

Wyong Medical Centre



Prepared by:-

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March 2019

Executive Summary

The Property	:	<p>88 Louisiana Road, Hamlyn Terrace, NSW</p> <p>Prime position directly adjacent to the Wyong Hospital in the heart of the residential growth area of the Central Coast. Adjacent 152 bed Aged Care facility has recently been completed. Wyong Hospitals large Mental Health Clinic is also adjacent as is a new Government owned and operated 128 bed Aged Care Facility for People with Disabilities. The NSW government in the 2016 budget identified Wyong Hospital for further major expansion and a new 575 space car park has been completed with the hospital expansion being estimated at over \$100m.</p> <p>This overall integrated and co-location position with the Wyong Hospital, nursing homes, mental health and aged care facilities, as well as a number of local retirement villages, reinforces the area as being the largest and growing medical precinct on the Central Coast, between Sydney and Newcastle.</p>
DA Description	:	<p>The DA approved 6,000 m2 Medical Centre consists of two separate three storey buildings with a large landscaped plaza and excellent basement and on grade car parking for 216 cars. The design has significant flexibility to cater for a range of medical related activities at ground level, plus providing for ancillary service shops to support the number of people working in the area. This includes a quality pharmacy, coffee shop and other support business operations. Each building has an internal two storey central arcade maximizing the shop frontage for each tenant and adding to the attractiveness of the development. A deed has been entered into with NSW Health for a Link Road from the site through to the Hospital allowing direct access from the hospital.</p>
Expected Users	:	<p>The quality of the development, and it's co-location with the Hospital, mental health and aged care facilities, nursing home and retirement villages, as well as the growing surrounding residential suburbs, will attract a wide range of large and small users. There is strong interest from Radiology groups and the design lends itself to incorporate a major Medical Centre, a Day Surgery, Sports Medicine Clinic, Natural and Alternative Medical Groups, Specialist services and other business operations that support the medical profession.</p>
Site Area	:	<p>Lot 102 is an irregular battleaxe type allotment having an entry frontage to Louisiana Road and an overall area of 17,774 m2.</p> <p>Part of the land adjacent to the unmade Bingarra Road has a small treed creek line through it and is unsuitable for construction. However, this open space provides a relaxed ambience and outlook for a medical centre, private hospital or related medical usage.</p>

Zoning	:	The zoning for the site is SP2 Infrastructure under the latest LEP. This zoning allows for a wide range of other uses including Aged Care, Private Hospital and Retirement or Assisted Living.
Services	:	<p>Services available to the development as proposed on the subject site include:</p> <ul style="list-style-type: none"> • Electricity • Town Water • Sewer • Telephone • Garbage Collection <p>There are no major augmentation/upgrading works required.</p>
Possible Alternative Uses	:	There has been interest from major Private Hospital operators for the construction of a Private Hospital of approximately 110 beds, together with a smaller integrated Medical Centre. There are very limited Private Hospital facilities on the Central Coast and this usage would be in strong demand. There is also the opportunity to amend the DA approval for an Aged Care Facility, Specialized Accommodation for People with Disabilities, Assisted Living Retirement and/or smaller Medical Centre. There is sufficient opportunity to provide for additional undercroft and on grade parking if required.
Sale or Lease	:	The buildings have been designed with maximum flexibility to allow the opportunity to strata title the Medical Centre into lots ranging from 70 m2 to 1,200 m2. With a total of 216 approved car spaces (mainly on grade but with 62 basement/undercroft spaces), an alternative option is to develop and own the entire project and lease suites out for investment and income growth.
Title Details:		<p>Lot 102, DP 1091897</p> <p>Louisiana Road, Hamlyn Terrace</p> <p>Local Government Area of Wyong (now the Central Coast)</p> <p>Parish of Munmorah, Country of Northumberland, State of NSW</p> <p>Known as 88 Louisiana Road, Hamlyn Terrace, NSW.</p>

Introduction

Expressions of interest are being sought for the purchase of a DA approved site for a major Medical Centre directly adjacent to the new Wyong Hospital in the heart of the growth area of the Central Coast, NSW. The Central Coast is centrally and ideally located between Sydney and Newcastle and is one of Australia's major growth regions.

