
CARAWATHA RESIDENTIAL REDEVELOPMENT PROJECT

BUSINESS PLAN



February 2017

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PROJECT BACKGROUND & OVERVIEW

Background

In June 2006 the City of Melville (City) acquired the former Carawatha Primary School site situated at 10 Archibald Street Willagee corner of North Lake Road from the Department of Education. The City's key objective in acquiring the site was to address the long held concerns of residents wishing to see activation in the suburb through urban renewal. The site is uniquely placed at the Eastern entrance to Willagee and offered the opportunity to create an entrance statement to Willagee which will set the tone for future place making and urban renewal within the suburb.

The Council, at its meetings on 20 August 2013 and 10 December 2013, endorsed an approach to explore opportunities via either seeking Requests For Proposals (RFP) or Expressions Of Interest (EOI) for the potential redevelopment of a portion of the Carawatha site to deliver on the initial key objectives originally sought by the City, in addition to achieving the objectives outlined in the Willagee Structure Plan following extensive community consultation and feedback.

An RFP process was initiated in mid 2015 for a 2.6ha portion of the former Carawatha Primary School site in Willagee. The Executive Management Team (EMT) endorsed the recommendation from the Evaluation Panel, which identified Satterley Property Group (SPG) as the highest ranked proponent out of all submissions received, for the redevelopment of the Carawatha site and the shortlist of preferred proponents in accordance with their ranking from the evaluation assessment. A presentation at the Elected Members Information Session (EMIS) was provided on 14 July 2015 with a full briefing on the RFP process and Phase 1 evaluation assessment and recommendations. All parties who submitted have been advised in writing of their individual evaluation results and their ranking.

Request For Proposal (RFP) Process

The RFP was released as a Public document on 15th April 2015 and was advertised for two weeks in the commercial real estate section of the West Australian newspaper, Melville City website advertisement, press release and site signage to provide maximum exposure to the market. In addition those parties which had previously expressed interest in the site were contacted and provided with a copy of the RFP document. The deadline for submissions was the 28th May 2015.

The RFP evaluation process uses selection criteria which is both non-weighted and weighted. The 'Non-Weighted Criteria' specifically addresses the following items:-

- Compliance;
- Proponent Details;
- Development Timeframes; and
- Baseline Underlying Value

The 'Weighted Criteria' was assessed according to three key areas which are scored in the evaluation by the Panel. They included:-

1. Financial capacity, experience and innovation (40% weighting)
2. Development capacity and relevant experience (30% weighting)
3. Experience in joint venture or partnership developments (30% weighting)

The results were compiled by the Assessment Panel on the 'Evaluation Summary' dated 18 June 2015. The proponents were ranked with the highest score ranked 1 and the lowest score ranked 5.

Evaluation Summary

The total collaborative qualitative scoring was out of 100%.

Weighting	40%	30%	30%	
Proponent	Financial capacity, experience & innovation (/5)	Development capacity and experienter (/5)	Experience in joint ventures & partnerships (/5)	Total
Preferred Proponent Satterley Property Group (SPG)	2.00	1.30	1.50	4.80
Respondent 2	2.00	1.50	1.20	4.70
Respondent 3	1.60	1.40	1.50	4.50
Respondent 4	1.60	1.40	1.20	4.20
Respondent 5	1.60	1.20	1.20	4.00
Respondent 6	1.40	1.00	.90	3.30

The Panel ensured that the basis of scoring across the submissions had been completed consistently and objectively. In addition to the qualitative criteria the RFP asked for proponents to address the non-weighted quantitative criteria which included proponents to provide an indicative baseline value for the development site under each proposed development model (i.e. Outright Purchase / Sale (OP), Joint Venture (JV) or Project Manage (PM)).

The EMT, at its meeting held on Thursday 2nd July 2015, approved the recommendation from the RFP Assessment Panel for the City to work with the preferred proponent SPG, to develop a detailed proposal to see the joint redevelopment of the Carawatha site.

PROPERTY PARTICULARS

- Current Owner
 - City of Melville
- Address
 - 10 Archibald Street, Willagee
- Title Particulars
 - Part Lot 300 Diagram D48936 Certificate of Title Volume 2607 Folio 498
- Easements & Encumbrance
 - None
- Total Land Area
 - Estimated 2.596 Hectares (subject to future survey)
- Zoning
 - Urban (MRS)
 - Residential R60 under LPS No.6
- Valuation Report
 - Colliers International

STRATEGIC JUSTIFICATION AND ALIGNMENT

Purpose

The purpose of the Business Case is to provide a detailed analysis of the joint residential development proposal for the Carawatha site between the City and SPG for the purpose of informing the Council and if approved, advertising the proposal in accordance with the provisions of Section 3.59 of the *Local Government Act 1995*.

Strategic Alignment

The project strategically aligns with the principles and objectives stated within the City's draft Land Asset Management Plan in the following ways:-

- Supports Community and Social Needs
- Generates Economic Value
- Delivers Planning Outcomes
- Creates Additional Revenue Streams
- Supports Intergenerational Equity by Delivering Long Term Financial, Social and Environmental Value to the Community

DEVELOPMENT STRUCTURE

Work on refining the proposed development concepts, project feasibility and structure has been underway for several months with a draft development proposal and structure being prepared which would in principal achieve the objectives for the City and SPG. There has been a heavy emphasis by the City to adopt a project development model which will deliver on planning and built form design objectives, achieve a fair return and mitigate project and financial risk to the City.

Attached in the Appendix is a flow chart depicting the development structure model proposed for the development. Binding this structure will be a series of agreements between the City, SPG and the project development partner including a development agreement and project management and selling agreement.

Detailed Summary of the Proposed Development Structure Model

Structure

The proposed Joint Venture model between the City and SPG as depicted in the Appendix illustrates the relationship between the joint venture parties and the project manager. The model includes an SPG Special Purpose Vehicle (SPV) that will partner with the City in developing the project and also be the legal entity for its equity contribution (participation fee) to the development project. SPG itself will then act as project manager and selling agent for the City and the SPV to project manage, deliver and sell the development. This is a common model used by the property development sector both private and public/private joint venture partnerships and a model frequently employed by LandCorp. The benefits from this structure to the City are that it allows the City to retain ownership and control of the land up until it is developed and sold. In addition, the land remains unencumbered and free from mortgage or security throughout the project life. This mitigates risk to the City should the project partner fail to deliver the project, collapse or decide to walk away from the joint venture and the project.

Proposed Agreements

The relationship between the project partners (City and SPV) would be governed by a "Development Agreement" and the relationship between the project partners and the project manager and selling agent would be governed by the "Project Management and Selling Agreement". As part of the risk assessment process the City has received advice from its consultants on the proposed terms that may be included in these agreements to ensure they can be drafted equitably. The draft agreements will be subject to a full review by the City's Solicitors before recommending they be finalised. This will occur after the conclusion of the Section 3.59 advertising period and if the Council approves the project to proceed.

Management Committee

The Management Committee would be made up of equal representation from the City of Melville and Satterley Property Group and would account for determining day to day decisions for the joint venture. Disputes that may arise between the joint venture participants would in the first instance be attempted to be resolved by senior representatives discussion (i.e. CEO of the City of Melville and CEO of Satterley Property Group). Valuation, construction costs and accounting disputes would be resolved by a binding experts determination.

Joint Venture Equity Split

Under the proposed structure the City will contribute the land (at valuation) representing its 50% equity contribution to the project and the SPV's 50% equity contribution would take the form of the payment of a "Participation Fee" to the City which will equate to 100% of the land's value. This is a suitable basis for an equitable joint venture structure with the initial working capital requirements of the project budget being met from the joint venture partner equity contribution.

