

Appendix 5

List of possible costs

It is important to note that within the CPO process there can be many complexities, uncertainties and unknowns – even in relatively straightforward applications. It is impossible to predict all costs but the list below gives a very good indication of possible expenditure that could be incurred and for which provision should be allowed in the Capital programme.

ITEM	COMMENT	INDICATIVE COST
Purchase cost	Desk top valuation of average prices for properties of a similar type in the area where the property is situated	This is set out in Appendix 1
Legal costs	Uncontested If public hearing £99 per hour – 30 hours	£2,000 £2,970
Basic Loss payment, if cannot be avoided	7.5% of property valuation (further details are set out in Appendix 1)	This is set out in Appendix 1
Valuation	Formal valuation needed at date of possession, with detailed report on full condition with photographic evidence.	£2,500
Surveyors e.g. to prepare schedule of works	May not be needed at early stage unless prospective purchaser e.g. RSL wants indicative cost of internal refurbishment costs. But, would be needed when CPO confirmed	£660
Locksmith	To attend on day of possession to force entry and change locks if disposed person does not allow entry..... may be abortive cost	£100
Carpenter	To attend on day of possession to gain entry if property already boarded up or board if not already secure	£200
Court Warrant	If dispossessed person blocks entry entirely on day of possession, the Council will need to get court warrant plus second attendance costs of locksmith if necessary	£1,000.00 £100
Conveyance to purchase and	Solicitors fees for performing the Conveyance	£2,000

sell – council costs	General disbursements e.g. land reg, searches etc.	£750.00
Previous owners conveyance costs	– including mortgage clearance where relevant	£ 3,000.00
Stamp duty land tax	at threshold on percentage of purchase price – payable on acquisition but exempted if development work to be done by new ‘owner’ threshold:- up to £125,000.00 The next £125,000.00 – 2% The next £675,000.00 - 5% The next £575,000.00 -10%	This is set out in Appendix 1.
Public enquiry plus Barrister fees	<i>Inspector costs</i> £630.00 per day. One day for preparation, one day for hearing (if one property and straightforward) writing up time, travelling and hotel costs: therefore minimum cost of public hearing say, £5,000.00 plus any legal and barrister fees.	£5,000.00 Plus £ 7,000.00
Notices, press notices etc.	To inform owner of relevant dates, to comply with regulations etc.	£2,500.00
TOTAL INDICATIVE COST	<i>excluding basic loss payment £52,500 and purchase price of property</i> – Without public enquiry - With public enquiry	£39,810 £54,780