

Blended group work – phenomenological systems

Property and planning students

Nov 2012

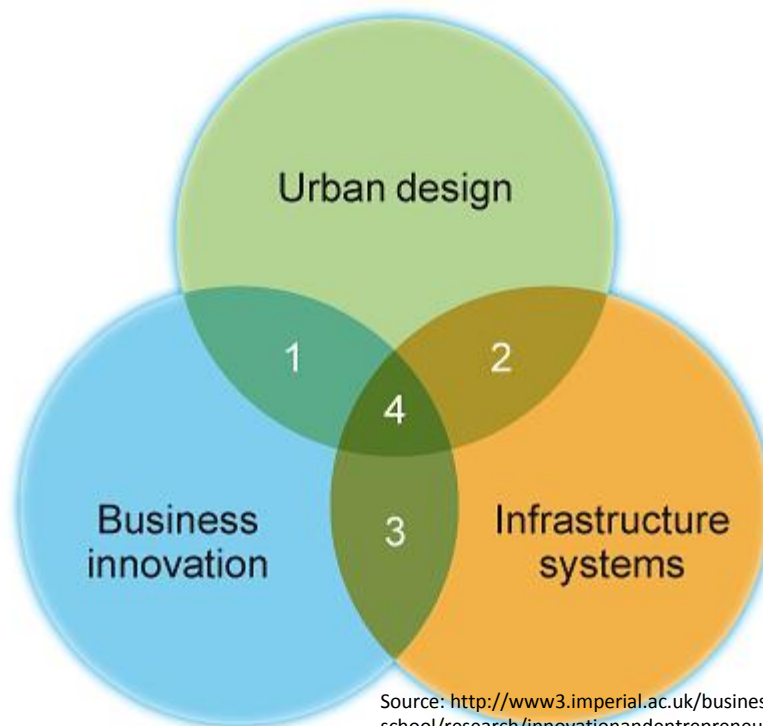
Overview



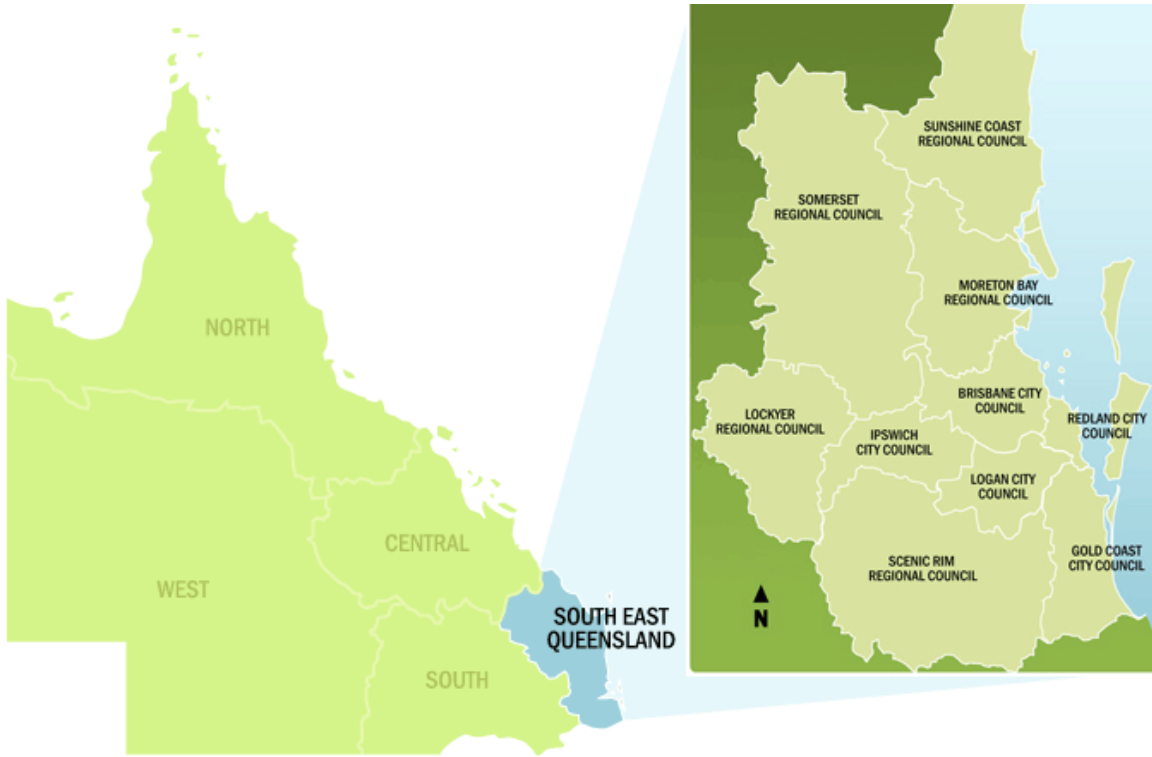
- Phenomenology and systems
- Setting
- Tasks
- Looking for?
- Student exemplars

Phenomenological systems

- Hegel knowledge 'process' Greek word 'to appear' study of how consciousness or mind appears to itself http://en.wikipedia.org/wiki/The_Phenomenology_of_Spirit



