

To: Planning & Property Policy Board

On: 8th November 2016

Report by: Director of Finance & Resources

Heading: Proposed Disposal of Commercial Property – 16 Thornhill, Johnstone

1. Summary

- 1.1 The purpose of this report is to seek consent to dispose of the property at 16 Thornhill, Johnstone, as shown on the attached plan, to the existing commercial tenant.
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2. Recommendations

- 2.1 It is requested that the Board agree to the disposal of the commercial property at 16 Thornhill, Johnstone, subject to the Housing & Community Safety Policy Board declaring the property surplus at its meeting on 8 November 2016.
- 2.2 Agree that the property will be sold to the existing tenant, Mr Wai Yin Lee, on the provisionally agreed terms and conditions which have been negotiated by the Head of Property Services which are detailed in the body of this report.
- 2.3 Please note that in accordance with the recent changes to Scottish Ministers' consent when disposing of HRA Assets, this proposed disposal will be under the General Consent available and will be self certified by the Council.
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3. **Background**

- 3.1. The property at 16 Thornhill, Johnstone is as shown on the attached plan and is currently leased to Mr Wai Yin Lee, and trades as a Chinese Restaurant and Takeaway. The tenant has been in occupancy of the premises since the 28th May 2005, with the existing lease for the property commencing on the 17th of December 2015. The property currently produces a rent of £12,300 per annum which is received by the HRA account. The property is a double shop unit located within a parade of six shops five of which are currently Council owned and extends to 110 square metres or thereby.
- 3.2. There are 2 Council flats directly above this property but in the wider parade at Thornhill, there are 14 flats with 4 of these being Council owned. There is, as stated, one commercial property sold within this parade located at 20 Thornhill. The Head of Planning & Housing has confirmed that the Housing Service would have no objection to this proposed disposal.
- 3.3. The tenant has requested to purchase the premises and confirmed that he wishes to purchase the property to secure his investment and the future operation of his business at this location.
- 3.4. The tenant has approached the Council to acquire the interest, and following discussion a provisional agreement has been reached based on the following Terms and Conditions:
 - 3.4.1. The Purchase Price is provisionally agreed at £160,000 exclusive of VAT.
 - 3.4.2. The date of entry shall be agreed between both parties.
 - 3.4.3. The property will be sold in its current condition.
 - 3.4.4. All rent and rates due shall be paid in full by the date of entry.
 - 3.4.5. The Purchaser shall be responsible for all of the Council's reasonable incurred legal and professional fees in relation to this transaction including any stamp duty, taxes and registration fees.
 - 3.4.6. The Purchase Price together with all other monies due to the Council shall be paid in full on or before the date of entry.
 - 3.4.7. The disposal of this property shall be subject to the approval of the appropriate Council Board.
 - 3.4.8. All and any other terms and conditions considered necessary by the Head of Corporate Governance and the Head of Property Services to protect the Council's remaining interests.

Implications of the Report

1. **Financial** – A capital receipt of £160,000 will be achieved for the Housing Revenue Account.
2. **HR & Organisational Development** – Not Applicable.
3. **Community Planning** –
 - a. **Children and Young People**
 - i. None
 - b. **Community Care, Health & Wellbeing**
 - i. Not Applicable
 - c. **Empowering our Communities**
 - i. Not Applicable
4. **Legal** – Conclusion of Sale
5. **Property/Assets** – As per 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. 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.
8. **Health & Safety** – Not Applicable.
9. **Procurement** –Not Applicable.
10. **Risk** – Not Applicable.
11. **Privacy Impact** – Not Applicable.

