NEW LEASE OF PORTION OF NO. 4 VIEW STREET, NORTH PERTH

Attachments:
1. **Lease Area Plan**
2. **Evaluation Summary - Confidential**

RECOMMENDATION

That Council:

1. **NOTES the City received one submission in response to the Expression of Interest for a tenant to lease the property at No. 4 (Lot 15) View Street, North Perth; and**

2. **APPROVES a new lease of portion of No. 4 (Lot: 15) View Street, North Perth, to Rainbow Futures WA Ltd (ACN 677 626 407) shown on the plan attached as Attachment 1 subject to the following key terms:**

2.1	**Term:**	Three (3) years commencing on 16 February 2026 and expiring on 15 February 2029.
2.2	**Option Term:**	Two (2) years from the expiry of the Term commencing on 16 February 2029 and expiring on 15 February 2031. The Tenant acknowledges that following the lease expiry, unless with the City's consent, the City will not permit any holding over or monthly tenancy.
2.3	**Rent:**	$3,420 per annum plus GST
2.4	**Rent Review:**	Subject to CPI on 1 July each year of the term.
2.5	**Premises area**	Approximately 184m^2 (subject to survey)
2.6	**Outgoings:**	Tenant responsibility including rates and taxes, ESL, rubbish and recycling bin charges, utilities (including scheme water, electricity and gas) and minimum level of services statutory compliance testing (including RCD, DFES and pest inspection fees and charges), building insurance applicable to the Premises.
2.7	**Fit Out**	Tenant's costs
2.8	**Insurance:**	Tenant to effect and maintain a public liability insurance policy for not less than $20 million per one claim, in respect of the Tenant's use and occupation of the Premises.
2.9	**Repair/maintenance:**	As per the maintenance obligations for Category 2 tenant prescribed by the Property Management Framework.
2.10	**Permitted Use:**	Headquarters and collaborative hub for LGBTIQA+ community. The Premises must not be used for any business, commercial, illegal or immoral purposes.
2.11	**Special conditions:**	**Premises condition:** The Tenant leases the Premises from the City on an 'as is, where is' condition. The Tenant acknowledges that the Premises is in a condition that commensurate with its age and the City does not anticipate making any capital upgrades or improvements to the Premises or its surrounds.

Sale, redevelopment or demolition:

If the:
a) Premises is sold;
b) City or a third party authorised by the City intends to redevelop or demolish the Premises and/or the Land; or
c) City determines that it can no longer maintain the Premises in a safe and occupiable condition,

the City may, upon providing the Tenant with a minimum of 12 months' prior notice, require the Tenant to surrender its lease of the Premises with no compensation payable.

Audited financial statements

The Tenant will provide its audited financial statements no later than 31 December each year of the Term and Option Term.

3. AUTHORISES the Chief Executive Officer to negotiate final terms of lease with the Tenant and NOTES that the lease will be executed in accordance with the City's Execution of Documents Policy.

PURPOSE OF REPORT:

To grant a new lease with Rainbow Futures WA Ltd (ACN 677 626 407) (Tenant) for a portion of No. 4 (Lot: 15) View Street, North Perth (Premises). A plan of the leased area for the Premises is in **Attachment 1**.

DELEGATION:

Delegation 2.2.18 – Disposing of Property by Leases and Licences of Council's adopted Register of Delegations, Authorisations and Appointments does not extend to new leases.

On 9 December 2025, Council delegated to the Chief Executive Officer the power to approve the lease for the Premises during the Council recess period.

BACKGROUND:

The subject site at No. 4 View Street, North Perth, is shown in **Attachment 1** and has a total area of 738.5 square metres and is zoned Commercial under the City's Local Planning Scheme No. 2.

The City owns the subject site in freehold.

The subject site single storey building with an area of approximately 184 square metres is on the southern portion of the site. This building is the Premises that is proposed to be leased.

10 parking bays are located on the northern portion of the subject site and these form part of the View Street Car Park which also extends to No. 2 View Street to the east and north of the subject site.

The subject site has a frontage to View Street to the south and to the west there are existing single storey houses. Further to the east there are commercial developments which front Fitzgerald Street.

Previous Lease to Pride WA

The Premises was previously leased to Pride WA and subleased to Rainbow Community House Limited from 2020.

This lease was for an initial term of one year with a one-year option. Upon expiry of the lease term the tenancy continued on a holding over period until 30 September 2025 when it was vacated by Pride WA.

Council's approval of the previous lease in March 2020 to Pride WA also approved in-principle the demolition of the existing building following the expiry of lease.

Administration's report at the time identified that capital works investment of approximately $30,000 would be required by 2022 if demolition did not occur.

In the short to medium term, repairs on an as needs basis have been undertaken to keep the Premises in a sustainable and satisfactory condition.

