

**20 June 2017**

**Policy, Projects & Resources Committee**

**14 Ongar Road Brentwood – Letting of Shop and Premises**

**Report of:** *Russell Clinker (Senior Asset Manager)*

**Wards Affected:** *Brentwood North*

**This report is:** *Public*

**1. Executive Summary**

- 1.1 This report considers the letting of 14 Ongar Road Brentwood following an offer received by the Council.

**2. Recommendation(s)**

- 2.1 **That a new lease be granted in accordance with the terms set out in Heads of Terms attached at Appendix A (exempt).**

**3. Introduction and Background**



- 3.1 14 Ongar Road has been vacant since the previous tenant Brentwood Mind (a mental health charity) moved into Brentwood Town Hall in July 2016.
- 3.2 There are substantial maintenance and repairs required at the property and the Council are seeking a tenant who is able to put and keep the property in repair.
- 3.3 We have received various interest in the property although the one from the adjacent dental practice is of particular interest as it provides a good quality covenant who has the funds to meet the proposed leasehold commitment, the long term vision to put and keep the property in good repair and to provide a much needed service for the Community.
- 3.4 The dental surgery has indicated that it is looking to expand in any event, in order to accommodate a new sterilization area, without taking away space presently used by surgery/treatment rooms, thereby retaining current levels of dental patient registrations and employment numbers.
- 3.5 Details of comparable rental levels are commercially sensitive and are included in Appendix B (exempt).
- 3.6 The subject property is approx 185 sq m/2,000 sq ft (split approx 92.90 sq m - /1,000 sq ft on the ground floor and 92.90/1,000 sq ft on the first floor) net internal area. If the first floor is taken at 1/10 i.e. valued as ancillary to the ground floor, the retail 'In terms of Zone A' shop and first floor area totals 79.92 sq m (808 sq ft ).

\*Zoning is a standard method of measuring retail premises to calculate and compare their value.

Shop or retail premises are divided into a number of zones each of a depth of 6.1 metres - or 20 feet.

Zone A closest to the window is most valuable with the value decreasing with distance from the frontage: Zone B is the next 6.1 metres, then Zone C until the entire depth of the retail area is allocated to a zone - anything after Zone C is usually defined as the remainder.

In crude terms the established valuation convention is to halve back from Zone A, with

Zone B assessed as a half the value of Zone A, Zone C half the value of Zone B and so on.

When a rent is quoted in terms of 'rate per sq m/ ft Zone A' this has been arrived at by dividing the rent by the reduced area arrived at by the Zoning method.

#### **4. Issue, Options and Analysis of Options**

In view of the above, the recommendation is to therefore let 14 Ongar Road to the Dental Surgery next door to provide a secure income and ensure that the property is put and kept in good repair.

#### **5. Reasons for Recommendation**

- 5.1 The Council wish to ensure the property is put and kept in good repair and for it to generate income.

#### **6. Consultation**

- 6.1 No formal external consultation has been undertaken regarding the proposal

#### **7. References to Corporate Plan**

- 7.1 Value for Money: policies that invest in key services to create opportunity for all, provide better value for Brentwood's taxpayers and enhance the Borough's infrastructure whilst modernising and transforming Brentwood Borough Council. We will re-prioritise and focus our resources and be innovative in our approach.
- 7.2 Our Borough: Policies which promote our environment, support sustainable growth, and safeguard our high quality environment including heritage and countryside. We will provide responsive, accessible and forward thinking services for vulnerable residents, supporting people back into work and providing good quality housing making Brentwood our residents' Borough of Choice.

#### **8. Implications**

##### **8.1 Financial Implications**

**Name & Title: John Chance, Finance Director**

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The rental income will generate revenue for the Council

## 8.2 Legal Implications

**Name & Title:** Daniel Toohey, Monitoring Officer

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None

**Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

None

## 9. Background Papers

9.1 See Appendices (Exempt)

## 10. Appendices to this report

Appendix A (Exempt) - Heads of Terms.

Appendix B (Exempt) – Comparable evidence of rental levels.

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