



Management Committee Meeting

AGENDA

**Thursday 23 July 2020, 6:00pm
City of Stirling (Challenger Room)
25 Cedric Street, Stirling**

Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo
Towns of Cambridge and Victoria Park

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TAMALA PARK REGIONAL COUNCIL

Councillors of the Tamala Park Regional Council Management Committee are advised that a meeting will be held in the Challenger Room, City of Stirling, 25 Cedric Street, Stirling on Thursday 23 July 2020 at 6:00pm.

The business papers pertaining to the meeting follow.

Your attendance at the meeting is requested.

Yours faithfully



TONY ARIAS
Chief Executive Officer

MEMBERSHIP

OWNER COUNCIL	MEMBER
Town of Cambridge	Cr Andres Timmermanis (CHAIR)
City of Joondalup	Cr John Chester
City of Stirling	Cr Karen Caddy Cr David Lagan Cr Suzanne Migdale Cr Bianca Sandri
City of Wanneroo	Cr Brett Treby

Representatives from the Satterley Property Group will be in attendance at the meeting.

PRELIMINARIES

1. OFFICIAL OPENING

DISCLOSURE OF INTERESTS

2. PUBLIC STATEMENT/QUESTION TIME

3. APOLOGIES AND LEAVE OF ABSENCE

4. PETITIONS

5. CONFIRMATION OF MINUTES

Management Committee Meeting – 21 May 2020

5.1 BUSINESS ARISING FROM MINUTES (NOT COVERED ELSEWHERE IN THE AGENDA)

6. ANNOUNCEMENTS BY CHAIR (WITHOUT DISCUSSION)

7. MATTERS FOR WHICH MEETING MAY BE CLOSED

8.7 Built Form Partnership – Stage 18 – Confidential

8.8 Key Personnel – Catalina Sales Representative – Confidential

8.9 Project Resourcing – Development Manager – Confidential

8.10 Development Manager Appointment to Stage 3 - Confidential

8. ADMINISTRATION REPORTS AS PRESENTED 8.1 – 8.10

8.1 BUSINESS REPORT – PERIOD ENDING 16 JULY 2020

Report Information

Reporting Officer: Manager Project Coordination

Recommendation

That the Management Committee RECEIVES the Business Report to 16 July 2020.

Voting Requirements

Simple Majority

Report Purpose

To advise the Management Committee of matters of interest not requiring formal resolutions.

Relevant Documents

Appendix: Catalina Central Local Centre Development Plans

Background

The business of the Council requires adherence to many legislative provisions, policies and procedures that aim at best practice. There are also many activities that do not need to be reported formally to the Council but will be of general interest to Council members and will also be of interest to the public who may, from time to time, refer to Council minutes.

In the context of the above, a Business Report provides the opportunity to advise on activities that have taken place between meetings. The report will sometimes anticipate questions that may arise out of good governance concerns by Council members.

Comment

1. Civil Construction - Status

The approved Project Budget FYE 2021 makes provision for the construction of new lots in Stage 16C in Catalina Central and Stages 27 and 28 in Catalina Beach to capitalise on increased sales activity experienced following the announcement of Federal and State Government initiatives to stimulate housing construction and employment.

At present to be eligible for the Government incentive payments (which have a combined value of \$45,000), purchasers are required to enter into a building contract by 31 December 2020 and commence construction within three months of contract signing.

The Government incentives have had an immediate impact on the level of construction activity set to occur during the remainder of 2020, to such an extent that capacity constraints have emerged among the civil contractors active in the Perth construction industry.

RJ Vincent has confirmed capacity to deliver Stage 16 (17 lots) and Stage 27 (20 lots) prior to December 2020, which assist purchasers' eligibility for the Government incentives. It

has also advised that due to increased demand on its services and subcontractors it does not have capacity to meet program requirements for Stage 28 at the present time.

It is also proposed that the construction of infrastructure such as the extension of Portofino Promenade, the Beach Access road and the Connolly Drive/Aviator Boulevard roundabout be deferred to the later part of FYE 2021.

This position is being closely monitored with RJ Vincent and should additional capacity become available these items could be brought forward for construction.

2. Landscape Works – Status

The next package of works to be undertaken will be rehabilitation planting in the Biodiversity Conservation Areas in Catalina Central. Plants that have been propagated from seeds sourced from the Project have been prepared and are ready for planting, which is expected to be completed in September 2020.

Landscape design for the extension of the ‘green-link’ along Aviator Boulevard in Catalina Central is currently underway. Landscape installation is forecast to commence in January 2021 following the completion of civil construction of Stage 16.

3. Housing Construction

The following table provides an overview of the current progress of housing construction to 16 July 2020:

Stage	Total Lots	Under Construction	Completed	Vacant
Stages 1 - 11	529	1	520	8
Stage 12	49	0	49	0
Stage 13	82	0	82	0
Stage 14	73	0	72	1
Stage 15	55	0	53	2
Stage 17A	25	0	23	2
Stage 17B	36	3	10	23
Stage 18A	29	1	28	0
Stage 18B	31	0	23	8
Stage 25 (Display Village)	15	0	15	0
Stage 25	34	8	17	9
Stage 25B	7	0	7	0
Stage 25 (Builders Release)	7	5	1	1
Stage 26	38	0	0	38
Total	1010	18	900	92

4. Catalina Beach Builders Display Village and Sales Office

The Builder’s Display Village and Sales Office experienced high levels of visitation during June 2020 as a result of substantial interest generated by the announcement of the

Governments' building stimulus incentives, which translated into strong sales achieved at Catalina.

