

AUGUSTA ADVISORS



CLIENT | STEWARDS FOUNDATION

SECTOR | Not for profit religious

SERVICES | Development analysis and strategy, development agreement negotiation and management

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OVERVIEW | A church building out of step with the needs of a 21st Century ministry became the catalyst for a major transformation, resulting in purpose-built church facilities, administrative offices, investment apartments and significant financial benefits for the Stewards Foundation.

THE BRIEF | The Stewards Foundation engaged Augusta Advisors to determine the right strategy for unlocking its Burwood, NSW property's full commercial value.

Appointed to manage the proposed re-development, Augusta Advisors guided the Foundation through every step of the process. This included creating the development strategy, achieving DA approval for a 21-storey mixed-use building, running a professionally managed, competitive process to select a development partner with compatible values, negotiating the development agreement, and managing the Foundation's rights, risks and responsibilities under the development agreement.

OBJECTIVES | The Foundation's main objectives were:

- A new church to revitalise the ministry
- To maximise the commercial return, ongoing revenue and new accommodation for ministers while minimising the Foundation's risk
- To retain ownership of property
- To bring together ancillary services to better support the local community
- For the developer to take the development risk and fund the project.

APPROACH | Augusta Advisors prepared a comprehensive development strategy report that took the Foundation's objectives, the property's physical characteristics, development controls and market conditions into careful consideration.

The purpose of the report was to provide the Foundation with a comprehensive view of its commercial position and a step-by-step strategy to achieve its goals, minimise cost and place the development risk on the developer.

A key outcome of the development assessment process was the identification of the opportunity for mixed use ownership. This would enable the Foundation to generate greater value, retain ownership of the first four floors of the proposed development, and significantly amplify its financial returns.

August Advisors' primary report recommendations were for the Foundation to:

- Apply for a development approval and benefit from the uplift in value from an approved DA
- Identify commercial uses that could be located at the Burwood property to take advantage of the Council's incentive to locate commercial uses on mixed-use sites
- Enter into a partnership with a good quality, experienced developer
- Identify a development partner through an expertly managed, competitive developer selection process.

RESULTS | Standing in the place of what was once a disused church building is now an architecturally designed, mixed-use, high-rise development. This encompasses new church facilities, three levels of commercial space and 51 residential apartments.

The new development has exceeded The Stewards Foundation's original expectations by providing:

- Ownership of the first four levels of the development
- A revitalised ministry with vibrant, purpose-built church facilities
- Cash and significant rental income streams from the commercial and residential spaces

“Developing a multi-storey building requires a lot of expertise and since we did not have that kind of expertise in-house, we engaged Augusta Advisors to guide us through the process.

Augusta Advisors was very professional and diligent in their approach, their knowledge was second to none and they were extremely good at navigating on our behalf all the challenges that come with a building of this complexity.”

Philip Adams, GM Financial Services, Stewards Foundation.

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