Project Management

Satterley Property Group (SPG) will be responsible for the project management, sales and marketing of the development, acting under instruction of the joint venture partners. SPG would internally resource these functions and in turn charge the project in line with industry market rates for such services. All project costs would be paid by the project manager (SPG) in accordance with the project budget and reimbursed from the development partner (SPV) and City of a 50/50 basis. Net sales proceeds after payment of all project costs would be split 50/50 between the City and SPV as joint venture partners.

Related Party Fees

The project fee structure and costs are detailed below and which are considered in line with normal commercial rates in the property development industry.

Development Administration Fee (1% of Gross Sales Value)

Payer – Project (JV Partners)

Payee - SPG

This fee is charged by SPG (Project Manager) and absorbed as a project cost. The amount provided for in the project budget for this fee equates to \$654,000. It is in effect part of the project management fee.

Project Management Fee (2.25% of Gross Sales Value)

Payer – Project (JV Partners)

Payee – SPG

This fee is a cost levied on the project for project management and delivery services on behalf of the joint venture partners in accordance with the terms of the Project Management Agreement. The Project Management Agreement binds the project manager to fulfil specified obligations to the project joint venture partners. The amount provided for in the project budget for this fee equates to \$1.471M.

Selling Fee (2.25% of Gross Sales Value)

Payer – Project (JV Partners)

Payee – SPG

This fee is a cost levied on the project by the project manager in return for undertaking the selling of all lots, homes and apartments for the project in accordance with the terms of the Project Management Agreement. The amount provided for in the project budget for this fee equates to \$1.471M. The following schedule provides a summary of the various fees proposed to be paid by the project to Satterley Property Group.

<u>Fee Type</u>	<u>Payer</u>	<u>Payee</u>	<u>Amount (Ex GST)</u>
Selling Fees	Project	SPG	\$1,471,500
Project Mgt Fees	Project	SPG	\$1,471,500
Administration Fees	Project	SPG	\$ 654,000
Total Fees Paid to Satterley Property Group			<u>\$3,597,000</u>

INDEPENDENT VALUATION

The Valuation Report dated 29 June 2016 was prepared on the basis of the approved Valuation Brief issued by the City. The scope of the brief was agreed to by both the City and SPG prior to being issued. But the appointment of the Valuer was made solely by the City for the purpose of not only informing negotiations with SPG over the land value and participation fee but also meeting the City's requirements under Section 3.59 of the *Local Government Act 1995*.

Independent Licensed Valuer Details

Colliers International (WA) Pty Ltd
Dean Johnston AAPI
Director | Valuation & Advisory Services
Certified Practising Valuer
Licensed Valuer No. 44426
For the State of Western Australia

Definition of Project Related Site Value

"The Project Related Site Assessment is the Value of the site in relation to a particular project intended for the land being an amount which depends entirely upon the success of the project as forecast in the analysis. The Project Related Site Assessment does not represent the value of the land in isolation, but rather an assessment concluded by way of a hypothetical development cash flow analysis in relation to the particular project proposed."

Assessment Method

There are two acceptable methods used for calculating the project related site values:-

1. The discounted cash flow approach analyses the net cash flow line before finance. Under this method the cost of capital is implicit in the discount rate adopted.
2. The traditional residual value method applies a developer margin on after finance. Under this analysis the Valuer has assumed 100% debt funding of all costs project costs

The Valuer has assessed the appropriateness of the discount rate and developer margin rate on the basis of the projects expected timeframe, scale, risk and opportunity. Having considered the merits of the proposed project the Valuer has adopted a developer margin of 15% and discount rate of 19% pa.

Summary of Valuation Findings

Valuation Criteria

Basis of Valuation	Project Related Site Assessment
Valuation Approach	Hypothetical Development
Developer Margin (Profit/Risk Margin)	15.00%
Residual Value	\$5,840,000 (GST Inclusive – Margin Scheme Basis)
Discount Rate	19.00% pa
Residual Value	\$5,970,000 (GST inclusive – Margin Scheme Basis)

Valuation Conclusions

Adopted Value	\$5,900,000 (GST Inclusive – Margin Scheme)
Land Rate	\$227/m ²
Dwelling/Lot Rate	\$42,143/unit
Developer Margin on Cost Analysis	14.90%
Internal Rate of Return Analysis	19.16% per annum

Valuation Report Assessment Dated 29 June 2016

'As is' Project Related Site Assessment by the Valuer
\$5.9M – GST Inclusive (Margin Scheme Basis)

'As Is' Current Market Site Value Range by the Valuer
\$6.230M to \$6.750M - GST Inclusive (Margin Scheme Basis)

Gross Realisation – 'As If Complete'

A component of the Valuer's brief was to appraise and comment on the reasonableness of the gross sales realisation estimates which were adopted in the project feasibility model. In determining the 'as if complete' gross realisation the value of the proposed development the Valuer has examined comparable market evidence relating to single residential sites, townhouses, house and apartments and applied this analysis under the direct comparison approach.

Below is a summary of the individual gross selling prices for each type of product in the proposed development.

Yield Summary

Product	Yield	Site Area M2	Type	Net Area M2	Base Price (\$000)
Vacant Lots	12	300	-	300	\$350
Townhouses	20	180	3x2	118	\$575
Apartments (1x1)	19	50	1x1	55	\$350
Duplex Apartments (2x1)	16	65	2x1	70	\$420
Apartments (2x2)	73	75	2x2	74	\$460
Total	140				

The combined 'as if complete' gross realisation estimate predicated on the preliminary conceptual development information provided is summarised within the schedule below:

Product	Yield	Gross Sales (\$000)
Precinct A (Vacant Lots)	12	\$4,500
Precincts B (Townhouses & Duplex Apartments)	18	\$9,144
Precincts C (Townhouses & Duplex Apartments)	18	\$9,212
Precinct D (Apartments)	11	\$4,998
Precinct E & F (Apartments)	32	\$14,565
Precinct G (Apartments)	20	\$9,298
Precinct H (Apartments)	29	\$13,691
Total	140	\$65,408

The 'as if complete' gross sales proceeds forecast by SPG in the project feasibility model was **\$65.408M** being \$2.069M or 3.3% above the Valuer's assessment of 'as if complete' gross realisations.

FINANCIAL IMPLICATIONS

Satterley Property Group has assessed the land value (participation fee) in the feasibility model payable to the City at **\$6.5M** which is within the assessed range of the Independent Valuation.

In addition to an assessment of the land value for the project, variations in sale prices have been analysed by way of sensitivity analysis to determine the impact of product price variations on key project returns and key financial performance indicators. Price increase and decrease affects have been modelled and compared against the project budget feasibility model. The results are summarised in the table below:-

Revenue Sensitivity Analysis Table

Below is a summary of the financial impact on the project key performance indicators as a result of potential variations in projected sales prices over the life of the project.

Key Financial Indicators	10% Decrease Sale Prices (\$000)	5% Decrease Sale Prices (\$000)	Project Budget Sale Prices (\$000)	5% Increase Sale Prices (\$000)	10% Increase Sale Prices (\$000)
Land Price	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Net Sales Income	\$50,590	\$53,383	\$56,176	\$58,969	\$61,762
Profit/(Loss)	\$3,344	\$6,120	\$8,921	\$11,721	\$14,465
Profit on Cost (%)	7.05%	12.89%	18.81%	24.71%	30.47%
Internal Return (%)	7.94%	13.94%	19.87%	25.75%	31.58%
Total Return to City **	\$8,172	\$9,560	\$10,960	\$12,361	\$13,732
Total Return to Satterley	\$1,672	\$3,060	\$4,460	\$5,861	\$7,232

** (The total return to the City in the above modelling includes the land value payment of \$6.5M by SPG to the City.)

The above table highlights the sensitivity of forecast project returns to sales price variations of up to 10% which could result from positive and negative changes in market conditions at the time of sales.

