

Policy

PROPERTY HOLDINGS POLICY

TEAM:	Property
RESPONSIBILITY:	Commercial Manager
ADOPTED:	29 June 2017
REVIEW:	Every five years or as required.
CONSULTATION:	Required.
RELATED DOCUMENTS:	Ashburton District Plan, Public Bodies Leases Act 1969, Local Government Act 2002, Property Law Act 2007, Land Transfer Act 1952, Resource Management Act 1991, Public Works Act 1981, Treaty of Waitangi, Ngāi Tahu Claims Settlement Act 1998, Reserves Act 1977, Proposed Canterbury Air Regional Plan (Environment Canterbury), Canterbury Regional Policy Statement 2013.

Policy Objective

- To strategically manage property owned or managed by Council for the current and future benefit of Council and the community.
- To ensure there is equity in the management of Council's property where the use of the property is of a permanent or semi-permanent nature.
- To ensure Council meets its legislative requirements particularly under the Ngāi Tahu Claims Settlement Act 1998.

Definitions

Council means Ashburton District Council.

Economic benefit means the benefit received whether it is monetary or provision of employment opportunities.

Footprint means the ground area covered by a building.

Land Managed means Council managed land that may or may not be owned by Council.

Freehold property means a property which is owned by Council in estate fee simple.

Glasgow lease means a renewable ground lease of varying years with perpetual rights of renewal. Council leases the land, excluding improvements, and the leasee owns all improvements on and in the property.

Licence to Occupy means a short-term right to occupy a property for a particular purpose, that does not give any right to exclusive occupation. Other forms of short-term rights to use Council properties are also available.

Lease means a longer-term right and can give the leasee the exclusive use of the property. Lease agreements may include rights of renewal, and provisions for reviewing the rent over the term of the lease.

Property Interest means the granting of a right to utilise Council property on a permanent or semi-permanent nature.

Policy Statement

1. Introduction

- 1.1 Council owns and manages numerous properties across Ashburton District for strategic, social and investment purposes.
- 1.2 Each property is managed according to the reasons for which it is held, with leases, easements, licences to occupy, reviews and sales considered on a case by case basis.
- 1.3 Buildings on Council owned land (including Glasgow lease) must be assessed and maintained to not be earthquake-prone.
- 1.4 This policy does not apply to Council's elderly persons housing properties, which are covered by the Elderly Persons Housing Policy.

2. Freehold Residential, Industrial and Commercial Properties

- 2.1 Council owns a small number of freehold residential, industrial and commercial properties.
 - 2.1.1 These properties are held for strategic reasons, to allow for future uses associated with Council's overall service provision to the community. The properties are, where possible, to be leased at a market rate to provide income to Council.
 - 2.1.2 **Residential**
Council will only continue to hold residential properties until their strategic purpose is met or no longer exists.
 - 2.1.3 **Commercial**
Commercial properties are held as part of Council's investment portfolio and/ or for strategic reasons. These properties are to be leased at a market rate to provide income for Council which is used to offset the rate requirements.
- 2.2 Council will consider the sale of commercial property at market value if there is a resulting economic benefit to the wider community.
- 2.3 Council owns a number of freehold industrial properties. These properties are held as part of Council's investment portfolio and/ or for strategic reasons. These properties are to be leased at a market rate to provide income for Council which is used to offset the rate requirements.
- 2.4 Council will consider the sale of industrial property at market value if there is a resulting economic benefit to the wider community.

2.5 Council will consider the development of Commercial and Industrial properties where there is an economic benefit for the wider community.

3. Glasgow Lease Properties

3.1 Council owns a number of industrial, rural, commercial and residential properties with Glasgow leases.

3.1.1 Residential

Council will sell the freehold interest in any Glasgow leased residential property at the request of the leasee. Council will meet the valuation fee, providing there has not been a request to purchase in the preceding 5 years otherwise the valuation is at the leasees' expense.

3.1.2 Commercial (non-Central Business District) and Industrial

Council holds commercial and industrial property with Glasgow leases to assist economic development and to obtain a commercial return.

Requests to purchase commercial or industrial properties with Glasgow leases will be considered by Council on a case by case basis. If there is a clear benefit to the wider community likely to result from a sale, Council will consider selling at market value.

Benefits to the wider community can include, but are not limited to:

- Creation of new jobs,
- Provision of goods and services not previously available in the district,
- Upgrading building stock in the district.

3.1.3 Commercial - Central Business District

Council holds land in the central business district (CBD) to assist development and to obtain a commercial return.

In this instance the CBD area has the same meaning as the Ashburton District Plan and is defined as: the area of Business A zoned land contained generally within the area bounded by Mona Square north, Park Street, Wills Street, William Street, Cass Street, Moore Street, and State Highway 77/Kermode St.

Council will consider any request to freehold commercial Glasgow lease properties within the CBD when the owner of the building needs to replace or strengthen the building to meet new building code requirements.

The properties will be sold at market value.

3.1.4 Rural

Council holds rural property with Glasgow leases to assist economic development.

Requests to purchase industrial Glasgow lease properties will be considered by Council. Where there is no economic, operational or strategic reason for Council to continue to own the property, Council will sell at market value or will assess the value to be obtained if there is a community benefit of a greater value than what would be obtained by the market value.

4. Hut Sites

- 4.1 Council owns a number of hut sites at Lake Clearwater and Wakanui Beach. These sites must hold licences to occupy.
- 4.2 Development of hut sites is subject to any relevant District Plan provisions, and building consent requirements (relating to fire, structure height and proximity to boundaries). Permission must first be obtained from Council.
- 4.3 Where licensees have erected structures outside their licence footprint, the encroachment is to be removed if it has been there for less than 2 years. If greater than 2 years then a separate licence at market rate is to be issued and the encroachment is to be removed within 10 years or when the property changes hand.

5. Easements - Licences to occupy

- 5.1 Council's land holdings are such that there is pressure from utility or adjoining land owners to utilise Council land for commercial benefit.
- 5.2 Requests to utilise Council land will be assessed on a case by case basis with permanent usage not granted if the use will have a detrimental effect on the present or future use of the property.
- 5.3 Where requests to utilise Council land on a temporary basis is requested then a licence to occupy will be applied for and granted prior to use. This use will attract a fee for the period of use- such uses include outdoor dining on road reserve or other council land, temporary access over or on of council land including road/reserves/fee simple land during construction on an adjacent property.