

## Disposal of Housing Properties

### Policy

Date effective: 11<sup>th</sup> September 2018

#### 1. Purpose

To guide the appropriate disposal of Department of Housing and Community Development's ('the Department') housing properties and to maximise opportunities for public housing tenants to transition into home ownership.

#### 2. Scope

This policy applies to all property owned by the Chief Executive Officer (Housing).

The following properties cannot be sold:

- an individual townhouse or apartment without separate title or where it is unfeasible for financial or strategic purposes to obtain separate title;
- large parcels of land with a number of dwellings without separate title to each dwelling;
- Government Employee Housing located outside of Darwin or Alice Springs; or
- properties on a strata subdivision, unless the whole block is sold.

#### 3. Policy

##### 3.1. Definitions

<b>Asset Management Strategy</b>	Refers to the strategic planning and asset management activities undertaken by the Department to ensure that its assets meet current service requirements and have the capacity to meet future needs.
<b>Disposal</b>	Refers to the sale, gifting, destruction, removal or other divestment of property owned by the Chief Executive Officer (Housing).
<b>Dwelling</b>	Refers to a house, apartment, townhouse or unit.
<b>Future Intent Framework Assessment (FIFA)</b>	Refers to the Department's assessment process used to determine the future value of an asset with respect to its ability to satisfy service requirements, its cost to maintain and its potential for future development.
<b>Gifting</b>	Involves giving a Department property to an individual or organisation for no charge.
<b>Home buyer sale</b>	Refers to a home purchase under the Department's home ownership incentive schemes.
<b>Private treaty</b>	Is the agreement for the sale of a property between the Chief Executive Officer (Housing) and a person or legal entity.

<b>Property</b>	Refers to a premises as defined by the <i>Residential Tenancies Act</i> , and includes dwelling/s, structures (including fences) and land owned by the Chief Executive Officer (Housing).
<b>Strategic value</b>	Refers to the importance of retaining property owned by the Chief Executive Officer (Housing) to achieve the strategic objectives of the Department or Northern Territory Government.

### 3.2. Disclosure of Interest

All direct or indirect conflicts of interest (real, perceived or potential) must be declared in accordance with the Department's Conflict of Interest policy.

### 3.3. Disposal by sale

The decision to dispose of a property by sale rests with the Chief Executive Officer (Housing).

The Minister of Housing and Community Development ('the Minister') may, in writing, authorise the Chief Executive Officer (Housing) to sell, lease or otherwise dispose of property in accordance with section 16(4) of the *Housing Act*.

Any disposal will be consistent with the Department's Asset Management Strategy and not prejudice any capacity for the Department to meet its obligations as a social housing provider.

The Chief Executive Officer (Housing) may approve the sale of a property based on a FIFA recommendation for disposal and subject to the procedures being followed.

#### 3.3.1. Sale to a current tenant

Public housing tenants, who have or can gain access to the funds required to purchase a property, can apply to purchase the property they are currently residing in unless it has been excluded from sale under the scope of this policy.

Public housing tenants living in remote communities may be eligible to purchase the dwelling they are currently living in under the Department's Remote Home Ownership Program (refer to the Remote Home Ownership Program policy).

Current public housing tenants living in urban areas can apply in writing to purchase the property they are currently living in. The Department is under no obligation to sell the property to the tenant. The Department will generally sell properties to the current tenant providing that the property:

- is separately titled;
- has been identified for sale in the Department's Asset Management Strategy; or
- is not required for future redevelopment.

To be eligible to purchase public housing or government employee housing applicants must:

- be a current public housing tenant (primary client or co-client); or
- be a current government employee housing tenant; and

- have two years of consistent rental payments; and
- have two years of good tenancy history and no legal action pending regarding tenancy matters; and
- have no outstanding rental arrears or other debt with the Department.

Eligibility for public housing tenants in remote communities is outlined in the Remote Home Ownership Program policy.

### 3.3.2. Sale by auction to the public or private treaty

When a property has been identified in the Department's Asset Management Strategy for disposal it can only be offered to the public by way of public auction or by inviting public tenders for the purchase of the property (refer section 16 (3) *Housing Act*).

