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**REPORT 7**  
(1215/52/IM)

## **ACQUISITION OF LAND FOR ROAD - 130 FRASER AVENUE, JOHNSONVILLE**

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### **1. Purpose of Report**

This report seeks the Committee to recommend to Council the approval to acquire 152 m<sup>2</sup> of land for road at 130 Fraser Avenue, Johnsonville.

### **2. Recommendations**

Officers recommend that the Committee:

1. *Receive the information.*
2. *Recommends that the Council:*
  - a) *Agree to acquire 152 m<sup>2</sup> of land at 130 Fraser Avenue for road purposes.*
  - b) *Authorise the Chief Executive Officer to conclude the final contract for the land purchase, up to \$60,000 excluding GST (if any), plus reasonable costs contributing towards the subdivision including survey, legal and valuation costs.*

### **3. Background**

The 152 m<sup>2</sup> area of land that is proposed to be acquired is currently part of a 6,117 m<sup>2</sup> section described as Lot 2, D.P. 89275, held on Computer Freehold Register WN57A/1. This property is owned by Zeaphone Limited.

See Appendix 1 for aerial with the 6,117 m<sup>2</sup> section outlined in white.

Zeaphone Limited have been granted resource consent for a 22 lot subdivision of the 6,117 m<sup>2</sup> section. When surveyors were preparing plans for the subdivision, it was identified that part of Fraser Avenue had been constructed on private land.

Council's Road and Traffic Maintenance business unit investigated options to rectify the situation. To realign the road at the point where it is on private land was estimated would cost \$120,000.00 excluding GST. The road could remain where it is currently situated if a 40 m<sup>2</sup> area of land could be acquired.

However it was assessed that if a larger area of 152 m<sup>2</sup> was acquired, a better outcome could be achieved as that would enable the boundaries of the adjoining privately owned land to be re-aligned. Such a re-alignment would rectify the existing situation where an irregular triangular shaped area of privately owned land juts into the road reserve.

See Appendix 2 for a copy of subdivision plan with the 152 m<sup>2</sup> of land shown in yellow, the 40 m<sup>2</sup> area of land which is incorporated in the 152 m<sup>2</sup> area is shown hatched red.

An agreement to purchase the 152 m<sup>2</sup> area of land has been negotiated by officers for \$60,000 excluding GST. This agreement is subject to Council resolution being obtained.

In addition to the purchase price, Council would contribute towards some of the costs of subdivision including legal, survey and valuation costs

## **4. Discussion**

### **4.1 Valuations**

Council officers obtained a current market valuation from DTZ New Zealand Ltd (DTZ) for the 152 m<sup>2</sup> area of land to be acquired for road. The value of the land has been assessed on a 'Before and After' basis, i.e. the value of the 6,117 m<sup>2</sup> section before Council acquires the 152 m<sup>2</sup> area, and then the value of the 6,117 m<sup>2</sup> section after the acquisition. Taken into consideration was the impact that the acquisition of the 152 m<sup>2</sup> area was likely to have on the other lots in the subdivision.

The current market value for the 152 m<sup>2</sup> area was assessed by DTZ to be \$50,000 excluding GST (if any). DTZ also valued the 40 m<sup>2</sup> area, with its value being assessed as being \$25,000 excluding GST.

The vendor obtained their own current market valuation for the 152 m<sup>2</sup> area. This was prepared by Nathan Stokes and Associates, who assessed the land to be worth \$70,000 excluding GST.

### **4.2 Negotiation**

Officers made a conditional offer of \$50,000 excluding GST (if any) to purchase the 152 m<sup>2</sup> area of land, plus contributions towards several of the vendors costs.

The vendor advised that as a result of selling the land, one section would have to be removed from their proposed subdivision, and several other sites would have to be made smaller. That negatively affected the expected sale price of the sections once they were developed, and that was believed to be a bigger impact in value than any value difference to just the sections themselves. They therefore believed the value of the 152 m<sup>2</sup> of land was higher than \$50,000 excluding GST (if any).

After comparing the methodologies of both valuations the parties agreed, subject to Council's approval being obtained, to a purchase price of \$60,000 excluding GST (if any), plus a contributions towards costs.

## **5. Conclusion**

Roading believe that purchasing the 152 m<sup>2</sup> of land is the best way to deal with the circumstance of an existing road being positioned on private land, rather than repositioning the road, or acquiring just 40 m<sup>2</sup>.

It is recommended that the Strategy and Process Committee recommend to Council the approval to acquire 152 m<sup>2</sup> of land at 130 Fraser Avenue, Johnsonville.

