

ITEM NUMBER: 18.1

CONFIDENTIAL REPORT

PROPOSED SALE OF LAND

Pursuant to Section 83(5) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- b. Information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and would, on balance, be contrary to the public interest.
- d. Commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest.

Recommendation – Exclusion of the Public – Section 90(3)(b & d) Order

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 238/22 Proposed Sale of Land in confidence.
 2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 238/22 Proposed Sale of Land in confidence on the following grounds:
 - b. pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is

conducting business; or
would prejudice the commercial position of the Council.
 - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected

to prejudice the commercial position of the person who supplied the information, or
to confer a commercial advantage on a third party.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
 3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.
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Item No: 18.1

Subject: **PROPOSED SALE OF LAND**

Date: 12 July 2022

Written By: Manager, Development Services

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

At its meeting held on 24 August 2021, Council resolved in confidence to make a Road Process Order to formally close the unmade road reserves on Lynton and Lynmouth Avenues at North Brighton, as the first step towards the sale of the Lynton Avenue allotment on the open market, whilst pausing progress of the sale on the Lynmouth Avenue allotment to enable Administration to engage directly in discussions with Minda for better clarity as to Council's sale options for this site (Resolution No. C240821/2399). With the imminent creation of the Certificates of Title for the respective parcels of land, this report recommends that Council take the next step in the sale of the Lynton Avenue allotment in accordance with Council's Disposal of Land and Asset Policy.

RECOMMENDATIONS

1. That Council authorises the Chief Executive Officer to enter into a Sales Agent Agreement for the sale of the allotment comprising the Lynton Avenue allotment following the creation of a Certificate of Title and completion of the tender process to select an appropriate land agent to manage the sale in accordance with Section 20 of the *Land and Business (Sale and Conveyancing) Act 1994*.
2. That Council authorises the Chief Executive Officer to determine the most appropriate method for sale for the allotment comprising the Lynton Avenue allotment having regard to the advice received from the successful Real Estate selected as the preferred tendered to manage the sale.
3. That Council authorises the Chief Executive Officer to accept any reasonable offer for the allotment comprising the Lynton Avenue allotment that is not lower than \$800,000.
4. That Council authorises the Chief Executive Officer and Mayor to authorise any legal and financial documentation required for the transaction of the allotment comprising the Lynton Avenue allotment.
5. That Council authorises the removal of the non-regulated vegetation on the Lynton Avenue allotment prior to the allotment being marketed for sale.

6. That prior to advertising the Lynton Avenue allotment for sale, courtesy written advice is provided to the Chief Executive of Minda announcing Council's intent for the sale of the Lynton Avenue allotment, and Council's continued willingness to engage further with Minda on the potential transfer of the Lynmouth Avenue allotment at a later date.

RETAIN IN CONFIDENCE - Section 91(7) Order

7. That having considered Agenda Item 18.1 Report No: 238/22 Proposed Sale of Land in confidence under Section 90(2) and (3)(b) & (d) of the *Local Government Act 1999*, the Council, pursuant to Section 91(7) of that Act orders that the report, attachments and minutes be retained in confidence for a period of 12 months and/or with the Chief Executive Officer authorised to release the documents when the land purchase is completed and that this order be reviewed every 12 months.

STRATEGIC PLAN

This document contributes to the vision of the Strategic Plan by ensuring the financial sustainability through the considered rationalisation of Council assets, while exercising sound financial management to deliver on objectives and aspirations.

COUNCIL POLICY

Disposal of Land and Asset Policy
Procurement Policy

STATUTORY PROVISIONS

Local Government Act 1999 [ss 49 & 201]
Real Property Act 1886
Roads Opening and Closing Act 1991
Land and Business (Sale and Conveyancing) Act 1994

BACKGROUND

Previous Reports and Workshops:

- Confidential Council Report No. 131/19, Item No. 17.1, "Proposed Sale of Land", 9 April 2019 (Resolution No. C090419/1444).
- Confidential Council Report No. 394/20, Item No. 15.5 "Road Closure – Undeveloped Road Reserves – Lynton and Lynmouth Avenues North Brighton", 8 December 2020 (Resolution No. C081220/2167)
- Council workshop held on 17 August 2021

- Confidential Council Report No. 286/21, Item No. 15.1, “Proposed Sale of Land”, 24 August 2021 (Resolution No. C240821/2399)

Following the Council resolution made at its meeting held on 24 August 2021, the unmade road reserves on Lynton and Lynmouth Avenues at North Brighton have been formally closed pursuant to the *Roads (Opening and Closing) Act 1991*. The overall process is presently in the final stage, where Council is awaiting the creation of the Certificates of Title. In accordance with a separate part of the same resolution, Council’s Chief Executive Officer has also met with his counterpart at Minda to discuss any potential interest in acquiring either parcel of land prior to offering one or both parcels for sale on the open market.

REPORT

Council may recall from previous workshops and reports that there were two unmade road reserves, which have now been formally closed in accordance with a previous Council resolution, that form the extensions of Lynton Avenue and Lynmouth Avenue at North Brighton. The closed road reserves, and soon-to-be freehold allotments, effectively protrude westward into the Minda campus from King George Avenue. Whilst the Lynton Avenue allotment is relatively unencumbered and therefore saleable on the open market upon the issue of a Certificate of Title, the Lynmouth Avenue allotment is constrained by a ten (10) metre wide easement in recognition of the powerlines overhead. In this regard, the land is essentially only valuable to Minda due to the high cost of redirecting the powerlines underground, and the need for Minda to consent to such an arrangement in the first place. The circumstances and constraints of both allotments are illustrated in Attachment 1 to this report.

Refer Attachment 1

In accordance with the Council resolution of 24 August 2021, Council’s Chief Executive Officer met with the then newly appointed Chief Executive of Minda, Dr David Panter, in late March 2022. The outcome of that meeting was that Minda expressed no desire to purchase the Lynton Avenue allotment as it did not wish to increase its housing stock in that location. With regard to the Lynmouth Avenue allotment, Minda expressed a willingness to discuss potentially combining this land with its adjacent vacant land to create an amalgamated corner allotment for potential redevelopment. Minda advised that it would begin work on a new masterplan for the campus in late 2022, which would more closely consider the Lynmouth Avenue option, having regard to the complicated issue of undergrounding the power cables. In this regard, Council can now proceed with the sale of the Lynton Avenue allotment on the open market, and revisit the potential transaction of the Lynmouth Avenue allotment with Minda at a later date, upon understanding the allotment’s place in Minda’s masterplan.

Having established Minda’s intent regarding its future landholdings, particularly with respect to its disinterest in purchasing the Lynton Avenue allotment, it is now considered opportune to seek Council’s consent to proceed with the open market sale of the Lynton Avenue allotment. Due to the imminent creation of the Certificates of Title through the Lands Titles Office, the timing is considered appropriate to seek a resolution from Council that enables preparedness for the marketing of the allotment commensurate with the creation of the freehold title, especially with the Local Government caretaker period now imminent.

Notwithstanding the absence of a Certificate of Title for the Lynton Avenue allotment, the process towards securing an exclusive Certificate of Title is sufficiently progressed that steps can now be taken in readiness for sale of the land, which included obtaining an up-to-date valuation for the Lynton Avenue road allotment, which is provided as Attachment 2 to this report. The current property valuation for the Lynton Avenue allotment with the easement is \$900,000. Notwithstanding, it is recommended that Council authorise the Chief Executive Officer to consider offers as low as \$800,000, as it remains uncertain what the actual interest in the land may be. It is also recommended that the intent to consider an offer lower than the official valuation not be disclosed to the land agent engaged to manage the sale. As we may be in caretaker period the Chief Executive Officer will not be able to come back to Council if the highest offer is below valuation. The setting of the \$800,000 allows flexibility to negotiate a sale during caretaker. If the best offer is below the \$800,000 figure a report would need to come back to the new Council for further consideration.

Refer Attachment 2

Council Administration has also commenced the tender process for engagement of a real estate agent to manage the sale for the land in accordance with Council's Disposal of Land and Asset Policy and its Procurement Policy. Council Administration has called for tenders from four (4) local real estate agents. It is recommended that Council delegates the Chief Executive Officer to determine the most appropriate method(s) of sale for the allotment in consultation with the real estate agent appointed to manage the sale on Council's behalf. The land will be marketed upon creation of the Certificate of Title.

BUDGET

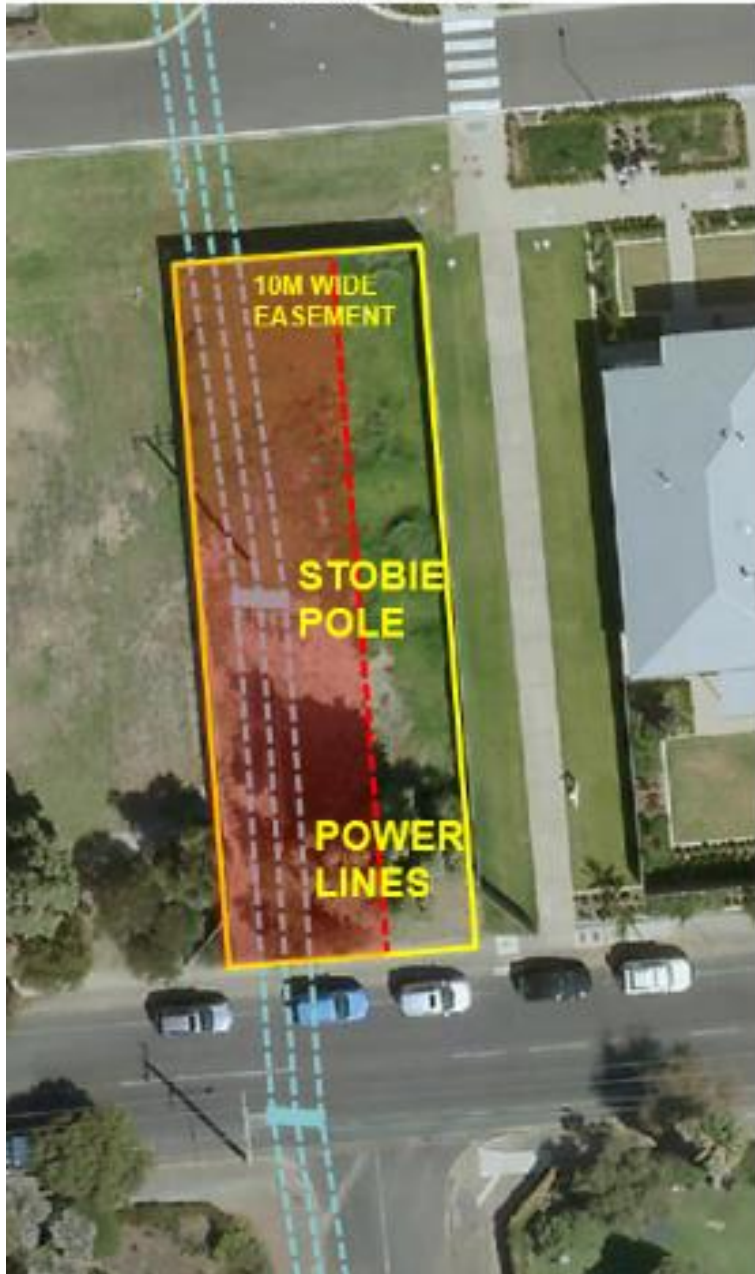
The costs incurred by Council to date comprise surveyor and legal fees, valuation fees, pipework detections costs, pipe testing costs and design costs for removal/relocation of electricity infrastructure. There are sufficient funds in the budget to cover the cost of the real estate agent, and the associated fees and charges associated with the property's transaction.

