
Bath & North East Somerset Council

Improving People's Lives

Corporate PDS Panel
25 March 2025

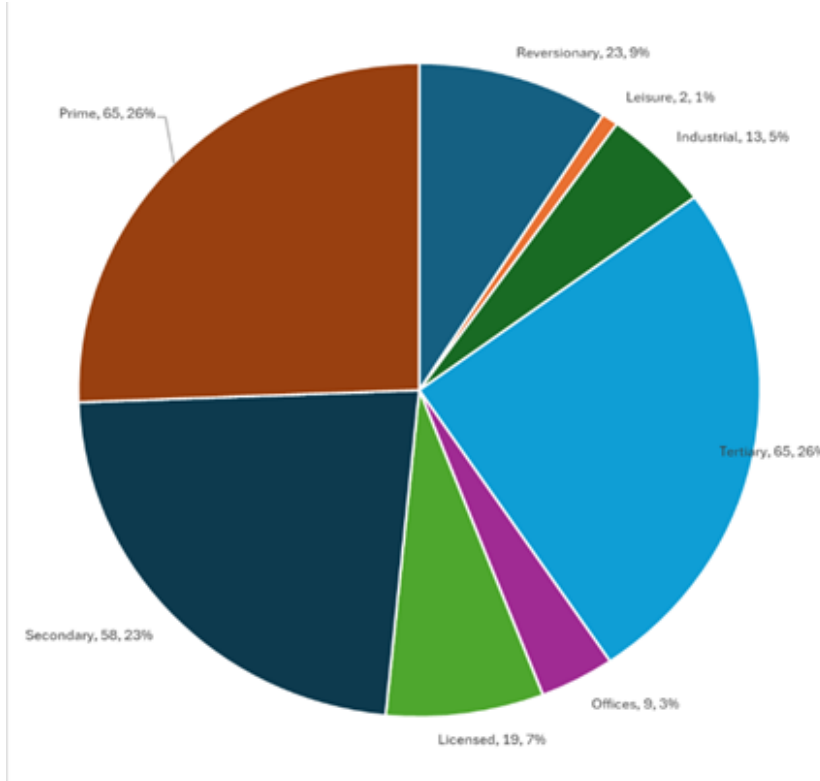
Commercial Estate Update

The Commercial Estate

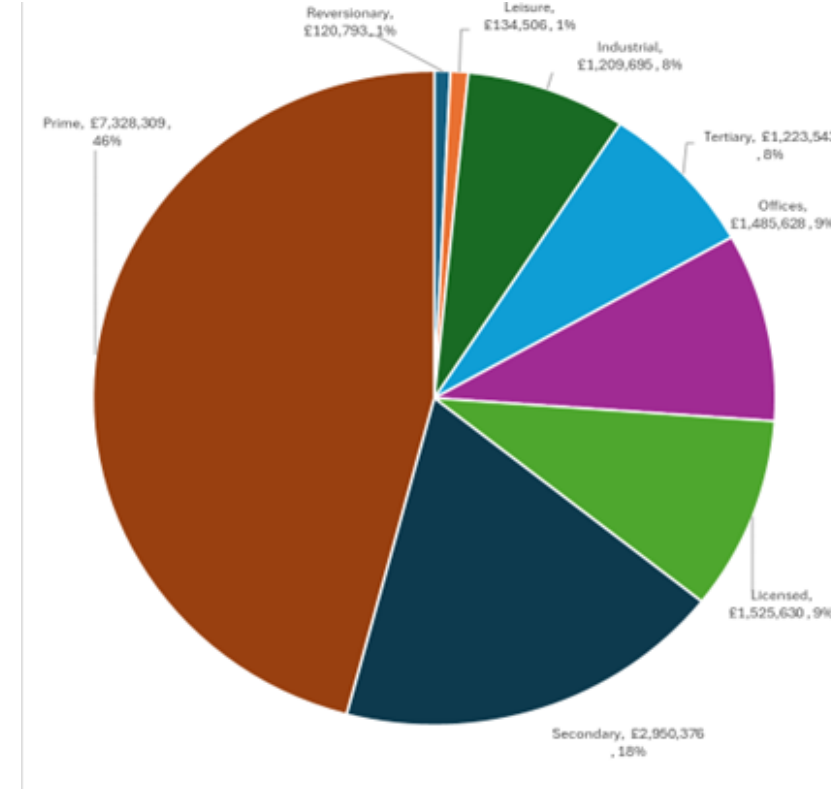
Principal Objective: To generate resilient net income

