



To: Planning & Policy Board
On: 17th May 2016

Report by: Director of Finance & Resources

Heading: Proposed Disposal of Commercial Property - 12-14 High Street, Johnstone

1. Summary

- 1.1 The purpose of this report is to seek consent to dispose of the commercial property at 12-14 High Street, Johnstone to the existing tenants as shown on the attached plan.
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2. Recommendations

- 2.1 It is requested that the Board agree to the disposal of the commercial property at 12-14 High Street, Johnstone, subject to the Housing & Community Safety Policy Board declaring the property surplus at its meeting on 17 May 2016.
- 2.2 Agree that the property will be sold to the existing tenants, Mr & Mrs Perella, on 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.

3. Background

- 3.1. The commercial property which is located at 12-14 High Street as shown on the attached plan, is currently leased to Mr and Mrs Perella and is used as an Italian Restaurant and Takeaway. The tenants have been in occupation of the property since the 26th of August 1996 when they acquired the rights of the lease of the property by way of assignation. The existing lease commenced on the 15th of February 2016 with a passing rent of £12,500 per annum. The property is a double shop unit located within a parade of three shops all of which are currently Council owned and extends to 94 square metres or thereby.
- 3.2. There are 3 flats above the shops on the High Street at this location with two flats being within the Council's ownership. As there is a shared maintenance responsibility with these flats and the flats on Walkinshaw Street, it is worthwhile noting that of the 11 flats there are 5 that have been sold.
- 3.3. The tenants have requested to purchase the property and confirmed that they wish to do so to secure their investment and the future operation of the business at this location.
- 3.4. Although there are no shops sold within this small parade, given the town centre location and the mixed tenure of flats above, while there will be a reduction to revenue of £12,500 per annum the capital receipt that will be obtained for the HRA account is at a level which can be recommended.
- 3.5. The Head of Planning and Housing has confirmed there would be no objections to this disposal.
- 3.6. The tenants have approached the Council to acquire the interest, and following negotiation with the tenant's solicitor. The following heads of terms have been provisionally agreed:
 1. The purchase price is provisionally agreed at £160,000 exclusive of VAT.
 2. The date of entry shall be mutually agreed between both parties.
 3. The property is sold in its current condition.
 4. The Purchaser shall be responsible for all of the Council's reasonable legal and professional fees in relation to this transaction.
 5. The purchase price together with all other monies due to the Council, rent and rates, shall be paid in full on or before the date of entry.
 6. All and any other terms considered necessary by the Head of Corporate Governance and the Head of Property Services in the interests of the Council.

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.

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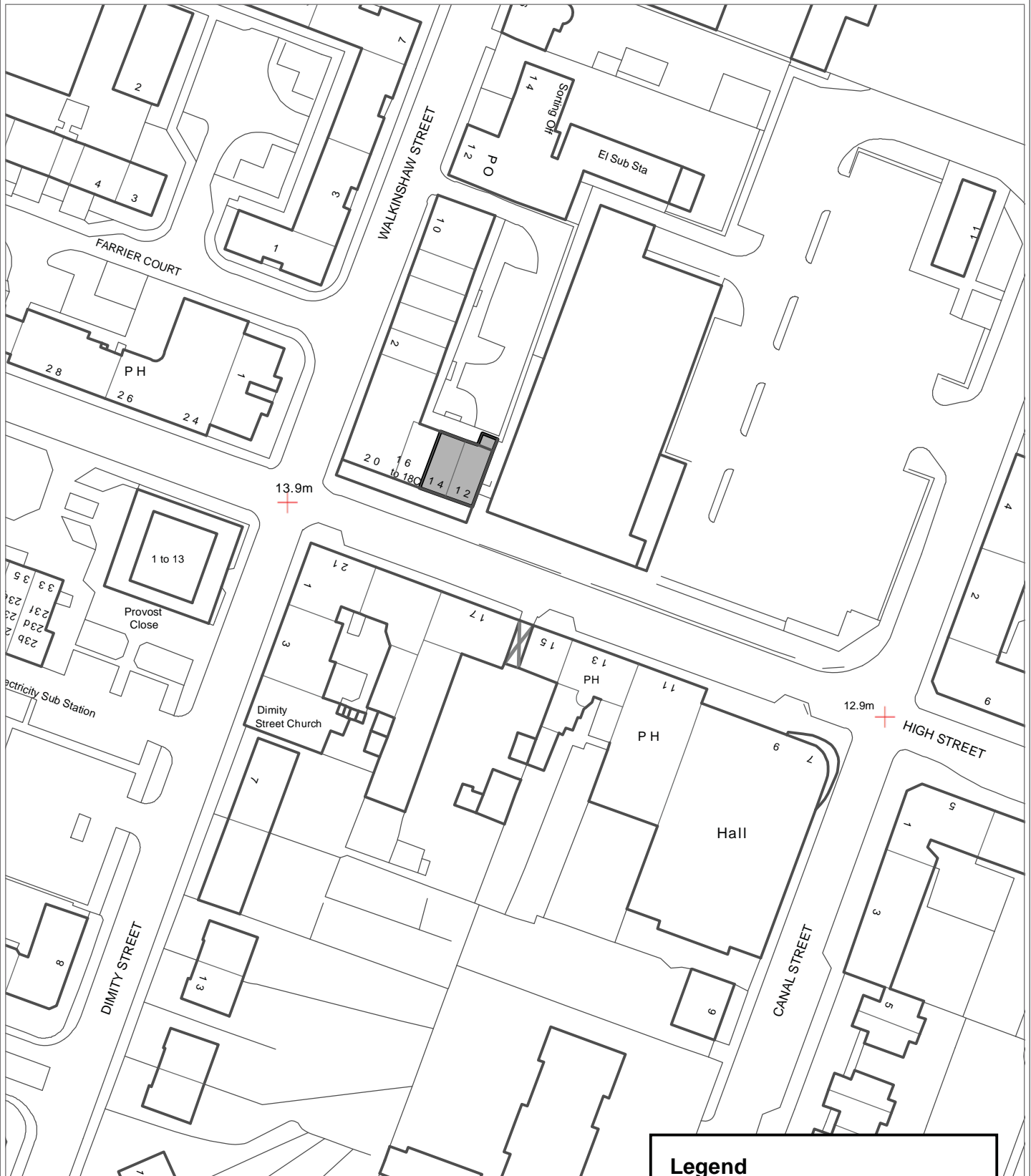
12-14 High Street, Johnstone

Report Plan Ref. E2481




User: howardhaughj2

Date: 25/04/2016



Notes:

Legend

 E2481, Proposed disposal of retail units