

Mount Wellington Community Church Site Development



“A new community centre which will provide the physical scaffolding to support, enable and strengthen social and spiritual bonds for members of our community.”

— Mount Wellington Community Church

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SECTION 1

“We are a caring, dynamic, multi-cultural family sharing God’s love with our community”.

“We want this to be a place of connection”.

“Me mahi tahi tātou mo te oranga o te katoa.
We must work together for the well-being of all”.

— Pastor Russell Grainger

1. Project Vision

In July 1996, Mt Wellington Community Church was started with new vision and a new way of doing Church. The vision of the Church was, and still is —

“We are a caring, dynamic, multicultural family sharing God’s love with our community”.

We wanted the Church to be the ‘go-to’ place in the community. If anyone in Mt Wellington had a physical, emotional or spiritual need we wanted the Church to be the first place they called. It is our desire to provide a place to be the hub of the community.

To a large extent this vision is well on the way to being realised with the establishment of our community centre, Te Ao Ngākau, which provides meals, programmes, budgeting advice and a listening ear to those in our community.

The Church building and our other buildings are used by a diverse range of community groups, for weddings and funerals, public meetings, birthday parties, sewing groups, political parties, MP constituent’s clinics, corporate recruiting, the Breast Screening Unit, ADHB clinics, and much much more. There is a huge demand and we could rent it out more if we had more rooms.

The name of our community centre is Te Ao Ngākau which means “Heart and Soul” as this is what we want to be. With our café, medical centre, playground, meeting rooms and community gardens we want this to be a place of connection. A place of belonging for all those in our community.

The Maungakiekie-Tāmaki Local Board have commissioned a number of community needs assessments over the years and one thing that comes back very loudly is that there is no ‘centre’ or ‘heart’ in this area, and a real dearth of meeting places.

The intensification of housing in the area includes the addition of over 350 new Kāinga Ora homes into the community within 1 km of the centre, with little or no additional community amenity spaces to serve those residents.

This new community centre will help by providing a desperately needed social hub in the centre of the community.

“It will provide the physical scaffolding to support, enable and strengthen social and spiritual bonds for members of our community”.

— Mount Wellington Community Church



2. Introduction

Mount Wellington Community Church is leading the development of their 2,427m² site on the corner of Waipuna Road and Mt Wellington Highway. The proposal incorporates the adjacent (Southwest) site currently owned by Kāinga Ora and borders the Auckland Council reserve to the north.

The proposed development aims to provide much needed social housing for the neighbourhood, a local hub where the community’s medical and social needs can be met and rejuvenate the disused and abandoned Council pocket park.

The masterplan for the site provides:

- 18 one and two-bedroom social houses (leased to a local Community Housing Provider)
- A 2,130m² pocket park and playground
- A 370m² medical facility
- A 500m² community centre and cafe

This document serves to summarise the project for aligned stakeholders and philanthropic foundations debt/equity providers and to establish partnerships for the project’s next steps.



“The Maungarei Community Christian Trust, Russell and his team, have become the “heart” of this community”.

— Josephine Bartley
Auckland Councillor - Maungakiekie-Tāmaki ward

3. Overview & Vision

Mount Wellington Community Church was established in 1996 with a foundational heart for serving the local community. Its early days focused heavily on meeting the needs of the local neighbourhood with the establishment of a playgroup for local parents and children, a community centre and free lunches.

Over the last 25 years the church has purchased three additional parcels of land, giving it a key footprint within its community. Today the church is led by Pastor Russell Grainger and continues its strong social mandate through providing counselling, budgeting, and fellowship ministries to those in need.

The church operates community services across its 1950's former buildings and a 1950's hall. All are nearing the end of their economic life and are now not highest-and-best use for the neighbourhood, and provide poor amenity to deliver the church's operations.

With a drive to better serve the local community and meet their needs, Mount Wellington Community Church has developed a masterplan for the site.

