

**Place AU**

Planning & Investment Intelligence

METHODOLOGY & DATA STATEMENT

Deliverable Capacity Index

How the Deliverable Capacity Index is built: the three-layer capacity model, the viability gate, the delivery reconciliation, trajectory scoring, the role of AI, and the limits of the model.

DOCUMENT

Methodology & Data
Statement v1.0

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01 Purpose of this statement

This statement sets out how the Deliverable Capacity Index is built: where every figure comes from, how it is calculated, what role artificial intelligence plays, and what the product cannot tell you. It is written so that a council strategy team, executive, finance team or panel can assess the method before relying on the output, and so that any figure in a delivered report can be traced back to a named public source.

Place AU publishes this statement because a report is only as useful as the confidence you can place in it. Where a method involves a judgement, that judgement is named here rather than buried. Where a limit exists, it is stated rather than glossed.

STATUS OF THIS DOCUMENT

This is a methodology statement, not a warranty of outcome and not professional advice. It describes the process Place AU follows. It does not guarantee that any particular decision made in reliance on a report will be correct. Section 09 sets out the limits of the product and Section 10 explains how errors are corrected.

02 The problem the model addresses

Zoned capacity is a theory. It assumes every eligible site develops to its permitted yield, at the same time, regardless of what it would cost to build or what the finished product would sell for. No market has ever behaved that way, which is why a council can hold ample theoretical capacity and still miss its target.

WHAT THE INDEX MEASURES INSTEAD

The Index reduces theoretical capacity in observable steps to the capacity that is commercially buildable at current costs and values, then reconciles it against what is already committed in the pipeline. Each step is computed from a published government dataset, and every parameter that is not itself published is disclosed on the face of the statement.

WHAT IT IS NOT

- It is not a valuation and it does not use a commercial automated valuation model.
- It is not a feasibility study for any individual site, and no site-level result should be read from it.
- It is not a forecast of dwelling completions. It is a capacity position at a point in time.
- It does not set, allocate or subdivide a housing target.
- It is not planning, legal or financial advice.

03 Geography, horizon and cycle

The Index is produced per local government area and scored at Statistical Area Level 2 under ASGS 2021. The horizon is 2051, matching the state housing targets. The cycle is quarterly, because construction costs and sale values move faster than an annual cycle can track.

Small areas are scored relative to the council they sit in. The Index does not rank small areas across councils, because the constraint mix and the value base differ too much for that comparison to carry meaning. Special-purpose ASGS areas are excluded.

04 Data sources

Every figure in a statement is retrieved from one of the sources below. No figure is sourced from a commercial data provider, a proprietary panel, a subscription database or an aggregator, and no figure is estimated by Place AU where a published figure exists.

SOURCE	PUBLISHER	WHAT IT SUPPLIES	LICENCE
Planning scheme and schedules	Responsible authority / DTP (Vic)	Zone and overlay extents, permitted yield parameters, contribution schedules	Crown copyright, reuse per publisher terms
Vicmap Planning (VMPLAN)	Department of Transport and Planning (Vic)	Spatial extents for the constraint layer	CC BY 4.0
Victorian Property Sales Report	Valuer-General Victoria	Realised sale evidence by area and dwelling type, the basis of gross realisation	Crown copyright, reuse per publisher terms
ABS Producer Price Indexes	Australian Bureau of Statistics	Published cost movement used to bring cost inputs to a common date	CC BY 4.0

SOURCE	PUBLISHER	WHAT IT SUPPLIES	LICENCE
ABS Building Approvals	Australian Bureau of Statistics	Approvals by dwelling type, the delivery input	CC BY 4.0
Urban Development Program	Department of Transport and Planning (Vic)	Project status, the pipeline and leakage input	Crown copyright, reuse per publisher terms
Planning Permit Activity Reporting System	Department of Transport and Planning (Vic)	Permit issue against project status	Crown copyright, reuse per publisher terms
Plan for Victoria housing targets	Department of Transport and Planning (Vic)	The confirmed dwelling target for the council to 2051	Crown copyright, reuse per publisher terms
ABS Census 2021 and Estimated Resident Population	Australian Bureau of Statistics	Dwelling base and population base	CC BY 4.0
ABS ASGS 2021, Edition 3	Australian Bureau of Statistics	Small area geometry for the map and the scoring frame	CC BY 4.0

Licence column records the terms under which Place AU reuses the material. Where a publisher applies Creative Commons Attribution 4.0 International (CC BY 4.0), attribution is carried in the report source list. Where a dataset is published under other Crown terms, reuse is limited to what those terms permit. Place AU does not reuse any dataset whose terms prohibit commercial reuse.

