



**Glasgow City Council**

**Executive Committee**

**Report by Executive Director of Development and  
Regeneration Services**

**Contact: Richard Brown Ext: 76000**

**Item 13**

**28th May 2015**

**DISPOSAL OF PARK QUADRANT, GLASGOW**

**Purpose of Report:**

To advise Committee on the outcome of a marketing exercise carried out by City Property (Glasgow) LLP in respect of the above property.

**Recommendations:**

That Committee approves the sale of the above subjects to Espresso (Park Quadrant) Limited subject to the terms and conditions as outlined in this report.

Ward No(s): 10 Anderston/City

Citywide:

Local member(s) advised: Yes No

consulted: Yes No

**PLEASE NOTE THE FOLLOWING:**

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**Report to: Executive Committee**

**From: Managing Director of City Property (Glasgow) LLP**

**Date: 28 May 2015**

**Subject: Disposal of Park Quadrant**

## **1. HOLDING ACCOUNTS**

1.1 D.R.S. Planning.

## **2. DESCRIPTION**

2.1 The site extends to 0.58 hectares (1.43 acres) and comprises an enclosed area of ground occupied by trees and shrubs identified as a development site within City Plan. The site is bounded by the adopted road of Park Quadrant to the north, Lynedoch Place to the east, the privately owned Park Circus Lane to the south and the tenemental properties at 9/10 Park Quadrant to the west.

2.2 The site boundary follows the lines of the existing tenemental properties and slopes in a downward direction towards Lynedoch Place.

2.3 The subject site forms the “final missing piece” of famous 19<sup>th</sup> Century Scottish architect Charles Wilson’s vision for the Park Quadrant classical townscape.

2.4 The land is not considered to form part of the Council’s common good. It was acquired using statutory powers by way of a compulsory purchase order. The property is not on the list of common good assets. There are no conditions in the title that would suggest that property was being acquired to be held as part of the common good. There are no other relevant factors to suggest that the property would form part of the common good of the Council.

## **3. BACKGROUND**

3.1 The property was previously marketed by Glasgow City Council in 2005 with the preferred purchaser being the Stewart Milne Group for a proposal involving 107 flatted residential units for a price of £2,286,874. This was approved by the former Development and Regeneration Services (Property) Sub Committee at its meeting on 21 June 2006. The proposed transaction and subsequent development stalled due to a combination of factors, but primarily the property

market downturn. City Property terminated the missives on the Council's behalf in August 2013.

- 3.2 The property was re-marketed by City Property in October 2014. Due to the sensitivities of this site and importance of the design of the proposal the overall scoring of submissions was weighted at 60% planning and design with the remaining 40% based on net price. The marketing was carried out on a two stage basis to allow the proposals to be refined, particularly from an urban design perspective.
- 3.3 At the end of the first stage closing date of 28 January 2015, 11 bids were received. This was then shortlisted to four parties using the scoring criteria outlined above. All four shortlisted parties were invited to present their design proposals to both City Property and DRS Planning/City Design where feedback was provided. The four parties then had the opportunity to take advantage of this feedback before presenting to a special sitting of the Glasgow Urban Design Panel (GUDP) on 5<sup>th</sup> March 2015 where verbal feedback was provided to each design team by panel members (made up of design specialists in their field and local amenity groups – in this case Friends of Glasgow West and the Glasgow Building Preservation Trust) followed by detailed written feedback shortly after this dedicated session of the GUDP.
- 3.4 Following the GUDP forum, which ensured independent design review of the shortlisted bids, the second stage closing date was set for the four parties to provide amended proposals on 23 April 2015.
- 3.5 The highest scored offer was received from Espresso Property Ltd. The company has set up a special purpose vehicle, Espresso (Park Quadrant) Limited (the Purchaser), who will take title to the site at the date of entry and complete the development.
- 3.6 Espresso Property Ltd is a well-funded property development company with their registered office in Leeds. They have a strong track record of successful development in a number of town centre schemes including Workington and Catterick Garrison in England, whilst in Scotland they have been granted preferred bidder status by Perth and Kinross Council for a £30m mixed use scheme in the city. The company has also recently been selected by Scottish Enterprise to develop a mixed use scheme at Pacific Quay, Glasgow. The company has assembled an experienced development team to take forward the proposals.
- 3.7 The company has provided details on how the acquisition and development will be financed.

#### **4. OFFER ASSESSMENT**

- 4.1 All four shortlisted offers received required to demonstrate basic compliance with the relevant key planning development policy principles. They also required to provide a contemporary interpretation to Charles Wilson's vision of the

completion of the Park Quadrant development. All parties were asked to provide a summary of the proposed development, a detailed accommodation schedule, floor plans, details of scale, proposed materials, massing and roofline, and were required to undertake townscape analysis to inform the design response necessary for this important site located in Park Conservation Area.

