

29/84

No. of 198

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

ON APPEAL
FROM THE SUPREME COURT OF NEW SOUTH WALES
COURT OF APPEAL
IN PROCEEDINGS CA 113 OF 1982

BETWEEN:

TATMAR PASTORAL CO. PTY. LIMITED
and
PENRITH PASTORAL CO. PTY. LIMITED
Appellants (Plaintiffs)

AND:

HOUSING COMMISSION OF NEW SOUTH WALES
Respondent (Defendant)

TRANSCRIPT RECORD OF PROCEEDINGS

PART II

Volume IV

SOLICITORS FOR THE APPELLANTS

Dare Reed,
Barclays House,
25 Bligh Street,
SYDNEY N.S.W. 2000

Telephone: 232 1111
DX 190 Sydney

By their Agents:

Nabarro Nathanson,
76 Jermyn Street,
LONDON. SW1Y 6NR U.K

Telephone: 01-930 8444
Telex: 8813144 NABARD

SOLICITORS FOR THE RESPONDENT

H.K. Roberts,
State Crown Solicitor,
8-12 Chifley Square,
SYDNEY. N.S.W. 2000

Telephone: 238 7363
DX 19 Sydney

By their Agents:

Lovell, White & King,
21 Holborn Viaduct,
LONDON. EC1A 2DY U.K.

Telephone: 01-236 6011
Telex: 887 1222

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INDEX OF REFERENCE

PART II

Exhibits included in the Record
(Exhibits "Y2" and "AAY" objected to by
H.K. Roberts, the Respondent's Solicitor.)

Exhibit Mark	Description of Document	Date	Page
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VOLUME IV

"J"	- Valuation by Kenneth J. Parkinson & Associates	26 October, 1981	788
"K"	- Alcorn Report and Supplementary Statement	26 October, 1981	813
"K2"	- Schedule rates per acre mid-1973	29 October, 1981	842
"Y2"	- Urban Development Potential	27 October, 1981	843
"AAY"	- Statement by Peter Kacirek	2 December, 1981	848

Exhibit Mark	Description of Document	Date	Page
"AAZ" -	Mr. Alcorn's response to Exhibit 2(E)	2 December, 1981	852
"2(E)" -	Valuation exercise by Hilton, November '81 (handwritten)	16 November, 1981	855
"12" -	Mr. Weir's Report, June 1981	26 November, 1981	859
Exhibits transmitted to the Privy Council but not reproduced in Record			
"C" -	Two aerial photographs	26 October, 1981	
"D" -	Locality Map	26 October, 1981	
"F" -		26 November, 1981	
"F2" -	S.R.O.P. Phasing plan map	26 November, 1981	
"G1" -	Locality plan showing sales	26 October, 1981	
"G2" -	Locality map showing sales	29 October, 1981	
"H" -	Locality map of land resumptions	26 October, 1981	
"T" -	Community Development Report	26 October, 1981	

IN THE LAND AND ENVIRONMENT
COURT OF NEW SOUTH WALES

NO. 30115 of 1980

TATMAR PASTORAL COMPANY PTY
LIMITED AND PENRITH PASTORAL
COMPANY PTY LIMITED

Applicants

THE HOUSING COMMISSION OF
NEW SOUTH WALES

Respondent

STATEMENT OF EVIDENCE
KENNETH J. PARKINSON &
ASSOCIATES

LAND AND ENVIRONMENT COURT
15 OCT 1981
FILED

Filed on behalf of the
Applicant by:

DARE REED
Solicitors
25 Bligh Street
SYDNEY NSW 2000

DX: 190
Ph: 2321111

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EXHIBITS
EXHIBIT "J"
VALUATION BY KENNETH J. PARKINSON
& ASSOCIATES - 26 OCTOBER, 1981

VALUATION

KENNETH J. PARKINSON & ASSOCIATES
Real Estate Valuers and Counsellors

EXHIBITS
EXHIBIT "J"
VALUATION BY KENNETH J. PARKINSON
& ASSOCIATES - 26 OCTOBER, 1981

KENNETH J. PARKINSON & ASSOCIATES

(A DIVISION OF OSCIS PTY. LTD.)

REAL ESTATE VALUERS AND COUNSELLORS

OFFICES: 173 BIGGE STREET, LIVERPOOL, N.S.W.

SUITE 6, 4th FLOOR, 20 BOND STREET (Cnr. Pitt St.)
SYDNEY, N.S.W.

K. J. PARKINSON, A.A.I.V., A.R.E.I.

C. R. SORRENSON, A.A.I.V., A.R.E.I.

P.O. BOX 565,
LIVERPOOL, N.S.W. 2170

LIVERPOOL:
602-0035
602-0895

CITY:
27-9877

September 23rd, 1981

VALUATION REPORT

IN RESPECT OF:

Lots 5 & 6, Deposited Plan
222785, Bradley Street and
Luttrell Road, REGENTVILLE.

CITY OF:

Penrith

10

UNDER INSTRUCTIONS FROM:

Dare Reed,
Solicitors,
City Mutual Building,
9 Hobart Place,
CANBERRA, A.C.T. 2601

LAND AND TITLE INFORMATION:

As at the date of resumption the land was held in two different ownerships and titles as follows:-

- (1) Lot 5 in Deposited Plan 222785, being the land described in certificate of Title Volume 9801, Folio 201. This parcel was owned by Tatmar Pastoral Company Pty. Limited.

10

This land is subject to a transmission line easement 91.43 metres wide which was resumed on the 3rd of April 1970.

- (2) Lot 6 in Deposited Plan 222785, being the land described in Certificate of Title Volume 9801, Folio 202.

This property was in ownership of Penrith Pastoral Company Pty. Limited.

20

Both dispossessed owner companies are understood to have been owned by common shareholders, and are believed to have operated and considered both properties jointly as one holding. Accordingly, in this valuation it has been assumed that the total area of both holdings can be treated as one for compensation purposes.

The total area of the two holdings is approximately 356.742 hectares (about 884 acres).

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ZONING:

Under the Penrith Planning Scheme as prescribed in 1960, the land is understood to have been zoned "Non-Urban "A"" as at the date of resumption. The minimum area for subdivision of land under this zoning is 10 believed to have been 10.12 hectares (25 acres).

The land is outside the area proposed for future urban release under the Sydney Region Outline Plan published by the State Planning Authority of N.S.W. in 1968.

EXISTING ACCESS AND ROADS:

Main access to the property is at its south eastern corner via Bradley Street, which is a ballast thoroughfare without kerbing, guttering, or footpaving.

Access is also available via Luttrell Road which can be best described as an access track at this location. 20

Legal, but unmade, access is also available from Wentworth Road.

LOCATION OF PROPERTY:

The location of the land in relation to the Penrith city area may be observed from the "Locality Sketch" annexed to this report.

IMPROVEMENTS:

Erected on the land are two log cabin style fibro cottages with cement tiled roofs on brick foundations, 30 as well as some galvanised iron shedding.

....4

TOPOGRAPHY:

In broad terms the resumed land could best be described as mostly gently undulating with water courses of a non perenial nature being present at various locations throughout the property. There are however, 10
a number of high points on the land which obtain extensive outlooks ranging between 180° to 360°. From most sections of the property (except the timbered area in the south western section of the land) views are available at least to the existing Penrith urban area which would appear to be within about 1 kilometre of the northern boundary of the subject resumed land.

The land in many parts has a pleasant outlook over the Penrith golf course, and sections look as far north as Kurrajong, Windsor, and Richmond. 20

An area in the south western corner of the land is timbered by medium timber, but this land, if cleared, would compare favourably to the balance of the property.

The resumed land has been used for grazing purposes for a number of years and in fact is still so used.

The property is well watered by a number of dams and water holes which have been installed by the owner companies. The locations of these dams and water holes may be observed from a copy of part of a topographical 30
map published by the Central Mapping Authority of N.S.W. annexed hereto and marked "C". This map also provides a reasonable illustration of the overall topography of the land, detailing hills and low points by the contour markings thereon.

....5

RECENT HISTORY OF PROPERTY:

Lot 5 of the resumed land was purchased by Tatmar Pastoral Pty. Limited in 1964, and lot 6 of the resumed land was purchased by Penrith Pastoral Company Pty. Ltd. in 1967.

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At that time the land is understood to have been timbered but was subsequently cleared by the directors of the companies, and was sown to pasture and ultimately brought into use for grazing purposes.

In October 1967 the State Planning Authority of N.S.W. published a report titled "Growth and Change - Prelude to a Plan", which was followed in 1968 by the publication of the "Sydney Region Outline Plan" (hereinafter referred to as the S.R.O.P.).

Under the S.R.O.P. the subject land was shown "non-urban" and no release proposals were indicated on that plan for land bounded generally on the north by the Western Freeway, on the west by the Napean River and on the east by Bringelly Road.

20

Facilities for motor vehicles passing through the Penrith area were improved in 1969 and 1971 by the opening of the first major section of the Western Freeway, with the second section being completed towards the end of 1973.

In 1970 a school site was purchased adjacent to the northern boundary of the subject resumed land with its frontage to Garswood Road. At about the same time construction work was underway on a major water treatment plant on the opposite alignment of Bringelly Road. This plant is visible from many points on the resumed land.

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RECENT HISTORY OF PROPERTY CONT:

During the early 1970's rapid urban development was occurring in the south Penrith and surrounding areas, and developers were purchasing large tracts of rural land as "stock" for future development purposes. This was a common practice at that time and is again today. 10

Approaches to ascertain whether or not the subject land was available for purchase were made to the dispossessed owner companies in 1970, 1972, and 1973,

In 1970 a transmission line easement was resumed through the subject land.

During 1972, the owner companies retained a firm of consultants to prepare a detailed submission and plans which were compiled for the purposes of endeavouring to obtain a rezoning of the resumed lands from that of "non-urban" for various other purposes. Zonings sought were predominantly residential (of varying densities and types) but with substantial provisions for public and passive open space areas, sporting fields, schools, and other special use areas, a shopping centre, and an hotel site. Details of this proposal may be viewed from a report prepared by A.A. Heath & Partners Pty. Ltd. of Queensland, and a copy of the structure plan in that report is annexed hereto and marked "X". 20

Various conferences were had during preparation of the report by A.A. Heath & Partners Pty. Ltd. between officers of that firm and employees of various public authorities, and the final plan incorporated in the report is understood to have been amended in certain areas to conform with suggestions made to the consultants by the then Chief Planner of Penrith City Council. 30

The subject land was resumed by notification in Government Gazette No. 114 of the 31st of August, 1973. ...7

RECENT HISTORY OF PROPERTY CONT:

Since that time the land has been leased back to the former owner companies for continuation of the use of grazing and the residence of one of the Satara family.

10

MARKET SITUATION PRIOR TO AND AROUND RESUMPTION DATE:

1969 evidenced a real recovery in the real estate market after the depressed trend which was in existence subsequent to a major credit squeeze originating at the end of 1960 and early 1961.

In May 1970, economic measures were introduced by the then Federal Government, which caused a stabilisation in sections of the market, particularly of the residential real estate market.

However, the 1970 stabilisation was short lived, and 1971 saw the beginning of a rapidly escalating real estate market place overall which was, in the writer's experience, unprecedented. Price increases gathered momentum throughout 1972, and during the latter months of 1973 compounded to the extent that purchasers were able to acquire and resell real estate at a profit over short periods of two to three months.

20

This latter situation may be observed from a number of instances on sales schedule "A" where the price paid on resumption substantially exceeded the then relatively recent prior purchase price.

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MARKET SITUATION PRIOR TO AND AROUND RESUMPTION DATE CONT:

A better appreciation of the market place may be gained from sales schedule "B" of land at Casula and of land at Berkshire Park (sales A, B, B(a), B(b)).

In the latter part of 1973, the real estate market levelled off as a result of economic measures announced in July of that year by the then treasurer, Mr. F. Crean, and subsequent additional measures announced in the budget in August, 1973. After about this time no upward movement was evident. 10

The subject land was resumed on 31st of August, 1973, and the most comparable evidence of value is considered to be best derived from prices paid upon resumption by the resuming authority in the immediate surrounding area. These transactions related to resumption dates in September 1973, and July 1974. Accordingly, on our main basis of assessment, there is no need to prove the actual monthly escalation rate in the market place prior to the date of resumption of the subject lands, the resumption prices being assessed after the levelling off of the real estate market. 20

If analysis (1) of sale (1) (ie: the transaction between private parties) was progressed to the date of resumption, the price paid on resumption of that property would appear slightly conservative. 30

We think it important to note the relative consistency of the values disclosed by the resumption transactions and that we have cross checked our assessment derived therefrom by reference to sales transacted between private parties. In our opinion, these sales confirm the reliability of using the resumption prices and that the value so derived would, if anything, be conservative.

....9

BASIS OF VALUATION:

An investigation of broadacre non-urban sales dictates that the first decision which must be made in order that an assessment of value of the resumed lands can be undertaken, is whether or not the property had potential for a future urban zoning at the date of resumption. 10

Sales of property with no potential for future urban development clearly show a different value level per unit of area compared to sales of non-urban lands which those in the market place regarded as having potential.

It is also clearly evident from sales in the immediate locality around the date of resumption between private parties as well as from prices paid by the resuming authority that the proposed non-urban boundaries shown on the S.R.O.P. were not the practical limitation to urban potential. 20

Quite apart from sales evidence, this last situation is known to be correct by the writer as a result of a rezoning application negotiated by him with Penrith City Council during the mid and late 1970's.

People in the market place regarded the S.R.O.P. in practical terms as only able to be considered as a broad outline of zoning proposals with topographical features (which dictate such items as service availability) forming the ultimate practical boundary of urban expansion. 30

It is the writer's opinion, based upon practical experience and a knowledge of urban releases in a number of outer Sydney suburbs, that the transmission line easement and actual transmission line through the subject resumed

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BASIS OF VALUATION CONT:

lands would not present a barrier to urban potential and ultimate urban release as it does not follow any definite topographical limitation to subdivisional development through the land.

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From the sales shown on the sales schedules annexed to this report a simple analysis of sales of non-urban lands within sight of urban development reflect a very different and higher value level than sales of non-urban lands more remotely situated.

Enquiries of Mr. B. McDonald, Chief Planner of Penrith City Council, confirmed that:-

- (1) the subject resumed land was not included in proposals for urban release under the S.R.O.P..
- (2) priority for release of non-urban land for urban purposes would have been given (in normal circumstances) to land shown as proposed for urban release on the S.R.O.P.. 20
- (3) notwithstanding (2), if servicing costs could be proven in relation to an area of non-urban land outside those designated for urban release under the S.R.O.P., then release of such land could be given priority before lands proposed for release under the S.R.O.P..
- (4) an announcement was made in 1980 by the Premier of N.S.W. that a release would be made in the Penrith area of approximately 8,000 residential allotments, 4,000 of which would be in this general non-urban area. However, the precise boundary of the proposed release has not yet been defined. 30

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BASIS OF VALUATION CONT:

An investigation of sales located in nearby areas proposed for urban release under the S.R.O.P. indicate a relatively higher rate per unit of area than sales of land near to the subject resumed land (the latter sales being outside the areas proposed for urban release by the S.R.O.P.). 10

The present valuation exercise is simplified to some degree by the availability of sales located in the immediate area which are mostly in an identical zoning situation to the resumed lands. The sales are to private parties and to the resuming Authority. The prices paid in these transactions (detailed on sales schedule "A") are also able to be supported by prices paid for other lands in a somewhat similar situation in other localities. 20

Accordingly, as market evidence is available in the immediate locality, and as such evidence can be supported by sales in other areas, the likely time of urban release in respect of the subject resumed lands need not be defined with any precision.

