Report No. 175/2016 Report of the Assistant Chief Executive



### With reference to the proposed disposal of land at Balbutcher Lane (Poppintree Site 6), Ballymun, Dublin 11

When originally built Ballymun contained no private housing. The 1998 "Masterplan of the New Ballymun" set as its objective "to provide a range of different tenures" within the Ballymun Area. This continues to be the policy position of the City Council on Ballymun. The prevailing tenure type in Ballymun continues to be predominantly local authority social housing. Co-operative Housing is seen as one method of allowing interested residents to purchase homes locally. Two previous co-operative housing projects in Ballymun had delivered 58 owner occupied units

The Baile na Laochra site (formerly Poppintree 6) had been identified by BRL since the late 1990s as a site suitable for cooperative housing projects. Two local cooperatives, CTSL and Parkside, had obtained planning permission but due to the then prevailing economic conditions were unable to proceed to site. Ó Cualann Cohousing Alliance CLG - an Approved Housing Body approached Dublin City Council with a project that can deliver cooperative homes on the site (including still interested former members of the CTSL and Parkside cooperatives).

It is therefore proposed that the sites which are shown on attached Map Index No.SM-2015-1033-002 are disposed of to Ó Cualann Co-housing Alliance CLG subject to the following terms and conditions:

## **Plot One**

- 1. That **Plot One** is located at Balbutcher Lane, Ballymun, Dublin 11 and is shown coloured blue (in 2 parts) on attached Map Index No.SM-2015-1033-002.
- 2. That the current open market value of the unencumbered freehold interest with vacant possession in Plot One is in the region of €530,000 (five hundred and thirty thousand euro).
- 3. That the disposal price shall be in the sum of €17,000 (seventeen thousand euro) plus VAT, on the basis of planning permission being obtained for seventeen houses, on a cooperative type structure. In the event whereby planning permission is granted for less than or more than seventeen houses, the disposal price shall be adjusted on a pro-rata basis to reflect this.
- 4. That the Council shall dispose of the fee simple title to **Plot One**, to the applicant, following the receipt of the requisite approvals.
- 5. That the proposed purchaser shall obtain planning permission for and construct in the region of 17 houses on Plot One, for its cooperative members only. The completed housing units shall be conveyed for owner occupier

purposes only, under an affordable type cooperative housing scheme. The completed units shall not be conveyed to any other party.

- 6. That all details of the affordable type cooperative housing scheme, including inter alia, method of operation, rules & regulations and assessment criteria, shall be agreed in writing with the Council's Housing Department prior to the disposal.
- 7. That Dublin City Council shall clawback, on a straight line basis, the site value of each individual house unit in the event that a completed house is disposed of or let by a Cooperative member, within 10 years of the first disposal date. The clawback percentage shall be applied to the subsequent disposal price or, in the case of a letting, to the market value at that time. Where the amount payable would reduce the proceeds of the sale (disregarding all costs) below the price actually paid, the amount payable shall be reduced to the extent necessary to avoid that result. This clause shall also apply to the market value estimate in the case of a letting.
- 8. That the clawback percentage shall be calculated and agreed in writing prior to the first disposal date as follows:

# <u>Current Open Market Site Value</u> X Subsequent Disposal Price/Market Value Affordable Cooperative Purchase Price

- 9. That the proposed purchaser shall be permitted to lodge a maximum of two planning applications to the Planning Authority and a maximum of one planning appeal to An Bord Pleanala.
- 10. That the proposed purchaser shall be responsible for all costs in relation to the planning process.
- 11. That in the event that the Planning Authority refuses permission for the proposed development, the vendor reserves the right to withdraw from this disposal and take back title and possession of the site, at no cost to the Council. The disposal price shall be refunded to the applicant without the payment of interest.
- 12. That in the event that planning permission is not obtained **within five years** of the disposal date of Plot One, the vendor reserves the right to withdraw from this disposal and take back title and possession of the site, at no cost to the Council. The disposal price shall be refunded to the applicant without the payment of interest.
- 13. That the benefit of the planning permission and design of the scheme shall transfer to Dublin City Council in the event that the applicant does not proceed with the development.
- 14. That the development of Plot One shall be completed via one continuous building contract, with all infrastructural elements completed as a priority. All roads and footpaths (shown coloured yellow) shall be completed to taking in charge standard and to the written satisfaction of the Council's Roads & Traffic Department. A suitable bond shall be lodged with Dublin City Council prior to the commencement of the development.
- 15. That Plot One shall be disposed of in its current condition and the Purchaser shall satisfy itself that the services at the site are of sufficient capacity for the development proposed.