The vision for the project is much much more than a set of facilities for MWCC. The project is designed to serve all members of the local community. Significant consultation with the stakeholders has been undertaken, with relevant groups and individuals invited to workshops and meetings to contribute ideas and provide feedback. Engagement and support has been offered by local government, Auckland Council, Kainga Ora, Community Housing providers, and local business representatives.

The project will extend the MWCC mission to the community by:

Addressing the significant lack of warm, dry, safe and affordable housing in the Mount Wellington area

Providing a central hub where locals can have their medical and wellness needs served

Serving the community with their social needs through counselling, budgeting and fellowship meetings



Indicative Development Scheme
 A — Social Housing
 B — Medical Hub
 C — Community Centre

4. Masterplan

A Social Housing

Mount Wellington is one of Auckland's suburbs struggling most with dramatically increased housing costs, poor levels of housing stock and a lack of amenity in new developments.

To address this, 18 new social houses have been designed to cater for both smaller households (primarily retirees) and families. These homes will provide a warm, dry, safe, secure and affordable place for up to 45 residents with significant investment in shared amenity.

Through a partnership with Auckland Council and Auckland Transport, the opportunity exists to incorporate the 2,130m² corner site, currently grassed and relatively inaccessible, to become a central pocket park for this community and surrounding families (recognising the lack of park facilities within walking distance of this site)

The homes will be designed to minimum of Homestar 6 and will be operated by a registered Community Housing Provider (CHP). Expressions of interest have been received from three CHPs with strong values alignment to the Mount Wellington Community Church. Penina Trust is one of the CHPs engaged with who have serve the needs of many people in the immediate area local to the site.

B Medical Hub

Recognising the strong social needs of the local community, a medical hub has been designed to ensure easy and accessible care for local residents. This hub will provide a home for the local GP and pharmacy in addition to providing strong links to the social programmes to be run from the integrated community centre.

The adjacent site at 216 Mount Wellington Highway is owned by Kainga Ora and a Sales and Purchase Agreement has been drafted to provide an option to acquire the site on a deferred basis after an pepper-corn rental period to enable the development of the site.

C Community Centre

A 500m² community centre will provide a new base for Mount Wellington Community Church to operate its social and community services from. This aspect of the site will provide space for counselling services, budgeting advice, fellowship gatherings, community lunches, youth activities, church services, a cafe and a hall for hire to meet other community needs.

Indicative development scheme from Mt Wellington Highway and Waipuna Rd intersection.





In partnership with Bethnal Green Mission Church, Thornsett completed this award-winning development of 15 apartments and church, youth and community facilities.

SECTION 2

5. Capital Cost Summary

The development is projected to cost \$23.74M in total (including GST, the purchase of the adjacent land and the value of the currently owned land). This has been developed in conjunction with Home Construction Limited, a nationwide social housing and community facility construction firm.

The residential build of this project will pioneer a new affordable housing construction methodology resulting in lower build costs and higher living standards.

Detailed development assumptions are summarised in the Appendices.

\$	Medical	Community	Residential 1 BR	Residential 2 BR	Total
GFA (m2)	463	694	690	483	2330
Building cost	1,852,000	2,776,000	2,760,000	1,932,000	9,320,000
Demolition costs	70,000	70,000	70,000	70,000	280,000
Civils costs	395,000	395,000	633,336	316,668	1,740,004
Infra growth charges	0	0	180,000	90,000	270,000
Dev contributions	0	0	240,000	120,000	360,000
Fitout costs	231,400	347,100	0	0	578,500
Dev overheads	382,260	538,215	728,667	481,734	2,130,876
Contingencies	344,034	484,394	491,850	325,170	1,645,448
Finance costs	158,646	48,012	226,812	226,812	660,283
Escalation	109,176	153,718	140,682	140,682	544,259
Build cost subtotal	3,542,516	4,812,439	5,471,348	3,703,066	17,529,369
GST	-	-	960,654	695,412	1,656,067
existing land value	1,345,916	1,345,916	580,265	580,265	3,852,361
Land value to be bought from KO			352,750	352,750	705,500
Total build cost	4,888,432	6,158,354	7,365,018	5,331,494	23,743,298



6. Commercial Summary

Residential

Recent government policy changes with respect to the provision of Income Related Rent Subsidies (IRRS) have required Mount Wellington Community Church to form a partnership with a Community Housing Provider to deliver the project (as compared to simply partnering via a long-term lease over the 18 houses).

