

PROPOSED SALE OF ST JAMES HOUSE, FORFAR

Abstract

This report seeks approval to the sale of the Broadcroft Car Park and St James House, Forfar on the provisional terms and conditions stated.

1 RECOMMENDATION

The Resources and Central Services Committee is recommended to:

1. note the contents of this report;
2. agree to the sale of the Broadcroft Car Park, Forfar, to the Brechin Property Co. on the provisional terms and conditions contained in this report for the sum of £102,000.
3. agree to the sale of St James House, Forfar, to Deanway /AWG on the provisional terms and conditions contained in this report for the sum of £1,810,000.
4. note that the current contract with the Council's external valuation consultants is being reviewed.

2 INTRODUCTION

The meeting of Angus Council on 30 June 2005 noted the options for the disposal of St James House as contained in Report No 842/05 by the Director of Property Services, approved the recommendation contained therein that St James House be advertised for sale on the open market and noted that a further report on the outcome of the marketing would be submitted to the 20 October 2005 meeting of this Committee.

The Director of Property Services considered that the maximum development potential and therefore the maximum sale value would be best realised by dividing the property into two separate lots, the first consisting of St James House & Car Park, the second consisting of the Broadcroft Car Park to the south of St James Road. The properties were advertised in the Scotsman, Herald, Courier and Estates Gazette, and offers were invited for (a) St James House (b) Broadcroft Car Park, or (c) both parts, and a closing date for the receipt of offers was set for 12 noon on Friday 23 September 2005.

At the closing date a total of 10 offers had been received by the Council's agents, Messrs Lickley Proctor and were brought to Forfar then opened and listed in the Property Services Dept. offices, Ravenswood, by the Senior Partner from Messrs Lickley Proctor in the presence of the Council's Director of Property Services and Chief Estates Manager.

2 SUMMARY OF OFFERS

Broadcroft Car Park

Offer From	Amount	Significant Conditions
Quarry Brae	£47,220	Unspecified use, not subject to planning consent, subject to Don & Low not having right of access for depot (they do but for maintenance, repair, renewal etc only purposes).
Ravenswood Surgery	£60,000	Subject to planning consent for Doctors' Surgery.
Ian Grieve	£82,500	Subject to planning consent for unspecified use but believed to be housing.
Albamuir Ltd	£100,000	Subject to planning consent for unspecified number of residential flats.
Brechin Property Co	£102,000	Subject to planning consent for Dental Practice.

St James House

Offer From	Amount	Significant Conditions
Deanway/AWG	£715,000	No major conditions (note:- Deanway/AWG have concluded legal missives with Don & Low for the purchase of the adjoining factory site). Broadcroft Car Park site could be included at Council's option.
Ian Grieve	£754,000	Subject to planning consent for unspecified use but believed to be housing.
Halladale Dev.	£971,000	Includes both sites, subject to planning consent for mixed residential and retail development (size/mix not specified).
Albamuir Ltd	£1,100,000	Subject to planning consent for residential flatted conversion plus additional new build (draft layout plan included).
Deanway/AWG	£1,810,000	Subject to planning consent for specified non-food retail and residential flatted development on both the St James Offices and Factory sites (note:- Deanway/AWG have concluded legal missives with Don & Low for the purchase of the adjoining factory site). Broadcroft Car Park site could be included at Council's option.

It is important for members to note that there are a number of stringent conditions attached to the offers received. A summary of the conditions is attached at Appendix1 to this report. While the recommendations of the Director of Property Services are as stated at the beginning of this report, officers of the Council would wish to investigate these conditions further with a view to acceptance subject to the conditions being satisfied.

In relation to the valuation advice given by the Council's external advisers, Messrs Lickley Proctor, when a negotiated disposal was previously proposed, the marketing of the property has shown a significant variance between that and the best offer submitted. This is clearly a matter of concern to members and officers and a review of the contract with Messrs Lickley Proctor is being undertaken by the Director of Property Services and the Director of Law and Administration and will be reported to members shortly.

5 FINANCIAL IMPLICATIONS

The sales will produce a combined capital receipt of £1,912,000. The Council has agreed to ring fence £700,000 as part of the funding package for the development of new headquarters offices at Orchardbank.

In view of the larger capital receipt it is proposed to submit a further report in due course on both the present funding package for the Orchardbank development and the opportunity for review of the wider capital programme.

6 HUMAN RIGHTS ACT IMPLICATIONS

There are no Human Rights Act implications specific to this report.

7 CONSULTATION

The Chief Executive, the Director of Law and Administration and the Acting Director of Finance have been consulted in the preparation of this report.

8 CONCLUSION

It is important to note that the Council has received only one offer that does not contain major conditions. This is the offer from Deanway/AWG in the sum of £715,000 for the St James House site. All other offers contain planning conditions some of which are more stringent than others. While the recommendations are as stated in paragraph 1 it will be necessary to do further work to determine the acceptability of the conditions. In the meantime it is proposed that the recommended offers be accepted subject to the conditions being satisfied.

REFERENCES

Committee	Date	Report No	Subject
Angus Council	30.6.05	842/05	Proposed Sale Of St James House, Forfar – Late Offer
Resources and Central Services Committee	16.6.05	805/05	Proposed Sale Of St James House, Forfar

BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing the above report.

