

# A guide for residential tenants



# Property acquisition in NSW

NSW is home to many thriving communities in a range of busy cities and diverse regional areas. We also have the fastest growing population in Australia, which is forecast to increase to more than 10.6 million people by 2041.

## Investing in infrastructure

A growing population means we need more schools, hospitals, roads and public transport to meet the needs of our local communities. That's why billions of dollars are being invested in infrastructure to provide people with access to quality services.

When the government decides to build a new project, like a new road or hospital, it instructs the relevant agency to investigate the best route or location.

In NSW, state agencies and other organisations (such as utility companies) can acquire property for a public purpose.

The acquisition and compensation processes are governed by the *Land Acquisition (Just Terms Compensation) Act 1991* (the Act).

## Deciding which properties need to be acquired

Consultation is usually carried out with the community as part of the development of a major project.

In formulating a preferred design, route or location for a project, the agency responsible — the acquiring authority — may identify properties that need to be acquired to deliver the project.

If only part of a property is required for a project, the acquiring authority will provide details of the part to be acquired to anyone with a legal interest in the property, such as an owner, landlord, tenant, subtenant, or mortgagee.

This guide explains the property acquisition process for tenants living in residential property that is being acquired for a public purpose. It's designed to help you understand what to expect during the process and the assistance available. It's not intended to replace legal or expert advice.

# Tenants and tenancies

Any person with an interest in a property being acquired has rights under the Act. This includes the leaseholder or tenant, as well as the property owner.

A residential tenancy is generally established by a tenancy agreement (also known as a lease), which is a legally binding written agreement between a tenant and a property owner.

Paying board and informal arrangements aren't usually considered tenancies.

## An established process for tenants

When a property needs to be acquired, the acquiring authority will first make contact with the property owner. Once the owner has been informed, tenants will be contacted.

The acquiring authority will appoint a dedicated **acquisition support team**. The team will arrange a meeting with you to discuss the acquisition and relocation process in more detail.

The team may include:

- an **Acquisition Manager**, who initiates and manages the process of acquiring the property needed for a project,
- a **Personal Manager**, who will assist you and provide you with support throughout the acquisition and relocation process, and
- on some projects, a **Community Place Manager**, who manages relationships between the project team and the community.

The acquiring authority provides this support team free of charge.

If possible, the acquiring authority will try to allow you to stay in your rented property until your current lease expires, unless you choose to leave earlier.

The rights and obligations of you and your landlord continue under the existing lease agreement until the property is acquired by the acquiring authority. This includes you paying ongoing rent as the tenant.

Once the property has been acquired from the owner, all existing tenancies are transferred to the acquiring authority.

As a tenant, you will be given advance written notice of the date you need to vacate your premises.

**Make sure you have an up-to-date and valid copy of your current residential tenancy agreement.**

## Relocation support

If you have a Personal Manager, they can provide you with relocation support to suit your circumstances. This may include advice and referrals to help with your move.

