

25th October 2012

EASTLAKES DEVELOPMENT PROPOSED ACQUISITION OF UNITS IN SP4736

From late 2007 to May 2009



TASK / OBJECTIVE

Following recommendations from council, Crown Group were assigned the task to acquire the properties of SP4736. This would provide the Crown Prosha Joint Venture with an advantage for the development proposal for the re-development of Eastlakes Shopping Centre.

REDEVELOPMENT PARAMETERS

Under Strata by Laws, to redevelop a strata property, you need to have unanimous agreement by all owners.

ACTIONS

Main Staff Involved

Kym Rogers, Dee Corda, Iwan Sunito, Russel Strahle, Kevin Nash

Total	Yes -	No Response or No	Private Meeting & Undecided
36	6	19	11

No Response or No

4, 7, 10, 13, 18, 23, 27, 30, 33, 35, 2, 3, 6, 15, 24, 29, 32, 34

Met and undecided

5, 9, 11, 12, 16, 17, 19, 22, 25, 28, 31, 36

Yes

1, 8, 14, 20, 21, 26,

Kym Rogers was requested to assist with the purchase and/or agreement from owners of SP4736 to be involved in the process of the development of Eastlakes Shopping Centre.

Two public meetings were held to showcase the proposed new development

To comply with the redevelopment parameters, two options were available:

- Purchase the properties
- Execute Option Agreements with owners for a simultaneous settlement of their property with a Crown Prosha Joint Venture property. (Simply, the owner would end up with a brand new apartment in the project as a direct 'swap' of their own unit in SP 4736 at no costs)

Over a concentrated period of approximately 12 months, commencing late November 2007, Kym Rogers personally communicated with all 36 owners explaining the concept and process.

This involved conducting public meetings, arranging private meetings, consultations, phone calls, emails, text messages, meetings with family and friends, legal representatives and estate agents of all 36 owners.

35 out of 36 owners were personally contacted in some form and one owner advised via the strata manager that they did not want any communication. The fact that it was impossible to even present a proposal to this owner, made the whole process of incorporating this site in to the redevelopment impossible.

At all times, the information provided to all owners was the same. Many owners expressed that they would like greater benefits than their neighbors, to which Crown continually rejected. As a result, the majority of the owners did not agree to sell outright to the Joint Venture.

The Joint Venture did, however, purchase two units within SP4736, one via a standard real estate transaction and the second direct from an owner who contacted Crown independently.

"DEED OF OPTION"

The deed of option that the Joint Venture proposed was deemed to be the fairest to all parties.

Six (6) owners agreed to this and signed an option agreement.

Eleven owners were very interested in exploring the process further and wanted more detailed information on the project such as individual plans, location and aspect of their particular apartment, total number of apartments in the project, what colour the laundry tiles were and where their parking space would be etc. The Joint Venture was unable at this time to provide the required detailed information.

Nine of the owners made no decision or were not interested or un-contactable.

TIMELINE

19 November 2007

Letter advising public meeting on 28/11/7

28 November 2007

Public Meeting at Shopping Centre

5 December 2007

Thank You for attending meeting on 28/11/7 letter

10 December 2007

Public Meeting at Shopping Centre

8 January 2008

Follow up letter after 2nd public meetings

13 February 2009

Grahame Boys (Crown Prosha JV) rang Roger Dowsett (RD) re a meeting to discuss refurbishment of the existing buildings or potential Part 3A. RD to organise meeting with Council GM & will advise.

24 February 2009

Meeting at Council with GM, RD, Iwan Sunito (IS), Russel Strahle (RS), & GB (2 hours). GM recommended a presentation, re Racecourse Place apartments issues, to Planning & Development Committee (PDC) - Mayor (Ron Hoenig) is the chair & that is the only way you will receive direction re this issue.

6 May 2009

Planning & Development Committee meeting at Council Chambers, Mayor absent, RD present & minute taker, presentation made to committee by Julie Brindon (JBA Planning) & IS.

11 May 2009

Meeting at Council with RD, IS, RS & GB. Council requested further information re the Racecourse Place apartments.

18 May 2009

Letter from Crown Prosha Joint Venture sent to Council, attention RD, attached were 2 documents, "Racecourse Place / Evans Avenue Ownership Schedule" & "Eastlakes JV Activity Program", were included.

18 May 2009

Letter to GM, Botany Bay Council summarising the efforts of Crown to procure site.

3 June 2009

Council meeting with RD re outcome of submission of additional information & PDC review. RD stated that "no decision, no indication as to why, very unclear about the way forward, don't know what will happen after 1 July changes to approval process".

25 June 2009

Meeting at DOP (Wilson & Woodland) to gather with IS, RS, JBA & GB. The meeting discussed "the way forward", the past history of the project & the potential of a Part 3A application after 1 July 2009.

RESULTS

In the 12 month period, Crown exhausted all opportunities to meet the development parameters.

It is clear that Botany Bay Council were fully informed of the work & negotiations undertaken regarding the intent of purchasing apartments in the adjacent buildings.

Unfortunately any attempt to seek direction from Council regarding the difficulties in complying with their desire to incorporate this property into the development process, fell on deaf ears.

I think it is clear that the previous Mayor's public statement that the JV made no attempt to consolidate the lands is totally false & untrue.

The Crown Prosha Joint Venture purchased two units and signed 6 option agreements under. This totalled 16% of the strata lots.

The percentage not controlled is 84%, proving that the development parameters were impossible to achieve.

NOTE

The inability to successfully develop strata tilted properties with multiple owners is consistent throughout NSW due to the strata titles ACT requiring unanimous consent.

Refer to Strata Schemes (Freehold Development) ACT 1973 – Section 51 and 51A.

EASTLAKES UNITS PURCHASED

1 /16 Evans Avenue Eastlakes

Date of purchase:	23/9/2008
Price:	\$298,000
SOLD	30/8/11

26/1 Racecourse Place Eastlakes

Date of purchase:	17/8/2007
Price:	\$300,000
SOLD	23/9/11