

## PART 2 – CONFIDENTIAL FACTS AND ADVICE

**MD1370**

**Title:** Disposal of Units 3 and 4 at Wildspace, 6-10 Lamson Road, Rainham

*Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Information Governance team for advice.*

**This information is not for publication until the stated date, because:**

It contains commercially sensitive information. The information is therefore covered by Section 43(2) (Commercial Interests) of the Freedom of Information Act 2000.

The disclosure of the information below would impair the GLA's ability to effectively negotiate the disposal of the remaining units, and adversely impact upon the ability to achieve market value.

**Date** at which Part 2 will cease to be confidential or when confidentiality should be reviewed: Jan 2015

**Legal recommendation on the grounds of keeping the information confidential:**

It contains commercially sensitive information. The information is therefore covered by Section 43(2) (Commercial Interests) of the Freedom of Information Act 2000.

The disclosure of the information below would impair the GLA's ability to negotiate effectively the disposal of the remaining units, and adversely impact upon the ability to achieve market value.

**Legal Adviser** - I make the above recommendations that this information should be considered confidential at this time

**Name:** Michele Avon

**Date:** 27 March 2014

*Once this form is fully authorised, it should be circulated with Part 1.*

**Confidential decision and/or advice:**

**1. Market context information:**

- 1.1. The units were originally marketed at £105 psf, with the view to achieving £85 - £90 psf, however all offers to date have been well below these levels and local agents have advised that the original aspirations may have been set too high. The table below provide details of the enquiries and offers to date.

Enquiry schedule to date:

DATE	APPLICANT	SIZE	TENURE	AREA	COMMENTS
March 2014	[REDACTED]	7,000 sq ft	FH	A13/A12 corridor	[REDACTED]
January 2014	[REDACTED]	5,000 sq ft	FH	A13/12 corridor	[REDACTED]
Oct 2013	[REDACTED]	10,000 sq ft	FH	A13/A12 corridor	[REDACTED]
Oct 2013	[REDACTED]	10,000 – 20,000 sq ft	FH	A13 or A12 corridor	[REDACTED]
Sept 2013	[REDACTED]	5,000 – 7,500 sq ft	FH	A13 Basildon – Thurrock	[REDACTED]
Aug 2013	[REDACTED]	5,000 sq ft	FH	Rainham	[REDACTED]
Aug 2013	[REDACTED]	10,000 – 20,000 sq ft	FH	A13 corridor	[REDACTED]
March 2013	[REDACTED]	10,000 sq.ft	FH	A13/A12 corridor	[REDACTED]

## 2. Disposal fees:

- 2.1. Glenny and Kemsleys, local agents, were appointed upon a joint agency basis in October 2010 to help dispose of the units. The fee agreed with the Agents is 1% of the sales value to each Agent therefore 2% overall.
- 2.2. Tfl Legal has agreed to the appointment of Eversheds to act for GLA/GLAP who have acted for GLAP on the other unit disposals Their legal fees for acting on the combined sale of Units 3 and 4 are estimated to be £8,000 as the purchaser wishes to complete two separate transactions.

## 3. Unit 3 and 4 purchase price:

- 3.1. HBS Group has offered a purchase price of £1,148,004 (£381,342 for Unit 3 and £766,662 for Unit 4). The units total 14,710sqft which mean the purchase price equates to £78psft as per the benchmark for disposal in MD 1201.
- 3.2. HBS Group provides pharmacy services to care homes and similar. The company will use the premise for the sorting and repackaging of prescription medicines to bespoke requirements. The use requires a licence from the regulatory body which the purchaser has secured in advance and therefore is able to proceed with the purchase secure in the knowledge that the premises are suitably licensed.

#### **4. Finance comments:**

- 4.1. The assets known as Lamson Road Units 3 and 4 was last valued by GLAP as at 31<sup>st</sup> March 2014. Values were not given per unit. The total sale proceeds for Units 3 and 4 is £1.148m which meets the requirement of best consideration for this asset.
- 4.2. Each unit will be disposed as a part disposal of the main asset on a land apportionment basis
- 4.3. The asset is held Freehold.
- 4.4. GLAP has opted to tax this asset and all sales will be subject to VAT
- 4.5. The Lamson Road project has a current approved budget for disposal costs of £285,000

#### **5. Legal comments:**

- 5.1. Section 333ZC of the GLA Act provides that the GLA may not dispose of land held by it for the purposes of housing and regeneration for less than the best consideration which can reasonably be obtained unless the Secretary of State consents. In this case, Units 3 and 4 Lamson Road has been marketed and the best offer, which is consistent with other offers for other units at the site, has been accepted, subject to approvals. Accordingly it is considered that best consideration for the disposal of Units 3 and 4 has been obtained in compliance with Section 333ZC of the GLA Act and the Secretary of State's consent to the disposal is not required.