8.4 OFFER FOR SALE - LOT: 823 ON DEPOSITED PLAN: 429962 (FORMERLY NO. 26 BRENTHAM STREET, LEEDERVILLE)

Attachments:
1. **Plan of Subject Site**
2. **Market Valuation - Confidential**

RECOMMENDATION:

That Council:

1. **ACCEPTS the offer from Rosewood Care Group Inc (ABN 47 687 603 507) to purchase Lot 823 on Deposited Plan 429962, Leederville for $2,600,000;**

2. **APPROVES the disposition of Lot 823 on Deposited Plan 429962, Leederville in accordance with section 3.58 of the *Local Government Act 1995;***

3. **AUTHORISES the Chief Executive Office to:**

   3.1 **Negotiate and conclude the Contract of Sale between the City of Vincent and Rosewood Care Group Inc; and/or**

   3.2 **Determine the settlement date and/or date of satisfaction of any conditions pursuant to the Contract of Sale;**

4. **AUTHORISES the Mayor and Chief Executive Officer to affix the common seal and/or execute the following in accordance with the Execution of Documents Policy:**

   4.1 **Contract of Sale of the land by offer and acceptance in respect of Recommendation 3; and**

   4.2 **Transfer of Land and all other documents relating to the sale of Lot 823 on Deposited Plan 429962;**

5. **AUTHORISES BY ABSOLUTE MAJORITY that:**

   5.1 **The proceeds from the sale less any fees associated with the sale and transfer of land be allocated to the Public Open Space reserve; and**

   5.2 **$450,000 be allocated towards the planning and development of a new playground and other improvements within the Brentham Street Reserve; and**

6. **NOTES that the remaining proceeds from the sale after the expenditure in Recommendation 5 would be used for future enhancements of existing Public Open Space within the City of Vincent including Mt Hawthorn and Leederville.**

PURPOSE OF REPORT:

For Council to:

- Accept the offer from Rosewood Care Group Inc (Rosewood) (ABN 47 687 603 507) to purchase Lot 823 on Deposited Plan 429962 (subject site).
- Authorise the CEO to complete the sale and purchase transaction.

DELEGATION:

Delegation 2.2.17 – Disposing of Property in the City's Delegations, Authorisations and Appointments does not extend to a disposition where the market value of the property exceeds $20,000.

The market value of the subject site is $2.99 million.

BACKGROUND:

The subject site is shown in **Attachment 1** and is surrounded by Rosewood Aged Care to the east and Aranmore Catholic Primary School to the south.

The subject site has a frontage to Brentham Street to the west and a 5 metre right of way (ROW) to the north. On the northern side of this ROW and the western side of Brentham Street there are existing single and two storey houses.

The subject site has an area of 1,784 square metres and is zoned Residential R60 under the City's Local Planning Scheme No. 2 (LPS2).

Aranmore Catholic Primary School Land Exchange

At its meeting on 28 May 2019 Council approved a land exchange between the City and Aranmore Catholic Primary School.

To facilitate this the subdivision and amalgamation of a number of landholdings was required to consolidate and create new lots. This process was completed in September 2020.

Sale of Subject Site

At its meeting on 8 March 2022 Council resolved to prepare Amendment No. 8 to LPS2 to rezone the subject site from Public Open Space to Residential R60 under LPS2.

At this same meeting Council also resolved to sell the subject site following the finalisation of Amendment No.8. The rezoning of the subject site was completed in February 2023.

Related to the sale of the subject site the Council resolution sets out:

- *Administration to invite private treaty land sale offers from the adjoining landowners Aranmore Catholic Primary School and Rosewood Care Group Inc.*
- *Should no private treaty offer of sale be accepted by Council, the CEO will dispose of the land via public tender.*

To facilitate the sale, the subject site was required to be excised from the broader landholding comprising of the Brentham Street Reserve and be created on its own title.

In September 2024, the Western Australian Planning Commission (WAPC) approved a subdivision application to create the subject site on its own title.

As part of the City satisfying the conditions of this subdivision approval, the playground on the subject site was removed in February 2025 and services were connected in May 2025.

Deposited Plan 429962 to create the subject site on its own title has recently been approved by Landgate. The City's lawyers have lodged the application for the title with Landgate and is awaiting issuance of title.

DETAILS:

Aranmore Catholic Primary School and Sisters of Mercy declined the invitation to make an offer to purchase the subject site in February and April 2022, respectively.

Rosewood expressed interest in purchasing the subject site between 2022 and 2024. On 14 April 2025 Rosewood submitted an offer of $2.6 million.

Administration obtained an independent market valuation for the subject site of $2.99 million in April 2025 (**Attachment 2**).

Rosewood is aware that the offer will be presented to the August 2025 Council meeting and has advised that it is not prepared to make any further increased offer because:

- The offer exceeds its current budget and is mindful of significant construction costs that would be incurred to redevelop the subject site.
- Additional capital towards the land acquisition would jeopardise any long-term redevelopment plans.
- The opportunity for it to purchase and redevelop the subject site would bring lasting community benefits.

CONSULTATION/ADVERTISING:

If the offer is accepted, Administration would negotiate and conclude the terms of the contract for sale of land with Rosewood.

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 in accordance with Regulation 30(2)(b) as this disposition is to a charitable organisation.

Organisation Implementation

Organisations lead engagement and seek input, shape the policies, projects and services for which they are responsible. This is a familiar and traditional approach to policy development, project management and service delivery.

Tension: People feel forced leading to an unresponsive process.
Mitigation: Increasing the level of influence, and implementing a transparent, robust process.

Required under regulations/legislation
Communicate how community and stakeholder input has influenced the decision-making or implementation

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.

Rosewood is a charitable organisation for the purposes of Regulation 30(2)(b)(i).

