



West Mundijong Industrial Development Contribution Plan

Report No. 3

18 October 2021





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1. Introduction

1.1 Background

The West Mundijong Industrial area is located within the Shire of Serpentine Jarrahdale and is generally bound by the Kwinana Freight Rail Line to the north, the proposed Tonkin Highway to the east, Mundijong Road to the south and Kargotich Road to the west.

Provision 1 of Development Area 1, and Provision 1 of Development Area 2, listed under Shire of Serpentine Jarrahdale Town Planning Scheme No. 2, provides that a single District Structure Plan is to be adopted to guide subdivision and development and will cover the areas of Development Areas No. 1 and 2.

The updated Mundijong District Structure Plan 2020 (MDSP 2020), adopted by Council at the 16 November 2020 meeting, covers both the Mundijong-Whitby Urban and the West Mundijong Industrial areas, and represents the latest version of the District Structure Plan.

As a District Structure Plan, it has not been prepared or determined under the Deemed Provisions of the Scheme. Rather, it is adopted in accordance with the specific Development Area provisions.

The Mundijong District Structure Plan (MDSP 2020) is an informing, relevant and strategic document that enables the consideration and exercising of discretion for Structure Plans and Local Development Plans, which fall under the auspices of the deemed provisions.

The MDSP 2020 has been prepared, and updates the original draft West Mundijong Industrial DSP, to guide the preparation of more detailed local structure plans (LSPs) facilitating subdivision and development within the whole Mundijong area.

A copy of the MDSP 2020 Map is shown in **Figure 1**.

1.2 Purpose of Development Contribution Arrangements

Due to the existence of multiple landholdings within the West Mundijong Industrial area, the Shire has prepared the West Mundijong Industrial Development Contribution Plan to share the cost of infrastructure, land and other items required to support the development of the area.

1.3 Purpose of the Development Contribution Plan Report

This development contribution plan (DCP) report has been prepared to set out in detail:

- The infrastructure, land and other items for which development contributions are to be collected.
- How land values are calculated, and the valuation methodology applied.
- The cost estimates of infrastructure and other items.
- The cost contribution rate applicable within the West Mundijong Industrial development contribution area (DCA2).
- The methodology to calculate development contributions applicable to landowners/developers and the operational aspects of the methodology.
- Principles for the priority and timing of infrastructure provision and land acquisition.



- The period of operation and review of the DCP.
- Various other operational matters.

1.4 Status

The Amendment to the Town Planning Scheme (Amendment 187) introduced the Development Contribution Area 2 (DCA2), which applies to the West Mundijong Industrial Area. Amendment 187 was published in the Government Gazette on 13th February 2018. The first DCP Report Revision 1 (DCP1) was published on 19th February 2018. The second DCP Report Revision 2 (DCP2) was published on 1st October 2020. This DCP Report Revision 3 (DCP3) represents the third Annual update.

A further Amendment to the Town Planning Scheme (Amendment 209) is in progress which will amend the infrastructure items included within the DCA2. Once gazetted, the provisions of the new Amendment will be included in a new DCP Revision 4 (DCP4).

This West Mundijong Industrial DCP report has been prepared pursuant to Clause 9.3.10 of the Shire of Serpentine Jarrahdale Town Planning Scheme No. 2 (TPS2).

The report should be read in conjunction with Clause 9.3 and Appendix 10 of TPS2, the Mundijong District Structure Plan 2020, and any relevant precinct-level LSPs.

This West Mundijong Industrial Development Contribution Plan Report does not form part of TPS2.

1.5 Principles

The West Mundijong Industrial Development Contribution Plan report has been prepared pursuant to the guiding principles for development contribution plans, as set out in State Planning Policy 3.6 Development Contributions for Infrastructure (SPP 3.6) and Clause 9.3.6 of TPS 2 as detailed below:

a) Need and the nexus

The need for the infrastructure included in the plan must be clearly demonstrated (need) and the connection between the development and the demand created should be clearly established (nexus).

b) Transparency

Both the method for calculating the development contribution and the way it is applied should be clear, transparent and simple to understand and administer.

c) Equity

Development contributions should be levied from all developments within a development contribution area, based on their relative contribution to need.

d) Certainty

All development contributions should be clearly identified and methods of accounting for cost adjustments determined at the commencement of a development.



e) Efficiency

Development contributions should be justified on a whole of life capital cost basis consistent with maintaining financial discipline on service providers by precluding over recovery of costs

f) Consistency

Development contributions should be applied uniformly across a development contribution area and the methodology for applying contributions should be consistent.

g) Right of consultation and review

Owners have the right to be consulted on the way development contributions are determined. They also have the opportunity to seek a review by an independent third party if they believe the calculation of the costs of the contributions is not reasonable.

h) Accountable

There must be accountability in the way development contributions are determined and expended.

i) Risk Minimisation

The financial risk to the local government and other stakeholders is to be mitigated through the minimisation of items included.

1.6 Area of Operation

The West Mundijong Industrial Development Contribution Plan Report applies to the West Mundijong Industrial development contribution area referred to as DCA2 and as indicated on the TPS 2 Scheme Maps and detailed within Part 9 of TPS 2 (see **Figure 2**).

1.7 Strategic Basis

The West Mundijong DSP guides the preparation of LSPs, which facilitate the eventual subdivision and development of land within West Mundijong. This subdivision and development necessitate the provision of new and upgraded infrastructure and land for drainage purposes. In this context, the West Mundijong DSP forms the strategic basis for the DCA and DCP report for West Mundijong Industrial.



2 Infrastructure, Land and Other items

This section of the DCP report identifies the infrastructure, land and other items for which development contributions will be collected in West Mundijong. These items include:

- District distributor roads and connector roads playing a district function;
- Land for drainage; and
- Administration costs.

2.1 Land Value

Roads and drainage include a significant land component. To determine the total cost of the items, a land value therefore needs to be identified. Pursuant to Clause 9.3.12 of TPS 2, the rate for the purpose of calculating the value of land for public open space, drainage and infrastructure is based on land valuations undertaken, as detailed in **Appendix H**.

Pursuant to Clause 9.3.11 of TPS 2, the land value will be reviewed at least annually.

For the purposes of the West Mundijong Industrial DCP report, one englobo land value will apply to the entire West Mundijong Industrial development contribution area, irrespective of precinct or structure plan classification or similar. This approach is considered to be the simplest, effective and equitable method of addressing land valuation.

2.2 Roads

The land, earthworks, paving/surfacing, drainage, traffic control devices, shared paths, utilities and associated costs for the upgrading and/or construction of:

1. **Mundijong Road** between Kargotich Road and Tonkin Highway reservation;
2. **Kargotich Road** between the freight rail crossing and Mundijong Road; and
3. **Bishop Road** between Kargotich Road and Tonkin Highway reservations.

2.2.1 Mundijong Road – Integrator B

Mundijong Road borders a significant portion of the West Mundijong Industrial DCA to the south. Under the Metropolitan Region Scheme (MRS), the road is reserved as an “Other Regional Road” and is identified as a district distributor. The portion of Mundijong Road abutting DCA2 is under control of the Shire.

The road currently exists, but will require changes in width, alignment and configuration to support development envisaged under the MDSP.

The width of the Mundijong Road reserve will be 30m.

The upgrade of Mundijong Road will occur between the Tonkin Highway Reserve and Kargotich Road to the west.

In accordance with SPP 3.6, the following items are included within the DCP for Mundijong Road:



- Land required over and above a standard 20m road reserve, to achieve 30m wide road reserve;
- Earthworks for the whole road reserve;
- The construction and upgrade of one carriageway;
- Associated drainage works including water sensitive urban design measures;
- Traffic control devices and intersection treatments incorporating slip lanes and associated works;
- Shared paths;
- Utility removal, relocation and insertion; and
- Associated costs including design, administration and management.

A detailed breakdown of the costs is contained within a spreadsheet at **Appendix A**.

The following items are not included in the DCP for Mundijong Road:

- Any upgrades to Mundijong Road west of Kargotich Road or east of the Tonkin Highway reserve; and
- Any intersection treatment with Tonkin Highway.

2.2.2 Kargotich Road – Integrator B

Kargotich Road is located to the west of DCA2, providing a north-south connection. Kargotich Road is a Shire controlled road and is not reserved under the MRS. The existing state of Kargotich Road is rural in nature, with a narrow single carriageway allowing for one lane in either direction.

The width of Kargotich Road will be 30m.

The upgrade of Kargotich Road will occur between Mundijong Road and the railway crossing to the north.

In accordance with SPP 3.6, the following items are included in the DCP for Kargotich Road:

- Land required over and above a standard 20m road reserve, to achieve 30m wide road reserve
- Earthworks for the whole road reserve;
- Complete road construction based on a single lane split carriageway with central median;
- Associated drainage works including water sensitive urban design measures;
- Traffic control devices including intersection treatments incorporating slip lanes and associated works;
- Shared paths;
- Utility removal, relocation and insertion; and
- Associated costs including design, administration, and management.

