

PART 2 – CONFIDENTIAL FACTS AND ADVICE

MD2611

Title: EastPlus – freehold sale of EastPlus Plot 17, Ferry Lane, 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 suitable for publication until the stated date because:

This is an appendix to the MD paper and is a reserved publication owing to commercial confidentiality as it contains commercially sensitive information concerning the terms of a contract with a third party.

Date at which Part 2 will cease to be sensitive or when this information should be reviewed with a view to publication: March 2022.

Legal adviser recommendation on the grounds for not publishing information at this time:

Under section 43(2) of the Freedom of Information Act 2000, information is exempt from publication if its disclosure would, or would be likely to, prejudice the commercial interests of any person (including the GLA). This is a qualified exemption, meaning that information captured under this section alone can only be withheld if the public interest in withholding it outweighs the public interest in releasing it.

The information contained in this report includes the GLA's receipt for the disposal and other commercial considerations. This is commercially sensitive information, the disclosure of which would, or would be likely to, prejudice the commercial interests of GLA Land and Property Limited in respect of its negotiating position. Whilst there is a public interest in understanding the disposal values in these circumstances the public interest lies in maintaining the exemption and withholding the information until the commercial deal is concluded.

If this information is considered for release pursuant to the provisions of the Environmental Information Regulations 2004, this information should be considered exempt information under regulation 12(5)(e) – where disclosure would adversely affect the confidentiality of commercial or industrial information where such confidentiality is provided by law to protect a legitimate economic interest.

Legal Adviser - I make the above recommendations that this information is not suitable for publication at this time.

Name: Claire Mason, Principal Solicitor, TfL

Date: 05.03.20

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

Decision and/or advice:

1. The sale of EastPlus Plot 17 (2½ hectares / 6 acres gross) to SEGRO will generate a minimum land price of £2,071,326 (£828,530 per hectare / £345,221 per acre), the precise figure being subject to finalisation of the Site Specific Development Plan for the plot which is imminent.
2. VAT will be chargeable on the sales price.
3. By way of comparison, similar land transactions (but with different geotechnical profiles) in the EastPlus portfolio have generated receipts of £715,887 per hectare gross (equivalent to £289,790 per acre gross) at Plot 41 in Consul Avenue Rainham (in September 2019), and £959,895 per hectare gross (£388,600 per acre gross) at Plot 40 also in Rainham (in December 2016). All figures stated above exclude VAT.
4. Plot 17 is the first of four development plots that GLAP owns in Ferry Lane, Rainham to come forward for development under the EastPlus development agreement.
5. After Plot 17 is drawn down by SEGRO, the next parcel of land in Ferry Lane to be sold will be Plots 24 (the former 'Workspace' site) and 26 (being 1-3 Salamons Way) together, subject to terms and conditions being agreed and a separate Mayoral decision for that sale.
6. The cost of sale (including legal and Land Registry fees) will be incurred between February and April 2020, and will be funded from the approved revenue budget for the project.

Finance comments

7. The sale of EastPlus Plot 17 to SEGRO is forecast to generate c£2.071m in receipts for GLAP, excluding VAT.