

# CONFIDENTIAL ITEMS 2003 – OCTOBER 2019

#	Date	Item Title	Confidential Order Details	Item being kept confidential - Agenda/ Attachment/ Minutes	Reason regarding retention or recommend-action to release	Resolution Regarding Action	Last Review Date	Next Review Date	Date Released
135	21 January 2019	Confidential Item: Proposed Strategic Land Acquisition	<p><b>Section 90 (3) (b) Order</b></p> <p>1. <u>Pursuant to Section 90(3)(b)</u> Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except the Chief Executive Officer; Deputy Chief Executive Officer/General Manager, Governance, Strategic Projects and Wastewater/Recycled Water; General Manager, Community Services; General Manager, Planning and Development; General Manager, Infrastructure; Chief Financial Officer; and the Minute Secretary be excluded from attendance at the meeting for the Agenda Item Proposed Strategic Land Acquisition.</p> <p>The Council is satisfied that 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:</p> <ul style="list-style-type: none"> <li>- conducting business; and</li> <li>- would prejudice the commercial position of the Council.</li> </ul> <p>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 continued non-disclosure of this information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may severely prejudice</p>	Council report, related documents and all minutes be retained in confidence	<p>The Council is satisfied that 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:</p> <p>conducting business; and would prejudice the commercial position of the Council.</p>	Retained in confidence until the settlement of the subject land or such lesser period as may be determined by the Chief Executive Officer.			<p><i>Report, attachment and Minutes released on website 30 October 2019</i></p>

# CONFIDENTIAL ITEMS 2003 – OCTOBER 2019

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			<p>Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter.</p> <p><b><u>Section 91(7) Order</u></b></p> <p>5. Pursuant to Section 90 (3) (b) &amp; (d) That having considered the Agenda Item Proposed Strategic Land Acquisition in confidence under 90(2) and (3)(b) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the council report, related documents and all minutes be retained in confidence until the settlement of the subject land or such lesser period as may be determined by the Chief Executive Officer.</p>						
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**18. CONFIDENTIAL REPORTS****18.1      REPORT TITLE:                      CONFIDENTIAL ITEM: PROPOSED STRATEGIC LAND ACQUISITION****DATE OF MEETING:                      21 JANUARY 2019****FILE NUMBER:                              DOC/19/1676****ATTACHMENTS:                              1 LOCATION PLAN DOC/19/2922  
2 DRAFT CONCEPT LAYOUT PLAN DOC/18/90547  
3 OVERLAY PLAN DOC/19/2925  
4 VALUATION ADVICE DOC/19/2930****Key Contact                                      Brian Clancey, Deputy Chief Executive Officer/General Manager: Governance, Strategic Projects and Wastewater/Recycled Water****Sponsor    Andrew Stuart, Chief Executive Officer****Mount Barker 2035 – District Strategic Plan:**

Community Wellbeing

High Priority: Significantly advance the establishment of new sport and recreation facilities and the regional aquatic facility.

**Annual Business Plan:**

The Urban Environment

3.3.1 Planning Policy and Strategy

Plan for the delivery of new community, sport and recreation facilities

**Purpose:**

To seek authority to undertake the acquisition of 383 Bald Hills Road, Mount Barker (the subject land).

**Summary – Key Issues:**

- Authority is sought to negotiate the acquisition of the subject land to enable Council to have a large, consolidated land holding and to remove an impediment to the proposed indoor Regional Aquatic and Leisure Facility;
- The owner of the subject land has indicated a willingness to sell to Council and that settlement in July 2019 would be acceptable; and
- If acquired by Council it is proposed to exclude the subject land from being classified as community land pursuant to the Local Government Act.

**Recommendation:**

That Council:

**Section 90 (3) (b) Order**

1. **Pursuant to Section 90(3)(b)**

Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except the Chief Executive Officer; Deputy Chief Executive Officer/General Manager, Governance, Strategic Projects and Wastewater/Recycled Water; General Manager, Community Services; General Manager, Planning and Development; General Manager, Infrastructure; Chief Financial Officer; and the Minute Secretary be excluded from attendance at the meeting for the Agenda Item Proposed Strategic Land Acquisition.

The Council is satisfied that 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; and
- would prejudice the commercial position of the Council.

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 continued non-disclosure of this information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may severely prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter.

2. Authorise the Chief Executive Officer or nominee to negotiate the purchase by Council of 383 Bald Hills Road, Mount Barker being lot 81 and comprising all of the land contained in Certificate of Title Volume 5593 Folio 262 for an amount not to exceed \$340,000 excluding GST and associated costs such as stamp duty;
3. Authorise the Mayor and Chief Executive Officer to execute a contract for the sale and purchase of 383 Bald Hills Road, Mount Barker being lot 81 and comprising all of the land contained in Certificate of Title Volume 5593 Folio 262 for an amount not to exceed \$340,000 excluding GST;
4. Pursuant to the Local Government Act 1999, exclude from classification as community land 383 Bald Hills Road, Mount Barker being lot 81 and comprising all of the land contained in Certificate of Title Volume 5593 Folio 262;

**Section 91(7) Order**5. Pursuant to Section 90 (3) (b) & (d)

That having considered the Agenda Item Proposed Strategic Land Acquisition in confidence under 90(2) and (3)(b) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the council report, related documents and all minutes be retained in confidence until the settlement of the subject land or such lesser period as may be determined by the Chief Executive Officer.

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**Background:**

1. On 10 December 2018 Council Members participated in a tour of strategic sites which included the subject land.
2. Attachment 1 is a location plan showing the subject land and the adjacent land already in the ownership of Council.
3. Attachment 2 is a draft concept layout plan prepared for Council showing the preferred location of the proposed indoor Regional Aquatic and Leisure Facility.
4. Attachment 3 is a plan overlaying the subject land on the content of attachment 2.
5. Attachment 4 is a site specific valuation for the subject land procured by Council in Spring 2018. Key points include:
  - The market value using the direct comparison approach (relative to actual sales of other properties) is assessed to be \$290,000 with GST not applicable.
  - The total subject land area is 1,929 m<sup>2</sup> so the market value equates to \$150m<sup>2</sup>.
  - Acknowledgement that Council "... may be prepared to pay an amount above market value to secure the site in order to capture potential benefits of mitigating a potential impediment to the precinct development."
6. Council staff have been in communication with the owner of the subject land (Ms Carol Lambe) for a number of years.
7. Over time Ms Lambe has stated different intentions and desires for the subject land.
8. More recently Ms Lambe has indicated a preference to sell the subject land to Council.
9. An offer for Council to purchase the subject land has not previously been made by Council.

**Discussion:**

10. The purchase of the subject land by Council is highly desirable as it would:

- Provide Council with a consolidated land parcel; and
  - Remove a constraint to the progression of the proposed indoor Regional Aquatic and Leisure Facility.
11. A concept layout plan for the proposed indoor Regional Aquatic and Leisure Facility when overlaid on the subject land illustrates the extent of the constraint (refer attachment 3).
  12. In recent discussion between Council staff and Ms Lambe regarding the subject land, Ms Lambe has verbally indicated a desired sale price of \$350,000.
  13. This was indicated after the provision to Ms Lambe of the site specific valuation advice prepared for Council by m3property strategists (refer attachment 4).
  14. Ms Lambe verbally indicated to Council staff that the basis for seeking \$350,000 was discussions that she had held in recent times with more than one real estate agent who has local market knowledge.
  15. Ms Lambe responded positively to the suggestion of a contract settling in July 2019.
  16. That timing would suit both Council and Ms Lambe given there are considerable items located on the subject land that need to be re-located prior to settlement.
  17. It is somewhat difficult to predict what will be acceptable to Ms Lambe as her intentions have varied quite a bit over time. Ms Lambe has indicated that her desired sale price of \$350,000 is negotiable.
  18. Given the strategic importance of the subject land from a community perspective there is a basis to offer Ms Lambe an amount that exceeds the market value as assessed by m3propertystrategists.
  19. Staff would intend to offer Ms Lambe \$325,000 being slightly above the mid-point of the market value and the amount sought by Ms Lambe and representing 12% above the market valuation.
  20. If that amount is not acceptable to Ms Lambe the intent would be to seek to secure a purchase price as close to \$325,000 but in any event not exceeding \$340,000 with this amount being the upper limit and representing 17% above the market valuation.
  21. Other options include:

Design and build around the subject land

This option is not preferred given the implications that it would present both for the design and functionality of the proposed facility and that if the subject land remained in its present or similar condition (for an unknown period of time but potentially a number of years) it would not present at all favourably from an amenity perspective.

Seek authority from the Minister to undertake compulsory acquisition of the subject land

This option is not preferred as the process is lengthy, will require internal and external resources (legal) and the financial implications are unknown being outside of the control of Council.

**Community Engagement:**

Informing only	Not applicable at this time.
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**Policy:**

Not applicable.

**Long Term Financial Plan:**

For the indoor Regional Aquatic and Leisure Facility, the Long Term Financial Plan includes the provision for gross expenditure of \$1,022,000 in 2019/20 with land acquisition included in the overall forecast total expenditure.

The LTFP is regularly reviewed and updated with the next formal review intended to occur by no later than June 2019.

**Budget:**

Provision for the settlement in July 2019 of a contract for the sale and purchase of the subject land would need to be made in the 2019/2020 Council budget.

The required amount would likely be in the order of \$361k comprising provision for the following:

- Purchase price \$340k (upper limit)
- Stamp duty, lodgement and registration fees \$16k
- Contract preparation and conveyancing \$5k

Council staff are currently investigating whether an application is to be made to the State Government under the DPTI Open Space Program to seek a funding contribution to the cost of acquisition of the subject land. The maximum amount that could be applied for is \$290,000.

