

20 August 2021

Will Wang
CM+

Sent via email: wwang@cmplus.com.au

Dear Will

Re: Warwick Farm Structure Plan Economic Feasibility Testing

CM+ is leading a multi-disciplinary team to review and refine the draft Warwick Farm Structure Plan on behalf of Liverpool City Council which was recently placed on public exhibition.

Atlas Urban Economics ('Atlas') has been engaged to test the economic feasibility of three nominated sites identified for change in the draft Warwick Farm Masterplan.

Background

Warwick Farm (the Precinct) is mainly subject to an R2 Low Density Residential zone with a small portion zoned R3 Medium Density Residential. A large parcel of land zoned B5 Business Development fronts the Hume Highway. An industrial area (zoned IN1 General Industry) adjoins the Precinct to the south. The Rosedale Oval is centrally located within the Precinct.

The Warwick Farm Racecourse (owned by the Australian Turf Club) for thoroughbred horse racing directly adjoins the Precinct to the northeast.

Existing buildings and uses in the Precinct are generally dominated by horse stables, with existing dwellings either converted into horse stables or purpose-built as horse accommodation. These horse stables are co-located with the Warwick Farm Racecourse for obvious reasons, being a short walking distance to training and racing facilities at the Racecourse.

While there are properties within the Precinct that are not utilised as horse stables, the majority of properties are observed to have an equine-related use.

An analysis of sales activity suggests premiums are paid for properties that are purposed as horse stables compared to properties that are occupied as single residential dwellings. The use and capital investment in some of the properties have implications for the structure plan as follows:

- **Cost to consolidate land for development**

The cost to consolidate land for development is a key driver of development feasibility. The higher the cost to consolidate a development site, the greater the density required for development to be feasible (subject to market demand).

- **Cost to acquire land for local infrastructure**

When land is acquired for a public purpose and subject to compensation under the Land Acquisition (Just Terms Compensation) Act 1991, there are a number of heads of compensation that would be applicable. 'Market value' is one of these heads of compensation.

Given the current use and capital investment in some of the properties, a significant compensation entitlement could result from 'relocation' and 'disturbance loss', i.e. financial costs that may result from the acquisition relating to actual use of the land. These compensation amounts could potentially exceed the 'market value' head of compensation.

If a site is only partially acquired, the compensation entitlement to 'severance loss' could also be significant.

A snapshot of the preferred structure plan which indicates sites the subject of economic feasibility testing is in **Figure 1**.

Figure 1: Snapshot of Draft Warwick Farm Structure Plan



Source: CM+

The draft structure plan envisages maximum heights of 15 storeys (near the Warwick Farm train station) with higher FSRs proposed closer to the train station.

The Warwick Farm precinct is subject to flooding issues, necessitating the balance of cut and fill, with existing road levels requiring to be raised to address flood evacuation requirements.

A draft local contributions plan has been prepared to accompany the structure plan and planning proposal for Warwick Farm. The proposed s7.11 contribution rates are outlined in **Table 1**.

Table 1: Warwick Farm draft s7.11 Contribution Rates

Infrastructure Item	per 1b dwelling	per 2b dwelling	per 3b+ dwelling	per sqm non-residential GFA
Community facilities	\$1,135	\$1,450	\$1,954	-
Open space and recreation facilities	\$14,579	\$18,629	\$25,108	-
Roads and active transport facilities	\$9,573	\$12,233	\$16,488	\$1,109
Drainage facilities	\$639	\$816	\$1,100	\$9
Plan administration and management	\$183	\$233	\$314	\$14
Total	\$26,109	\$33,361	\$44,965	\$1,132

Source: GLN

The draft s7.11 contribution rates are notably higher than contributions required in other non-greenfield areas, being greater than the \$20,000 contributions cap. These 'higher than usual' development contributions have implications for development feasibility of sites in Warwick Farm. This issue is explored next.