Setting



1906 vs. 2012

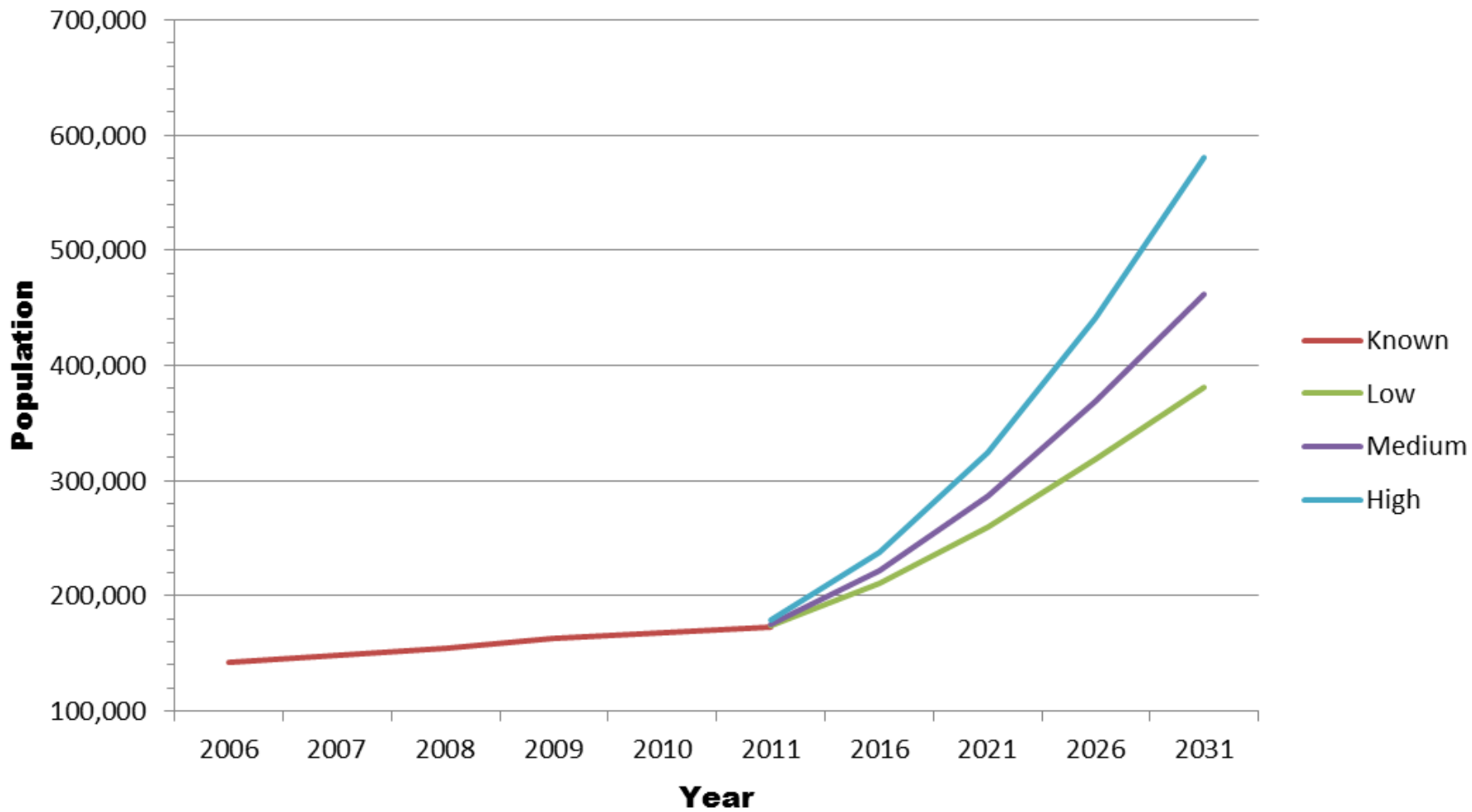


Announced 2008



Reality 2012

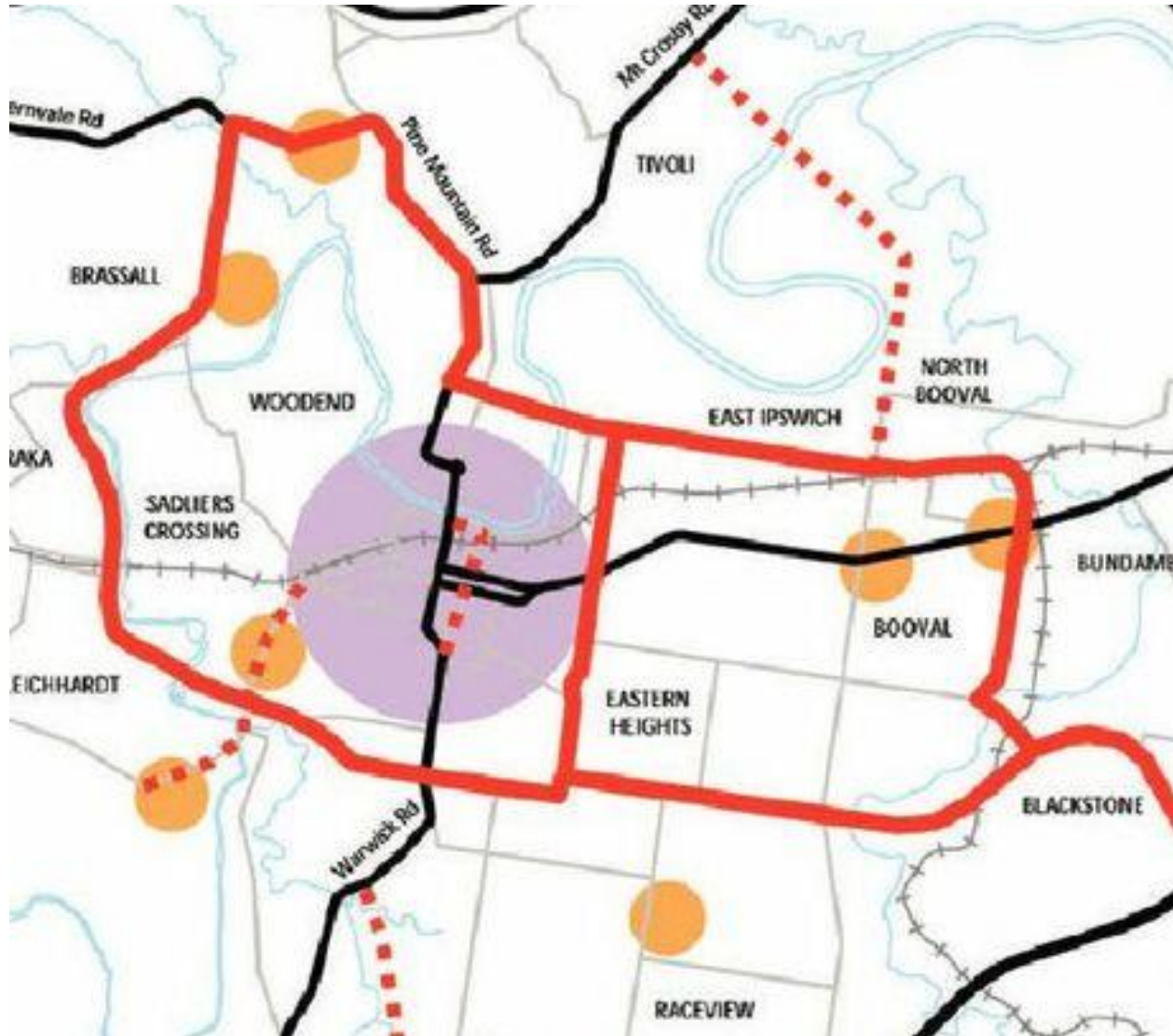
Population Projection



East street



Council revives ring road plan



REDE3202/PLAN3000

Ipswich Revitalisation Project *Scope of Works*

Stage 1 - Site Context Presentation:

This presentation identified the preliminary findings regarding the planning and economic context of Ipswich. It also identified four key challenges for Ipswich to overcome to become a sustainable regional centre

Stage 2 - Site Audit Report:

This report investigates Ipswich current context, specifically at a CBD and Block scale. Planning and property elements will be addressed, and the overall strengths and weaknesses will be identified, with discussion of potential opportunities and threats for the locality

Stage 3 - Vision Plan Presentation:

This presentation will utilise STEM's findings into the development of a vision for the Ipswich locality. It will include discussion of key drivers and strategies of this vision, its financial feasibility and potential risks, and finally some design options for its achievement

Stage 4 - Vision and Revitalisation Strategy Report & Presentation:

This report will combine all prior findings to present a comprehensive revitalisation strategy for the CBD. It will also include the detailed redevelopment plans for a block, to identify methods in which the vision plan can be achieved

Assessment

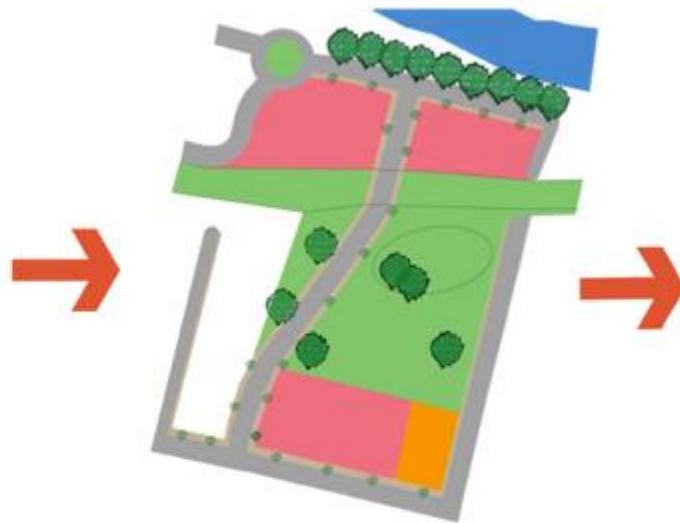
- A1: Regional context
- A2: Site audit
- A3: Vision presentation
- A4: Project report



1. BEAUTIFICATION



2. TRANSITIONARY DEVELOPMENT



3. COMMERCIAL DEVELOPMENT



LEGEND

- | | |
|--|--|
|  Temporary Retail |  Commercial Development |
|  Heritage Site |  Open Space |

