



**Summary Property Report - Asset Disposals (Part 1)**  
**Eastgate Court, 195-205 High St, Guildford**

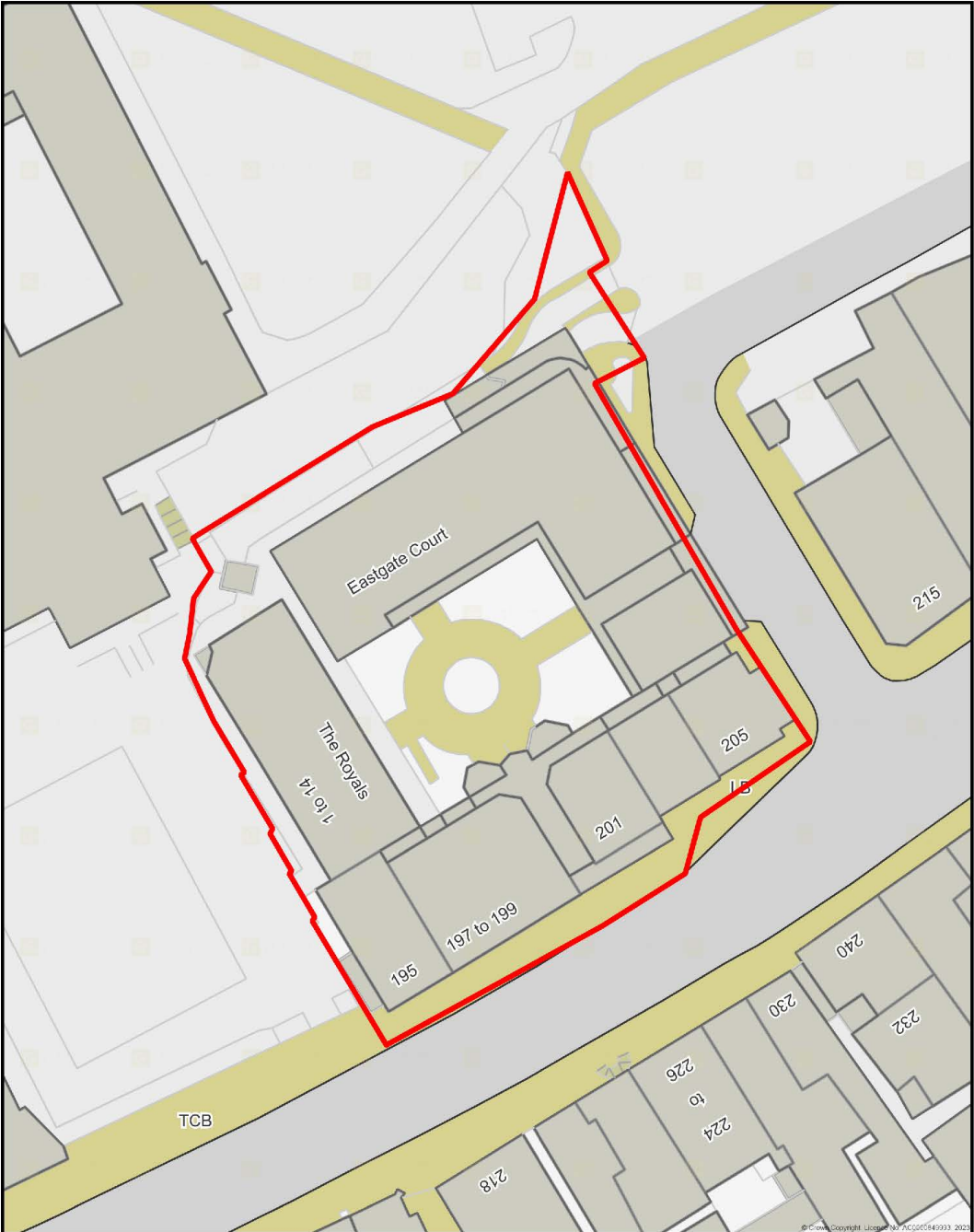
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**1.0 Property description and location**

- 1.1 Eastgate Court is a mixed-use property constructed in the 1980's on the site of the former municipal offices. It comprises shops, offices and residential flats built around a central courtyard. The property fronts onto the upper High Street in Guildford, situated alongside the Royal Grammer School.
- 1.2 There are six ground floor shops and a pedestrian entranceway into the central courtyard at ground floor level on the front elevation. On the western side of the square-shaped development there are 14 flats with their own dedicated entrance.
- 1.3 From the central courtyard there is access into the office accommodation which is arranged over ground floor (at the rear of the courtyard), first, second and third floors. Beneath the development there is an underground car park which is accessible through a secure gate from Eastgate Gardens.
- 1.4 The Council owns the freehold of Eastgate Court, but this interest is subject to a headlease dated 14 October 1987 which was originally granted to Farmcote Developments Ltd for a term of 150 years. No rent is payable to the Council under this headlease known as a peppercorn rent.
- 1.5 A site plan is provided below:



**High St 195-205 (Eastgate Crt)**

N Scale: 1:500

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## **2.0 Summary findings from the Asset Management Framework decision tree process**

2.1 An Investment Asset Management Plan prepared in 2021, showed an Outcome of 'Keep with Improvements'. This outcome was based on the fact that the long leaseholder (the Council's tenant) was not interested in acquiring the freehold interest and therefore the Council did not have an opportunity to unlock any marriage value via a sale of the freehold interest to them at that time.

## **3.0 Historic and current use**

3.1 The property was developed in the late 1980's into its current form and uses, which are retail shops, offices and residential accommodation above.

3.2 The long lease was granted in 1987 for a term of 150 years. It was originally granted to Farmcote Developments Ltd and is now held by British Overseas Bank Nominees Ltd & WGTC Nominees Ltd on trust for Natwest Trustee and Depositary Services Ltd as Depositary of the LPPI Real Estate ACS (title SY578596). This followed a recent assignment (sale of the leasehold interest) from Lancashire County Council in 2020.

3.3 The lease has 113 years remaining, due to expire in 2137. The lease passes on the full repairing and insuring obligations to the leaseholder for the duration of the term. The rent reserved under this headlease is a peppercorn (nil rent) per annum, without review.

3.4 When the long lease was granted to Farmcote Developments a premium of £3.156M was paid to the Council in return for the right for the tenant to hold exclusive possession of the land for 150 years. The Council chose to retain the freehold interest of the land at the time. This disposal report examines the opportunity to sell this freehold interest to the leaseholder alongside a surrender of this lease.

3.5 There is an underlease dated 3 May 1990 (term of years 99 from 29 September 1989) made between National Westminster Bank Plc (1) and Eastgate Court (Guildford) Management Ltd (title SY607681).

3.6 There are several occupational sub-leases in place. The Council does not control or benefit from these tenancies and so they are not summarised in this report.

3.7 The asset is managed by Knight Frank Investment Management on behalf of the long leaseholder.

## **4.0 Legal Title**

- 4.1 A search at the Land Registry shows that the lease of Eastgate Court falls under two freehold titles SY546847 and SY570068.
- 4.2 Part of the freehold title, SY546847, includes an unregistered part of roadway shown coloured brown on the title plan. With regard to the Council claiming possessory title to this unregistered part, this will not be possible as the Council has previously granted a right of way over the roadway in a transfer dated 4 March 1929 and as referred to in entry number 2 of title number SY546847.
- 4.3 The property is held under section 125 of the Local Government Act 1933 and the Council can sell the property in accordance with section 123 of the Local Government Act 1972, as amended.

## **5.0 Planning context and planning history**

- 5.1 Current use: Shop Units, residential accommodation and Office Building
- 5.2 Potential Development Options to be considered (in planning terms):
  - To be operated in accordance with existing uses (shops, offices and residential accommodation).
  - A change of use to the existing offices and shops to any use within Class E would not require planning permission. Class E extends to, for example, provision of medical and health services, indoor sport and creche nursery provision etc.
- 5.3 Redevelopment: There have been schemes that have recently been granted planning permission for development of higher buildings within the Town Centre, the building is 4 storeys at present. It is considered that, subject to landscape and heritage review, upwards extension may be acceptable subject to planning permission.

## **6.0 Planning Services Comments and advice**

- 6.1 The site has redevelopment potential - permitted development could be used to redevelop the site. Alternatively, a scheme for the redevelopment of the site could be explored through a formal planning application.
- 6.2 It is the opinion of the Local Planning Authority that any sale of the property should be subject to an overage provision.

## **7.0 Property Market Commentary (See Part 2)**