

MARKET-LED PROPOSAL EVALUATION SUMMARY – OCTOBER 2023

PROPOSAL NAME: MLP19014 Child Protection and Student Accommodation Land Swap

PROPONENT: Waterford PBSA Pty Ltd

PROPOSAL STATUS: Completed – successfully met criteria and terms accepted

PROJECT VALUE: \$2,275,000.00

PROPOSAL DESCRIPTION

Waterford PBSA Pty Ltd (Waterford PBSA) will provide the Department of Communities (Communities) with a newly constructed Residential Care Housing facility and land in return for a State-owned residential property, enhancing the development potential for purpose-built student accommodation.

Waterford PBSA will construct a custom designed house with outdoor leisure and activity areas to accommodate up to five children on their land in the southern suburbs aligned to the Design Brief for Residential Care Housing for Children in Need, a guideline drafted by Communities.

Waterford PBSA will transfer the property and newly constructed residential care house in exchange for a residential property owned in freehold by the State of Western Australia.

The State owned property has been operated by Communities as a Residential Care House for children in need.

Waterford PBSA will amalgamate the current State site with its current property holdings to support its proposed development for international and regional students, significantly increasing the pool of affordable, quality, and convenient student accommodation.

BENEFITS

- Provision of a new custom-built Residential Care House and purpose-built outdoor areas on the southern suburbs site at no cost to the government, providing accommodation for five children at risk.
- The new Residential Care Housing will achieve a seven-star Nationwide Housing Energy Rating.
- The southern suburbs property which will be transferred to the State is located adjacent to current Communities' land holdings, thereby increasing future planning capability.
- The agreement supports a proposed student accommodation development for international and regional students.
- Land transfers only take effect upon Communities' approval of the constructed Residential Care House.

QUALITATIVE ASSESSMENT

The proposal aligns with government priorities for job creation and the focus areas of health and social outcomes through purpose-built child protection, and proposed student accommodation facilities.

The proposal aligns with government strategies:

- Child Protection's Better Care, Better Services standards
- Commitments to Aboriginal Youth Wellbeing
- WA Housing Strategy 2020-2030
- Reconnect WA

In assessing the benefits of the market-led proposal, the State considered:

- Independent market values for the properties in the southern suburbs.
- Construction costs for the development of a new Residential Care House.
- Asset management, and longer-term suitability considerations of the existing Residential Care House.
- Location of the property in the southern suburbs and its proximity to other Communities' land holdings.
- Economic and improved student housing outcome benefits from the proposed student accommodation development.

QUANTITATIVE ASSESSMENT

In assessing the financial benefits of the proposal, the State considered:

- Improved market valuation for the southern suburbs site which determined the property following construction of the new Residential Care House is \$1,475,000.
- Market land and improvements value of the current State owned property is \$800,000.
- Net financial benefit to the State is \$675,000.