**Statutory/Legal:**

The recommendation is to exclude the subject land from classification as community land pursuant to the Local Government Act 1999.

This would be consistent with the status of the adjacent Council owned land that was purchased several years ago.

The subject land is zoned residential neighbourhood, having been included in the 2010 Ministerial DPA (growth) area.

**Staff Resource Requirements:**

The proposed acquisition can be undertaken within existing staff resources, to be supplemented by external resources for the purposes of contract preparation and conveyancing.

**Environmental:**

Not applicable to the proposed purchase of the subject land.

**Social:**

Purchase by Council of the subject land for the stated intended use would provide considerable community social benefit.

**Risk Assessment:**

The current owner/vendor may have a further change of thinking in relation to the sale and/or price of the subject land.

**Asset Management:**

Council would be responsible for management of the subject land post settlement.

The current owner/vendor would be responsible for the removal pre settlement of the various cars, boats, shipping container and other items currently stored on the subject land.

**Conclusion:**

Adoption of the recommendations would result in a large, strategically located, consolidated Council land parcel and remove a constraint to the progression of the proposed indoor Regional Aquatic and Leisure Facility.

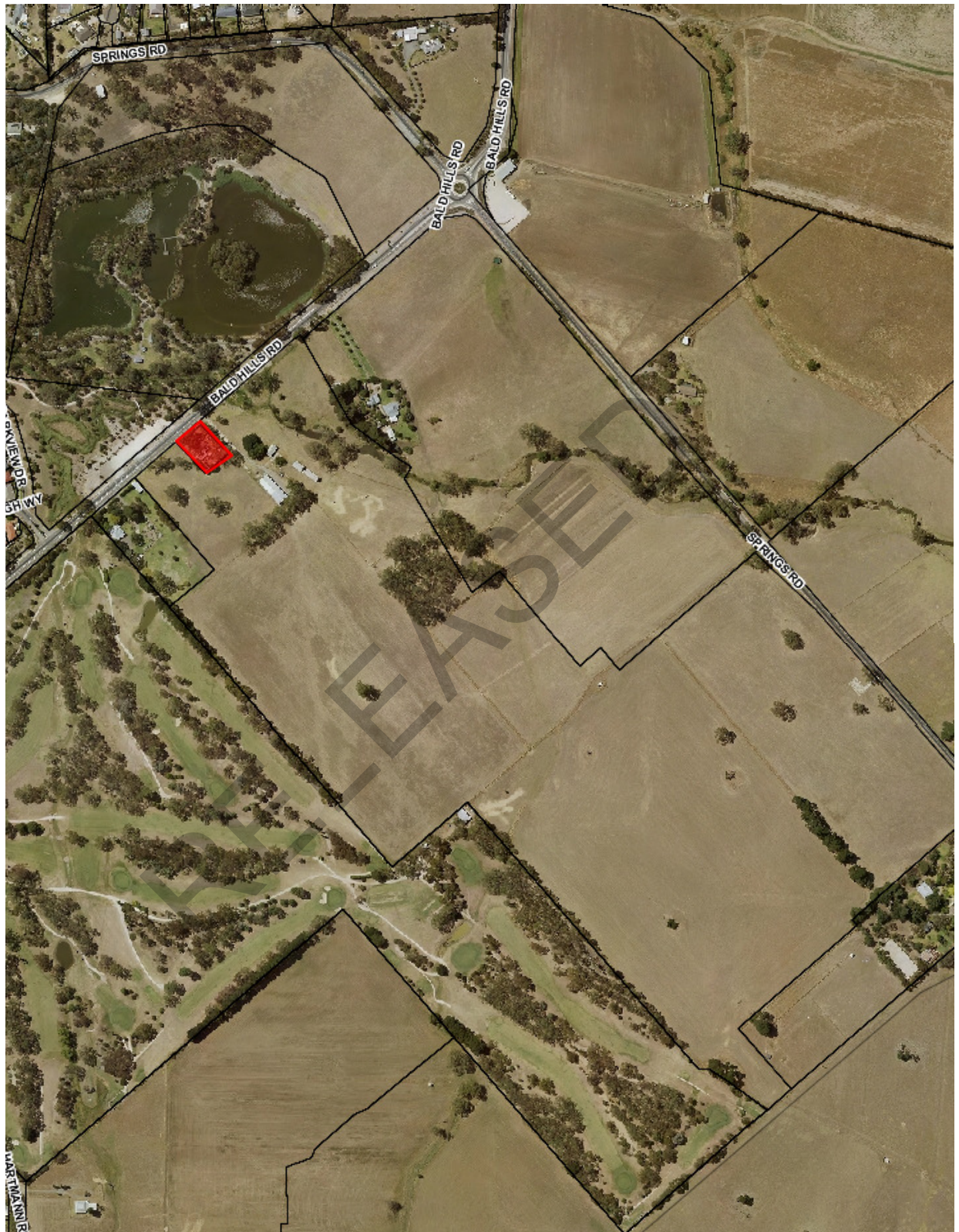
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Attachment 1 to Item 18.1

Location Plan - Lambe Land - 383 Bald Hills Road

9-January-2019



6 Dutton Road  
Mount Barker SA 5251  
Telephone (08) 8391 7200

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200 m

Scale = 1 : 6032.880

N  
1



Attachment 2 to Item 18.1



- 1. AQUATIC CENTRE
- 2. OUTDOOR SWIM POOL
- 3. INDOOR LEISURE
- 4. INDOOR LEISURE EXPANSION ZONE
- 5. PUBLIC PLAZA, OUTDOOR STREET GALLERY
- 6. OUTDOOR DRY PLAY
- 7. CARPARK
- 8. CONTROLLED CROSS OVER
- 9. OUTDOOR DRY PLAY
- 10. REACTIVATED HERITAGE BARN
- 11. COMMUNITY HUB
- 12. REGIONAL ADVENTURE PLAYGROUND
- 13. CABINS
- 14. CARAVAN PARK
- 15. CAMPING GROUNDS
- 16. TOILET PARK
- 17. HOTEL / FUNCTION CENTRE
- 18. HOTEL AMENITIES
- 19. R. 12 SCHOOL
- 20. SCHOOL GROUNDS
- 21. GOLF COURSE EXPANSION
- 22. CONNECTION TO REGIONAL SPORTS HUB
- 23. EXISTING GOLF COURSE
- 24. LAKINGA WETLANDS
- 25. PRIMARY VEHICLE SITE ENTRY
- 26. MULTI-USE LANDSCAPE AREA
- 27. FOOD TRUCK FESTIVALS
- 28. CARPARK
- 29. COMMUNITY EVENTS
- 30. SKATE PARK, PUMP TRACKS & TEENAGE LEISURE PARK
- 31. COMMERCIAL OPPORTUNITY (REDOUGAN)
- 32. REGIONAL LAWN BOWLS
- 33. COMMERCIAL OPPORTUNITY (EARLY LEARNING CENTRE)
- 34. MT BARKER REGIONAL SPORTS HUB
- 35. TRANSDON CARPARKING
- 36. FUTURE COMMERCIAL SITES
- 37. PEDESTRIAN / CYCLE ENTRY



PEDDLE THORP

13 F



**MOUNT BARKER**  
INDOOR AQUATIC, RECREATION & WELLNESS FACILITY  
PROJECT NO:  
3-18-0017

REASON FOR ISSUE:  
DISCUSSION

OVERALL MASTER PLAN (INC. RSH)  
OPTION 01

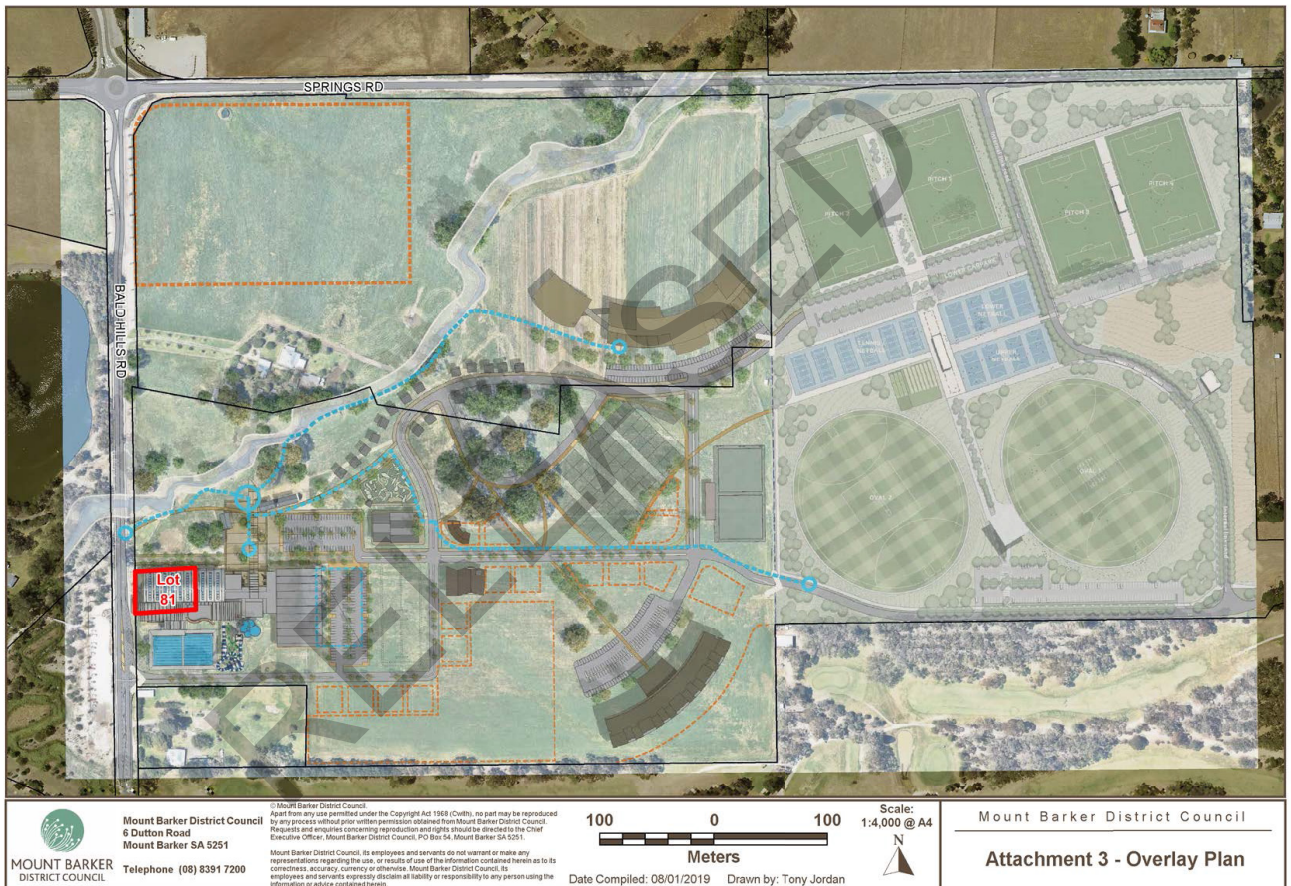
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DATE:  
AUG 18