Vacant properties that remain unsold at public auction or after public tender may be sold by private treaty (refer section 16 (3A) *Housing Act*).

Private treaty (one to one) sales to anyone other than the current tenant/s are only considered in exceptional circumstances and need the approval of the Chief Executive Officer (Housing).

### 3.3.3. Direct sale for private sector development

With the authority of the Minister (refer section 16 (4) *Housing Act*), the Chief Executive Officer (Housing) may sell property by direct sale for private sector development subject to the policy guidelines for sale being followed.

Property sold by direct sale for private sector development will be sold at a purchase price determined by the Minister, having regard to the current market value as assessed by a Northern Territory Government contracted valuer and subsequently endorsed by the Northern Territory Valuer General.

## 3.4. Gifting or sale below market value

Gifting involves giving a Department property to an individual or organisation for no charge.

Gifting of Department properties requires approval from the Northern Territory Treasurer, under Section 35 (2b) of the *Financial Management Act*. Under this policy, the sale of a property below market value requires endorsement from the Minister and approval from the Northern Territory Treasurer.

## 3.5. Market Led proposals

Individuals, businesses and non-government organisations occasionally put forward a proposal for consideration outside of the Department's usual processes, programs or policy.

In special circumstances, the Northern Territory Government is prepared to consider specific proposals (refer the Northern Territory Government's Market Led Proposals policy).

All Market Led proposals will be directed by the Chief Executive Officer (Housing) to the Chief Executive Officer of the Department Trade, Business and Innovation for coordination of the assessment and recommendation process. The Department will work with the

Department of Trade, Business and Innovation to progress the proposal if it is deemed to meet the criteria of the Market Led Proposal policy.

### 3.6. Demolish

The decision to demolish property owned by the Chief Executive Officer (Housing), is made by the Chief Executive Officer (Housing), or delegate (refer section 14(2) *Housing Act*), and subject to a FIFA. The Department may consider demolishing property that is structurally unsound, unlawful or obsolete, or for any other reason as determined by the Chief Executive Officer (Housing).

### 3.7. Excise from lease

The Chief Executive Officer (Housing), or delegate, may approve the disposal of a property through excision from a lease, based on a FIFA recommendation for disposal or relinquishment.

## 4. Delegations

Any disposal of public housing properties by sale must be:

- endorsed by the Executive Director Housing Delivery and the Executive Director of the relevant Service Delivery region; and
- approved in accordance with the *Housing Act* and *Financial Management Act* by the Chief Executive Officer (Housing), Minister for Housing and Community Development or Northern Territory Treasurer.

Any disposal of public housing properties by demolition must be:

- endorsed by the relevant Service Delivery region; and
- approved by the Chief Executive Officer (Housing), or delegate (refer section 14(2) *Housing Act*).

## 5. Discretionary decision making

No discretion applies to this policy.

## 6. Complaints and/or appeals

A decision not to sell a property owned by the Chief Executive Officer (Housing) cannot be appealed.

If a client is not satisfied with an action of the Department, they can access the Department's complaints process. For further information, please refer to the Complaints policy.

## 7. Review of the policy

If at any time the legislative, operating or funding environment is so altered that the policy is no longer appropriate in its current form, the policy shall be reviewed and amended accordingly. This policy will be reviewed within two years of release.

## 8. References

### Legislation

*Financial Management Act*

*Housing Act*

*Public Sector Employment and Management Act*

*Residential Tenancies Act*

### Policies

Complaints policy

Discretionary Decision Making policy

Conflict of Interest policy

Northern Territory Public Service Code of Conduct

Remote Home Ownership Program policy

Northern Territory Government's Market Led Proposals policy

## 9. Document change control table

Release Date	Version Number	Approved by (position)	Section amended	Category
11/09/2018	2.02	A/Director Policy	3.5	Editorial amendment
18/11/2016	2.01	Director Policy	3.5	Editorial amendment
27/10/2016	2.00	Chief Executive	all	Revised
02/09/2013	1.00	Executive Director Housing Operational and Client Support	all	New separate policy derived from Housing Services Operational Policy Manual, Chapter 15.