

Meeting of Management Committee

Thursday, 16 March 2023

Agenda

Notice of Meeting

Councillors of the Tamala Park Regional Council Management Committee are advised that a meeting will be held at the City of Stirling, 25 Cedric Street, Stirling on Thursday 16 March 2023 at 6:00pm.



CHRIS ADAMS
Chief Executive Officer

MEMBERSHIP

OWNER COUNCIL	MEMBER
City of Joondalup	Cr John Chester Cr Nige Jones
City of Stirling	Cr Tony Krsticevic Cr Suzanne Migdale (CHAIR) Cr Karlo Perkov Cr Bianca Sandri
City of Vincent	Cr Ashley Wallace

1. OFFICIAL OPENING

DISCLOSURE OF INTERESTS

2. PUBLIC STATEMENT/QUESTION TIME

3. APOLOGIES AND LEAVE OF ABSENCE

4. PETITIONS

5. CONFIRMATION OF MINUTES

5.1. CONFIRMATION OF MINUTES

6. ANNOUNCEMENTS BY CHAIR (WITHOUT DISCUSSION)

7. ADMINISTRATION REPORTS AS PRESENTED

7.1. BUSINESS REPORT – MONTH ENDING 28 FEBRUARY 2023

7.2. PROJECT FINANCIAL REPORT - JANUARY 2023

7.3. SALES AND SETTLEMENT REPORT – MONTH ENDING 28 FEBRUARY 2023

7.4. CATALINA SALES INCENTIVES - EXTENSION OF REDEMPTION VALIDITY PERIOD

7.5. STRATEGIC LAND DEVELOPMENT: OPTIONS ANALYSIS

8. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN

9. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

10. URGENT BUSINESS APPROVED BY THE CHAIR

11. GENERAL BUSINESS

12. DECISION TO MOVE TO CONFIDENTIAL SESSION

12.1. **CONFIDENTIAL:** CONTRACT VARIATION - CIVIL CONSTRUCTION TERM CONTRACT - RETAINING WALL COSTS

This item satisfies the requirements of Section 5.23 of the *Local Government Act 1995*, enabling it to be considered at a meeting, or part of a meeting, that is closed to members of the public, on the grounds that it deals with:

c) *A contract entered into, or which may be entered into, by the TPRC and which relates to a matter to be discussed at a meeting (section 5.23(2)(c)); and*

e) *A matter that if disclosed, would reveal –*

i) *Information that has a commercial value to a person; or*

ii) *Information about the business, professional, commercial or financial affairs of a person.*

where the information is held by, or is about, a person other than the TPRC (section 5.23(2)(e)).

13. FORMAL CLOSURE OF MEETING

5.1. CONFIRMATION OF MINUTES

Responsible Officer: Chris Adams
Attachments: None
Voting Requirement: Simple Majority

Recommendation

That the Management Committee CONFIRMS and the Chair signs the minutes from the Management Committee meeting held 17 November 2022 as a true and accurate record of proceedings.

7.1. BUSINESS REPORT – MONTH ENDING 28 FEBRUARY 2023

Responsible Officer: Simon O'Sullivan
Attachments: 1. Landscaping Table Report
Voting Requirement: Simple Majority

Recommendation

That the Management Committee RECEIVES the Business Report for the month ending 28 February 2023.

PURPOSE

The report provides information to the Management Committee on key activities, programs and milestones.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

N/A

PREVIOUS MINUTES

N/A

FINANCIAL/BUDGET IMPLICATIONS

N/A

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 2	Risk Rating:
Strategic - Stable and Effective governance environment.	Moderate
Action:	
SPG and TPRC provide reports/information to Council Meetings	

The report provides information to ensure the Management Committee is well informed on the progress of key components of the Catalina Project.

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 following tables detail the status of all current civil works stages. The highlights include:

- Achievement of practical completion of Stage 36 civil works on 27 February 2023, enabling the opening of public access to the Catalina Green precinct.
- Good progress towards practical completion of Stage 29 in late March 2023, with commencement of roads.
- Earthworks commenced on Stage 31.
- No further delays reported on stages under construction, with the exception of the Longbeach Promenade extension, which is now programmed to re-commence on 7 March 2023 following a lengthy delay.
- Ongoing labour and materials challenges, although indications are that issues while levelling out will continue to impact civil construction throughout 2023.



Completed Stage 18C lots in Catalina Central, looking east towards Stage 36 in Catalina Green

Stage 29			43 lots
Contractor Possession of Site		12 April 2022	
Original Practical Completion Date		16 September 2022	
Revised Practical Completion Date		31 March 2023	
Construction Status			
Item	% Complete	Change since last report	Comments
Earthworks	100	0	Complete
Sewer	100	0	Complete
Drainage	100	5	Complete
Water/Gas	100	50	Complete
Power/Comms	95	75	Complete
Walls	95	65	Fencing remaining.
Roads	30	30	40mm asphalt installed.



Stage 29 civil works in progress

Stage 31			66 lots
Contractor Possession of Site			9 January 2023
Original Practical Completion Date			26 July 2023
Revised Practical Completion Date			15 August 2023
Construction Status			
Item	% Complete	Change since last report	Comments
Earthworks	10	10	Clearing complete
Sewer	0	0	
Drainage	0	0	
Water/Gas	0	0	
Power/Comms	0	0	
Walls	0	0	
Roads	0	0	

Stage 36			78 lots
Contractor Possession of Site			27 January 2022
Original Practical Completion Date			4 July 2022
Revised Practical Completion Date			27 February 2023
Construction Status			
Item	% Complete	Change since last report	Comments
Earthworks	100	0	Complete
Sewer	100	0	Complete
Drainage	100	1	Complete
Water/Gas	100	0	Complete
Power/Comms	100	0	Complete
Walls	100	1	Complete
Roads	100	1	Complete



Stage 36 - Tree retention in road verge

Stage 37		48 lots	
Contractor Possession of Site		30 September 2022	
Original Practical Completion Date		3 March 2023	
Revised Practical Completion Date		1 June 2023	
Construction Status			
Item	% Complete	Change since last report	Comments
Earthworks	100	10	Complete
Sewer	100	0	Complete
Drainage	100	40	Complete
Water/Gas	100	100	Complete
Power/Comms	0	0	Commencing early March
Walls	10	0	Ongoing
Roads	0	0	Commencing mid-March

Longbeach Promenade Extension	
Contractor Possession of Site	20 September 2021
Original Practical Completion Date	December 2021 – Works have been on hold pending contractor resourcing.
Revised Practical Completion Date	25 May 2023
Works re-commencing 7 March 2023.	
Construction Status	

Item	% Complete	Change since last report	Comments
Earthworks	80	0	
Sewer	0	0	
Drainage	0	0	
Water/Gas	0	0	
Power/Comms	0	0	
Walls	0	0	
Roads	0	0	

2. Landscaping Works - Status

The status of various landscape construction works in progress in Catalina is summarised in the table contained in Appendix 7.1. Current highlights are detailed below.

Catalina Beach

Portofino Promenade Extension

Practical completion achieved with City of Wanneroo on 21 February 2023.

Catalina Beach Park – Phase 2

Earthworks for the park extension have been completed as part of the Stage 29 civil works.

Landscaping works have commenced, with walls being constructed and long lead-time items such as plant stock ordered. Practical completion is forecast for 16 June 2023.

Foreshore Park

Landscape design drawings for a new park at the end of the Portofino Promenade extension and adjacent to the coastal conservation reserve are complete. Assessment of the drawings by the City of Wanneroo has been delayed due to urban water management plan considerations and resolution of land tenure with the wastewater pump station site. The current program anticipates City of Wanneroo approval in June 2023 and works commencing almost immediately following. Completion of the park is anticipated in December 2023.

Longbeach Promenade Landscaping

Detailed design has been completed and submitted to the City of Wanneroo. Initial comments have been received and being addressed by project team with approvals anticipated in March 2023.

Stage 29 Landscaping

Detailed design has been approved by the City of Wanneroo and issued to the landscaping contractor for pricing. Works are anticipated to commence in winter to make use of wet conditions for planting establishment and consolidation.

Offset Revegetation Works - Coastal Reserve

Tenders have been called for submissions from contractors to undertake revegetation works within the coastal reserve west of Catalina Estate. The works are required to satisfy offset revegetation obligations placed on the TPRC by the clearing permit granted for the removal of vegetation to enable construction of the Beach Access Road and Carpark. Submissions close on 22 March 2023 and works are expected to occur in winter 2023.

Catalina Central

Nil.

Catalina Green

Phase 1 Park, Streetscapes and Entry Statements

Landscape design for the streetscape works and entry statements on Connolly Drive and Neerabup Road and first stage of parkland adjacent to Neerabup Road in Catalina Green is complete. Design drawings have been approved by the City of Wanneroo. Landscape works commenced in January 2023 and are anticipated to be completed in August 2023.



Catalina Green Public Open Space corner Neerabup Road and Connolly Drive - Construction commenced

3. Housing Construction

The following table provides an overview of the current progress of housing construction to 28 February 2023. A substantial amount of building activity is presently in progress across Catalina Beach and Central.

Stage	Total Lots	Homes Completed	Homes Under Construction	Lots Vacant
Stages 1, 3-6B, 7-15, 17A, 18A, 25A, 25B & 25DV	852	887*	0	1
Stage 2	38	36	0	2
Stage 6C	10	10	0	0
Stage 16A	17	16	1	0
Stage 17B	36	35	1	0
Stage 18C	28	0	0	28
Stage 25C	4	2	1	1
Stage 26	38	34	3	1
Stage 27A	20	10	8	2
Stage 27B	23	1	20	2
Stage 28	34	9	22	3
Stage 30	35	0	22	13
Stage 36	57	0	0	57
Total	1,223	1,070	78	111
Change since 31/1/23	0	+11	-6	-5



Double-storey homes under construction on Portofino Promenade in Stage 27 - Catalina Beach

4. Community Events

The new 11-home display village in Catalina Beach currently has three homes that have opened and it is expected that most of that remaining eight will be operating in time for an opening event planned for the weekend of 27/28 May 2023. Additional details will be provided in the Business Report to be presented to the April 2023 Council Meeting once arrangements are finalised.

5. Special Development Sites

Connolly Drive, Catalina Green

The Stage 36 civil works in Catalina Green include the 2ha commercial centre site located at the intersection of Connolly Drive and Aviator Boulevard.

A contract of sale for the site has been executed following the award of the tender for the sale of the site to Lightpoint Nominees by the Council at its meeting on 17 February 2022.

The proponent submitted a Local Development Plan with the City of Wanneroo in February 2023, which sets parameters for development of a neighbourhood centre on the site. This enabled the City's subdivision clearance to be issued and the site's title to be released on 28 February 2023. Settlement of the sale is expected prior to the end of March 2023.



Catalina Green Neighbourhood Centre Site - Ready for Settlement of Sale

Rathmines Street, Catalina Central

A tender for the sale of proposed Lot 341 Rathmines Street, located on the corner of Aviator Boulevard and Connolly Drive in Catalina Central was awarded by the Council on 29 September 2022 to Accord Property. The contract for sale has now been executed by both parties. Accord is currently undertaking due diligence and settlement is anticipated in August 2023.

Aviator Boulevard/Roulettes Parade Local Commercial Centre, Catalina Central

Stage 1 of the development of the Catalina Central commercial sites, comprised of a childcare centre, was completed in mid-2022. Stage 2 will include several shop tenancies (300m² net lettable area) and a 170m² café. The TPRC has a legal agreement with the owner of the Stage 2 land, Auswide International (Auswide), which requires the remaining development to be completed by May 2023. After recently observing no indication of any construction having commenced on the Stage 2 site, correspondence was sent to Auswide requesting an update on the progress of development. Auswide has advised that it has been unable to engage a builder that can complete the development at a reasonable cost and is currently exploring construction options to make the project feasible and has flagged the possibility of requiring an extension of time to the legal agreement's stipulated construction timeframes. A report on this matter will be presented to Council's April 2023 meeting for consideration.

6. EPBC Compliance Report

The TPRC is required under the Catalina Project's Environmental Protection and Biodiversity Conservation Act approval to annually report on compliance with required approval actions. A report for 2022 was completed, submitted to the Commonwealth Department of Climate Change, Energy, the Environment and Water and published on the TPRC website in February 2023. The Compliance Report indicates the Project is in full compliance with all obligations. It can be downloaded from <https://www.tamalapark.wa.gov.au/documents/10994/compliance-report-2022>.

LANDSCAPING WORKS STATUS – as at 28 February 2023

Landscape Works	FYE 2023 Budget	Detailed Design	City of Wanneroo Approval	Construction Commencement	Anticipated Completion	Comments
Foreshore Access Road and Carpark	\$631,711	Complete	Issued	Commenced	Complete	<ul style="list-style-type: none"> Second stage of revegetation has been completed.
Portofino Promenade Extension	\$842,539	Complete	Issued	Commenced	Complete	<ul style="list-style-type: none"> Practical completion achieved.
Catalina Beach Park- Phase 2	\$572,388	Complete	Issued	January 2023	16 June 2023	<ul style="list-style-type: none"> Works in progress.
Foreshore Park	\$4,577,070	Complete	Submitted	June 2023	December 2023	<ul style="list-style-type: none"> Design finalised –assessment by City of Wanneroo pending resolution of urban water management plan and WWPS land tenure.
Connolly Drive/Aviator Blvd Roundabout and Entry Statement	\$1,096,856	Complete	Issued	Commenced	Complete	<ul style="list-style-type: none"> Practical completion achieved.
Aviator Boulevard Greenlink	\$2,058,944	Complete	Issued	Commenced	Complete	<ul style="list-style-type: none"> Practical completion achieved.
Catalina Green Phase 1 POS, streetscapes and entry Statements	\$3,027,226	Complete	Issued	January 2023	11 August 2023	<ul style="list-style-type: none"> Works in progress – commencement delayed due to civil construction delays.
Long Beach Promenade landscaping	\$102,200	Complete	Submitted	Forecast July 2023	Forecast December 2023	<ul style="list-style-type: none"> Subject to civil works completion
Stage 29 buffer landscaping	\$120,325	Complete	Issued	Forecast May 2023	Forecast June 2023	<ul style="list-style-type: none"> Issued for contractor pricing

7.2. PROJECT FINANCIAL REPORT - JANUARY 2023

Responsible Officer: Simon O'Sullivan
Attachments: 1. Project Finance Report (January)
Voting Requirement: Simple Majority

Recommendation

That the Management Committee RECEIVES the Project Financial Report (January 2023) submitted by the Satterley Property Group.

PURPOSE

To consider the Project Financial Report for January 2023 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 January 2023.

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 2	Risk Rating:
Strategic - Stable and effective governance environment.	Moderate
Action:	
SPG and TPRC provide reports/information to Council Meetings.	

The report provides information to the Management Committee on Catalina Project financial outcomes in particular, revenue, expenditure and variances to ensure transparency and governance of financial activity.

BACKGROUND

At its meeting of 16 June 2022, the Council approved the Project Budget FYE 2023, submitted by the Satterley Property Group (Satterley). The Budget was reviewed in November 2022 and the Council approved an updated Budget at its meeting of 8 December 2023.

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

COMMENT

Satterley has prepared a Catalina Financial Report for January 2023 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period 1 January 2023 to 31 January 2023.

The Financial Report identifies that cashflow for FYE 2023 is \$6.36M favourable to the December 2022 revised Budget, with an actual \$4.06M net cashflow against a budgeted net cash outflow of \$2.3M. The main areas of variance are as follows:

1. Year to date residential settlement revenue is \$16.5M, which is \$130K favourable to budget.
2. Year to date sales value is \$7.35M, which is \$4.72M unfavourable due to 17 less residential sales achieved than budgeted.
3. Lot production expenditure is \$6.6M favourable to budget, due to a combination of delayed works and savings.
4. Landscaping expenditure is \$2.3M favourable to budget, due to either delayed or varied timing of works.
5. Infrastructure expenditure is \$0.6M favourable to budget, due mainly to the delay in recommencing construction of Longbeach Promenade.
6. Clearances Bonds are \$1.23M favourable to budget. This relates to the timing of bond payments made to the City of Wanneroo to facilitate clearances prior to works being completed and the payment of refunds following completion of works.
7. P&L expenditure is \$540K under budget, due to either the timing of expenditure or there being no spending required at present.

While the FYE 23 Budget was modified significantly through the mid-year Budget review process at the Council's December 2022 meeting, with both expenditure and income expectations being lowered considerably from the June 2022 projection, the budget assumptions for both expenditure and income appear to be ambitious with spending unlikely to reach anticipated levels and income through sales not reaching the projected level by 30 June 2023. While the budget is unlikely to be met, current indications are that the nett financial position is likely to be better than projected.

22 February 2023

Mr Chris Adams
Chief Executive Officer
Tamala Park Regional Council
PO Box 655
INNALOO WA 6918

Dear Chris

Catalina Financial Report for January 2023

Please find attached the Catalina Financial Report for January 2023. This report has been prepared on a cash basis and compares actual income and expenditure to the December 2022 approved budget for the period 1 January 2023 to 31 January 2023.

YTD settlement revenue for FY2023 was \$16.5m which is \$130k favorable to budget on 3 fewer settlements due a favourable lot mix.

Year to date Sales for FYE2023 was \$7.35m and \$4.72m unfavourable to budget due to 17 less residential sales.

