

Moved Cr Hamilton that the report be noted.

Seconded Cr Gamble and CARRIED.

**CORRESPONDENCE**

NIL

**QUESTIONS ARISING FROM COUNCIL MEETING (10 MINUTES)**

NIL

**47 CONFIDENTIAL REPORTS**

47.1      **REPORT TITLE:**      **CONFIDENTIAL ITEM: PROPOSED LAND ACQUISITION**  
             **DATE OF MEETING:** **20 OCTOBER 2008**  
             **AUTHOR:**      **BRIAN CLANCEY**  
             **AUTHOR'S TITLE:** **GENERAL MANAGER, INFRASTRUCTURE & PROJECTS**  
             **FILE NUMBER:**      **48/030/056**  
             **ATTACHMENTS:**      **1. COUNCIL PROJECT PROPOSAL**  
                                     **2. LETTER OF NOMINATION/AUTHORITY TO AGENT**  
                                     **3. LOCATION PLAN MARKET COURT OPTION**  
                                     **4. LOCATION PLAN JEFFREY STREET OPTION**  
                                     **5. PLAN OF LAND DIVISION – MARKET COURT**  
                                     **6. VALUATION ADVICE**  
             **DEPARTMENT:**      **INFRASTRUCTURE & PROJECTS**  
             **DEPARTMENT**  
             **MANAGER:**      **BRIAN CLANCEY**

Moved Cr Irvine that Council:

1. orders pursuant to Section 90(2) and 90(3) of the Local Government Act 1999 that the public be excluded from attendance at the meeting to consider in confidence matters regarding:
  - (b) information the disclosure of which:
    - (i) 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
    - (ii) would, on balance, be contrary to the public interest.

2. permits the Chief Executive Officer, General Manager Infrastructure & Projects, General Manager Strategy Development and Communities, General Manager Corporate, and the Minute Secretary to remain in the room.

Seconded Cr Zanker and CARRIED.

Moved Cr Gamble that Council:

3. Authorise Council funding of \$325,000 (not included in the 2008/09 budget) as a contribution to the project to significantly reduce existing traffic congestion and improve pedestrian safety in the vicinity of the Nairne Primary School conditional upon matching amounts from both the Federal and State Governments to achieve total project funding of \$975,000.
4. Note that in accordance with legal agreements entered into by Council in 2006, Council will receive \$300,000 income for this purpose from the developer of the Matthew Road land in staged amounts when this residential development proceeds;
5. Note that the \$325,000 Council expenditure would need to be reflected in the second 2008/09 budget review that is to be the subject of a further report to Council, probably in early 2009.
6. Authorise the Chief Executive Officer (or nominee) to give written authority in terms of the letter of nomination (attachment 2) in favour of a suitably experienced nominee agent to act on Council's behalf to execute an unconditional contract for the purchase of allotment 22, Market Court, Nairne for the lowest purchase price that can be negotiated relative to market value but in any event, not to exceed the amount of \$220,000 excluding GST.
7. Authorise the Mayor and the Chief Executive Officer to properly affix the Council's common seal on all necessary documentation required to complete settlement of the sale and purchase of the subject land.
8. Determine that allotment 22, Market Court, Nairne be excluded from classification as community land under the Local Government Act 1999 (assuming it is purchased by Council).
9. Note the intention that information would be provided to the community in a joint announcement involving all three spheres of Government once the funding and extent of works has been confirmed and allotment 22, Market Court, Nairne has been acquired by Council.

10. Orders pursuant to Section 91(7), (8) and (9) of the Local Government Act 1999 that the discussion, reports, attachments and minutes relating to this item be kept confidential until 20 October 2009 or all of the matters relating to the need for confidentiality as outlined in the confidential agenda item have been achieved, whichever is the sooner.

Seconded Cr Irvine and CARRIED.



**17            CONFIDENTIAL REPORTS**

**17.1        REPORT TITLE:        CONFIDENTIAL ITEM: PROPOSED LAND ACQUISITION**

**DATE OF MEETING: 20 OCTOBER 2008**

**AUTHOR:                BRIAN CLANCEY**

**AUTHOR'S TITLE:    GENERAL MANAGER, INFRASTRUCTURE & PROJECTS**

**REPRESENTORS:    N/A**

**FILE NUMBER:        48/030/056**

**ATTACHMENTS:       1. COUNCIL PROJECT PROPOSAL  
2. LETTER OF NOMINATION/AUTHORITY TO AGENT  
3. LOCATION PLAN MARKET COURT OPTION  
4. LOCATION PLAN JEFFREY STREET OPTION  
5. PLAN OF LAND DIVISION – MARKET COURT  
6. VALUATION ADVICE**

**DEPARTMENT:        INFRASTRUCTURE & PROJECTS**

**DEPARTMENT  
MANAGER:            BRIAN CLANCEY**

---

**PURPOSE**

To brief Council on the proposed project (inclusive of funding) to significantly reduce existing traffic congestion and improve pedestrian safety in the vicinity of the Nairne Primary School and to gain authority to seek to undertake land acquisition.

