

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

**To:** Executive Board

**Date:** 3rd December 2007

**Item No:**

**Title of Report :** DISPOSAL OF 198 COWLEY ROAD, OXFORD



### Summary and Recommendations



**Purpose of report:**



This report arises from a decision by Executive Board on the 19<sup>th</sup> February 2007, which approved the disposal and marketing of 198 Cowley Road.



This report outlines the process adopted and makes a recommendation to proceed with the best achievable price. It constitutes the report required by Contract Rule 20.20.c

**Key decision:**

No



**Portfolio Holder:**

Councillor Patrick Murray

**Scrutiny Responsibility:** Finance

**Ward(s) affected:** All

**Report**

**Approved by:**



Councillor Patrick Murray (Improving Housing)

John Kulasek (Finance & Asset Management)

Jeremy King (Legal and Democratic Services)



Sarah Fogden & Penny Gardner (Finance & Asset Management)



Michael Lawrence (Housing, Health & Community)

Chris Pyle (Oxford City Homes)



**Policy Framework:**

To meet the Decent Homes Target by 31<sup>st</sup> December 2010

**Recommendations:**

Executive Board is recommended to approve acceptance of the offer 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 authorise the Financial & Asset Business Manager to proceed with a sale at the next best achievable price, at or above the open market valuation.



1. The proposed disposal of this house follows the February 2007 Executive Board report authorising the marketing of this property in the open market.
2. The property was fully marketed by an external agent over a 5-week period, during September and October 2007.
3. Prior to the property being marketed by the agent, an independent open market valuation was obtained. This current open market valuation is detailed in the "Not for Publication" Appendix attached to this report.
3. Three offers were received during the course of marketing as shown in the Appendix. As all are in excess of the open market valuation, it is considered that all of the offers are acceptable, despite reservations of financial ability to proceed of the highest bidder as noted below.
4. The highest bidder causes some concern as to their ability to proceed with the purchase. They have not, despite numerous requests from our agent, to date provided any evidence of financial ability to proceed, provided confirmation of a deposit nor have a mortgage arrangement in place. Given this lack of a response to these financial checks it is believed by the Estates team, that the prospective purchasers are unlikely to be able to proceed at their offer price. Given therefore the uncertain nature of this offer, it is recommended that a strict deadline of 2 weeks following Board Approval and receipt of draft documentation is given to the prospective purchasers requiring them to exchange contracts. This will ensure there are no unnecessary delays in this disposal.
5. We are advised that the highest bidders wish to use the property for their own occupation.
6. In the event that the highest bidder does not proceed, the Board is requested to authorise the Financial & Asset Business Manager to proceed with a sale to the next highest bidder or any other party, at or above the valuation indicated in the Appendix.
7. The second highest bidder as detailed in the Appendix intends to refurbish the house and utilise it for residential letting.
8. As the property is a part of the HRA assets and the proposed sale to the highest bidder is to an individual above full market value, the consent of the Secretary of State will not be required as the proposed disposal is covered by Section A of the General Consents in Section 32 of the Housing Act 1985. If, however, the second highest bidder were to proceed, as they intend to use it as a letting property and are a company, in this case it will be necessary for Secretary of State consent to be obtained.

**Name and contact details of author:** Ruth Whelan – 01865 252135  
rwhelan@oxford.gov.uk

**Background papers:** None.