



RenewalSA
people partnerships progress

Ref: RSA 2018/01929

Mr Blair Boyer
Member for Wright
PO Box 1111
GOLDEN GROVE VILLAGE SA 5125

Urban Renewal Authority
trading as Renewal SA
Level 9 (West) Riverside Centre
North Terrace Adelaide SA 5000
GPO Box 698, Adelaide SA 5001
ABN: 86 832 349 553

T: 08 8207 1300
F: 08 8207 1301
E: renewalsainfo@sa.gov.au
W: www.renewalsa.sa.gov.au

Dear Mr Boyer

NOTICE OF DETERMINATION

I refer to your application made under the *Freedom of Information Act 1991* (the Act) received by Renewal SA on 15 August 2018 requesting access to:

"All documents between Renewal SA, Department of Health & Wellbeing and the sales agent (Colliers) regarding the Expression of Interest (EOI) for the Elizabeth Vale Central Shopping Centre from 18 March 2018 to date (15th August)"

On 24 August 2018, following discussion with Mr Joshua Weidenbach, the scope of your request was clarified to:

"All documents between Renewal SA, Department of Health & Wellbeing and the sales agent (Colliers) regarding the Expression of Interest (EOI) for the Elizabeth Vale Central Shopping Centre, excluding due diligence documents, financial summaries and tenancy schedules pertaining to the site from 18 March 2018 to date (15th August)"

A comprehensive search of Renewal SA has been undertaken which has identified thirty seven (37) documents which meet the scope of your application.

I have determined that access is granted to 26 documents in full, 5 will be released in part and access to 6 documents is refused.

A schedule of documents is attached and a detailed explanation of the specific clauses relied upon is set out below.

I have determined to refuse access to documents 11, 11a, 18a, 19, 20a and 26 in full and 16, 18, 24, 25 and 29 in part as they are exempt pursuant to clauses 7 and 16 of Schedule 1 of the FOI Act which provides:

7—Documents affecting business affairs

- (1) A document is an exempt document—
 - (b) if it contains matter—



Government of
South Australia

- (i) consisting of information (other than trade secrets) that has a commercial value to any agency or any other person; and
- (ii) the disclosure of which—
 - (A) could reasonably be expected to destroy or diminish the commercial value of the information; and
 - (B) would, on balance, be contrary to the public interest; or
- (c) if it contains matter—
 - (i) consisting of information (other than trade secrets or information referred to in paragraph (b)) concerning the business, professional, commercial or financial affairs of any agency or any other person; and
 - (ii) the disclosure of which—
 - (A) could reasonably be expected to have an adverse effect on those affairs or to prejudice the future supply of such information to the Government or to an agency; and
 - (B) would, on balance, be contrary to the public interest.

16—Documents concerning operations of agencies

(1) *A document is an exempt document if it contains matter the disclosure of which—*

- (a) *could reasonably be expected—*
 - (iv) *to have a substantial adverse effect on the effective performance by an agency of the agency's functions; or*
- (b) *would, on balance, be contrary to the public interest.*

(2) *A document is an exempt document if—*

- (a) *it relates to an agency engaged in commercial activities; and*
- (b) *it contains matter the disclosure of which could prejudice the competitiveness of the agency in carrying on those commercial activities.*

In accordance with Premier and Cabinet Circular 114 (PCO114), the Urban Renewal Authority (trading as Renewal SA) is responsible for the purchase and/or disposal of real property on behalf of government agencies and also acts as an advisory service on the purchase and/or disposal of real property in the metropolitan area on a fee for service basis, thus Renewal SA is considered to be an agency engaged in commercial activities.

The Department of Health and Wellbeing (DHW) engaged Renewal SA in accordance with PCO114 in relation to the Elizabeth Vale Central Shopping Centre (the 'site').

The documents contain specialised advice from Renewal SA's Property Consultant to DHW staff regarding an Expression of Interest (EOI) for the Elizabeth Vale Central Shopping Centre that includes strategic information for DHW to consider in order to prepare the terms of their EOI.

Whilst the period for lodgement of EOIs has closed, the site has not settled. If documents containing the information and advice regarding DHW's EOI were released prior to settlement, remaining parties would be aware of the specific offer and conditions subject to DHW's EOI which could severely impact Renewal SA's capacity to negotiate with the vendor. It is in the public interest for this information to be kept confidential so that the Government has the opportunity to undertake negotiations with the vendor to purchase the site at a price representing the best value for money which, in turn benefits taxpayers and the public purse.

No fees and charges are applicable for this determination.

In accordance with the requirements of Premier and Cabinet Circular PC045, details of your FOI application, and the documents to which you are given access, may be published in the agency's disclosure log. A copy of PC045 can be found at <http://dpc.sa.gov.au/what-we-do/services-for-government/premier-and-cabinet-circulars>

If you are dissatisfied with this determination, you may seek an internal review by writing to the Chief Executive. Your request should be sent within 30 days of receipt of this letter. I have enclosed a copy of Your Rights to Review which explains your review options.

Should you have any enquiries in relation to this determination, please contact me on telephone 8207 1300.

Yours sincerely



Rose Ager
Accredited Freedom of Information Officer

26 October 2018

“All documents between Renewal SA, Department of Health & Wellbeing and the sales agent (Colliers) regarding the Expression of Interest (EOI) for the Elizabeth Vale Central Shopping Centre, excluding due diligence documents, financial summaries and tenancy schedules pertaining to the site from 18 March 2018 to date (15th August)”

Document No.	Date	Description of Document	No. of Pages	Determination
1	14/06/2018	Email: LMH neighbouring parcel sale package info	1	Release in full
1a	1/05/2018	Copy of Tenancy Schedule	5	Out of Scope
1b	Undated	Information Memorandum - Elizabeth Vale Central	18	Out of Scope
1c	13/06/2018	Email: Due Diligence - Elizabeth Vale Central	1	Out of Scope
1d	13/06/2018	Email: Enquiry for Property ID: 502825654, 2 Haydown Road & 44 John Rice Avenue, Elizabeth Vale, SA 5112, Contacted the agent : Oliver Totani	4	Release in full
2	15/06/2018	Email: Elizabeth - LMH neighbouring allotment	3	Release in full
2a	15/06/2018	Letter: Preliminary acquisition investigations budget	2	Release in full
3	15/06/2018	Email: Elizabeth - LMH neighbouring allotment	3	Release in full
3a	15/06/2018	Letter: Preliminary acquisition investigations budget	2	Release in full
4	15/06/2018	Email: Elizabeth - LMH neighbouring allotment	1	Release in full
5	15/06/2018	Elizabeth - LMH neighbouring allotment	2	Release in full
6	20/06/2018	Elizabeth Vale Central		Release in full
7	20/06/2018	Email: Elizabeth Vale Central	2	Release in full
8	25/06/2018	Elizabeth Vale Central - Lyell McEwin Health Precinct	3	Release in full
9	25/06/2018	Elizabeth Vale Central - Lyell McEwin Health Precinct	3	Release in full
10	25/06/2018	Elizabeth Vale Central - Lyell McEwin Health Precinct	2	Release in full
10a	Jun-18	Copy of Tenancy Schedule	5	Out of Scope
10b	Undated	Information Memorandum - Elizabeth Vale Central (Revised)	18	Out of Scope
11	2/07/2018	Email: Elizabeth Vale Central Shopping Centre Valuation Report	2	Access refused in full Exempt under clauses 7(1)(b), 7(1)(c), 16(1)(a)(iv) and 16(2)
11a	2/07/2018	Email: Elizabeth Vale Central Shopping Centre Valuation Report	81	Access refused in full Exempt under clauses 7(1)(b), 7(1)(c), 16(1)(a)(iv) and 16(2)
12	4/07/2018	Elizabeth Vale Central Shopping Centre		Release in full
13	4/07/2018	Elizabeth Vale Central Shopping Centre	2	Release in full
14	4/07/2018	Elizabeth Vale Central	1	Release in full
15	4/07/2018	Elizabeth Vale Central	2	Release in full
16	5/07/2018	Email: Approval to submit offer: Elizabeth Vale	1	Access refused in part Exempt under clauses 7(1)(b), 7(1)(c), 16(1)(a)(iv) and 16(2)
17	5/07/2018	Email: Expression of Interest - 2 Haydown Rd and 44 John Rice Ave	2	Release in full