- 16. That should development of Plot One not be substantially complete within 18 months following the grant of planning permission, the vendor (Dublin City Council) reserves the right to withdraw from this disposal and take possession of the site and all housing units, partially completed or otherwise, at no cost to the Council (subject to term 17 below).
- 17. That this agreement shall not be transferable save, if applicable, in the case of a financial institution which has entered into a mortgage with the purchaser. The mortgage must be approved by the Council in writing and must have been entered into specifically for the purposes of financing the purchaser to undertake the development of Plot One.
- 18. That Dublin City Council and its nominees shall retain a general right to connect to any services on the lands. The Purchaser shall have a right to connect to DCC's drainage system.
- 19. That each party shall be responsible for their own costs and fees in this matter.
- 20. That the Purchaser shall be liable for any VAT or Stamp Duty arising on this transaction.
- 21. That the disposal agreement shall include any amendments and/or conditions as deemed appropriate by the Council's Law Agent.

## Plot 2

- 1. That **Plot Two** is located at Balbutcher Lane, Ballymun, Dublin 11 and is shown coloured pink on attached Map Index No.SM-2015-1033-002.
- 2. That the current open market value of the unencumbered freehold interest with vacant possession in Plot Two is in the region of €1,000,000 (one million euro).
- 3. That the disposal price shall be in the sum of €32,000 (thirty two thousand euro) plus VAT, on the basis of planning permission being obtained for thirty two houses, on a cooperative type structure. In the event whereby planning permission is granted for less than or more than thirty two houses, the disposal price shall be adjusted on a pro-rata basis to reflect this.
- 4. That the Council shall dispose of the fee simple in **Plot Two**, to the applicant, when the permitted development on **Plot One** is substantially completed to the satisfaction of Dublin City Council.
- 5. That the proposed purchaser shall obtain planning permission for and construct in the region of 32 houses on Plot Two, for its cooperative members only. The completed housing units shall be conveyed for owner occupier purposes only, under an affordable type cooperative housing scheme. The completed units shall not be conveyed to any other party.
- 6. That all details of the affordable cooperative housing scheme, including inter alia, method of operation, rules & regulations and assessment criteria, shall be agreed in writing with the Council's Housing Department prior to the disposal.

- 7. That Dublin City Council shall clawback, on a straight line basis, the site value of each individual house unit in the event that a completed house is disposed of or let by a Cooperative member, within 10 years of the first disposal date. The clawback percentage shall be applied to the subsequent disposal price or, in the case of a letting, to the market value at that time. Where the amount payable would reduce the proceeds of the sale (disregarding all costs) below the price actually paid, the amount payable shall be reduced to the extent necessary to avoid that result. This clause shall also apply to the market value estimate in the case of a letting.
- 8. That the clawback percentage shall be calculated and agreed in writing prior to the first disposal date as follows:

# <u>Current Open Market Site Value</u> X Subsequent Disposal Price/Market Value Affordable Cooperative Purchase Price

- 9. That Dublin City Council reserves the right to revalue the house sites and amend the terms and conditions prior to the disposal of Plot Two to the applicant.
- 10. That the proposed purchaser shall be permitted to lodge a maximum of two planning applications to the Planning Authority and a maximum of one planning appeal to An Bord Pleanala.
- 11. That the proposed purchaser shall be responsible for all costs in relation to the planning process.
- 12. That in the event that the Planning Authority refuses permission for the proposed development, the vendor reserves the right to withdraw from this disposal and take back title and possession of the site, at no cost to the Council. The disposal price shall be refunded to the applicant without the payment of interest.
- 13. That the benefit of the planning permission and design of the scheme shall transfer to Dublin City Council in the event that the applicant does not proceed with the development.
- 14. That the development of Plot Two shall be completed via one continuous building contract, with all infrastructural elements completed as a priority. All roads and footpaths (shown coloured yellow) shall be completed to taking in charge standard and to the written satisfaction of the Council's Roads & Traffic Department. A suitable bond shall be lodged with Dublin City Council prior to the commencement of the development.
- 15. That Plot Two shall be disposed of in its current condition and the Purchaser shall satisfy itself that the services at the site are of sufficient capacity for the development proposed.
- 16. That should development of Plot Two not be substantially complete within 24 months following the disposal of the site by the Council, the vendor (Dublin City Council) reserves the right to withdraw from this disposal and take possession of the site and all housing units, partially completed or otherwise, at no cost to the Council (subject to term 17 below).
- 17. That this agreement shall not be transferable save, if applicable, in the case of a financial institution which has entered into a mortgage with the purchaser. The mortgage must be approved by the Council in writing and must have

been entered into specifically for the purposes of financing the purchaser to undertake the development of Plot Two.

