

PROPERTY ASSETS DISPOSALS POLICY

Policy number	AM005	Version	DRAFT03
Drafted by	Danni Nash	Approved by Board on	29 June 2016
Responsible person	Asset Manager	Scheduled review date	24 February 2018

1. PURPOSE

The purpose of this Policy is to:

- 1.1. Provide guidance for property asset disposal decisions and processes.

2. POLICY STATEMENT AND PRINCIPLES

2.1. STATEMENT

- 2.1.1. Only property assets that contribute to the delivery of CEHL's stated mission are to be held.
- 2.1.2. Ongoing ownership is dependent on meeting either or both of the following criteria:
 - a. Financial performance is sustainable for the organisation.
 - b. Other strategic interests are met through ownership of the asset.

2.2. PRINCIPLES

- 2.2.1. Asset performance is to be assessed in accordance with the Property Asset Decision Making Model prior to any asset disposal decision.
- 2.2.2. Where an asset is deemed to be under-performing and CEHL is unable to sufficiently improve the performance of the asset, disposal should be considered as the future intent of the asset.
- 2.2.3. Divestment of only part of the asset should be considered as a performance improvement activity.
- 2.2.4. For property assets occupied by a co-operative member or tenant, an offer of appropriate alternative accommodation is to be made to the occupant household prior to commencement of the disposal process in line with the Appropriate Alternative Accommodation Policy and procedure.
- 2.2.5. For assets that CEHL intends to dispose of in the future, only essential maintenance is to be carried out.
- 2.2.6. Disposal of assets is to be at market value, unless exemption is provided by the Board of CEHL.
- 2.2.7. Disposal should ensure maximum value is gained by CEHL, including undertaking value adding activities prior to sale if warranted.

- 2.2.8. An annual asset disposal plan is to be approved by the CEHL Board at each annual budget cycle.
- 2.2.9. The proceeds from any property disposal are to be applied to loan reduction, capital investment or operational expenses, in a manner consistent with the current strategic direction of the organisation.
- 2.2.10. Obligations to financial institutions, the Director of Housing and the Housing Registrar relevant at the time of decision making, are to be investigated, understood and met by officers enacting this policy.

3. SCOPE

This policy covers the following types of assets:

- a. 'Property assets' owned by CEHL
- b. 'Property assets' managed by CEHL but owned by another party

4. DEFINITIONS

'Property Assets Decision Making Model' is the endorsed approach to making decisions about property assets.

'Essential maintenance' means the minimum amount of maintenance expenditure required to manage the residual risk at the property, meet statutory obligations and ensure an appropriate outcome for the occupant household.

'Property assets' in relation to CEHL typical operations include: land, dwellings, outbuildings, offices and fixtures and, in some instances, chattels (such as household appliances). Other types of property assets not mentioned, such as commercial properties, may form part of the property portfolio at a future date and are covered by this policy unless otherwise determined.

5. LEGAL REQUIREMENTS

This policy incorporates guidance provided by:

- a. Sale of Land Act (1962)
- b. Residential Tenancies Act (1997) Victoria
- c. Housing Act (1983) (amended 2005)

6. BOARD AUTHORISATION

Signature



Date of approval 29 / 6 / 2016

Name

Karren Walker