



## **Strategic Acquisition of a Three Bedroom Property**

### **SUMMARY**

- 1.1 This report proposes the acquisition of a 3 bed mid-terraced property in the Arboretum ward of Derby in order to improve the thermal efficiency and visual appearance of the dwelling.
- 1.2 It is proposed that the house will be incorporated into the Council's affordable housing stock.

### **RECOMMENDATION**

- 2.1 To authorise the Head of Strategic Housing, in conjunction with the Head of Strategic Asset Management and Estates and the councils legal services to proceed with the purchase of the property for £62,000 in line with the valuation completed by the Council plus 3% stamp duty land tax (SDLT).
- 2.2 To undertake the full refurbishment of the house to ensure it achieves a lettable standard.

### **REASONS FOR RECOMMENDATION**

- 3.1 The acquired property will be refurbished to a high standard enhancing the quality of housing available in the area, promoting community stability and resident retention which in turn will have a positive impact on the overall social and economic health of the area.
- 3.2 There is need for affordable rented 3 bedroom properties in the area and the house is situated within close proximity to existing Council owned stock.
- 3.3 The purchase represents good value for money for a property of this type, in this location, as the acquisition cost of £62,000 is within the Council's valuation.

### **SUPPORTING INFORMATION**

- 4.1 The Arboretum ward is situated within close proximity to the city centre with good transport links and a range of local schools and amenities.

- 4.2 The identified property is a 3 bedroom mid-terrace property situated in the southern part of the Arboretum ward.
- 4.3 The property requires modernisation throughout, including but not limited to:
- Gas central heating upgrade
  - Improvement to thermal insulation
  - Replacement kitchen/bathroom
  - Installation of hard-wired smoke alarms
  - New roof covering and rain-water goods.
- 4.4 These improvements will improve the overall thermal efficiency of the house as well as its functionality and visual appearance creating an appealing home.
- 4.5 The vendors have agreed a purchase price of £62,000 which is below the valuation completed by the Council and represents excellent value for money for a property in this location of this standard.
- 4.6 There is a strong identified housing need for homes of this size and nature in this location.
- 4.7 The minute ref for the original budget is: 185/15 Housing Revenue Account Business Plan 2016 – 46.

#### OTHER OPTIONS CONSIDERED

- 5.1 Do Nothing. This will not ensure that the property is refurbished and made available to those on the housing register and is not recommended.

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Estates/Property officer</b>  <b>Service Director(s)</b> <b>Other(s)</b>	Paul McMahon, Principal Lawyer Mazer Hussain, Group Accountant Communities and Place Liz Moore, Strategic HR Manager Jayne Sowerby-Warrington, Head of Strategic Asset Management and Estates Greg Jennings, Director of Regeneration, Property and Housing Andy Hills, Environment and Climate Change Group Manager Karen Brierley, Housing Development and PFI Team Leader Ian Fullagar, Head of Strategic Housing Adrian Jeffs, Health and Safety Team Leader
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Carly Saunt 01332 640321 carly.saunt@derby.gov.uk None Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 The acquisition will be funded by the HRA for new build and acquisition and RtB receipts at a rate of 30% of the overall cost of acquisition and refurbishment.
- 1.2 The agreed purchase price is £62,000 which is within the council's valuation, with refurbishment works projected to cost no more than £25,000.

**Legal**

- 2.1 Housing Act 1985 (s9) allows the Council to buy houses to rent. The acquisition will be subject to the usual due diligence throughout conveyance.

**Personnel**

- 3.1 None arising directly from this report.

**IT**

- 4.1 None arising directly from this report.

**Equalities Impact**

- 5.1 It is not possible to adapt properties of this type to be wheelchair accessible due to the height of both access points and narrow internal corridors and doorways.
- 5.1 The property will be advertised via Derby Homefinder and allocated in accordance with the Council's allocations policy.

**Health and Safety**

- 6.1 None arising directly from this report.

**Environmental Sustainability**

- 7.1 Once acquired, the property will benefit from improvements to the gas central heating system and thermal insulation to improve the property's environmental sustainability.

**Property and Asset Management**

- 8.1 The acquisition will bring a property of a popular size and type into the Council's portfolio.
- 8.2 The agreed purchase price of £62,000 is within the council's valuation representing excellent value for money.

## **Risk Management and Safeguarding**

9.1 None arising directly from this report.

## **Corporate objectives and priorities for change**

10.1 This acquisition supports the Council's objective to increase its affordable housing stock, as well as address the quality of housing in the City, increasing resident retention and community stability.