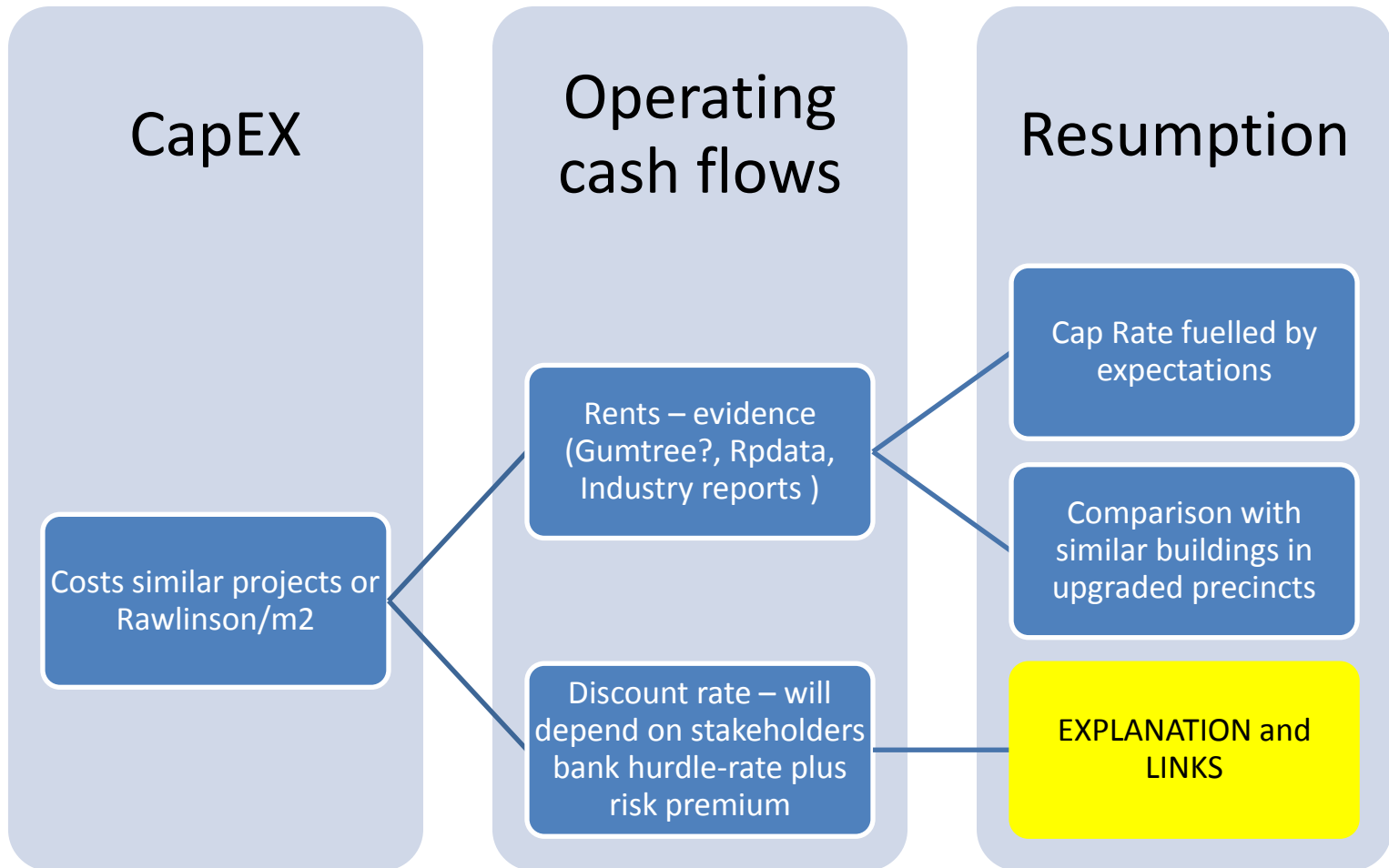
Looking for?

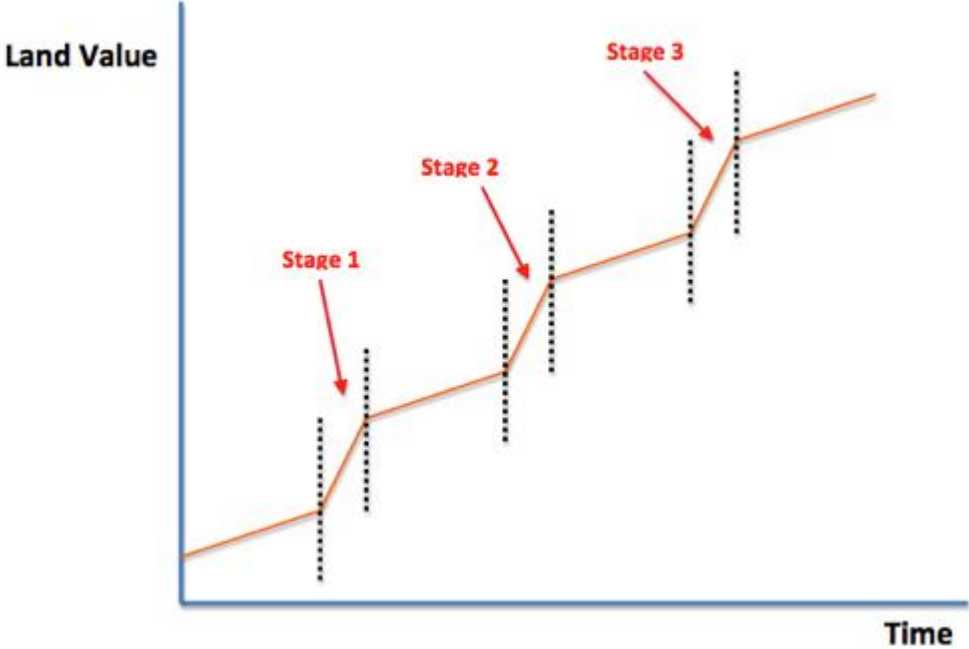
- Ipswich CBD
 - Vision
 - Key city transformation
 - Project sequencing to shift market perception?
 - Governance and collaboration field
 - Entities responsible
 - Funding mechanism
- Block scale
 - Alignment with city strategic vision
 - Essential projects
 - Sequencing and inter-linkages on market perceptions (de-risking)
 - Feasibility considerations
 - Timing (contingency)
 - Comparisons and escalations