If any effort was made to determine the likely timing of urban release in respect of the subject resumed lands and if a value was arrived at on that basis, it would be necessary to convert the price (as released) of the resumed land artificially by means of interest tables or some other form of arbitrary discount. It is considered that the market and resumption evidence available overcomes the need for this exercise and that such evidence must provide a more accurate guide to value. 30

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BASIS OF VALUATION CONT:

An examination and analysis of sales shown on sales schedule "A" confirms certain factors in conformity with the writer's general experience:-

- (a) there is an increase in price paid per unit area for larger parcels than for smaller parcels. 10
- (b) prices paid are indicative of the proportion of each parcel sold which will ultimately be suitable for urban development.

The most comparable property to the subject resumed land is that shown on sale 1 on annexed sales schedule "A".

The value disclosed by analysis of resumption sale (1) is supported by the analysis of the remaining resumption prices detailed on sales schedule "A". 20

The rate of \$9,018 per acre disclosed by sale (1) for good land in a larger parcel requires, in our opinion, to be adjusted upwards slightly to be properly compared to the main section of the subject resumed land. This adjustment is necessary to take into account superior topographical and aspect conditions which exist on the subject resumed lands.

Accordingly, \$9,100 per acre has been adopted for those sections of the subject lands considered suitable for ultimate urban development. 30

The rate of \$6,000 per acre has been adopted in respect of those sections of the subject resumed lands considered suitable only for open space purposes or located within the transmission line easement.

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EXHIBITS
EXHIBIT "J"
VALUATION BY KENNETH J. PARKINSON
& ASSOCIATES - 26 OCTOBER, 1981

BASIS OF VALUATION CONT:

Based upon the above information our valuation has been assessed as follows:-

115.8 acres either subject to transmission line easement or suitable only for open space @ \$6,000 per acre	\$ 649,800	10
768.2 acres with urban potential @ \$9,100	\$6,990,620	
Value of improvements	\$ 32,000	
Total Value	<u>\$7,672,420</u>	
SAY -	\$7,672,000	
<u>LESS PENALTY COSTS -</u>	<u>\$ 100,000</u>	
	\$7,572,000	

EXHIBITS
EXHIBIT "J"
VALUATION BY KENNETH J. PARKINSON
& ASSOCIATES - 26 OCTOBER, 1981

KENNETH J. PARKINSON & ASSOCIATES

PAGE 14

VALUATION:

We are of the opinion that a fair and reasonable assessment of value of the subject resumed lands as at the date of resumption, in its condition as inspected and subject to fee simple in possession and to our aforesaid basis of valuation and to our remarks throughout this report is:-

10

SEVEN MILLION FIVE HUNDRED AND SEVENTY TWO THOUSAND
DOLLARS

(\$7,572,000)

KENNETH J. PARKINSON & ASSOCIATES

K.J. Parkinson

K. J. PARKINSON

Registered Valuer No. 99

EXHIBITS
EXHIBIT "J"
VALUATION BY KENNETH J. PARKINSON
& ASSOCIATES - 26 OCTOBER, 1981

SALE NO.	VENDOR	PURCHASER	PROPERTY ADDRESS	AREA	PRICE		SALE DATE	
					SALE 1	SALE 2	SALE 1	SALE 2
(1)	Kulnamock Pastoral Company Pty. Ltd.	Federal Valuation & Agency Company Pty. Ltd. then to Housing Commission of N.S.W.	Lot 1, D.P. 221152; Lots 1 & Pt. 2, D.P. 207607; Pt Lots 238, 238A 239, 239A, 239B, D.P. 1687; Lots 152 & Pt. 153, D.P. 2576 & interest in R.O.W. to Mulgoa Rd	106A 2R 1P	\$649,087	\$765,000	25.5.73	Resumption 7/74
(2)	Penrith Sales & Service Pty. Limited	Emu Plains Industrial Estate Pty. Ltd. then to Housing Commission of N.S.W.	Lots 2 & 3, D.P. 221152, off Mulgoa Road NOTE: Resumption only of Lot 2	Resumption only 198A 1R 8½P	\$400,000	\$1,200,000	1.3.72	Resumption 9/73
(3)	Burnley Penrith Pty. Limited	Cham Bee Estates Pty. Ltd. then to Housing Commission of N.S.W.	Lot 6, D.P. 540986, Lot 3, D.P. 214871, & Lots 4 & 5, D.P. 221152, off Mulgoa Road NOTE: Resumption only of Lots 6 & 3	243A Resumption Only 203A 2R 1P	\$212,500	\$1,270,000	26.7.72	Resumption 9/73
(4)	Sammut	Kulnamock Pastoral Company Pty. Ltd. then to Housing Commission of NSW	Lot 137, D.P. 2576, Garswood Road	11A 1R 36 3/4 P	\$55,100	\$86,000	17.1.73	Resumption 12/7/74
(5)	Dixon	Housing Commission of N.S.W.	Lot 135, D.P. 2576, Garswood Road	11A 2R 4 3/4 P		\$86,000		Resumption 7/74
(6)	Nuvoli	Housing Commission of N.S.W.	Lot 132, D.P. 2576, Garswood Road	11A 2R 9P		\$84,000		Resumption 7/74
(7)	Byatt	Ross & Titter then to Housing Commission of N.S.W.	Lot 131, D.P. 2576, Garswood Road	11A 2R 9½P	\$65,000	\$86,700	6.2.73	Resumption 7/74
(8)		G.L.F. Martin Services to Bell then to Housing Commission of NSW	Lot 130, D.P. 2576, Garswood Road	13A 3R 20½P	\$42,250	\$97,000 then Resumption \$100,000	8.72	2nd Sale 8/73 then Resumption 7/74
(9)	Bavnle	Housing Commission of N.S.W.	Lot 129, 86, 87, D.P. 2576, & Lots 18, 19, 20, D.P. 238741, Garswood Road	59.3A		\$385,000 (offer)		Resumption 7/74

"A"

EXHIBITS
EXHIBIT "J"
VALUATION BY KENNETH J. PARKINSON
& ASSOCIATES - 26 OCTOBER, 1981

OVERALL RATE PER ACRE		
SALE 1	SALE 2	ANALYSIS
\$6,094	\$7,291	Difference between 1st sale & resumption = 18.16% Price on resumption \$765,000 30 acres only suitable for open space @ \$6,000 \$180,000 Value of improvements \$15,000 \$195,000 <hr/> Value of good 76.5 acres = \$7,450 p.a. + Remedial costs \$1,568 p.a. = \$9,018 p.a. \$570,000
	\$6,051	Area resumed 198.3 acres \$1,200,000 less compensation in respect of other land \$10,000 \$1,190,000 Less Open Space & T.L.E. 39.15 acres @ \$6,000 ... \$234,900 \$955,100 <hr/> Value of good land (159.15 acres) = \$6,001 p.a. + Remedial costs of \$503 p.a. = \$6,504 p.a., which, due to assess problems represents \$8,656 p.a.
\$874	\$6,241	Area resumed - 203.5 acres \$1,270,000 less compensation for other lands \$70,000 \$1,200,000 <hr/> Very poor passive Open Space - 89.5 acres @ \$5,000 \$447,500 difficult development "spurs" abt. 11.5 acres @ \$6,000 \$69,000 \$516,500 Value of good land (102.5 acres) = \$6,668 p.a. \$683,500 which, represents \$8,875 p.a. (after access adjustment)
\$4,799	\$7,491	Difference between 1st sale & resumption = 56% Area resumed - 11.48 acres \$86,000 all good land = \$7,465 p.a.
	\$7,493	Area resumed - 11.52 acres \$86,000 all good land = \$7,465 p.a.
	\$7,266	Area resumed - 11.56 acres \$84,000 less value of good land 9.91 @ \$7,000 = \$69,370 + remedial works \$7,500 \$76,870 \$7,130 <hr/> Value of Open Space and drainage lands (1.65 acres) = \$4,321 p.a.
\$5,623	\$7,266	Area resumed - 11.558 acres \$86,700 less value of good land - 10.323 acres @ \$7,000 p.a. = \$72,261 + remedial works \$7,500 \$79,761 \$6,939 <hr/> Value of Open Space and drainage lands (1.235 acres) = \$5,618 p.a.
\$3,044	\$6,988 then Resump- tion at \$7,206	Area resumed - 13.878 acres \$100,000 less value of good land - 11.655 acres @ \$6,750 \$78,671 + remedial works \$10,000 \$88,671 \$11,329 <hr/> Value of Open Space and drainage lands (2.223 acres) = \$5,096 p.a.
	\$6,492	Area resumed - 59.3 acres \$385,000 less value of good land - 12.38 acres @ \$8,040 \$99,535 + remedial works \$18,100 \$117,635 \$267,365 <hr/> Value of Open Space and drainage lands (46.92 acres) = \$5,698 p.a.

EXHIBITS
EXHIBIT "J"
VALUATION BY KENNETH J. PARKINSON
& ASSOCIATES - 26 OCTOBER, 1981

SALE NO.	VENDOR	PURCHASER	PROPERTY ADDRESS	AREA	PRICE		SALE DATE	
					SALE 1	SALE 2	SALE 1	SALE 2
A	Kennett	Stocks & Holdings then to Kiawaka (Holdings) Pty. Limited	Lot 7, D.P. 228551, Pt. Lot 42, D.P. 15511, Pt. Lot 43, D.P. 15511 Leacocks Lane, Casula	84 Acres	\$750,000	\$1,008,000	15.6.73	26.7.73
B	Lanhams Laundry Pty. Limited	Yekcim Pty. Ltd.	Land in Vol. 4606, Folio 137 Vol. 4464, Folio 144, Vol. 5923, Folio 192 Vol. 5212, Folio 163 "Woorong Park" Stoney Creek Road Berkshire Park	1496 A OR 03/4P		\$2,095,000	28.7.72	28.7.72
B(a)	Yekcim Pty. Limited	Stilgar Pty. Ltd.	As in Sale B	"		\$3,150,000	28.7.72	28.7.72
B(b)	Stilgar Pty. Limited	A.S.L. Developments Limited	As in Sale B	"		\$3,550,000	10.72	10.72

EXHIBITS
 EXHIBIT "J" "B"
 VALUATION BY KENNETH J. PARKINSON
 & ASSOCIATES - 26 OCTOBER, 1981

OVERALL RATE PER ACRE		ANALYSIS
SALE 1	SALE 2	
\$8,928	\$12,000	Shows 34.4% increase in 1.5 months
		Shows 50% increase in 3 months between option and this sale
		Shows 12.6% increase in 2.5 months

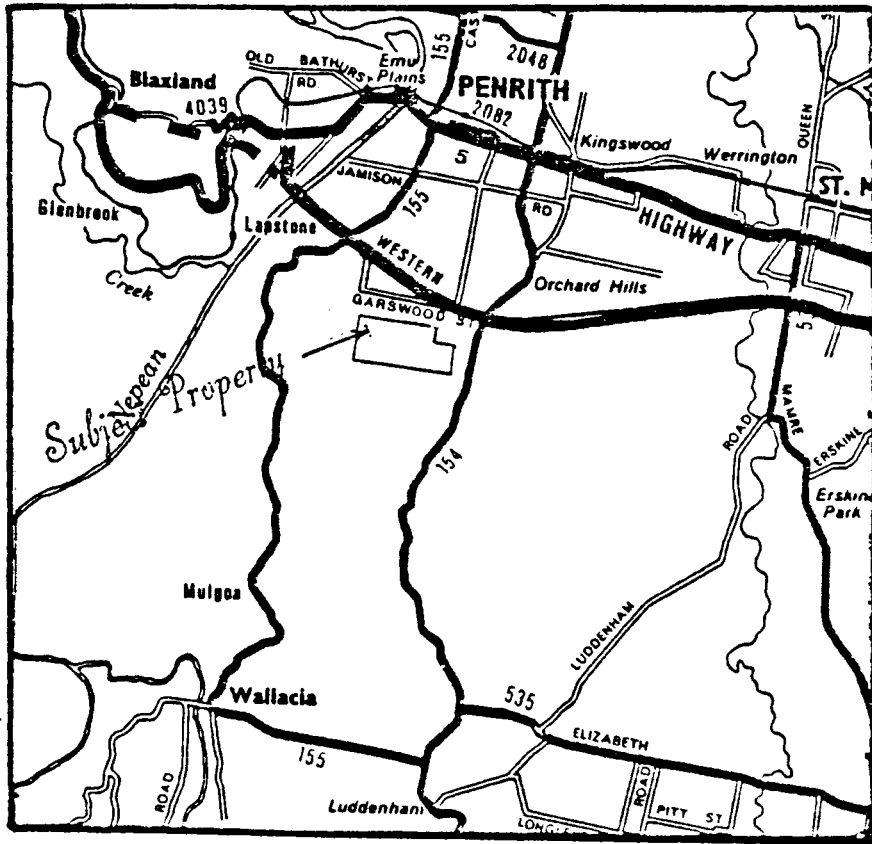
EXHIBITS
EXHIBIT "J"
VALUATION BY KENNETH J. PARKINSON
& ASSOCIATES - 26 OCTOBER, 1981

SALE NO.	VENDOR	PURCHASER	PROPERTY ADDRESS	AREA	PRICE	
					SALE 1	SALE 2
(10)	Best	Judail Pty. Ltd. then to Housing Commission of NSW	Lots 2 & 4, D.P. 564002 Garswood Road (1st Sale of Lots 21/25)	37A 3R 20 $\frac{1}{4}$ P Resumption Only 27A 3R 20P	\$151,506	\$190,000
(11)	Judail Pty. Limited	Kho & Tjong then to Housing Commission of NSW	Lot 3, D.P. 564002, Garswood Road	5 Acres	\$37,500	\$41,000
(12)	Kuiv	Housing Commis- sion of NSW	Lot 136, D.P. 2576, Garswood Road	11A 2R 1 3/4P		\$86,000
(13)	Wilbraham	Housing Commis- sion of NSW	Lot X, F.P. 411532	5A 1R 9 $\frac{1}{4}$ P		\$40,000
(14)	Brady & Dearing- ton	Housing Commis- sion of NSW	Lot 151, D.P. 2576, Luttrell Street	9A 3R 9 $\frac{1}{4}$ P		\$80,000
(15)	Best	Housing Commis- sion of NSW	Lot 128, D.P. 2576, Garswood Road	11A 2R 25P		\$80,000
(16)	Burnley Penrith Pty. Ltd. & Cham Bee Estates Pty. Ltd.	Housing Commis- sion of NSW	Lots 4 & 5, D.P. 221152 off Mulgoa Road	7A 2R 5 $\frac{1}{2}$ P		\$32,000
(17)	Alston	Ilic then Alston & Ilic to Housing Commis- sion of NSW	Lots 125/126, D.P. 2576, Garswood Road	23A 1R 11P	\$160,000 (terms)	\$175,000
(18)	Ilic	Housing Commis- sion of NSW	Lot 124, D.P. 2576, Garswood Road	11A 2R 33P		\$91,000

