



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Asset Management: Former Civic Amenity Sites at Primrose Street & Seapark Drive
Date:	21 January 2011
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Relevant Background Information

Proposed Lease of Primrose Street & Seapark

- 1.1 The Strategic Policy & Resources Committee, at their meeting on 19 June 2009 granted approval to the disposal of the former civic amenity sites at Seapark Drive and Primrose Street, following extensive marketing on the open market. Location Maps are located at Appendices 1 & 2. The Seapark Drive premises extend to approx 0.06 acres and the Primrose Street site extends to 0.087 acres.
- 1.2 Approval was granted to the disposal of Seapark Drive for the sum of £70,500. The Primrose Street premises had been marketed simultaneously (as agreed previously by Committee) with an adjoining piece of land owned by Ligoneil Pigeon Society Social Club and approval was granted to the disposal of both the Council's property and the adjoining land for the sum of £115,000. The Council's pro rata apportionment of this sale was to be £85,000. It should be noted that there was very limited interest in both properties during the marketing period.
- 1.3 Unfortunately, however, both sales have subsequently fallen through. In the case of the Seapark Drive premises the proposed purchaser had initially said they were making a cash offer although subsequently could only complete on the basis of the sale of another property in order to provide equity and additional finance was required. The purchaser has now withdrawn his offer and there are currently no other parties interested despite continued marketing. At Primrose Street there were issues with the title to the adjoining land owned by the Ligoneil Pigeon Society Social Club, which took some time for them to resolve. Whilst they say these are now resolved the proposed purchaser has withdrawn his offer and again there are currently no other parties interested despite continued marketing.

- 1.4 The marketing agents have advised that the value of both properties has fallen significantly. The market for development land is poor due to the lack of capital available to builders and the poor demand from occupiers. In both cases the most likely end use is as small housing sites and demand for residential land is particularly weak.
- 1.5 Despite continued marketing there has been no further interest to purchase either property. Meanwhile the premises lie vacant and there are ongoing maintenance/monitoring issues due to break ins etc. Both premises contain stores and a secured yard area. As an alternative to outright disposal it may be possible, subject to demand, to lease both of the sites for storage/small business use in the short term. If there was interest in leasing the premises this could provide an income stream to the Council pending an improvement in the residential market and availability of capital. In the case of Primrose Street it would only be the Council owned premises that would be offered to let.
- 1.6 Both sites could therefore be offered to let on the open market on the basis of say an annual tenancy that could continue on a yearly basis thereafter subject to the agreement of both parties.

Key Issues

- 2.1 Former civic amenity sites at Seapark Drive and Primrose Street previously agreed for sale but sales have subsequently fallen through.
- 2.2 Despite continued marketing there has been no further interest in purchasing the properties.
- 2.3 Capital Values have decreased since the date of previous marketing.
- 2.4 Rather than the premises continuing to lie vacant with no return to the Council, they could alternatively be offered to let on the open market on a short term basis and subsequent lease management undertaken by the Estates Management Unit.
- 2.5 Following marketing on the basis of a short term lease a further report will be brought back to Committee to seek approval to the terms of the leases.

Resource Implications

3.1 Financial

Not known at this stage. Further reports to be brought back to Committee following marketing.

3.2 Human Resources

No additional human resources required. Existing resource in Legal Services Department and Estates Management Unit (EMU) required in agreeing detailed lease terms.

3.3 Asset and Other Implications

The lease of the premises would bring an income-producing use to Council assets that

are currently unoccupied. Duration of lease brings flexibility to Council and to the prospective tenant. Council's ability to recover possession is protected by statute.

Recommendations

4.1 The Committee is recommended to approve that the former civic amenity sites at Primrose Street and Seapark Drive are advertised to let on the open market with a further report to be brought back to Committee in due course to approve the terms of any lettings.

Decision Tracking

5.1 Director of Property and Projects to ensure the premises are advertised to let on the open market by March 2011.

Documents Attached

Appendix 1 – Map showing land owned by Council at Seapark Drive

Appendix 2 – Map showing land owned by Council at Primrose Street