

Housing Asset Management: Acquisitions & Disposals Strategy

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Lisa Mallon

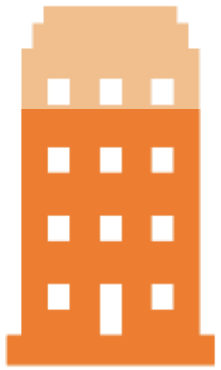
Enabling & Partnerships Manager

City of Edinburgh Council



Context

Current Context



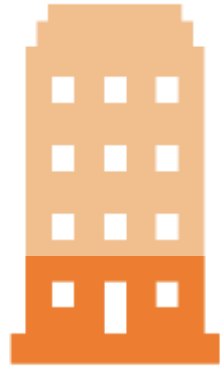
1,982 blocks

**Minority
Ownership**



891 blocks

**50/50
Ownership**



947 blocks

**Majority
Ownership**

Lack of specific conditions in **title deeds** for most properties sold

c.£10K investment per home in the interiors of homes **over the last 10 years**

Sixth largest landlord in Scotland

Over a quarter of our homes were built before 1945



12,600 homes sold under Right to Buy over the last 20 years



Over 80% of homes are in blocks where there is a mix of tenants and owners

Factoring service provided to 3,500 households living in multi-storey blocks



7 out of 10 homes are flats

HRA Budget Strategy

£2.8 billion investment over ten years to deliver Council commitments on affordable housing and net zero carbon by 2030, creating places where people want to live that keep them safe, secure, healthy and connected



New and existing homes blended together to create a local identity and a sense of pride in communities



Energy efficient, low carbon homes that minimise carbon emissions and reduce energy costs in secure, modern, well-maintained stairwells;



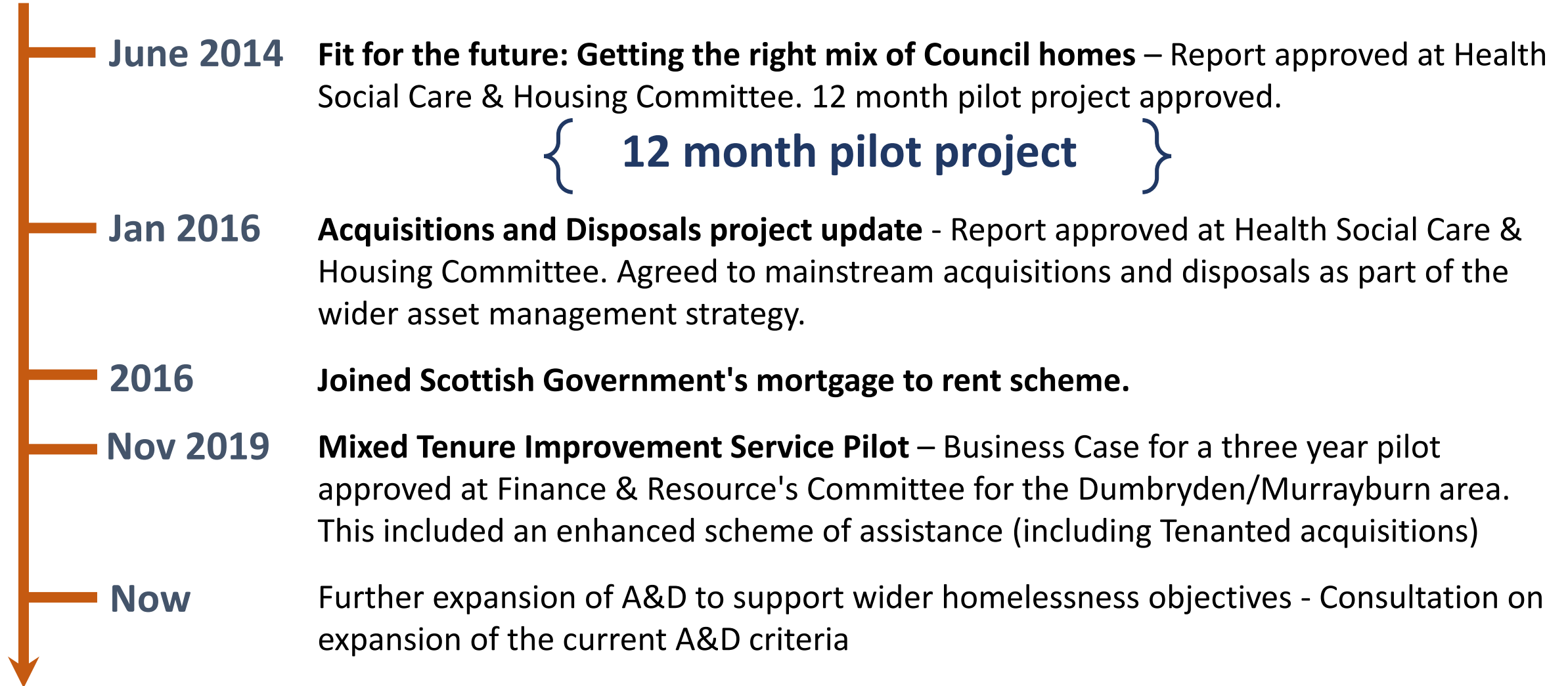
20 minute neighbourhoods that have well-designed, open spaces to encourage active lifestyles, with strong connectivity to the wider city via sustainable, affordable travel



Accessible, responsive & efficient services building on existing links with partner organisations to drive forward individual and community resilience & wellbeing.