Economic Feasibility Testing

The section examines the economic feasibility of development yields proposed in the draft structure plan. The testing additionally considers the implications of lower s7.11 contribution rates (assumed at \$20,000 per dwelling). The testing is therefore carried out in the following steps:

- Step 1 - Test the required feasibility thresholds of select sites assuming draft s7.11 contributions rates in **Table 1**.
- Step 2 - Assuming lower s7.11 contribution rates (\$20,000 per dwelling), test the required FSR for development to be feasible.

The Hypothetical Development approach is undertaken is the method of feasibility testing. The approach involves assessing the total potential revenue, deducts development costs and makes a further deduction for the profit and risk that a developer would require to take on the project.

For redevelopment to be feasible to pursue, a site's value as a development site needs to not only exceed its value in existing use but provide an incentive for a redevelopment to displace the existing uses. The analysis therefore examines the value of the sites tested in their existing use and compares them against their value as potential development sites.

Sites Tested

Figure 2 indicates the sites nominated for economic feasibility testing - Site 4, Site 12 and Site 14+15.

Figure 2: Draft Warwick Farm Structure Plan Development Blocks



Source: CM+

Table 2 provides a summary of the nominated sites and their existing planning controls.

Table 2: Potential Development Yields, Nominated Sites

Site (Address)	Site Area (sqm)	Existing FSR	Comments
Site 4 (14, 16, 18 Munday St)	6,264	0.5:1	Existing single dwellings and associated stabling facilities. Proposed mixed use development with non-residential GFA (at approx. 12%).
Site 12 (10 Stroud Ave)	8,008	0.5:1	'Crown Lodge' horse training and stabling facilities (125 boxes, 16 semi-open yards, heated swimming pool). Proposed residential development.
Site 14+15 (240 Governor Macquarie Dr)	29,308	0.75:1	Vacant site zoned B5 Business Development.

Source: CM+, Atlas

Key Performance Indicators

In assessing if a development is feasible, key performance indicators and metrics relied upon are development margin¹ and project IRR².

The objective of feasibility testing is to assess if development margin and project IRR are within acceptable range. Where development is found to result in either development margin or project IRR falling below the acceptance range, it is concluded the development is not feasible.

Benchmark hurdle rates and their 'feasible' ranges for each development typology are indicated in **Table 3**.

Table 3: Benchmark Hurdle Rates

Indicator	Feasible	Marginal	Not Feasible
Development Margin	>20%	18%-20%	<18%
Project IRR	>18%	16%-18%	<16%

Source: Atlas

Testing Outcomes

Table 4 indicates the results of Step 1 and 2, which are, the minimum FSR required for feasible development of the tested sites assuming the draft s7.11 contribution rates and assuming s7.11 contributions at \$20,000 per dwelling.

Table 4: Step 2 and 3 Feasibility Testing Outcomes, Nominated Sites

Site (Address)	Site Area (sqm)	Min. FSR (at draft s7.11 rates)	Min. FSR (at \$20,000/dwelling rates)
Site 4 (14, 16, 18 Munday St)	5,559	FSR 2.9:1	FSR 2.5:1
Site 12 (10 Stroud Ave)	4,178	FSR 2.0:1	FSR 1.6:1
Site 14+15 (240 Governor Macquarie Dr)	8,008	FSR 1.9:1	FSR 1.7:1

Source: Atlas

Feasibility testing indicates that significant increases to FSR are required for development to be feasible. Key reasons include:

- Relatively high cost of land (owing to existing uses and many of the dwellings used for business purposes).
- High draft s7.11 contribution rates (\$25,000 to \$45,000 per dwelling) owing to flood mitigation and local infrastructure works.
- The relatively immature nature of Warwick Farm as a market for high density living. Immature markets typically have a lower willingness to pay for apartment product, thereby imposing a 'market constraint' on the height of buildings. Buildings are more expensive to construct as they become taller.

Implications for the Structure Plan

In locations where there is an established market for higher density living (e.g. Liverpool and Parramatta CBDs), there is market willingness to pay higher prices for apartments in taller buildings. This enables taller buildings (and higher densities) to be viably developed. In contrast, in markets where attitudes towards high density living is immature or emerging, market willingness to pay for apartment living will be 'capped' by the cost of lower density housing formats (e.g. townhouses, detached dwellings). For example, if a detached 3-bedroom dwelling on a 700sqm block is available at \$700,000, it would be challenging for a 3 bedroom apartment to achieve similar pricing.

