



Title	Property Purchase & Sale Policy
Purpose	The purpose of this policy is to set out the grounds against which any decision to purchase or sell property will be assessed and to what extent these decisions are delegated to staff or retained for Board decision.
Scope	<p>This policy applies to decisions in relation to purchases or sales of affordable housing properties or land which relates to potential affordable housing development.</p> <p>This policy does not cover purchase or sales of commercial property, which would therefore need to be considered by Board on an individual basis.</p> <p>The Director of Resources holds lead responsibility for this policy and its periodic review.</p> <p>The Director of Resources is responsible for ensuring a financial appraisal tool is provided to enable appraisal of individual purchase or sale proposals, including assessment of Net Present Value (NPV) and rent setting.</p> <p>The Chief Executive is responsible for ensuring financial appraisal of individual purchase or sale proposals are carried out, including assessment of Net Present Value (NPV) and rent setting.</p> <p>The roles and responsibilities for each step within a purchase or sale are set out in detailed procedural guidance.</p>
Definitions	<p>Affordable Housing – housing properties for social rent, mid-market rent, shared ownership, or any other tenures which fall within the Scottish Government’s affordable housing supply programme.</p> <p>Net Present Value (NPV) - is a financial modelling method used by accountants to assess the value of projected cash flows over a number of years, discounted to the present day, i.e., the total amount you expect to make from the proposal expressed at today’s £. In line with practice across the RSL sector, the Association assesses property investments over a 30-year period. If the NPV is positive this means the proposal is profitable, if the NPV is negative this means it makes a loss.</p>
Policy Statement	<p>1. Overarching objectives</p> <p>The Association’s purpose is the provision of accommodation for those in need, therefore an overarching objective of the policy is that: any buying or selling decisions made under this policy will not result in an overall</p>

reduction from the starting point number of affordable housing properties to let.

A second overarching objective is that: **any net sale proceeds under this policy are ring fenced for use in further purchases of affordable housing properties or land, to help ensure the Association maintains or if possible, increases its letting accommodation numbers.**

2. Strategic aims for property purchases

In considering any property purchases, at least one of the following strategic aims would need to be met:

- **Meeting housing need** – e.g., larger family housing
- **Improving estate management** – e.g., taking ownership of land around our housing owned and maintained by Glasgow City Council
- **Gaining full ownership of a stair/property** in order to deliver improvements.
- **Gaining majority ownership in a stair/property** in order to deliver larger scale maintenance.
- **Development or regeneration** – where purchase is necessary to progress a demolition and newbuild or a regeneration project
- **Homelessness prevention** – buying back an owner's property to help prevent homelessness in North West Glasgow (would include consideration of our presence in the area and for flatted properties if we already had an interest in the block)
- **Expanding mid-market rent portfolio** in North West Glasgow

3. Strategic drivers for property sales

In considering any property sales, at least one of the following strategic issues would need to be addressed:

- **Uneconomical** - where assets are currently delivering a negative NPV and disposal is assessed as being a better option financially
- **Hard to let** – limited demand and likely to become uneconomical
- **Not improvable** – where investment work required to make a property fit for purpose would be uneconomical and would result in a property delivering a negative NPV
- **Minority ownership** – In blocks which we do not factor, and we have minority ownership
- **Minority ownership** – In blocks which we do factor but where minority ownership is preventing us from carrying out works

4. Assessment process

The following sets out an overview of the proposed steps for assessing whether to progress with a sale or purchase:

- All proposals must comply with the overarching objectives
- All proposals must meet at least one of the strategic aims/drivers
- All proposed purchases will have a 30-year financial assessment completed and must demonstrate at least a break even NPV
- All proposed sales will be assessed for impact on the latest 30-year business plan

- Consideration will be given to compulsory purchase order requests in regeneration situations
- Consideration will be given to any funding stream available
- Consideration will be given to any grant repayment requirement

5. Approval of Purchases

The following sets out when approval of purchases will be reserved for Board and those which are delegated to the Chief Executive:

Reserved to Board	Delegated to CEO
Purchases which: <ul style="list-style-type: none"> • fail to meet an identified strategic aim, or • show a negative 30-year NPV, or • exceed maximum number of purchases approved for that year as part of the annual Budget approval. 	Purchases which: <ul style="list-style-type: none"> • meet the overarching objectives, and • meet at least one strategic aim, and • show at least break even 30-year NPV, and • do not exceed maximum number of purchases approved for that year as part of the annual Budget approval.

6. Approval of Sales

All proposals to sell property require approval by the Board.

Approval	Board, 27 th March 2025
Policy Owner	Director of Resources
Review	This policy will be reviewed and approved by the Board every three years or more frequently in circumstances where the organisation considers it appropriate or to reflect changes in regulation/legislation.