Overall year to date cashflow for FYE2023 is \$6.36m favourable to budget per the approved 'December 2022' budget, with \$4.06m net cashflow against a budgeted net cash outflow of \$2.3m. The main areas of expenditure variances are summarised below:

- Lot Production (excl. Bonds) is \$6.6m under budget, noting the following variances:
 - Stages 36-37 Earthworks \$840k under budget due to savings;
 - Stage 18C \$862k under budget due to delayed works and savings;
 - Stage 27B \$163k under budget due to savings;
 - Stage 29 \$906k under budget due to delayed works and savings;
 - Stage 30 \$524k under budget due to savings;
 - Stage 31 \$33k under budget due to delayed works;
 - Stage 32 \$28k under budget due to delayed works;
 - Stage 36 \$2.67m under budget due to delayed works and savings;
 - Stage 37 \$533k under budget due to delayed works and savings;
 - Stage 38 \$42k under budget due to minor variances from delays of civil design;
- Landscaping is \$2.31m under budget, noting the following variances:
 - Preliminary Landscaping Consultancy \$156k under budget due to delayed designed and constructions;
 - Environmental landscaping \$33k under budget due to minor timing variances;
 - Central Connolly Drive \$368k over budget due to works ahead of budget – overall costs in line with full year budget;
 - Central Green Link \$81k under budget due to minor timing variances;
 - Beach Portofino Verge South \$12k under budget due to minor timing variances;

- Beach Park 2 \$430k under budget due to delays in works program;
- Beach foreshore Access area 1 \$52k under budget due to minor timing variances;
- Green POS 1 Phase 1 \$1.85m under budget due to delays on site;
- Green Central Bore, Pump & Filtration Unit \$20k under budget due to unused contract sum;
- Water \$45k under budget due to unused contract sums;

- Infrastructure Spend is \$620k under budget, noting the following variances:
 - Connolly Drive Blvd \$225k under budget due to savings;
 - Portofino Extension \$41k under budget due savings;
 - Longreach Prom Extension \$336k under budget due to delays on site;
 - Rubbish Removal \$19k under budget due to unrequired works;

- Clearance bonds are \$1.23m favourable to budget – timing.

- Indirect Consultants are \$42k under budget - timing.

- Special site – Stage 17B GHS are \$64k under budget due to timing of works.

- P&L expenditure is \$540k under budget, noting the following variances:
 - Sales & Marketing is \$135k under budget due to timing of spend;
 - Community and Development \$44k under budget due timing of spend;
 - Maintenance \$129k under budget due to reduced scope;
 - Audit & Tax \$3k over budget due to timing of spend;
 - Legal Fees \$17k under budget – no spending required at present;
 - Contingency \$185k under budget – not required
 - Rates & taxes \$8k over budget;
 - Security \$12k under budget – no spending required at present;
 - Sundry Office Expenses \$6k under budget – no spending required at present;
 - Training \$8k under budget – no spending required at present;
 - Valuations \$8k under budget due to timing of spend;
 - \$7k under budget - combined minor variances for other Overheads.

Please refer to the attached Cashflow Analysis for a more detailed analysis of actual to budget variances. Should you have any queries on this report, please do not hesitate to contact me.

Yours faithfully



Ross Carmichael
General Manager Finance

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2023		MONTH - January 2023		
Job Description	Account Description	MTH ACT Jan 2023	MTH BUD Jan 2023	Variance
REVENUE				
Settlements	Settlement revenue	1,437,000	2,792,077	(1,355,077)
Margin GST	Margin GST	(17,075)	(54,773)	37,698
Direct Selling Costs		(65,290)	(414,605)	349,315
Interest Income		0	0	0
Other Income	Special sites revenue	0	5,909,091	(5,909,091)
Rebate Allowance		(16,593)	(90,655)	74,063
		1,338,042	8,141,135	(6,803,093)
LOT PRODUCTION				
Earthworks Stages 36-37	Siteworks / Earthworks	0	210,958	210,958
Total Earthworks Stage 36-37		0	210,958	210,958
Stage 18C	Siteworks / Earthworks	133,798	411,237	277,440
	Authorities Fees	0	0	0
	Direct Consultants	3,342	7,550	4,209
Total Stage 18C		137,139	418,787	281,648
Stage 27B	Siteworks / Earthworks	0	0	0
	Authorities Fees	0	71,156	71,156
	Direct Consultants	0	14,019	14,019
Total Stage 27B		0	85,175	85,175
Stage 29	Siteworks / Earthworks	177,412	356,209	178,797
	Authorities Fees	295,468	0	(295,468)
	Direct Consultants	4,503	7,114	2,612
Total Stage 29		477,382	363,323	(114,059)
Stage 30	Siteworks / Earthworks	4,813	0	(4,813)
	Authorities Fees	0	0	0
	Direct Consultants	0	0	0
Total Stage 30		4,813	0	(4,813)
Total Stage 31	Direct Consultants	1,773	22,188	20,415
Total Stage 32	Direct Consultants	0	27,840	27,840
Stage 36	Siteworks / Earthworks	243,653	976,587	732,933
	Authorities Fees	295	0	(295)
	Direct Consultants	1,330	9,982	8,652
Total Stage 36		245,278	986,569	741,290
Stage 37	Siteworks / Earthworks	181,709	448,129	266,420
	Authorities Fees	0	0	0
	Direct Consultants	8,720	18,250	9,530
Total Stage 37		190,429	466,379	275,950
Total Stage 38	Direct Consultants	18,954	22,089	3,135
Various Stages	Clearance Bonds	0	0	0
TOTAL LOT PRODUCTION		1,075,768	2,603,308	1,527,540
LANDSCAPING				
Preliminary Landscaping Consultancy	Landscape Consulting	15,912	66,965	51,053
Environmental Landscaping	Landscape Construction	0	9,022	9,022
Central Connolly Drive	Landscape Construction	77,765	220,834	143,069
Central Green Link	Landscape Construction	7,991	108,060	100,069

YEAR TO DATE - January 2023		
YTD ACT Jan 2023	YTD BUD Jan 2023	Variance
16,534,000	16,403,245	130,755
(204,541)	(255,975)	51,434
(746,482)	(1,029,892)	283,410
2,072	658	1,414
0	5,909,091	(5,909,091)
(163,044)	(563,119)	400,074
15,422,005	20,464,009	(5,042,003)
0	839,642	839,642
0	839,642	839,642
898,290	1,738,523	840,233
226,406	225,587	(820)
22,276	44,857	22,581
1,146,973	2,008,967	861,994
55,817	45,000	(10,818)
0	141,841	141,841
1,250	33,330	32,080
57,067	220,171	163,103
1,016,787	2,211,702	1,194,915
314,376	0	(314,376)
30,773	55,806	25,033
1,361,936	2,267,508	905,572
76,450	577,810	501,360
0	16,314	16,314
20,437	26,860	6,423
96,887	620,984	524,097
142,086	175,430	33,344
142,086	175,430	33,344
0	27,840	27,840
0	27,840	27,840
2,419,605	4,737,000	2,317,395
351,334	682,544	331,210
54,490	74,433	19,943
2,825,429	5,493,976	2,668,548
353,648	896,258	542,610
7,639	533	(7,106)
128,123	125,140	(2,983)
489,410	1,021,931	532,521
48,352	89,935	41,583
48,352	89,935	41,583
1,620,591	2,848,644	1,228,053
7,788,731	15,615,028	7,826,297
116,676	273,151	156,475
99,031	131,639	32,608
1,027,771	659,576	(368,195)
843,653	924,529	80,876

Bud Comparison: Dec 22 Approved	
Comments regarding variance	
57 settlements YTD ex GST Margin scheme. GST Margin as detailed in Burgess Rawson valuations Includes Commission and Management Fees Penalty interest income on settlements delay in neighbourhood site settlement Construction Recycling, Fencing, Landscape, Shared Bore, Solar, and Display Builder Rebates	
under budget due to unused contract sums, savings to be reflected in next budget update	
under budget due to minor timing variance with delayed works along with savings of ~\$400k to be reflected in next budget update	
under budget due to unused contract sums, savings to be reflected in next budget update	
under budget due to minor timing variance with delayed works along with savings of ~\$500k to be reflected in next budget update	
under budget due to unused contract sums, savings of ~\$500k to be reflected in next budget update	
under budget due to minor timing variance with delayed works	
under budget due to minor timing variance with delayed works	
under budget due to timing variance with delayed works along with savings of ~\$400k to be reflected in next budget update	
under budget due to timing variance with delayed works along with savings of ~\$450k to be reflected in next budget update	
minor variance with delay in civil design Invoicing	
Within budget	

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2023		MONTH - January 2023		
Job Description	Account Description	MTH ACT Jan 2023	MTH BUD Jan 2023	Variance
Beach Display Village Verge	Landscape Construction	0	0	0
Beach Portofino Verge - South	Landscape Construction	65,851	150,697	84,846
Beach Park 2	Landscape Construction	0	144,051	144,051
Beach Foreshore Access Area 1	Landscape Construction	5,804	15,596	9,792
Green POS 1 Phase 1	Landscape Construction	0	0	0
Green Central Bore, Pump & Filtration Unit	Landscape Construction	0	10,067	10,067
Water	Landscape Construction	0	11,325	11,325
TOTAL LANDSCAPING		173,323	736,617	563,294
INDIRECT CONSULTANTS				
Planning - indirect	Planning	8,970	26,006	17,036
	Architect	1,760	545	(1,215)
	Environmental	3,893	3,299	(594)
	Geotechnical	0	854	854
	Title - Survey & Legal fees	3,290	3,351	61
	Engineering fees	0	6,984	6,984
	Miscellaneous Consultants	0	938	938
	Planning - Hydrology	650	2,927	2,277
	Planning - Sustainability	0	1,494	1,494
	Acoustic & Noise Consult	0	109	109
TOTAL INDIRECT CONSULTANTS		18,563	46,506	27,943

YEAR TO DATE - January 2023		
YTD ACT Jan 2023	YTD BUD Jan 2023	Variance
8,400	7,200	(1,200)
532,066	543,632	11,566
0	430,245	430,245
209,349	261,362	52,013
0	1,851,799	1,851,799
0	20,067	20,067
0	45,075	45,075
2,725,452	5,036,781	2,311,329
INDIRECT CONSULTANTS		
86,145	123,754	37,608
7,545	6,134	(1,411)
21,528	23,636	2,108
0	3,399	3,399
24,192	18,378	(5,814)
14,895	35,359	20,464
23,057	5,349	(17,709)
5,385	12,760	7,375
7,000	5,945	(1,055)
0	435	435
195,348	237,649	42,301

Bud Comparison: Dec 22 Approved	
Comments regarding variance	
majority of variance due to delay in stage 36 landscaping as result of delay in civils, costs to normalise over coming months	
minor variance due to timing of works and invoicing	

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2023		MONTH - January 2023		
Job Description	Account Description	MTH ACT Jan 2023	MTH BUD Jan 2023	Variance
INFRASTRUCTURE				
Connolly Drive Aviator Blvd Intersection		0		0
Portofino Extension		0	22,650	22,650
Portofino Extension		0	20,487	20,487
Longreach Prom Extension		0	163,526	163,526
Longreach Prom Extension		0	5,109	5,109
Rubbish removal - General Allowance		10,740	7,532	(3,208)
INFRASTRUCTURE		10,740	219,304	208,564
INFRASTRUCTURE REFUNDS				
TOTAL INFRASTRUCTURE		10,740	219,304	208,564
SPECIAL SITES & FIXED ASSETS				
Stage 17B GHS - Lot 341		917	33,052	32,135
TOTAL SPECIAL SITES & FIXED ASSETS		917	33,052	32,135
TOTAL CONSTRUCTION		1,279,311	3,638,787	2,359,476
LAND				
		0	0	0
PROFIT & LOSS EXPENDITURE				
Sales & Marketing				
Brand Development		0	5,167	5,167
Sales Office & Builder Rel.		0	15,517	15,517
Brochures		1,340	4,133	2,793
Advertising		4,031	12,675	8,644
Signage		5,746	10,005	4,260
Website		69	1,770	1,701
Promotions		0	1,111	1,111
Public Relations		0	2,222	2,222
Sales & Mktg Contingency		0	0	0
Giveaway Homes		0	0	0
Total Sales and Marketing		11,186	52,601	41,415
Total Community Development	Comm Dev - Resident Dev	2,015	15,395	13,380

YEAR TO DATE - January 2023		
YTD ACT Jan 2023	YTD BUD Jan 2023	Variance
0	225,000	225,000
3,990	45,150	41,160
41,023	40,838	(185)
500	326,469	325,969
0	10,184	10,184
10,740	29,980	19,240
57,447	677,621	620,174
57,447	677,621	620,174
2,113	65,886	63,772
3,310	65,886	62,576
10,770,287	21,632,964	10,862,678
0	0	0
3,875	24,167	20,292
346	62,414	62,069
6,695	21,333	14,638
65,937	64,627	(1,309)
54,357	79,973	25,616
11,045	11,149	104
0	4,444	4,444
0	8,889	8,889
0	0	0
0	0	0
142,254	276,996	134,743
29,265	73,024	43,759

Bud Comparison: Dec 22 Approved	
Comments regarding variance	
	under budget due to unused contract sums, savings to be reflected in next budget update
	under budget due to unused contract sums, savings to be reflected in next budget update
	under budget due to delay in commencement of the works
	within budget
	Within budget
	Within budget
	Within budget
	Within budget. Overall marketing spend below forecast
	Within budget

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2023		MONTH - January 2023			YEAR TO DATE - January 2023			Bud Comparison: Dec 22 Approved
Job Description	Account Description	MTH ACT Jan 2023	MTH BUD Jan 2023	Variance	YTD ACT Jan 2023	YTD BUD Jan 2023	Variance	Comments regarding variance
Adminstration	Audit and Tax	660	0	(660)	4,548	1,078	(3,470)	
	Cleaning	720	1,007	287	5,970	6,737	767	
	Computer Costs	0	503	503	0	2,003	2,003	
	Couriers	0	302	302	0	1,202	1,202	
	Electricity & Gas	27	1,007	979	6,082	5,424	(658)	
	Insurance	0	503	503	0	2,003	2,003	
	Legal fees	0	4,194	4,194	0	16,694	16,694	
	Licenses & Fees	1,361	503	(858)	3,977	4,447	470	
	Postage, Print & Stationery	0	503	503	0	2,003	2,003	
	Rent - Sales Office & Cprk	0	0	0	0	0	0	
	Sundry Office Expenses	0	1,510	1,510	0	6,010	6,010	
	Telephone	0	0	0	0	0	0	
	Training	0	2,097	2,097	0	8,347	8,347	
	Travel & Accommodation	0	0	0	0	0	0	
	Valuations	1,500	3,356	1,856	10,100	18,506	8,406	
	Rates & Taxes	3,897	0	(3,897)	42,826	34,944	(7,882)	
	Maintenance	31,841	84,963	53,121	344,432	473,450	129,018	
	Maint- Carpark Makegood	0	0	0	0	0	0	
	Security	0	3,020	3,020	0	12,020	12,020	
	Total Administration		40,007	103,469	63,461	417,935	594,869	
Finance	Bank Charges - Comm Bills	0	0	0	0	0	0	Within budget
	GST Collected	0	0	0	0	0	0	
	Creditors	0	0	0	0	0	0	
	Depreciation	0	0	0	0	0	0	
	Sttimt Clearing	0	0	0	0	0	0	
Finance	Contingency	84,493	186,288	101,795	497,258	681,962	184,704	under budget as not required
	Contingency Offset Transfer	(84,493)	(84,493)	0	(497,258)	(497,258)	0	
Total Finance		0	101,795	101,795	0	184,704	184,704	
Total P&L Expenditure		53,208	273,259	220,051	589,454	1,129,595	540,141	
Grand Expense Total		1,332,519	3,912,047	2,579,527	11,359,741	22,762,559	11,402,818	Within budget

Contingency Summary

YTD Budget	681,962
Contingency Transferred (Actual & Budget)	(497,258)
Contingency not yet used	184,704

List of Contingency items transferred year to date

Period	Job Description	Amount
Oct-22	Stage 29 Civils & Earthworks CL5	161,725
Nov-22	Stage 29 Civils & Earthworks CL6	168,300
Dec-22	Central Green Link Landscape	82,740
Jan-23	Stage 18C Civils CL 11	84,493
		497,258

Budget Transfers

List of Budget items transferred year to date

Period	Job Description	Amount
Oct-22	Contingency	(369,587.80)
Oct-22	Stage 29 Civil	369,587.80
Dec-22	Green Neerabup Rd Phase 1	(607,710.00)
Dec-22	Green Connolly Dr Phase 1	(729,103.47)
Dec-22	Green POS 1 Phase 1	1,851,798.77
Dec-22	Green Streetscapes Phase 1	(514,985.30)
		0

Note: Actual Contingency spend in prior years is reported against the job that the spend relates to.

1.0 Management Accounts

1.1 KEY STATISTICS

1.1.1 RESIDENTIAL LOTS & DISTRIBUTIONS								
	<u>Lots Produced (titles)</u>		<u>Sales</u>		<u>Settlements</u>		<u>Distributions</u>	
	<u>Actual</u>	<u>Budget</u> (Dec-22)	<u>Actual</u>	<u>Budget</u> (Dec-22)	<u>Actual</u>	<u>Budget</u> (Dec-22)	<u>Actual</u>	<u>Budget</u> (Dec-22)
Prior Years	1,138	1,138	1,200	1,200	1,112	1,112	97,000,000	97,000,000
Jul-2022	-	-	8	7	10	10	-	-
Aug-2022	-	-	2	2	6	6	-	-
Sep-2022	-	-	6	6	2	2	-	-
Sep Qtr	-	-	16	15	18	18	-	-
Oct-2022	28	28	-	-	1	1	-	-
Nov-2022	57	48	5	8	22	12	-	-
Dec-2022	-	-	(2)	8	10	17	10,000,000	10,000,000
Dec Qtr	85	76	3	16	33	30	10,000,000	10,000,000
Jan-2023	-	-	4	8	6	12	-	-
Feb-2023	-	-	-	8	-	12	-	-
Mar-2023	-	-	-	8	-	6	-	-
Mar Qtr	-	-	4	24	6	30	-	-
Apr-2023	-	91	-	8	-	3	-	-
May-2023	-	-	-	8	-	15	-	-
Jun-2023	-	-	-	8	-	14	-	10,000,000
Jun Qtr	-	91	-	24	-	32	-	10,000,000
PTD	1,223	1,214	1,223	1,239	1,169	1,172	107,000,000	107,000,000
Full 2022/23 Year	85	167	23	79	57	110	10,000,000	20,000,000
2023/24		144		149		136		20,000,000
2024/25		191		144		148		17,000,000

- There were 4 sales and 6 settlements for December.

