



Disposals Policy 2022

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for you – for your community – not for profit

Control box

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Version control

Version	Date	Author	Change Description	Approved by	Date approved
1	13/12/2016	JE	Statement of intent '£1.4 million each financial year' changed as per board approved report '£1.4 for initial year'	Senior Management Team	13/12/2016
2	13/04/2018	JE	Review	Management Group	13/04/2018
3	13/02/2020	JE	Review		13/02/2020
4	16/03/2022	SH	Updated version presented policy to the Challenge and Change group.	C&C Group	16/03/2022
5	10/05/2022	SH	Updated. Further review to take place as part of the Asset Management Strategy review which will depend on NZC investment.	Leadership Forum	10/05/2022

TWO RIVERS HOUSING

Disposals Policy

1. Statement of Intent

- 1.1 TRH is committed to providing affordable, high quality and secure homes and making best use of our assets. Our approach to voluntarily disposing of properties sits as part of our wider approach to managing and improving our assets. This is set out in the TRH Asset Management Strategy (to be reviewed with new information on carbon and energy management in 2022/23).
- 1.2 This policy sets out how TRH will make decisions on those occasions when it may be necessary or advantageous to voluntarily dispose of properties, to support our Asset Management Strategy or the effective management of our neighbourhoods.
- 1.3 As a Community Landlord, TRH is committed to retaining assets in our key areas of delivery to meet the needs of local people. New development often takes place beyond our original areas of delivery, and in some rural communities, it is very hard to develop new units to replace any that are sold. Hence any decision to dispose of stock will be very carefully considered and take account of the impact on our ability to meet our wider social objectives as well as financial considerations.
- 1.4 The TRH Business Plan has in previous years assumed a level of income from sales that required voluntary disposals. The target has been exceeded, as Right to Buy and Right to Acquired sales which are unplanned have also taken place. For 2023/24 onwards, the income requirements of the Business Plan do not require voluntary disposals.
- 1.5 This strategy does not cover sales of tenanted properties under the Right to Buy, or Right to Acquire, nor does it apply to sales through staircasing of shared ownership properties.

2. Identification of dwellings

- 2.1 TRH will consider voluntary disposal of properties in the following circumstances:
 - a) when a property has become void, and it is evident that both i, and either ii, or iii are met;
 - i. the property is in serious disrepair requiring significant cost to remedy (eg major structural works);

- ii. the property is of a type or in a location that is no longer in demand. TRH will have regard to the tenure and type of homes in the area as well as immediate needs when reaching this conclusion;
 - iii. the property is of an unusually high value, meaning that the disposal would provide sufficient funds to build replacement units within the locality; or,
- b) when, as part of the Asset Management Strategy it is identified that particular properties or sets of properties have become unsuitable for long-term use. This is likely to mean that they are technically very complex and/or expensive to retrofit to a near-carbon-zero standard, with an ongoing life of more than 40 years. In such circumstances, TRH will consider regeneration or re-provision on site, but there may be circumstances where due to the number, size or nature of homes, disposal of some or all homes may be appropriate.
- 2.2 Properties will only be disposed of if it would be part of the strategic aims of the Asset management Strategy.
- 2.3 TRH will have regard to the development potential of any proposed sale.

3. Disposal of Properties

- 3.1 Properties will only be disposed of as vacant possession
- 3.2 Properties will be sold at open market value, which will be initially assessed by Two Can estate agent.
- 3.3 The properties will normally be disposed of on a freehold basis for houses, head leases and leasehold for flats. These tenures would include an estate rent charge. However, consideration will be given to shared ownership or alternative tenures, where there is demand and it is beneficial to the TRH business Plan.

4. Marketing

- 4.1 The properties will be marketed through TwoCan estate agent and with the local Help to Buy agent (when applicable).
- 4.2 Basic void works will be done on each property ensuring that it is clean, empty and does not present a health and safety risk to anyone visiting the property. Minor works including clearance may be carried out to make properties more marketable.

5.0 Valuation and sale price

- 5.1 TRH has a duty to maximise the income from any disposal to adhere to both Homes England and Charity Commission rules.
- 5.2 The marketed price will reflect market conditions and be set to generate interest and a viable sale within 4 - 6 weeks of marketing commencing.
- 5.3 Offers will be considered by TRH from potential purchasers who are in a proceedable position. Preference will be given to First Time Buyers and/or those who have a local connection if possible.
- 5.4 In the event of failure to sell by private treaty TRH reserve the right to place the property/ies up for sale by auction with a reserve price agreed with the auctioneers.

6.0 Monitoring and Performance

- 6.1 The decision over which assets are to be sold will be made by the Corporate Director of Operations.
- 6.2 Offers with more than 10% variance to the marketed value will be referred to the Assistant Director of Assets.
- 6.3 Sales will be accompanied by a RICS certificate of best value, to illustrate that the property has been sold with the best financial benefit to TRH.
- 6.4 Disposals will be reported to Homes England via the NROSH reporting system.

7.0 Implementation and review

- 7.1 It is the responsibility of the relevant TRH employees to ensure that this policy and the procedures associated with it are adhered to.
- 7.2 All TRH strategies, policies and procedures are reviewed on a regular basis to ensure that they are 'fit for purpose' and comply with all relevant legislation and statutory regulations.
- 7.3 This policy, including any other related policies and procedures will be reviewed at least once every three years to ensure its continued appropriateness.
- 7.4 The Disposals Strategy will be reviewed as part of the new Asset Management Strategy in early 2023, and as part of the review of the Business Plan.