

NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given in accordance with section 93(1)(a) of the *Competition and Consumer Act 2010* (Cth) (**CCA**) of particulars of conduct or proposed conduct of a kind referred to in section 47(6) of the CCA.

1. Details of the notifying party:

Details of the notifying party are as follows:

(a) **name, address (registered office), telephone number, and ACN**

Norwell Valley Collective Pty Ltd ACN 663 110 674 (**Leamac**)

(b) **contact person's name, telephone number, and email address**

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(c) **description of business activities**

Development, subdivision and sales of land (including residential land).

(d) **email address for service of documents in Australia.**

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

2. Details of notified conduct

This notification is for exclusive dealing within the meaning set out in section 47(6) of the CCA.

The relevant conduct may be described as Leamac offering to provide property development services to a group of approximately 70 landowners in Norwell Valley, Queensland (**Landowners**) on condition that, if a Landowner wishes to sell its land prior to completion of the development process, the Landowner will use the services of Colliers International Residential (Brisbane) Pty Ltd ACN 009 913 179 (**Colliers**) to sell the land (**Notified Conduct**).

The Notified Conduct does not have a purpose, effect or likely effect of substantially lessening competition in any affected market.

Background

Leamac is a property developer with experience in the development of large and complex mixed use developments.

Leamac is proposing to enter into development management agreements with the Landowners to develop various parcels of land in Norwell Valley, Queensland owned by the Landowners (**Development Land**) as an integrated property development.

Leamac proposes to combine the respective landholdings and subdivide the combined land. The proposed development will include residential, commercial and industrial lots as well as the development of related infrastructure (e.g., roads and services) and amenities (e.g., parklands, school) as appropriate to service the development.

A large part of the Development Land is currently used for cane farming. In or about 2015, a number of the Landowners sought to investigate the possibility of selling their land as a combined parcel. Subsequently, in 2019, Colliers was engaged by owners of approximately 200 properties within the Development Land to run a formal expression of interest process on their behalf to work with the Landowners to identify a suitable developer of the Development Land. Through this process, Leamac was identified as the preferred developer by the Landowners.

Under the proposed development management agreement, each of the Landowners will remain the registered proprietors and beneficial owners of their respective portions of the Development Land until the development process is complete and the developed land is sold to end buyers as subdivided lots.

The proposed development process may take as long as 30 to 40 years. As such, it is important that each individual Landowner should have an ability to sell its land or transfer its interest under the development management agreement during the development process (**Early Sale**) without this jeopardising the broader development proposals. To achieve this, where a Landowner seeks an Early Sale, any acquirer will be required to enter into a deed of accession to the development management agreement so that the land that is sold or the interest that is transferred will continue be subject to the terms of the development management agreement.

Leamac and the Landowners believe that it is important that the agent representing a Landowner seeking an Early Sale should have a full understanding of the development proposals, the benefits these will ultimately provide to any acquirer and the restrictions that the development management agreement will impose on an acquirer. In order to achieve this and to facilitate the efficient development of the Development Land, Leamac and the Landowners have agreed that the development management agreement will stipulate that, in relation to a proposed Early Sale, a Landowner must engage Colliers (either directly or on a conjunction basis) to act as the Landowner's agent.

3. Names and/or description of the persons or classes of persons who may be directly impacted by the Notified Conduct and how they might be impacted.

The persons potentially affected by the Notified Conduct are:

- (a) Landowners, who are agreeing to engage Colliers if they wish to sell their land before the development is complete; and
- (b) Competing commercial real estate agents, whose ability to compete for these particular sales will be restricted.

It follows that the markets potentially affected by the Notified Conduct will be as follows:

- (i) The market in which the Development Land would be sold; and
- (ii) The market for commercial real estate services.

4. Potential effect on competition.

The market for development land

The Notified Conduct will not affect Landowners' ability to sell their land; nor will it be likely to have any material effect on the price of that land. The Notified Conduct therefore will not have any material effect on the market in which the Development Land is bought or sold.

It is anticipated that potential acquirers under Early Sales will largely be investors from local, interstate and offshore locations wishing to acquire the rights to participate in the distribution of the overall sales proceeds of the project. This suggests that any market is likely to be national or international in scope.

It is anticipated that up to 25% of Landowners will take the opportunity to sell whole or part of their land holdings under the Early Sale provisions, with an average of between 5 and 7 sales per year. Such a small volume of affected sales is likely to represent a competitively immaterial proportion of any relevantly defined market for development land.

The market for commercial real estate agency services

At the time of any Early Sale, it is likely that there will be plans in place to subdivide and develop the relevant land, but the land will not yet be developed. Instead, it is likely that the land will consist of large parcels of undeveloped land with high investment value due to its planned development and subdivision.

In December 2020, the Landowners engaged a valuer to provide an opinion as to the likely value of land within the project area once Leamac has obtained the necessary approvals to undertake development. For this purpose, the land has been valued at between [REDACTED] and [REDACTED] per hectare. The land size assessed by the valuer was 100 hectares as an indicative average holding.

The size, value and development potential of the land means that it would be unlikely to be sold by residential real estate agents. Instead, property of this type would generally be sold by commercial real estate agents.

Commercial real estate agents such as Colliers generally deal in a range of property types, including retail property, commercial property, industrial property and healthcare and retirement living products. They also typically cover a much wider geographic area covered than a residential real estate agent. At a minimum, it is likely that the relevant geographic area is at least as broad as South East Queensland.

In the South East Queensland region Colliers competes with a substantial number of substantial competitors, including:

- Jones Lang LaSalle;
- Cushman & Wakefield;
- Ray White;
- CBRE;
- Savills; and
- Knight Frank.

In South East Queensland, Colliers alone completes well over approximately 300 commercial sales per year, suggesting that there are likely to be thousands of sales per year in any relevantly defined market for commercial real estate agency services. In this context, the few sales that could potentially be affected by the Notified Conduct could not have the effect of substantially lessening competition.

5. Public benefits of the Notified Conduct

The Notified Conduct will play a material role in facilitating the efficient and integrated development of a significant tract of land in an important development corridor by

- preserving the underlying value of the Development Land, having regard to the development rights attached to it; and
- providing certainty and consistency for all parties involved in the development process, thereby facilitating the integrated development.

Colliers initially represented a significant number of the Landowners in 2019 when the Landowners sought a purchaser for the Development Land. It is therefore beneficial to engage the same agent for future sales given Colliers' experience with the Development Land, the proposed development and the relevant parties.

