

Property acquisition

Sydney Water may need to acquire privately owned land or an easement to build or upgrade infrastructure. This fact sheet sets out the process for the acquisition of land or an easement by Sydney Water. It should not be considered legal advice.

We sometimes need to build parts of the water and wastewater networks in privately owned land. When this happens, we call landowners directly affected by the proposed infrastructure.

We don't always need to acquire land or an easement to build within private property – it depends on the type of infrastructure we're building, its location, land zoning and other variables.

Sometimes we need to buy land to build a facility such as a wastewater or water pumping station, a reservoir or other major infrastructure.

In some cases, we take an easement over an underground pipeline. An easement is a legal right of access that ensures we can protect and access its pipeline.

We communicate with residents while projects are being developed by sending letters or newsletters, and holding information sessions to display the proposed route or other available design options.

Where property owners may be directly affected, we contact them as early as possible to let them know about the potential impacts.

We purchase land and/or easements by negotiating with the affected landowner about the purchase price. Compensation is based on the current market value of the property and the terms set out in the *Land Acquisition (Just Terms Compensation) Act 1991*.

In rare cases we may need to compulsorily acquire land under the *Land Acquisition (Just Terms Compensation) Act 1991* where the value of the property is determined by the Valuer General's office.

Buying property

Step one: notification

We consult with property owners to:

- let them know their property may be directly affected by a project
- outline the project and its potential impacts to the property owner
- confirm preferred options and explain the acquisition process
- formalise our intention to proceed with acquisition.

Step two: offer to purchase

Once we know the portion of land or easement we need to acquire we engage an independent valuer. The valuer contacts the property owner to carry out a property valuation.

The results of the valuation will be used to inform our formal offer to the property owner.

Property owners also have the option of engaging their own registered valuer to carry out a valuation of the property. We will reimburse reasonable valuation fees when the acquisition settles. Our Group Property team can tell you more about what we mean by reasonable fees.

Step three: negotiation

Sydney Water, the property owner and the respective valuers will then agree on the market value of the property together.

Once all parties have agreed on the market value, the property owner will receive confirmation in writing from us.

Step four: acquisition

After a purchase price is agreed, our solicitors prepare a contract of sale or transfer document and send it to the owner's solicitor. This will start the conveyancing process which is similar to what happens in the open property market. When the signed documents are exchanged, we agree on a settlement date.

We compensate land owners for reasonable legal fees that are required for the acquisition process when the sale is settled.

What if we can't agree on market value?

If Sydney Water's valuer and the landowner's valuer can't agree on the property value, we may start the compulsory land acquisition process.

We may continue to negotiate with the property owner during this process. Where land is acquired by compulsory acquisition the amount of compensation is determined by the Valuer General through the Department of Land and Information.

The property owner has the right to appeal the amount of compensation determined by the Valuer General and in the Land and Environment Court.

What if Sydney Water only needs an easement?

In some cases, we acquire an easement for infrastructure built above or below the surface of a property or to gain access to our infrastructure through private property.

When would we take an easement?

We decide whether to take an easement on a case by case basis, but there are some circumstances where we generally wouldn't take an easement. In these cases, we rely on our statutory powers under s.44(1) of the *Sydney Water Act 1994*.

Examples of where we wouldn't normally take an easement include:

- for gravity wastewater pipelines with a diameter less than 600mm
- on a standard residential block where the pipe is more than eight metres below the natural surface of the land
- when the infrastructure is to be located on undevelopable land, such as land zoned for drainage or open space.

When do we pay the compensation for easements?

We register and compensate for easements after our infrastructure is built. We do this to ensure the easement reflects the asset as accurately as possible.

The acquisition process for an easement is the same as for purchasing land outright.

How is the value determined?

If we only need part of a property for the project (partial acquisition) or an easement, compensation is assessed using a 'before and after' valuation method.

This involves two separate valuations which are done at the same time by the one valuer:

- the first valuation is of the whole property as unaffected by the work
- the second valuation is of the remaining land, on the basis the infrastructure has been built and is in use.

We then pay the landowner the difference between the two valuations.

When a partial acquisition is necessary, we will also, at our cost, adjust services or public utilities, relocate fences and complete other property adjustments if required.

What about above ground infrastructure?

If we need to build infrastructure above the ground on your property you will be compensated as required by s 41(3) of the *Sydney Water Act 1994*.

Compensation amounts have been determined as follows:

- \$400 for access chamber (maintenance holes)
- \$250 for air valve chambers
- \$850 for ventilation shafts.

Compensation of these amounts is made for each asset on the property and is paid when the above ground infrastructure has been built. For more information about compensation for above ground infrastructure, please read the related fact sheets:

- [ventilation shafts](#)
- [maintenance holes](#).

Contact us

To know more:

- visit our website at sydneywater.com.au
- call us on 13 20 92.