

Bulgarra Apartments

Consideration of Public Submissions and Final Investment Decision

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Development Services

July 2025

Bulgarra Apartments

Overview

- **Where:** 30 Nairn St, 17 Ridley St and Lot 751 Gregory Way
- **Yield:** 116 dwellings
- **Construction Cost:** \$56m
- **Funding Source:** Debt
- **Forecast Return:** City to inherit \$46.6m asset for \$8.2m total net funding cost over 20 years
- **Utilisation:** Proponent to rent lands on 20-year lease, to be managed privately, then handed back to City.



Public Submissions

City definitely needs more affordable housing options to encourage workers

If the City isn't going to drive this sort of development then who will?

Residents in Gregory Way will lose their hill views

Privacy concerns with multi-storey residents able to see over fences

Housing is greatly needed

55 submissions received
12 broadly supportive
43 opposed

Increased traffic (vehicle and foot) and congestion

What happens when they're all left empty in the next bust?

If these sorts of developments aren't supported by Council then you are letting the community down

Why not build these in other locations like the city centre or Mulataga?.

Increase in crime with more Council housing in the area

Apartments don't fit with the aesthetic of the suburb

These will decrease our property values

Due Diligence Activities

What have we done to mitigate risks of this project

Business Plan Review

APP have confirmed the current financial model and have recommended a number of actions to mitigate asset value and developer default risk



Risk Review

McLeods Lawyers have reviewed the transaction structure and will be incorporating a number of provisions in the agreements with the developer to mitigate risk and protect the City's interests



Due Diligence Activities

What have we done to mitigate risks of this project

Corporate Credit Checks

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



Contractor Reference Checks

Previous clients reported positive experiences and successful outcomes when working with these individuals.



Building Inspection

Previous developments complied with building plans, codes and standards and modular components have maintained good condition for their age.



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)

(\$8,240,482)
Net Cash Flows

\$46,624,401
Value of Inherited Asset

\$38,383,919
Net Return



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