It is noted that purchaser enquiry and sales activity has significantly reduced in the first two weeks of July 2020.

5. Community Events

Satterley has prepared a Community Development Plan for FYE 2021. The Plan is focused on activating new community amenities with the opening of the foreshore access path in Catalina Beach and the Stage 11 Park in Catalina Central. Planned activities include:

- low-key social and recreational activities;
- resident engagement, including an exclusive welcome resident event;
- support to the Catalina Resident Working Group;
- contribution and monitoring of the Catalina Community Group Facebook page; and
- bi-annual publication of the Catalyst community newsletter.

6. Local Structure Plan Amendment - Catalina Grove

On 29 June 2020, the Western Australian Planning Commission (WAPC) granted approval to Amendment No. 5 of the Tamala Park Local Structure Plan No. 79.

Satterley has prepared a Development Strategy for Catalina Grove for consideration, which is the subject of Item 8.4.

7. Catalina Beach Access Road / Carpark

Applications for Development Approval and a Clearing Permit for the access road and carpark were submitted in December 2019 and January 2020 respectively.

The WAPC issued the Development Approval in April 2020.

The Department of Water and Environmental Regulation recently advised that its preliminary assessment of the Clearing Permit application indicates that the revegetation of approximately 16ha of denuded coastal dune within the conservation reserve to the south-west of Catalina is required to offset the 3ha of clearing required to construct the access road. Satterley and the TPRC are currently preparing documentation to challenge this requirement.

Due to the increased demand on civil contractors and the need to prioritise the construction of residential lots to capitalise on sales supported by the Federal and State Government stimulus incentives, the program for the construction of the access road and carpark has been pushed back to commence in late February 2021, subject to reasonable conditions being imposed on the Clearing Permit.

8. Catalina Local Centre Site

On 6 July 2020, the Joint Development Assessment Panel approved the amended design for the Local Centre Site in Catalina Central.

The approved plans, included in Appendix 8.1, indicate the construction of several shop tenancies (300m² net lettable area), 170m² café and a child care centre with capacity for up to 81 children.

The owners have advised that they are now entering a leasing campaign to secure tenants prior to construction. It is understood that an operator for the child care centre has been secured.

9. Coastal Dual Use Path, Burns Beach – Mindarie

At its meeting in June 2019, the Council resolved to make a contribution of up to \$730,000 to the Cities of Joondalup and Wanneroo towards the construction of the planned Burns Beach-Mindarie Dual Use Path (DUP).

The section of DUP through the coastal conservation reserve to the south of Catalina was completed by the Cities in December 2019.

Construction of the section of DUP to the western of Catalina commenced on 2 June 2020 and is on program with completion anticipated in early August 2020.

The timing for completion of the southern portion of the DUP at Peet's Burns Beach Estate is still to be determined.

8.2 PROJECT FINANCIAL REPORT – MAY 2020

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

That the Management Committee RECEIVES the Project Financial Report (May 2020) submitted by the Satterley Property Group.

Voting Requirements

Simple Majority

Report Purpose

To consider the Project Financial Report for May 2020 submitted by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

N/A

Financial/Budget Implications

Review of Project Financial Report for May 2020.

Relevant Documents

Appendix: Letter from Satterley Property Group dated 24 June 2020 with Financial Report

Background

At its meeting of 20 June 2019, the Council approved the Project Budget FYE 2020, submitted by the Satterley Property Group, as the basis of financial planning for the TPRC Budget FYE 2020.

The Development Manager's Key Performance Indicators 2020 - Governance, requires the preparation of monthly progress reports.

Comment

The Satterley Property Group has prepared a Financial Report for May 2020 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period up to 31 May 2020 and is attached at Appendix 8.2.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue was \$7.02M which is \$0.65M unfavourable to budget with one less residential settlement for the year to date.
2. Expenditure was \$11.8M favourable to budget, in the following areas:
 - Lot Production \$1.09M;
 - Landscape \$1.56M;
 - Infrastructure \$1.91M;
 - P&L expenditure \$1.55M.
 - Indirect consultants \$0.36M
 - Land Acquisition - \$5.10M deferral of the WAPC land acquisition payment to FYE 2021.

The Satterley Property Group Financial Report provides greater details on the variations.

3. Lot Sales Value was \$8.34M which is \$0.005M unfavourable to budget due to one less lot sale, offset by a higher average selling price per lot due to a greater number of Beach Precinct lots being sold.

Satterley Property Group representatives will be in attendance to answer questions on the report.

8.3 SALES AND SETTLEMENT REPORT – PERIOD ENDING 16 JULY 2020

Report Information

Reporting Officer: Manager Project Coordination

Recommendation

That the Management Committee RECEIVES the Sales and Settlement Report to 16 July 2020.