This outstanding design for a modern 6,000 m² Medical Centre (with 216 car spaces) has development approval from Wyong Shire Council (now Central Coast Council). The site is directly adjacent to Wyong Hospital and this new Medical Centre has been designed to incorporate the latest in design features and services to enable flexibility of use for all types of health, medical and complimentary support uses. Furthermore, the site is also directly adjacent to a major 152 bed Nursing Home, a large Mental Health facility and a government 128 bed Aged Care Facility for People with Disabilities. The area is therefore becoming the largest medical precinct in the Central Coast to service the immediate and long term needs of this major growth area.

The Wyong Hospital completed a major expansion in 2005 taking it from 100 beds to over 320 beds. In conjunction with the Wyong Hospital, the surrounding private and government medical and health facilities expanded to meet commitments to public health. In addition, the NSW Government's 2016 budget identified Wyong Hospital for further major expansion and a new 575 space car park has been built with over \$100m allocated for hospital expansion. With this comes a commensurate need for supporting specialist and medical facilities and associated health care, complimentary medicine and other related business activities.

The existing Kanwal Medical Centre, also adjacent to Wyong Hospital, was designed and built over 25 years ago. This centre has catered for the needs of the area for many years, but while fully leased, there are limitations in its design and there is no opportunity for further expansion. This approved modern Medical Centre has been designed with the aim of meeting the health needs of a large catchment, now, and well into the future. There is also the opportunity to modify the design for an integrated Private Hospital and Medical Centre and/or another Aged Care Facility or Specialized Accommodation for People with Disabilities supported by the National Disability Insurance Scheme (NDIS).

Furthermore, the state government, in conjunction with Central Coast Council, has nominated the adjacent suburb of Warnervale as the next major growth region on the Central Coast. This development of Warnervale includes a new town centre, a new interchange railway station, shopping and bulky goods centres, large areas of industrial and employment generating zoned land, as well as thousands of new dwellings to cater for the expected residential growth. The Warnervale area alone is expected to have an additional 40,000 residents over the next 20 years.

This all adds to the demand for medical facilities in the area and the strength of the evolving medical precinct around the Wyong Hospital will only continue to increase. With no other privately owned and appropriately zoned land sharing a boundary with Wyong Hospital, the land on which this approved major Medical Centre (and possible Private Hospital, Nursing Home or other use) will only continue to increase in value.

The Development

The approved Medical Centre design consists of two separate three storey buildings with a total net area of 6,000m². There is an internal landscaped open courtyard / plaza between the two buildings and the ground floor are expected to attract a pharmacy and coffee shop, as well as a range of uses providing direct support to the myriad of general and specialist medical facilities and businesses in this expanding medical precinct. There are a total of 216 car parking spaces including 62 basement and/or undercroft spaces shared between the two buildings. Each building has its own lift, an open stairwell and an internal two-storey atrium providing a high level of amenity and an attractive retail and professional feel to the overall centre. This considered approach to the design allows for ease of staging the two buildings as well as providing sufficient space for a range of larger and smaller users, thereby creating maximum visibility and flexibility for tenants and visitors alike. There is also the ability to provide for more undercover and on grade parking if required.

The buildings have been designed to be strata titled with a range of sizes varying from 70 m² to 1,200 m², but the entire development could also be held and managed for income growth.

It should be noted that the adjacent 152 bed Nursing Home has recently been completed and will provide full time nursing care for the elderly as well as working in with Wyong Hospital for short stay respite care. This Nursing Home and other local medical related complexes will rely on the adjacent Wyong Hospital and the Medical Centre for health care and ancillary support services.



