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Freeholding of Council Endowment Land Policy

Purpose and Scope

1. To describe the process to freehold (sell) Council-owned land which is subject to Domain or Municipal Endowment ground leases.
2. The Council owns land originally acquired by endowment from the Crown. Council owns the freehold interest in the land. The lessee (tenant) owns the leasehold interest in the same land.
3. This policy applies to land subject to Domain or Municipal Endowment ground leases (listed in Schedule 1 and 2 below).
4. This policy does not apply to any other Council-owned land or buildings.

Principles

5. Freeholding of leasehold properties owned by Council is entirely at the discretion of Council. Council has no legal obligation to permit freeholding of leasehold land.
6. The Council uses the income from the Domain Endowment (listed in Schedule 1) to maintain or improve reserves, purchase land in the name of the Crown as Recreation Reserve, or purchase land in the name of the Council for the purposes of the Hamilton Domain Endowment Act 1979.
7. The Council uses the income from the Municipal Endowment (listed in Schedule 2) for municipal purposes.
8. The Council will consider the freeholding of the land by a lessee on a case-by-case basis, so long as any such freeholding provides Council with a financial outcome that is satisfactory to Council.

Policy

9. The Council receive for consideration applications to freehold Endowment Land on application from the lessee. However, given the return on rental is typically lower towards the end of the rental cycle that at the beginning, Council is unlikely to approve any application for the freeholding of Endowment Land in the period of two years before each rent review.
10. Freeholding of **Domain Endowment** land shall proceed at 100% of the Current Market Value of Council's interest in the land based on an independent registered valuation obtained by Council. If the valuation so obtained is not acceptable to the lessee, and the lessee obtains another independent registered valuation which indicates that the value is less than the value fixed by Council's valuer, the value may be contestable by arbitration in accordance with the Arbitration Act 1996.
11. Freeholding of **Municipal Endowment** land shall proceed at 100% of Council's interest in the Current Market Value of the land based on an independent registered valuation obtained by Council. If the valuation so obtained is not acceptable to the lessee, and the lessee obtains another

independent registered valuation which indicates that the value is less than the value fixed by Council's valuer, the value may be contestable by arbitration in accordance with the Arbitration Act 1996. The applicant lessee will pay all the Council's reasonable costs and disbursements in respect of any application for freeholding, including all of the costs of valuation and, if necessary arbitration.

12. The sale proceeds shall be immediately credited to the relevant Endowment Fund.

Monitoring and Implementation

13. The Chief Executive will monitor the implementation of this policy.

14. The policy will be reviewed every three years, or at the request of the Council, or in response to changed statutory requirements, or in response to any issues that may arise (whatever comes first).

Schedule 1: Domain Endowment Leasehold Land

Property Reference	Property Address	Legal Description	Land Area
10002	297 Ulster Street	Lot 1 DPS 12212	2157.5m ²
10020	5 Henry Street	Lot 8 DPS 2099	759m ²
10026	5 Cotter Place	Lot 8 DPS 4051	679m ²
10027	126 Fox Street	Lot 4 DPS 5647	718m ²
10029	103 Dey Street	Lots 7 & 8 DP 34426 and Lot 1 DPS 82950	1457m ²
10030	101 Naylor & Dey Streets		

Schedule 2: Municipal Endowment Leasehold Land

Property Reference	Property Address	Legal Description	Land Area
20016	12 Wiremu Street	Lot 9 DPS 5418	830m ²
20023.001	77 Norton Road	Lots 3, 4 & 6 DPS 8955	1668m ²
20023.002	79 Norton Road		