SCALE:  
REFER TO SB



Attachment 3 to Item 18.1



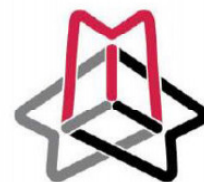
Attachment 4 to Item 18.1

# Valuation Report

**383 Bald Hills Road, Mount Barker, SA**

Date of Valuation: 14 September 2018

RELEASED



**m3property**  
STRATEGISTS



383 Bald Hills Road, Mount Barker SA

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383 Bald Hills Road, Mount Barker SA

## Executive Summary

Property Details	
<b>Address</b>	383 Bald Hills Road Mount Barker SA 5251
<b>Prepared for &amp; Purpose</b>	Mr David Morton District Council of Mount Barker PO Box 54 Mount Barker SA 5251  To determine the market value of the abovementioned property, for consideration as a prelude to potential purchase on the following basis: <ul style="list-style-type: none"> <li>• Market Value 'as is'.</li> <li>• Consideration of any additional strategic value to Council.</li> </ul> <p>We confirm the report has been prepared in accordance with the Australian Property Institute's Australia and New Zealand Valuation and Property Standards.</p>
<b>Your Reference</b>	Work order 2585 / Purchase order 19952.
<b>Our Reference</b>	955305.
<b>Certificate of Title</b>	Volume 5593 Folio 262.
<b>Registered Proprietor</b>	Carol Lea Lambe.
<b>Land Area</b>	1,929m <sup>2</sup> .
<b>Planning</b>	'Residential Neighbourhood' zone.
<b>Interest Valued</b>	Fee simple.
<b>Description</b>	<p>The property comprises a larger proportioned residential allotment positioned to the western fringe of Mount Barker, opposite the Laratinga Wetlands reserve.</p> <p>It is improved by a circa 1947 cottage that is presented in poor condition together with ancillary improvements.</p> <p>The site is positioned within the northern Bald Hills Road alignment of a 38-hectare holding owned by the District Council of Mount Barker that is to be developed as a recreational precinct to cater for the needs of the growing population within this region.</p>
<b>Date of Inspection/Valuation</b>	14 September 2018.
<b>Market Value</b>	\$290,000 GST not applicable.
<b>Valuer</b>	Rachel Elliott B Bus Prop (Val & PRM), FAPI Certified Practising Valuer/Director

This is a summary only and is not to be relied upon for any purpose. The valuation assessment for this property is subject to the assumptions, conditions and limitations as set out in the accompanying full valuation report.

383 Bald Hills Road, Mount Barker SA

## Critical Assumptions

### Critical Assumptions

- The encumbrances that are detailed within this report have been considered in our assessment of Market Value. If there are any encumbrances, encroachments, restrictions, leases or covenants which are not noted in this report, they may affect our assessment. If any such matters are known or discovered, we should be advised and asked as to whether they affect our assessment.
- We have identified the boundaries of the property on inspection and whilst there do not appear to be any encroachments, we advise that we are not qualified surveyors and no warranty can be given without the benefit of an identification survey. If there is any doubt in respect of these issues, we recommend that a check survey be undertaken by a qualified surveyor and that the survey be sent to us for advice as to whether our assessment of value is affected.
- The planning information set out in this report has been obtained via the on-line Development Plans provided by the SA Government web page (sa.gov.au). We have relied upon this information in assessing the value of the property. No responsibility is accepted for the accuracy of that information and if it is wrong in any significant respect, our assessment of value may be different.
- No soil tests, environmental studies, or reports have been made available to us. Accordingly, our valuation is 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 or its 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.
- The valuation is based on the critical condition that the government holds no requirements of the land.
- This valuation report does not purport to be a site or structural survey of the improvements, nor was any such survey undertaken. Overall, we have assumed that detailed reports with respect to the structure and service installations of the improvements would not reveal any defects or inadequacies requiring significant capital expenditure. Should there be deficiencies associated with the building structure or its services, the valuation should be referred back to us for comment.
- In undertaking our valuation, we have relied upon various 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.

383 Bald Hills Road, Mount Barker SA

## Contents

<b>1.0</b>	<b>INTRODUCTION .....</b>	<b>4</b>
1.1	INSTRUCTIONS .....	4
1.2	DEFINITION OF MARKET VALUE .....	4
1.3	CERTIFICATION .....	4
1.4	DATE OF INSPECTION / VALUATION .....	4
1.5	GOODS AND SERVICES TAX (GST) .....	5
1.6	INFORMATION SOURCES .....	5
1.7	QUALIFYING COMMENTS .....	5
<b>2.0</b>	<b>LAND PARTICULARS .....</b>	<b>6</b>
2.1	TITLE DETAILS .....	6
2.2	STATUTORY VALUATIONS .....	6
2.3	LAND DESCRIPTION .....	7
2.4	LAND IDENTIFICATION .....	8
2.5	PLANNING .....	8
2.6	ENVIRONMENTAL ISSUES .....	10
<b>3.0</b>	<b>LOCATION .....</b>	<b>11</b>
3.1	LOCALITY AND SURROUNDING DEVELOPMENT .....	11
3.2	ROAD SYSTEM, ACCESS AND EXPOSURE .....	12
3.3	SERVICES .....	12
<b>4.0</b>	<b>IMPROVEMENTS .....</b>	<b>13</b>
4.1	CONSTRUCTION .....	13
4.2	ACCOMMODATION .....	13
4.3	BUILDING AREA .....	14
4.4	OTHER IMPROVEMENTS .....	15
4.5	PRESENTATION CONDITION AND UTILITY .....	16
<b>5.0</b>	<b>MARKET COMMENT .....</b>	<b>17</b>
5.1	RESIDENTIAL MARKET OVERVIEW .....	17
<b>6.0</b>	<b>RATIONALE .....</b>	<b>18</b>
6.1	SUMMARY/POSITION OF SUBJECT PROPERTY IN THE MARKET .....	18
6.2	SALES HISTORY .....	18
6.3	VALUATION APPROACH .....	19
6.4	SALES EVIDENCE .....	19
6.5	DIRECT COMPARISON APPROACH .....	21
<b>7.0</b>	<b>VALUATION .....</b>	<b>24</b>

### ANNEXURES

- 1 Copy of Purchase Order
- 2 Copy of Certificate of Title



383 Bald Hills Road, Mount Barker SA

## 1.0 Introduction

### 1.1 INSTRUCTIONS

We have been instructed by Mr David Morton of District Council of Mount Barker, to assess the Market Value of 383 Bald Hills Road, Mount Barker for consideration as a prelude to potential purchase on the following basis:

- Market Value 'as is'.
- Consideration of any additional strategic value to Council.

We confirm the report has been prepared in accordance with the Australian Property Institute's Australia and New Zealand Valuation and Property Standards.

The interest being valued is the fee simple subject to vacant possession. A copy of the instructions in respect of this request is contained in Annexure 1.

### 1.2 DEFINITION OF MARKET VALUE

This valuation has been prepared in accordance with the definition of Market Value adopted by the International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API) as set out below:

*"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."*

### 1.3 CERTIFICATION

We confirm that the valuation has been prepared by a Valuer that:

- Confirms the valuation has been prepared for potential purchase purposes.
- Is authorised under the Law of the State of South Australia to practise as a Valuer.
- Neither the Valuer nor m3property has any pecuniary interest giving rise to a conflict of interest in valuing the property.

### 1.4 DATE OF INSPECTION / VALUATION

- 14 September 2018.

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.

---

383 Bald Hills Road, Mount Barker SA

### 1.5 GOODS AND SERVICES TAX (GST)

If the property were to be sold on the open market, we have assumed that under current GST legislation it would represent 'existing residential' and therefore GST would not be applicable.

Accordingly, our valuation assessment herein is premised on the basis that GST is not applicable.

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 this valuation 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 this valuation we reserve the right to review and amend our valuation accordingly.

### 1.6 INFORMATION SOURCES

The information provided by the instructing party and obtained from other sources being relied upon for the purpose of this valuation is noted as follows:

- Current Title search and Sales Data from the Land Services Group, Adelaide.
- Copy Mount Barker Indoor Aquatic, Recreation & Wellness Facility Overall Master Plan Option 01 prepared by Peddle Thorpe August 2018.
- Research from m3property Group.

