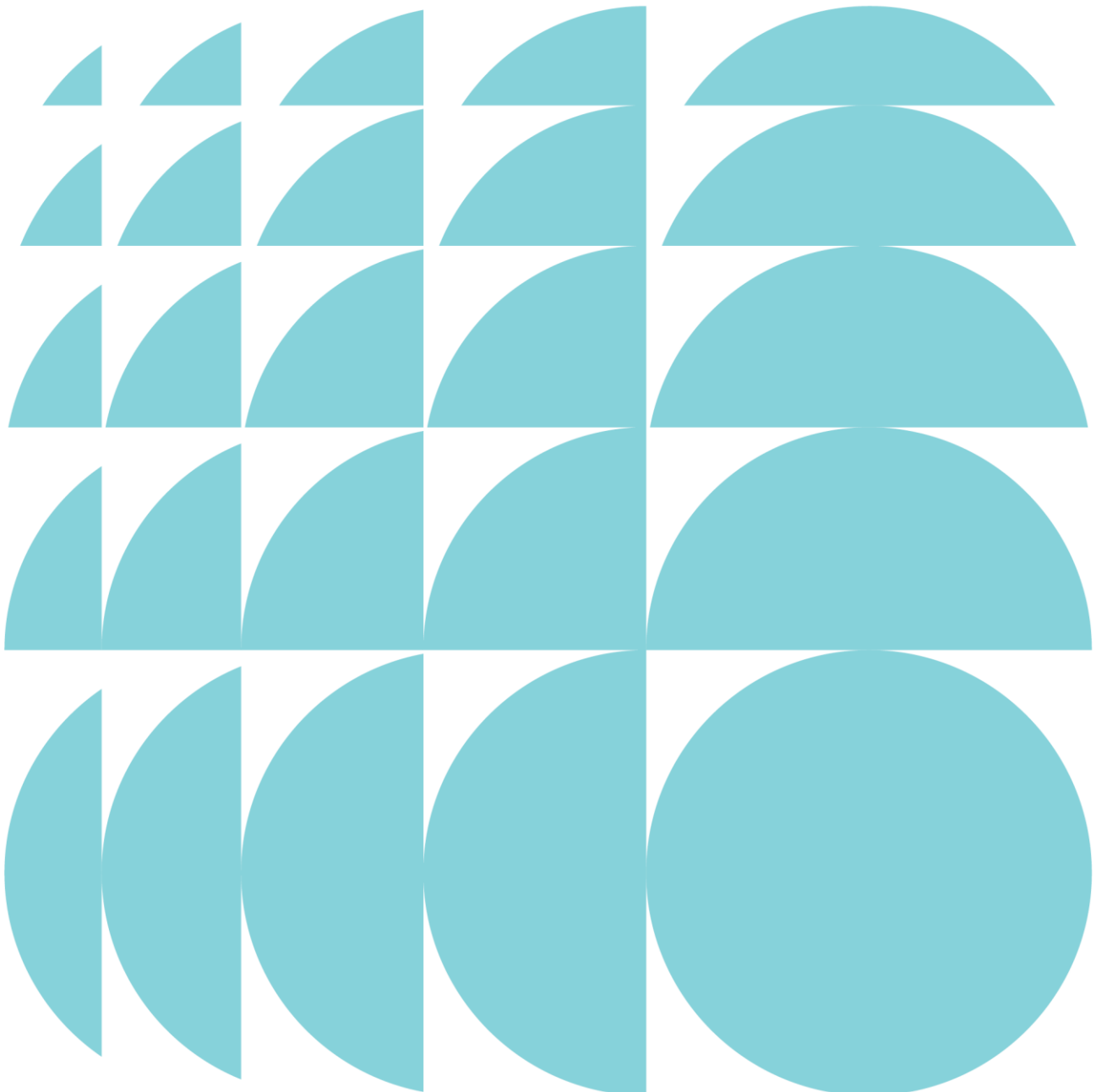


**Greater Shepparton Social
Housing Economic Benefits
Assessment**

DRAFT

Prepared for Greater Shepparton City Council

December 2021 | 3210326



Authorship

Report stage	Author	Date	Review	Date
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Final report	-	-	-	-

Disclaimer

Every effort has been made to ensure the accuracy of the material and the integrity of the analysis presented in this report. However, Ethos Urban Pty Ltd accepts no liability for any actions taken on the basis of report contents.