M G Lunny
Director of Property Services

APPENDIX 1

SUMMARY OF OFFERS RECEIVED FOR BROADCROFT CAR PARK							
Purchaser	Price	Entry	Subject to Planning	Proposed Use	Time Limits for Acceptance	Special Conditions/ Conditions Precedent	Property Enquiry Certificate Required
Brechin Property Company Limited	£102,000	5 working days after Purchaser satisfied as to conditions precedent or such other date as may be agreed	Yes – Dental Practice Long stop date of 8 months from conclusion of missives	Dental Practice	Written acceptance by 5pm on 7 October	<ul style="list-style-type: none"> Require evidence as to permitted use and mains water Environmental warranties sought No third party rights or servitudes over property Land Reform warranties sought Purchasers to satisfy themselves regarding - Ground stability and soil conditions - absence of waste, pollutants etc long stop date of 12 weeks from conclusion of missives 	Yes
Albamuir Limited	£100,000	28 days after Purchaser satisfied as to title	Yes	Residential flats	Written acceptance by 5pm on 26 September	<ul style="list-style-type: none"> Purchaser must be satisfied as to title No rights of access over subjects for sale 	Yes

Purchaser	Price	Entry	Subject to Planning	Proposed Use	Time Limits for Acceptance	Special Conditions/ Conditions Precedent	Property Enquiry Certificate Required
Ian Grieve	£82,500	4 weeks after grant of planning permission	Yes Offer withdrawn if permission not granted within 6 months	Residential purposes	Immediate acceptance only	<ul style="list-style-type: none"> • Access to factory rear yard must be discontinued and sealed off • Service for private residential purposes available at no additional cost • Subjects must not be contaminated etc 	Yes
Firm of Ravenswood Surgery	£60,000	Date to be mutually agreed	Yes	Surgery premises	<p>Verbal acceptance by 5 pm on 26 September</p> <p>Written acceptance by 5pm on 7 October</p>	<ul style="list-style-type: none"> • Disposition must contain servitude right of pedestrian and vehicular access to and from subjects of sale • Purchaser may withdraw if adverse planning notice/ order received • Evidence as to permitted use • Warranties sought as to contaminated land etc • No title conditions preventing residential development 	Yes

Purchaser	Price	Entry	Subject to Planning	Proposed Use	Time Limits for Acceptance	Special Conditions/ Conditions Precedent	Property Enquiry Certificate Required
Quarry Brae (UK) Limited	£47,220	Date to be mutually agreed	No	None specified	Verbal acceptance - immediate Written acceptance - 28 days	No third party may have access over car park - specifically Don & Low	No

SUMMARY OF OFFERS RECEIVED FOR ST JAMES HOUSE							
Purchaser	Price	Entry	Subject to Planning	Proposed Use	Time Limits for Acceptance	Special Conditions	Property Enquiry Certificate Required
Deanway Development Limited	£1,810,000 (see notes)	1 month after Purchaser satisfied as to conditions precedent	<p>Yes</p> <p>Subject to planning permission for non food retail scheme with car parking and service yards and residential flatted scheme in subjects of sale <u>and Don & Low site</u></p> <p>Long stop date - 7 weeks from date of appeal decision</p>	Non food retail scheme and residential flatted scheme		<ul style="list-style-type: none"> • Site, soil and environmental survey • Capacity of services, measurement survey, archaeological survey and building survey • Satisfactory report on title - must be unrestricted right of pedestrian and vehicular access from public road • No notices under TCPAs or EPA • No Land Reform notices have been served • No contamination of land <p>Evidence from Keeper that boundaries with Don & Low are contiguous</p>	

Purchaser	Price	Entry	Subject to Planning	Proposed Use	Time Limits for Acceptance	Special Conditions	Property Enquiry Certificate Required
Albamuir Limited	£1,100,000	28 days after Purchaser satisfied as to title	Yes	Residential flats	5 pm on 26 September [have agreed to delete time limit]	<ul style="list-style-type: none"> Purchaser must be satisfied as to title - no servitudes/rights of access etc No proposals by neighbours which may affect value/amenity 	Yes
Halladale Developments Limited	£971,000	28 days after purification of suspensive conditions or date to be mutually agreed	Yes Long stop date of 18 months from conclusion of missives (if appeal, otherwise 6 months)	Mixed residential and retail development	Written acceptance by 4 pm on 30 September	<ul style="list-style-type: none"> Structural and services survey Ground support, geotechnical and environmental surveys and site survey Satisfactory title report - no conditions which will prevent/restrict proposed use, rights of common property in and to external walls etc, no servitudes in favour of third parties 	Yes

Purchaser	Price	Entry	Subject to Planning	Proposed Use	Time Limits for Acceptance	Special Conditions	Property Enquiry Certificate Required
Halladale cont...						<ul style="list-style-type: none"> • Subjects of sale meet various statutory requirements - EPA, HSWA etc • All planning permissions etc in place for current use • Not aware of planning application for adjoining site • Environmental conditions • No deleterious materials • Full sets of architectural plans required 	
Ian Grieve	£754,000	4 weeks after grant of planning permission	Yes Long stop date of 6 months from 22 September	Private residential dwellinghouse development	Immediate acceptance only	<ul style="list-style-type: none"> • No title conditions that will prevent/restrict residential development • All services can be provided at no additional cost • No environmental hazard/asbestos/deleterious substance in 	Yes

Purchaser	Price	Entry	Subject to Planning	Proposed Use	Time Limits for Acceptance	Special Conditions	Property Enquiry Certificate Required
Ian Grieve cont..						subjects of sale <ul style="list-style-type: none"> • No proposals for neighbouring property which might affect subjects of sale 	
Deanway Development Limited	£715,000 (see notes)	1 month after Purchaser satisfied as to conditions precedent	No		Written acceptance by 5 pm on 26 September	<ul style="list-style-type: none"> • Site, soil and environmental survey • Capacity of services, measurement survey, archaeological survey and building survey • Satisfactory report on title - must be unrestricted right of pedestrian and vehicular access from public road • No notices under TCPAs or EPA • No Land Reform notices have been served • No contamination of land 	Yes