1.2 Sales & Settlements

	<u>MTH Act</u>	<u>MTH Bgt</u> (Dec-22)	<u>YTD Act</u>	<u>YTD Bgt</u> (Dec-22)	<u>PTD Act</u>	<u>PTD Bgt</u> (Dec-22)
Residential						
- Sales #	4	8	22	39	1,222	1,239
- Sales \$	1,241,000	2,190,205	7,350,000	12,073,398	337,154,500	341,877,898
- Sales \$/lot	310,250	273,776	334,091	309,574	275,904	275,931
- Settlements #	6	12	57	60	1,169	1,172
- Settlements \$	1,437,000	2,792,077	16,534,000	16,403,244	321,888,500	321,757,744
- Settlements \$/lot	239,500	232,673	290,070	273,387	275,354	274,537
Special Sites						
- Sales #	1	-	2	-	6	4
- Sales \$	2,750,000	-	9,900,000	-	13,672,000	3,772,000
- Sales \$/lot	2,750,000	-	4,950,000	-	2,278,667	943,000
- Settlements #	-	1	-	1	4	5
- Settlements \$	-	6,500,000	-	6,500,000	3,772,000	10,272,000
- Settlements \$/lot	-	6,500,000	-	6,500,000	943,000	2,054,400
Lots Under Contract						
- Unsettled sales #	53		Unconditional	5	Titled	
- Unsettled sales \$	15,266,000		Conditional	48	1,225 incl. Spec sites	
- Unsettled sales \$/lot	288,038					

Special sites under contract:

	<u>Bud Settlement</u>	<u>Fct Settlement</u>
Lot 3128 (Stg 36)	7,150,000	Jan-23
Lot 341 (Stg 17B)	2,750,000	Jun-23
	<u>9,900,000</u>	Aug-23

1.3 Cashflow - MTD Actuals to budget

	<u>MTD Act</u>	<u>MTD Bgt</u> <i>(Dec-22)</i>	<u>Variance</u>
<u>Income</u>			
Settlement Revenue	1,437,000	2,792,077	(1,355,077)
Margin GST	(17,075)	(54,773)	37,698
Direct selling costs	(65,290)	(414,605)	349,315
Interest Income	-	-	-
Forfeited Deposits	-	-	-
Other Income	-	5,909,091	(5,909,091)
Rebate Allowance	(16,593)	(90,655)	74,063
	<u>1,338,042</u>	<u>8,141,135</u>	<u>(6,803,093)</u>
<u>Development costs</u>			
WAPC Land Acq.	-	-	-
Lot production	1,075,768	2,603,308	1,527,540
Clearance Bonds	-	-	-
Landscaping	173,323	736,617	563,294
Consultants	18,563	46,506	27,943
Infrastructure	10,740	219,304	208,564
Special Sites	917	33,052	32,135
	<u>1,279,311</u>	<u>3,638,787</u>	<u>2,359,476</u>
<u>Overheads</u>			
Sales & marketing	11,186	52,601	41,415
Community Develop.	2,015	15,395	13,380
Administration	40,007	103,469	63,461
Finance/Contingency	-	101,795	101,795
	<u>53,208</u>	<u>273,259</u>	<u>220,051</u>
Net Cashflow	<u>5,522</u>	<u>4,229,088</u>	<u>(4,223,566)</u>

1.4 Cashflow - YTD Actuals to budget

	<u>YTD Act</u>	<u>YTD Bgt</u> <i>(Dec-22)</i>	<u>Variance</u>
<u>Income</u>			
Settlement Revenue	16,534,000	16,403,245	130,755
Margin GST	(204,541)	(255,975)	51,434
Direct selling costs	(746,482)	(1,029,892)	283,410
Interest Income	2,072	658	1,414
Forfeited Deposits	-	-	-
Other Income	-	5,909,091	(5,909,091)
Rebate Allowance	(163,044)	(563,119)	400,074
	<u>15,422,005</u>	<u>20,464,009</u>	<u>(5,042,003)</u>
<u>Development costs</u>			
WAPC Land Acq.	-	-	-
Lot production	6,168,140	12,766,385	6,598,244
Clearance Bonds	1,620,591	2,848,644	1,228,053
Landscaping	2,725,452	5,036,781	2,311,329
Consultants	195,348	237,649	42,301
Infrastructure	57,447	677,621	620,174
Special Sites	3,310	65,886	62,576
	<u>10,770,287</u>	<u>21,632,964</u>	<u>10,862,678</u>
<u>Overheads</u>			
Sales & marketing	142,254	276,996	134,743
Community Develop.	29,265	73,024	43,759
Administration	417,935	594,869	176,934
Finance/Contingency	-	184,704	184,704
	<u>589,454</u>	<u>1,129,595</u>	<u>540,141</u>
Net Cashflow	<u>4,062,265</u>	<u>(2,298,550)</u>	<u>6,360,815</u>

1.5 Bonds

	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
City of Wanneroo	823,255	2,443,846	2,443,846
	<u>823,255</u>	<u>2,443,846</u>	<u>2,443,846</u>

Bonds relate to stages 16A, 18C, 25, 30, 36, Portofino Prom & Connolly Drive early clearances.

2.0 PROFIT & LOSS

	<u>MTH Act</u>	<u>MTH Bgt</u> <i>(Dec-22)</i>	<u>Var</u>	<u>YTD Act</u>	<u>YTD Bgt</u> <i>(Dec-22)</i>	<u>Var</u>	<u>PTD Act</u>	<u>PTD Bgt</u> <i>(Dec-22)</i>
- Revenue \$ (Stlmts)	1,437,000	2,792,077	(1,355,077)	16,534,000	16,403,244	130,756	321,888,500	321,757,744
- Revenue \$/lot	239,500	232,673		290,070	273,387		275,354	274,537
- Selling & GST \$	151,366	350,381	199,016	1,607,572	1,790,907	183,335	28,250,463	28,433,798
- Selling & GST \$/lot	25,228	29,198		28,203	29,848		24,166	24,261
- Cost of sales \$	731,434	2,049,295	1,317,861	6,774,868	8,307,061	1,532,193	113,420,294	114,952,487
- Cost of sales \$/lot	121,906	170,775		118,857	138,451		97,023	98,082
- Gross profit \$	<u>554,200</u>	<u>392,401</u>	<u>161,800</u>	<u>8,151,560</u>	<u>6,305,276</u>	<u>1,846,283</u>	<u>180,217,742</u>	<u>178,371,459</u>
- Gross profit \$/lot	92,367	32,700		143,010	105,088		154,164	152,194
- Gross profit Mgn %	38.57%	14.05%		49.30%	38.44%		55.99%	55.44%
- Special Sites \$	-	4,381,261	(4,381,261)	-	4,381,261	(4,381,261)	2,091,959	6,473,220
- Other income \$	-	-	-	2,072	658	1,414	288,959	287,545
- Sales & Marketing \$	22,901	134,535	111,634	178,229	637,290	459,061	2,854,848	3,313,909
- Administration \$	34,215	102,894	68,679	447,379	592,581	145,202	6,378,135	6,531,870
- Finance/Other \$	3,163	-	(3,163)	22,675	9,724	(12,951)	220,856	201,373
- Contingency \$	-	186,288	186,288	-	681,965	681,965	4,091	686,056
- Net profit \$	493,922	4,349,945	(3,856,023)	7,505,349	8,765,635	(1,260,286)	173,140,730	174,399,016
- Net profit \$/lot	82,320	362,495		131,673	146,094		148,110	148,805

- Year to date Gross profit is \$1.84m favourable on 3 less settlements due to lot mix, favourable selling costs and cost of sales per lot.
- Year to date Overheads are \$1.27m below budget due to:
 - Marketing \$459k favourable - savings;
 - Admin \$145k favourable - timing (mainly Maintenance);
 - Unused Contingency \$682k.

YEAR TO DATE VERSUS FULL YEAR BUDGET

	<u>YTD Act</u>	<u>Full Year Bgt</u>	<u>Var</u>
- Revenue \$ (Stlmts)	16,534,000	32,145,059	(15,611,059)
- Revenue \$/lot	290,070	292,228	
- Selling & GST \$	1,607,572	3,439,443	1,831,870
- Selling & GST \$/lot	28,203	31,268	
- Cost of sales \$	6,774,868	16,056,745	9,281,877
- Cost of sales \$/lot	118,857	145,970	
- Gross profit \$	<u>8,151,560</u>	<u>12,648,872</u>	<u>(4,497,312)</u>
- Gross profit \$/lot	143,010	114,990	
- Gross profit Mgn %	49.30%	39.35%	
- Special Sites \$	-	5,540,864	(5,540,864)
- Other income \$	2,072	658	1,414
- Sales & Marketing \$	178,229	1,309,965	1,131,735
- Administration \$	447,379	1,117,431	670,052
- Finance \$	22,675	9,724	(12,951)
- Contingency \$	-	1,291,655	1,291,655
- Net profit \$	7,505,349	14,461,619	(6,956,270)
- Net profit \$/lot	131,673	131,469	

2.1 GROSS PROFIT ANALYSIS

Actual

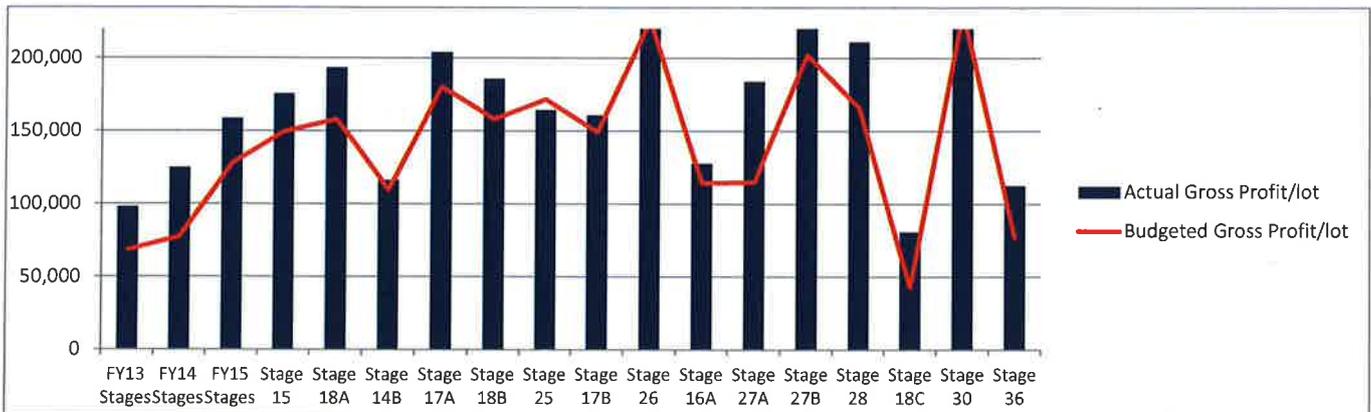
Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl.)		Actual Gross		Actual Gross	
				GST	Direct Costs/lot	Profit	Profit/lot	Margin %	
Incentives Writeback				-5,276,851		5,276,851			
FY13 Stages	2012 / 2013	51,375,500	220,496	28,570,159	122,619	22,805,341	97,877	44.39%	
FY14 Stages	2013 / 2014	50,325,000	243,116	24,477,309	118,248	25,847,691	124,868	51.36%	
FY15 Stages	2014 / 2015	77,688,000	275,489	32,963,408	116,892	44,724,592	158,598	57.57%	
Stage 15	15-Dec-15	15,444,000	280,800	5,791,567	105,301	9,652,433	175,499	62.50%	
Stage 18A	27-May-16	8,626,000	297,448	3,015,429	103,980	5,610,571	193,468	65.04%	
Stage 14B	28-Oct-16	2,444,000	244,400	1,281,011	128,101	1,162,989	116,299	47.59%	
Stage 17A	20-Feb-17	7,774,000	310,960	2,674,295	106,972	5,099,705	203,988	65.60%	
Stage 18B	13-Jun-17	8,792,000	283,613	3,035,185	97,909	5,756,815	185,704	65.48%	
Stage 25	8-Aug-17	20,323,000	350,397	10,802,146	186,244	9,520,854	164,153	46.85%	
Stage 17B	22-Apr-18	9,827,500	272,986	4,037,425	112,151	5,790,075	160,835	58.92%	
Stage 26	26-Sep-19	14,125,500	371,724	5,669,441	149,196	8,456,059	222,528	59.86%	
Stage 16A	25-Jan-21	4,514,000	265,529	2,344,352	137,903	2,169,648	127,626	48.06%	
Stage 27A	24-Feb-21	6,341,000	317,050	2,661,467	133,073	3,679,533	183,977	58.03%	
Stage 27B	20-Apr-22	9,355,000	406,739	4,017,669	174,681	5,337,331	232,058	57.05%	
Stage 28	1-Sep-21	12,770,000	375,588	5,591,783	164,464	7,178,217	211,124	56.21%	
Stage 18C	26-Oct-22	3,428,000	214,250	2,135,352	133,459	1,292,648	80,791	37.71%	
Stage 30	25-May-22	13,225,000	388,971	4,730,098	139,121	8,494,902	249,850	64.23%	
Stage 36	2-Nov-22	5,511,000	262,429	3,149,514	149,977	2,361,486	112,452	42.85%	
		<u>321,888,500</u>		<u>141,670,758</u>		<u>180,217,742</u>			

- Values for actuals are based on 'settled lots only' for the relevant stages.

Budget

Stages	Budget Version	Revenue	Revenue/lot	Direct Selling & COGS (incl.)		Budgeted Gross		Budgeted Gross	
				GST	Direct Costs/lot	Profit	Profit/lot	Margin %	
FY13 Stages	May-12	51,358,953	217,623	35,200,675	149,155	16,158,278	68,467	31.46%	
FY 14 Stages	Jun-13	46,931,935	226,724	30,917,421	149,360	16,014,514	77,365	34.12%	
FY 15 Stages	Aug-14	76,167,089	273,000	40,469,170	145,051	35,697,919	127,950	46.87%	
Stage 15	Aug-15	15,433,000	280,600	7,203,599	130,975	8,229,401	149,625	53.32%	
Stage 18A	Jun-16	8,626,000	297,448	4,048,854	139,616	4,577,146	157,833	53.06%	
Stage 14B	Jun-16	2,448,087	244,809	1,352,232	135,223	1,095,855	109,585	44.76%	
Stage 17A	Jun-16	9,427,756	304,121	3,845,430	124,046	5,582,326	180,075	59.21%	
Stage 18B	Jun-16	8,584,690	276,925	3,677,414	118,626	4,907,276	158,299	57.16%	
Stage 18C	Oct-22	5,563,000	198,679	4,363,541	155,841	1,199,459	42,838	21.56%	
Stage 25	Aug-17	19,696,448	345,552	9,915,141	173,950	9,781,307	171,602	49.66%	
Stage 17B	Dec-17	10,496,494	291,569	5,131,807	142,550	5,364,687	149,019	51.11%	
Stage 26	Jun-19	14,347,000	377,553	5,766,060	151,738	8,580,940	225,814	59.81%	
Stage 16A	Dec-20	4,498,002	264,588	2,555,841	150,344	1,942,161	114,245	43.18%	
Stage 27A	Dec-20	6,251,840	312,592	3,951,378	197,569	2,300,462	115,023	36.80%	
Stage 27B	Feb-22	9,345,000	406,304	4,698,534	204,284	4,646,466	202,020	49.72%	
Stage 28	Jul-21	12,669,500	372,632	7,027,024	206,677	5,642,476	165,955	44.54%	
Stage 18C	Oct-22	5,563,000	198,679	4,363,541	155,841	1,199,459	42,838	21.56%	
Stage 30	Dec-21	13,520,000	386,286	5,434,179	155,262	8,085,821	231,023	59.81%	
Stage 36	Oct-22	18,086,000	231,872	12,110,457	155,262	5,975,543	76,610	33.04%	
		<u>339,013,794</u>		<u>192,032,299</u>		<u>146,981,495</u>			

- Values for budget are based on 'total lots' for the relevant stages.



