

NewsRelease



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It's time to stop the sale of federal government buildings

OTTAWA – Today is the closing day for bids on nine choice pieces of federal government real estate in some of Canada's hottest markets. The sell off is a bad deal for Canadians but it can and must be stopped says the Public Service Alliance of Canada (PSAC).

The Conservative government is in the process of selling off federal government buildings and arranging to lease them back for 25 years.

"The Conservatives are willing to trade short-term cash gain for long-term taxpayer pain," says PSAC National President John Gordon. "Rent payments over the life of the leases will be double the sale price."

The government will be guaranteeing rent for 100% of the space for 25 years. "Where is the incentive to find tenants at the Skyline Complex in Ottawa, a property on the block that currently has an occupancy rate of less than 10%, when taxpayers are picking up the tab?" says Gordon.

This is a sweet deal for the winning bidder if the sale goes through. At the end of 25 years, the bidder will have re-couped its investment and more through rent, paid nothing for maintenance which is the responsibility of the federal government tenant, and own extremely valuable buildings and real estate in Vancouver, Calgary, Edmonton, Toronto, Ottawa and Montreal. At the end of 25 years, the government will have spent much more than they received and have nothing to show for it.

According to the PSAC, this is such a bad deal, it's no wonder the whole business is being conducted under a veil of secrecy. All documents are confidential. The asking price is secret. The identity of a third-party being brought in to judge the fairness of the sale is secret. Questions such as why are the same bankers who recommended the sale acting as the government's real estate agents are being left unanswered.

Because they're not getting any answers, the House of Commons Standing Committee on Government Operations and Estimates has asked the government to place a moratorium on the sale of the proposed buildings until the Committee is given the relevant impact studies and information.

"The Conservatives continue to insult Canadians and abuse the Parliamentary Committee process by refusing to come clean about the sale and lease-back of these buildings," says Gordon. "They're not interested in hearing from anyone who might challenge their plan."

PSAC is calling for more than a moratorium. "We believe this is a bad deal for Canadians and we're calling on the Conservative government to stop the sale once and for all," says Gordon. "Canadians will not be well-served by this sale. Maintaining ownership makes economic sense and preserves and protects public assets."

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