

PROPOSED PURCHASE OF SEVEN EXISTING HOMES FOR SOCIAL RENT

1. INTRODUCTION

- 1.1 This report seeks the approval from the Housing and Homelessness Services Portfolio Holder to acquire the leasehold interest for seven existing flats and maisonettes which form part of a small block of twelve similar homes in the east of the District. All seven homes will be acquired with new 125 year leases and with the benefit of Homes England grant subsidy.
- 1.2 Due to the pre-contract nature of this decision and the associated commercial sensitivity, financial and site-specific information has been set out within Confidential Appendix 1.

2. BACKGROUND

- 2.1 In recent months opportunities have been sought by the Housing Development Team to acquire suitable 'off-the-shelf' properties to address the urgent need for family accommodation. Procurement 'off the shelf' means purchases from private sellers and developers who are prepared to sell existing or finished and newly built homes to the Council at discounts to open market asking prices.
- 2.2 A search of suitable opportunities led to the identification of the scheme in question, where an existing investment owner had just commenced marketing 5 x refurbished and modernised two bedroom flats, and 2 x three bedroom maisonettes. The converted flats and maisonettes form part of a single block of a similar age and construction to properties already owned by the Council.
- 2.2 A bid to Homes England for capital subsidy has recently been approved, resulting in a material financial contribution towards the acquisition of all seven homes.

3 THE PROPOSAL

- 3.1 If approved the recommendation within this report will permit the Council to enter a legal commitment to purchase the seven homes. The recommendation follows a formal valuation and survey of the properties, negotiations to agree the content of leases, and legal due diligence checks.
- 3.2 In due course the homes for Social Rent will be made available to households in urgent housing need and with a local connection to the New Forest District.
- 3.3 Financial details are contained within the confidential Appendix 1 however an external RICS Valuer has confirmed that the agreed purchase price for the seven homes (both individually and severally) is below open market value.

4. CONSULTATIONS

- 4.1 The proposal, related costs, details of the new 125 year lease, and the housing needs to be met, have been discussed with senior officers as relevant in Finance, Housing (Needs, Management and Maintenance), and Revenues and Benefits.

5. STATUTORY AUTHORITY

- 5.1 S17 (1b) of the Housing Act 1985 provides general statutory powers for the Council to acquire land and property.

6. CONCLUSIONS

- 6.1 The acquisition and delivery of these seven homes will provide urgently needed homes and contribute towards the council's affordable housing delivery target. The homes have been refurbished and will be immediately ready for occupation upon completion.

7. FINANCIAL IMPLICATIONS

- 7.1 In February 2022 Council approved a 2022/23 budget of £14.2m for the Housing Acquisition and Development Programme. Decisions on individual sites or properties are made by the Housing and Homelessness Services Portfolio Holder. The acquisition proposed in this report is covered within the current approved budget.
- 7.2 The confidential Appendix 1 is not for publication by virtue of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12A of the Local Government Act 1972, and that the public interest in maintaining the exemption outweighs the public interest in disclosing it.

8. CRIME & DISORDER IMPLICATIONS

- 8.1 None

9. ENVIRONMENTAL IMPLICATIONS

- 9.1 None

10. EQUALITY & DIVERSITY IMPLICATIONS

- 10.1 None

11. RECOMMENDATIONS

- 11.1 In accordance with adopted strategic housing and development objectives, it is recommended that the Council acquires the leasehold interest of these seven homes for the sum disclosed within Confidential Appendix 1.

12. PORTFOLIO HOLDER ENDORSEMENT

I have agreed to the recommendations in this report and the Confidential Appendix 1.

Sign: ...Cllr Edward Heron.....Date: 20 January 2023

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Background Papers:

NFDC Housing Allocation Policy

Cabinet Agenda and Minutes from
February 2022 – Agenda Item 60 – Capital
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Date on which notice given of this Decision – 20 January 2023

Last date for call in – 27 January 2023