

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide the Area Committee with an update on the development and sale of properties in the committee area.

RECOMMENDATIONS

1.2 That members consider and note the position as outlined in respect of the various properties.

2.0 INTRODUCTION

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3.0 RECOMMENDATIONS

3.1 That members consider and note the position as outlined in respect of the various properties.

4.0 DETAIL

Blairvadach, Shandon by Helensburgh – Advertised for sale

- 1.1 This is a large former Council Office building and substantial estate grounds. The property is allocated for Housing for 115 units and has been marketed as a development opportunity for over 1 year by selling agents Ballantynes. Interest from housebuilders has been relatively low during this period. In speaking to the industry they have cited the following factors to why interest is low; high development costs associated with topography & listed building, burn crossing, dilapidation of main house, West Dunbartonshire unit proximity, tree protection, requirement for 25% affordable housing, uncertainty over HMNB Clyde future, falling house prices in area, main housebuilders already have more deliverable sites in Helensburgh & Lomond.
- 1.2 Recently, an offer has been made by 1 organisation for a joint venture structure to deliver housing over a number of years – so not an outright sale where a capital receipt would be obtained immediately. Officers are currently assessing this offer, due to its relative complexity, risk/reward projections and seeking to negotiate the best terms possible. Officers have also been in direct dialogue with the Royal Navy to confirm future demand or alternative ways to deliver housing on the site given their growth programme and proximity of this site to HMNB Clyde.
- 1.3 The site shall continue to be marketed for sale and all offer's and opportunities assessed. The building has featured in 'The Mail on Sunday' as building of the week and is advertised in publication Commercial Property Monthly (May 2017).

Former Hermitage Academy, Colgrain – Under Offer

- 1.4 Part of the site has already been disposed and construction of over 50 dwellings and flats by Dunbritton Housing Association has been completed. The remainder of the site is under offer with a recognised national housebuilder, Taylor Wimpey, following a competitive bidding

process. The site is allocated for 109 homes in the Local Development Plan.

- 1.5 A planning application by Taylor Wimpey, for the construction of 95 homes at the site was approved in November 2016 and marketing information relating to their development 'Hermitage Grange' appears on their website alongside opportunity to express interest in buying a home.
- 1.6 There are technical discussions ongoing that require to be resolved relating to 'abnormal costs' for ground remediation that need to be concluded before the sale is completed. The outcome of these discussions may have a material impact on the expected return for the proposed sale. These technical discussions are at an advanced stage. Opportunity also exists to dispose of more land that is currently leased to a tenant of the Council and this is being discussed with the stakeholders.

52 + 52A Sinclair Street – Under Offer

- 1.7 The premises at 52A Sinclair Street are currently under lease to Gordon's Chemist. Originally they requested to acquire this shop and the office next door at 52 Sinclair Street to allow them greater storage facilities. Gordon's have now requested a lease renewal/ new lease of 52A/52 Sinclair Street due to concerns over hose tower which forms part of subjects of lease. They have recently provided information in regard to a survey which has highlighted repairs required to the hose tower. They have been requested to provide further information in regard to their proposals for remedial works to the tower and this is awaited.
- 1.8 Officers are negotiating a lease transfer of the subjects, under delegated authority, in respect of a full repairing and insuring lease at market value. The lease is being progressed on the basis that Gordons also require to provide specification of works and timescales for carrying out the required works in terms deemed satisfactory by the Council in respect of the hose tower.
- 1.9 Communication with Gordons advisors is ongoing and most recently w/c 22 May 2017 and it is intended that Head of Terms to conclude the lease shall be exchanged shortly.

1 East Princes Street / 48,50 Sinclair Street (former Municipal Buildings) – Under Offer

- 1.10 The Council marketed the subjects for sale or lease using our selling agent Ballantynes. The successful offering party was Peckham's Scotland Limited, 34 Bogmoor Place, Glasgow. The offer from Peckham's Limited is subject to the purchaser obtaining a liquor licence and planning permission. In regard to the liquor licence, they have been granted a Provisional Licence at the April Licensing Board but they have yet to confirm the licence, which means they cannot sell alcohol at the moment. In regard to planning permission it is understood that this has been granted. Property Development and Estates Officers are working with Legal Services to conclude the transaction as soon as possible.
- 1.11 Peckhams have been in the premises undertaking detailed internal fit-out investigation works w/b 15th May.

