

<b>DA</b>	<b>APPOINTMENT OF REAL ESTATE AGENT TO SELL COUNCIL OWNED PROPERTY</b>	<b>APD52</b>
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<b>POLICY CODE:</b>	APD52
<b>DIRECTORATE:</b>	Planning & Development
<b>BUSINESS UNIT:</b>	Strategic Planning
<b>SERVICE UNIT:</b>	Land & Lease Administration
<b>RESPONSIBLE OFFICER:</b>	Property & Lands Officer
<b>FILE NO.:</b>	182/001
<b>DATE FIRST ADOPTED:</b>	12 October 2006
<b>DATE LAST REVIEWED:</b>	14 December 2017
<b>ATTACHMENTS:</b>	N/A
<b>DELEGATED AUTHORITY REF.:</b>	APD52
<b>VERSION NO.</b>	6

<b>Dates of Amendments / Reviews:</b>		
DAPPS Meeting:	27 September 2012	26 February 2015
	31 January 2013	26 November 2015
	22 August 2013	23 November 2017
OCM:	11 October 2012	12 March 2015
	14 February 2013	10 December 2015
	12 September 2013	

**BACKGROUND:**

The City of Cockburn owns the freehold of over 180 properties. Council at its Meeting held on 14 April 2011 resolved to adopt the Land Management Strategy 2011-2016.

The Land Strategy identifies land that can either be sold after being value added (subdivision rezoning) or land that can be sold immediately. Land that has obvious appeal to a range of potential purchasers is best put in the hands of a Real Estate Agent active in the vicinity of the land.

Land that only has value to an adjoining owner does not warrant the services of an agent. In these cases provisions of section 3.58 of the Local Government Act will apply, which necessitates a market valuation by a Licensed Valuer. This valuation would act as a guide in the negotiation to sell the land to an adjoining owner.

If the land is to be marketed by a Real Estate Agent then Council's Purchasing Policy and the requirements of the Local Government Act 1995 must be complied with.

**PURPOSE:**

The purpose of this policy is to provide guidance when appointing Real Estate Agents to sell Council freehold land.

**POLICY:**

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1. The following procedure is to be implemented when appointing a Real Estate Agent to sell on behalf of the City freehold land suitable for residential purposes.
  - (1) Determine whether the land parcel has value to a wide range of potential purchasers or only to the adjoining owner.
  - (2) If the land parcel only has value to an adjoining owner, instructions will be forwarded to a licensed valuer to determine the market value of the land. The market value determined by the licensed valuer will then be used by the CEO under delegated authority to negotiate a purchase price. Provisions of section 3.58 of the Local Government Act apply.
  - (3) If the land parcel has obvious appeal to a wider market and the marketing costs are likely to be in excess of \$100,000, then a public tender will be called. If the fees are estimated to be less than \$100,000, the City will seek quotes from at least three Real Estate Agents. Real Estate Agents with detailed knowledge of the local market is important in this regard.

2. Selection:

- (1) Selection of a Real Estate Agent will be based on submitted proposal that address the following criteria:

Measure	Weighting
<b>Demonstrated successful marketing</b> of similar property with evidence of listings and sales of properties in the vicinity of the subject property	15
<b>Demonstrated expertise /skill</b> Including years in real estate, local knowledge and membership of professional institutions	15
<b>Fee structure</b> based on percentage of selling price	70
	100

3. The appointment of a Real Estate Agent after consideration of the selection criteria will be determined by the CEO pursuant to delegated authority, within the confines prescribed by the Local Government Act, 1995.
4. Appointment of Real Estate Agents to sell properties that are likely to command a selling fee of above \$100,000 will be determined by public tender.
5. Tender documentation and selection criteria will be based on criteria determined for non-public tender selection with additional criteria to suit the particular land parcel.
6. In all cases the asking price will be determined by the CEO after discussion with the successful agent. Acceptance of all offers will be decided by the CEO

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pursuant to delegated authority, within the confines prescribed by the Local Government Act 1995.

7. All land sales will have to comply with provisions of section 3.58 of the Local Government Act 1995.
8. The method of selling the property pursuant to the Act either by Public Tender, Public Auction or Private Treaty will be decided by the CEO after discussion with the successful agent pursuant to delegated authority, within the confines prescribed by the Local government Act 1995.
9. The appointment of a Real Estate Agent will be for a minimum three month period (to be determined by the CEO) after which time, if the agent has failed to provide the City with offers in accordance with their submitted proposal, their services will be withdrawn .The City may choose to offer the land sale to the next best candidate based on the original assessment process, or call for new expressions of interest to sell the property.