Public detriment (including likely competitive effects)

- 6. Describe any detriments to the public that are likely to result from the notified conduct, including those likely to result from any lessening of competition.**

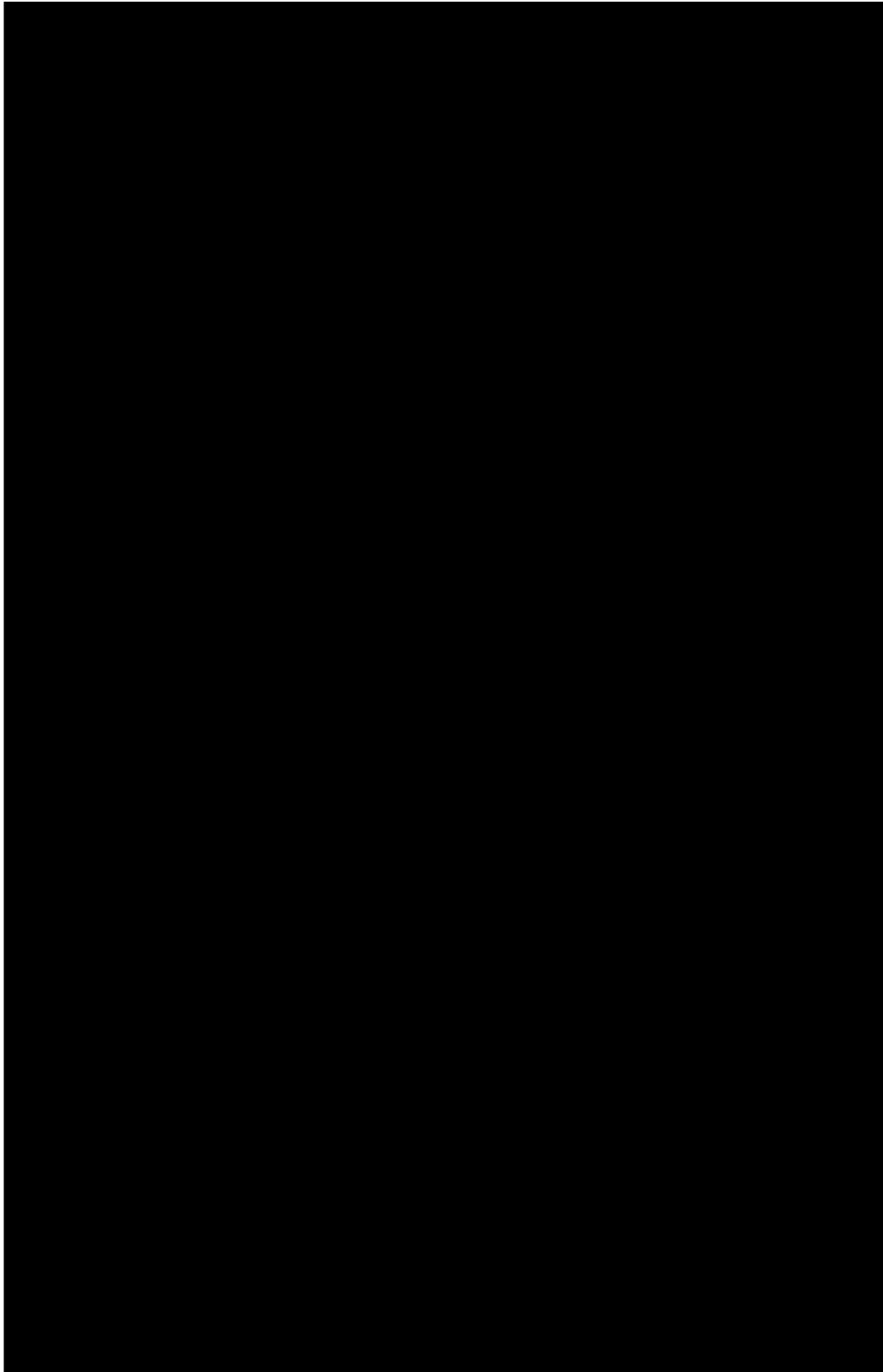
For reasons set out above, Leamac does not believe that the Notified Conduct is likely to give rise to any material public detriments.

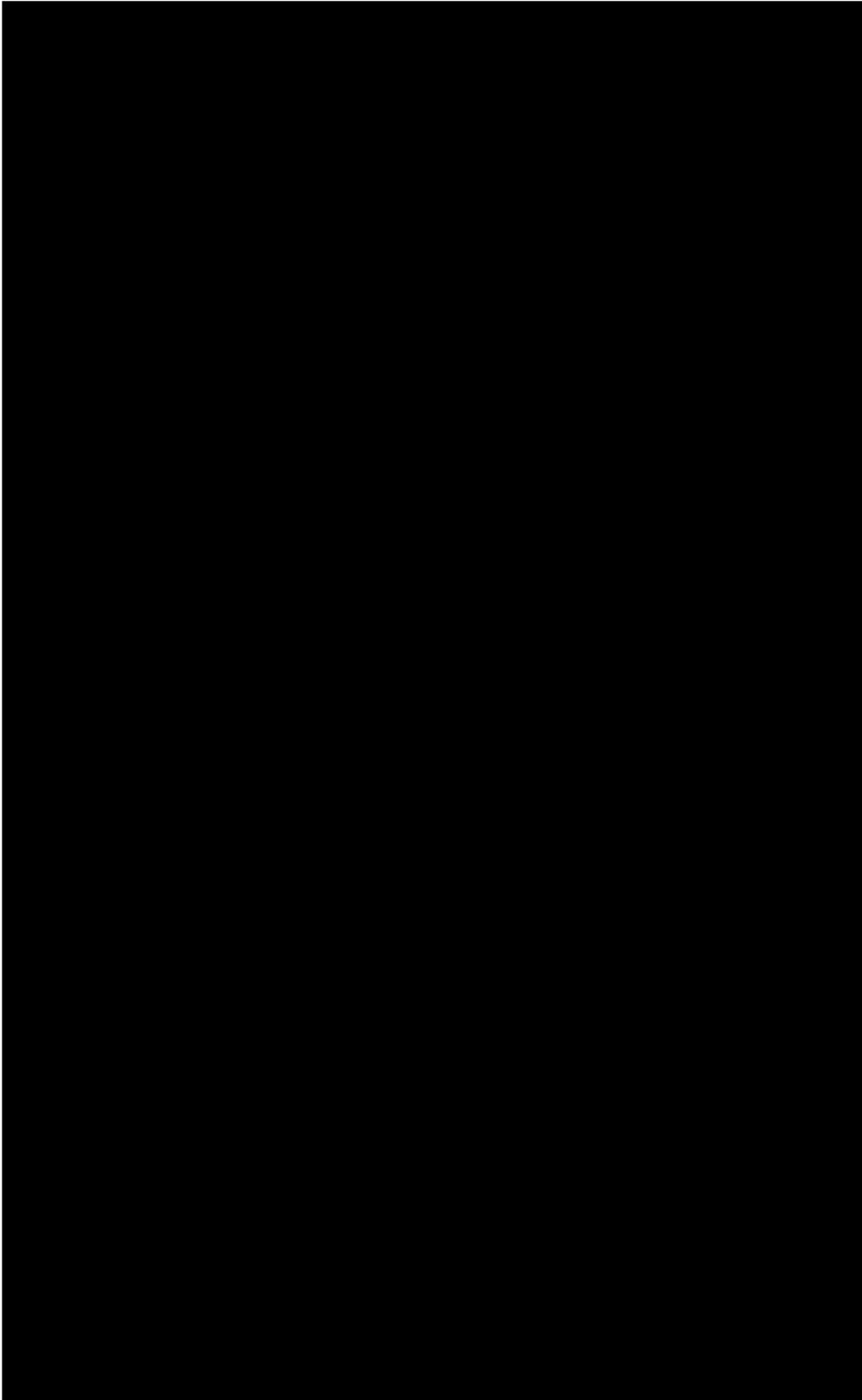
Contact details of relevant market participants