Voting Requirements

Simple Majority

Report Purpose

To advise the Management Committee of the status of sales, settlements and sales releases.

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995: Sect 3.58 – Disposal of Property.

Previous Minutes

N/A

Financial/Budget Implications

Income under this matter will be posted under item I145011 (Income on Lot Sales):

Budget Amount:	\$34,688,724
Received to Date:	\$ 0
Balance:	\$34,688,724

Note refers to Budget FYE 2021, not yet adopted.

Relevant Documents

Appendices:

- Staging Plan
- Sales and Marketing Campaign Report – Satterley Property Group (Satterley)

Background

The Sales and Settlement Report provides the Management Committee with a status update of sales and settlements for the Project.

The Staging Plan provided under Appendix 8.3 identifies the extent of the stage boundaries referenced within the report.

Comment

Table 1 provides a summary of the Catalina Estate Sales and Settlement position for lots released up to 16 July 2020.

Table 1: Summary of Sales and Settlement of Lots – Catalina Estate

Stage/ Release Date	Release Date	Lots Released	Lot Sizes (m ²)	Sold*	Stock	Settled
Stages 1 – 15,18A, 25B	-	854	174 - 658	854	0	854
Stage 17A	Oct-16	25	300 - 510	25	0	23
Stage 17B (Release 1)	Nov-17	18	300 - 450	18	0	14
Stage 17B (Release 2)	Sep-19	8	245 - 450	8	0	1
Stage 17B (Release 3)	Apr-20	10	300 - 450	10	0	0
Stage 18B	Mar-17	31	200 - 474	31	0	25
Stage 25A	May-17	21	300 - 450	21	0	19
Stage 25C	Apr-18	5	254 - 255	5	0	4
Stage 26A	Apr-19	8	300 - 486	7	1	5
Stage 26B	Dec-19	8	367 - 481	7	1	2
Stage 26C	Apr-20	8	315 - 539	8	0	0
Stage 26D	Jun-20	7	300-539	4	3	0
Stage 26E	Jun-20	7	300-539	6	1	0
Total		1010	174 - 658	1004	6	947

Table 2: Summary of Net Sales against Budget – Catalina Estate

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE 20	Jul
Budget	2	2	2	2	2	2	2	3	2	3	5	4	31	35
Actual	3	2	3	3	2	1	1	3	3	1	4	6	32	34
Variance	1	0	1	1	0	-1	-1	0	1	-2	-1	2	1	-1

31 sales were forecast for FYE 2020, with 32 sales achieved.

FYE 2021 has started with exceptional sales. 34 sales have been accepted in the month of July 2020, primarily as a result of the Federal and State Governments' building stimulus incentives.

The Project has a current stock position of six lots, all of which are in Catalina Beach.

Table 3: Summary of Settlements for FYE 2020 against Budget – Catalina Estate

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY20
Budget	2	4	1	2	2	3	2	2	1	3	1	3	26
Actual	1	1	0	3	5	1	2	2	3	3	0	1	22
Variance	-1	-3	-1	1	3	-2	0	0	2	0	-1	-2	-4

26 settlements were forecast for FYE 2020 and 22 settlements were achieved. One settlement has occurred to date in July 2020. The Project currently holds 57 contracts on hand, 55

conditional and two unconditional. While the actual number of settlements for FYE 2020 was four less than budgeted, the number of contracts on hand going into FYE 2021 puts the Project in a strong position to start the new financial year.

Northern Corridor Estates Analysis

Table 4 provides a summary of sales at developments in the northern corridor.

Table 4: Summary of Sales in Northern Corridor (July 2019 to June 2020)

ESTATE	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	12 Month Total Sales
NORTH-WEST METRO													
Alkimos Beach (Alkimos)	1	7	6	2	7	2	5	1	3	2	8	43	87
Alkimos Vista (Alkimos)	3	1	2	1	1	3	1	1	4	0	1	28	46
Allara (Eglinton)	7	5	2	3	1	-3	1	1	4	1	2	29	53
Amberton (Eglinton)	1	7	7	13	0	5	3	8	1	3	13	41	102
Beumaris (Iluka)	1	0	1	1	0	0	1	12	0	0	0	5	21
Burns Beach (Burns Beach)	1	1	2	1	1	0	1	3	0	1	1	86	98
Catalina (Clarkson-Mindarie)	3	2	3	3	2	1	1	3	3	1	4	6	32
East of the Beach (Eglinton)	1	6	2	4	-1	1	0	5	2	0	2	32	54
Eden Beach (Jindalee)	1	9	9	10	8	3	6	21	6	0	11	32	116
Kinross (Kinross)	1	1	1	0	1	1	1	2	1	0	3	0	12
Shorehaven (Alkimos)	3	2	4	4	2	2	4	14	10	8	12	62	127
Trinity (Alkimos)	6	6	3	5	18	8	3	6	5	5	5	43	113
TOTAL	29	47	42	47	40	23	27	77	39	21	62	407	861
CATALINA SHARE (%)	10.3 %	4.26 %	7.14 %	6.38 %	5.00 %	4.35 %	3.70 %	3.90 %	7.69 %	4.76 %	6.45 %	1.47 %	3.72 %

Note 1: Satterley reporting is based on 'mid-month' sales period.