### 1.7 QUALIFYING COMMENTS

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.

383 Bald Hills Road, Mount Barker SA

## 2.0 Land Particulars

### 2.1 TITLE DETAILS

#### 2.1.1 Legal Description

Volume/Folio	Description	Registered Proprietor
5993/262	Allotment 81 Filed Plan 160058	Carol Lea Lambe

#### 2.1.2 Easements

Volume/Folio	Easements
5993/262	Nil.

#### 2.1.3 Schedule of Dealings / Notations

Volume/Folio	Description
5993/262	Nil.

The valuation assumes that the property is not affected by any additional easements, encumbrances, or covenants that have not been disclosed by a search of the Title that may otherwise detrimentally affect the value of the property. If any such matters are known or discovered, we should be advised and asked as to whether they affect our assessment.

A copy of the Certificate of Title is attached, refer Annexure 2.

### 2.2 STATUTORY VALUATIONS

Statutory valuations adopted by the District Council of Mount Barker as at 1 July 2018, are noted as follows:

Statutory Valuations	
Site Value	\$189,000
Capital Value	\$240,000

These valuations are made for rating and taxation assessments and are quoted here for information purposes only. Typically, these values are used as the basis for assessments of Land Tax, Emergency Services Levy, SA Water Rates and Council Rates through the respective financial periods.

383 Bald Hills Road, Mount Barker SA

## 2.3 LAND DESCRIPTION

### 2.3.1 Dimensions

The land is rectangular in shape and has the following site dimensions:

Dimensions	
Frontage to Bald Hills Road	36.61m
Depth	57.71m
Total Site Area	1,929m <sup>2</sup>

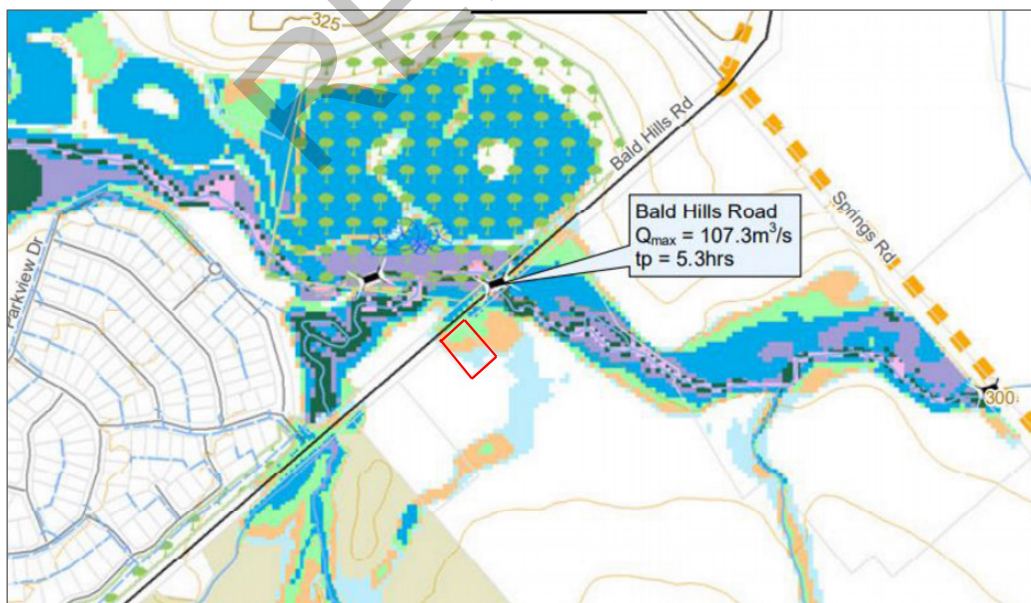
The shape and dimensions of the site are clearly depicted on the Title plan, a copy of which is contained within the Annexures of this report. A current survey has not been sighted.

### 2.3.2 Topography and Inundation

The land is relatively even in surface contour and at the date of inspection, there were no drainage problems evident.

The site is positioned immediately to the south-west of a creek that drains into the Laratinga Wetlands located to the northern side of Bald Hills Road, and due to the proximity to the watercourse, has been identified as sitting within the 1:100 Year ARI Flood Inundation area noted within the Mount Barker Floodplain Mapping Study conducted in 2010.

The northern corner of the site adjacent to the creek zone falls within an area subject to 0.26 – 0.50 metre (green shading) flood depths with the majority of the site subject to 0.0 – 0.25 metre (blue and orange shading) flood depths as per the following plan.



## 2.4 LAND IDENTIFICATION

The subject property has been identified by reference to the relevant Certificate of Title. The subject property appears to conform substantially with the identifying features shown on the Title provided. Building structures appear to stand on or within said Title boundaries.

The valuation is made on the assumption that there are no encroachments by or upon the property. There appears to be no encroachment by the existing improvements, however this has not been confirmed by a current survey report and/or advice from a registered surveyor. If any encroachment or other affectation is noted in the event of a surveyor's report being commissioned, the Valuer should be consulted to assess any effect on the value stated in this report.

## 2.5 PLANNING

Local Government Area	Mount Barker Council
<b>Zoning</b>	'Residential Neighbourhood' zone
<b>Objectives</b>	<p>The objectives of this zone are noted as follows:</p> <ul style="list-style-type: none"> <li>• A predominantly residential area that comprises a range of dwelling types together with local and neighbourhood centres that provide a range of shopping, community, business, and recreational facilities for the surrounding neighbourhood in the locations indicated on Concept Plan Map MtB/16 - Mount Barker and Littlehampton.</li> <li>• Increased dwelling densities within and in close proximity to centres, public transport routes and public open spaces.</li> <li>• A zone that provides a range of affordable and adaptable housing choices that cater for a variety of household structures, including a minimum of 15 per cent affordable housing.</li> <li>• The orderly expansion of the urban area, which allows the economic and effective provision of public infrastructure and services and that is consistent with the development outcomes contained in Concept Plan Map MtB/16 - Mount Barker and Littlehampton.</li> <li>• Open space systems designed to provide multiple use reserve areas that promote water management, habitat retention and enhancement, and active and passive recreation.</li> <li>• Sustainable development outcomes through innovation in stormwater management, waste minimisation, water conservation, energy efficiency and urban biodiversity.</li> <li>• Appropriate assessment and remediation of site contamination to ensure land is suitable for the proposed use and provides a safe and healthy living and working environment.</li> <li>• Development undertaken in accordance with suitable upgrades and augmentation of utility services and roads to meet anticipated need.</li> <li>• Provision made for the duplication of high voltage transmission infrastructure, if required.</li> <li>• Development that contributes to the desired character of the zone.</li> </ul>
<b>Heritage Issues</b>	Nil.

The existing use of the property as a single dwelling appears to be a conforming land use, pursuant to the Development Plan.

The Statement of Desired Future Character for this Precinct states, inter alia, the following:

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383 Bald Hills Road, Mount Barker SA

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*'The zone will be developed as a series of interconnected neighbourhoods that are designed to promote social interaction, participation and a sense of community for all residents. Equitable access to public open space, local or neighbourhood centres, education facilities, and a range of community services will be integral to the design of the area.'*

*It is anticipated that the zone will accommodate at least 7000 dwellings of varying forms that respond to different household sizes, life cycle stages and housing preferences. While the dominant character is expected to be detached low to medium density housing forms of up to three storeys, higher density housing (including taller buildings) are envisaged within 400 metres of centres, public transport routes and areas of high public amenity including public open space.*

*Areas containing sloping land or established vegetation, including areas containing concentrations of significant trees, are expected to accommodate larger sites and lower density housing forms that can assist in reducing the overall visual impact of built form and structures (including retaining walls) on the landscape, maintain natural landform and encourage the retention of significant vegetation.*

*The operations of surrounding agricultural uses are to be appropriately accommodated and appropriate buffers are to be provided to adjoining agricultural uses.....Water Sensitive Urban Design principles will be incorporated into the layout and design of the zone. Stormwater discharge from the site will be minimised through on-site retention/detention, and speed and volume of flows will be minimised by design features such as grassed swales and channels.'*

The following forms of development are envisaged in the zone:

- Affordable housing.
- Community centres.
- Domestic outbuildings in association with dwellings.
- Dwellings.
- Dwelling additions.
- Residential flat buildings.
- Educational establishments.
- Small scale non-residential use that serves the local community, eg:
  - child care facility;
  - health and welfare service; and
  - shop, office or consulting room.
- Supported accommodation.
- Park and ride facilities.
- Indoor recreation centres.
- Open space.
- Recreation area.

Land division is permitted with minimum site areas in the range of 150 square metres (row dwellings) to 270 square metres (detached dwellings).

### 2.5.1 Flood Plain Impact

Further, with respect to the Floodplain Mapping, we note that the Development Plan specifically states:

*'Buildings intended for human habitation should not be constructed within the 1-in-100 year average return interval flood plain.'*

Regardless of this clause, our discussions with Council's Duty Planner have confirmed that this clause would not trigger any non-complying development implications, but that an application to redevelop the land, either with a single dwelling or higher density land division/development, would be considered on merit, with the management and mitigation of the any potential flood impacts by the developer being a priority during the assessment process.

### 2.5.2 Highest and Best Use

The 'highest and best' use of 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.
- Legal constraints and regulatory controls.
- Physical and functional limitations.
- Financial and social constraints.
- Profitability and marketability.

In this instance given the 'Residential Neighbourhood' zoning of the land and its position within relatively close proximity to both residential development and existing and planned recreational facilities, that its redevelopment for residential purposes would represent its 'highest and best' use.