Composition of the Commercial Estate in December 2024

Breakdown of estate by portfolio



Breakdown of estate by rental income



The Commercial Estate rental income and lettings

Income

Table 1- Commercial Estate Gross Rental Income Budget and Forecast 2024-25

Budget (1081)	Actual to date – 03 Feb 25	Q1 - Initial Forecast	Q2 - Forecast	Q3 - Forecast	Variance -Q3 to Budget
£16,319,513	£15,763,263	£16,319,513	£16,267,401	£16,399,429	£-79,916 (fav)

Lettings

From 1st April 2024 to January this year the Commercial Estate recorded 10 new lettings, which will produce an income (gross) of £84,058 for the financial year rising to £97,920 when rent frees have expired

Investment

Asset value was assessed at 31 March 2024 as £219.4million

The revenue outturn for 2023/24 was £16.1million. As a proportion of book value this produced a yield of 7.3%.

By comparison, the IPD All Property Equivalent Yield forecast for 2025 Quarter 1 is 6.4% which is consistent with the predicted outturn for Q1 2024.

Colliers - March 2025.

Commercial Estate Voids

Table illustrating number of units under each void classification heading

Void Units				Feb 2025	
Category	Void – Legal	Void – Offer	Void – Temp	Void – Works	Total
Licensed				1	1
Office	1	2	3	5	11
Retail	2		4	17	23
Residential		3		2	5
Total	3	5	7	25	40



Table illustrating rental values under each void classification heading.



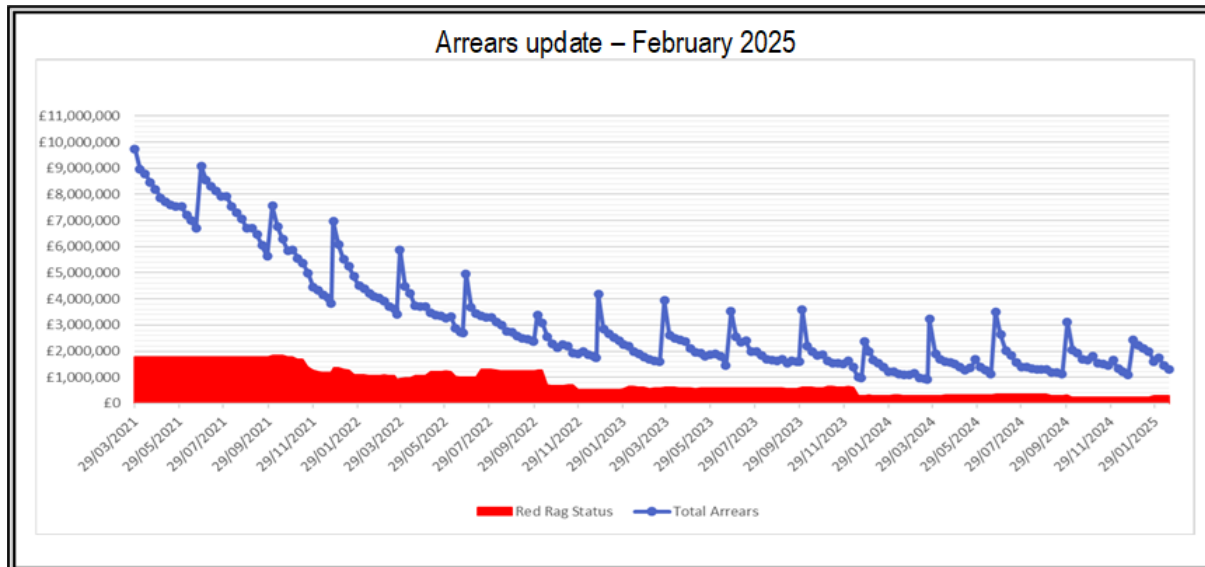
ERV of Units	Period Void				Feb 2025
Category	Void – Legal £ (3No.)	Void – Offer £ (5No.)	Void – Temp £ (7No.)	Void – Works £ (25No.)	Total £ (40No.)
Licensed				30,300	30,300
Office	5,500	24,100	64,150	77,500	171,250
Retail	104,000		120,700	613,275	837,975
Residential		5,000		28,230	33,230
Total	109,500	29,100	184,850	749,305	1,072,755