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Executive Summary

- 1 Council owns land at 115-121 Maude Street, 92 Nixon Street and 5 Edward Street on the northern edge of the Shepparton CBD. A potential development scheme that includes a social housing component is being contemplated for the site. This assessment quantifies the economic and social benefits associated with the provision of social housing and the project as a whole.
- 2 The subject site is 2,500m² in area, and of sufficient size to support the proposed development. The locational characteristics of the site support a residential development, including being within walking distance of the Shepparton CBD which includes access to significant retail facilities, and employment opportunities.
- 3 The proposed development scheme for the subject site includes retention of the existing at-grade car parking for public use, a second level of parking for public and resident parking, and approximately 30 social housing dwellings over two-levels above the parking structure.
- 4 Lack of access to safe, stable and appropriate housing (homelessness) is a growing problem in Victoria, with approximately 35,000 people on the waiting list to enter social housing in Victoria and 200,000 persons across Australia.
- 5 Homelessness presents significant economic and social costs to the community and with homelessness expected to increase in the future, the provision of social housing is a priority for all levels of government.
- 6 Available evidence indicates the provision of social housing delivers significant benefits to both individuals and the broader community in the form of health sector savings, individual health and lost income benefits, justice sector savings, and employment and income benefits.
- 7 In total, approximately \$24,810 per person per year in benefits is estimated to be generated by the provision of social housing. Applying this to future tenants in the proposed development, indicates the project will generate an annual benefit of \$1.4 million or \$42.4 million over the 30-year life of the building.
- 8 At a discount rate of 4.0% the development will deliver a net benefit of \$8.7 million, based on a construction cost estimate of \$11.3 million and annual operating cost of \$10,060 per dwelling. This represents a benefit cost ratio of 1.52; that is, for every dollar invested, a \$1.52 return is realised.
- 9 Construction of the proposed development will deliver additional benefits to the local economy. Including direct and indirect impacts, the development is expected to generate \$38.0 million in output, \$14.6 million in value added and support 110 job years (assuming a one-year construction period).
- 10 Overall, the benefits associated with both the provision and construction of the proposed social housing development will generate substantial benefits for the broader community and represents a positive investment proposition.

Introduction

Background

Council owns land at 115-121 Maude Street, 92 Nixon Street and 5 Edward Street on the northern edge of the Shepparton CBD (the subject site). The land, which comprises an area of approximately 2,500m², is presently used as an at-grade car park, accommodating approximately 60 vehicles.

The subject site is considered to offer a unique opportunity to provide urgently needed housing options in a disadvantaged area, while also promoting employment and economic growth for the wider community. It is also noted that promoting residential development outcomes in and adjacent to the Shepparton CBD represents a strategic objective of activity centre policy.

To that end, a potential development scheme for the subject site has been developed that includes the following key elements:

- A two-level parking structure with retention of existing public car parking on levels one and two, and provision of additional parking for the residential component on level two;
- Approximately 30 apartments on levels three and four, sitting above the parking structure; and
- A shop at ground level, facing Maude Street.

As part of its assessment as to the merits of the project, Council has engaged Ethos Urban to undertake an analysis of the economic benefits associated with the project and, in particular, the economic benefits associated with the provision of social housing.

Objective

This assessment quantifies the economic and social benefits associated with the proposed development.

This Report

This report contains the following chapters:

- Chapter 1:** Locational Context and Proposed Development
- Chapter 2:** Economic and Social Benefits Associated with the Provision of Social Housing
- Chapter 3:** Economic and Social Benefits Associated with the Construction of the Proposed Development

1 Locational Context and Proposed Development

This Chapter provides an overview of the subject site and its surrounding context, as well as the proposed development scheme.