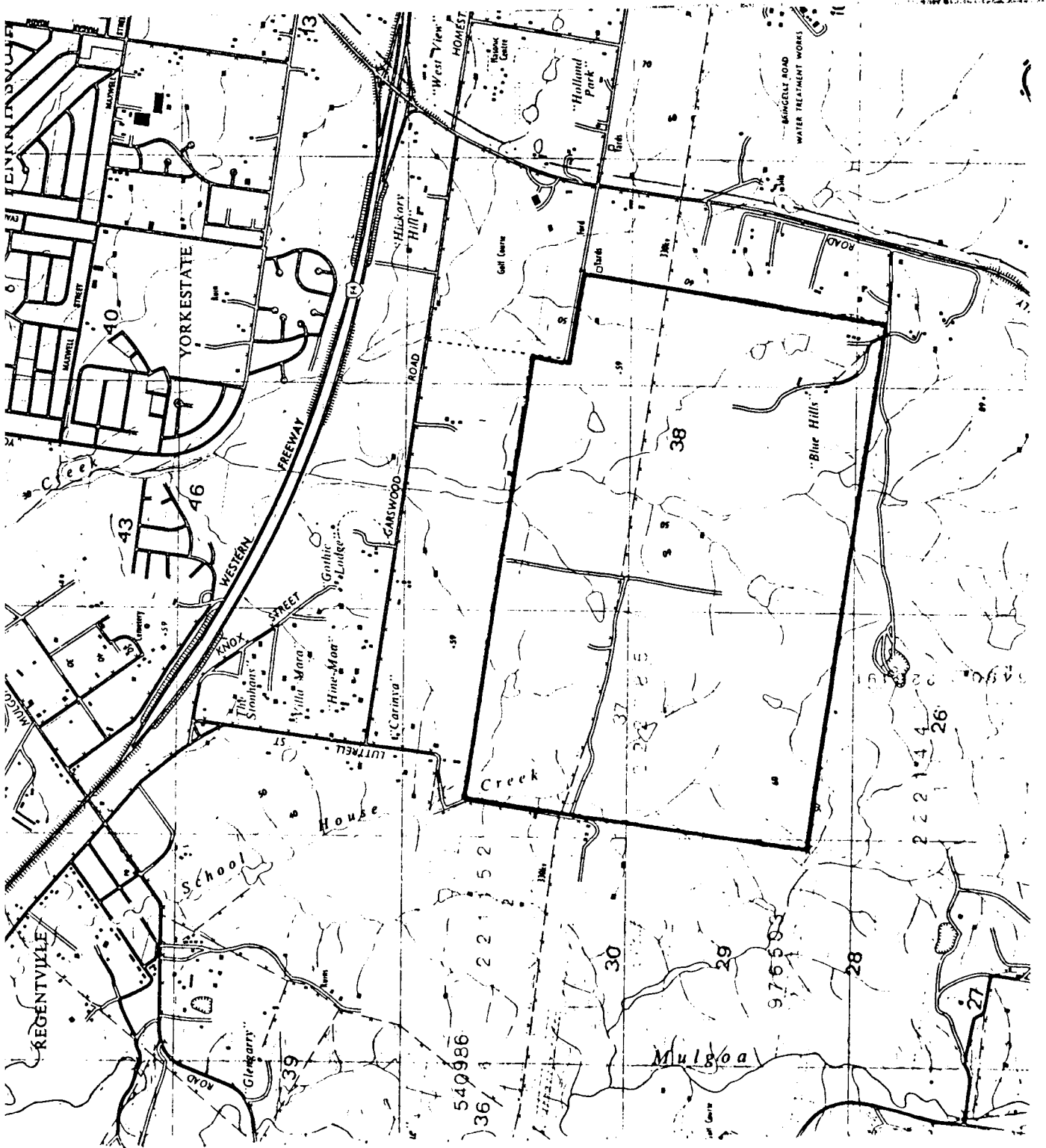
EXHIBITS
 EXHIBIT "J" "A"
 VALUATION BY KENNETH J. PARKINSON
 & ASSOCIATES - 26 OCTOBER, 1981

SALE DATE		OVERALL RATE PER ACRE		ANALYSIS
SALE 1	SALE 2	SALE 1	SALE 2	
8.9.72	Resumption 7/74	\$4,000	\$6,816	
T.11.73	8/74	\$7,400	\$8,200	
	7/74		\$7,471	
	7/74		\$7,533	
	7/74		\$8,155	
	7/74		\$6,861	
	7/74		\$4,250	
3/74	7/74	\$6,861	\$7,504	
	7/74		\$7,771	








"LOCALITY SKETCH"

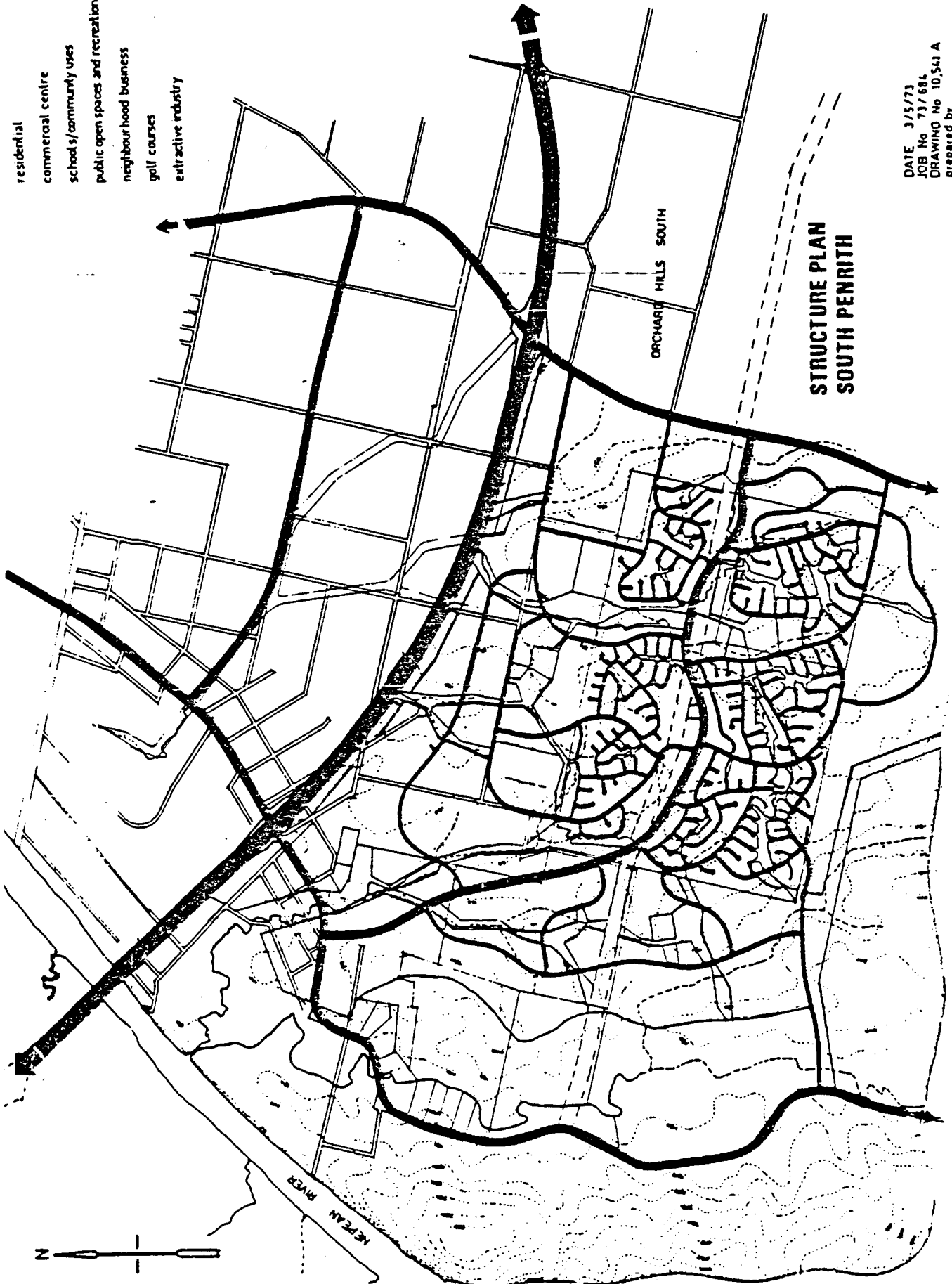


EXHIBITS
 EXHIBIT "J"
 VALUATION BY KENNETH J. PARKINSON
 & ASSOCIATES - 26 OCTOBER, 1981
 "C"



EXHIBITS
 EXHIBIT "J"
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 & ASSOCIATES - 26 OCTOBER, 1981

-  residential
-  commercial centre
-  schools/community uses
-  public open spaces and recreation
-  neighbour hood business
-  golf courses
-  extractive industry



DATE 3/5/73
 JOB No 73/684
 DRAWING No 10.541 A
 prepared by
 A A HEATH & PARTNERS

812. Exhibit "J" - Valuation,
 Parkinson & Associates

EXHIBITS
EXHIBIT "K"
ALCORN REPORT AND SUPPLEMENTARY
STATEMENT - 26 OCTOBER, 1981

Valuation

As Exchanged With Valuer General

8 September 1980



Alcorn Lupton Nicholson

CONSULTANT VALUERS & PROPERTY COUNSELLORS

Alcorn Lupton Nicholson

CONSULTANT VALUERS & PROPERTY COUNSELLORS

As Exch Sept 80

1. PURPOSE OF VALUATION:

To provide the compensable value to the dis-
possessed owners following the resumption of the be-
low mentioned properties by the Housing Commission
of New South Wales for "Housing Purposes" (Housing 10
Scheme at South Penrith, New South Wales) as notifi-
ed in Government Gazette No. 114 of the 31st August,
1973. Such resumptions were effected via the Hous-
ing Act 1912 as amended and the Public Works Act
1912, as amended.

2. TITLE DETAILS AND DESCRIPTION:

The property stands in two adjoining parcels,
each of which is held in different ownerships as
follows:

(A) Lot No: 5 20

Deposited Plan: 222785

Registered Proprietor at Date of Resumption:

Tatmar Pastoral Company Pty. Limited.

Title Reference: Volume 9801 Folio 201

Locality: South Penrith

Street Frontages: Bradley Street, Wentworth
Road and Luttrell Street

Local Government Area: City of Penrith

Parish: Mulgoa

County: Cumberland 30

EXCLUSION: This report is concerned with the
whole of the land contained in the above title excepting
the EASEMENT, or right to use the land for construction
and maintenance of electricity

....2/

(CREST) 83 York St., Sydney. (Box 689, Clarence Street Post Office
2000. Cama House, 29-22 Woodriffe St., Penrith 2150 P.O. Box

Phone: 29 3525, 293526

Phone: (047) 31 3755

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EXHIBITS
EXHIBIT "K"
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TITLE DETAILS AND DESCRIPTION:

transmission lines, resumed by notification in Government Gazette dated 3rd April, 1970 and registered by Instrument No. L892485.

(B) Lot No: 6

10

Deposited Plan: 222785

Registered Proprietor at Date of Resumption:

Penrith Pastoral Company Pty. Limited.

Title Reference: Volume 8901 Folio 202

Locality: South Penrith

Street Frontage: Bradley Street

Local Government Area: City of Penrith

Parish: Mulgoa

County: Cumberland

INCLUSION: This report is concerned with the whole of the land contained in the above title.

20

3. OWNERSHIPS:

Company searches and information obtained discloses that both of the registered proprietors are companies which are wholly controlled by the Satara family. The relevant profile of each company is listed below.

(A) TATMAR PASTORAL CO. PTY. LTD. - Lot 5 in Deposited Plan 222785.

Directors: Messrs. B. Satara, L. Satara, R. Satara & Mrs. K. Ilic (sister of the foregoing).

30

Registered Office: C/- E.B. McPherson & Co.,
Accountants,
113 Oxford Street,
Darlinghurst, N.S.W.

....3/



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EXHIBITS
EXHIBIT "K"
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OWNERSHIPS Cont.....

Year of Incorporation: 1964

Company Secretary: Mr. L. Satara.

- (B) PENRITH PASTORAL CO. PTY. LIMITED - Lot 6
in Deposited Plan 222785.

10

Directors: Messrs B. Satara, L. Satara,
R. Satara & Mrs. K. Ilic (sister
of the foregoing).

Registered Office: C/- E.B. McPherson & Co.,
Accountants,
113 Oxford Street,
Darlinghurst, N.S.W.

Year of Incorporation: 1968

Company Secretary: Mr. L. Satara.

4. REPORT:

20

The information contained in this report is to
be read as being applicable to both properties,
except where otherwise noted.

5. AREA OF PARCELS:

The property contains an aggregate area of
357.7424 Ha. (884 acres), divided as follows:

- (A) Lot 5 D.P. 222785 - 283.2802 HA (700 acres)

Subject to Easement for electricity 91.44
metres (300 feet) wide which contains an area of
approximately 21.8 HA (53.87 acres).

30

The parcel has frontages of 100.584 metres
(330 feet) to Bradley Street, 20.1168 metres (66
feet) to Wentworth Road and 555.0408 metres (1812
feet) to Luttrell Street.

- (B) Lot 6 D.P. 222785 - 74.4622 Ha (184 acres).

The parcel has frontage of 913.511 metres
(2997'1") to Bradley Street.

....4/



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6. VALUATION OF CLAIM:

By letter dated 6th January, 1976 the Housing Commission formally advised the dispossessed owners that their claim for compensation had been valued at the below listed amounts, in full satisfaction of the resumption as at 31st August, 1973.

10

Lot 5	\$3,170,000
Lot 6	\$ <u>605,000</u>
Total Valuation	\$3,775,000

7. ZONING:

The "Penrith Planning Scheme" and "Penrith Planning Scheme Ordinance" were prescribed on the 18th March, 1960. In terms of this scheme the land is zoned:

1. NON URBAN - "A"

20

The Ordinance states in Clause 45 Sub Clause (5) "The responsible authority may, by resolution, fix in respect of different parts of Zone No. 1 the minimum size of an allotment on which a rural industry may be established. Provided that such minimum size shall not be fixed at less than one acre."

The minimum size so fixed over the subject land as at the date of resumption was:

10.1171 Ha (25 acres)

30

This "blanket" minimum area has been in force since June 1960 and relates to all lands south of an arbitrary line running approximately along the north side of Garswood Road. Many variations to this minimum area have, in the past, been made via the implementation of Clause 46 of the Ordinance

....5/



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ZONING Cont....

In the main, these variations permitted of the erection of dwelling houses on allotments of 2.0234 Ha (5 acres).

8. LOCATION AND ACCESS:

10

The property is situated on the western side of the Bringelly Road, immediately south of and adjoining, the Penrith Golf Club. The straight line distance from the centre of the property to the commercial centre of Penrith is approximately 4.8 kilometres (3 miles).