We note, however that the density of such development would require additional investigations and due diligence by a developer, potentially with respect to the impact of the floodplain and cost constraints to service the land, particularly in relation to the supply of mains water that is not currently available to the property.

## 2.6 ENVIRONMENTAL ISSUES

Whilst 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.

No soil analysis, geological studies or contamination reports 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, the valuation should be returned to the Valuer for re-appraisal.



383 Bald Hills Road, Mount Barker SA

### 3.0 Location

#### 3.1 LOCALITY AND SURROUNDING DEVELOPMENT

The subject property is located at 383 Bald Hills Road within the suburb of Mount Barker, situated approximately 38 kilometres south-east of the Adelaide GPO. More particularly, the subject is positioned on the southern side of Bald Hills Road, some 400 metres to the south-west of its intersection with Springs Road.



Imagery provided by Google Earth, © MapData Sciences Pty Ltd, PSMA

The property is positioned to the eastern fringe of the Mount Barker township just to the north-east of an established residential land division, and within an area characterised by the Aston Hills Golf Course to the south and the Laratinga Wetlands to the northern side of Bald Hills Road.

The property is positioned within the northern boundary of a 38-hectare broad acre site owned by the District Council of Mount Barker, the south-eastern portion of which is expected to be developed with the Mount Barker Regional Sports Hub, construction to commence 2019.

Recent Federal Government Funding of \$10 million has been secured to also develop an aquatic centre with the Precinct Plan indicating longer term plans to also develop a high ball stadium, indoor leisure centre, adventure playground, caravan park and camping grounds and a future R-12 school together with a wide range of additional recreational facilities.

The Bald Hills Road frontage to the south-west of the subject property is expected to form the main entry to the site, linking with Springs Road to the east.

The main commercial precinct in Mount Barker is located approximately 3 kilometres to the west of the property, being centred around Gawler Street and offers a wide range of commercial and retail activities including strip shopping developments, hotels, shopping arcades, supermarkets and discount department stores. Mount Barker also offers a district level hospital, TAFE college and a range of schooling options, both public and private.



### 3.2 ROAD SYSTEM, ACCESS AND EXPOSURE

Bald Hills Road is the main access road between central Mount Barker and the Bald Hills interchange to the South Eastern Freeway, positioned some 2 kilometres to the north. It carries moderately high levels of vehicular traffic and is bitumen sealed with compacted rubble verges, noting that crash barriers are constructed to both sides of the road in the vicinity of the subject property, including across portion of the site boundary.

Access to all parts of Mount Barker and the surrounding hinterland is considered to be good via the linkages of Bald Hills Road with Springs and Alexandrina Roads. Access to the greater metropolitan area, Adelaide Hills and Murraylands regions are excellent by virtue of its proximity the South Eastern Freeway.

### 3.3 SERVICES

Services	
Electricity	Available
Reticulated Water	Not available
Sewerage	Not available – septic installed
Gas	Not available
Telephone	Available

383 Bald Hills Road, Mount Barker SA


## 4.0 Improvements

An inspection of all readily accessible parts only of the improvements and property has been completed.

Currently erected on the site is a single storey cottage style dwelling estimated to have been constructed circa 1947. At the date of inspection, the cottage appeared to be in very poor condition and provided barely habitable standard of accommodation.

### 4.1 CONSTRUCTION

Construction of the dwelling generally consists of:

Construction		
Structure	Single storey.	
External Walls	Rendered masonry and fibre cement.	
Roof	Corrugated iron.	
Floors	Concrete and timber.	
Windows	Timber framed.	
Internal Walls	Rendered masonry, fibre cement, plasterboard.	
Ceilings	Fibre cement, plasterboard.	
Floor Coverings	Variously ceramic tile and vinyl.	

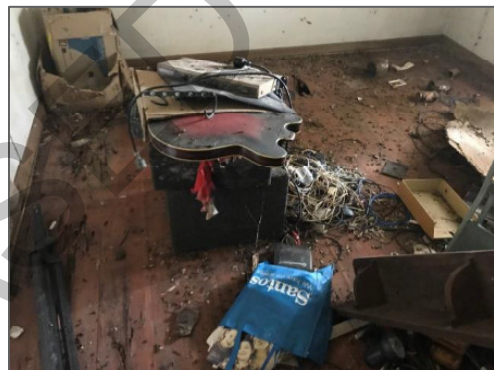
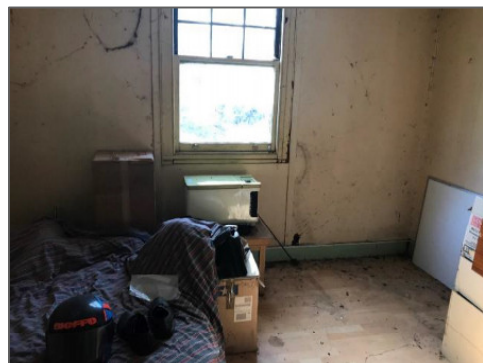
### 4.2 ACCOMMODATION

The dwelling provides accommodation including:

- Rear lean-to in four sections including bathroom (corner sink, shower, toilet), laundry and store area.
- Three central rooms inclusive of a basic kitchen (timber floor cabinets, double sink, very small electric benchtop stove).
- Bedroom.

A sample of photographs taken of the dwelling are provided overleaf:

383 Bald Hills Road, Mount Barker SA

**Bathroom****Lean-to store room****Ceiling central rooms****Floor central rooms****Kitchen****Bedroom**

#### **4.3 BUILDING AREA**

Based on measurements taken at the of inspection, we have calculated the approximate building area to be 125 square metres.

383 Bald Hills Road, Mount Barker SA

#### 4.4 OTHER IMPROVEMENTS

A summary of site improvements is noted as follows:

- Front verandah.
- Attached carport.
- Detached workshop and carport.
- Galvanised iron rainwater tank and fibreglass rainwater tank.
- Single iron garage with concrete floor.
- Galvanised iron fences and gate to Bald Hills Road frontage and side alignments, post and wire rural style fence to rear boundary.
- Chicken shed and freestanding shipping container.
- Established wood lot adjacent road alignment.

A sample of external photographs are provided below:



Front view of cottage



Rear view of cottage



Fibreglass tank



Single garage



383 Bald Hills Road, Mount Barker SA

**Workshop****Woodlot**

#### **4.5 PRESENTATION CONDITION AND UTILITY**

##### **4.5.1 Building Condition**

Based on our inspection of the subject property the improvements appear to be in very poor structural condition noting the following main issues:

- Roofing iron lifting.
- Internal cracking.
- Damaged ceilings.
- Rotten or termite damaged floor boards.
- Unpainted external cladding and timber.

Based on the limitations of our inspection and expertise, the dwelling appeared to be barely habitable in its current condition and would require significant capital expenditure to repair and renovate it to provide a basic, habitable standard of accommodation.

We have only carried out an inspection of the exposed and readily accessible areas of the improvements. However, the Valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness of the improvements. For the purpose of this report, we have assumed there are no structural defects which would impact upon our valuation, other than noted.

##### **4.5.2 Pest Affection**

Our visual inspection noted potential evidence of termite damage and rodent infestation with resultant damage to flooring and evidence of faeces throughout the dwelling.

We recommend that you obtain a comprehensive pest inspection report from a qualified expert. Should this report disclose any pest infestation, we recommend that the Valuer should be consulted to reassess any effect on the value stated in this report.

383 Bald Hills Road, Mount Barker SA

## 5.0 Market Comment

### 5.1 RESIDENTIAL MARKET OVERVIEW

- Key economic indicators continue to improve in South Australia, however slow population growth and an aging population remain some of the key challenges for the residential market in South Australia.
- Whilst median house prices continue to fall in some other markets (mainly Sydney, Perth and Darwin according to annual figures by CoreLogic's June Report), median house prices in Metropolitan Adelaide continue to report sustainable growth, whilst also remaining comparably affordable.
- According to quarterly figures released by the Real Estate Institute of South Australia (REISA), the median house sale price in Metropolitan Adelaide in the June 2018 quarter was \$470,000. This represents an increase of 0.4% over the quarter and 3.9% from June 2017.
- The median house sale price in Non-Metropolitan Adelaide (major regional towns), according to REISA now sits at \$265,000 (June 2018). This represents a marginal increase of 0.2% from \$264,500 in June 2017.
- According to CoreLogic RP Data, the median unit sale price in Metropolitan Adelaide in June 2018 was down -1.3% from June 2017 to \$353,000. The median unit sale price for the suburb of Adelaide recorded growth of 1.1% over the same period to \$465,000 (albeit more volatile due to the smaller sample size).
- The rental market for Metropolitan Adelaide is currently undersupplied, with the rental vacancy rate in Metropolitan Adelaide recording 1.5% as at June 2018 according to SQM Research.
- According to Housing SA's most recent quarterly rent report (March 2018), average weekly rents for all houses in Metropolitan Adelaide witnessed average growth of 1.6% to \$325 from an average of \$320 in March 2017, whilst average weekly rents for all flats witnessed slightly stronger average growth of 1.7% to \$300 over the same period. Weekly rentals for all flats in the City of Adelaide recorded an average fall of 1.5% over the period to \$325 per week.
- According to the Department of Planning, Transport and Infrastructure's (DPTI) latest Residential Land Development Activity report published to December 2017, broad hectare land stocks have increased to 8,200 hectares in 2016/2017, whilst the amount of broad hectare land consumed is at a decade low of 189 hectares over the same period.
- The most recent Urban Development Institute of Australia's (UDIA) 2018 State of the Land Report indicates a 6.15% increase in the volume of land sales in Adelaide over 2017 with a total of 1,846 lots sold.
- Whilst the median lot size has increased from 413 square metres in 2016 to 449 square metres in 2017, the median lot price has remained at an annual average of \$167,000, reflecting an average residential land value per square metre of \$373.

