

REPORT OF: **HOUSING, HEALTH AND ECONOMIC DEVELOPMENT
SERVICES MANAGER**

TO: **EXECUTIVE**

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WHITEFIELD HOUSE SALES

PURPOSE OF REPORT

To provide an update on progress with the sale of properties in Whitefield.

RECOMMENDATIONS

- (1) To note progress with the sales
- (2) To receive a further update report in 6 months

REASON FOR RECOMMENDATIONS

To keep the Executive informed of progress with disposals

ISSUE

1. A report was brought to the Executive in February 2016 setting out the progress in Whitefield on the sale of refurbished houses. This report provides a further update.
2. At the time of writing the previous report there were 21 properties still to sell with four under offer. Since then a further sale has completed and there are currently five properties under offer.
3. On a number of occasions we have accepted offers and then the purchaser has withdrawn at a later stage. Sometimes this has been due to their inability to obtain a sufficient mortgage and on other occasions they have not responded to Liberata when they have tried to check on progress. Liberata have introduced a form for completion by potential purchasers which asks for evidence that they have funding in place e.g.

mortgage approval in principle, bank statement. This is to try and reduce the number of properties that stay under offer for several months and then do not proceed to a sale.

4. For some time we have offered 5% Deposit Assistance for eligible purchasers who do not have a 10% deposit and this has helped to secure several sales. We have also offered alternative incentives for early completion, including an offer over the Summer of free carpets or legal fees paid for purchasers that complete by end of September.
5. We had agreed in February 2014 that Liberata would carry out joint marketing with a local estate agent on the Mosley Street properties to see if an alternative estate agency would help to attract additional buyers. They held an open day in May but nobody attended. They also introduced a time-limited discount on the properties. As a result there were two offers accepted but one looks like it will not proceed.
6. All prices were reduced by 10% last September and Liberata feel that the current prices are reasonable for the area and the quality of the properties.
7. Despite a range of new incentives sales remain slow. We have recently contacted a number of Registered Providers to see if they would be interested in purchasing any of the properties for affordable housing. Following the introduction of the Spare Room Subsidy (also known as the 'Bedroom Tax') larger properties have been less in demand as affordable housing as people receive a cut in their housing benefit if they are considered to have a spare room. The properties we still have to sell are mainly 4 bedroom with two 3 bedroom properties, one 2 bedroom (under offer) and one 6 bedroom (under offer). We are waiting for responses back from the Providers about whether there is any interest in the properties.
8. Members may recall that the purchase and refurbishment of these properties was partly funded by the Homes & Communities Agency (HCA). They will ultimately receive 41.7% of the sales receipts and need to approve the sales of all properties. We have been discussing the slow sales with them and asked them to consider any ways they could support us in getting the properties occupied.
9. A further progress report will be brought to Executive in 6 months.

IMPLICATIONS

Policy: None directly arising from this report

Financial: When all the properties have been sold 41.7% of the receipts will need to be returned to HCA, in line with the original proportion of funding that they put into the project. There are ongoing costs to the Council for the remaining properties and these are funded through the Property Management budget in the Capital Programme.

Legal: None directly arising from this report

Risk Management: None directly arising from this report

Health and Safety: None directly arising from this report

Sustainability: None directly arising from this report

Community Safety: None directly arising from this report

Equality and Diversity: None directly arising from this report

APPENDICES

None

LIST OF BACKGROUND PAPERS

Report to Executive February 2016 – Whitefield House Sales