

### **11.15 Property Purchased by Staff**

**Introduction** Council currently does not have a policy on this matter and as such it is possible that well-meaning volunteers could lose wages and/or entitlements by attending emergencies on behalf of the community. Further, there is recognition that most volunteer organisations are struggling for numbers to fulfil the function they were established for. Development of a clear policy that encourages supports and rewards staff to participate in emergency service organisations seemed appropriate.

**Objective** To provide clarity as to the process of purchasing residential properties from the Shire of Trayning by employees. To provide an incentive to attract and retain employees.

To proactively turnover the Shire of Trayning residential assets.

**History** Adopted 14 December 2016

### **Policy Statement**

The Shire of Trayning is willing to sell residential properties to any of the employees. Following is the process that will apply and any conditions attached to same.

### **Vendor Finance**

Vendor finance is when the Shire of Trayning provides the finance to purchase a property. Vendor finance will only be available to employees whom have worked at the Shire of Trayning for a minimum of two (2) years.

Employees with less than two years employment at the Shire of Trayning are still able to purchase properties from the Shire however will have to source funding in the traditional manner.

### **Properties for Sale**

The only residential properties that are able to be purchased are those that are greater than ten (10) years old and are either vacant or they are the property that the employee resides within. For clarity, an employee may not make an offer for a Shire of Trayning property that is currently tenanted by another person or persons.

### **Process for Purchase**

1. Employees make an offer to purchase in writing to the Shire of Trayning.
2. The Shire of Trayning will have the property valued by a licenced valuer at the shires expense.
3. Providing the purchase price offered is greater than or equal to the valuation the Shire of Trayning will consider selling the said property subject to a suitable financial arrangement being agreed.
4. See paragraph below for acceptable financial arrangements.
5. The Shire of Trayning will advertise the "Disposal of Property" in accordance with the statutory requirements of the Local Government Act and Regulations at that time, at the Shire of Trayning's expense.

6. Settlement to be effected in the traditional manner utilising settlement/conveyancing professionals.

### **Suitable Financial Arrangements**

#### Traditional Finance

Employees make arrangements with a lending institution and organises finance in accord with the lending institutions practises and methods.

#### Vendor Finance

Vendor finance will be offered on the following basis:

- a) A twenty percent (20%) deposit in cash will be required.
- b) Any fees and charges maybe capitalised or paid for in cash.
- c) Interest to be charged on the balance will be the fixed interest rate that prevails with the Westpac Banking Corporation or the FBT Benchmark interest rate, whichever is the greater, at the time the loan is extended.
- d) The Shire of Trayning will hold a mortgage on the property until such time as all repayments plus fees, charges and property fees are paid in full.
- e) The maximum length of any loan will be five (5) years.
- f) The costs of registering a mortgage and any other loan documents will be equally shared between the Shire of Trayning and the employee (borrower).
- g) Settlement costs to be borne by each party.
- h) Agreed repayments are to be deducted from the employees' wages or salary package fortnightly until the debt is paid in full.
- i) In the event that an employee leaves the Shire of Trayning employment a direct debit repayment arrangement is to be entered into or the debt repaid in full.

### **Allocation of Proceeds**

All monies received as a result of any arrangement entered into to purchase property as a result of the application of this policy (deposits, repayments, interest earned, etc) are to be deposited into Council's residential building reserve fund.

*- End of Policy*