In summary an overall sales price reduction of 10% would still result in the City receiving a total return including the land value of \$8.172M and would represent an overall reduction in net profit of \$2.788M. Alternatively, an overall sales price increase of 10% will result in the City receiving a total return including land value of \$13.732M and would represent an overall rise in net profit of \$2.772M.

It's important to note that whilst variations in sales prices may occur during the life of the project due to external market factors, the sales value and sales rates assumptions used in the financial model reflect current market conditions. There may be some scope for sales prices to rise across the product typology particularly as the development progresses across the stages.

STATUTORY AND LEGAL IMPLICATIONS

Section 3.59 (3) of the Local Government Act 1995 lists the content a Business Plan or Business Case should cover in the form of a major land transaction and requires an overall assessment of the proposal.

This Business Case is denoted as confidential until such time as it is determined to be made public.

Several reports referred to in this Business Case are determined to be confidential as relate to commercially confidential information. This item of business maybe dealt with in confidential business in accordance with the following provisions Section 5.23 and Section 5.41 of the *Local Government Act 1995*. If a meeting is being held by the Council or by a committee referred to in subsection (1)(b), the Council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following:-

- (a) A contract entered into, or which maybe entered into, by the local government and which relates to a matter to be discussed at the meeting;
- (b) A matter that if disclosed, would reveal information that has a commercial value to a person.

PROJECT OBJECTIVES AND OUTCOMES

The opportunity to create a new residential development for the City of Melville community presents numerous social benefits.

The potential outcomes that have been identified are as follows:-

1. Enriches community life and shared experiences
2. Encourages a sense of belonging and place
3. Enhances shared experiences
4. Stimulates vibrancy and economic activity
5. Attracts tourism
6. Creates employment
7. Provide housing diversity and encourage affordability

CONCEPT DESIGN ELEMENTS

The following is a detailed summary of the anticipated form of development, product mix and target market identified for the proposed development. Satterley Property Group developed a "Concept Design Storyboard" prepared by Mackay Urban Design. The concept gave consideration to the Carawatha Policy Area Objectives and Design Principles in its formation. In addition, the design, orientation and lot typologies have been considered to maximise the benefit created by public open space (Carawatha Park) along the western boundary.

The City is seeking a high quality urban design outcome that considers the potential change in the local demographic over the mid-term. In this respect, the proposed development concept is ideally suited to responding to the anticipated demographic changes. Specifically, the diversity of housing product and the anticipated price points of the proposed development respond to the following market trends:

1. Young, single professionals looking to live close to local employment centres (Fremantle, Murdoch University, Fiona Stanley Hospital, etc.)
2. Single parent households seeking affordable living options
3. Mid-life couples and younger families looking for a lifestyle closer to facilities than is offered by a conventional suburban fringe location
4. Older couples (empty nesters) looking to down size but stay in the local area
5. Retirees looking for housing that is well suited to ageing in place and close to local facilities

Proposed Product Yield Table

Product Typology	Proposed Yield Option	Mid Yield Option	Low Yield Option
Vacant Lots	12	12	12
Townhouses (2 Levels)	20	40	53
Duplex Apartments (2 Levels) 8 Duplex Lots	16	16	Nil
Apartments (3-4 Levels)	92	37	25
Total	140	105	90

Concept Design Features

There are various objectives and guidelines within the Willagee Structure Plan applying to the Carawatha site. The Concept Design Storyboard has considered the objectives.

Key features of the Concept Design include:

1. “Green fingers” of open space bringing visual and pedestrian connectivity to the park deep into the Carawatha site
2. All lots overlook open space or activating street fronts (Archibald Street and North Lake Road), so there is no front/back conflict of housing and enables passive surveillance
3. Three split level vacant lots to take up the change in level to and overlook Carawatha Park
4. The 12 premium Carawatha Park vacant lots will incorporate 2 metre park set back allowing a footpath interface with the park
5. A laneway and hedge interface to the existing retirement village is provided which will be pleasing aesthetically and not encroach from a built form perspective

6. A landscape / stormwater detention basin has been created on the lowest part of the site
7. Development on North Lake Road to incorporate additional setback for retention of existing boundary trees
8. A landmark building to be created on the Archibald Street and North Lake Road corner

Premium Vacant Lots

A total of 12 vacant lots (c.300sqm each, 10m frontage) will be provided. This represents the premium home sites within Carawatha and preliminary pricing is expected to be around \$375,000 for each lot. Target market is second or third home buyers attracted to build new homes adjoining parkland. Given the parkside location, it is anticipated that buyers would be attracted to two level constructions to maximise outlook.

Townhouses

The 20 cottage lots (c 180sqm each, 6m frontage) propose to build two level townhouses with common walls/boundaries. Accommodation will provide 3 bedrooms, 2 bathrooms with double garage off the laneways. Home sizes of 130 to 140sqm are anticipated to be built on the lots. Preliminary pricing is expected to be around \$575,000 for each townhouse. Target market is downsizers and those seeking to purchase an entry level, yet high quality home in the City of Melville.

Duplex Apartments

The 8 cottage lots on each corner are designated as duplex lots (c 225sqm each, 7.5m frontage) and propose to construct 2 level buildings with a ground floor apartment and first floor apartment. Each apartment will provide 2 bedrooms, 1 bathroom and share a double carport off the laneways. Apartment sizes are expected to be approximately 75sqm in area. Preliminary pricing is expected to be \$420,000 for each apartment. Presently, this type of product is not available in Willagee however has pre-sold quite well in other developments. Target market is predominantly downsizers and single parent and/or single child families. Dependant on design outcome, the number of duplex cottage homes could range up to 16.

Apartments – (1 Bedroom 1 Bathroom)

Apartment buildings will be over 3-4 levels with under-croft parking. The 1 bedroom 1 bathroom apartments would comprise 55sqm of internal strata area, plus courtyard or balcony and a car-bay. Preliminary pricing is expected to be around \$350,000 for each apartment. The target market is single households, couple only households, and investors as good rental demand will exist in this locality given proximity to employment centres. At \$350,000 this may also attract first home buyers. Dependant on design outcome, the number of 1 bedroom apartments could range from 5 to 19.

Apartments – (2 Bedrooms/2 Bathrooms)

The 2 bedroom 2 bathroom apartments would comprise 74sqm of internal strata area, plus courtyard or balcony and a car-bay. Preliminary pricing is expected to be \$460,000 for each apartment. The target market is downsizers, young families / professional couples seeking a high quality yet relatively affordable housing option in the City of Melville, and investors as good rental demand will exist in this locality given proximity to employment centres. A higher weighting to these apartments is proposed, being at least 67% of apartment stock, given market indicators have suggested a strong preference for 2 bedrooms. Dependant on design outcome, the number of 2 bedroom apartments could range from 20 to 73.

Potential Child Care Site – Sub Precinct “D”

In addition to the above product typology, there has been discussion with Satterley Property Group that the City may retain sub-precinct “D” which was earmarked for a small apartment complex development to be retained by the City and used for the purpose of a Child Care Centre. Whilst the value of this site would come at a cost to the City in the form of a reduction in overall profit share it would become a long term property asset that generates a community benefit.

Presently, both new townhouses and new multi-level apartment developments are not available in Willagee. However, it is considered that market demand will exist for high quality product in a unique park-side location and it is a suburb with continued strong value growth potential. The depth of market demand will need to be tested, however an advantage of the Concept Design allows for prudent staging of apartment development and/or provision of alternate townhouses on these sites should depth of apartment demand be shallower than anticipated and/or townhouse demand exceed expectations.

