

Brunswick House, Montreal House and Quebec House Options Appraisal

Background

Brunswick House, Montreal House and Quebec House were constructed in 1964. Both Brunswick and Quebec Houses have 28 properties in the blocks and Montreal House has 22 properties equaling 78 properties in total.

Throughout the 3 blocks there are 66 3 apartment properties and 12 4 apartment properties. As of 1 April 2021 there are 66 active tenancies, 3 void properties, 5 homeless units, 3 resilience flats and 1 caretakers flat. There are no owner occupiers.



Over time these properties have become less popular and to differing extents have fallen into disrepair. In accordance with the Asset Management assessment of stock, these 3 blocks are performing poorly against the 9 key indicators they are assessed against in terms of demand, future costs and current costs.

In order to move forward and establish an action plan for these properties, a range of different future options have been explored by the Council's Better Homes Board with a final list of options proposed to be consulted upon with tenants in the blocks, the WDTR and presented thereafter to the Housing and Communities Committee in November 2021.

Options Appraisal

Noted below are a range of options for the future use of the properties. Following this is an initial cost, benefit and risk analysis. All costs are estimates at this stage:

1. Do nothing and keep the properties as they are
2. Retain the properties, carry out capital works and try to let the empty properties
3. Declare the blocks as surplus to requirements and demolish all 3 blocks and market the site for future external development
4. Declare the blocks as surplus to requirements, demolish all 3 blocks and use the site for new build development
5. Declare the blocks as surplus to requirements and retain all 3 blocks and fully refurbish both internally and externally with decants and a lettings plan
6. Declare the blocks as surplus to requirements and demolish one or two of the blocks and fully refurbish internally and externally with decants and a lettings plan

Option	Costs	Benefits	Identified Risks
1	Cost Neutral – although with continued lost rent through voids	No disruption to existing tenants and owners	Properties remain as low demand, difficulty in letting and therefore reduced income through void levels. Does not address the access issues and awkward layout of the blocks. Unpopularity in the area grows
2	Capital works of £1m*approx. per block.	Potential increased rental income and improve building	Demand does not increase; does not address the access issues and awkward layout of the blocks
3	Demolition costs of £500,000 (est) for each block and £94,500 in Homeloss payments and potentially £150,000 in disturbance payments: DV Valuation cost of £2,000	Management issues removed; improved area outlook; income for HRA	Loss of 74 properties to the stock some of which are larger homes;
4	Demolition costs of £500,000 for each block and £94,500 in homeloss payments and £150,000 in disturbance payments. £4m prudential borrowing to build 10-20 properties on land	Remove unpopular stock and replace with new build of the right type and size	Due to the topology of the site the opportunity for new build is limited. To maximise would have to replace with flats, would not reach same numbers due to planning considerations. Potential for small number of houses, would again not replace existing numbers.
5	Demolition costs of £500,000 for each block and £94,500 in homeloss payments and around £150,000 in disturbance payments. Around £1m (est) per block to refurbish internally and externally	Retain the number of properties, resolve access issues and improve the blocks visually. Potentially increase demand for properties and therefore maximise rental income	Potential that the properties remain unpopular after refurbishment. Would need to maximise rental income to offset the high spend on this.

Appendix 2

6	<p>Demolition costs either £500,000 for one block of £800,000 for 2 blocks and £94,500 in homeless payments and around £150,000 in disturbance payments HL&D.</p> <p>Around £1m - £2m on refurbishing 1-2 blocks</p>	<p>Resolve access issues and improve the blocks visually. Maximise active tenancies throughout the 3 blocks and reduce void levels.</p>	<p>Reduce the number of properties available.</p> <p>Potential that remaining properties are still unpopular.</p>
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*Capital works include EWI works which include elements of refurbishing to carry this out successfully, without EWI total capital works for all 3 blocks would be £1.8m

Moving Forward

It is proposed that the options will be consulted upon with tenants in the 3 blocks and the outcome of these discussions will inform a report to the Housing and Communities Committee in November 2021.