

# APPENDIX G

## WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 1 NOVEMBER 2011

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**Title:**

**KINGS ROAD INDUSTRIAL ESTATE, HASLEMERE – SALE OF FREEHOLD**

**[Portfolio Holder: Cllr Mike Band]  
[Wards Affected: All Haslemere]**

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**Note pursuant to Section 100B(5) of the Local Government Act 1972**

Annexes to this report contain exempt information by virtue of which the public is likely to be excluded during the items to which the report relates, as specified in Paragraph 3 of the revised Part I of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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**Summary and purpose:**

To consider the sale of the freehold of the Council's Kings Road Industrial Estate, Haslemere.

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**How this report relates to the Council's Corporate Priorities:**

The proposal contained within this report will contribute towards the Council's Value for Money priority by providing a capital sum to use to support the Council's objectives.

**Equality and Diversity Implications:**

There are no equality and diversity implications.

**Environment and Climate Change Implications:**

There are no environment and climate change implications.

**Resource/Value for Money Implications:**

Resource implications are set out in the (Exempt) Annexe to this report.

**Legal Implications:**

The Council's legal service will undertake the legal work associated with the sale of freehold.

## **Introduction**

1. Following a number of unsolicited speculative offers for the freehold of the Council's Kings Road Industrial Estate, Haslemere, it was decided to appoint a firm of Chartered Surveyors, BPS Ltd of Guildford to undertake a formal marketing exercise to seek bids for the potential sale of the freehold. The results of this exercise would assist the Council in reaching an informed decision as to whether, in this instance, a freehold disposal might be appropriate in order to deliver a significant capital receipt.

## **Background information**

2. The Council's Local Plan Proposals Map shows the Kings Road Industrial Estate as an area of suitably located industrial and commercial land and any development proposals for the site would be influenced by Policy IC2, which forms part of the Local Plan Chapter 7 which guides and controls the way that buildings and land are used and developed. Policy IC2 "Safeguarding Suitably Located Industrial and Commercial Land" states that the loss of suitably located industrial and commercial land will be resisted. In giving consideration to applications which conflict with this policy, the Council will require the applicant to demonstrate that there is no need for the site to be retained for employment purposes.
3. The Council's interest forms a freehold site of 1.51 hectares (3.73 acres) comprising a number of industrial units and associated parking, totalling 6,338 sq m (68,223 sq ft) of accommodation (plan attached at Annexe 1). The Council also has a leaseback of one of the units known as Corporate House on the estate which in turn it has let to Safety Management. The valuation of the Council's freehold interest does not take into account this arrangement as this is a separate legal interest which would remain in place in the event of a disposal of the freehold. A plan of the site is attached at Annexe 1.
4. The freehold interest in the Kings Road Industrial Estate is currently let for a term of 75 years from 14 June 1962 at a rent of £350 per annum without review. The lease is due to expire on 13 June 2037.

## **Open Market bid process**

5. Bids were invited on a subject to contract basis in line with timescales set out in a Marketing Brief which was provided to 66 interested parties following advertisements in the Estates Gazette and the Haslemere Herald.
6. A number of bidders requested a copy of the Head Lease and other legal documents, as well as a copy of the Contamination report and Title report associated with the site.
7. By the deadline for submission a total of four bids had been submitted and the details of the bids received and the analysis undertaken by the Council's agents are set out in (Exempt) Annexe 2.

## **Conclusion**

8. The Executive is asked to consider the merits of accepting the highest bid for the freehold of the Kings Road Industrial Estate which will produce a significant capital receipt, as against retaining an asset that will not produce any uplift in the existing revenue stream of £350 per annum for at least 26 years.

## **Recommendation**

It is recommended that the highest bid received for the freehold of the Kings Road Industrial Estate, Haslemere, as set out in (Exempt) Annexe 2, be accepted.

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## **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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