**RECOMMENDATION**

That Council:

1. orders pursuant to Section 90(2) and 90(3) of the Local Government Act 1999 that the public be excluded from attendance at the meeting to consider in confidence matters regarding:

**15. CORRESPONDENCE**

NIL

**16. QUESTIONS ARISING FROM COUNCIL MEETING (10 MINUTES)**

- (b) information the disclosure of which:
- (i) 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
  - (ii) would, on balance, be contrary to the public interest.
2. permits the Chief Executive Officer, General Manager Infrastructure & Projects, General Manager Strategy Development and Communities, General Manager Corporate, and the Minute Secretary to remain in the room.
  3. Authorise Council funding of \$325,000 (not included in the 2008/09 budget) as a contribution to the project to significantly reduce existing traffic congestion and improve pedestrian safety in the vicinity of the Nairne Primary School conditional upon matching amounts from both the Federal and State Governments to achieve total project funding of \$975,000.
  4. Note that in accordance with legal agreements entered into by Council in 2006, Council will receive \$300,000 income for this purpose from the developer of the Matthew Road land in staged amounts when this residential development proceeds;
  5. Note that the \$325,000 Council expenditure would need to be reflected in the second 2008/09 budget review that is to be the subject of a further report to Council, probably in early 2009.
  6. Authorise the Chief Executive Officer (or nominee) to give written authority in terms of the letter of nomination (attachment 2) in favour of a suitably experienced nominee agent to act on Council's behalf to execute an unconditional contract for the purchase of allotment 22, Market Court, Nairne for the lowest purchase price that can be negotiated relative to market value but in any event, not to exceed the amount of \$...,000 excluding GST.
  7. Authorise the Mayor and the Chief Executive Officer to properly affix the Council's common seal on all necessary documentation required to complete settlement of the sale and purchase of the subject land.
  8. Determine that allotment 22, Market Court, Nairne be excluded from classification as community land under the Local Government Act 1999 (assuming it is purchased by Council).

9. Note the intention that information would be provided to the community in a joint announcement involving all three spheres of Government once the funding and extent of works has been confirmed and allotment 22, Market Court, Nairne has been acquired by Council.
  10. Orders pursuant to Section 91(7), (8) and (9) of the Local Government Act 1999 that the discussion, reports, attachments and minutes relating to this item be kept confidential until 20 October 2009 or all of the matters relating to the need for confidentiality as outlined in the confidential agenda item have been achieved, whichever is the sooner.
  11. Subject to Section 90 of the Local Government Act 1999 as amended, readmit the public to the meeting at the conclusion of this item.
- 

### **BACKGROUND**

This matter has been the subject of numerous previous reports to Council over a long period of time.

In February 2008 a Memo was provided to all Council Members to update them on the matter.

More recently a confidential briefing for Council Members was provided on 8 September 2008.

#### **Federal Government**

In August 2007 the Federal Government committed a financial amount of \$325,000 for the purposes of contributing to the installation of traffic lights to create a signalised four way intersection (i.e. conversion of the Woodside Road/Princes Highway and Saleyard Road/Princes Highway junctions).

This was announced by the Hon Alexander Downer, the then Federal Member for Mayo.

Council subsequently executed a Federal Government funding agreement to this effect.

Council did some very preliminary and rough estimates of the cost of proceeding to upgrade to create a signalised four way intersection and established this to probably be well over \$1 million including land acquisition, service relocations, cost of the traffic signals etc.



The State Government subsequently indicated that the likely cost would be closer to \$2 million.

Hence it was determined that an alternative lower cost option was required given adequate funding could not be secured to undertake the traffic lights option.

Mayor Ann Ferguson, Mr Andrew Stuart and Mr Brian Clancey briefly raised this matter when they recently met with Federal Minister Anthony Albanese MP to discuss the additional freeway interchange at Bald Hills Road.

#### State Government

Council has undertaken considerable communication on this matter with the State Government over a long period of time. This culminated in a meeting being held on 8 October 2008 with the Hon Carmel Zollo MLC, Minister for Road Safety, Mr Jim Hallion the Chief Executive of the Department of Transport, Energy and Infrastructure and other senior State Government officers.

Mayor Ann Ferguson, Mr Andrew Stuart and Mr Brian Clancey attended the meeting which was very constructive.

#### Nairne Primary School

Council has met regularly with representatives of the Nairne Primary School and maintains communication via the Principal.

The Department of Education and Childrens Services (DECS) has made known that a Feasibility Study is being undertaken as to the option for significant expansion to the school.

DECS representatives have reaffirmed that relocating the school is not on the agenda.

If the Feasibility Study ultimately sees DECS proceed with expansion, it is understood that this may well generate a desire for DECS to seek acquire some vacant land that is immediately adjacent to the southern boundary of the school. This land is currently zoned Rural Mount Barker.

### **DISCUSSION**

#### State Government Proposal

Some months ago Minister Zollo wrote to Council and advised that the State Government would be prepared to contribute some funding

but this was conditional on Council constructing a new road to link Saleyard Road and make it a through road.

The State Government funding would be to install a new push button activated pedestrian crossing of the Princes Highway on the Eastern side of Woodside Road (this form of crossing would eliminate the current need for school children to monitor the crossing and regulate traffic stoppages).

This followed on from extensive modelling by the State Government of various options using sophisticated computer software and actual traffic movement data at different times in the day.

This modelling demonstrated that the relocation of the pedestrian crossing to the Eastern side of Woodside Road would dramatically reduce the current traffic congestion at peak times.

Given the new link road requirement of the State Government, Council commissioned Murray F Young and Associates (Transportation Consultants) to investigate the options for a new link road inclusive of cost estimates and expected benefits.

The Murray Young and Associates report (August 2008) concluded that each of the options for a new link road could not be justified at this time on the basis of the benefits relative to the costs.

As expected the estimated costs were very substantial even without the inclusion of provision for land acquisition. The report did not support the option of a link road back to the Princes Highway but concluded that if at some future time a link road from Saleyard Road was warranted it should connect back to the Nairne township via Market Court, Shakes Road or Jeffrey Street.

The report was provided to the State Government and Council put forward an alternative proposal.

#### Council Proposal

The revised project proposal submitted by Council contains six key actions. These are outlined in attachment 1.

This proposal was submitted to Minister Zollo at the meeting held on 8 October 2008 and was supported by the State Government inclusive of funding being shared one third each by the Federal Government, State Government and Council. The State Government also indicated that it is confident that the proposal and proposed funding approach would be supported by the Federal Government. The State Government has also committed to assist Council in this regard.

