



Supplementary Confidential Item

For Council meeting to be held on

Tuesday 15 September 2026 at 7.00 pm

Refer Item 11.6

Supplementary Confidential Item

11.6 Strategic Land Purchase

Team Leader Economic Development Emily Moskwa
and Property Officer Sarah Hutchinson's Report

Purpose of Report

To present Council with an opportunity to explore a strategic land purchase for a potential new open space area.

Strategic Plan Link

Focus Area No 2.2.3 Implement Urban Forest Strategy to protect and enhance the natural environment

Focus Area No 3.4.2 Manage and enhance Councils reserves streetscapes and open space to enhance liveability and protect natural areas

Previous Council/Committee Resolution

At its meeting on 4 June 2019, Council resolved:

‘That Council:

1. allocate \$250,000 per year in the Annual Business Plan and Budget for Strategic Land Acquisition for the purpose of open space development as opportunities arise
2. request Staff to reflect this decision when updating the Long-Term Financial Plan
3. authorise the Chief Executive Officer to continue advocating to the Minister, local Members of Parliament and through a motion to the Local Government Association for a fairer allocation of funding from the subdivision of land under 20 allotments’.

At its meeting on 19 August 2014, Council resolved:

‘That Council endorse the proposed Strategic Open Space Land Purchasing Principles and Staff investigate the possibilities for strategic land acquisition to increase the amount and quality of open space throughout the City area as finances permit.’

Background

Two allotments of vacant land have become available for sale in Hectorville. Situated side by side (allotments 591 and 592) at 34 Mayfield Avenue, Hectorville span a total of 702 sqm. Allot 591 is approximately 355 sqm and allotment 592, approximately 347 sqm.

This presents a very good strategic land purchase opportunity for Council to consider as it is rare that such a Parcel of land becomes available in this tightly held area.

Acquiring the land would provide an opportunity for Council to improve the level of open space in Hectorville, the suburb with the lowest level of open space in the City (1.7 ha per 1,000 persons compared to the City average of 6.9).

Purchase of the land would enable Council to create a high-quality local level open space for use by the growing population of Hectorville (and surrounding areas). The size of the reserve has the potential to increase the recreation and biodiversity values at the locality, which is within Council's identified Open Space Gap Area.

Discussion

The Land

The vacant land is approximately 702 sqm in total with a combined street frontage of 25.91 m and depth exceeding 35 m for each parcel of land. The land is zoned as General Neighbourhood.



General Neighbourhood zoning primarily accommodates residential development, being defined as land that is principally envisaged to facilitate residential development including dwelling additions and associated minor structures like sheds, garages and shade structures. There is also scope for Community activities within the zone, however acceptability depends on the circumstances, scale and locational factors that aim to ensure residential amenity is retained.

Land Value

Staff have derived information from realestate.com.au land sales within the past 6 months in Hectorville; with comparable sales as outlined below. Keeping in mind all properties listed below still had a dwelling on the site, while the land in question has been cleared and is a clean slate and ready to develop.

Property Address	Land Size	Date Sold	Sold Price
5 Wensleydale Avenue, Hectorville	740 m2	7 August 2026	\$1,100,000
8 North Street, Hectorville	740 m2	3 August 2026	\$1,041,000
2 Gaffney Place, Hectorville	739 m2	15 July 2026	\$950,000
9 Hazelwood Avenue, Hectorville	799 m2	16 May 2026	\$1,322,500

The asking price for the land as advertised on realestate.com.au is currently:

Allotment 591, \$825,000 - \$875,000 and Allotment 592, \$795,000 - \$845,000

The Valuer-General's latest capital value for the entire land parcel is \$1,100,000 for 2026/2027 financial year.

Potential Use

As the popularity of Hectorville continues to grow and housing density increases, the demand and access to quality open space is becoming more and more important. Council acquiring the land would provide more public open space for residents and visitors to enjoy and/or facilitate space for Council to strengthen the existing biodiversity values of this land.

