

Asset Disposal Business Case

Name of Asset:	Land and multiple building assets located at Gresham
Asset Register Number:	<p>12029/510: Gresham Phase 2a (3.15 acres)</p> <p>12029/510: Amber Street car park (0.64 acres)</p> <p>12029/510: Garnet Street car park (0.09 acres)</p> <p>22018/410: 147 – 151 Linthorpe Road Shops</p> <p>1002377 & 1002384: The Crown, 143 Linthorpe Road</p>
Current Use:	<p>Vacant site area comprised of a parcel of cleared land and two temporary car parks.</p> <p>Three vacant shop units fronting Linthorpe Road, including vacant flats above.</p> <p>Vacant former cinema/nightclub situated on the junction of Linthorpe Road & Borough Road.</p>
Valuation at Current Use (Asset Register):	<p>Gresham Phase 2a:</p> <ul style="list-style-type: none"> • 1.0 acres @ £175k per acre = £175,000 (Commercial) • 2.15 acres @ £140k per acre = £301,000 (Residential) <p>Amber Street car park: £199,000</p> <p>Garnet Street car park: £11,000</p> <p>147, 149 and 151 Linthorpe Road: £250,000</p> <p>The Crown, 143 Linthorpe Road: <u>£450,000</u></p> <p>Total value: <u>£1,386,000</u></p>
Reason for Disposal:	<p>The Council is in discussion with Middlesbrough Development Corporation who wish to deliver a significant mixed-use development, which includes the demolition of numbers 149 and 151 Linthorpe Road and the construction of:</p> <ol style="list-style-type: none"> a) a new hotel with 201 bedspaces; b) 238 build to rent apartments; and, c) 459 bedspaces of purpose-built student accommodation.
Latest Valuation (Proposed Disposal):	<p>£Nil – subject to receipt of a satisfactory valuation appraisal of the proposed development scheme by an independent third-party valuer, to assess all applicable development and abnormal scheme costs and confirm the net residual land value payable.</p>

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Asset Disposal Stream (Please Select):

Generate Capital Receipt	
Stimulate Economic Activity	✓
Support Communities	

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	✓
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If yes please outline potential use:

N/A

Estimated Value at Alternative Use:	N/A
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Key factors to be considered when assessing potential disposals:

1.	Suitability of development in line with the site masterplan
2.	Contributes to a vibrant town centre
3.	Quality of development being proposed
4.	Provision of recurring income [Business Rates & Council Tax] in perpetuity

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

<p>Middlesbrough Council is in strategic partnership with Tees Valley Combined Authority MDC to facilitate the redevelopment of the subject parcel of land and buildings at Gresham.</p> <p>The partnership has identified the composite site as an opportunity on which to bring forward a significant mixed-use development in a prominent urban gateway setting close to the centre of Middlesbrough.</p> <p>Delivery of the hotel, residential apartments and student accommodation elements as proposed will bring the site into far more beneficial future use going forward, whilst also bolstering the Authority’s annually recurring Business Rates & Council Tax revenue in perpetuity.</p>

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Asset Not Needed by the Council - Approved to proceed:

Head of Asset Management:	(Yes) Tick	No (Tick)	Date:
	✓		10 th March 2025

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

Formal / Informal Offers	
Private Treaty	✓
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	Valuation & Estates Manager		
Between £50,000 & £250,000	Director of Finance		
More than £250,000	Executive Property Sub Committee or Executive		Tuesday 02 nd April 2025