### Land Acquisition

The revised project proposal submitted by Council (as outlined in attachment 1) includes the acquisition of a vacant allotment in Market Court, Nairne (allotment 22 with an area of 670m<sup>2</sup>). Please refer to attachment 5 - Plan of Land Division.

There is no intention to proceed to use this land in the short term it would remain vacant. Acquisition by Council is simply to keep all future options open.

Future options for this allotment would include:

1. Retain the land (maintain as vacant with no improvements) until such time as the actual performance of the actions in the revised Council proposal (attachment 1) have been assessed and the outcome and likely implications of the school Feasibility Study are known and then determine if Council should dispose of or retain the land and if to be retained, for what purpose;
2. Possible route for a new link road if Saleyard Road is ever extended (see attachment 3);
3. Possible route for a local connector road if Saleyard Road is ever extended to Jeffrey Street (see attachment 4);
4. Dispose of the land;
5. Consider development for other possible uses consistent with the current zoning of Residential.

It is proposed that the status of the land in terms of Council needs should be regularly reviewed by Council, say on an annual basis.

Given the above it is recommended that the land be excluded from classification as community land under the Local Government Act 1999 so that future options are retained.

In March 2008 development approval was granted by Council for the land division that includes allotment 22, Market Place, Nairne. Council did not have any known interest in the land at that time.

The applicant is still to satisfy some conditions of development approval and hence clearance under section 51 of the Development Act is yet to be granted. Council is required to advise the Development Assessment Commission once it is satisfied all conditions have been met. This will facilitate a plan of land division being deposited with the Lands Titles Office allowing Certificates of Title to be issued.

In advance of that, the land owner can enter into contracts to sell allotments but no settlement can occur until Certificates of Title have issued.

It is important that Council's interest in the land not be disclosed as to do so would potentially compromise the objective.

To overcome this risk it is proposed to engage an agent to seek to acquire Allotment 22 Market Court, Nairne on Council's behalf without disclosing Council's interest.

A draft letter of Nomination/Authority from Council has been prepared by a solicitor, refer attachment 2.

Discussions have occurred in this regard with local agent LJ Hooker, Mount Barker.

Valuation advice for allotment 22 Market Court, Nairne has just been received by Council from Egan National Valuers (refer attachment 6). The advice is that the market range for this land is between \$155,000 and \$175,000.

This advice along with other considerations such as the recognition of the relative importance to the project of acquiring this allotment and the notional project funding allocation (attachment 1) for this purpose of \$220,000 provides a basis for Council to discuss and then determine the amount to be inserted in recommendation 6 and consequently in the letter of Nomination/Authority (attachment 2).

Acquisition of this allotment now by Council is considered very low risk in terms of the investment outlay as Council would have an asset that over time can reasonably be expected to increase in value.

Minor land acquisition on the corner of Saleyard Road and Princes Highway is likely to be required to enable the construction of a new left turn lane from Saleyard Road which is also an action within the Council proposal. The extent of land required (corner cut off) and hence an estimate of the cost will not be known not until a design is prepared. This land would become road reserve upon acquisition by Council.

No discussions have been initiated by Council as yet with this land owner. Please refer Next Steps below.

#### Project Target Timing

The present target for construction is Autumn 2009. This however will be subject to a number of matters including project funding confirmation and the necessary design and land acquisition.

#### Confidentiality

The objective is to provide information to the community but in a manner and at a time that will not compromise the project. This is reflected in recommendation 9 regarding a joint announcement.

As there are land acquisitions to be undertaken it is proposed that the information in and attached to this agenda item remain confidential until all of the following 3 points have been achieved or no later than 12 months from now whichever is the sooner (as per recommendation 10).

1. Allotment 22 Market Court, Nairne has been purchased by Council and has settled; and
2. The project inclusive of funding arrangements has been jointly announced by Federal and State Governments and Council; and
3. The required land acquisition on the corner of Saleyard Road and the Princes Highway (corner cut-off) by Council has settled.

### Next Steps

Council to:

1. Write to Minister Zollo to confirm what was agreed at the meeting held on 8 October 2008.
2. Write to Minister Albanese seeking Federal Government funding of \$325,000 for the revised project proposal as outlined in attachment 1.
3. Provide authority to LJ Hooker Mount Barker (or other suitably experienced nominee agent) to pursue acquisition (on Council's behalf) of allotment 22 Market Court, Nairne.
4. Council officers to initiate discussions with the owner of the property on the corner of Saleyard Road and the Princes Highway regarding the proposed construction of a new left turn lane from Saleyard Road and the likely need for minor land acquisition.

### Summary

There is now a narrow window of opportunity to act to secure a range of actions to overcome long held community concerns. The proposed approach would significantly reduce existing traffic congestion and improve pedestrian safety in the vicinity of the Nairne Primary School.

It has taken many years, been difficult and resource intensive to reach this point. If the current funding available from the Federal and State Governments is not taken up this opportunity may be significantly delayed or lost.

The net impact on Council is minimal and considered reasonable given the circumstances.

## **POLICY IMPLICATIONS**

### **1. Financial/budget**

Council has secured by legal agreement a commitment from the developer of the residential land on Matthew Road, Nairne a financial contribution of \$300,000 for upgrading of the Woodside Road/Princes Highway and Saleyard Road/Princes Highway junctions. This is not payable to Council by the developer until the residential development is undertaken and is payable in three instalments in accordance with the intended staging of the residential development.

A pre design preliminary estimate of the project cost is shown in attachment 1. The total funding provision sought is \$975,000 to provide adequate margin for an increase in the pre design preliminary estimates given there are some unknowns such as the cost of land acquisition/s.

The proposed funding basis is one third each by the Federal and State Governments and Council. Of the \$325,000 to be committed by Council, \$300,000 would be recoverable over time from the developer of the Matthew Road land.

