

Asset Disposal Business Case

Name of Asset:	Gresham Phase 2a site Amber Street car park Garnet Street car park 147, 149 & 151 Linthorpe Road								
Asset Register Number:	12029/510 – Gresham Phase 2a 12029/510 – Amber Street car park 12029/510 – Garnet Street car park 147, 149 & 151 Linthorpe Road – no entry on Asset Register								
Current Use:	Partially cleared site. Temporary car parks. Three properties acquired to facilitate Linthorpe Road breakthrough.								
Valuation at Current Use (Asset Register) £:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Gresham Phase 2a:</td> <td style="text-align: right;">£471,000</td> </tr> <tr> <td>Amber Street car park:</td> <td style="text-align: right;">£3,200</td> </tr> <tr> <td>Garnet Street car park:</td> <td style="text-align: right;"><u>£60,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">£534,200</td> </tr> </table> <p>Above costs taken from current Asset Valuation Reports.</p> <p>Acquisition costs for the three Linthorpe Road properties is: £1,146,750.</p> <p>Total value is £534,200 + £1,146,750 = £1,680,950.</p>	Gresham Phase 2a:	£471,000	Amber Street car park:	£3,200	Garnet Street car park:	<u>£60,000</u>	Total	£534,200
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Total	£534,200								
Reason for Disposal:	<p><u>Background</u></p> <p>The Council has been acquiring properties in the Phase 2a area of Gresham to facilitate redevelopment since September 2011.</p> <p>On the 1st November 2016, the Executive considered the “Gresham – Masterplan and Regeneration” report, which highlighted that Teesside University had experienced a period of unprecedented growth that has seen an investment of £250m to develop the town-centre campus and were committed to investing in growth and enhancing the experiences of their students, businesses they work with and the local community.</p> <p>The report stated that the Teesside 2020 – University Corporate Strategy includes the stated aims to:</p> <ol style="list-style-type: none"> a) Grow student numbers and revenue on and off campus; and, b) Deliver and maintain a high-quality campus and associated infrastructure to maximise the student experience. <p>The Council and the University have identified Gresham as an ideal location for a high quality, private sector off campus development</p> <p>The Council has recently acquired three properties on Linthorpe Road that will enable a breakthrough to be provided to access the development site.</p>								

	<p><u>Current Position</u></p> <p>The Council has received a bid from Teesside University for the Phase 2a site and the three Linthorpe Road properties for the purpose of delivering a Student Village development.</p> <p>The University have a track record of delivering on-campus developments and the financial offer meets the Council's expectations in terms of land value.</p> <p>The disposal of the Phase 2a site to facilitate the development of a Student Village will therefore accord with the masterplan approved by Executive on the 1st November 2016 and will secure the regeneration of a key gateway site.</p>
<p>Latest Valuation (Proposed Disposal) £:</p>	<p>£1,889,950 – based on the Asset Valuation price referred to above, but assuming that the current temporary car parking use comes to an end and commercial and residential valuations will apply across the whole site.</p> <p>Commercial 0.8 acres @ £175k = £140,000 Residential 3.77 acres @ £160k = £603,200 147, 149 & 151 Linthorpe Road = <u>£1,146,750.</u> Total = <u>£1,889,950</u></p> <p>Our external valuation partner Kier (Graham Tyerman) has assessed that as the land will be used for student accommodation it should be valued at residential use and would not give rise to a higher disposal value than the above sum.</p>

Asset Disposal Stream (Please Select):

Generate Capital Receipt	3
Stimulate Economic Activity	1
Support Communities	2

(In the event of more than one stream being relevant please rank in order of importance (1), (2), (3))

Officer requesting Disposal (Responsible Service Manager):

Name:	Andrew Carr
Position:	Development Services manager

Could the asset be disposed of for an alternative use that may give a higher capital receipt to the Council?

(To be completed by Valuation and Estates): (Tick)

Yes		No	X
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If yes please outline potential use:

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Estimated Value at Alternative Use:	£
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Key factors to be considered when assessing potential disposals:

1.	This proposal fits with the wider Gresham masterplan and Investment Prospectus
2.	Maintains a vibrant town centre community
3.	Investment provides addition benefits by way of New Homes Bonus
4.	

Any additional financial factors to be considered other than immediate capital receipt:

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Asset Not Needed by the Council - Approved to proceed:

Head of Asset Management:	(Yes) Tick	No (Tick)	Date:
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11/7/18

Preferred Method of Marketing (to be completed by Valuation & Estates): (Tick)

Formal / Informal Offers	
Private Treaty	X
Auction	
Community Asset Transfer Process	

Method for Final Approval (before proceeding with preferred method of marketing) :

Estimated Value:	Approval Required:	Authorised:	Date:
Less than £50,000	Head of Financial Planning and Support		
Between £50,000 and £150,000	Strategic Director of Finance, Governance and Support		
More than £150,000	Executive Property Sub Committee or Executive	Gresham Redevelopment	1.8.18

V3 7 December 2017

GRESHAM - REVISED MASTERPLAN