A Special Purpose Vehicle (SPV) will be established to allow for the CHP and Mount Wellington Community Church to co-own the social housing component of the site. This will see both parties contributing equal shares of the \$12.70m residential portion of the project and sharing the revenues, operating expenses and the development and operating risks.

This entity would enter into an IRRS agreement with the Ministry for Housing and Urban Development, which attracts a 15 year government backed guarantee. The CHP will have full responsibility for day-to-day operation of the site and the provision of wrap-around services to the families. Both parties will share the capital gain and operating surpluses of this commercial entity.

MWCC’s investment in the SPV is forecast to have an Internal Rate of Return of 7.96%. Full commercial assumptions are outlined in the Appendices.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$										
Operating - residential										
Residential rental revenue	651,794.01	677,865.77	704,980.40	733,179.62	762,506.80	793,007.07	824,727.35	857,716.45	892,025.11	927,706.11
Less residential rates	-42,080.02	-42,921.62	-43,780.05	-44,655.65	-45,548.77	-46,459.74	-47,388.94	-48,336.71	-49,303.45	-50,289.52
Less residential insurance	-21,536.28	-21,967.01	-22,406.35	-22,854.47	-23,311.56	-23,777.79	-24,253.35	-24,738.42	-25,233.18	-25,737.85
Residential operating cashflow	588,177.71	612,977.14	638,794.00	665,669.49	693,646.47	722,769.54	753,085.07	784,641.32	817,488.47	851,678.75

Detailed development assumptions are summarised in the Appendices.



Community and Medical Hubs

Mount Wellington Community Church will own and operate the building containing the medical and community hubs. Long-term leases will be secured with the local GP and pharmacy to underwrite these revenue streams. These parties will pay their pro-rata share of rates, insurance and maintenance. The medical facility is projected to have an IRR of 8.65% in line with commercial expectations.

The community facility is projected to have modest revenue streams reflecting the ‘for purpose’ design of the facility.

The dual commercial / social nature of the medical and community facilities will enable a degree of cross-subsidisation to occur. Full commercial assumptions are outlined in the Appendices.

\$	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating - community										
Community rental revenue	61,261.82	63,712.30	66,260.79	68,911.22	71,667.67	74,534.38	77,515.75	80,616.38	83,841.04	87,194.68
Less community insurance	-10,404.00	-10,612.08	-10,824.32	-11,040.81	-11,261.62	-11,486.86	-11,716.59	-11,950.93	-12,189.94	-12,433.74
Community operating cashflow	50,857.82	53,100.22	55,436.47	57,870.41	60,406.05	63,047.52	65,799.16	68,665.46	71,651.09	74,760.93
Operating - Medical										
Medical rental revenue	200,113.31	208,117.84	216,442.55	225,100.25	234,104.26	243,468.43	253,207.17	263,335.46	273,868.88	284,823.63
Carpark rental	53,863.68	56,018.23	58,258.96	60,589.31	63,012.89	65,533.40	68,154.74	70,880.93	73,716.17	76,664.81
Medical operating cashflow	253,976.99	264,136.07	274,701.51	285,689.57	297,117.15	309,001.84	321,361.91	334,216.39	347,585.04	361,488.44

Detailed development assumptions are summarised in the Appendices.



7. Financial Summary

Residential

The residential SPV will be jointly funded with the Community Housing Provider and Mount Wellington Community Church, each contributing \$6.35m of the projected \$12.70m residential development cost.