### **2. Legal**

Council is responsible for the management of Saleyard Road.

The State Government (Department of Transport, Energy and Infrastructure) is responsible for the management of the Princes Highway and Woodside Road.

Exclusion from classification as community land under the Local Government Act 1999.

### **3. Staffing/Work Plans**

There will continue to be a significant impact on Council staff, in the first instance associated with co-ordinating and seeking confirmation of project support from the State and Federal Governments and pursuing land acquisition.

Responsibility for design and procurement of the proposed physical works is yet to be formally discussed with the State Government. Council's preference will be to seek as far as possible to have design and procurement managed by the State Government.

Even if this is achievable, Council staff will need to actively contribute to the process and play a role in local community liaison.

**4. Environmental**

Any specific environmental impacts would not be known until detailed design for the project is undertaken. Minimisation of any impacts would be a project design objective.

**5. Social**

Significantly improved road user and pedestrian safety.

**6. Strategic Plans**

The project is directly related to the new district wide Transport Master Plan which is currently under preparation.

**COMMUNITY CONSULTATION**

**1. Customer Needs Analysis**

The local community including the Nairne Primary School has been seeking action for a long period of time.

**2. Promotion/Communications**

A joint announcement of the project involving all three spheres of Government is envisaged once the funding and extent of works has been confirmed and allotment 22 Market Court has been acquired by Council.

## **Meeting With The Hon Carmel Zollo MLC Minister for Road Safety**

### **RE: Princes Highway/Woodside Road/Saleyard Road, Nairne**

#### **A. Proposed Approach**

References below relate to the numbering on the attached aerial photograph.

Unless otherwise stated, preliminary order of costs (pre design) prepared by Rider Levett Bucknall (July 2008) with contingency of 20% added and rounded.

##### **1) New Pedestrian Actuated Crossing on Princes Highway (new location)**

Preliminary order of cost estimate

\$250,000 excluding GST

##### **2) Walkway from Princes Highway to Nairne Primary School (Sealed and pram accessible) to cover existing open drain**

Preliminary order of cost estimate (Council)

\$45,000 excluding GST

##### **3) Woodside Road (Princes Highway to Bythorne Park Car Park just North of Railway Line crossing – approx. 380 metres) – Kerbing, drainage, footpath, road verge sealing, pedestrian crossing over railway line**

Preliminary order of cost estimate (Council)

\$275,000 excluding GST

##### **4) Woodside Road – Pedestrian Refuge just North of Railway Line crossing**

Preliminary order of cost estimate (Council)

\$15,000 excluding GST

##### **5) Construct New Left Turn Lane from Saleyard Road to Princes Highway**

Preliminary order of cost estimate (excluding minor land acquisition that is likely to be required)

\$50,000 excluding GST



**6) Purchase of Vacant Allotment in Market Court (670m2) – Future New Road Option not immediate, longer term**

Preliminary order of cost estimate (Council)

\$220,000 excluding GST

**Total preliminary order of cost estimate (pre design) of \$855,000 excluding GST and provision for likely land acquisition requirement on the corner of Saleyard Road and the Princes Highway.**

**Proposed total project funding budget of \$975,000.**

**B. Proposed Funding approach**

- **Federal Government - \$325,000**
- **State Government DTEI –\$325,000**
- **Council – \$325,000**

**Total Project Budget \$975,000**



District Council of Mount Barker  
NAIRNE PRIMARY SCHOOL



Map Zoom: 2333 m  
Map Scale: 1:5762  
Created on: Tuesday, 7 October 2008 By: nfo

District Council of Mount Barker  
6 Dutton Road  
Mount Barker SA 5251  
Telephone (08) 8591 7500  
Facsimile (08) 8591 7599



© The District Council of Mount Barker 2007.  
Apart from any use permitted under the Copyright Act 1968 (Cth), no part may be reproduced by any process without prior written permission obtained from the District Council of Mount Barker. Requests and enquiries concerning reproduction and rights should be directed to the Chief Executive Officer. The District Council of Mount Barker, its employees and members accept no liability for any loss or damage, in any way, arising from the use of the information contained herein. The District Council of Mount Barker, its employees and members accept no liability for any loss or damage, in any way, arising from the use of the information contained herein.



**LETTER OF NOMINATION**

Date:

Dear Sir

Re: Letter of Nomination – Conditional Contract for Sale and Purchase of Land –  
Allotment 22, Market Court, Nairne

The District Council of Mount Barker ("the Council") does hereby nominate and authorise \_\_\_\_\_ ("the Nominee") to sign a Contract for the sale and purchase of land ("the Contract") in the name of "the Nominee" with respect to the land described at Allotment 22 Market Court, Nairne ("the Land").

The Nominee shall not disclose to the vendor that they are acting on behalf of the Council.

The Nominee prior to signing the Contract shall ensure that the Contract price is the lowest purchase price relative to the market value but in any event shall not exceed the amount of \$xxx,000 excluding GST and is subject to the approval of the deposited plan.

The Nominee warrants to the Council that there is no conflict of interest whatsoever that would prevent the Nominee from accepting and acting upon the nomination contained herein.

