

CABINET MEMBER'S DECISION NOTICE

SUBJECT: Application to give consent to the re-sale of a former Council house under section 157 Housing Act 1985 (formerly section 19 Housing Act 1980) – 7 Garnedd Wen, Corris

CABINET MEMBER:- Councillor Ioan Thomas

DECISION

Consent given to the owner of 7 Garnedd Wen, Corris to sell the ex-council property to the prospective buyers under the provisions of Section 157 Housing Act 1985.

REASONS FOR THE DECISION

The purpose of the restriction under section 157 on former council housing stock is to try to keep these houses for local people to buy, by placing local person conditions on the deed. Gwynedd Council has a policy to deal with requests by the owners who have failed to sell the property to a person who complies with the local person restriction by allowing them to make an application to the Council to sell the property to a person falls outside the requirements of the covenant. The owner has tried to sell the property since the 13th November 2014 when the property was first placed on the market. Two people have visited the property, one of them being a 'local person' but none of them made an offer on the property. An offer has now been made by persons who do not conform to the covenant. Since no offers have been made by a local person and since the property has been on the market for some time, it is considered appropriate to grant the permission to the owner to sell the property to these intended buyers.

RELEVANT CONSIDERATIONS

Under Section 157 of the Housing Act 1985, the Council may include in a conveyance of a house that is located in the National Park or a designated Rural Area, a covenant limiting the freedom of the tenant (and any successor in title) to grant a tenancy or license where the property will continue to be the main home to the purchaser (or any successor in title) or to sell the property without prior permission from the Local Authority. Gwynedd Council's policy was to impose such a covenant in cases where it was possible to do so.

When a request for permission is made to the Council it may withhold its consent unless the buyer candidate throughout the three year period immediately preceding the application for permission:-

a) has been working in an area designated by an order of the Secretary of State and which is within the National Park area, or a designated Rural Area where the property is located.

b) have had their only or main home in such an area.

In line with the policy to deal with such requests, the Council will need to consider if the following factors are relevant before making a decision:

(a) That the prospective buyers have had their place of work or their only or principal home in Gwynedd or within a radius of 20 miles of the property proposed to be purchased, otherwise comply with the covenant.

(b) That the prospective buyers (or one of them in the case of joint purchasers) have a strong local connection. Local connection would be satisfied if the applicant is a husband / wife spouse, ex-husband / wife spouse, parent, child, brother or sister of a person who is fully compliant with the covenant.

(c) where the potential buyer is a member of the armed forces and would have previously complied with the terms of the covenant.

(d) Any other key circumstances which would justify granting the application.

(e) Housing Associations:-

(i) In all other circumstances the application be referred to a Housing Association operating within the area in question to ascertain whether the Housing Association is prepared to purchase the property.

(ii) If the relevant Housing Association has indicated in writing that it is unable or unwilling to acquire the property, the application will then be considered by the Council.

Background information:-

7 Garnedd Wen, Corris, a three bedroomed terrace house was sold originally by the Council back in 1986 under the Right to Buy provisions. The local person restriction was placed on the title under Section 157 Housing Act 1985 (formerly Section 19 Housing Act 1980) which is a restriction against transfer.

An application for permission to sell the property to persons who do not conform to the 'local person restriction' is to be considered by the Council and there is a need to address the following information before making a decision:

- a. **The price compared to similar houses** – Following enquires with local estate agents, it is noted that there are currently two and three bedroomed properties on the market in the village of Corris with an asking price of £125,000 and £143,000. In addition, Number 6 Garnedd Wen, which also has the local person restriction on its title, is
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on the market with an asking price of £105,000. It is noted that this property is smaller in size than number 7. It is considered therefore, that the selling price of £119,950 is acceptable.

- b. **Period property has been on the market** - The property was placed on the market in November 2015, with the asking price of £119,950. There have been 2 different viewings of the property since that date, with one of them being 'local persons' but no offers were made on the property. An offer has now been made by persons who do not conform to the local person covenant. The owner's representative has accepted the offer dependent upon obtaining Gwynedd Council's permission to the sale.
- c. **Has the Property been offered to a Housing Association-** The owner's representative states that the property has not been offered to Cartrefi Cymunedol Gwynedd Cyf. nor the Housing Association Grŵp Cynefin.

Having considered the above, it is considered appropriate to give permission to the owners to sell the property to the intended buyers who have placed an offer on the property. The local person restriction will remain on the title for all future transfers.

VIEWS OF STATUTORY OFFICERS

1. Chief Executive:-

Nothing further to add.

2. Monitoring Officer:-

This notice was prepared with advice from the Legal Services. No observations from the propriety perspective.

3. Chief Finance Officer:-

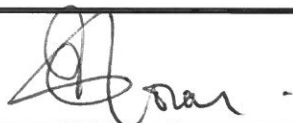
No comments from the perspective of financial propriety.

VIEW OF LOCAL MEMBER

Councillor :- John Pughe Roberts

I have no objections to the selling of this house and to the suspension for this time of the 157 covenant.

SIGNED



DATE

5/7/16
