

## 7020 FAQ's

### ***What is the project?***

The Lot 7020 development is a \$55 million conceptual development that includes 97 apartments and a ground floor space with 1000sqm of potential community space and 300sqm of potential commercial space.

### ***Why is the City involved?***

While housing is not ordinarily a local government issue, this proposal has very clear linkages to the City of Karratha's approved Strategic Community Plan 2020-2030 and the City has been working proactively to assist with solving this issue alongside regularly advocating with State and Federal Governments, industry groups, real estate agents and other key stakeholders.

### ***What are the benefits?***

The project has the potential to:

- progress the City's vision to become Australia's most liveable regional City;
- increase residential housing to the market;
- add 1000sqm of community space;
- further activate the Red Earth Arts Precinct;
- encourages and promotes a vibrant CBD;
- create employment opportunities; and
- generate a financial return that exceeds current bank interest available.

### ***What are the risks?***

Investing in a property development carries more risk than more traditional local government investments such as generating returns from bank interest.

A risk analysis has been completed and mitigation strategies for all identified risks have been listed in the business plan.

### ***What are the residential facilities?***

97 apartments, ranging from executive studio apartments to three-bedroom apartments designed to suit the tenants' requirements with a range of furnishing options.

The overall development and the apartments are provided on a build to rent model with a focus on long term government or industry rental.

### ***What are the commercial facilities?***

The City has considered multiple options on how the ground floor space could be utilised and any potential commercial facilities will be subject to consideration through tenders/public submissions.

### ***What are the community facilities?***

The City has consulted with the community and engaged consultants on how the community space could be utilised.

In May 2021 Council were presented a number of options and have decided to support further feasibility design and costing investigations into how the space could be utilised and how community services and activities could be co-located between the ground floor and the Red Earth Arts Precinct.

***How will these be managed?***

The City would directly lease and manage the commercial and community space.

***Who has access to housing?***

The City has already engaged with Government, Industry and local businesses to determine the level of interest and has received expressions of interest for 70 of the 97 apartments.

The City has engaged a Leasing Agent to assist with the leasing of the apartments.

***How will the project be funded?***

The City's 2021-22 Annual Budget includes \$250k to commence the design element of the development. While there is no specific allocation for the full cost of this project, it is proposed to seek debt funding for 80% of development costs (\$44.2m) and has had discussions with both the Northern Australia Infrastructure Facility (NAIF) and the WA Treasury Corporation (WATC) regarding the availability and terms of funding.

The City currently has healthy financial reserves which can fund the balance of the development cost, in particular the Infrastructure Reserve. None of the money in the Infrastructure Reserve comes from residential, commercial or industrial rates.

***Will the project increase my rates?***

No.

***Why isn't the State Government or Private Sector doing this?***

The City is constantly advocating the State Government, the private sector and other key stakeholders to do what they can in this space. While not considered a traditional Local Government issue, the City is determined to do what it can to and is working on a number of housing-related initiatives, including:

- A nine dwelling development partnership with GBSC Yurra in Nickol
- A 20 lot subdivision on Hancock Way in Bulgarra
- Construction of two dwellings in Nickol West
- \$2.6m towards land acquisition in 2021/22

***Next steps***

The City has released a business plan for the purpose of public consultation and will consider public submissions on the Business Plan in August.

There are three key stop/go points on this project where Council can review the investment decision and elect to proceed or not with the project. These are:

- August 2021: Business Plan and feedback considered
- October 2021: Design Tender considered
- June 2022: Construction Tender considered

This project is subject to Development Approval and meeting all other relevant legislative requirements.