

**Sent:** Friday, 20 May 2016 4:04 p.m.

**Subject:** OIA Request for Information - Sale of building across the road from Autohaus

I refer to your email of 27 April 2016 to Chief Executive Geoff Williams seeking information about the sale of the building directly across the road from Autohaus, and reply below as per the questions in your email:

1. I have been told that [REDACTED] visited the 'Glass Building' over the road from Autohaus on Lake Road before December 2013 with a view to bidding when the Council auctioned the site. *The property was marketed for a three week period with Rotorua Lakes Council's agent making contact with both [REDACTED] and his son [REDACTED].*
2. He reputedly registered as an interested party. *Only two parties registered, neither of which were the [REDACTED]*
3. He was allegedly later told that the building had been sold without going to tender or auction to the person who had a common firewall because he owned the adjacent site. *One of the registered purchasers also owns the neighbouring property. These properties share a firewall and it was identified that wall needed remedial action to bring it up to code. This work required a building consent and would not have been able to be completed before the auction and would likely have had an impact on the eventual sale price.*
4. It is speculated that the sale was not open and public to get the best possible price because of doubts about the quality of Council's inspections of the firewall that had to be covered up. *Prior to the auction, a formal offer to purchase the property was received, considered and accepted. That offer was \$10,000 above the registered valuation and \$200,000 above the early pricing indicated during the marketing campaign. Therefore, based on the low pricing indication, lack of registered interest and complexity with the adjoining property, the offer was determined to be extremely good and provided an excellent financial outcome for Rotorua Lakes Council and the ratepayers of Rotorua.*

Under legislation we are obliged to advise that if you have any concerns with the adequacy of our response you may contact the Ombudsman by writing to:

The Office of the Ombudsman  
P O Box 10 152  
WELLINGTON 6143

Or alternatively by email to [complaint@ombudsmen.parliament.nz](mailto:complaint@ombudsmen.parliament.nz)

Regards

---

**Jean-Paul Gaston** Group Manager, Strategy and Partnerships

P: 07 351 8302 | M: 0276554415

E: Jean-Paul.Gaston@rotorualc.nz | W: rotorualakescouncil.nz

A: 1061 Haupapa St, Private Bag 3029, Rotorua Mail Centre, Rotorua 3046, New Zealand

---

**ROTORUA**  
LAKES COUNCIL