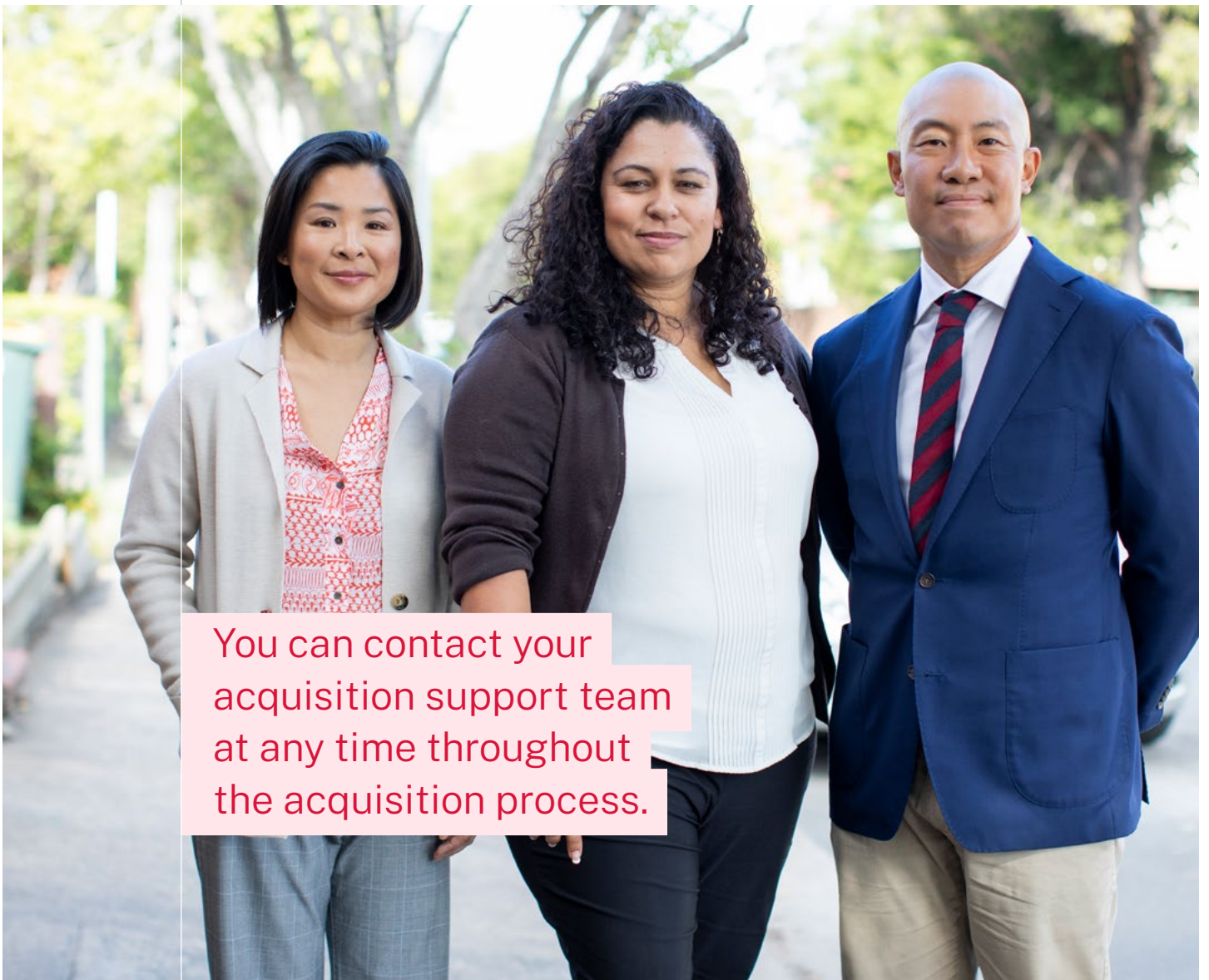
## Getting the support you need

The property acquisition process can sometimes be complicated and stressful.

To better support you, the NSW Government offers free and confidential mental and emotional support through the Property Acquisition Support Line. This service is available to all property owners, their families, tenants, commercial property and business owners, and employees affected by property acquisition. Counselling sessions are strictly confidential and are provided by qualified psychologists and social workers, independently of the project team or acquiring agency.

You do not need a referral to take advantage of the Property Acquisition Support Line. Simply call 1300 089 551 and speak with a team member 24 hours a day, 7 days a week.

To find out more about the features of the service and how you can make an appointment, call 1300 029 146 or visit [nsw.gov.au/property-acquisition](https://nsw.gov.au/property-acquisition) to download a copy of the Property Acquisition Support Line fact sheet.



You can contact your acquisition support team at any time throughout the acquisition process.

# Compensation and agreement

In limited instances, you might be eligible for compensation. For example, if your lease period continues for several years beyond the timeframe for vacant possession.

In these situations, the acquiring authority will explain the types of compensation you might be eligible for, including disadvantage resulting from relocation and disturbance.

## Disadvantage resulting from relocation

Compensation for disadvantage as a result of the relocation will only be paid when the property being acquired is your principal place of residence. This considers:

- your interest in the property
- the length of time you have lived in the property and how long is left on your lease
- the inconvenience likely to occur
- the length of time after the property acquisition that you can remain in the property.

## Disturbance

Compensation for disturbance might include any or all of the following:

- reasonable legal costs
- reasonable relocation costs such as general removal fees, mail redirection, lease transfer fees, utility reconnection and other relevant professional services
- in some situations, any reasonable costs as a result of breaking your lease early.

Please speak to your acquisition support team for more information about compensation.

## Negotiation and agreement

If you are entitled to compensation, your **Acquisition Manager** will organise a meeting to try to reach an agreement on your compensation. This may involve one or more meetings that can be informal and may be held in person or by phone. They can be held at your home or another location convenient for you.

To support this process, it is recommended you provide evidence of your current lease agreement and estimated relocation expenses and submit them to your Acquisition Manager. This information will be used in the assessment of your compensation entitlement.

## Once an agreement has been reached

Once you reach an agreement, your Acquisition Manager will arrange for a **Deed of Release and Indemnity** to be provided to you. This is a formal document that confirms the agreed compensation is the only compensation payable. A timeframe for moving will also be confirmed.

## Compulsory acquisition

**Compulsory acquisition** only occurs after all reasonable attempts to negotiate have not resulted in completion of the acquisition within the project timeframes.

A compulsory acquisition is the process which involves working with the Valuer General.

For more information about the Valuer General, visit [valuergeneral.nsw.gov.au](http://valuergeneral.nsw.gov.au)

## Your feedback

Once you've relocated, the acquiring authority will invite you to complete a survey to give feedback on the process. The survey is handled by an independent research company on behalf of the NSW Government. It is confidential and anonymous.

Your suggestions will help to continually improve the acquisition process.



This document is available in other languages at [nsw.gov.au/property-acquisition/publications](https://nsw.gov.au/property-acquisition/publications). You can also contact the Translating and Interpreting Service on 131 450 and ask for Centre for Property Acquisition.

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