The proposed Concept Design seeks to achieve a delicate balance between realising a development yield that delivers an attractive financial benefit to the City (consistent with financial objectives) and creating a place that is beneficial to the local community and consistent with the community’s expectations in regard to new development. In this respect, the proposed Concept Design seeks to optimise the yield rather than simply maximise the yield at the expense of the development’s impact on the local community. The development concept has been prepared with due regard to the City’s planning framework and is consistent with:

1. The planning parameters of density, plot ratio, setbacks, and heights
2. The intent of the Carawatha Master Plan that has been previously prepared on behalf of the City
3. Best practice urban design principles

The experience offered to residents by the newly created Carawatha Park will be enhanced through the provision of significant potential for passive surveillance of the park from adjacent dwellings, and a sense that the park is an integral part of the community rather than an isolated piece of green infrastructure. The proposed development concept will also address and help support the existing local centre (Archibald Hub) by means of providing a new resident population of up to several hundred residents within a short walk of the Archibald Hub. In addition to the economic benefit for the centre, a significant increase in ‘walk-to’ patronage will also contribute to a marked increase in community interaction and the development of social capital. The Concept Design will act as an important catalyst to accelerate investment in the area and encourage the continued redevelopment of old housing stock. The introduction of the Satterley Property Group brand will provide a clear message to the broader market that Willagee is a desirable place in which to invest and live, and will set a new benchmark for the quality of development expected by the City.

SUSTAINABILITY

Sustainable urban development is a key objective of the proposed project and the City together with SPG intends to apply sustainability principles contained within the Urban Development Institute of Australia's Sustainable Urban Development Index. Design of infrastructure, urban planning and building design will give strong consideration to consumer awareness and behaviours with regard to ecosystems, waste, energy and comfort, materials, water, community, economy, transport and affordability.

Building Design Initiatives

In terms of building design, key considerations and possibilities applicable to the Carawatha concept include solar orientation (passive solar design); solar access zones for living areas; cross and stack ventilation; permeable fencing (encouraging cross ventilation); energy efficient lighting and appliances; smart metering infrastructure; north and west facing roof areas allocated for solar devices; integrated photovoltaic power systems; plug-in points for electric vehicles; building designs to allow heat purging (e.g. natural ventilation, porous surfacing)/heating (e.g. mass concrete) at night; green roofs/cool roofs (e.g. heat resistant materials); use of recycled building products; double glazing; use of local materials; rainwater harvesting; water-wise appliances and plumbing; and stormwater retention.

Landscaping Initiatives

In terms of landscaping, the Carawatha concept will seek to retain a significant number of the existing established trees to maximise amenity, estate presentation and shading outcomes. These existing trees are located in an enlarged setback area to North Lake Road. An additional pocket of trees can be retained in a landscaped area to North Lake Road. An additional pocket of trees will be retained in a landscaped area midway along to North Lake Road frontage, which, as the low point in the site, is required to provide stormwater detention and infiltration. The stormwater detention will be managed by means of best practice water sensitive urban design techniques to compliment the tree retention. The proposed Carawatha concept also includes a significant amount of new landscaping by means of street trees, hedging to the shared boundary with the Braemar Retirement Complex to the north, within front setback areas, and the proposed 'green fingers' that run through the site and connect with the nature based play in the adjoining Carawatha Park. Water-wise and climate-responsive landscaping principles will be incorporated into the design aimed at creating a sustainable and engaging outdoor community environment.

Public Open Spaces and Public Art Contribution

The provision of public open space is dealt with by the recent addition of the new 1.2 hectare "Carawatha Park". This not only provides public open space but is also an active recreational park that services Willagee residents and future residents at Carawatha. In addition the proposed subdivision concept plan for Carawatha includes green fingers and street scaping providing a high level of public open space in and around the housing typology. Provision has also been made in the project budget to fund a public art contribution which will see art and sculptures within the public open spaces and form part of the street-scaping plans.

FINANCIAL COSTS

The following table depicts a breakdown of the estimated Project Development Costs

Cost Type	Project Cost & Funding (\$000)
Consultants	\$ 2,268
Marketing	\$ 1,744
Civil Earthworks, Building Construction & Landscaping	\$35,372
Administration, Security & Finance	\$ 1,550
Total Estimated Cost	\$40,943

Key Financial Indicators

Key Performance Indicators	Value
Project Participation Fee Paid By SPG (Agreed Land Value)	\$6,500
Projected Net Income (After Selling Costs & GST)	\$56,176
Projected Total Development Cost (Inc. Land Value)	\$47,256
Projected Total Net Profit	\$ 8,920
Projected Return on Cost (ROC)	18.81%
Project Internal Rate of Return (IRR)	19.87%

Profit Distribution Summary	Value
<u>City of Melville</u>	
Project Participation Fee (Agreed Land Value)	\$ 6,500
Project Profit Share (50% of \$8,920)	\$ 4,460
Total Project Return	\$10,960
<u>Satterley Property Group</u>	
Project Management & Selling Fees (Detailed on page 8)	\$ 3,597
Project Profit Share (50% of \$8,920)	\$ 4,460
Total Project Return	\$ 8,057

Whilst the forecast project return on cost of 18.81% is considered the minimum acceptable by traditional private sector standards, the forecast project internal rate of return (IRR) of 19.87% is considered an acceptable benchmark measure of the potential project return and reflects more accurately the projected cash flow position of the project over its estimated life. It is also considered acceptable given the de-constrained attributes of the Carawatha site represented by the fact that it is a “Ready to Go” site with zoning in place and would present as a very low risk development opportunity to the private sector.

FUNDING ASSESSMENT

The following sources of funding have been identified for delivery of the development Concept.

** (Note that the City’s project funding contribution will only be drawn down to fund building construction costs).

Funding Source	Cost Type	Project Funding (\$000)	
City Land & Property Reserve	Construction	\$ 8,000	
Satterley Property Group	Participation Fee	\$ 6,500	
		\$ 8,000	
Satterley Property Group	Construction		
Total		\$22,500	
<i>Alternate/Other:</i>	<ul style="list-style-type: none"> Retained earnings as precincts are developed and sold External funding contribution Bank/Senior Lender 		

ECONOMIC IMPACT ASSESSMENT

The proposed redevelopment project is considered to produce significant flow on economic benefits for Willagee and the local surrounding community. The City commissioned the services of AEC Group who are economic consultants and advisers to prepare and economic impact assessment for the proposed project.

The project is estimated to have considerable economic benefits at the suburb and regional level. These are outlined below in terms of construction and operational impacts.

Construction Impact

The construction phase of the project is estimated to deliver economic benefits to the City of Melville LGA. Overall, the construction phase is estimated to provide the following economic outcomes for the region (over the period of development):

- Output of \$22.2 million (including \$9.0 million in direct impacts).
- Gross Regional Product of \$8.7 million (including \$2.0 million in direct impacts).
- Wages and salaries of \$5.0 million (including \$1.0 million paid to labour directly associated with the project).
- FTE employment of 72 (including 20 direct jobs associated with the project).

The following table provides an overview of the economic impact of the construction phase.