The respective distances, via road, from the various major access points to the commercial centre of Penrith are approximately as follows:

Wentworth Road - 6.8 Km (4.25 miles)

20

Bradley Street - 8.8 Km (5.5 miles)

Luttrell Street - 6 Km (3.6 miles)

Lying some .8 kilometre ($\frac{1}{2}$ mile) to the north from the northern boundary, is the F4 Freeway which provides an express route to Parramatta and the outer suburbs of Sydney. The Freeway interchange for Penrith is located on the Bringelly Road approximately .8 kilometre ($\frac{1}{2}$ mile) north of the Wentworth Road access to the property.

Apart from the major access points already described, the property also enjoys two additional access points via family owned property on Garswood Road and Bringelly Road.

30

At the date of resumption, urban releases had taken place which brought the urban area of Penrith to the northern side of the Freeway approximately .8 kilometre ($\frac{1}{2}$ mile) north of subject land or

....6/



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LOCATION AND ACCESS Cont....

.4 kilometre ($\frac{1}{2}$ mile) from its closest access point (Garswood Road). These releases were first mooted in 1968/69 and were gazetted in 1971.

As will be seen, the holding is well located, adjoining one of the major district recreational facilities and adjacent to the major road link with the city of Sydney. It is also well situated in relation to the centres of both Penrith and Kingswood. Access is available to all four sides of the property via the five separate access points, a feature somewhat unique to this holding. 10

9. TOPOGRAPHY AND PROFILE:

Commencing at a high point of twin knolls (R.L. 84m and 80m) in the south east corner, the property sweeps away to the north, north east and north west in a series of gentle undulations, through low hills, knolls and low ridges (height range R.L. 66m to 70m) to a low point, in the north west corner of R.L. 41.5m. Wide sweeping views of urban and rural countryside (with mountain ranges in the middle and far distance) are available from a large portion of the holding. 20

Two shallow depressions, converging to one, at about the northern boundary, run in a general north/south direction across the land and slightly to the east of the centre line of the property. There are two similar depressions, again converging to one, in the north western corner. These two sets of depressions are the vehicles by which the property is naturally drained. 30

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TOPOGRAPHY AND PROFILE Cont....

Soil structure is basically that of a relatively thin layer of grey/brown medium loam overlying clay and Wianamatta shale formations.

Over the years, most of the land (once bearing mixed stands of angophora, eucalypt and acacia) has been progressively timber treated, to the stage that it now presents a "parklike" appearance, wherein only scattered clumps of shade trees remain. The exception to this is a thinned, almost virgin, stand of timber in the south western corner of the property, covering an area of approximately 45 Ha (112 acres). The cleared section of the property has been sown down to legumes, Phalaris and Rye grasses. 10

10. EASEMENTS, RESUMPTIONS AND ACQUISITIONS:

Apart from the resumption which is the subject of this report, the property is encumbered by an easement for electricity 91.44 metres (300 feet) wide running in an east west direction over the length of the holding. This easement was resumed on 3rd April, 1970. 20

11. IMPROVEMENTS:

See Appendix.

12. SERVICES:

As at the date of resumption the only public utilities connected to the property were those of electricity and telephone. Town water was available via the main running along Bringelly Road, but the owners had not taken advantage of this. 30

We are advised that Engineering and Planning consultants, established well prior to resumption

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820. Exhibit "K" - Alcorn Report

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SERVICES Cont....

that provision of all major services to the subject land was distinctly and definitely feasible. This has been supported by the affidavits sworn by responsible officers of the Housing Commission. 10

13. SALES LISTS:

A number of sales are incorporated in this report. The general reasons for their incorporation, and their use in arriving at the value of the subject land, are set out below.

(A) Sales in Subject Locality

- (i) Closest to the land resumed.
- (ii) The activity of the speculative market.
- (iii) Establishment of the escalation in prices paid per acre during the 12 months immediately prior to resumption. 20
- (iv) All properties are in the same category as the subject land, in terms of the Sydney Region Outline Plan.

(B) Sales in Jamieson Road Locality

- (i) "Well" Located in relation to existing urban development.
- (ii) "Large" and "small" parcels were sold in the area.
- (iii) The land (generally) suffers from two major impediments: 30
 - (a) It has severe drainage and filling problems.
 - (b) As at the dates of sale (and thereafter) the zoning proposed over the land was "Open Space and Special Use Corridor". The special use area was already committed to an High Tension Easements.



....9/

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821. Exhibit "K" - Alcorn Report

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SALES LIST Cont....

- (iv) The sale by E.L.P. Developments (28/7/73) is the closest to the date of resumption.
- (v) None of the sale properties have declared urban potential, via the Sydney Region Outline Plan (depicted as "Open Space" as to the lands closest to the river and "Non Urban" as to the balance). 10
- (C) Sales in North St. Marys
 - (i) A very large property was sold three times in three months at vastly increased prices.
 - (ii) Comparison between large and small parcels.
 - (iii) Not "well located" in relation to existing urban development.
 - (iv) Demand for large holdings. 20
 - (v) No recognized urban potential via Sydney Region Outline Plan.
- (D) Sales in South St. Marys
 - (i) Sale of one large holding to one purchaser.
 - (ii) An indication of the money available for property investment by a single purchaser, albeit at the date of purchase the land was not able to be developed.

14. GENERAL CONSIDERATIONS:

The following general matters have been considered in the preparation of this report. 30

(1) In December 1972 the Premier and the S.P.A. announced, for the first time, that the Government would be prepared to consider favourably, suitable propositions for the release of non urban lands for urban use.

....10/



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GENERAL CONSIDERATIONS Cont....

The two controlling limitations on such submissions were:-

(i) The minimum area which would be considered was 350 acres. 10

(ii) It must be shown that the land could be fully serviced and that the full costs of development were to be borne by the developer.

(2) The subject land was the largest single holding in the locality and was the first to be resumed. Two other largish holdings were resumed one month later. The balance of the area, closer to existing urban development, was not resumed until some 10 months later.

(3) The owners had spent some 18 months, prior to resumption, in the preparation of an urban rezoning submission in respect of the subject land. They had maintained close liason with both the S.P.A. and Penrith Council during these preparations. Both of these authorities offered suggestions and advice which were incorporated in the final plans. At no stage, during their preparations, were the owners or their consultants advised, by any authority, that the proposals were not viable or feasible. The initial approaches by the Housing Commission and the ultimate resumption, prevented any formal consideration of these proposals. 20 30

(4) As early as 1970 developers had shown interest in the property. The early part of 1973 (following the Premier's statement) saw an increase in the number of developer enquiries.

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GENERAL CONSIDERATIONS Cont....

(5) On the 16th February, 1973 the owners were visited by a senior officer of the Housing Commission, in company with Real Estate Agents who purported to have the property listed for sale. 10

(6) On the 31st May, 1973 the owners were visited by two senior officers of the Housing Commission who advised that the Commission had decided to resume the property.

(7) The sale of Kulnamock to the Federal Valuation and Agency Company Pty Limited on the 25th May 1973, was the last "major" sale recorded prior to resumption (within the subject locality). It is considered that the knowledge of the Housing Commission's earnest activities in the area (in May '73) caused the cessation of further private sales. 20

It therefore becomes necessary to project the most likely sales pattern beyond May 1973, in order to arrive at value in August. In this regard, sales outside the locality have been of assistance.

APPROACH TO VALUATION

The best evidence of value is the sale of Kulnamock to Federal Valuation and Agency Company Pty Ltd. on the 25th May 1973. This was the last sale of major significance in the locality prior to the date of resumption. 30

It is necessary to make adjustments to the sale property (to compensate for the differences between it and the subject land) in order to arrive at the rate per acre applicable to the subject land at May 1973.

....12/



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APPROACH TO VALUATION Cont...

In addition, it is necessary to further adjust the analysed rate per acre so as to make allowance for the time difference between May 1973 and August 1973.

10



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EXHIBITS
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PRIMARY BASIS OF VALUATION

"FEDERAL VALUATION" purchase compared with SUBJECT LAND.

DATE OF SALE	:	25/5/73	AREA	:	108A OR 29 P
			Less exclusion	:	<u>17½P</u>
					<u><u>108A OR 11½P</u></u>

PURCHASE PRICE	:	\$649,087	
Less Bldgs. at sale	:	<u>\$ 18,000</u>	10
		<u>\$631,087</u> = \$5843 per acre.	

ADJUSTMENTS

The subject property is superior to the sale property for the following reasons:-

- (i) The sale property is severely affected by creeks, watercourses, etc. in relation to its overall size.
- (ii) The sale property is a most unusual shape.
- (iii) The sale property has restricted road frontage, a major part of which was subject to road widening. 20
Part of the road frontage was also subject to a R.O.W.
- (iv) Whilst the sale property is adjacent to the village of Regentville and therefore may have been viewed as an extension to that village, it also adjoined (in part) a parcel of englobo land which had been zoned for urban use since approximately 1960. Such inactivity would not auger well for an extension to the village.
- (v) The subject land is adjacent to the main reticulat- 30
ed water source for Penrith. The owner's consul-
tants had shown that sewer could also be made avail-
able to the subject land. The Housing Commission
also placed substantial weight on these considera-
tions.

It is considered that the subject property is 25% better than the sale property.

∴ \$5843 + 25% = \$7304 per acre at May '73.



....14/

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ADD TIME ALLOWANCE ETC.

The market indications were that values were rising at a rate in the order of 10% per month. The sales which indicate this were, in the main, smaller than the subject property.

However, I am of the opinion that there is no reason to suggest that large parcels were not increasing at the same rate, as at the date of resumption. 10

Such opinion is reinforced by the 1496 acres sale at North St. Marys. This would tend to indicate that the increase was common to both small and large parcels.

Making allowance for both the rising market and also the greater value attributable to the subject land because of its size, I am of the opinion that a conservative approach is to escalate the above rate per acre by not less than 30%. The size of the subject land gave it added value because the parcel was large enough for urban release in its own right. 20

Rate per acre applicable to the subject land at the date of resumption

= \$9500 per acre.

Support for the above value per acre is found in the sales list attached to this report, which is headed, "Sales List - Jamieson Road Area". (Refer to Calpac, A.S.L. & Leagues Club purchases).

....15/ 30



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<u>VALUATION.</u>		
1.	830. 13 acres @ \$9,500	= \$7,886,235
2.	Area of H.T.E. 53.87 acres @ \$9,500 x 75%	= \$ 383,823
3.	Buildings	= \$ 35,000
4.	Expenditure made by the owners prior to resumption and rendered abortive by the resumption. (i) Plans of Proposed Development. (ii) Model of Proposed Development. (iii) Feasibility Studies of Proposed Development. (iv) Legal, consultants, print- ing etc.	= \$ <u>42,431</u> \$8,347,489
	VALUE AS AT AUGUST 1973	: <u>\$8,347,000</u>

L.L. ALCORN A.A.I.V. 20
Registration No. 1255.



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SALES LIST : SUBJECT LOCALITY.

PARTIES	PROPERTY	AREA
*1. Levi & Woolridge To Kulnamock Pastoral P/L	Lot 1 D.P. 221152, Lot 1 & 2 D.P. 207607 & various other lots. Regentville Rd., Luttrell St. etc.	108A.0R.1
*2. Hunter to G.L.F. Martin Services Pty. Limited	Lot 130 Deposited Plan 2576 Garswood Road.	13A.3R.2
3. Best To Judail Pty. Ltd.	Lots 21 to 25 D.P. 23874 Garswood Road.	37A.3R.1
*4. Sammut To Kulnamock Pastoral Pty. Ltd.	Lot 137 Deposited Plan 2576 Garswood Road.	11A.1R.3
*5. Byatt To Ross & Titler	Lot 131 Deposited Plan 2576 Garswood Road.	11A.2R.9
6. Roche to Kee Hiong Go	Lot 3 Deposited Plan 204229 Garswood Road.	5 Acres
*7. Kulnamock To Federal Valuation and Agency Co. Pty. Limited	As for Sale 1 Above	108A.0R.1
8. Gale To P.A. Cheung Pty. Limited	Lot 1 Deposited Plan 26658 Bringelly Road.	5A.0R.5
9. Judail To Grady T & J (Tomjen Pty. Limited)	Lot 1 Deposited Plan 564002 Garswood Road.	5 Acres

Sales noted thus, *, have been relied upon to support percentage re
Re: Sales 1 & 7. See full description attached.

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CONTRACT FOR SALE OF LAND

by

*Private Treaty

Public-Auction.

Vendor's Agent. George Szentes, 115a Oxford Street,
Bondi Junction. N.S.W. 2022. Phone
389 8307.

10

Description of Property.

ALL THOSE pieces or parcels of land situate at Regent-
ville in the City of Penrith Parish of Mulgoa and County
of Cumberland being:-

(a) Lot 1 in D.P. 221152 having an area of 81a. 3r.
~~Description-of-Property-~~ 34p. or thereabouts and being
the whole of the land in Certificate of Title
Volume 9744 Folio 177.

(b) Lot 1 in D.P. 207607 having an area of 5a. Or. Op.
or thereabouts and being the whole of the land in
Certificate of Title Volume 9144 Folio 203. 20

(c) Part of Lot 2 in D.P. 207607 (which Lot has an
area of 5a. 2r. 30p.) and being the residue of
the land in Certificate of Title Volume 9144 Folio
204 after the exclusion therefrom of Lot 27 in
D.P. 238713 which is a public road.

(d) Part of Lots 238, 238A, 239, 239A and 239B in
D.P. 1687 and Lot 152 and part of Lot 153 all be-
ing subject to the interest of the Council of the
City of Penrith in addition to existing road
shown in D.P. 552760 and all being the whole of
the land in Certificate of Title Volume 10896
Folio 113. 30

~~AUCTION-CONDITIONS---Upon-a-sale-by-Auction-(a)-The---~~
highest bidder shall be the Purchaser. In case of any
dispute the property shall be put up again at any former
bidding and no bidding shall be retracted. (b) The
sale is subject to a reserve price and the right to bid
is reserved on behalf of the Vendor. (c) Upon the fall
of the hammer, the Purchaser shall sign the following
agreement, the conditions of which, with these condi-
tions, are the conditions of the sale by auction:----- 40

AGREEMENT made the twenty ninth day of March 1972 BETWEEN
LOUIS LEVI of 8 Woodland Road, Taren Point, Medical
Practitioner, JOHN DAVID WOOLRIDGE of 14 Beckton Place,
Lilli Pilli, Medical Practitioner, and BRIAN WILLIAM
McEWEN of 25 Milner Crescent, Wollstonecraft, Medical
Practitioner, (herein called Vendor) of the one part
AND

KULNAMOCK PASTORAL ~~XXX~~ PTY. LIMITED having its register-
ed office at 17 O'Connell Street, Sydney, 50

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ALCORN REPORT AND SUPPLEMENTARY
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(herein called Purchaser) of the other part WHEREBY the Vendor agrees to sell and the Purchaser agrees to purchase, if more than one as *JOINT TENANTS/TENANTS IN COMMON IN THE FOLLOWING SHARES with joint and several liability under this Agreement, the property above described (herein referred to as "the property") for the sum of Three hundred thousand dollars (\$300,000.00) upon and subject to the following terms and conditions:- 10

1.-- The Purchaser shall upon the signing of this Agreement pay as a deposit to the Vendor's Agent herein named as stakeholder the sum of Ten thousand dollars (\$10,000.00) which shall be accounted for to the Vendor upon receipt of an order from the Purchaser or his Solicitor authorising such payment. The deposit may be paid by cheque but if any such cheque is not duly honoured on presentation the Purchaser shall immediately and without notice be in default under this Agreement. 20

The balance of the purchase price shall be paid in the manner set forth in the First Schedule hereto. Any money payable to the Vendor hereunder by the Purchaser or the Agent shall be paid to the Vendor's Solicitor or as his may direct in writing.

