



Belfast City Council

Report to:	Strategic Policy & Resources Committee.
Subject:	Land at Boucher Crescent.
Date:	23 April 2010
Reporting Officer:	Gerry Millar, Property & Projects Director ext 6217
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Relevant Background Information

A small Council owned site at Boucher Crescent in Balmoral Industrial Estate has recently been advertised on the open market to let by way of a long lease. The site, which is shown hatched on the attached plan at Appendix 1, extends to approx 0.437 acres. Balmoral Industrial Estate contains a number of sites which are leased from the Council by way of long lease (usually 125 years) subject to the payment of a reviewable ground rent. The rents receivable from this estate represent a valuable income stream for the Council, with a rental income in 2009/10 of £3.1M. The leases within this estate are proactively managed by the Estates Management Unit to ensure that rent reviews and lease terms are adhered to and optimised for the benefit of the Council.

It is worth noting that an Economic Impact Study undertaken by Ipsos Mori in 2007 highlighted the important role that Balmoral & Duncrue Industrial Estates played in supporting the continued urban and social regeneration of Belfast, as well as contributing significantly to employment in the wholesale and retail sectors within Belfast. In 2007 the total turnover in the two estates was estimated at approximately £680M per annum, employing 6495 people, with a confirmed number of over 2.2M customers visiting the estates per annum.

The Development Committee previously granted approval to placing the subject land on the open market to let by way of a long lease. A sewer located through the middle of the site had to be relocated and the Council also obtained outline planning permission in August 2009 to develop as a showroom and warehouse. The site was subsequently marketed with the benefit of this outline planning approval.

Key Issues

The site has recently been marketed by O'Connor Kennedy Turtle, Commercial Property Agents, inviting offers over £35,000 p.a. Following an open market bidding process with a number of interested parties the bidding ended at £38,000 p.a. on the basis of 125 year lease with 5 yearly rent reviews. This equates to a rental of approx £87,000/acre which represents an extremely good rental within this estate

Resource ImplicationsFinancial

The £38,000 per annum rental will supplement the rent roll for this estate and will assist in benchmarking for future rent reviews of other sites within this estate. The rent will be subject to review every 5 years.

Human Resources

Input from the Estates Management Unit and Legal Services will be required to complete the lease for this site.

Asset and Other Implications

The leasing and future redevelopment of this small vacant site accords with effective asset management and further contributes to the important economic role this estate plays within Belfast.

Recommendations

The Committee is requested to approve the letting of this site at Boucher Crescent at £38,000 p.a. on the basis of a 125 year lease with 5 yearly rent reviews.

Decision Tracking

The Director of Property & Projects & the Director of Legal Services to ensure that the leasing of this site is completed within a 2 month timeframe.

Key to Abbreviations**Documents Attached**

Appendix 1: Site plan