

Baynton Residential Development

Consideration of Public Submissions and Final Investment Decision

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Development Services

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Baynton Residential Development

Overview

- **37 dwellings**
(17 townhouses/20 apartments)
- **\$26.2m budget allocation**
(inc. GST, 6.7% escalation and 5% contingency)
- **City to own and operate**
- **Significant GROH interest in long-term leasing**



Public Submissions

My advice is 'just get on with it'. Our biggest risk is shortage of accommodation

Great initiative by the City, well done in addressing the housing need

I think this is a ridiculous idea. The city should not be involved.

If this was to be such a good and profitable idea private business would be doing it not COK gambling with our funds.

I think this is a great development and hope it goes ahead.

This a great initiative and City of Karratha need to ensure it proceeds

15 submissions received
10 broadly supportive
5 opposed

I believe there is better uses for city funds and resident money in way of rates should not be used to fund staff housing for city employees.

This project has a materially different risk profile to that of a term deposit and should use a higher discount rate

I suggest the Capital cost needs to be inc GST not ex GST, you cannot claim GST on residential housing.

I do not believe that local government should be involved in construction of housing.

Due Diligence Activities

What have we done to mitigate risks of this project

Independent Business Plan Review

Confirmed Business Plan compliance, project feasibility, financial projections and risk analysis.



Corporate Credit Checks

Confirmed no adverse findings and below average risk for both the company and all Directors.



Contractor Reference Checks

Previous clients were satisfied with builder relationship and end product and would contract them again.



Building Inspection

Previous development complies with building plans, codes and standards. Made some suggestions for project oversight.



Investment Decision

Officers Recommendation:

- RECEIVE public feedback
- NOTE due diligence
- AGREE to undertake transaction
- APPROVE a budget allocation for 2025/26
- AUTHORISE the CEO to execute agreements

Financial Forecast (20 yrs)

\$9,297,716
Net Cash Flows

5.00%
Internal Rate of Return

(\$301,988)
*Net Present Value –
vs Term Deposit Investments*



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