Location

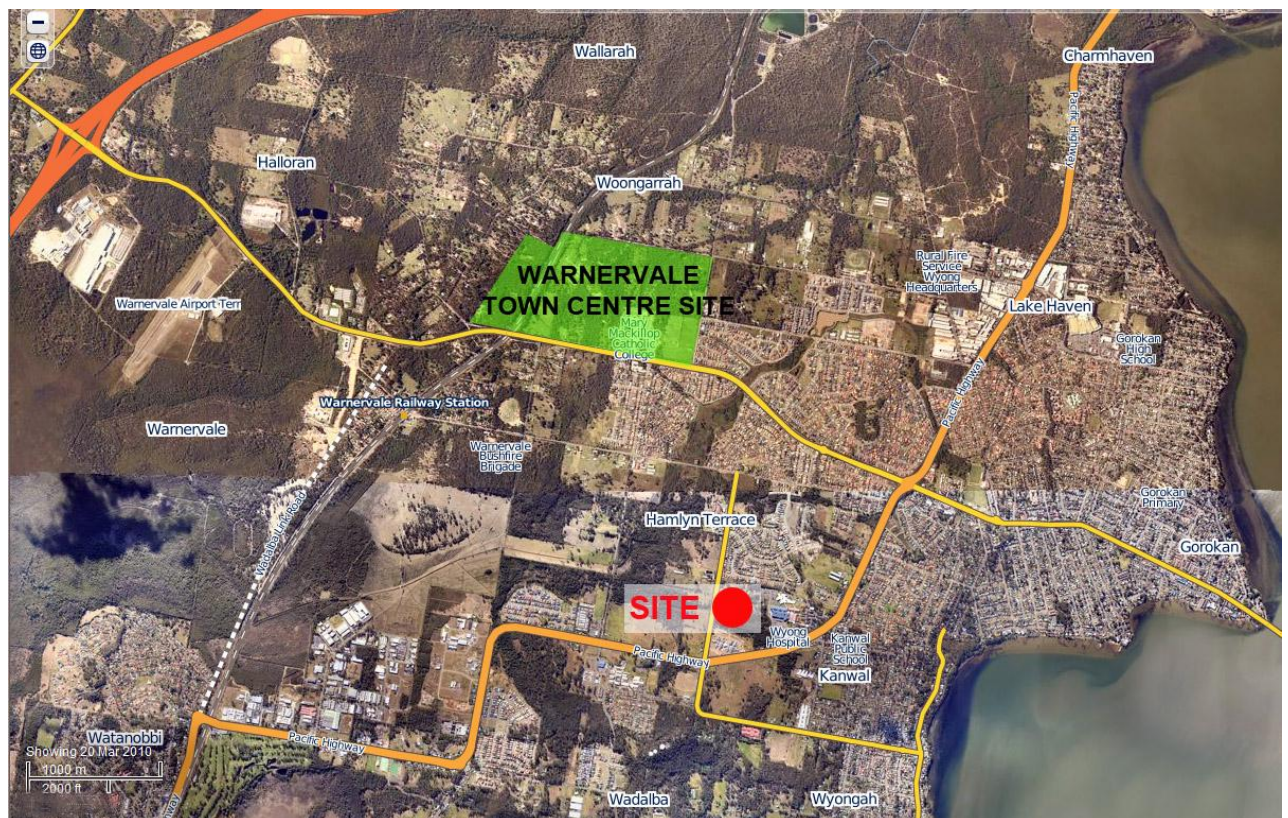
The subject property is located at Hamlyn Terrace to the north-east of Wyong Town Centre on the New South Wales Central Coast.

The Central Coast Region of NSW spans an area of 1854 square kms and has a coastline of approximately 81 kms. The Region stretches along the Pacific Ocean from the Hawkesbury River in the south to the shores of Lake Macquarie in the north and west to the Dooralong and Yarramalong Valleys and south-west to Wisemans Ferry on the Hawkesbury River.

The Region includes the previous Local Government Areas of Gosford City and Wyong Shire (now merged into the Central Coast Council) which is now the largest populated Local Government Area (LGA) in NSW.

The 2006 Census revealed a population for the Region of 307,766 comprising 163,469 in Gosford Local Government Area and 144,297 in Wyong Local Government Area.