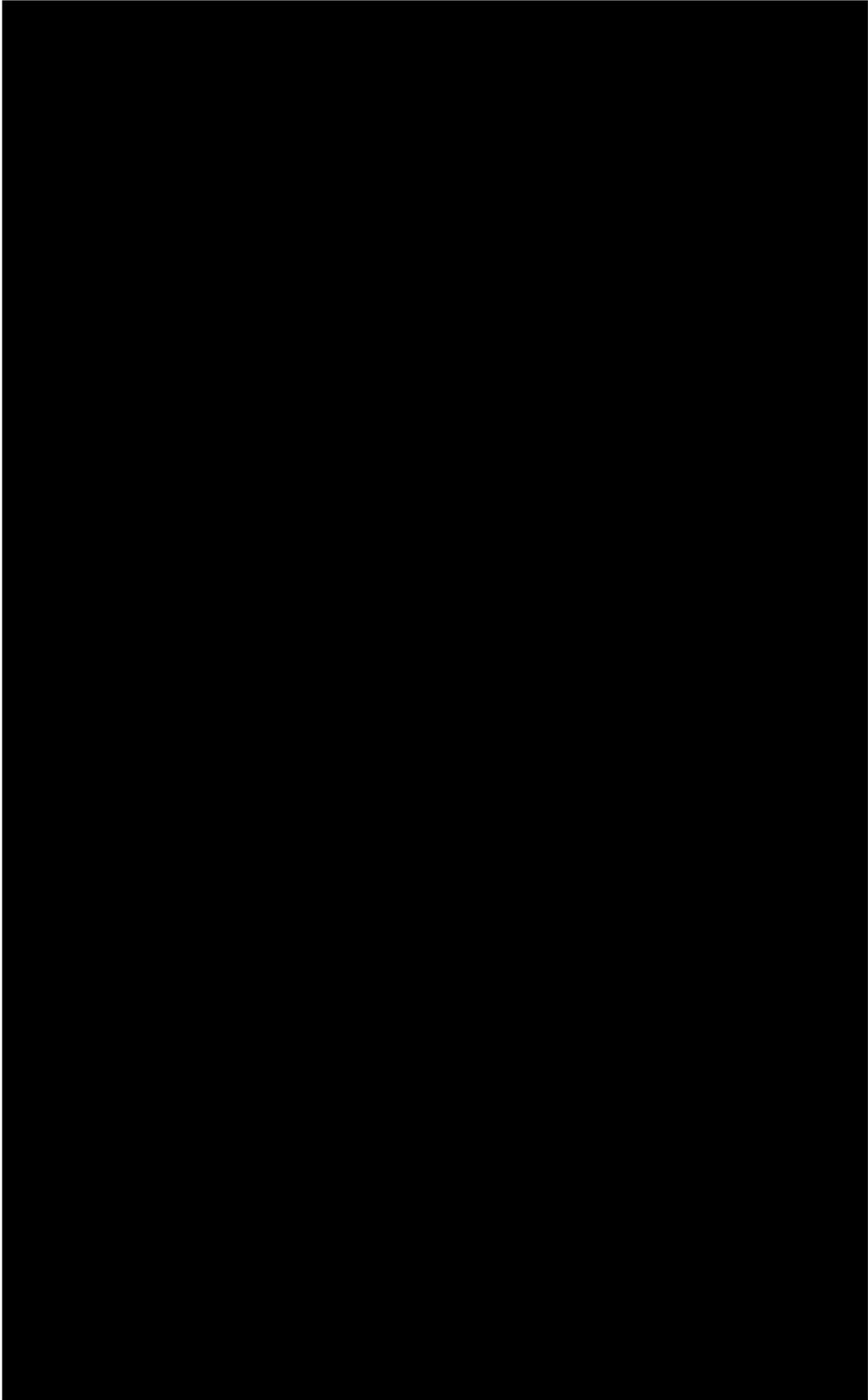
- 7. Identify and/or provide names and, where possible, contact details (phone number and email address) for likely interested parties, such as actual or potential competitors, customers and suppliers, trade or industry associations and regulators.**

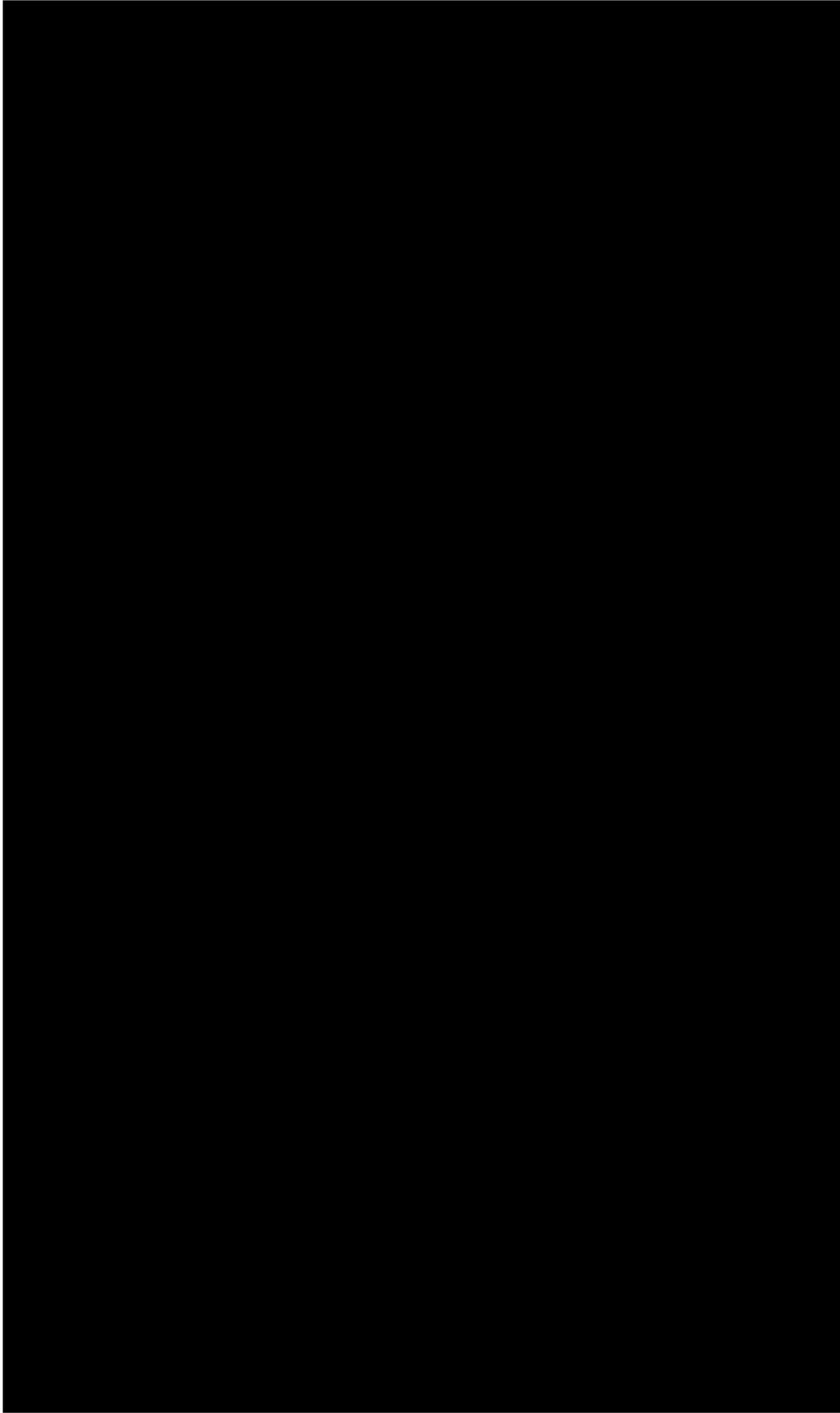
Names and contact details for the Landowners are set out in Confidential Annexure A to this notification. Names and contact details for other potential interested parties are set out in Annexure B.