Catalina

Finished Lots & Cost of Lots Sold calculations to 31 Jan 2023

Title date:	Completed	Completed	7-Nov-12	8-Aug-17	8-Aug-17	25-Jan-21	24-Feb-21	20-Apr-22	1-Sep-21	25-May-22	26-Oct-22	2-Nov-22	TOTAL
	Spec Sites	Rest Stages	Central Cell Sales Office	Stage 25 Sales Office	Stage 25 GHS Lot 2179	Stage 16A	Stage 27A	Stage 27B	Stage 28	Stage 30	Stage 18C	Stage 36	
Direct costs													
Civil Construction			89,540	83,260	253,163	932,193	707,388	901,496	2,223,532	792,261	1,769,211	3,773,787	
Siteworks				75,529	245,432	926,000	652,600	838,353	2,165,633	706,851	1,701,800	3,633,649	
URD Power				7,731	7,731	2,403	27,152	40,143	57,899	60,410	42,411	121,869	
Third Pipe													
General						3,790	20,000	23,000		25,000	25,000	18,269	
MATV							7,636						
Sewer headwks			5,660	4,514	4,514	101,201	113,955	138,339	196,552	213,570	171,524	249,566	
Local authority fees			4,363	615	615	28,623	17,424	6,930	14,962	9,466	18,412	31,691	
Local authority scheme costs			2,705					8,954		14,405	10,426	21,225	
Survey & legal fees			1,003	945	945	16,150	21,000	25,428	31,487	39,574	35,227	65,579	
Engineering fees			5,557	2,750	12,341	77,057	58,349	88,238	116,545	98,586	87,167	271,035	
Sales Office Build Cost			330,780										
Finished Goods Adjustments	31,206	1,282,787	28,238				14,482	60,165	32,920	427,154			
	420,826	57,553,106	411,370	92,084	271,578	1,155,224	932,598	1,229,550	2,615,998	1,595,016	2,091,967	4,412,863	
Earthworks Allocation	260,179	14,495,542	12,091	18,574	66,681	112,605	303,183	542,975	642,426		131,588	781,614	
Indirect Costs													
Land													
Infrastructure	84,898	8,359,526	7,165	7,879	31,674	176,806	245,746	511,942	381,466	731,652	201,965	477,101	
Landscape	118,628	13,546,018	9,006	16,613	66,785	409,039	568,530	975,581	725,814	1,394,271	587,095	1,386,889	
TOTAL COST	884,530	93,954,192	439,633	135,150	436,718	1,853,674	2,050,057	3,260,048	4,365,704	3,720,939	3,012,615	7,058,487	
Lots	3	1,004	1	1	1	17	20	23	34	35	28	57	
COST PER LOT	294,843	93,580	439,633	135,150	436,718	109,040	102,503	141,741	128,403	106,313	107,593	123,833	
Lots settled	3	1,004	1			17	20	23	34	34	16	21	1,173
COST OF LOTS SETTLED	884,530	93,954,192	439,633			1,853,674	2,050,057	3,260,048	4,365,704	3,614,627	1,721,494	2,600,495	114,744,455
Stage Area (m2)	10,900	332,827	320	255	1,795	6,632	6,615	9,933	13,721	13,416	8,396	21,808	
Cost per m2	81	282	1,374	530	243	280	310	328	318	277	359	324	
Avg lot size	3,633	332	320	255	1,795	390	331	432	404	383	300	383	

Other cash expenditure

Direct Selling & Proj Mgt Costs														28,606,342
Marketing costs														2,854,848
Administration														6,378,135
Finance														220,856
Contingency														4,091

TOTAL COSTS														152,808,727
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PERIODIC ANALYSIS

	Month	YTD	PTD	PY Jun-22
Lots settled	6	57	1,173	1,116
Cost of lots settled	731,434	6,774,868	114,744,457	107,969,589
Direct selling costs	151,366	1,607,572	28,606,342	26,998,770
Marketing costs	22,901	178,229	2,854,848	2,676,619
Administration	34,215	447,379	6,378,135	5,930,756
Finance	3,163	22,675	220,856	198,181
Contingency	-	-	4,091	4,091
TOTAL COSTS	943,078	9,030,723	152,808,729	143,778,066

Job	Titled Date	Direct Cost	Indirect Cost	COGS Total	Lot #	Titled	Untitled	COGS/Lot	Settled Lots	PTD COGS	Per Accounts	Variance	Finished Goods	FG/Lot
140-01-001	17-Oct-2012	4,004,839	637,443	4,642,282	35	35	-	132,637	35	4,642,282	4,642,282	-	-	-
140-01-002	7-Nov-2012	3,429,204	598,332	4,027,537	37	37	-	108,852	37	4,027,537	4,027,537	-	-	-
140-01-003	14-Jan-2013	3,002,658	554,241	3,556,899	43	43	-	82,719	43	3,556,899	3,556,899	-	-	-
140-01-004	20-Mar-2013	3,371,482	800,585	4,172,067	47	47	-	88,767	47	4,172,067	4,172,067	-	-	-
140-01-005	20-May-2013	4,894,899	968,068	5,862,967	63	63	-	93,063	63	5,862,967	5,862,967	-	-	-
140-01-06A	18-Jan-2013	483,435	179,725	663,160	8	8	-	82,895	8	663,160	663,160	-	-	-
140-01-06B	19-Jan-2015	1,100,352	510,130	1,610,482	24	24	-	67,103	24	1,610,482	1,610,482	-	-	-
140-01-06C	3-Apr-2014	671,286	211,296	882,581	10	10	-	88,258	10	882,581	882,581	-	-	-
140-01-007	31-Oct-2013	4,146,749	938,488	5,085,238	63	63	-	80,718	63	5,085,238	5,085,238	-	-	-
140-01-008	16-Jan-2014	4,389,068	881,805	5,270,874	53	53	-	99,450	53	5,270,874	5,270,874	-	-	-
140-01-009	8-May-2014	4,640,905	814,395	5,455,300	51	51	-	106,967	51	5,455,300	5,455,300	-	-	-
140-01-010	8-May-2014	2,460,031	595,126	3,055,157	30	30	-	101,839	30	3,055,157	3,055,157	-	-	-
140-01-011	1-Oct-2014	4,797,823	1,320,873	6,118,696	64	64	-	95,605	64	6,118,696	6,118,696	-	-	-
140-01-012	3-Dec-2014	3,225,081	1,064,585	4,289,666	49	49	-	87,544	49	4,289,666	4,289,666	-	-	-
140-01-13A	30-Mar-2015	2,965,498	717,571	3,683,069	37	37	-	99,542	37	3,683,069	3,683,069	-	-	-
140-01-13B	11-May-2015	2,739,324	986,155	3,725,479	45	45	-	82,788	45	3,725,479	3,725,479	-	-	-
140-01-014	4-Jun-2015	3,619,629	1,347,229	4,966,858	63	63	-	78,839	63	4,966,858	4,966,858	-	-	-
140-01-015	15-Dec-2015	3,073,171	1,243,145	4,316,316	55	55	-	78,478	55	4,316,316	4,316,316	-	-	-
140-01-18A	27-May-2016	1,453,614	760,239	2,213,853	29	29	-	76,340	29	2,213,853	2,213,853	-	-	-
140-01-14B	28-Oct-2016	784,420	224,347	1,008,767	10	10	-	100,877	10	1,008,767	1,008,767	-	-	-
140-01-017	2-Feb-2017	1,194,140	730,941	1,925,081	25	25	-	77,003	25	1,925,081	1,925,081	-	-	-
140-01-18B	13-Jun-2017	1,266,620	876,513	2,143,133	31	31	-	69,133	31	2,143,133	2,143,133	-	-	-
140-01-18C	26-Oct-2022	2,223,555	789,060	3,012,615	28	28	-	107,593	16	1,721,494	1,613,901	107,593	1,291,121	107,593
140-02-025	8-Aug-2017	6,444,321	1,929,606	8,373,927	58	58	-	144,378	58	8,373,927	8,373,927	-	-	-
140-01-17B	22-May-2018	1,555,232	1,222,995	2,778,227	36	36	-	77,173	36	2,778,227	2,778,227	-	-	-
140-02-026	26-Sep-2019	2,334,871	1,791,711	4,126,582	38	38	-	108,594	38	4,126,582	4,126,582	-	-	-
140-01-16A	25-Jan-2021	1,267,829	585,845	1,853,674	17	17	-	109,040	17	1,853,674	1,853,674	-	-	-
140-02-27A	24-Feb-2021	1,235,782	814,276	2,050,058	20	20	-	102,503	20	2,050,058	2,050,058	-	0	-
140-02-27B	20-Apr-2022	1,772,525	1,487,523	3,260,048	23	23	-	141,741	23	3,260,048	3,260,048	-	-	-
140-02-028	1-Sep-2021	3,258,423	1,107,280	4,365,703	34	34	-	128,403	34	4,365,703	4,365,703	-	-	-
140-02-030	25-May-2022	1,595,017	2,125,923	3,720,940	35	35	-	106,313	34	3,614,627	3,609,952	4,675	106,313	106,313
140-03-036	2-Nov-2022	187,710	1,863,990	7,058,487	78	57	-	123,833	21	2,600,495	1,981,330	619,166	4,457,992	123,833
140-70-001	7-Nov-2012	423,461	16,171	439,633	1	1	-	439,633	1	439,633	439,633	-	-	-
140-70-004	12-Dec-2013	20,322	41,798	62,119	1	1	-	62,119	1	62,119	62,119	-	-	-
140-70-005	8-Aug-2017	110,657	24,492	135,149	1	1	-	135,149	-	-	-	-	135,149	135,149
140-70-007	17-Oct-2012	222,150	87,611	309,761	1	1	-	309,761	1	309,761	309,761	-	-	-
140-70-008	1-Oct-2014	438,532	74,117	512,649	1	1	-	512,649	1	512,649	512,649	-	-	-
140-70-028	8-Aug-2017	338,259	98,459	436,718	1	1	-	436,718	-	-	-	-	436,718	436,718
85,142,873		31,022,089	121,171,749	1,245	1,224	-			1,173	114,744,457	114,013,023	731,434	6,427,293	

7.3. SALES AND SETTLEMENT REPORT – MONTH ENDING 28 FEBRUARY 2023

Responsible Officer: Manager Project Coordination

Attachments:

1. Staging Plan
2. Marketing Results Charts_Jan23
3. Marketing Assets

Voting Requirement: Simple Majority

Recommendation

That the Management Committee RECEIVES the Sales and Settlement Report for the month ending 28 February 2023.

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 from settled sales is posted under item I145011 (Income on Lot Sales):

Budget Amount:	\$ 36,721,185
Received to Date:	\$ 17,787,639
Balance:	\$ 18,933,546

The Budget Amount reflects the TPRC adjusted mid-year Budget Review, approved by the Council at its February 2023 meeting. The Received to Date amount is current to 28 February 2023.

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 2	Risk Rating:
Strategic - Stable and effective governance environment.	Moderate
Action:	
SPG and TPRC provide reports/information to Council Meetings.	

The report provides information on Catalina Project sales/settlements and variances to ensure the Management Committee is well informed on sales and market trends.

BACKGROUND

The Sales and Settlement Report provides the Management Committee with a status update of sales and settlements for the Project. The Staging Plan 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 28 February 2023.

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

Stage	Precinct	Release Date	Lots Released	Lot Sizes (m ²)	Sold	Stock	Settled
Completed Stages		-	1124	174 - 658	1124	0	1124
Stage 17 (Lot 341)	Central	Aug-21	1	6,907	1	0	0
Stage 18C (1)	Central	Sep-21	21	183 - 558	19	2	16
Stage 18C (2)	Central	Nov-21	4	150 – 155	4	0	2
Stage 18C (3)	Central	Mar-22	3	150-157	3	0	0
Stage 29 (1)	Beach	May-22	14	315- 450	11	3	0
Stage 29 (2)	Beach	Sep-22	12	315- 470	5	7	0
Stage 30 (3)	Beach	Dec-21	9	375 - 450	8	1	8
Stage 36 (1)	Green	Oct-21	21	313 - 591	18	3	10
Stage 36 (2)	Green	Dec-21	14	300 - 450	13	1	9
Stage 36 (3)	Green	Feb-22	7	188 - 484	4	3	2
Stage 36 (4)	Green	Apr-22	5	313 - 410	4	1	4
Stage 36 (NC)	Green	Dec-21	1	20,000	1	0	0

Stage 37 (1)	Green	July-22	19	303-450	15	4	0
Stage 37 (2)	Green	Feb-23	13	313-475	0	13	0
Total			1,268	150 – 20,000	1,230*	35	1,175
Change since 31 January 2023			+13		+4	+6	+6

* Includes five lots pending advertising and acceptance.

The Project currently has 58 lots under contract: seven unconditional, 46 conditional and five pending advertising and acceptance.

Sales for FYE 2023 to date are shown in Table 2.

Table 2: Summary of Sales for FYE 2023 against Budget – Catalina Estate

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	YTD	Mar	Apr	May	Jun	FYE 2023
Budget Net Sales	7	2	6	0	8	8	8	8	47	8	8	8	8	79
Actual Gross Sales	10	6	10	6	8	4	7	12	63					
Cancellations	3	4	4	6	7	2	3	1	30					
Actual Net Sales	7	2	6	0	1	2	4	11	33					
Net Sales Variance to Budget	0	0	0	0	-7	-6	-4	+3	-14					

* Budget figures reflect the revised Project budget adopted by the Council at its December 2022 meeting as part of the mid-year budget review. Actual Net Sales include five contracts that are pending advertising and acceptance.

FYE 2023 net sales are currently tracking below budgeted sales rates. Consecutive interest rate increases, increasing building construction costs and extended construction periods are impacting on the net rate of sales.

30 sales contracts have cancelled to date in FYE 2023. Cancellations have been due to purchasers being declined finance approval, having been assessed by lenders as being unable to meet increasing building and borrowing costs. While cancellations in FYE 2023 represent an escalation in the cancellation rate experienced by the Project over the previous two years, Satterley advise that contract cancellations are currently being experienced broadly across the land sales market and that Catalina is faring better than most estates in its conversion of conditional sales to settlements. Indications over the past three months are that the cancellation rate may have commenced a return to a more-normalised figure, as long-standing contracts waiting for titles become fewer in number and the Project transitions to selling a larger proportion of titled stock.

Settlements

Settlements for FYE 2023 to 28 February 2023 are shown in Table 3.

Table 3: Summary of Settlements for FYE 2023 against Budget – Catalina Estate

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	YTD	Mar	Apr	May	Jun	FYE 2023
Budget	10	6	2	1	12	17	12	12	72	6	3	15	14	110
Actual	10	6	2	1	22	10	6	6	63					
Variance	0	0	0	0	+10	-7	-1	-6	-9					

* Budget figures reflect the revised Project budget adopted by the Council at its December 2022 meeting as part of the mid-year budget review.

Lot settlements in FYE 2023 are currently nine less than budget. Contracted stock in Stages 18C and 36 are expected to gradually settle over the next three to four months. Settlement of the Stage 36 Neighbourhood Centre site is expected to occur in late March 2023. Settlements for Stage 29 lots are expected to commence in June 2023 following completion of construction in early April 2023 and release of titles in May 2023.

Available Stock

13 lots in Stage 37 in Catalina Green were released in mid-February 2023.

Current available stock is set out in Table 4.

Table 4: Summary of Available Stock – Catalina Estate

Stage	Precinct	Stock	Change since 31-Jan-23	Title Status	Anticipated Title Date
Stage 18C	Central	2	+1	Titled	N/A
Stage 29	Beach	10	-2	Untitled	April 2023
Stage 30	Beach	1	0	Titled	N/A
Stage 36	Green	5	-3	Titled	N/A
Stage 37	Green	17	+10	Untitled	July 2023
Total		35	+6		

Current available stock comprises a variety of lot sizes at different price points - see Table 6.

The next sales release is expected to comprise of approximately 10 lots in Stage 29 in Catalina Beach and occur in mid-April 2023.

Northern Corridor Estates Analysis

Tables 5 and 6 provide a comparison summary of sales, available stock and lot pricing between Catalina and other developments in the north-west corridor.

Catalina’s available lots decreased by two to 29 lots between reporting periods, while competitors’ stock decreased by 17 lots (8.8% decrease). Catalina’s market share declined over the final three months of 2022, driven by the higher than normal cancellation rates and generally softer market conditions.

Table 5: Summary of Sales in Northern Corridor (February 2022 to January 2023)

ESTATE	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	12 Month Total Sales
Alkimos Beach (Alkimos)	7	11	6	2	8	-4	7	0	3	3	9	1	53
Alkimos Vista (Alkimos)	12	20	2	-2	12	5	1	3	1	3	3	0	60
Allara (Eglinton)	5	13	13	6	7	-2	9	3	1	2	3	7	67
Amberton (Eglinton)	10	5	17	9	14	23	16	20	33	14	4	5	170
Catalina (Clarkson Mindarie)	10	17	16	1	6	7	2	9	0	1	2	4	75
Eden Beach (Jindalee)	11	8	7	17	1	5	-3	-1	9	8	2	9	73
Elevale	8	5	1	9	6	2	4	4	19	-2	7	3	52
Jindowie Estate	11	20	-3	5	28	15	1	0	-3	6	6	3	89
Shorehaven (Alkimos)	2	7	10	12	3	4	9	2	6	5	3	3	66
Trinity (Alkimos)	5	10	10	11	8	8	8	5	2	9	13	3	92
TOTAL	81	116	79	70	93	63	54	45	71	49	38	38	797
CATALINA SHARE (%)	12.3%	14.7%	20.3%	1.4%	6.5%	11.1%	3.7%	20.0%	0%	2.0%	5.3%	10.5%	9.4%
Catalina Market Share February 2022 to January 2023													9.4%

Note: Satterley advises that competitor sales results are indicative only, based on information obtained in the marketplace and supplied by other developers on a voluntary basis.

Table 6: Average of Price of Available Lots in Northern Corridor Estates

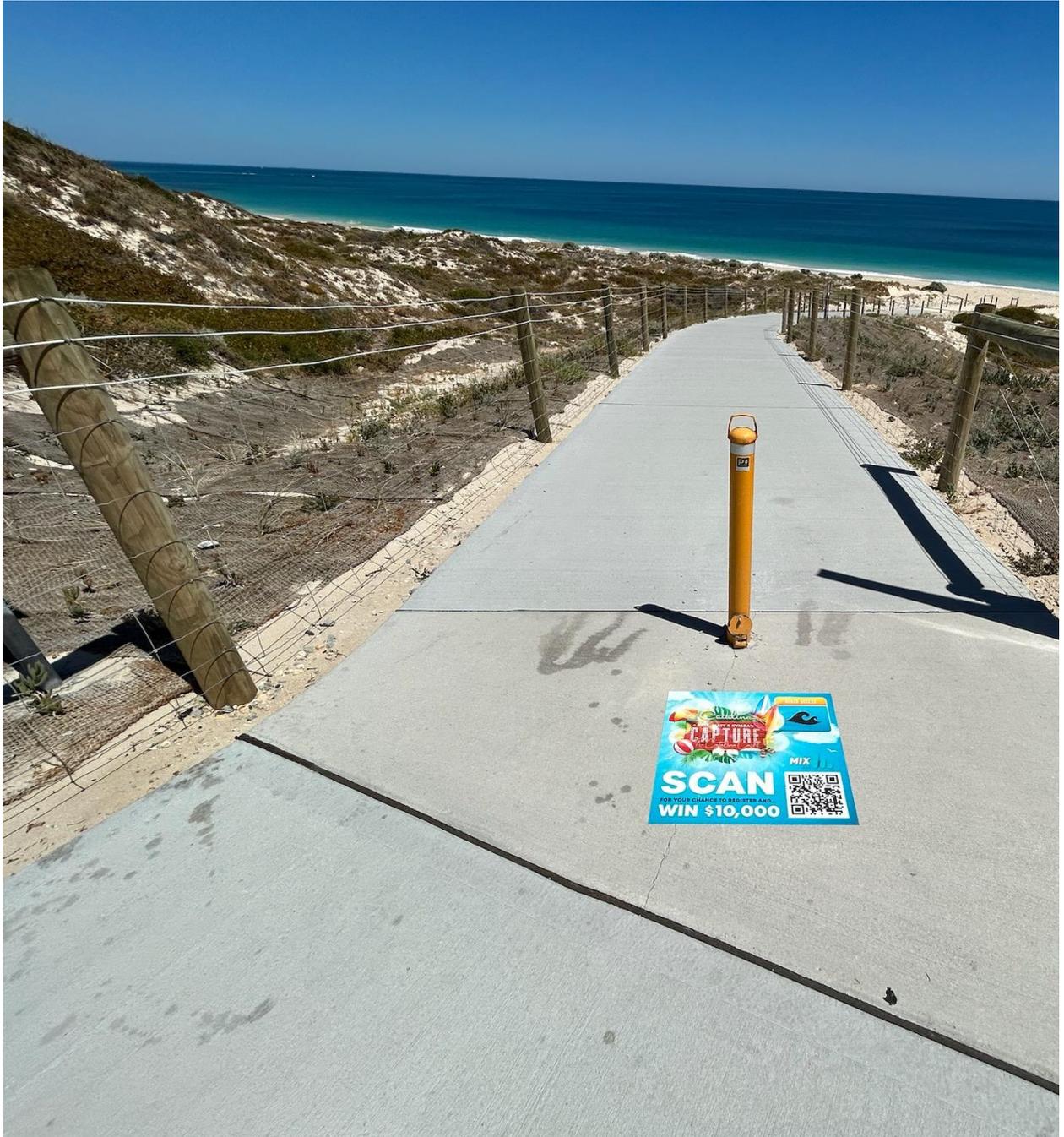
Estate	225sqm Price (\$)	300sqm Price (\$)	375sqm Price (\$)	450sqm Price (\$)	500sqm + Price (\$)	Total Dwellings	Available	Last Report
Allara	n/a	n/a	\$205,000	\$235,000	n/a	3,405	34	25
Alkimos Beach	n/a	\$230,000	\$255,000	\$285,000	n/a	2,413	24	28
Amberton	n/a	\$189,000	\$225,000	\$265,000	\$305,000	2,500	32	37
Banksia Grove	n/a	\$195,000	\$239,000	\$259,000	n/a	1,580	4	5
Catalina Central	n/a	\$220,000 (313m2)	\$235,000	n/a	n/a	2,480	2	0
Catalina Beach	n/a	\$370,000 - \$375,000 (315m2)	\$405,000	\$480,000	n/a		11	14
Catalina Green	n/a	\$240,000 (315m2)	\$280,000	\$315,000	n/a		22	15
Eden Beach	n/a	\$245,000	315,000	\$423,000	n/a	1,100	23	14
Elevale	n/a	\$180,000	\$225,000	\$260,000	n/a	197	20	20
Jindowie	n/a	\$144,000	\$180,000	\$212,000	n/a	1,800	23	40
Shorehaven		\$265,000	\$287,000	n/a	n/a	2,800	9	9
Trinity	n/a	n/a	\$256,000	\$293,000	n/a	2,500	21	26
						Total	225	204

Marketing

Catalina’s website traffic and leads were strong in January 2023, as digital advertising activity ramped up following the holiday period. Sales continue to be driven by those living in the local area and builder referrals, with a large portion of sales coming from upgraders. There was a decrease in sales by the first home buyer market in January due to current economic conditions. Key marketing metrics for January 2023 are shown on the charts contained in the attachment.

Catalina’s summer media campaign is underway, with out of home advertising (bus and train station signage) and digital advertising commencing 20 February 2023. The campaign features fresh, new creative assets to differentiate Catalina from competitor estates in the corridor. Images of the assets and their use in signage recently installed at nearby train stations are contained in the attachment.

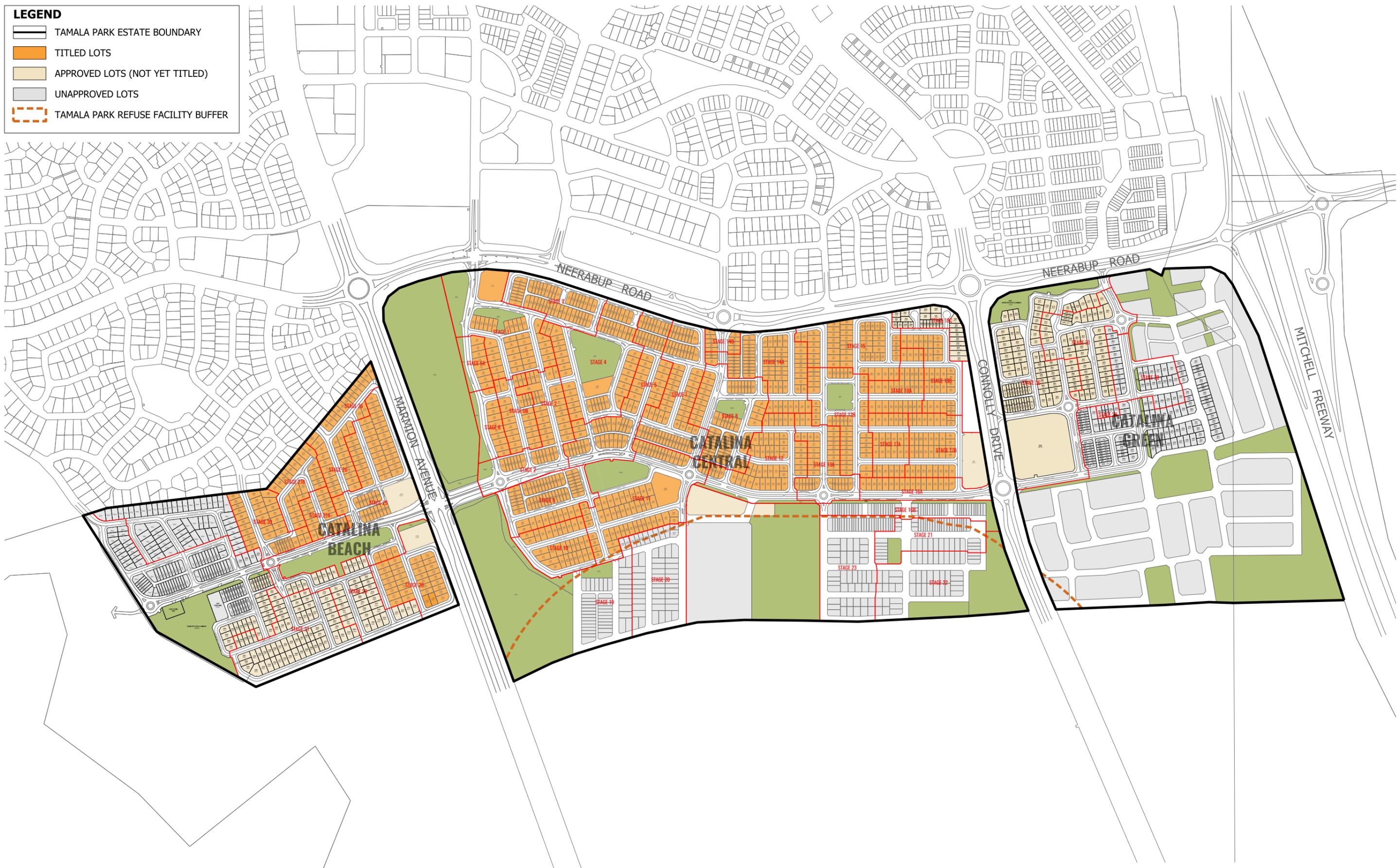
Radio commercials on Mix 94.5 were finalised and will feature on air for a one-month period during the campaign to further reach Catalina’s target audiences. Catalina’s Capture the Catalina Cash radio competition, commencing Monday 6 March 2023, is a focal point of the overall campaign, with all digital assets finalised for promotional purposes. Additional cross-promotional opportunities across Satterley’s various channels are being implemented to maximise campaign reach and engagement.



Mix 94.5 Radio Competition - QR Code

LEGEND

-  TAMALA PARK ESTATE BOUNDARY
-  TITLED LOTS
-  APPROVED LOTS (NOT YET TITLED)
-  UNAPPROVED LOTS
-  TAMALA PARK REFUSE FACILITY BUFFER

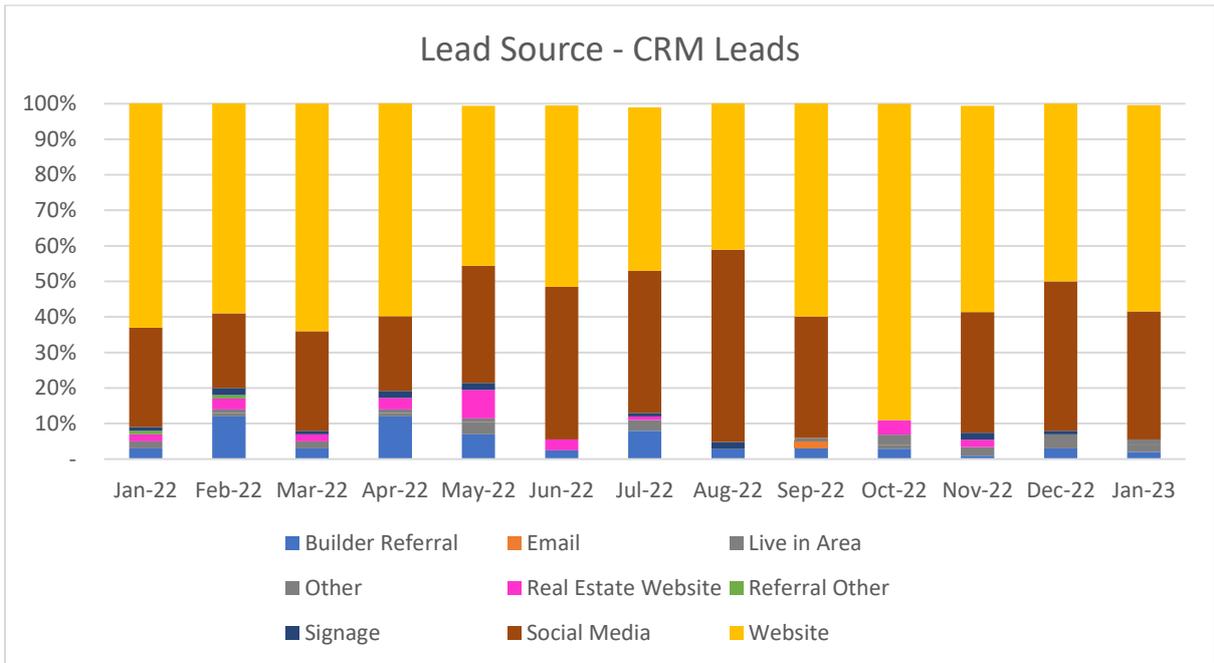
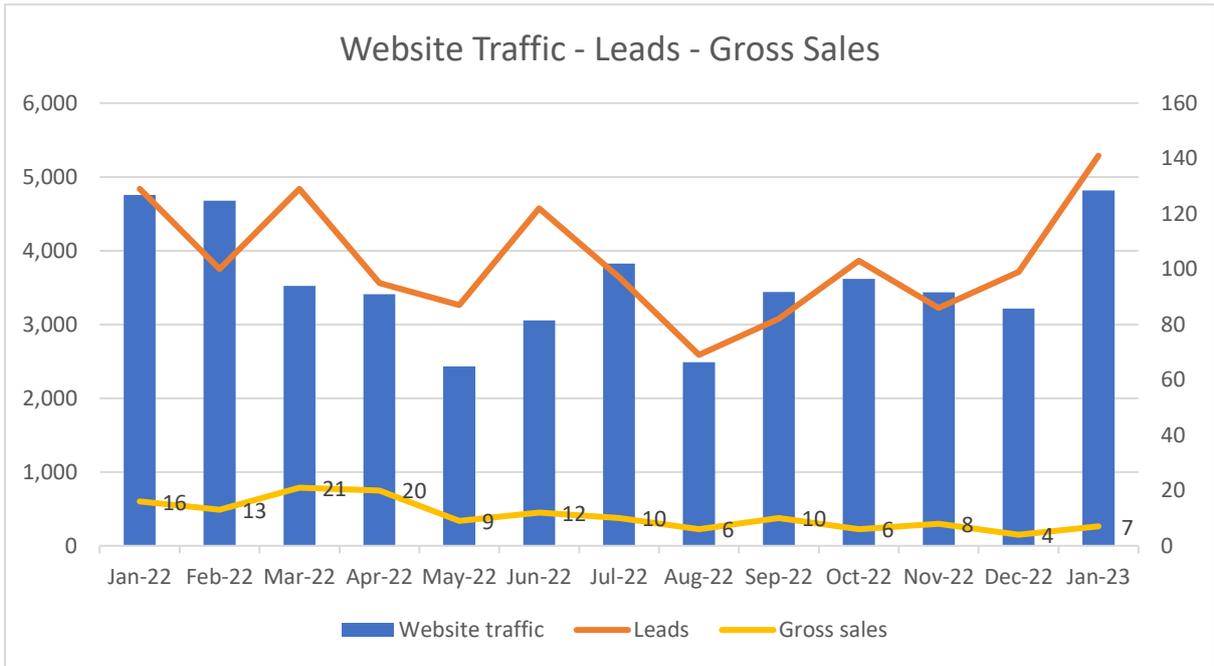