Of the Mount Wellington Community Church share, \$1.16m will come from its contribution of the land for the project (1,528m² at \$1,662per m²), with the remaining \$5.19m financed through debt.

Residential SPV- 50% Share		
Equity (land)	\$	1,160,530
Debt	\$	5,187,726
Donations	\$	-
Total Build Cost of the Residential Project for the SPV		
	\$	6,348,256

Community and Medical Hubs

The \$11.05m cost of the joint facility will be funded through Mount Wellington Community Church’s \$2.7m of land value contribution, \$4.8m of donations and \$3.5m of debt.

The operating cashflow surpluses of the medical facility enable it to earn a high internal rate of return of 8.65%. However, when combined, the facilities have a slightly lower Internal Rate of Return of 4.37% due to the low internal rate of return from the community facility.

Community and Medical Projects

Equity (land)	\$	2,691,831
Debt	\$	3,542,516
Donations	\$	4,812,439
Total Build Cost of Medical and Combined Project for the SPV		\$ 11,046,786

Combined

When the Mount Wellington Community Church’s investment in the residential SPV and the medical/community assets are assessed together they provide joint financial covenants of:

- Year 1 DSCR = 1.11
- Year 1 LVR = 0.49
- Internal Rate of Return = 5.84%

(DSCR: Debt Service Coverage Ratio)

In partnership with Bethnal Green Mission Church, Thornsett completed this award-winning development of 15 apartments and church, youth and community facilities.





8. The Ask

In order to unlock the social outcomes from the development, financial support is required for this project.

Donations

Target: \$4.8m

Philanthropic grants will be sought from community foundations, and the Christian community fundraising, bequeaths, grants and key individuals.

Concessionary Debt

Target: \$3.5m

Concessionary lending to be sought from values aligned parties.

Base case lending terms:

- Interest rate: 3.0%, interest only for the first 7 years
- Tenure: 20 years

Debt – Impact Investment

Target: \$5.19m

To be raised from lending institutions with an awareness of social needs and the complexities of not-for-profits.

Base case lending terms:

- Interest rate: 5.5% for five years, increasing to 6.5% by year 10
- Tenure: 20 years

Conditional letters of support are sought at this time from philanthropic and lending partners to enable the project to progress.

Hawke & King Development, Melbourne. Joint venture between the 8th Day Baptist Church and the Brunswick Group



9. Next Steps

Following securing conditional letters of support for the required capital, the project will progress with:

- CHP partner confirmation and terms
- Progression with MHUD to confirm IRRS contract and operating supplement
- Establishment of DevCo structures
- Establishment of project delivery team
- Progression into concept design
- Conditional agreement from MHUD re IRRS contract to SPV
- Formalise S&P with Kāinga Ora
- Formalise process of pocket park amalgamation with Auckland Council and Auckland Transport
- Formalise leases with doctor and pharmacy

Organisations involved include:
Mount Wellington Community Church
Community Finance
Gemelli Consulting
Jasmax
Kāinga Ora
Auckland City Council





In partnership with Bethnal Green Mission Church, Thornsett completed this award-winning development of 15 apartments and church, youth and community facilities.

APPENDICES

Cost Assumptions

	Medical	Community	Residential
Unit build cost per m2	\$ 4,000	\$ 4,000	\$ 4,000
Fitout	\$ 231,400	\$ 347,100	\$ -
Infrastructure growth charge	\$ -	\$ -	\$ 30,000
Development contribution	\$ -	\$ -	\$ 40,000
Demo	\$ 70,000	\$ 70,000	\$ 140,000
Civils per unit	\$ 395,000	\$ 395,000	\$ 105,556
Development overheads	15%	15%	20%
Contingencies	13.5%	13.5%	13.5%
Unit size	463m2	694m2	65m2
Units	1	1	18
GST Payable	0	0	15%

