

Purchasing a Crown land lease to obtain freehold title

How has Crown land management changed?

In 2012, the NSW Government began the first [major review of Crown land](#) in 25 years, prompting a comprehensive consultation process with community and other interested parties about the future management of Crown land.

This exhaustive review process culminated in the NSW Parliament passing the new [Crown Land Management Act](#) (the Act) in November 2016 and the [Crown Land Legislation Amendment Act](#) in May 2017.

This new legislation will take effect in 2018 and will ensure the Crown estate is managed efficiently and effectively and continues to support and generate social, environmental and cultural benefits for the people of NSW.

Who manages Crown land?

In NSW, Crown land is managed by the NSW Department of Industry—Lands & Water (the department) for the benefit of the whole community.

The department uses many mechanisms to manage Crown land, from issuing licences, permits or long-term leases, to delegating care, control and management to local council Crown land managers and non-council Crown land managers (also referred to as reserve trust managers). It also manages the development, marketing and sale of Crown land that is not needed for public purposes.

Are there leaseholders with existing rights to purchase?

Yes. Some leaseholders already have the right to purchase their lease under the existing Crown land legislation. These statutory rights are secured by savings and transitional arrangements in the Act for a period of two years for perpetual leases and five years for term leases. For some leaseholders, the commencement of the new Act may mean a reduction in their purchase rights over time.

Do I have to purchase my lease?

No. The decision to purchase your lease is voluntary and entirely up to you. If you choose not to purchase your lease, there may be changes to the amount of rent you pay or the ability to renew or extend the lease. This may affect how you want to use the land or your decision to purchase the land.

What are the benefits of purchasing my lease?

Each individual should consider their own circumstances when considering the purchase of their lease.

The benefits of purchasing your lease may include:

- you will hold freehold title to your land, which means that you own the land outright and have the highest title right in NSW
- you will no longer be required to pay an annual rent to the department and certain activities, such as selling the land, will no longer require the consent of the minister.

What costs would I have to pay?

You would be required to pay the purchase price of the land and any other costs such as stamp duty, GST, NSW Land Registry Services fees, inspection, survey and independent valuation costs (if required).

There is also an application fee.

How is the purchase price calculated?

The purchase price is determined by the type of lease being purchased. The purchase price will either be the:

- same as it would have been under the relevant repealed Act, where saving and transitional arrangements apply
- unimproved land value in accordance with the *Valuation of Land Act 1916*
- unimproved market value as determined by the minister.

When savings and transitional arrangements cease, the purchase price will be determined at the date of the application as either the unimproved market value of the land or the latest unimproved land value.

What are my payment options?

There are two payment options available to leaseholders for approved applications:

- Option 1: Payment of the full purchase price within 28 days once the leaseholder has accepted the purchase offer
- Option 2: Payment of the full purchase price by instalments can be established through an Incomplete Purchase. An Incomplete Purchase will be established for a period up to 20 years. Each year, a minimum instalment of \$2,500 will be payable for each Incomplete Purchase. If the purchase price is less than the annual minimum instalment, then the purchase price must be paid in full within 28 days once the leaseholder has accepted the purchase offer.

Do I keep paying rent while my application is being processed?

Yes. You must continue to pay all rent and any outstanding debt relating to your account in full before your purchase application is granted.

Will I still pay rent once my purchase application is approved?

No. Once the purchase application is approved, you will no longer be required to pay rent.

If you have elected and are eligible for an instalment plan option, you will make annual payments towards that instalment plan.

What could affect my application?

During the processing of your application, the department will consider:

- public rights of legal access through your lease
- Crown timber rights
- reserves, such as Travelling Stock Reserves, Trig Reserves, etc.
- other parties' uses of your lease, such as for pumps and/or pipelines, extractive industries, rights of way or tracks that provide access to other lands.

Can I purchase multiple leases?

Yes, if the leases are adjoining and perpetual, a single application may be made. For multiple adjoining leases, they must be held by the same registered holder.

Where a leaseholder seeks to apply to convert leases that are not adjoining, separate application forms and application fees are required.

How do I apply?

It is recommended that interested leaseholders contact the department to discuss potential eligibility and the purchase process.

There is an application fee of \$474, payable with each application.

Leaseholders are required to fill out an application form and forward the form and the application fee to the department. The form is available on the department's web site, industry.nsw.gov.au/lands

How long will it take to process my application?

The time to process an application is highly variable and dependant on the complexity of the application.

What happens if I sell my property before my purchase application is approved?

Your application can be transferred to the new leaseholder if they decide they want to proceed with the purchase.

Further information

Email: leases@crowmland.nsw.gov.au

Web: www.industry.nsw.gov.au/lands

Phone: 1300 886 235