



**OTAN KARRATHA PTY LTD**  
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16 April 2024

Mayor Daniel Scott  
City of Karratha  
Lot 1083 Welcome Road  
Karratha, WA 6714

Dear Mayor Scott

### **JINGARRI NICKOL LOT 678 & LOT 633 – PROPOSED MULTIPLE DWELLING DEVELOPMENT APPROVAL**

Otan Karratha Pty Ltd (“Otan”) is the original developer and residual landowner of Jingarri Nickol (“Jingarri”) a residential land subdivision comprising of 233 single home lots and 3 grouped / multiple dwelling sites with c.1.2 hectares of parkland in Nickol, Karratha.

Development of Jingarri commenced over 12 years ago that has progressed through various market conditions, is well established and majority built out. Otan currently retains 7 (smaller) single residential lots, Lot 678 a 6,478 sqm R30 grouped dwelling site and Lot 633 a 9,278 sqm R60 multiple dwelling site.

Otan has been actively pursuing and investigating various options on how to best facilitate and deliver new residential housing at Jingarri on its remaining lots. Potentially a further c.120 new dwellings can be provided at Jingarri and to the greater Karratha community.

With the substantial delivery costs, including the *Pilbara Premium* on construction, wariness of investors and restrictiveness of financial institutions, these significant financial hurdles make the ultimate commercial viability of a residential development in regional areas near insurmountable. A fact that the City of Karratha (“City”) is well aware, as recognised in City’s current Project Dorothy EOI.

Otan has invested significant time, resources, and cost in considering various development solutions on its single lots, Lot 678 and Lot 633 at Jingarri. The current preliminary designs on Lot 678 yield’s 20 grouped housing lots and Lot 633 yield’s 57 grouped housing lots providing c.92 multiple dwellings, being the current development proposal of 112 dwellings (“Projects”).

in March, Otan in partnership with Davison Property and Thomas Building, submitted these Projects through a financial partner to the Housing Australia Future Fund (HAFF) for the HAFF & NHAFF Call for Applications Funding Round One. The indicated timeframe of HAFF is that the selected projects to Preferred Status will be confirmed in July, with a Financial Close target of September 2024.

A key aspect of HAFF submissions is that projects are “shovel ready”. To achieve this requirement, projects must have commenced and at least lodged their Development Approval (DA) application prior to Preferred Status, and that by Financial Close that the project has achieved Development Approval.

To ensure that the critical timeline hurdles of HAFF are achieved, Otan at its own direct expense has committed to the full preparation of the DA Documentation and have engaged / contracted the various consultants. DA Documentation is anticipated to be completed late May, for subsequent lodgement.



This early commitment to the DA by Otan will significantly reduce the typical development time lag. It will ultimately expedite the onsite commencement, project completion and occupation of the dwellings, by at least 6 months compared to a typical development process and DA lodgement.

Otan is a small private business and landowner in Karratha that is pro-actively working hard to determine feasible new housing outcomes. The direct cost to Otan for preparation of the DA Documentation will be in well excess of \$100,000. The City DA Fees are anticipated at an additional \$34,196 (assumed as one DA application fee, if two separate application fees the combined DA Fee is estimated at c.\$57,000).

Otan financial resources have been committed to the DA Documentation and without external financial support may not be in a position to lodge the DA. This will ultimately delay the delivery of the Projects c.100+ new dwellings to the Karratha community and potentially put at risk the Projects HAFF selection.

It's noted that in Project Dorothy the City has requested that proponents consider and put forward various options (2.4 Proposed Options), including under Table 1: Housing Project Options "Sweeteners". Otan confirms that in its Projects submission for Project Dorothy that it will include "Sweeteners" one being that any project development fees payable to the City are to be waived (i.e. similar as this request).

We understand that the City is not able to *defer* the DA Application Fees (DA Fees) but is able to *waive* the City's DA Fees. Otan hereby formally request to the City, is that the Council considers, positively supports, and waives of the DA Fees for Otan Projects. Otan commit that upon the City confirmation that it will waive DA Fees for the Projects is that it will lodge for DA as soon as possible thereafter.

With Karratha critical shortage of residential accommodation and in a housing crisis, the City support of this Otan request to waive the Projects DA Fees will enable:

- Ensuring the Projects are in their best position for selection by HAFF,
- Expediting the Development Approval on the Projects, by c.6 months,
- Enabling over 100+ dwellings to be available for occupation c.6 months earlier,
- Supporting a timely housing outcome with minimal financial impact on the City,
- Encouraging a local small business in its endeavours to provide positive community outcomes,
- Acknowledges the City's encouragement and support to external housing solutions, and
- Significant benefit to the City, the Karratha community as a whole in its housing crisis.

We look forward to continuing to work proactively with the City to accelerate viable housing solutions to help relieve Karratha's ongoing housing crisis.

Thank you for your positive consideration to this DA Fee waiver request and continued support.

Yours Sincerely  
**OTAN KARRATHA PTY LTD**

**Scott Davison**  
**DIRECTOR**