
To: Infrastructure, Land & Environment Policy Board

On: 7th November 2018

Report by: Director of Finance & Resources

Heading: Proposed Disposal of Commercial Property - 16 High Street, Johnstone

1. Summary

1.1 The purpose of this report is to seek consent to accept the proposed disposal price of £67,000 for the commercial property at 16 High Street, Johnstone, as shown on the attached plan E2776.

1.2 This is to allow the property to be disposed to the existing tenant.

2. Recommendations

2.1 It is requested that the Board accept the proposed disposal price of £67,000 for the commercial property at 16 High Street, Johnstone.

2.2 Should the Board accept the proposed disposal price, then the property shall be disposed to the existing tenant, Mr Perella, on terms and conditions negotiated with the Head of Property and on such other terms as the Head of Corporate Governance requires to protect the Council's interest.

2.3 The Communities, Housing and Planning Policy Board at its meeting on 30th October 2018 is asked to declare the property surplus to the Council's requirements, and this report is presented for the ILE Board to consider following such surplus declaration being approved.

- 2.4 Please note that in accordance with the changes to the Scottish Ministers' consent when disposing of HRA Assets, this disposal will be under the General Consent available and will be self-certified by the Council.

3. **Background**

- 3.1 The commercial property which is located at 16 High Street, Johnstone is currently leased to Mr Perella. The tenant has been in occupancy of the premises since the 4th of December 2017, when the lease was transferred from the previous tenant who was trading as a newsagent. The current rent for the property is £5,200 per annum and the property extends to 54 square metres or thereby.
- 3.2 At present the property is not trading. However, Mr Perella acquired the tenants interest in this property with the intention to combine it with the adjacent property, 12/14 High Street which he owns and is currently being used as an Italian Restaurant and Takeaway. Mr Perella purchased this property from the Council on the 7th of December 2016. If this is not possible he would re-open as a retail opportunity.
- 3.3 There is a shared maintenance responsibility with the flats at High Street (3) and the flats on Walkinshaw Street (8). It is worth noting that of the 11 flats in total, 5 that have been sold under Right to Buy.
- 3.4 There has been one shop disposal within this small parade (12/14 High Street) and given the mixed tenure of flats above coupled with the capital receipt that will be received to the HRA Account, the Head of Planning and Housing has confirmed there would be no objections to this disposal.
- 3.5 The Head of Corporate Governance has advised that there is no restriction that would prevent this property being sold.
- 3.6 The tenant approached the Council to acquire the interest, and following negotiations with the Head of Property, the tenant has agreed to the following provisional terms:
1. The purchase price is provisionally agreed at £67,000 exclusive of VAT.
 2. The date of entry shall be agreed between both parties.
 3. The property is sold in its current condition.
 4. All rent and rates due shall be paid in full by the date of entry.
 5. The purchaser shall be responsible for meeting the Council's reasonably incurred legal and professional fees in relation to this transaction.

6. The purchase price together with all other monies due to the Council shall be paid in full on or before the date of entry.
7. The disposal of this property shall be subject to the approval of the appropriate Council Boards.
8. All and any other terms considered necessary by the Head of Corporate Governance.

Implications of the Report

1. **Financial** - A capital receipt of £67,000 will be achieved for the Housing Revenue Account.
2. **HR & Organisational Development** – Not applicable.
3. **Community/Council Planning** – Not applicable
4. **Legal** – Conclusion of Sale.
5. **Property/Assets** – As per the content of this report.
6. **Information Technology** – Not Applicable
7. **Equality & Human Rights** -
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website. (Report author to arrange this).
8. **Health & Safety** – Not applicable
9. **Procurement** – Not applicable
10. **Risk** – Not applicable
11. **Privacy Impact** – Not applicable

12. **Cosla Policy Position** – Not applicable.

