

Finance and Resources Committee

10.00am, Thursday, 21 September 2023

Hawthorn Gardens, South Queensferry – Proposed Acquisition of Completed Homes

Executive/routine
Wards

Routine
1 - Almond

1. Recommendations

- 1.1 That Finance and Resources Committee:
 - 1.1.1 Approve the purchase of 19 new build homes within the Hawthorn Gardens development in South Queensferry, from Taylor Wimpey, subject to completing due diligence and on the terms and conditions outlined in this report, and
 - 1.1.2 Notes that the purchase is subject to availability of Scottish Government funding for Ukrainian Displaced Persons.

Paul Lawrence

Executive Director of Place

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Hawthorn Gardens, South Queensferry – Proposed Acquisition of Completed Homes

2. Executive Summary

- 2.1 An opportunity has arisen to acquire 19 new build homes within the Taylor Wimpey Development at Hawthorn Gardens, South Queensferry. This report seeks approval to acquire the 19 houses on the terms and conditions outlined in the report.
- 2.2 The new homes will make use of the Scottish Government fund to house Ukrainian Displaced Persons providing family accommodation within Edinburgh for up to three years, in line with current visa requirements. Homes will thereafter be used as part of the Council's housing stock and let as Social Rented homes to those in housing need.
- 2.3 Additional funding for the homes will be provided through Commuted Sums collected from private housing developers within the Ward as part of the Affordable Housing Policy (AHP) and through Council borrowing which will be repaid through the collection of rents.

3. Background

- 3.1 On [1 December 2022](#), Housing, Homelessness and Fair Work Committee approved the Housing Land Strategy Report. This set out a revised approach to securing land whereby, for suitable opportunities, the Council would offer to either buy land, completed homes, or work in partnership with the landowners and RSL partners to develop sites for additional affordable housing.
- 3.2 Agents acting for Taylor Wimpey approached the Council with an opportunity to acquire 19 homes within the Hawthorn Gardens development in South Queensferry which are due to be completed by the end of 2023/early 2024.
- 3.3 Hawthorn Gardens is a development of 341 homes and is located on the southern edge of South Queensferry, close to the M90 motorway. The development will provide footpath and cycle connections to the town centre. The location is shown on the plan at Appendix 1.

4. Main report

4.1 The proposal represents an opportunity to acquire much needed larger homes which will be delivered this financial year, within a well-established residential development on the edge of an existing settlement. The acquisition will provide additional affordable homes within the Almond ward, supplementing the Council's own housebuilding programme in an area of the City where the Council's landholdings, suitable for direct delivery, are limited.

4.2 The housing can be summarised as follows (a full list of the homes to be purchased is attached at appendix 2): -

Type	Size	No of Homes
Mid terraced 2 bed	68 sq m	6
End terraced 3 bed	81 sq m	2
Semidetached 3 bed	82 sq m	9
Mid terraced 4 bed	116 sq m	2

4.3 Taylor Wimpey has provided a full specification of the homes. Each home is fitted with photovoltaic panels to the roof. A 10-year National House Building Council (NHBC) warranty will be provided for each home on completion.

4.4 The net purchase price of the homes is £5,168,621 which will be payable in 3 tranches as follows and will be subject to tax and fees as set out in the financial impact section below:

Tranche	Price	No of Homes	Target Date
Tranche 1	£1,590,750	6	31 October 2023
Tranche 2	£1,614,375	6	30 November 2023
Tranche 3	£1,963,496	7	15 January 2024

4.5 The combined purchase price of each home reflects a bulk purchase discount of 12.5%. The Council instructed one of its framework property consultants, Avison Young, to review the proposal in the context of the original asking price for the homes and the available discount. The conclusion is that the advertised selling prices for the subject units at Hawthorn Gardens are appropriate and in line with competing schemes. This is supported by sales evidence particularly from the earlier phases of the development. Furthermore, Avison Young consider the proposed discount level of 12.5% to be considerably higher than would have been negotiable in recent years, and represents an attractive incentive to acquire, in a single transaction.

- 4.6 To ensure that the homes are completed to the agreed specification, a building surveyor will inspect each unit prior to Practical Completion. The surveyor will be permitted to inspect the properties along with the person who is certifying Practical Completion. There will be an opportunity to refer the matter to a third-party determination if the Council do not agree that Practical Completion has been reached. Homes will not be purchased without provision of a Completion Certificate provided by the City of Edinburgh Council Building Standards Service.
- 4.7 A defects rectification period of one year from the purchase date will be put in place to allow the Council to report defects and to provide Taylor Wimpey the opportunity to return to attend to repairs.
- 4.8 Should Committee approve the recommendation, the homes will be purchased and let in tranches as and when they are completed over the next 6 months.
- 4.9 The homes will initially be let through the Ukraine Support team, with management and maintenance of the homes provided by the Housing Service. Homes will then be let through Edinburgh's choice-based lettings service to households in need of a socially rented home.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the completion of the purchase of the properties.
- 5.2 Completion of the contract will be subject to legal due diligence and inspection of the homes prior to completion.