A detailed breakdown of the costs is contained within **Appendix B**.

The following items are not included in the DCP for Kargotich Road:



- Minor intersections treatments into Kargotich Road from the adjoining subdivisional road network. These will be subject to a standard subdivisional truncation requirement; and
- Modifications to the current railway crossing configuration; as this may change in the future when detailed planning is undertaken by the Department of Transport for the future freight rail realignment out of the existing Mundijong and proposed Whitby town sites.

2.2.3 Bishop Road – Integrator B

Bishop Road is located in the northern portion of DCA2, running east-west between Kargotich Road and the Tonkin Highway reserve. Bishop Road is a Shire controlled road and is not reserved under the MRS.

The existing state of Bishop Road is rural in nature, with a narrow single carriageway allowing for one lane in either direction. Changes to the alignment of the road are proposed towards Tonkin Highway and the road is proposed to connect into Tonkin Highway.

The width of Bishop Road will be 30m.

The upgrade and construction of Bishop Road will occur between the Tonkin Highway MRS Primary Regional Road reserve and Kargotich Road.

In accordance with SPP 3.6, the following items are included in the DCP for Bishop Road:

- Land required over and above a standard 20m road reserve, to achieve 30m wide road reserve;
- Earthworks for the whole road reserve;
- Complete road construction based on a single lane split carriageway with central median;
- Associated drainage works including water sensitive urban design measures;
- Traffic control devices including one set of traffic lights, intersection treatments incorporating slip lanes and associated works;
- Shared paths;
- Utility removal, relocation and insertion; and
- Associated costs including design, administration, and management.

A detailed breakdown of the costs is contained within a spreadsheet at **Appendix C**.

The following items are not included in the DCP for Bishop Road:

- Minor intersections treatments into Bishop Road from the adjoining subdivisional road network. These will be subject to a standard truncation requirement; and
Any intersection treatment with Tonkin Highway.

A map showing the roads to be upgraded within this DCP is shown in **Figure 3**.



2.3 Land for Drainage

A significant amount of land will be provided within DCA2 for drainage purposes. This land includes:

- A mix of multiple-use and ecological corridors forming a drainage function; and
- Land purely for drainage purposes.

All land required for drainage is included in the DCP, this will ensure compliance with Clause 9.3.6 of TPS 2, containing the guiding principles for development contribution plans. This will ensure transparency and equity in terms of land required for district benefit. Without the provision of district level drainage, the development of the area holistically could not proceed.

It should be noted that development occurring in the area of the Oaklands Branch Drain F, will need to adequately accommodated in its current location and form, and that no provision has been made within the DCP relating to the investigation or feasibility of relocating the drain to an alternative alignment, or costs associated with any such relocation.

2.3.1 Estimated amount of land for drainage

A significant amount of water planning has been completed for the Mundijong DSP area including a District Water Management Strategy (DWMS) and associated studies. This level of planning allows for the specific identification of land areas required for regional drainage purposes. Based on the information contained in the DWMS, the Mundijong DSP and associated studies, the estimated amount of land to be provided and progress to date, is detailed in **Appendix G**.

2.4. Land for Roads

Additional road reserve land is required for Mundijong Road (30 metre reserve), Kargotich Road (30 metre reserve) and Bishop Road (30 metre reserve). Credits for the land value only applies to the section of road width wider than 20m i.e. if the road is currently 20m wide and is required to be 30m wide, only the additional 10m width will be compensated for through this Development Contribution Plan.

2.4.1 Estimated amount of land for roads

The total estimated amount of creditable land required for road improvements is detailed in **Appendix F**.

2.5. Items not included

Land identified as having purely a conservation value, for example Bush Forever sites and conservation category wetlands, are excluded from the DCP unless they form part of the district drainage network. Foreshore reserves are also excluded from the DCP in accordance with Liveable Neighbourhoods, which states that they will be ceded free of cost.

Whilst the DCP includes land for drainage purposes, it does not include drainage works themselves (i.e. earthworks, drainage infrastructure such as piping, pits, mechanical treatments, water sensitive design treatments or similar). These are considered to be subdivisional works, generally required



by local water management strategies and urban water management plans and are also very difficult to calculate given the varying nature of drainage infrastructure provided and proposed throughout West Mundijong. The drainage works contained within the proposed roads as depicted within the DCP are permitted to be included in accordance with SPP 3.6.

2.6 Total Cost

A summary of the total cost for all infrastructure, land and other items within the DCP is included within **Appendix K**.

Note: Costs associated with the rezoning of the West Mundijong Industrial DCA2, and the preparation of the West Development Contribution Plan and District Structure Plan including associated Traffic Studies, are included within the administration costs. Those “Set up costs” have been offset by grant funding which was received in relation to these items.

Administration costs (actual) to date, plus forecast costs, are detailed in **Appendix I**.

3. Development Contribution Methodology

This section sets out the methodology for determining the development contributions applicable within the West Mundijong Industrial development contribution area.

The formula for equating cost contributions on a per metre basis is as follows:

$$\text{Total Cost} / \text{Total Developable Area} = \text{Rate per metre squared}$$

Utilising information contained within the West Mundijong DCA, the total developable area for the site is as follows:

General Industry Core	2,690,000 m ²
Light Industry Precinct	1,090,000 m ²
Total	3,780,000 m²

Development progress up to the date of this revision, is shown in **Appendix E**.

3.1. Exemptions

Clause 9.3.13.3 of TPS 2 details various situations in which a development contribution is not required.

3.2 Calculating the Contribution Rate for Landowners / Developers

At any point in time, the contribution rate/metre will vary according to number of days since the last Cost Review. For the purposes of this DCP, a “Lot” Contribution is the Contribution per square metre.



The Contribution per metre is calculated by dividing the remaining developable area, by the remaining costs of the DCP.

The contribution rate is also reconciled at each cost review in terms of contributions received to date against expenditure

This reconciliation provides either a surplus or deficit balance, and an adjustment is applied to the costs in the new DCP Report revision, in order to keep the Costs and Contributions at a break-even position.

The DCP Reconciliation figures are available in **Appendix J**.

The updated Cost Apportionment Schedule (CAS) which details the summary of costs and the starting contribution cost per metre for this revision, is included within **Appendix K**.

Example calculations are provided in **Appendix L**. For simplicity, the examples do not factor in the daily indexing as detailed below.

To ensure costs are current during the time between cost reviews, all costs will be escalated on a daily basis calculated from an annual escalation rate. Escalation rates will separately apply to infrastructure costs, land costs and administration costs. The escalation rates will be set at each cost review. The starting point for daily escalation is the approval date for the prevailing cost review.

Three cost escalators are used:

- Administration escalation rate (AER): The Administration Escalation Rate (AER) is the rate used for wages and salaries in the Local Government Cost Index based on WA State Treasury forecasts.
- Infrastructure escalation rate (IER): The Infrastructure Escalation Rate (IER) is taken from a cost series produced by the WA Local Government Association (WALGA). The Road and Bridge Construction forecast is seen as the most appropriate index for infrastructure costs. This index is based on Construction Forecasting Council forecasts.
- Land value escalation rate (LVER): The Land Value Escalation Rate (LVER) is a forecast provided by the land valuer who assessed the englobo land value rate for this Report.

Given that each cost entails a different bundle of items, it is necessary to calculate a weighted escalation rate as follows:

$$ER = (\%IC/TC \times IER) + (\%LV/TC \times LVER) + (\%AC/TC \times AER):$$

ER - is the weighted Escalation Rate;

DER - is the daily escalation rate (ER/365);

IC - is the estimated Infrastructure Cost;

LV - is the estimated Land Value;

AC - is the estimated Administration Cost

TC - is the Total Cost being IC + LV + AC;

IER - is the Infrastructure Escalation Rate;



LVER - is the Land Value Escalation Rate;
AER - is the Administration Escalation Rate; and
D - is the number of days since the last cost review.

4 Priority and Timing of Provision

The priority and timing of provision shall be guided by the following key principles:

- Minimising financial risk to the Shire – this can be achieved through the early acquisition of land required for public purposes (public open space, roads etc.).
- Ensuring a constant turnover of funds – by ensuring the continuous spending of development contributions collected, the Shire minimises the negative consequences of inflation.
- Prioritising the purchase of land identified for public purposes which encompasses all, or a substantial portion of, one landholding – many of these landholdings are essentially “quarantined” from subdivision and/or development and would be difficult to sell to a private buyer.
- Constructing infrastructure on an “as needs” basis – this is especially apparent in the context of road upgrades.
- Undertaking works and land acquisition in areas of fragmented ownership – this assists in the successful and coordinated development of these areas. In areas of consolidated ownership, most infrastructure and land are provided by the developer in lieu of providing cost contributions.

