

Request for an opinion on the application of S505(1)(e) or S505(1B) ICTA 1988

1	Name of Registered Social Landlord (RSL)	XYZ Housing Association	
2	Charity reference	<i>For England, Wales & Northern Ireland, this will be a reference commencing with 'X'. For Scotland the reference will commence with 'CR' or 'ED'.</i>	
		XL12345	
3	Precise location of development	<i>Postal address, when known – otherwise general description with Ordnance Survey grid reference and/or local authority identifier.</i>	
		39-57 Smith Crescent London NW7	
4	At what stage is the development?	5	Accounting period(s) in which sales are likely to take place
	<input checked="" type="checkbox"/> Planning/preparation <input type="checkbox"/> Planning on basis of successful grant application or other binding arrangement <input type="checkbox"/> Building commenced.		
6	Previous request	Date and brief details of any previous request for advice relating to this development.	
		None	
7	Number of dwellings in the development	<i>Expressing the numbers as ranges should reduce the need for more than one application – see example of completed form.</i>	
	Total number of dwellings in the development		
		48	

of which the intention is as follows:

10 Number for outright sale to non-charitable beneficiaries

0 Number for outright sale to charitable beneficiaries

26-32 Number for sale to charitable beneficiaries on shared ownership basis

0 Number for social renting to charitable beneficiaries

6 Other. Number for sale or rent on another basis (please provide brief details in the space below)

Open market homebuy – key worker criteria
0 – 6 possible sales to possible non-charitable beneficiaries on shared ownership basis

8 Key transactions covered by this application

Expressing the numbers as ranges should reduce the need for more than one application – see example of completed form.

0 Number for outright sale to non-charitable beneficiaries

0 Number for outright sale to charitable beneficiaries

0 Number for sale to charitable beneficiaries on shared ownership basis

0 Number for social renting to charitable beneficiaries

0 Other. Number for sale or rent on another basis (please provide brief details in the space below, for example, open market homebuy)

0 – 6 possible sales to possible non-charitable beneficiaries on shared ownership basis

9 If the information at box 8 differs from the information at box 7, the questions below should be answered, giving the RSL's reasons for believing the status of the transactions not covered by the application to be free from doubt. Where an opinion is being sought for part of a development, this section should be used for the rest of the development, to cover the kind of information requested at box 10, so that a complete picture is available.

Expressing the numbers as ranges should reduce the need for more than one application – see example of completed form.

Address and tranche

39-57 Smith Crescent
London NW7
Tranche 1

Number and type

10 x 2 bed apartments

Proposed gross household income of purchasers

Not applicable

Proposed price

£240,000 - £250,000

Terms of sale

Freehold sale (subject to pre-emption right) on the open market

Proposed criteria for purchasers

This section should include full details of the criteria employed to distinguish charitable beneficiaries. For key workers, precise details of the criteria used should be provided.

Satisfactory mortgage/financing position

Proposed proportion for purchase

Not applicable

RSL's rights if property sold on

The RSL has a pre-emption right – see attached

Reason for there being thought to be no doubt regarding primary/non-primary purpose status of proposed sales

It is accepted that these sales will be non-primary purpose. They will be made by our trading subsidiary.

Other relevant details

These sales will make a significant difference to the price charged to charitable beneficiaries, and will bring about a more diverse social mix on the development

10 Key transactions

a. Outright sales to non-charitable beneficiaries

Expressing the numbers as ranges should reduce the need for more than one application – see example of completed form.

Address and tranche

39-57 Smith Crescent
London NW7.
Tranche 2 (part)

Number and type

0 – 6 x 1 bed apartments

Proposed gross household income of purchasers

£30,000 - £35,000

Proposed price

£110,000 - £120,000

RSL's rights if property sold on

The RSL has a pre-emption right – see attached

Reason for doubt regarding primary/non-primary purpose status of sales

These sales would normally be non-primary purpose, in which case this section should be used to explain why it is possible that they are primary purpose in this instance.

Past experience suggests a development of this nature will attract interest in the more expensive properties from some individuals, or perhaps couples, who are not on social housing lists and who will not experience great difficulty in renting. They tend to be a little better off and may be able to afford to fund a bigger proportion than other purchasers. We have tended to sell up to 20% of a tranche of shared ownership properties to this kind of purchaser. Considered in isolation, these purchasers are probably not charitable beneficiaries, although some of them may struggle to buy in this area. However, their inclusion does make for a more diverse social mix and tends to add more stability to the population of the development. We do not feel that this element being up to 20% compromises the charitable nature of any development. It is likely to be a maximum of 16% of the charitable properties on this particular development.

Other relevant details

None

Contact details

Contact person with whom this application can be discussed, and to whom correspondence should be addressed.

Name

John Greave

Position

(for example, finance director, company secretary, tax adviser)

Tax adviser

Address

111 Jones Road
London NW7

Phone number

Mobile phone number

Declaration

To the best of my knowledge and belief, the facts given in this request for advice are correct and all relevant facts have been disclosed.

Signature of director

Name

Anita Patel

Position

(for example, finance director, chairman)

Date

Finance director

28 Nov 2007