

FREEHOLD OF LEASEHOLD SECTIONS POLICY

Source:	Corporate Services, modified by Council		
Date:	10/09/1992		
Reviewed:	24/04/2013	Next review:	2019
See also:	R5/16, S3/26		

1. That all current and future lessees be permitted to acquire the fee simple of the lands comprised in their respective leases upon payment of a sum fixed by the Government Valuation Department (now Quotable Value New Zealand) in a special valuation made as at the date the lessee's written application to freehold is received in the Council Office such valuation to be of the land value of the land (as defined in the Valuation of Land Act 1951) less an allowance as fixed by the Valuer for such improvements as are shown to his satisfaction to have been made on the land by the lessee or his predecessor in title and which are excluded from the definition of "Improvements" in the said Act by the Second proviso thereto plus GST (if applicable).
2. That there be a special discount offered to freeholders of 10% of the land value only, as stipulated in (1) above. This offer is available until Council decides to cease offering the scheme.
3. That applicants for freeholding be required to pay the costs of the valuation and transfer.
4. That where requisite all such freeholding be subject to the consent of the Minister of Local Government or any other consent required by law.
5. That all future leases or renewals of present leases contain a right to freehold in the foregoing terms with the addition of the terms stipulated in (2) above.
6. That upon payment of the amount of the valuation and any balance due of the valuation and legal costs the rent payable under the lease shall be

apportioned as at the date of payment and a refund made to the applicant of rent paid in advance.

The procedures for freeholding are as follows:

1. The lessee (the person wishing to freehold) writes to Quotable Value New Zealand requesting a valuation for freeholding purposes. The fee is based on the valuation sum and is payable by the lessee direct to Quotable Value New Zealand, PO Box 109, Hokitika.
2. If the lessee decides to proceed with the freeholding of the property, they then make a written application to Council to freehold at the sum notified by Quotable Value New Zealand (plus GST if the property was used for other than residential purposes for the period 5 years prior to application) and agreeing to abide by the conditions set down by the Council including meeting the legal costs of the transfer. A copy of the valuation certificate must be included.
3. The lessee notifies his/her legal representative.
4. The Council instructs its solicitors (B H Connors) to prepare the necessary transfer documents.
5. All rentals must be paid to settlement date.
6. The Council's solicitors will send out a statement of account for the purchase price plus all fees and charges to the lessee or his/her solicitor who will pay the account to the Council's solicitors to complete the transaction.