The Central Coast LGA has one of the highest growth rates in NSW with a growth rate of close to 10% in recent years. The major areas identified for continued expansion are all relatively close to and surround the Wyong Hospital and the subject site.



The Site

The subject property is located upon the eastern side of Louisiana Road, to the north of the intersection of Louisiana Road and the Pacific Highway and to the rear or the west of Wyong District Hospital which is the main hospital facility for the Northern areas of the Central Coast Local Government Area. This hospital underwent a major expansion in 2006 increasing bed numbers from 100 to over 320 at a cost of approximately \$120,000,000. A further expansion of approximately \$100 m has been approved and a new 575 space car park has just been completed. Adjacent to the hospital is the relatively new Wyong Hospital Mental Health complex.

Nearby development comprises a wide range of relatively new subdivisions and schools with further surrounding rural land having been recently zoned residential.

Adjoining to the south on the corner of the Pacific Highway and Louisiana Road is a substantial new 128 bed Aged Care Facility for People with Disabilities owned and operated by NSW Health for Disability Services.

Located further to the north is the Warnervale Town Centre site, being a State Significant major development site comprising approximately 119 hectares bounded by Sparks Road, Hiawatha Road, Hakone Road and the Main Northern Rail Line. The rezoning of this site has recently been gazetted and it is proposed to be developed with a district town centre/commercial complex plus residential development to accommodate 4,000 to 5,000 residents and to service over 40,000 people proposed to be settled in the broader Warnervale area over the next 20 years.

The nearest major existing shopping facilities are either within Wyong or alternatively at Westfield Tuggerah which is a major regional shopping centre complex. A proposal to expand the Tuggerah Shopping Centre and surrounding areas will make it one of the largest projects in NSW. Other regional shopping facilities and a bulky goods centre are available within or adjacent to the Lake Haven Shopping Centre whilst there is a Coles Supermarket at Wadalba some two kilometres from the subject property. Local primary and high schools are within easy commuting distance and the area is serviced by a regular bus service.



Expected Users: Medical Centre

The proximity to Wyong Hospital, Nursing Home, Mental Health and Aged Care facilities, as well as to the local retirement villages, creates opportunities for specialist and larger medical users. Interest has been received from many of the following possible users:

- Private Hospital
- Day Surgery
- Large Medical Centre
- Radiology Centre
- Oncology Centre
- Sports Medicine Clinic
- Dialysis Centre
- Pain Management Centre
- Other specialist services
- Natural, Complementary and Alternative Medicine Groups
- Business operations that provide support for medical and health related businesses



Additional / Alternative uses for the site

The site has been granted physical commencement for the approved 6,000 m² (net) Medical Centre and therefore the approval will not lapse. The site is zoned SP2 Infrastructure allowing for a wide range of Hospital and Medical related uses. Discussions have occurred with Council on the option of a Private Hospital and a smaller Medical Centre and they are strongly supportive. Central Coast Health and Wyong Hospital are also supportive of an adjacent private hospital. Other potential uses include an Aged Care Facility, Assisted Living Retirement or Specialized Accommodation for People with Disabilities in association with NDIS. There are also simple options to provide for more undercover and on grade parking. Such flexibility is not generally available for such projects of this caliber, making it even more attractive from an investor, or end users perspective.

The DA Approval

On 16 August 2005 Wyong Shire Council granted development consent to Development Application No. 236/2005 over the original land parcel i.e. Lot 1 DP 1031619 for “*nursing home and medical centre and demolition of existing structures*”. Since the issue of this development consent, Lot 1 has been subdivided and accordingly the Nursing Home component of the development approval applies to the adjoining Lot 101 whilst the Medical Centre component of the approval applies to the subject Lot 102. A 152 bed Nursing Home on Lot 101 has now been completed.

The approval for the Medical Centre consists of two three story buildings with a total net area of 6,000 m² and 216 car spaces. The car spaces are a combination of underground/undercroft and on grade parking.

The approved development now has approval in perpetuity with Council advising on the 28 July 2008 Council advised that “*Physical commencement of DA/236/2005/D is recognised*”.

