

23 March 2022

Hon. Ms Abigail Body, MLC
Chair of Portfolio Committee 6
Legislative Council
Parliament of NSW
Macquarie Street
Sydney NSW 2000

Dear Ms Boyd,

Re: Parliamentary Inquiry Hearing #5 PC6

We refer to the Parliamentary Inquiry Hearing #5 PC6 – Acquisition of land in relation to major transport projects.

We provide further clarification around my response to the Honourable Daniel Mookhey MLC regarding case studies where agreement could not be reached with Sydney Metro and these matters were referred to the Valuer-General for an independent valuation (at 1:31:28 of the recording), whereby I stated:

‘From my side of things, from what I was seeing, Sydney Metro had drawn a line in the sand and were not willing to give a dollar more on their valuations. The Valuer-General did come in and assess independently market valuations and all my clients who went to the Valuer-General came up significantly. Sometimes double.’

In fact, I need to correct the record. Of the clients represented by Newhouse & Arnold who claims against Sydney Metro were referred to the Valuer-General:

- One client received nearly five times more in compensation from the Valuer-General than what was offered by Sydney Metro.
- Three clients received between 2 and 2.5 times more in compensation from the Valuer-General than what was offered by Sydney Metro.
- Seven clients received between 1.2 and 1.5 times more in compensation from the Valuer-General than what was offered by Sydney Metro.

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- One client received 5% more in compensation from the Valuer-General than what was offered by Sydney Metro.

Further, when one looks at what Sydney Metro offered each client at first instance, compared with what Sydney Metro submitted to the Valuer-General, some six to nine months later, Sydney Metro:

- For nine of our clients, provided no change in the amount of compensation from their original offer to their submission to the Valuer-General.
- For one business leasehold claimant, provided no offer of compensation and did not support any compensation in their submission to the Valuer-General.
- For only two business leasehold interest claims, made submissions to the Valuer-General with increased offers.

Importantly, for all eight freehold matters that went to the Valuer-General from this firm, Sydney Metro did not increase their offer of compensation in their submissions to the Valuer-General from their original offer (some six to nine months earlier), notwithstanding that Sydney was in a rising market during this period.

With permission from each of our clients, we provide you with the following summary:

SYDNEY METRO CLAIMS REFERRED TO VALUER-GENERAL IN 2021 FROM NEWHOUSE & ARNOLD SOLICITORS						
Interest	SM's Initial Offer to Claimant	SM's Submission to VG*	VG Determination	Difference between VG Determination and SM Submission to VG (%)	Difference between VG Determination and SM Submission to VG (as a multiple)	Difference between SM's Initial Offer and SM's Submission to VG i.e. change over 9 months
Freehold	\$1,379,500.00	\$1,379,500.00	\$1,670,965.00	121%	1.2x	No change
Freehold	\$1,229,500.00	\$1,229,500.00	\$1,434,725.00	117%	1.2x	No change
Freehold	\$839,297.00	\$839,297.00	\$874,920.00	104%	1.05x	No change
Leasehold	No offer provided	\$0.00	\$759,438.00	-	-	No offer provided
Leasehold	\$414,054.00	\$753,844.00	\$1,916,418.00	254%	2.5x	182%
Freehold	\$743,900.00	\$743,900.00	\$870,673.00	117%	1.2x	No change
Freehold	\$1,238,400.00	\$1,238,400.00	\$1,620,300.00	131%	1.3x	No change
Freehold	\$861,000.00	\$861,000.00	\$1,100,274.00	128%	1.3x	No change
Leasehold	\$32,310.00	\$174,987.00	\$422,521.00	241%	2.4x	542%
Leasehold	\$462,418.00	\$462,418.00	\$2,278,317.00	493%	4.9x	No change
Freehold	\$2,612,180.00	\$2,612,180.00	\$3,849,000.00	147%	1.5x	No change
Freehold	\$2,612,180.00	\$2,612,180.00	\$3,828,000.00	146%	1.5x	No change

SM = Sydney Metro
VG = Valuer-General

We trust that this clarifies the record and provides the Committee with further information.

Yours faithfully

NEWHOUSE & ARNOLD SOLICITORS

David Newhouse

Partner

CC: Deputy Chair, Hon. Mr Daniel Mookhey, MLC
Mr Stephen Fujiwara, Senior Council Officer
Ballanda Sack, Beatty Hughes & Associates