

Sale of Industrial Land - Red Hill Industrial Estate 2022

POL048



Policy No:	POL048
Policy Title:	Sale of Industrial Land – Red Hill Industrial Estate Policy
Section Responsible:	Economic Development
Minute No/Ref:	21/047
Doc ID:	9160

1. INTENT

Council is committed to encouraging responsible development that will generate employment growth for the residents of the Shire and which is appropriate and sustainable.

2. SCOPE

This policy relates to Council owned land at Red Hill Industrial Estate, zoned IN1 General Industrial under Narrandera Local Environmental Plan 2013.

3. OBJECTIVE

- To provide a clear sales and pricing policy for allotments at Red Hill Industrial Estate, aimed at encouraging sustainable industry development
- To maintain an opportunity to negotiate requests for financial assistance.
- To provide a development incentive to all land purchasers where infrastructure to be developed on the subject site will be used by or for employees working for the industry operating on the site. The infrastructure as approved by the Council in a development consent must be an operational feature of the business being conducted on/from the site and to attract an incentive the infrastructure must be completed and operational within 12 months of the purchaser obtaining development consent from Council.

The incentive will be a rebate to the purchaser of an amount equal to 10% of the purchase price paid by the purchaser for the subject site.

4. POLICY STATEMENT

Narrandera Shire Council recognises the importance of available stocks of industrial land to meet the needs of expanding and new industry.

Council and its employees will respect the commercial interests of potential buyers by treating all industrial land enquiries as 'commercial in confidence'.

Council is responsible for determining the selling price guidelines, financial assistance offers, and release of further staged subdivisions.

5. PROVISIONS

5.1 VALUING, LISTING AND SELLING ALLOTMENTS

5.1.1 Valuing Allotments

Allotments are valued 'per block' according to the pricing structure below, determining that prices be calculated on the area (in square metres) of each respective parcel of land being sold.

The market value of parcels of land will be based on the evidence of recent sales and other market conditions and these will be used to determine if an offer to purchase is reasonable.

The 'per block' value is according to the market value as determined by a qualified land valuer from time to time.

5.1.2 Listing and Selling Allotments

Real estate agents may sell Council-owned industrial land under the terms of their usual contract and commission arrangements. Agents must agree to a Memorandum of Understanding (Attachment 1), which will entail that the agent provides guidance to buyers on how to obtain planning advice on development proposals, and also include principles of effective communication between the agency and Council on potential buyers and information about the market.

Council reserves the right as Vendor to sell land direct to a prospective purchaser.

- Each sale shall be supported by resolution of Council.

Real estate agents may market the sale of Council lands covered by this policy on terms and conditions as contained in a Sales Inspection Report and Selling Agency Agreement between the agent and Council.

5.1.3 Pricing Guidelines

The price listed with real estate agents will be the price determined in Council's adopted pricing schedule.

- The General Manager has the authority to coordinate with real estate agents and buyers on the sale of land according to the pricing schedule determined by Council and will submit to Council any reasonable offers to purchase Council-owned land.
- The General Manager will also undertake continual price review with real estate agents and land valuers in line with market movements, with a report to be submitted to Council as required, reflecting any market changes on the pricing structure.

5.1.4 Real Estate Commissions

The policy recommends that any land listed for sale with licensed real estate agents under this policy is described in an industry accepted Agency Agreement that sets out the agent's terms and conditions of listing the land, as well as any commissions fees or other charges relating to the promotion and sale of the land.

Any agreement with a real estate agent will be on the terms and conditions as agreed between the parties as set out in the Agency Agreement.

5.1.5 Pricing Structure

Estate lot pricing structure, **effective as at February 2014**. All prices require GST to be added.

