



**CORANGAMITE  
SHIRE**

# **Sale of Council Land and Buildings**

**Corangamite Shire**

**April 2018**

# Council Policy



## Sale of Council Land and Buildings

### Introduction

The Sale of Council Land and Building Policy outlines the way in which Council administers its real estate assets.

Council asset requirements may change over time, thus all Council land and buildings should be reviewed regularly to ensure that the land or building is being held for a specific purpose for current or future use or identified as potential land or building for disposal.

### Purpose

The purpose of this policy is to establish a framework for Council decisions when considering the disposal of Council land or buildings.

This framework should assist to ensure that Council land and buildings are disposed in a responsible manner, in accordance with the outlined policy, legislative requirements and consistent with the Council Plan 2017-2020:

*Council will demonstrate high levels of ethical behaviour and governance standards.*

*Council will make budgetary decision that ensure Council remains in a strong financial position now and into the future.*

*Council will deliver value for money by ensuring that services are required and delivered efficiently and sustainably.*

### Scope

This policy is applicable to all Council owned land and buildings.

### References

*Local Government Act 1989 (including any future reviews of the Act)*

*Valuation of Land Act 1960*

Council Plan 2017-2021

### Laws and regulations

There are many laws and regulations that apply to the way in which Council disposes of its land holdings. The sale of Council land and buildings should be in accordance with the *Local Government Act 1989*.

### Surplus Council Land and Buildings

Council will review, identify and evaluate, on an as needs basis, all Council land holdings. Properties that are designated as surplus to requirement may be made available for sale.

Surplus Council land and buildings will be identified and considered using the following criteria:

- history of the land
- size and location of the property
- demonstrated past and current usage
- surrounding usage
- community or Council plans
- strategic relevance
- access to the property
- demonstrated community need
- future foreseeable use. This may include Council, community, amenities, environmental and infrastructure usage.

All property marked as being surplus will be subject to a report to Council outlining:

- the reasons for the recommended sale
- a valuation (as per the rating system, which is provided by the Valuer-General's Office)
- the proposed method of sale
- community consultation plan and outcomes

The valuation will be listed separately and remain confidential to ensure the integrity of the sale process. Once Council approval has been received, a public submission process will take place advertising Council's notice of intention to sell in accordance with the provisions in the *Local Government Act*.

#### **Requirement for a Current Valuation of Land**

In accordance with Section 189(2)(b) of the *Local Government Act*, before a council sells or exchanges land, it must obtain a valuation of the land which is made not more than 6 months prior to the sale or exchange of that land.

The valuation must be conducted by a valuer that holds the qualifications or experience specified under Section 13DA(1A) of the Valuation of Land Act 1960. Under Section 13DA(1A) of this Act, councils are obligated to appoint a valuer who holds the experience or qualifications specified from time to time by the Minister by notice published in the Government Gazette.

#### **General Principles**

The method of sale chosen to sell the property will be determined by the nature of the land or building.

Council will aim to maximise the price of asset sales.

Different sale methods that can be considered are:

- sale through a real estate agent
- sale by public auction
- sale by public tender
- sale by public registration or expression of interest
- sale /exchange by private treaty.

Each sale method has its benefits of exposing the land to the market. The following principles will apply to the sale:

- The sale of land is not permitted before an auction or close of tenders.
- The reserve price will be set prior to an auction, close of tenders or receipt of offers and remain confidential.
- The valuation will be used as the reserve price.

- If land fails to sell at auction, it is to be passed in for negotiation with the highest bidder and offered for sale to that person at not less than the reserve price.
- If the land remains unsold following negotiations after an auction or unsuccessful tender, it should be left on the market for private sale at not less than the reserve price for an appropriate or reasonable period of time as determined by the CEO or delegated officer.
- A decision to accept a written offer which is lower than the valuation can only be made by Council decision. Having considered relevant factors and Council having formed an opinion that the offer is reasonable, the land may be sold. Council will disclose the reasons for its decision, in a future Council Report, to sell the land for a price lower than the valuation.

### **Use of Proceeds**

Income from the sale of land will be treated as revenue in the year which it is received and considered as part of any budget considerations.

### **Dating of Documents**

Council will attach a copy of the legal advice received regarding the dating of documents, to all transfer of land documents or sale contracts. A file note will be included in Council's Records Management System referring to the legal advice received in relevant cases.

### **Reference to linked Procedure or Guidelines**

Attachments accompanying this policy that should be reviewed when considering the sale of Council land include:

- Local Government Best Practice Guideline for the Sale, Exchange and Transfer of Land, Department of Planning and Community Development, June 2009
- Procurement Policy, Corangamite Shire, February 2018 or the most recent version where it is endorsed by Council
- Sale of Council Land and Buildings Procedures, Corangamite Shire, March 2018 or its most recent version where it is endorsed by the Chief Executive Officer.

### **Review Date**

This policy will be reviewed in 2020, or earlier as required by changed circumstances including changes to the legislation and policies of Corangamite Shire, the Victorian Government and its agencies or Federal Government and its agencies.

It is considered that this Policy does not impact negatively on any rights identified in the *Charter of Human Rights Act (2006)*.