SOURCES WE DELIBERATELY EXCLUDE

Place AU does not use commercial demographic providers, automated valuation model outputs, proprietary consumer panels, scraped listing data or third-party aggregators. This is a sourcing rule, not a cost decision. It means the analysis is reproducible by anyone with access to the same public datasets, the sources can be named in a public forum without a licensing dispute, and no figure depends on a commercial arrangement that could lapse.

05 How a report is produced

Place AU follows a retrieve-first architecture. Figures are retrieved from source and validated before any narrative is written. This ordering is the single most important control in the system and the reason the product behaves differently from a general purpose AI assistant asked to write a report.

- Scheme controls read.** Zoning, overlays and schedules are resolved to small area geography and permitted yield parameters are computed per typology.
- Constraint deducted.** Overlay and environmental constraints are deducted using published spatial extents. Where extents overlap, the deduction is taken once rather than compounded.
- Costs and values fetched.** Sale evidence and contribution rates are pulled at runtime and each input is stamped with its vintage.
- Viability tested.** Remaining capacity is tested against the margin hurdle. Capacity that does not clear the gate is not counted as deliverable.

5. **Pipeline reconciled.** Committed projects are deducted and dwellings stalled between permit and completion are identified as leakage.
6. **Trajectory scored.** Deliverable capacity is compared to the remaining target at observed take-up, producing the quarterly rating.
7. **Reviewed.** Every figure and disclosed parameter is checked against its source by a person.
8. **Statement issued.** A Feasible Capacity Statement per small area, refreshed quarterly.

Vintage handling

Every retrieved figure is stamped at runtime with the release or vintage it came from, and that vintage is carried through to the delivered report. Where two figures in a report come from different vintages, both are shown rather than silently harmonised to the newer one.

Failing visibly

If a source cannot be reached or returns an unexpected structure, the pipeline stops and reports the failure. It does not substitute a cached figure, a prior-year figure or an interpolated value. A missing figure appears in the report as missing, with the reason. This is a deliberate trade: an incomplete report is recoverable, a silently stale one is not.

06 The three-layer model

Layer 1: theoretical capacity

The zoned dwelling capacity of each small area under the controls currently in force, before any test of whether that capacity would be built. This is the number conventional capacity assessment reports, and the index reports it too, as the starting point rather than the answer. Controls in force are used. Controls on exhibition or awaiting approval are identified separately and are not counted in Layer 1.

Layer 2: the viability gate

Each unit of theoretical capacity is tested against a development margin hurdle. Capacity that does not clear the hurdle is not counted as feasible, because a scheme permitting a development that cannot be financed does not produce dwellings.

DEVELOPMENT MARGIN

$$\text{margin \%} = \left(\frac{\text{gross realisation} - \text{total development cost}}{\text{total development cost}} \right) \times 100 ;$$

feasible where margin $\geq$ hurdle

Total development cost comprises land, construction, statutory contributions, professional fees, finance and selling costs. The hurdle rate is a stated parameter of the model, not a hidden constant: the value applied is disclosed on the face of every Feasible Capacity Statement, together with the vintage of each cost and value input used to compute the margin.

Gross realisation is built from realised sale evidence in the Valuer-General series for the relevant small area and dwelling type, not from asking prices or automated valuation outputs. Cost inputs are brought to a common date using published ABS producer price movement rather than assumed escalation.

Layer 3: delivery reconciliation

Not every approved dwelling completes. Layer 3 measures the leakage between permit and delivery for the small area, using PPARS permit activity, ABS Building Approvals and Urban Development Program monitoring, and applies it to the capacity that cleared Layer 2.

FEASIBLE CAPACITY

feasible capacity = theoretical capacity → filtered by the viability gate → adjusted for observed delivery leakage

Each layer is reported separately as well as in combination, so a reader can see how much capacity each test removes and challenge any single layer without discarding the whole statement.