The identification of priorities will be undertaken on an annual basis as a minimum, in parallel with forward financial planning and annual budgeting processes. The following items have been determined by the Shire as current priority items in the order shown:

- i. Kargotich Road
- ii. Bishop Road
- iii. Mundijong Road

5. Period of Operation and Review

The DCP will operate for a period of 10 years from date of gazettal of the related scheme amendment to incorporate the DCP into TPS 2.

The DCP will be reviewed not less than annually, allowing for more frequent reviews to be completed on an as-required basis having regard to cost increases, the rate of subsequent development in the area since the last review and the degree of development potential still existing.

The estimated costs will be reviewed at least annually to reflect changes in funding and revenue sources and indexed based on the Building Cost Index or other appropriate index as approved by the qualified person undertaking the certification of costs referred to in clause 9.3.11.3 of TPS 2.



Where the costing and details of the West Mundijong Industrial Development Contribution Plan report are revised as listed below, the revised report may not be advertised for public comment, but will remain available for public inspection:

- indexed on a standard basis;
- revised based on construction cost increases/decreases;
- revised based on land value increases/decreases; and
- revised based on revisions to the likely lot/dwelling/development area outcome.

6. Operational Matters

This section of the DCP report addresses various operational matters associated with the West Mundijong Industrial DCP.

6.1. Estimation of Costs

This matter is dealt with in Clause 9.3.11 of TPS 2.

6.2. Land Valuation

This matter is dealt with in Clause 9.3.12 of TPS 2.

6.3 Liability and Timing for Contributions

This matter is dealt with in Clause 9.3.13 of TPS 2

6.4 Payment of Contributions

This matter is dealt with in Clauses 9.3.14 of TPS 2.

6.5 Arbitration

This matter is dealt with in Clause 9.3.19 of TPS 2.

6.6 Implementation

Development contributions may be calculated and applied as conditions of subdivision, strata subdivision and development.

6.7 Form of Contributions

Pursuant to Clause 9.3.14 of TPS 2, conditions relating to development contribution requirements can, to the satisfaction of the Shire, be satisfied by:

- cheque or cash;



- transferring to the local government or a public authority land in satisfaction of the cost contribution;
- the provision of physical infrastructure;
- some other method acceptable to the local government; or
- any combination of these methods.

6.8. PRE-FUNDING OF INFRASTRUCTURE ITEMS

6.8.1. CONTEXT

The Shire will support pre-funding and delivery of the infrastructure, provided there are good reasons for doing so and in instances where:

- The Developer wishes to undertake works specified in Appendix 10;
- The works are necessary for the progression of an approved subdivision; and,
- The Shire does not hold sufficient West Mundijong Industrial Development Contribution Plan funds to undertake the works and/or has not prioritised such works.

6.8.2. PRE-FUNDING AGREEMENT

By way of an exchange of letters, the Shire and the Developer will agree the extent, composition and timing of the infrastructure works to be pre-funded. Once agreed, the works become the Approved Works. The Approved Works must be identified sufficiently to ensure the cost and quantities of remaining works in that item can be quantified. This is particularly relevant where linear rates are involved.

6.8.3. PRINCIPLES FOR COST RECOUPMENT

The recoup is to be based on the Current Cost Estimate in Accordance with TPS 2 clause 9.3.11 whereby:

- The current cost estimate (excluding contingency allowance) as described in the prevailing West Mundijong Industrial Development Contribution Plan report shall constitute the claimable amount for the completed Approved Works;
- The cost estimate will be subject to escalation at the rate prescribed from time to time in the West Mundijong Industrial Development Contribution Plan report up to the time of agreed practical completion of the works;
- The cost estimate may be revised due to the periodic Cost Review in which case the updated cost estimate will prevail;
- If the actual cost of the works exceeds the escalated cost estimate, the developer may claim an additional amount not exceeding the contingency allowance provided for this item of work. Such a claim shall be independently substantiated to the satisfaction of the Shire;
- Credit for land will be at valuation in accordance with 9.3.12 of TPS 2 where the valuation is current at time of transfer.



6.8.4. ACCEPTANCE OF WORKS

The developer shall ensure the works are:

- Undertaken in a proper and workmanlike manner;
- In accordance with plans and specifications constituting the Approved Works; and
- Completed within the agreed period.

Following written notification from the Developer that the Approved Works are complete as above, the Shire will confirm the delivery of the Approved Works to its satisfaction.

If the actual cost of the works exceeds the latest cost estimate, the developer may claim an additional amount not exceeding the contingency allowance provided for this item of work. Such a claim shall be independently substantiated to the satisfaction of the Shire.

The Shire can modify, accept or reject the claim where justified, following review of compliance with standards and the cost. Referral to the Mundijong Industry Reference Group for comment should be made where rejection of the claim is proposed.

6.8.5. ACCOUNTING FOR RECOUPMENT

On acceptance of the approved Works by the Shire, the cost of the works shall be credited to the West Mundijong Industrial Development Contribution Plan account of the Developer and escalated by the prevailing borrowing rate. The balance in this account may be used to offset any cost contribution liabilities owed by the Developer. Any balance owed to the Developer on completion of all subdivision on land held by the Developer within the Development Contribution area, shall be subject to the following pay-out provisions:

If a developer has completed development of all their land within the DCP area, and they have a residual credit owed to them, the Developer may apply for this residual credit to be paid out by any available DCP funds. Such decision will be at the discretion of Council, based upon the State Planning Policy 3.6 and the current circumstances of the DCP. This includes the date at which the credit was realised, the status of current priority infrastructure and any new priority infrastructure.”



FIGURES

Figure 1: West Mundijong District Structure Plan 2020 Map



West Mundijong District Structure Plan

Date: February 2016
Pub: 16/02/2016

Scale: 1:5000

Project Number: 2016/001
Drawing Number: 4
Revision: 1

HAMES SHARLEY

LEGEND

- | | | |
|--|------------------------------|---------------------------------------|
| — MUNDIJONG DSP BOUNDARY | ■ MEDIUM - HIGH: R40-100 | ● WASTE WATER PUMP STATION AND BUFFER |
| ■ DISTRICT CENTRE | ■ LOW (SUBURBAN): R20-35 | ○ DIA BOUNDARY |
| ■ NEIGHBOURHOOD CENTRE | ■ LOW (TRANSITIONAL): R10-15 | ○ DEVELOPMENT INVESTIGATION AREA |
| ■ PUBLIC PURPOSE - UTILITIES | ■ SPECIAL USE | ○ EXISTING HIGH SCHOOL |
| ■ COMMUNITY AND PUBLIC PURPOSE | ■ RURAL SMALL HOLDINGS | ○ EXISTING PRIMARY SCHOOL |
| ■ LIGHT INDUSTRIAL | ■ RURAL | ○ HIGH SCHOOL |
| ■ INDUSTRIAL | ■ URBAN EXPANSION | ○ PRIMARY SCHOOL |
| ■ BUSH FOREVER | ■ PRIMARY DISTRIBUTOR | ○ DISTRICT OPEN SPACE |
| ■ DISTRICT/ NEIGHBOURHOOD OPEN SPACE | ■ DISTRICT DISTRIBUTOR | ○ NEIGHBOURHOOD OPEN SPACE |
| ■ RESERVE | ■ RAILWAY RESERVE | ○ UNIVERSITY/ INNOVATION HUB |
| ■ MULTIPLE USE CORRIDOR/LOCAL OPEN SPACE | ■ FREIGHT RAIL REALIGNMENT | ○ CEMETERY |
| ■ INTER-MODAL FACILITY | ■ RAIL LINE | ○ EMERGENCY SERVICES |
| ■ HIGH FREQUENCY TRANSIT CORRIDOR | ○ TRANSIT NODE | |



