



# THE ISLE OF GIGHA HERITAGE TRUST

## ASSET SALE POLICY

Chairman of the Board signature

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Date

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### Revision History

Version No.	Comments	Author	Date Issued	Status

## **GENERAL STATEMENT OF POLICY**

The Isle of Gigha Heritage Trust aims to maximise fulfilling its charitable objects through the provision of housing and infrastructure which supports both social and economic drivers on the island of Gigha. In reviewing the Trust's financial position, the Trust aspires to maintain assets where possible, whilst considering the long-term financial impacts. Through the provision of this policy, the Trust aims to implement good practice and operate fairly and transparently.

## **ORGANISATION AND RESPONSIBILITIES**

This policy applies to all Trust properties and assets. The Trust Board will be responsible for the implementation of the Trust's Asset Sale Policy and may use its discretion where appropriate.

## **GENERAL ARRANGEMENTS**

The Trust's Asset Sale Policy should be referred to when considering the Trust's financial position or receiving proposals for purchasing of assets.

The Trust's Plot Sale Policy should be referred to when considering a sale of up to 0.25 acres of land for the purpose of permanent residential self builds.

## **RESIDENTIAL PROPERTIES**

1. Existing Trust tenants can offer to purchase the residential property they reside in.
2. These proposals will be considered by the Board should the tenant have resided on the island for a minimum of 3 years.
3. The board will look to approve the sale unless a reasonable justification to refuse can be presented.
4. The property will not be advertised on the open market during this process and will be concluded as a private sale.
5. The Trust may only accept 1 tenant residential property sale per year.

## **OTHER ASSET SALES**

1. The Trust must present any asset sales to the Trust members for approval. This can include vacant residential, agricultural or commercial properties.
2. When proposing an asset sale, the Trust must present a clear financial justification which supports the proposal.
3. This should include the market value of the asset (sought from an independent valuer) alongside a maintenance report which outlines the anticipated future cost of retaining the asset.
4. The Board should also present an overview of the Trust's financial position in order to justify the proposal of an asset sale.
5. The approval procedure for an asset sale should follow the voting procedure outlined in the Trust's Memorandum & Articles.

## **SALE CONDITIONS**

1. All sales are subject to independent valuations.
2. All sale will have a Rural Burden attached to the title which includes:
  - The Trust has the pre-emption to purchase the asset back at market value first should it ever be for sale again in the future.
  - All residential property sales are for the purpose of permanent residency.
3. Proceeds from asset sales must be used to either reduce Trust debt or be invested into property maintenance, and not allocated to developments, projects or general overheads.

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