LIFE CYCLE COSTS

There will be no further ongoing costs incurred by Council after the sale of the allotment.

Characteristics of the Lynmouth Avenue and Lynton Avenue Road Reserves (now closed and soon to be declared freehold allotments)

LYNMOUTH AVE



LYNTON AVE



17 June 2022

Anthony Marroncelli
Manager Development Services
City of Holdfast Bay
PO Box 19
BRIGHTON SA 5048

Email: amarroncelli@holdfast.sa.gov.au

Dear Anthony,

RE: REVISED VALUATION REPORT
PROPOSED LOT 51 LYNTON AVENUE, NORTH BRIGHTON, SA

We thank you for your recent instructions to complete a revised 'desktop assessment' of market value 'as if complete' on the aforementioned property albeit based on additional advice provided by the City of Holdfast Bay with regard to the potential impact of an easement that is to be retained within Allotment 51.

We confirm that our advice is based on our recent inspection of the property completed on 20 April 2022 and as requested, now provide you with a copy of our revised report. We confirm that this report may be relied upon by City of Holdfast Bay.

Due to possible changes in market conditions and other circumstances, this report can only be regarded as relevant at the date of valuation. Our assessment should not be construed as a prediction of value into the future.

Purpose of Valuation

To determine the current market value of the abovementioned property for consideration as a prelude to potential sale on the following basis:

- Market Value 'as if complete' assuming the unmade roads are closed and individual Certificates of Title issued.

Our revised valuation is to consider any impact that the proposed easement may have on the potential value of Allotment 51

Certification

We confirm that the valuations have been prepared by a Valuer that:

- Confirms the valuations have been prepared for consideration as a prelude to sale.
- Is authorised under the Law of the State of South Australia to practise as a Valuer.
- Neither the Valuer nor m3property have any pecuniary interest giving rise to a conflict of interest in valuing the properties.

Definition of Market Value

In accordance with the definition adopted by the Australian Property Institute, 'Market Value' is defined as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Goods and Services Tax (GST)

Our valuation of the property assumes that under current GST legislation, that the property would represent 'existing residential' and therefore GST would not be applicable upon sale or transfer (i.e. **GST not applicable**).

Should the City of Holdfast Bay be required to remit GST on the sale of the property, the assessed value should be assumed to be **GST inclusive**.

In relation to any potential GST liability, we advise that we are not taxation or legal experts and we recommend competent and qualified advice be obtained. We are also of the view that any interested party relying on these valuations of the subject property should obtain their own legal advice on the GST position. Should this advice vary from our interpretation of the legislation and Australian Taxation Office rulings current as at the date of these valuations, we reserve the right to review and amend our valuations accordingly.

Legal Description

The subject site currently comprises an 'unmade road' as described within Deposited Plan 3139 but note that a new Certificate of Title is to be issued for Allotment 51 as delineated within the Proposed Plan of Division provided with the proposed easement details noted as follows. An extract copy of the Proposed Plan of Division is contained within the Annexures of this report.

Easements

| Volume / Folio | Easements |
|----------------|---|
| Allotment 51 | Subject to an easement for water supply purposes over that portion of land marked J |

The easement is to extend along and/or adjacent to its northern boundary alignment for a width of 1.00 metre adjacent to its King George Avenue frontage, reducing to 0.55 metres adjacent to the north-western (rear) corner of the site.

We are of the opinion that this easement may potentially restrict but will not necessarily limit the development of a single detached dwelling although it may impact on options for more intensive development.

Our valuation also assumes that the property will not be affected by any additional easements, encumbrances or covenants that would be an impediment to development for residential purposes and that may otherwise detrimentally affect the value. If any such matters are known, discovered or required, we should be advised and asked as to whether they affect our assessments.

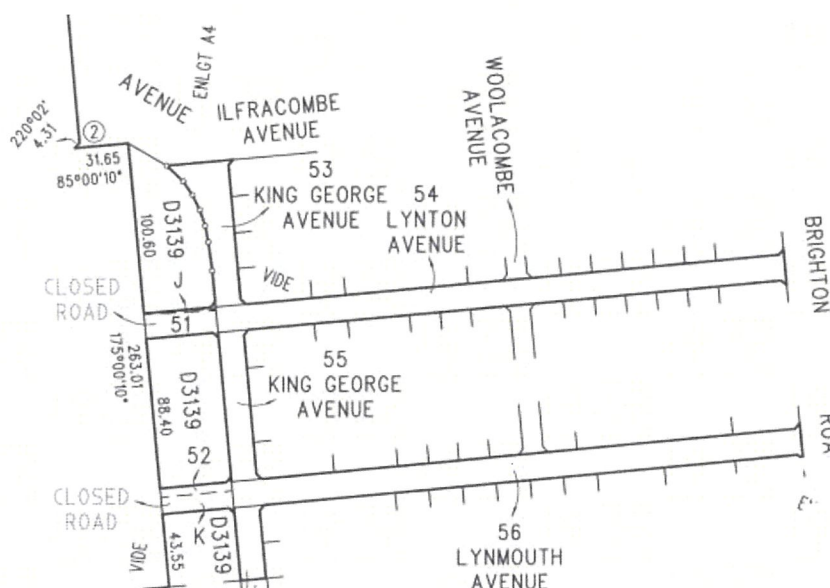
Location

The subject property is located within the suburb of North Brighton, situated approximately 13 kilometres south-west of the Adelaide GPO. More particularly, the subject site is positioned on the western side of King George Avenue opposite the Lynton Avenue intersection and circa 100 metres south of the Ilfracombe Avenue intersection.

As a result of more recent 'Assisted Living' residential development on land adjacent and to the rear of the site by Minda Inc, a private access road known as Fassina Way has been constructed and provides indirect access to the adjacent allotments with dwellings constructed on these lots being orientated facing west.

The site is located adjacent to the Minda Brighton Campus, a registered training facility offering disability support services to the community. Notably, the Lynton Avenue site adjoins residential dwellings developed as part of the Minda site to both side boundaries.

The location of Allotment 51 is depicted on the extract of the Proposed Plan of Division noted overleaf.



Extract of Proposed Plan of Division

The majority of the surrounding development comprises residential dwellings developed at low densities typically between the circa 1950's to 1970's period with a more recent trend to redevelop older properties with higher quality dwellings including the subdivision of larger allotments for infill development.

North Brighton is a popular beachside suburb that offers reasonable access to the convenience shopping, public transport and other local amenities as well as public and private schools. Brighton Beach is located approximately 500 metres west of both properties, accessible from Gladstone Road with a public bus route runs to King George Avenue.

Road System and Access

King George Avenue is a two-way carriageway carrying moderate to high levels of vehicular traffic. It is bitumen sealed with concrete kerbing and gutters and pedestrian footpaths.

While noting that adjacent dwellings are accessed via the private road known as Fassina Way within the adjacent Minda site, in this instance access to the subject property is expected to be via the King George Avenue frontage with our advice is premised on that basis.

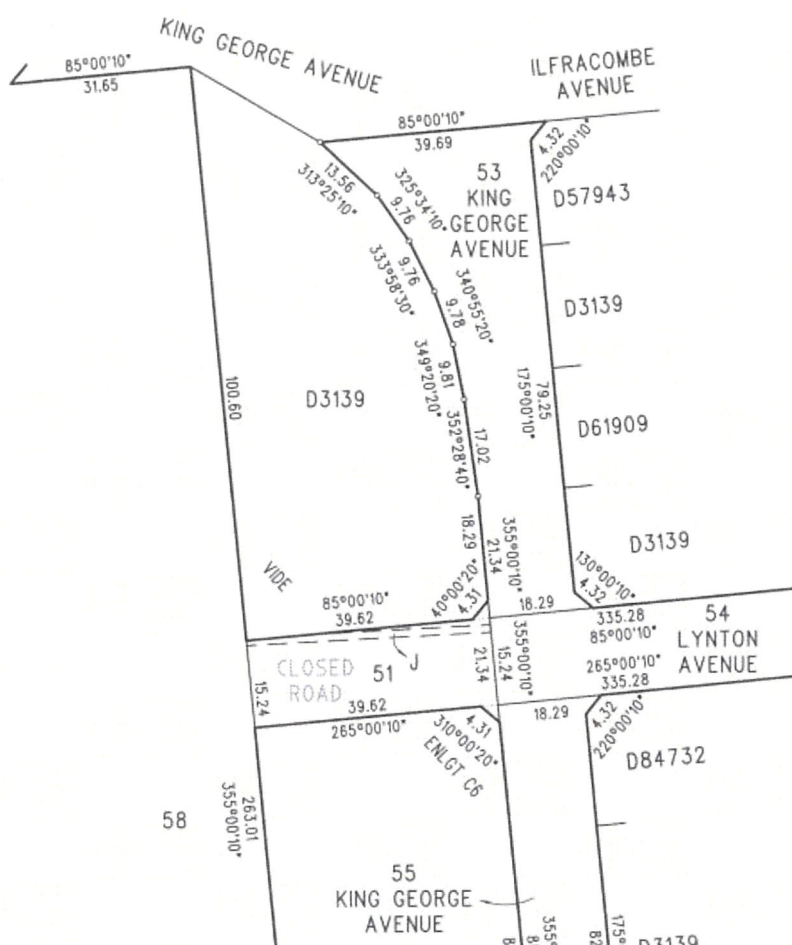
Services

All essential and desired urban services are assumed to be available for connection to the subject property.

Land Description

Proposed Allotment 51 will be near regular shape and based on measurements taken from the Proposed Plan of Division will have the following approximate site dimensions:

| Boundary Alignments | Dimensions (m) |
|--------------------------------|-------------------------|
| Frontage to King George Avenue | 21.33 |
| Rear Boundary | 15.24 |
| Northern Boundary | 4.31 / 39.62 |
| Southern Boundary | 4.31 / 39.62 |
| Total Site Area | 660m² |



Our valuation is made on the assumption that there are no encroachments by or upon the property. If any encroachment or other affection is noted, the Valuer should be consulted to assess any effect on the value stated in this report.

Environmental Issues

Soil Contamination

No soil tests, environmental studies, or reports have been made available to us. Accordingly, our valuations are made on the assumption that there are no environmental problems in any way affecting the property, including surface or below ground conditions, toxic or hazardous wastes or building material hazards.

Any such matters may adversely affect the property, its potential use and our assessment of value. Should any such matters be known or discovered, no reliance should be placed on our assessment of value unless we have been advised of these matters and we have confirmed that our assessment is not affected.

While there are no visible signs of contamination to the subject property, the only way that it could be certified that there is no contamination is by an independent environment survey by an appropriate expert. This valuation assumes that the subject property is unaffected by current or previous land uses.

Inundation

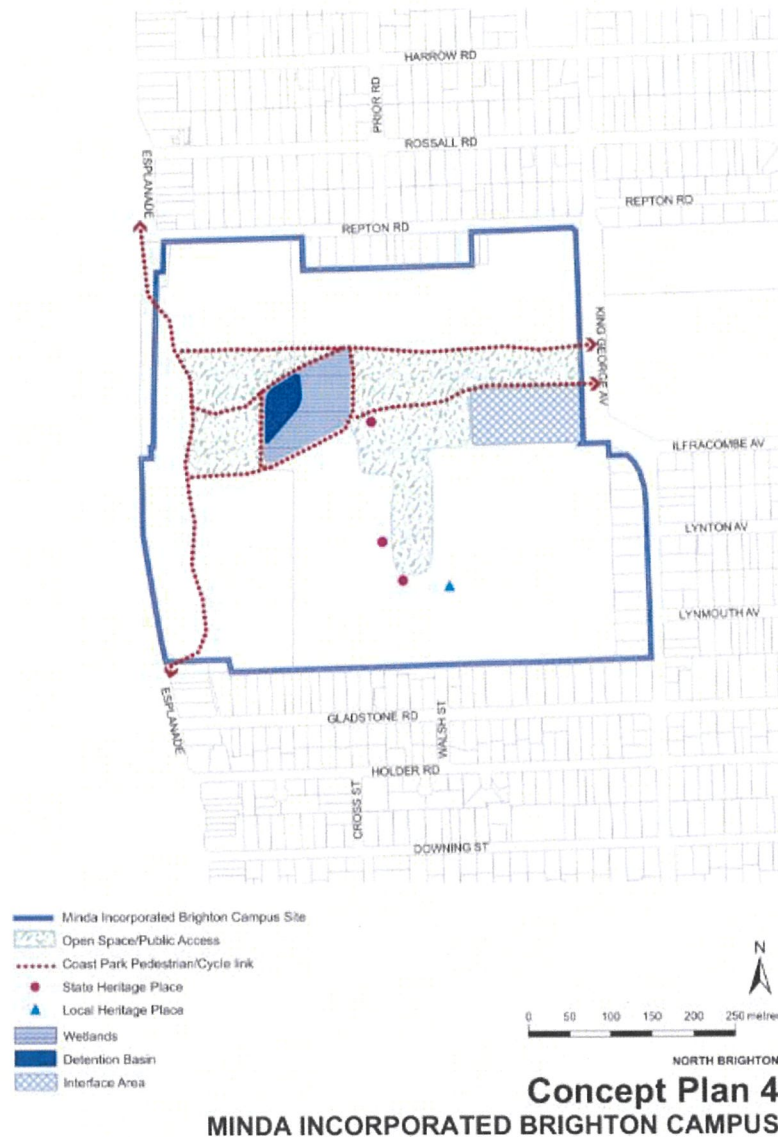
The subject properties do not appear to be prone to flooding under normal climatic conditions.

Planning

| | |
|--------------------------------|---|
| Local Government Area | City of Holdfast Bay |
| Zone | Urban Renewal Neighbourhood. |
| Desired Outcome | Housing and other land uses which no longer meet community preferences are replaced with new diverse housing options. Housing density increases, taking advantage of well-located urban land. Employment and community services will improve access to jobs, goods and services without compromising residential amenity. |
| Key Performance Outcome | <p>PO 1.1 Predominantly residential development with complementary non-residential uses that support an active, convenient, and walkable urban neighbourhood.</p> <p>PO 2.1 Buildings generally 2-3 levels with taller buildings located on sites that are a suitable size and dimension to manage massing and impacts on adjoining residential development.</p> <p>PO 3.1 Buildings on an allotment at the interface with a different neighbourhood-type zone are sited and designed to provide an orderly transition to the built form scale envisaged in that zone to mitigate impacts on adjacent residential uses.</p> |
| Deemed to Satisfy | <p>Development comprises one or more of the following:</p> <ul style="list-style-type: none"> Ancillary accommodation. Community facility. Consulting room. Dwelling. Educational establishment. Office. Place of Worship. Pre-school. Recreation area. Residential flat building. Retirement facility. Shop. Student accommodation. Supported accommodation. |
| Overlays | <p>Airport Building Heights (Regulated) (All structures over 45 metres).</p> <p>Affordable Housing.</p> <p>Building Near Airfields.</p> <p>Coastal Areas.</p> <p>Coastal Flooding Overlay.</p> <p>Hazards (Flooding).</p> <p>Heritage Adjacency.</p> <p>Hazards (Flooding General).</p> <p>Local Heritage Place.</p> <p>Prescribed Wells Area.</p> <p>Regulated and Significant Tree.</p> <p>State Heritage Place.</p> <p>Stormwater Management.</p> <p>Urban Tree Canopy.</p> |
| Local Variation | Concept Plan 4 (noted overleaf). |

The planning information set out in this report has been sourced via code.plan.sa.gov.au. We have relied upon this information in assessing the values of the properties. No responsibility is accepted for the accuracy of that information and if it is wrong in any significant respect, our assessments of value may be different.

Concept Plan 4 Minda Incorporated Brighton Campus



Highest and Best Use

The 'highest and best use' of a property can generally be defined as that reasonable and probable use that will support the highest present value of the property as at the date of valuation. The opinion of such use may be based upon the highest and most probable use of the property as at the date of valuation or the use likely to be in demand within the reasonably near future.

When determining the 'highest and best use,' there are a number of factors which must be considered including:

- Location.
- Existing use.
- Profitability and marketability.
- Financial and social constraints.
- Legal constraints and regulatory controls (planning).
- Physical and functional limitations.

The property is retained within the 'Urban Renewal Neighbourhood' zone of the Planning and Design Code which also encompasses the adjacent Minda site and which appears to offer potential for medium to high density redevelopment and/or small scale commercial use.

Nonetheless, we are conscious of their overall proportions, the scale and character of the surrounding development and the interface with the General Neighbourhood zone to the eastern side of King George Avenue. Further, our investigations into the market in this location have indicated that in most cases, where a single site is redeveloped, there appears to be a preference for the development of a single dwelling or at most a pair of semi-detached dwellings.

On balance, we are of the view that the development of the subject site with either a single dwelling or two semi-detached dwellings may potentially represent its 'highest and best use' in the context of the local market with little if any discernible differences in underlying value levels albeit acknowledging potential limitations imposed by the position of the proposed easement on more intensive development options.

Property Description

The property currently comprises an unmade section of road positioned adjacent to the western end of Lynton Avenue where it abuts the Minda Inc site, and which retains a primary frontage to King George Avenue.

The site is near rectangular in shape, level, unimproved/cleared and part enclosed with modern 'Colorbond' 1.8m height fencing, with vegetation and established trees adjacent to the King George Avenue frontage. Given the size and type of vegetation we have assumed will be readily cleared if required and will not cause any impediment to future development of the site.

We note that the allotment is not serviced with no existing water and sewer connections nor driveway crossovers with a potential purchaser required to undertake such connections at their own cost.

We provide the following photographs of the subject property:



King George Avenue frontage



King George Avenue frontage



King George Avenue frontage

Ownership History

Information provided by the Land Services Group (LSSA) reveals the properties have not sold within the past three years.

Adelaide Residential Market Snapshot

Population – South Australia vs Australia

South Australia

1.773m

2021

1.831m

2026

1.905m

2031

Australia

25.769m

2021

27.212m

2026

29.131m

2031



0.64% p.a.

SA growth 2021-26



0.80% p.a.

SA growth 2026-31

Vacancy Rate – Metropolitan Adelaide

0.5%

Month of December 2021

0.7%

Month of December 2020



-0.2%

Annual Change

Source: GapMaps, SQM, m3property

GapMaps are forecasting South Australia to see population growth of 3.24% between 2021 and 2026, increasing to 4.06% from 2026 to 2031. This equates to an increase of circa 57,528 persons between 2021 and 2026 and an increase of circa 74,415 persons between 2026 and 2031.

Weekly Rents – Metropolitan Adelaide

Houses

\$410

September Qtr. 2021



\$380

September Qtr. 2020



7.89%

Annual Change

Units / Flats

\$340

September Qtr. 2021



\$325

September Qtr. 2020



4.62%

Annual Change

Source: SA Housing Authority, m3property

Median Price – Metropolitan Adelaide

Houses

\$650,000

March Qtr. 2022



\$520,000

March Qtr. 2021



25.00%

Annual Change

Units

\$424,500

March Qtr. 2022



\$390,000

March Qtr. 2021



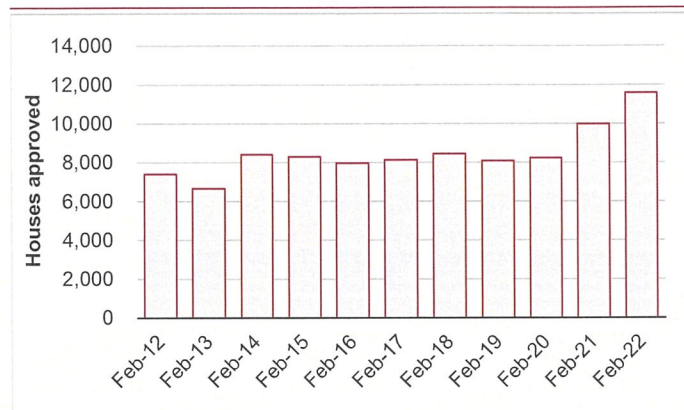
8.85%

Annual Change

Source: REISA, m3property

The median price of houses and units in the Adelaide metropolitan reached record highs during the March 2022 quarter. Dwelling prices have come under upward pressure due to strong residential demand, a product of lending conditions, government incentives such as the HomeBuilder grant, and the low (albeit rising) 10-year bond rate driving investment in real estate. South Australia also experienced positive net interstate migration during periods of the pandemic, a positive for residential demand.

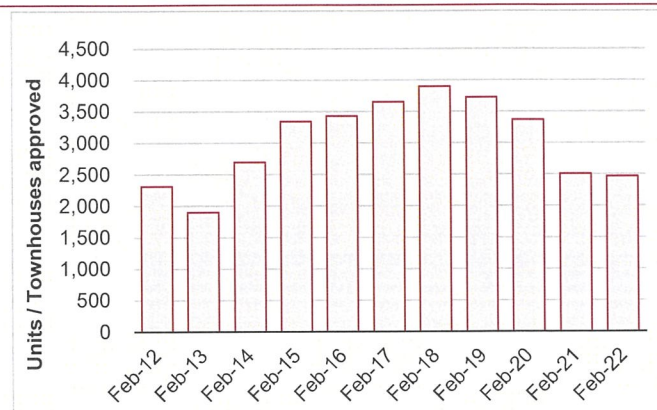
South Australia House Approvals



Source: ABS, m3property

- There were 11,584 houses approved during the year to February 2022, up 16.1% from the year to February 2021.

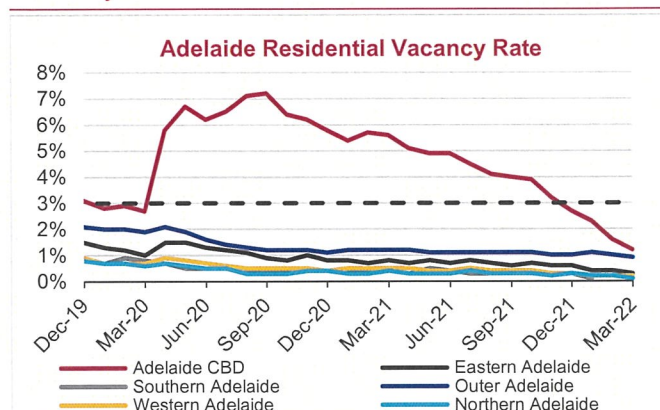
South Australia Units/Townhouses Approvals



Source: ABS, m3property

- There were 2,465 units approved during the year to February 2022, decreasing by 1.6% from the 12 months ending February 2021.

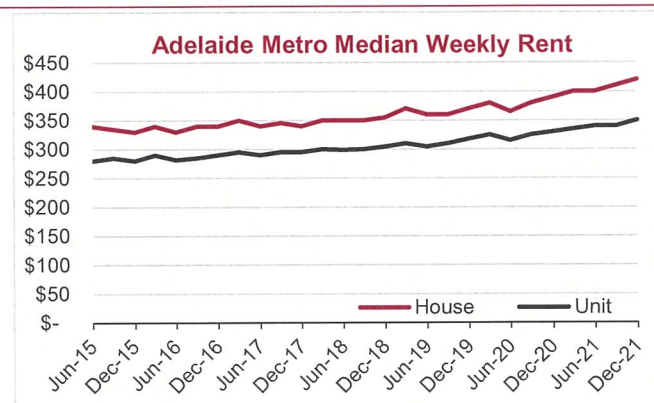
Vacancy Rate



Source: SQM Research and m3property

- Vacancy rates in all markets are below the 3.0% equilibrium. The Adelaide CBD continues to have the highest vacancy rate of all submarkets (1.2%), despite trending downwards over the past 24 months.

Rentals – Metropolitan Houses and Units



Source: SA Housing Authority, m3property

- House rentals increased 7.69% and unit rentals increased 6.06% over the 12 months to December 2021.
- Rental growth has been on the back of the low vacancy rate.

Outlook

- A higher inflationary environment is expected to persist over the remainder of 2022 through to the end of 2023 and we note that this will result in further rising of long-term bond yields. In response to inflationary pressures, the Reserve Bank of Australia started a period of monetary policy tightening in May with a 25-basis point increase in the cash rate, followed by a 50-basis point rise in June.
- With further interest rate rises anticipated over 2022 and 2023, housing affordability will decline, making it more difficult for buyers to obtain finance and reducing the borrowing power of purchasers, and this will result in a cooling in the residential market. We expect that house prices will peak mid-year, before seeing small corrections in 2023 and 2024. Unit / apartment prices are expected to see further growth (albeit marginal) over the short to medium-term.
- There are numerous grants and schemes that will support first home buyer demand nationally: including the New Home Guarantee, allowing first homebuyers able to buy with a 5 per cent deposit; the First Home Super Saver Scheme; and the 'Family Home Guarantee,' that allows single parents to purchase a home with a 2 per cent deposit. The SA HomeSeeker initiative is also available for eligible first home buyers and involves a portion of new developments being made available to first home buyers for a set period of time, before they are made available to the wider public. The initiative is part of a wider push by the South Australian Government to deliver 1,000 affordable dwellings by the end of 2025. Lastly, the first-home buyer low deposit loan scheme is being extended through HomeStart to apply to new build dwellings. These initiatives and supports are expected to support demand in the residential market.

| Factor | Comment | Six Month Outlook |
|--------------------|--|-------------------|
| Dwelling Supply | New dwelling supply is forecast to increase during 2022 as new house and land sales as well as dwelling approvals manifest into supply completions. | |
| Residential Demand | Demand is forecast to soften over the remainder of 2022 with interest rate rises pushing housing affordability down. | |
| Vacancy Levels | Vacancy is expected to be relatively stable in the Metropolitan Adelaide market over the short-term. | |
| Dwelling Prices | We expect that house prices will peak mid-year, before seeing small corrections in 2023 and 2024. Unit / Apartment prices are expected to see further growth (albeit marginal) over the short- to medium-term. | |
| Rents | Metropolitan rents are expected to continue a steady upward trajectory over the short term given the rental market remains undersupplied. | |

General Commentary

The property currently comprises an unmade section of road, positioned within an established and tightly held beachside suburb which is currently experiencing a level of urban renewal.

Due to the established nature of the area, redevelopments are typically created through the purchase of older houses for demolition and redevelopment and/or subdivision. Where sites are being redeveloped, newly constructed dwellings are generally of a high standard and contemporary design.

Notably in this instance the subject site is vacant, with no requirement to demolish any existing improvements, albeit that services will need to be connected.

Subject to our assumption that a new Certificate of Title will be issued for Allotment 51, the site appears to offer the opportunity for development in line with other development currently underway within the surrounding areas which typically represent either a single dwelling or a pair of semi-detached dwellings / townhouses.

While we note that the site is positioned within relatively close proximity to the foreshore, public parks and schooling which would be appealing to the market, the frontage to busy King George Avenue may deter some purchasers.

Nevertheless, given the market appeal and popularity of North Brighton, the lack of opportunities to purchase property suited to redevelopment, the obvious level of residential redevelopment activity on a number of other sites within this and adjoining suburbs and the current strong market conditions, we would expect a high level of interest would be displayed for the property if it was offered to the market, subject to appropriate pricing and marketing.

Valuation Rationale

A variety of approaches have been considered and we detail below our principal approach to value. In this case we have adopted Direct Comparison as our primary approach with reference to quantum allotment value, whereby the subject property is compared directly with sales of other properties in similar locations and adjustments made for small points of difference.

Sales Evidence

Amongst others, a summary of the more pertinent sales evidence that has occurred since the date of our last report/s includes the following:

| Address | Sale Price | Sale Date | Land Area (m ²) | Sale Price Analysis/m ² site area improved | Comments |
|----------------------------------|-------------|-----------|-----------------------------|---|--|
| 17 Somers Street, North Brighton | \$920,000 | April-22 | 625 | \$1,472 | Essentially presents as vacant land – former garden / shed of an adjoining dwelling. General Neighbourhood zone. Positioned east of Brighton Road. |
| 4 Waverly Terrace, Hove | \$775,000 | Nov-21 | 556 | \$1,399 | Vacant land. Appears to have been sold as part of a House and Land package. |
| 2 Waverly Terrace, Hove | \$775,000 | Oct 21 | 553 | \$1,401 | Vacant land. Appears to have been sold as part of a House and Land package. |
| 15 Lynton Avenue, North Brighton | \$1,230,000 | Jul-21 | 808 | \$1,522 | Circa 1954 conventional dwelling. 18.29 metre site frontage. General Neighbourhood zone. Two lot land division proposal lodged since sale. |

The sales information quoted has been obtained from a number of sources including published sales information provided by the Land Services Group and CoreLogic. Whilst we understand the information to be reliable, we are unable to guarantee the accuracy..

Assessments of Value

In determining the potential value for the subject allotment, we have had regard to prevailing market conditions and price levels whilst being mindful of the likely target market and the characteristics offered by the subject property. To this end, sales evidence of comparable allotments within North Brighton and other surrounding localities have been sought and compared with the subject.

Unsurprisingly given the established nature of the locality, there has been a dearth of sales in the immediate area over the past 6 month period and as a result we have extended our research to include land to the western side of Brighton Road within the adjacent suburbs of Hove, Somerton Park and Brighton.

Further, with respect to the market, we note that conditions are currently being buoyed by strong purchaser demand which have seen sale prices achieved across residential markets rise steadily from mid-2020, underpinned by the post COVID pandemic economic recovery, with a surge in price growth evident during the second half of 2021 and into the early months of 2022.

It is notable that the median house price in Adelaide rose approximately 17.65% year on year to December 2021, including 7% in the December quarter alone.

In this respect, transactional evidence confirms that when offered for sale, many properties have experienced short marketing periods, often achieving sale prices well in excess of vendor and agent expectations. Anecdotally, sale prices appear to have been driven in many cases by interest from multiple purchasers including historically high levels of non-traditional demand from interstate and exacerbated by the historically low cost of funds and a lack of competing stock.

With respect to the sales evidence noted above, these have occurred within the broad range of \$775,000 - \$920,000 for single allotments of up to 625 square metres in size, with the recent sale of a larger lot suited to a 2 lot division recorded at \$1,230,000. While this market does not typically consider sites on the basis of rate per square metre of site area, but generally on a quantum price basis, noting the limited sales evidence we have also had consideration to an analysis on this basis for comparison purposes.

We reference the sales at **Waverly Terrace, Hove**, also being smaller sites and each sold for \$775,000 (circa \$1,400/m²), noting that these appear to have been sold as 'house and land' packages, with purchasers expected to commit to a building contract at the time of purchase.

We have then considered the sale at **15 Lynton Avenue, North Brighton** which is a larger allotment with an application for a two allotment land division lodged, with the 'wholesale' cost of each allotment prior to completion of the division being \$615,000.

The most recent sale at **Somers Street, North Brighton** represents an inside allotment of a regular shape albeit positioned with a marginally inferior North Brighton location east of Brighton Road although is considered to provide a reasonable basis for comparison.

Overall we have been mindful of the site proportions, its busy neighbourhood road frontage, the position and shape of the proposed easement and the lack of existing service connections and crossovers. On balance, we are of the view that there is little if any discernible difference in underlying value levels for sites that offer potential to establish either a single detached dwelling or two semi-detached dwellings.

Our analysis of the available sales evidence and more recent evidence that is yet to reach settlement, confirms that the recent strong market conditions have resulted in an escalation in underlying price levels for sites offering potential for redevelopment and in this instance we are of the opinion that sales evidence identified supports our view that the Allotment 51 could achieve a sale price within a broad range in the order of \$850,000 - \$950,000. For the purpose of this assessment we have adopted a market value 'as if complete' within this range of **\$900,000**.

Notwithstanding our value assessment, the market in this location is poorly defined by the available market evidence and given the strong market metrics we consider it possible that if the property was to be offered to the open market for sale that a price at variance to, and potentially in excess of, the assessed value may be achieved, depending on the circumstances of the marketing and sale process adopted at that time.

Valuation Statement

Therefore, after due consideration of recent sales transactions and other relevant market data, we are of the opinion that as at 20 April 2022, the subject property warrants a market value 'as if complete', subject to our remarks and qualifications noted herein as follows:

Proposed Allotment 51 Lynton Avenue, North Brighton

\$900,000

(NINE HUNDRED THOUSAND DOLLARS) GST not applicable

We also take this opportunity to advise that neither m3property nor related companies or individuals have any pecuniary interest that would conflict with the valuations of these properties.

We trust that this letter is sufficient for your immediate requirements. If you should require any additional assistance with regard to this or any other property matters, please do not hesitate to contact the undersigned.

Qualifications

We have valued the 100% interest of the asset for the party referred to above. Proportional ownership of the 100% interest should not be construed as representing the same proportional interest in our assessed value of the asset.

In undertaking our valuation, we have relied upon various financial and other information submitted by our instructing party. Where possible within the scope of our retainer and limited to our expertise as Valuers, we have reviewed this information including by analysis against industry standards. Based upon that review, we have no reason to believe that the information is not fair and reasonable or that material facts have been withheld.

However, our enquiries are necessarily limited by the nature of our role and we do not warrant that we have identified or verified all of the matters which a full audit, extensive examination or 'due diligence' investigation might disclose. For the purpose of our valuation assessment, we have assumed that this information is correct.

Disclaimers

This valuation is for the private and confidential use only of the City of Holdfast Bay and for the specific purpose for which it has been requested. No third party is entitled to use or rely upon this report in any way and neither the Valuer nor m3property shall have any liability to any third party who does.

No part of this valuation or any reference to it may be included in any other document or reproduced or published in any way without written approval of the form and context in which it is to appear.

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 general market movements or factors specific to the particular property or 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.

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 (3) months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on valuation. Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically.

Yours sincerely
m3property



Kym Dreyer B App Sc (Val) LFAP
Certified Practising Valuer/Director
Primary Signatory



Michael Schwarz
Divisional Director
Counter Signatory

The counter signatory has reviewed the report and is satisfied that there is a reasonable basis for the valuation process undertaken and methodology adopted by the primary signatory. The counter signatory also verifies that the report has been reviewed in accordance with our Quality Assurance Policy, is genuine and authorised by m3property Australia Pty Ltd.

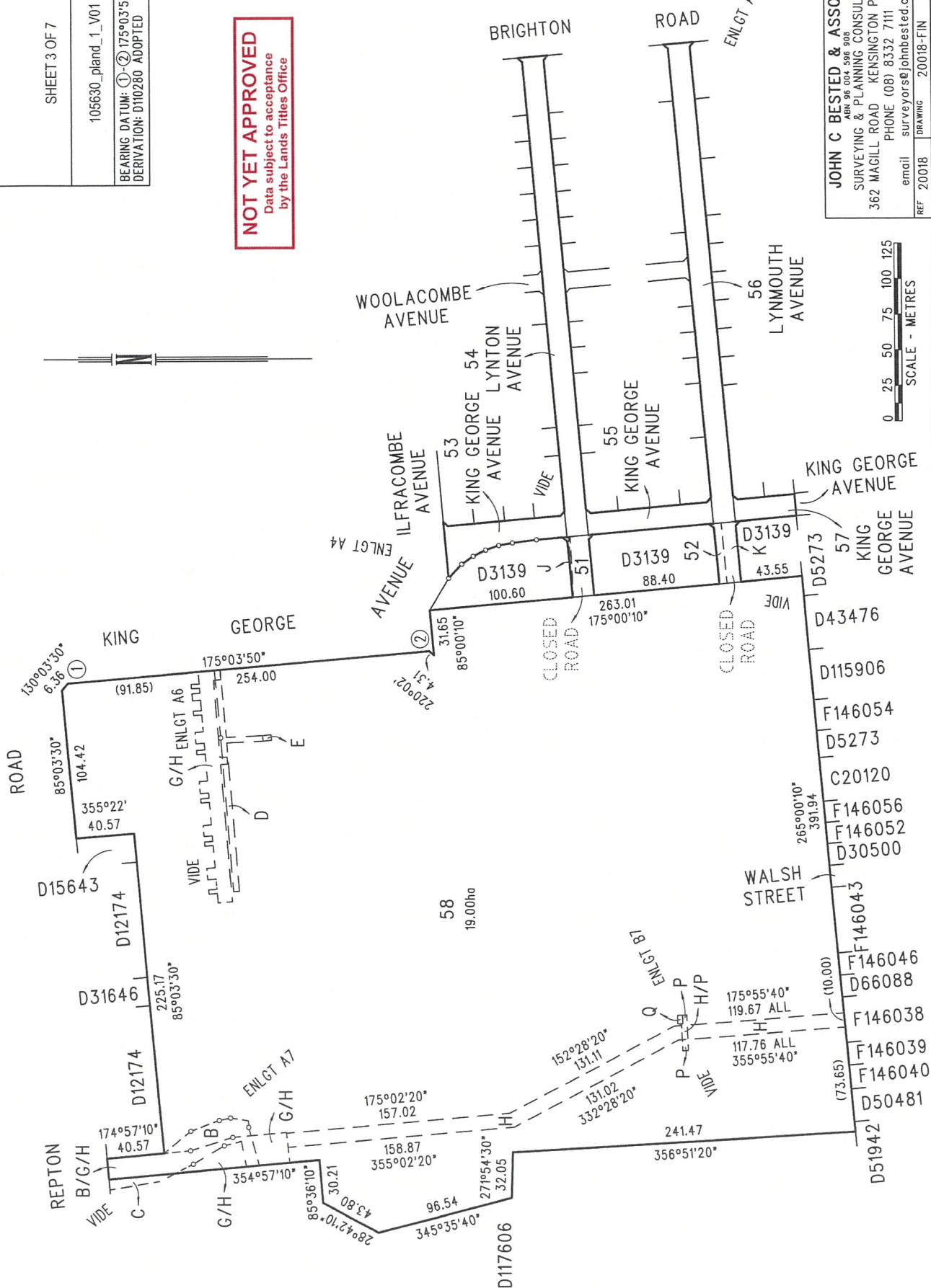
Proposed Plan of Division

| | | | | | | | | | | |
|--|---------------|-------------------------------|---------------------------------------|---|---------------------------|--------------|--------|-------------------------|------|------------------|
| PURPOSE: ROADS (OPENING & CLOSING) ACT 1991 AND REDESIGNATION OF PARCELS | | AREA NAME: NORTH BRIGHTON | APPROVED: | | | | | | | |
| MAP REF: 6627/01/A | | COUNCIL: CITY OF HOLDFAST BAY | DEPOSITED/FILED: | | | | | | | |
| LAST PLAN: | | DEVELOPMENT NO: | SHEET 1 OF 7 | | | | | | | |
| AGENT DETAILS: JOHN C BESTED & ASSOCIATES PTY LTD 362 MAGILL RD KENSINGTON PARK SA 5068 PH: 83327111 FAX: 83641829 | | SURVEYORS CERTIFICATION: | | | | | | | | |
| AGENT CODE: JCBA | | | | | | | | | | |
| REFERENCE: 20018 | | | | | | | | | | |
| <div>NOT YET APPROVED Data subject to acceptance by the Lands Titles Office</div> | | | | | | | | | | |
| SUBJECT TITLE DETAILS: | | | | | | | | | | |
| PREFIX | VOLUME | FOLIO | OTHER | PARCEL | NUMBER | PLAN | NUMBER | HUNDRED / IA / DIVISION | TOWN | REFERENCE NUMBER |
| PT CT | 4185 | 343 | RTD | ALLOTMENT(S) (ROAD) (PORTION BEING CLOSED ROAD) | 92.93.94.95.96 | D | 3139 | NOARLUNGA | | |
| CT | 6207 | 771 | | ALLOTMENT(S) | 2 | D | 110280 | NOARLUNGA | | |
| OTHER TITLES AFFECTED: | | | | | | | | | | |
| EASEMENT DETAILS: | | | | | | | | | | |
| STATUS | LAND BURDENED | FORM | CATEGORY | IDENTIFIER | PURPOSE | IN FAVOUR OF | | CREATION | | |
| EXISTING | 58 | LONG | EASEMENT(S) | D | | | | TG 12313421 | | |
| EXISTING | 58 | LONG | EASEMENT(S) | E | | | | TG 12313421 | | |
| EXISTING | 58 | LONG | EASEMENT(S) | P | | | | TG 12918602 | | |
| EXISTING | 58 | LONG | EASEMENT(S) | Q | | | | TG 12918602 | | |
| EXISTING | 58 | SHORT | FREE AND UNRESTRICTED RIGHT(S) OF WAY | B | | 58 | | RTC 12613028 | | |
| EXISTING | 58 | SERVICE | EASEMENT(S) | G | FOR WATER SUPPLY PURPOSES | | | 223LG RPA | | |
| EXISTING | 58 | SERVICE | EASEMENT(S) | H | FOR SEWERAGE PURPOSES | | | 223LG RPA | | |
| EXISTING | | SHORT | FREE AND UNRESTRICTED RIGHT(S) OF WAY | C | | | | RTC 12613028 | | |

| | | | | | SHEET 2 OF 7 | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---------------|-------|-------------|------------|-----------------------------|--|----------|---------------|------|----------|------------|---------|--------------|----------|-----|----|-------|-------------|---|---------------------------|----|--|-----|----|------|-------------|---|-----------------------------|--|--|
| | | | | | 105630_text_01_v01 | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div>EASEMENT DETAILS:</div> <table><thead><tr><th>STATUS</th><th>LAND BURDENED</th><th>FORM</th><th>CATEGORY</th><th>IDENTIFIER</th><th>PURPOSE</th><th>IN FAVOUR OF</th><th>CREATION</th></tr></thead><tbody><tr><td>NEW</td><td>51</td><td>SHORT</td><td>EASEMENT(S)</td><td>J</td><td>FOR WATER SUPPLY PURPOSES</td><td>58</td><td></td></tr><tr><td>NEW</td><td>52</td><td>LONG</td><td>EASEMENT(S)</td><td>K</td><td>ELECTRICITY SUPPLY PURPOSES</td><td>DISTRIBUTION LESSOR CORPORATION (SUBJECT TO LEASE 8890000)</td><td></td></tr></tbody></table> <div>ANNOTATIONS: PP 19/0052 AUTHORITY FOR DATA D110280 ALLOTMENT 58 (CT 6207/771) DOES NOT FORM PART OF THE ROAD PROCESS</div> <div>NOT YET APPROVED Data subject to acceptance by the Lands Titles Office</div> | | | | | | | STATUS | LAND BURDENED | FORM | CATEGORY | IDENTIFIER | PURPOSE | IN FAVOUR OF | CREATION | NEW | 51 | SHORT | EASEMENT(S) | J | FOR WATER SUPPLY PURPOSES | 58 | | NEW | 52 | LONG | EASEMENT(S) | K | ELECTRICITY SUPPLY PURPOSES | DISTRIBUTION LESSOR CORPORATION (SUBJECT TO LEASE 8890000) | |
| STATUS | LAND BURDENED | FORM | CATEGORY | IDENTIFIER | PURPOSE | IN FAVOUR OF | CREATION | | | | | | | | | | | | | | | | | | | | | | | |
| NEW | 51 | SHORT | EASEMENT(S) | J | FOR WATER SUPPLY PURPOSES | 58 | | | | | | | | | | | | | | | | | | | | | | | | |
| NEW | 52 | LONG | EASEMENT(S) | K | ELECTRICITY SUPPLY PURPOSES | DISTRIBUTION LESSOR CORPORATION (SUBJECT TO LEASE 8890000) | | | | | | | | | | | | | | | | | | | | | | | | |

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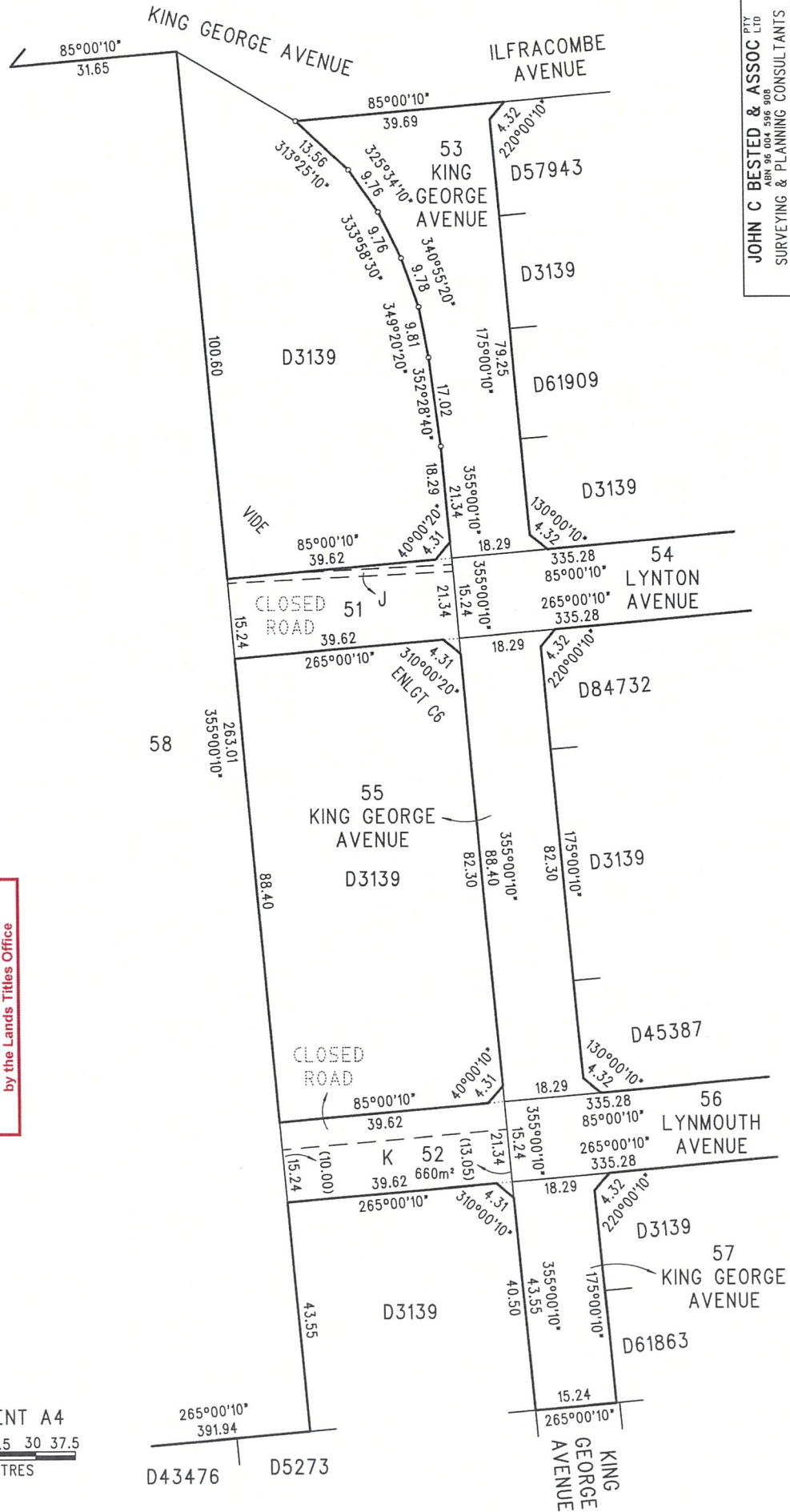
SHEET 4 OF 7

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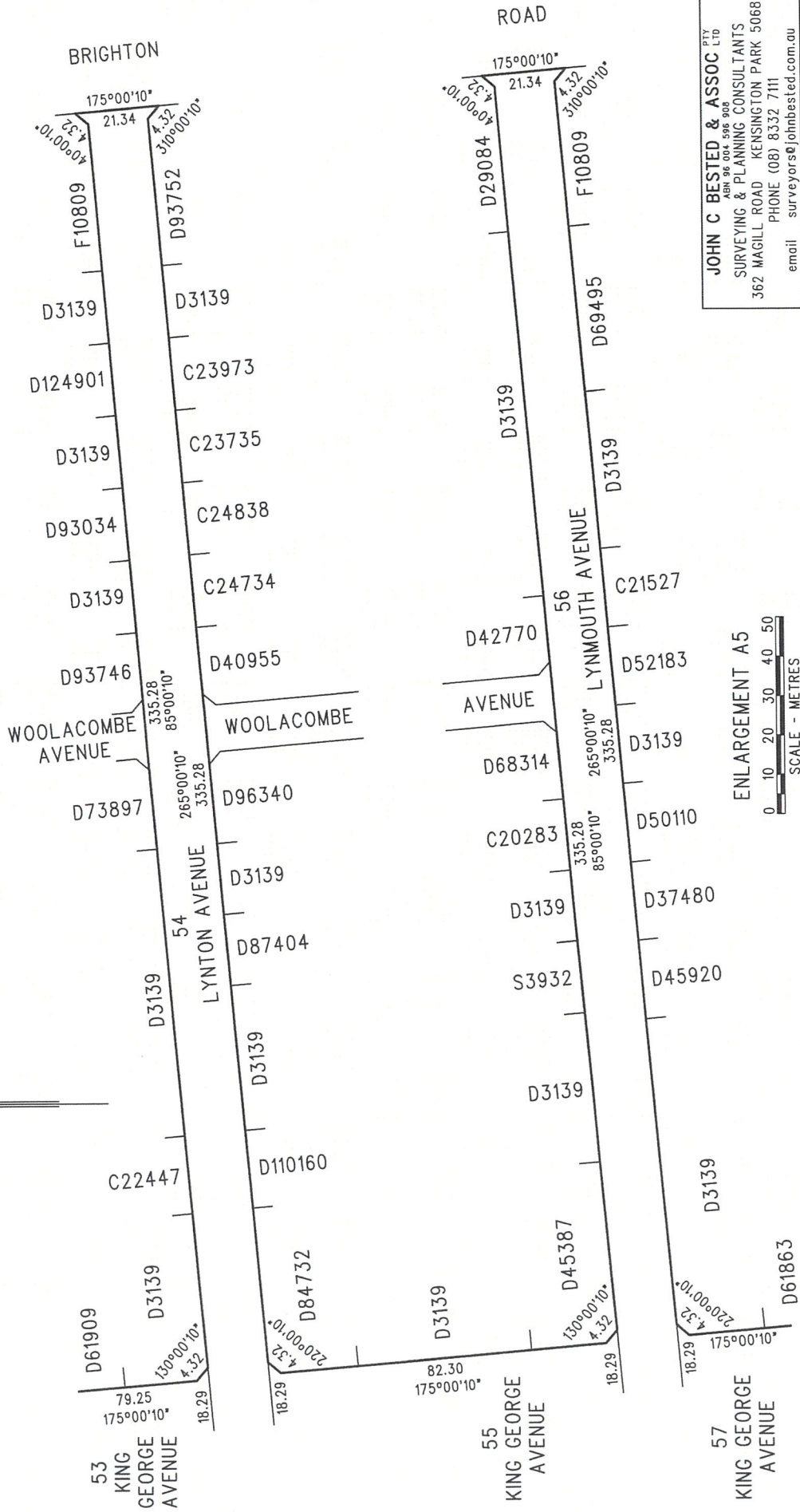
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SHEET 5 OF 7

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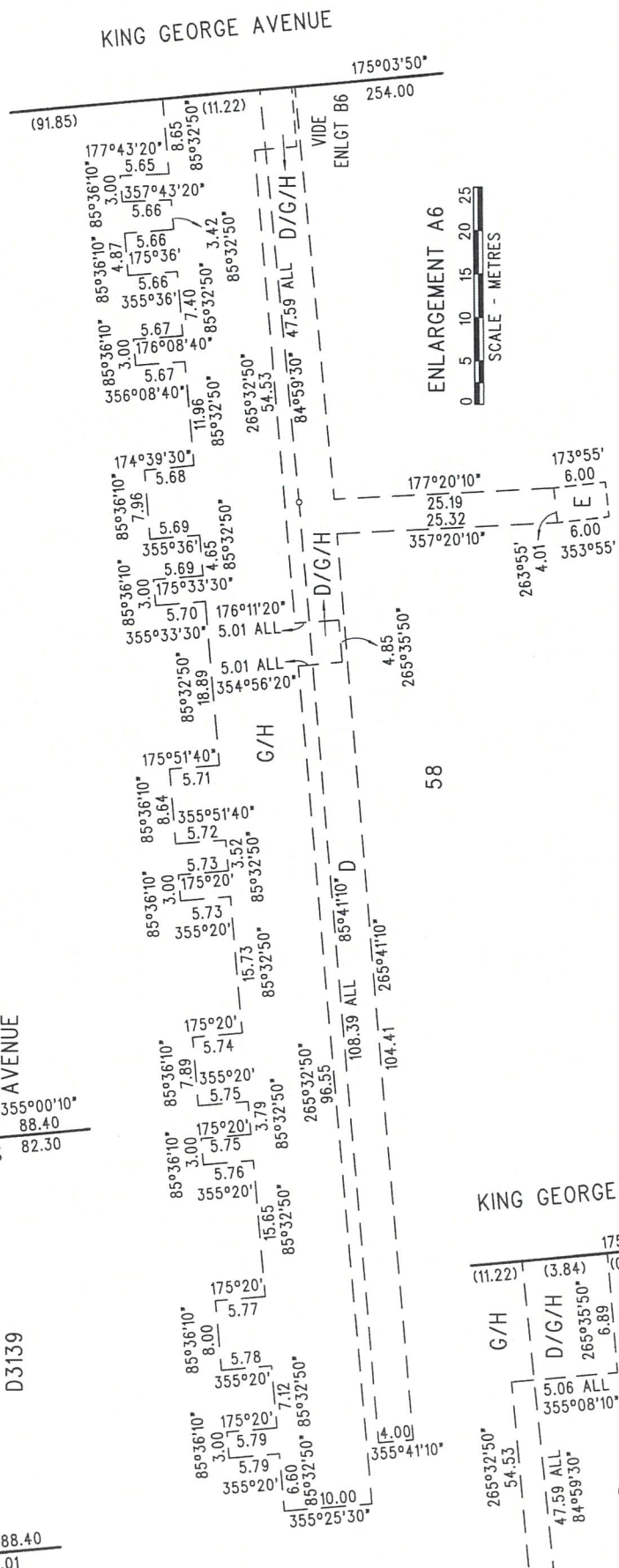
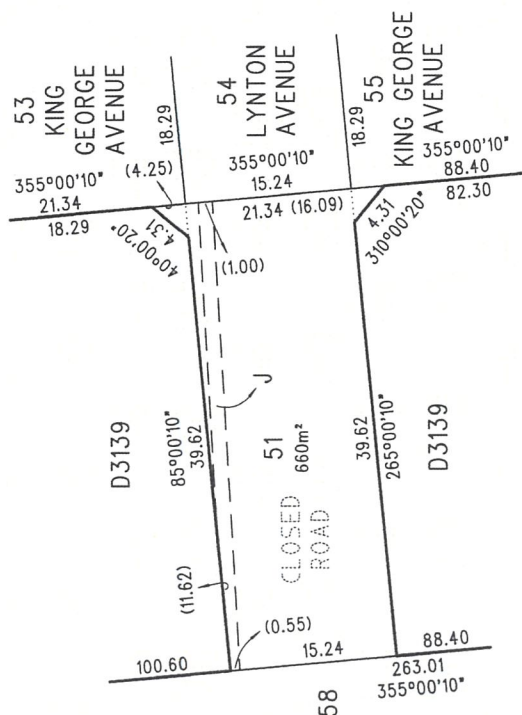
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ENLARGEMENT A6

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SCALE - METRES

ENLARGEMENT B6
NOT TO SCALE

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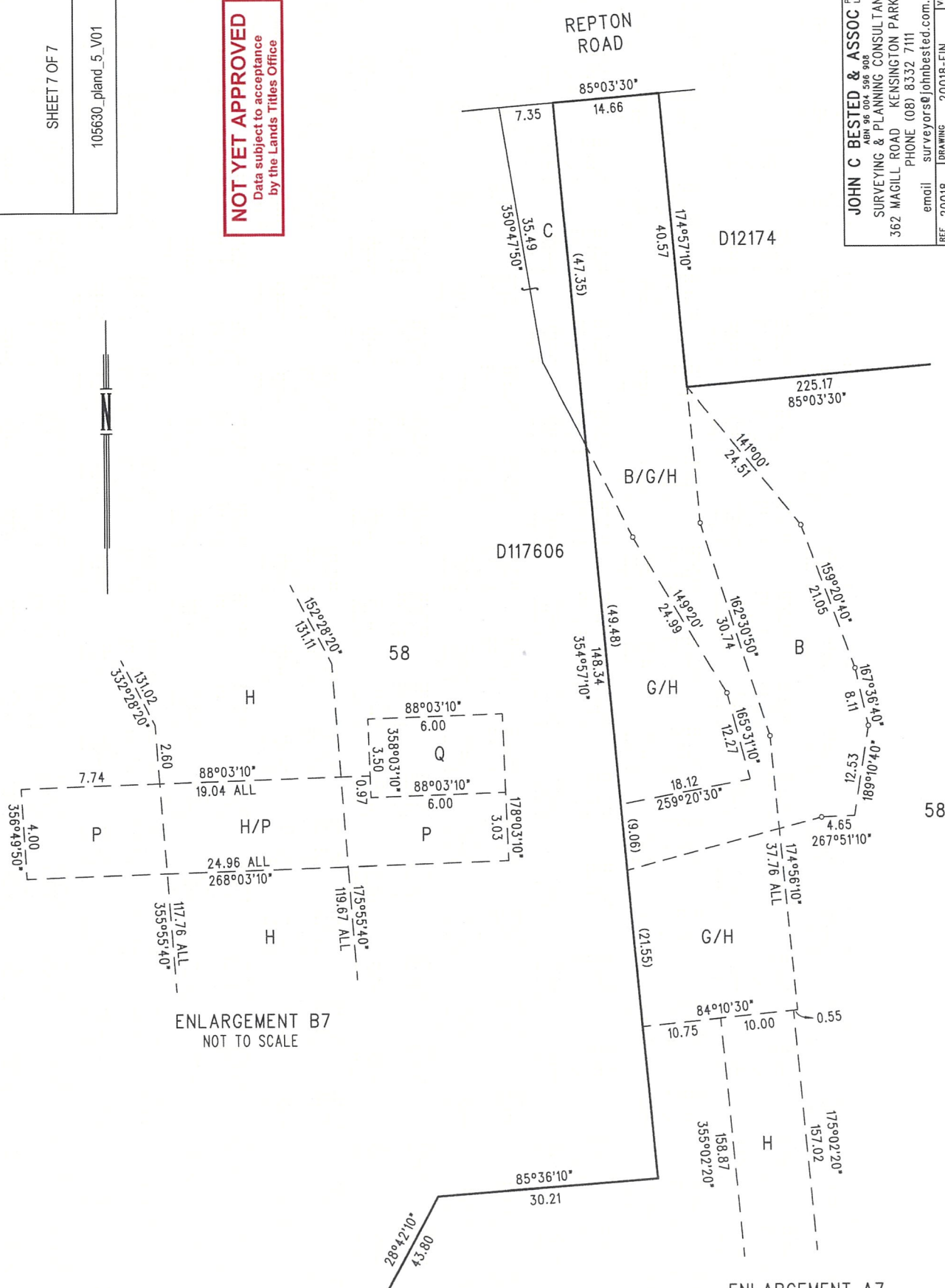
SHEET 7 OF 7