Trajectory scoring

Feasible capacity and observed delivery are then compared against the pace the council's confirmed Plan for Victoria 2051 target requires, and the small area is given a red, amber or green trajectory rating. The bands are stated parameters of the model and the thresholds are printed on the statement, so a rating can never be read without the rule that produced it. The underlying figures are shown next to the rating.

07 Contributions and affordable housing sensitivity

Infrastructure contribution yield

Statutory contributions sit inside total development cost, so they affect the viability gate directly. The model reads the contribution regime applying to each small area rather than applying a single assumed rate:

- Development contributions plan and infrastructure contributions plan charge areas, read from the schedule to the relevant particular provision of the planning scheme, with the charge area and rate stated.
- Growth areas infrastructure contribution applicability, screened for each area. Where it does not apply, the statement records that it was screened and does not apply, rather than leaving it unmentioned.
- Public open space contributions, read from the relevant scheme provision and the Subdivision Act framework.

WHERE A SOURCE IS AMBIGUOUS, THE MODEL SAYS SO

Contribution regimes are amended frequently, and published departmental material is not always internally consistent. Two rules apply. First, a levy that is proposed and subject to approval is recorded as proposed and is not applied as though in force, and any commencement date attaching to a different charge area is not carried across to an area it does not cover. Second, where published departmental material is inconsistent on a matter such as the point at which a levy is triggered, both readings are named in the model and neither is silently adopted. The council is told the ambiguity exists and what it would do to the result. Resolving an ambiguity in the source by choosing quietly is the failure the model is built to avoid.

Affordable housing sensitivity

The viability gate is re-run across an affordable housing set-aside from zero to twenty per cent in one per cent increments, at small area level, anchored to the affordable housing provision of the Victoria Planning Provisions. The

output shows the point at which set-aside begins to remove capacity through the viability gate in each small area, which is the question a council negotiating a voluntary agreement actually needs answered.

MECHANISM	HOW IT IS TREATED
Gifting at nil consideration	The dwelling transfers for no payment. Gross realisation for that dwelling is nil and the full development cost remains.
Discounted sale	The dwelling transfers at a discount to market. Gross realisation is reduced by the discount and the full development cost remains.
Cash equivalent contribution	A payment is made in place of a dwelling. The payment is treated as a cost and the dwelling is realised at market.

THE THREE ROUTES ARE NOT EQUIVALENT

The model reports the three mechanisms on their own terms and does not convert them to a single common dollar figure, because they do not produce the same effect on the viability gate at the same nominal set-aside. Presenting them as interchangeable would hide the difference that matters most in a negotiation. Where a council wants a single comparison figure, the assumption required to produce one is stated explicitly and the result is labelled as resting on that assumption.

08 Use of artificial intelligence

AI is used to explain retrieved data in plain English. It is not used to produce, estimate, infer or recall any figure.

What the model does

- Writes the plain-English interpretation of figures that have already been retrieved and validated.
- Structures the narrative into the report's fixed section format.
- Summarises what a validated figure means for the decision the report supports.

What the model does not do

- It does not generate statistics. Every number in a report enters the process before the model is called and is passed to it as validated input.
- It does not recall figures from its training data. The system prompt prohibits this explicitly, and figures are supplied in the request rather than requested from memory.
- It does not select or rank sources. The source list is fixed by the sourcing policy.
- It does not decide anything about an identified individual.

WHY THE ORDERING MATTERS

The common failure mode in AI-written analysis is asking a model to produce numbers. Models are fluent, so invented figures read as confidently as correct ones, and they drift and date without warning. Place AU removes the failure mode rather than managing it: by the time the model is invoked, the figures are already fixed, sourced and vintage-stamped, and the model's only task is explanation. A model that is never asked for a number cannot fabricate one.

Human oversight

Consulting briefs are reviewed by Place AU before delivery. Every figure is checked against its source and every statement of interpretation is read and approved by a person before the brief is issued. Nothing is delivered to a client without that review.

Model and processing

Narrative generation uses the Anthropic Claude API. Geography and order metadata is passed to the API to generate report content, as disclosed in the Place AU privacy policy. Client material is not used to train models. Payment processing is handled by Stripe and Place AU does not store card details. Report delivery uses Resend. Each of these providers operates under its own privacy policy and some process information outside Australia.