1.1 Context

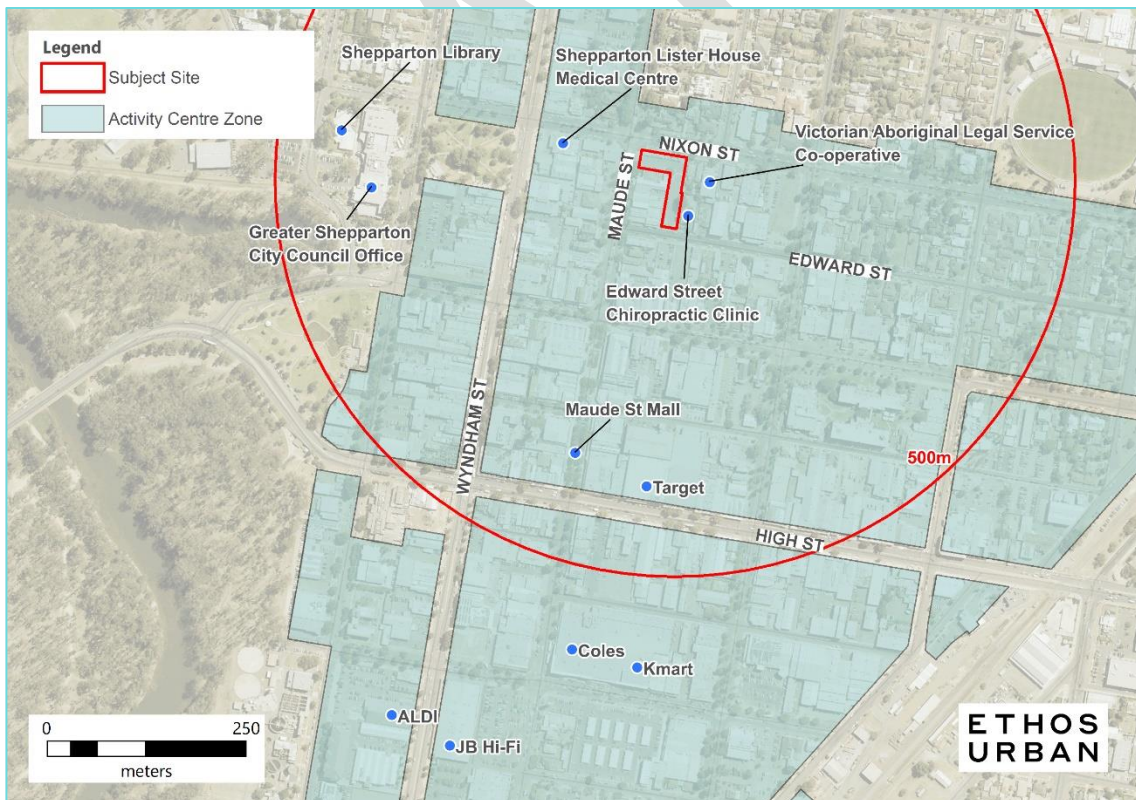
Located on the northern edge of the Shepparton CBD, the subject site is in the Activity Centre Zone and is within easy walking distance of the Shepparton CBD which includes significant retail and hospitality facilities, as well as employment opportunities.

Access to the site, which is L-shaped in configuration, is currently provided from Maude Street at the north-west of the site, and Edward Street at the south of the site. Surrounding uses include offices, medical facilities, retailers and restaurants. On the north side of Nixon Street, uses are primarily residential.

Approximately 200m south is Shepparton’s core retail precinct, including anchor tenants such as Coles, Kmart, ALDI, Target and JB Hi-Fi.

Overall, the locational characteristics of the site are well suited to residential development. The site’s proximity to retail, commercial and cultural facilities, along with employment opportunities makes it an ideal location for social housing.

Figure 1.1 Local Context



Source: Ethos Urban

1.2 Proposed Development

Redevelopment of the subject site is proposed to include:

- A two-level parking structure with retention of existing public car parking on levels one and two, and provision of additional parking for the residential component on level two;
- Approximately 30 apartments on levels three and four, sitting above the parking structure; and
- A shop at ground level, facing Maude Street.

It is understood that ownership of the land, at-grade parking and a number of parks on level two will remain with Council and continue to be available for public use, while ownership of air-rights incorporating the dwellings along with specified parking on level two will vest in BeyondHousing and Wintringham through a strata style sub-division.

Assuming an average 1.9 persons per apartment (the national average for apartments in 2016) it is estimated the proposed development would support approximately 60 persons.

2 Economic and Social Benefits Associated with the Provision of Social Housing

This Chapter provides estimates of the economic and social benefits associated with the provision of social housing, based on a review of relevant studies and academic research.

2.1 The Need for Social Housing

Homelessness is defined by the Australian Bureau of Statistics (ABS), as a lack of access to safe, stable and appropriate housing. That includes both people living on the street as well as those in unstable or inappropriate circumstances such as 'couch surfing' at friends and family. Approximately 35,000 people are on the waiting list to enter social housing in Victoria and 200,000 persons across Australia. Note: the actual scale of homelessness could be higher as, given the size of the waiting list, not all people experiencing homelessness will have registered.

