

Strategic Property Management – Acquisition and Disposal

Policy Type:	Council Policy
Reference Number:	N/A
Responsible Department:	City Development - Assets & Operational Services
Responsible Officer:	General Manager City Development
Legislation	Local Government Act 1999 – Chapter 11 Development Act 1193 Real Property Act
Relevant Delegations:	N/A
Related Policies and Procedures	Disposal of Surplus non-community land
Community Goal	Civic Leadership - Implement a property investment/divestment strategy that will support the achievement of Council's goals
Previous Policy No	N/A
Date Adopted:	22 May 2023
Review Date:	May 2026

1. POLICY STATEMENT

The acquisition or divestment (and/or other means of control) of property assets (buildings and land) shall only occur where a property is seen to be of future strategic significance to the City of Unley (i.e. enabling the objectives of the Community Plan and/or the long term needs of the Community to be met), or conversely where the property no longer has such strategic value.

Property acquisition may occur to meet an identified strategic objective in the Community Plan such as (but not limited to):

- Facilitate or meet growth demands in council-based services
- Enhance people movement for cars, cyclists, and pedestrians
- Replace, expand, or duplicate an existing facility to better meet service requirements
- To enhance car and bike parking provision that support Unley's shopping and business precincts.
- To create linkages between community spaces
- To facilitate development
- To increase existing open spaces
- To maintain or increase the City's tree canopy cover.
- Shape the mix of businesses across the City.
- To increase the size of an existing Council property by purchasing adjacent contiguous land.

Property divestment may occur when a property is deemed to no longer have strategic value.

2. GUIDING PRINCIPLES

Council has developed this set of guiding principles to ensure assets are acquired in a responsible, systematic manner to meet the objectives of the Community Plan.

Principle 1 – Strategic consistency

Any property proposed for acquisition will be assessed for its ability to be used to meet strategic objectives from the Community Plan and/or the long term needs of the community.

Principle 2 – Due diligence

Properties will then be assessed against a suite of criteria that cover Legal, Financial and Technical due diligence.

Principle 3 - Risk sensitive

Decisions will be made after associated risks are identified, understood, and deemed manageable. (Environmental, Heritage, Public Safety, Reputational).

Principle 4 – Equity across the community

A balanced approach will be taken to ensure that residents and businesses across the city have reasonable access to required services.

Principle 5 – Advanced planning

Council will assess properties that may not currently be on the market, and if deemed strategic will monitor them

Principle 6 – Opportunity

Council may encounter unexpected opportunities to acquire property that adds to existing holdings or creates a significant new opportunity.

Principle 7 – Holding costs / income

Properties that generate holding income will have a higher priority.

3. PLANNED STRATEGIC PROPERTY ACQUISITION / DIVESTMENT

Council manages and regularly reviews its property and open space asset portfolio on an on-going basis and considers and assesses current and future needs in line with facility or site suitability, its fitness-for-purpose and growth and expansion opportunities.

Regular community scanning is utilised to identify and review opportunities that may prove beneficial to the City of Unley in growing, upgrading, or replacing building and property assets to better deliver a range of required Council activities.

4. ACQUISITION

The acquisition of property will only occur in accordance with the guiding principles of this policy and where a property is assessed to be of future strategic significance to the City or where strategic master planning has clearly identified a requirement.

Where a planned acquisition is being considered, a full asset audit and management plan will be undertaken so that long term financial costs associated with maintenance, depreciation, legislative compliance, service delivery, refurbishment and redevelopment are understood.

5. SALE AND DISPOSAL

Assets are owned by Council as a means of providing a service. An asset can be sold or disposed of when –

- (a) the strategic intent has been achieved
- (b) the requirement for the service is deemed to be no longer required by Council.
- (c) There is a better solution for ensuring the continuation of the same service, or a change in service level, which is in accordance with this policy's guiding principles; and
- (d) the asset is obsolete in that the long-term cost of maintaining the asset based on the asset management plan is considered financially too great for the perceived benefits being derived from the service (there is no need for the property in the foreseeable future).

Community and recreation assets can only be sold or disposed of in accordance with Council's Community Consultation policy, Community Land Management Plan and in accordance with the *Local Government Act 1999* and, where applicable, the *Development Act 1993*.

Council must first receive a report in accordance with the principles contained within this policy to determine if the asset is obsolete or no longer required for the purposes of determining if public consultation is justified. If Council choose to undertake public consultation, then Council must receive a final report based on the outcome of the public consultation and determine if the asset is to be sold or disposed of / divested.

All building and land assets determined by Council as suitable for sale should ideally be disposed of through an independent accredited agent (e.g., auctioneer, real estate agent) duly engaged in accordance with Council's procurement policy with the asking price set at an independent market rate. Where Council believes that there is a benefit to the Community by not selling at the independent market rate it may choose another approach.

6. OPPORTUNISTIC ACQUISITION

Where a property that may be of future strategic significance is identified, an initial assessment guided by the relevant items in the Due Diligence Checklist shall be undertaken by the Administration. If the property is deemed potentially suitable following this assessment, a full Report will be forwarded to the Strategic Property Committee at the next programmed meeting for further consideration.

All matters pertaining to the acquisition or divestment of property(s) will be considered as 'commercial in confidence' and all reporting will be classified as Confidential unless determined otherwise.