

ITEM No ...2.....

REPORT TO: NEIGHBOURHOOD SERVICES COMMITTEE – 11 DECEMBER 2017
REPORT ON: OPEN MARKET ACQUISITION SCHEME
REPORT BY: EXECUTIVE DIRECTOR OF NEIGHBOURHOOD SERVICES
REPORT NO: 427-2017

1 PURPOSE OF REPORT

1.1 To seek approval for developing and implementing an Open Market Acquisition Scheme in Dundee.

2 RECOMMENDATION

2.1 It is recommended that the committee approves the proposal to develop and implement an Open Market Acquisition Scheme in Dundee.

3 FINANCIAL IMPLICATIONS

3.1 The Executive Director of Corporate Services advises that the cost of buy backs will be met from the allowances for Increased Supply of Council Housing within the Building Strong Communities section of the Capital Plan 2018-23 with the purchase of properties under the scheme subject to available resources.

3.2 The Scottish Government would provide £35k per unit grant contribution towards buy backs.

3.3 The scheme would be targeted at buying back larger (four and five bedroom) family homes to meet the high demand for these properties. Currently former council properties advertised for sale through Tayside Solicitor Property Centre (TSPC) the average asking price per bedroom size is:

4 bedroom - £108k
5 bedroom - £115k

3.4 In addition to the purchase price there would potentially be additional costs to bring the properties up to Scottish Housing Quality Standard SHQS and to meet the Council's re-let standard. These costs would be met from the HRA Capital Plan.

4 BACKGROUND

4.1 The Local Housing Strategy (LHS) and the Strategic Housing Investment Plan are the frameworks which plan an adequate supply of good quality housing of the appropriate sizes and types to meet housing need in Dundee and increase the range of affordable housing options in Dundee City Council.

4.2 The current Housing Needs Demand Assessment identified the 'need particularly for larger family housing' and 'the need for 3 bedroom plus accommodation in the social rented sector'.

4.3 Houses previously sold by the Council under the Right to Buy regularly become available for sale on the market.

4.4 At the current time the housing waiting list for each size of property is as follows:

Number of Bedrooms	Type of Bedroom	Waiting List
4 Bedrooms	1 Double / 3 Single	280
	2 Double / 2 Single	436
	3 Double / 1 Single	495
	4 Double	510
Total		1721
5 Bedrooms	2 Double / 3 Single	94
	3 Double / 2 Single	108
	4 Double / 1 Single	119
	5 Double	119
Total		440

4.5 Therefore there is a clear need to address this shortfall through means over and above the new build programme. Given the available supply of former Local Authority housing for sale, there is an opportunity to consider the repurchase of these houses as a means of helping to meet the identified gap.

5 PROPOSAL/CONSIDERATION

5.1 It is proposed to develop and implement a scheme to buy ex Local Authority privately owned properties on the open market that meet specific criteria as outlined below. This initiative would assist the Council in meeting housing need on the Waiting Lists.

5.2 To be eligible for the scheme the property must meet the following criteria:

- The property must have 4 or 5 bedrooms.
- The property should be an ex council property which is advertised on the open market, to ensure the property is sold with vacant possession.
- Any purchase would be subject to a valuation by the District Valuer; this would reflect current market value and any costs associated with ensuring that the property achieves the SHQS.
- The council would seek to secure an acquisition price which represents best value and does not exceed the District Valuer valuation.
- A condition assessment of the property would be undertaken and associated repair and improvement costs, legal and purchase costs will be assessed to consider if acquisition represents best value.
- The property should be located in a predominantly Council managed block or scheme.
- The seller must be the legal owner(s) and have clear title to the property and associated land.

6 POLICY IMPLICATIONS

6.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

7 CONSULTATION

7.1 The Council Management Team have been have been consulted in the preparation of this report and agree with the content.

8 BACKGROUND PAPERS

8.1 None.

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