Social Housing is defined as housing provided for people on low incomes or with particular needs by government agencies or non-profit organisations. Social housing is owned by the State, Council, or non-profit organisations and leased to eligible households with rental payments based on a share (typically up to a maximum of 25%) of their income.

Available evidence shows that social housing provides significant economic and social benefits for individuals and the community. Benefits largely revolve around reducing the costs associated with homelessness such as pressure on the health care system, justice agencies including the police, as well as the output improvements of higher employment and productivity outcomes, and individual benefits such as better mental health, social connections and overall participation in society.

2.2 Economic and Social Benefits of Providing Social Housing

Health Sector Savings

Significant cost savings in health care and emergency services have been estimated in the provision of social housing and reducing homelessness. More specifically, savings are derived from fewer emergency room presentations, a reduction in the number of general hospitalisation days, and lower levels of stress, depression and anxiety.

The cost of youth homelessness is estimated at \$8,500 in health services per year, in *The Cost of Youth Homelessness in Australia* (2016). The study observed a group of young people that were either homeless or at a very high risk of homelessness and a group of disadvantaged young job-seekers. Although both groups reported experiencing difficult circumstances, the study found difficulties faced by young homeless people were significantly higher than those in housing.

However, the proposed social housing development will likely support a range of people of different ages, and since young people typically have lower rates of health service utilisation it can be reasonably assumed actual health cost savings from the proposed development would be higher.

According to the ABS (2018), 9% of people aged 15 to 34 years of age were admitted to hospital compared to 13% of people aged 35 and older; indicating older people are approximately 40% more likely to be admitted to hospital. Having regard for the higher propensity of older people to utilise health care services, the health savings estimate of \$8,500 has been adjusted to \$12,070 per year incorporating an allowance of 20% to account for young people and CPI adjustment to 2021 dollars to better reflect the age diverse range of future residents in the proposed development.

Individual Health and Lost Income Benefits

Mental health issues represent both causes and impacts of homelessness and represent costs to both the individual and broader community. The transition out of homelessness therefore, leads to

cost savings. While the previous sub-section already discusses the benefits to the health care sector, this sub-section outlines the benefits to the individual as a result of transitioning out of homelessness.

A study of 4,290 homeless people, *Are the Homeless Mentally Ill?* (2009) found 31% of people experiencing homelessness suffered from mental health issues, with 53% of these people developing a mental health issue following homelessness.

Mental health issues frequently found in homeless people include depression, anxiety, and substance-abuse. Research from Deakin University (2017) estimates these mental health issues cost the Australian economy approximately \$12.8 billion per year.

A 2009 study (*The Excess Cost of Depression in South Australia: A Population-Based Study*) estimated the personal cost of major depression at \$9,950 per year and \$3,150 for other depression. Personal costs include pharmaceuticals and specialist services but the majority of costs are attributed to days unable to work and days of reduced work.

Research into employment rates among disadvantage Australians (*The Effect of Homelessness on Employment Entry and Exits: Evidence from the Journeys Home Survey 2018*) found 19% of homeless people were employed.

Transitioning out of homelessness would provide relief for mental health issues associated with homelessness such as stress, however, recovery from mental issues likely also requires access to other support services. For the purposes of this assessment, 50% of the cost of mental illness per person per year is estimated to be attributed to access to social housing.

Allowing for 31% of homeless people experiencing mental health issues, 19% of future residents at the proposed development having previously been employed, 50% of the cost savings attributed to provision of social housing, and CPI adjustments to 2021 dollars; the average individual benefit of moving into social housing per person per year is estimated at \$1,600.

In adjusting for the employment rate of homeless people this estimate excludes the stress relief and other mental health benefits realised by unemployed homeless people; therefore this estimate is considered conservative.

Justice Sector Costs

Homeless people are significantly more likely to be involved in a crime, either as a victim due to their vulnerability as a result of their lack of safe and private accommodation, or as an offender as a result of mental health issues, substance abuse, food insecurity, and lack of private accommodation leading to enforcement of 'nuisance' crimes such as 'move-on' directions, on-the-spot-fines, etc.