Revenue Assumptions	
Residential Housing	An average of \$470 pw leased to a CHP for 18 units at 100% occupancy, based on median rent for similar properties in Mt Wellington+ 36.5% IRRS allowance
Medical Hub	\$400/m2 based on a comparative market assesment
Community Space	\$16,640 p.a. based on \$40/hr, 2 hours a day, 4 days a week. This recognises that there are a large number of community / church / school halls nearby and reasonably low cost
Café Lease Revenue	\$40,000 net profit. This effectively assumes that the cafe is leased to an external party for \$40,000 p.a. or the cafe is run at a breakeven, but pays rent to itself of \$40,000 p.a.
Carpark Rental	4% of carpark site estimated land value amount (\$1.245M)

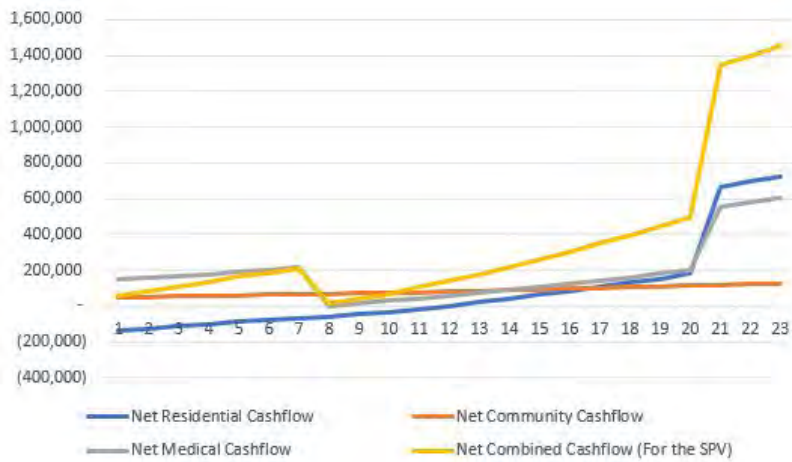
Operating Expense Assumptions	
Housing	Maintenance passed on to the tenant, CHP/MWCC Split Insurance and rates
Medical	Based on our CMA (Comparative Market Assessment) the tenant would pick up any pass-through expenses.
Community	Due to the nature of the community spaces there would be expenses for this property, however there are likely to be significant marginal expenses for hiring on an hourly basis
Café	Church will however pay for insurance on an annual basis Based on our CMA the tenant would pick up any pass-through expenses. If the tenant was the Church then these would be offset by cafe income.

Component	Assumption	Source
Residential build rate	\$4,000/m²	Home
Community/Medical build rate	\$4,000/m²	Home
Residential units	18	–
Average residential unit sizes	69m²	–
Commercial/church size	1,157m²	–
Infrastructure growth charge	\$15,000/unit	Watercare
Development contribution	\$20,000/unit	Auckland Council
Demolition costs	\$280,000	BBD
Residential civils	\$53,000	BBD
Commercial/church civils	\$395,000	BBD
Medical and Community Overheads	15%	Home
Residential Overheads	20%	Home.
Contingency	13.5%	Gemelli
Rental rate per week	\$470 +IRRS 36.5%	Tenancy Services
Rates p.a.	\$20,223	Auckland Council
Insurance p.a.	\$10,000	moneyhub.co.nz/house-insurance.html
Maintenance p.a.	\$750	Internal estimate
Commercial rental	\$400/m²	CMA
Community centre rental	\$16,640	Gemelli
Cafe net profit p.a.	\$40,000	Gemelli
Construction finance rate	5.3%	Home.
Fixed finance rate (5 years)	5.5%	Community Finance
Long-term average interest rate (Year 10)	6.5%	Community Finance
Total finance term	20 years	Standard practice
Cost inflation rate	2.0%	rbnz.govt.nz
Rental income inflation	3.3%	Stats NZ
Capital gains rate	6.0% (4.0% + inflation)	reinz.co.nz

