

**EXETER CITY COUNCIL
RECORD OF DECISION TAKEN BY OFFICER IN CONSULTATION WITH PORTFOLIO
HOLDER**

TITLE: To purchase a property at a value (being half the value of the property, as determined by the Council's valuer)

DECISION MADE BY: Director - Bindu Arjoon

IN CONSULTATION WITH Portfolio Holder for Council Housing Development & Services

DECISION:

To purchase a property at a value (being half the value of the property, as determined by the Council's valuer)

REASON FOR DECISION

To make the best use of the Council's housing assets, increase stock provision and rental income.

The property is a three bedroomed terrace house, built in the late 1970s, which forms part of a small portfolio of shared ownership properties sitting within the HRA. The current tenant/occupier of the property has recently died and the family now wish to sell the shared ownership lease (less any rent arrears owing) back to the Council.

ECC wishes to make an initial offer of £xx (with a view to negotiating to a maximum value) and then re-sell the property on the open market at a higher value. The Council wishes to purchase the property for the following reasons:

- Our current Asset Management Strategy states that we will dispose of one off properties away from our concentration of stock.
- The cost to purchase the lease and return the property to the open market would provide a more cost effective method of managing the property and would not go against the original principles of the Asset Management Strategy by retaining a property against the concentration of stock.
- The financial gains achieved by selling the property for a higher value that the cost of purchasing the lease will provide additional funds to reinvest in stock which better fits the criteria of the Asset Management Strategy.

ALTERNATIVE OPTIONS CONSIDERED

This is the best option and will seek to streamline the HRA portfolio, notably to reduce the administrative costs of managing a shared ownership portfolio and provide additional funds to re-invest in more suitable properties.

PRINCIPAL GROUPS CONSULTED:

Michelle White – Technical Accounting Manager, Melanie Whitehead – Senior Estates Surveyor, Mike Carson – City Surveyor, Penny Mann – Property Lawyer

DOCUMENT CONSIDERED: Executive Statement of Decision Tuesday 20 march 2012 Minute 35 – Delegated Authority for Acquisition of Social Housing Propert.

DECLARED CONFLICTS OF INTEREST: n/a

DISPENSATIONS GRANTED: n/a

Decision Number	Date of Decision Made
9	04 July 2019