Note 2: Satterley has expressed caution that these sales results are indicative only based on information obtained in the marketplace and supplied on a voluntary basis.

Note 3: Table 4's figures for June does not include 34 sales made at Catalina in the month that were accepted following statutory advertising in July 2020.

Table 5 provides a summary of available stock in the northern corridor. The six lots available in Catalina Beach range in area from 459m² to 539m², with prices ranging from \$410,000 to \$445,000.

Table 5: Summary of Price of Available Lots in Northern Corridor Estates

Estate	225sqm Price (\$)	300sqm Price (\$)	375sqm Price (\$)	450sqm Price (\$)	500sqm + Price (\$)	Total Dwellings	Stock
Allara	133,000	155,000	179,000-190,000	216,000	n/a	3,405	33
Alkimos Beach	150,000	230,000	225,000-262,000	285,000-305,000	n/a	2,413	20

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Amberton	N/A	190,000	211,000-228,000	264,000-283,000	289,000-325,000	2,500	31
Burns Beach	N/A	N/A	N/A	N/A	460,000 – 755,000	1,580	7
Catalina Central	N/A	N/A	N/A	N/A	N/A	2,480	0
Catalina Beach	N/A	N/A	N/A	410,000	445,000		6
Eden Beach	172,000	240,000	265,000	N/A	305,000-350,000	1,100	29
Kinross	N/A	N/A	295,000	332,500	347,500-355,000	67	4
Shorehaven	169,000-280,000	205,000	249,000	285,000	N/A	2,800	24
Trinity	138,000	185,000	182,000 - 215,000	248,000	269,000	2,500	19

Lot Releases

The next lot releases are forecast to be in Stage 16A in Catalina Central and Stage 27A in Catalina Beach in early August 2020. Satterley is to provide its recommendation for the release of lots in these stages, including the number and price of lots in the releases.

Commencement of construction of Stage 16A and Stage 27A is forecast in mid-August 2020 and early-September 2020 respectively, with titles expected to be achieved in early December 2020.

8.4 CATALINA GROVE DEVELOPMENT STRATEGY

Report Information

Reporting Officer: Manager Project Coordination

Recommendation

That the Management Committee recommends that Council APPROVES the Catalina Grove Development Strategy (July 2020) prepared by the Satterley Property Group, to guide the development, marketing and sale of land in the Catalina Grove Precinct, subject to the Satterley Property Group incorporating additional advice on the following matters:

- 1. Commencement of Sales – rationale for sales commencing prior to Phase 1 civil works and the Connolly Drive and Neerabup Road landscaping being completed;**
- 2. Local Centre site – recommendations on the timing for the marketing, sale and development of the site;**
- 3. Builders' Display Village – seeking commitment from builders for the potential display village and interest in building demonstration housing, particularly the proposed micro-lots and terrace housing;**
- 4. Lot sizes and configuration – further information, including market research, confirming market acceptance to the proposed lot sizes, particularly the proposed micro lots and terrace housing lots;**
- 5. Marketing strategy - advice on the timing for the preparation of the Grove Marketing Strategy, in particular detail on how the marketing approach will emphasise the Grove Precinct point of difference with the other Catalina Precincts;**
- 6. Preparation of Design Guidelines – advice on the timing for the preparation of the design guidelines;**
- 7. Innovation/sustainability - advice on the timing for the preparation of information outlining the innovation/sustainability principles/approaches to be incorporated in the Grove Precinct.**

Voting Requirements

Simple Majority

Report Purpose

To consider the Catalina Grove Development Strategy (July 2020) prepared by the Satterley Property Group (Satterley) to assist guiding the development, marketing and sale of land in the Catalina Grove Precinct.

Policy Reference

N/A

Local Government Act/Regulation

Nil

Previous Minutes

Council Meeting: 18 June 2020 (Item 9.7 – Annual Plan FYE 2021)

Relevant Documents

Appendices:

- Catalina Grove Development Strategy (July 2020)
- Catalina Grove Approved Concept Plan (August 2017)

Background

At its meeting of 18 June 2020, the Council approved the Annual Plan FYE 2021, which identifies the preparation of a Development Strategy for Catalina Grove to guide the delivery of development that is forecast to commence in the latter part of FYE 2021.

Satterley has submitted the Catalina Grove Development Strategy (July 2020) for the Council's consideration, which is attached in Appendix 8.4.

Comment

Development of the Catalina Central Precinct has progressed to a stage that warrants the launch of the third and final precinct, Catalina Grove, which is located at the eastern extent of the Project area between Connolly Drive and Mitchell Freeway.

The Project Budget FYE 2021 provides for the lodgement of an application for subdivision approval for the first phase of development and the commencement of bulk earthworks in Catalina Grove. The approved Project Forecast provides for the civil construction, infrastructure and landscape works and the commencement of sales and marketing for Phase 1 in FYE 2022.

The Catalina Grove Development Strategy (July 2020) outlines guiding principles to inform the development of the precinct and the approach to marketing and sales in order to meet the forecast program.

