

**Bracknell Forest Council  
Record of Decision**

<b>Work Programme Reference</b>	<b>I078924</b>
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1. **TITLE:** Sale of Unit A, Waterside Park

2. **SERVICE AREA:** Delivery

3. **PURPOSE OF DECISION**

To set out a proposal for the sale of Unit A Waterside Park.

4 **IS KEY DECISION** Yes

5. **DECISION MADE BY:** Executive

6. **DECISION:**

- i. the best option for Unit A Waterside Park is to dispose of the freehold of the building.
- ii. authority is given to the Assistant Director: Property to sell the freehold of Unit A Waterside Park to the preferred bidder.

7. **REASON FOR DECISION**

- i. Bids have been received for over £400,000 for the property and sales above this level is an Executive decision.
- ii. A disposal will remove any liabilities for future repairs, refurbishment and void costs.
- iii. To provide the Council with a capital receipt.

8. **ALTERNATIVE OPTIONS CONSIDERED**

- i. Ridge and partners (cost consultants) have carried out a full feasibility to re-roof and carry out a basic refurbishment of the accommodation. All partition walls would be removed but the existing ceiling would remain and the workshop rooms will be redecorated but remaining with no windows. The property could then be let either as a single unit or divided up into 2 separate office units and 1 workshop area, each of approximately 6,000 sq ft. The cost of the work has been estimated at £1.68m to £1.73m. Local agents, Haslams, have advised that a rental of up to £10/sqft could be achieved giving a total potential annual rent of up to £180,000. However, in order to let the units it is likely that a one year rent free period would be required and there is a significant risk that the units will remain vacant for a long period of time. During this time the Council will be liable for the payment of void costs and borrowing costs. If it was possible to let the whole of the space within a 3 year period the net yield, based on all costs up to the receipt of rent and a value of £875,000, would be in the region of 5%.
- ii. A feasibility has also been undertaken for the demolition of the existing building and the development of eight business units. The cost of the works have been estimated

at £6.17m. The size of each unit would be in the region of 2,400sqft and would have reasonable demand in the current market. The maximum likely rental income that could be obtained assuming all units were let will be in the region of £270,000pa, which would be insufficient to cover the interest and repayment costs of funding the works. The net yield based on all costs and land value of £875,000 is just under 4%.

9. **PRINCIPAL GROUPS CONSULTED:** N/A
10. **DOCUMENT CONSIDERED:** Report of the Executive Director: Delivery
11. **DECLARED CONFLICTS OF INTEREST:** None

<b>Date Decision Made</b>	<b>Final Day of Call-in Period</b>
16 October 2018	23 October 2018