ESTATE LAYOUT & STAGING PLAN
Catalina Estate, TAMALA PARK

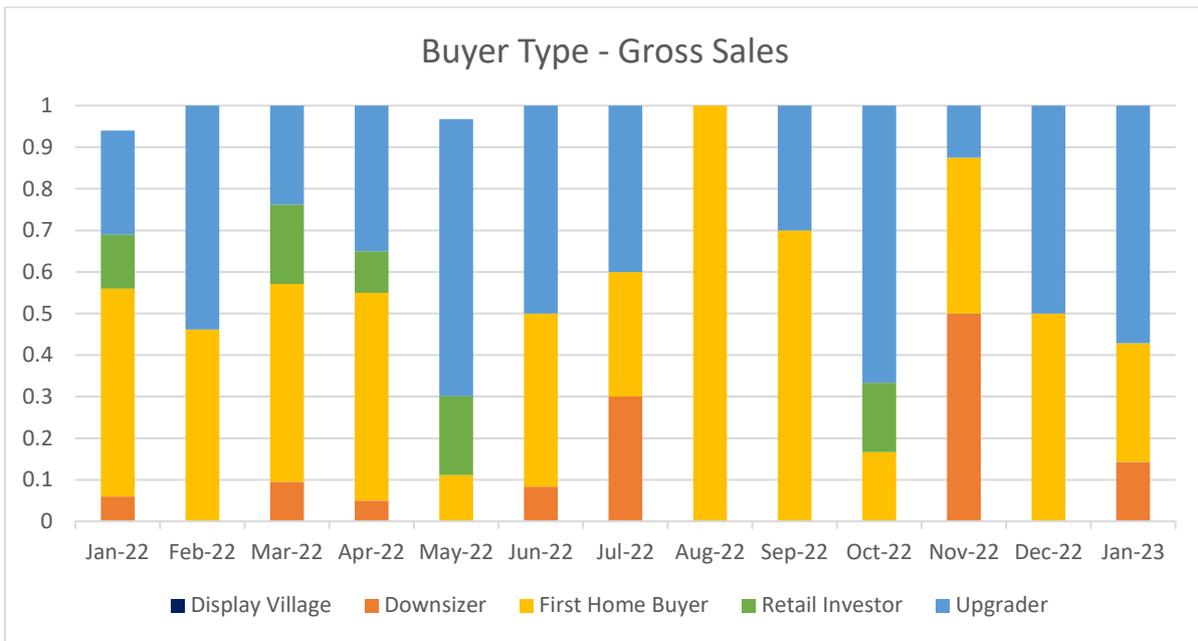
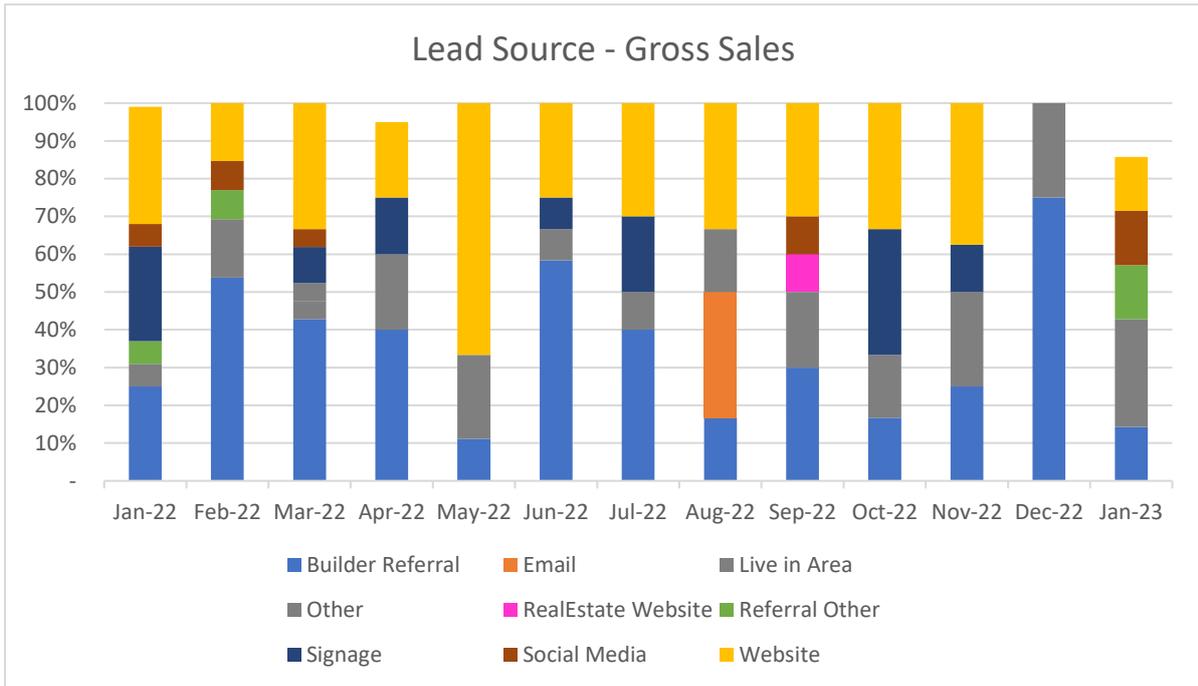
Aerial supplied by:	0 80 160 240 320 400 480m
Aerial Date Stamp:	Scale: 1:8000 @A3
Survey supplied by: MNG	Date Issued: 05.07.2022
Plan Number: NPS1059 - 023	©Niche Planning Studio
Revision Number:	DISCLAIMER:
Drawn By: JP	Town Planning compliance is subject to approval from the Tamala Park Regional Council and a suitable town planner will need to be appointed.
Client: Tamala Park Regional Council	All Dimensions, Areas and Calculations are subject to Detailed Survey and Design before Town Planning Permit application.
	BJR Form is illustrative only and subject to Architectural Design and approval from an RATA qualified architect. This plan has been prepared for illustrative purposes only and should not be used as a means to judge any properties value or yield potential.



Marketing Results – Key Metrics – January 2023

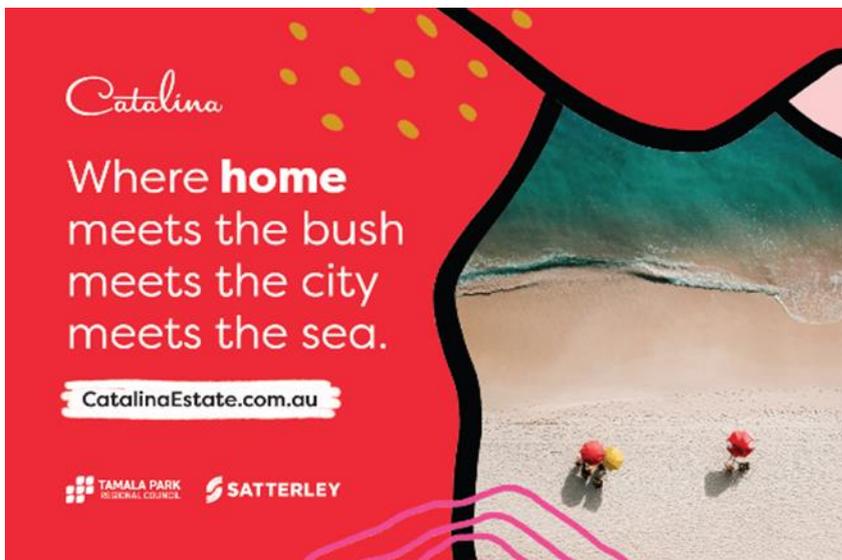


Marketing Results – Key Metrics – January 2023



BUYER TYPE GROSS SALES	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
Display Village	-	-	-	-	-	-	-	-	-	-	-	-	-
Downsizer	6%	-	10%	5%	-	8%	30%	-	-	-	50%	-	14%
First Home Buyer	50%	46%	48%	50%	11%	42%	30%	100%	70%	17%	38%	50%	29%
Retail Investor	13%	-	19%	10%	19%	-	-	-	-	17%	-	-	-
Upgrader	25%	54%	24%	35%	67%	50%	40%	-	30%	67%	13%	50%	57%

Satterley CRM Data 01/01/22 – 31/01/23



Currambine Train Station



Currambine Train Station



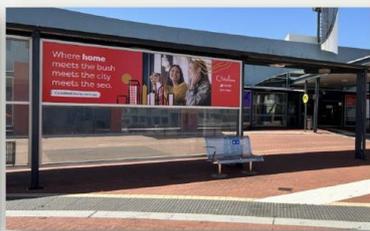
Clarkson Train Station



Currambine Train Station



Currambine Train Station



Clarkson Train Station

7.4. CATALINA SALES INCENTIVES - EXTENSION OF REDEMPTION VALIDITY PERIOD

Responsible Officer: Simon O'Sullivan
Attachments: None
Voting Requirement: Simple Majority

Recommendation

That the Council **AUTHORISES** the Chief Executive Officer to approve a further extension of up to six months (for a total extension of up to 12 months) to the eligibility period for the redemption of sales incentive packages on Catalina lots that:

1. Settled between 1 October 2020 and 31 August 2021; and
 2. Have been the subject of delayed completion of home construction due to high levels of demand on home builders.
-

PURPOSE

To consider a proposed additional six-month extension to the validity period for the redemption of sales incentives for certain Catalina lots.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

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

PREVIOUS MINUTES

- Council Meeting – 18 August 2022 (Item 9.1 Purchaser Terms and Conditions)
- Council Meeting – 21 April 2022 (Item 7.8 Catalina Sales Incentives - Extension of Redemption Validity Period)

FINANCIAL/BUDGET IMPLICATIONS

NA

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 3	Risk Rating:
Development Project – Development Manager Ability to deliver	Moderate

Action:

Development Manager to prepare for approval strategies and plans.

Approval of amended terms and conditions relating to sales incentives for lots in Catalina will modify contractual requirements for purchasers.

BACKGROUND

Residential lots in Catalina Estate are typically offered for sale with various purchaser incentives, including supplied side and rear boundary fencing and front landscaping and rebates for the installation of solar panels and water-efficient fittings and appliances.

Lots are currently sold on the basis that purchasers have 24 months to complete single-storey homes and 30 months to complete double-storey homes from the date of settlement to redeem applicable incentive packages. These redemption eligibility timeframes have been in place since 19 August 2021 for lots sold in Catalina Green and 9 December 2021 for lots sold in Catalina Central and Catalina Beach, when the Council resolved to approve revised purchaser terms, conditions and incentives for all public and builder release lots across Catalina. For lots sold prior to these dates, the timeframes for redemption of incentive packages were 18 months for single-storey homes and 24 months for double-storey homes. Redemption timeframes were increased by six months after consideration of advice from the Satterley Property Group (Satterley) that building construction timeframes had increased substantially due to a high volume of building activity and skilled labour and materials shortages resulting from the Government building stimulus incentives and the impact of the COVID pandemic.

At its meeting of 21 April 2022, the Council agreed to also increase the redemption timeframes for sold lots that had settled between 1 October 2020 and 31 August 2021 following the receipt of advice from Satterley that indicated that many of the lots sold in Catalina when a significant increase in sales was experienced in mid-2020 were nearing the expiry of applicable incentive redemption timeframes and subject to building completion delays, often outside the lot owners' control due to the high level of demand on builders.

It has recently become evident that some lot owners that were given six-month redemption timeframe extensions under the allowance made by the Council at its meeting of 21 April 2022 are experiencing ongoing delays in their homes being completed and may not achieve completion within the extended timeframes. The TPRC office is aware that other developers/developments are expending their validity periods for sales incentive packages.

COMMENT

Various media outlets have recently given coverage to substantial delays being experienced in new home construction across Perth. Satterley advises that in most instances building delays are beyond the control of purchasers. It recommends that the Council consider a further extension to the incentives redemption eligibility period for settled lots which have current valid, but yet to be redeemed incentives packages by up to a further six months.

The ability for purchasers to redeem sales incentives for fencing and landscaping is important for the overall street appeal of Catalina and incentives for the installation of solar panels and water efficient fittings and appliance support the environmental credentials of the Project. If lot purchasers are unable to claim the uniform fencing and landscaping packages due to building delays, there is a chance that homes will appear unfinished which will impact on Estate presentation and potentially affect sales. It is also concerned that if there is not sufficient take-up

of sustainability initiatives, the Estate's accreditation as a 6-element UDIA EnviroDevelopment project could be adversely affected.

The financial consideration is not the overriding factor in consideration for the extension, but rather estate presentation and environmental outcomes.

CONCLUSION

A further six-month extension to the period of eligibility for redemption of sales incentives is considered to be a reasonable course of action given high levels of building activity and increased construction timeframes in the Perth market. The take-up of the sales incentives, in particular the provision fencing and landscaping packages, are important to maintain a high level of estate presentation. It is also noted that water-wise gardens and sales incentives for solar systems and water-efficient fittings and appliances are integral to retaining Catalina's six-leaf UDIA EnviroDevelopment accreditation. Such an extension of time would also be a goodwill gesture for new residents about to move into Catalina, recognising the difficulties and cost increases experienced by many building homes during the COVID-19 pandemic and current home construction environment. It would also be consistent with current industry best practice.

It is recommended that the Council authorise the Chief Executive Officer to approve a further extension of up to six months (for a total of 12 months) to the eligibility period for the redemption of valid but yet to be redeemed incentive packages that have been subject to building delays for lots that settled between 1 October 2020 and 31 August 2021.

Purchaser terms, conditions and incentives for the sale of all Catalina lots are next due to be reviewed for the Council's consideration in August 2023.

7.5. STRATEGIC LAND DEVELOPMENT: OPTIONS ANALYSIS

Responsible Officer: Chris Adams
Attachments: 1. TPRC Special Sites Strategy
Voting Requirement: Simple Majority

Recommendation

That the TPRC Management Committee:

1. **NOTE** the options that have been reviewed for potential Special Site development by the TPRC.
 2. **RECOMMEND** to Council that the following Special Site development options be actively explored/pursued in the short term:
 - a. Green Display Village
 - b. Beach Commercial Site
 - c. Beach Group Housing South
 - d. Green 7.5M Lots
-

PURPOSE

For the Management Committee to review special site development and select which option/s it believes that the TPRC should pursue in the short term.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

N/A

PREVIOUS MINUTES

N/A

FINANCIAL/BUDGET IMPLICATIONS

Preliminary investigative works associated with reviewing Strategic Site development options can be accommodated within existing budget/staff resources

The financial impact of pursuing Strategic Site development/s will need to be considered in more detail one proposals have been further defined and appropriate business cases have been developed.

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 1	Risk Rating:
Strategic Common Vision – Lack of an agreed/common vision across all seven members.	Moderate
Action:	
Report seeks to get clarity re which areas of the TPRC’s land estate should be developed in short, medium and longer term.	

BACKGROUND

Post the February Ordinary Meeting of Council, the TPRC held a Strategic Project Advisory Meeting. At that meeting the Council was advised of:

1. The current financial position of the organisation;
2. The status of delivery against stated objectives and strategies listed in the TPRC Strategic Community Plan;
3. Preliminary investigations/discussions that were being held regarding the development of strategic sites within the TPRC Estate.

The Advisory Meeting discussions focused on the fact that while the TRPC’s Catalina Project has performed very well in achieving many of its objectives, there are few remaining opportunities to further develop the Estate in a manner which assists the TPRC in achieving its stated objective of developing a balance between economic, social and environmental outcomes whilst developing best practice urban design and development.

To progress this matter, TPRC staff and Satterley representatives have reviewed the TPRC’s undeveloped/yet to be sold land holdings and identified eight (8) development options that could be developed. The nature of the development of these sites is variable and the TPRC’s involvement in the development could involve simply selling the land to a third party/s, partnering with developers, the TPRC developing the land with built form product or a range of other alternatives.

A brief summary of the eight (8) sites that have been identified is listed below:

1. Beach – North of Portofino: Opportunity to develop high quality apartments adjacent to Longbeach Promenade (currently under construction).
2. Beach - Commercial Site: Opportunity to partner with/develop a high-quality commercial offering in the last remaining commercial site in the TPRC Catalina Beach Estate.
3. Beach Entry North – Opportunity to develop a Grouped Housing site adjacent to the current Sales Office. (NB. Site is currently grassed and used as POS)

4. Beach Entry South – Opportunity to develop a Grouped Housing site adjacent to soon to be completed Display Village (NB. Site is cleared/vacant)
5. Central Mixed Use: Development of an undeveloped Commercially Zoned site in the Catalina Central area.
6. Green North-East: Opportunity to develop a high-density development that is within close proximity to Clarkson Train station.
7. Green 7.5m lots: Opportunity to develop two-storey apartments on small lots (190m²-262m²) potentially as built form project or developer/government partnership.
8. Green Display Village: Opportunity to develop a further display village, potentially with strong links to the TPRC’s objectives relating to environment and/or built form outcomes.

A more comprehensive summary and analysis that has been prepared by Satterley Group is included in the attachment.

COMMENT

The Satterley review recommends the progression of various options based on an assessment of the:

- Readiness of the development option;
- Site constraints and considerations; and
- Various site development opportunities and options.

While the Satterley overview gives a good, preliminary analysis on the projects to further assist with the potential selection of preferred projects, TPRC staff have attempted to add some objectivity into the site selection process by ranking projects using the following criteria:

Criteria	Scoring	Description
Estate Profile	10	Project’s potential to raise the profile of the Catalina Estate.
Project Readiness	10	Planning readiness from a Town Planning and civil works/infrastructure perspective.
Housing Diversity	10	Potential for project/proposal to assist the TPRC in achieving its objective re providing diverse housing options.
Built Form	10	Potential for project/proposal to assist the TPRC in achieving its objective re providing high quality built form.
Environmental	10	Potential for project/proposal to assist the TPRC in achieving its objective re providing quality environmental outcomes
TOTAL	50	

NB. The Financial impact of projects was not rated/ranked as projects are not well defined at this stage and the nature/extent of TPRC involvement in the projects is undecided at this stage.

The following Table ranks the eight projects:

No	Option	Estate Profile	Project Readiness	Housing Diversity	Built Form	Environment	Total
1	Beach Apartments	6	2	7	8	6	29
2	Beach Commercial	10	5	8	8	8	39
3	Beach GH (North)	8	3	7	8	8	34
4	Beach GH (South)	8	8	7	8	8	39
5	Central Mixed Use	4	7	4	6	8	29
6	Green North-East	6	1	10	8	8	35
7	Green 7.5M Lots	4	8	9	9	6	36
8	Green Display Village	9	9	10	10	8	46

Based on the above assessment the following projects are the highest ranked:

- Green Display Village (46)
- Beach Commercial (39)
- Beach Group Housing South (39)
- Green 7.5m Lots (36)

This ranking aligns with Satterley's assessment. It is recommended that these four (4) sites/projects be identified as the short-term special site development options for the TPRC and that further planning, options analysis and business case development occurs on each of these options.

28 February 2023

Mr Chris Adams
Chief Executive Officer
Tamala Park Regional Council
Unit 2, 369 Scarborough Beach Road
INNALOO WA 6018

Via email: simon.osullivan@tamalapark.wa.gov.au

Dear Chris,

CATALINA: SPECIAL SITES STRATEGY

BACKGROUND

At a Strategic Workshop Meeting held in late 2022, TPRC requested a review of the project's balance strategic special sites within the three (3) Catalina precincts. Given the nature of the residential portion of the project which has the majority of planning resolved and over 50% of the lots developed, the opportunity presents itself with the strategic special sites to create something unique, demonstrate best development practice and align with the vision of the project.

Across the precincts of Beach, Central and Green there are six (6) special sites and two (2) areas of residential development opportunities which are identified. These are summarised below and discussed in further detail in following sections of this report.

1. Beach – Apartment sites north of Portofino Promenade (2 sites)
 - Long term ~5+ years - recommended to be on hold.
2. Beach – Commercial site
 - Medium term ~2 years - recommended to be investigated further.
3. Beach – Group housing site north
 - Long term ~5+ years - recommended to be on hold.
4. Beach – Group housing site south
 - Medium term ~2+ years - recommended to be on hold.
5. Central – Mixed use site
 - Long term ~5+ years – recommended to be on hold.
6. Green – North-east high-density precinct
 - Long term ~5+ years – recommended to be on hold.
7. Green – 7.5m lot's
 - Short term ~1 year - recommended to be investigated further.
8. Green – Display Village
 - Short term ~1 year - recommended to be investigated further.