Figure 2: West Mundijong Industrial Development Contribution Area

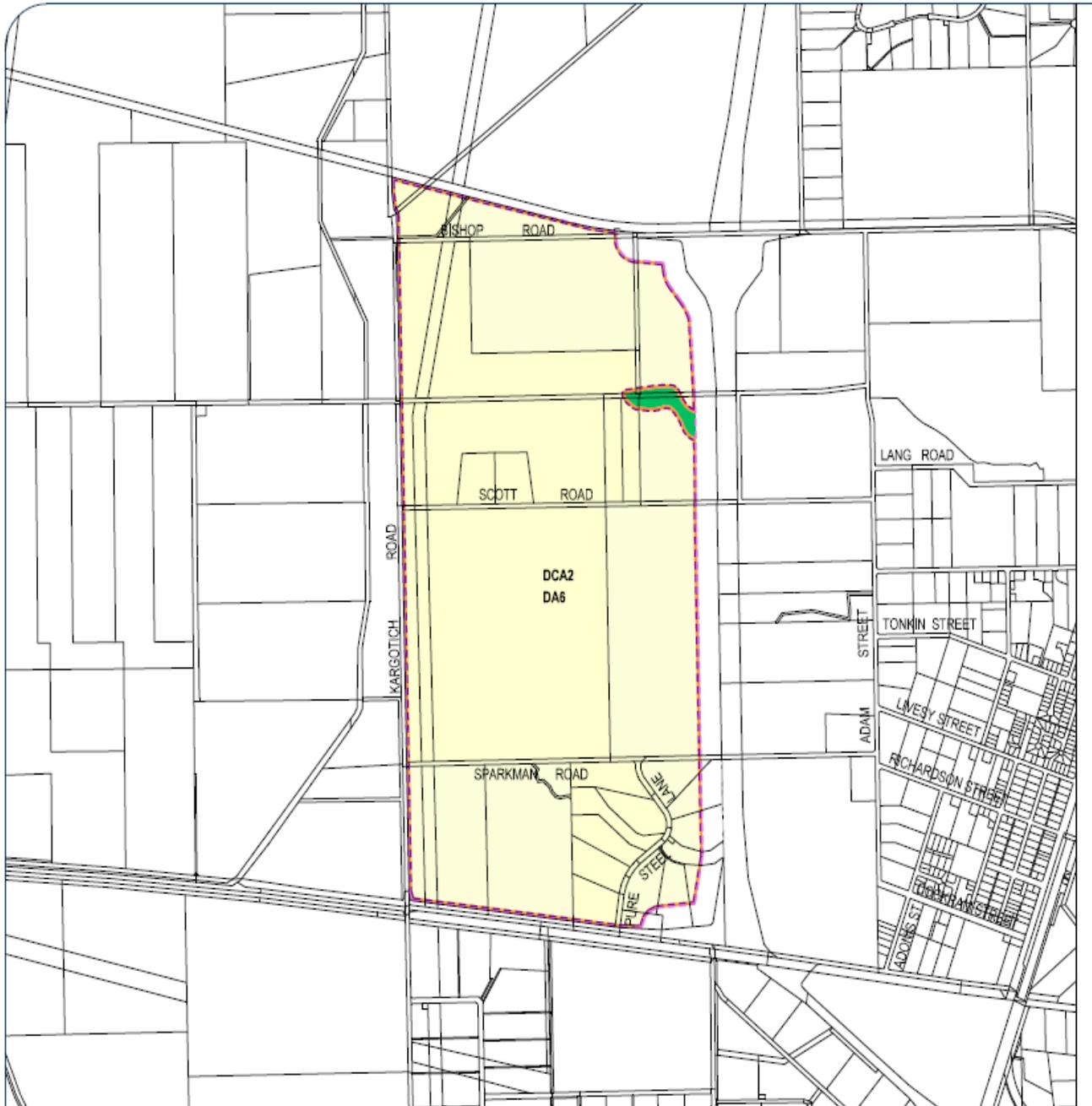
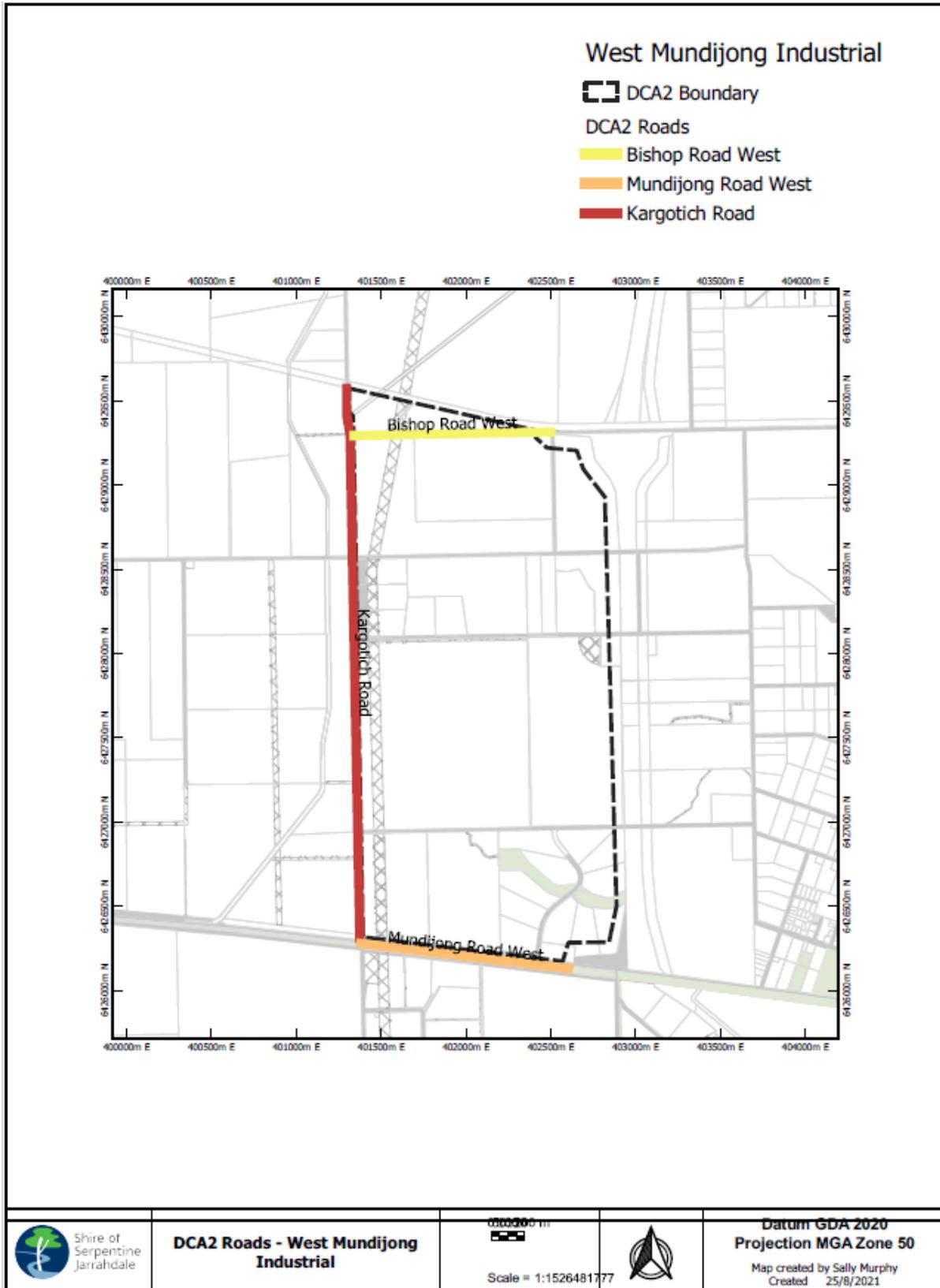




Figure 3: Roads to be upgraded in DCA2





Appendices

- Appendix A – Mundijong Road Costing Spreadsheet
- Appendix B – Kargotich Road Costing Spreadsheet
- Appendix C – Bishop Road Costing Spreadsheet
- Appendix D – *Not Applicable*
- Appendix E – Development Progress
- Appendix F – Land for Roads
- Appendix G – Drainage/POS Land
- Appendix H – Land Values
- Appendix I – Administration Costs
- Appendix J – Cost Reconciliation
- Appendix K – Cost Apportionment Schedule
- Appendix L – Example Calculations