As buildings become taller, they are more expensive to construct. The cost of construction for a 20 storey apartment building in Warwick Farm is not dissimilar to elsewhere in Sydney where market attitudes towards higher density living may be more mature. There is therefore a minimum cost to construct apartment buildings regardless of market demand. In locations such as Warwick Farm where higher density living is less established, densities such as those achieved in major centres such as Liverpool and Parramatta CBDs are unlikely to be viable. Accordingly, higher densities are not necessarily a viable solution to overcoming the 'high' contribution rates tested.

¹ Development Margin is profit divided by total costs (including selling costs)

² Project IRR is the project return on investment, where the discount rate where the cash inflows and cash outflows are equal

It is a reality that not all sites will be feasible for redevelopment in established urban areas such as Warwick Farm. Properties with capital-intensive improvements could be very valuable in their existing use and may not be likely candidates for redevelopment.

It will therefore be necessary for the Structure Plan to focus on 'key sites' or sites that are integral to the effective urban renewal of the precinct. Key sites could be sites that are critical for infrastructure delivery and those that are of significant scale that could 'influence' development momentum and/ or transform the precinct as envisaged by the structure plan.

We trust you find the foregoing useful in refinement of the draft Warwick Structure Plan.

Yours sincerely

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Feasibility Testing Assumptions

Project Timing

The site is assumed to be appropriately zoned. Masterplanning is assumed to be progressed immediately upon settlement and span 9 months. Thereafter a development application is assumed to occur with pre-sales occurring shortly thereafter.

Demolition and construction are assumed from Month 24 in stages spanning 12-18 months depending on stage. The project is assumed to be completed in 2.5 to 3 years depending on centre scenario after a 24 month lead-in period.

Development Yields

Feasibility testing is undertaken of notional development yields on the three nominated sites.

Residential Yield

Unit mix and average internal areas:

- 1 bedroom units (20%) - 60sqm.
- 2 bedroom units (70%) - 75sqm.
- 3 bedroom units (10%) - 105sqm.

Parking Requirements

Parking ratios assumed at (sourced from Liverpool DCP 2014):

- Retail and commercial floorspace - 1 space per 30sqm GFA (blend of retail and commercial parking ratios).
- Residential floorspace:
 - 1 bedroom units - 1 space per unit.
 - 2 bedroom units - 1.5 spaces per unit
 - 3 bedroom units - 2 spaces per unit.
 - Visitor parking - 0.25 spaces per unit.

Revenue Assumptions

Average end sale values are adopted based on market research and analysis.

- Non-residential - \$6,000/sqm:
- Residential:
 - 1 bedroom units - \$550,000 (or \$9,100/sqm).
 - 2 bedroom units - \$700,000 (or \$9,300/sqm).
 - 3 bedroom units - \$850,000 (or \$8,100/sqm).

It is assumed that 75% of the apartments would be pre-sold prior to completion of construction and the balance would be sold post completion at an average rate of 4-6 units per month.

Other revenue assumptions:

- GST is excluding on non-residential sales and included on the residential sales.
- Sales commission at 2.5% and marketing costs of 1.0% on gross sales.
- Legal cost on sales included at 0.25% on gross sales.

Cost Assumptions

- Assumed cost of land (based on high level desktop estimate) of existing value plus a premium to incentivise sale.
- Legal costs, valuation and due diligence assumed at 0.5% of land price and stamp duty at NSW statutory rates.
- Construction costs are estimated with reference to cost publications and professional experience:
 - Retail/ commercial construction (warm shell) assumed at \$2,000/sqm of building area
 - Residential construction assumed \$2,250/sqm to \$2,750/sqm of building area, balconies at \$1,000/sqm.
 - Basement car parking at \$50,000 per car space.
- Construction contingency at 5%.
- Provisional allowance for lead-in and services infrastructure at 2% of construction costs.
- Professional fees and application fees at 10% of construction costs.
- Statutory fees:
 - DA fees of 1% of construction costs.
 - CC fees of 0.5% of construction costs.
 - Long service levy of 0.35% of construction costs.
 - s7.12 contributions (as proposed) - \$26,109 (1 bedroom), \$33,361 (2 bedroom), \$44,965 (3 bedroom) and \$1,132/sqm non-residential GFA.
- Finance costs:
 - Land value assumed as equity contribution with balance funded at interested capitalised monthly at 6% per annum.
 - Establishment fee at 0.35% of peak debt.

