

ATTACHMENT 1

LOT 200 QUILTER DRIVE, DUNCRAIG



LOT 766 DAMPIER AVENUE, KALLAROO



LOT 202 KANANGRA CRESCENT, GREENWOOD



LOT 147 MILLPORT DRIVE, WARWICK



LOT 613 PACIFIC WAY, BELDON



LOT 178 CAMBERWARRA DRIVE, CRAIGIE



Property West Real Estate - Profile

Property West Real Estate is a small boutique style agency that is owned and operated by partners Rob Gooden and Doug Hiley, both have extensive experience and many years of success within the industry. A large majority of the business obtained by this agency is derived from past clients, or those clients' referrals. Both partners are current members of the Real Estate Institute of Western Australia.

Property West Real Estate does not focus on volume sales or dollar turnover as do many of their competitors; the focus is on service, ethics and professionalism. The sales and turnover are a natural bi-product of any efficient, competent and forward-thinking business.

Property West's primary role is to successfully market property and then utilise its negotiation skills to achieve the best possible price in the shortest possible time, however, it doesn't end there; pride is taken on delivering a whole of service approach, from the listing of the property to its successful settlement. Property West wants their clients' repeat business, time and time again, and is prepared to work for it.

Marketing Campaign	Marketing Tools	Marketing Rationale	Pricing Structure	Officer's Comments																						
<p>Four week intensive campaign, marketing all six lots to be auctioned on the same day in a selected location – suggested Council Chambers.</p> <p>Auction in 5th week - 8 week period after auction to deal with prospective purchasers that could not attend auction</p> <p>13 weeks overall</p>	<ul style="list-style-type: none"> • West Australian • Local community newspaper • Internet: <ul style="list-style-type: none"> - realestate.com - REIWA.com.au - propertywest.com.au - thewest.com.au - other associated websites 	<p>Property West considers this to be a comprehensive campaign.</p> <p>Benefit of auctioning six lots at one location rather than on each site is greater activity generated at one location – comfortable indoor surroundings</p> <p>Property West's pricing structure is detailed as all costs associated with marketing and disposing of the lots will be the City's responsibility</p> <p>Prices per lot will be set after valuation and in consultation with City</p>	<table border="0"> <tr> <td>Valuation of 6 lots</td> <td>\$9,900</td> </tr> <tr> <td>Auctioneer</td> <td>\$2,200</td> </tr> <tr> <td>Wednesday West</td> <td>\$1,173</td> </tr> <tr> <td>Community Newspaper</td> <td>\$ 440</td> </tr> <tr> <td>Internet Advertising</td> <td>\$1,000</td> </tr> <tr> <td>Brochures/Flyers</td> <td>\$1,000</td> </tr> <tr> <td>6 x Signs on site</td> <td>\$1,920</td> </tr> <tr> <td>Auction Room Hire</td> <td>\$1,000</td> </tr> <tr> <td>Sundries</td> <td>\$2,368</td> </tr> <tr> <td colspan="2">Cost \$20,000 (plus GST)</td> </tr> <tr> <td colspan="2">1.5% per sale commission (plus GST)</td> </tr> </table>	Valuation of 6 lots	\$9,900	Auctioneer	\$2,200	Wednesday West	\$1,173	Community Newspaper	\$ 440	Internet Advertising	\$1,000	Brochures/Flyers	\$1,000	6 x Signs on site	\$1,920	Auction Room Hire	\$1,000	Sundries	\$2,368	Cost \$20,000 (plus GST)		1.5% per sale commission (plus GST)		<p>Some costs quoted regarding the marketing campaign are estimates.</p> <p>Valuations are to be by a licensed valuer.</p> <p>Company information states proven experience in over 55's development</p> <p>Local agent</p> <p>Based on commission rate and using \$6,000,000 as City's realised funds – commission would be \$90,000</p>
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Proposed Disposal Program