Research from a 2016 study in the UK (*"It's No Life at All" Rough sleepers' experiences of violence and abuse on the streets of England and Wales*) found that homeless people were 17 times more likely to be the victim of assault compared to the general population. Another study (*The State of Homelessness, 2018*) found 45% of homeless people had been to prison in their lifetime between 2010 and 2017. Part of the reason for this are laws that indirectly criminalise homelessness, such as begging, banning queequeing at traffic lights, camping in public spaces, drinking in public, etc.

Beyond the individual costs associated with being a victim or offender of these crimes, there is a cost associated with policing and the justice system. Providing more social housing and bringing people off the street will have an immediate and direct impact on these costs.

For the purposes of this assessment, the justice related benefits associated with the provision of social housing are based on findings from *The Cost of Youth Homelessness in Australia* (2015) which estimates youth-justice issues cost an average \$890 per person per year from victimisation and \$8,470 per person per year from offending. These estimates have been revised down having

regard for the higher likelihood of young people (15–19-year-olds) to be victims/offenders compared to other age groups.

Analysis of crime victimisation statistics from the ABS (2019/20) shows people aged 15 to 24 years of age have a victimisation rate of 2.9% compared to 1.6% for people aged 25 and above, a factor of 0.8. Therefore, the \$890 per person per year cost estimate for 15 to 19-year-old victims has been revised down by 0.4 and adjusted for CPI to 2021 dollars bringing the estimate to \$390 per person per year.

Similarly, analysis of crime offender statistics from the ABS (2019/20) shows people aged 15 to 19 have an offender rate of 3.8% compared to 1.6% for people aged 20 and above, a factor of 1.4. The youth offender justice sector cost estimate of \$8,470 has been revised down by 0.7 and adjusted for CPI to 2021 dollars, bringing the estimate to \$6,490 per person per year.

In total, it is estimated that the provision of social housing will deliver approximately \$6,880 per person per year in cost savings for the justice sector.

Employment and Income Benefits

Employment rates among homeless people are very low at 19% compared to 62% for all Australians. Social housing allows previously homeless people better access to employment through stability and allowing tenants to start or continue education or training. SGS (2017) reports that approximately 8% to 10% of social housing tenants access employment following provision of social housing.

Assuming a median age of 35, an annual income based on half the Victorian social housing income limit for couples with no children (\$1,640 per week) and a future employment period of 30 years (retiring at 65); the estimated income benefit per person per year is estimated at \$42,610 over the employment period. This has been discounted by 90% to allow for only 10% of tenants going into employment, leaving \$4,260 per person per year in income benefits.

Note, the allowance for 10% of tenants entering into employment after attaining accommodation prevents any double counting with the lost income benefit described previously.

This benefit is considered as both an individual and community benefit, as it also increases the overall output of the economy.

Summary

Homelessness presents significant economic and social costs to the community and with homelessness expected to increase in the future, the provision of social housing is considered a priority by all levels of government.

Available evidence indicates the provision of social housing will deliver significant benefits to both individuals and the broader community in the form of health sector savings, individual health and lost income benefits, justice sector savings, and employment and income benefits.

Across all the identified benefits, the provision of social housing will deliver approximately \$24,810 per person per year. Applying this to the estimated 60 future residents in the social housing component of the proposed development, indicates the project will generate an annual benefit of \$1.4 million or \$31.5 million over the 30-year life of the building.

Table 2.1 Economic and Social Benefits Associated with the Provision of Social Housing

Economic/Social Benefit	Estimated Benefits per Person per Year (\$2021)
Health Sector Savings	\$12,070
Individual Health and Lost Income Benefits	\$1,600
Justice Sector Costs	\$6,880
Employment and Income Benefits	\$4,260
Total	\$24,810
Proposed dwellings	30
Average Household Size	1.9
Total Residents	60
Total Annual Benefit	\$1.4 million

Source Ethos Urban Research
 Figures have been rounded.

Operating costs have been estimated at \$10,060 per dwelling and is sourced from the Productivity Commission's Review of Government Services (2018) and adjusted by CPI to 2021 dollars.

At a discount rate of 4.0%, the development will deliver a net benefit of \$8.7 million, based on a construction cost estimate of \$11.3 million (refer section 3.1). This represents a benefit cost ratio of 1.52, that is, for every dollar invested a \$1.52 return is realised.

It is also noted that Federal Government has recognised the need to change the baseline discount rate for benefit cost assessments. In 2018 the House of Representatives Standing Committee on Infrastructure, Transport and Cities recommended the adoption of a 4% discount rate for the appraisal of Commonwealth infrastructure projects. This recommendation was made noting that the discount rate of 7% was adopted as the default parameter at a time where the cost of borrowing, i.e. cash rate, was much higher than what it is currently. Given the nature of this project, the adoption of a 4% discount rate is regarded as appropriate.