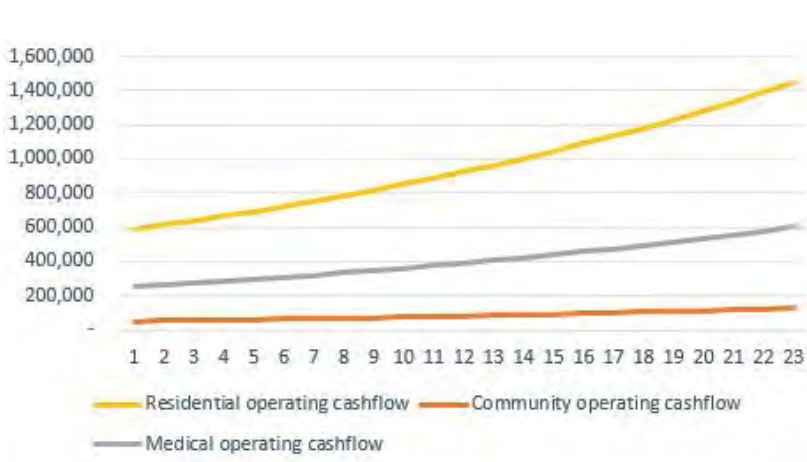
\$	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating - Residential										
Residential rental revenue	651,794.01	677,865.77	704,980.40	733,179.62	762,506.80	793,007.07	824,727.35	857,716.45	892,025.11	927,706.11
Less residential rates	-42,080.02	-42,921.62	-43,780.05	-44,655.65	-45,548.77	-46,459.74	-47,388.94	-48,336.71	-49,303.45	-50,289.52
Less residential insurance	-21,536.28	-21,967.01	-22,406.35	-22,854.47	-23,311.56	-23,777.79	-24,253.35	-24,738.42	-25,233.18	-25,737.85
Less residential maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Residential Operating Cashflow	588,177.71	612,977.14	638,794.00	665,669.49	693,646.47	722,769.54	753,085.07	784,641.32	817,488.47	851,678.75
Spv's Share	294,088.85	306,488.57	319,397.00	332,834.75	346,823.24	361,384.77	376,542.54	392,320.66	408,744.24	425,839.37
Less Interest	-285,325.00	-277,142.00	-268,509.00	-259,401.00	-249,792.00	-248,370.00	-245,785.00	-241,939.00	-236,723.00	-230,012.00
Less Repayments	-148,780.00	-156,963.00	-165,596.00	-174,705.00	-184,313.00	-191,524.00	-199,626.00	-208,706.00	-218,862.00	-230,208.00
Total Funding	-434,105.00	-434,105.00	-434,105.00	-434,106.00	-434,105.00	-439,894.00	-445,411.00	-450,645.00	-455,585.00	-460,220.00
Net Residential Cashflow	-140,016.15	-127,616.43	-114,708.00	-101,271.25	-87,281.76	-78,509.23	-68,868.46	-58,324.34	-46,840.76	-34,380.63
Operating - community										
Community rental revenue	61,261.82	63,712.30	66,260.79	68,911.22	71,667.67	74,534.38	77,515.75	80,616.38	83,841.04	87,194.68
Less community insurance	-10,404.00	-10,612.08	-10,824.32	-11,040.81	-11,261.62	-11,486.86	-11,716.59	-11,950.93	-12,189.94	-12,433.74
Community Operating cashflow	50,857.82	53,100.22	55,436.47	57,870.41	60,406.05	63,047.52	65,799.16	68,665.46	71,651.09	74,760.93
Less Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less Repayments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Community Cashflow	50,857.82	53,100.22	55,436.47	57,870.41	60,406.05	63,047.52	65,799.16	68,665.46	71,651.09	74,760.93