Contact Officer: Paul Davidson, Property Advisor, Property Services

## **Supporting Information**

### **1) Strategic Fit / Strategic Outcome**

*The report supports Council's overall vision of Creative Wellington – Innovation Capital. The report supports Council's strategic direction for managing growth through provision of adequate infrastructure.*

### **2) LTCCP/Annual Plan reference and long term financial impact**

*Provision for undertaking this work is contained within the overall organisational budget and is budgeted in Roading Operations CAPEX Budget RTCX 101.*

### **3) Treaty of Waitangi considerations**

*There are no Treaty of Waitangi implications.*

### **4) Decision-Making**

*A decision to acquire any land requires a Council resolution and the report explains that agreement with the vendor is conditional on such resolution.*

### **5) Consultation**

#### **a) General Consultation**

*All affected parties have been consulted with. Council is not required under legislation to consult with the public on this matter.*

#### **b) Consultation with Maori**

*'Local Iwi have not been approached and provided with this proposal, as the acquisition proposal legalises an existing historical situation hence is not considered significant .*

### **6) Legal Implications**

*The Sale and Purchase Agreement has been prepared by Council Solicitors. A solicitor's certificate will be obtained before any documentation is signed.*

### **7) Consistency with existing policy**

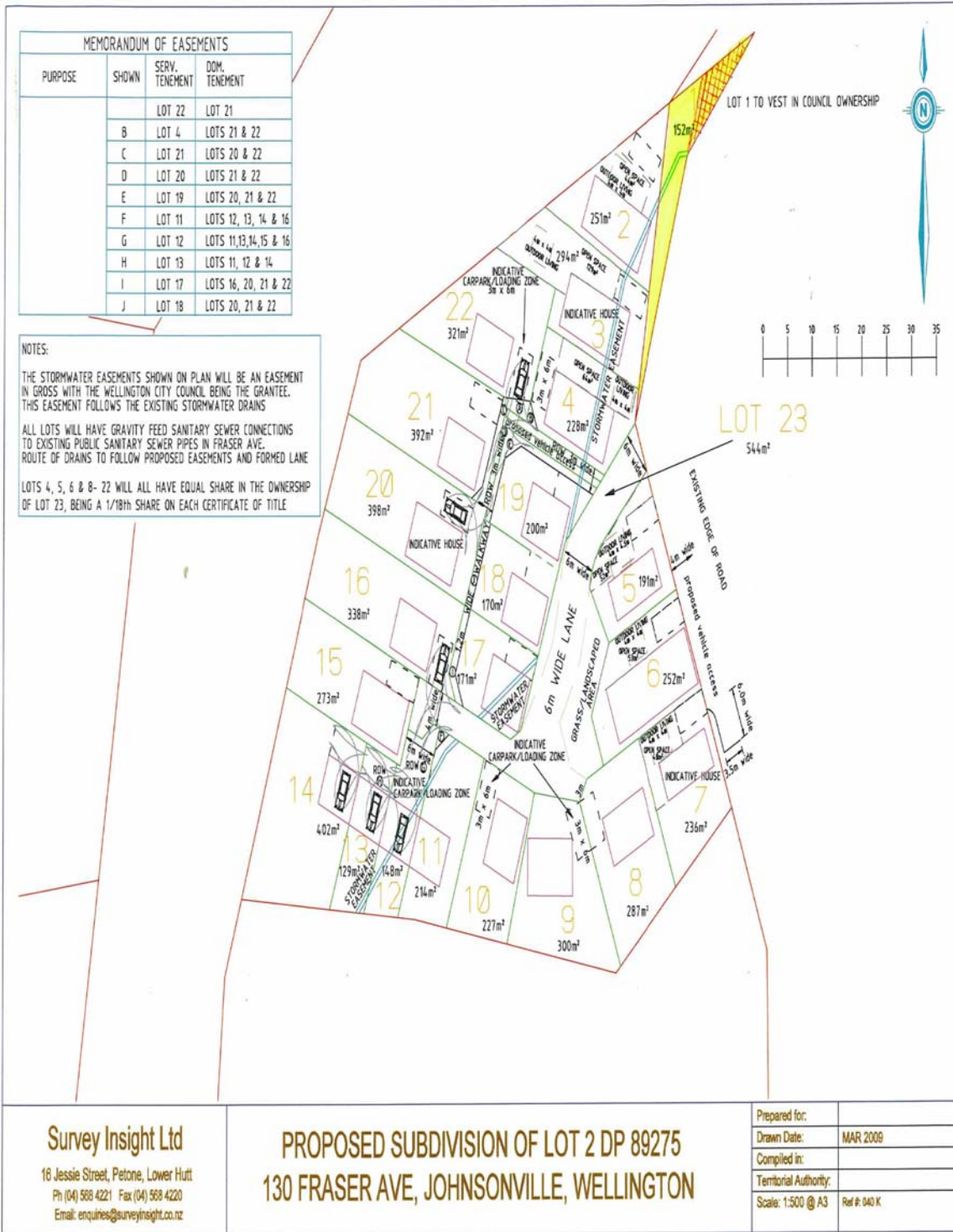
*Discussed in the report.*

# Appendix 1





## Appendix 2



**Survey Insight Ltd**

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**PROPOSED SUBDIVISION OF LOT 2 DP 89275  
 130 FRASER AVE, JOHNSONVILLE, WELLINGTON**

Prepared for:	
Drawn Date:	MAR 2009
Compiled in:	
Territorial Authority:	
Scale: 1:500 @ A3	Ref #: 040 K