Appendix A - Mundijong Road

Cost Estimate

Mundijong Road between Kargotich Road to Tonkin Highway

Assumptions = Length 1527m, pavement 1/7.0m, 1/3.00m shared path

Item	Description	Unit	Quantity	Rate (\$)	Amount (\$)	Comments
1	Establishment/Preliminaries					
	General Condition of Contract ,					Specification, documentation, design, plans QA
	General Requirements					BCITF Levy, Insurance
	Management Requirements (0.15% Provisional Sum)	item	\$4,828,039	0.150	\$724,206	Community Consultation and Notification, Mobilisation & Establish, Supervision and Overheads, Survey, QA, Demobilisation & cleanup; Includes Engineering fees TMP, CMP & DMP; Excludes PU Works (Increased costs due to stage construction)
	Local Gov. Supervision	item	\$4,828,039	0.015	\$72,421	1.5% Road Costs
	Subtotal Establishment/Preliminaries				\$796,627	
2	Earthworks					
	Site clearing	ha	3.82	20,850.00	\$79,595	
	Stripping 100 mm topsoil and stockpile for respreading (assuming 60% of earthwork area)	ha	3.82	10,660.00	\$40,695	
	Excavation and removal of unsuitable material	m3	7,347.60	26.90	\$197,650	
	Backfilling unsuitable material excavations with site excavated material or imported material	m3	38,175.00	25.50	\$973,463	Average 1000mm of fill length of road.
	Subgrade preparation for pavement	m2	15,270	\$3.65	\$55,736	
	Stabilisation and Mulsh(Provisional Sum)	ha	2.0	\$4,475.00	\$8,883	
	Subtotal Earthworks				\$1,038,081	
3	Drainage					
	Surface drainage, storm water drainage, drainage structures (Provisional Sum)	item	1	762,000.00	\$762,000	
	Water Sensitive Landscape (Provisional Sum)	item	1	507,500.00	\$507,500	
	Subtotal Drainage				\$1,269,500	
4	Pavement & Surfacing					
	Supply and place 300mm thick limestone sub-base compacted to 95% MMDD	m2	15270	\$24.40	\$372,588	Pavement 7.0mx1
	Supply and place 150mm crushed rock base course compacted to 98% MMDD	m2	15270	\$18.30	\$279,441	
	Apply 10mm thick primer seal to base course	m2	12216	\$5.30	\$64,745	2.5m sealed shoulders
	Construct 40mm compacted depth dense graded asphalt (7mm nominal granite aggregate size)	m2	10689	\$18.10	\$193,471	
	Semi Mountable Kerbing	m	0	\$52.00	\$0	
	Brick paving units on and including 30mm sand bedding (in medians)	m2	1800	\$76.10	\$136,980	Intersection paving-nibs only
	Construct 100mm thick, class N20 concrete, broom finished dual use pathway With control joints at 1.25m centres and 12mm wide expansion joints at 5m centres	m2	3818	\$71.05	\$271,233	path 3.0m
	Intersection channelisation	No	1	\$250,000.00	\$250,000	
	Subtotal Pavement & Surfacing				\$1,568,458	
5	Traffic Facilities					
	Signal Intersection (Provisional Sum)	No	2	\$300,000.00	\$600,000	
	Signs (Provisional Sum)	item	1	\$16,000.00	\$16,000	
	Pavement Marking (Provisional Sum)	item	1	\$16,000.00	\$16,000	
	Traffic Management	days	100	\$2,700.00	\$270,000	
	Subtotal Traffic Facilities				\$902,000	
6	Public Utilities					
	Western Power - Roadway Lighting (Provision Sum)	item	1	\$783,500.00	\$783,500	
	Western Power - Underground Existing	item	1	\$82,100.00	\$82,100	
	Western Power - Underground Distribution	item				
	Telstra	item	1	\$195,000.00	\$195,000	
	Water Corporation	item	1		\$0	
	WestNet Energy	item	1		\$0	
	Subtotal Public Utilities				\$1,060,600	
7	Miscellaneous					
	As constructed Land	item	1	\$50,000.00	\$50,000	
	Subtotal Miscellaneous				\$50,000	
	Total Cost Estimate				\$6,685,266	
	Contingency @ 10%				\$156,846	Road Pavement
	Contingency @ 20%				\$864,036	Eathworks , Drainage + PUs
	Total Including Contingency				\$7,706,148	

Less Grant received for roundabout

-\$1,250,000

New total

\$6,456,148

Indexed at 1.8% for FY 21/22

\$6,572,358.63

Cost Estimate
Kargotich Road- Mundijong Road to the railway line

Assumptions = Length 3330m, pavement 2/5.50m, 1/2.5m shared paths

Item	Description	Unit	Quantity	Rate (\$)	Amount (\$)	Comments
1	Establishment/Preliminaries					
	General Condition of Contract ,					Specification, documentation, design, plans QA Splitting Design and Contractual Prelims
	General Requirements					BCITF Levy, Insurance
	Management Requirements (15% Provisional Sum)	item	\$7,463,903	0.150	\$1,119,585	Community Consultation and Notification, Mobilisation & Establish, Supervision and Overheads, Survey, QA, Demobilisation & cleanup; Includes Engineering fees TMP, CMP & DMP; Excludes PU Works (Increased costs due to stage construction)
	Local Gov. Supervision		\$7,463,903	0.015	\$111,959	1.5% of Road Costs
	Subtotal Establishment/Preliminaries				\$1,231,544	
2	Earthworks					
	Site clearing (assuming 60% area of earthwork area)	ha	1.5	\$15,225	\$22,815	
	Stripping 100 mm topsoil and stockpile for respreading (assuming 60% of earthwork area)	ha	1.5	\$7,611	\$11,405	
	Excavation and removal of unsuitable material	m3	9,740.3	\$26.90	\$262,013	300mm excavation
	Backfilling unsuitable material excavations with imported material	m3	24,975.0	\$25.50	\$636,863	1000mm import
	Subgrade preparation for pavement	m2	24,975.0	\$3.65	\$91,159	
	Stabilisation and Mulsh(Provisional Sum)	ha	3.0	\$4,475	\$13,412	for hydromulch only
	Subtotal Earthworks				\$1,037,665	
3	Drainage					
	Surface drainage, storm water drainage, drainage structures (Provisional Sum)	item	1	\$1,774,475	\$1,774,475	
	Water Sensitive Landscape (Provisional Sum)	item	1	\$676,000	\$676,000	
	Subtotal Drainage				\$2,450,475	
4	Pavement & Surfacing					
	Supply and place 300mm thick limestone sub-base compacted to 95% MMDD	m2	24975	\$24.40	\$609,390	
	Supply and place 150mm crushed rock base course compacted to 98% MMDD	m2	24975	\$18.30	\$457,043	
	Apply 7mm thick primer seal to base course	m2	21645	\$5.30	\$114,719	
	Construct 40mm compacted depth dense graded asphalt (7mm nominal granite aggregate size)	m2	18315	\$18.10	\$331,502	1/5.50m carriageway
	Semi Mountable Kerbing	m	3330	\$52.00	\$173,160	
	Flush kerb	m	3330	\$61.00	\$203,130	
	Brick paving units on and including 30mm sand bedding (in medians)	m2	1890	\$76.10	\$143,829	intersection nib paving only
	Construct 100mm thick, class N20 concrete, broom finished dual use pathway With control joints at 1.25m centres and 12mm wide expansion joints at 5m centres	m2	8325	\$71.05	\$591,491	1/2.5m paths 3330m
	Intersection Channelisation	item	4	\$250,000	\$1,000,000	
	Subtotal Pavement & Surfacing				\$3,624,263	
5	Traffic Facilities					
	Signal Intersection	item		266,500	\$0	N/A
	Signs (Provisional Sum)	item	1	15,750	\$15,750	
	Pavement Marking (Provisional Sum)	item	1	15,750	\$15,750	
	Traffic Management	days	100	2,700	\$270,000	
	Subtotal Traffic Facilities				\$301,500	
6	Public Utilities					
	Western Power - Roadway Lighting (Provision Sum)	item	1	\$1,026,800	\$1,026,800	Street lighting
	Western Power - Underground Existing	item	1	\$171,800	\$171,800	Existing power supply lines
	Western Power - Underground Distribution	item			\$0	N/A
	Telstra	item	1	\$303,300	\$303,300	Relocate existing cable
	Water Corporation	item			\$0	N/A
	WestNet Energy	item			\$0	N/A
	Subtotal Public Utilities				\$1,501,900	
7	Miscellaneous					
	As constructed Land	item	2	\$25,000	\$50,000	two stages
	Subtotal Miscellaneous				\$50,000	
	Total Cost Estimate				\$10,197,347	
	Contingency @ 10%				\$501,343	Roads and balance
	Contingency @ 20%				\$790,475	Drainage and PUs
	Total Including Contingency				\$11,489,165	