6. Financial impact

- 6.1 The cost of the purchase will be £5,230,355, including tax (plus fees). The purchase will be funded through a combination of the Scottish Government funding available to support Ukrainian Displaced Persons (UDP) (£3.140m), HRA borrowing, to be repaid through the collection of rent (£1.743m), and available Commuted Sums within the Ward (£0.347m).
- 6.2 The use of UDP funding and the availability of Commuted sums reduces the financial impact on the delivery of the Council's own housebuilding programme and does not affect resource planning assumptions in relation to this years Affordable Housing Supply Programme. It should be noted that the purchase will take place subject to availability of Scottish Government UDP funding.

7. Equality and Poverty Impact

- 7.1 The purchase of homes in South Queensferry will have a positive impact on equality and poverty through the provisions of good quality, energy efficient affordable housing.

- 7.2 There will be a positive impact on displaced households which have been impacted through the Russian invasion of Ukraine, supporting their human rights. Once the requirement for displaced households diminishes the properties will return to the social housing estate and be used to help address the general provision requirement
- 7.3 It is considered that this decision does not meet the requirements to undertake a full Integrated Impact Assessment.

8. Climate and Nature Emergency Implications

- 8.1 The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties and the outcomes are summarised below.
- 8.2 The new homes have been constructed to include aspects of Silver level under the Statement of Sustainability within the Building Standards. Homes include Photo Voltaic solar panels on the roof and EV chargers will be installed nearby. Homes will also achieve EPC A and B levels. Modern Building Standards will result in less energy demand for heating.
- 8.3 The location of the homes is close to sustainable mass transport links at Dalmeny Station, and major bus routes to the city centre. The site is also located within walking distance to a major supermarket and the high street in South Queensferry.
- 8.4 The location of the homes is also within a short walk or cycle to the wider cycle network, providing off road routes to the city centre and major employment hubs.
- 8.5 Homes will not achieve net zero carbon at the time of purchase as homes are heated using gas boilers. Homes will need to be improved along with existing stock at the appropriate time. Given the current levels of sustainability specification this will require limited intervention in comparison to older stock.

9. Risk, policy, compliance, governance and community impact

- 9.1 Ward members have been made aware of the recommendations of this report.
- 9.2 The strategy to deliver homes through this route was agreed by the Housing, Homelessness and Fair Work Committee in December 2022.
- 9.3 Public consultation on the development of the homes took place as part of the planning process, including local exhibitions. Feedback was considered as part of the planning approval.
- 9.4 A planning consent for 341 homes was approved in 2016, with 85 affordable homes or 25% of homes being affordable. The homes being delivered through the purchase will be in addition to the overall affordable housing numbers on the site.

10. Background reading/external references

- 10.1 [Housing Land Strategy Report](#) – Housing Homelessness and Fair Work Committee, 1 December 2022.

11. Appendices

- 11.1 Appendix 1 – location plan.
- 11.2 Appendix 2 – list of homes to be purchased.

-  **The Andrew**
2 bedroom home
-  **The Boswell**
3 bedroom home
-  **The Bryce**
3 bedroom home
-  **The Dunlop**
4 bedroom home

Previous Phase

PLAY AREA

Come in and take a look around

Future Taylor



Site	House Type	Square Footage	Plot
Hawthorn Gardens, South Queensferry	Andrew Mid	730	237
Hawthorn Gardens, South Queensferry	Andrew Mid	730	238
Hawthorn Gardens, South Queensferry	Bryce 4 Semi	884	257
Hawthorn Gardens, South Queensferry	Bryce 4 Semi	884	258
Hawthorn Gardens, South Queensferry	Bryce 4 Semi	884	259
Hawthorn Gardens, South Queensferry	Bryce 4 Semi	884	260
Hawthorn Gardens, South Queensferry	Bryce 4 Semi	884	261
Hawthorn Gardens, South Queensferry	Bryce 4 Semi	884	262
Hawthorn Gardens, South Queensferry	Boswell End	870	268
Hawthorn Gardens, South Queensferry	Andrew End	730	266
Hawthorn Gardens, South Queensferry	Andrew Mid	730	267
Hawthorn Gardens, South Queensferry	Bryce 4 Mid	884	264
Hawthorn Gardens, South Queensferry	Bryce 4 End	884	265
Hawthorn Gardens, South Queensferry	Bryce 4 Semi	884	250
Hawthorn Gardens, South Queensferry	Boswell End	870	263
Hawthorn Gardens, South Queensferry	Andrew Mid	730	239
Hawthorn Gardens, South Queensferry	Dunlop 4 Mid	1252	234
Hawthorn Gardens, South Queensferry	Dunlop 4 End	1252	235
Hawthorn Gardens, South Queensferry	Andrew Mid	730	240
	19		