

## Sale of Land – Fact sheet

### What is City of Melbourne's property portfolio?

City of Melbourne's property portfolio consists of land and buildings, as well as Crown land managed on behalf of the State. The total asset value (land and buildings) as at 30 June 2022 is just over \$2.91 billion with \$209.6 million of assets held for investment purposes.

### What are the properties used for?

City of Melbourne properties support the delivery of a range of city and community services, such as libraries, recreation facilities, parks and open spaces.

The properties may be:

- occupied and used for Council services
- used for income generation
- used to bring benefits to the wider community.

### What is the Sale and Acquisition of Land Policy?

City of Melbourne's property portfolio needs to respond to the needs of the community now and into the future. This includes selling surplus property and strategically acquiring additional property. The [Sale and Acquisition of Land Policy \(SALP\)](#) provides a framework of principles to guide decision making in relation to the sale and acquisition of land.

The purpose of the policy is to ensure City of Melbourne:

- Has a consistent, equitable and transparent process in relation to the disposal and acquisition of land.
- Complies with best practice and legislative requirements when undertaking the sale, exchange or acquisition of land.
- Strategically manages the property portfolio for the long term best interests of the community.
- Achieves best value in all of its land dealings.

### What are the principles that guide City of Melbourne in deciding to sell properties?

The sale of City of Melbourne property is a significant decision and all Council owned property is to be retained except where the Council property meets all of the following principles.

The Council owned property:

1. Does not or will not support, facilitate or contribute to current or future service delivery outcomes as identified in the [Council Plan 2021-25](#).
2. Has a net realisable value for another purpose that is significantly greater than the cost of re-establishing the service on another site.
3. If sold will facilitate and/or promote investment and positive economic development outcomes.
4. Does not contribute economic, environmental or community benefit to the municipality to justify its retention.
5. Has no strategic significance to City of Melbourne on a long term basis.
6. Is identified in a City of Melbourne strategy, budget, study, policy or planning scheme as being surplus to its requirements or not required to be owned by City of Melbourne.

### How were the four properties assessed as suitable to sell?

To determine whether or not the four properties were deemed surplus, a three stage Sale of Land Assessment was undertaken.

Stage One: Neighbourhood Analysis Assessment



CITY OF MELBOURNE

An assessment of City of Melbourne's property portfolio was endorsed by Council in 2021 to identify property assets that are either underutilised with a potential for greater return or are surplus to requirements.

The properties were assessed at a neighbourhood scale against:

- Existing or new infrastructure to meet current and future needs of the growing community as identified in the [Open Space Strategy](#), [Affordable Housing Strategy](#), [Transport Strategy](#) and other relevant strategies and plans.
- The availability and suitability of existing City of Melbourne property assets to address these needs.
- State land parcels within the municipality potentially suitable for further investigation for utilisation.

Following the Neighbourhood Analysis Assessment, the four properties were identified as surplus to requirements and suitable for potential divestment.

#### Stage Two: Retention of Land Assessment Filter

The four properties were assessed against the six [Sale of Land Policy Retention of Land Principles](#) and were identified as no longer required for retention and suitable for potential divestment.

#### Stage Three: Sale of Land Criteria Filter

The four properties were assessed against the following Sale of Land Criteria to determine whether the sale of land should proceed to the next stage:

- service, economic and strategic needs and uses (including existing, future and alternate use and service needs)
- no net loss of public open space
- legal issues including title details, verifying ownership and how the land was purchased by City of Melbourne
- survey issues including land boundaries
- planning and zoning requirements
- environmental considerations including contamination
- conservation values including historical, cultural, heritage and Traditional Owner considerations
- site constraints and opportunities
- building asset condition and maintenance considerations
- risk considerations (financial, service delivery, reputational, environmental, other)
- preferred method of sale
- long-term lease options.