Cost Estimate
Bishop Road between Kargotich Road and Tonkin Hwy

Assumptions = Length 1175m, pavement 2/5.50m, 1/3.0m shared paths

Item	Description	Unit	Quantity	Rate (\$)	Amount (\$)	Comments
1	Establishment/Preliminaries					
	General Condition of Contract ,					Specification, documentation, design, plans QA Splitting Design and Contractual Prelims BCITF Levy, Insurance
	General Requirements					
	Management Requirements (15% Provisional Sum)	item	\$3,371,361	0.150	\$505,704	
	Local Gov. Supervision		\$3,371,361	0.015	\$50,570	1.5% of Road Costs
	Subtotal Establishment/Preliminaries				\$556,275	
2	Earthworks					
	Site clearing (assuming 60% area of earthwork area)	ha	1.62	\$20,850	\$33,808	
	Stripping 100 mm topsoil and stockpile for respreading (assuming 60% of earthwork area)	ha	1.62	\$10,660	\$17,285	
	Excavation and removal of unsuitable material	m3	3,172.5	\$26.90	\$85,340	300mm excavation
	Backfilling unsuitable material excavations with imported material	m3	35,250.0	\$25.50	\$898,875	1000mm import
	Subgrade preparation for pavement	m2	15,275.0	\$3.65	\$55,754	
	Stabilisation and Mulsh(Provisional Sum)	ha	2.0	\$4,475	\$8,939	for hydromulch only
	Subtotal Earthworks				\$1,100,001	
3	Drainage					
	Surface drainage, storm water drainage, drainage structures (Provisional Sum)	item	1	\$626,128	\$626,128	
	Water Sensitive Landscape (Provisional Sum)	item	1	\$238,525	\$238,525	
	Subtotal Drainage				\$864,653	
4	Pavement & Surfacing					
	Supply and place 300mm thick limestone sub-base compacted to 95% MMDD	m2	15275	\$24.40	\$372,710	
	Supply and place 150mm crushed rock base course compacted to 98% MMDD	m2	15275	\$18.30	\$279,533	
	Apply 7mm thick primer seal to base course	m2	14805	\$5.30	\$78,467	
	Construct 40mm compacted depth dense graded asphalt (7mm nominal granite aggregate size)	m2	12925	\$18.10	\$233,943	2/5.50m
	Semi Mountable Kerbing	m	2350	\$52.00	\$122,200	
	Flush kerb	m	2350	\$61.00	\$143,350	
	Brick paving units on and including 30mm sand bedding (in medians)	m2	630	\$76.10	\$47,943	intersection nib paving only
	Construct 100mm thick, class N20 concrete, broom finished dual use pathway With control joints at 1.25m centres and 12mm wide expansion joints at 5m centres	m2	2938	\$71.05	\$208,709	1/2.5m paths 1175m
	Intersection Channelisation	item	0	\$210,000	\$0	At Kargotich
	Subtotal Pavement & Surfacing				\$834,611	
5	Traffic Facilities					
	Signal Intersection	item	1	266,500	\$266,500	At N-S Spne Road
	Signs (Provisional Sum)	item	1	10,425	\$10,425	
	Pavement Marking (Provisional Sum)	item	1	10,270	\$10,270	
	Traffic Management	days	90	2,610	\$234,900	
	Subtotal Traffic Facilities				\$522,095	
6	Public Utilities					
	Western Power - Roadway Lighting (Provision Sum)	item	1	\$ 361,900	\$367,328	Street lighting \$308/m
	Western Power - Underground Existing	item	1	\$ 364,000	\$369,960	Existing WP power lines
	Western Power - Underground Distribution	item				N/A
	Telstra	item			\$0	N/A
	Water Corporation	item				N/A
	WestNet Energy	item			\$0	N/A
	Subtotal Public Utilities				\$737,288	
7	Miscellaneous					
	As constructed	item	2	\$25,000.00	\$50,000	two stages
	Land					
	Subtotal Miscellaneous				\$50,000	
	Total Cost Estimate				\$4,664,923	
	Contingency @ 10%				\$250,671	Roads and balance
	Contingency @ 20%				\$320,388	Drainage and Pus
	Total Including Contingency				\$5,235,982	



Appendix D - Not Applicable



Ms Sally Murphy
Coordinator Development Contributions
Shire of Serpentine Jarrahdale
By Email: smurphy@sishire.wa.gov.au

Email: michael.scott@mmj.com.au
Direct Tel: +61 (08) 9325 5880

Our ref: 210160

Date: 26 August 2021

Dear Sally,

Re: West Mundijong DCP – Land Valuation (Light Industry and General Industry)

We refer to your instruction to provide \$/m² rates for Light Industry / General Industry land within the proposed West Mundijong Development Contribution Plan (DCP) area which will apply for the 2020/21 financial year.

The date of this advice is at 1 October 2021 in accordance with our instruction.

The West Mundijong DCP involves the acquisition of land required for purposes of the DCP including, but not limited to: road widening and drainage.

Appendix 10B of the Shire of Serpentine Jarrahdale Town Planning Scheme No. 2 describes the works and associated land for the implementation of the West Mundijong DCP. Provisions of the State Planning Policy 3.6 (SPP 3.6) require that each land transferred to the Crown be valued in accordance with the principles of Market Value.

Definition of Market Value

The Australian Property Institute (API) has adopted the international definition of Market Value, namely:

‘Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion’

It should be noted that within this definition no account is taken of the value or other advantage of benefit, additional to market value, to the buyer incidental to ownership of the property being valued. It therefore excludes any premium that may be applicable by a “special purchaser” such as an adjoining owner.

SPP 3.6 applies to the DCP. The definition of Value reference in SPP 3.6 recited hereunder also applies:

“Value” means the fair market value of the land, at a specified date, which is defined as the capital sum that would be negotiated in an arms length transaction in an open and unrestricted market, assuming the highest and best use of the land with all its potential and limitations (other than the limitations arising from the transaction for which the land is being valued), wherein the parties act knowledgeably, prudently and without compulsion to buy or sell.

Market Uncertainty (as recommended by the API)

The outbreak of the Novel Coronavirus (COVID-19) was declared as a ‘Global Pandemic’ by the World Health Organisation on 11 March 2020.

We have seen global financial markets and travel restrictions and recommendations being implemented by many countries, including Australia.

The real estate market is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of valuation we consider that there is a significant market uncertainty.



This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation).

We do not accept responsibility or liability for any losses arising from such subsequent changes in value.

Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically.

Valuation Methodology

Market Value shall be determined by methodology primarily based on comparable sales evidence. Analysis of comparable sales shall account for all circumstances that might affect value, either advantageously or prejudicially, and that development contributions or other statutory charges are not attributable to the land.

For avoidance of doubt and assistance in interpretation of SPP 3.6 a discount of 2.5% including GST, being an allowance for selling costs (sales commission, marketing and legal costs), shall be applied to Market Value based on definitions and Spencer Case principles.

Other Valuation Considerations

Market Values of Land shall include GST.

We have been specifically instructed that the Valuations should have due regard to the characteristics of the Land including:

- a) highest and best use, zoning, development density and efficiency;
- b) physical characteristics such as size, topographical, aesthetic, geological and environmental factors;
- c) location, access and surrounding amenities;
- d) market conditions and the then present demand for land; and
- e) development contribution levies as listed in the current Development Contribution Plan Report.

Valuations should assume that the Land:

- a) benefits from reticulated services to a boundary (including water, sewer, power, reticulation etc.);
- b) is unimproved;
- c) is unencumbered by native title or contamination detriments; and
- d) the englobo land area of the parent landholding is as at the date the West Mundijong District Structure Plan was adopted by the Shire of Serpentine Jarrahdale. We understand the DCP has been adopted by Council and endorsed by the WAPC as part of Scheme Amendment No.187 which was gazetted in February 2018.

Assumptions

As per your instruction we are to assume the following:

Light Industry / General Industry:

This rate is to be based on an indicative industrial zoned land parcel with no servicing constraints within the West Mundijong DCA. It is to be assumed the typical land parcel is a regular shaped 5 hectare area that requires servicing but is within close proximity to services so there are no major servicing constraints and no major geotechnical/environmental issues.

The use of the 5 hectare englobo lot size is based on an assumption that this represents a common sized parent land holding in the industrial zone.

Land Value Escalation Rate:

An estimate of the expected land value escalation rate (LVR) for the following twelve months is required. A common rate is required to apply to the 'Light Industry' and 'General Industry' zones.



Market Commentary

Local Market Overview

The Perth industrial property market softened over the past 4 to 6 years prior to 2020 in line with the slowing of the mining / resources sectors. In late 2020 there were signs of stability and early growth. In 2021 the market appears to have experienced growth.

Strong demand current exists for strongly leased assets. The demand coupled with low interest rates has resulted in yields tightening over the previous 36 months.

Land values remained stable over 2018 until 2020 with reasonable demand for property within prime industrial locations. It appears land value have experienced growth over 2021.

Market Evidence

In deriving a market value for the Light Industry and General Industry land rates within the West Mundijong DCP area we have analysed recent sales of englobo properties from throughout Mundijong and the Perth metropolitan area. It is important to note there has been limited recent sales activity within the West Mundijong DCP area and a general lack of sales activity for similar land across metropolitan Perth.