Document No.	Date	Description of Document	No. of Pages	Determination
18	5/07/2018	Approval to submit offer- ELIZABETH VALE	2	Access refused in part Exempt under clauses 7(1)(b), 7(1)(c), 16(1)(a)(iv) and 16(2)
18a	5/07/2018	Letter: Expression of Interest to Purchase 2 Haydown Rd and 44 John Rice Ave	2	Access refused in full Exempt under clauses 7(1)(b), 7(1)(c), 16(1)(a)(iv) and 16(2)
19	5/07/2018	Letter: Expression of Interest to Purchase 2 Haydown Rd and 44 John Rice Ave	2	Access refused in full Exempt under clauses 7(1)(b), 7(1)(c), 16(1)(a)(iv) and 16(2)
20	5/07/2018	Email: Expression of Interest - 2 Haydown Rd and 44 John Rice Ave	1	Release in full
20a	5/07/2018	Letter: Expression of Interest - 2 Haydown Rd and 44 John Rice Ave	2	Access refused in full Exempt under clauses 7(1)(b), 7(1)(c), 16(1)(a)(iv) and 16(2)
21	5/07/2018	Expression of Interest - 2 Haydown Rd and 44 John Rice Ave	2	Release in full
22	6/07/2018	Email: Elizabeth Vale Central	1	Release in full
22a	6/07/2018	Letter: Expression of Interest - Elizabeth Vale Central	1	Release in full
23	6/07/2018	Email: Elizabeth Vale Central	2	Release in full
23a	6/07/2018	Letter: Expression of Interest – Elizabeth Vale Central	1	Release in full
24	6/07/2018	Possible Acquisition - Elizabeth Vale Central shopping centre	6	Access refused in part Exempt under clauses 7(1)(b), 7(1)(c), 16(1)(a)(iv) and 16(2)
25	6/07/2018	Possible Acquisition - Elizabeth Vale Central shopping centre	6	Access refused in part Exempt under clause 16(2) and 7(1)(b)
26	10/07/2018	Email: Elizabeth Vale Central Shopping Centre - Agent meeting	2	Access refused in full Exempt under clauses 7(1)(b), 7(1)(c), 16(1)(a)(iv) and 16(2)
27	13/07/2018	Email: Elizabeth Vale Central	2	Release in full
28	13/07/2018	Email: Elizabeth Vale Central	3	Release in full
29	13/07/2018	Elizabeth Vale Central Shopping Centre - Agent meeting	2	Access refused in part Exempt under clauses 7(1)(b), 7(1)(c), 16(1)(a)(iv) and 16(2)

Mitchell, Leonie (Renewal SA)

From: Kochergen, Karen (Health)
Sent: Thursday, 14 June 2018 9:33 AM
To: Brown, Carolyn (Renewal SA); Gitsham, Jarrod (Renewal SA); McQuin, Pat (Health)
Subject: FW: LMH neighbouring parcel sale package info
Attachments: Copy of Tenancy Schedule as at May 2018.xlsx; IM Elizabeth Vale Central - Email.pdf; RE: Enquiry for Property ID: 502825654, 2 Haydown Road & 44 John Rice Avenue, Elizabeth Vale, SA 5112, Contacted the agent : Oliver Totani; Due Diligence - Elizabeth Vale Central

Hi Carolyn/Jarrold,

I'm writing to request RSA services for potential acquisition of a neighbouring parcel of land at Lyell McEwin Hospital that has come onto the market.

Our leadership team is in discussions at the moment on purchase of the allotment here, working through funding sources etc.

<https://www.realcommercial.com.au/property-land+development-sa-elizabeth+vale-502825654>

I've requested information from the agent (see attachments), and while our internal discussions make their rounds, I'd like to ask if you can review this and advise your thoughts on purchase offer pricing, ways forward, etc given it is for Sale by Expressions of Interest closing 4.00pm (CST) Thursday 5th July 2018 at the Adelaide office of Colliers.

Information

I've attached the Information Memorandum and tenancy schedule for the LMH neighbouring parcel, and Due Diligence info is on the link further below.

- Net income position from Rental= \$645,267 annual income for 13 retail tenancies plus carpark

On pricing, the agent has advised:

Pricing is a bit tricky. On a passive yield play at around 6% it would sit at about \$11m. From there it's all about the premium that's attributable to the location and the tenant demand (e.g. private hospital operator, multi-deck carpark, ability to reincorporate retail back in to a development, childcare etc).

Kind regards

Karen Kochergen

Manager, Property & Security

Infrastructure, SA Health

Ph: (08) 8463 6081

Mob: 0477 391 749

email: karen.kochergen@sa.gov.au

Infrastructure Division / Finance and Corporate Services

SA Health / Government of South Australia

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Mitchell, Leonie (Renewal SA)

From: Totani, Oliver <Oliver.Totani@colliers.com>
Sent: Wednesday, 13 June 2018 11:09 AM
To: Kochergen, Karen (Health)
Subject: RE: Enquiry for Property ID: 502825654, 2 Haydown Road & 44 John Rice Avenue, Elizabeth Vale, SA 5112, Contacted the agent : Oliver Totani
Attachments: Tenancy Schedule as at May 2018.xlsx

Hi Karen,

Please find attached Tenancy Schedule and Financial Analysis for your review.

I note that all lease agreements include a redevelopment/relocation clause. More than happy to provide lease docs, should you wish to review.

Kind regards,
Oliver.

Oliver Totani

Director | City & Metro Sales
Investment Services

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Main +61 8 8305 8888 | Fax +61 8 8231 7712 | [vCard](#)
Level 9, 121 King William St | Adelaide, SA 5000 | Australia



Please read the [CBS Form R7](#). Under new Legislative provisions we are required to serve this to you.



From: Kochergen, Karen (Health) [mailto:Karen.Kochergen@sa.gov.au]
Sent: Wednesday, 13 June 2018 10:28 AM
To: Totani, Oliver <Oliver.Totani@colliers.com>
Subject: FW: Enquiry for Property ID: 502825654, 2 Haydown Road & 44 John Rice Avenue, Elizabeth Vale, SA 5112, Contacted the agent : Oliver Totani

Hi Oliver –

On review of the IM, I don't see the lease expiry profile (including options). Are you able to send that through?

Kind regards

Karen Kochergen

Manager, Property & Security

Infrastructure, SA Health

Ph: (08) 8463 6081

Mob: 0477 391 749

email: karen.kochergen@sa.gov.au
Infrastructure Division / Finance and Corporate Services
SA Health / Government of South Australia

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-----Original Message-----

From: Kochergen, Karen (Health)
Sent: Tuesday, 12 June 2018 2:59 PM
To: Totani, Oliver
Subject: Re: Enquiry for Property ID: 502825654, 2 Haydown Road & 44 John Rice Avenue, Elizabeth Vale, SA 5112, Contacted the agent : Oliver Totani

Thanks Oliver, I'll review it and be in touch if I have further questions,

Kind regards

Karen Kochergen
Manager, Property & Security
Infrastructure
SA HEALTH

Ph:8463 6081
Mob: 0477 391 749

On 12 Jun 2018, at 11:11 am, Totani, Oliver <Oliver.Totani@colliers.com> wrote:

Hi Karen,

Thanks for the email.

Please find attached IM for your review.

Pricing is a bit tricky. On a passive yield play at around 6% it would sit at about \$11m. From there it's all about the premium that's attributable to the location and the tenant demand (e.g. private hospital operator, multi-deck carpark, ability to reincorporate retail back in to a development, childcare etc).

Hope that helps a bit.