A benefit cost ratio above 1.0 at discount rates of 7% and 10% demonstrates the proposed development presents a robust cost benefit result which delivers significant community benefits.

Table 2.2 Benefit Cost Assessment

	Discount Rate (4%)	Discount Rate (7%)	Discount Rate (10%)
NPV Benefits	\$25.4 million	\$18.8 million	\$14.7 million
NPV Costs	\$16.7 million	\$15.3 million	\$14.4 million
Total Benefit	\$8.7 million	\$3.5 million	\$0.2 million
Benefit Cost Ratio	1.52	1.23	1.02

Source Ethos Urban Research

3 Economic Benefits Associated with the Construction of the Proposed Development

Residential construction activity generated by the construction of social housing provides additional benefits not encompassed by the various benefits associated with transitioning people out of homelessness through provision of social housing. This Chapter provides high-level estimates of the economic benefits associated with the construction of the proposed development.

The economic benefits have been estimated according to the direct, or project specific outcomes. Further, indirect impacts are also assessed allowing for the effects of economic multipliers. These forecasts of economic impacts have been prepared with input-out modelling undertaken with reference and compliance to best-practice guidelines.

According to the analysis summarised in Table 3.1, the construction phase is expected to directly deliver:

- Direct output (spending) of \$11.3 million (Estimate undertaken with reference to published construction rates).
- Full-time equivalent (FTE) employment of 30 construction-related jobs supported, assuming a 12-month construction phase.
- A total direct value-add to the economy of \$2.4 million.

Table 3.1 Economic Impact of Construction Phase of Proposed Development

	Direct	Indirect	Total
Output (\$M)	\$11.3	\$26.7	\$38.0
Employment (FTE)	30	80	110
Value Added (\$M)	\$2.4	\$12.2	\$14.6

Source: Ethos Urban analysis utilising data and information from ABS, National Accounts; ABS, Census of Population and Housing 2016; ABS, Labour Force Statistics Detailed Quarterly.

Figures have been rounded.

When the multipliers are taken into account, total economy-wide effects over the construction program are forecast to be:

- Output (spending) of \$38.0 million.
- Full-time equivalent (FTE) employment of 110 jobs supported, assuming a 12-month construction phase.
- A total direct value-add to the economy of \$14.6 million.

The construction program will deliver a boost to building and trades sector in Greater Shepparton, with wider impacts across the broader economy.



Dated 2021

Memorandum of Understanding

~~Sale and~~ Council Carpark Corner Maude and Nixon Streets – Social Housing Project

Memorandum of Understanding

Sale and Council Carpark Corner Maude and Nixon Streets

Parties:

Greater Shepparton City Council

(Council)

BeyondHousing

Wintringham

(Purchaser)

If Council does ultimately resolve to sell the Land, this Memorandum of Understanding (**MOU**) sets out the basis and most of the essential elements or terms upon which the parties will proceed to negotiate the actual and final terms upon which the Council will agree to proceed to sell the Land and enter into the required formal documents needed to document the sale and development of the site on the terms finally agreed between the parties.

Each party agrees to negotiate in good faith having regard to the terms and contents of this MOU, to use their best endeavours to reach an agreement based on this MOU.

The Council resolving to sell the Land is a condition precedent to this MOU coming into effect.

1.	Background / Introduction
	Council is the owner of the carpark at the corner of Maude and Nixon Streets (Land). In line with policy outcomes, the Council wishes to sell the Land to be used for social and affordable housing and car parking (Project).
2.	Project Requirements/outcomes

