

# FAREHAM

## BOROUGH COUNCIL

### Report to Housing Scrutiny Panel

**Date**                    **24 October 2024**

**Report of:**            **Director of Housing**

**Subject:**              **Fareham Housing Property Tenure Change and Property Disposal**

#### **SUMMARY**

The report provides the Panel with an overview of the Executive report concerning the tenure change of 29 Cottes Way, Hill Head to shared ownership, and the disposal of 5 Gordon Road, Fareham, including the building freehold.

#### **RECOMMENDATION**

It is recommended that the Housing Scrutiny Panel consider this report and make comments in advance of a report being presented to Executive for approval.

## **INTRODUCTION**

1. The Affordable Housing Strategy aims to provide the right affordable homes in the right places for those who need them. The level of need for the different types of affordable homes varies across the borough. Some areas have a higher housing need for rented accommodation than others. Fareham Housing focus opportunities for rented affordable housing in these high need areas.
2. When a property becomes void, the void process considers if the property is meeting a housing need, and any repairs/ maintenance required to bring a property back up to a lettable standard. Two properties have recently become void and have been identified as being hard to let due to their location. Both properties also require substantial improvements.
3. Following significant consideration and investigation, a report to Executive in November will request approval to change the tenure of 29 Cottles Way, Hill Head, to Shared Ownership, and to dispose of 5 Gordon Road, Fareham, including the freehold to the building. This report outlines the stock changes recommended, to enable our resources to support affordable housing where it is needed most.

### **29 COTTLES WAY**

4. 29 Cottles Way is a 3-bedroom semi-detached house in Hill Head. The property has a modest footprint with 3 bedrooms to the first floor, and a lounge, shower room, separate WC and small kitchen to the ground floor. The small floor area is unsuitable for someone with a disability.
5. The Council doesn't own any other properties in the area. Whilst the home is in a desirable location, it is not an area of high housing need and it does not best meet the needs of applicants on the housing register. It would however be an attractive opportunity for shared ownership. This alternative affordable housing product would meet a growing need in Fareham for purchasing a share in a property and paying rent on the remainder. There are over 650 applicants on the Council's Affordable Home Ownership register. The Capella Close Shared Ownership properties in Hill Head, which included 2No. 3 bed homes, were popular when they were marketed in 2022/23.
6. Prior to marketing 29 Cottles Way for Shared Ownership, the Council will undertake the required repairs and modernisation to the home to ensure it meets current housing standards. Based on the expected valuation of the property, the benefit of undertaking the repairs outweighs the cost, with the change of tenure to Shared Ownership presenting a positive Net Present Value.

### **5 GORDON ROAD**

7. 5 Gordon Road is a first floor flat in a 2-storey building converted into two self-contained flats in 1951. The ground floor flat is leasehold. The Council own the freehold of the building.
8. The flat requires significant repairs and modernisation to reach a lettable standard. The building itself has recently undergone works to repair the roof whilst the first floor flat has been vacant. The property type does not align with the Council's existing stock. The location of this property as well as its appearance is also causing it to be

hard to let. There are a significant number of similar sized, new rented properties becoming available in the area, which are more popular.

9. It is proposed that the Council dispose of 5 Gordon Road and the freehold of the building. Instead of incurring high repair costs, the capital receipt can be used to deliver new affordable housing elsewhere. When disposing of a property, the Council must ensure it follows the procedures set out in the Financial Regulations: Disposal of Assets.
10. The leaseholder in the building has been informed of the recommendation that will be presented to the Executive and will be able to make a representation if they wish.

### **RISK ASSESSMENT**

11. There are no significant risk considerations in relation to the change of tenure of 29 Cottes Way. However, when selling any property, whether shared ownership or to the market, there are the expected risks which depend on market factors at that time. The Council will take advice to enter the market at the most advantageous time, whilst recognising the need to dispose of the properties in a timely manner.

### **CONCLUSION**

12. Officers will recommend to Executive that 29 Cottes Way undergoes improvement works for it to be marketed as a Fareham Housing Shared Ownership property to applicants on the Council's Affordable Home Ownership register. Officers will also request approval to dispose of 5 Gordon Road and the freehold to the building. These changes to the Fareham Housing stock support the Council's desire to provide high quality affordable housing of the right tenure in the right locations.

**Appendices: None**

**Background Papers: None**

**Reference Papers: None**

**Enquiries:**

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