Design Considerations

The key design considerations for Catalina Grove include:

- Achieving housing density and diversity supported by amenity provided by the Clarkson train station, the local centre to be developed adjacent to Connolly Drive and landscaped parks and streetscapes.
- Retention and creation of tree canopy, achieving a 20% coverage target. Tree retention will be informed by a detailed tree survey that has been completed across the entire Precinct that influences the location of parkland and road alignments and landscape design.
- Strong connections to the Clarkson train station and other facilities and attractions in the surrounding area.

It is noted that detailed design for the Phase 1 area is being progressed.

Development Phases

Development is proposed to be staged over four main phases, as shown on the plans on pages 17-20 of the Development Strategy:

- Phase 1 is proposed in the north-western corner of Catalina Grove and will yield approximately 140 lots. Development has been identified to commence in this part of the site to provide for efficient servicing, high exposure and opportunity for high amenity. A display village is proposed to capitalise on exposure to passing traffic on Connolly Drive. The initial development will also provide new road connections with Neerabup Road and Connolly Drive, parkland adjacent to Neerabup Road that will feature a grove of existing trees and other landscaped entry statements and the opportunity to divest the local centre site. Additional details in respect to Phase 1 are provided below.
- Phase 2 is proposed to the east of the first phase area and will provide a connection to the Clarkson train station (via the existing Neerabup Road underpass), including provision for buses and the completion of the green link pedestrian and cyclist path. It will also provide the opportunity to create sites for high density residential development near the train station and a centralised park to act as a major attractor and focus for recreation.
- Phase 3 is proposed to the south of the first phase of development to provide opportunities for a second builders' display village and uses that could complement and support the viability of development of the local centre, including aged and health care and higher density residential. This area will have an outlook towards the Bush Forever conservation reserve located to the south.
- Phase 4 is proposed in the eastern part of Catalina Grove. Satterley indicates that development of this area will be reviewed in light of market demands and how preceding development has occurred, recognising that it will provide further opportunity for density development, strong connections to the train station, green link and freeway dual use path and tree retention in parks and streetscapes.

Catalina Grove - Phase 1

As indicated above, the first phase of development is proposed in the north-western corner of Catalina Grove. It has been selected as the first development area as a result of efficient servicing, high exposure and opportunity for high amenity with parkland adjacent to Neerabup Road and other landscaped entry statements. It will have excellent access with new road connections with Neerabup Road and Connolly Drive. A display village is proposed to capitalise on exposure to passing traffic on Connolly Drive.

Key elements of Phase One proposed in the Grove Development Strategy include:

- Creation of the Local Centre site – The approved Local Structure Plan (LSP) provides for the development of up to 3,300m² retail floorspace in this centre, which should be sufficient to attract a major supermarket retailer as an anchor tenant. Creating the site in the first phase of development will provide the opportunity to commence marketing for expressions of interest from developers to purchase the site and develop the centre.

Satterley advise that feedback obtained from commercial centre developers indicates that there would be demand to establish a centre in this location, provided that it is accessible and highly visible from Connolly Drive.

- Provision for a Builders’ Display Village – Given the success of previous Catalina display villages a similar approach is proposed adjacent to Connolly Drive in the first phase of Catalina Grove. A display village in this location will assist to activate and frame the entry to the development, act as a design benchmark, provide early sales and generate enquiry and traffic for the Project.
- Development of Public Open Space adjacent to Neerabup Road – This will facilitate retention of a significant stand of mature tuarts, which will create an attractive northern edge to Catalina Grove and contribute towards achieving the Council’s tree canopy target. The use of widened road reserves and blister islands will also cater for tree retention.
- The first phase of development will yield approximately 140 lots. Lots are to range from 80m² to 520m² in area, with the following lot mix proposed:

Lot Type	Area	Dimension	Percentage
Micro	80m ² – 145m ²	8m x 10m 10m x 15m 7m x 20m	5%
Squat	250m ² – 300m ²	12.5m x 20m 15m x 20m	10%
Cottage	190m ² – 380m ²	7.5m x 25m 10.5m x 25m 12.5m x 25m 15m x 25m	20%
Terrace	180m ² – 230m ²	6m x 30m 7.5m x 30m	30%
Conventional	325m ² – 520m ²	10.5m x 30m 12.5m x 30m 15m x 30m 17m x 30m	35%

Satterley has indicated that this lot mix will satisfy housing requirements of a broad demographic and that development cells will be structured to ensure flexibility to optimise lot variety to meet market demand. It is anticipated that the Western Australian Planning Commission (WAPC) and the City of Wanneroo will have an expectation that the lot mix achieve objectives of the LSP for density development given the proximity to the Clarkson train station.

- Preparation of Design Guidelines – Satterley proposes the preparation of new design guidelines to achieve built form that provides for passive surveillance of the street and other public areas, opportunities for neighbourly interaction, design palette for desired materials, colours and treatments and climate responsive principles.

Marketing and Sales

Satterley proposes the use of direct retail marketing and builder engagement as the two main channels to achieve sales at Catalina Grove.

