

MUNICIPAL YEAR 2013/2014 REPORT NO.

MEETING TITLE AND DATE:
**Overview and Scrutiny
panel**

REPORT OF:
Director of Finance,
Resources and Customer
Services (Property)

Agenda – N/A	Item:
Subject: Disposal by auction of North Lodge, Ferny Hill, Enfield, EN4 0QA	
Wards: Key Decision No: 3427	
Cabinet Member consulted: N/A	

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1. EXECUTIVE SUMMARY

To receive an information report on the disposal by auction of North Lodge, Ferny Hill, Enfield, EN4 0QA including property description, method of sale, reserve and sale price achieved, date of sale and alternative options considered.

2. RECOMMENDATIONS

Overview and Scrutiny Panel to consider the report.

3. BACKGROUND

Property description

The property, shown for identification purposes only on the attached plan, comprises a vacant 1960's former parks staff house in need of repair.

The property is located on the edge of Trent Country park, formerly part of the hunting grounds of Enfield Chase. It is situated on the south side of Ferny Hill close to the junction with Parkside House and is accessed from the Hadley Road Gate. Public transport includes Cockfosters (Underground, Piccadilly Line) Station as well as benefiting from easy access to the M25 Motorway (junction 24). Trent Country park provides a golf course, two fishing lakes, a cycle trail and a horse riding centre.

Accommodation

First floor : Three bedrooms, Bathroom, Separate WC.

Ground Floor : Reception room, Kitchen, Dining room, Separate WC, Utility room.

Outside : Large surrounding garden, connected garage

Town Planning

The auction particulars stated that the house and plot may be suitable for redevelopment/replacement of the existing house subject to the necessary consents and referred interested parties to the legal pack and planning information provided.

A Development Guidance pack was produced in November 2012. This contained key site information , an FAQ section, town planning designation data, relevant planning policies, planning history, sustainability, access and parking and due diligence data and surveys undertaken by the Council available for viewing by potential purchasers.

Statutory consents

The property was subject to the Green belt (London and Home Counties) Act 1938 – Section 5, meaning that the Secretary of State for Communities and Local Government consent was required for the sale whose primary responsibility in granting consent is to protect land affected by the act from inappropriate industrial or building development. The property was advertised in the local press and a

minimum period of 28 days allowed for any objections to the sale. None were received. Consent to the sale was therefore received on the 14th September 2012.

Sale conditions

The property was sold subject to the following restrictive covenants :

1. Not to use the property other than a single dwelling and ancillary use.
2. To erect and maintain the boundary structures at the property.
3. Within 24 months of the date of the transfer to bring the property into good and substantial repair.
4. To keep that part of the accessway clean and free from obstruction and in good repair and condition.

Method of Sale

The property was considered suitable for sale by auction as this is normal practice in the case of vacant dwellings in need of repair. Experience elsewhere shows that this is most likely to achieve the best price, in the shortest possible timeframe and with low costs of sale.

The property was advertised locally and through the Council's and Auctioneer's website.

National coverage of the auction was via the Estates Gazette and the auction house database of interested parties.

Reserve and Sale Price achieved

The property was "guided" at a figure of £360,000 to encourage viewings and competition in the auction room. The auctioneer is instructed to keep a log of interested parties and records of parties downloading the legal pack (43) , viewings (15) and offers made prior to the auction. This is of assistance in setting the final reserve price to ensure that the Council complies with the legal obligation to obtain the best price reasonably obtainable (best consideration).

The Council's auctioneers were of the opinion , following inspection and pre-auction marketing that the value of the property will be no less than £360,000. Accordingly the reserve price was set at this figure.

In the auction room the property achieved the sum of £482,500. This figure was in excess of the auctioneers expectations.

Following exchange of contracts on the 17th December 2012, the sale completed on the 18th January 2013.

The costs of sale were limited to the sum of £1,206.25 (plus VAT) which represents 0.25% of the purchase price.

5. ALTERNATIVE OPTIONS CONSIDERED

A sale by informal tender was considered however, the time and expense of marketing in this way and given the relatively low value asset being disposed of it was not considered an efficient use of resources. In addition, it would also be unlikely to deliver an improvement to the sale price. The inherent competitive nature involved in bidding via auction was considered sufficient to satisfy the Council's legal obligation to obtain best consideration.

A sale by private treaty was also considered however, under the Property Procedure Rules there would need to be a "Special Purchaser" who is able and willing to offer a premium price to Market Value. This was not the case in this instance and therefore this method of sale was also discounted.