



## Belfast City Council

**Report to:** Strategic Policy & Resources Committee.

**Subject:** Land at Boucher Crescent.

**Date:** 24<sup>th</sup> September 2010

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### Relevant Background Information

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 Strategic Policy and Resources Committee had agreed at its meeting on 23<sup>rd</sup> April to lease a portion of Boucher Crescent at £38,000pa on a 125 year lease with rent reviews every 5 years. The site, which is shown hatched on the attached plan at Appendix 1, extends to approx 0.437acres.

The site was marketed 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.

### Key Issues

Unfortunately the proposed Lessee has now sought to alter the terms of the agreement and is seeking a 12 month "rent free" period at the commencement of the lease. Accordingly the offer is no longer the highest available.

The Council's Agent has subsequently contacted all of the parties that were interested during the marketing process. The highest bid is now the previous under bidder who is prepared to stand over his previous offer of £37,000pa without any rent free. This rental level equates to £84,700pa per acre.

**Resource Implications**Financial

The £37,000 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 £37,000 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