Hurdle Rates and Performance Indicators

Target hurdle rates are dependent on the perceived risk associated with a project (planning, market, financial and construction risk). The more risk associated with a project, the higher the hurdle rate.

Key hurdle rates assumed for the feasibility modelling are 18% discount rate (effective) and 20% development margin.

If the resulting profit from this feasibility analysis is sufficient to meet the target hurdles (target development margin and discount rate), the project is considered financially viable for development.

15 November 2021

Will Wang
CM+

Sent via email: wwang@cmplus.com.au

Dear Will

Re: Warwick Farm Economic Feasibility Testing - Response to Submissions

Liverpool City Council (**Council**) recently placed the Warwick Farm Structure Plan (**the Structure Plan**) on public exhibition.

Atlas Urban Economics (Atlas) was engaged as part of a multi-disciplinary team led by CM+ to prepare the Structure Plan. Atlas carried out Economic Feasibility Testing (**the Original Advice**) that assisted with the development of built form densities in the Structure Plan.

Council has received submissions that query the validity of the assumptions adopted in the Economic Feasibility Testing. This letter outlines and responds to the issues raised. This letter should be read in conjunction with the Economic Feasibility Testing dated 20 August 2021.

Construction Cost Assumptions

Submissions note the construction cost assumptions in the Economic Feasibility Testing are too low. They raise the following points:

- Cost of construction for higher density residential development is too low.
- Rider Levett Bucknall benchmark figures (as at Q4 2020) state that buildings up to 10 storeys (with lift) cost between \$2,850/sqm and \$3,850/sqm, some 34% higher than Atlas' range of \$2,250/sqm to \$2,750/sqm.
- Construction contingency of 5% and zero project/ design contingency is materially insufficient. Industry norm is 10% and 10% respectively.
- No allowance for site works, drainage and lead-in infrastructure services/ works which should be in addition to the construction and contingency figures above. [Atlas: We highlight that a provisional amount of 2% was assumed for site works and lead-in infrastructure. It is therefore incorrect that there was no allowance made.]

The Atlas cost assumptions were developed based on market observations (i.e. the build cost in comparable projects and markets) and past experience. While the build costs are a critical input to the overall cost of construction, it is necessary to consider building construction in totality (including basements, balconies, professional fees, etc.) and how the overall costs compare in the context of the relevant market (in this case Warwick Farm).

The cost of construction is necessarily reflective of respective market conditions, i.e. how much a developer can expect to sell apartments for. A 9 storey residential building in a market such as Warwick Farm would be expected to generate much lower sales revenue compared to a 9 storey residential building in a market like say Chatswood.

While Atlas used an approach of 'building up' the cost from separate items (e.g. build construction, basement and balconies, site works and lead-in, professional fees, etc), the feasibility testing validated/ sense-checked the overall costs with reference to market observations to ensure they were reasonable in the context of the market in question.

Table 1 tabulates the overall construction costs for the nominated Sites 4, 12 and 14+15 that resulted from the 'built up' cost assumptions.

Revenue Assumptions

The following average end sale values were adopted based on market research and analysis.

- Non-residential - \$6,000/sqm
- Residential:
 - 1 bedroom units - \$550,000 (or \$9,100/sqm).
 - 2 bedroom units - \$700,000 (or \$9,300/sqm).
 - 3 bedroom units - \$850,000 (or \$8,100/sqm).

A submission takes issue with the revenue assumptions, suggesting they are overstated by 15% (1 and 2 bedroom units) and by 20% (3 bedroom units).

