

Unlock Your Building's Value

Convert Surplus Spaces into Valuable Assets



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CONVERSION OPTIONS FOR DEVELOPMENT

AIR SPACE DEVELOPMENT

Building new housing or extending existing housing on top of apartment blocks.

ROOF SPACE CONVERSION

Converting roof space into additional apartments, attics or extensions to existing lots.

BASEMENT CONVERSION

Converting basement / subfloor space into additional apartments or extensions of lots.

EXCESS LAND CONVERSION

Converting excess land (gardens, parking lots, common areas) into additional apartments, extensions to existing lots or parking lots to include EV solutions.



MOTIVATIONS BEHIND SPACE CONVERSION

1

Additional Revenue to cover increasing running costs (insurance premiums, maintenance, capital expenditure, etc)

2

Creating funds to cover building upgrades, restoration, major renovation, maintenance projects or climate-proofing existing buildings to deal with rising temperatures / increasing storm activity.

3

Upgrades that reduce overall strata costs – adding solar panels, battery technology, more efficient electricity options, heat pumps etc

4

Prevents older buildings becoming derelict or dormant because they don't have enough in their capital works funds.

5

As an income producing activity for the Owners Corp (OC). Profits made can be saved for paying admin costs and upcoming capital works costs.



BASEMENT CONVERSION

This 1930's building overlooking North Bondi Beach required considerable repairs and upgrades. To offset the expense of the renovation, the OC converted the common property basement area into 2 one-bedroom apartments.

These apartments consisted of 54m² (*internal*) self-contained units which included a bathroom, laundry, combined lounge & and dining off the kitchen and master bedroom with courtyard off the lounge (approx. 9m²).

FEASIBILITY (estimates)

Gross Sales Revenue:	\$1,825,000
Total Costs:	\$1,138,330
Net Development Profit:	\$ 372,770
Development Margin:	24% net
Rental Income:	\$ 850 p/week or \$44,200 p/a per unit

Disclaimer – We were not involved in this conversion however we have researched the development.



ROOF SPACE CONVERSION

OC's can sell roof space to top floor apartments so owners can add additional rooms and possibly secure views.

1 BEDROOM ATTIC ADDED



FEASIBILITY (estimates)

Gross Sales Revenue:	\$ 200,000
Total Costs:	\$ 129,680
Net Development Profit:	\$ 35,920
Development Margin:	21% net

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ROOF SPACE CONVERSION

OC's can sell roof space to top floor apartments so owners can add additional rooms and possibly secure views.

BALCONY & RUMPUS ADDED



FEASIBILITY (estimates)

Gross Sales Revenue:	\$ 350,000
Total Costs:	\$ 226,940
Net Development Profit:	\$ 62,860
Development Margin:	21% net

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ROOF SPACE CONVERSION

The owners of this top floor Manly apartment doubled their floor space by opening up and accessing their unused space in the roof. They gained an entire new floor which included a new kitchen, living area, lounge, bathroom & bedroom. They also added a balcony with coastal views.

The attic conversion enabled the family to stay in their existing apartment that they had outgrown due to their expanding family.



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AIR SPACE CONVERSION

The Owners Corp added two new penthouses in the airspace above the highest level of the building to capitalise on airspace and feature amazing views.

Each penthouse sold for around \$20 million each.

This paid for the extensive renovation that the 80-apartment building desperately needed.



EXCESS SPACE CONVERSION

Asset Strata Valuers were appointed by the OC and Strata Managers to carry out a feasibility study on this project.

The Double Bay apartment building converted garden beds and excess land of a small ex-rubbish building (totaling 31.66 m²) into 4 additional car parking spaces.

FEASIBILITY (estimates)

Gross Sales Revenue:	\$ 1,200,000
Total Costs:	\$ 180,000
Net Development Profit:	\$ 1,020,000
Development Margin:	85% net



EXCESS SPACE CONVERSION

EV CHARGING SOLUTIONS

Strata EV specialises in strata EV charging solutions – National Manager – Tony Francis

CASE STUDY

- 1970's walk-up block of units and the installation of EV power supply.
- Burleigh Heads QLD - 32 Lots
- The project provided supply to 32 car spaces over 2 levels.
- The charging solution included a 7kw single phase standard charging EV battery providing an approx. charge between 4-8 hrs depending on car battery size.
- The committee budgeted for the upgrade of existing electrical equipment and Strata EV provided the energy solution to handle both peak & off-peak periods.
- The agreed solution was an EV charging cable from the switchboard via 2 new distribution boards.

Total cost - \$104,000 excl GST

This represents a cost per lot of \$3,250

- The OC are now considering solar, wind generators, led lighting and motion sensors as further upgrades.

Strata EV install and maintain their own systems.

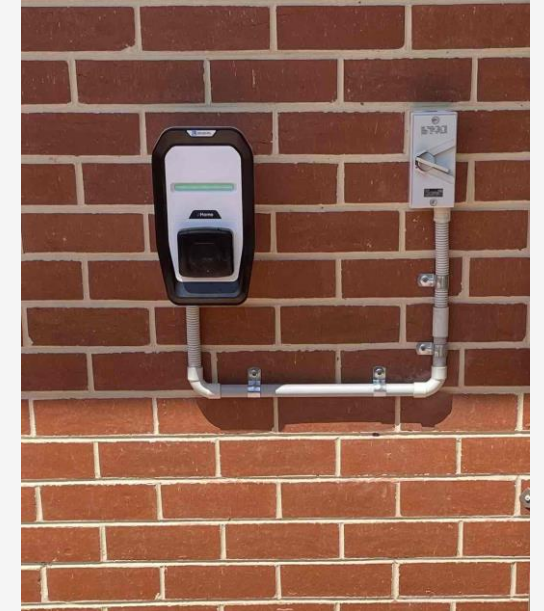
Strata EV offers a preliminary stage 1 report at \$2,500.



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NAVIGATING THE CONVERSION PROCESS



**Disclaimer – All information is to be used for general purposes only. You should seek your own professional, independent advice.*

Two principle pathways available to OC's for selling converted spaces:

1 Exclusive Use – Common Property Exclusive By-Law

- the asset (roof, car space etc) sells within the complex to an existing owner.
- the area remains common property and will not form part of a lot, therefore does not affect UOE's or the Strata plan.
- less complex process.
- selling the lot may be more difficult as buyers may be concerned about the inferior level of ownership when only relying on a by-law.
- the new Exclusive By-Law must be implemented via a Lawyer.

NAVIGATING THE CONVERSION PROCESS



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Two principle pathways available to OC's for selling converted spaces:

2 **Strata Sub-Division**

- done as a more permanent tool of ownership.
- is the preferred legal form of ownership by lawyers and lenders.
- involves new UOE's which involves costs
- involves a new Strata Plan which involves costs
- provides greater security.
- may increase the value of a lot based on holding freehold title to the area rather than exclusive use under a by-law.

GET IN TOUCH



Asset Strata Valuers can offer consultancy and advisory services for OC's looking to convert space in their complexes.

We offer:

- Preliminary Study – from \$1,500
- Basic Feasibility Study – from \$3,000

With over 60 years combined experience from our Directors, James and Martyn, you can ensure our strata valuation reports are reliable and knowledgeable based on the current market conditions and will help to unlock your strata building's potential.

Areas of Service: NSW, QLD, ACT, VIC



CONTACT US –

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