

Frequently Asked Questions: Rectory Gardens/Grove sale

Shortlife properties

- ***Why have you taken these properties back?***

These are 'shortlife' properties, which are owned by Lambeth Council. Occupants were allowed to live in them for a temporary, fixed-term period - on the clear understanding that they would be returned to the Council.

In 2011, the Council made the decision to dispose of its last remaining shortlife stock, seeking vacant possession and taking them to auction. It has been made clear to shortlife occupants on a number of occasions since that the Council would be recalling the properties.

This will raise a substantial amount of money that can be used to help fund front-line services including schools, social care and housing.

- ***Why are these properties vacant?***

These are council-owned properties and the occupants had been living there on the clear understanding that they would be returned to the Council. Shortlife residents were never given tenancy rights. We haven't received any rental income from any shortlife properties for many years.

Lambeth accepts the recall policy is a difficult one for many former shortlife residents, some of whom have now lived in a property for a long period of time and do not want to move.

The Council gave shortlife residents the chance to either purchase the property they were occupying outright, or to become secure tenants of a Lambeth council home, effectively moving up the housing queue.

The vast majority of shortlife properties have so far been handed back amicably and we have rehoused many former occupants. We also provided additional support, including help with moving.

- ***What has happened to the people who used to live in these homes?***

The Council offered shortlife residents the opportunity to become secure tenants of a Lambeth council home. Shortlife residents were also given the chance to purchase the property they were occupying outright, with a discount. The vast majority of properties were handed back amicably and the occupiers took up this offer and have since been rehoused.

All households were offered support and practical assistance with moving in to the alternative accommodation that they were offered.

The sale of the properties at Rectory Gardens/Rectory Grove

- ***What will happen to these properties now?***

The properties will be marketed as a single development site and offered for sale at the best price available.

- ***Why are you paying an international bank, BNP Paribas, to help you to sell these properties?***

BNP Paribas Real Estate has not bought the site; it has been appointed as marketing agent on the sale. The company is a specialised division of the financial services group BNP Paribas. It provides real estate services for commercial and residential property and has a consultancy team which provides specialist advice to local authorities and central government departments.

The real estate division of BNP Paribas Real Estate used to be known as Atisreal Weatheralls and prior to that Weatherall Green and Smith, one of the oldest firms of Chartered Surveyors in the country.

- ***Do you really need to sell this asset?***

At a time of severe cuts to Council spending, we have a responsibility to ensure the best value for money for council taxpayers. The sale of the houses at Rectory Grove will be the biggest single sale of Council property in 2016/17. It will make a critical contribution to our capital investment pipeline, which helps to fund projects including the construction of hundreds of new homes at Council rent, the enhancement of special educational needs facilities and investment in libraries, parks and community health projects.

It is imperative that the Council is able to promptly progress with these projects and the capital receipt from the disposal of the opportunity at Rectory Grove will make a significant contribution to them.

At a time when London is in the grip of a housing crisis it would be irresponsible to spend tax-payers' money renovating a small number of very valuable homes in Clapham Town.

- ***Can't you keep hold of the properties and rent them out for the long-term benefit of the borough as a whole?***

We can't afford to renovate the remaining small number of shortlife properties (one estimate put the cost of this at between £10m and £15m). Instead, we are focusing on creating new social housing to meet the desperate need in the borough, and on improving our current stock.

There are more than 22,000 households are on our waiting list for social housing, 1,800 families in temporary accommodation and over 1,300 families in severely overcrowded accommodation. It would be irresponsible to spend taxpayers' money renovating a small number of homes when we are faced with this desperate need.

- ***What options are you considering – is there an estimate of the likely proceeds of each option?***

After a thorough appraisal of the options, it has been decided that a sale as a single development site represents the best opportunity for getting the best sale value.

- ***What will you base the final decision on? Will you just sell it off to the highest bidder?***

The council has a statutory duty to get the best value when selling land and property. All of the bids we receive will be reviewed accordingly and we will work with our external advisors BNP Paribas Real Estate to analyse the bids before making a final decision.

- ***Do you already have a buyer already lined up?***

No, it will be publicly advertised and marketed to any interested parties. An advert will appear in the trade press (Estates Gazette) and the South London Press. We are allowing seven weeks for prospective purchasers to view the property, with viewing days every Wednesday, by appointment.

Details are contained here and anyone is able to register their interest and download the information pack: www.rectorygrove.com.

- ***When will you begin to market these properties?***

On the fourth of June, for seven weeks.

Future use

- ***Will you sell the homes off as a unit, or individually at auction?***

The site will be marketed as a single development opportunity as this represents the best value to the Council, although the Council may consider retaining the retail units on the ground floor and will take these back by way of a long 'leaseback'. A decision on this has not yet been made.

- ***What are the properties expected to be used for after they are sold? Will there be a requirement for new affordable/council-rent accommodation?***

The presumed usage is residential, and any requirements for affordable housing will be dealt with through the planning process. There is a small area of land which may be suitable for some new build and, if development is proposed here, it will require a planning application. The remaining houses are likely to be able to be refurbished without the need for planning for the refurbishment of the existing footprint.

- ***Will the proceeds of this sale be used for new and/or existing housing?***

We are not allowed to ring-fence the proceeds for housing, but the money will go towards funding key services including education, social care and housing.

- ***How much has Lambeth's disposal of shortlife properties brought in so far? How much from previous sales of shortlife accommodation has been channelled into the housing budget?***

The sale of shortlife properties has raised over £58m since 2011. At a time of unprecedented financial constraints, this money helps the Council pay for vital services including education and the commitment to delivering 1,000 homes at council rent levels over the next four years.

Latest Position (April 2017)

The Council is pleased to report that these properties have now been sold to Lexadon Developments.

Any inquiries about the site should be addressed to the company, at: www.lexadon.co.uk, for the attention of Sarah Knight.