



## INFORMATION MEMORANDUM

# Smith Street Build-to-Rent

ETA Tender No. DOC9616122

### Introduction

The State of Western Australia, represented by the Department of Communities (Housing Authority), presents an attractive opportunity for the Community Housing Sector in partnership with private developers to utilise government assets to deliver an innovative housing development through the State's first Build-to-Rent Ground Lease model.

As part of the WA Government's Housing Diversity Pipeline, the Smith Street Build-to-Rent project (**Smith Street BTR project**) will deliver a mixed-tenure residential development with integrated asset and tenancy management services provided under a Ground Lease with a Community Housing provider (CHP) for a period of up to 49 years.

The Housing Authority is conducting a two-stage Procurement Process to select a proponent:

**Stage 1** – Invitation for Expressions of Interest (EOI)

**Stage 2** – Request for Detailed Proposal (RFDP)

### The Opportunity

CHPs, or consortiums consisting of CHPs and developers, capable of delivering built form and operational requirements, will be invited to submit an Expression of Interest for the innovative Build-to-Rent project.

Under the Ground Lease model, Communities will lease the Smith Street Site to a CHP/CHP consortium for a period of up to 49 years and the CHP/CHP consortium will be required to deliver a blended social, affordable and market housing outcome. This will operate as a Build-to-Rent model, with the dwellings held by the CHP and leased to tenants rather than on-sold. The site and assets will revert to the State at the conclusion of the lease term.

The CHP/CHP consortium will be providing finance for the project, including construction, asset and tenancy management, and operation over the lease term. The State will consider providing upfront capital contributions to the consortium to assist with the financial viability of the project, where it provides value for money to the State.

The project is expected to be eligible for debt financing through the National Housing Finance Investment Corporation (NHFIC).

### The Objectives

The Smith Street BTR project includes the following objectives:

- Develop a sustainable and replicable Build-to-Rent model for the delivery of social, affordable and market housing in partnership with a CHP or CHP consortiums on government-owned land.
- Leverage federal and private sector funding to deliver value-for-money social and affordable housing outcomes in Western Australia.
- Deliver financially viable housing outcomes for a broad range of the community including:
  - Circa 30% social housing for vulnerable Western Australians, aligned to demand

### ENQUIRIES

For enquiries regarding this opportunity please contact:

**SmithStreetBuildtoRent@communities.wa.gov.au**

- Accessible design suitable for a range of tenant needs
- Affordable rental opportunities for people on low to moderate income
- Deliver a Western Australian market-leading best-practice housing service model which is consistent with relevant legislation and housing policy, achieving the following outcomes:
  - Facilitates the transition of tenants through social, affordable, market rental and other housing
  - Enable other appropriate support services to meet the needs of the tenants, where relevant
  - Onsite support and tenancy management

### The Site

Lot 501 (#49-67) Smith Street and (#350) Stirling Street, Highgate (the Site) is a 4,963m<sup>2</sup> L-shaped lot, known as the former Stirling Towers public housing site. Located 2km northeast of the Perth CBD, the Site is within an established suburb with rich amenity, including retail; public transport; primary, secondary and tertiary education; established inner city bars; restaurants; parks and natural amenity. Notable amenity includes:

- Highgate Primary School (350m)
- Central TAFE Mt Lawley (400m)
- HBF Park (400m)
- Hyde Park (550m)
- East Perth Train Station (700m)
- Northbridge Cultural Precinct (1km)
- Swan River Reserve (1km)
- Optus Stadium (1.8km)
- Perth CBD (2km)

Current improvements on site include a 12-storey building consisting of 79 units built in 1970 and a 3-storey building consisting of 12 dwellings fronting Stirling Street, built in 1999.

### EXPRESSION OF INTEREST

An invitation for Expressions of Interest (EOI) will be released via Tenders WA ([www.tenders.wa.gov.au](http://www.tenders.wa.gov.au)) in March 2022.