Impact Type	Output (\$000)	GVA (\$000)	Income (\$000)	Employment FTE
Direct Impact	\$9,000	\$2,000	\$1,000	20
Indirect Impact (Type 1)	\$7,200	\$3,300	\$2,000	23
Indirect Impact (Type 2)	\$6,000	\$3,400	\$2,000	29
Total Impact	\$22,200	\$8,700	\$5,000	72

Operational Impact – Regional

At a regional (i.e. Perth and Peel) level, the project is expected to provide the following:

- *Contributing to Perth and Peel Infill Targets:* Infill development (redevelopment projects in the existing urban area) indirectly alleviates housing demand at the urban fringe, as it provides more housing options for residents. In addition, government costs of infrastructure development are maximised (on a per dwelling basis). The development plans show three development scenarios, ranging from 90 to 140 dwellings. It is estimated around **\$13.23M** in government infrastructure costs will be saved by the high-yield scenario and this will save \$7.09M more than the low-yield development.

- *Reducing Travel Times:* Providing homes close to jobs, public transport, civic functions, retail and entertainment options is a community benefit. Doing so lowers the needs for residents to travel to access employment and the other services they require and promotes public transport use. As a result, negative externalities of travel in terms of lost time commuting, monetary expenses of travel, pollution, congestion, traffic, noise and so on are minimised.

Operational Impact - Local

At the local (suburb) level, the project is estimated to have the following benefits:

- *Contribution to Viability of Local Retail:* Through increasing the population in the suburb of Willagee, it is estimated the project could increase total household disposable incomes in the suburb by over **\$7.2 million per annum**, resulting in an estimated associated expenditure on goods and services of approximately \$5.1 million per annum which will take place both within and outside the assessment boundaries.
- *Assisting Housing Diversity and Affordability:* The delivery of 140 dwellings to the market in both separate dwellings (32 dwellings) and medium density dwellings (108 dwellings) will improve the diversity of housing in the local market (which is currently dominated by separate dwellings) and better match the demographic profile of the suburb. The delivery of the dwellings is also anticipated to improve housing affordability through increased supply of units/ apartments in the suburb.
- *Rates and Taxes Increases:* It is estimated the value of rates associated with the dwellings delivered by the project would equate to **\$225,000 per annum** in additional revenues to the City of Melville. Increased rates revenues translate into increased local service provision including build and maintenance of roads, footpaths, parks and gardens and sporting facilities.
- *Ability to Meet Current Needs and Anticipated Demand:* Willagee is home to high proportions of single parent and lone person households. These households tend to demand higher density housing than other households, suggesting demand for additional density in the suburb. Forecasts for the suburb suggest demand for an additional 1,406 dwellings by 2036. This project will assist the suburb in meeting this demand, through the delivery of 140 dwellings (**10% of this demand**).

These are long term benefits which will flow to the community over an extended period.

STAKEHOLDER & COMMUNITY ENGAGEMENT

Notes on Community Support for Willagee Structure Plan (adopted December 2013) and Scheme Amendment 71 (gazetted February 2016)

“Requests from Willagee locals for more generous development rules came through loud and clear during public consultation for the Willagee Structure Plan and its associated scheme amendment. Major consultation events included:

- Strategic Community Planning in 2011, comprising extensive consultation with focus groups from each neighbourhood
- Willagee Structure Plan Community Visioning Session February 2013 (public meeting held in Willagee Library attended by more than 100 people)

- Public advertising of the Draft Willagee Structure Plan June-August 2013. All landowners in Willagee were sent a hardcopy letter informing them of the structure plan and inviting them to comment
- Public advertising of the Willagee Structure Plan Scheme Amendment 11 November 2014 to 23 December 2014

In addition to the above mail out, there were public notices in the Melville Times, as well as notices on the City's website, around the Willagee Library, Community Centre and some shops. The project co-ordinator knocked on the door of every business in the suburb, held interviews with key landowners, and organised two Community Information Sessions inside the Willagee Library as well.

All key project decisions were made by the Council at public meetings in June 2013 (see report P13/3403), December 2013 (see report P13/3424), September 2014 (See P14/3504) and March 2015 (see P15/3585). The reports for these meetings give full details of public consultation and indicate how strongly the project was supported by local community as well as by elected members."

Community Feedback During Structure Planning Process

A total of 51 written submissions were received during the Willagee Structure Plan advertising period in mid-2013. In summary, there was high level of overall community support for the vision for the future of the suburb and the structure plan.

Awards and Special Mentions

At its awards event in November 2013 the Planning Institute of Australia WA awarded the Willagee Structure Plan a special commendation for the thoroughness of its community consultation. The project was also mentioned positively in parliament by local member Peter Tinley MLA, who was pleased to see the City engaging so thoroughly with the community.

Community Feedback during Advertising of Scheme Amendment 71

Scheme Amendment 71 was advertised for 42 days from Tuesday 11 November 2014 until Tuesday 23 December 2014 via the following methods:

- Direct contact with key stakeholders in Willagee
- Emails sent to more than 200 people on the Willagee Structure Plan email database
- An advertisement in the *Melville Times* on Tuesday 11 November 2014
- Two Community Information Sessions on 27 November 2014, held at lunchtime and in the evening
- Letters sent to all service agencies
- Information available for viewing at the Civic Centre
- Information available on the City's website

A total of twenty-seven (27) submissions were received. No written objections to the scheme amendment were received. Widespread support for an amendment of this nature is rare.

Key Stakeholders

Key stakeholders that have or will be consulted in relation to the proposed development include:-

- Willagee Community, Residents & Business Owners
- Department of Planning
- Department of Environmental Regulation
- Department of Parks and Wildlife
- Department of Water
- Water Corporation
- Western Power
- Main Roads
- Telstra
- Department of Parks and Wildlife

COMMUNICATIONS PLAN

As part of community engagement, the City will establish a communications plan to engage with the community over the project and its deliverable benefits to the community in meeting planning, social and economic outcomes. The engagement plan will be implemented from the time the proposal is formerly advertised under section 3.59 of the *Local Government Act 1995*.

Key messages to be delivered in the communications plan include, but are not limited to:-

Community Messages

- Willagee is transforming and has become a desirable suburb due to central location and family friendly feel
- The City's proposed development of Carawatha will seek to facilitate quality development that reinforces community wanting to reside in Willagee
- Sustainable development that offers housing choice and affordability options whilst complementing the character and natural surrounds of the suburb
- The development may generate surplus economic returns which can be reinvested into local community infrastructure and projects
- The project is of a scale that it is expected to stimulate local jobs and business bringing new customers to the area
- By participating in the development the City will ensure that the community benefit from a quality outcome.

Planning Messages

- Provide residential uses which deliver diverse and affordable housing options to the community
- Ensure the nature, form and scale of development respects and integrates with the surrounding streetscape
- Ensure the development is consistent with the Carawatha Master Plan
- Develop in accordance with Crime Prevention through environmental design principles

SPG's Development Concept Proposal reflects the objectives and design principles of the Carawatha precinct concept plan adopted by the Council on 10 December 2013.

Objectives for this Site, taken from Clause 7.2.1 of the Willagee Structure Plan	Comment on Satterley Property Group Development Concept Proposal
To provide for a mix of uses which primarily deliver diverse and affordable housing options each of the policy area sectors	Meets the Council's affordability objectives through housing product diversity, delivering a mix of single residential lots, townhouses, and apartments.
To ensure the nature, form and scale of development is appropriate for each of the policy area sectors	Prominent site in high-exposure location. Serves as one of the main entry points to suburb. Prime opportunity to showcase good quality, sustainable development and set benchmark for residential development in wider Willagee over time. Satterley Property Group proposal aims to meet these objectives.
To ensure development is consistent with the intentions of the Carawatha concept plan	Building heights, building types and general layout of proposed development all consistent with concept plan. Placement of 3-to-4-storey buildings on southern and eastern edges of site is key. East-west 'green fingers' create eco-friendly public realm, offer view corridors and present as natural setbacks for the various housing types.
To develop in accordance with Crime Prevention through Environmental Design principles and the principles of the Carawatha Policy Area Spatial Guidelines	Satterley Property Group has noted need for best practice and is observing the state government's <i>Design Out Crime</i> policy. Pedestrian path network will be well-lit, overlooked and directly connected in accordance with SAFE principles. Path network will also enhance passive surveillance between properties. Design guidelines will follow for buildings to ensure optimal built form.
Design Principles for Carawatha Residential Zone Clause 7.2.3	Comment on Satterley Property Group Development Concept Proposal
Achieve visual surveillance and access through the development area	Design ensures passive surveillance of park, streets and green links.
Present activated frontages to public spaces and visual/access links	Windows overlooking parks, footpaths, streets and green links. Courtyards/balconies/porches and other active domestic spaces will present to park and green links also.
Preserve the residential character of the sector by limiting commercial activity to small scale uses such as home businesses, home offices and home occupations only	Proposal residential in character, with the potential for a small site to be set aside for a child care facility.

