

## Relevant Information for Council

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**FILE:** X099483 **DATE:** 4 April 2024

**TO:** Lord Mayor and Councillors

**FROM:** Kim Woodbury, Chief Operating Officer

**THROUGH:** Monica Barone PSM, Chief Executive Officer

**SUBJECT:** Information Relevant To Item 8.3 – Sale of Surplus Residential Property – Affordable and Diverse Housing

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### For Noting

This memo is for the information of the Lord Mayor and Councillors.

### Background

At the meeting of the Housing for All Committee on 25 March 2024, further information was sought on the covenants in relation to the Potts Point strata properties, consideration of options for the Beaconsfield site and additional detail on any timeline (redevelopment/Development Application) requirements in contracts.

### Covenant information

The property at 12 Springfield Avenue Potts Point comprises a four-level building subdivided in 1984 to create 12 residential strata lots (units) within Strata Plan 21921.

The covenant, once registered on strata lots 7 and 8, will apply to all owners of the strata lot until Council resolves to release the covenant.

If the land upon which the residential strata building is built is proposed to be redeveloped then the strata scheme associated with the property will be collapsed. Council's covenant must be removed from the title to the relevant strata lots before the strata scheme can be collapsed. The relevant strata lot owner at the time would seek Council approval to remove the covenant. This would apply if one developer owns all lots, or if over 75 per cent of owners resolve to terminate the strata scheme.

As the party with the power to release, vary or modify the covenant, Council can agree to removal of the covenant on terms it considers appropriate.

### **Consideration of options for the Beaconsfield site**

The recommendation reflects the 18 September 2023 Resolution of Council and report (refer Attachment B) that should the Expressions of Interest not be successful for all properties, it is proposed that the balance of the properties be sold to the general property market with the full amount of sale proceeds going to the Affordable and Diverse Housing Fund.

### **Timeline (redevelopment/DA) requirements in contracts**

Should Council approve the sale of the property, once the successful proponent (as purchaser) has secured any additional funding from other sources required, the City and the successful proponent will negotiate and agree to key milestones including but not limited to lodgement of the development application, obtaining development consent, construction completion and practical completion of the development, together with timing of exchange and settlement and any other conditions required for completion.

The City will then enter into a Development Deed and a Contract for Sale with the successful proponent.

### **Memo from Kim Woodbury, Chief Operating Officer**

Prepared by: Nicholas Male-Perkins, Commercial Manager

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Approved

*P. M. Barone*

**MONICA BARONE PSM**

Chief Executive Officer