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

Property Investment and Disposal Policy

Notwithstanding that Council resolved to approve the sale of the subject site in 2022 prior to the adoption by Council of the Property Investment and Disposal Policy (Policy) in 2024, the Policy is relevant as it establishes a framework for the strategic management of the City's property portfolio.

The key principles for strategic property management under this Policy are:

- Alignment with current or future service delivery outcomes identified in the Strategic Community Plan or Corporate Business Plan.
- Financial return or Future Development Potential including long term yield on property investment and positive economic development outcomes.
- Contribution to economic, environmental or community benefit to the City of Vincent district.
- Compliance with statutory requirements in particular the requirements of the *Local Government Act 1995.*
- Fair and equitable.

The Policy also identifies the following matters that may be taken in into consideration when disposing of property:

- The land is identified in a Council adopted strategy, budget, analysis, policy or planning scheme as being surplus to its requirements or not required to be owned by Council.
- The sale price would be equal or more than the current market value assessed by a licensed valuer, unless Council can justify the circumstances to sell the land at less than market value.
- Any other matters affecting the land.

Administration's justification for Council to accept Rosewood's offer is outlined in the Comments section.

RISK MANAGEMENT IMPLICATIONS

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 the sale of the land has been conducted through accountable and transparent procedures through implementing relevant risk control measures implemented in accordance with the City's Risk Management and Project Management Frameworks.
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.

Low: It is low risk for Council to sell the subject site to Rosewood. The sale would generate additional financial income for the City which would be allocated towards enhancing the City's existing public open spaces in Mt Hawthorn and Leederville.

STRATEGIC IMPLICATIONS:

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

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.

PUBLIC HEALTH IMPLICATIONS:

This does not contribute to any public health outcomes in the *City's Public Health Plan 2020-2025.*

FINANCIAL/BUDGET IMPLICATIONS:

Settlement, Landgate and legal fees associated with the private treaty sale are estimated to be approximately $15,000. These fees would be funded through the proceeds of the sale.

If the subject site were to be sold through a public tender, the fees would be approximately $45,000. This would include additional costs and expenses associated with agent fees and marketing.

Proceeds from the land sale would be held in Public Open Space reserve and be applied towards:

- The planning and development of the Brentham Street Reserve green space.
- Improving community access to and enhancing existing public open space (POS) within the City, including Mt Hawthorn and Leederville.

The allocation of expenditure for POS projects would be addressed through the preparation of future Annual Budgets and would require Council's approval.

COMMENTS:

Assessment of Rosewood Offer

It is recommended that Council accepts Rosewood's offer to buy the subject site for $2.6 million.

- Rosewood would likely be the only potential buyer. This is because of the location of the subject site and the opportunity for Rosewood to expand its current aged care facility. This is also clear from the lack of interest from the Sisters of Mercy and Aranmore Catholic Primary School to submit an offer.

- Selling the subject site through a private treaty sale with Rosewood would take approximately 3 months to negotiate and finalise. This is quicker than a public tender process which could take between 6 to 8 months to complete. If a public tender were to be undertaken there is the potential for the market valuation to reduce and lose the present offer from Rosewood.

- Declining the current offer in hope of securing a higher offer could result in the City losing the offer entirely and forfeiting a secured position.

- The City's valuer has confirmed that even if Rosewood is the only likely potential buyer, it would not affect the market valuation for the subject site.

Proceeds of Sale & Improvements to POS

Council's resolution from March 2022 sets out:

- That proceeds from the sale will be held in the POS reserve to create and enhance POS in shortfall areas such as Mt Hawthorn.
- For community consultation to occur on a new landscape plan for Brentham Street Reserve. This would include a new playground, footpath and lighting up to $299,000.

Investigations into POS enhancements or upgrades to the Brentham Street Reserve are not currently included in the 2025/26 Budget or Corporate Business Plan.

Funds from the sale of the subject site would support Administration to carry out this work:

- Enhancing Existing Public Open Space (POS) – The POS Strategy identifies that the southern portion of Mount Hawthorn has a deficit in local POS and the northern portion of Leederville is deficient in Neighbourhood POS.

  Proceeds from the sale would be used towards investigating and implementing options to improve public and disability access to existing POS including Oxford Reserve, Britannia Reserve and Sullivan Logistics Stadium (Leederville Oval). This would enhance the amenity and quality of POS in Mount Hawthorn and Leederville for the community.

  Some of these projects would likely require grant funding, and the proceeds of the sale could form the City's contribution.

  If funds from the sale were not used for this, it would otherwise require the use of rate revenue or existing reserves to undertake upgrades. It is anticipated these investigations would occur in 2026/27.

- Brentham Street Reserve Green Space – 2022 estimates for the construction of a new playground and other improvements near Wylie Place were $299,000. Costs have risen since 2022 with the design and construction now estimated to be up to $450,000 (inclusive of a contingency and outlined below).

  $450,000 from the sale would be used for the planning and development of the Brentham Street Reserve green space. This would include a new playground and other improvements and would begin following completion of the sale.

  Development and consultation on the landscape plan for the green space would be accounted for in the 2026/27 budget. Construction of the playground would be accounted for in the 2027/28 budget and the Four Year Capital Works Plan.

Improvement	2022 Cost	2025 Cost
Removal of existing play equipment, construction of new play equipment and softfall	$115,000	$180,000 - $200,000
Footpath – red asphalt	$90,000	$90,000
Lighting x 14	$49,000	$60,000
Planting and reticulation	$25,000	$25,000
Benches and drink fountains	$20,000	$20,000
Landscape plan (internal)	$0	$0
Total Estimated Cost	**$299,000**	**$375,000-$395,000**

Attachment 1 – Plan of Subject Site (Lot 823 on Deposited Plan 429962)