	<p>Any development proposal for the Land must provide for the following to be realised and delivered:</p> <p>(a) Ground level like for like public car parking owned by the Council with all car parking lots to be available for public use and delivered by a sunset date to be agreed but which is currently intended to be the [insert] (Car Parking).</p> <p>(b) The provision of either a minimum [insert]% of affordable housing.</p> <p>(c)(b) The provision of either a minimum [insert]% of social housing.</p> <p>(d)(c) Environmental sustainable design including 6 Star Green star rating.</p>
3.	Documentation
	<p>The sale of the Land is expected to be documented (as the case may require) by the parties entering into a variety of agreements, the principal ones being in the form of the following:</p> <p>(a) Ground Lease</p> <p>(b) Contract of Sale</p> <p>(c) Development Agreement</p> <p>(d) Section 173 Agreements</p> <p>(e) Finance Tripartite Agreements with Financiers/ Builder</p> <p>(f) Builder side agreements</p> <p>(g) Ancillary/side agreements or deeds as may be needed to achieve or secure required outcomes.</p> <p>(h) Independent Certifier appointment /engagement agreement or the incorporation of such engagement in the other documents.</p>
4.	Ground Lease
4.1	The Ground Lease will grant to the Purchaser possession of the Land from the date all conditions precedent as set out in the Development Agreement have been met, to enable the Purchaser to commence its development of the Land in accordance with the Development Agreement.
4.2	The Ground Lease will come to an end, at the date nominated and agreed to in the Development Agreement which is expected to be upon either, practical completion of the whole Project, or any agreed stages, or by no earlier than the completion, delivery and commissioning of the Car Parking.

5.	Contract/s of Sale of Land
5.1	The Contract of Sale will provide for the sale of Land at a price that will be agreed upon terms to be agreed but subject to the following clause 5.2.
5.2	<p>Title to the Land (excepting the Car Parking) will not and is not intended to pass to the purchaser unless and until:</p> <p>(a) all Car Parking is completed and delivered to Council <u>and transferred to the Council</u>;</p> <p>(b) all conditions precedent as will be detailed and set out in the Development Agreement have been satisfied and signed off by the appointed independent certifier; and</p> <p>(c) the full purchase price has been paid.</p>
6.	Development Agreement
6.1	The Development Agreement will define and detail all the essential aspects of the Project, including the number of social and affordable housing apartments within the Project, all design aspects, building and sustainability requirements, risk allocation, defects, timing, delivery and works timetable, milestones, development fee, settlement, the oversight and management responsibilities, step in rights, termination events, disputes, completion requirements as set out in more detail hereafter.
6.2	<p>Critical terms that the Development Agreement will be required to deal with and cover are as follows:</p> <p>6.2.1 Condition Precedent</p> <p>The Purchaser has secured Government Funding, or philanthropic funding, for the Project, to the satisfaction of the Council.</p> <p>6.2.2 Risk Allocation</p> <p>The Purchaser will be required to accept all major risks of any nature associated with the Project.</p> <p>The Purchaser will be required to rely on its own skill, expertise and judgement in the planning and delivery of the agreed Project.</p> <p>6.2.3 Cost of Development</p> <p>The Purchaser bears all the costs of completing and delivering the Project including the Car Parking.</p> <p>6.2.4 Works Program</p> <p>The Council and the Purchaser are to agree on a works program and the timing and staging of the Project.</p> <p>6.2.5 Design Project</p>

	<p>The Council is to be a party to and agree to the nature and design of the Project and is to approve the final design of the Project before any development approval and construction commences.</p> <p>6.2.6 Subdivision</p> <p>The Purchaser is to be solely responsible for staging plans or Plans of Subdivision required for the delivery and completion of the Project and for the delivery of the Car Parking to the Council.</p> <p>6.2.7 Planning – Development Approval</p> <p>The Purchaser is to be responsible for obtaining all planning and development approvals from all relevant authorities.</p> <p>The Purchaser is to be responsible for ground conditions.</p> <p>6.2.8 Builder</p> <p>The Purchaser is to engage a properly qualified builder capable of carrying out the construction and completion of the project. The Builder is to be approved by the Council before being engaged.</p> <p>6.2.9 Independent Certifier</p> <p>An Independent Certifier is to be appointed and agreed to by the Purchaser and Council and is to be engaged to independently certify and verify compliance and the quality and completion of agreed portions of the Project.</p> <p>6.2.10 Access – Ground Lease</p> <p>The Purchaser will be granted access and possession of the Land under the Ground Lease upon satisfying agreed preconditions and conditions precedent for such access to be provided and commence.</p> <p>Council to be permitted to enter the Land during construction to inspect the works and status of the Project.</p> <p>6.2.11 Car Parking</p> <p>The Purchaser will be required to deliver the agreed Car Parking.</p> <p>6.2.12 Environmental</p> <p>The Purchaser takes the Land as is and will assume all environmental risks</p> <p>6.2.13 Material Alterations</p> <p>No material alterations to the Project will be permitted or are to be made without Council's prior consent.</p> <p>6.2.14 OHS</p> <p>The Purchaser to assume all OHS risks as principal contractor.</p>
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6.2.15 Variations by Council

The Council may at its cost seek variations to be made to any Car Parking.

