

Appendix 5

1-3 James Street West -Principle Terms for disposal

The Council have entered into a conditional Building Agreement with Iesis, a Bristol based developer. The agreement is conditional on the developer obtaining planning consent for a scheme to develop the listed building, comprising ground floor commercial space with student housing on new floors above. The developer has submitted an application and it is understood that this is currently the subject of discussion with planning officers.

The Building Agreement provides for the contract to become unconditional on the grant of planning consent and the Developer will be required to deliver the finished building. On the present timetable completion of construction is anticipated as late 2016. At that time the Council will grant a long lease of the property to the Developer in consideration for a premium of £1,500,000

In addition to the premium the developer will hand back to the Council the ground floor commercial element which the Council will then be free to lease to a business tenant. The rent received for such a letting will depend on the market conditions at the time; however current indications are a rent of £50,000 pa may be achievable. This income, assuming a normal rent free period, is likely to start in mid 2017 (subject to completion of the building work in late 2016).