



## BELFAST CITY COUNCIL

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| <b>Report to:</b>         | Strategic Policy & Resources Committee         |
| <b>Subject:</b>           | <b>Land at Templemore Avenue</b>               |
| <b>Date:</b>              | 24 <sup>th</sup> September 2010                |
| <b>Reporting Officer:</b> | Gerry Millar – Director of Property & Projects |
| <b>Contact Officer:</b>   | Cathy Reynolds – Estates Manager               |

### Relevant background information

Following previous decisions of the Strategic Policy & Resources Committee the former public conveniences at Templemore Avenue were demolished, planning approval obtained for 6no townhouses, and the site subsequently placed on the open market for sale.

The 0.1 acre site (location map attached at Appendix 1) has been on the market with O'Connor Kennedy Turtle since early 2010. Three agents were initially asked at end of 2009 to provide an indication of their opinion of value (and they advised of values ranging from £120,000/£140,000 to £200,000. Given the period of uncertainty in the property market at that time in terms of where values should be it was decided, on advice of the marketing agents, to test the market by inviting offers for the site in the region of £250,000.

The site adjoins Ballymacarret Library, which has recently been declared surplus by the Northern Ireland Library Authority; it also backs onto the Belfast Metropolitan College (BMC) building at Tower Street and it is understood that the BMC Board has recently made a decision to close this site. It should be noted that at the time when the Council's Templemore Avenue Site was being prepared for disposal back in June 2009, Council officers had contacted DEL and the Library Authority to ascertain their future plans for the library and college building but at that time they had no plans for immediate disposal.

Despite extensive marketing of the site over the past number of months there has been limited interest and the offers received were below expectations and reflected a weak market with limited demand and lack of funding.

Habitat for Humanity NI (HFHNI) has however recently made a revised offer of £120,000 for the subject site. The next highest offer received was £75,000 from a private housing developer who is unwilling to increase on this offer. There had also been some interest (although no offer) from another Housing Association but they have withdrawn their interest at the present time due to the current proposals by Habitat for Humanity.

HFHNI is a non registered Housing Association, who have built 85 homes in Northern Ireland and is currently on site for a 6 house project in Madrid Street (off Templemore Avenue). As in Madrid Street, HFHNI propose to develop the Templemore Avenue site as a self-build, community based and volunteer supported project delivering affordable housing. A copy of HFHNI's paper outlining their proposals is attached at Appendix 2.

HFHNI select home partners (self builders) according to certain criteria including housing need, lower household income, willingness to self-build and local associations. HFHNI advise that they will sell the houses at market value through a shared equity arrangement with 45% mortgage, 5% charitable grant from HFHNI and 50% shared equity funding from a registered housing association or NI co-ownership.

Whilst planning approval has already been granted for 6no. 2 bedroom townhouses, HFHNI proposes to make a revised planning application for 6no. 3 bedroom townhouses of a different layout and style.

HFHNI is a non-for-profit charitable organisation that does not receive public funds and they have asked for an opportunity to discuss stage payments but do say that this request is not a condition of this offer.

The marketing agents, O'Connor Kennedy Turtle, has confirmed that they would be happy to recommend acceptance of the £120,000 offer for the subject site should the Council wish to dispose of the site at this time.

#### **Key Issues**

- Habitat for Humanity Northern Ireland has made an offer of £120,000 for the 0.1acre site, which the marketing agents can recommend for acceptance.
- HFHNI propose to develop this small site as a self-build affordable housing scheme to provide 6no. 3 bedroom houses which will be sold through a shared equity arrangement.
- HFHNI propose to submit a revised planning application in respect of the site and the sale will be subject to receipt of this planning approval.
- The adjoining Ballymacarret Library is currently surplus and Belfast Metropolitan College Tower Street site to the rear is also to close.
- HFHNI has requested that the Council considers their request for staged payments but are not making this a condition of their offer. Staged payment is not something the Council would normally accept in terms of disposals of this nature. Bearing in mind that this request is not a condition of the offer, and in order to minimise risk to the Council and safeguard the capital receipt; as well as being consistent with the marketing process, and to avoid a precedent being set in terms of future disposals, the officer recommendation is that full payment should be made at the outset. However, if Members do wish to consider this request this could be done by way of a Development Agreement whereby HFHNI and the Council would enter into an agreement that would permit HFHNI to occupy the site by way of a Building Licence to undertake works within a specified timeframe of say one year from date of grant of revised planning, but title to the site would not transfer until all monies received. A deposit could be payable on receipt of planning and issue of the Building Licence with the remaining monies payable in staged payments within this one year timeframe.

#### **Resources Implications**

Financial: The £120,000 capital receipt can be used in furtherance of the City Investment Fund, capital projects or other corporate priorities.

Human Resources: Staff resource, primarily from Estates Unit and Legal Services required to progress the disposal.

Asset Implications: Disposal and redevelopment of this vacant site and redeployment of the capital receipt towards other Council priorities should represent a better use of resources.

### **Recommendations & Decisions**

Members are recommended to approve the disposal of this site to Habitat for Humanity Northern Ireland at £120,000, which is subject to receipt of satisfactory planning permission for HFHNI's proposal.

Members are also asked to decide whether it wishes to: (i) make the sale subject to full payment at the outset or (ii) consider HFHNI's request for staged payments, and if so to agree to this being effected by way of a Development Agreement as outlined above;

### **Decision Tracking**

Director of Property and Projects to ensure disposal process is commenced within one month of Committee decision.

### **Key to Abbreviations**

HFHNI: Habitat for Humanity Northern Ireland

### **Documents attached**

Appendix 1: Location Map  
Appendix 2: HFHNI Outline Proposals