Author: Louise Le Good
Assistant Asset & Estates Surveyor
0141 618 6111
louise.legood@renfrewshire.gov.uk
27/09/2018

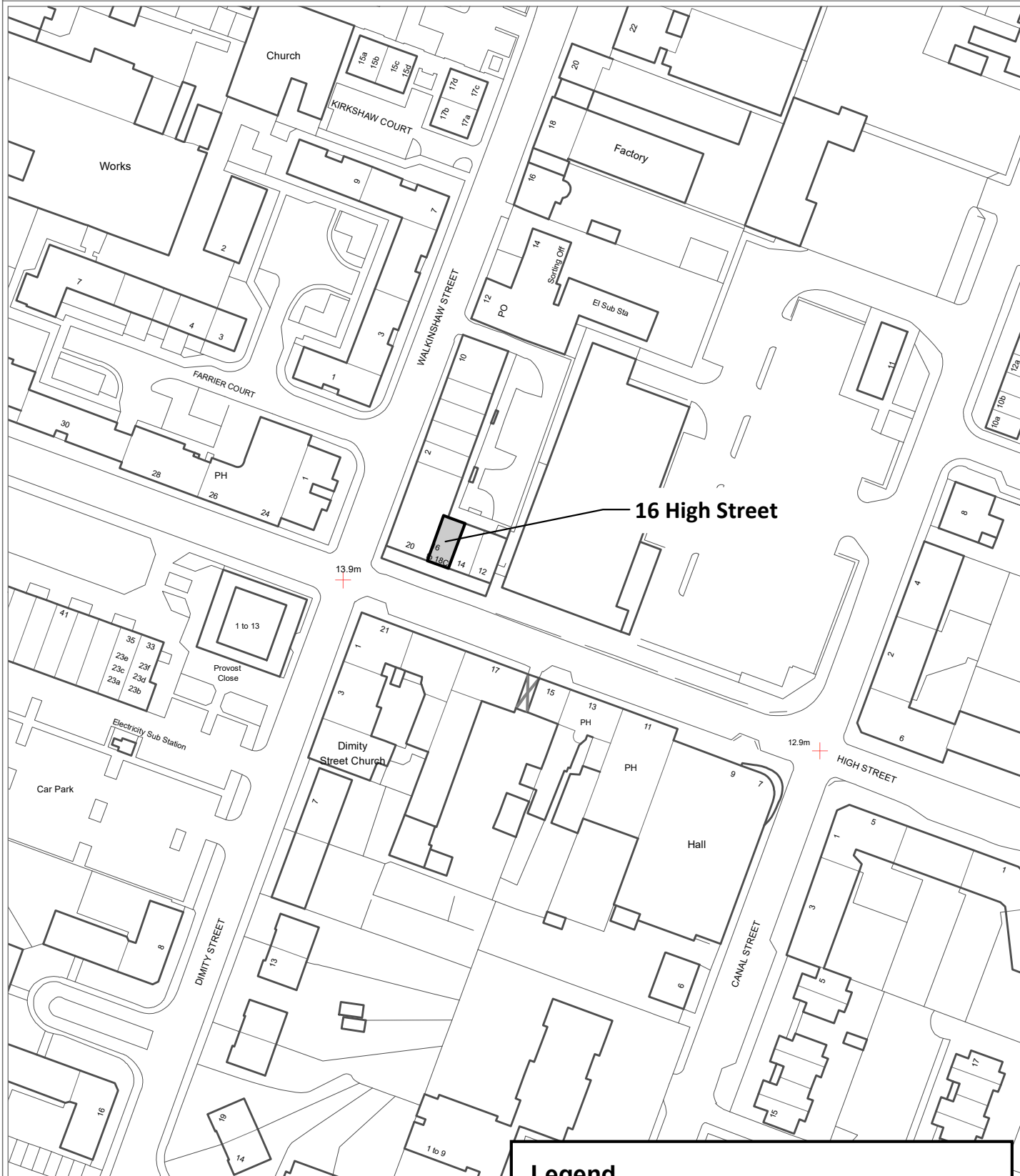
16 High Street, Johnstone

Report Plan Ref. E2775




User: howardhaughj2

Date: 28/09/2018



Legend

 Proposed disposal of 16 High Street, Johnstone

Notes: