

9.14 OFFERS FOR SALE - 25 (LOT 93) SYDNEY STREET, NORTH PERTH

- Attachments:**
1. 19 May 2022 - Market Valuation Report - Confidential
 2. Offers - Outcomes of Expression of Interest - Confidential
 3. 9 May 2023 - Real estate agent's marketing report - Confidential

RECOMMENDATION:

That Council:

1. NOTES:

- 1.1 the offers submitted by the real estate agent for sale of 25 (Lot 93) Sydney St, North Perth (Land) as at Confidential Attachment 2;
- 1.2 that no offers meet the market valuation stated in scenario 1 of the 2022 Market Valuation Report as at Confidential Attachment 1;
- 1.3 that the proceeds from the sale of the Land will be applied towards:
 - 1.3.1 the development of the park on Haynes Street Reserve; and
 - 1.3.2 any excess, after application of funds in Recommendation 7.1, the Public Open Space Reserve;

2. **APPROVES** the sale and transfer of Land in Offer 3 set out in Confidential Attachment 2 at \$876,000 excluding GST.

3. AUTHORISES the:

- 3.1 Mayor and Chief Executive Officer to affix the common seal and execute the Offer and Acceptance Form in respect of Recommendation 2;
- 3.2 Chief Executive Officer to:
 - 3.2.1 provide local public notice of the transfer in accordance with section 3.58 of the *Local Government Act 1995*; and
 - 3.2.2 consider any submissions received and to determine whether to proceed with the proposed transfer; and
- 3.3 Mayor and Chief Executive Officer to affix the common seal and execute the Transfer of Land document subject to the Chief Executive Officer determining to proceed with the transfer set out in Recommendation 3.2.

PURPOSE OF REPORT:

To consider the offers for sale in respect of No.25 (Lot 93) Sydney St, North Perth (Land).

BACKGROUND:

Council at its meeting on [17 May 2022](#) (item 9.4), approved the following:

- (a) disposition of the Land in accordance with the *Local Government Act 1995*;
- (b) sale process relating to the disposition of the Land to commence after expiry or termination of the car park licences granted on the Land; and
- (c) accepting offers which are equal to or higher than the market valuation in Scenario 1 for land zoned at R20 in **Confidential Attachment 1**.

The car park licence on the Land was granted to Kidz Galore Pty Ltd. They were provided with the Deed of Surrender of car park licence in December 2022 for approval and execution. In April 2023, Kidz Galore Pty Ltd formally agreed to the termination of the car park licences granted on the Land. Administration appointed a licensed real estate agent in April 2023 to advertise the sale of the Land.

DETAILS:

Advertisement of the site for sale by the real estate agent commenced on 13 April 2023. The City has received 32 enquiries and four offers as a result of the Expression of Interest process. The offers are set out in **Confidential Attachment 2**.

Based on the recommendation in the real estate agent's marketing report attached as **Confidential Attachment 3**, Administration recommends acceptance of Offer 3 for the following reasons:

- (a) It has been a year since the market valuation was undertaken and the property market has since seen a downturn due to interest rate increases by the Reserve Bank. The offer price is extremely close to the Scenario 1 market valuation;
- (b) Offer 3 is a cash offer and there is more certainty of the settlement proceeding without the risks associated with obtaining finance;
- (c) Offer 3 has also requested the City not to erect the boundary fence, which was otherwise proposed to be installed by the City at the City's cost prior to sale; and
- (d) Based on recommendation by the real estate agent, it is to be noted that Administration has disregarded Offer 4 although presented at a higher price due to the condition of offer imposed on the offer. The request cannot be facilitated as part of this process and would be inconsistent with the City's Local Planning Scheme No.2.

Settlement would be subject to the City complying with the public notice requirements under section 3.58 of the *Local Government Act 1995*. The Contract for Sale of Land by Offer and Acceptance (Offer and Acceptance) form will include a special condition to that effect.

If Council approves Offer 3, the Offer and Acceptance Form would be signed and the settlement process would commence. The Transfer of Land will be executed as part of the settlement process.

CONSULTATION/ADVERTISING:

If the offer is accepted, public notice is required in accordance with section 3.58 of the *Local Government Act 1995*. Public notice will be provided for a minimum of two weeks in the following ways:

- on the City's website;
- in the local paper; and
- on the City's notice boards at the Administration and Civic Centre and Library.

LEGAL/POLICY:Local Government Act 1995

In accordance with Section 3.58 of the *Local Government Act 1995*, a local government can dispose of land in the following ways:

- public auction;
- public tender; or
- directly to a third party conditional on a public notice period and consideration of any submissions received. Public notice must include the purchase price, name of the purchaser and valuation details.

Section 5.42 of the *Local Government Act 1995* provides that a local government may delegate powers and duties to the Chief Executive Officer.

RISK MANAGEMENT IMPLICATIONS

Low: It is low risk for Council to sell the Land as proposed.

STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2018-2028*:

Thriving Places

Our physical assets are efficiently and effectively managed and maintained.

Innovative and Accountable

We are open and accountable to an engaged community.

FINANCIAL/BUDGET IMPLICATIONS:

The \$876,000 received from the proposed sale would be applied towards:

- (a) the development of the park on Haynes Street Reserve; and
- (b) any excess, after application of funds in a) above, the Public Open Space Reserve.

Consistent with Council's resolution 17 May 2022.