Innovation in affordable housing supply: Heritage redevelopment – Drill Hall

October 2015
Purpose of Presentation

- Overview of the Drill Hall
- Project Objectives
- Heritage Considerations
The operating context - Housing Choices Australia

- Nine offices in Victoria, Tasmania and South Australia
- Tenancy management of 3,430 dwellings (of which 1,512 are owned)
- House over 3,700 people in our dwellings
- $500 million in total assets
- Over 800 new dwellings constructed in the last seven years
- Debt facilities in place of $63 million with NAB and Westpac
- 105 staff across nine offices
- 60 Support Agencies partnerships
- Dedicate at least 25% of properties to people with disabilities
Overview of the Drill Hall

• The name “Drill Hall” is derived from the building’s original function as a prewar army officer training facility

• Built in 1937, Melbourne City Council purchased the site in the late 1990’s

• Located in the Melbourne CBD across the road from the Queen Victoria Markets – central Melbourne

• In 2006, Melbourne Affordable Housing (now Housing Choices) made an approach with the view of using the building for affordable housing purposes

• John Timmer and Jan Berriman drove concept

• Heritage planning and the subsequent search for funding then began
Drill Hall – pre construction
Project Objective

• Refurbish the heritage listed 1937 Royal Melbourne Drill Hall, its offices, meeting rooms and art deco apartment back to their former glory

• Construct new dwellings above the Drill Hall for residents on fixed, low and moderate incomes

• Provide residents with a strong connection to the city accommodation close to the services they use

• Provide residents with a disability accommodation close to their medical and support facilities

• Create an Employment Centre and Community Hub
Drill Hall Project

• Melbourne City Council transferred the land to Housing Choices for no cost and then leased back the original Drill Hall for a 99 year period

• In 2009, the project was approved for funding under the Commonwealth Governments’ Nation Building Economic Stimulus Plan (NBESP)

• Construction began in January 2010 and finished in November 2011

• A specialist heritage consultant with a strong relationship to the Executive Director of Heritage Victoria was chosen to advise on Heritage requirements

• An engineer with experience in restoring two other Drill Halls in inner Melbourne to Heritage Victoria requirements was also consulted
Drill Hall – construction of affordable housing
## Drill Hall Project

<table>
<thead>
<tr>
<th>Key Statistics</th>
<th>Details</th>
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<tbody>
<tr>
<td>Heritage fabric retained</td>
<td>90% of the original building</td>
</tr>
<tr>
<td>Structure retained</td>
<td>Officers and sergeants mess rooms, the main hall and lobby, a three bedroom heritage apartment and the hall ceiling</td>
</tr>
<tr>
<td>New structure</td>
<td>Eight large concrete columns inserted into the Drill Hall to support the affordable housing development above</td>
</tr>
<tr>
<td>Additional amenities</td>
<td>Kitchens, toilets, heating, communication and IT services</td>
</tr>
<tr>
<td>Apartments</td>
<td>56 new apartments in a seven storey tower Two new apartments in the upper level of the Hall Original three bedroom art deco apartment</td>
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<tr>
<td>Final outcome</td>
<td>6-star energy rated development providing 59 new homes for residents in the Melbourne CBD</td>
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Drill Hall – main hall during restoration
Drill Hall – main hall post restoration
## Drill Hall Funding – how did it come together

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Commonwealth Government NBESP</td>
<td>$19.3 million</td>
</tr>
<tr>
<td>Sidney Myer Centenary Fund</td>
<td>$2.0 million</td>
</tr>
<tr>
<td>Melbourne City Council</td>
<td>$1.25 million towards the restoration of the original building and land transfer</td>
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<tr>
<td>Housing Choices Australia</td>
<td>$2.05 million</td>
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<tr>
<td><strong>Total cost (excluding land and GST)</strong></td>
<td><strong>$24.6 million</strong></td>
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**Other Partners**

Victorian Department of Human Services, Icon Construction, MGS Architects, McDougall & Vines, Conservation & Heritage Consultants, Heritage Victoria, Cohealth (formerly Doutta Galla Community Health), National Australia Bank
Drill Hall – the view today...
Drill Hall Awards

• Australasian Housing Institute – winner of the Leading Housing Solutions Award in 2011

• Australian Property Institute – winner of the Property Review Australia Heritage Property Award in 2012

• Property Council of Australia – Victorian finalist for the Award for Best Heritage Development in 2013
Light Square – Common Ground Adelaide

- Former Sands and McDougall’s warehouse on Light Square in the Adelaide CBD was transformed for $11.5 million by Common Ground Adelaide and construction company Candetti.
Light Square – Common Ground Adelaide

- The site now consists of a heritage-listed four story building with an adjacent five level purpose-built building – incorporating:
  - 52 units
  - Common Ground offices
  - Communal spaces for tenants including an art studio, community area with computers, cafe-style common area and kitchen, a dental treatment room, allied health services, social and vocational support services.
Heritage Considerations

- Heritage overlay will add extra cost to developments
  - The cost of restoration, and
  - The cost of working around the heritage component
- Per unit cost will be substantially higher than developing a greenfield or brownfield site
- Applications can be made to the relevant Heritage organisation in each state for funding (Housing Choices was unsuccessful in receiving funding)
- Development of a building on a Heritage Register will require the services of a Heritage consultant / architect
- There can be a large cost and design range to meet heritage requirements so ensure the consultant / architect understands your budget and expected outcome
- Air rights were not financially viable for such a large investment and would not gain Government support and funding if this was offered
Drill Hall – external completion
Drill Hall – restored lobby, offices and stairs
Drill Hall – internal affordable housing
Drill Hall, Melbourne CBD
Housing Choices Australia – Contacts

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