- 18. That Dublin City Council and its nominees shall retain a general right to connect to any services on the lands. The Purchaser shall have a right to connect to DCC's drainage system.
- 19. That each party shall be responsible for their own costs and fees in this matter.
- 20. That the Purchaser shall be liable for any VAT or Stamp Duty arising on this transaction.
- 21. That the disposal agreement shall include any amendments and/or conditions as deemed appropriate by the Council's Law Agent.

The site to be disposed of was acquired from Richard Warner Wilkinson.

No Agreement enforceable at law is created or intended to be created until an exchange of contracts has taken place.

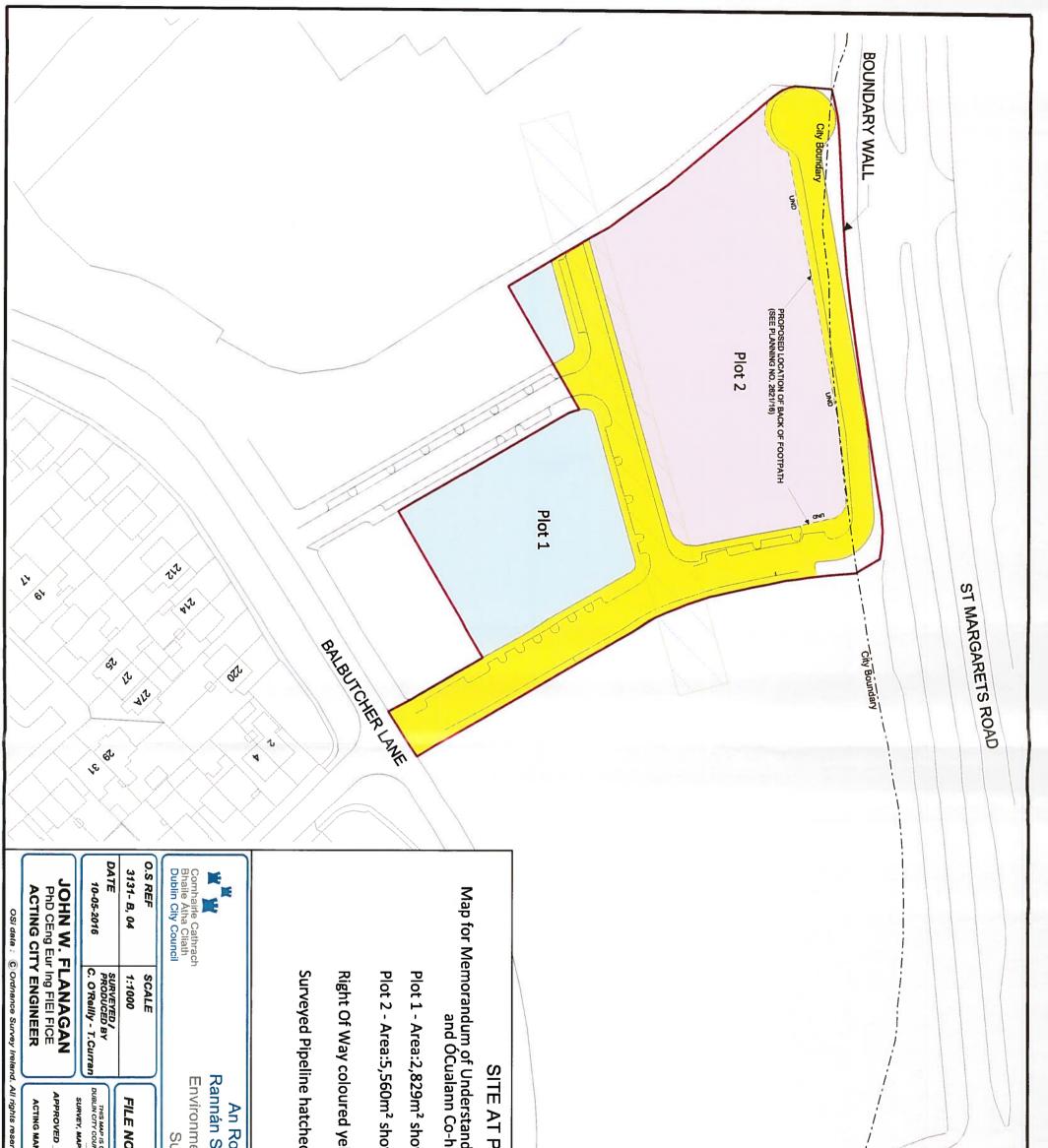
The dates for the performance of any of the requirements of the proposed agreement may be amended at the absolute discretion of the Executive Manager.

This proposal was approved by the North West Area Committee at its meeting on 17<sup>th</sup> May 2016.

This report is submitted in accordance with the requirements of Section 183 of the Local Government Act, 2001.

Dated this 24<sup>th</sup> day of May 2016.

Jim Keogan Assistant Chief Executive



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