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ITEM NUMBER: 18.1

CONFIDENTIAL REPORT

PROPOSED SALE OF LAND

Pursuant to Section 83(5) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- b. Information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and would, on balance, be contrary to the public interest.**
- d. Commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest.**

Recommendation – Exclusion of the Public – Section 90(3)(b & d) Order

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 238/22 Proposed Sale of Land in confidence.
 2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 238/22 Proposed Sale of Land in confidence on the following grounds:
 - b. pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is

conducting business; or
would prejudice the commercial position of the Council.
 - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected

to prejudice the commercial position of the person who supplied the information, or
to confer a commercial advantage on a third party.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
 3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.
-

Item No: 18.1

Subject: **PROPOSED SALE OF LAND**

Date: 12 July 2022

Written By: Manager, Development Services

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

At its meeting held on 24 August 2021, Council resolved in confidence to make a Road Process Order to formally close the unmade road reserves on Lynton and Lynmouth Avenues at North Brighton, as the first step towards the sale of the Lynton Avenue allotment on the open market, whilst pausing progress of the sale on the Lynmouth Avenue allotment to enable Administration to engage directly in discussions with Minda for better clarity as to Council's sale options for this site (Resolution No. C240821/2399). With the imminent creation of the Certificates of Title for the respective parcels of land, this report recommends that Council take the next step in the sale of the Lynton Avenue allotment in accordance with Council's Disposal of Land and Asset Policy.

RECOMMENDATIONS

1. That Council authorises the Chief Executive Officer to enter into a Sales Agent Agreement for the sale of the allotment comprising the Lynton Avenue allotment following the creation of a Certificate of Title and completion of the tender process to select an appropriate land agent to manage the sale in accordance with Section 20 of the *Land and Business (Sale and Conveyancing) Act 1994*.
2. That Council authorises the Chief Executive Officer to determine the most appropriate method for sale for the allotment comprising the Lynton Avenue allotment having regard to the advice received from the successful Real Estate selected as the preferred tendered to manage the sale.
3. That Council authorises the Chief Executive Officer to accept any reasonable offer for the allotment comprising the Lynton Avenue allotment that is not lower than \$800,000.
4. That Council authorises the Chief Executive Officer and Mayor to authorise any legal and financial documentation required for the transaction of the allotment comprising the Lynton Avenue allotment.
5. That Council authorises the removal of the non-regulated vegetation on the Lynton Avenue allotment prior to the allotment being marketed for sale.

6. That prior to advertising the Lynton Avenue allotment for sale, courtesy written advice is provided to the Chief Executive of Minda announcing Council's intent for the sale of the Lynton Avenue allotment, and Council's continued willingness to engage further with Minda on the potential transfer of the Lynmouth Avenue allotment at a later date.

RETAIN IN CONFIDENCE - Section 91(7) Order

7. That having considered Agenda Item 18.1 Report No: 238/22 Proposed Sale of Land in confidence under Section 90(2) and (3)(b) & (d) of the *Local Government Act 1999*, the Council, pursuant to Section 91(7) of that Act orders that the report, attachments and minutes be retained in confidence for a period of 12 months and/or with the Chief Executive Officer authorised to release the documents when the land purchase is completed and that this order be reviewed every 12 months.

STRATEGIC PLAN

This document contributes to the vision of the Strategic Plan by ensuring the financial sustainability through the considered rationalisation of Council assets, while exercising sound financial management to deliver on objectives and aspirations.

COUNCIL POLICY

Disposal of Land and Asset Policy
Procurement Policy

STATUTORY PROVISIONS

Local Government Act 1999 [ss 49 & 201]
Real Property Act 1886
Roads Opening and Closing Act 1991
Land and Business (Sale and Conveyancing) Act 1994

BACKGROUND

Previous Reports and Workshops:

- Confidential Council Report No. 131/19, Item No. 17.1, "Proposed Sale of Land", 9 April 2019 (Resolution No. C090419/1444).
- Confidential Council Report No. 394/20, Item No. 15.5 "Road Closure – Undeveloped Road Reserves – Lynton and Lynmouth Avenues North Brighton", 8 December 2020 (Resolution No. C081220/2167)
- Council workshop held on 17 August 2021

- Confidential Council Report No. 286/21, Item No. 15.1, "Proposed Sale of Land", 24 August 2021 (Resolution No. C240821/2399)

Following the Council resolution made at its meeting held on 24 August 2021, the unmade road reserves on Lynton and Lynmouth Avenues at North Brighton have been formally closed pursuant to the *Roads (Opening and Closing) Act 1991*. The overall process is presently in the final stage, where Council is awaiting the creation of the Certificates of Title. In accordance with a separate part of the same resolution, Council's Chief Executive Officer has also met with his counterpart at Minda to discuss any potential interest in acquiring either parcel of land prior to offering one or both parcels for sale on the open market.

REPORT

Council may recall from previous workshops and reports that there were two unmade road reserves, which have now been formally closed in accordance with a previous Council resolution, that form the extensions of Lynton Avenue and Lynmouth Avenue at North Brighton. The closed road reserves, and soon-to-be freehold allotments, effectively protrude westward into the Minda campus from King George Avenue. Whilst the Lynton Avenue allotment is relatively unencumbered and therefore saleable on the open market upon the issue of a Certificate of Title, the Lynmouth Avenue allotment is constrained by a ten (10) metre wide easement in recognition of the powerlines overhead. In this regard, the land is essentially only valuable to Minda due to the high cost of redirecting the powerlines underground, and the need for Minda to consent to such an arrangement in the first place. The circumstances and constraints of both allotments are illustrated in Attachment 1 to this report.

Refer Attachment 1

In accordance with the Council resolution of 24 August 2021, Council's Chief Executive Officer met with the then newly appointed Chief Executive of Minda, Dr David Panter, in late March 2022. The outcome of that meeting was that Minda expressed no desire to purchase the Lynton Avenue allotment as it did not wish to increase its housing stock in that location. With regard to the Lynmouth Avenue allotment, Minda expressed a willingness to discuss potentially combining this land with its adjacent vacant land to create an amalgamated corner allotment for potential redevelopment. Minda advised that it would begin work on a new masterplan for the campus in late 2022, which would more closely consider the Lynmouth Avenue option, having regard to the complicated issue of undergrounding the power cables. In this regard, Council can now proceed with the sale of the Lynton Avenue allotment on the open market, and revisit the potential transaction of the Lynmouth Avenue allotment with Minda at a later date, upon understanding the allotment's place in Minda's masterplan.

Having established Minda's intent regarding its future landholdings, particularly with respect to its disinterest in purchasing the Lynton Avenue allotment, it is now considered opportune to seek Council's consent to proceed with the open market sale of the Lynton Avenue allotment. Due to the imminent creation of the Certificates of Title through the Lands Titles Office, the timing is considered appropriate to seek a resolution from Council that enables preparedness for the marketing of the allotment commensurate with the creation of the freehold title, especially with the Local Government caretaker period now imminent.

Notwithstanding the absence of a Certificate of Title for the Lynton Avenue allotment, the process towards securing an exclusive Certificate of Title is sufficiently progressed that steps can now be taken in readiness for sale of the land, which included obtaining an up-to-date valuation for the Lynton Avenue road allotment, which is provided as Attachment 2 to this report. The current property valuation for the Lynton Avenue allotment with the easement is \$900,000. Notwithstanding, it is recommended that Council authorise the Chief Executive Officer to consider offers as low as \$800,000, as it remains uncertain what the actual interest in the land may be. It is also recommended that the intent to consider an offer lower than the official valuation not be disclosed to the land agent engaged to manage the sale. As we may be in caretaker period the Chief Executive Officer will not be able to come back to Council if the highest offer is below valuation. The setting of the \$800,000 allows flexibility to negotiate a sale during caretaker. If the best offer is below the \$800,000 figure a report would need to come back to the new Council for further consideration.

Refer Attachment 2

Council Administration has also commenced the tender process for engagement of a real estate agent to manage the sale for the land in accordance with Council's Disposal of Land and Asset Policy and its Procurement Policy. Council Administration has called for tenders from four (4) local real estate agents. It is recommended that Council delegates the Chief Executive Officer to determine the most appropriate method(s) of sale for the allotment in consultation with the real estate agent appointed to manage the sale on Council's behalf. The land will be marketed upon creation of the Certificate of Title.

BUDGET

The costs incurred by Council to date comprise surveyor and legal fees, valuation fees, pipework detections costs, pipe testing costs and design costs for removal/relocation of electricity infrastructure. There are sufficient funds in the budget to cover the cost of the real estate agent, and the associated fees and charges associated with the property's transaction.

LIFE CYCLE COSTS

There will be no further ongoing costs incurred by Council after the sale of the allotment.