\$	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating - Medical										
Medical rental revenue	200,113.31	208,117.84	216,442.55	225,100.25	234,104.26	243,468.43	253,207.17	263,335.46	273,868.88	284,823.63
Carpark rental	53,863.68	56,018.23	58,258.96	60,589.31	63,012.89	65,533.40	68,154.74	70,880.93	73,716.17	76,664.81
Medical operating cashflow	253,976.99	264,136.07	274,701.51	285,689.57	297,117.15	309,001.84	321,361.91	334,216.39	347,585.04	361,488.44
Less Interest	-106,275.48	-106,275.48	-106,275.48	-106,275.48	-106,275.48	-106,275.48	-106,275.48	-106,275.48	-99,470.71	-92,461.80
Less Repayments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-226,825.69	-233,630.46	-240,639.37
Total Funding	-106,275.48	-106,275.48	-106,275.48	-106,275.48	-106,275.48	-106,275.48	-106,275.48	-333,101.17	-333,101.17	-333,101.17
Net Medical Cashflow	147,701.50	157,860.58	168,426.03	179,414.09	190,841.67	202,726.35	215,086.43	1,115.22	14,483.87	28,387.27
Net Combined Cashflow (For the SPV)	58,543.18	83,344.37	109,154.49	136,013.24	163,965.95	187,264.64	212,017.12	11,456.33	39,294.20	68,767.58
Combined Medical and Community Net Cash Flow	198,559.33	210,960.80	223,862.49	237,284.50	251,247.71	265,773.87	280,885.59	69,780.67	86,134.96	103,148.21
Capital Gains for Medical and Community	0.00	745,607.17	790,343.60	837,764.22	888,030.07	941,311.88	997,790.59	1,057,658.03	1,121,117.51	1,188,384.56
	198,559.33	956,567.97	1,014,206.10	1,075,048.72	1,139,277.79	1,207,085.75	1,278,676.17	1,127,438.70	1,207,252.47	1,291,532.76
Balance Sheet for the SPV (Year End)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Building Value including capital gain	17,395,041.90	18,438,744.42	19,545,069.08	20,717,773.23	21,960,839.62	23,278,490.00	24,675,199.40	26,155,711.36	27,725,054.04	29,388,557.29
Less (debt)/cash	-8,581,461.15	-8,424,497.73	-8,258,901.32	-8,084,197.11	-7,899,884.16	-7,708,360.16	-7,508,733.99	-7,073,202.38	-6,620,709.80	-6,149,862.83
Net position	8,813,580.76	10,014,246.69	11,286,167.77	12,633,576.12	14,060,955.46	15,570,129.84	17,166,465.41	19,082,508.98	21,104,344.24	23,238,694.45
Debt(Residential	5,038,945.57	4,881,982.57	4,716,386.57	4,541,681.57	4,357,368.57	4,165,844.57	3,966,218.57	3,757,512.57	3,538,650.57	3,308,442.57
Debt (Medical)	3,542,516.07	3,542,516.07	3,542,516.07	3,542,516.07	3,542,516.07	3,542,516.07	3,542,516.07	3,315,690.39	3,082,059.93	2,841,420.55
Debt (Community)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

