



NEWS RELEASE

For Immediate Release

July 10, 2018

Surplus government real estate sales achieved target revenue, but room for improvement

VICTORIA – The Office of the Auditor General of British Columbia has released a new report: *An Independent Audit of the Ministry of Citizens' Services Real Estate Asset Sales Management*.

In 2012, government established a two-year initiative called the Release of Assets for Economic Generation, or RAEG. Unused or under-utilized provincial land and buildings were sold in-part to help balance government budgets in 2013/14 and 2014/15.

“The RAEG initiative had three planned benefits: revenue, generation of economic activity, and cost savings. However, government only focused on the revenue target,” said Auditor General Carol Bellringer.

The Ministry of Citizens' Services, which planned and carried out the initiative on behalf of government, designed and followed appropriate processes to surpass its revenue target of \$421 million, but there was room for improvement.

The report contains seven recommendations including that government assess the costs and benefits of selling versus holding surplus assets prior to their sale and that government report to the public on how selling surplus assets can be in the best interests of the province.

The office reviewed 14 of the 101 sales, which represented 75% of the total sales proceeds. With the exception of the Burke Mountain lands in Coquitlam, government obtained, on average, 97% of the appraised value of the surplus property for the sales reviewed.

“It's critical that government use expert knowledge and judgement about when and how best to buy, maintain and sell assets to meet current and future provincial needs,” said Bellringer.

Government has always, and will always, buy and sell real estate assets. Since 1981, almost 1,500 surplus government properties have been sold.



OFFICE OF THE
Auditor General
of British Columbia

The full report is available on the Office of the Auditor General website at www.bcauditor.com.

Bellringer will answer questions pertaining to the report via a news conference.

News Conference Date: Tuesday July 10, 2018

Time: 11:30 a.m. (Pacific time)

Dial-in Information:

From Vancouver: 604 681-0260

From elsewhere in Canada and the USA: 1 877 353-9184

Participant Pass Code: 44848#

During question and answer period, to ask a question: Press 01

During question and answer period, to exit the question queue: Press #

About the Office of the Auditor General of British Columbia

The Auditor General is a non-partisan, independent Officer of the Legislature who reports directly to the Legislative Assembly. The *Auditor General Act* empowers the Auditor General and staff to conduct audits, report findings and make recommendations.

Contact us:

To speak to the Auditor General, call Emily Griffiths: 250-419-6132

For general questions, call Colleen Rose, Manager, Communications: 250-419-6207

www.bcauditor.com

Subscribe to receive report e-notifications at www.bcauditor.com/reach/subscribe