FILE No:
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MARS/PRISM:



31 October 2013

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PO Box 7350, St Kilda Road, Melbourne, Victoria 8004 **T** (03) 9820 1777 **F** (03) 9820 1733
www.cedarwoods.com.au
ABN 47 009 259 081 ACN 009 259 081

Public Register Officer
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

Dear Sir/Madam,

# JARRAH PROPERTY PTY LTD – CARLINGFORD, LALOR EXCLUSIVE DEALING NOTIFICATION ACROSS UNSOLD LOTS – CARLINGFORD, LALOR

We enclosed the following for your attention:

- 1. Form G Exclusive Dealing notification and supporting brief and engineering plan
- 2. A cheque for \$100.00 payable to the Australian Competition and Consumer Commission, being the notification fee pertinent to the above.

Please provide confirmation that the notification has been received by your office and provide a receipt for payment in due course.

If you have any queries pertinent to the notification, please contact the undersigned at your earliest convenience on (03) 9820 1777 or via email to richard.nguyen@cedarwoods.com.au.

Yours faithfully,

Richard Nguyen Development Manager

JARRAH PROPERTY PTY LTD

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### Form G

# Commonwealth of Australia Competition and Consumer Act 2010 — subsection 93 (1)

## NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

### PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

### 1. Applicant

(a) Name of person giving notice: (Refer to direction 2)

N97064

Jarrah Property Pty Ltd (ACN 114 364 966) of Ground Floor, 50 Colin Street, West Perth WA 6872 (Jarrah)

(b) Short description of business carried on by that person: (Refer to direction 3)

Jarrah is the registered proprietor of land in Carlingford Lalor, Victoria where it subdivides land for the provision of a residential housing estate. Jarrah also engages in the marketing and sale of residential housing product, including house and land packages.

(c) Address in Australia for service of documents on that person:

Jarrah Property Pty Ltd

PO Box 7350, St. Kilda Road

**MELBOURNE VIC 8004** 

### 2. Notified arrangement

(a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

The supply of 46 subdivided lots of residential land in both stage 8 and 11, including the marketing and selling thereof at Carlingford Lalor, constitutes the goods and services which are the subject of this notice.

(b) Description of the conduct or proposed conduct:

Jarrah proposes to require purchasers to enter into an industry standard Contract of Sale with Jarrah for a residential lot, and an industry standard residential building contract with a registered builder (from approximately 5 registered builders determined by Jarrah) in accordance with the *Domestic Building Contracts Act 1995* (Vic) and who is nominated by Jarrah, for the

supply of construction services relating to a dwelling design approved by Jarrah.

The construction contract will be entered into independently of the Contract of Sale executed by Jarrah (as Vendor) and the purchaser, for the supply of the lot.

Jarrah proposes to require purchasers enter into a contract for a residential lot and a building contract with a nominated residential builder. Any purchaser who does not agree to be bound to the above will not be able to purchase any of the nominated subdivided lots should a residential building contract with a nominated builder not be entered into. Purchasers who do not wish to enter into a residential building contract with a nominated builder, will not be refused the ability to purchase within the development, as they will be able to purchase other subdivided allotments within the development.

(Refer to direction 4)

# 3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

(a) Class or classes of persons to which the conduct relates: (Refer to direction 5)

Purchasers of the lots affected by this condition as referred above.

- (b) Number of those persons:
  - (i) At present time:

0

(ii) Estimated within the next year: (Refer to direction 6)

20 parties

(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

Not Applicable. Purchasers have not been identified.

### 4. Public benefit claims

(a) Arguments in support of notification: (Refer to direction 7)

Resulting from the application of the above conditions, Jarrah will be able to achieve the following to benefit purchasers of the specified lots:

- 1. Consistency and quality of dwelling design, appearance and streetscape, providing for a desirable localised neighbourhood environment and enables the purchaser greater opportunity to realise a capital gain.
- 2. Certainty of outcome, both quality and expediency of building construction through the nomination of a reputable builder who has a solid working relationship with Jarrah.
- 3. Jarrah may promote a particular dwelling design in consultation with the nominated builder to promote cost effective and sustainable uses of the land.
- 4. Net cost benefit to purchasers, including but not limited to the following
  - 4.1. Detached product may be packaged as a house and land offering, which by its nature, is able to achieve cost benefits through an integrated selling process providing for reduced marketing costs for the Vendor and the nominated builder;
  - 4.2. Construction may be undertaken by the nominated builder on a volume basis producing economies of scale and construction efficiencies which may not be ordinarily available to a purchaser of a standard residential lot arrangement.
- 5. Long term economies of scale with partner builders who have committed to, and are encouraged to continue residential development within Lalor.
- (b) Facts and evidence relied upon in support of these claims:

Addressed above in section 4 (a)

### 5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions): (Refer to direction 8)

Carlingford is the first major residential development of its kind in Lalor for over a decade. Situated within the municipality of the City of Whittlesea, Carlingford has quickly become an established and thriving multicultural community of the North. The City of Whittlesea municipality is one of the fastest growing regions in Australia and contains opportunities for

purchasers to acquire vacant residential land, or land with a newly constructed dwelling at a range of price points.

### 6. Public detriments

(a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:

(Refer to direction 9)

- 1. Purchasers of the limited specified lots, in Carlingford only, will have a choice of approximately 5 builders and dwelling designs on each of these particular lots. Jarrah may seek to promote a particular builder or design on particular lots, however purchasers will still be able to select non-promoted designs from these 5 builders.
- 2. The negative effect of this facet is neutralised by the design and net cost benefits which are obtained by the purchaser, as aforementioned above.
- 3. The proposed conduct will produce a perceived constraint (over specified lots only) on free market competition with regard to rival builders operating in the same market and region of Melbourne. However this will be offset by the continued future supply of residential lots in Carlingford, approximately 650 in total (~460 sold to date), for which competing builders have the opportunity to supply construction services over, in addition to equivalent opportunities available in neighbouring developments.
- (b) Facts and evidence relevant to these detriments:

Addressed above in section 6(a)

### 7. Further information

(a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Mr. Richard Nguyen

Development Manager

Jarrah Property Pty Ltd

P.O. Box 7350, St. Kilda Road

**MELBOURNE VIC 8004** 

Dated. 31. 10.2013	
Signed by/on behalf of the applicant (Signature)	

RICHARD NGUYEN (Full Name)

JARRAH PROPERTY PTY LTD (Organisation)

**DEVELOPMENT MANAGER** (Position in Organisation)

#### **DIRECTIONS**

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- 1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.
  - Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.
- 2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
- 3. Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.
- 4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Trade Practices Act 1974* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
- 5. Describe the business or consumers likely to be affected by the conduct.
- 6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
- 7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
- 8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
- 9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.