Administration carried out an update Building Condition Report in December 2023 confirming the Premises remain structurally sound and that the condition has not substantially changed or deteriorated since 2020.

DETAILS:

Expression of Interest (EOI)

An EOI was undertaken between 21 October 2025 and 12 November 2025 in accordance with the Community and Stakeholder Engagement Policy and advertised in the following ways:

- A news item on the City's website on 21 October 2025.
- Inclusion in the City's e-newsletter on 23 October 2025 and 6 November 2025, and business e-news on 31 October 2025.
- A notice on the City's social media on 23 October 2025.
- Onsite signage.

The EOI received one submission from the proposed Tenant.

The evaluation panel assessed the submission against the criteria below:

(a) Business structure and financial position.
(b) Lease proposal.
(c) Fit out concept plans.
(d) Relevant experience.

Further details of the evaluation are included as **Confidential Attachment 2**.

Proposed Lease Terms

Based on the evaluation, Administration recommends granting a lease to the Tenant on the key terms below.

The Tenant satisfies both the Category 2 and Category 3 eligibility criteria of the Property Management Framework (PMF):

- Category 3 Community Benefit and Organisational Structure Criteria – The Tenant provides services which generally fall outside the scope of local government. In addition, the Tenant is externally funded through grants.

- Category 2 Shared Use and Operational Criteria – The Tenant as the state peak body for the LGBTIQA+ community, will use the Premises as the Tenant's headquarters and operate as a collaborative and inclusive hub for the LGBTIQA+ community organisations, service providers and individuals across WA. The tenant is a not-for-profit organisation run by volunteers or paid workers.

Administration has determined that the Tenant aligns more with Category 2 eligibility criteria and recommends that the essential terms applicable to Category 2 be adopted for the lease. This is because the Premises will be on a shared used basis and is a not-for-profit organisation.

In accordance with the PMF the rent for the Premises is set at $3,420, representing 10% of the current gross rental value (GRV) for the Premises which is $34,200 (as of 1 July 2023).

The Tenant has accepted the lease key terms including the rent of $3,420 per annum excluding GST. Maintenance responsibilities will align with the standard obligations for Category 2 tenants.

Lease Key Terms

Term:	Three (3) years commencing on 16 February 2026 and expiring on 15 February 2029.
Option Term:	Two (2) years from the expiry of the Term commencing on 16 February 2029 and expiring on 15 February 2031. The Tenant acknowledges that following the lease expiry, unless with the City's consent, the City will not permit any holding over or monthly tenancy.
Rent:	$3,420 per annum plus GST
Rent Review:	Subject to CPI on 1 July each year of the term.
Premises area	Approximately 184 m^2 (subject to survey)
Outgoings:	Tenant responsibility including rates and taxes, ESL, rubbish and recycling bin charges, utilities (including scheme water, electricity and gas) and minimum level of services statutory compliance testing (including RCD, DFES and pest inspection fees and charges), building insurance applicable to the Premises.
Fit out	Tenant's costs.
Insurance:	Tenant to effect and maintain a public liability insurance policy for not less than $20 million per one claim, in respect of the Tenant's use and occupation of the Premises.
Repair/maintenance:	As per the maintenance obligations for Category 2 Tenant prescribed by the Property Management Framework.
Permitted Use:	Headquarters and hub for LGBTIQA+ community. The Premises must not be used for any business, commercial, illegal or immoral purposes.
Special conditions:	**Premises condition:** The Tenant leases the Premises from the City on an 'as is, where is' condition. The Tenant acknowledges that the Premises is in a condition that commensurate with its age and the City does not anticipate making any capital upgrades or improvements to the Premises. **Sale, redevelopment or demolition:** If the: d) Premises is sold; e) City or a third party authorised by the City wishes to redevelop the Premises and/or its surrounding land; or f) City determines that it can no longer maintain the Premises in a safe and occupiable condition, the City may, upon providing the Tenant with a minimum of 12 months' prior notice, require the Tenant to surrender its lease of the Premises with no compensation payable. **Audited financial statements** The Tenant will provide its audited financial statements no later than 31 December each year of the tenancy (TBC).

CONSULTATION/ADVERTISING:

Section 3.58(5)(d) of the *Local Government Act 1995* (Act) and Regulation 30(2)(b) of the *Local Government (Functions and General) Regulations 1996* (Regulations) apply.

The City is exempt from giving a local public notice as this disposition has been excluded by the Regulations because the Tenant is a public company which is registered the Australian Charities and Not-for-Profits Commission.

As a charity, the Tenant is not entitled or permitted to receive any pecuniary profit from the Tenant's transaction.

LEGAL/POLICY:

Local Government (Functions and General) Regulations 1996

Regulation 30 covers a range of exempt dispositions that are excluded from the application of s 3.58 of the Act which would otherwise require public notice to be given for any proposed disposal of property.