Happy to have a phone conversation if you would like.

Best regards,
Oliver.

Oliver Totani
Director | City & Metro Sales
Investment Services
Dir +61 8 8305 8818 | Mob +61 412 808 743 Main +61 8 8305 8888 | Fax +61 8 8231 7712 |
vCard<<https://vcard.colliers.com.au/default.aspx/oliver.totani@colliers.com>>

Level 9, 121 King William St | Adelaide, SA 5000 | Australia

[cid:image001.jpg@01D4023D.DE94C7A0]<http://www.colliers.com.au/>

Please read the CBS Form R7<http://www.cbs.sa.gov.au/assets/files/form_r7_warning_notice.pdf>. Under new Legislative provisions we are required to serve this to you.

[cid:image003.png@01D4023D.DE94C7A0]<http://www.linkedin.com/company/3181602?trk=tyah> [cid:image004.png@01D4023D.DE94C7A0] <https://twitter.com/ColliersIntAust> [cid:image005.png@01D4023D.DE94C7A0] <http://www.youtube.com/user/ColliersIntAustralia> [cid:image006.png@01D4023D.DE94C7A0] <http://www.colliers.com.au/wechat/>

From: info@realcommercial.com.au [mailto:info@realcommercial.com.au]

Sent: Tuesday, 12 June 2018 10:18 AM

To: Totani, Oliver <Oliver.Totani@colliers.com>

Subject: Enquiry for Property ID: 502825654, 2 Haydown Road & 44 John Rice Avenue, Elizabeth Vale, SA 5112,

Contacted the agent : Oliver Totani

[<https://s1.rui.au.reastatic.net/rui-static/img/rca-logo-v2.png>]

You have received a new lead from realcommercial.com.au for

Property id: 502825654

Property address: 2 Haydown Road & 44 John Rice Avenue, Elizabeth Vale, SA 5112

Property URL: <https://www.realcommercial.com.au/502825654><https://urldefense.proofpoint.com/v2/url?u=https-3A__www.realcommercial.com.au_502825654&d=DwMCAQ&c=8KPF0bmfmkzTkkg5U6HWH6_UmzF06L2ZWAVixC1qC44&r=cbIxASsuVewDSVljsfBOAopgZxQmGROqeK0-BMdbGw&m=OK5xlw8i5hMCtC6mvwD74eYZeQwRWuunmNjOLtQBirE&s=sjAMygVSb5qmyt5YDUjgmZZSNvgKlVlqTmPkOi_097U&e=>

User Details:

Name: Karen Kochergen

Email: karen.kochergen@sa.gov.au<mailto:karen.kochergen@sa.gov.au>

Phone: 0477391749

About me:

I would like to: Get an indication of price, Obtain the property information memorandum

Comments: Hi Oliver - Can you please forward the IM and provide a price estimate for this site? Kind regards, Karen Kochergen Manager Property, SA Health Infrastructure

Remember, you can only use the information contained in this email enquiry for the purposes of contacting the person about their property enquiry.

realestate.com.au Pty Ltd (ACN 080 195 535)

Level 3, 511 Church Street, RICHMOND VIC 3121

Contact Number: 1300 134 174 (8.00am - 7.00pm ESDST) Message sent from
<https://www.realcommercial.com.au><[---

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<IM Elizabeth Vale Central - Email.pdf>

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Mitchell, Leonie (Renewal SA)

From: Kochergen, Karen (Health)
Sent: Friday, 15 June 2018 4:15 PM
To: Gitsham, Jarrod (Renewal SA)
Cc: Collins, Mark (Renewal SA); Brown, Carolyn (Renewal SA); McQuin, Pat (Health)
Subject: RE: Elizabeth - LMH neighbouring allotment
Attachments: Budget letter - SA Health Elizabeth Vale Centre 2018-06-16.pdf

Hi Jarrod,

Thanks for sending this through, budget is approved to proceed.

Kind regards,

Karen Kochergen

Manager Property & Security
Infrastructure, SA Health

Ph: (08) 8463 6081

Mob: 0477 391 749

From: Gitsham, Jarrod (Renewal SA)
Sent: Friday, 15 June 2018 3:45 PM
To: Kochergen, Karen (Health)
Cc: Collins, Mark (Renewal SA); Brown, Carolyn (Renewal SA); McQuin, Pat (Health)
Subject: RE: Elizabeth - LMH neighbouring allotment

Hi Karen,

Please find attached a budget for the preliminary acquisition investigation work for the Elizabeth Vale Central shopping centre.

You'll note the valuation budget allocation is pretty high, but given the short timeframe to produce the valuation report we expect the cost to be much higher than usual.

If we proceed with the purchase, the budget will be adjusted accordingly to take into account the additional work.

I have my fingers crossed I hear back from m3propoerty this afternoon, so we can action the valuation immediately.

Regards

Jarrold Gitsham
Property Consultant
Property Management

Renewal SA

P: 08 8207 1328

M: 0412 758 011

F: 08 8207 1301

jarrod.gitsham@sa.gov.au

www.renewalsa.sa.gov.au

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GPO Box 698, Adelaide 5001

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From: Gitsham, Jarrod (Renewal SA)
Sent: Friday, 15 June 2018 2:40 PM
To: Kochergen, Karen (Health)
Cc: Collins, Mark (Renewal SA); Brown, Carolyn (Renewal SA); McQuin, Pat (Health)
Subject: RE: Elizabeth - LMH neighbouring allotment

Hi Karen,

Thanks, We will initiate a valuation and establish a budget line to undertake this work.

Savill's were unfortunately unable to undertake the valuation within the short timeframe allocated, so I have been consulting with m3propeerty on this matter – they intend to advise me today if they have any conflicts of interest but have indicated should be able to deliver within 10 business days.

Given the short timeframes we strongly suggest internal/DTF approvals are obtained by SA Health to submit an offer (terms to be confirmed once the valuation complete) are progressed concurrently with the preparation of the valuation, so an offer can successfully be submitted within the EOI closing date. I anticipate any offer could be subject to government approvals.

Regards

Jarrod Gitsham
Property Consultant
Property Management
Renewal SA
P: 08 8207 1328
M: 0412 758 011
F: 08 8207 1301
jarrod.gitsham@sa.gov.au
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From: Kochergen, Karen (Health)
Sent: Friday, 15 June 2018 2:29 PM
To: Gitsham, Jarrod (Renewal SA); Brown, Carolyn (Renewal SA); McQuin, Pat (Health)
Subject: Elizabeth - LMH neighbouring allotment

Hi Jarrod,

Further to your email on the valuation, please proceed with priority, costs will be approved.

Our Dep. CE is speaking to Treasury right now to allow some reallocation of funding, so we need to be prepared to put an offer forward by the deadline.

Kind regards,

Karen Kochergen

Manager Property & Security
Infrastructure, SA Health

Ph: (08) 8463 6081

Mob: 0477 391 749

email: karen.kochergen@health.sa.gov.au
Infrastructure Division / Finance and Corporate Services
SA Health / Government of South Australia

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Ref:

15 June 2018

**Ms Karen Kochergen
Manager
Property and Security
Infrastructure Directorate
SA Health**

Urban Renewal Authority
trading as Renewal SA.
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North Terrace, Adelaide SA 5000
GPO Box 698, Adelaide SA 5001
DX: 56502 ABN: 86 832 349 553

T 08 8207 1300
F 08 8207 1301
E renewalsa.info@sa.gov.au
W www.renewalsa.sa.gov.au

Dear Karen,

RE: Preliminary acquisition investigations budget for Elizabeth Vale Shopping Centre - 2 Haydown Road & 44 John Rice Avenue, Elizabeth Vale

In accordance with the instructions of the Circular 114, the preliminary acquisition investigations of the abovementioned site will be handled by Renewal SA in accordance with our previously agreed Standards of Service Provision.

In order to proceed with the investigations, I have attached a budget to undertake the necessary scope of works.

The budget will be adjusted should SA Health proceed with the purchase.