Criteria for vision

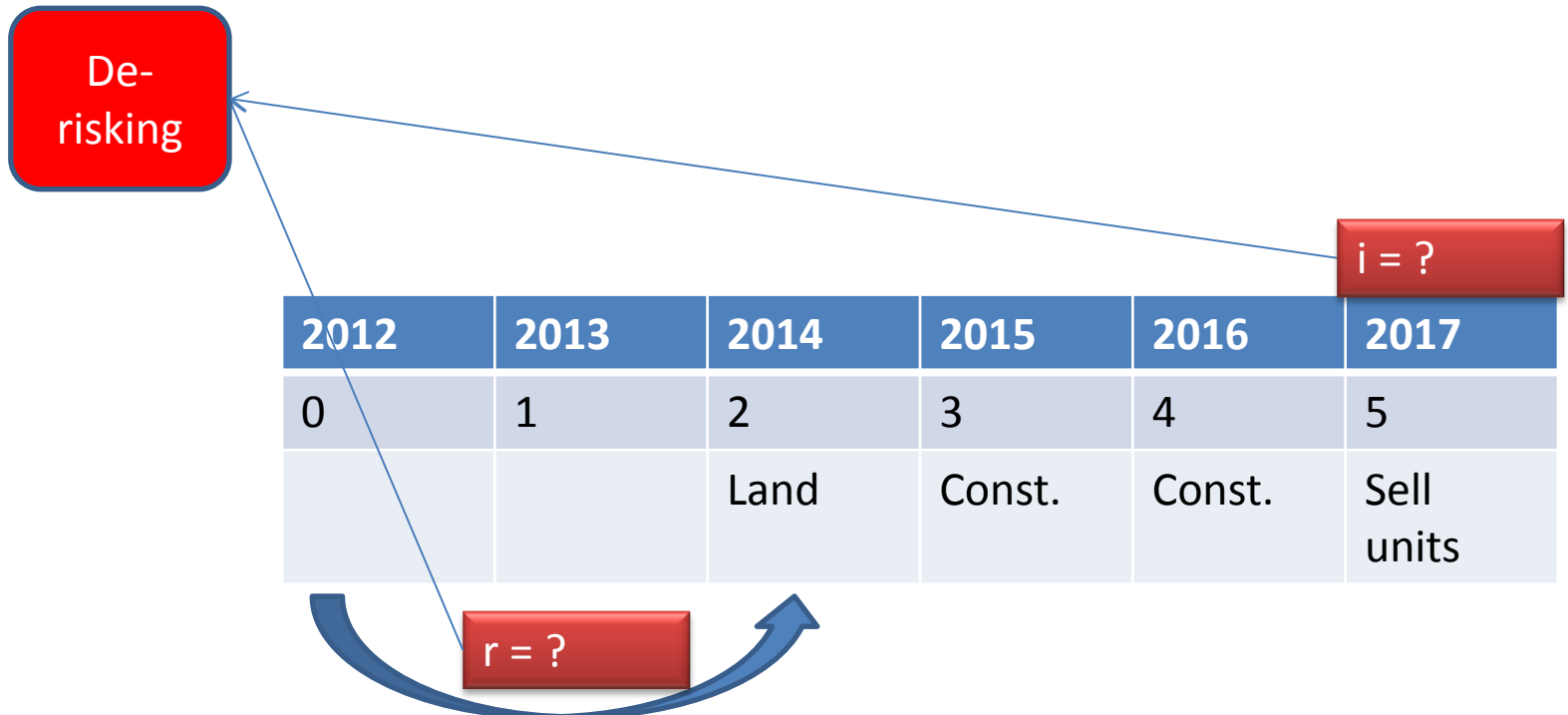
- Is it innovative/ convincing?
- Can the vision can shift demand in various sub-markets?
- Who are going to be the entities responsible for plan execution?
- What will drive change in the market and alter risk sentiment?

Criteria for feasibility?