6.2.16 Project Control Group (PCG)

A PCG will be established under the Development Agreement made up of an equal number of representatives from the Purchaser and Council.

The PCG will meet regularly (at least once a month) or at such times and in such manner as the parties are to agree.

6.2.17 Step in Rights

In the event of a serious default by the Purchaser/builder the Council is to have step in rights to take over the Project. Such step in rights are to be exercisable, arise and be carried out in a manner to be determined and agreed.

6.2.18 Extensions of Time

The Development Agreement is to provide for the possibility of works and the Project being delayed. The manner in which any requested or required extensions are to be dealt with is to be agreed.

6.2.19 Social and Affordable Housing

The Development Agreement must set out how, when and in what way the Social and Affordable Housing Component will be delivered to the Council to meet the required Social and Affordable Housing percentage or agreed number of Social and Affordable Housing apartments to be provided within the Project.

A Section 173 Agreement will be entered into to secure and ensure delivery of the required and agreed Social and Affordable Housing Component to the Council. This Agreement will come into effect following subdivision and transfer to the Purchaser of all parts of the Land except the Car Parking.

6.2.20 Land Sales Contract(s)

The Land Sales Contract will set out the price to be paid by the purchaser and the agreed terms of the sale of the Land to the Purchaser.

Settlement of the Land Contract will not occur and title to the Land will not pass until all the Car Parking has been completed and delivered and/or until the other agreed contract milestones have been met or satisfied.

6.2.21 Sustainability

The Development Agreement will set out required and agreed Environmental and Social Sustainability obligations and targets.

6.2.22 Insurance

The Purchaser will be required to take out and have in place various types of insurance policies with acceptable Insurers, for sums and of a nature and level of coverage that the Council will require, prior to any works or the Project commencing.

	<p>6.2.23 Defects Liability</p> <p>The Purchaser will be required to attend to defects and provide a warranty as to the quality of works carried out in the delivery of the Car Parking and the Project.</p> <p>6.2.24 Default</p> <p>The Development Agreement will provide for what is to occur in the event of a default occurring which will include a right to terminate.</p> <p>6.2.25 Dispute Resolution</p> <p>A dispute resolution process to be agreed will form part of the Development Agreement.</p> <p>6.2.26 Security</p> <p>The Purchaser will be required to provide security in the form of a Bank Guarantee or Guarantees to secure the delivery of or to secure the Purchaser's obligations to deliver the Car Parking.</p> <p>6.2.27 Purchaser not to assign</p> <p>Without Council consent the Purchaser must not assign or transfer its rights or obligations under the Development Agreement to any party until after completion of the Project. Such prohibition of alienation is to include any changes of control of the developer entity.</p> <p>6.2.28 Intellectual Rights (IP)</p> <p>The IP rights to the Project must be vested in the Purchaser, and the Purchaser must be able to assign and must assign any IP or IP rights to the Council so as to enable the Council to own, use, transfer, maintain and enjoy its Car Parking and any IP or IP rights attached thereto, indefinitely without limitation.</p>
7.	Building Contract
	<p>The Council, although not being a party to the Building Contract, must be given the opportunity to approve the form of the Building Contract. The Council's step in rights will need to be recognised and provided for in any Building Contract. This applies to development of both the Land and the Land. Approval of the appointment of the Builder must be sought from the Council.</p>
8.	Side Deeds
	<p>It is further acknowledged that there may be a need to enter into further ancillary agreements or side deeds in order to deal with specific aspects or elements of the Project in order to achieve the successful completion and delivery of the Project.</p>

Execution page

Executed for and on behalf of Greater Shepparton City Council by **[Insert]**, who hereby declares that he has been duly authorised to do so, in the presence of:

.....
Signature of witness

.....
Signature of authorised representative

.....
Print Name

.....
Print Name

Executed by Beyond Housing [Full legal name] (ACN[insert]) in accordance with section 127 of the Corporations Act:

.....
Signature of Director

.....
Signature of Director/Secretary

.....
Name of Director

.....
Name of Director/Secretary

Signed by Wintringham [Full legal name] (ACN[insert]) in the presence of:

.....
Signature of Witness

.....
Signature

.....
Name of Witness