

**To: City Executive Board**

**Date: 23 July 2008**

**Item No:**

**Report of: Interim Head of Property and Facilities Management**

**Title of Report: Disposal of 83-97 Ashurst Way Rose Hill**

### **Summary and Recommendations**

**Purpose of report:** This report arises from a decision by Executive Board on the 10th September 2007, which approved the disposal and marketing of 83-97 Ashurst Way.

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

**Key decision? No**

**Executive lead member: Councillor Ed Turner**

**Report approved by:**

**Finance: Dave Higgins**

**Legal: Lindsay Cane**

**Policy Framework:** To contribute towards the Decent Homes Target by 31st December 2010.

**Recommendation(s):** The Board is recommended to approve acceptance of the best offer currently available as detailed in the exempt from publication appendix to this report. In the event that the proposed purchase does not proceed at this level, the Board is requested to authorise the Director City Regeneration to proceed with a sale to the next highest bidder, at or above the open market valuation.

1. The disposal of this property follows the authorised 10th September 2007 Executive Board report to market this property on the open market.
2. Eight offers were received for the property during the course of marketing with 3 progressing to final offers. Their original offers as set out in section 1 of the "Not for Publication" Appendix to this report. However since then the property

market conditions have seriously deteriorated and all but one of the bidders have withdrawn their offers. The one remaining bidder, with whom it is proposed that the Council should proceed, has provided satisfactory evidence of financial ability to proceed and has also provided an offer in excess of the current open market value.

3. It is understood that the remaining bidder has finance arrangements in place and wishes to refurbish the flats, retain ownership and lease them out on Assured Shorthold tenancies.
4. Prior to marketing by our external agent, an open market valuation was completed as shown in section 3 of the appendix. In view of this, it is considered that the remaining offer detailed in section 2 of the Appendix should be accepted.
5. Following concerns raised by the previous Portfolio Holder, officers have approached a number of Housing Associations to enquire as to whether they would have any interest in acquiring the property. None have expressed any interest.
6. In addition the adoption of the Balance of Dwellings SPD together with the modern standards of accommodation required under the planning policies has resulted in all prospective purchasers seeking to refurbish and re-let these properties as short term private rentals. No interest has been shown for the opportunity for redevelopment, as in the opinion of the planners no additional accommodation than the existing 8No 1 bed flats would be permitted upon any redevelopment.
7. On the basis of the figures as set out in the Confidential Appendix the proposed disposal complies with s123 of the Local Government Act 1972, whereby Councils are required in all property transactions to seek “the best consideration reasonably obtainable in the circumstances”.
8. In the event that the purchaser does not proceed at this level, the Board is requested to authorise the Director of City Regeneration to proceed with a sale at or above the figure in section 3 of the Appendix.
9. The property is part of the HRA assets and the proposed sale is to an individual above full market value. However, consent of the Secretary of State will be required as this proposed disposal is not covered by the General Consents in Section 32 of the Housing Act 1985.

**Name and contact details of author:**

John Kulasek

[jkulasek@oxford.gov.uk](mailto:jkulasek@oxford.gov.uk) 01865 252137

**List of background papers:** None

**Version number:** No 2 dated 10/7/08