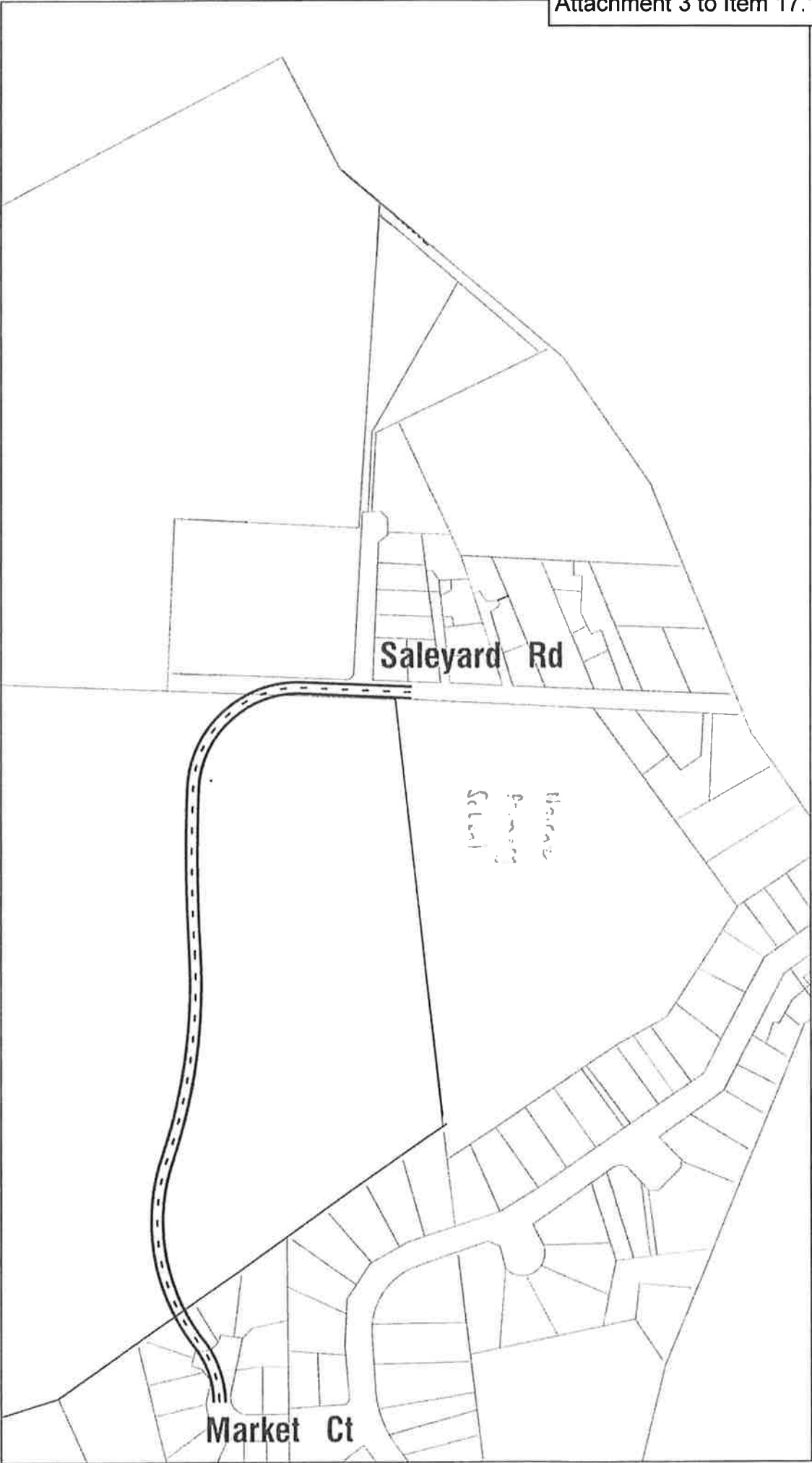
The Council acknowledges that it is equally bound by the terms of the Contract in terms of this letter of nomination including the conditions precedent and the special conditions as if the Council were a party thereto.