Should Council decide to purchase Lot 591 and 592, 34 Mayfield Avenue, Hectorville, Council would need to determine whether the parcel of land should become Community Land prior to purchase (in accordance with Local Government Act requirements).

Council's Open Space Strategy

The proposed acquisition aligns with Council's *Open Space Strategy 2025* by providing an opportunity to expand and strengthen the City's open space network.

The two parcels, comprising approximately 702 square metres in total, could contribute to the provision of accessible and connected open space, enhance local amenity and support the Community's future recreational, environmental and wellbeing needs. Acquisition would also enable Council to secure the land for long-term Community benefit and should be considered against the Strategy's priorities, including the location and accessibility of existing open space, identified service gaps and the potential value the land would add to the broader open space network.

Should Council wish to pursue the purchase of these allotments at 34 Mayfield Avenue, Hectorville, the following is a draft recommendation for Council's consideration;

'That Council:

1. Agrees that the purchase of the parcels of land at Allot 591 and 592, 34 Mayfield Avenue, Hectorville would be a good strategic land purchase for Council to improve its usable open space holdings in Hectorville.
2. Authorise the Chief Executive Officer to undertake negotiations and seek an option to purchase the parcels of land at Allot 591 and 592, 34 Mayfield Avenue, Hectorville to a maximum value of \$x,xxx,xxx (exc GST).
3. Exclude/include Allot 591 and 592, 34 Mayfield Avenue, Hectorville in Council's Community Land provisions if purchased.
4. Authorise the Chief Executive Officer to negotiate suitable settlement terms (including rental options) to meet Council's objectives.'

Social Implications

Access to adequate (quality and quantity of) public open space is critical to supporting liveable and healthy communities, particularly in the context of increasing residential infill in the Council area.

Environmental / Climate Change Implications

Through the land purchase, additional plantings and landscaping could be undertaken to improve biodiversity and/or increase canopy cover levels.

Asset Management Implications

The acquisition would increase Council's landholdings by approximately 702 square metres and create ongoing responsibilities for the maintenance of the land.

Governance

If Council wishes to exclude a land purchase from its Community Land holdings, it must resolve this prior to purchase of the land in accordance with Section 193(4) of the Local Government Act 1999.

Risk Management

There are no risk management implications in relation to this report.

Community Engagement

The Community has told Council over many years of consultations that a highly valued part of the Council area is its trees, parks and recreation spaces. A lack of usable open space in the Hectorville area, has also been raised by residents.

Regional Implications

There are no regional implications in relation to this report.

Economic Development Implications

The proposed acquisition may provide broader economic benefits by securing land for public open space and enhancing the amenity, attractiveness and liveability of the surrounding area. However, purchasing the land would remove the parcels from potential private development and may result in the loss of future rate revenue. These considerations should be balanced against the land's strategic value and the long-term Community, environmental and economic benefits of retaining it as open space.

Financial Implications

Recent property sales in Adelaide and suburbs have continued to display strength on the national stage, however there is a recent downturn due to market uncertainty, interest rate increases and recent media reports. It is likely that this property will still be popular with potential developers.

It should be noted that the purchase price of the property would not include stamp duty, or other costs associated with the sale. Furthermore, there will be additional costs associated with undertaking any open space improvements to the land. The cost to purchase these properties could be funded from the Strategic Land Purchases Allocation.

In accordance with Council's Prudential Management Policy, Council will be guided by the requirements of section 48 of the Act when undertaking commercial activities and projects, including the preparation and implementation of prudential reports.

A prudential report will be prepared where a project:

- reaches either of the financial thresholds specified in section 48(1)(b) of the Act, being:
 - 20% of Council's average annual operating expenses over the previous five financial years to 30 June 2025—\$11,710,400; or
 - the indexed amount applicable from 1 January 2026—\$6,183,942¹; or
- is assessed as presenting a high risk to Council, having regard to the factors specified in section 48(2) of the Act.

Therefore, on this occasion a prudential report is not required.

Recommendation

For Council's consideration.

Attachments

Nil.