Aligned to the Council's Business Plan that seeks to end poverty, become a sustainable and net zero city and make sure wellbeing and equalities are enhanced for all.

Timeline



Original Pilot

Key Principles:

1. There should be a neutral impact on the Housing Revenue Account (HRA).
2. There should be a positive impact on stock numbers over five years.
3. There should be a positive impact on repairs/management costs.

Homes Bought:

6 homes

During 12 month pilot

Homes Sold:

6 homes

During 12 month pilot

Criteria for Acquisitions:

- A value for money assessment has been carried out and there is a business case for the purchase that takes account of any investment required to bring the home up to lettable standard.
- The purchase would result in the Council achieving, or likely to achieve, 100% ownership in the block.
- The purchase supports delivery of the City Housing Strategy.
- The purchase would not result in an over concentration of social rented homes or undermine regeneration objectives.

Criteria for Disposals:

- Only vacant properties.
- No wheelchair accessible or adapted homes that could meet the needs of people in need of re-housing will be sold.
- There will be no net loss of social rented homes in any neighbourhood area over a five year period.
- Receipts from disposals will be ring fenced for either new build or purchasing homes for affordable rent.
- One bedroom homes will only be sold if it is not cost efficient to keep them.

Strategy & emerging objectives

Stock consolidation	The overarching objective is to increase supply and reduce ongoing management and maintenance costs by consolidating HRA assets. The strategy seeks to purchase homes where full block consolidation could be achieved over 25 years and divest from blocks where the Council is the minority owner.
Support MTIS	The enhanced scheme of assistance for the Mixed Tenure Improvement Pilot includes the option for tenanted acquisitions. As a last resort, owners can sell their home back to the Council and would be granted a Scottish Secure Tenancy (SST). Under the SST, the Council would then be responsible for the costs of repairs and maintenance to the property.
Asset management	Statutory compliance - homes that are not able to be brought up to statutory standards need to be disposed of/demolished.
Help meet Homelessness objectives	As part of the Rapid Rehousing Transition Plan and the implementation of Unsuitable Accommodation Orders, the council is seeking to increase the number of 'suitable' homes that can be used for temporary accommodation. Disposals were delayed and 'loaned' to temporary accommodation for a 24 month period to address short term pressures. Bulk disposal has been made to Link Private Sector Leasing scheme.
Increase overall number of homes	All acquisitions have been counted towards the 20k affordable homes target (Dec 2027)

Mainstreaming the policy

Expansion of the criteria:

1. Supporting the Mixed Tenure Improvement Service Pilot through tenanted acquisitions.
2. Target marketing to homeowners in blocks where the Council already hold an interest.
3. Expand the current criteria to include 50/50 blocks to help expand the remit and address wider homelessness pressures.

Since implementing the policy :

Homes Bought	146	Homes Sold	92
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Improved tenure mix:

42 blocks	➤	100% CEC ownership have been achieved
90 blocks	➤	Further CEC ownership have been achieved
61 blocks	➤	CEC has fully divested interest






The average disposal is 1.4 times the average acquisition cost



For every 10 homes sold 14 homes could be purchased or 13 new homes could be built

Day to day implementation

There is a dedicated team that oversees the management of the A&D project. A multidisciplinary team, working across the Council - between Housing Property, Legal, Finance, Estates and Locality teams

Disposals Process	Acquisitions process (vacant)
 <ul style="list-style-type: none">Homes identified for disposal through Local Neighbourhood teams when they become vacantHomes sold as seen	 <ul style="list-style-type: none">Homes identified by online property searches, by local office or directly by ownersEstates value propertyHousing Property assess investment required to bring homes up to lettable standardFinancial model used to assess maximum bid (factoring in gross rental income, void loss, bad debt and R&M)Estates advise on bidding processConsent to acquire has been delegated to head of Directorate
<ul style="list-style-type: none">Homes valued, marketed and sales process managed by external companyConsent to dispose has been delegated to head of Directorate	<h3 data-bbox="853 863 2548 949">Acquisitions process (tenanted)</h3>  <ul style="list-style-type: none">Homes identified through MTIS case officer (only offered to owner occupiers)Valuation based on maximum borrowing achieved based on rental income. (CEC would acquire the property & then cover any repair /improvement costs)Housing Property assess investment required to bring homes up to lettable standardFormal offer made to ownerMissives and tenancy agreement signed on the same dayHousing Property visit on 1st day of tenancy to carry out essential works



Questions