Automated decision-making

Place AU reports are decision-support documents about places, not decisions about people. The product does not make, or substantially assist in making, a decision about an identified individual, and it does not assess, score, rank or profile individuals. Reports are produced from aggregate published statistics.

Place AU notes the automated decision-making transparency obligation inserted into the Privacy Act 1988 (Cth) by the Privacy and Other Legislation Amendment Act 2024 (Cth), which commences on 10 December 2026 and requires affected entities to describe in their privacy policy the kinds of personal information used in, and the kinds of decisions made by, qualifying automated decision-making. Place AU maintains its privacy policy against that obligation.

Regulatory context

Australia does not currently have AI-specific legislation. The National AI Plan released in December 2025 confirmed a technology-neutral approach relying on existing law, supported by the National AI Centre's Guidance for AI Adoption and the Australian AI Safety Institute. Place AU's controls are built to the substance of that guidance: accountability is held by a named person, impacts are assessed, the system is tested and monitored, and human control is retained over what is published.

09 Data governance

Sourcing policy

Reports are built exclusively on open government data licensed for commercial reuse. There are no proprietary data dependencies, which means no figure in a report can become unpublishable because a subscription lapsed or a licensor changed its terms.

Traceability

Every figure can be traced to a named, publicly available source. Source and vintage are stated in the report itself, not held separately. A reader with access to the same public datasets can reproduce the figures.

Accuracy over completeness

Where a figure cannot be sourced, it is omitted and the omission is stated. Place AU does not fill a gap with an estimate presented as a fact. A shorter correct report is preferred to a longer one padded with inference.

Conflicting sources

Where two government sources disagree, Place AU verifies against the primary source and states which was adopted and why. Where a primary source is itself ambiguous or a figure is proposed rather than in force, both readings are named and neither is adopted silently.

Suppression

Small-area statistics are sometimes suppressed by the publisher for confidentiality. Where that applies, the report says the figure is suppressed. It is not interpolated, modelled or inferred from a larger geography.

Personal information

Reports are built from aggregate published statistics. They do not contain personal information about identified individuals. Personal information collected from clients is limited to what is needed to scope, deliver and invoice the work, and is handled under the Place AU privacy policy at placeau.com/privacy-policy.

Disclosed parameters

Where a parameter cannot be sourced from a published dataset, the margin hurdle and the cost inputs being the principal examples, it is named as a disclosed parameter, its value and origin are stated on the face of the statement, and it appears in an open items note. It is never presented as a measurement. A reader who disagrees with a disclosed parameter can see exactly which figure to change and what it would move.

10 Limitations

- **Cost parameters are disclosed, not measured.** No open government series publishes construction cost at small area level, and the Index says so rather than implying otherwise.
- **The viability gate is a model of commercial behaviour.** It approximates whether development stacks up, and it will be wrong for individual sites in both directions.
- **Approvals are not completions.** The pipeline reflects reported project status, which lags reality.
- **No site-level result.** The Index is scored at small area level. Nothing in it should be read as a finding about any individual parcel.
- **Capacity is not permission.** A deliverable capacity figure is not a permit and not a commitment by any landowner to build.
- **Targets are not subdivided.** The Index compares small area capacity against the council target. It does not allocate a share of that target to any small area.
- **Victorian product.** The planning instrument and sales data the Index depends on are state published. Interstate work is taken on request and scoped to the equivalent state framework.

11 Currency, versioning and corrections

Currency

Each Feasible Capacity Statement states the vintage of every figure it uses. A report is a point-in-time document. Government sources are revised and reissued, and a figure correct at the date of issue may be superseded later. The report date on the cover is the date the figures were retrieved.

Corrections

If an error is identified in a delivered report, whether by Place AU or by the client, Place AU will verify it against the primary source and, where the error is confirmed, issue a corrected version at no charge, marked with a revision number and a short note describing what changed. Clients are told when a correction affects a figure they may have already relied on or published.

Methodology changes

This statement is versioned. Where a method changes in a way that would alter a previously reported figure, the change is recorded in the version history and clients who received an affected report within the preceding twelve months are notified.

Raising a question

Questions about any figure, source or calculation described here can be sent to info@placeau.com. Place AU will identify the source and the calculation behind any figure in a delivered report on request.