

WEST DUNBARTONSHIRE COUNCIL**Report by the Strategic Lead, Regeneration****Infrastructure, Regeneration and Economic Development Committee:
20th November 2019**

Subject: Proposed Sale of single shop unit at 322B Dumbarton Road, G60 5JH to a Sitting Tenant.

1. Purpose

- 1.1** The purpose of this report is to advise Committee of a tenant proposal to purchase their existing leased premises at 322B Dumbarton Road, Old Kilpatrick, and seeks to obtain consent for the proposed disposal of the property to the sitting tenant, Ms Arlene Conroy.

2. Recommendations

- 2.1** It is recommended that the Committee:

- (i) Approves the disposal of 322B Dumbarton Road, Old Kilpatrick to the sitting tenant, Ms Arlene Conroy for a consideration of £42,000 (Forty Two Thousand Pounds).
- (ii) Authorise the Strategic Lead, Regeneration to conclude negotiations.
- (iii) Authorises the Strategic Lead, Regulatory to conclude the transaction subject to such as conditions as considered appropriate.

3. Background

- 3.1** 322B Dumbarton Road, Old Kilpatrick, hereafter referred to as “the subject property” comprises a single retail unit. The shopping parade consists of 1 double, 1 triple and 2 single shop units, contained within a brick built single storey shopping parade. There is a flat and asphalt covered roof over the parade. The double shop next door to the subject unit at 320/322A was previously disposed of by the Council on 2nd December 2016. The property is shown bounded in red on the attached Site Plan referenced as Appendix 1.
- 3.2** The subject property is let to Ms Arlene Conroy, and is operating as Blush Beauty Salon. The lease was assigned to Ms Conroy on the 1st August 2008 for a period of three years and continues by virtue of tacit relocation (i.e. on a year to year basis until notice is served) thereby expiring at 1st August 2020. The current passing rental is £4,050 pa. The lease is drawn on the basis of tenant full repairing and insuring obligations.
- 3.3** Ms Arlene Conroy approached the Council with a view to purchasing her leased property and Heads of Terms have now been issued on the basis of a

purchase price of £42,000. The purchaser has agreed the purchase price subject to obtaining satisfactory funding.

4. Main Issues

- 4.1** The subject property comprises a retail unit located in a terrace of previously seven single retail units. The shop unit is small and only extends to a Net Internal area of 49.20 square metres (529 sqft). The majority of the other units within the shopping parade have been combined to form a triple and a double unit. Ms Conroy's intention is to acquire the freehold interest in the next door privately owned single unit in addition to the unit she presently occupies, enlarging the shop to a double shop unit. The existing small size of the subject unit is prohibitive to the type of user that would occupy and will restrict any future marketing of the property.
- 4.2** Should the property become vacant, given the prohibitive size of the unit, it is likely that an extensive period of marketing would be required to secure another tenant. During that time, the Council would incur any void costs relating to repairs (including common repairs), rates and buildings insurance.
- 4.3** The sale price represents Market Value and offers an opportunity to generate a capital receipt of £42,000.
- 4.4** The sale is subject to a Deed of Conditions which pass on the responsibility of a share in the common costs of the repair, maintenance, renewal and reinstatement of the subjects of which the property forms part.
- 4.5** Ms Arlene Conroy has been a reliable tenant over the last eleven years and there are no outstanding rental payments or lease obligations. Ms Conroy operates a beauty salon from the property under the trading name Blush Beauty Salon and her business has become well established over the last eleven years.
- 4.6** The purchaser will pay the Council's surveyor's fees in respect of the transaction.
- 4.7** The purchaser will also pay the Council's legal fees, expenses, outlays and registration dues in connection with the sale of the property.

5. People Implications

- 5.1** There are no significant people implications other than the resources required by Asset Management and Regulatory to conclude the proposed disposal.

6. Financial and Procurement Implications

- 6.1** Disposal of the property will result in a loss of rental income of £4,050 per annum and it will generate a General Capital Fund receipt of £42,000.

6.2 There are no procurement implications at this stage.

7. Risk Analysis

7.1 The main risk associated with the transaction is that it does not conclude for a variety of reasons including the purchaser's ability to secure appropriate funding.

8. Equalities Impact Assessment (EIA)

8.1 An Equality Impact Screening was undertaken, which did not identify any potential equalities impacts.

9. Consultation

9.1 Consultation has been undertaken with Finance in relation to the proposed disposal. Further consultation with Regulatory will take place during the disposal process.

10. Strategic Assessment

10.1 By agreeing to this proposal, the Council will assist in improving the local economic growth and employability in the area.

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Date: 28 October 2019

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Appendices: Appendix 1 - Site Layout Plan

Wards Affected: Ward 4