

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD293

Title: Freehold sale of 34 Hanover Avenue, E16 1SD

Executive Summary:

The property forms part of the Britannia Village complex in the Royal Docks. The tenant has exercised their rights to acquire the freehold interest under the terms of the Leasehold Reform Act 1967.

Decision:

The Assistant Director:

- Approves the sale of the freehold interest in 34 Hanover Avenue E16 1SD to the existing leaseholder, Mr Ball, for the sum of £50.
- Agrees to the removal of restrictions regarding development of the property in exchange for the purchaser agreeing to continue paying the service charge for the estate.
- Approves expenditure of £8,500 for legal and valuation fees relating to this sale and leaseholder acquisition generally and that the purchaser will contribute the sum of £1,250 plus VAT towards these fees.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

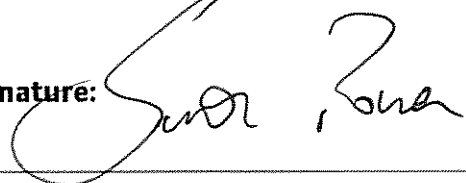
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Simon Powell

Position: Assistant Director, Strategic Projects and Property

Signature:



Date:

17/06/15

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 GLA Land and Property Limited (“GLAP”) inherited the freehold interest in this property in 2012 from the LDA.
- 1.2 The property is an end of terrace house, with adjacent car parking space. It forms part of the Britannia Village complex owned by GLAP and which, in total, has over 1,000 residential units built in the late 1990’s.
- 1.3 The property is currently leased to Mr Ball for a term of 200 years from 1995. Mr Ball acquired the lease in 2013.
- 1.4 The previous leaseholder served a notice to acquire the freehold of the property on GLAP under the Leasehold Reform Act 1967 in October 2013. Following legal advice, a counter-notice was served on behalf of GLAP in December 2013 admitting the leaseholder’s right to acquire the freehold subject to the terms of the transfer.
- 1.5 By acquiring the freehold in this way, the tenant is also able to acquire all intermediary leasehold interests.
- 1.6 External solicitors (Burgess Salmon) have been advising GLAP and have confirmed that the tenant has the right to acquire the freehold interest.
- 1.7 The purchaser has expressed an intention to extend the existing house or build a new house in the adjacent parking area within the boundary of the property.
- 1.8 Under the terms of the transfer negotiated between the purchaser and GLAP, GLAP have agreed to remove the restriction requiring the property to be used as a single private dwelling in exchange for the purchaser agreeing to continue payment of the service charge for the estate.

2 Objectives and expected outcomes

- 2.1 The sale of the freehold interest for the sum of £50 and the protection of ongoing service charge contributions.

3 Equality comments

- 3.1 The benefits of the Leasehold Reform Act 1967 are available to all eligible tenants.

4. Other considerations

- 4.1 The GLA will be considering the impact of this disposal as part of a wider review of its strategy for long leasehold reversionary developments, including Britannia Village.

5. Financial comments

- 5.1 The Leasehold Reform Act 1967 obliges the sale of the freehold interest in 34 Hanover Avenue E16 1SD to the existing leaseholder for the sum of £50. This has been confirmed by a valuation produced by Carter Jonas.
- 5.2 Legal and valuation fees of £8,500 relating to this disposal and leaseholder disposals generally can be covered from the 2014/15 and 2015/16 Estates budgets.
- 5.3 Purchaser contribution of £1,250 has been agreed to meet a portion of these costs.
- 5.4 The purchaser will continue to pay service charge for the estate.

6. Legal comments

- 6.1 GLAP has been advised by Burges Salmon in relation to the disposal of the freehold of this property. They have advised that GLAP is obliged to transfer the freehold of the property to the purchaser pursuant to the Leasehold Reform Act 1967.
- 6.2 Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything which he considers will further one or more of the principal purposes of the GLA as set out in section 30(2) which are:
- Promoting economic development and wealth creation in Greater London;
 - Promoting social development in Greater London; and
 - Promoting the improvement of the environment in Greater London
 - Sections 1 and 2 of this report indicate that the Mayor has the power to agree to the Decisions set out above.
- 6.3 It should be noted that as GLAP will be a party to the legal documentation, GLAP will also need to approve the proposed transaction in accordance with its constitution.

7. Planned delivery approach and next steps

- 7.1 Documents have been drafted and are ready to be executed following approval to the sale

Appendices and supporting papers:

N/A

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer: Malcolm Beadle has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:



Date:

17.06.15