Sales Evidence – West Mundijong Development Contribution Plan Area

Lot 394 Bishop Road, Cardup	
Sale Price:	\$1,100,000 GST inclusive
Sale Date:	December 2020
Site Area:	219,339 square metres
\$/m² Site Area:	\$8.50
Comment:	<p>Highly irregular shaped allotment split into two separate portions by a high voltage powerline easement. The site fronts Bishop Road to the south and adjoins the rail line to the north.</p> <p>Zoned 'General Industry' under the West Mundijong District Structure Plan and 'Industrial' under the MRS.</p> <p>The property appears to have sold off market and we have not been able to obtain any further details of the transaction. We have exercised an element of caution when relying on the sale.</p>

Source: Landgate



Lot 13 Kargotich Road, Mundijong	
Sale Price:	\$1,320,000 GST inclusive
Sale Date:	February 2020
Site Area:	44,300 square metres
\$/m² Site Area:	\$29.80 (overall) \$43.28 (developable)
Comment:	<p>Slightly irregular shaped vacant allotment fronting the north eastern corner of Kargotich Road and Scott Road. A 330 kV power pylon is situated on the property with the overhead lines running north to south over the property. The land is generally level throughout and is mostly cleared of bush.</p> <p>The property is zoned 'Industrial Development' under the Shire of Serpentine / Jarrahdale Local Planning Scheme No.3 and 'Industrial' under the MRS. The property is zoned 'General Industry' and part 'Multiple Use Corridor' under the West Mundijong DCP.</p> <p>The property sold with development approval in place for a 1,450 square metre factory / warehouse plus hardstand on 6,000 square metres of the site.</p> <p>Based on the draft West Mundijong DSP we have estimated approximately 3.05 hectares of land is zoned 'General Industry' with the balance of the land being approximately 1.38 hectares and zoned 'Multiple Use Corridor'. The rate per square metre on developable land is \$43.28.</p>



Source: Landgate



184 (Lot 9) Scott Road, Mundijong	
Sale Price:	\$1,425,000 GST Free
Sale Date:	April 2017
Site Area:	40,000 square metres
\$/m² Site Area:	\$35.63 (overall) \$20.63 (analysed)
	
	Source: Landgate
Comment:	<p>Slightly irregular shaped allotment fronting the northern side of Scott Road; an unsealed road which extends west off Kargotich Road. The property is improved with a circa 1990's built residence of brick and iron construction and is presented in good condition overall. Accommodation comprises three bedrooms, two bathrooms, kitchen, dining, living, games area and double attached carport. Ancillary improvements comprise; a freestanding workshop with store and lean-to covered area, steel freestanding garage and landscaped curtilage area. The land is level throughout and mostly cleared of bush.</p> <p>The sale price reflects an improved land rate of \$35.63 per square metre. The improvements are considered to add circa \$600,000 which results in an underlying land value of \$825,000 and represents an analysed land rate of \$20.63 per square metre.</p> <p>At the date of sale the property was zoned 'Farmlet' under the Shire of Serpentine / Jarrahdale Town Planning Scheme No. 2 and 'Industrial' under the MRS. The property is zoned entirely 'General Industry' within the West Mundijong DCP area.</p> <p>The property sold on market and was advertised as future industrial land.</p>



Lot 11 Kargotich Road, Mundijong

Sale Price:	\$800,000 GST Free	
Sale Date:	October 2016	
Site Area:	46,000 square metres	
\$/m² Site Area:	\$17.39 (overall) \$23.53 (developable)	

Source: Landgate

Comment:	<p>Rectangular shaped vacant allotment fronting the eastern side of Kargotich Road. A 330 kV power pylon is situated on the property with overhead lines running north to south over the property. The land is generally level throughout and is mostly cleared of bush.</p> <p>At the date of sale the property was zoned 'Farmlet' under the Shire of Serpentine / Jarrahdale Town Planning Scheme No. 2 and 'Industrial' under the MRS. The property is zoned part 'General Industry' and part 'Multiple Use Corridor' within the West Mundijong DCP area. The property will front the corner of Kargotich Road and Leipold Road under the DCP.</p> <p>Based on the DCP we have estimated approximately 3.4 hectares of land to be zoned 'General Industry' with the balance of the land being approximately 1.2 hectares and zoned 'Multiple Use Corridor'. The rate per square metre on developable land is \$23.53</p>
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Lot 12 Kargotich Road, Mundijong

Sale Price:	\$765,000 GST Free	
Sale Date:	September 2016	
Site Area:	44,600 square metres	
\$/m² Site Area:	\$17.15 (overall) \$23.76 (developable)	

Source: Landgate

Comment:	<p>Slightly irregular shaped vacant allotment fronting the eastern side of Kargotich Road. Overhead 330 kV power lines run north to south over the property. The land is generally level throughout and is mostly cleared of bush.</p> <p>At the date of sale the property was zoned 'Farmlet' under the Shire of Serpentine / Jarrahdale Town Planning Scheme No. 2 and 'Industrial' under the MRS. The property is zoned 'General Industry' and part 'Multiple Use Corridor' West Mundijong DCP.</p> <p>Based on the West Mundijong DCP we have estimated approximately 3.22 hectares of land is zoned 'General Industry' with the balance of the land being approximately 1.24 hectares and zoned 'Multiple Use Corridor'.</p>
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Perth Metropolitan – Englobo Industrial Sales Evidence

Address	Sale Date	Sale Price	Land Area (m²)	\$/m²
139 Phillips Road, Wattleup	April 2021	\$1,420,000 GST free	19,800	\$72
<p>Regular shaped allotment fronting Phillips Road within Hope Valley / Wattleup Redevelopment Area. The property is improved with an older style single level residence considered to be of no added value to the land.</p> <p>The property is zoned 'Development Area 4 – Hope Valley / Wattleup Redevelopment Area' and is within 'Precinct 7 – Northern Transport'.</p>				
400 Wattle Avenue East, Neerabup	September 2020	\$1,250,000 GST free	88,096	\$14.19
<p>Rectangular shaped allotment which is traversed by an excision of land, which appears to be an area reserved for the future extension of Wattle Avenue East, over an approximate two thirds of the length of the site from the north eastern corner towards the south western. The resultant site is highly irregular in shape. The property comprises a bush block adjacent to Barbagallo Race Way.</p> <p>Zoned 'Industrial Development' under the City of Wanneroo District Structure Plan No.2 and 'Industrial' under the MRS.</p>				
96 Dalison Avenue, Wattleup	December 2019	\$1,375,000 GST inclusive	18,894	\$72.77
<p>Rectangular shaped allotment situated to the corner of Dalison Avenue and Moylan Road within the Hope Valley / Wattleup Redevelopment Area. The property is improved with a dated single level residence considered to add no value to the property.</p> <p>The property is zoned 'Development Area 5 – Hope Valley / Wattleup Redevelopment Area' under the MRS. The Development Area applies under the City of Kwinana and the MRS.</p> <p>The property was purchased by LandCorp in a negotiated acquisition. LandCorp has purchased a number of similar 1 – 2 hectare properties within the Hope Valley/Wattleup Redevelopment Area and generally pay \$70 - \$80 per square metre per site.</p>				
950 Rockingham Road, Wattleup	October 2019	\$1,100,000 GST inclusive	30,756	\$35.77
<p>Rectangular shaped unimproved and cleared allotment fronting Rockingham Road within the Hope Valley / Wattleup Redevelopment Area.</p> <p>The property is zoned 'Development Area 5 – Hope Valley / Wattleup Redevelopment Area' under the MRS and reflects a future industrial site. The transaction was a mortgagee in possession sale and may have resulted in a lower purchase price.</p>				
194 Anstey Road, Forrestdale	August 2019	\$5,500,000 GST inclusive	59,574	\$92.32
<p>Comprises a rectangular shaped allotment improved by a six bedroom three bathroom brick and iron residence. Situated in close proximity to Forrestdale Business Park and Tonkin Highway. The Dampier – Bunbury Natural Gas Pipeline runs through the southern boundary of the lot. Represents an industrial englobo site with the minimum lot size for 'Industry – General' land being 3,000 square metres.</p> <p>The property was purchased by the West Australian Land Authority.</p> <p>Zoned 'Industry – General' under the Forrestdale Business Park (West) Structure Plan. The property is contained within the jurisdiction of the Metropolitan Redevelopment Authority in the 'Armada Redevelopment Scheme Area' and therefore does not have a Local Planning Scheme zoning. The property is planned to be used to extend the Forrestdale Business Park. Zoned 'Rural' under the MRS.</p>				



