

Question Number	Question asked by:	Subject
CABINET MEMBER FOR HOMES & GATEWAY SERVICES Councillor Alison Butler		
CQ021-20	Councillor Lynne Hale	Purchase of Brick by Brick properties
CQ022-20	Councillor Lynne Hale	Leasehold or Freehold of Brick by Brick properties

CQ021-20 from Councillor Hale

Councillor Butler

“Please could you let me have a full breakdown of all the costs (including any commission payments) involved with the purchase of the Brick by Brick properties by Croydon Council to date.

Please could you also advise the anticipated breakdown of costs going forward of the purchase of any outstanding Brick by Brick properties which the Council has agreed to buy.”

Reply

The only costs incurred by the Council as a result of the acquisitions of the properties for Flora Court (3 properties), Longheath Gardens (39) and Windmill Place (10) were in connection with the legal transfers. The legal work was carried out by both our internal legal team and external solicitors. A precise cost is difficult to assess as the work also involved some elements outside of the purchase but it is estimated that the total costs were in the region of £10-12,000. This included the work for both the preparation of the Contract and Transfer documents as well as the disbursements for registration of title.

As part of the acquisition process the properties were valued by an external agent who provided valuations in line with the RICS Red Book requirements. The valuations were instructed (and paid for) by Brick by Brick but with written confirmation that the Council could take full reliance from the reports. In addition the valuations were assessed by the Head of Asset Management and discussed with the valuers.

No external surveys were undertaken as the properties are all new build, subject to 12 months defects liability, warranties and a 10 year NHBC warranty. All homes were, however, inspected by the Housing repairs team prior to handover to check for any outstanding snagging.

The purchase of properties by the Council from Brick by Brick fall within one of the exempt categories for SDLT and therefore no Stamp Duty was payable.

As these were direct purchases negotiated between the Council and BBB there were no agents fees payable.

It is anticipated that the same format will be adopted for any future purchases ensuring that any fees are kept to an absolute minimum.

CQ022-20 from Councillor Hale

Councillor Butler

“Please could you advise whether the properties which the Council is purchasing from Brick by Brick are on a freehold or a leasehold basis.

If leasehold, please advise the details of the properties involved and the details of the relating lease arrangements.”

Reply

All the properties are being purchased on a freehold basis as we are only buying whole blocks and will therefore own the freehold of the site or individual houses.