

## **13.2 DISPOSAL OF ASSETS OLD ADELAIDE ROAD PROPERTIES – CONFIDENTIAL**

Reference: 1 Old Adelaide Road Karoonda  
5 Old Adelaide Road Karoonda

(Officer – Chief Executive Officer)

### **Recommendation:**

*Recommended motion:*

*13.2.1 That in accordance with section 90(2) of the Local Government Act 1999, the Council orders that the public (excepting the Chief Executive Officer, the General Manager Corporate & Community, Manager Assets Infrastructure, Environment & Regulatory Services, Economic Development, Tourism and Communications Officer and Executive Support Officer), be excluded from attendance at the meeting to the extent that the Council considers it necessary to receive, discuss or consider in confidence the report – Disposal of Assets Old Adelaide Road Properties.*

*13.2.2 That the Council is satisfied that pursuant to section 90(3)(d) of the Local Government Act 1999 information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council and would on balance be contrary to the public interest.*

*13.2.3 That under section 90(2) 3(a) of the Local Government Act 1999, the Council pursuant to section 91(7) (b) of the Act order that the discussion and report (including attachments) and minute to be held in confidence for a period of 12 months.*

### **SUMMARY**

In 1992 council purchased two free standing properties along Old Adelaide Road Karoonda.

5 Old Adelaide Road CT 5095/694

1 Old Adelaide Road CT 5095/693

### **REPORT**

The above properties provide a combined annual rental income of \$14,000, which after expenses and depreciation equates to a nett income to council of \$4,888.00.

Both of these properties are estimated to be in excess of 100 years old, with the likelihood of one or both of them requiring a significant investment in terms of maintenance or repair increasing each year.

This report seeks to realise the equity and release council from the risk in each of these properties through public sale.

Each of these properties has a long term elderly tenant (in excess of 10 years). The intention would be to promote these as investment opportunities rather than seek to displace the tenants. In any event, Council has a vacancy in one of the retirement units, should either tenant wish to move.

The current economic climate has seen a marked increase in the value of both metropolitan and regional properties making it an ideal time to dispose of these assets.

As the majority of new grant opportunities increasingly look for co-contributions, the realisation of equity from both of these properties will provide council with a degree of agility and opportunity with any current or future grant applications without effecting the long term financial management plan.

### **IMPLICATIONS (FINANCIAL & RISK)**

Financial: high risk of future significant expenditure.

Medium: aged assets that could potentially require significant upgrades to meet tenant needs.

### **ATTACHMENTS**

Nil

### **RECOMMENDATION**

*Recommended motion:*

*That Council*

*13.2.4 Endorse the sale of both 1 and 5 Old Adelaide Road Karoonda S.A.*

*13.2.5 Authorise the Chief Executive Officer to obtain a market value of each of the properties.*

*13.2.6 Authorise the Chief Executive Officer to engage a registered real Estate Agent to conduct the sale of the properties at the appraised market value;*

*13.2.7 Authorise the Chief Executive Officer and Mayor to execute all and any necessary documents to affect the sale of these two properties.*