

**7. POSSIBLE PURCHASE OF PROPERTY 18 MCGREGOR'S ROAD, NGA WHAEA ATAWHAI I
ROTO I TE ROHE O OTAUTAHU**

SISTERS OF MERCY DIOCESE OF CHRISTCHURCH

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The purpose of this report is to advise the Committee of the Housing Working Party's consideration of and recommendation on the purchase of a property from the Housing Development Fund.

BACKGROUND

Ka Wahine Ki Otautahi Trust is a charitable trust which provides safe accommodation and personalised programmes for women coming out of prison. The Trust works closely with the Manager of the Womens' Prison and with the Community Probation Service, and is the only residential facility in the South Island for women going through the court and prison systems.

Working Party members will recall that Ka Wahine Ki Otautahi Trust first approached the Council for financial support early in 2000. The Trust receives very limited government funding and experiences ongoing funding difficulties. The group was referred to the Housing Working Party which considered the request in June 2000. As a result, the Council requested the Minister of Corrections, the Hon. Matt Robson, to consider a funding partnership with the Council to support the work of the Trust. While acknowledging the good work of the Trust, the Minister declined this request on the basis that the Trust's work was not sufficiently aligned with current Community probation Service objectives.

Council funding for the Trust was again considered by the Housing Working Party in December 2000. At this meeting the Working Party confirmed its support for the Trust, and agreed "that the Property Manager follow up with the Sisters of Mercy on the possibilities of purchasing the property at 18 McGregors Road, Linwood, currently leased to the Trust" (minutes of Housing Working Party, 20 December 2000).

SUBJECT PROPERTY

The property is located at 18 McGregor's Road, Bromley, close to the Linwood Avenue end of McGregors Road.

The dwelling contains a square-shaped, modest three-bedroom bungalow containing an area of approximately 103m². It was erected in approximately 1950. The dwelling consists of brick veneer exterior cladding with a concrete and timber foundation and concrete tile roof. The house is mostly in original condition and is quite dated in terms of presentation. There are some cracks evident in the ceiling in the bedrooms and some broken window panes being evident. The property though is in a sound condition throughout.

To the rear of the house there is a significant sleep-out approximately 12 years old and 32m² in area. There has been partitioning to provide three bedrooms, and it is lined and carpeted, and in each room there is an aluminium ranch slider to a veranda and deck running the length of the building.

A separate double concrete block garage is also present on the property.

VALUATION

The property was offered to Council at the rating value of \$138,000.

An independent market valuation has been obtained which has assessed a value of \$119,000, which was presented to the Sisters of Mercy for their consideration.

Advice has now been received that they are prepared to sell the property for this amount and the approval of this committee is sought therefore to report this matter to the Community Services Committee with the purchase being funded from the housing development fund.

LEASE ARRANGEMENTS

As is the case with other Council purchases of this nature, it is proposed to lease the property on the following basis:

- five-year lease with three rights of renewal of five years each.
- rent reviews to occur at renewal dates.
- the rental for the first five year period to be 2% of the capital cost i.e. \$2,380 pa.
- an additional clause will be added to the lease to ensure the use to which the property is currently put is maintained.

The Housing Working Party **resolved** that the following recommendation be placed before the Committee:

Recommendation: That the property be acquired, subject to the above terms and conditions.