Retail marketing will have a focus on brand development and lead generation, primarily through digital advertising and direct communication and also more traditional channels of print media and radio. This approach is intended to drive enquiry to register interest in the launch of Catalina Grove and then to generate sales as new stages are released. Marketing will emphasise the precinct’s point of difference, particularly around themes of nature, connections, health and convenience.

Satterley proposes to leverage its strong relationships with home builders to ensure their presence in the display village and a stream of referrals to Catalina. The launch of Catalina Grove is proposed through weekly electronic direct mail communications, hard copy sales collateral, a builders' event and social media strategy. Beyond the launch phase, Satterley proposes an ongoing program of builder engagement through regular communications and visits to display homes by the Estate Manager and by preparing house and land packages.

Sales interest will be registered through an on-line process to ensure fairness and transparency. The sales team will continue to operate from the Catalina Beach Sales Office for the foreseeable future, as it is in a highly visible location on Marmion Avenue within a display village that attracts a high level of visitation.

Development and Marketing/Sales Program – Phase 1

Satterley proposes a program for the development and marketing of Phase 1, which has the following key milestones:

August 2020:	Council approval of Development Strategy
January 2021:	Complete Brand Asset Development
March 2021:	Subdivision/Earthworks Approvals
April 2021:	Launch Brand/Lead Generation Campaign
May 2021:	Signage Installed; Display Village EOI to Builders
June 2021:	Connolly Drive/Aviator Boulevard Roundabout completed Launch Sales
August 2021:	Complete Earthworks; commence Civil Works (Stage 1)
September 2021:	Complete Connolly Drive Landscaping
December 2021:	Complete Civil Works (Stage 1)
January 2022:	Titles (Stage 1); commence Civil Works (Stage 2)
March 2022:	Complete Neerabup Road and streetscapes landscaping
May 2022:	Complete Civil Works (Stage 2)
June 2022:	Titles (Stage 2)
January 2023:	Display Village Opening

It is noted that Satterley proposes that sales would commence prior to civil works for Phase 1 being initiated and the landscape works associated with Connolly Drive and Neerabup Road being completed.

Grove Precinct – Forecast Cashflow

Satterley has provided an indicative cashflow for the proposed development of Catalina Grove, which indicates an anticipated cost of development of approximately \$82.1M to yield 743 lots and a gross income of \$143.4M, contributing \$61.3M to Project profit.

This is consistent with the draft Project Forecast 2020 considered by the Council at its meeting of 18 June 2020.

Conclusion

The Catalina Grove Development Strategy (July 2020) provides guiding principles to inform the development of the final precinct of the Project. It reflects the Council's agreed principles and objectives, particularly in respect to tree canopy, housing density and diversity and strong connections to the surrounding area, and is consistent with the approved LSP.

Development timeframes and financial outcomes are consistent with the draft Project Forecast 2020.

While it provides a good basis upon which to launch the intended commencement of development in the latter part of FYE 2021, there are a number of matters that require further detail and/or need to be progressed further in order to be properly considered by the Council, including:

- Commencement of Sales – rationale for sales commencing prior to Phase 1 civil works and the Connolly Drive and Neerabup Road landscaping being completed;
- Local Centre site – provide recommendations on the timing for the marketing, sale and development of the site;
- Builders’ Display Village – seek commitment from builders for the potential display village and interest in building demonstration housing, particularly the proposed micro-lots and terrace housing;
- Lot sizes and configuration – provide further information, including market research, confirming market acceptance to the proposed lot sizes, particularly the proposed micro lots and terrace housing lots;
- Marketing strategy - provide advice on the timing for the preparation of the Grove Marketing strategy, in particular detail on how the marketing approach will emphasise the Grove Precinct point of difference with the other Catalina Precincts;
- Preparation of Design Guidelines – provide advice on the timing for the preparation of the design guidelines;
- Innovation/sustainability - provide advice on the timing for the preparation of information outlining the innovation/sustainability principles/approaches to be incorporated in the Grove Precinct.

It is recommended that the Management Committee recommends that Council approve the Catalina Grove Development Strategy, subject to Satterley incorporating additional advice on the above matters.

8.5 PROJECT BUDGET FYE 2021 - UPDATED

Report Information

Reporting Officer: Manager Planning Coordination

RECOMMENDATION

That the Management Committee recommends that Council APPROVES the Project Budget FYE 2021 (July 2020), submitted by the Satterley Property Group, as the basis of financial planning for the TPRC Budget FYE 2021.

Voting Requirements

Simple Majority

Report Purpose

To review the updated Project Budget FYE 2021 (July 2020) prepared by the Satterley Property Group (Satterley).

Policy Reference

N/A

Previous Minutes

Council Meeting – 18 June 2020 (Item 9.6 - Project Budget FYE 2021)

Financial/Budget Implications

Input to TPRC Budget FYE 2021.

