

28 Rochford House

Property Type: 2 Bed Flat

ACQUISITION CRITERIA FOR EXISTING HOMES

The Council acting in its capacities under the Housing Revenue Account will apply set criteria in considering:

- Opportunities to purchase homes on the open market or offered to the Council
- Opportunities to purchase discounted homes through S106 agreements
- Opportunities to buy back former homes sold under the Right to Buy and
- Opportunities to buy back homes partly owned through the Council's shared ownership and equity schemes.

In all scenarios referred to above, any property to be acquired should meet all of the minimum criteria set out and achieve an overall score of 15 points based on the assessment below:-

Criteria	Key Risk(s) Addressed	Minimum	Target/Scoring	Score
There must be a demonstrable need for the property in its location	Lack of demand will lead to extended void periods and rental loss	There must be a minimum of 20 households on the housing register seeking the property in that particular area.	High demand= 5 points Medium demand=3 points Low demand =1 point	5
The property's location and configuration is attractive from a rentable perspective.	Lack of demand will lead to extended void periods and rental loss.	The property must be in a risk-free location e.g not in a flood zone and the room sizes must meet legal requirements.	Low risk location = 5 points Medium risk location = 3 points High risk location = 1 point	3
The projected rental yield should represent a rational balance between revenue returns and security.	Security of capital invested and providing value for money	The possible rental yield (based on purchase price and any necessary refurbishment and/or development costs) should fall within a range consistent with the wider social housing sector and that achieved from the existing stock	Low risk investment = 5 points Medium risk investment = 3 points High risk investment = 0 points	5
The property itself should be in good repair and not pose future concerns that could compromise a tenancy or give rise to	Unforeseen property or repair costs. Contamination.	To include 'due diligence' such as: a) Buildings to be of robust construction and in sound condition.	Property in sound condition = 5 points Property is reasonable condition = 3 points	3

APPENDIX 1

maintenance expenditure. .		b) Not potentially polluting. c) Free from onerous planning conditions and land contamination. d) Any financial appraisal for a lower value homes	Property in poor condition = 1 point	
The property is in poor condition and of low value but could be brought back to use through renovation (e.g compulsory purchase or properties purchased at auction).	Security of capital invested and providing value for money	The possible rental yield (based on purchase price and any necessary refurbishment and/or development costs) should fall within a range consistent with the wider social housing sector and that achieved from the existing stock	Low risk investment = 5 points Medium risk investment = 3 points High risk investment = 0 points	5
Total Score				<u>21</u>