I will proceed with the process when your approval is issued, via signing of the attached budget.

The Renewal SA contact for this job is myself.

Yours sincerely,

Jarrod Gitsham

**Property Consultant
Asset Management
Level 9, Riverside Building
(08) 8207 1328**

Mitchell, Leonie (Renewal SA)

From: Gitsham, Jarrod (Renewal SA)
Sent: Friday, 15 June 2018 3:45 PM
To: Kochergen, Karen (Health)
Cc: Collins, Mark (Renewal SA); Brown, Carolyn (Renewal SA); McQuin, Pat (Health)
Subject: RE: Elizabeth - LMH neighbouring allotment
Attachments: Budget letter - SA Health Elizabeth Vale Centre 2018-06-16.pdf

Hi Karen,

Please find attached a budget for the preliminary acquisition investigation work for the Elizabeth Vale Central shopping centre.

You'll note the valuation budget allocation is pretty high, but given the short timeframe to produce the valuation report we expect the cost to be much higher than usual.

If we proceed with the purchase, the budget will be adjusted accordingly to take into account the additional work.

I have my fingers crossed I hear back from m3propoerty this afternoon, so we can action the valuation immediately.

Regards

Jarrod Gitsham
Property Consultant
Property Management
Renewal SA
P: 08 8207 1328
M: 0412 758 011
F: 08 8207 1301
jarrod.gitsham@sa.gov.au
www.renewalsa.sa.gov.au



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 Adelaide, South Australia 5000
 GPO Box 698, Adelaide 5001

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From: Gitsham, Jarrod (Renewal SA)
Sent: Friday, 15 June 2018 2:40 PM
To: Kochergen, Karen (Health)

Cc: Collins, Mark (Renewal SA); Brown, Carolyn (Renewal SA); McQuin, Pat (Health)
Subject: RE: Elizabeth - LMH neighbouring allotment

Hi Karen,

Thanks, We will initiate a valuation and establish a budget line to undertake this work.

Savill's were unfortunately unable to undertake the valuation within the short timeframe allocated, so I have been consulting with m3propoeerty on this matter – they intend to advise me today if they have any conflicts of interest but have indicated should be able to deliver within 10 business days.

Given the short timeframes we strongly suggest internal/DTF approvals are obtained by SA Health to submit an offer (terms to be confirmed once the valuation complete) are progressed concurrently with the preparation of the valuation, so an offer can successfully be submitted within the EOI closing date. I anticipate any offer could be subject to government approvals.

Regards

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From: Kochergen, Karen (Health)
Sent: Friday, 15 June 2018 2:29 PM
To: Gitsham, Jarrod (Renewal SA); Brown, Carolyn (Renewal SA); McQuin, Pat (Health)
Subject: Elizabeth - LMH neighbouring allotment

Hi Jarrod,

Further to your email on the valuation, please proceed with priority, costs will be approved.

Our Dep. CE is speaking to Treasury right now to allow some reallocation of funding, so we need to be prepared to put an offer forward by the deadline.

Kind regards,

Karen Kochergen

Manager Property & Security
Infrastructure, SA Health

Ph: (08) 8463 6081

Mob: 0477 391 749

email: karen.kochergen@health.sa.gov.au
Infrastructure Division / Finance and Corporate Services
SA Health / Government of South Australia

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RenewalSA
people partnerships progress

Ref:

15 June 2018

**Ms Karen Kochergen
Manager
Property and Security
Infrastructure Directorate
SA Health**

Urban Renewal Authority
trading as Renewal SA.
Level 9 (West) Riverside Centre
North Terrace, Adelaide SA 5000
GPO Box 698, Adelaide SA 5001
DX: 56502 ABN: 86 832 349 553

T 08 8207 1300
F 08 8207 1301
E renewalsa.info@sa.gov.au
W www.renewalsa.sa.gov.au

Dear Karen,

RE: Preliminary acquisition investigations budget for Elizabeth Vale Shopping Centre - 2 Haydown Road & 44 John Rice Avenue, Elizabeth Vale

In accordance with the instructions of the Circular 114, the preliminary acquisition investigations of the abovementioned site will be handled by Renewal SA in accordance with our previously agreed Standards of Service Provision.

In order to proceed with the investigations, I have attached a budget to undertake the necessary scope of works.

The budget will be adjusted should SA Health proceed with the purchase.

I will proceed with the process when your approval is issued, via signing of the attached budget.

The Renewal SA contact for this job is myself.

Yours sincerely,

Jarrod Gitsham
**Property Consultant
Asset Management
Level 9, Riverside Building
(08) 8207 1328**



RENEWAL SA - AGENCY SERVICES BUDGET ESTIMATE				
Client:	<i>SA Health</i>			
Purchaser:	<i>SA Health</i>			
Site:	<i>Elizabeth Vale Central - Shopping Centre</i>			
Address:	<i>2 Haydown Road & 44 John Rice Avenue, Elizabeth Vale</i>			
CTs:	<i>CT 5238/558 & CT 6121/139</i>			
Disposal/Purchase/Property Services:	<i>Purchase</i>			
Instruction Date:	<i>15-06-18</i>			
Renewal SA Property Consultant:	<i>Jarrod</i>			
Renewal SA File:	<i>TBD</i>			
Latest Update:	<i>15-06-18</i>			
Budget does not include preliminary investigations as it is assumed all due-dilligence on preferred site has concluded				
Acquisition costs only incurred in the event of a purchase.				
ACTIVITY				
<i>Preliminary Investigations</i>	Budget	Revision 1	Revision 2	Actual
Renewal SA service fee - 1-3 months	\$2,000			
Sub-Total	\$0			
<i>Acquisition Work</i>				
Renewal SA Service Fee	\$0			
Valuation	\$10,000			
Crown Law - Legal (Contract Preparation)	\$0			
Crown Law - Conveyancing (Form 1/Settlement)	\$0			
Significant Tree Assessment	\$0			
Environmental Site Assessment - Phase 1	\$0			
Environmental testing - Phase 2- TBA if required	\$0			
Asbestos Register/Report - if required	\$0			
Survey (Boundary Ident. survey)	\$0			
Contingency (10%)	\$1,000			
Sub-Total	\$11,000			
GRAND TOTAL	\$11,000	\$0	\$0	\$0
NOTES AND ASSUMPTIONS				
*all expenses are GST EXCLUSIVE				
* aquisition process is not delayed				
*unpredictable political, community or site contamination issues do not emerge				
*does not include costs for any services infrastructure redirection/relocation				
Budget Client Approval:		Date:		
Revised Budget Client Approval:		Date:		

Mitchell, Leonie (Renewal SA)

From: Kochergen, Karen (Health)
Sent: Friday, 15 June 2018 2:29 PM
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Kind regards,

Karen Kochergen

Manager Property & Security
Infrastructure, SA Health

Ph: (08) 8463 6081

Mob: 0477 391 749

email: karen.kochergen@health.sa.gov.au
Infrastructure Division / Finance and Corporate Services
SA Health / Government of South Australia

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Regards

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Mitchell, Leonie (Renewal SA)

From: Gitsham, Jarrod (Renewal SA)
Sent: Wednesday, 20 June 2018 2:10 PM
To: Oliver.Totani@colliers.com
Subject: Elizabeth Vale Central

Hi Oliver,

Have you guys done any searches for Elizabeth Vale Central, i.e. property interest report or prepared a Form 1?

Regards

Jarrod Gitsham
Property Consultant
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Mitchell, Leonie (Renewal SA)

From: Totani, Oliver <Oliver.Totani@colliers.com>
Sent: Wednesday, 20 June 2018 4:24 PM
To: Gitsham, Jarrod (Renewal SA)
Subject: RE: Elizabeth Vale Central

Hi Jarrod,

Sale Contract and Form 1 are being prepared as we speak.

Will shoot through once finalised.

Regards,
Oliver.