The adopted revenue assumptions are acknowledged to be at the higher end of sales currently observed in Warwick Farm. Though, the following are relevant to note:

- Urban renewal brings with it transformation to the ground plane and thereby lifting the desirability of an area.
- An improvement in the desirability of an area lifts its market desirability and therefore market willingness-to-pay for residential units.
- The revenue assumptions only apply in Year 2/3 onwards in the modelling timeframes, after allowing for design, application and approvals. Accordingly, comparing the above adopted assumptions to current day sales is not a like-for-like comparison, as current day price levels would conceivably be higher in two or more years' time.

In the same manner that the cost assumptions had regard to broader market considerations, the adoption of revenue assumptions were made in the context of the overall feasibility testing considerations. This is considered next.

Economic Feasibility Testing Outcomes

Based on the adopted cost and revenue assumptions, the feasibility testing outcomes resulted in the respective residual land values* (RLV) outlined in **Table 3**.

Table 3: Economic Feasibility Testing Outcomes, Nominated Sites

Site (Address)	Site Area (sqm)	Residual Land Values* (\$/sqm GFA)	
		s7.11 - \$20,000/ dw	s7.11 - draft rates
Site 4 (14, 16, 18 Munday St)	5,559	\$706	\$626
Site 12 (10 Stroud Ave)	4,178	\$761	\$636
Site 14+15 (240 Governor Macquarie Dr)	8,008	\$875	\$773

Source: Atlas

*A residual land value (RLV) is the maximum price a developer would be prepared to pay for a site in exchange for the opportunity to develop the site while achieving target hurdle rates for profit and project return. For there to be an incentive to develop, the RLV must exceed the value of the existing use (representing a premium) so as to 'displace' that use.

If the submissions are correct, i.e. the cost assumptions are understated and the revenue assumptions are overstated, the resultant RLVs would have been inflated. This would then lead to a conclusion of insufficient FSR being required for feasible development to occur.

An analysis of development sites in Warwick Farm and Liverpool indicates sale prices of between \$600/sqm GFA and \$1,200/sqm GFA. The analysis is contained in Schedule 1. The RLVs assessed in the feasibility testing fall within the lower end of the range (which is unsurprising given the higher cost of s7.11 contributions). Accordingly, this does not suggest the RLVs in **Table 3** are inflated due to understated cost assumptions and overstated revenue assumptions.

Having regard to development activity in the overall markets of Warwick Farm and Liverpool, we are confident the various adopted assumptions (in totality) and resultant outcomes in the Original Advice were reasonable.

Staging, Programme and Financing Assumptions

A submission notes that the development staging, program and financing assumptions are optimistic. It further notes that holding and financing costs are likely to be much higher.

The following assumptions were made with respect project timing and staging:

- Site assumed to be appropriately zoned.
- Masterplanning (or design) progresses immediately upon settlement and spans 9 months.
- A development application is assumed to be lodged thereafter with off-the-plan sales commencing shortly thereafter.
- Staged construction is assumed from Month 24 and spans 12-18 months depending on scale of the stage. Larger projects would obviously be staged over a longer period and could be comprised of *multiple* 12-18 month stages.

We consider the above to be reasonable assumptions for the Economic Feasibility Testing to have made. Holding costs, financing costs and interest expense for the nominated sites can be observed in **Table 1**.

Sales take-up is assumed at 4-6 units per month. This is based our review of sales activity, which is summarised in Schedule 2. The take-up of units in **Table 5** ranges from 4-8 per month, with up to 12-20 per month in exceptional circumstances. A take-up assumption of 4-6 units per month in the Original Advice is therefore considered reasonable.

Statutory Fees and Implications for Development Feasibility

The submissions comment that:

- Statutory fees (s7.11 rates) in excess of the \$20,00 cap are very high, ranging from \$26,000 (1-bed) to \$45,000 (3-bed).
- Atlas then propose additional FSR (from 1.6:1 to 2.0:1) to make development viable, as if to say that additional FSR alone is the solution. Yet the Atlas report concludes by saying "higher densities are not necessarily a viable solution to overcoming the high contribution rates tested".

The issues raised above are valid. The draft s7.11 rates are in fact high in comparison to other areas in Sydney, but this is due to the extent of infrastructure required to facilitate development in Warwick Farm.