Develop residential housing of scale and design that integrates with surrounding public open space and residential areas as per the intentions of the Carawatha concept plan and Carawatha Policy Area Spatial Guidelines	<p>Proposal integrates well with surrounds and defers to concept plan as follows:</p> <ul style="list-style-type: none"> • Entry to site from Archibald/Jemerson Street intersection • 3-4 storey apartments to Archibald/North Lake Road • East-west permeability along green fingers • Landmark building for Archibald Street/North Lake Road intersection • Row of two-storey houses will overlook park • Preserves mature trees along North Lake Road • Residential in character • Replacement of tree and vegetation with native species as part of landscape plan.
Provide landmark residential buildings to define the entrance to Willagee	See point above.
Protection of mature vegetation highly desirable	Vegetation retained where possible. Rows of mature trees along North Lake Road to be retained. Trees in low lying areas to be retained as part of stormwater management practice. Significant street/green finger tree planting proposed as part of extensive landscape plan. Landscape plan will focus on native species.
Buildings of up to four storeys (16m) in height in accordance with the Carawatha Policy Area Spatial Guidelines, plot ratio of 2	<p>All buildings will be at or under height limit. Plot ratio between 0.7 and 0.9.</p> <p>Detailed building design drawings will be submitted to the City in accordance with statutory approval process.</p>

RISK MANAGEMENT

The key strategic, risk or environmental management implications associated with this proposal are summarised in the risk table below:-

Risk Statement	Level of Risk	Risk Mitigation Strategy
The draft development Agreement and Project Management/Selling Agreements prepared by SPG have elements that carry risk for the City and currently appear to favour SPG over the City.	High level of risk	The City will ask its solicitors to review the agreements thoroughly to ensure all potential legal risks to the City are captured and addressed. In addition the City may seek a second opinion for another solicitor to peer review the advice to ensure all reasonable steps are taken to mitigate the risks.
This is risk due to the prevailing market conditions and the uncertainty of market appetite for the proposed development.	Medium level of risk	The project is planned to be developed in stages to ensure pre-sales targets are achieved before each stage works is commenced. In addition, the project has allowed for extensive marketing campaign costs if required to bolster sales if the market is in a sluggish phase and sales hurdle rates decline.
Potential for conflicts of interest given the Project Manager is related to the Development Partner and the City as a project partner is also the responsible agency in the planning approvals process.	Low level of risk	All agreements/decisions are to be made by the "Management Committee" solely and in accordance with the voting powers. Further, the City can manage its potential conflict of interest by demonstrating that due process is followed and if deemed necessary a Probity Group or similar would be established. The development application will be assessed by the Joint Development Assessment Panel to which the City only provides a Responsible Authority Report (RAR) and is not the assessing agency for final approval.

The City commissioned PwC Australia (PwC) to conduct a risk assessment of the development proposal and the proponent SPG. Identified risks and suggested mitigation actions at a high level are outlined below and taken from the risk matrix in the report by PwC. The rating guide is expressed in the form of the table highlighted below:-

Ratings Guide

<u>Consequence</u>	<u>Rating</u>
Major Impact/Certain	25
High Impact/Likely	15-20
Moderate Impact/Probable	10-15
Minor Impact/Unlikely	4
Immaterial/Rare	1

A combined rating of 21 or more is considered to present high risk for the City and require attention by the City. Whilst the report indicates a number of high risks associated with this project it does include recommended mitigation measures, so the risks can be managed by the City.

The risk matrix summarises and scores the risks based on a rating and are split into the following five risk types:-

1. Legal Risks
2. Project Delivery Risks
3. Financial Risks
4. Reputational Risks
5. General Risks

The following is a table listing the key high risk rated items identified from the risk assessment report prepared by PwC. Note that the City intends to implement the risk mitigation strategies recommended at the appropriate project phases if the project proposal is approved by Council:-

Risk Type	Description	Cause	Rating	Risk Mitigation Strategy
Legal	Development Agreement	Multiple terms presenting risk and exposure to the City (if left as is)	High	1. Contract should be reviewed by an appropriately qualified legal advisor
Legal	Project Management Agreement	Multiple terms presenting risk and exposure to the City (if left as is)	High	2. Contract should be reviewed by an appropriately qualified legal advisor
Project Delivery	Management Committee	Management Committee appropriate member selection	Moderate	1. Measure should to be taken to ensure appropriate selection of representatives from the City of Melville
Project Delivery	Organisational Resources	Insufficient or inappropriate internal resources allocated to the project	Moderate	2. City to fully consider obligations under the Agreements and budget for resources accordingly
Project Delivery	Construction Timing	Uncertainty around construction phasing introduces uncertainty over returns	Moderate	3. Seek regular market advice regarding construction costing

				<ol style="list-style-type: none"> 4. Adopt or enforce best practice procurement policy to ensure value for money is obtained 5. Regularly update project feasibility projections 6. Undertake sensitivity analysis
Financial	Sales Prices	Sale price of units is lower than projected in the feasibilities resulting in reduced profits or even losses made on the project	High	<ol style="list-style-type: none"> 1. Confirmation of updated pricing structures due to time lapse from existing feasibility advice 2. Seek regular independent market research updates 3. Management Committee Representatives seek an independent review of the sale price recommendations 4. Incorporate appropriate exit strategies should it become evident the project sales are likely to fall below the required hurdle rate 5. Undertake sensitivity analysis around sales prices
Financial	Sales Volume	Take-up is lower and slower than projected figures resulting in reduced profits, or losses from the project	High	<ol style="list-style-type: none"> 1. Seek regular independent market research updates in order to stay abreast of the changing demographic conditions 2. Undertake sensitivity analysis relating to projected sales take-up 3. Include appropriate conditions or obligations regarding activation and housing mix to protect City's interest
Reputational	Perceived Outcome Poor & Design	Delivered project does not align with the City's objectives	Moderate/High	<ol style="list-style-type: none"> 1. Risk mitigated with increased authority and representation by the City over design outcomes

General	Current Economic Climate	Western Australia is currently experiencing volatile economic conditions which may negatively impact on the project	Moderate	1. Recommended that the City seeks regular independent economic advice
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ALTERNATE OPTIONS AND IMPLICATIONS

1. Do nothing and retain the existing site and forgo the benefits of activation, housing supply and increased economic return to the local community and the City;
2. Sell the site as is and lose control over the built form development and timing of the delivery of the development and reduced economic return to the City;
3. Redevelop the site into vacant lots only and sell all lots and lose control over the built form development and project outcome and not capture the full economic return potential for the City.