Oliver Totani

Director | City & Metro Sales
Investment Services

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Main +61 8 8305 8888 | Fax +61 8 8231 7712 | [vCard](#)

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Mitchell, Leonie (Renewal SA)

From: Gitsham, Jarrod (Renewal SA)
Sent: Monday, 25 June 2018 11:07 AM
To: 'Totani, Oliver'
Cc: Hazell, Justin
Subject: RE: Elizabeth Vale Central - Lyell McEwin Health Precinct

Thanks Oli,

I'll pass this information on to McGees, as they are preparing the valuation. I'm hoping they will get something back to us early next week.

Can I assume there is still a demolition termination clause in the extension of lease to the Minister of Transport and Infrastructure?

It's likely I have to head out to that part of town this week, but not sure when yet, so I might just do a quick walk through the car park to tick the inspection box on the way through.

Regards

Jarrod Gitsham
Property Consultant
Property Management

Renewal SA

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From: Totani, Oliver [mailto:Oliver.Totani@colliers.com]
Sent: Monday, 25 June 2018 10:48 AM
To: Gitsham, Jarrod (Renewal SA)
Cc: Hazell, Justin

Subject: Elizabeth Vale Central - Lyell McEwin Health Precinct
Importance: High

Hi Jarrod,

Further to our recent discussions, we just wanted to provide you with a brief update on some financial information regarding Elizabeth Vale Central, within the Lyell McEwin Health Precinct.

We have received confirmation that the outgoings budget previously provided to us contained an error with respect to the Land Tax budget. The previous outgoings schedule incorrectly indicated the 2017/2018 land tax budget as \$69,000. The correct Land Tax budget for 2017/2018 is \$18,800, with actual Land Tax for the 2017/2018 coming in at \$17,289. This correction increases the current estimated fully leased net income from \$645,267 to \$695,467 (based on budgeted outgoings).

We also advise that:

1. A new 5 year management agreement has been entered into with the carpark manager, Wilson Parking Australia, from 1 May 2018. The new management agreement contains provisions for the owner to terminate the agreement in the event of sale of the property and/or redevelopment;
2. Agreement has been reached for an extension to the lease to the Minister for Transport & Infrastructure (i.e. shops 2 & 3) from 1 August 2018 for a further two (2) year term (together with a two (2) year right of renewal) at a commencing rental of \$58,400 per annum + GST with annual 4% reviews.

We have attached an updated Information Memorandum and Tenancy Schedule for your reference. The 2nd tab of the tenancy schedule contains a financial summary including outgoings etc.

Please let Justin Hazell or me know if you require copies of any relevant documentation.

Kind regards,

Oliver Totani

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Mitchell, Leonie (Renewal SA)

From: Totani, Oliver <Oliver.Totani@colliers.com>
Sent: Monday, 25 June 2018 12:08 PM
To: Gitsham, Jarrod (Renewal SA)
Cc: Hazell, Justin
Subject: RE: Elizabeth Vale Central - Lyell McEwin Health Precinct

No probs Jarrod. Feel free to wonder around.

Spot on, re demolition clause as it remains for the Minister's lease.

If you need anything further, don't hesitate to shout out.

Cheers,
 Oli.

Oliver Totani

Director | City & Metro Sales
 Investment Services
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Sent: Monday, 25 June 2018 10:48 AM
To: Gitsham, Jarrod (Renewal SA)
Cc: Hazell, Justin
Subject: Elizabeth Vale Central - Lyell McEwin Health Precinct
Attachments: Tenancy Schedule as at 20 June 2018.xlsx; IM Elizabeth Vale Central Revised - Email.pdf

Importance: High

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Mitchell, Leonie (Renewal SA)

From: Gitsham, Jarrod (Renewal SA)
Sent: Wednesday, 4 July 2018 2:35 PM
To: Oliver.Totani@colliers.com
Subject: Elizabeth Vale Central Shopping Centre

Hi Oli,

The Valuation we have commissioned has been completed and SA Health are currently discussing the Elizabeth Vale Central Shopping Centre with the Minister and advisors.

They have advised me they should have an answer by late Thursday as to whether or not they intend to submit an expression of interest. I suspect I may potentially need a bit of extra time. Will let you know tomorrow.

Regards

Jarrod Gitsham
Property Consultant
Property Management
P: 08 8207 1328
F: 08 8207 1301
jarrod.gitsham@sa.gov.au
www.renewalsa.sa.gov.au



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Mitchell, Leonie (Renewal SA)

From: Totani, Oliver <Oliver.Totani@colliers.com>
Sent: Wednesday, 4 July 2018 4:07 PM
To: Gitsham, Jarrod (Renewal SA)
Subject: RE: Elizabeth Vale Central Shopping Centre

Importance: High

Hi Jarrod,

Thanks for the update.

Please keep me in the loop. Obviously we will do our best to keep SA health in the race and, if that means that confirmation of their position is only a couple of hours late, then I don't see a major issue.

Let's touch base tomorrow arvo to see how things are tracking. Given the opportunity at hand, particularly for SA Health, it would be remiss of us to not advocate for a bit of leeway to enable them line up their ducks however, as you would appreciate, we are ultimately in the hands of our vendor (and more particularly the market).

Speak tomorrow.

Best Regards,
 Oli.

Oliver Totani

Director | City & Metro Sales
 Investment Services

Dir +61 8 8305 8818 | Mob +61 412 808 743
 Main +61 8 8305 8888 | Fax +61 8 8231 7712 | [vCard](#)
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From: Gitsham, Jarrod (Renewal SA) [mailto:Jarrod.Gitsham@sa.gov.au]
Sent: Wednesday, 4 July 2018 2:35 PM
To: Totani, Oliver <Oliver.Totani@colliers.com>
Subject: Elizabeth Vale Central Shopping Centre

Hi Oli,

The Valuation we have commissioned has been completed and SA Health are currently discussing the Elizabeth Vale Central Shopping Centre with the Minister and advisors.

They have advised me they should have an answer by late Thursday as to whether or not they intend to submit an expression of interest. I suspect I may potentially need a bit of extra time. Will let you know tomorrow.

Regards

Jarrold Gitsham
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Mitchell, Leonie (Renewal SA)

From: McQuin, Pat (Health)
Sent: Wednesday, 4 July 2018 2:25 PM
To: Gitsham, Jarrod (Renewal SA)
Subject: Elizabeth Vale Central

Jarrod

I briefly caught up with Karen after she had seen my message.

Everything is with the Minister and his Office Manager and Senior Advisor. There is a chance of a decision by late Thursday, but Karen asked that you have ready that note requesting an extended time to next Monday pm.

If we put in an offer it will have to be conditional on all Government approvals, which in this instance is not just Cabinet, but that DTF come onside in allowing us to use project savings for the purchase.

Thanks

Pat McQuin

Strategic Assets Consultant
Property and Security
Infrastructure
Finance and Corporate Services
SA Health
Government of South Australia

Level 5, CitiCentre, 11 Hindmarsh Square, Adelaide

Tel: 84636171
Fax: 84636070
Mobile:0419829970
E-mail:Pat.McQuin@sa.gov.au

Web site: www.health.sa.gov.au

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Mitchell, Leonie (Renewal SA)

From: Gitsham, Jarrod (Renewal SA)
Sent: Wednesday, 4 July 2018 2:27 PM
To: McQuin, Pat (Health)
Subject: RE: Elizabeth Vale Central

Thanks Pat,

We would also make any offer subject to Environmental Due Diligence – this would be undertaken by our environmental team and probably consist of a desktop assessment.

Regards

Jarrod Gitsham
Property Consultant
Property Management
Renewal SA
P: 08 8207 1328
M: 0412 758 011
F: 08 8207 1301
jarrod.gitsham@sa.gov.au
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From: McQuin, Pat (Health)
Sent: Wednesday, 4 July 2018 2:25 PM
To: Gitsham, Jarrod (Renewal SA)
Subject: Elizabeth Vale Central

Jarrod

I briefly caught up with Karen after she had seen my message.