2.-- The title to the property is under the *REAL PROPERTY ACT ~~OLD-SYSTEM CROWN-LANDS-ACT-OR-OTHER-ACT RELATING-TO-CROWN-LAND-UNDER-WHICH-THE-PROPERTY-OR-PART OF-IT-IS-HELD,-viz.-~~ 30

3.-- AS TO LAND UNDER THE REAL PROPERTY ACT, the Vendor shall furnish particulars of title sufficient to enable the Purchaser to prepare the transfer and the Purchaser shall not be entitled to an abstract of any document affecting the title. Any instrument in respect of which a caveat is entered on the register, shall if in the possession of the Vendor or of any mortgagee of the property, be produced to the Purchaser or his Solicitor free of charge. 40

~~4.--AS-TO-LAND-UNDER-OLD-SYSTEM-TITLE,-the-Vendor shall-furnish-a-proper-abstract-of-his-title-but-shall not-be-called-upon-to-abstract-the-Crown-Grant-(unless-there-is-no-later-good-root-of-title-with-which-to-commence-title-for-the-period-prescribed-by-statute-or-otherwise-stipulated-in-this-Agreement)-or-to-abstract, produce,-covenant-to-produce-or-procure~~

SALES LIST - JAMIESON ROAD AREA.

<u>PARTIES</u>	<u>PROPERTY</u>	<u>AREA</u>
1. Cutajar to Calpac Investments Pty. Ltd.	Lot 6 Deposited Plan 30354 Blaikie Road.	8A.1R.31
2. Vella to Calpac Investments Pty. Ltd.	Lots 4/5 Deposited Plan 30354 Blaikie Road.	21A.0R.2
3. Vella to A.S.L.	Various Lots Jamieson Rd. & Wilsons Lane. Vol 8385 Fol 182-186 Vol 9169 Fol 197A,B,C,D,E.	81A.3R.3 3/4P.
4. E.L.P. to Penrith Rugby Leagues Club Limited.	Various Lots Jamieson Rd. & Mulgoa Rd. Vol. 11315 Fol 94 11990 212 11311 229 10744 133	196A.1R.1

Re: Leagues Club Purchase

<u>AREAS</u>	<u>VALUES</u>
(a) Road Widening	(a) Value
(b) Urban Land (after road widening)	sale: 2.08 Acres
(c) Non Urban land	(b) Value 25.32 Acres
	168.97 Acres
TOTAL AREA	196.37
	Ladbu \$11,5

SALES LIST : NORTH ST. MARYS

<u>PARTIES</u>	<u>PROPERTY</u>	<u>AREA</u>
*1. Malcolm To Charles David (Hides & Skins) Pty. Ltd.	Lots 60 and 91 to 100 Berkshire Park Estate	48A.3R.31
2. Lanhams To Yekcim Pty. Ltd. Vol 4606 Fol 137 4464 5923 5212 163	Various Lots Stoney Creek Road	<u>1496 Acres</u>
3. Yekcim To Stilgar Pty. Ltd.	As for Sale 2 Above	<u>1496 Acres</u>
4. Stilgar To A.S.L.	As for Sale 2 Above	<u>1496 Acres</u>
5. Riley & Goodworth To Stewart Chapman Pty. Ltd.	Por. 85 St. Marys Road.	60 Acres
6. Rousillon To Boneham	Lots 14 & 15 The Driftway	<u>22A.2R.31</u>

DETAILED ANALYSIS

1496 Acres - Stoney Creek Road.

1. Blacktown Council will not allow any buildings beneath their 50 land floods.
2. Approximately 478 acres (by scale) of the total area of 1496 acres contour and is subject to flooding. This equates to 32% of the

*Re: Sale No. 1 - See description attached.

SALES LIST : SOUTH ST. MARYS

PARTIES	PROPERTY	AREA
1. Fredco To Ralbah Investments Pty. Ltd.	Lot 102 Deposited Plan 555726 Walkers Lane.	32A.1R.2
2. Goodacre To Cambridge Credit Corp. Limited	Various Lots Erskine Park Road etc. (See description attached)	623A.3R.
3. Middle Harbour To Peter Kent Pty. Ltd.	Lot 2 Deposited Plan 559086 Walkers Lane.	62A.1R.1

EXHIBITS
EXHIBIT "K"
ALCORN REPORT AND SUPPLEMENTARY
STATEMENT - 26 OCTOBER, 1981

Description of Property. - Malcolm To Charles
David (Hides & Skins) P/L.

ALL THAT land situated in the parish of Londonderry
county of Cumberland containing 48 acres 3 roods 38 perches
or thereabouts being Lots 60 and 91 to 100 inclusive of
the Berkshire Park Estate and being part of the land in 10
conveyance registered number 905 book 2421. St. Marys Rd.,
Berkshire Park.

EXHIBITS
EXHIBIT "K"
ALCORN REPORT AND SUPPLEMENTARY
STATEMENT - 26 OCTOBER, 1981

THIS IS THE ANNEXURE MARKED WITH THE LETTER "A" REFERRED
TO IN CONTRACT FOR SALE OF LAND BETWEEN GOODACRE DEVELOP-
MENTS PTY. LIMITED AND CAMBRIDGE CREDIT CORPORATION LTD.

DESCRIPTION OF PROPERTY

ALL THOSE pieces of land situate at Erskine Park in the Municipality of St. Marys Parish of Melville County of Cumberland containing a total area of about 623 acres 3 roods 8½ perches having frontages to Chatsworth Street, Erskine Park Road, Walkers Lane, Lukes Lane, Moore Street and Bennett Road and being:- 10

FIRSTLY Lots 41, 48, 49 and 50 in Deposited Plan No. 2054 and Lots 81, 82, 83, 98, 99 and 100 in Deposited Plan No. and being the whole of the land comprised in Certificate of Title Volume 7872 Folio 240;

SECONDLY Lots 84 and 85 in Deposited Plan No. 3016 and being whole of the land comprised in Certificate of Title Volume Folio 74; 20

THIRDLY Lots 94, 95, 96 and 97 in Deposited Plan No. 3016 being the whole of the land comprised in Certificate of Title Volume 1940 Folio 112;

FOURTHLY Lot 6 of the Erskine Park Estate and being the whole of the land comprised in Certificate of Title Volume 8189 Folio 207;

FIFTHLY Part of Lot 8 of the Erskine Park Estate and being whole of the land comprised in Certificate of Title Volume Folio 25; and 30

SIXTHLY Part of Lot 8 of the Erskine Park Estate and being whole of the land comprised in Certificate of Title Volume 8189 Folio 208

AND TOGETHER WITH all improvements erected thereon.

Purchaser

APPENDIX

IMPROVEMENTS - BUILDINGS

1. Main Homestead: Gross floor area (including patios) approximately 264 square metres (28.42 squares). Good order and condition. Approximately 12 years old, at 1973. 10
Accommodation: 4 bedrooms, dining/sitting room, lounge room, office, verandah/sun room, bathroom, separate W.C., kitchen, laundry, hallways, courtyard.
2. Double Garage: With cool room attached.
3. Second Cottage: Gross floor area (including patios) approximately 101.82 square metres (10.96 squares). Approximately 12 years old at 1973. Good order and condition. 20
Accommodation: 2 bedrooms, sun room, dining room, lounge room, kitchen, bathroom, laundry.
4. Garage.
5. Miscellaneous Sheds.
6. Hay & Machinery Shed: Steel framed. Approximately 9.8 metres x 41.1 metres (32 feet x 135 feet).



Alcorn Lupton Nicholson

CONSULTANT VALUERS & PROPERTY COUNSELLORS

EXHIBITS
EXHIBIT "K"
ALCORN REPORT AND SUPPLEMENTARY
STATEMENT - 26 OCTOBER, 1981

SUPPLEMENTARY STATEMENT
OF VALUATION EVIDENCE
ALCORN LUPTON NICHOLSON

SUPPLEMENTARY SALES LIST

The attached supplementary sales are relied upon to assist in the establishment of the value of the subject land at the date of resumption, particularly as to the escalation in value which took place during 1972 - 1973. Such sales are used in conjunction with those already contained in my previously exchanged report. 10

L.L. ALCORN A.A.I.V.
FOR ALCORN LUPTON NICHOLSON.

Registration No. 1255.



Alcorn Lupton Nicholson

CONSULTANT VALUERS & PROPERTY COUNSELLORS

EXHIBITS
EXHIBIT "K"
ALCORN REPORT AND SUPPLEMENTARY
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SUPPLEMENTARY SALES

1. Penrith Sales & Service Pty. Ltd. To Emu Plains Industrial Estates Pty. Ltd.
Lots : 2 & 3 D.P. 221152 Vol. 9744
Fols. 178 & 179.
Contract Date : 1/3/72 10
Price : \$400,000

2. Emu Plains Industrial Estates Pty. Ltd. To Housing Commission of N.S.W.
Lot : 2 D.P. 221152 Vol. 9744
Fol. 178.
Area : 198A.1R.8½P.
Date : 28/9/73
Price : \$1,200,000

3. Burnley Penrith Pty. Ltd. To Cham Bee Estates Private Ltd. 20
Lots : 6 D.P. 540986 Vol. 11480
Fol. 24
: 4/5 D.P. 221152 Vol. 9744
Fols. 180 & 181.
: 3 D.P. 214871 Vol. 9621
Fol. 69.
: Part Portion 30 Parish of
Mulgoa. Vol. 8023 Fol. 54.
Area : 243A.0R.2½P. 30
Date : 26/7/72
Price : \$212,500

4. Burnley (Penrith) Pty. Ltd. (& Cham Bee) To Housing Commission of N.S.W.
Lots : 6 D.P. 540986 Vol. 11480
Fol. 24.
: 3 D.P. 214871 Vol. 9621
Fol. 69.
Area : 203A.2R.1P.
Date : 28/9/73
Price : \$1,270,000 40

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Alcorn Lupton Nicholson

CONSULTANT VALUERS & PROPERTY COUNSELLORS

Exhibit "K" -

839. Supplementary Statement

EXHIBITS
EXHIBIT "K"
ALCORN REPORT AND SUPPLEMENTARY
STATEMENT - 26 OCTOBER, 1981

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5. S.R. Ghattas & L. Saab To Fredco Pty. Ltd.
- Lot : 1 D.P. 238741 Knox Street, Penrith.
Area : 7.43 acres.
Date : 23/6/72
Price : \$28,000 10
6. Fredco Pty. Ltd. To Legge G. & I.Y.
- Lot : 1 D.P. 238731 Knox Street, Penrith.
Area : 7.43 acres.
Date : 8/11/74
Price : \$40,000
7. Rose To Rousillon Pty. Ltd.
- Lots : 14/15 D.P. 29321 Blacktown Road
(The Driftway).
Title Ref : Volume 10351 Folios 20 & 21.
Date : 9/10/72 20
Price : \$31,500
8. City Syndicate Nominees Pty. Ltd. To Vicinage
Pty. Ltd. (D. Hession).
- Lot : 2 D.P. 556036 (Bakers Lane,
Erskine Park).
Date : 27/4/73
Price : \$185,000
Area : 101 acres
9. Vicinage Pty. Ltd. To Milan Investments Pty. Ltd.
- Lot : 2 D.P. 556036 (Bakers Lane, 30
Erskine Park).
Date : 29/1/74
Price : \$262,000
Area : 101 acres
Title Ref : Volume 11969 Folio 107

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Alcorn Lupton Nicholson

CONSULTANT VALUERS & PROPERTY COUNSELLORS

EXHIBITS
EXHIBIT "K"
ALCORN REPORT AND SUPPLEMENTARY
STATEMENT - 26 OCTOBER, 1981

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10. Stewart Chapman Pty. Ltd. To Cargraham Pty. Ltd.
- | | | | |
|-------|---|--|----|
| Lot | : | Portion 85 St. Marys Road.
Book 2057 No. 316. | |
| Area | : | 60 acres | |
| Date | : | October 1974 | 10 |
| Price | : | \$130,000 | |
11. Nicholson To Abbott Homesites Pty. Ltd.
- | | | | |
|-------|---|---|--|
| Lots | : | 14/15 D.P. 11707 Londonderry & Nutt
Roads. | |
| Area | : | 47A.2R.3½P. | |
| Date | : | 8/6/73 | |
| Price | : | \$107,850 | |
12. Doak To Inkerman Developments Pty. Ltd.
- | | | | |
|-------|---|--|----|
| Lot | : | 1 Pt. Portion 174 & 175 Parish of
Londonderry Mayo Road, Londonderry. | 20 |
| Area | : | 61 acres | |
| Date | : | 31/8/73 | |
| Price | : | \$147,084 | |



Alcorn Lupton Nicholson

CONSULTANT VALUERS & PROPERTY COUNSELLORS

Exhibit "K" -
841. Supplementary Statement

EXHIBITS
EXHIBIT "Y2"
URBAN DEVELOPMENT POTENTIAL
27 OCTOBER, 1981

TATMAR & ANOR V. HOUSING COMMISSION OF N.S.W.
URBAN DEVELOPMENT POTENTIAL.

1. Prior to Gazettal of I.D.O. No. 28 on 17/9/71 it was known to the Development Industry that the large area of I.D.O. No. 28 was to be released. Extensive purchases had been made and development plans prepared. 10
2. It was also known on Gazettal that Residential Zoning was to go to the boundary of the F4 Freeway indicating that the Planning Authorities of the day had no objection to residential development immediately adjacent to the Freeway.
3. The plan in I.D.O. No. 28 also indicated adequate provision to bring facilities for stormwater drainage and sewer to the Freeway boundary.
4. It was also known that land on the southern side of the Freeway was indicated on the Sydney Region Outline Plan in a broad sense, was to be released at a future date for Residential Development. In this context it was assumed with confidence by the Development Industry that the services infrastructure on the north side of the Freeway would be designed to provide for the area south of the F4 Freeway included in the Sydney Region Outline Plan. 20
5. Thus the stage was set in 1971 to indicate that if a Developer acquired land south of the Freeway within the catchment area of SURVEYORS CREEK that developer would have an outlet to which he would be able to connect his sewer and stormwater drainage, knowing full well that at one point on the limit of that catchment basin he could rely upon provision of water supply from BRINGELLY ROAD WATER TREATMENT WORKS AND STORAGE RESERVOIR. VIDE PART "PENRITH" 1:25000, 9030-111-N. 30

EXHIBITS
EXHIBIT "Y2"
URBAN DEVELOPMENT POTENTIAL
27 OCTOBER, 1981

6. At that stage the development industry would have looked hesitantly at areas outside that catchment. The catchment area of SCHOOL HOUSE CREEK would have been second choice. There were indications that in respect of sewer outlet this would be forthcoming with extensions of that service to Regentville. Similarly stormwater outlet was available to the steep-sided graded SCHOOL HOUSE CREEK. Water would also be available. 10
- This area would be restricted in its attraction because of the large areas of unuseable land.
7. Areas south of the abovenamed catchment were not of interest because -
- (a) There would NOT be any sewer outlet available.
 - (b) The area was well outside the vague boundaries of the Sydney Region Outline Plan. 20
 - (c) Parts of the area were being used for Extractive Industries.
8. The Development Industry would not consider the SURVEYORS CREEK CATCHMENT area east of BRINGELLY ROAD and to the south of WENTWORTH ROAD as this area was occupied as SPECIAL USE AREA by the Commonwealth of Australia for storage of munitions.
9. By comparison an inspection of the sites and examination of the topographical maps, together with assessment of all factors the development industry would be most anxious to acquire TATMAR in preference to any other site, due to, 30
- (a) Top of catchment means reduced costs of drains, sewers.
 - (b) Elevation will provide attractive home sites with views to the Mountains.