## 6.0 Rationale

### 6.1 SUMMARY/POSITION OF SUBJECT PROPERTY IN THE MARKET

The property comprises a 1,929 square metre land parcel that is improved by a single storey cottage constructed circa 1947 that is presented in very poor condition and which would require significant capital expenditure to repair and renovate it to a basic habitable condition.

Significantly, the property is located toward the eastern fringe of the Mount Barker township in an area that is characterised by civic and recreational development including the Laratinga Wetlands reserve positioned opposite, the Aston Hills Golf Course. The property is surrounded on three sides by land owned by the District Council of Mount Barker which is to be developed with a Regional Sports Hub (commencing 2019) and an Aquatic facility, with longer term plans to provide a comprehensive recreational precinct.

In its own right and taking into consideration the 'Residential Neighbourhood' zoning, the property has some additional development potential for higher density redevelopment, however this is potentially constrained by the positioning of a creek to its eastern boundary, noting that most of the land is retained within the 1:100 Year ARI Flood Inundation area, albeit at low levels of less than 0.50 metre.

Our discussion with Council's Duty Planner have indicated that this may not present as a major impediment to future development of the land in line with the zoning provisions, albeit subject to the provision of suitable stormwater drainage infrastructure and/or specific building design.

However, we expect that the costs of complying with additional infrastructure requirements or building methods may limit the viability of any redevelopment to the renovation or replacement of the existing dwelling and may reduce or eliminate its potential for more intensive land division, albeit subject to the formal assessment of any future development proposals.

Further, we note that mains water is not currently available to the property with an extension of the mains supply potentially being cost prohibitive for a more intensive redevelopment of parcel of this size, where economies of scale in the provision of infrastructure are unavailable.

In this respect, the property retains a high level of inherent risk to potential purchasers who may consider redeveloping the land at higher density, and we expect that its primary appeal would be to purchasers looking to the property as a larger residential / smaller rural living holding, with the intent to renovate the cottage or redevelop with a single dwelling.

With regard to the built improvements, given their style, configuration and current condition we do not expect that purchasers would attribute to them any value over and above the underlying land value, particularly given the potentially significant costs involved in the renovation of the cottage, or alternatively the cost to demolish the dwelling and/or the outbuildings depending on their individual motivations.

### 6.2 SALES HISTORY

Information provided by the Land Services Group of Department of Planning, Transport and Infrastructure reveals the property has not sold within the past three (3) years.

383 Bald Hills Road, Mount Barker SA

### 6.3 VALUATION APPROACH

In assessing a value for the subject property, we have adopted the direct comparison approach whereby the property is compared with sales of similar properties and adjustments made for differences such as location, size and quality of improvements, land area and condition.

### 6.4 SALES EVIDENCE

In undertaking this assessment of value, the Valuer has inspected and analysed a number of other recent sales transactions that have occurred within comparable positions within Mount Barker and with allowances made for variations we have compared these sales directly.

The sales evidence we have considered is summarised as follows:

Address	Sale Price	Sale Date	Site Area	Rate/m <sup>2</sup> Site Area	Comments
<b>Larger Proportioned Residential Allotment Sales</b>					
2/10 Springs Road, Mount Barker	\$266,000	Jun-18	1,499m <sup>2</sup>	\$177	Irregular and sloping Community title lot positioned to end of a private road adjacent town centre. Suited to a single dwelling only. Zoned 'Residential'.
7 Wattle Street, Mount Barker	\$324,500	Mar-18	1,610m <sup>2</sup>	\$202	Regular shaped corner allotment located opposite a local reserve, improved by a circa 1977, 6 roomed ranch style dwelling in reasonable condition with an area of 209m <sup>2</sup> . Rear portion of allotment subsequently subdivided to create 2 lots with dwelling retained. Zoned 'Residential'.
5 Silhouette Street, Mount Barker	\$236,500	Sep-17	1,622m <sup>2</sup>	\$146	Irregular shaped and sloping land within the Bluestone Development with portion abutting Hurling Drive/Wellington Road roundabout. Suited to a single dwelling only. Zoned 'Residential'.
8 Ferguson Court, Mount Barker	\$276,000	Sept-16	3,668m <sup>2</sup>	\$75	Regular shaped fully serviced allotment in established rural living areas, low side of road with uneven/sloping topography. Zoned 'Rural Living'.
39 Waterford Avenue, Mount Barker	\$370,000	May-16	3,274m <sup>2</sup>	\$113	Regular shaped fully serviced allotment in 'Martindale Estate' with near level topography. Zoned 'Rural Living'.
23 Duncan Crescent, Mount Barker	\$325,000	Mar-16	2,502m <sup>2</sup>	\$130	Regular shaped fully serviced allotment in 'Martindale Estate' with near level topography. Zoned 'Rural Living'.



383 Bald Hills Road, Mount Barker SA

Address	Sale Price	Sale Date	Site Area	Rate/m2 Site Area	Comments
<b>Residential Development Site Sales</b>					
16 Sims Road, Mount Barker	\$800,000	May-18	8,200m <sup>2</sup>	\$98	Regular shaped allotment with substantial circa 1973 dwelling improvements. Subsequent application to divide into 5 conventional allotments to the Sims Road frontage (retaining the dwelling) within a development lot retained to the rear. Zoned 'Residential'.
2 Grantchester Avenue, Mount Barker	\$750,000	Feb-18	2,503m <sup>2</sup>	\$300	Regular shaped allotment situated to the south of the Aston Hills Development surrounded by newly subdivided land. Suited to medium density development. Zoned 'Residential Neighbourhood'.
10 Victoria Road, Mount Barker	\$615,000	Nov-17	5,861m <sup>2</sup>	\$105	'Hammerhead' shaped parcel forming the rear portion of 8-10 Victoria Road created post the division of three Torrens titled allotments to the Victoria Road frontage. Approval for 8 lot Community Titled land division. Zoned 'Residential'.
63 Alexandrina Road, Mount Barker	\$500,000	May-17	1,465m <sup>2</sup>	\$341	Smaller proportioned site positioned to more central location. Improved by a circa 1940 duplex at sale, subsequently demolished and approval for 4 lot land division. Zoned 'Residential'.
7 Fletcher Road, Mount Barker	\$720,000	Dec-16	3,202m <sup>2</sup>	\$225	Irregular shaped site with frontages to Fletcher and Hamden Roads. Site retains transportable style offices that generated a holding income at sale. Subsequent Development Approval to subdivide 2 allotments to the Fletcher Road frontage, with the balance to be retained as a single allotment. Zoned 'Residential - Urban Renewal Policy Area 13'.
34A Alexandrina Road, Mount Barker	\$1,100,000	Apr-16	8,290m <sup>2</sup>	\$133	Elongated 'hammerhead' site with frontage to watercourse. Improved by a circa 1991 dwelling and outbuildings. Provisional approval for a 9 lot land division, retaining the dwelling. Zoned 'Residential'.

The sales information quoted has been obtained from a number of sources including published sales information provided by the Land Services Group of Department of Planning, Transport and Infrastructure (DPTI) and Corelogic 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.

## 6.5 DIRECT COMPARISON APPROACH

As noted, we have adopted direct comparison as our primary valuation approach in this instance. In this respect we have considered a range of land and improved sales within Mount Barker that have occurred over the past 2 years or so.

Given the established nature of the central Mount Barker area it is unsurprising that there have been very few sales of allotments that could be considered directly comparable to the subject, noting that the majority of sales of land zoned 'Residential Neighbourhood' have been of larger broadacre development parcels positioned to the fringes of the township.

We therefore reiterate our earlier conclusions that the primary appeal of the subject property would likely be to purchasers of larger residential / smaller rural living holdings, with the intent to renovate the cottage or redevelop with a single dwelling. In this respect we have firstly considered a selection of sales of larger residential allotments in the Mount Barker area.

Notably these sales have occurred within a relatively narrow quantum value range of between \$236,500 and \$370,000 for sites of between 1,499 and 3,668 square metres and which analyse to rates per square metre of between \$75 and \$177, with the rates towards the lower end of the range achieved for much larger sites, and a higher rate of \$202 achieved for an improved site where the dwelling was retained after a simple two (2) allotment re-subdivision.

We have then considered the sales of residential development sites that retain varying development potential that have occurred within the quantum value range of between \$500,000 and \$1,100,000 for site of between 1,465 and 8,290 square metres and which analyse to rates per square metre of between \$98 and \$341 (improved). Notably, each of these sites is suited to a multi-allotment land division, some including the retention of existing dwellings.

Of these sales we have firstly considered the smallest site at **63 Alexandrina Road (\$341/m<sup>2</sup>)** which is positioned more centrally within Mount Barker, is of slightly smaller proportions and which presents as a relatively straight forward opportunity to create four (4) allotments. On balance, given the absence of the development constraints associated with potential division of the subject, this sale is considered to be superior on a rate per square metre basis.

Similarly, the sale of a slightly larger allotment at **2 Grantchester Avenue (\$300/m<sup>2</sup>)** is a fully serviced site positioned within an establishing modern estate, suited to a straightforward medium density development and is also considered superior.

Notably, the balance of the sales indicate price levels on a rate per square metre of site area basis that sit within that represented by the residential allotment sales i.e. \$98 - \$225 per square metre, albeit for larger allotments, each with potentially superior development outcomes to the subject site.

