

**1.0 EXECUTIVE SUMMARY**

1.1 The purpose of this report is to provide members with an update on the development and sale of properties in the Helensburgh and Lomond Area.

**RECOMMENDATIONS**

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

## 2.0 INTRODUCTION

- 2.1 The purpose of this report is to provide members with an update on the development and sale of properties in the Helensburgh and Lomond Area.

## 3.0 RECOMMENDATIONS

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

## 4.0 DETAIL

The following properties have now been **sold**:-

- Old School House (Rainbow Centre), School Road, Kilcreggan
- Unit 1 Ferry Road, Rosneath
- Unit 2 Ferry Road, Rosneath (Needle and Anchor)
- Former Marriage Rooms, 25 West King Street, Helensburgh
- Scotcourt House, James Street, Helensburgh
- Former Hermitage Academy, Colgrain, Helensburgh

The following properties have now had a **licence agreed**:-

- Retail Shop, 52 Sinclair Street, Helensburgh (Gordons Chemist Shop)
- Kirkmichael Centre, Buchanan Street, Helensburgh (Argyll College)

The following properties have been **acquired** for operational purposes:-

- 1 West Clyde Street, Former Mariners, Public House

The following properties are **under offer**:-

### **52 Sinclair Street – Gordons Chemist Store Room**

- 1.2 The premises at 52A Sinclair Street are currently under lease to Gordon's Chemist and is used as a retail shop. 52 Sinclair Street is a former office space next door to number 52A but is not currently linked to the shop. Gordons wish to use 52 to allow them greater storage facilities.
- 1.3 Gordon's have been permitted a temporary licence to occupy number 52 and are currently using this part of the building for business storage. A new overall lease is currently being prepared to include 52 and 52A and planning permission has been approved to erect a new staff link corridor at the rear of both properties.

- 1.4 Final lease terms have been agreed between the both parties and a copy to be signed by parties was issued on 20<sup>th</sup> August. We are await return of this document to conclude matters.

### **1 East Princes Street / 48,50 Sinclair Street (former Municipal Buildings)**

- 1.5 The property is currently under offer with Peckham's Investments Limited. Previous sale completion dates have fallen through due to specific condition issues relating to the building. One of the bay windows facing Sinclair Street has been inspected by structural engineers and as a precautionary measure propping has been installed. The sale has not been able to progress until the window is repaired.
- 1.6 The Council's structural engineers, contractors and stone masons are currently on site completing the repair which is programmed to take 8 weeks (end of October completion). Pedestrian movements across the pavement have been diverted into the parking bays to reduce the obstruction on the footway caused by the scaffolding. This is a temporary measure for the duration of the repair works.
- 1.7 The Council's solicitors are at a progressed stage of conveyancing and have been instructed to conclude the missives of sale at the earliest opportunity with the intention that the transaction will settle on the date occurring 7 days after the notification of completion of the structural repair work to the bay window to the satisfaction of the Council's appointed structural engineer.
- 1.8 Peckhams have stated that they remain committed to delivery of this project and continue to invest heavily in design and preparation works ready for the completion date. Arrangements to commence the refurbishment and installation have been stalled due to this structural issue but remain on standby.

### **Blairvadach, Shandon by Helensburgh – Offers under consideration**

- 1.9 Blairvadach 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 a year by selling agents Ballantynes. The building has featured in 'The Mail on Sunday' as building of the week and was advertised in publication Commercial Property Monthly (May 2017).
- 1.10 A closing date for the sale of the property was set and offers / expressions of interest were received and considered in liaison with the Council's selling agents. The property is fairly challenging to develop due to the sloping topography, presence of the listed building and large number of units involved / phasing.
- 1.11 In previous property updates it had been confirmed that the Council had appointed a 'preferred developer' following the marketing exercise. For several months efforts have been made clarify the detail of the preferred developer's offer and proposed scheme for the site. However, in July final terms were submitted by the developer and they were considered to be unacceptable to the Council. There were various points of concern relating to the proposed mix of housing, restoration of the Listed Building, development strategy and land value. To this extent, the negotiation with

the preferred developer has come to an end. Given the time that has passed since the closing date our selling agent has advised that it would not be prudent to enter discussions with the secondary bidder.

- 1.12 Officers are currently considering alternative options for the site which may include a further remarketing exercise. There has been some evidence that previous bidders and new developers would submit proposals if remarketed. A new vehicle barrier has also been installed at the entrance to the car park at Blairvadach to deter unauthorised access to the site.

### **Hermitage Park Depot, Sinclair Street – For Sale (Under Offer)**

- 1.12 The depot and associated workshop, cottage and greenhouse adjacent to Hermitage Park was vacated in 2017 being surplus to operational requirements. The site was fully marketed as a development site with potential for residential or commercial development. The site was promoted on the Council's website, in commercial magazines and 'For Sale' signs have been erected on the site. A viewings day was also held in October and proved very successful.
- 1.13 A closing date was set for the 29<sup>th</sup> March 2018 and interest was strong. A number of offers were received and were assessed by the Council's Property Development Working Group (PDWG). The PDWG is a group of officers that have an interest in property related matters across a variety of departments including Planning, Roads, Legal and Economic Development. The conclusions of the PDWG were to appoint a single preferred developer who wishes to develop the site for a care home.
- 1.14 The Care Home developer has been on site and undertaken topographical survey along with other technical investigations. The sale is conditional upon obtaining various permissions – most notably planning consent. A formal pre-application enquiry has been submitted in August which is currently under consideration by Officers and a full planning application is likely to be submitted in late September or October. We would expect the transaction to settle early 2019 following the attainment of permissions. Conveyancing is also progressing between the solicitors.
- 1.15 A deliberate fire was set by unknown parties on 29<sup>th</sup> March and significant damage was caused to the depot building. The Council are assisting Police Scotland with their enquires.

### **Hermitage Park Pavillion – For Lease**

- 1.16 The new pavilion building is set to be the focal point and hub of Hermitage Park's £3.6m restoration and redevelopment. The Pavilion building will include a 50 cover cafe / bistro and 10 cover south facing terrace overlooking the new children's play area. The Property Development and Estates Department are currently marketing the café area and serving kiosk for lease.
- 1.17 The building will be completed to Passivhaus design which provides a high level of comfort for occupants whilst using little energy for heating and cooling. The building is due to be opened end of October and there have already been several expressions of interest from potential operators.

## 5. IMPLICATIONS

5.1 The implications are as outlined in the table below.

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

Douglas Hendry, Executive Director of Customer Services,

30<sup>th</sup> August 2018

### **For further information contact:**

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