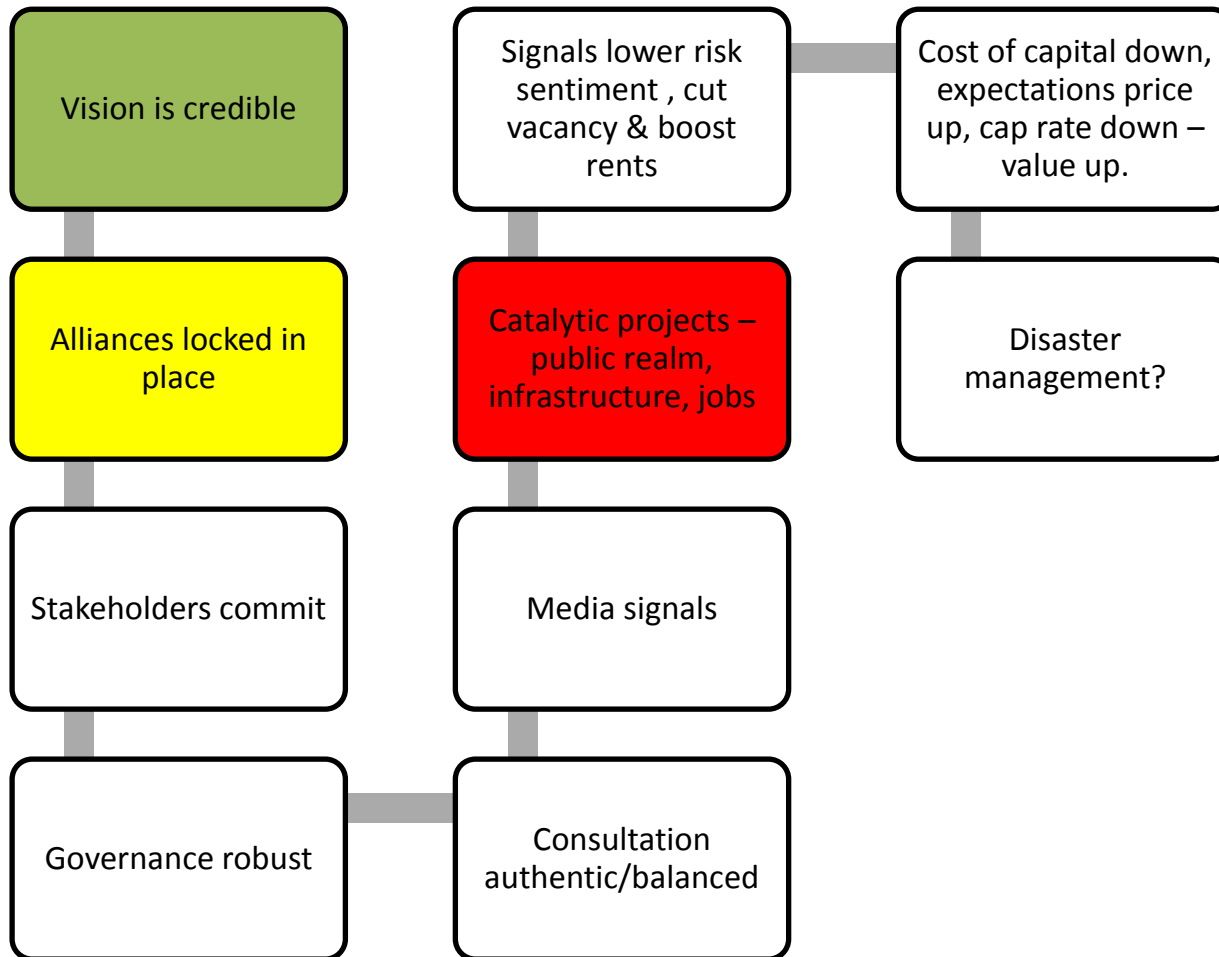
DCF



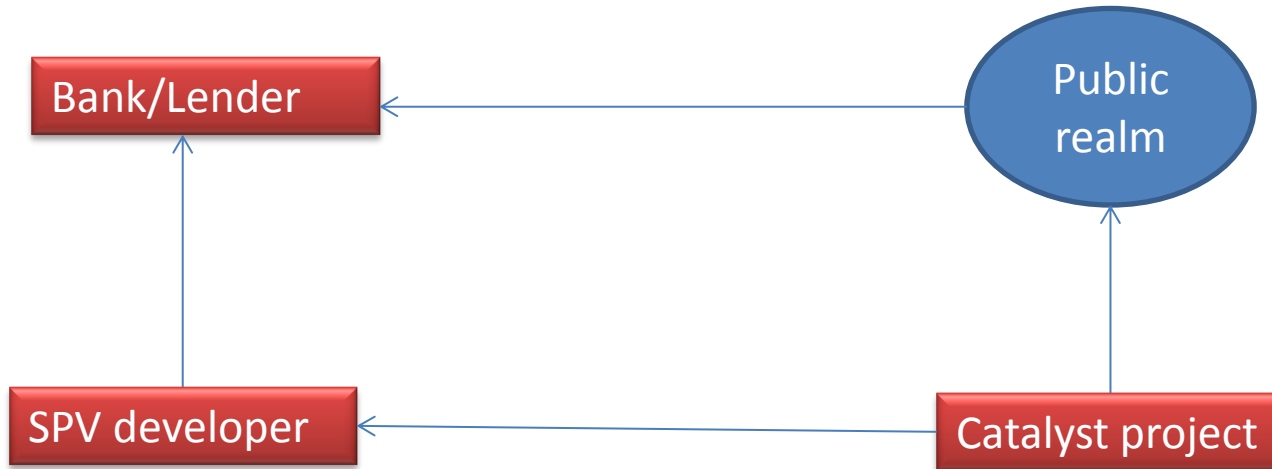
'To properly value a business, you should ideally take all the flows of money that will be distributed between now and judgment day and discount them at an appropriate discount rate. That's what valuing businesses is all about. Part of the equation is how confident you can be about those cash flows occurring. Some businesses are easier to predict than others. We try to look at businesses that are **predictable**.'