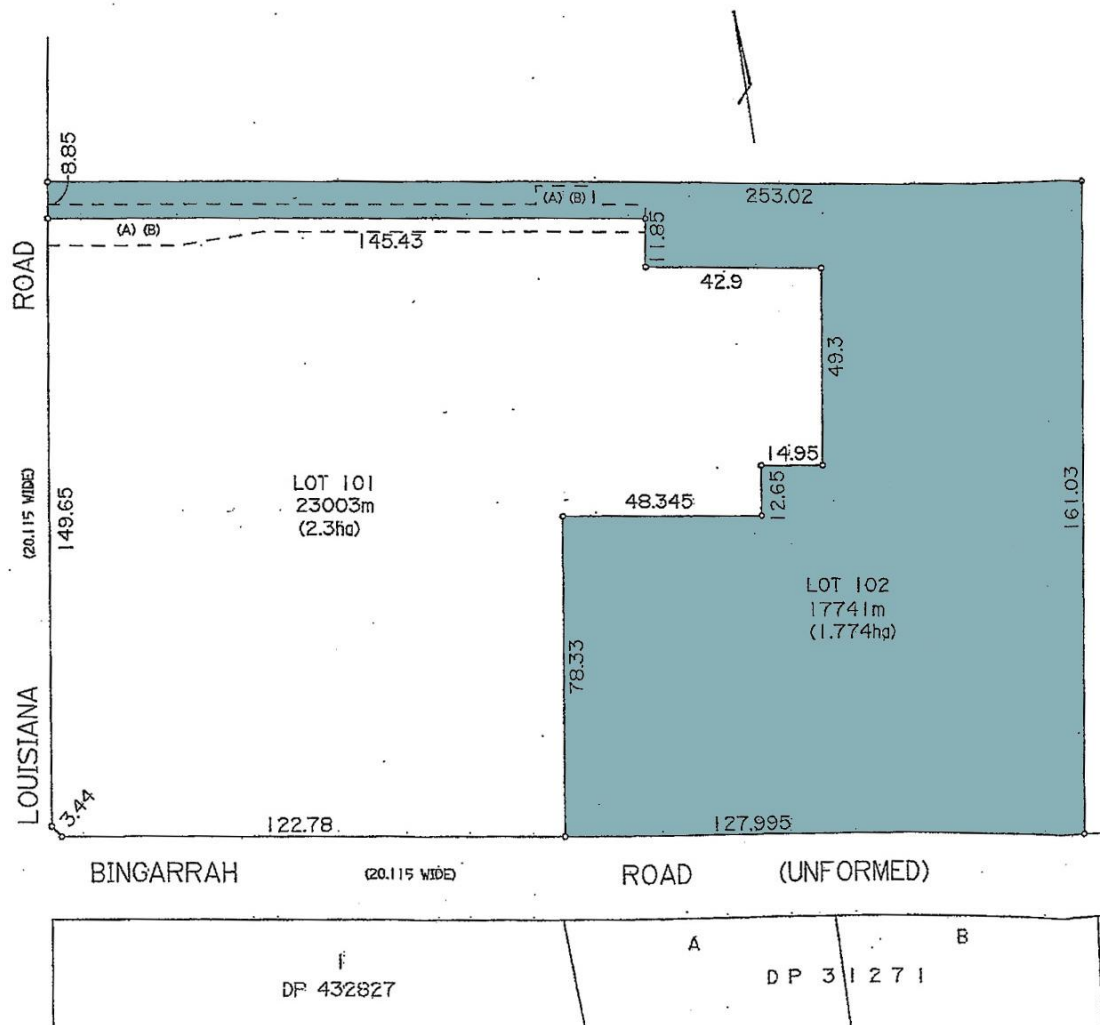
On 24 April 2009 Wyong Shire Council granted development consent to DA 188/2009, being for “*access road between Wyong Hospital and the adjoining site*”. This access road to connect the Medical Centre with Wyong Hospital only further reinforces the prime positioning of this site in the heart of this growing medical precinct.



