



**Belfast City Council**

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Duncrue Industrial Estate:  Proposed Marketing of Former Car Compound/Option Site Lands
<b>Date:</b>	19 September 2014
<b>Reporting Officer:</b>	Gerry Millar, Director of Property & Projects, Ext: 6217
<b>Contact Officer:</b>	Celine Dunlop, Estates Surveyor, Ext: 3419

<b>1</b>	<b>Relevant Background Information</b>
1.1	Duncrue Industrial Estate contains 46 sites which are leased from the Council by way of long leases, usually 125 years, subject to the payment of reviewable ground rents. The rents receivable from this Estate represent a valuable income stream for the Council with an estimated rental income from Duncrue of c. £1,329,000 in 2014/15. There are also a large number of people employed within the estate across a variety of sectors and the various businesses located there provide a valuable source of rates income. The leases within this Estate are proactively managed by the Estates Management Unit to ensure rent reviews and lease terms are adhered to and optimised for the benefit of the Council.
1.2	Whilst the majority of the Council's land within Duncrue Industrial Estate has been let and developed there remains one area of land that is undeveloped. This comprises a site adjacent the Council's operational depot at Duncrue Complex which was previously used as a Car Compound as part of a joint BCC and Driver & Vehicle Agency 'Operation Clean Up' initiative. In addition it also adjoins another area of land fronting onto Dargan Road, which was previously held under an option as part of a lease of a larger site. This option expired and the site reverted to the Council. This option site is not currently being used for any purpose.
1.3	The former car compound site has subsequently been occupied on a temporary basis by Community Safety and by Waste Management for project related bin storage and assembly and the storage of salt/grit and more recently a stockpile of sand bags in relation to the recent threat of flooding in East Belfast.
1.4	The combined site, which has frontage onto Dargan Road, extends 2.73 acres and is shown outlined red on the plan attached at Appendix '1'.
1.5	At its meeting on the 20 <sup>th</sup> March 2009 the Strategic Policy and Resources Committee

	noted the appropriation of the former car compound site from the Health & Environmental Service Committee to the Strategic Policy and Resources Committee for inclusion within the Corporate Landbank. The former option site lands are also held by the Strategic Policy & Resources Committee.
1.6	A report was brought to the Strategic Policy and Resources Committee on 21 <sup>st</sup> May 2010 in relation to the potential disposal of a number of Council sites. It adopted recommendations to bring forward various sites, including the subject site, to a 'market ready' stage, in order to progress disposal when the market improves or if any advantageous proposals are presented.

<b>2</b>	<b>Key Issues</b>
2.1	There has been recent interest from the private sector in potentially developing the subject lands and it is therefore an opportune time now to bring this site to the market. The site would be offered on the basis of a 125 year lease, subject to a ground rent with five yearly reviews, in common with the majority of the other sites within Duncrue Industrial Estate. Planning permission for any proposed development on the site would be the responsibility of the lessee. The main access to the site is proposed via Dargan Road but the successful bidder will also be granted rights to access the site from Dargan Crescent along the area shaded yellow on the plan attached at Appendix '1'. It is proposed to appoint a firm of chartered surveyors to market the lands.
2.2	It is worth pointing out that most of the leased sites in Duncrue Industrial Estate have similar rent review provisions and the basis of the rental payment is the current open market letting value of the land. However, there have been no open market lettings of land in Duncrue Industrial Estate for some years, and there is therefore little rental evidence to support the rent review position. Therefore if this site is let on the open market it could provide a valuable benchmark of an open market rental for use in future rent reviews at Duncrue Industrial Estate.
2.3	Alternative arrangements are being made to allow the removal of the bins to the Duncrue Complex and the salt either to the North Foreshore site or elsewhere within the Council's estate.

<b>3</b>	<b>Resource Implications</b>
3.1	<b>Financial</b> The disposal of this site would result in an increase in the annual income received from the letting of sites at Duncrue Industrial Estate and provide further evidence of open market value lettings which should assist in the rent review process throughout the Estate. There will be a fee for marketing the site.
3.2	<b>Human Resources</b> Staff resources required from the Estates Management Unit and subsequently from the Legal Services Department following approval to any letting.
3.3	<b>Asset and Other Implications</b> The site when let will continue to generate rental income for the Council over the period of the 125 year lease.

<b>4</b>	<b>Equality and Good Relations Considerations</b>
4.1	There are no equality implications associated with this report.

<b>5</b>	<b>Recommendations</b>
5.1	It is recommended that the Committee agree that the land at the former car compound and options site on the Dargan Road be advertised to let on the open market on the basis of a 125 year lease subject to five yearly rent reviews, subject to a further report being taken to Committee in due course for approval to the terms of any proposed letting.

<b>6</b>	<b>Decision Tracking</b>
Director of Property & Projects (Estates Management Unit) to action by the 30 <sup>th</sup> November 2014.	

<b>7</b>	<b>Key to Abbreviations</b>

<b>8</b>	<b>Documents Attached</b>
Plan at Appendix '1'	