



AUGUSTA ADVISORS

CLIENT	MORTDALE RSL COMMUNITY 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 | Looking at securing the Club's financial and physical future post a change in management sparked a development potential inquiry.

THE BRIEF | Realising the risks of acting to achieve the Club's development potential without expert advice, the Board turned to Augusta Advisors to assess the development potential of the property, identifying how much developers would be prepared to pay for the development rights to the property and assessing whether this would generate sufficient value to achieve the Club's key objectives of:

- Creating a new Club building
- Releasing cash
- Retaining ownership of new commercial or retail space to generate additional diversified revenue streams

APPROACH | In order to create a development strategy that would satisfy the Club's needs and produce the optimum commercial result while minimising the Club's risk, Augusta Advisors prepared an in-depth development strategy report that considered the Club's key objectives, the property's physical characteristics, town planning development controls and property market conditions.

This analysis provided a detailed view of the property's commercial position, together with a step-by-step strategy for achieving the Club's intended goals with a minimum of risk.

The development strategy report's key recommendations included:

- Having established that an optimised planning approval was the key to creating substantial value for the Club, a specific approach to planning approvals was recommended that aimed at greatly increased development potential while minimising the cost of achieving the approval.
- Production of a low-cost concept plan based on initial discussions with Council that could be used to demonstrate the property's potential to development companies.
- Running a competitive process to select a development partner from a long list of prequalified development companies selected for their suitability to be a quality partner for the Club for the life of the project and for their potential to offer the Club a high value, low-risk development proposal.
- Ensuring that the development company selection process was very competitive, expertly managed and supported by legal advice from a law firm specialising in development agreements.

The selection of the right development partner was key to mitigating a significant part of the risk that clubs often face when taking on a development project.

Eliminating the potential conflict of interests that often exists between a client's objectives and those of the development company and partnering with a reputable and trustworthy development company that had the Club's best interests at heart were key priorities.

Augusta Advisors facilitated this by creating a profile of the ideal development partner and identifying and targeting development companies in their database that matched those criteria.

Augusta Advisors carefully negotiated with multiple development companies and secured an exceptional proposal from a development company that presented the best fit for the Club.

The all important final step was to negotiate a comprehensive, low risk development agreement that saw the development company take on ALL development risks, including responsibility for achieving the Development Approval.

This process was fundamental to delivering a project that maximised the Club's commercial return and minimised its risk while delivering on the Board's original objectives of releasing cash, creating new Club premises and generating diversified revenue streams, to secure the Club's future.

RESULTS |

The Club has secured a financially attractive, low-risk development agreement with a quality development company to replace the ageing RSL building with an architecturally designed, mixed-use, development encompassing new club premises, multi-storey residential apartment buildings, retail space and parking.

The agreement has more than met the Club's original expectations by securing agreement for the delivery of:

- A very attractive financial package including a significant cash component
- New, fully fitted out, architecturally designed club premises
- The development company to share with the Club any upside achieved in the approval process
- Ownership by the Club of income-producing retail space



“Our directors appointed Augusta Advisors to act on our behalf in maximising the return from the Club’s property portfolio. Augusta understands club property and has been a good advisor for the Club.

Augusta provided the club with a development strategy report which was crucial to achieving the optimum result for the Club.

The result was the Club appointed a great development partner with a sound commercial return.

We would never consider taking on this project without the professional assistance and guidance from Augusta Advisors.”

Tony Lycakis, General Manager, Mortdale RSL Community Club



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