

Burnbank House, 25 Burnbank Gardens (Ward 11) - Off-market disposal approved, in principle - Instruction to Managing Director of City Property (Glasgow) LLP.

12 Councillor McLean, Convener for Housing, Development, Built Heritage and Land Use, presented a report regarding proposals for an off-market disposal of Burnbank House, 25 Burnbank Gardens (Ward 11), advising that

- (1) Burnbank House was a vacant former care home which had most recently been used as a homeless hotel, together with adjacent land and part of a public gardens area to the north and was a 4-storey property being earmarked for demolition and then for redevelopment once it was sold;
- (2) following the site being declared surplus to Council requirements on 8th September 2016, it came to light that there was a gap in the title preventing the onward sale of the site to Queens Cross Housing Association Ltd who proposed to develop a 48 flatted residential development for elderly people on the site and negotiations had been suspended until the matter was resolved in 2021;
- (3) following negotiations with the District Valuer, a gross market value of £2,120,000 had been agreed for the site on the assumption that the price would be adjusted to reflect abnormal development costs and that abnormal development costs of approximately £310,000 had provisionally been agreed with Queens Cross Housing Association Ltd, which would produce a net capital receipt of £1,810,000 for the site;
- (4) Queens Cross Housing Association Ltd had sought to agree a price for the site based on an affordable housing land valuation and the District Valuer had valued the site for social housing at £740,000, which was based on the assumption that the price would be adjusted to reflect agreed abnormal costs once they had been identified and a net capital receipt of £430,000 for the site, which was £1,380,000 less than the estimated open market value; and
- (5) the proposed disposal of the site to Queens Cross Housing Association Ltd was compliant with the Council policy for off-market disposal and section 74 of the Local Government (Scotland) Act 1973 that required that a local authority must sell land for the best consideration that could reasonably be obtained.

After consideration, the committee

- (a) approved the principle of an off-market disposal at an affordable housing land valuation to Queens Cross Housing Association Ltd, with the Council forgoing an estimated capital receipt of £1.38m which would be a contribution towards the delivery of the project;
- (b) instructed the Managing Director of City Property to negotiate the terms and conditions of the disposal; and

- (c) agreed that final approval of the terms and conditions be submitted to the Contracts and Property Committee.