EXHIBITS
EXHIBIT "Y2"
URBAN DEVELOPMENT POTENTIAL
27 OCTOBER, 1981

- (c) Easy topography will ensure maximum yield of site.
 - (d) Ready access to the main road - BRINGELLY ROAD giving excellent access to the Freeway, Kingswood Penrith and to the south.
10. A further matter would require consideration. 10
This is the question of the limit of permitted zone boundary.
- (A) EAST OF BRINGELLY ROAD there is every indication that the Transmission Line Easement was used by the Planning Authority as a indicative line of the boundary of the zoning for the Sydney Region Outline Plan.

This was confirmed by -

- (1) Proposals for development of Erskine Park and St. Clair which had topographical features to extend to the transmission line easement. 20
- (2) The area to the south of WENTWORTH ROAD was a SPECIAL USE area of a very special nature.
- (3) The area south of WENTWORTH ROAD and slightly east of BRINGELLY ROAD was within a drainage catchment area of extensive dimensions draining to BLAXLAND CREEK and thence to SOUTH CREEK with severe drainage problems and heavy costs to provide outlets for sewer and drainage. 30

EXHIBITS
EXHIBIT "Y2"
URBAN DEVELOPMENT POTENTIAL
27 OCTOBER, 1981

(B) WEST OF BRINGELLY ROAD presented a different and more attractive proposition to suggest that the southern limit of urban development should extend to the limit of the CATCHMENTS of SURVEYORS CREEK and SCHOOL HOUSE CREEK.

(1) The ridge on the eastern boundary of TATMAR provides a landscape bunkhead against the effect of the SPECIAL USE - explosive storage area. 10

(2) The area south of the TRANSMISSION LINE was the most attractive and sought after part of the site of TATMAR being elevated but of gentle slope, being at the top of the catchment the drainage pipe sizes would be less costly, sewer pipes would be less costly because of use of grade capacity. 20

(3) Downstream services infra structure would be available to serve the limit of the catchment.

(4) If the development was to be restricted to the TRANSMISSION LINE in the first instance of release then the very many merits of the development basin to the limit of the catchment could be used to persuade the Planning Authority for extension of the zone boundary. 30

(5) The parcel lots 5 and 6 had access to Bringelly Road via Bradleys Road and Wentworth Road near Penrith Golf Club.

The development of TATMAR was independent of others.

EXHIBITS
EXHIBIT "Y2"
URBAN DEVELOPMENT POTENTIAL
27 OCTOBER, 1981

- (6) The very size of the parcel lots 5 and 6 gave to a developer a 'one-off' exercise in obtaining approval with land stock for some 8 to 10 years. A decided advantage against buying, seeking consent and developing 8 to 10 smaller scattered parcels. 10
- (7) A final incentive was the fact that in 1972/73 the Development Industry was in a desperate situation. It had previously gone into the market place to acquire LAND STOCK in the Sydney Region Outline Plan where development time slots had been indicated by the Planning Authority. The areas generally were Warringah, Hornsby (West Pennant Hills, Baulkham Hills, Blacktown, Sutherland, Liverpool, Fairfield, Campbelltown and Penrith). 20
- However due to delays in construction of major works by the Water Board indecision by the Local Councils and S.P.A. on major road networks and preparation of Development Control Plans, the industry was frustrated. The releases did not eventuate in the manner proposed.
- Thus it would have been ideal for a large developer to acquire TATMAR with access to roads and services. 30
- (8) There is a large number of examples of release of land designated for urban development outside Sydney Region Outline Plan.

G.E. Moore. A.S.T.C.
F.I.S. Aust., M.I.E. Aust.

EXHIBITS
EXHIBIT "AAY"
STATEMENT BY PETER KACIREK
2 DECEMBER, 1981

OUTLINE STATEMENT OF PETER KACIREK

I am a Fellow of the Royal Australian Planning Institute, a Member of the Royal Town Planning Institute, U.K., a Chartered Surveyor, an Associate of the Institution of Chartered Surveyors, U.K.

I was the Chief Planner at the S.P.A. from approximately 1969 to about 1974-1975 and thereafter the Chief Planner of the N.S.W. Planning and Environment Commission. 10

In about 1975-1976 I was Director of Strategic Planning of the N.S.W. Planning and Environment Commission and the Chairman of the McCarthur Development Board.

In about 1976 I resigned from the Public Service as Director of Strategic Planning and remained solely as Chairman of the McCarthur Development.

I was intimately involved with the preparation of the Sydney Region Outline Plan. That Plan envisaged orderly development along a number of corridors for example, the south-west corridor, the western corridor and possibly in the future, the north-west corridor. By having development take place within defined areas and in an orderly and phased fashion, it was hoped that it would enable various Authorities and Government to plan the necessary facilities and services and prevent fragmented and piece-meal development. Private developers would also be assisted by knowing what was intended. 20 30

Once the Sydney Region Outline Plan had been published it was considered that there was ample land within that Plan in the western areas for development for urban purposes and the M.W.S. & D.B. had adopted that

EXHIBITS
EXHIBIT "AAY"
STATEMENT BY PETER KACIREK
2 DECEMBER, 1981

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framework to plan its infra-structure for water and sewerage. If urban development were allowed to take place outside the S.R.O.P. then it was feared that this would create a precedent and provide an argument in other areas for departing from the Plan. In 1973 and about August 1973 it is my opinion that at that stage there was no immediate prospect of the resumed land (being south of the freeway and west of Bringelly Road) being re-zoned. There was still plenty of land available within the S.R.O.P. and this was the position for at least the succeeding five years. 10

I have been reminded that Mr. M. Shearman, a Divisional Planner of the S.P.A., who was involved in the land-purchasing programme of the Housing Commission, considered that there was a case for re-zoning at least part of the resumed lands, namely, that section north of the Transmission Lines. This was the next appropriate barrier after the Freeway. He placed weight upon the fact that it would be used for Housing Commission purposes and the needs of that Commission. Mr. Shearman's views were not accepted and, in my opinion, from the point of view of the Plan there was no real difference between private housing and Housing Commission housing. I thought the maintenance of the S.R.O.P. was important and that the Housing Commission should obtain and utilise land within the S.R.O.P. even if it proved to be somewhat more costly to acquire than land outside the S.R.O.P. 20 30

The re-zoning and development for residential purposes of the resumed lands (which I am informed have an area of about 884a) would have been regarded as a major matter and one on which both I and the Chairman or Deputy Chairman would have been available to discuss with the proposed developer. Had I been consulted by a developer in about August 1973 I would have advised him that the 40

EXHIBITS
EXHIBIT "AAY"
STATEMENT BY PETER KACIREK
2 DECEMBER, 1981

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resumed lands would not be re-zoned in the near future and that any chance of re-zoning would not arise until the lands within the S.R.O.P. had been developed.

A purchaser, as at August 1973, may well have taken into account that there had been a general migration and movement outwards from the inner city areas. In time he may have assessed that much of the land set aside for urban development in the Plan would be utilised but he would have had to conclude that this would take a substantial number of years, perhaps one or two decades. He would have had to take into account that the Metropolitan Water Sewerage and Drainage Board's priorities were already committed in accord with the phasing plan forming part of the Sydney Region Outline Plan 1968. 10

At the time of purchase in August 1973, a purchaser may have thought that in ten years time much of the land in the S.R.O.P. would have been committed for development and that there would be relatively little surplus land available and that a case could then be made for moving into areas adjacent to those in the S.R.O.P. In making his assessment of the situation he would rely on the trend outwards, the continuing strength of household formation and the upward pressure on prices likely to result from other lands having been utilised. 20

Faced with this combination of circumstances, a developer might conclude that he had good prospects of achieving the re-zoning desired in about ten years. But there are many uncertain factors in such an exercise and there is a large element of risk involved. So far as the Housing Commission is concerned, in the early 70's it was concentrating on building up a bank of land for use in 10-15 years time and it would not have felt the same reluctance to hold land for a lengthy period as a private developer would. Private developers, on the whole, 30

tend to be concerned if they 40

EXHIBITS
EXHIBIT "AAY"
STATEMENT BY PETER KACIREK
2 DECEMBER, 1981

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think they are likely to have to hold the land for more than about 5-6 years.

In discussions held from time to time with the real estate development industry, it was generally accepted that the large developers would look to have a land bank for up to the next five years but even they would not look to having capital tied up in land for a much longer period. Developers normally look to a reasonably prompt turn-over of their money to finance their operations. They frequently have to borrow money at high interest rates and for fairly short terms.

10

F.J. HILTON DISCOUNT FACTORS

- A. At the request of the Court, Mr. Hilton presented a handwritten statement setting out various discount factors based on his analysis of the "Goodacre" sale.
- B. This revision adopts Mr. Hilton's approach but adjusts the "Goodacre" sale for; date of sale and Betterment Tax. 10
- C. Applying Mr. Hilton's exact figures, as follows:
(a) "Goodacre" Analysis : \$12,174 per acre.
(b) Escalation : 8% per month.
(c) Subject Land Superiority : 15% and 10%.
(Mr. Hilton agrees 10% but not higher than 15%).
(d) Discount Factor : 10% per annum compound.
- D. Adjustments 20
(a) Add Betterment Tax : Approx. \$2,200 per acre.
(b) Sale Date : 22/12/72 (acceptance of Tender).
Not 8/2/73 (contract date).
(c) Escalation to 31/8/73 = 8 Mths @ 8% = 64%.

....2/

EXHIBITS
 EXHIBIT "AAZ"
 MR. ALCORN'S RESPONSE TO EXHIBIT 2(e)
 2 DECEMBER, 1981

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E.	<u>SUBJECT LAND AS ZONED - 31/8/73</u>				
	(a)	"Goodacre" <u>Dec. '72</u>	: \$12,174 p.a.	\$12,174 p.a.	
	(b)	Add Betterment Tax	: \$ 2,200 p.a.	\$ 2,200 p.a.	
			\$14,374	\$14,374	
	(c)	Add Superiority - <u>15%</u> :	\$ 2,156	10%= \$ 1,437	10
		<u>SUBJECT LAND DEC. '72</u>	\$16,530	\$15,811	
	(d)	Escalate to 31/8/73:			
		64%:	\$10,580	\$10,120	
			\$27,110	\$25,931	
		<u>Say</u>	\$27,000	<u>Say</u> \$26,000	

ADOPT : \$26,500 per acre.
 =====

(N.B. Mr. Hilton states subject land superior to "Goodacre" by 10% but not more than 15%).

MARKET TEST

<u>Mr. Hilton</u> says Leagues Club		20
Residential	=	\$25,000 per acre.
<u>Mr. Hardy</u> says Leagues Club		
Residential	=	\$30,000 per acre.

BOTH AT JULY 1973

NOTE: At the date of contract, the Goodacre land was still awaiting the preparation of a D.C.P.. This plan was not finalised until 18/10/73.

....3/



Alcorn Lupton Nicholson

CONSULTANT VALUERS & PROPERTY COUNSELLORS

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DISCOUNT FACTORS

Basis : Mr. Hilton's compound discount allowance
of 10% per annum.

1. DUE FOR RELEASE IN 3 YEARS

P.V. of \$26,500 due in 3 yrs 10
@ 10% p.a. = \$19,900 per acre.

MARKET TEST : "Terrace Drive" Locality.

\$19,500/\$20,000 per acre.

2. DUE FOR RELEASE IN 5 YEARS

P.V. of \$26,500 due in 5 yrs
@ 10% p.a. = \$16,450 per acre.

MARKET TEST : "Terrace Drive" Locality.

\$19,500/\$20,000 per acre.

NOTE : The "Terrace Drive" locality was phased
for release during the period 1970/80. At 1973 20
the land had been declared for "early" urban re-
lease. It was not released until 1/12/78 (I.D.O.
83 G.G. 169).

3. DUE FOR RELEASE IN 7 YEARS

P.V. of \$26,500 due in 7 yrs
@ 10% p.a. = \$13,600 per acre.

MARKET TEST : "Orchard Hills" Locality.

\$13,500/\$14,000 per acre.

NOTE : The north Orchard Hills locality was
phased for release during the period 1980/1990. 30
At 1973 it was therefore 7 years To 17 years
away from release. As at 1981 no release proposals
have been notified.

....4/



Alcorn Lupton Nicholson

CONSULTANT VALUERS & PROPERTY COUNSELLORS

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4. DUE FOR RELEASE IN 9 YEARS

P.V. of \$26,500 due in 9 yrs
@ 10% p.a. = \$11,250 per acre.

MARKET TEST : "Orchard Hills" Locality.

\$13,500/\$14,000 per acre. 10

See not under "3" above.

5. DUE FOR RELEASE IN 12 YEARS

P.V. for \$26,500 due in 12 yrs
@ 10% p.a. = \$ 8,450 per acre.

MARKET TEST : "Colony Town" purchase - phased for
release during the period 1985/95; thus at 1973
it was 12 years To 22 years away from release.

F.J. Hilton analysis @ 2/3/73 = \$6,500 per acre.

Add: Escalation to 31/8/73

(per Mr. Hilton)

20

6 months @ 8% - 48% = \$3,120 per acre.

At August 1973 = \$9,620 per acre.

EXHIBITS
 EXHIBIT 2(E)
 VALUATION EXERCISE BY HILTON
 NOVEMBER, 1981
 16 NOVEMBER, 1981

Tatnall Pastoral Co. } v The Housing Comm.
 Penrith Pastoral Co } of NSW.

Assuming that the subject lands will be rezoned in due course, then what may be an indication of value as at 31.8.73 of the subject lands by a calculation based on sale of land zoned ~~available~~ available for residential use?

Using the Goodacre to Cambridge Credit sale dated 8.2.73: -

Total Price	\$ 7,485,720
Less 18 1/2 now urban @ 6500	120250
	\$ 7,365,470
equals 605 acres residential @ \$12174 per ac	

If rezoning achieved at 3 years @:-

	10%	12%	15%
	\$ 9130	8665	8004
Adjust for quality			
10% better	10043 (15667)	9531 (14868)	8804 (1370)
15% "	10500 (16380)	9964 (15523)	9204 (1435)
20% "	10956 (17091)	10398 (16220)	9604 (1498)

The figures in brackets result after adding 8% per month for 7 months for 'creep' to 31 Aug 73

EXHIBIT
EXHIBIT 2(E)
VALUATION EXERCISE BY HILTON
NOVEMBER, 1981
16 NOVEMBER, 1981

(2)
If regaining was achieved at 5 years @ —

	10%	12%	15%
	\$ 7559	\$ 6907	6052

Adjust for quality.