As the Original Advice highlighted, in markets where market attitudes towards higher density living is emerging, market willingness-to-pay is constrained. As buildings get taller they are more expensive to construct. The Original Advice made the observations that higher densities were not necessarily a viable solution to overcoming the 'high' contribution rates.

Notwithstanding, an increase in FSR was expected to assist to ameliorate the impact of the 'high' contribution rates and therefore higher densities were recommended. Higher densities do assist, however their 'assistance' is considered to be limited. This is to say that while increased density can assist, significantly increased densities to say FSR 6:1 would likely result in built forms that are not viable to deliver (revenue unable to offset higher cost of construction).

The Original Advice observed that in reality that not all sites will be feasible for redevelopment in established urban areas such as Warwick Farm. Properties with capital-intensive improvements could be very valuable in their existing use and may not be likely candidates for redevelopment.

It was therefore necessary for the Structure Plan to focus on 'key sites' or sites that are integral to the effective urban renewal of the precinct. Key sites could be sites that are critical for infrastructure delivery and those that are of significant scale that could 'influence' development momentum and/ or transform the precinct as envisaged by the Structure Plan.

We trust this assists to provide clarification to Council on the issues raised in the submissions.

Yours sincerely

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Analysis of Development Site Sales

Table 4: Development Site Sales

Address	Zone	Site Area (sqm)	FSR	GFA (sqm)	Sale Price (Sale Date)	\$/sqm GFA
36 Remembrance Ave Warwick Farm	R4	1,669	2:1*	3,338*	\$3,893,000 (Apr 2021)	\$1,170
The site is a block of 12 single and two storey townhouses held under single title located approximately 300m south-west from Warwick Farm train station. The site sold without consent or a DA lodged. The analysis reflects a potential 11 storey residential flat building.						
12-14 Sheahan St Warwick Farm	R4	1,100	1.5:1*	1,650*	\$1,800,000 (Mar 2021)	\$1,100
The site comprises two adjoining dwellings at the end of a <i>cul-de-sac</i> located west of Warwick Farm train station (outside Study Area). The site sold without development consent or an application lodged. The analysis reflects a potential 7 storey residential flat building.						
4-6 Drummond St Warwick Farm	R4	2,024	2.8:1*	5,691*	\$3,600,000 (Jul 2019)	\$690
The site comprises a dwelling and 6 attached single storey villas located west of Warwick Farm train station (outside Study Area). The site sold without development consent. Subsequent approval was achieved for demolition and construction of 70 apartments (17 x 1br, 47 x 2br & 6 x 3br) over two levels of basement car parking. The approved 2.8:1 FSR is above the permissible 2:1 FSR under the Liverpool LEP.						
11-13 Castlereagh St & 14-16 Copeland St Liverpool	R4	1,654	2.46:1^	4,070^	\$3,155,000 (Dec 2020)	\$775
The site comprises four residential dwellings located to the north of Liverpool City Centre. The site sold with existing development consent for demolition and construction of an 8-9 storey residential flat building comprising 48 apartments (11 x 1br, 32 x 2br & 5 x 3br) over two basement levels. The site is burdened by a board sewer running through the centre and a 300sqm parcel for RMS redemption.						
15-17 Pearce St Liverpool	R4	1,542	1.5:1*	2,312*	\$1,300,000 (Apr 2020)	\$560
The site comprises two adjoining dwellings located to the south-west of Liverpool City Centre. A DA was subsequently submitted in May 2021 for demolition and construction of a 4 storey residential flat building to comprise 30 apartments (4 x 1br and 26 x 2br) over a single level of basement car parking. The applied FSR 1.5:1 includes a bonus 0.5:1 for the inclusion of affordable rental housing units.						
1-9 Anderson Ave Liverpool	R4	3,372	1.5:1*	5,058*	\$4,000,000 (Jun 2019)	\$790
The site comprises five adjoining dwellings purchased 'in one line' and located in a residential street to the south-west of Liverpool City Centre. The site sold without development consent. Subsequent development approval was obtained in October 2020 for demolition and construction of a 5 storey residential flat building to comprise 63 apartments (15 x 1br, 43 x 2br and 5 x 3br) over two levels of basement car parking for 78 vehicles. The applied/ approved FSR 1.5:1 includes a bonus 0.5:1 FSR for the inclusion of 50% affordable rental housing units under the SEPP (2009). The sale includes a delayed 12 month settlement.						
20-22 Hume Hway Warwick Farm	R4	3,372	2.05:1	2,148*	\$1,720,000 (May 2019)	\$800
The site comprises a vacant block of land located on a major roadway in between Warwick Farm train station and Liverpool City Centre. The site sold without development consent or an application lodged. without development consent. The analysis reflects a potential multi dwelling development with the inclusion of bonus FSR 0.05:1 in accordance with Clause 2A of the Liverpool LEP.						
61 Goulburn St Liverpool	B4	733	2.5:1	1,833*	\$2,262,500 (Dec 2019)	\$1,200
The site comprises a block of 6 strata titled flats located in Liverpool City Centre. The site sold without development consent. The analysis reflects a potential a potential 11 storey mixed use development under the Liverpool LEP.						
148 George St Liverpool	B4	3,609	10:1	36,090	\$28,000,000 (2020)	\$780
The site is a vacant block of land in Liverpool City Centre. The site sold without consent or DA lodged. Under the Liverpool LEP, the site is subject to a min. non-residential FSR 2.5:1 with no height limit. The analysis assumes potential mixed use development to the max. FSR.						