On balance, taking into account the size of the subject land, its position and zoning, the standard of the existing improvements and the development constraints (particularly the flood plain impacts and lack of mains water), we would suggest that its potential value level lies within the range indicated by the single allotment sales and toward the lower end of the range indicated by the development site sales evidence.

383 Bald Hills Road, Mount Barker SA

In this instance we have adopted a value range of \$140 to \$160 per square metre of site area which deduces the following potential range in market values:

	Site Area (m²)	\$ Rate (m²)	\$ Value
Land Area	1,929	\$140	\$270,060
		\$150	\$289,060
		\$160	\$308,640
		Adopt	\$290,000

We have therefore adopted a mid-point value of **\$290,000 (Two Hundred and Ninety Thousand Dollars)**.

This level of value sits within the quantum range of values achieved for the residential allotments quoted in the report, which is consistent with our assumption that the land would have primary appeal as a larger proportioned residential allotment or smaller rural living holding.

#### 6.5.1 Consideration of Strategic Value to Council

We have also been asked to have consideration of any additional strategic value of the property to Council.

In this respect consideration has been given of the position of the property adjacent to the northern boundary of a 38-hectare land holding owned by Council that is to be developed initially with the Regional Sports Hub and Aquatic facility. Longer term plans are to fully develop the holding as a recreational precinct including a broad range of recreational and educational activities catering for the anticipated population growth within the region, in accordance with the Precinct Master Plan provided.

Notably the property is positioned adjacent the planned primary entry into the precinct from Bald Hills Road, with linkages then to be provided through the site to Springs Road to the east, noting that the importance of Springs Road is expected to increase over time once a southern bypass road to the town is established.

We expect that if the subject land was to remain in private ownership, that the precinct designs could conceivably incorporate it within the configuration of the site. Nevertheless, the purchase of the property would provide a greater opportunity for flexibility in the design of the precinct including the development of a prominent entry statement and potential upgrades to road safety in the immediate area, the incorporation of aesthetically pleasing road fronting facilities to the width of the site and the better incorporation of the precinct with the Laratinga Wetlands reserve to the northern side of the road.

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383 Bald Hills Road, Mount Barker SA

As such we expect that the site, while comprising a very small proportion of the overall precinct, may have some additional strategic and synergistic value to Council related to the opportunity to provide the optimum development of the precinct land for the purposes of the community.

While we have assessed the market value of the property to be \$290,000, we would expect that Council may be prepared to pay an amount above market value to secure the site in order to capture potential benefits for mitigating or removing a potential impediment to the precinct development.

In this respect if the property was being actively marketed for sale, to secure the site Council would effectively only need to make a bid just higher than the next lowest bid. However in this instance the property is not 'for sale' and the registered proprietor appears not to have had intent to sell at this time. As such, Council may need to offer an enticement to transact. Historical evidence suggests that a price premium of 10 – 30% may be required by the owner, albeit that the actual percentage premium negotiated will ultimately depend both on the owner's motivations with regard to the sale of the property and Council's perceived need to secure the site, within the context of the Precinct development.

RELEASED

383 Bald Hills Road, Mount Barker SA

## 7.0 Valuation

Subject to the qualifications and assumptions contained within the body of this report, we assess the Market Value of 383 Bald Hills Road, Mount Barker, South Australia as at 14 September 2018, to be:

**\$290,000**

**(TWO HUNDRED AND NINEY THOUSAND DOLLARS) GST not applicable**

This valuation is for the private and confidential use only of District Council of Mount Barker 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.

Only a signed original of this valuation should be relied upon and no responsibility will be accepted for photocopies of the report.

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 as 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 and factors specific to the particular property). We do not accept responsibility or liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume responsibility or accept liability where the valuation is relied upon after the expiration of 90 days from the date of valuation or such earlier date if you become aware of any factors that have an effect on the valuation.

m3property Strategists



Rachel Elliott B Bus Prop (Val & PRM), FAPI  
Certified Practising Valuer/Director  
Primary Signatory



Kym Dreyer  
Managing Director (SA)  
Counter Signatory

The opinion of value expressed in this report is that of the Valuer who is the primary signatory to the report. The counter signatory verifies that the report has been reviewed in accordance with our Quality Assurance Policy, is genuine and authorised by m3property (SA).

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383 Bald Hills Road, Mount Barker SA

## Annexures

- 1 Copy of Purchase Order
- 2 Copy of Certificate of Title

RELEASED

RELEASED

**ANNEXURE 1**

**Copy of Purchase Order**

MOUNT BARKER  
DISTRICT COUNCIL6 Dutton Road, Mount Barker. SA. 5251  
PO Box 54, Mount Barker. SA 5251  
Telephone: (08) 8391 7200  
Fax: (08) 8391 7299Email: accounts@mountbarker.sa.gov.au  
Website: www.mountbarker.sa.gov.au  
ABN: 54 250 395 713

## PURCHASE ORDER

Order No: 19952 Page: 1

Date: 11/09/2018

m3property  
Level 3, 44 Waymouth Street  
ADELAIDE SA 5000

Supplier Ref: 4282

Order Number must be included on Invoice.  
All Prices Include GST Where Applicable.

Purchasing Contact: Mr D W Morton

QUANTITY	ITEM DESCRIPTION	COUNCIL USE ONLY		UNIT PRICE	ORDER VALUE
1.00	383 Bald Hills Road Valuation Other Contracts	5030.0115.057	2585.0159	2,500.00	2,500.00
Total Order Value inclusive of GST					2,500.00

Refer to Terms &amp; Conditions Overleaf

Name of Authorising Officer

Signature of Authorising Officer



**TERMS AND CONDITIONS OF CONTRACT****1. CONTRACT****Contract means:**

- 1.1. where this Order is issued to the Contractor under a Council Contract ("the Head Contract") then the general conditions and any specifications contained in the Head Contract together with the attached Order shall constitute the contract documents and the entire terms of the agreement.
- 1.2. in any other case, the terms and conditions contained herein together with any specifications and the attached Order shall constitute the contract documents and the entire terms of the agreement.

**2. GOODS**

"Goods" means the Goods supplied by the Contractor to the Council specified in this Order.

**3. WORKS**

"Works" means all Works and/or services specified in this Order and any additional Works and/or services necessary for the performance of the contract and includes all variations agreed between the parties.

**4. SPECIFICATIONS**

"Specifications" means any specifications issued by the Council in relation to this Order or the Head Contract.

**5. STATUS OF CONTRACTOR**

Nothing in the Contract constitutes the Contractor as the partner, joint venturer, servant, agent or employee of the Council for any purpose whatsoever.

**6. OBLIGATIONS OF THE CONTRACTOR**

The Contractor shall:

- 6.1. Deliver the Goods to the Council by the date specified on this Order. The Contractor shall not be entitled to delivery by portion unless mutually agreed in writing. Title and property in the Goods shall pass to the Council on acceptance of the Goods; and/or
- 6.2. Perform and complete the Works and, subject to any conditions provided elsewhere in the contract, provide all supervision, labour, materials, plant, transport and temporary Works which may be necessary; and/or
- 6.3. Not vary the Works from the description in the Order or the specifications without the prior written consent of the Council; and/or
- 6.4. Be responsible for the care of the Works from the date of commencement until completion including the care, storage and protection of unfixed items and items provided by the Council; and/or
- 6.5. Provide, erect and maintain all barricades, fences, signs, lighting and temporary Works necessary for the protection of the Works, other property and for the safety and convenience of the public; and/or
- 6.6. Complete the Works to the satisfaction of the Council with due expedition, without delay and within the time specified in the Order or such further time as agreed in writing by the Council and/or
- 6.7. Not vary the price of the Works from the price agreed or undertake Works which will incur additional fees or charges without the prior written consent of the Council.

**7. QUALITY**

- 7.1. The Contractor shall exercise reasonable skill, care and diligence in performing the Works and shall comply with all applicable standards, safety regulations, codes of practice and any specific requirements resulting from the Contractor's trade, profession or expert knowledge.
- 7.2. The Contractor shall correct any defects in the Works at its own cost within fourteen (14) days of any notice in writing by the Council requesting correction. Failing such correction, the Council may correct such defects itself at the cost of the Contractor.

**8. WARRANTY**

The contractor warrants that all Goods and/or materials provided to the Council as part of the Works:

- 8.1. will conform with the description in this Order and with the specifications;
- 8.2. will be of good merchantable quality and be for the known purpose for which it is provided;
- 8.3. will be new unless otherwise notified in writing by the Council.

**9. DEFECTS**

If any Product or Works is or are found defective and the Council notifies the Contractor of such defect during the above warranty period, the Contractor shall, at its own cost, promptly replace the Product or rectify the Works to the satisfaction of Council. Failing replacement of the Product or rectification of the Works to the satisfaction of Council, the Council may replace the Product or rectify the Works at the cost of the Contractor.

**10. STATUTORY REQUIREMENTS**

The Contractor must comply with and give all notices required by any Act of Parliament, ordinance, regulation or by-law relating to the Works including the Ombudsman Act 1972.

**11. TERMS OF PAYMENT**

Unless otherwise agreed, payment shall be made thirty (30) days following the date of the tax invoice subject to:

- 11.1. the price being in accordance with this contract;
- 11.2. all Works and/or services, materials and equipment being received and accepted by the Council as satisfying the contract documents;
- 11.3. invoices list the GST component separately and their format complies with the requirements of the Aust. Tax Office in relation to the Goods and Services Tax Act.

**12. INDEMNITY**

The Contractor agrees to indemnify and keep indemnified the Council, its servants and agents and each of them from and against all actions, costs, claims, damages or charges and expenses whatsoever which may be made or brought or claimed against them or any of them arising out of or in relation to the contract and the undertaking of the Works.