Scotcourt House – Under Offer

- 1.12 Scotcourt House is former Council office premises located at 45 West Princes Street & 31 James Street, Helensburgh. The property comprises the ground floor office premises within a 3 storey building with 2 floors of residential flats above that are not owned by the Council and not subject of this proposed sale. The building has 2 frontages onto West Princes Street and onto James Street respectively. The offices extend throughout the whole of the ground floor and can be either occupied as a whole or 2 separate suites of offices with a shared toilet and rest room. There is no car parking.
- 1.13 The property was originally marketed in 2015 without success and was re-marketed 'for sale or lease' in 2016. 2 offers were submitted by the closing date in November 2016.
- 1.14 The successful bid to purchase the property was made by a local business to support their growth and sublet the property. A completion date was originally set for late April 2017 however during internal preparations and storm conditions water ingress was identified by the prospective purchaser and Council staff. This has led to further investigation and assessment work with the buildings factor and calling upon insurers as the source of the water ingress is unclear. A source trace assessment is due to be carried out by the Council's insurer in the coming weeks to identify location of the leak and suggest resolution to enable the sale to proceed.

Loch Lomondside, Car Park + Former Public Toilets at Duck Bay - Scoping

- 1.15 The Council have substantial land holdings at loch lomondside surrounding Duck Bay off the A82 including a car park, former public toilet and large recreational grassed area. Officers are currently exploring commercial opportunities that have the potential to improve the visitor offering at this location and have started dialogue with some of the local stakeholders and adjacent landowners. The site has a number of challenges that require to be taken into account such as flood risk (low lying area prone to flooding), designation within the National Park, vehicle access and presence of oil pipeline. Officers shall continue to explore potential of the site and shall report to Area Committee when greater scoping has been undertaken.

Units 1 and 2 Ferry Road Rosneath – Under Offer

- 1.16 The sales of Units 1 and 2 are being progressed with efforts being made by Legal Services to agree the terms of the respective titles with the agents acting for the respective purchasers.
- 4.17 The Disposition for unit 2 incorporates provisions brought about as a result of the continued desire of Environmental Services to use part of the car park for skips/refuse receptacles. Once the terms of this Disposition have been settled a Disposition in similar terms will be provided to the solicitors acting for the purchaser of unit 1 to progress settlement of both transactions which is hoped can be achieved in the next 3 to 4 weeks.

Former Marriage Rooms, 25 West King Street – Under Offer

- 4.18 This modest building was marketed by selling agent Ballantynes in 2015. A number of bids were made for this property with successful offer being made by Joan's Carers Limited, 29 Grant Street, Helensburgh.
- 4.19 Whilst subjects for sale were exchanged with the prospective purchaser in late 2016 they have only recently submitted Planning Enquires relating to their proposed use. We are keen to complete this sale within 8 weeks and Legal Services are taking appropriate steps to endeavour to ensure that this happens.

Hermitage Park Depot, Sinclair Street – For Sale

- 4.20 This amenity services depot and associated workshop, cottage and greenhouse adjacent to Hermitage Park has recently been vacated by operational staff and has been declared surplus to operational requirements. Site particulars have been prepared and expressions of interest have been sought to re-develop the site. The sales particulars note that the site may be suitable for a residential development with vehicle access off Sinclair Street.
- 4.21 The site has been marketed in Commercial Property monthly in May and shall be fully marketed as soon as possible. Discussions are ongoing with an adjacent landowner in terms of a mutual right of access which we seek to conclude prior to a closing date being set. We are currently recording expressions of interest.

5. IMPLICATIONS

- 5.1 The implications are as outlined in the table below.

Table 4.1: Implications	
Policy	None
Financial	Continue to pursue sale or lease of properties that shall generate financial income to Council
Legal	All property transactions are being progressed with close liaison between the PDET and legal services.
HR	None
Equalities	None
Risk	None
Customer Service	None

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