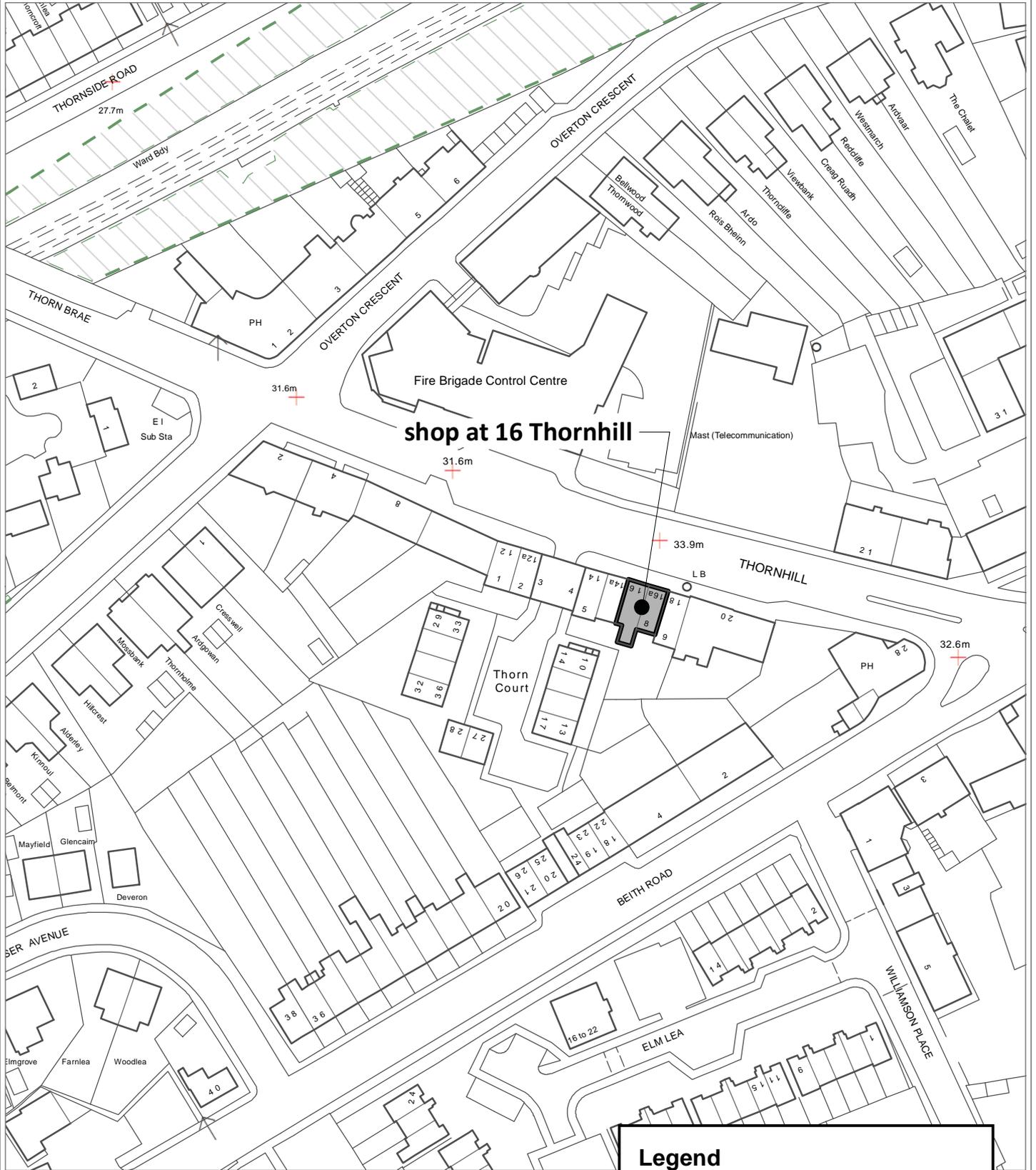
Author: Louise Le Good
Assistant Asset & Estates Surveyor
0141 618 6111
Louise.legood@renfrewshire.gov.uk

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Shop at 16 Thornhill, Johnstone

Report Plan Ref. E2509



Legend

 Shop area extends to 115sqm or thereby

Notes: