



# Selling and Valuing Sports Grounds

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- Who is in the Market?
- Method of Marketing
- Price
- Overage
- Planning Considerations
- Legislative Considerations
- Conclusions

# WHO IS IN THE MARKET?

- Sports Clubs
- Councils/ Schools
- Private Operators
- Children's Nurseries
- Religious Organisations/ Asian Banqueting
- Five-a-side Operators
- Developers / Land Bankers
- Other

- Full Open Marketing
- Private Treaty / Informal Tender
- Formal Tender
- Auction

- Difficult / Unscientific
- Rate Per Acre / Wide Ranging
- Profits Method
- Rental / Capital Value Dichotomy
- Five-a-Side
- Other Users

- Anti Embarrassment
- Principle Easy / Reality Difficult
- Principal Considerations:-
  - When due
  - What for
  - Amount / Term
  - Reoccurring

# OVERAGE- Basic Formula

- $A = \frac{B - (C + D)}{2}$

- Where:-
  - A = Overage
  - B = Market Value of Property or part to be disposed of or developed for use other than present use;
  - C = Base Value (Purchase Price or appropriate proportion) RPI Adjustment;
  - D = Costs.

- National, regional and local policies against the development of sports grounds.
- **National**
  - PPG17 Existing Open Space should not be built on unless an assessment shows it is surplus to requirements.
  - PPG2 - Stresses the importance of Greenbelt and General presumption against inappropriate development.
- **Regional**
  - The London Plan - intention to protect and promote London's network of open spaces and a general presumption against development.
- **Local**
  - Typically contained within the Council's UDP.
  - Investigate the planning history / illegal use of clubhouse etc.

- **S123 Local Government Act 1972**
  - Except with the consent of the Secretary of State a Council shall not dispose of land under this section otherwise than by way of a short tenancy for a consideration less than the best that can be reasonably obtained.
  
- **General Disposal Consent Order 2003**
  - Permits disposal of land at an undervalue up to £2m providing that the sale achieves the promotion or improvement of social wellbeing.
  
- **Need to advertise intention to sell over two consecutive weeks locally and consider objections.**
  
- **S77 School Standards and Framework Act 1998**
  - Secretary of State consent required where land used for the purposes of school at any time within the last 10 years.

- Wide variety of potential purchasers
- Difficult to assess value
- Secure overage
- Don't underestimate the importance of planning
- Don't overlook legislative requirements when acting for councils