- Most suitable time for selling would be February/March onwards; buyers, especially those from the building industry drift back to work from mid January
- Recommends disposing of six sites collectively; one-off auctions draw buyers for that particular lot only; an onsite auction is at the mercy of the elements
- An auction day for all six lots at one convenient location will create a greater atmosphere for buyers; rather than 5/10 buyers at an individual auction, there could potentially be 50/60 genuine buyers that have attended the auction based on the marketing
- Six similar lots as far as land use is concerned - the main differences being size and location; with auction at one location means that if a buyer is unsuccessful with their block of choice, then potentially they would stay at the auction to consider a similar lot

Ray White Commercial (Perth) - Profile

Chad Parham (Director) is a third generation licensed Real Estate Agent and has been active in the industry since 1991. He completed a Bachelor of Commerce (Property) at Curtin University in 1996 and has been a Principal of the company since that time. His extensive experience is particularly with commercial and industrial property sales, leasing and management. Chad Parham is the sole Director of Ray White Commercial (Perth).

John Cowan (Company Associate) has experience in the residential and commercial real estate sectors. John also has firsthand experience as an investor and developer, so therefore has a full understanding of an investor and operators needs in a transaction. John is also an accomplished negotiator and is capable of dealing at any level. Ken Preston is State Auctioneer for Ray White WA. He has some 25 years experience in the real estate, building and land development industries, 10 years of which has been with the Ray White group.

Marketing Campaign	Marketing Campaign/Tools	Marketing Rationale	Pricing Structure	Comments										
<p>To target developers and builders – Perth Metro area and nationally</p> <p>Marketing material to be submitted to City for approval</p> <p>Pre-marketing stage is 2 weeks and marketing campaign is 4 weeks</p> <p>Fortnightly reporting at end of marketing campaign</p>	<ul style="list-style-type: none"> Direct contact and presentations to specifically identified buyers – via Ray White Commercial (Perth) client base Digital marketing in various forms (eBrochure, eInformation Memorandum, preparation of database, eMagazine, internet listings) Media Advertising - 6 x colour adverts in Wednesday's West Australian newspaper Signage on site – 6' x 8' Media releases Internet Listings 	<p>Considered four main methods, (auction, tender, expressions of interest and private treaty) – recommendation is auction</p> <p>Perception of the property value may vary largely between intending buyers based on end use development scenarios</p> <p>The transparent and competitive nature of auctioning ensures the buyer has every opportunity to receive highest and best offer</p>	<table> <tr> <td>Coloured Adverts x 6 insertions</td> <td>\$9,000</td> </tr> <tr> <td>Digital Marketing</td> <td>\$2,905</td> </tr> <tr> <td>Signs x 6</td> <td>\$2,045</td> </tr> <tr> <td>Photography</td> <td>\$1,909</td> </tr> <tr> <td>Auctioneers Fee</td> <td>\$2,454</td> </tr> </table> <p>Marketing Campaign - \$18,313 (exclusive of GST)</p> <p>1.5% per sale commission (inclusive of GST)</p>	Coloured Adverts x 6 insertions	\$9,000	Digital Marketing	\$2,905	Signs x 6	\$2,045	Photography	\$1,909	Auctioneers Fee	\$2,454	<p>Advised that due to their commercial database can target approximately 850,000 groups, also provides other distribution data figures</p> <p>Does not detail overall expected timeframe for disposals</p> <p>1.5% commission is GST inclusive</p>
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Proposed Disposal Program

- Proposes a commencement date for marketing the sites in late January 2013, or early February 2013
- Auction process considered the most transparent as the market place (buyers) will determine the price together with a set date for the sale (auction day) which sale will be cash unconditional on the auction day
- Recommend offering the six sites at one auction event (in-room), most likely as six separate parcels
- Prospective buyers will in our opinion have an interest in any or all of the sites, so a benefit of one auction event rather than six separate auctions on different days and locations
- The objective is to generate as much interest as possible and use the interest together with the momentum on the day to conclude sales on all six sites
- Do not consider the sale of all six sites collectively will flood the market as they are not geographically that close to have an impact on each other - each site has its own positives and negatives