Regulation 30(2)(b) states that:

A disposition of land is an exempt disposition if:

(b) the land disposed of to a body, whether incorporated or not to:

(i) the objects of which are of a charitable, benevolent, religious, cultural, educational, recreational, sporting or other like nature; and
(ii) the members of which are not entitled or permitted to receive any pecuniary profit from the body's transaction.

As above the Tenant is a public company which is registered the Australian Charities and Not-for-Profits Commission.

Property Management Framework (PMF)

The objectives of the City's PMF are:

- *To meet growing community needs and to maximise community benefit, City owned and managed properties will be prioritised for use where occupancy arrangements include co-location, shared-use and highest community utilisation;*
- *To meet the Strategic Community Plan's objectives of 'Connected Community' and 'Thriving Places', City owned and managed properties will primarily be available for local not-for-profit organisations, community groups and other community purposes;*
- *To ensure transparency and equity, all financial and in-kind subsidisation by Council will be recognised where City owned and managed properties are used to meet demonstrated community needs;*
- *To ensure sustainable City owned and managed properties, effective asset management and demonstrated sound financial management will be prioritised; and*
- *Where appropriate, specific City owned and managed properties may be identified and made accessible for commercial activities for income generation to support and encourage sustainable City owned asset management.*

The PMF also establishes the eligibility criteria and essential terms that are used as a basis for negotiating all leases and licences.

The proposed lease to the Tenant is consistent with these objectives as outlined in the Comments section of this report.

RISK MANAGEMENT IMPLICATIONS

Low: It is low risk for Council to grant the lease because the proposed lease terms are consistent with the City's PMF.

Risk Category	Risk Appetite and tolerance statement	Description/clarifications
Governance, Due diligence, Accountability and Sustainability	The City has a ***low risk tolerance*** for less than better practice decision making for governance, due diligence, accountability, and sustainability, as measured by accepted industry standards and practices.	The City has demonstrated it has undertaken all required actions to ensure that proposed lease has been conducted through accountable and transparent procedures through implementing relevant risk control measures implemented in accordance with the City's Risk Management Framework and Property Management Framework.
Regulatory Compliance and Legal Obligations	The City has a very low risk appetite for breaches of legislation, professional standards or ethical requirements.	The recommendation ensures compliance with section 3.58 of the *Local Government Act 1995*. This action minimises legal risk and aligns with the City's governance principles of transparency and accountability.

STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2022-2032*:

Connected and Healthy Community

Our community facilities and spaces are well known and well used.

Thriving Places

Efficiently managed and maintained City assets in the public realm.

Innovative and Accountable

Our decision-making process is consistent and transparent, and decisions are aligned to our strategic direction.

SUSTAINABILITY IMPLICATIONS:

This does not contribute to any environmental sustainability outcomes. This action/activity is environmentally neutral.

FINANCIAL/BUDGET IMPLICATIONS:

The annual rent of $3,420 plus GST would contribute toward the Premises' maintenance costs.

The Tenant will also be responsible for paying outgoings, rates and minimum level of services recoups.

COMMENTS:

The proposed lease is consistent with the essential terms of the PMF and is recommended to be granted for an initial period of three years with an option for a further two years because:

- Community Benefit – The lease would support Rainbow Futures WA to operate the Premises as its headquarters and operate as a collaborative and inclusive hub for the LGBTIQA+ community organisations, service providers and individuals across WA.

This is an important service which aligns with the:

- ‘Connected Community’ and ‘Thriving Places’ priority areas of the City’s Strategic Community Plan; and
- The City’s Access and Inclusion Plan which seeks to ensure equitable access to all City buildings and foster an inclusive community where everyone can participate fully in civic, social, and cultural life. This commitment supports diversity and promotes inclusion across all aspects of community engagement.

Leasing out the Premises would also help to activate the space and reduce the risk of anti-social behaviour for its duration.

- Future of Premises – Council’s previous decision from March 2020 provided in-principal support for the Premises to be demolished, on the basis that it was reaching its end of life and would likely require significant capital works by 2022.

  While future capital works investment would be needed, the building remains in a suitable condition for a short-term lease as confirmed by a 2023 Building Condition Report carried out by Administration.

  This would allow for the Premises to be tenanted and for the City to receive funds towards its maintenance, while longer-term planning for the broader area, including the subject site, is finalised through the North Perth Town Centre Planning Framework (NPTCPF).

  The NPTCPF is anticipated to be presented to Council for approval to advertised in the second half of 2026.

APPROVAL:

Approved	CEO Signature: DMac …… Date: 27 January 2026 ……..
Comments:	

View St carpark
- 2 View Street
View St carpark
- 4 View Street
4 View Street Lease Area
View St
Lease Area - 4 View St, North Perth
10/12/2025
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