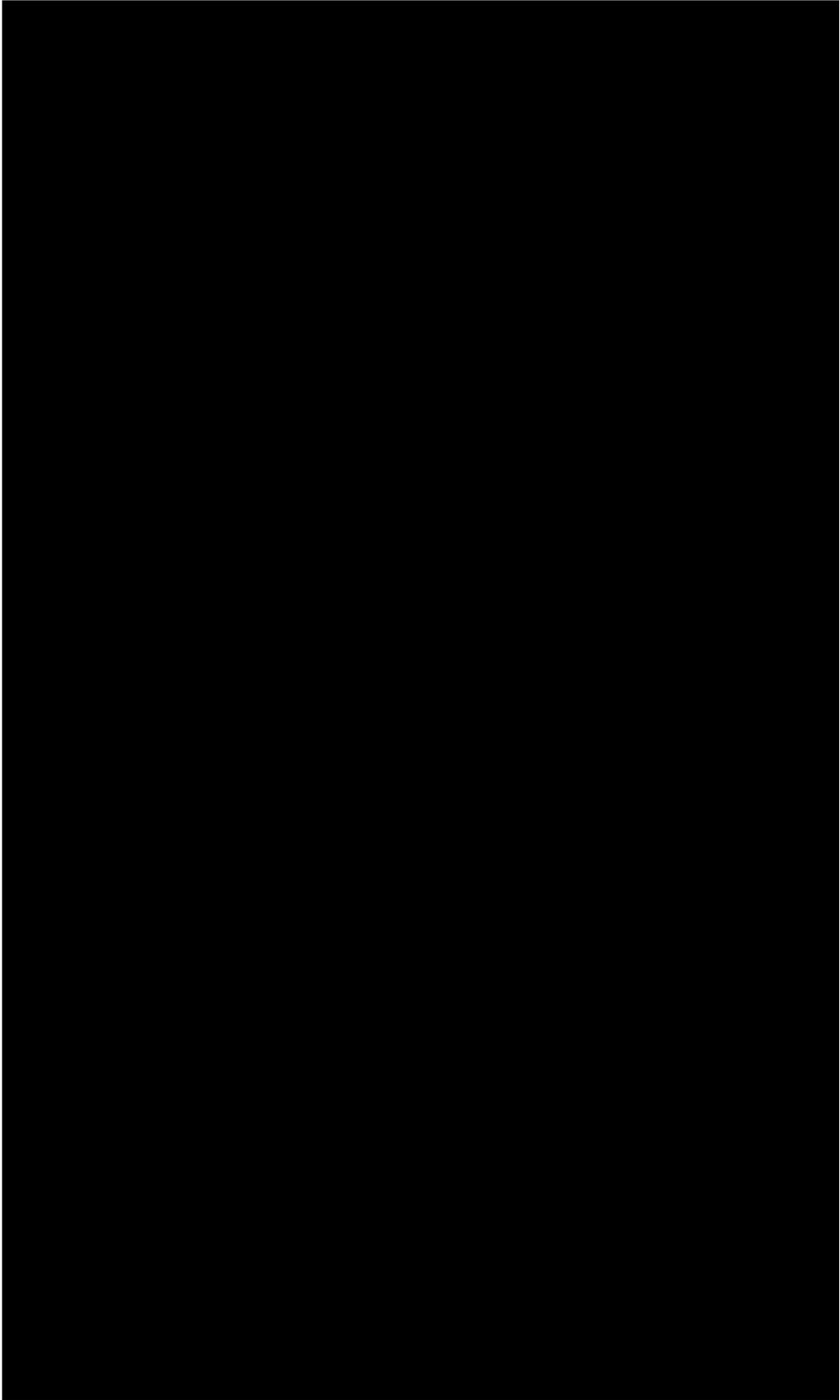
Confidential Annexure A - Names and contact details of Landowners

