

**Report of:** Business Manager, Finance and Asset Management

**To:** Executive Board

**Date:** 18th June 2007 **Item No:**

**Title of Report :** SALE OF 170/172 PEGASUS ROAD, BLACKBIRD LEYS

| <u>Summary and Recommendations</u> |  |
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| <b>Purpose of report:</b>          | This report arises from a decision by Executive Board to sell 170/172 Pegasus Road on the open market. It constitutes the report required by Contract Rule 20.20.  |
| <b>Key decision:</b>               | No.  |
| <b>Portfolio Holder:</b>           | Councillor Patrick Murray  |
| <b>Deputy Responsibility:</b>      | Finance.   |
| <b>Ward(s) affected:</b>           | Blackbird Leys   |
| <b>Report Approved by:</b>         | Councillor Patrick Murray (Improving Housing)<br>Jeremy Thomas (Legal and Democratic Services)<br>David Higgins (Finance & Asset Management)<br>Penny Gardner (Finance & Asset Management)<br>Michael Lawrence (Housing, Health & Community)   |
| <b>Policy Framework:</b>           | Capital Strategy and Asset Management Plan   |
| <b>Recommendations:</b>            | Executive Board is recommended to approve acceptance of the best offer currently available for the property as detailed in the Confidential Appendix to this report. In the event that the proposed purchase does not proceed at this level, the Board is requested to permit the Business Manager to proceed with a sale at the best achievable price, at or above the previously reported estimate of open market value. |

### Background

1. This property comprises an HRA Housing Estate Shop with 3-bedroom flat above. The shop has been empty for 2 years, and because of

nearby competition, is not considered to represent a viable standalone business opportunity. Successive tenants went bankrupt having suffered repeated acts of vandalism and violence. The flat is let on a weekly tenancy but the tenant has agreed to relocate and Tenancy Services confirm that vacant possession could be obtained quickly.

2. The Executive Board have previously ratified the decision of the Housing Advisory Board on 9th January 2007 that the entire shop site be marketed, and to sell it at or above our estimate of open market value, as reported to the Board and as given in Section 3 of the "Not for Publication" Appendix to this report. The proceeds of sale to be allocated to help meet the Decent Homes target.

### Marketing

3. The property has been extensively marketed by an external agent over a 3-month period resulting in 31 accompanied viewings.
4. A total of three offers were received above our estimate of open market value. It is proposed to proceed with the highest bidder who is prepared to proceed unconditionally and has provided satisfactory evidence of funding.
5. It is understood that the highest bidder proposes to redevelop the site with flats, but his offer is not conditional on planning.

### Recommendation

6. That the City Council proceeds with the sale of the property to the highest bidder at the figure specified in the Confidential Appendix to this report.
7. That in the event that this proposed sale does not proceed for any reason, the Business Manager be authorised to proceed with the sale to an alternative party at the best price achievable above the original estimate of open market value.
8. As this disposal is of a Housing Revenue Account building that was not built by Oxford City Council for housing, contains a shop on the ground floor and has vacant residential accommodation above the consent of the secretary of state will not be required if sold to an individual for best consideration. Consent A5.3.1 of the General Housing Consents will apply.

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**Background papers:** None.