10% better	8314 (12969)	7597 (11851)	6657 (103)
15% "	8692 (13559)	7943 (12391)	6959 (108)
20% "	9070 (14149)	8288 (12929)	7262 (113)

Again creep figure in brackets.

If regaining achieved at 7 years @ —

	10%	12%	15%
	\$ 6247	\$ 5506	4576

Adjust for quality

10% better	6871 (10718)	6056 (9447)	5033 (7851)
15%	7184 (11207)	6331 (9876)	5262 (8208)
20%	7496 (11693)	6607 (10306)	5491 (8565)

(Creep figure in brackets)

If regaining at nine years @ —

	10%	12%	15%
	\$ 5162	4390	3460

Adjust for quality.

10% better	5678 (8857)	4829 (7533)	3806 (5937)
15% "	5936 (9260)	5048 (7874)	3979 (6207)
20% "	6194 (9662)	5268 (8218)	4152 (6477)

(Creep figure in brackets)

EXHIBITS
 EXHIBIT 2(E)
 VALUATION EXERCISE BY HILTON
 NOVEMBER, 1981
 16 NOVEMBER, 1981

13)

If rezoning at 12 year @ :-

10% 12% 15%

\$3879 \$3124 \$2275

Adjust for quality

10%	\$4266 (6654)	\$3436 (5360)	2502 (3903)
15%	4460 (6957)	3592 (5603)	2616 (4080)
20%	4654 (7260)	3748 (5846)	2730 (4258)

(Creep figure in brackets)

Some element of creep may need to be recognised between 8.2.73 and mid year in 1973.

If it was decided that this should be at 8% for the 4 months, & no further, then the foregoing figures in brackets should be reached by deducting from each bracketed sum ~~16%~~ 16%.

The exercise assumes, contrary to my view, that lands north and south of the TLE will all be rezoned at the same time.

If the correct view be that a purchaser would reflect the possibility of the TLE being the boundary on any first rezoning then land south of the TLE would not meet the level of value as shown in the exercise.

EXHIBITS
EXHIBIT 2(E)
VALUATION EXERCISE BY HILTON
NOVEMBER, 1981
16 NOVEMBER, 1981

4.

The exercise so far is not as if the land was phased for release in a given time. If a purchaser was advised that the best available judgment was that the land would be available in 5 years he would not pay as though this was a certainty, but would cover a risk by only paying on the seven year basis; or similarly if advised 7 years he may pay on the nine year basis.

On the assumption at the commencement of this note, that it will be rezoned in due course, even so in my judgment the appropriate period to expect the rezoning would be nine years, (confirmed by what has happened), and therefore a purchaser in 1973, still on the basic assumption, would look to the 12 year table.

As to the percentages re quality, I agree 10% better but no higher than 15%.
As to the appropriate rate of interest, in my opinion certainly 12%, perhaps a little higher; and certainly not 10% as ~~the~~ ~~the~~ the rate finance houses were paying for money they borrowed was 9 1/2%.

EXHIBITS
EXHIBIT "12"
MR. WEIR'S REPORT, JUNE 1981
26 NOVEMBER, 1981

BAILLIEU HARDIE GORMAN PTY. LTD.



Real Estate Agents Auctioneers
Valuers Property Managers & Consultants
Established 1872

25th Level, C.B.A. Centre, 60 Margaret
Street, Sydney 2000. Telephone. 20557
Telex: AA27057. Postal Address:
Box 187, G.P.O. Sydney 2001

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STATEMENT OF EVIDENCE

Tatmar Pastoral Company Pty Limited)
Penrith Pastoral Company Pty Limited) Plaintiffs

and

The Housing Commission of New South Wales - Defendant

Prepared by:

20

C. R. WEIR

F.A.I.V., R.E.I.V. (Aust.)

BAILLIEU REAL ESTATE AUSTRALIA COMPANIES
MELBOURNE ADELAIDE PERTH BRISBANE
07 9681 212 3981 325 3966 229 1577

DIRECTORS:
E R SALISBURY, R M WAPPET,
R E BROCK, C R WEIR

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Baillieu Hardie Gorman Pty. Ltd.

QUALIFICATIONS AND EXPERIENCE

My name is Colin Raymond Weir and I reside at 4 De Milhau Road, Hunters Hill. I am a Director of Baillieu Hardie Gorman Pty. Limited, 60 Margaret Street, Sydney. I am responsible for the management of the Valuation Department of this Company, a responsibility which I have held since joining the Company in October 1977. 10

Prior to this position, I was Manager of the Valuation Department at Richardson and Wrench Limited from January 1973 up to the date of my resignation to join Baillieu Hardie Gorman Pty. Limited.

My early valuation experience was gained with the Valuer General's Department of New South Wales from March 1953 to January 1973 where I progressed to the position of District Valuer at the time of my resignation. 20

I have been practising on a full time basis in valuation for the past 28 years, during which time I have been involved in valuing all classes of real estate property throughout the state of New South Wales, together with involvement in valuation in other states of the Commonwealth.

I am a Fellow of the Australian Institute of Valuers and am currently a Member of the New South Wales Divisional Board of that Institute. I am a Member of the Real Estate Institute of New South Wales and a Registered Valuer, without limitation, in New South Wales, under the provisions of the Valuers Registration Act, 1975 (as amended), Certificate Number 551 and an Associate Member of the Institute of Arbitrators Australia. 30

PREAMBLE

The land was owned prior to resumption by two associated companies controlled by members of the Satara family.

The property known as "Blue Hills" is and was at the

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Baillieu Hardie Gorman Pty. Ltd.

PREAMBLE (Cont'd)

date of resumption primarily used for grazing of cattle.
I intend to deal with both properties as one holding in
this statement as it was controlled and used as one 10
property over many years.

I have not sighted a Claim of Abstract and consequently
no matters of disturbance over and above market value
at the date of resumption have been considered herein.

All measurements are quoted in Imperial amounts as at
the time of resumption this was the more acceptable form.

RESUMPTION DATE

August 31, 1973. Government Gazette No. 114 page 3723
under the Public Working Act for Housing Purposes.

LEGAL DESCRIPTION

20

- (a) Registered Proprietor - Tatmar Pastoral Co. Pty.
Ltd. Lot 5 Deposited Plan 222785 having an area
of 700 acres in the City of Penrith, Parish of
Mulgoa, County of Cumberland, and wholly contain-
ed within Certificate of Title Volume 9801 Folio
201. The land was subject to a mortgage dated
11th October 1967 to the Commercial Bank of
Australia Limited and an easement for transmis-
sion 300 feet wide through the land.
- (b) Registered Proprietor - Penrith Pastoral Co. Pty. 30
Ltd. Lot 6 Deposited Plan 222785 having an area
of 184 acres in the City of Penrith, Parish of
Mulgoa, County of Cumberland, and wholly contain-
ed within Certificate of Title Volume 9801 Folio
202. The land was subject to a mortgage dated
29th February 1968 to the Commercial Bank of
Australia Limited.

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Baillieu Hardie Gorman Pty. Ltd.

LEGAL DESCRIPTION (Cont'd)

(a) & (b) The total site is described as Lots 5 and 6
in Deposited Plan 222785 having a total area
of 884 acres.

10

LOCATION

The land is located just south of the F.4 Motorway and west of Bringelly Road with street frontages to Bradley and Luttrell Streets and access to Wentworth Road. The land is approximately 6 kilometres south of Penrith and 50 kilometres west of the Sydney G.P.O.

TOPOGRAPHICAL DESCRIPTION

The land has gentle undulations with a general cross fall from the south-eastern area to the north-western corner. The land is basically cut by two watercourses each flowing in a northerly direction. Most of the land has been cleared except for some natural shade trees. There is a timbered area in the south-western corner.

20

IMPROVEMENTS DESCRIPTION

On the land is a homestead, workman's cottage, sheds, yards, fencing, clearing improved pastures and numerous earth dams.

The homestead is constructed of timber frame with asbestos cement (weatherboard design) external cladding with terracotta tile roofing and having an area of approximately 2244 square feet, with additional areas of 540 square feet of covered terrace area. Adjacent to the homestead is a double garage of asbestos

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Baillieu Hardie Gorman Pty. Ltd.

IMPROVEMENTS DESCRIPTION (Cont'd)

cement construction and having a tiled roof, concrete flooring and two metal roller shutter doors.

The workman's cottage is of timber frame with asbestos cement (weatherboard design) cladding and having galvanised iron roofing. The cottage has an area of 1,079 square feet. Adjacent to this cottage is an open garage of asbestos cement construction with galvanised iron cladding, concrete flooring and having no door. 10

SERVICES

Electricity and telephone are connected to the land. Town water is available but not connected.

My enquiries reveal that sewerage may have been available to this area if priority was given for this service over other lands earmarked for early release. This aspect has, however, not been fully investigated as for rural purposes this facility is not essential. 20

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Baillieu Hardie Gorman Pty. Ltd.

Historical & Economic Events

I have considered events that occurred through the late 1960's and early 1970's in an attempt to reconstruct some of the scene that developers and real estate operators would have been aware of in day to day decisions in the market. 10

1967.

Market sound in both residential and commercial areas.
Average weekly earnings \$60 - \$68
Consumer price index 100 showing 2.7% inflation.
Savings rate bank deposits 1966/67 approximately \$5,800 million.

Rapid increase in Sydney Stock Exchange.
All Ordinaries Share Index Record half of year 20
Devaluation of Sterling late 1967.
Harold Holt death in December
Population in Penrith 48,600

1968.

Market continuing to be firm. City real estate buoyant with under-supply of office accommodation and building being leased from plans. State Planning Authority releases the Sydney Regional Outline Plan in May 1968.
Average weekly earnings \$68 to \$72
Consumer price index 103.3 showing 3.3%. 30

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Baillieu Hardie Gorman Pty. Ltd.

Historical & Economic Events - Cont'd

inflation rate.

Savings bank deposits 1967/68 approximately \$6250 million

10

Stock Exchange continues to boom during first half

index up over 600 before mid year minor slump

John Gorton elected Prime Minister early 1968.

Richard Nixon elected President U.S.A. mid 1968.

European money crises causes capital inflow into Australia second half of the year.

Population in Penrith 51,000

Construction of new residences 1967/68 689

1969

A year of confidence in real estate. Office rentals increase about 25%, land values rise upto 50% in boom conditions.

20

Average weekly earnings \$72 to \$78

Consumer price index 107.2 showing 3.8% inflation rate

Savings bank deposits 1968/69 approximately \$6,750 million

Stock Exchange fluctuates with Mt. Newman iron ore first shipment and Poseidon nickel strike.

John Gorton re-elected, Prime Minister.

Population in Penrith 53,500.

30

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Baillieu Hardie Gorman Pty. Ltd.

Historical & Economic Events - Cont'd

1970.

The height of the boom in city real estate 1.2 million square feet of office lettings, land values increase a further 50%. 10

Average weekly earnings \$78 to \$85

Consume price index 111.2 showing 3.7% inflation rate.

Savings bank deposits 1969/70 approximately \$7,150, million

Stock Exchange index peaks at 630 before sliding to about 530 mid year with a recovery towards the later period.

Land Development Contribution Act established a tax on rezoning of rural from July 1, 1970 related 30% of capital betterment between August 1; 1969 and date of purchase. 20

Population in Penrith 56, 500.

Construction of new residences in Penrith 1067.

1971.

A year that commenced with continued confidence. The first signs of real estate difficulties ahead began to appear with the thinning out of prospective office tenants.

Office development continues to boom with a flood of development applications prior to the Sydney City Councils Strategic Plan. 30

Residential real estate continues to boom with small investors turning from the Stock Exchange to real estate.

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Baillieu Hardie Gorman Pty. Ltd.

Historical & Economic Events - Cont'd

Average weekly earnings \$85 to \$95.

Consumer price index 117.2 showing 5.4% inflation rate

Savings bank deposits 1970/71 approximately \$7,680 million. 10

Stock Exchange slump continues throughout the year with index plummeting from about 580 towards the end of 1970 to 420 at the end of 1971. Early month see the Minsec crash and the agreement of terms between the United Kingdom and E.E.C. countries. John Gorton is replaced by William McMahon as Prime Minister.

Population in Penrith 60,242

Construction of new residences in Penrith 1970/71 1439. 1972. 20

Development of office buildings continues on a wide scale although massive oversupply of space becomes apparent. Large amounts of overseas capital flows into office building purchases, where full occupation is assured. Residential market escalating at a rapid rate.

Average weekly earnings about \$95 to \$105.

Consumer price index 1245 showing 6.2% inflation rate.

Savings bank deposits 1971/72 \$8,440 million.

Stock Exchange recovery through first 9 months.

Index rise from about 420 to 610 before pre-election jitters causes a fall. Gough Whitlam elected Prime Minister late 1972 followed by equal pay decision. 30

Population of Penrith 64,720

Construction of new residences 1971/72 1586.

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Baillieu Hardie Gorman Pty. Ltd.

Historical & Economic Events - Cont'd

1973.

Many office developments remain basically vacant after completion with up to 1½ million square feet available for leasing. Record prices being achieved for prime residential real estate. Residential development continues to boom. 10

Subject land resumed August 31, 1973.

Average weekly earnings about \$105 to \$120.

Consumer price index 1347 showing 8.2% inflation rate.

Savings bank deposits 1972/73 approximately \$10,280 million. With the revaluation of the Australian Dollar by 7% in January, outflow of capital to the extent of \$120 million and \$150 million occurred in January and February respectively. The Reserve Bank indicates that capital outflow was unusually high throughout the March, June and September quarters of this year. 20

Mineral industries badly hit by the devaluation of the American Dollar and withdrawal of oil and mineral subsidies. Tariff cuts of 25% introduced, Prices Justification Tribunal instituted and a further revaluation by 5% of the Australian Dollar in the later part of the year saw the Stock Exchange Index plunge from about 610 to 430. Land Development Contribution Act effectively ceased to be enforced from March 10, 1973. 30

Population in Penrith: 69,720.

Construction of new residences 1972/73, 1649.

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Baillieu Hardie Gorman Pty. Ltd.

Historical & Economic Events - Cont'd

1974

After early confidence residential market slumps with
the collapse of major developers towards the end of 10
the year including Mainline, Cambridge Credit and Home
Units of Australia.

Average weekly earnings about \$105 to \$155.

Consumer price index 154.1 showing 14.4%

Savings bank deposits 1973/74 \$11,200 million.

The Stock Exchange showed revival in the early months
only to plummet to an index below 300 towards the end
of the year after the re-election of Gough Whitlam in
the March double dissolution of Parliament. A minor
recovery occurred in December with the devaluation of 20
the Australian Dollar by 12%.

Population in Penrith 73,720

Construction of new residences 1973/74 1321.

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Baillieu Hardie Gorman Pty. Ltd.

