

Finance and Resources Committee

10.00am, Tuesday, 5 September 2017

Proposed New Lease at 328 Lawnmarket, Edinburgh

Item number	8.12
Report number	
Executive/routine	Routine
Wards	11 – City Centre

Executive Summary

The retail unit at 328 Lawnmarket is let to Dildar Singh, Surinder Singh and Galab Singh and trades as Edinburgh Cashmere & Lambswool.

The lease is due to expire on 31 July 2019, however for increased security of tenure the tenant has requested a new 25 year lease prior to this date.

The report seeks approval to the grant of a new 25 year lease to Dildar, Surinder and Galab Singh on the terms and conditions outlined in the report.

Proposed New Lease at 328 Lawnmarket, Edinburgh

1. Recommendations

That Committee:

- 1.1 Approves a new 25 year lease to Dildar Singh, Surinder Singh and Galab Singh of retail premises at 328 Lawnmarket, Edinburgh, on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

2. Background

- 2.1 The shop premises at 328 Lawnmarket extends to 76.36 sq m (822 sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since December 2005, Dildar, Surinder and Galab Singh have been the tenant at the property operating a retail business selling a range of woollen goods and accessories trading as Edinburgh Cashmere & Lambswool. The current rent is £50,000 per annum excluding VAT.

3. Main report

- 3.1 The existing lease expires on 31 July 2019 and the tenant has requested that the Council grant a new 25 year lease to be effective from 1 November 2017.
- 3.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.
- 3.3 The following terms have been provisionally agreed:
 - Subjects: Retail shop at 328 Lawnmarket, Edinburgh;
 - New Lease: 25 years from 1 November 2017 until 31 October 2042;
 - Rent: £51,000 per annum (current market value);
 - Rent Reviews: Reviewed on each 5th anniversary of the term to open market value;.
 - Use: Class 1 Retail Use
 - Repairs: Full repairing and maintaining obligation; and .
 - Other terms: As contained in a standard commercial lease.

4. Measures of success

- 4.1 Granting a new 25 year lease will allow the tenant to continue their long term financial planning of the business and in turn secure ongoing employment of their employees.

5. Financial impact

- 5.1 An increase in rent to £51,000 per annum to the General Property Account.

6. Risk, policy, compliance and governance impact

- 6.1 This is a new 25 year lease to the existing tenant who has been trading from the property since December 2005. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

7. Equalities impact

- 7.1 An Equality and Rights Impact Assessment has been carried out.
- 7.2 An enhancement of rights has been identified through a new lease, as this will ensure that the tenant can continue to develop their business. Allowing them 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 new lease to the current tenant rather than placing the retail premises on the open market, 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.

8. Sustainability impact

- 8.1 There are no sustainability issues arising from this report as it is a new lease being proposed for a property that has been in retail use for many years and is to continue to be in retail use.

9. Consultation and engagement

- 9.1 Not applicable.