Raine and Horne Commercial/Seniors Own Real Estate – Profile

Raine & Horne Commercial (RHC) is a full service commercial real estate network which has experienced remarkable growth and sales fire power, underpinned by a commitment to the highest of standards of professionalism in all aspects of agency. RHC have a strong track record with project, multi-lot and off the plan sales, including land subdivisions and strata suites being well qualified to assist with like projects. RHC pride ourselves on our market knowledge and are able to assist buyers in more easily identifying and sourcing properties to suit their requirements.

Seniors Own Real Estate is the pre-eminent independent agents in WA specialising in seniors accommodation, having a wide range of clients, including small scale developers to the larger aged-care groups producing accommodation for the over 55 age group. A profile and testimonials are attached to the submission. Seniors Own's knowledge and expertise in the aged-care sector and seniors' accommodation can be utilised to improve the possibility of achieving an outcome whereby an aged-care organisation may buy and develop the land and provide support services to residents.

Marketing Campaign	Marketing Tools	Marketing Rationale	Pricing Structure	Comments
<p>Tender method – campaign to be run for 4/5 weeks</p> <p>'Value Add Items' detailed as Information Memorandum, information package</p> <p>Up to 12 weeks</p>	<ul style="list-style-type: none"> • Signboards • Display Advertisements • Classified Advertisements • Internet Listings • Sales Brochure • Targeted Mail Out • Press Release • 4 week series of adverts to appear in Wednesday's and Saturday's Property and Tender Sections in West Australian • Half page adverts in community newspapers for 4 weeks 	<p>Tender recommended as::</p> <p>Stipulates a definite timeframe creating urgency for genuinely interested parties</p> <p>No ceiling is placed on the achievable price</p> <p>Price is not disclosed so provides opportunity to gauge and maximise true value of land</p> <p>Process provides ample time for potential purchasers to do due diligence checks</p>	<p>Signboards \$2,400</p> <p>Brochures/Information Memorandum \$1,000</p> <p>Classified Adverts x 4 weeks \$9,020</p> <p>Community Newspaper x 4 weeks \$6,320</p> <p>internet Advertising \$1,140</p> <p>Marketing Campaign - \$19,880 (plus GST)</p> <p>1.85% per sale commission (plus GST)</p>	<p>Professional joint venture approach with experienced commercial real estate office and specialist agent in seniors' accommodation – sales and projects within City of Joondalup</p> <p>Submission has detailed likely realisation for all six lots as being between \$5,450,000 and \$6,850,000 – values based on industry experience – no formal valuations as yet</p> <p>Based on commission rate and using \$6,000,000 as City's realised funds – commission would be \$111,000</p>

Proposed Disposal Program

- Recommendation is to take all six to market for sale by tender – with this process buyers have the option of submitting an offer on one property or any number of properties, including all six
- All six going to market allows smaller developers to potentially submit on one, or two properties, or medium to larger developers to buy 3, 4 or all 6 properties.
- This method of sale also allows the City to assess submissions and make an informed decision collectively. i.e. at an auction it will either hit reserve and sell, or be passed in
- Tender will allow the City to discuss offers with agents and provide information to allow Council to make the best decision - this may involve selling only one or two (or any number of) and withholding certain lots for future sale
- Consider that going to market with all six for sale by tender offering each property individually, or for sale in any combination thereof, will be the best option

Summarised information from Attachments 4 to 6 - rationale provided by real estate agents on their recommended sales method:

Auction – Property West Real Estate

- Most suitable time for selling would be February/March onwards; buyers, especially those from the building industry drift back to work from mid January
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Auction – Ray White Commercial (Perth)

- Proposes a commencement date for marketing the sites in late January 2013, or early February 2013
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Argument for Tender – Raine and Horne/Seniors Own Real Estate

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