Town Planning

The land at the date of resumption was in an area zoned "Non Urban A" under the Penrith Planning Scheme as prescribed March 18, 1960. Under the Penrith Planning Scheme Ordinance subdivision of any land in this zoning was restricted to a minimum area for subdivision of 25 acres (10.118 hectares). Penrith City Council would have insisted, in the event of subdivision in this form, to sealed internal roadways, upgrading of access roads where necessary, and electricity supply to each allotment. 10

The Sydney Regional Outline Plan published by the State Planning Authority of New South Wales in May 1968 included the subject land in the "Non Urban" area. The S.R.O.P. was formulated as a study to guide the public in the broad strategies and policies by the State Planning Authority for its projections of orderly land releases for urban expansion in the Sydney Region from 1970 up to the year 2000 A.D. 20

Comment

During the period leading up to the date of resumption, land speculation was rife both by major land developers and finance companies and private purchasers. Huge stocks of land adjacent to released areas were snapped up by purchasers without any obvious regard to existing zonings on the apparent belief that an unquenchable demand for residential land existed. The demand for individual residential blocks was vastly exaggerated beyond the normal potential home site buyers' market, by the activity of small investors buying for resale, who had successfully capitalised over the preceding few years on rapidly escalating home site prices throughout metropolitan Sydney and other areas. 30

EXHIBITS
EXHIBIT "12"
MR. WEIR'S REPORT, JUNE 1981
26 NOVEMBER, 1981

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Baillieu Hardie Gorman Pty. Ltd.

Comment - Cont'd

Many astute developers who carried out adequate feasibility analysis refrained from entering this speculative market. The market however, had sufficient purchasers with liquid capital all anxious to buy any available real estate. It is unfortunately obvious now that many of those most active at that time in this market have paid the price of insufficient study of potential profitability by their subsequent experience with the Receiver. The prudent but not overanxious purchaser/vendor concept for resumption purposes appears to be unrecognisable in this market. 10

The need in this resumption to quantify a speculative market is indeed a difficult task. Sales can be isolated where little or no potential existed for release beyond a subdivision for rural purposes. If a valuer is required to attempt to analyse the market where potential for release may have been seen by the purchaser he must not only attempt to compare land of different size, location and topographical features but to delve into the intricacies of statutory planning body's policies and forward thinking mixed with political and pressure group biases to formulate the likely apparent priority of release of comparable sales of land. 20 30

Fortunately, it is believed, that the Courts have already dealt with this problem of potential. Mr. Justice Else-Mitchell in Blefari and The Minister July 24, 1962 (L.G.R.A. Vol 8-1) had to consider resumption of 6 3/4 acres at Bass Hill zoned "Green Belt" under the prescribed C.C.C. Planning Scheme. The land prior to the resumption date

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Baillieu Hardie Gorman Pty. Ltd.

Comment - Cont'd

2nd May 1958 was used for farming purposes. Rezoning had been refused prior to resumption but some 19 months after resumption the Minister suspended the operation of the County Planning Scheme. The plaintiff claimed that the resumed land should be valued on the basis that at the date of resumption there was a strong probability of its being released from "Green Belt" in the near future. It was held that even though "some people were prepared to buy such land on the chance that it would become available for development for residential or other purposes "such purchase would be of a speculative character only and" "should not be taken into account in determining market value". The basis adopted for arriving at market value was by analysis of sales of non-speculative "Green Belt" land and adjustment of such sales evidence due to superior location. It is contended that in assessing the market value of the subject land the task of a valuer in line with the above decision is to have regard to sales of land without a speculative character and to adjust such sales evidence for location, size and physically attractive characteristics.

The following sales are considered to be relevant. 30

1. St. Marys Road Berkshire Park
Lot c D.P. 62088, Lot 1. D.P. 329182 Lots 1 & 2
D.P. 176451 & Lot 1 D.P. 84225.

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Baillieu Hardie Gorman Pty. Ltd.

Comment - Cont'd

1496 acres (605.4 ha)

Improvements Weatherboard Cottage, asbestos
cement Cottage, dairy buildings, farm improvements, 10
dams and fencing \$15,000.

Zoning Non urban A Penrith Planning Scheme
Not included in proposed release areas
under S.R.O.P.

Description Gently undulating land, some low ly-
ing areas along South Creek. St Marys
Road tar sealed.

Services Electricity. Town water and telephone.
Property sold three times.

- (a) Lanham's Laundry Pty Ltd - Yekeim Pty Ltd. 20
28.7.72 \$2,095,000 = \$1290 p.a.
- (b) Yekeim Pty Ltd - Stilgar Pty Ltd
28.7.72 \$3,150,000 = \$2095 p.a.
- (c) Stilgar Pty Ltd - A.S.L. Developments Pty Ltd.
13.10.72 \$3,550,000 = \$2363 p.a.

2. Mamre Road Erskine Park.

Lot L D.P. 549466

1086 acres 3 roods 37½ P (439.9 h.a.)

Zoning "Non-Urban A" Penrith Planning Scheme
Not included in proposal release areas 30
under S.R.O.P.

Description Vacant land except for fencing. Cut
by three transmission line easements.
Gently undulating land, elevated with
low lying area in south-western corner.

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Baillieu Hardie Gorman Pty. Ltd.

Comment - Cont'd

Services Electricity, town water and telephone
Sold 1.10.72 \$750,000 = \$690 p.a.

3. Wynyard Ave., Rossmore 10
Lot 102 D.P. 544657
657 acres 3 roods 14 perches (266.23 h.a.)
Zoning Non Urban A under Liverpool Planning Scheme.
Variation of Scheme at later date to permit 2 h.a. subdivision.
Not included in proposed release areas under S.R.O.P.
Description Vacant land with clearing, fencing and miscellaneous farm buildings, gently undulating and elevated except for low lying river flats along South Creek. 20
Adjacent 5 acre subdivisions.
Services Electricity, town water and telephone.
Sold South Dairies Pty Ltd - Blackwood
Investments Pty Ltd
24.10.73 \$1,000,000 - \$1520 p.a.

The above sales are considered to be the most comparable available sales to the subject 884 acres each being of a substantial area of undulating rural lands, each having similar available services and their potential for future residential development being virtually equal to the subject land. It can be readily seen that the sales cover a period between July 1972 and October 1973 and show a range of value from \$690 p.a. to \$2363 p.a. 30

This range in value is not related to escalation in value due to a time factor (two of the sales occurring in October 1972 at \$2363 p.a. and \$690 p.a.), and as to sale No. 1, the dealings (a) and (b) on the same day

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Baillieu Hardie Gorman Pty. Ltd.

Comment - Cont'd

would deny escalation due to time unless details not yet able to be checked show these dealings arose from options granted at a significant interval of time, one from the other. It is believed that they each serve to demonstrate the market reaction to large parcels of arable rural land in near city locations and the desirability of a location close to community facilities. Bearing in mind the above locations and dates of sales it is considered that the subject property if offered on the market to prudent purchasers, at the resumption date, would have achieved a price in the vicinity of \$3500 per acre or \$3,094,000, plus improvements, say, \$3,125,000.

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I attribute \$3500 per acre reflecting that the subject land is closer to a substantial town centre than any of the lands in sales 1/3 and that though potential for urban subdivision would be remote, there would be some less remote potential for 5 acre subdivision.

Rural Subdivision

I have also given some attention to the possibility of subdivision of the land into 25 acre blocks as permitted under the Ordinance. Sales Nos. 4/9 inclusive were each of substantially less area than 25 acres, but because each was in existence prior to zoning, may have been permitted to be developed with one dwelling. These sales are all in close proximity to the subject land.

30

Sale No. 4

Lot 137 D.P. 2576 Garswood
11a - 1r - 36 3/4 p
17.1.73 \$55,100 = \$4800 per acre
Sammut to Kulnamock Pastoral Pty. Ltd.

Sale No. 5

Lot 131 D.P. 2576 Garswood Road
11a - 2r - 9 1/4 p
6.2.73 \$65,000 = \$5624 p.a.
Byatt to Ross & Titler

Exhibit 12 - Report
875. of C.R. Weir

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Baillieu Hardie Gorman Pty. Ltd.

Rural Subdivision - Cont'd

Sale No. 6
Lots 141/142 D.P. 2576 Lutterell Street
12A - 3R - 16P. 10
March '73 \$50,000 = \$3891 per acre
Welch to Arons Pty. Ltd.
Land in two parcels separated by Lutterell
Street, creek through western section of Lot
141. Access inferior to above sales but
capable of development with dwelling on each
allotment.

Sale No. 7
Lot 3 D.P. 204229 Garswood Road
5 acres 20
1/4/73 \$28,000 = \$5600 per acre
Roche to Kee Hiong Co.

Sale No. 8
Lot 1 D.P. 26658 Bringelly Road
5A - 0R - 5¼ P.
31/5/73 \$35,000 = \$6954 per acre
Gale to P. A. Cheung Pty. Ltd.

Sale No. 9
Lot 1 D.P. 564002 Garswood Road
5 acres 30
27/6/73 \$37,500 = \$7500 per acre
Judail to T. & J. Grady

Sales of 25 acre parcels a little further removed from
the subject land are listed as follows:

Sale No. 10
Kings Hill Road, Mulgoa
Lot 2 D.P. 242968
Sold 9/2/73 \$55,000, including improvements
of \$14,000

Sale No. 11 40
Stockdale Road, Orchard Hills
Lot 6 D.P. 242968
Sold 15/1/73 \$45,000

Sale No. 12
Fairlight Road, Mulgoa
Lot 2 D.P. 235175
Sold 30/5/73 \$63,900

EXHIBITS
EXHIBIT "12"
MR. WEIR'S REPORT, JUNE 1981
26 NOVEMBER, 1981

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Baillieu Hardie Gorman Pty. Ltd.

Rural Subdivision - Cont'd

Sale No. 13 Orphan School Road Lot 8 D.P. 32026 Sold 19.7.73 \$46,000 Leitz Investments to Gattellari	10
Sale No. 14 Henry Cox Drive Lot 62 D.P. 247308 Sold 29.6.73 \$50,000 Mount Henry Estates Pty Ltd to Sims Quality Meats Pty Ltd	
Sale No. 15 Henry Cox Drive Lot 64 D.P. 247308 Sold 30.6.73 \$45,000 Mount Henry Estates Pty Ltd to Hofbrau Hold- ings	20
Sale No. 16 Henry Cox Drive Lot 65 D.P. 247308 Sold 30.6.73 \$45,000 Mount Henry Estates Pty Ltd to Roshell Pty Ltd	30

Having regard to all the above sales and allowing for location, I believe that if the subject land was subdivided into 25 acre lots and offered for sale at the resumption date a maximum price per lot would have been \$90,000. The subject land, if it could have been divided into, say, 35 such blocks with internal roading, it would have a gross realisation on this basis of \$3,150,000. It is obvious that no prudent person would have subdivided the land at that time into 25 acres as the yield after subdivisional and holding costs would have been substantially below a price that might have been achieved as one holding. 40

Residential Potential

A nearby site of 106 acres, one rood 30¼ perches, was sold twice.

Sale No. 17(a) 29.3.72 \$300,000 Levi & Woolridge to Kulnamock Pastoral Pty.Ltd.	
877. Exhibit 12 - Report of C.R. Weir	

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Baillieu Hardie Gorman Pty. Ltd.

Residential Potential - Cont'd

Sale No. 17(b)

25.5.73 \$649,087

Kulnamock Pastoral Pty. Ltd. to Federal
Valuation and Agency Co. Pty. Ltd.

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This land is regarded as similar in topographical character to the subject land. It is of course substantially smaller in area, and part of the area was zoned for subdivision into 5 acre farmlets. This land, like the subject parcel, was outside the area earmarked for future release under the S.R.O.P. If regard was had to the potential for residential subdivision in the event of rezoning, this difference in area between the subject land and the above sale becomes of extreme importance.

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A study of the subject land by A.A. Heath and Partners Pty. Ltd., said to have been carried out just prior to resumption, proposed a residential subdivision of the land into approximately 2600 residential lots, some of which were to be half acre parcels. From enquiries of major developers, a rate of sale of residential lots in the Penrith area at the time, bearing in mind the demand for and availability of land, was between six to eight per week in a well advertised, and permanently staffed subdivision. I have adopted 350 lots per annum as a reasonable expected sale rate. This I believe conforms with figures as provided by the Commonwealth Statistician of the number of dwellings erected as quoted earlier, i.e., 1970/71, 1439; 1971/72, 1586; 1972/73, 1649; and 1973/74, 1321. If it were assumed that for every block sold to an intending home builder that a second could be sold to a speculator in the market solely for a profit, a maximum annual sale turnover for the Penrith district would have been less than 3500 lots per annum from all sources in the area. On such assumptions, a subdivision achieving 10% of all sales in the area might be

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considered to be operating satisfactorily. It might even be considered that such a basis is over optimistic in the long term view, as

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Baillieu Hardie Gorman Pty. Ltd.

Residential Potential - Cont'd

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at some time most lots sold to individual speculators could be expected to be, eventually, purchased by a home builder.

It is true that if the A.A. Heath & Partners subdivision were able to proceed without competing large subdivisions it might achieve a higher percentage of all sales. However, if the subject land were rezoned it is reasonable to assume that other large areas south of the Motorway would also be rezoned and that there would be competing large subdivisions. Adoption of the 10 per centum of the demand for a subdivision of the subject land is therefore not considered unreasonable.

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A subdivision of the subject land into 2600 residential lots might therefore be anticipated to have a selling period of up to 7½ years after rezoning and staged development time. Such a subdivision would be generally considered, even by most of the larger developers, as too large to be of interest unless purchased at a greatly discounted price. We know from hindsight that this rate of sale could not have been achieved in the following 7½ years. It might be added, however, that rarely can such a rate be maintained over a long period due to fluctuating economic forces. It may perhaps have been possible to subdivide the land into more workable areas and then sell to a number of developers. This, of course, assuming rezoning, would have created substantial competition for land buyers in this one locality with the need for greater advertising, reduction in rate of sale and perhaps reduction in overall land price.

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EXHIBITS
EXHIBIT "12"
MR. WEIR'S REPORT, JUNE, 1981
26 NOVEMBER, 1981

On the other hand, Sale No. 17 might reasonably have been subdivided into about 330 residential lots, if rezoned, having a selling period after development of less than twelve months. An attempt to compare this sale on a rate per area basis with the subject land must lead to erroneous conclusions unless the price had no elements of rezoning speculation. 10

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Baillieu Hardie Gorman Pty. Ltd.

Residential Potential - Cont'd

It is further understood that this land was the subject of serious consideration and active negotiation as a sports stadium site by the very wealthy Penrith Leagues Club. The Club ultimately purchased an alternative site on the other side of the F.4 Motorway, but their interest may have influenced the eventual purchaser, who held a first right of purchase over the land. Again the purchaser would have been aware of the interest being exhibited in the area by the Housing Commission. It would have been a reasonable assumption by the purchaser that should the Housing Commission become involved in major residential development south of the site then for sale, that such a site would be probable for imminent release, especially as it is "next door" to an already developed residential area. It is considered, bearing all the above circumstances in mind, that Sale No. 17 offers little assistance in deriving the appropriate market value to the subject land. 20 30

Conclusion

In my opinion, bearing in mind comparable sales of large parcels of land with minimal potential for residential release and the value as calculated in subdivision as permitted under the Ordinance, it is considered that the market value of the property known as "Blue Hills" at the date of resumption, August 31, 1973, in terms of the guidelines set down in Blefari and The 40

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Minister is considered to have been \$3,125,000 (three million, one hundred and twenty-five thousand dollars).

Colin Weir