**13. PUBLIC LIABILITY INSURANCE/PRODUCTS INSURANCE/PROFESSIONAL INDEMNITY INSURANCE**

The Contractor shall take out and keep current during the period of the contract a public risk insurance policy and if applicable products insurance in the name of the Contractor for a minimum sum of ten million dollars (\$10,000,000) insuring against all actions, costs, claims, damages or charges and expenses which may be brought or made or claimed against the Contractor arising out of or in any way relating to the contract. Contractors providing professional services shall take out and maintain professional indemnity insurance in the name of the Contractor for a minimum of one million dollars (\$1,000,000). The Contractor shall not commence the Works until confirmation of such policy of insurance is given to the Council.

**14. SUB-CONTRACTING**

The Contractor shall not assign or sub-contract the Works or any part thereof without Council approval.

**15. WORK HEALTH & SAFETY**

- 15.1. The Contractor shall comply with the provisions of the Work Health & Safety Act, 2012 and all associated regulations, including those adopted by the Council, and will ensure that its employees comply with all regulations, improvement notices, prohibition notices and codes of practice issued thereunder and have application to the contract.
- 15.2. The Contractor acknowledges that the Council has duties imposed upon it by Part 2 of the Work Health & Safety Act, 2012 and as such has the right to ensure that the Contractor complies with the Act.
- 15.3. The Contractor shall comply with all reasonable directions and procedures relating to security and work, health & safety as required by the Council when the Works are to be undertaken at premises or facilities of the Council.
- 15.4. The Contractor agrees to immediately notify the Council of any incident or accident arising from the undertaking of the contract including those involving the public.
- 15.5. Prior to the commencement of Works the Contractor shall complete a safe work method statement or job safety analysis as required. Evidence of these processes shall be provided to Council prior to the commencement of work.

**16. WORKCOVER**

Where applicable:

- 16.1. The Contractor must ensure that it is registered as an employer under the Workers Rehabilitation and Compensation Act, 1986 and that it pays all levies due thereunder in respect of its employees engaged in or about the Works.
- 16.2. The Contractor agrees to indemnify the Council in respect of any action, claim, demand, suit or proceedings made by an employee of the Contractor bought in connection with the Workers Rehabilitation and Compensation Act, 1986.
- 16.3. The Contractor shall have or take out and keep current a personal accident and sickness insurance policy for a period from the commencement of the Works extending until the completion date of this contract.

**17. DISPUTES**

All disputes or differences between the Council and the Contractor shall be referred to an arbitrator who shall be mutually agreed upon by the parties

RELEASED

**ANNEXURE 2**

**Copy of Certificate of Title**



<b>Product</b>	Register Search Plus (CT 5593/262)
<b>Date/Time</b>	07/09/2018 04:36PM
<b>Customer Reference</b>	955305
<b>Order ID</b>	20180907009217
<b>Cost</b>	\$34.50

REAL PROPERTY ACT, 1886



The Registrar-General certifies that this Title Register Search displays the records maintained in the Register Book and other notations at the time of searching.



## Certificate of Title - Volume 5593 Folio 262

<b>Parent Title(s)</b>	CT 1949/160				
<b>Creating Dealing(s)</b>	CONVERTED TITLE				
<b>Title Issued</b>	05/11/1998	<b>Edition</b>	5	<b>Edition Issued</b>	22/04/2005

### Estate Type

FEE SIMPLE

### Registered Proprietor

CAROL LEA LAMBE  
OF 91 NURSERY ROAD KANMANTOO SA 5252

### Description of Land

ALLOTMENT 81 FILED PLAN 160058  
IN THE AREA NAMED MOUNT BARKER  
HUNDRED OF MACCLESFIELD

### Easements

NIL

### Schedule of Dealings

NIL

### Notations

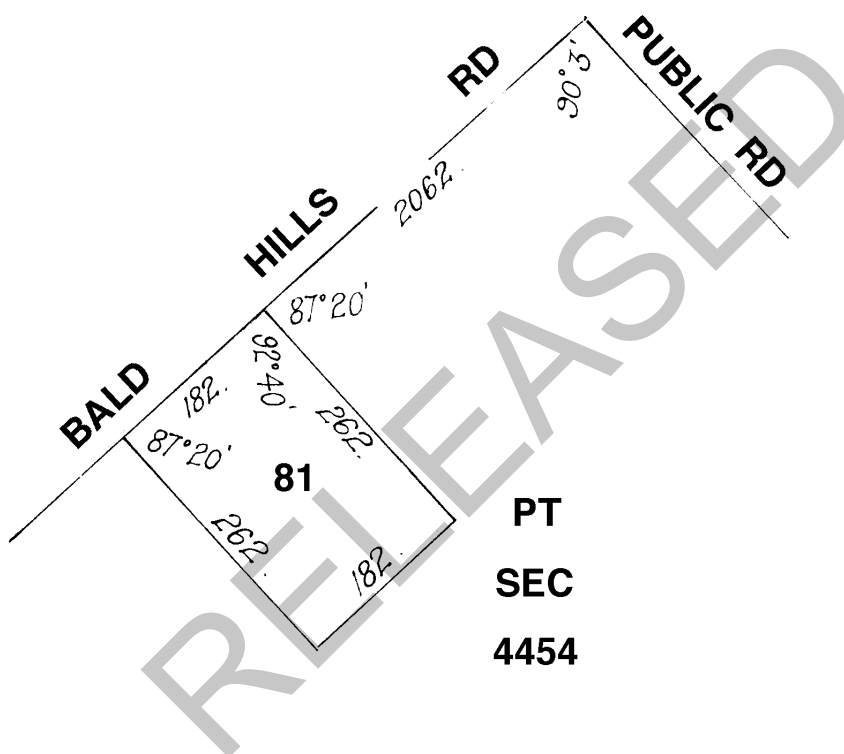
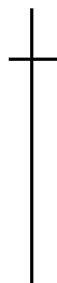
<b>Dealings Affecting Title</b>	NIL
<b>Priority Notices</b>	NIL
<b>Notations on Plan</b>	NIL
<b>Registrar-General's Notes</b>	NIL
<b>Administrative Interests</b>	NIL



Government of South Australia  
Department of Planning,  
Transport and Infrastructure

<b>Product</b>	Register Search Plus (CT 5593/262)
<b>Date/Time</b>	07/09/2018 04:36PM
<b>Customer Reference</b>	955305
<b>Order ID</b>	20180907009217
<b>Cost</b>	\$34.50

THIS PLAN IS SCANNED FOR CERTIFICATE OF TITLE 1949/160



200 100 0 200 Lks.

DISTANCES ARE IN LINKS  
FOR METRIC CONVERSION  
1 LINK = 0.201168 METRES  
1 CHAIN = 100 LINKS

NOTE: SUBJECT TO ALL LAWFULLY EXISTING PLANS OF DIVISION

RELEASED

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**m3property**  
STRATEGISTS

## **18. CONFIDENTIAL REPORTS**

<b>18.1</b>	<b>REPORT TITLE:</b>	<b>CONFIDENTIAL ITEM: PROPOSED STRATEGIC LAND ACQUISITION</b>
	<b>DATE OF MEETING:</b>	<b>21 JANUARY 2019</b>
	<b>FILE NUMBER:</b>	<b>DOC/19/1676</b>
	<b>ATTACHMENTS:</b>	<b>1 LOCATION PLAN DOC/19/2922</b>
		<b>2 DRAFT CONCEPT LAYOUT PLAN DOC/18/90547</b>
		<b>3 OVERLAY PLAN DOC/19/2925</b>
		<b>4 VALUATION ADVICE DOC/19/2930</b>

Moved Councillor Morrison that Council:

### **Section 90 (3) (b) Order**

1. Pursuant to Section 90(3)(b)  
Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except the Chief Executive Officer; Deputy Chief Executive Officer/General Manager, Governance, Strategic Projects and Wastewater/Recycled Water; General Manager, Community



Services; General Manager, Planning and Development; General Manager, Infrastructure; Chief Financial Officer; and the Minute Secretary be excluded from attendance at the meeting for the Agenda Item Proposed Strategic Land Acquisition.

The Council is satisfied that 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; and
- would prejudice the commercial position of the Council.

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 continued non-disclosure of this information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may severely prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter.

Seconded Councillor Bailey

CARRIED  
OM20190121.14

Moved Councillor Westwood that Council:

2. authorise the Chief Executive Officer or nominee to negotiate the purchase by Council of 383 Bald Hills Road, Mount Barker being lot 81 and comprising all of the land contained in Certificate of Title Volume 5593 Folio 262 for an amount not to exceed \$340,000 excluding GST and associated costs such as stamp duty;
3. authorise the Mayor and Chief Executive Officer to execute a contract for the sale and purchase of 383 Bald Hills Road, Mount Barker being lot 81 and comprising all of the land contained in Certificate of Title Volume 5593 Folio 262 for an amount not to exceed \$340,000 excluding GST;
4. pursuant to the Local Government Act 1999, exclude from classification as community land 383 Bald Hills Road, Mount Barker being lot 81 and comprising all of the land contained in Certificate of Title Volume 5593 Folio 262;

Seconded Councillor Seager

CARRIED  
*OM20190121.15*

Moved Councillor Morrison that Council:

**Section 91(7) Order**

5. Pursuant to Section 90 (3) (b) & (d)

That having considered the Agenda Item Proposed Strategic Land Acquisition in confidence under 90(2) and (3)(b) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the council report, related documents and all minutes be retained in confidence until the settlement of the subject land or such lesser period as may be determined by the Chief Executive Officer.

Seconded Councillor Bailey

CARRIED  
*OM20190121.16*

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MEETING DECLARED CLOSED AT 8.15PM

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MAYOR

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DATE