



# Late agenda item C2012-13 Ordinary Meeting of Council

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Wednesday, 9 December 2020, 6.00pm

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## **C2012-13 SALE OF 7-15 QUARRY STREET, FREMANTLE**

**Meeting date:** 9 December 2020  
**Responsible officer:** Manager Economic Development and Marketing  
**Decision making authority:** Council  
**Attachments:** Nil  
**Additional information:** Nil

### **SUMMARY**

The auction of 7-15 Quarry Street, Fremantle occurred at 11am on Wednesday 2 December 2020, with three registered bidders present. The auction was unsuccessful with the property passed in without any accepted bids received. Since being “passed in” at auction there have been a number of enquiries with an indication of interest to make an offer for purchase.

This item is to request Council consider continuing the sale by way of an “expression of interest” process through the City’s procurement system.

### **BACKGROUND**

Subject to the conditions set by the Finance, Policy, Operations and Legislation Committee (FPOL) on 14 October 2020, the auction of 7-15 Quarry Street, Fremantle took place at 11am on Wednesday 2 December 2020. The property was passed in without any accepted bids received for further negotiation.

### **FINANCIAL IMPLICATIONS**

A budget of \$20,000 has been allocated for the sale of the property. This includes marketing, advertising and legal.

### **LEGAL IMPLICATIONS**

Under section 3.58 of the *Local Government Act 1995* a local government can dispose of a property to the highest bidder at a public option or under a public tender to the most acceptable tenderer.

If sale by either public auction or tender is unsuccessful, a local government, having met its obligation under the *Local Government Act 1995*, may proceed with alternate methods to sell the property.

Local Government can dispose by alternate methods up to six (6) months from the public process, if the public process does not yield a result.

The City has had a contract for sale drawn up by our legal advisers to be used for a successful sale.

## CONSULTATION

Officers commenced advertising of 7-15 Quarry Street, Fremantle on [realcommercial.com](http://realcommercial.com) and [realestate.com.au](http://realestate.com.au) as 'coming soon' to gauge the interest in the market in August 2020.

After Council approved sales conditions in October a greater campaign process was implemented leading up to the auction. The following advertising methods were used for this purpose;

- Advertisement on [realcommercial.com](http://realcommercial.com) and [realestate.com.au](http://realestate.com.au)
- Sales prospectus
- City's website and appropriate social media channels
- Google Adwords
- advertisement in the West Australian and Financial Review
- Economic Development database of prospective developers

Officers will continue to use the methods listed above when marketing the property for sale by expression of interest.

## OFFICER COMMENT

As a requirement of property disposal under the *Local Government Act 1995* a local government can dispose of a property by way of public auction or public tender. Alternate methods of sale for a property may only be considered if the auction or tender is unsuccessful.

During the marketing campaign officers received interest from parties who, while interested in purchasing the property, were unable, or not comfortable to bid at auction. With the auction being unsuccessful this has resulted in some interested parties now enquiring on how they may make an offer on the property. This may potentially lead to the City receiving multiple offers for the property.

Point 4 of FPOL's October resolution stated that should the property not sell at auction, or negotiation, that the property be advertised for sale by private treaty. However, to ensure a transparent process for all interested parties in the situation of potential multiple offers, officers propose that the property is offered for sale through an EOI process with an end date of 8 January 2021. This way the council can receive confidential offers that will not be opened until the end date of 8 January. This also allows any current interest in the property to be maintained to see if a suitable offer can still be achieved.

Submission of offers will be made via Tenderlink. This means that all offers cannot be viewed until 8 January 2021. All compliant offers received, within 10% of Council's adopted reserve, will then be brought to Council for consideration.

The EOI will advertised publicly using the methods outlined under the consultation section of this item.

The following sales conditions are proposed for the sale by EOI of 7-15 Quarry Street, Fremantle;

- a. Sale of 7-15 Quarry Street, Fremantle will be made available for sale by expression of interest with all offers to be submitted by 2.00pm WST Friday 8 January 2021.
- b. The successful bidder will make a 10% deposit of the purchase price within seven days of acceptance of the buyers offer by the City.
- c. Settlement will occur within 90 days of acceptance of the buyers offer.
- d. Lots 1 & 2 on Plan 758 Volume 545 Folio 181 and Lot 8 on Diagram 1451 Volume 241 Folio 32 are offered for sale by Auction as one Lot.
- e. The buyer will be required to amalgamate Lots 1 & 2 on Plan 758 Volume 545 Folio 181 and Lot 8 on Diagram 1451 Volume 241 Folio 32 after settlement.
- f. The buyer cannot sell any existing Lot, as referred to in part e, individually.
- g. Development;
  - i. A development application must be submitted no later than 12 months from the date of settlement. The City will support early submission of a development application by the buyer prior to settlement and will allow reasonable access to the property.
  - ii. Substantial development of the property must be achieved within four years from the date of settlement.
- h. Compliance with the conditions set by Council in its resolution of 26 June 2019 (SPT1906-01) namely:
  - i. A minimum dwelling yield of 34 to be delivered in future development.
  - ii. A pedestrian access link from Quarry Street to Fremantle Park, accessible to members of the public, to be provided across the subject land to be secured in a manner to the satisfaction of the CEO, prior to commencement of development.
- i. The City will have, until the commencement of construction, the option to repurchase the property if the buyer breaches by failing to commence construction within four years from the settlement date, or any other conditions of the contract of sale.
- j. Registerable sales conditions will be recorded against the Properties Certificate of Titles at settlement by way of a restrictive covenant under s.129BA and s.136D of the *Transfer of Land Act 1893* for a period of 10 years starting from the date of registration of the restrictive covenant at Landgate.

## **VOTING AND OTHER SPECIAL REQUIREMENTS**

Simple majority required

## OFFICER'S RECOMMENDATION

### Council

1. Approve the disposal of 7-15 Quarry Street based on the following conditions;
  - a. Sale of 7-15 Quarry Street, Fremantle will be made available for sale by expression of interest with all offers to be submitted by 2.00pm WST Friday 8 January 2021.
  - b. The successful bidder will make a 10% deposit of the purchase price within seven days of acceptance of the buyers offer by the City.
  - c. Settlement will occur within 90 days of acceptance of the buyers offer.
  - d. Lots 1 & 2 on Plan 758 Volume 545 Folio 181 and Lot 8 on Diagram 1451 Volume 241 Folio 32 are offered for sale by Auction as one Lot.
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  - j. Registerable sales conditions will be recorded against the Properties Certificate of Titles at settlement by way of a restrictive covenant under s.129BA and s.136D of the *Transfer of Land Act 1893* for a period of 10 years starting from the date of registration of the restrictive covenant at Landgate.
2. Advertisement of the sale of 7-15 Quarry Street by Expression of Interest with offers to be submitted via Tenderlink by the closing date of 2.00pm WST Friday 8 January 2021.

- 3. Any compliant offers received, within 10% of Councils adopted reserve from the Finance, Policy, Operations and Legislation (FPOL) Committee meeting of 14 October 2020, will be presented to Council for consideration at the most appropriate Ordinary Council meeting.**