.....  
Signed by an authorised officer of the District Council of Mt Barker



MURRAY YOUNG & ASSOCIATES  
102 GREENHILL ROAD  
UNILEY SA 5061  
PH: (08) 8271 0091  
FAX: (08) 8272 6626

FIGURE 1A - POTENTIAL ROAD LINK

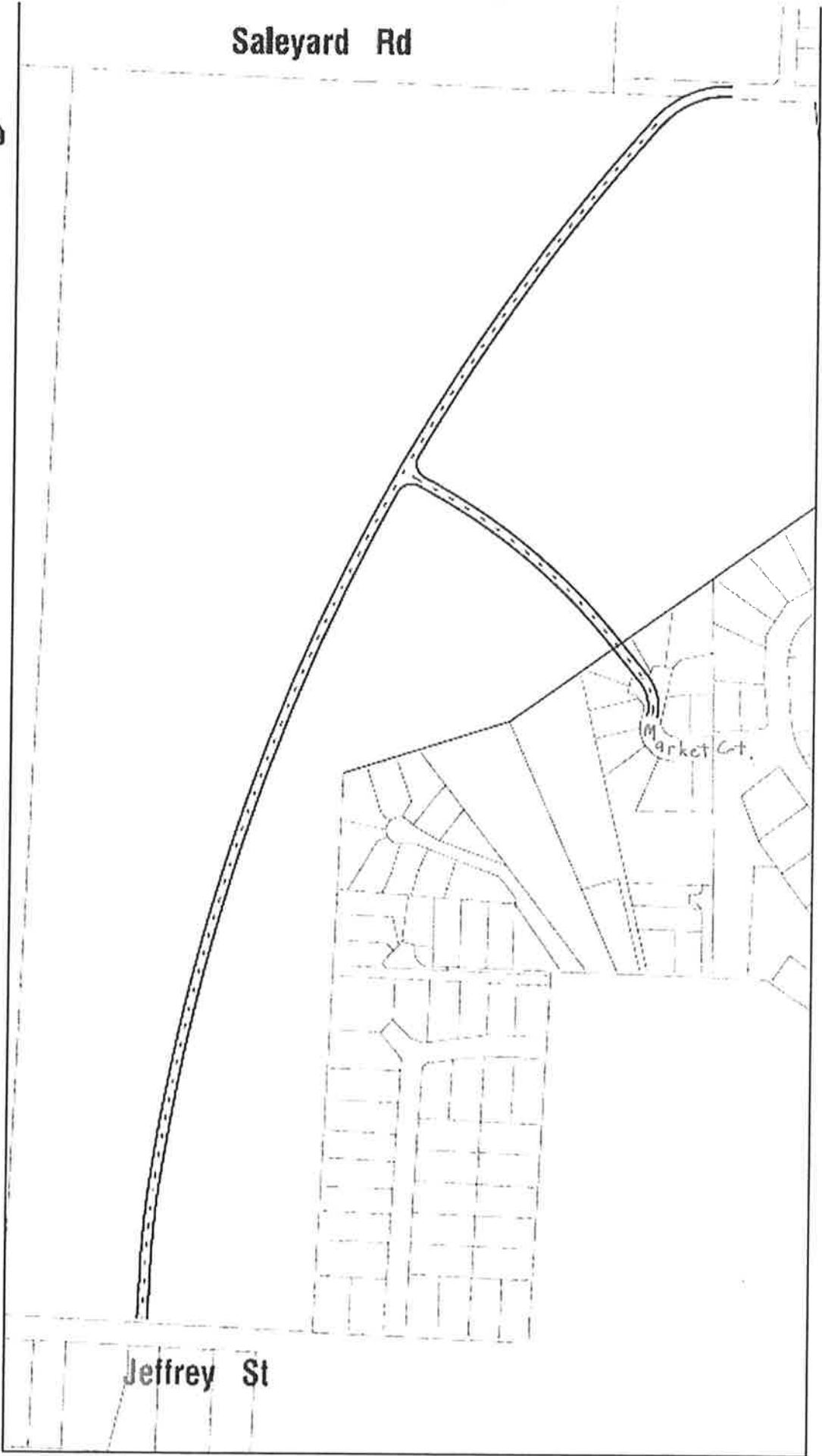


PROJECT: Saleyards Rd, Nairne - Review of Access  
CLIENT: Mt Barker (DC)  
PROJECT NUMBER: 08-0042  
DRAWING: 08-0042 - Figure 1A Potential Road Link.dwg  
DATE: 30/04/08  
SCALE: 1:300 (A4)  
Note: Concept Only. Subject to feature survey, detailed design and approvals



MURRAY YOUNG & ASSOCIATES  
22 MITCHELL ROAD  
MOUNT BARKER SA 5067  
PH: 08 8271 8231  
FAX: 08 8271 8625

FIGURE 3 - POTENTIAL ROAD LINK



Drawn by  
Saleyard Rd, Jeffrey St & Market Crt. 200805  
Scale  
1:1000  
Date  
04/05/08

Checked by  
Figure 3 - Potential Road Link 200805  
Scale  
1:1000

Notes: See also other sheets in this survey  
confirming and approving

**mufy**  
 MURRAY YOUNG & ASSOCIATES  
 102 GREENHILL ROAD  
 UNILEY SA 5061  
 PH: (08) 8271 0091  
 FAX: (08) 8272 6626