Warren Buffett, 1988

Looking for – links in system



DCF linkages with planning

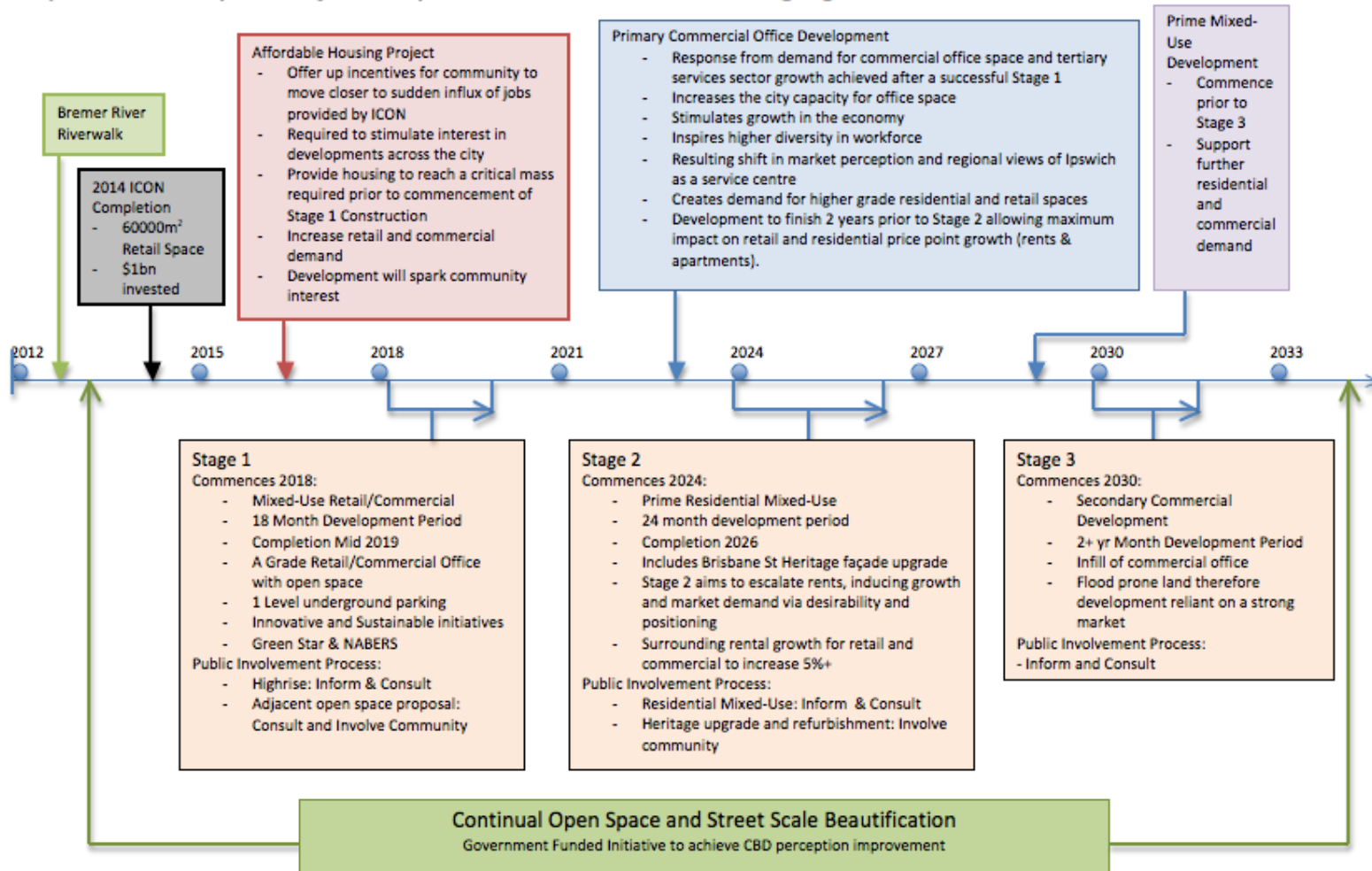


Counter Name	HLBANK							
Year	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
EPS	0.512	0.538	0.564	0.593	0.622	0.653	0.686	0.720
DPS	0.240	0.269	0.282	0.296	0.311	0.327	0.343	0.360
Dividend Payout Ratio	47%	50%	50%	50%	50%	50%	50%	50%
Assumptions								
Earnings Growth Rate		5%						
Discount Rate		10%						
Terminal PER		10 times						
Valuation								
NPV Dividends		RM2.00						
NPV Share Price		3.22						
Total Value		RM5.22						