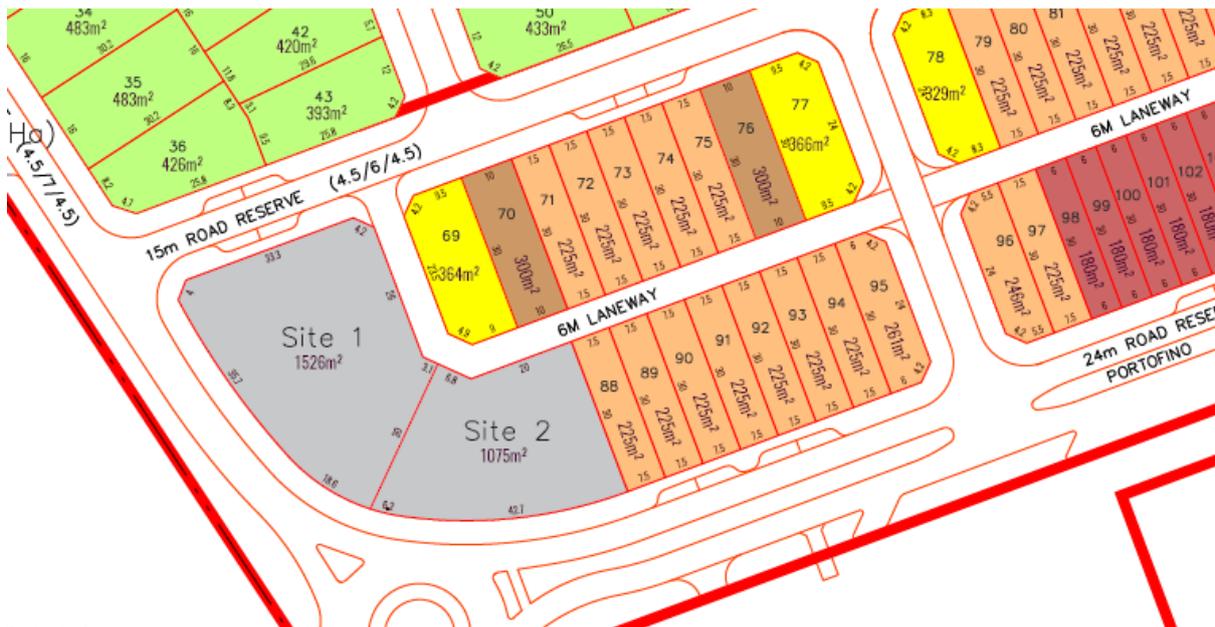
The purpose of the report is to provide high level context around constraints, considerations, timing and opportunities for each individual site which will assist in informing what can be delivered in a short-term timeframe (~2 years). The timeframes outlined in this strategy review will also provide information to assist for budgeting and for development/sale of the sites. Following review and endorsement of this report by TPRC, suitable sites can then be workshopped to inform a more detailed analysis and strategy for pathway to delivery.

BEACH

BEACH Apartment Sites North of Portofino (2 sites)

Current Status

Planning Status	Potentially requires LSP amendment, requires subdivision and LDP approvals (~12-month process to complete)
Lot Size	1,526m ² Site 1 and 1,075m ² Site 2
Anticipated Development Use	Apartments
Zoning	R100 – Site 1 estimated dwellings at R60 = 13 and R80 = 16, Site 2 estimated dwellings at R60 = 10 and R80 = 12
Approved Budget Revenue	\$2.6m unescalated as per scenario approved at February 2023 Council meeting.
Approved Budget Settlement	TBA with new budget, ~5 + years currently assumed
Development Timeframe	Long term ~5+ years subject to sales and staging



Constraints and Considerations

- Site is subject to further planning approvals anticipated to be a ~12-month timeframe to obtain.
- Site is currently unconstructed and outside of the 2-year timeframe based on current stock on hand and forecast sales rates. Should there be an appetite to bring forward, this would increase stock on ground and capital expenditure that is unrequired.
- Irregular nature of the sites and rear access requirement.
- Staged development rather than one larger super lot likely required due to smaller depth of apartment market in Mindarie.
- Excessively high costs for commercial construction would impact any potential purchaser’s feasibility and ability for TPRC to obtain a high land price.

Opportunities and Options

1. Sell to third party developer via open tender process. Contract of sale to include specific Design Guidelines for the site.
 - Enables faster settlement.
 - Can include incentives to improve design outcome/inclusion of public art/delivery timing drivers.
2. Develop out via utilising project funds – anticipated as apartments.
 - Provides greater certainty on built-form outcome although comes with significant capital costs and associated risks.
 - Opportunity for uplift in project profit although subject to separate feasibility

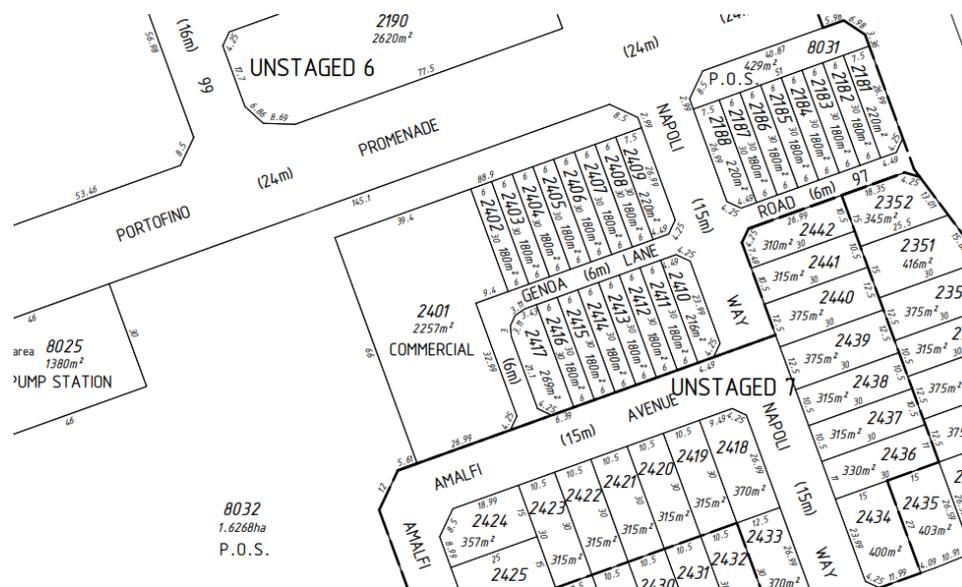
Recommended Next Steps

Satterley recommend that development planning of this site is placed on hold until development north of Portofino Promenade comes into a 12-month window. Further review of the site's configuration will occur prior to subdivision application which will likely include engaging an architect to undertake schematics for suitability of the dividing boundary of the lots. With current construction costs for apartments, Satterley's view is that these sites would not stack up for a third-party developer in the current market. Ideally these lots will be marketed when further amenity is within the precinct, including the foreshore park and commercial centre developed, along with a softened construction market. It is also considered that back ending sale of these apartment lots, towards the end of the residential lots in the precinct, will aid in not bringing on new competition that could impact lot sales.

BEACH Commercial Site

Current Status

Planning Status	LSP approved although subject to Amendment to align zoning (not critical). Subdivision application pending approval. LDP will be required over the site
Lot Size	2,257m ²
Anticipated Development Use	Commercial – restaurant, tavern, café and consulting rooms
Zoning	Commercial
Approved Budget Revenue	\$1.0m escalated
Approved Budget Settlement	June 2026
Development Timeframe	Medium term ~2 years



Constraints and Considerations

- The site is zoned Commercial under the LSP density plan. The City of Wanneroo *District Planning Scheme 2.0* text outlines the permitted uses within this zone which includes, but is not limited to, the following (practical uses only listed): art gallery, beauty parlour, consulting rooms, convenience store, hairdresser, home businesses, lunch bar, medical centre, offices, restaurant and tavern. While there are many additional options, along with “discretionary” uses, the above capture practical uses that would potentially tie into the premium feel of the beach precinct and surrounding amenity. The key focus of the site will be the delivery of a food and beverage development that becomes a destination once connected with the foreshore park. It is anticipated that smaller complementary tenancies could also be fitted within the site development subject to further planning investigations.

- Should TPRC want to go down path of a tavern, it is considered “sooner the better” as any development of this nature would require advertising and is subject to several approvals such as liquor licensing.
- The commercial centre falls within Stage 32, which is the final civil stage south of Portofino Promenade. The stage includes an additional 43 residential lots and while majority of the stage delivers product type that is not currently available within the precinct, with ~100 lots currently under construction, there is no need for any further construction in short to medium term. Given the layout of the stage, it is considered inefficient and unsuitable to try and deliver the commercial site as a standalone lot.
- It is considered critical to secure a quality tenant for any food and beverage option. As demonstrated across multiple developments in the northern corridor, the combination of great built form outcome and quality tenant results in leveraging for sales over the nearby lots and balance of the project.

Opportunities and Options

1. Sell to third party developer via open tender process.
 - Contract of sale to include specific Design Guidelines and concept plans if desire is to have further control over the built form outcome. Given iconic nature of the site and appetite to deliver something unique, can include incentives to improve design outcome/inclusion of public art/delivery timing drivers.
 - Ability to utilise innovation fund.
 - Enables faster settlement.
 - No control over tenants and final uses.
2. Develop out via utilising project funds.
 - Provides greater certainty on built-form outcome although comes with significant capital costs and associated risks.
 - Control over tenants and uses in the short term.
 - Opportunity for uplift in project profit although subject to separate feasibility.
 - End development can be on sold as tenanted project or retained for ongoing cashflow.
 - Initial feedback from leasing agent is that key players in the tavern space and looking for assets to retain rather than lease and this pathway could potentially limit interested parties.
 - While this option could produce uplift in project profit, consideration must be given if TPRC want to enter into space of leasing and development of commercial sites.

Recommended Next Steps

While civil construction of the site may be ~2 years away, subject to sales rates, there is still an opportunity to progress development of this site in the short to medium term. Certainty over potential tenants or a 3rd party developer will take ~12 months and require significant forward work which can commence immediately. Two (2) key components are required to progress the site:

- Formal advice from a leasing agent in terms of uses, tenancy size requirements, leasing terms/rates and what to target on to inform feasibility.
- Engage architect to produce site schematics and concept plans which will assist to inform LDP requirements.

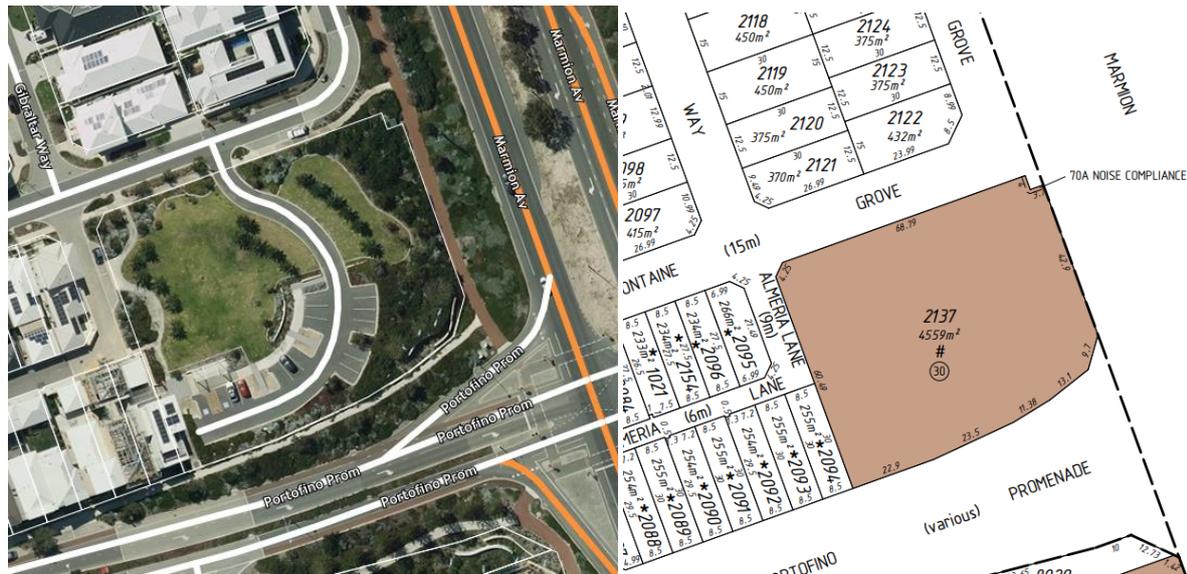
Both the above steps are anticipated to cost ~\$30k and can be accommodated within the approved project consultant’s budget.

Regardless of whether the site is on sold and developed by 3rd party or by TPRC, the above will assist in creating certainty on the outcome should it be required to be included within any tender and contract of sale document. Alternatively, should TPRC elect to go down full open tender process and leave design up to the proponent, the above steps can be removed, and the tender submission drive the outcome. Each submission to be assessed on their own merit. It is recommended that concept planning and financial feasibility is progressed with this site prior to determination on next steps. Further consideration should be made for undertaking any EOI as a 2-step process, firstly to short list proponents then refine design and submission.

BEACH Group Housing Site North (Lot 2137)

Current Status

Planning Status	Subdivision approval and LDP approval in hand
Lot Size	4,558m ²
Anticipated Development Use	Grouped dwellings
Zoning	R60 – estimated maximum 30 dwellings (avg lot 150m ²)
Approved Budget Revenue	\$2.1m escalated
Approved Budget Settlement	September 2027
Development Timeframe	Long term ~5+ years subject to sales and staging



Constraints and Considerations

- The site is currently utilised for the sales office/display village and associated parking. The new display village is due to open in Q1 of 2023 and run for period of 2-3 years. It is anticipated that the sales office will be utilised until point of final sales in Catalina Beach or the opportunity for new sales office in the neighbourhood centre shops at Catalina Green or Beach commercial; both of which are several years way.
- Significant capital invested in presentation of the carpark and landscaping, all of which will require removal prior to future developed anticipated at ~\$300k. The site also has in place a key entry statement and marketing material located within the lot which is considered critical to presentation while selling from the Beach precinct.
- Proximity to Marmion Avenue requires noise packages.
- No access off Marmion or Portofino, rear access via Bellefontaine.
- Commercial multi-storey construction costs currently at elevated levels and likely to impair development feasibility of the site.
- Any development of the site by third party would introduce new competition for lot sales.

Opportunities and Options

1. Sell to third party developer via open tender process. Contract of sale to include specific Design Guidelines for the site.
 - Enables faster settlement.
 - Can include incentives to improve design outcome/inclusion of public art/delivery timing drivers. This can be via innovation fund.
2. Develop out via utilising project funds – either grouped dwelling or apartments.
 - Provides greater certainty on built-form outcome although comes with significant capital costs and associated risks.

- Opportunity for uplift in project profit although subject to separate feasibility
3. Re-subdivide into green title lots.

Recommended Next Steps

Satterley recommend that development of this site is placed on hold until the back end of the Beach precinct is selling through (5+ years). While a quality built-form outcome would add to the overall aesthetic of the project, it is considered that there is a higher importance on maintaining a marketing presence on the estate entry. There is no short-term opportunity on this site or need to commence further planning.

BEACH Group Housing Site South (Lot 2138)

Current Status

Planning Status	Subdivision approval and LDP approval in hand
Lot Size	3,769m ²
Anticipated Development Use	Grouped dwellings
Zoning	R60 – estimated maximum 25 dwellings (avg lot 150m ²)
Approved Budget Revenue	\$1.74m escalated
Approved Budget Settlement	March 2028
Development Timeframe	Medium term ~2+ years subject to sales and staging



Constraints and Considerations

- Similar to the site north of Portofino Promenade, this site acts as a marketing presence with banner mesh and potentially more hard infrastructure marketing. Although not developed, the site doesn't pose any impact on the visual amenity of the precinct and is considered to open up the entry and provide views down to the coastal dunes and ocean. Any development construction of the site would be unsightly on the estate entry.
- Proximity to Marmion Avenue requires noise packages.
- No access off Marmion or Portofino, rear access via Beaumont.
- Commercial multi-storey construction costs currently at elevated levels and likely to impair development feasibility of the site.
- Any development of the site by third party would introduce new competition for lot sales.

Opportunities and Options

1. Sell to third party developer via open tender process. Contract of sale to include specific Design Guidelines for the site.

- Enables faster settlement.
 - Can include incentives to improve design outcome/inclusion of public art/delivery timing drivers.
2. Develop out via utilising project funds - either grouped dwelling or apartments. This may include build to rent.
 - Provides greater certainty on built-form outcome although comes with significant capital costs and associated risks.
 - Opportunity for uplift in project profit although subject to separate feasibility.
 3. Re-subdivide into green title lots although not desirable from built form and housing diversity outcome.