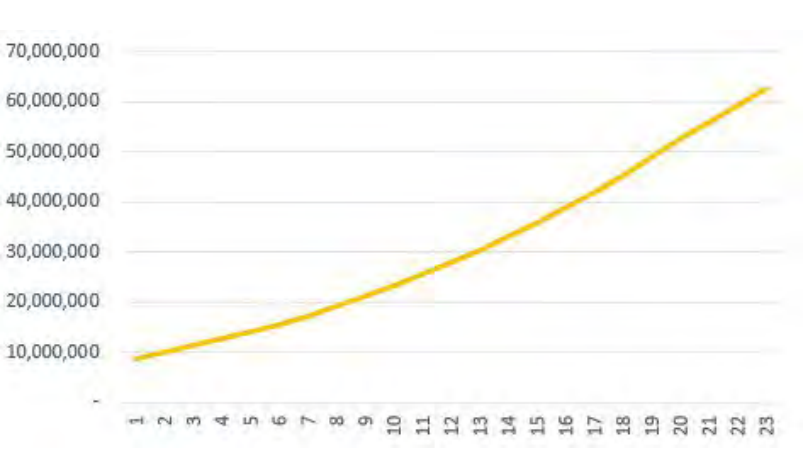
Net Cashflow for all projects



Operating Cashflow for all projects



Net Balance Sheet position



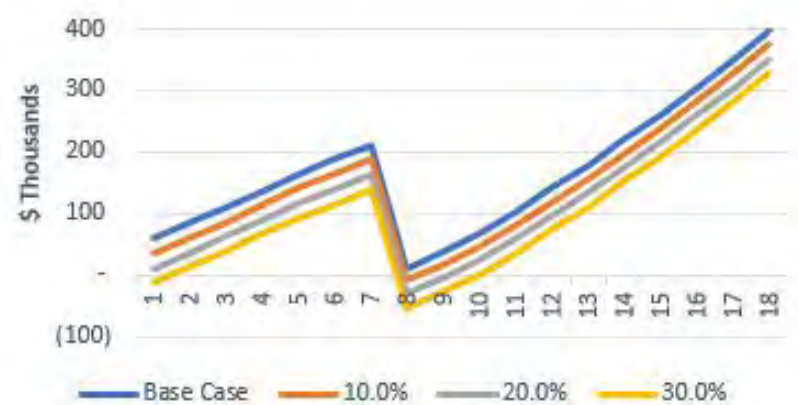
Sensitivity Analysis

1. Interest Rates

An analysis conducted on interest rates to illustrate the impact on the net cashflow of the total development is shown below.

A 10% increase in the interest rates will decrease the net cash flow by ~\$23,000 in year 1.

Interest Rate Sensitivity – on Net Cashflow



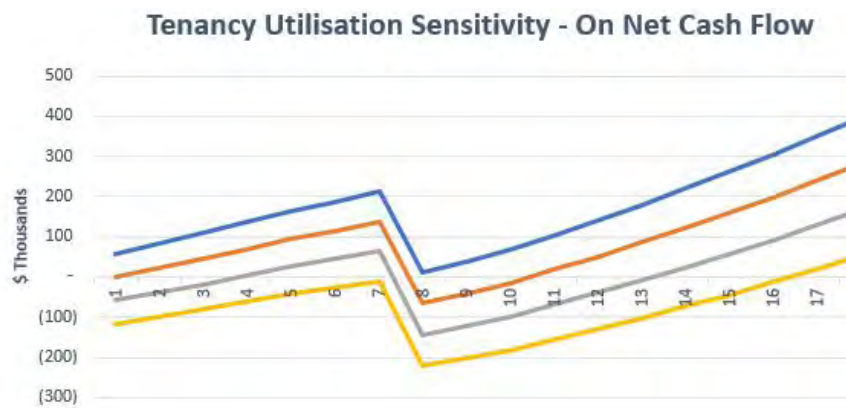
2. Tenancy Utilisation

An analysis conducted on interest rates to illustrate the impact on the net cashflow of the total development is shown below.

A 10% decrease in the tenancy utilisation will reduce the net cash flow in year 1 by \$ ~ 58,000.

It will have a rippling effect in the following years due to increase in debt undertaken and increase in repayments and interest

Tenancy Utilisation Sensitivity – on Net Cashflow



Source and Application of Funds

	Application of Funds	Source of Funds					
	\$	CHP JV Partner	Debt Impact Investment	Land Equity	Concessionary Debt	Donations	Total
Social Housing	12,696,511	6,348,256	5,187,726	1,160,530	-	-	12,696,511
Medical	4,888,432	-	-	1,345,916	3,542,516	-	4,888,432
Community	6,158,354	-	-	1,345,916	-	4,812,439	6,158,354
Total	23,743,298	6,348,256	5,187,726	3,852,361	3,542,516	4,812,439	23,743,298

