



Property Development | Project Management

Exal Group Pty Ltd

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Date: 5 November 2022

Alex Jarvis
Principal Planning Officer
State Development Assessment Unit
140 William Street
PERTH WA 6000

DEPARTMENT OF PLANNING, LANDS AND HERITAGE	
DATE	FILE
15-Mar-2023	SDAU-027-021

Ref: 16SA01/DA/006 R2

Dear Alex,

**SDAU-027-020 STUDENT ACCOMMODATION FACILITY 1-7 MCKAY STREET, 1-7 KEANEY PLACE
AND 8 GARVEY STREET, WATERFORD
COVER LETTER FOR 17C – APPLICATION TO EXTEND SPECIFIED PERIOD FOR SUBSTANTIAL
COMMENCEMENT**

With reference to the above subject matter, Waterford PBSA Pty Ltd submits for your assessment a Form 17C to request to extend the period for substantial commencement for SDAU-027-020 approved on the 17th of June 2021. The original date to achieve substantial commencement is 17th of December 2022, and the proponent is seeking for an extension to the **31st of December 2024**.

The development is capable of approval as no change has occurred to the planning framework affecting the site. The proposed City of South Perth LPS 7 does not intend to change the framework for the site as well.

The proponent has actively and relatively conscientiously pursued the implementation of the Development Approval. Nevertheless, a series of issues have hindered the progress of the project. Details of the conscientious efforts and impeding delays are detailed below:

A. ACTIVE AND CONSCIENTIOUS PURSUIT OF IMPLEMENTING DEVELOPMENT APPROVAL

Construction Documentation

In order to achieve implementation of the Development Approval, the proponent furthered its Early Contractor Involvement (ECI) with Firm Construction Pty Ltd and appointed a full design team to complete the construction documentation for the project. At the time of writing this letter, the design and documentation has progressed to 85% completion.

As design progress was hampered by limited resources in the sector, the design team was tasked to focus specifically on a forward works package that will allow for the completion of substantial commencement. The design was completed in June 2022 after several delays and clearances to allow the lodgement of the building permit by July and August 2022. A copy of the building permit application is attached (**Attachment A**) for reference.

Completion of Management Plans

Besides the completion of design works, management plans were prepared by Firm Construction Pty Ltd in anticipation of commencement of construction activities. The management plan prepared for this purpose includes:

- Construction Management Plan
- Health Safety and Environment Management Plan
- Quality Management Plan
- Traffic Management Plan

All plans are attached for reference (refer **Attachment B**). The preparations of the plans as instructed with by the proponent was an attempt by the proponent to be shovel ready once the building permit was granted.

Completion of Demolition Works

The proponent has completed demolition of all properties except for 1 Mckay (as it has yet to be acquired – see section below) in accordance with the attached demolition plan (refer **Attachment C**). The site is cleared of all debris and ready for implementation of the forward works.

Demolition works commenced in April 2022 after some delays (refer section below) and completed in June 2022.

Below is an aerial photo showing the site post demolition and clearing works:



Stage 3 Market Led Proposal

In order to complete the acquisition of all properties within the Development Approval, the proponent furthered the Market Led Proposal process with the State Government of Western Australia. The proponent successfully completed Stage 3 of the MLP process and a final binding offer is pending execution.

A new property was purchased by the proponent and settled on 27th of May 2022 as a replacement for the Residential Care Home. It is intended that the property acquisition be completed by end of mid 2024 after the completion of the replacement property.

Completion of Piling Design for Implementation

By August 2022, the longest lead time for implementation was the mobilisation of a piling rig to complete retaining works on site. To actively meet the original proposed time to achieve substantial commencement, the piling design have been completed as attached (refer **Attachment D**).

Despite the best efforts to achieve substantial commencement, a series of events have caused this unattainable.

B. DELAYS AND REASONS FOR EXTENSION OF TIME

Tenants Refusal to Evacuate

Despite the best efforts to vacate the property for demolition works which was earmarked for November 2021, several tenants refused to vacate the property or pay rent for an extended period. Matters were presented to courts who allowed the tenants to stay until end of February 2022 before vacating. This significantly delayed demolition works which necessitated the disconnection of services and before commencement in April 2022, a total of 5 months of delay.

Design Delays

Substantial delays were experienced during the preparation of design work to complete the forward works package for the project.

Design offices, in particular drafting resources, experienced a substantial surge in work during the financial year of July 2021 to June 2022, which resulted in documentation of works being delayed.

Design was delayed by several months that has further exacerbated the ability of the development to achieve substantial commencement.

Builder Entered Administration

The preferred builder suffered severe financial stress in 2022 which resulted in them entering administration (refer Attachment E)

C. WAY FORWARD

Despite the challenges noted above, the project remain viable off the back of a strong macro environment in student accommodation demand. Subject to the approval of the extension of time to achieve substantial commencement and henceforth the validity of the Development Approval, it is anticipated that works will commence within 2023 with a completion of the first stage of the development in Q1 2026. Referring to

Attachment F, the anticipated completion of substantial commencement works will be achieved by June 2024.

Given the above genuine reasons for delay and the demonstration of active and conscientious efforts in implementing the Development Approval, it is humbly requested that the SDAU consider and approve our request for an extension of time be granted to **31st of December 2024** to allow for some contingencies with further unanticipated delays.

Feel free to call the undersigned if you require any further information.

Thank you.

Regards,

Dr Bay Yeo

BEng, PhD, CPEng, MIEAust, NPER, GAICD, MREA

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Attachments:

- Attachment A: Forward Works Building Permit Application
- Attachment B: Management Plans
- Attachment C: Completed Demolition Plan
- Attachment D: Piling Design
- Attachment E: Administrator Appointment
- Attachment F: Proposed Timeline