FIGURE 2 - POTENTIAL ROAD LINK

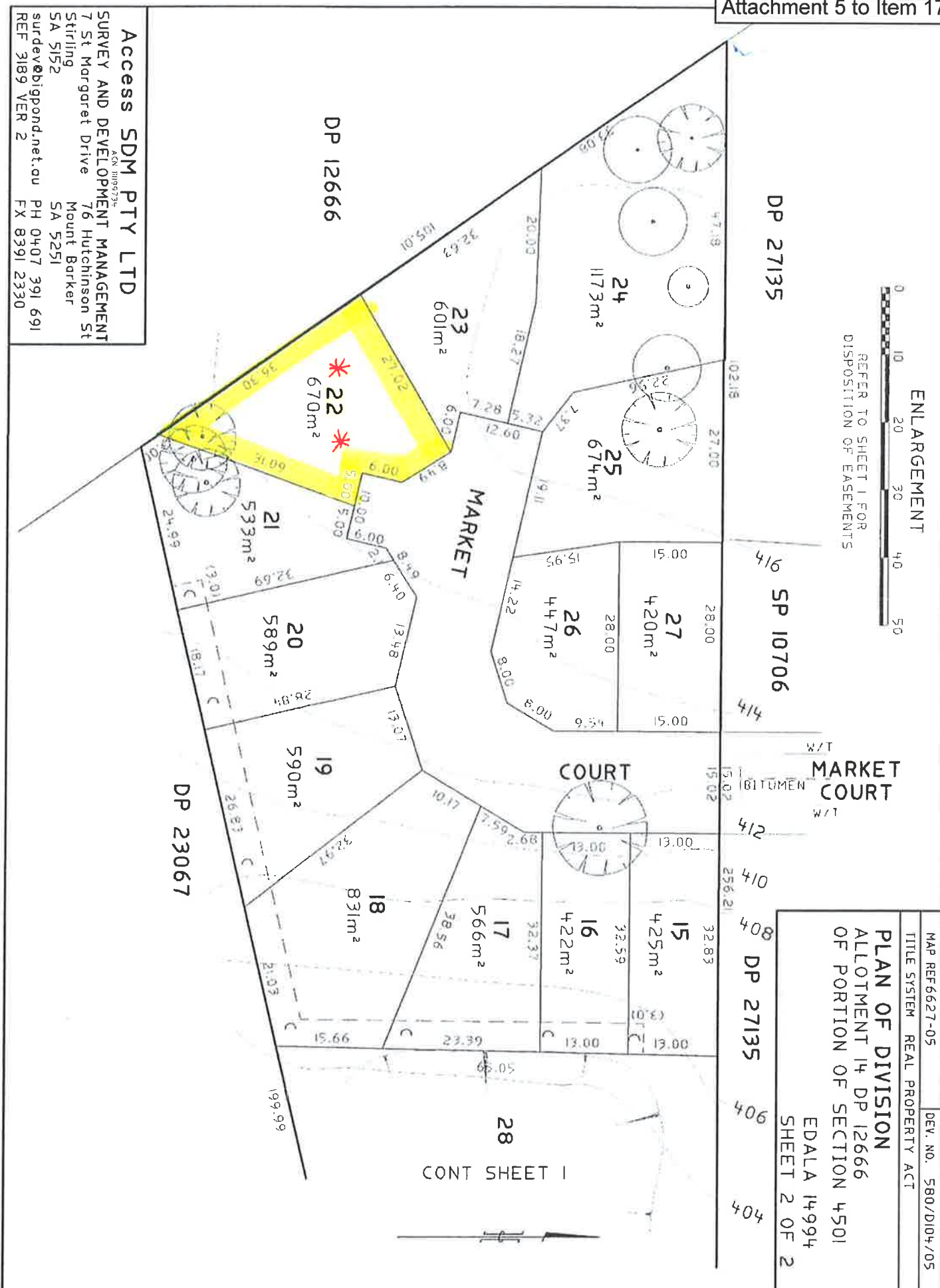


PROJECT:  
 Saleyards Rd Naime - Review of Access  
 CLIENT:  
 Mt Barker (DC)  
 PROJECT NUMBER:  
 08-0042

DRAWING:  
 08-0042 - Figure 2 Potential Road Link.dwg  
 DATE:  
 30/04/08  
 SCALE:  
 1:300 (A4)

Note: Concept Only. Subject to feature survey, detailed design and approvals

## Attachment 5 to Item 17.1



**Attachment 6 to Item 17.1**

Our Ref: 01788

14 October 2008

Mr D Ninio  
District Council of Mount Barker  
PO Box 54  
MOUNT BARKER SA 5251

**EGAN NATIONAL VALUERS (SA)**

Level 6, 76 Waymouth Street, Adelaide

PO Box 8258, Station Arcade, Adelaide SA 5000

t 08 8212 1755 f 08 8231 0286

w [www.eganvaluers.com.au](http://www.eganvaluers.com.au)

Adelaide • Brisbane • Canberra • Melbourne

Perth • Sydney • Auckland

Dear Mr Ninio

**RE: LOT 22 MARKET COURT, NAIRNE SA 5252**

We thank you for your recent instructions to complete an assessment of the current market value of a vacant parcel of land subject to the issue of a separate Title for the land.

We can confirm that our inspection of the property was completed on 14 October 2008 and as requested, we now provide you with a copy of our report in 'letter' form.

**PURPOSE OF VALUATION**

The purpose of this valuation is to assess the current market value of a vacant parcel assuming a separate title has been issued as a prelude to negotiating a possible purchase.

**CERTIFICATION**

We hereby certify that the valuer:

- has no interest financial or otherwise in the property subject to appraisal or with the instructing parties;
- confirms the valuation has been prepared as a prelude to negotiating a possible purchase.

**DEFINITION OF MARKET VALUE**

Market value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

**LEGAL DESCRIPTION**

The subject property is described as being **portion** of Allotment 14 in Deposited Plan 12666 situated in the Hundreds of Kanmantoo and Macclesfield in the area named Nairne more particularly being **portion** of the land contained and described within **Certificate of Title Volume 5988 Folio 955**.

**Please note**

The subject property comprises proposed Allotment 22 in the plan provided by Access SDM Pty Ltd being portion of Dev No. 580/D104/05. Please refer to the appendices of this report for a copy of the proposed plan

**Registered Proprietor**

As at the date of Title Search, the registered proprietor of the land is noted as being OAKLEIGH HOLDINGS PTY LTD of 2 undivided 3<sup>rd</sup> parts and ASHLEY MARK VINCENT FOWLER and JOANNE FOWLER as joint tenants of 1 undivided 3<sup>rd</sup> part.



**Easements**

As at the date of search, the following easements were noted on the Certificate of Title:

- Together with a Right of Way over the land marked A (GRO No. 87 Book 49).

**Endorsements**

As at the date of search, the registered proprietor's interest was endorsed as follows:

- Agreement No 11001885 under Development Act, 1993 Pursuant to Section 57 (2).

This valuation is based on the assumption that there are no other restrictive covenants or easements or other onerous restrictions affecting the subject property other than those stated herein and is given on the condition that the valuation will be referred back to the valuers for reappraisal should future title searches or certificates disclose any other encumbrances or variations from that set out in this report.

We attach copies of the Certificate of Title and un-numbered survey plan, refer Appendices.

**SITE DESCRIPTION**

The proposed allotment comprises a sloping irregular shaped parcel of land having an effective frontage of 19.49 metres to Market Court with a depth of 27.02 metres and 31.09 metres to the northern and southern boundaries respectively. The rear alignment has a width of 36.30 metres. The proposed allotment has an area of 670 square metres. The site has a north easterly aspect to the street.

We have assumed for the purpose of the valuation that the proposed allotment is fully serviced and that Market Court is bitumen sealed and has a concrete kerbing and water table.

**LOCATION**

The subject property is located in the southern fringe of the Nairne Township with frontage to an un-established cul de sac formed by the extension of Market Court.

Nairne is approximately 40 kilometres south east of Adelaide accessed via the Mount Barker interchange which is located some 6 kilometres north east of Nairne.

The subject property is within driving distance of the Mount Barker town centre which provides major district shopping/commercial facilities.

This section of the unmade Market Court is undulating in nature and features many large gum trees that provides an attractive environment. Nairne provides local schools and retail facilities to meet the daily needs of the Community.

