



15. NOTICES OF MOTION

I, Mayor Bernadene Voss, give notice that I intend to move the Motion outlined below at the Ordinary Meeting of Council on 3 June 2020:

That Council:

1. Notes that it has received, heard and considered the submissions in response to its Notice of Intention to Sell 8 York Street, St Kilda West.
2. Resolves to sell 8 York Street, St Kilda West, by public auction.
3. Resolves to set the reserve price prior to the auction.
4. Authorises relevant Officers to execute all the necessary processes required to enable the sale and transfer of land, including negotiating with the highest bidder if the property is passed in at auction, affixing the Common Seal of Port Phillip City Council to the relevant documents, and if the property remains unsold following the auction, leaving it on the market for private sale at not less than the reserve price for an appropriate or reasonable period of time.
5. Notes that the submitter is to be advised of the decision to sell the land and the reason(s) for the decision.

Supporting Information

Background:

In their report to the Ordinary Meeting of Council of 20 May 2020 Officers recommended that the subject property be sold.

In their reasoning Officers noted:-

- As the property has been unoccupied for several years, is considered surplus, and is an ongoing financial burden to keep and maintain, it is of community interest to convert it to financial firepower. The speculative hope of future capital gain needs to be balanced against the certainty of significant property holding and maintenance costs.
- Selling the property will enable more productive development of the site than its current use, and by extension improve neighbourhood amenity.
- It is not within its portfolio strategy to try to “time the market”. This would inhibit orderly development of Council’s property portfolio, risked chasing financial value at the expense of creating public value. It would also often be a futile exercise.
- City of Port Phillip could mitigate the risk of a declining market –with speed to market, adequately exposing the property to the market, and with the quality of information provided to market. Ultimately, the property is a high quality one, and Council is not a forced seller, with no interest nor compulsion to sell for anything but full market price.

Key Issues:

- The pandemic can be assumed to be impacting market sentiment and depth. Sentiment is likely to be changing daily.

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- Many are speculating on the impact to property prices. However, the actual appetite for this property is not knowable without testing the market.
- Though the market controls market price, Council controls the marketing and sale process, and what the price for which it will sell the property.
- While long-term capital appreciation is a consideration, particularly if the market value cannot be achieved, capital appreciation can only be captured if at some point Council is willing to sell.
- Our portfolio planning indicates a need for investment in response to growth in Fishermans Bend as well as significant projects like Elwood Foreshore redevelopment, children's centre renewal, and support for affordable housing. It is best to be in a position to sell on our terms rather than have to do so with urgency when expenditure is needed.
- Holding vacant property has cost and risk –including insurance implications, unauthorised occupation, neighbourhood amenity, and a perception of Council ineffectiveness.