

**Horse & Groom Former Public House, 30 St Georges Place, GL50 3JZ**

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**Option Appraisal**



**Objective**

In relation to this site the key corporate objective, and supporting asset management plans are;

<b>Corporate Strategy Objective</b>	<b>AMP Action</b>
Value for money	Investigate opportunities to dispose of surplus and investment property.  Aim to improve income through new lettings.
	Identification of site with potential for increasing residential and employment capacity.

In light of the above, the property is to be considered for disposal on the basis of a residential development opportunity, as well as the possibility of retaining in the portfolio as a commercial investment.

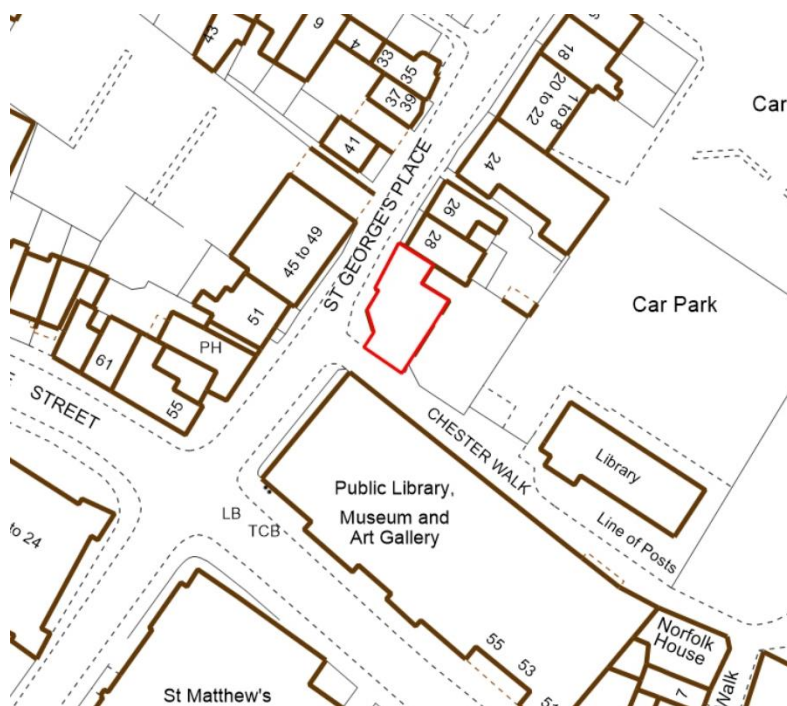
## Background

The property comprises a former public house which was acquired by the Council in 1970 for £3,050. It was subsequently converted for B1 office use, it has most recently been occupied by Shopmobility. However, the majority of the building is unused due to disrepair.

The current accommodation is as follows;

Area	GIA Sq M	GIA Sq Ft
Basement	----	----
Ground Floor	95.26	1,025
First Floor	43.12	464
Second Floor	68.37	736
<b>Total</b>	<b>206.75</b>	<b>2,225 (excl. basement)</b>

## Location



The property is accessible by road off Clarence Street and is within 50 metres of Cheltenham High Street. The surrounding area has a good mix of uses including; offices, residential, restaurants and the Wilson Art Gallery. The Workshop office/ innovation space is also proposed for the neighbouring car park.

## Planning

There have been no applications submitted on the site. It is believed that a change of use to residential would be possible. A pre-application will be considered.

The site is within the central conservation area but does not have listed building status.

## Options

1. Undertake refurbishment work and maintenance with the view to letting the premises.

The authority could undertake work to the premises to put it into a state of repair suitable for letting as office accommodation, likely costs of this are c. £150,000.

Although this would mean a rental income for the authority there is likely to be a significant marketing period in the current climate. It is also likely to be in competition with the other more flexible, modern office space now available in the town centre. Depending on lease terms agreed over time there is likely to be further significant expenditure required on the property to keep it in a good state of repair. The building does not lead itself to modern office accommodation.

2. Dispose of the property.

The property presents a hypothetical investor with a range of potential end uses, however limited due to its lack of car parking. This may include offices for owner occupation or more likely conversion to residential accommodation, either a HMO or conversion to apartments (approximately 4 x 1 bed).

We have received local agency advice suggesting that should the property be disposed at the current time, in order to achieve the highest capital receipt it should be marketed as a residential development opportunity. Allowing for conversion costs and developers profits it is anticipated a price of **£250,000 - £275,000** could be achieved. A submission of a pre-application to the LPA would be considered.

3. Appropriate to the Housing and Revenue Account.

Cheltenham Borough Homes have been made aware of the possible opportunity and giving the cost of re-development some consideration.

Although given the nature of the property costs of re-development are high the property may be suited for social housing and management by CBH.

## Conclusion

Having regard to the above and the Council's aspirations, it is recommended to dispose of this asset on the open market to achieve best value. It will allow the Authority to realise a significant capital receipt.