of the proposed delivery of the Town Centre. Tenders were received from the following four companies:

- Payce
- Walker
- Stockland
- Australand

This exercise also included the review of "Retail Demand and Centre Vitality Study" prepared by Urbis.

## VOLUNTARY PLANNING AGREEMENTS AND VALUE CAPTURE

HillPDA are experts in understanding value capture, where the benefits of an uplift in planning controls or infrastructure are shared between land owners and the Government or local Council. This is a critical mechanism in order to fund public investment to maximise community benefits.

HillPDA has been involved in varying degrees of value capture from policy review to advice on the facilitation of commercial negotiations between developers and consent authorities for matters such as VPA negotiations with direct benefit for public works priorities created by new property developments.

### MACQUARIE PARK TALAVERA RD, MERITON SITE

City of Ryde

HillPDA was commissioned by City of Ryde Council to undertake an assessment of added value under a planning proposal from Meriton and value of benefits including affordable housing under a VPA.

### MACQUARIE PARK KHARTOUM RD, DENSITY UPLIFT VPA

City of Ryde

HillPDA undertook a review of a VPA offer by Stocklands and the supporting valuation report (provided by the developer). HillPDA provided market research and valuation rationale which provided guidance on the evaluation of land associated with the pedestrian link and road dedication.

HillPDA successfully facilitated the Council's negotiations with Stocklands regarding the adoption of an appropriate land value rate.

### ST PETERS PRECINCT 75

Inner West Council

HillPDA was Commissioned by Inner West Council to provide VPA advice for a site at 75 Mary Street St Peters known as Precinct 75. HillPDA provided analysis of the value uplift for added density in a scheme containing 15% Affordable Housing.

### REVIEW OF GEORGES RIVER POLICY ON PLANNING AGREEMENT 2016

Georges River Council

HillPDA was engaged by Georges River Council to undertake a review and update their Planning Agreements Policy August 2016. Under this review Council sought advice in relation to following issues:

Advice regarding the Voluntary Planning Agreements (VPA) for development applications that do not comply with clause 4.4 of the Local Environmental Plans (LEPs).

Review the Planning Agreements Policy August 2016. This review would: update the best practice methodology for planning agreements and update the Residual Land Values for six stated commercial centres and provide RLV's for Kogarah North, Beverley Hills and Riverwood commercial centres



## BESPOKE FINANCIAL MODELLING

Profitable projects are born in the viability of the land. The decision whether to purchase an asset or proceed with a property development should be carefully examined by HillPDA's experts. The team's strong research-based approach and application of industry-endorsed proprietary software, EstateMaster, facilitates the analysis of development viability with all of the permutations required to generate profit and save valuable time and money.

At HillPDA we believe in life-long learning, research and development. We are renowned for our innovative approach to our projects and the tools we develop to support our studies. Many of these tools have become successful products in their own right.

### LAND AND HOUSING CORPORATION FEASIBILITY TEMPLATE MODEL

Land and Housing Corporation

HillPDA assisted Land and Housing Corporation (LaHC) in the development of a customised financial model that would act as a proforma. The customised financial model would set the standard format and assumptions to be used in future internal and external feasibility analysis. HillPDA's approach was to design a simple to use customised financial model that would be a proforma in EstateMaster Software. The proforma would ensure that all financial models undertaken for LAHC are transparent and consistent for all users. Discussions with LAHC have confirmed three proforma financial models are required:

1. High Level Feasibility Model:

The purpose and application of this model would be to conduct initial due diligence feasibility on potential redevelopment (single or multi stage) project.

2. Standard Feasibility Model:

The purpose and application of this model would be to conduct feasibility testing on a redevelopment project that has a concept masterplan (generally a simple redevelopment of up to 500 dwellings developed in single or two stage development process.

3. Multi-Staged Feasibility Model:

The purpose and application of this model would be to conduct the feasibility testing on a redevelopment project that has a concept and /or detailed masterplan for a complex mixed use redevelopment of up to 7000 dwellings developed in up to 20 stages.

### COMMUNITIES PLUS PRELIMINARY FEASIBILITY TESTING AND PANEL ASSESSMENT

Land and Housing Corporation

The financial modelling informed the viability of the potential typologies of each precinct with various current land uses i.e. ranging from industrial to residential/mixed use. The other purpose was first to understand the tipping point of making the projects feasible and secondly to understand the capacity to withstand developer contributions. HillPDA assisted LAHC in the preparation of the RFP including the Modelling benchmarks, the project delivery methods and acting as an expert on the tender review panel.

### BESPOKE FINANCIAL MODELLING

Australian Turf Club

HillPDA was commissioned by Australian Turf Club to confidentially prepare a financial model assessing various development options for a large tract of land located in Sydney. A confidential project to prepare a financial model assessing various development options for a large tract of land located in Sydney. The purpose of the model will be to inform initial discussions with a major education institution and later with NSW Government. The financial model will enable an assessment of potential land value for future use of land for residential and University purposes, including an allocation to affordable housing and student housing.



Sydney  
02 9252 8777  
Sydney@hillpda.com

Melbourne  
03 9629 1842  
Melbourne@hillpda.com

[hillpda.com](http://hillpda.com)

**HillPDA**  
CONSULTING

CELEBRATING  
**30 YEARS**