*Permissible or Applied ^Approved

Source: RP Data/ Realcommercial.com.au/ Atlas

The analysed development site sales demonstrate a typical GFA rates of \$600/sqm to \$1,200/sqm of permissible or approved GFA. The sale of 148 George Street Liverpool is a larger capital investment reflecting the Liverpool City Centre location with a higher maximum FSR 10:1 and no building height limit.

Analysis of Residential Market Activity

Table 5: Off-the-Plan Project Sales

Address	Yield (dwellings)	Marketing/ Avg. Rate of Sale	Sale Prices	\$/sqm Internal Area (sqm)	Anticipated Completion
'Lidcombe Rise' 36 Church Street Lidcombe	376 (total) 220 (market) 156 (social)	Mar 20-Oct 21 (5 per month)			2022
1 Bed			\$535,000-\$650,000	\$9,500-\$11,500	
2 Bed			\$735,000-\$835,000	\$9,600-\$10,000	
3 Bed			\$840,000-\$930,000	\$8,600-\$9,000	
'The Retreat - Celeste' Building C, 2 Canning Street Lidcombe	131	Sep 20-Oct 21 (8 per month)			Q4 2021
1 Bed (0-1)			\$575,000-\$710,000	\$11,500-\$12,700	
2 Bed (1-2)			\$850,000-\$965,000	\$10,600-\$11,800	
3 Bed (1-2 car)			\$985,000-\$1,030,000	\$10,200-\$10,600	
'Melrose Park Village' Victoria & Wharf Road Melrose Park	1,080	2017-2021 (12-20 per month)			2022
Studio			\$300,000-\$350,000	\$7,500-\$8,800	
1 Bed, 1 Car			\$550,000-\$650,000	\$10,500-\$12,500	
2 Bed, 1-2 Bath, 1 Car			\$600,000-\$780,000	\$8,000-\$9,800	
3 Bed, 2 Bath, 1 Car			\$1,030,000-\$1,600,000	\$8,200-\$10,900	
'Auburn Square' Stage 1 35 Northumberland Road Auburn	148	Jul 20-Oct 21 (4 per month)			2022
1 Bed, 1 Car			\$490,000-\$556,000	\$9,600-\$9,800	
2 Bed, 1 Car			\$560,500-\$690,000	\$7,200-\$8,400	
'The Hoxton' 311 Hume Highway Liverpool	303	Nov 2020-Apr 2021 (16 per month)			2023
2 Bed			\$518,000-\$599,000	\$6,700-\$8,400	
2 Bed + Study			\$560,000-\$606,000	\$6,800-\$7,400	
3 Bed			\$684,000-\$693,000	\$7,200-\$7,300	

Source: Various