

7 November 2017

First Right of Refusal – Frequently Asked Questions

How will the price of my remediated block be determined?

In keeping with normal land sales practices, the Suburban Land Agency (SLA) seeks two independent valuations to inform the market value of remediated blocks. A formula is in place to inform the block's market value in the case of variations:

- If the difference between the two valuations is 10% or less – the selling price is at least the higher valuation.
- If the difference is between 10% and 15% – the selling price is at least 10% above the lowest valuation.
- If the difference is greater than 15%, a third valuation will be ordered and the selling price will be at least the average of the three valuations and not less than 10% above the lowest valuation.

Why is the sales price not the average of the valuations as it was when the Government purchased my house through the voluntary Buyback Program?

The Territory purchased affected properties at full market value, ignoring the presence of loose fill asbestos contamination and minor presentation or maintenance issues. The offer for sale of a remediated block is a second and separate market transaction.

The approach to the sales phase is in line with the stated intention to sell each block at market value, reflecting its best and highest use in order to defray the cost of the Buyback and Demolition Program, repay the Commonwealth loan and minimise the residual cost of the Scheme to the Territory.

What do the valuers look at when undertaking their valuation?

In general, professional valuers use the 'direct comparison' method of valuation to determine a current market value for residential blocks. Sales of similar properties in the suburb and surrounding areas are analysed and adjustments are made for location, elevation, block shape and date of sales evidence.

How are the valuations done for land rent leases?

The valuation of the remediated block that will be a land rent lease is no different from the valuation of a block for a standard crown lease.

If you are seeking a land rent lease you will need to notify the Taskforce on acceptance of the offer so that the appropriate Contract for Sale can be prepared by the solicitors.

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Why don't I get a copy of the valuation reports?

The valuation reports are internal working documents provided to the SLA to assist in setting the sale price for remediated blocks.

Why is the sale price different to the unimproved values of land as per my previous rates notice?

The Government has been clear since the Scheme was announced on 28 October 2014 that the blocks would be offered at market value at the time in which they become available for repurchase.

The sale price will reflect market value for a remediated block in an established area. Factored into the value will be location and other characteristics such as zoning, elevation, block shape, and market considerations at the point it is offered for sale.

The Territory purchased the affected properties at market value as part of the Buyback Program – not at their unimproved value.

For further information regarding unimproved values please refer to the [ACT Revenue Office website](#) or contact the ACT Revenue Office on 6207 0028.

What if I don't take up the First Right of Refusal, but later decide I want to buy the block through the public sales process?

There is nothing to prevent you from participating in any public sales process for the new Crown Lease on the remediated block even if you declined to exercise your First Right of Refusal.

It is important to note that the sale price offered to the First Right Holder will set the reserve price, therefore they will not sell for less than what was offered through the First Right of Refusal process. It is expected that these blocks will achieve a higher sale price than the reserve.

In such circumstances, if the former owner was to buy their block back through a public sales process, the restrictions in relation to owner-occupation and time of residence would not apply.

Should the sales process for a remediated block not occur within the 6 months of the valuation, the Territory may elect to seek an updated valuation through the SLA. This revised valuation will then be used to set the reserve price in the public sales process. The block will still not be sold for less than what was offered through the First Right of Refusal process.

Can I pass on my First Right of Refusal to another party?

The First Right of Refusal is personal to the First Right Holder. Subject to limited exceptions, it cannot be passed to any other person or company.

In the unfortunate circumstance of a First Right Holder passing away before the remediated block is available for reoccupation, the Taskforce will be guided by the executor of the estate. It may, at its discretion, permit the exercise of the First Right of Refusal by a nominated beneficiary in the First Right Holder's Will subject to the same conditions in relation to owner occupation. The intention behind this approach is to facilitate family members maintaining a connection to the neighbourhood of their former family home.

What if I need more than 30 days to accept my offer?

As a First Right Holder, you only have 30 working days to accept or reject the offer for sale. If you have concerns, you should contact your assigned Personal Support Officer. Extensions will not be supported unless extraordinary circumstances exist.

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Do I receive financial assistance for legal advice in regard to my First Right of Refusal?

As with all significant financial commitments, it is prudent to seek independent financial and legal advice. However, as it is up to the individual whether to seek this advice based on their specific circumstances, the cost remains the responsibility of the homeowner.

Who manages the site at different stages of the process?

Once the property is surrendered through the Buyback Program, it will be maintained by the ACT Government. During the demolition period, the block is the responsibility of the appointed head contractor.

Following demolition and deregistration, the block is handed back to the ACT Government who will be responsible for its management until the completion of sale. The block becomes the responsibility of the purchaser once the land sale is settled.

How will I know if my block is subject to Territory Plan variation 343 and suitable for dual occupancy development?

For information about your block and whether it is subject to Variation 343 and suitable for dual occupancy, you can contact the Planning Enquiries section of the Environment, Planning & Sustainable Development Directorate (EPSDD) by emailing planningenquiries@act.gov.au or calling 6205 2888.

In-person enquiries can be made at 16 Challis Street, Dickson on weekdays between the hours of 8:30am – 4:30pm. When contacting the Planning Enquiries section, it is helpful to advise them that your enquiry relates to a Mr Fluffy block. This will assist the staff to provide you with the correct information.

For more information refer to the [Territory Plan Variation 343 InfoSheet](#).

Where a number of affected blocks are adjacent to each other, can they be consolidated under V343?

No, Variation 343 does not allow consolidation of remediated blocks.

Can my architect or builder go on site to take measurements prior to the contract exchange?

Access to the land may be made available on request to the Taskforce following deregistration of the block. It is important to note that new site surveys will also be available as part of the settlement process.

When can I lodge my Development Application for rebuild?

The Taskforce will be the land custodian until the new title is registered at the Land Titles Office, which generally takes two weeks from settlement.

The Taskforce will be able to provide written authority for someone exercising their First Right of Refusal, to lodge a Development Application on a block still in its possession. Noting some development can be exempt from requiring development approval where certain requirements are met.

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How long do I have to build on site?

A Crown Lease, once granted, allows a period of 24 months for completion of development.

Where can I find out more about rebuilding on my block?

All residential buildings are subject to the approvals processes overseen by EPSDD.

What you plan to build will determine what process you need to follow and whether you will need to lodge a Development Application in addition to getting your Building Approval. A builder and building certifier will be able to assist you with these processes.

Further information

More information can be found on the [EPSDD website](#), by emailing the Planning Enquiries section at planningenquiries@act.gov.au or calling 6205 2888.

In-person enquiries can be made at 16 Challis Street, Dickson on weekdays between 8:30am and 4:30pm.

When contacting EPSDD, you should advise that your enquiry relates to a remediated Mr Fluffy block, so that they can quickly provide the correct information to you.

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