REPORT: Net Operating Income by Property	DIRECTORY: C:\ProgramData\ARGUS Software\Program Files\ARGUS Software\DCF15\DATA\	Analysis Start	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
ACORN CORNER SUCCESSFUL IMPORT.SF	Jan-10	2,748,282	2,639,633	2,629,005	2,632,955	2,631,299	2,616,246	2,611,757	2,661,146	2,724,386	
ARGUS ADVANCED SF	Jan-10	-	-	-	-	-	-	-	-	-	-
APARTMENT.SF	Jan-09	822,268	870,894	895,546	920,846	948,474	976,929	1,006,234	1,036,425	1,067,515	
BUDGET.SF	Jan-06	3,696,508	1,550,820	1,550,820	(129,694,993)	(592,019,765)	(3,812,682,429)	(25,207,141,258)			
DAY 1 REVIEW.SF	Jan-12	1,387,378	1,428,225	1,375,222	1,396,353	1,429,783	1,497,358	1,596,517	1,669,972	1,711,968	
DEVELOP.SF	Jan-07	393,553	4,657,314	6,888,636	6,792,969	6,794,386	6,791,202	6,833,412	6,622,555		
GLOBAL.SF	Jan-09	1,223,945	1,532,913	1,690,679	1,774,547	1,866,976	1,917,501	1,955,510	1,962,590	1,987,231	
HOTEL.SF	Jan-09	16,223,213	16,709,910	17,211,206	17,727,543	18,259,370	18,807,152	19,371,362	19,952,509	20,551,080	
LEASE.SF	Jan-09	154,037	163,239	172,438	181,636	190,831	158,731	155,195			
MAYFIELD PONDS.SF	Jan-10	(22,176,928)	(22,548,857)	(13,034,582)	(23,772,311)	(24,353,611)	(25,275,703)	(26,018,420)			
MOTEL.SF	Jan-09	278,904	167,182	(600,594)	(1,627,677)	(5,861,648)	(18,754,412)	(57,613,843)	(174,232,658)	(524,130,838)	
MALL.SF	Jan-06	12,185,744	13,445,241	13,494,506	13,424,336	13,580,259	13,940,636	13,843,308	14,239,970	14,585,062	
OFFICE.SF	Jan-08	1,750,296	1,927,460	2,064,094	1,843,250	1,968,229	1,952,469	1,936,678	1,940,800	1,949,876	
REHAB.SF	Jan-08	1,292,083	1,891,202	1,752,116	2,585,210	4,365,789	30,573,454	347,089,908	641,338,913	1,682,166,923	
RETAIL.SF	Jan-09	5,887,104	6,010,579	6,332,382	6,475,909	6,546,526	6,637,157	6,675,836	7,006,047	7,139,147	
SENIOR LIVING.SF	Jan-09	2,234,308	2,441,442	2,537,058	2,570,020	2,622,546	2,662,776	2,715,295	2,756,817	2,811,209	
WAREHOUSE.SF	Jan-08	2,648,579	2,704,351	2,806,146	2,887,000	2,933,414	3,215,899	2,432,489	3,318,998	3,424,620	

Exemplars- good student output

Ipswich Catalytic Project/Key Interventions & Block Staging Timeline



Exemplars- good student output

Block Commercial Development				
<p>Roo & Blix: Build Cost calculated from comparison of construction cost quick guide statistics as well as factoring in additional flood mitigation and sustainability costs</p>		<p>NLA = 9000</p> <p>Interest Rate = 5%</p> <p>Build Cost per SQM = \$3,250</p>	<p>Roo & Blix: 9,000 SQM calculated from proposed commercial building design in compliance with proposed codes</p>	
		<p>Cost of land = \$15,000,000</p> <p>Rent per SQM (Modern Equivalent): \$425</p>	<p>Roo & Blix: Adopted interest rate. For the purpose of this feasibility, fixed rate compounding annually.</p>	
			<p>Roo & Blix: Commercial Rent per SQM was calculated utilising current market rents in Ipswich factoring in for higher demand with future development and higher grade rating</p>	
			<p>Roo & Blix: Land cost estimate generated with the inclusion of inflation. Significant increase to current land cost due to further development of city and higher land value consequently.</p>	
<p>Projected future value factoring inflation</p>				
Timeline Year	Inflow	Outflow	Difference	
1			0.00	
2			0.00	
3			0.00	
4			0.00	
5			0.00	
6			0.00	
7			0.00	
8			0.00	
9			0.00	
10			0.00	
11			0.00	
12			0.00	
13			0.00	
14			0.00	
15			0.00	
16			0.00	
17			0.00	
Years from Base year				
1			0.00	
2			0.00	
3			0.00	
4			0.00	
5			0.00	
6			0.00	
7			0.00	
8			0.00	
9			0.00	
10			0.00	
11			0.00	
12			0.00	
13			0.00	
14			0.00	
				Discounted Difference
1		15,000,000.00	15,000,000.00	\$14,250,000.00
2		38,804,478.94	38,804,478.94	\$35,021,042.24
3		40,744,702.88	40,744,702.88	\$34,933,489.64
4	11,189,122.25		11,189,122.25	\$9,113,610.01
5	11,748,578.37		11,748,578.37	\$9,090,825.98
6	12,336,007.28		12,336,007.28	\$9,068,098.92
7	12,952,807.65		12,952,807.65	\$9,045,428.67
8	13,600,448.03		13,600,448.03	\$9,022,815.10
9	14,280,470.43		14,280,470.43	\$9,000,258.06
10	14,994,493.95		14,994,493.95	\$8,977,757.42
11	15,744,218.65		15,744,218.65	\$8,955,313.02
12	16,531,429.58		16,531,429.58	\$8,932,924.74
13	17,358,001.06		17,358,001.06	\$8,910,592.43
14	18,225,901.12		18,225,901.12	\$8,888,315.95
Total	158,961,478.39	94,549,181.82	64,412,296.57	Discounted Total \$14,801,408.41
*Considering Year 18 as Base Year	ROI =	-17.58%	ROI displays as a negative % due to discounted difference, been negative. Please discount the "-" Symbol.	
	Corrected ROI =	17.58%		
	ROR (average annually) =	-10.69%	ROR displays as a negative % due to discounted difference, been negative. Please discount the "-" Symbol.	
	Corrected ROR (average annually) =	10.69%	Average annual rate of return, therefore under 10 years to capitalise on asset	
	NPV =	\$14,801,408.41		
Applying Risk Factor = 8%				
	ROI (With Risk) =	16.17%		
	NPV (With Risk) =	\$13,617,295.74		

- Questions?
- Kiitos