Everything is with the Minister and his Office Manager and Senior Advisor. There is a chance of a decision by late Thursday, but Karen asked that you have ready that note requesting an extended time to next Monday pm.

If we put in an offer it will have to be conditional on all Government approvals, which in this instance is not just Cabinet, but that DTF come onside in allowing us to use project savings for the purchase.

Thanks

Pat McQuin

Strategic Assets Consultant
Property and Security
Infrastructure
Finance and Corporate Services
SA Health
Government of South Australia

Level 5, CitiCentre, 11 Hindmarsh Square, Adelaide

Tel: 84636171
Fax: 84636070
Mobile:0419829970
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Web site: www.health.sa.gov.au

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Mitchell, Leonie (Renewal SA)

From: Kochergen, Karen (Health)
Sent: Thursday, 5 July 2018 2:54 PM
To: McQuin, Pat (Health); Gitsham, Jarrod (Renewal SA); Hewitt, Brendan (Health)
Subject: Approval to submit offer- ELIZABETH VALE

Hi Jarrod,
Brendan has advised we can submit an offer for GST exclusive SUBJECT TO the Minister and Cabinet's subsequent approval in all respects.

Please note the Minister is comfortable with submitting a preliminary offer but will reserve the right to withdraw during the EOI campaign at his full discretion, and RSA's offer must ensure that could occur if needed.

We are open to negotiations on a settlement timeframe, but practically speaking would likely need at least 3 months following Cabinet approval.

Kind regards

Karen Kochergen
Manager, Property & Security
Infrastructure
SA HEALTH

Ph:8463 6081
Mob: 0477 391 749

Mitchell, Leonie (Renewal SA)

From: Totani, Oliver <Oliver.Totani@colliers.com>
Sent: Thursday, 5 July 2018 4:42 PM
To: Gitsham, Jarrod (Renewal SA)
Subject: RE: Expression of Interest - 2 Haydown Rd and 44 John Rice Ave

Hi Jarrod,

I acknowledge receipt of Renewal SA's EOI.

We will be in touch in due course.

Regards,
 Oliver.

Oliver Totani

Director | City & Metro Sales
 Investment Services

Dir +61 8 8305 8818 | Mob +61 412 808 743
 Main +61 8 8305 8888 | Fax +61 8 8231 7712 | [vCard](#)
 Level 9, 121 King William St | Adelaide, SA 5000 | Australia



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From: Gitsham, Jarrod (Renewal SA) [mailto:Jarrod.Gitsham@sa.gov.au]
Sent: Thursday, 5 July 2018 3:25 PM
To: Totani, Oliver <Oliver.Totani@colliers.com>
Subject: Expression of Interest - 2 Haydown Rd and 44 John Rice Ave

Hi Oliver,

As discussed, please find attached an expression of interest on behalf of SA Health to purchase 2 Haydown Rd and 44 John Rice Ave.

If you would like to discuss further, please don't hesitate to contact me.

Regards

Jarrold Gitsham
Property Consultant
Property Management
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F: 08 8207 1301
jarrod.gitsham@sa.gov.au
www.renewalsa.sa.gov.au



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Mitchell, Leonie (Renewal SA)

From: Kochergen, Karen (Health)
Sent: Thursday, 5 July 2018 3:22 PM
To: Gitsham, Jarrod (Renewal SA); McQuin, Pat (Health); Hewitt, Brendan (Health)
Subject: FW: Approval to submit offer- ELIZABETH VALE
Attachments: Letter of Offer Elizabeth Vale Central DRAFT.doc

Hi Jarrod,

Letter looks good, thanks. Please proceed,

Kind regards,

Karen Kochergen

Manager, Property & Security

Infrastructure, SA Health

Ph: (08) 8463 6081

Mob: 0477 391 749

-----Original Message-----

From: Gitsham, Jarrod (Renewal SA)

Sent: Thursday, 5 July 2018 3:02 PM

To: Kochergen, Karen (Health); McQuin, Pat (Health); Hewitt, Brendan (Health)

Subject: RE: Approval to submit offer- ELIZABETH VALE

Hi Karen,

How does the attached offer letter look? I think it covers off on those points.

Regards

Jarrod Gitsham

Property Consultant

Property Management

Renewal SA

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F: 08 8207 1301

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-----Original Message-----

From: Kochergen, Karen (Health)

Sent: Thursday, 5 July 2018 2:54 PM

To: McQuin, Pat (Health); Gitsham, Jarrod (Renewal SA); Hewitt, Brendan (Health)

Subject: Approval to submit offer- ELIZABETH VALE

Hi Jarrod,

Brendan has advised we can submit an offer for ^{Clause 16(2)} GST exclusive SUBJECT TO the Minister and Cabinet's subsequent approval in all respects.

Please note the Minister is comfortable with submitting a preliminary offer but will reserve the right to withdraw during the EOI campaign at his full discretion, and RSA's offer must ensure that could occur if needed.

We are open to negotiations on a settlement timeframe, but practically speaking would likely need at least 3 months following Cabinet approval.

Kind regards

Karen Kochergen
Manager, Property & Security
Infrastructure
SA HEALTH

Ph:8463 6081

Mob: 0477 391 749

Mitchell, Leonie (Renewal SA)

From: Gitsham, Jarrod (Renewal SA)
Sent: Thursday, 5 July 2018 3:24 PM
To: Oliver.Totani@colliers.com
Subject: Expression of Interest - 2 Haydown Rd and 44 John Rice Ave
Attachments: Letter of Offer - Elizabeth Vale Central SA Health 2018-07-05.pdf

Hi Oliver,

As discussed, please find attached an expression of interest on behalf of SA Health to purchase 2 Haydown Rd and 44 John Rice Ave.

If you would like to discuss further, please don't hesitate to contact me.

Regards

Jarrod Gitsham
Property Consultant
Property Management
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F: 08 8207 1301
jarrod.gitsham@sa.gov.au
www.renewalsa.sa.gov.au



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Mitchell, Leonie (Renewal SA)

From: Kochergen, Karen (Health)
Sent: Thursday, 5 July 2018 3:28 PM
To: Gitsham, Jarrod (Renewal SA)
Subject: RE: Expression of Interest - 2 Haydown Rd and 44 John Rice Ave

Many thanks Jarrod,

Kind regards,

Karen Kochergen

Manager, Property & Security

Infrastructure, SA Health

Ph: (08) 8463 6081

Mob: 0477 391 749

From: Gitsham, Jarrod (Renewal SA)
Sent: Thursday, 5 July 2018 3:25 PM
To: Oliver.Totani@colliers.com
Subject: Expression of Interest - 2 Haydown Rd and 44 John Rice Ave

Hi Oliver,

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Jarrod Gitsham
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jarrod.gitsham@sa.gov.au

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Mitchell, Leonie (Renewal SA)

From: Hazell, Justin <Justin.Hazell@colliers.com>
Sent: Friday, 6 July 2018 2:55 PM
To: Gitsham, Jarrod (Renewal SA)
Cc: Totani, Oliver
Subject: Elizabeth Vale Central
Attachments: EOI Invitation - Renewal SA.pdf

Hi Jarrod

Please refer to the attached letter.

Please let Oliver Totani or me know if you have any queries.

Kind regards

Justin Hazell

Director | Transaction Services
Healthcare & Retirement Living
Dir +61 8 8305 8821 | Mob +61 414 232 022
Main +61 8 8305 8888 | Fax +61 8 8231 7712 | [vCard](#)
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6 July 2018

Jarrold Gitsham
Renewal SA
Level 9 (West) Riverside Centre
North Terrace
Adelaide SA 5000

Email: Jarrod.Gitsham@sa.gov.au

Dear Jarrod

Expression of Interest – Elizabeth Vale Central

Thank you for your Expression of Interest in relation to the purchase of Elizabeth Vale Central, 2 Haydown Road and 44 John Rice Avenue, Elizabeth Vale.