Lot Size	Price per Square Metre (GST Exclusive)
Up to 3,800 m	\$15.00
3,801m to 5,800m	\$12.50
5,801m to 7,800m	\$10.00
7,801m to 9,800m	\$8.75
9,801m to 18,000m	\$8.00
18,001m to 35,000m	\$7.50
More than 35,000m	\$5.00

5.2 REQUESTS FOR FINANCIAL ASSISTANCE

All requests for financial assistance are to be forwarded to Council for determination. Requests for financial assistance are to be supported in writing by the proponent, evidencing the need for the required assistance.

Consideration for financial assistance will be based on:

- The merits of the business development proposal
- Council's financial ability to provide such assistance
- Whether the proposed assistance can be provided by another government agency
- Evidence that the proponent requires financial support.
- This policy being considered in conjunction with POL010 Small Business Incentive Scheme Policy.

6. DEFINITIONS

- NSC: Narrandera Shire Council
- LEP: Local Environmental Plan

7. ROLES AND RESPONSIBILITIES

7.1 ECONOMIC DEVELOPMENT MANAGER

- Promote and market the subject land in accordance with the relevant strategies in Council's Economic Development Strategy 2017-2020 or as amended from time to time.
- Make recommendations to the General Manager on any value proposition received from a potential purchaser/developer either directly or through an Agent.

7.2 GENERAL MANAGER

- Continual price review of industrial land available for sale.
- Submit sale offers to Council.

8. RELATED LEGISLATION

- Narrandera Local Environmental Plan 2013

9. RELATED POLICIES AND DOCUMENTS

- Narrandera Development Control Plan 2013

10. VARIATION

Council reserves the right to review, vary or revoke this policy in accordance with legislation, regulation and award changes, where applicable. Council may also make changes to this policy and the relevant procedures from time-to-time to improve the effectiveness of its operation.

11. PREVIOUS VERSIONS

Reference to a superseded policy number and/or name is also considered a reference to the new policy number. This policy was previously named:

- I2510 Sale of Industrial Land – Red Hill Industrial Estate.
- ES270 Sale of Industrial Land – Red Hill Industrial Estate.

POLICY HISTORY

Responsible Officer	Economic Development Manager		
Approved by	General Manager		
Approval Date	8 March 2022		
GM Signature (Authorised staff to insert signature)			
Next Review	1 February 2023		
Version Number	Endorsed by ELT	Endorsed by Council	Date signed by GM
1 Adopted	-	-	17/02/1998
2 Reviewed	07/01/2004	17/02/2004	17/02/2004
3 Reviewed	-	17/04/2007	24/07/2007
4 Reviewed	-	26/05/2009	8/12/2009
5 Reviewed	-	18/02/2014	19/02/2014
6 Reviewed	-	-	18/02/2017
7 Reviewed	3/09/2018	18/09/2018	18/09/2018
8 Reviewed	19/01/2021	16/03/2021	3/05/2021
9 Reviewed	8/03/2022	-	9/03/2022
10 Reviewed	DD/MM/YYYY	DD/MM/YYYY	DD/MM/YYYY

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Attachment 1: Memorandum of Understanding

The following memorandum of understanding will be agreed with listing real estate agents:

MEMORANDUM OF UNDERSTANDING

REAL ESTATE AGREEMENT TO SELL INDUSTRIAL LAND

The memorandum represents an agreement by the Agent and Narrandera Shire Council to openly and honestly communicate with each other on the details of enquiries made in respect to properties listed by the Agent on behalf of Narrandera Shire Council.

The intent of industrial land sales is to foster employment opportunities. It is therefore in the interest of Narrandera Shire Council and the community that it represents, that land is sold to industry developers with their understanding that their development proposal is appropriate to the land use zoning, that the proposal does not conflict with the provisions of the Local Environmental Plan and that there may be additional regulatory requirements imposed depending on the type of development.

The Agent is to assist prospective industry and land developers in minimising their development risks by referring them to Narrandera Shire Council's Development and Environment section to receive advice on the development application process and regulatory requirements, before entering into a contract for sale.

Agency Name _____

Authorised Agent Name _____

Authorised Agent Signature _____

Date _____

NSC General Manager _____

Date _____