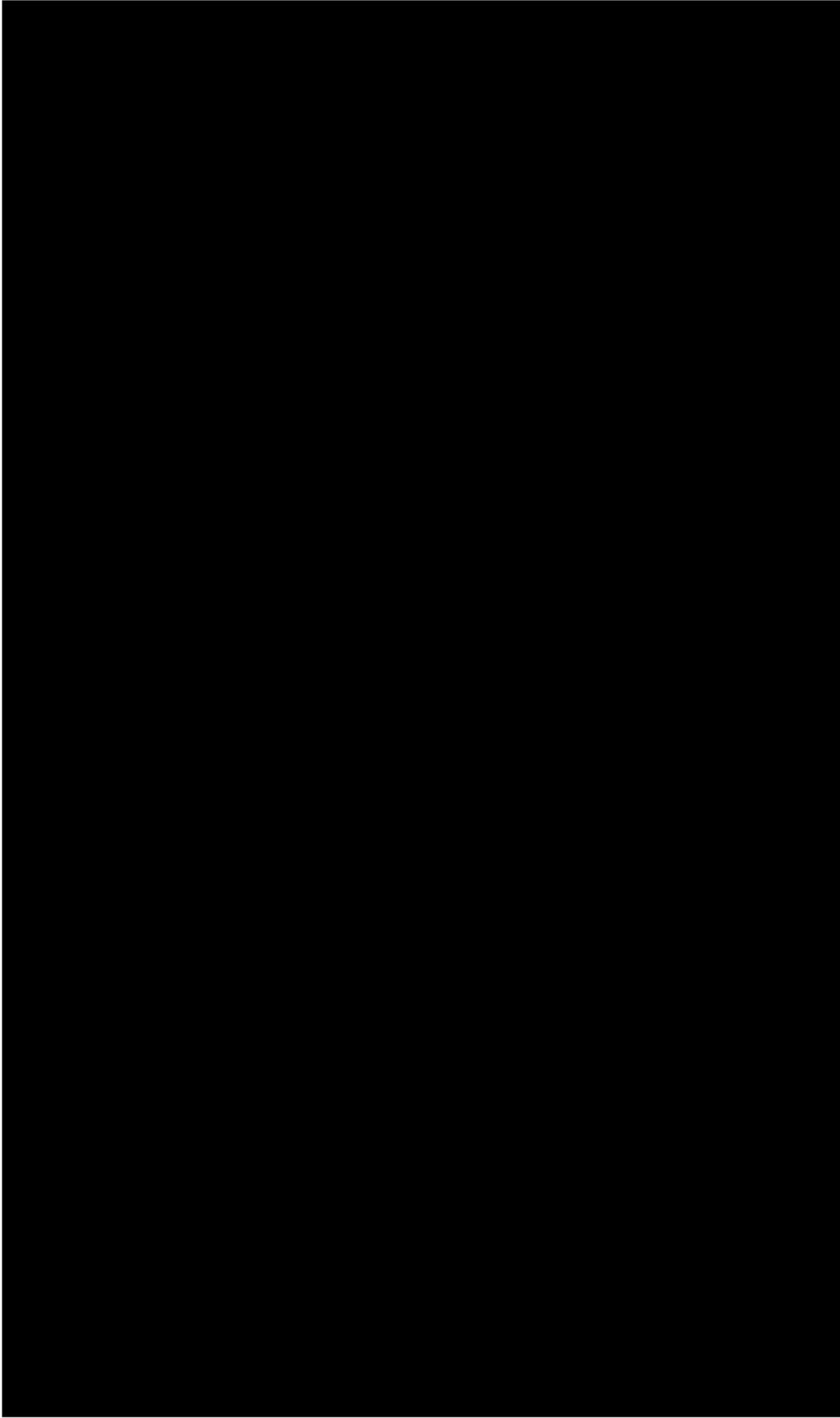


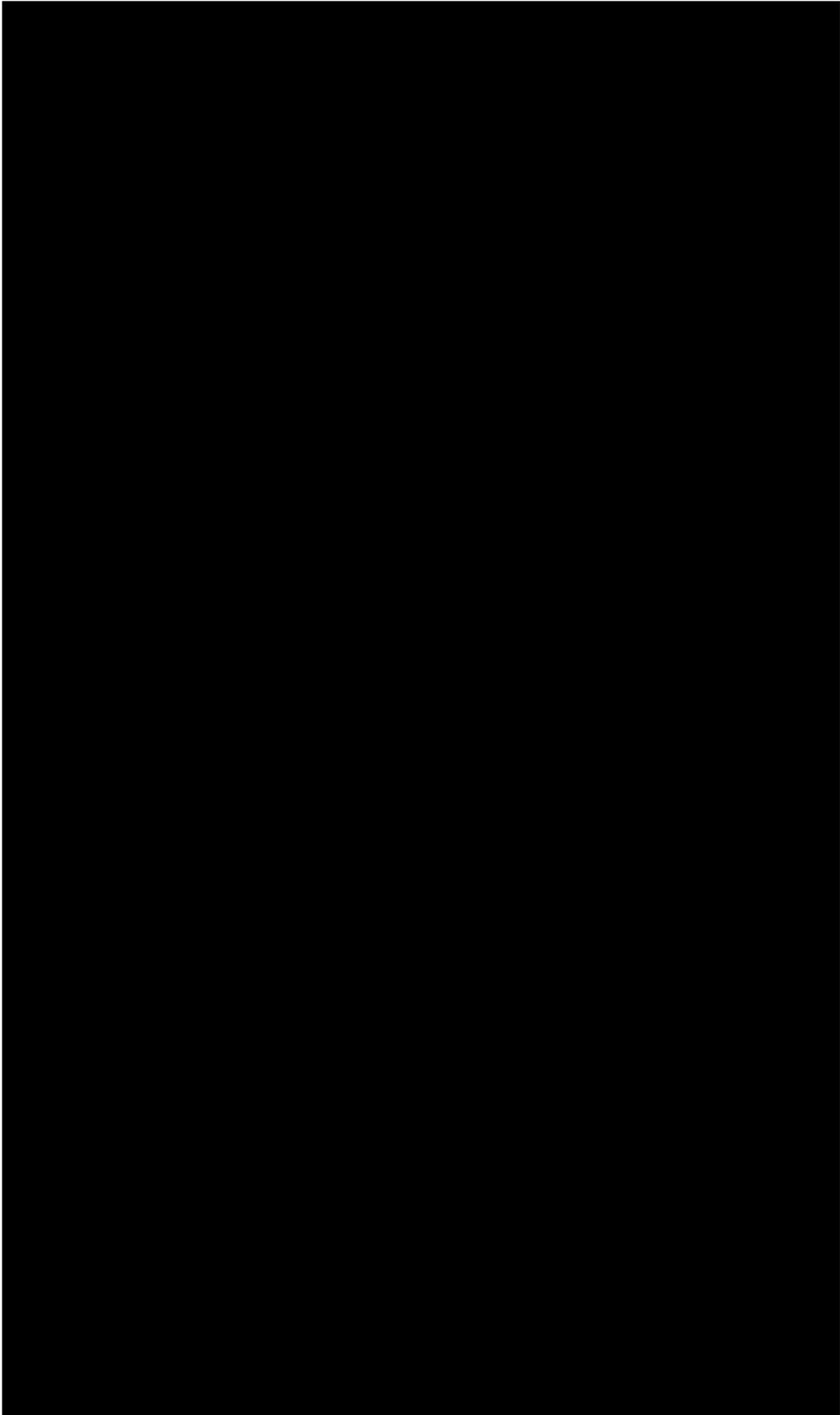


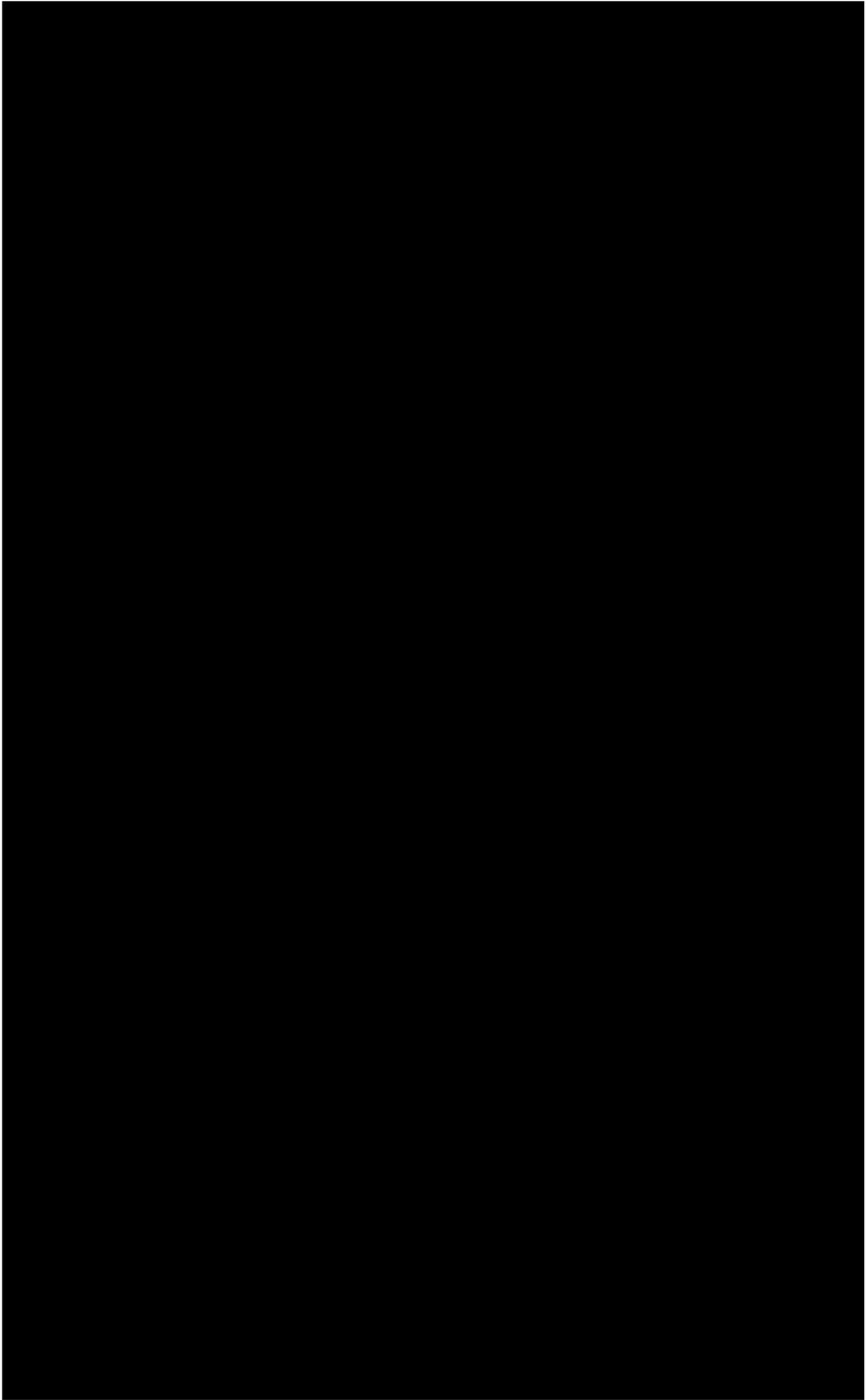


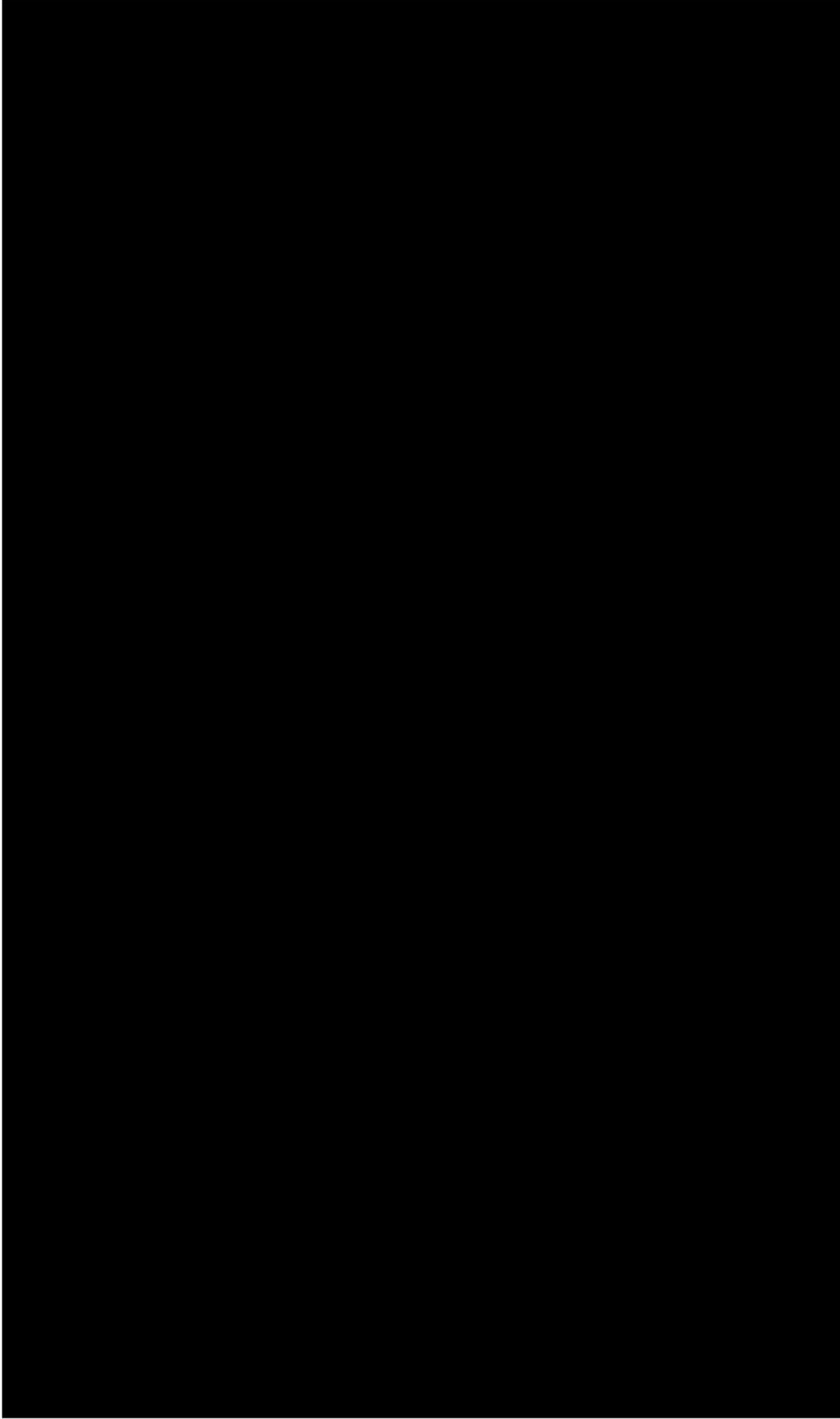


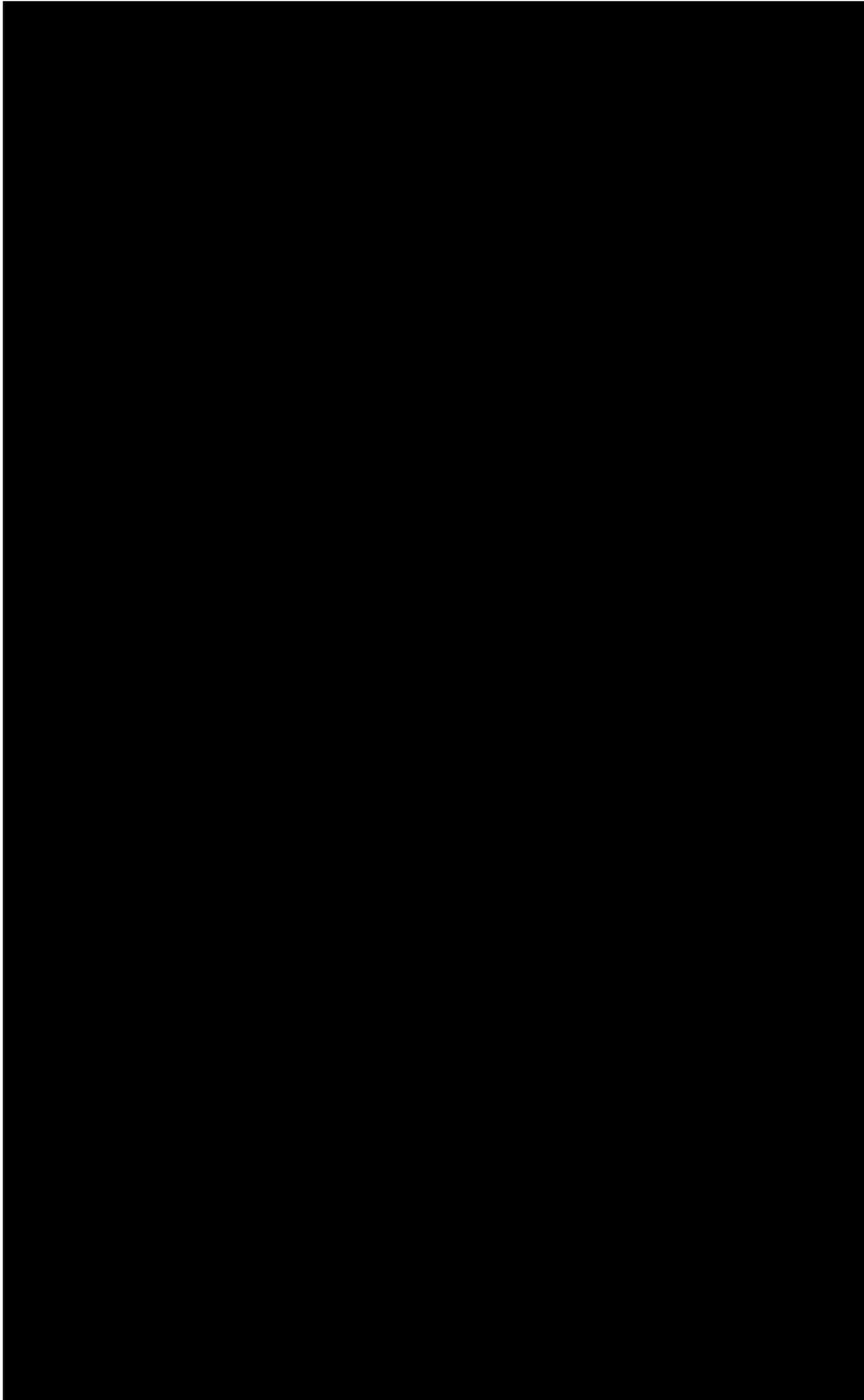


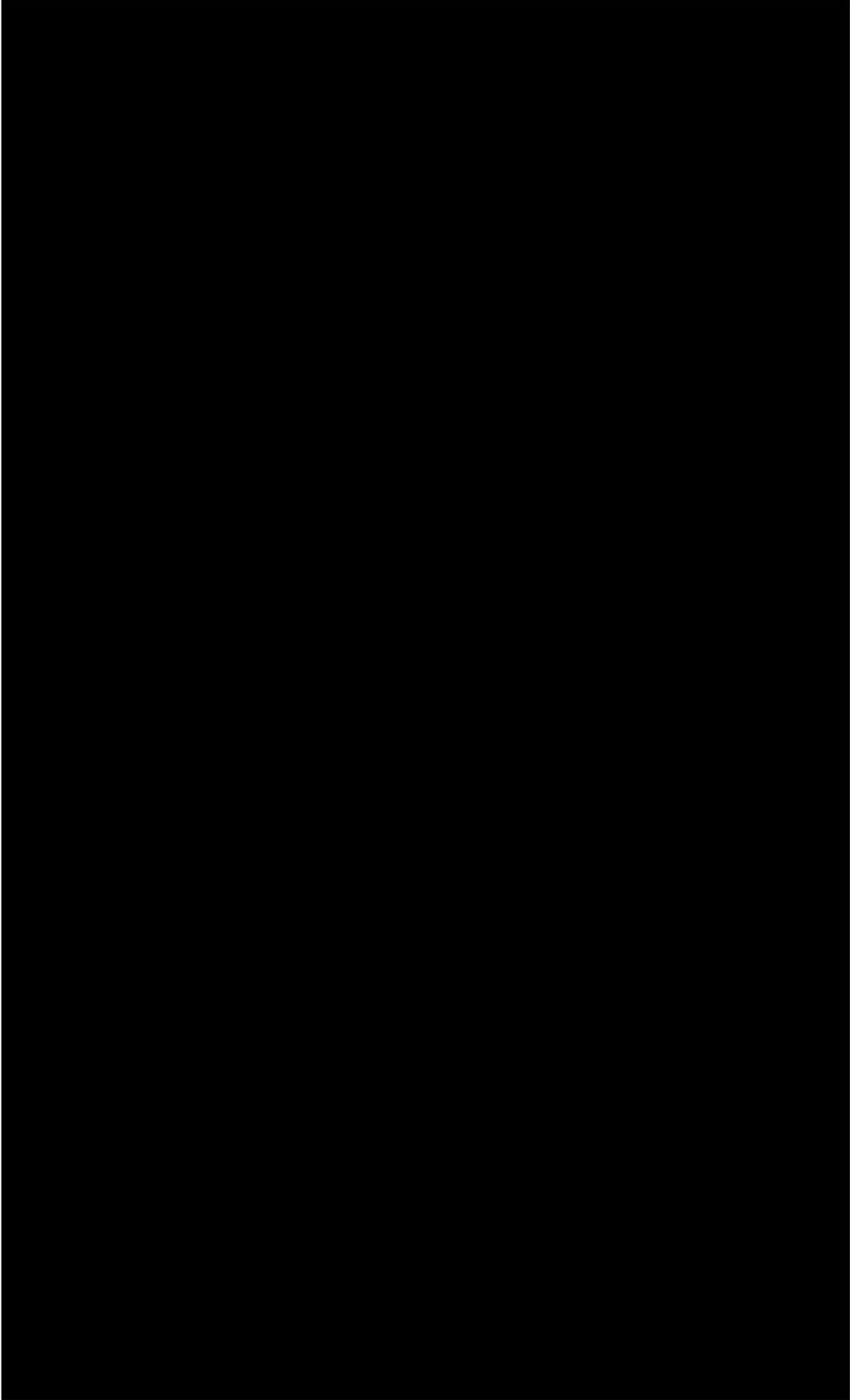


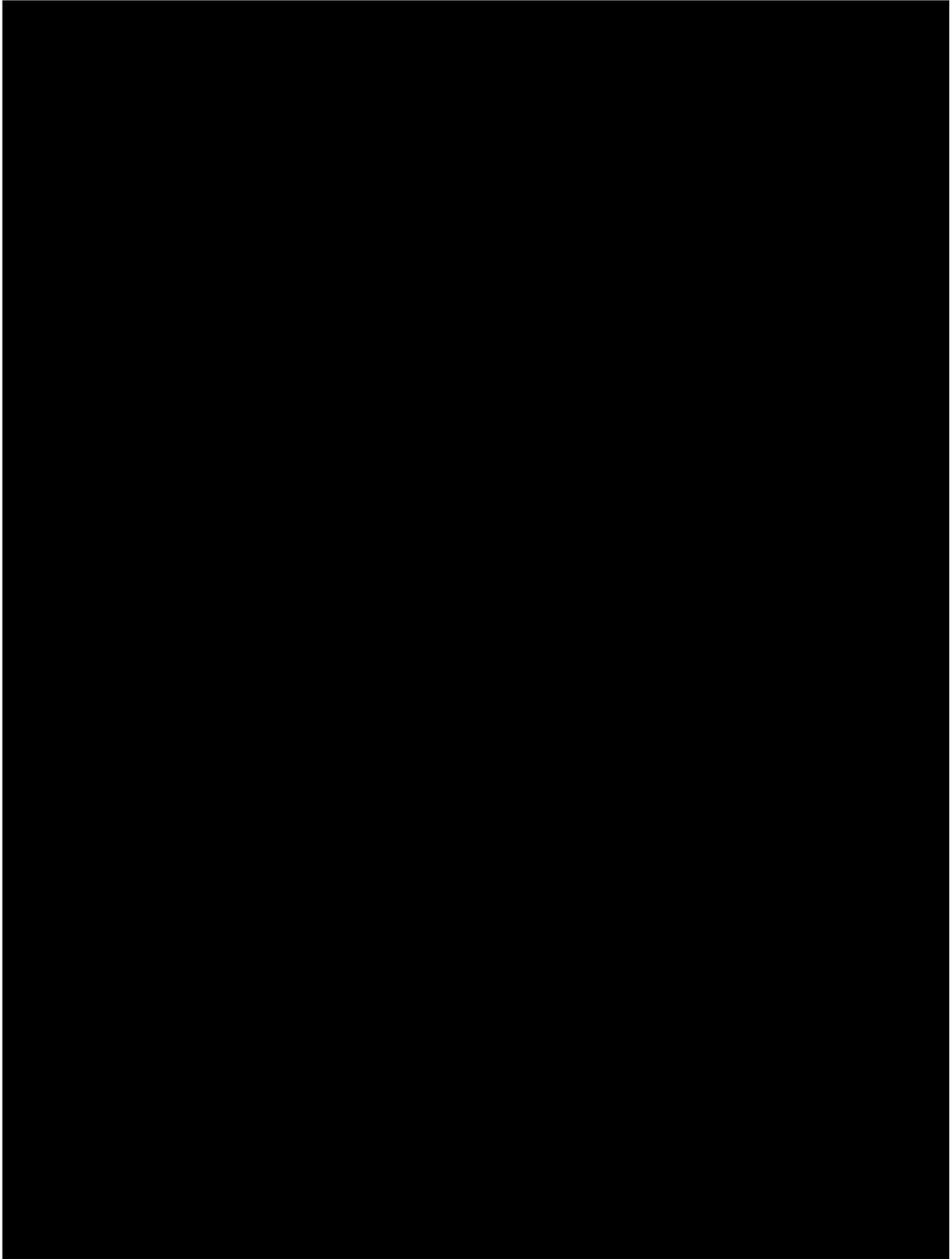












Annexure B - Non-confidential interested parties

| Competitor | Contact Address |
|---------------------|--|
| Jones Lang LaSalle | Level 39, Central Plaza 345 Queen Street Brisbane Qld 4000 Tel: 07 3231 1311 |
