

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DD2075

Title: Various Sites in the London Borough of Waltham Forest – Property Agent appointment

The information below is not for publication until the stated date, because:

The information contained in this part of the report contains confidential commercially sensitive information. Disclosure of this information is likely to have a damaging impact on the GLA's ability to secure best value.

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed: On completion of the acquisition of the GLA's land holdings within the Sanger sites. Expected in 30 June 2017.

Legal recommendation on the grounds of keeping the information confidential:

The information in Part 2 below contains information that relates to the GLA's commercial and business interests, the disclosure of which are highly likely to prejudice those interests. For these reasons it is considered that the information below is exempt from publication in reliance upon the exclusions contained in section 43 (2) (Commercial Interest) of the Freedom of Information Act 2000 and because the public interest in withholding the information outweighs the public interest in releasing it.

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

Name Claire Mason

Date 13/12/2016

Confidential decision and/or advice:

- 1.1 As noted in Part 1 of this report, Part 2 of Mayoral Decision MD1627 endorsed the strategy of GLAP purchasing the Sanger Industrial Site (Sanger) comprising:
- 59-61 Sutherland Road;
 - 63-65 Sutherland Road;
 - Romano International, 67-69 Sutherland Road, London, E17;
 - Rockhouse Centre site Church, 57 Sutherland Road.

This is to create a comprehensive redevelopment in conjunction with the former Webbs Industrial site.

- 1.2 The collection of sites comprise a series of linear industrial units occupied for B2 industrial use and currently houses bad neighbourhood uses along with a smaller vacant site along the road. The site is 0.31 hectares in size, the second site is a single industrial unit converted to serve as a church.
- 1.3 The GLA has been in discussion with the London Borough of Waltham Forest about how these sites could be brought forward to deliver a more comprehensive and beneficial regeneration of the wider area, ensuring the retention of employment spaces whilst mitigating or removing the impact of bad neighbour operations in the area.
- 1.4 In the first instance, the Borough was seeking funding to acquire these sites, however given recent budgetary issues in the Council and following GLAP's recent acquisition of the Webbs site, both parties have agreed that it would be more viable for GLAP to use its own resources to acquire these sites. This will ensure a single contiguous ownership, which in turn will allow a more comprehensive and beneficial regeneration of the area. This will also allow GLAP to benefit from any future potential uplift in values.
- 1.5 GLAP is to commission a Property Advisor to support the negotiation of a purchase price up to a maximum of £5.70m exclusive of SDLT, taxes and costs in line with the Red Book Valuation in order to ensure best value is achieved under this purchase and to help expedite the acquisition. The appointment of an intermediary agent will allow GLAP to ensure that offers made are market facing, appropriate and well considered in the wider market.
- 1.6 ADD 2033 approved expenditure of £35,000 to undertake valuation work for the potential acquisition of the Sanger Industrial Sites. A package of existing use and market valuations for a proposed development on the site based on a B1 and a Live/Work scheme options was sought. In summary the values are broken down as follows:

Use category	Market Value
Existing use	£2.24m
B1 scheme with planning permission	£2.50m
B1 scheme with planning permission and Webbs development completed	£2.64m
Live Work scheme with planning permission	£4.90m
Live Work scheme with planning permission and Webbs development completed	£5.70m

- 1.7 The proposed acquisition of the Sanger sites will move the existing uses to more suitable premises, and then replace this with creative uses as an extension to the work of the Blackhorse workshop. The Borough expects that density can be increased on the adjacent Webbs site by the transfer of the employment space obligation to this site.

- 1.8 This commission will be led and funded by GLAP, and the appointed consultants will have a duty of care to GLAP. It is noted that following conclusion of the negotiations, should agreement not be reached which is possible as the owner of the sites has not been cooperative in the past, the GLAP/GLA will need to consider alternative routes.
- 1.9 Once a purchase price is agreed for these assets, a Mayoral Decision will be sought for approval to fund the acquisition of these sites.