Relevant Documents

Appendix: Updated Satterley Project Budget FYE 2021 (July 2020)

Background

At its meeting of 18 June 2020, the Council approved the Project Budget FYE 2021 (May 2020), submitted by Satterley for use as the basis of financial planning for the TPRC Budget FYE 2021, subject to the following modifications:

- i) Project revenue being adjusted to reflect the following revised approach to lot pricing, with no sales incentive rebate (July 2020 – December 2020):
 - a. Central – 375m²: \$258,000
 - b. Central – 450m²: \$293,000
 - c. Beach – 375m²: \$345,000
 - d. Beach – 450m²: \$385,000
- ii) Bring forward construction of Stages 16, 27 and 28 to achieve titles by December 2020;
- iii) The WAPC Land acquisition (\$10.2M) being made in two payments in May 2021 and December 2022;

- iv) Long Beach Promenade Connection – Catalina Beach (\$0.81M) being included for construction in FYE 2021.

Comment

Satterley has updated the Project Budget FYE 2021 (May 2020) to incorporate the modifications required by the Council at its 18 June 2020 meeting. The modifications include:

- Project revenue adjusted to reflect the Council’s approved lot pricing.
- Bringing forward construction of Stages 16, 27 and 28.
- The first of two payments for the WAPC land acquisition being made in May 2021 (the second payment has been deferred to December 2022).
- Bringing forward the construction of the Long Beach Promenade connection.

It should be noted that the Federal and State Governments’ building stimulus incentives have had a significant impact on the land sales market in Perth in the past two months and many developers have sought to bring forward their construction programs to create additional stock. This has escalated demand on the construction industry, including the Project’s Civil Contractors, RJ Vincent. As a result, infrastructure works, including the Portofino Promenade extension, Beach Access road, Long Beach Promenade connection and Connolly Drive roundabout are now programmed for the second half of FYE 2021. This in turn impacts on the program for landscaping associated with these works. Satterley has updated the Project Budget FYE 2021 (May 2020) to reflect these program changes.

The updated Project Budget FYE 2021 (July 2020) is contained in Appendix 8.5.

The following table summarises the modifications made by Satterley in respect to the impact on forecast Project sales, titles, settlements, expenditure, income and cashflow for FYE 2021:

Item	Project Budget FYE 2021 (May 2020)	Project Budget FYE 2021 (July 2020)
Sales	78	119
Titles	52	107
Settlements	60	117
Development Costs	\$28,635,124	\$28,205,679
Gross Income	\$13,661,838	\$31,797,026
Cashflow	(\$14,973,286)	\$3,591,347

Conclusion

The revisions made by Satterley to the Project Budget FYE 2021 (July 2020) incorporate the modifications approved by the Council at its meeting of 18 June 2020 and reflect a revised construction program following discussions with the Project’s civil contractor in respect to its capacity to undertake various works at Catalina in FYE 2021 and the associated impact on the program/budget for landscaping works.

The revised Project Budget FYE 2021 (July 2020) indicates an improved cashflow position for the Project and an updated forecast that informs the preparation of the TPRC Annual Budget FYE 2021. Circumstances impacting the Project are currently dynamic and will be reviewed as part of the mid-year Budget review to be considered by the Council in December 2020.

It is recommended that the Management Committee recommends that the Council approves the Project Budget FYE 2021 (July 2021), prepared by the Satterley Property Group, as the basis of project and financial planning for FYE 2021.

8.6 ANNUAL MARKETING PLAN FYE 2021

Report Information

Reporting Officer: Manager Project Coordination

Recommendation

That the Management Committee **RECOMMENDS** that Council:

1. **APPROVES** the Annual Marketing Plan FYE 2021, prepared by the Satterley Property Group, subject to it being amended to indicate a revised sales target of 119 lots consistent with the revised Project Budget FYE 2021 (July 2020).
2. **ACCEPTS** that the Development Manager's Key Performance Indicator (February 2020) requiring the preparation of an Annual Marketing Plan has been achieved.
3. **ADVISES** the Satterley Property Group that marketing expenditure, in particular sales incentives campaigns, will be reviewed and monitored in line with market conditions and the requirements of the Project and the Project Budget FYE 2021, as approved. Further, the proposed experiential marketing through promotion and engagement at third-party events such as the Mindarie Marina Festival and City of Joondalup Festival will require further justification in order to demonstrate satisfactory marketing outcomes when further detail is available.

Voting Requirements

Simple Majority

Report Purpose

To consider the Annual Marketing Plan FYE 2021 prepared by the Satterley Property Group (Satterley), as required by the Development Manager's Key Performance Indicators.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

- Council Meeting – 20 June 2019 (Item 9.8: Catalina Annual Marketing Plan FYE 2020).
- Council Meeting – 20 February 2020 (Item 10.3: Development Manager's Key Performance Indicators - 2020).

Relevant Documents

Appendix: Catalina Annual Marketing Plan FYE 2021.

Financial/Budget Implications

Expenditure under this matter will be incurred under item E145218 (Marketing):

Budget Amount:	\$	400,000
Spent to Date:	\$	0
Balance:	\$	400,000

Note refers to Budget FYE 2021, not yet adopted.

Background

The approved Development Manager's Key Performance Indicators (KPIs) (February 2020), requires the preparation of an Annual Marketing Plan. Satterley has prepared and submitted the Catalina Annual Marketing Plan FYE 2021 for the Council's consideration (Appendix 8.6).