The Commercial Estate rent arrears

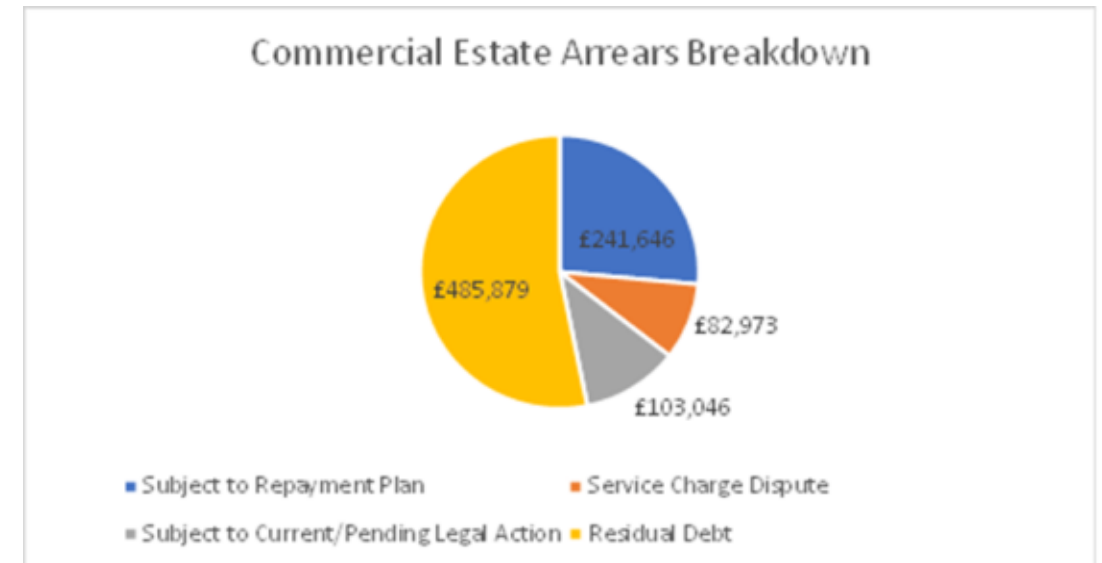
Arrears position in February 2025

RAG Rating - February 2025	Current	1 Qtrs	2 Qtrs	3 Qtrs	4+ Qtrs	Grand Total
G	£372,363	£63,069	£66,906	£149,258	£79,628	£731,225
A	£26,876	£18,249	£2,229	£11,294	£260,080	£318,729
R		£55	£25	£4,997	£204,067	£209,145
TBC	£19,810	£506	£1,255	£2,079	£3,384	£27,035
Grand Total	£419,049	£124,367	£171,922	£89,288	£547,160	£1,286,132
	Current	1 Qtrs	2 Qtrs	3 Qtrs	4+ Qtrs	Grand Total
May 2021 Baseline	£2,263,099	£1,678,534	£1,181,183	£853,415	£1,695,832	£7,672,063
% Variance	-81.5%	-92.6%	-85.4%	-89.5%	-67.7%	-83.2%
March 2020 (Pre Covid)	£583,022	£225,735	£172,684	£50,134	£740,289	£1,771,864
% Variance	-28.1%	-44.9%	-0.4%	78.1%	-26.1%	-27.4%

Rent arrears 2021 - 2025



Breakdown of commercial debt 2025



The Commercial Estate Capital Works Programme

The Commercial Estate Refurbishment Programme Expenditure

2024/25 Budget £'000	2024/25 Forecast to Year End £'000	2024/25 Purchase Order Commitments £'000	2024/25 Current Expenditure to 27 February £'000	Variance to Budget 24/25 against Forecast £'000
5,597	3,806	1,375	2,357	1,791



Climate & Environmental Emergency Performance

Current EPC Ratings

