

# AUGUSTA ADVISORS



**CLIENT** | AUBURN SOCCER SPORTS CLUB

**SECTOR** | Not for profit Club

**SERVICES** | Development potential analysis and maximisation strategy, competitive process to identify a development partner, development agreement negotiation and management

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**OVERVIEW** | An aging 1950's building together with changes to the local zoning were the catalysts for the Auburn Soccer Sports Club's transformation into a vital and future-facing cornerstone of Auburn's social and sporting community.

**THE BRIEF** | As a result of an early conversation with Augusta Advisors regarding the potential opportunities that the recent council zoning changes represented for the Club, Augusta Advisors was engaged to assess the development potential of the property including identifying:

- The development potential of the property and the value that it could represent to developers
- The likely options for the development of new club premises
- Opportunities to generate new rental revenue streams and apartments
- The impact that the local community's changing demographics were likely to have on the Club's future

Phase two of the engagement included a rigorous feasibility analysis of the identified options, recommendation of the option representing the best commercial outcome for the Club and most importantly delivering a detailed development strategy setting out the necessary steps to achieve the required outcomes, which included:

- Creating new Club premises including an exciting new fit-out
- Releasing cash
- Ownership of rental space to secure new revenue streams

**APPROACH** | Taking the Club's key objectives of creating new Club premises and generating diversified revenue streams together with the property's physical characteristics, town planning development controls and market conditions into consideration, Augusta Advisors formulated a detailed step by step strategy for achieving the optimum commercial outcome while minimising the Club's risk.

Mitigating the club's risk was a fundamental part of the development strategy, particularly in eliminating the conflict of interest that all too frequently exists between a Club's objectives and those of the development company, a conflict that had the potential to cost the Club millions of dollars in commercial value.

Augusta Advisors managed this by creating an ideal development partner profile, identifying and targeting development partner that matched those criteria and managing a competitive negotiation process on the Club's behalf that included advising and acting for the Club through the legal negotiation of the development agreement.

**RESULTS** | Following a rigorous negotiation process Augusta Advisors secured the execution of an exceptional, low-risk development agreement that saw the development company take on ALL the development risk while providing the Club with:

- An attractive financial package including a significant cash component
- New, fully fitted out, architecturally designed club premises and parking
- Ownership of income producing retail space, including a valuable lease that Augusta Advisors negotiated on the Club's behalf for a child care facility

Following the successful negotiation of the development agreement, Augusta Advisors was appointed to manage the Club's commercial position during development, guiding the Club and its board through every step of the process, managing their rights, risks and responsibilities under the development agreement and with a sharp focus on compliance by the development company.

Standing in place of what was the old Club car park is now a 12 storey building including a ground floor childcare centre and residential apartments. The long term lease of the large ground floor child care centre delivers a substantial revenue stream to the club.

Stage 2 comprises an 11 storey building that is currently under construction and will include the new, fully fitted out Club with residential apartments above and extensive basement car parking.

Stage 3 of the project will include substantial Club owned retail and commercial space below a residential apartment tower and is due to commence mid-2020.

*“Auburn Soccer Club has recently entered into an agreement with a developer that will provide us with new Club premises, commercial space that we can lease out to create additional ongoing revenue, and some extra cash. The deal is structured to minimise our risks and protect the Club during the development process.*

*We have been fortunate during the process to have benefitted from the advice and assistance of Augusta. Without Augusta’s guidance and hands-on involvement, I doubt that the Club would have secured an outcome as good as it has.*

*I and my Board would have no hesitation in recommending Augusta for a similar role.”*

*Neill Hendry, Chief Executive Officer, Auburn Soccer Sports Club*

## **AUGUSTA ADVISORS**

 02 9966 8898

 119 Willoughby Rd, Crows Nest, NSW 2065

 [augustaadvisors.com.au](http://augustaadvisors.com.au)