Recommended Next Steps

Should TPRC wish to progress investigating opportunity’s for developing this site, the following is recommended:

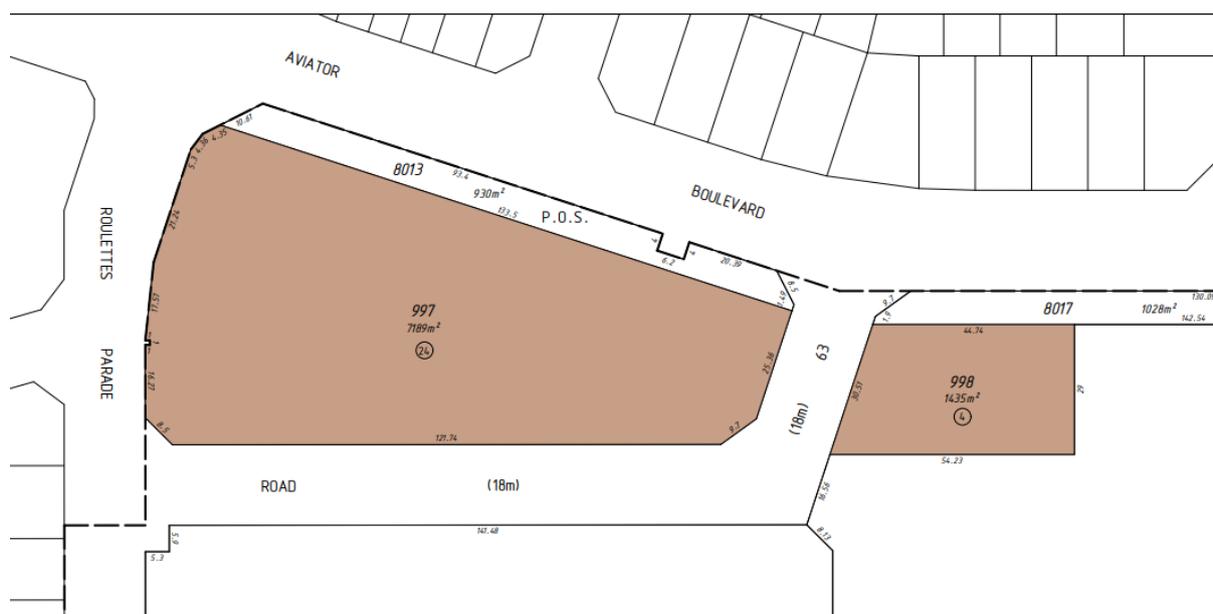
- Engage Niche to undertake preliminary planning assessment of the site for what can be built in all three (3) scenarios.
- Provide high level cash flow scenario modelling of each, including more detailed market depth assessment for product types, prices etc.

Either option will assist in framing the “front door” to the precinct, a quality outcome is required to leverage off with the balance of the estate in the longer term. Whilst there is a short to medium term opportunity for this site, Satterley recommend that sale and development is more aligned with closure of the Display Village 2 in approximately 3 years’ time. Any construction on the site is anticipated to be a 2 -3-year process and will negatively impact presentation around the display village. As we move into a more challenging market, presentation is key.

CENTRAL Mixed-Use Site

Current Status

Planning Status	Subdivision approved, LDP required
Lot Size	7,189m ² and 1,435m ²
Anticipated Development Use	Childcare, medical, café or similar
Zoning	Commercial
Approved Budget Revenue	\$2.2m escalated lot 997 and \$0.4m escalated lot 998
Approved Budget Settlement	October 2027 lot 997 and January 2028 lot 998
Development Timeframe	Long term ~5+ years



Constraints and Considerations

- There remains significant uncertainty around the balance of the Catalina Central precinct planning outcome with further discussions to be held with DoE on requirement for the school site and whether it can be facilitated given the ground water issues. Outcomes of these discussions have potential to significantly alter the LSP and location of commercial centres. Consideration should be made for the long-term planning outcomes.
- The site currently has a memorial on title for contamination with the site classified as “Contaminated – Restricted Use”. Initial advice received from the environmental consultant re that the restriction not only limits ground water abstraction but also any development of residential or commercial uses on the lot because of gas emissions from the tip site. Although the lot can be constructed and titled with the approved subdivision, the memorial will transfer, and any subsequent purchaser would encounter the restriction and inability to develop the site.
- Public relations risk around contamination and development within proximity to the tip.
- Lot 3128 and 341 are both under contract (both commercial lots) and in the process of securing tenants. Any further commercial sites on the market could impact other lots fulfilling their full development outcomes due to added competition. In addition to these lots, TPRC will likely be consideration moving forward with development of the Beach commercial centre in FY24, arguably a much more attractive site for tenants.
- The Central mixed-use site may be much more attractive once certainty around commencement of the primary school site is provide, many years away.

Opportunities and Options

Currently no options for development until resolution of the contamination on site.

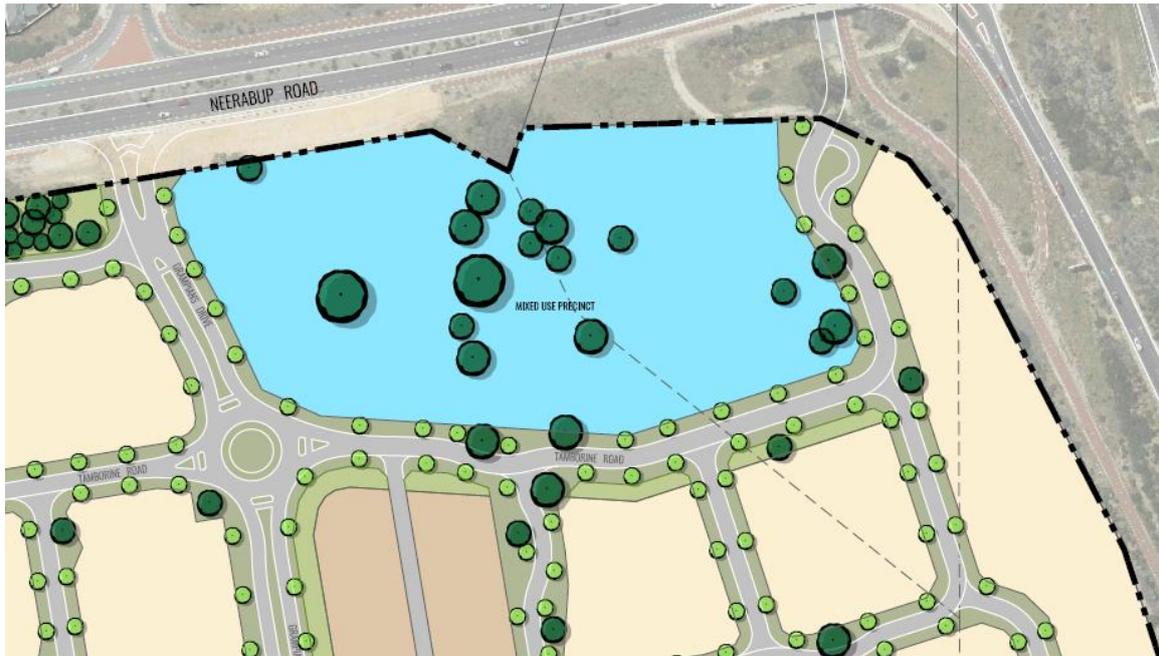
Recommended Next Steps

It is recommended that all development and sales south of Aviator Boulevard, within Catalina Central and including this lot, are to be put on hold pending further environmental investigations and reporting to define the contamination on site. Although linked but a separate matter, outcomes of the discussions with DoE are critical to inform potential planning outcome which again should be resolved prior to progressing development of this site. A separate report will be provided to TPRC in April 2023 outlining a pathway for development within the balance of Catalina Central cell.

Green North-East High-Density Precinct

Current Status

Planning Status	Requires LSP Amendment, subdivision approvals and LDP.
Lot Size	Approximately 23,000m2, including any potential POS for mixed use site indicated in blue below.
Anticipated Development Use	Grouped dwellings
Zoning	Mixed Use R80 – R100
Approved Budget Revenue	Budgets assumes sale of 5 x separate GHS’s total revenue \$5.3m escalated. This includes 4 sites within the major mixed-use area and one on the NE corner of entry from PTA. Current plan doesn’t accurately reflect budget.
Approved Budget Settlement	Spread across FY25 to FY31
Development Timeframe	Long term ~5+ years



Constraints and Considerations

- Whilst the area is identified as mixed-use under the approved LSP, the modified concept, as shown above, is considered enough of a change to require a major LSP Amendment to realign the planning layout and surrounding road network.
- Concept plan above shown as one (1) site although desired and likely outcome to suit market demand will be four (4) separate high density sites. Further concept planning for lot sizes and interface with potential POS areas required. This will be driven by end use.
- Southern road connection to PTA underpass likely to occur in back end of FY24.
- Any brought forward development of these sites would introduce new competition, particularly with small lot product. It is considered more suitable to postpone development of these sites until the back end of eth Green precinct.
- Construction costs extremely high in current environment, very difficult for any built form development to compete given the underlying land values and opportunity to get green title house for similar price. Opportunity arises through potential partnership agreements.
- Planning requirement for density around train station, opportunity to leverage locational advantages.

Opportunities and Options

1. Sell to third party developer via open tender process. Contract of sale to include specific Design Guidelines for the site.
 - Enables faster settlement.
 - Can include incentives to improve design outcome/inclusion of public art/delivery timing drivers.
2. Develop out via utilising project funds - either grouped dwelling or apartments. This may include build to rent.
 - Provides greater certainty on built-form outcome although comes with significant capital costs and associated risks.
 - Opportunity for uplift in project profit although subject to separate feasibility.
3. Joint venture/industry partnership approach.
 - Various financial vehicles available.
 - Opportunity for social housing, build-to-rent, government incentive packages, aged care, affordable housing providers etc.
 - Opportunity to deliver housing diversity not seen across the other precincts of the project.
 - Potentially de-risk build form projects with government partners.

- Further opportunity for sustainability approach, self-sustainable buildings with own power etc.

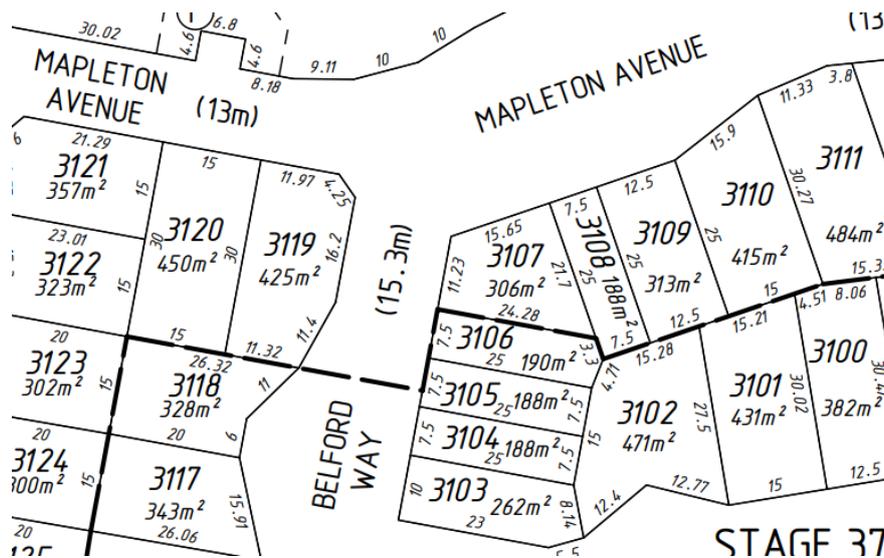
Recommended Next Steps

Satterley recommend that development of this site is placed on hold until the Green precinct becomes more established and density is built around the neighbourhood centre prior to moving into this GHS precinct. Given the timing for development of stages with density housing, as outlined in Green staging strategy presented to TPRC in January 2023, there are still several years prior to targeting development of these GHS's. In the meantime, all planning approvals and subsequent construction of roads and servicing will all be provided to the site in preparedness should opportunity to bring forward these sales occur. Along with the LSP and subdivision approval, more detailed precinct planning and market analysis will need to be undertaken closer to time of development/sale of the sites and strategy to further split the one larger site that is currently planned.

GREEN 7.5m Lots (lots 3108 – 3103)

Current Status

Planning Status	Titled lots or under construction
Lot Size	188 – 262m ²
Anticipated Development Use	Single residential housing
Zoning	R30 - R60
Approved Budget Revenue	\$1.0m escalated
Approved Budget Settlement	FY23/FY24 varied
Development Timeframe	Short term ~1 year



Constraints and Considerations

- All lots have a mandated 2-storey requirement through the LDP which was imposed to ensure street presence and higher quality built form outcome on the prominent location which addresses Neerabup Drive.
- Lots 3107 and 3108 have been on the market for 6+ months. Lot 3107 has converted to a settlement and lot 3108 is under contract via investor channel. The remaining lots are yet to be released.
- Sales enquiries have been slow given the mandated 2-storey which is considered a direct result of significant construction cost increases, particularly for 2-storey builds.
- Build costs for these are around \$350k and when compared to a single storey dwelling on a 313m² lot, they do not present a more affordable option. Via the investor channel white label builder, they have indicated low \$300k's which is minor discount to standard builder range.

Opportunities and Options

1. Sell as residential lots via retail channel.
 - Enables faster settlement and low risk.
 - Should the lots not sell quickly, the lots may become stale as they have been on market for a significant length of time although project not reliant on revenue from sale of the lots.
2. Sell as residential lots via investor channel.
 - Enables faster settlement and low risk.
 - Should the lots not sell quickly, the lots may become stale as they have been on market for a significant length of time although project not reliant on revenue from sale of the lots.
 - Potentially lower quality housing.
3. TPRC undertake build out of lots and sell as completed H&L packages.
 - Can be in form of either standard house designs, potential white label builder; or
 - Green house specification acting as demonstration home.
 - i. Investigations have taken place for homes to achieve 9-stars or above. Anticipated building cost is \$450,000 plus GST, excluding land.
 - ii. From October 2023, the National Construction Code will require all new home builds to be minimum NatHERS 7-star build.
 - iii. Project would need to sell completed home at discount to meet market.
 - iv. Considered very unlikely to attract any Green builder to spec build in this market.

Recommended Next Steps

Satterley recommend with progressing these lots as per current strategy which is marketed via both retail and investor channels. As the Green precinct comes out of the ground with landscaping now underway and access to the public in late February 2023, the overall vision and uniqueness will be better understood by the public. It is anticipated sales interest to increase as this occurs. It is also considered that there are sufficient planning and development controls via the LDP and Design Guidelines to manage achieving a quality built-form outcome.

GREEN Display Village

Current Status

Planning Status	Standard front loaded lots constructed and titled, rear loaded lots are constructed but not titled
Lot Size	Varies – refer to below
Anticipated Development Use	Single residential housing
Zoning	R30 - R60
Approved Budget Revenue	\$5.66m escalated
Approved Budget Settlement	FY27/FY28
Development Timeframe	Short term ~1 year



Constraints and Considerations

- The ten (10) traditional front-loaded lots and 21 rear-loaded cottage lots were initially set aside for a display village which following tender wasn't successful in proceeding due to lack of submissions.
- Any display village would likely include incentives associated with opening ~\$20k each lot and costs associated with carpark construction, carpark demolition, landscaping and marketing promotion ~\$200k.
- Whilst a display village may assist in driving traffic and present high-quality homes along the visible Connolly Drive, there now presents an opportunity to release titled lots to the market and particularly lots that are currently not available within the project with the 6m rear-loaded lots. Subject to size of any potential display village there may still be an opportunity to release these 6m lots subject to carpark locations.
- In February 2023 Satterley canvassed potential builders to obtain a high-level response for taking up an allocation in the village. While none would give firm feedback five (5) builders have indicated an appetite. Satterley's view is that further interest would arise via formal tender.
- The rear-loaded lots fall under R-code provisions which require 40% open space resulting in only 108m2 of house area including garage. This results in the lots heavily swayed to only suiting 2-storey designs. Current prices are ~\$350k with Satterley's view being that these lots need to be packaged up as H&L sub \$500k to meet the market and compete with comparable single storey product.

Opportunities and Options

1. Retain all lots as unreleased and proceed with display village tender to accurately assess builder response. Target builders that volume builders, applicable to Green market.
 - Will assist with driving sales and marketing to the project.
 - Still sufficient stock within Stage 36 and 37 to meet current market demand.
2. Retain all lots as unreleased and proceed with display village tender to accurately assess builder response. Target unique sustainable builders for point of difference and to align with "Green" aspirations.
 - Only small segment of market and would be priced out of Catalina Green with valuations not "stacking up". Usually one-off homes, more complex and timely to build.
 - Likely require very significant rebates to attract any builders who have limited marketing channels.
 - Opportunity to provide large rebates to volume builders if incorporate in sustainability measures on more standard home designs, up spec to meet higher energy ratings.

3. Provide a mix of option 1 and 2 but only developing one (1) unique demonstration home for sustainability with the balance being standard builder range with more minor sustainability features. It is envisaged that the demonstration home will demonstrate best practice and guide potential buyers around the future of sustainability and to pick and choose options to incorporate.
4. Retain all lots and postpone to a point which display village becomes viable in couple of years' time.
5. Release lots through retail and investor channels.
 - Reduced expenditure and quicker settlements but considered inferior outcome for the project.

Recommended Next Steps

Satterley recommended proceeding with option 3 outlined above and reissuing tender document for Green display village to still target the volume builders. The tender is anticipated to include additional rebates for sustainability packages which the homes can demonstrate. Additionally, one (1) lot should be set aside for the demonstration home as outlined above. Post tender, should take up be not considered sufficient to justify a village, lots would be released to retail market. Satterley believe that the village would require a minimum of six (6) builders to justify going ahead although would be subject to builder support and feedback. Any new display village would assist in leveraging additional traffic to the precinct and support additional sales. Cognisant of the approval process through Council, tender process and build timeframes, the village would not likely be operational until late 2024.

Overall Summary and Recommendation

Upon review of the special sites across all precincts at Catalina, Satterley has identified three (3) key focuses to progress in the short term:

- Progress development of the Beach commercial site in line with steps as outlined:
- Re-issue Catalina Green display village tender with new inclusions (to be refined if option agreed upon), including demonstration home; and
- Release remaining 7.5m lots and continue to push in both retail and investor channels as per current strategy.

Should you require any further clarification on the above, please do not hesitate to contact the undersigned. We look forward to your feedback and next steps.

Yours sincerely,



Drew Tomkins
Project Director