Address	Sale Date	Sale Price	Land Area (m ²)	\$/m ²
186 Anstey Road, Forrestdale	August 2019	\$4,875,000 GST free	59,789	\$81.54
<p>Comprises a slightly irregular shaped allotment improved by a three bedroom two bathroom brick and tile residence. Situated in close proximity to Forrestdale Business Park and Tonkin Highway. The Dampier – Bunbury Natural Gas Pipeline runs through the southern boundary of the lot. Represents an industrial englobo site with the minimum lot size for 'Industry – General' land being 3,000 square metres.</p> <p>The property was purchased by the West Australian Land Authority.</p> <p>Zoned 'Industry – General' under the Forrestdale Business Park (West) Structure Plan. The property is contained within the jurisdiction of the Metropolitan Redevelopment Authority in the 'Armadale Redevelopment Scheme Area' and therefore does not have a Local Planning Scheme zoning. The property is planned to be used to extend the Forrestdale Business Park. Zoned 'Rural' under the MRS.</p>				
67 Victoria Road, Kenwick	July 2019	\$1,980,000 GST inclusive	20,200	\$98.02
<p>The property comprises a long and narrow 2.02ha site improved with hardstand and a dated brick and tile caretakers residence / office. The improvements are not considered to add value.</p> <p>The property is situated within the Maddington Kenwick Strategic Employment Area Precinct 1 and is zoned 'Business Development' under the City of Gosnells Town Planning Scheme No.6.</p> <p>Discussions with the selling agent confirmed the property was free of any Threatened Ecological Communities. Discloses a GST free rate on land area of \$89 per square metre.</p>				
Lots 6, 8 and 200 Rowley Road, Forrestdale	Under Option Mid 2019	\$18,000,000 GST free	1,000,000	\$18.00
<p>Three contiguous allotments situated within a future industrial precinct to the south of Forrestdale Lake Nature Reserve. All three lots front Rowley Road. Lot 200 is situated to the corner of Tonkin Highway and Rowley Road with Lots 6 and 8 adjoining Lot 200 to the west. The sites are predominantly cleared, flat and level. High voltage power lines traverse Lot 8 to its western boundary.</p> <p>Zoned 'Industrial' under the MRS and predominantly 'Industrial Development' with a small strip of land fronting Rowley Road zoned 'Rural Living 20' under the City of Armadale Town Planning Scheme No.4.</p> <p>Discussions with Mr Gary Jones of Murdoch Jones Real Estate, selling agent, have indicated the property is currently subject to an option agreement with a purchase price of \$18,000,000. The option is six months into a two year agreement with a number of planning outcomes to be reached before the option is exercised. Mr Jones indicated a structure plan complete with environmental reports etc was close to being submitted to achieve rezoning on a Local Government level. We were unable to obtain any further details of the option agreement including whether any option fee was payable.</p>				
12 Watt Link, Forrestdale	June 2019	\$1,595,000 GST inclusive	33,176	\$48.08
<p>L-shaped allotment fronting Ranford Road opposite its intersection with McNeil Road. Additional frontage is provided to Watt Link. The property is situated to the north eastern periphery of the Forrestdale Business Park. The site is flat and level. High voltage powerlines (330kW) traverse the south eastern portion of the site. Construction of any buildings will be restricted under the powerlines reducing the developable area of the site.</p> <p>Zoned 'Service Commercial' under the Forrestdale Business Park Structure Plan.</p>				
51 Sayer Road, Hope Valley	August 2018	\$1,400,000 GST exclusive	20,400	\$68.63
<p>A rectangular shaped allotment fronting the southern side of Sayer Road, within the Hope Valley / Wattleup Redevelopment Area. The property is improved with an older style residence and basic steel workshop / shed which is considered to be of no added value to the land.</p> <p>The property is situated within the Hope Valley / Wattleup Redevelopment Area and is within 'Precinct 3'.</p> <p>The property was purchased by LandCorp in an off market transaction. LandCorp has purchased a number of similar 1 – 2 hectare properties within the Hope Valley / Wattleup Redevelopment Area and generally pay \$65 - \$80 per square metre per site.</p>				



General Comments

- The Perth industrial market has experienced growth over 2021 on the back of strong resource and logistics sectors however this has also coincided with an increase in construction and development costs.
- The proposed West Mundijong industrial area is considered isolated from established urban/commercial areas and main transport links in comparison to other industrial estates in the wider Perth metropolitan area. This is considered to have a negative impact on the property values in the area however should become more attractive once necessary infrastructure is established.
- The impact of ongoing outbreaks of the COVID-19 virus is an event that has the potential to have a detrimental impact on property markets in the short to medium term.
- Analysed sales evidence discloses a rate per square metre on land area range of \$8.50 to \$92.32 for sites ranging in size from 18,894 to 1,000,000 square metres.
- Based on the above sales activity which has occurred within the West Mundijong DCP area it appears that an appropriate land rate applicable to an assumed 5 hectare 'General Industry/Light Industry' lot would be in the range of \$22.50 to \$27.50 per square metre, GST inclusive. Due regard has been made to the assumptions required particularly surrounding servicing.

Estimated Land Value

Light Industry and General Industry

Based on the information available to us and taking into consideration the 2.5% discount applicable we have adopted as at 1 October 2021 a land rate of \$24.00 per square metre including GST.

Land Value Escalation Rate (LVR)

Based on current market conditions and location I consider an estimated growth rate within the West Mundijong DCP to be in the range of -0.50% to 1.50%. We have adopted 0.0% as our predicted growth for land values over the next 12 months.

Limiting Conditions

Valuation Qualifications

Neither the whole nor any part of this valuation report or any reference to it may be included in any published document, circular or statement without the written approval of MMJ Real Estate (WA) Pty Ltd as to the form and context in which it may appear.

This valuation report has been prepared for the specific purpose stated. Any party that relies upon it for an alternative purpose without reference to MMJ Real Estate (WA) Pty Ltd does so at its own risk.

Market Movement Clause

This valuation is current as at the date of valuation only. The value assessed herein may change significantly unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.



Solicitor Mortgage Funds

MMJ Real Estate (WA) Pty Ltd and our insurance provider will not indemnify in respect to valuations carried out by MMJ Real Estate (WA) Pty Ltd which involve solicitor introduced mortgages, including but not limited to any loans emanating from any solicitor controlled or managed mortgage fund or private lending fund and/or scheme management.

(This endorsement does not exclude MMJ Real Estate (WA) Pty Ltd from providing valuations to a Managed Invest Act governed lender, subject always to all other policy terms, conditions and endorsements).

Assignment

Underwriters will not indemnify the Insured in respect of valuations carried out by the Insured where the valuation is assigned to a third party without the specific written consent of the valuer and in accordance with the other conditions of this Endorsement. No indemnity will be granted under any circumstances for any assigned valuation older than 90 days (3 months).

APIV Limited Scheme

Liability limited by a scheme approved under Professional Standards Legislation. MMJ's Limited Liability Scheme Monetary Ceiling is \$5 Million.

We trust this meets with your requirements however, should you have any further queries please do not hesitate to contact the writer.

Yours sincerely,

Michael Scott G.Dip (Prop Valn), AAPI

Certified Practising Valuer
Licensed Valuer No. 44614 (WA)
Valuer – Valuation Services

ADMINISTRATION COSTS

18/10/2021

13/02/2028

12509 - West Mundijong DCP		Forecast 2021/22	Years Rem	Remaining Spend	Total Spend (historic and forecast)
4183			6.32	\$0.00	
6326	Legal Expenses	\$5,000.00	6.32	\$31,597.22	
6386	Advertising & Promotion	\$1,000.00	6.32	\$6,319.44	
7400	DCP Adminstration Allocation	\$13,631.00	6.32	\$86,140.35	
Sub Total		\$19,631.00	6.32	\$124,057.01	\$305,731.10

DCA	DCA2	Report Revision	3
Developer	Shire of Serpentine		
Development Name	Administration		
Report Revision	(All)		

Row Labels	Actual Admin Costs Recognised	Admin Costs drawn down
Adjustment to Setup Costs plus grants received	\$156,038.72	\$0.00
Administration - Set up costs to 2018	-\$265,392.00	\$0.00
Administration FY 17/18	-\$9,924.81	\$0.00
Administration FY 18/19	-\$3,500.00	\$0.00
Administration FY 19/20	-\$3,329.00	\$0.00
Administration FY 20/21	-\$55,567.00	\$0.00
Grand Total	-\$181,674.09	\$0.00

Lots Cleared	78,359
Gross Contributions Due	\$928,366
Land for roads settled	(\$173,288)
Land for POS/DOS settled	(\$576,535)
Works settled	\$0
Administration Costs incurred	(\$181,674)
Water Quality Management costs incurred	\$0
Total Costs	(\$931,498)
Net Contribution Surplus/Deficit for Review Period	(\$3,131)

Example 1

A development area (being the new subdivided lot or development on an existing lot), with a developable area of 50,000m2 within Precinct A:

Precinct	Development Contribution Rate per m2	Area subject to development	Total development contribution	Calculation
A	\$10.57	50,000	\$528,553.93	\$10.57 x 50,000 = \$528,553.93

Example 2

A development area (being the new subdivided lot or development on an existing lot), with a developable area of 50,000m2 within Precinct A AND providing 10,000 m2 of creditable public open space / drainage :

Note: creditable land must be cleared before, or at the same time, as the lot clearance in order to be offset against contributions due. Credits that are not yet earned/cleared cannot be used to offset Contributions due.

Precinct	Development Contribution Rate per lot/dwelling	Area subject to development	Total development contribution	Calculation
A	\$10.57	50,000	\$528,553.93	\$10.57 x 50,000 = \$528,553.93
Public open space credit	m2 of land being provided	Land value per m2	Credit amount	Calculation
	10,000	\$24.00	\$240,000.00	\$10,000.00 x 24 = \$240,000.00
		Total net development contribution	\$288,553.93	\$528,553.93 - \$240,000.00 = \$288,553.93

Example 3

Not Applicable

Precinct	Development Contribution Rate per lot/dwelling	Area subject to development	Total development contribution	Calculation

Example 4

Not Applicable

Precinct	Development Contribution Rate per lot/dwelling	Number of additional lots/dwellings	Total development contribution	Calculation