Nursing Home and Medical Centre as DA approved

Title Outline

Lot 102 is the subject site. Wyong Hospital is positioned directly to the east of Lot 102



DA Approved Ground Floor Plan

Plan of the ground Floor showing two three story buildings with a total net area of 6,000 m². Each building has a 2 storey arcade running through the centre connecting to an open Plaza between the two buildings. The top (3rd) floor has no arcade void and is closer to a commercial flexible office plate.

The 216 car spaces are provided via a combination of 62 undercroft spaces below the Building 2 / Plaza level and the remainder on grade parking around the outside of the buildings.

Depending on requirements the net area can easily be increased by utilising the arcade space on the second floor, partial or full infill of the Plaza. Discussions have also been held with Council in respect of a larger footprint and taller building. Parking can be increased by extending the existing undercroft through to building 1 from building 2.



Summary

This prime and well located site has approvals for a 6,000 m² Medical Centre and 216 car spaces. The modern, efficient and attractive design is an excellent example of meeting the health and medical needs of one of the fastest growing communities in Australia. Also, its co-location to the Wyong Hospital in the heart of an emerging specialist medical precinct for the northern area of the Central Coast guarantees its success. The sites zoning allows for a wide range of alternative uses and/or complimentary health and medical uses.

In addition, other uses such as a Private Hospital, Nursing Home or similar uses are allowable. With the Central Coast being of a similar size to Canberra, the lack of medical and specialist medical facilities is obvious and with the sites ability to have flexibility of use, it provides security for investors, developers and end users.

This prime site is unique, well positioned and provides all the essential attributes for successful investment and development.

Additional Information Available

1. Council conditions of Consent
2. DA Approved Plans and Perspectives



Development Feasibility Outline

(This is a guide only for the current Medical Centre approval. Costs are rounded)
Potential purchasers are to undertake their own investigations and feasibilities.

Development Budget	\$ (excl. GST)
Land	3,500,000
Stamp Duty	160,000
Legal's	<u>15,000</u>
	3,675,000

Construction

Note: Efficient design for simple investment grade office style shell construction.
Three floors above under-croft car parking, using the slope of the land to minimise excavation, maximising natural ventilation, no car park ramps. Most cars are on grade external to the buildings, thereby minimising overall construction cost.
Fit outs and any specialist requirements for each medical area/business to be undertaken by tenant.

7,000 GFA (approx) @ \$1,900 /m2	13,300,000
Under croft carparking	900,000
Roads/services	1,100,000
Other external works	400,000
Landscaping	<u>250,000</u>
 Preliminaries + Builders Margin – 9%	 1,435,000
 Construction – subtotal	 17,385,000
 Design – 3%	 510,000
Project Management – 2%	345,000
Rates & Taxes	50,000
Section 94 Contributions (% share with Nursing Home)	440,000
Finance & Capitalised Interest (assume 60/40 debt/equity @ 9%)	<u>1,000,000</u>
 Construction – Total Development	 19,685,000
 Land	 3,675,000
 Total Project Cost	 <u>23,360,000</u>

Income

Sale 6,000 m2 of strata space at an average of \$6,000 /m2 36,000,000

Less

Marketing /Sale Costs/legals – <6% 2,000,000

GST – 10% on sales (will not be a cost if held for investment) 3,600,000

Total Income 30,400,000

Projected Profit

Total Income \$30,400,000

Project Cost \$23,360,000

Net Profit \$ 7,040,000

Return on Cost 30%

Cross check value with option of leasing entire building

6,000m2 @ average of leasing at \$500 /m2 net -- net income approx \$3,000,000 pa

@ 7% yield 42,800,000

@ 7.5% yield 40,000,000

@ 8 % yield 37,500,000

NOTE

The design lends itself to increasing the internal area of the buildings to increase the net lettable floor area (NLA). This can be done for minimal additional cost. The income projections are based on discussions held with numerous interested medical groups and they are within the range expected of a new medical/health complex co-located with the only major Hospital in the heart of a medical precinct in one of the fastest growth regions of Australia.

While all information in this IM is believed to be correct, all purchasers are to undertake their own investigations as per any development opportunity.