Comment

The purpose of the Annual Marketing Plan FYE 2021 is to identify the key marketing activities for the forthcoming year to assist in meeting sales targets. It contains the following components:

- Market conditions overview;
- Key marketing objectives and initiatives;
- Marketing budget.

Market conditions

Satterley has made the following observations in respect to market conditions and sales achieved at Catalina in FYE 2020:

- First home buyers continue to be the dominant purchaser type (45.5%), though their share of sales fell from 59.5% in the previous year, while the proportion of upgraders (27.3%, up from 21.4%) and downsizers/retirees (27.3%, up from 11.9%) increased.
- Sales continue to be sourced predominantly from purchasers residing in Perth's northern coastal corridor, particularly those who already reside in Clarkson and Mindarie.
- Marketing strategies implemented during FYE 2020 included sales incentives, lead generation and web search engine optimisation (SEO) and contributed to sales enquiries. While COVID-19 impacted on consumer confidence between February and April 2020, the easing of restrictions and announcement of Government construction stimulus incentives and sales had a significant positive impact on sales in May and June 2020.

Key marketing objectives and initiatives

The Annual Marketing Plan FYE 2021 indicates that a sales target of 78 lots has been set for FYE 2021, however Satterley has since revised this figure to 119 sales in the revised Project Budget FYE (July 2020), as reported in Item 8.5. Achieving this amended sales target will require a continued focus on brand awareness, lead generation and nurturing, SEO and content and advocacy activities. Marketing initiatives identified for FYE 2021 include:

- Brand awareness – for both the Catalina master brand and the individual precincts including the launch of Catalina Grove, through brand assets development, lead generation, updated signage and consistency across all advertising and marketing materials;
- Sales leads - through traditional and digital advertising and builder relationships;

- Directional signage;
- Digital visibility – by maintaining strong discoverability of the Catalina website through SEO and content and social media;
- Community development – supporting initiatives with marketing and brand ambassadors among existing and future residents;
- Market research.

The marketing approach has a strong reliance on the use of on-line platforms. The brand strategy will seek to use innovative displays of house and land packages, virtual tours and fly-throughs. SEO, in conjunction with content and brand advocacy strategies, will aim to stimulate increased website traffic and leads. Improvements to the Project’s rating will be sought using Google and Facebook customer reviews.

Sales incentives are proposed in the second and third quarters of FYE 2021 and include a ‘Bills On Us’ promotion offering up to \$10,000 on energy rebates and ‘Green Backyards’ offering a similar amount for rear garden landscaping rebates. The suitability of these promotions will need to be reviewed in light of market conditions, noting that the more-effective sales incentives campaigns previously have involved the offer of a discount or rebate on the lot price.

Subject to COVID-19 restrictions, there is also proposed to be a focus on experiential marketing through promotion and engagement at third-party events such as the Mindarie Marina festival, City of Joondalup festival or expos that fit the Catalina brand. These proposals will require further justification in order to demonstrate satisfactory marketing outcomes.

Marketing budget

Budget recommendations for each of the marketing components are summarised in the following table:

Description	Budget FYE 2021
Brand development	\$103,000
Brochures/Sales Plans	\$15,000
Content and Public Relations	\$10,000
Signage	\$60,000
Sales Office	\$15,000
Website	\$12,000
Advertising and Direct Marketing	\$185,000
Total	\$400,000

The proposed use of the allocated marketing budget for FYE 2021 is generally considered appropriate, however specific proposals for expenditure will be considered in line with market conditions and requirements of the Project.

Conclusion

The Annual Marketing Plan FYE 2021 outlines marketing activities for the forthcoming year that support current Project objectives and initiatives, with a focus on brand development and promotion, advertising, direct marketing and signage.

While the specific proposals outlined are supported in principle, marketing expenditure will be reviewed and monitored in line with market conditions, a review of the effectiveness of the sales incentives campaigns and the requirements of the Project, particularly the proposals involving rebates, sponsorship of third-party run events, brand development and promotion of the launch of Catalina Grove. Further, the proposed experiential marketing through promotion and engagement at third-party events such as the Mindarie Marina Festival and City of Joondalup Festival will require further justification in order to demonstrate satisfactory marketing outcomes when further detail is available.

The Strategy is considered to satisfy the requirements of the Development Manager's KPI, requiring the preparation of an Annual Marketing Plan.

8.7 BUILT FORM PARTNERSHIP – STAGE 18 – **CONFIDENTIAL**

CONFIDENTIAL

8.8 KEY PERSONNEL – CATALINA SALES REPRESENTATIVE – **CONFIDENTIAL**

CONFIDENTIAL

8.9 PROJECT RESOURCING – DEVELOPMENT MANAGER – **CONFIDENTIAL**

CONFIDENTIAL

8.10 DEVELOPMENT MANAGER APPOINTMENT TO STAGE 3 - CONFIDENTIAL

CONFIDENTIAL

9. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN
10. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN
11. URGENT BUSINESS APPROVED BY THE CHAIR
12. MATTERS BEHIND CLOSED DOORS
13. GENERAL BUSINESS
14. FORMAL CLOSURE OF MEETING

APPENDICES