

# Land and Building Disposal Policy



## 1.0 Purpose

To provide clear guidance, with the intent of ensuring:

- a consistent, transparent and robust approach to the disposal of Council land and buildings;
- the Council's legislative responsibilities are adhered to; and
- the Council's policy position regarding land disposals supports the achievement of the Council's strategic objectives

## 2.0 Background

The disposal of land and buildings is an important lever for the Council which enables capital to be recycled thus permitting investment to be focused in the most strategically important activities.

## 3.0 Application

This policy applies to:

- Council owned land and building(s) which the Council has resolved is no longer required by the community/District.
- Council owned buildings where the Council retains ownership of the land.
- Sale of land and buildings where the Council is involved only to recoup rates arrears.

## 4.0 Principles

- The disposal of Council land will be managed transparently, subject to reasonable commercial confidentiality constraints.
- Proceeds of any disposal of Council land shall, unless otherwise required by for example relevant endowment, trust or lease conditions be applied to the retirement of Council debt.
- All costs relating to land disposals will be met by the respective parties to a transaction, unless otherwise agreed or determined by statute.

## 5.0 Disposal process

### 5.1 Approval in principle

- If, in the opinion of the Chief Executive, that Council owned land and or buildings is considered to be surplus to the requirements of the community/District, approval in principle to dispose of the assets shall be sought from the Council.
- In this decision Council will take into account the following issues where applicable:
  - frequency of use;

- the ability of other assets to provide the same service;
- levels of service desired in the Long Term Plan;
- the ongoing maintenance costs to the community;
- income generated from the asset;
- community views on whether the asset should be considered as surplus;
- cultural significance to hapū and Iwi;
- consideration of the current tenants or users of the asset;
- how the land/building was originally acquired including conditions associated with relevant endowments, trusts, leases etc;
- cost of disposal; and
- statutory processes.

### *5.2 Former owners*

- Following the receipt of approval in principle from Council, investigations will be initiated to ascertain whether the land/buildings should be offered back to former owners in terms of provisions of the Public Works Act 1981.
- Where an offer back to former owners is considered necessary the offer will be made at a value equivalent to the current market valuation assessed either by a real estate agent or a Registered Valuer, at the discretion of the Council. At this time former owners shall be notified that if they elect not to accept Council's offer, the land/buildings will be subject to the preferred sale process.
- Following investigation, the Chief Executive may resolve that an exemption exists from offering land/buildings back to former owners on the grounds it that would be impracticable, unreasonable or unfair to do.
- Where the Chief Executive has resolved that an exemption is appropriate the land/buildings will be subject to the preferred sale process without being offered to former owners.

### *5.3 Preferred sale process*

#### *5.3.1 Appointment of agents*

- The Chief Executive shall appoint a professional real estate firm to manage the disposal of land/buildings.
- Written quotations shall be sought from real estate firms which are licensed with the Real Estate Authority and which regularly operate in the District.
- Quotations may be sought for individual properties or for a schedule of properties which are expected to be disposed over a defined time period.
- Multiple real estate firms may be appointed if appropriate.

#### *5.3.2 Competitive tenders*

- The competitive tender process is the preferred approach used for the sale of surplus land and buildings.
- Assessment of tenders will predominantly be assessed on price.
- In circumstances where a more important or unique property is to be sold, non-financial considerations as detailed in table 1 may be imported into the evaluation of tenders received.
- The highest financial offer will not necessarily be accepted.

- The successful tender (if any) will be that which provides the best value proposition for the District, taking into account financial and (where appropriate) non-financial considerations.
- The Council and tenderers will be advised of the outcome, price received, non-financial considerations where appropriate together with the name of the successful tenderer.

**Table 1. Non-financial considerations**

Attribute	Explanation
Use of the site	Consideration shall be given to tenders that have a proposed use that will be complementary to existing activities, and/or will provide a valuable community service and/or will provide local employment opportunities and/or cultural facility
Sustainability of investment	Preference will be given to tenders that are more likely to use the asset over the long term.
Financial viability	Consideration will be given to tenders who provide evidence of being able to access the financial resources required to achieve the intended use and projected benefit.
Historical connection with the asset	Consideration will be given to tenders that show they have a historical/cultural connection with the asset and/or a commitment to demonstrate an element of the site's history.

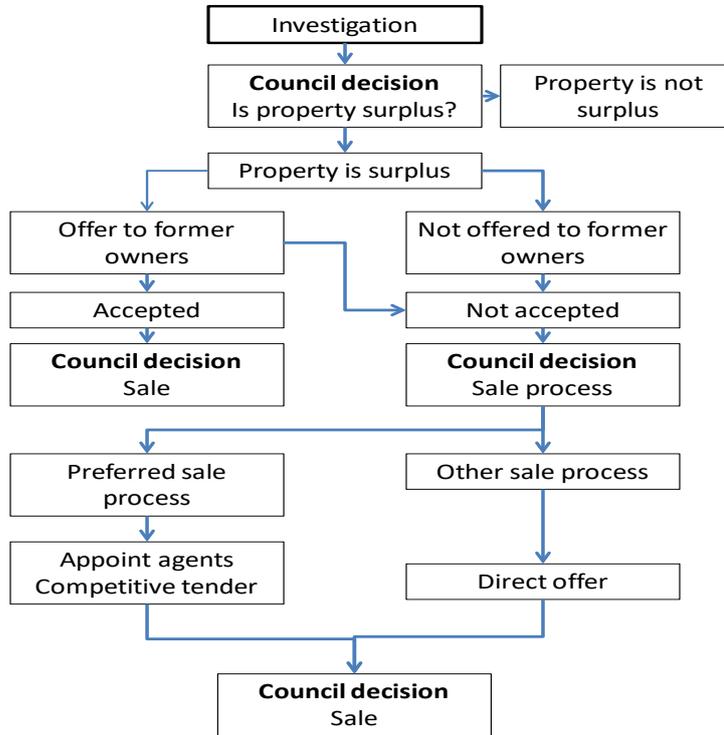
### 5.3.3 Other sale processes

- Any recommendation for the sale of Council owned land and buildings shall include the preferred sale process.
- Given particular circumstances it may be impracticable, unreasonable or unfair to progress the disposal of land or buildings via the preferred sale process.
- In these circumstances it will be permissible for the Chief Executive to sell land to an adjoining owner, lessee, occupier or agency with a historic interest in the site via a best possible process.
- A best possible process may include direct negotiation.
- The basis of the price will follow consideration of advice from a real estate agent operating in the district together with a current valuation from a Registered Valuer.

### 6.0 Delegation

- The administration of this policy is delegated to the Chief Executive unless the market value of the site exceeds \$250,000.

**Land and Building Disposal Policy**  
**summary flow chart**



***Note: This policy covers the sale of all land including any improvements thereon such as housing, depots, buildings etc.***

This policy was adopted by the Gore District Council at its meeting held on 15 March 2022.