

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, Whitewebbs, Enfield, EN2 9JN	
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, Whitewebbs Road, Enfield, EN2 9JN 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 Grade 2 listed 1850s Victorian “ Gothic” style former lodge house (bungalow). It was built at one of the entrance drives to Whitewebbs House (built 1792) and is now a pub/restaurant.

The property is located in a rural area on Whitewebbs Road, approximately midway between Crews Hill and the junction of the A10 and the M25 motorway (junction 25) . The property can be found on the west side of Whitewebbs road situated between Whitewebbs lane and Clay hill within the landscaped parkland. Pedestrian access is gained from the Park drive.

Accommodation

Ground Floor : Reception room, Kitchen, Two bedrooms, Bathroom, Separate WC, Attic.

Outside : Large surrounding garden with gates to a sizeable former workshop area.

Property Condition

At the time of sale the property was in a parlous condition. An options appraisal and feasibility report was commissioned in January 2011 undertaken by consultants, Ingleton Wood. The detailed survey assessment of the repair/refurbishment costs concluded that major repair/renewal work would be required to cover essential roof repairs, underpinning, walls and suspended timber floors. The foul and surface water drainage systems also needed significant attention.

Town Planning

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 and available for viewing by potential purchasers.

The Development Guidance stated that :

“The property is situated in the Green Belt so there is a presumption against extension or further residential development. We are advised there are no Green Belt or other restrictive covenants (of this nature) in the title. The property is on the Register of Buildings of Architectural and Historic importance and hence there is a presumption against alteration or extension.....The adjacent land has lawful planning use for maintenance and storage hence as an established non – compliant Green Belt use there is the possibility of planning permission for valuable ancillary uses to the lodge, such as direct vehicular access, garaging, garden room or stabling, which would not be possible within the boundaries of a listed building....Significant cost relates to the legal requirement to conserve or replicate the original and extensive exterior decorative features.....Whilst the property has potential to provide a unique and highly attractive residential property with extensive grounds, the planning restrictions are unlikely to allow any significant increase in size from the current modest two bedroom accommodation.”

Statutory consents

The property was not 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 not required for the sale in this case.

Sale conditions

The property was sold subject to the following rights and restrictive covenants :

1. A temporary right of way with or without vehicles over the accessway.
2. To erect and maintain the boundary structures at the property.
3. To execute works to the property to bring up to the “Decent Homes Standard” within 24 months.
4. Not to use the property for anything other than a single dwelling house.

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 the figure of £225,000 to encourage viewings and competition in the auction room. The auctioneer was instructed to keep a log of interested parties and records of parties downloading the legal pack, viewings 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 £200,000. Accordingly the reserve price was set at this figure. The downgrading of the reserve price was a reflection of the significant spend required to complete this sensitive building, the difficulty of predicting the valuation effect of the cost of repairs and the former AD Property Services reluctance to retain the property within the portfolio given the ongoing maintenance liabilities.

In the auction room the property achieved the sum of £372,000. This figure was well in excess of the auctioneers expectations.

Following exchange of contracts on the 24th September 2012, the sale completed on the 22nd October 2012.

The costs of sale were limited to the sum of £930.00 (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 asset value 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.