

20 June 2017

Policy, Projects and Resources Committee

The development of two semi-detached properties - King Edward Road

Report of: *Adrian J Tidbury Estate & Valuation Surveyor*

Wards Affected: *Brentwood South*

This report is: *This report is public*

1. Executive Summary

- 1.1 This report considers the construction of two semi-detached properties on vacant land in the council's ownership situated King Edward Road Brentwood.

2. Recommendation(s)

- 2.1 That subject to planning approval being granted, that delegated authority is given to the Head of Paid Service and, Section 151 officer acting in consultation with the Chair of Policy, Projects & Resources Committee to seek tenders for construction of two semi-detached properties on land at 1 King Edward Road Brentwood.
- 2.2 That delegated authority is given to the Head of Paid Service and, Section 151 officer acting in consultation with the Chair of Policy, Projects & Resources Committee to select and award the contract to the successful bidder, and to agree the inclusion in the 2017/18 Capital Programme, to be funded from unallocated capital receipts.
- 2.3 That delegated authority is given to the Head of Paid Service and, Section 151 officer acting in consultation with the Chair of Policy, Projects & Resources Committee to enter into a 3 year lease of the two properties to an intermediary company who will then let the properties on assured short hold tenancies.

3. Introduction and Background

- 3.1 Members will be aware that the Council has ownership in title of significant amounts of land within the Borough. The majority of that land is

subject to restrictions such as green belt issues or it functions as amenity land in some form.

- 3.2 The land at 1 King Edward Road came into the Council's ownership on 3rd November 1989 together with an existing lease between Laurenstall Ltd and RCO Contract Services.
- 3.3 RCO are no longer using the site and were approached in June 2015 to surrender the lease, to which they agreed by email on 8th July 2015. The Deed of Surrender is dated 2nd February 2017.
- 3.4 The Council has investigated the feasibility of developing a residential property and initial discussions with Planning and the architect has indicated that a satisfactory development of a pair of two bedroom semi-detached properties with parking provision can be accommodated on the site.
- 3.5 The Council's lawyers have investigated all existing rights across the land and have determined that there is an existing right to light and air for 'Rainham Steel'. However, legal advice has deemed that the right will be unaffected by the proposed development.
- 3.6 The appendix shows the proposed development and the arrangement of the parking and accommodation that can be achieved.
- 3.7 Planning Consent has been applied for and determination is due before 3rd July 2017.

4. Issue, Options and Analysis of Options

- 4.1 Architects have been appointed to undertake a feasibility study leading to full planning permission being granted. Initial discussions with Planning has established that in principle they do not foresee any objections to the proposal.
- 4.2 The expected resale value of the properties on completion of the build is estimated at £430,000 for each of the properties.
- 4.3 Expected rental from the properties should they be let is expected to be in the region of £1,200 to £1,400 per calendar month raising an annual income of £28,800 to £33,600
- 4.4 The Council is of course unable to let properties for residential use outside the Housing Revenue Account and so the properties would be leased to

an intermediary company who will then let the properties on assured short hold tenancies.

- 4.5 The Council has instructed Mass & Co to provide a Development Appraisal which is included in the appendix.

5. Reasons for Recommendation

- 5.1 To develop unused land in the ownership of the Council providing needed additional residential accommodation within the Borough and generating additional income to the Council through rental or Capital receipt.

6. Consultation

- 6.1 No formal consultations have been undertaken.

7. References to Corporate Plan

- 7.1 Economic Development – Support economic growth and sustainable development.

8. Implications

Financial Implications

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- 8.1 There are sufficient resources within the unallocated capital receipts account to fund this project.
- 8.2 The vision for this project is positive as the assets will be worth more than the construction costs, are expected to appreciate in value and will be a valuable addition to the Councils property portfolio.
- 8.3 In the short to medium term, the recommendation to enter into a lease agreement to give rise to a revenue income stream would represent a sound course of action.

Legal Implications

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- 8.4 In seeking tenders for works services and supplies contracts the Council must ensure compliance with EU procurement regulations and

requirements set out in its Constitution. Legal Services are on hand to advise and assist on the process going forward.

9. Appendices

Appendix A - King Edward Road Feasibility - Pair of two-bedroom semi - detached properties

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