- 4.2 On this basis the offer from Espresso Property Ltd was the highest scored bid. The proposal is consistent with City Plan 2 development principles and the additional planning guidance provided in the marketing details.
- 4.3 It was stressed to all parties that the emphasis for considering the financial element of their offer would be on the net financial offer to the Council. They were asked to make considered evaluations of abnormal costs required for the delivery of the development. City Property provided guidance on what could be regarded as abnormal costs and made available a historical ground site investigation report and utilities information.
- 4.4 The net financial offer from the Purchaser is £6,300,000. This will be subject to the deduction of any reasonably unforeseen abnormal development costs.
- 4.5 The Purchaser will pay a non-returnable deposit of £100,000 on conclusion of conditional missives.

## **5. PROPOSED DEVELOPMENT**

- 5.1 The proposed development involves the erection of 111 flatted dwellings arranged over 5 storeys with penthouse residential accommodation also in the attic/roofspace (six floors of residential accommodation in total).
- 5.2 The flats are accessed from the street direct from 11 individual closes. Vehicular access is proposed to be taken from an upgraded Park Circus Lane to a car park concealed under a designed landscaped deck which provides amenity space for the residents. The car park as proposed contains 107 spaces for the 111 flats (or 96% provision) and 100% cycle parking is to be provided. Refuse and recycling stores are proposed for each core with a central bin holding area for uplift days.
- 5.3 The residential mix proposes 12 one-bed flats (10.8%), 73 two-bed flats (65.8% and 26 three-bed flats (23.4%). A range of flat sizes is also proposed starting at 56.8 square metres (611 sq.ft.) one-bed garden flats, two-bed units ranging from 90.8 to 101.4 square metres (977 to 1091 sq.ft) and the three-bed units offering 112 to 168 square metres (1205 to 1808 sq.ft.). Most of the flats proposed are through and through dual aspect (99 in total) with 12 ground floor garden flats being single aspect.
- 5.4 The marketing brief prepared in conjunction with DRS was explicit in the need to respect the topography of the site, existing scale/massing and established roof line as well as the curvature of the existing Quadrant. The proposed design responds to this. High quality materials are proposed with blonde sandstone on

the front and gable elevations. The rear elevation is proposed to be clad in stone rainscreen. The roof is contemporary with a strong vertical emphasis provided by feature rooflights clad in slate and zinc. Bay windows are proposed on the front and gable elevations with the fenestration ordered with vertical emphasis and the south facing rear elevations featuring balconies. High quality boundary treatment is proposed with stone and ornate metalwork on the Park Quadrant boundary and stone to the rear lane. Entrances to the flat closes feature double height pre-cast stone with decorative metal work detailing.

## **6. TERMS AND CONDITIONS**

- 6.1 The subjects as shown on the attached plan are to be sold to Espresso (Park Quadrant) Limited.
- 6.2 The purchase price will be £6,300,000, (SIX MILLION, THREE HUNDRED THOUSAND POUNDS) exclusive of VAT, if applicable.
- 6.3 The purchase price will be payable on the date of entry to be agreed between the parties
- 6.5 If the purchase price is not paid in full on this date, interest shall be charged on the purchase price or any unpaid part of it.
- 6.6 In the event that planning permission is granted for a development in excess of 111 residential units the purchaser has, in principle, agreed to pay an additional sum for each unit on terms to be negotiated with City Property.
- 6.7 A “clawback” provision has been agreed whereby should the Purchaser sell the site within five years of the date of entry without initiating development, the Council will receive 50% of the difference between the purchase price and the sale price.
- 6.8 The Purchaser’s offer is subject to the following conditions:
  - a. Acceptable title report ;
  - b. Vacant possession ;
  - c. Satisfactory wayleave conditions ;
  - d. Measured survey of the site ;
  - e. Acceptable site investigations, including geotechnical, environmental, topographical and habitat ;
  - f. Receipt of a fully implemented planning consent and related statutory consents
  - g. To the extent needed, acquisition of ancillary land necessary to facilitate the development.
- 6.9 The final agreement shall contain such other terms and conditions recommended by City Property, acting on behalf of Glasgow City Council, and approved by the Executive Director of Development and Regeneration Services.

## 7 Policy and Resource Implications

### Resource Implications:

<i>Financial:</i>	A significant capital receipt will be generated through this disposal.  The proposed development will generate Council Tax income
<i>Legal:</i>	To conclude the appropriate legal agreement.
<i>Personnel:</i>	Not Applicable.
<i>Procurement:</i>	Not Applicable.

### Council Strategic Plan:

#### Equality Impacts:

<i>EQIA carried out:</i>	No EQIA carried out as this disposal does not relate to a new service, policy strategy plan or significant change to a review of a service, policy strategy or plan.
<i>Outcome:</i>	Not Applicable.

#### Sustainability Impacts:

<i>Environmental:</i>	
<i>Social:</i>	This proposed development will create jobs during construction and the future management of the development as well as having a positive impact by strengthening the social cohesion of the local community as well as the citizens of Glasgow.
<i>Economic:</i>	No direct impact.
<i>Common Good:</i>	This disposal complies with the Council's Approved Policy on Common Good Assets.

## **8 Recommendations**

That Committee approves the sale of the above subjects to Espresso (Park Quadrant) Limited subject to the terms and conditions as outlined in this report.

Development and Regeneration Services  
AK / Report No. 000067-15  
7 May 2015