PROJECT ROLES AND RESPONSIBILITIES

The following officials were involved with the negotiations with the SPG and assisted with the development of the project business case:-

- Shayne Silcox - Chief Executive Officer (City)
- Steve Cope – Director of Urban Planning (City)
- Jeremy Rae - Strategic Land & Property Executive (City)
- Louis Hitchcock - Executive Manager Legal Services (City)
- Gavin Ponton - Manager Strategic Urban Planning (City)

The following team of Consultants have also been involved in providing advice in relation to assessing the proposal and assist in the preparation of the Business Case:-

- Valuer – Colliers International Property Valuation Services (Acting for the City)
- Civil Engineers (Peer Review) – Porter Consulting Engineers (Acting for the City)
- Surveyor – MNG Surveys (Acting for the City)
- Economic Consultant – AEC Group (Acting for the City)
- Risk Assessment – PwC Australia (Acting for the City)
- Urban Design – MacKay Design (Acting for SPG)
- Civil Engineers – Cossill & Webley Consulting Engineers (Acting for SPG)
- Quantity Surveyors – Rider Levett Bucknall (RLB), Ralph Beattie Bosworth (RBB) and BSM Consulting (Acting for SPG)

Upon execution of the development and project management agreements between the City and SPG, responsibility for overseeing that SPG deliver the project under its obligations within the agreements will reside with the Chief Executive Officer and the Strategic Land and Property Executive. Upon completion of the project if there are any residual redeveloped assets retained by the City, then ongoing management of those assets will reside with the City's property asset team within Governance.

PROCESS AND PROGRAM SCHEDULE

The 'Process Chart' (see Appendix) has been developed to guide the RFP through to the contracts and implementation phase of the proposed Carawatha Residential Development Project. The Process chart also aligned with the steps outlined in the City's RFP and Contract & Tender Advisory Unit (CTAU) Tender Evaluation Process. At each phase of the Process there is a decision gate (control) whereby either the EMT or the Council approve to proceed further with the proponent and the project. The process also adheres to the City's property disposition and retention policy CP-005 and the advertising and public notice requirements within the *Local Government Act 1995* outlined in Section 3.59. The City's "Land and Property Retention, Disposal and Acquisition" Policy (CP-005) would apply to this transaction.

The following is an indicative timeline for the proposed project planning and development program and reflects the various phases depicted in the Process Chart.

The dates below are indicative only at this stage and may be subject to change. From date of Approval by the Council to proceed with the project it is expected to have a project life of not more than 5 years.

<u>Phase</u>	<u>Process</u>	<u>Duration</u>
1	RFP Issued, Evaluation and Selection (Completed)	4 months
2	Discussion and Negotiations with Selected Proponent (Completed)	9 months
3	Public Notice and Consultation	2 months
4	Contractual Agreements & Execution	2 months
5	DA Planning	6 months
6	Settlement and/or Redevelopment & Construction (Staged)	4 years
7	Final Clearances, Titles, Settlements & Winding-Up	2022

CONCLUSION

The City has engaged in a very detailed and thorough public process to identify and secure a development proposal for Carawatha which aims to deliver on key objectives for the City. In assessing the options one of the key considerations is the level of risk the City may be exposed to as a result of undertaking such a project. The proposal is structured in such a way that it should deliver minimal risk to the City whilst delivering key benefits and outcomes sought from the project. Through prudent measures the City together with its Risk Advisors would be able to implement a project risk mitigation strategy which addresses the identified risks and their potential impacts should they arise. This proposal if approved will not only deliver on key objectives sought by the City but will enhance the Council's and Community's confidence in the City to deliver similar projects in the future within the City.

RECOMMENDATION

That the Council:

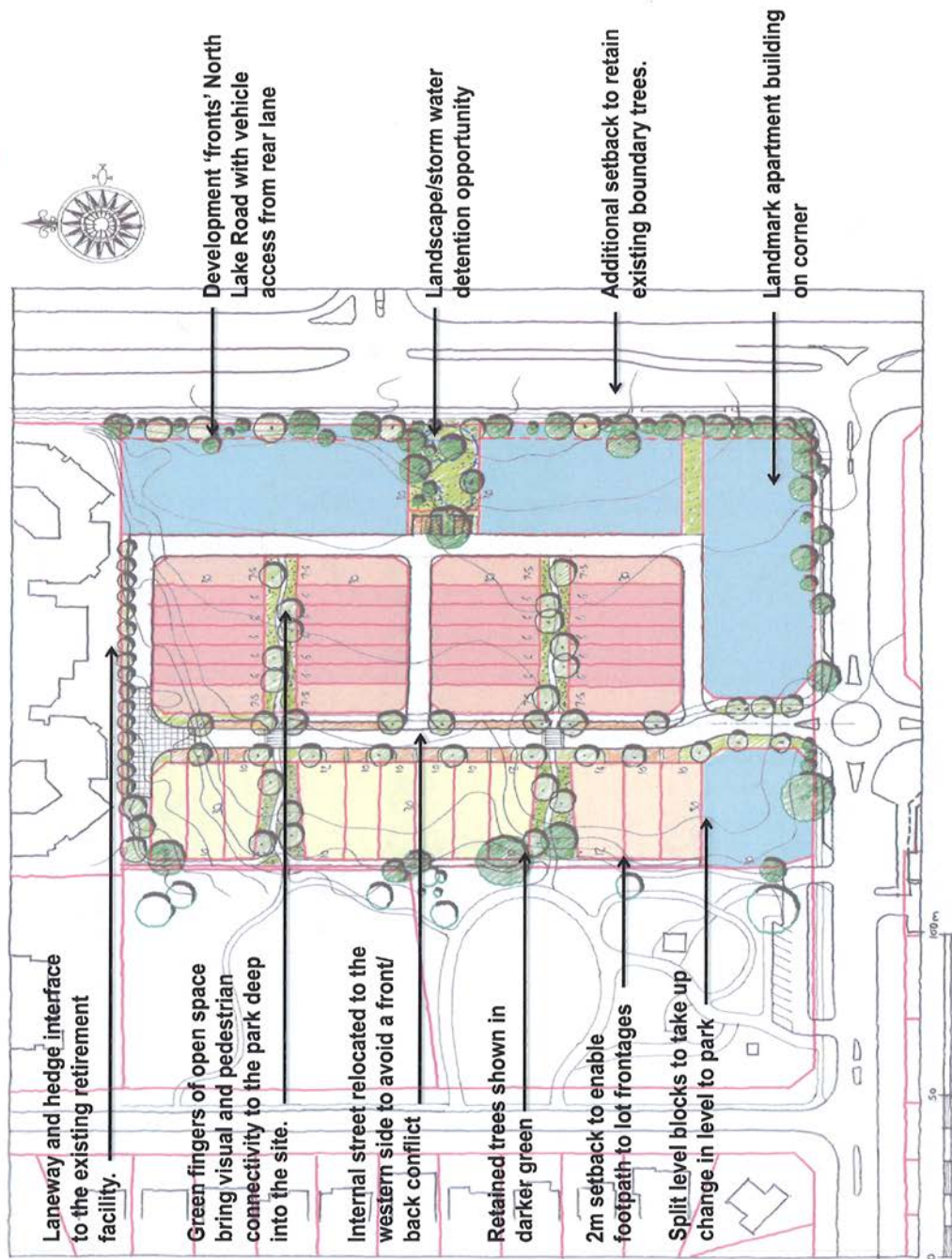
1. Notes the Business Case which details the proposed Carawatha Residential Development Project in Willagee;
2. Accepts the land valuation report prepared by Colliers International dated 29 June 2016 and confirms that the valuation is a true indication of the current land value;
3. Approves the Proposal for advertising of the Business Case and the Project Participation Fee as per the requirements of Section 3.59 of the *Local Government Act 1995*; and
4. Directs the Chief Executive Officer to report to the Council at the conclusion of the advertising period.