We have had the opportunity to review all submitted Expressions of Interest with the vendor and confirm that you have been selected as 1 of 7 parties to participate in a second-round bidding process which will close at 12.00noon CST next Friday 13 July 2018.

In addition to focussing on presenting your best and final price for the asset, you are asked to reconsider the duration of your requested Environmental Due Diligence, Ministerial and Cabinet approval period.

Your second round bid should also state your intentions with respect to deposit.

The vendor has reaffirmed their commitment to a transaction and remains motivated to exchange contracts as promptly as possible.

We reiterate that this is a competitive process and encourage you to present your best offer.

Should you have any questions whatsoever please do not hesitate to contact either of the undersigned.

Yours sincerely

A handwritten signature in black ink, appearing to read "Justin Hazell", written over a light blue circular stamp.

Justin Hazell
Director, Transaction Services
Healthcare & Retirement Living

A handwritten signature in blue ink, appearing to read "Oliver Totani", written over a light blue circular stamp.

Oliver Totani
Director, Investment Services

Mitchell, Leonie (Renewal SA)

From: Gitsham, Jarrod (Renewal SA)
Sent: Friday, 6 July 2018 3:10 PM
To: Kochergen, Karen (Health)
Cc: Collins, Mark (Renewal SA); McQuin, Pat (Health); Hewitt, Brendan (Health)
Subject: FW: Elizabeth Vale Central
Attachments: EOI Invitation - Renewal SA.pdf

Hi Karen,

Please find attached the response from Colliers on the EOI for 2 Haydown Rd and 44 John Rice Ave.

We have been shortlisted for a final and best offer. Please note the comments in relation to the conditions.

I have spoken to our environmental team and they are confident they can undertake an assessment within 30 days.

The question is can SA Health reduce the timeframe to undertake approvals? and is SA Health willing to pay more for the site?

If you can get back to me on the above at your earliest convenience that would be appreciated.

Regards

Jarrold Gitsham
Property Consultant
Property Management

Renewal SA

P: 08 8207 1328

M: 0412 758 011

F: 08 8207 1301

jarrod.gitsham@sa.gov.au

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From: Hazell, Justin [mailto:Justin.Hazell@colliers.com]

Sent: Friday, 6 July 2018 2:55 PM

To: Gitsham, Jarrod (Renewal SA)
Cc: Totani, Oliver
Subject: Elizabeth Vale Central

Hi Jarrod

Please refer to the attached letter.

Please let Oliver Totani or me know if you have any queries.

Kind regards

Justin Hazell

Director | Transaction Services
Healthcare & Retirement Living
Dir +61 8 8305 8821 | Mob +61 414 232 022
Main +61 8 8305 8888 | Fax +61 8 8231 7712 | [vCard](#)
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6 July 2018

Jarrold Gitsham
Renewal SA
Level 9 (West) Riverside Centre
North Terrace
Adelaide SA 5000

Email: Jarrod.Gitsham@sa.gov.au

Dear Jarrod

Expression of Interest – Elizabeth Vale Central

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We reiterate that this is a competitive process and encourage you to present your best offer.

Should you have any questions whatsoever please do not hesitate to contact either of the undersigned.

Yours sincerely



Justin Hazell
Director, Transaction Services
Healthcare & Retirement Living



Oliver Totani
Director, Investment Services

Mitchell, Leonie (Renewal SA)

From: McQuin, Pat (Health)
Sent: Friday, 6 July 2018 10:25 AM
To: Gitsham, Jarrod (Renewal SA)
Subject: FW: Possible Acquisition - Elizabeth Vale Central shopping centre

Sensitivity: Confidential

Good morning Jarrod

I sought advice from my Taxation Services area last week, and had a quick turnaround as the Manager of the area took it upon himself to do a rapid turnaround.

This may become irrelevant if our offer is inadequate, but otherwise this advice will influence how Health will approach things.

You will note that Andrew favoured a purchase being fully taxable.

Thanks

Pat McQuin

Strategic Assets Consultant
Property and Security
Infrastructure
Finance and Corporate Services
SA Health
Government of South Australia

Level 5, CitiCentre, 11 Hindmarsh Square, Adelaide

Tel: 84636171
Fax: 84636070
Mobile:0419829970
E-mail:Pat.McQuin@sa.gov.au

Web site: www.health.sa.gov.au

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From: Jackson, Andrew (Health)
Sent: Tuesday, 26 June 2018 9:21 AM
To: McQuin, Pat (Health)
Cc: Sinclair, Julie (Health); Porcaro, Rita (Health)
Subject: FW: Possible Acquisition - Elizabeth Vale Central shopping centre
Sensitivity: Confidential

Pat,

I understand this proposal is in its infancy and requires a quick turn-around. I would expect when we get more information surrounding the actual sale and intended sale date we can be more specific regarding the actual sale and its GST consequences.

Answer:

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One point to note is that in some of the rulings it does contemplate where a business including the property is transferred that it can be considered the sale of a going concern (Example 24 below shows this). However, this is restricted to it continuing being run for the foreseeable future. There is no definition of the foreseeable future, but you have indicated in the medium to long term SA Health wishes to redevelop the site for hospital related purposes, so I would argue it is unlikely we could explore that option. Another buyer may be of a different mind and wish to carry on the business, which would be a different case entirely.

Example 24: partly tenanted building

152. *The Bullish Unit Trust enters into a contract to sell a large commercial building which it has leased out for several years. At the time of sale, the building has only one tenant which occupies a part of the available floor space. The balance of the floor space is available for lease and the trust has engaged a leasing agent to find tenants for the remaining area. The trust is carrying on an enterprise of leasing the building as it is carrying on leasing activities on a regular or continuous basis.*

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The only other concern is if the margin scheme applies to this. I take from the attached documents that the car park title was issued in 1995 and the current edition was made in 2005. I am uncertain as to when the last sale date actually was. The shopping centre title appears to have been issued in 2013 and updated in 2017. You would expect the constant updating is due to the leases needing to be added to it.

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3. If you were charged the full rate of GST when you originally purchased a property, the margin scheme can't be used in selling the property. Generally, if you were charged the full rate of GST when you purchased a property as part of your business you would have claimed the GST back.

Thus, it isn't that attractive to us I would think.

Given this is requiring a quick response, I have not been able to do as comprehensive research as we may usually do in such a case, but I do not see any risks by this being treated as a fully taxable supply.

Regards,

Andrew Jackson

Manager, Taxation Services

Finance and Corporate Services -

Finance - Financial Accounting

SA Health

Government of South Australia

Lead, Partner, Deliver

Tel: 7425 3577

Fax: 7425 3666

Email: Andrew.Jackson@sa.gov.au

Website: www.health.sa.gov.au

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From: McQuin, Pat (Health)

Sent: Monday, 25 June 2018 11:27 AM

To: Health:Tax Helpdesk; Jackson, Andrew (Health)

Subject: Possible Acquisition - Elizabeth Vale Central shopping centre

Importance: High

Sensitivity: Confidential

Andrew

I left a message earlier, hoping to forewarn you of this request. If I've omitted anything let me know and I will try to chase it up. However, as there are aspects of this proposal which are unclear to me, your more detailed questioning might need to be directed to Karen or Brendan.

Pat

COMMERCIAL IN CONFIDENCE

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A purchase price is unknown but might be around

Some of the information attached has been provided by the agent following the signing of a Confidentiality Deed.

The property would in the first instance be acquired as a going concern. Subsequently, some of the car parking on the site would be oriented towards staff use, as the hospital through the Emergency Department expansion, and the termination of a lease for surface car parking, faces a short fall in excess of 300 spaces. Other commercial activities at the shopping centre, in the event of a successful offer by SA Health, subsequently approved by Cabinet, will continue while strategic planning for the existing hospital site, and the shopping centre, occurs.

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I understand the Deputy CE is supporting the proposal and has talked with DTF around the reallocation of project savings to the purchase.

Your advice on the GST and other implications, be they at purchase, or at a subsequent time, would be greatly welcomed. If the Minute gets out of this office quickly, you may be questioned by Jamin.