| Cushman & Wakefield | Level 11, Riverside Centre 123 Eagle Street Brisbane Qld 4000 Tel: 07 3852 2280 |
| CBRE | Level 3, Waterfront Place 1 Eagle Street Brisbane Qld 4000 Tel: 07 3833 9833 |
| Savills | Level 33, Riverside Centre 123 Eagle Street Brisbane Qld 4000 Tel: 07 3221 8355 |
| Knight Frank | Level 3 12 Creek Street Brisbane Qld 4000 Tel: 07 3246 8888 |

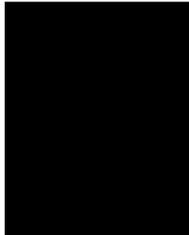
| Trade / Industry Associations | Contact Address |
|-------------------------------------|---|
| Real Estate Institute of Queensland | Level 1 50 Southgate Avenue Cannon Hill Qld 4170 Tel: 1300 697 347 |

| Regulators | Contact Address |
|------------------------------------|-----------------|
| Office of Fair Trading, Queensland | Tel: 13 74 68 |

Annexure C - Declaration by notifying party

The undersigned declare that, to the best of their knowledge and belief, the information given in this form is true, correct and complete, that complete copies of documents required by this form have been supplied, that all estimates are identified as such and are their best estimates of the underlying facts, and that all the opinions expressed are sincere.

The undersigned are aware that giving false or misleading information is a serious offence and are aware of the provisions of sections 137.1 and 149.1 of the *Criminal Code* (Cth).



Signature of authorised person



Name

Director

Office held

Dated: 14 April, 2023