10. Background reading/external references

10.1 None.

Stephen S. Moir

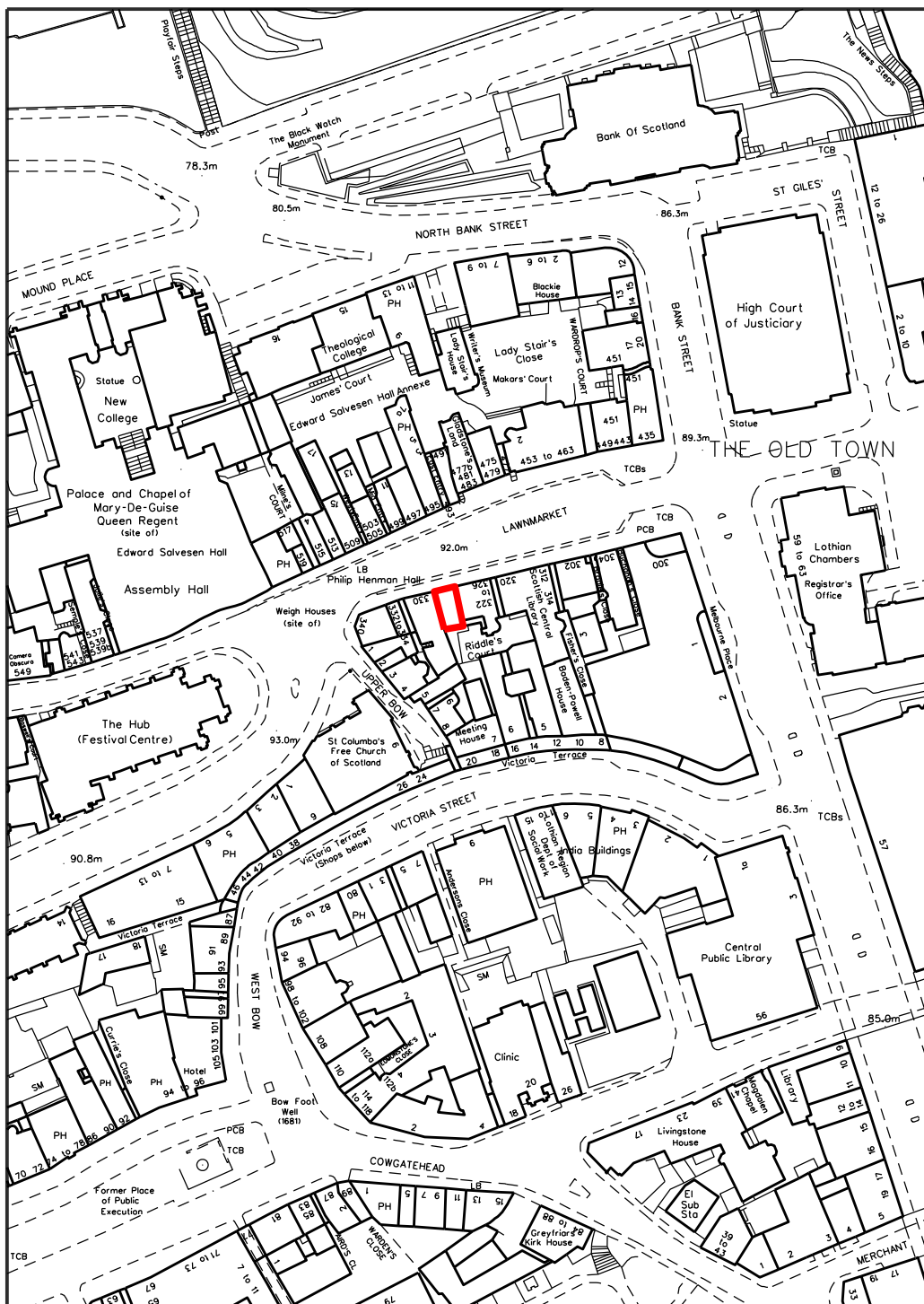
Executive Director of Resources

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11. Appendices

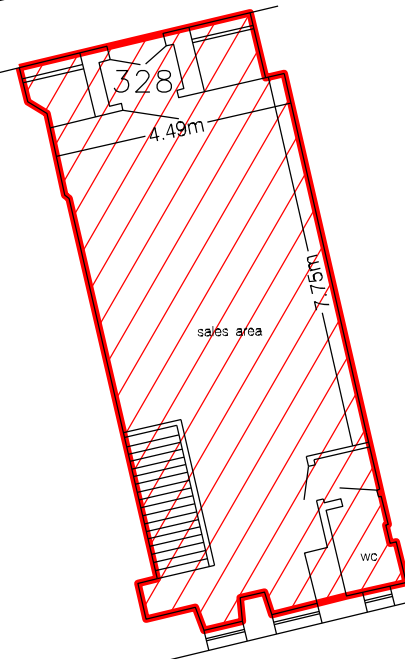
Appendix 1 - Location Plan



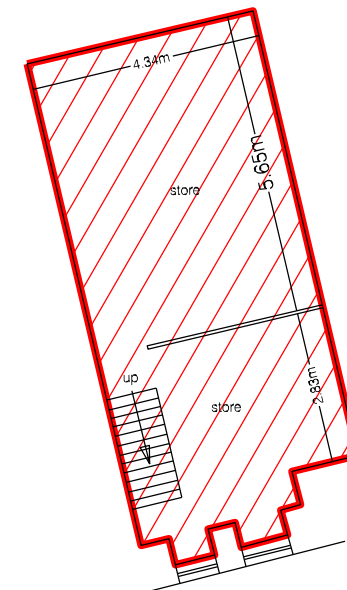
LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

LAWNMARKE



Ground Floor plan



Basement Plan

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

SERVICES FOR COMMUNITIES
EDINBURGH

SHOP AT
328 LAWMARKE
EDINBURGH

DATE 14/7/17

SURVEYED BY

DRAWN BY Mark ballantyne

SCALE 1:100 @ A3 SIZE

NEG. NO. A3/1496