APPENDIX

Attachment 1 - Subdivision Concept Elements

Satterley

Carawatha PS Redevelopment concept: May 2015



mackay urbandesign

Indicative yields

Total area of sub-precincts: 18,640sqm

Sub-precinct A
12 single dwellings

Sub-precinct B
14 single dwellings (18 dwellings if duplexes on end lots)

Sub-precinct C
14 single dwellings (18 dwellings if duplexes on end lots)

Sub-precinct D
11 apartments (based on PR of 0.7 and 67sqm apartments)

Sub-precincts E/F
32 apartments (based on concept design over combined site)
Or 5 single dwellings (6 dwellings if duplex on end lot) on sub-precinct E and 14 apartments (based on PR of 0.7 and 67sqm apartments) on Precinct F

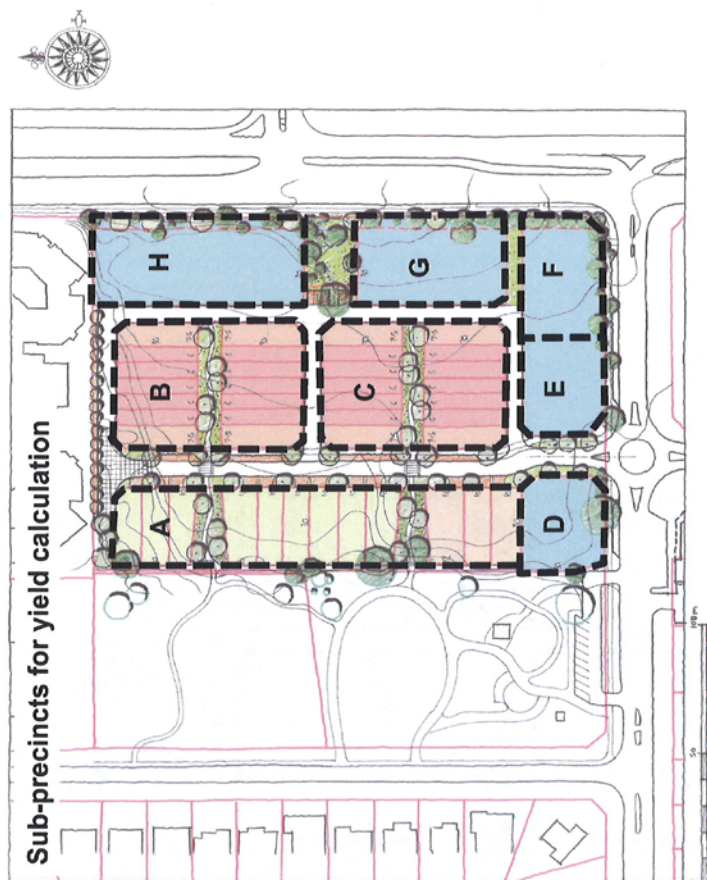
Sub-precinct G
20 apartments (based on PR of 0.7 and 67sqm apartments)
Or 8 single dwellings (10 dwellings if duplexes on end lots)

Sub-precinct H
29 apartments (based on PR of 0.7 and 67sqm apartments)
Or 12 single dwellings (14 dwellings if duplexes on end lots)

High-yield scenario
32 houses
108 apartments
140 dwellings in total
71.9 dwellings/net ha

Mid-yield scenario
52 houses
53 apartments
105 dwellings in total
56.3 dwellings/net ha

Low-yield scenario
65 houses
25 apartments
90 dwellings in total
48.3 dwellings/net ha

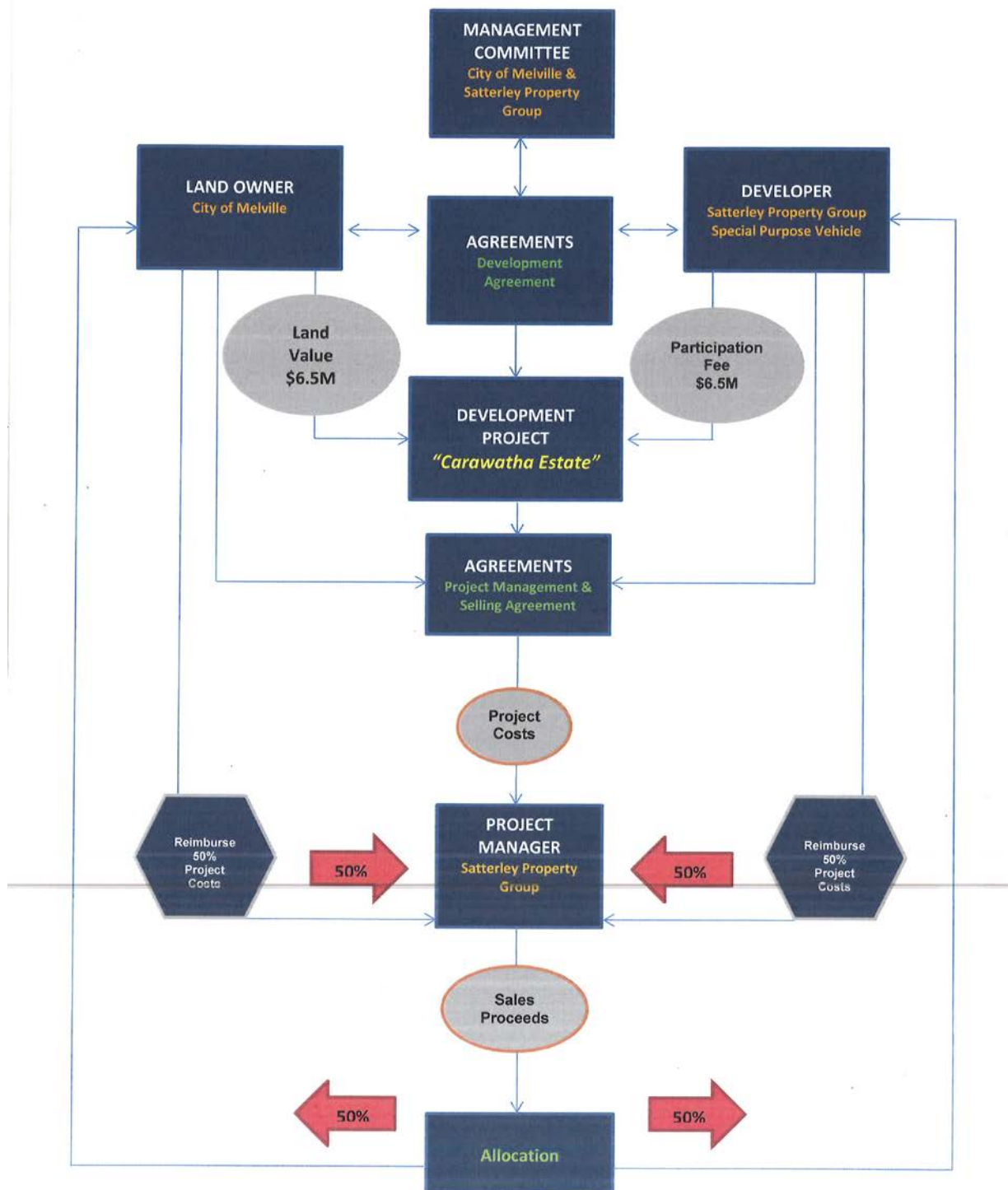


Attachment 3 - Aerial View of Artist Concept Impression



Attachment 4 - Proposed Development Structure

PROPOSED DEVELOPMENT STRUCTURE "CARAWATHA RESIDENTIAL DEVELOPMENT PROJECT"



Attachment 5 - Aerial Development Site Plan



Proposed Process Map Carawatha Residential Development Project