Regards

Pat McQuin

Strategic Assets Consultant

Property and Security

Infrastructure

Finance and Corporate Services

SA Health

Government of South Australia

Level 5, CitiCentre, 11 Hindmarsh Square, Adelaide

Tel: 84636171

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Mobile:0419829970

E-mail:Pat.McQuin@sa.gov.au

Web site: www.health.sa.gov.au

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Mitchell, Leonie (Renewal SA)

From: Gitsham, Jarrod (Renewal SA)
Sent: Friday, 6 July 2018 10:41 AM
To: McQuin, Pat (Health)
Subject: RE: Possible Acquisition - Elizabeth Vale Central shopping centre

Sensitivity: Confidential

Hi Pat,

We interpreted the sale as a going concern, thus GST Free - <https://www.ato.gov.au/general/property/property-used-in-running-a-business/selling-commercial-premises/#GoodsandservicestaxGST>

I won't however disagree with your tax advice. If you want to pay and claim back then no worries – doubt it will impact the offer, as SA Health could pay the GST on top of the offer price.

Regards

Jarrod Gitsham
Property Consultant
Property Management
Renewal SA
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M: 0412 758 011
F: 08 8207 1301
jarrod.gitsham@sa.gov.au
www.renewalsa.sa.gov.au



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 Adelaide, South Australia 5000
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Think before you print – consider the environment

From: McQuin, Pat (Health)
Sent: Friday, 6 July 2018 10:25 AM
To: Gitsham, Jarrod (Renewal SA)
Subject: FW: Possible Acquisition - Elizabeth Vale Central shopping centre
Sensitivity: Confidential

Good morning Jarrod

I sought advice from my Taxation Services area last week, and had a quick turnaround as the Manager of the area took it upon himself to do a rapid turnaround.

This may become irrelevant if our offer is inadequate, but otherwise this advice will influence how Health will approach things.

You will note that Andrew favoured a purchase being fully taxable.

Thanks

Pat McQuin

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From: Jackson, Andrew (Health)
Sent: Tuesday, 26 June 2018 9:21 AM
To: McQuin, Pat (Health)
Cc: Sinclair, Julie (Health); Porcaro, Rita (Health)
Subject: FW: Possible Acquisition - Elizabeth Vale Central shopping centre
Sensitivity: Confidential

Pat,

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Answer:

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Sensitivity: Confidential

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Mitchell, Leonie (Renewal SA)

From: Gitsham, Jarrod (Renewal SA)
Sent: Friday, 13 July 2018 11:51 AM
To: 'Hazell, Justin'; Totani, Oliver
Subject: RE: Elizabeth Vale Central

Hi Oliver & Justin,

I can confirm SA Health will not be submitting a revised offer for the Elizabeth Vale central Shopping Centre.

Should circumstances necessitate further discussions, please feel free to contact me.

Regards

Jarrod Gitsham
Property Consultant
Property Management

Renewal SA

P: 08 8207 1328

M: 0412 758 011

F: 08 8207 1301

jarrod.gitsham@sa.gov.au

www.renewalsa.sa.gov.au



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GPO Box 698, Adelaide 5001

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Think before you print – consider the environment

From: Hazell, Justin [mailto:Justin.Hazell@colliers.com]
Sent: Friday, 6 July 2018 2:55 PM
To: Gitsham, Jarrod (Renewal SA)
Cc: Totani, Oliver
Subject: Elizabeth Vale Central

Hi Jarrod

Please refer to the attached letter.

Please let Oliver Totani or me know if you have any queries.

Kind regards

Justin Hazell

Director | Transaction Services
Healthcare & Retirement Living
Dir +61 8 8305 8821 | Mob +61 414 232 022
Main +61 8 8305 8888 | Fax +61 8 8231 7712 | [vCard](#)
Level 9, 121 King William St | Adelaide, SA 5000 | Australia



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Mitchell, Leonie (Renewal SA)

From: Totani, Oliver <Oliver.Totani@colliers.com>
Sent: Friday, 13 July 2018 12:52 PM
To: Gitsham, Jarrod (Renewal SA); Hazell, Justin
Subject: RE: Elizabeth Vale Central

Hi Jarrod.

We confirm receipt.

Thankyou.

Oliver Totani

Director | City & Metro Sales
Investment Services

Dir +61 8 8305 8818 | Mob +61 412 808 743

Main +61 8 8305 8888 | Fax +61 8 8231 7712 | [vCard](#)

Level 9, 121 King William St | Adelaide, SA 5000 | Australia



Please read the [CBS Form R7](#). Under new Legislative provisions we are required to serve this to you.



From: Gitsham, Jarrod (Renewal SA) [mailto:Jarrod.Gitsham@sa.gov.au]
Sent: Friday, 13 July 2018 11:51 AM
To: Hazell, Justin <Justin.Hazell@colliers.com>; Totani, Oliver <Oliver.Totani@colliers.com>
Subject: RE: Elizabeth Vale Central

Hi Oliver & Justin,

I can confirm SA Health will not be submitting a revised offer for the Elizabeth Vale central Shopping Centre.

Should circumstances necessitate further discussions, please feel free to contact me.

Regards

Jarrod Gitsham
Property Consultant
Property Management

Renewal SA

P: 08 8207 1328

M: 0412 758 011

F: 08 8207 1301

jarrod.gitsham@sa.gov.au

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GPO Box 698, Adelaide 5001

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From: Hazell, Justin [<mailto:Justin.Hazell@colliers.com>]
Sent: Friday, 6 July 2018 2:55 PM
To: Gitsham, Jarrod (Renewal SA)
Cc: Totani, Oliver
Subject: Elizabeth Vale Central

Hi Jarrod

Please refer to the attached letter.

Please let Oliver Totani or me know if you have any queries.

Kind regards

Justin Hazell

Director | Transaction Services
Healthcare & Retirement Living

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Mitchell, Leonie (Renewal SA)

From: Kocherger, Karen (Health)
Sent: Friday, 13 July 2018 11:45 AM
To: Gitsham, Jarrod (Renewal SA)
Cc: McQuin, Pat (Health); Hewitt, Brendan (Health); Packer, Tim (Health)
Subject: Re: Elizabeth Vale Central Shopping Centre - Agent meeting

Hi Jarrod -

Brendan has advised SA Health will not be submitting a revised offer for the acquisition of the Shopping Centre adjacent LMH,

Many thanks

Karen Kocherger
Manager, Property & Security
Infrastructure
SA HEALTH

Ph:8463 6081
Mob: 0477 391 749

On 12 Jul 2018, at 3:18 pm, Gitsham, Jarrod (Renewal SA) <Jarrod.Gitsham@sa.gov.au> wrote:

Hi Karen,

Is it likely SA Health will resubmit a revised offer? Just a quick reminder the EOI for revised offers closes 12pm tomorrow 13/7/18.

Regards

Jarrold Gitsham
Property Consultant
Property Management

Renewal SA

P: 08 8207 1328

M: 0412 758 011

F: 08 8207 1301

jarrod.gitsham@sa.gov.au

www.renewalsa.sa.gov.au

<image001.gif>

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From: Gitsham, Jarrod (Renewal SA)
Sent: Tuesday, 10 July 2018 11:12 AM
To: Kochergen, Karen (Health)
Cc: Collins, Mark (Renewal SA); McQuin, Pat (Health)
Subject: Elizabeth Vale Central Shopping Centre - Agent meeting

Hi Karen,

As discussed I was invited to catch up this morning and have a chat with the Agents for the Elizabeth Vale Central Shopping Centre to get some feedback on SA Health's offer.

Please advise if you would like the offer to be revised.

Happy to discuss further – second round EOI's close 12pm Friday 13th July.

Regards

Jarrod Gitsham
Property Consultant
Property Management
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F: 08 8207 1301
jarrod.gitsham@sa.gov.au
www.renewalsa.sa.gov.au

<image001.gif>

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