**TOWN PLANNING**

By virtue of the Development Act 1993 (as amended), District Council of Mount Barker, the subject property is designated as lying within a 'Residential' zone. The primary objectives of the zone are as follows:

- An area primarily for the incremental redevelopment of existing housing and its replacement with a variety of low to medium density residential development in accordance with the Desired Character Statement.
- A residential policy area comprising a range of dwellings designed to integrate with areas of open space, neighbouring centres or public transport.
- Development that supports the viability of community services and infrastructure and reflects good residential design principles.

### IMPROVEMENTS

Nil.

### VALUATION CONSIDERATIONS

The proposed allotment comprises a vacant parcel of land with an area of 670 square metres located at the head of an unmade cul de sac. This land, like most sites in Nairne, has a cross slope and will require site works before a dwelling can be erected.

The site has a large tree in the southern corner of the site that appears to be protected by a Land Management Agreement which is endorsed on the current Certificate of Title.

Demand for residential land and improved properties were strong during the latter part of 2007 and into early 2008, with properties during that period strongly traded and values generally moving sharply upwards.

In February and March 2008 the Reserve Bank increased interest rates by 0.25% on each occasion; the last rate change coupled with increases by Australia's leading Banks impacted on confidence levels and has seen a significant drop in the number of people attending auctions and a general slowness of sales in the property market.

In September 2008 the Reserve Bank reduced interest rates by 0.25% in response to the declining level of economic activity and poor market sentiment. A further reduction of 100 basis points was implemented in October 2008 and current commentary suggests that further reductions are likely.

The impact of these changes in monetary settings may see improvement in affordability and as South Australia's economy in particular remains relatively strong with low but now rising unemployment levels and growth in mining and defence industries likely to drive growth.

In arriving at our opinion of market value we have considered relevant general and economic factors and in particular have investigated sales transactions of land that have occurred in Nairne.

The most appropriate method of valuation for a property of this nature is by 'Direct Comparison' where the subject property is compared directly with sales of other parcels of land in similar locations and adjustments made for points of difference.

In that regard the most significant sales discovered include the following:

Address	Sale Date	Sale Price	Site Area m <sup>2</sup>	Zone	\$ Rate/m <sup>2</sup>
30 South Terrace, Nairne	Aug 2008	\$166,000	1,200	Residential	\$138/m <sup>2</sup>
4A Edinborough Street, Nairne	Jul 2008	\$130,000	991	Residential	\$131/m <sup>2</sup>
Lot 82 Britannia Road, Nairne	Jul 2008	\$165,000	462	Residential	\$357/m <sup>2</sup>
Lot 8 Clover Way, Nairne	Jun 2008	\$157,500	872	Residential	\$180/m <sup>2</sup>
Lot 7 Clover Way, Nairne	Jun 2008	\$210,000	1,097	Residential	\$191/m <sup>2</sup>
Lot 14 Clover Way, Nairne	May 2008	\$165,000	1,062	Residential	\$155/m <sup>2</sup>
Lot 32 Shakes Road, Nairne	Feb 2008	\$144,500	800	Residential	\$180/m <sup>2</sup>

The above information has been obtained from a number of sources including published sales information provided by the Land Services Group of Department for Transport, Energy & Infrastructure (DTEI) and RP Data Ltd. Whilst we understand the information to be reliable, we are unable to guarantee the accuracy. Where the information has been available to us, we have made appropriate adjustments for GST but the recorded sale prices may include all, a part of, or no GST depending on the circumstances and tax liability of the parties to each transaction.

The analysed sales indicate the value of land on a dollar rate per square metre in the southern precincts of the township generally lies within the range of approximately \$130 to \$360 per square metre. The rates reflect the size and slope of the allotment, and also the location (ie in a new land division or in the established older part of the township where streets are narrow and relatively steep).

The most significant sales in our opinion are of those parcels located in the adjoining Clover Estate where prices ranged from \$144,500 to \$210,000 for parcels with moderate slopes.

Based on our sales analysis, we are of the opinion the value of the subject site to be in the range of \$155,000 to \$175,000. We have had regard to the slope of the land and to the current easing market conditions and have settled the value of the land at \$160,000 which equates to a rate of approximately \$239 per square metre of site area.

#### **VALUATION STATEMENT**

Therefore, after due consideration of the sales transactions and other relevant market data, we are of the opinion that as at 14 October 2008 the market value of the proposed allotment 22 Market Court, Nairne SA 5252 being **portion** of the land held in Certificate of Title **Volume 5988 Folio 955** subject to the issue of a separate Certificate of Title and assuming the proposed allotment is fully serviced and Market Court, Nairne SA 5252 has been sealed/kerbed, is the sum of **\$160,000 (One Hundred and Sixty Thousand Dollars) inclusive of GST.**

We also take this opportunity to advise that neither Egan National Valuers (SA) nor related companies or individuals have any pecuniary interest that would conflict with the valuation of this property.

We hope that this brief 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 us.

#### **DISCLAIMERS**

This valuation is for the use only of the party to whom it is addressed and is not to be relied upon by any other person or for any other purpose. We accept no liability to third parties nor do we contemplate that this report will be relied upon by third parties. Neither the whole of the report or any part or reference thereto, may be published in any document, statement or circular nor in any communication with third parties without prior written approval of the form and context in which will it appear. We reserve the right to withhold consent or to review the contents of this report in the event that our consent is sought.

No soil analysis, geological studies or contamination report were ordered or made in conjunction with this report and, as such, it is assumed that there are no environmentally hazardous materials on, in, or near the property that would cause loss in value. As far as we are aware, there is no evidence to suggest that the property may have been contaminated by any such materials in its present or previous use and this valuation makes no such allowance. Should an environmental audit report prove otherwise, then the valuation should be returned to the Valuer for re-appraisal.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly, unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for 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 months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

Yours sincerely

**EGAN NATIONAL VALUERS (SA)**



**Stan Pamula**

B Bus, Grad Dip Maths, AAPI  
Certified Practising Valuer