

# Finance and Resources Committee

2.00p.m, Thursday, 18 August 2016

## Proposed Lease Extension at 125 Lauriston Place, Edinburgh

Item number	8.9
Report number	
Executive/routine	Routine
Wards	10 – Meadows/Morningside

### Executive summary

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The retail unit at 125 Lauriston Place is let to Edinburgh Trading Limited, and trades as The Oriental Supermarket.

The lease is due to expire on 30 September 2022 and the tenant has requested a 15 year lease extension effective from that date. As part of this process, the 1 October 2016 rent review will be agreed at £14,500 per annum and the rent review pattern will be amended, from the existing three year term, to the market norm of five years.

This report seeks approval to the grant of a 15 year lease extension on the terms and conditions outlined in the report.

### Links

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Coalition pledges	<a href="#">P15</a> , <a href="#">P28</a>
Council outcomes	<a href="#">CP5</a> , <a href="#">CP8</a>
Single Outcome Agreement	<a href="#">SO1</a>

## Proposed Lease Extension at 125 Lauriston Place, Edinburgh

### Recommendations

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- 1.1 That Committee:
  - 1.1.1 Approves a 15 year lease extension, to Edinburgh Trading Limited of retail premises at 125 Lauriston Place, Edinburgh, on the terms outlined in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

### Background

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- 2.1 The shop premises at 125 Lauriston Place extends to 140.5m<sup>2</sup> (1512sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since November 2007, Edinburgh Trading Limited has been the tenant at the property operating an Oriental Supermarket. The current rent is £13,500pa excluding VAT increasing to £14,500pa as from the 1 October 2016 rent review.

### Main report

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- 3.1 The existing lease expires on 30 September 2022 and Edinburgh Trading Limited has requested that the Council grants a 15 year lease extension from 1 October 2022.
- 3.2 The tenant has fulfilled all its legal and financial obligations in terms of the existing lease.
- 3.3 The following terms have been provisionally agreed:
  - Subjects: Retail shop at 125 Lauriston Place, Edinburgh;
  - Lease Extension: 15 years from 1 October 2022 until 30 Sept 2037;
  - 2016 Rent Review: 1 October 2016 rent review agreed at £14,500 per annum;
  - Rent Reviews: Review to take place on each fifth anniversary of the term to open market value;
  - Use: Oriental Supermarket; and
  - Other terms: As contained in the existing lease.

## Measures of success

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- 4.1 Granting a 15 year lease extension will allow Edinburgh Trading Limited to continue its long term financial planning of the business and, in turn, sustain employment for its workers and also help maintain the vibrant mix of retailers found on Lauriston Place and the Tollcross area.

## Financial impact

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- 5.1 An increase in rent of £1,000 per annum to the Housing Revenue Account.

## Risk, policy, compliance and governance impact

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- 6.1 This is a 15 year lease extension to the existing tenant who has been trading from the property since November 2007. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

## Equalities impact

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- 7.1 An Equality and Rights Impact Assessment has been carried out.
- 7.2 An enhancement of rights has been identified as through a lease extension, it will ensure that Edinburgh Trading Limited can continue to plan both financially and in terms of developing their business. This will allow the tenant to continue to provide a high level of service and experience to their employees and customers. This directly links to an enhancement of the following rights namely (i) Legal Security, (ii) Education and Learning and (iii) Productive and Valued Activities.
- 7.3 A possible infringement has been identified in that by offering a lease extension to the current tenant rather than placing the retail premises on the open market at lease expiry, there is the potential impact on others who may want to lease the shop. However, given the established nature of the tenants business and the possible effect on it if a lease extension is not granted, the impact is considered to be proportionate and justifiable.

## Sustainability impact

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- 8.1 There are no sustainability issues arising from this report as the property has been leased out as a retail shop for many years and this is set to continue.

## Consultation and engagement

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9.1 N/A.

## Background reading/external references

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N/A.

### Hugh Dunn

Acting Executive Director of Resources

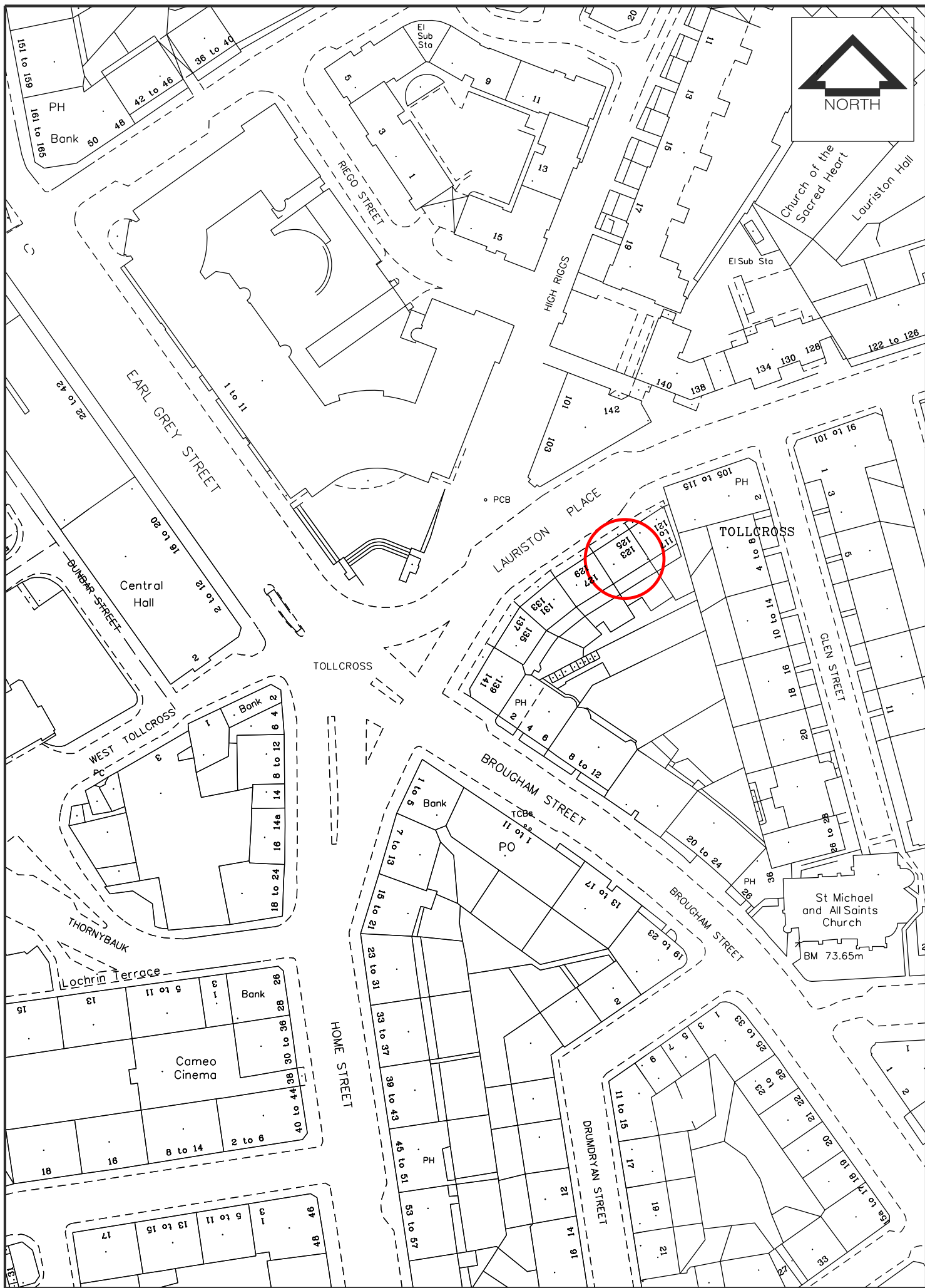
Contact: Stewart Irwin, Estates Surveyor

E-mail: [stewart.irwin@edinburgh.gov.uk](mailto:stewart.irwin@edinburgh.gov.uk) | Tel: 0131 529 5951

## Links

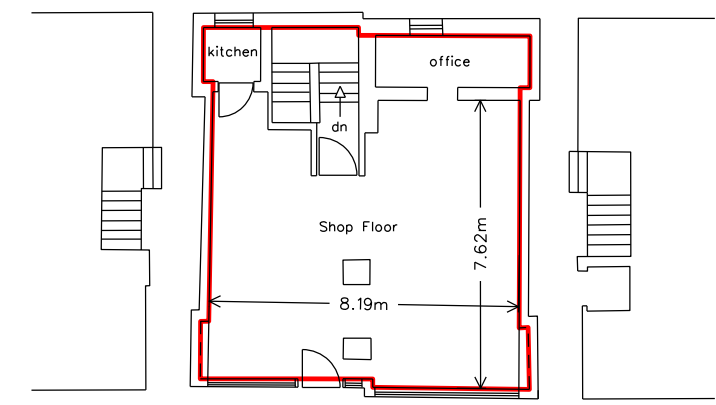
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<b>Coalition pledges</b>	P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors. P28 – Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city.
<b>Council outcomes</b>	CP5 – Business growth and investment. CP8 – A vibrant and sustainable local economy.
<b>Single Outcome Agreement</b>	SO1 – Edinburgh’s Economy delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	Appendix 1 - Location Plan

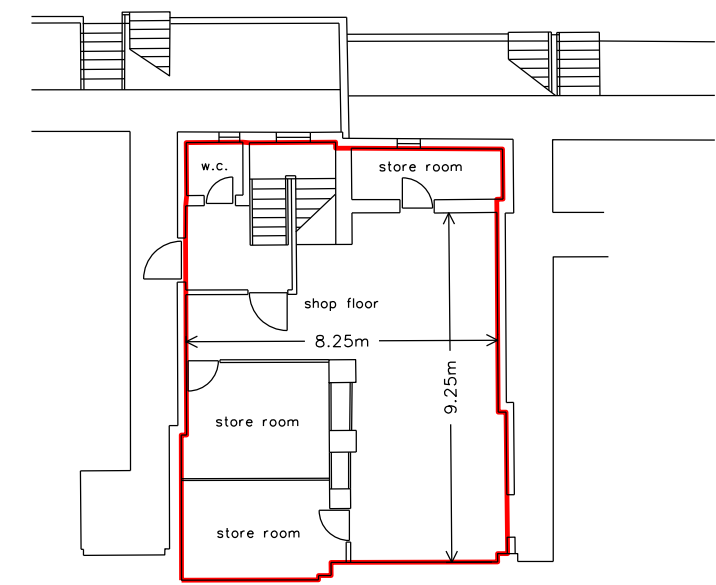


LOCATION PLAN

SCALE 1:1250



GROUND FLOOR



BASEMENT

<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
CITY DEVELOPMENT EDINBURGH	
SHOP AT 125 LAURISTON PLACE EDINBURGH	
DATE	14/06/2016
SURVEYED BY	MB,FM
DRAWN BY	Mark Ballantyne
FILE NO.	
NEG. NO.	A3/900 - 125

SITE PLAN

SCALE 1:200