

Finance and Resources Committee

10.00am, 5 September, 2017

Proposed Lease Extension at 129 Lauriston Place, Edinburgh

Item number	8.13
Report number	
Executive/routine	Routine
Wards	10 – Meadows

Executive Summary

The retail unit at 129 Lauriston Place is let to Edinburgh Art Shop Limited and trades as Edinburgh Art Shop.

The lease expired on 28 June 2017, however, the tenant has remained in occupation and requested a 10 year extension to be effective from 29 June 2017.

This report seeks approval to the grant of a 10 year lease extension on the terms and conditions outlined in the report.

Proposed Lease Extension at 129 Lauriston Place, Edinburgh

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 10 year lease extension to Edinburgh Art Shop Limited of retail premises at 129 Lauriston Place, 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 129 Lauriston Place extends to 162.54 sq m (1,749 sq ft) or thereby and is shown outlined in red on the attached plan (Appendix 1).
- 2.2 Since June 2012, Edinburgh Art Shop Limited has been the tenant at the property operating an art and craft supply shop. The current rent is £11,575 per annum exclusive of VAT.

3. Main report

- 3.1 The existing lease expired on 28 June 2017, however, Edinburgh Art Shop Limited have remained in occupation and requested that the Council grant a 10 year lease extension from 29 June 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 129 Lauriston Place, Edinburgh;
 - Lease Extension: 10 years from 29 June 2017 until 28 June 2027;
 - Break Option: Tenant only break option on the 5th anniversary;
 - Rent: £12,900 per annum;
 - Rent Reviews: Reviewed on each fifth anniversary of the term to open market value;

- Use: Art and Craft Supply Shop;
- Repairs: Full repairing and maintaining obligation and
- Other terms: As contained in the existing lease.

4. Measures of success

- 4.1 Granting a 10 year lease extension will allow Edinburgh Art Shop Limited to continue their long term financial planning of the business and in turn sustain employment for their workers and also help maintain the vibrant mix of retailers found in this part of Lauriston Place.

5. Financial impact

- 5.1 An increased rent of £12,900 per annum to the General Property Account.

6. Risk, policy, compliance and governance impact

- 6.1 This is a 10 year lease extension to the existing tenant who has been trading from the property since June 2012. 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 as through a lease extension, it will ensure that Edinburgh Art Shop Limited can continue to plan both financially and in terms of developing their business. This will allow 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 lease extension 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 tenant's 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 lease extension 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 Not applicable.

Stephen S. Moir

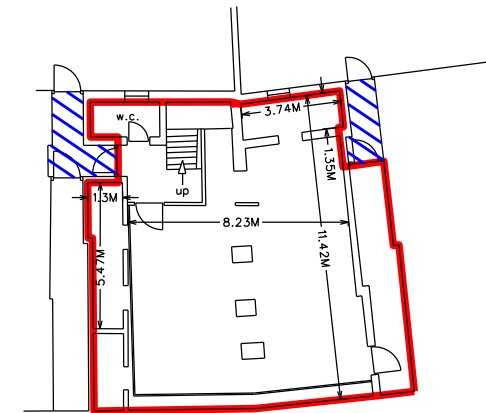
Executive Director of Resources

Contact: Iain E Lamont, Portfolio Investment Officer

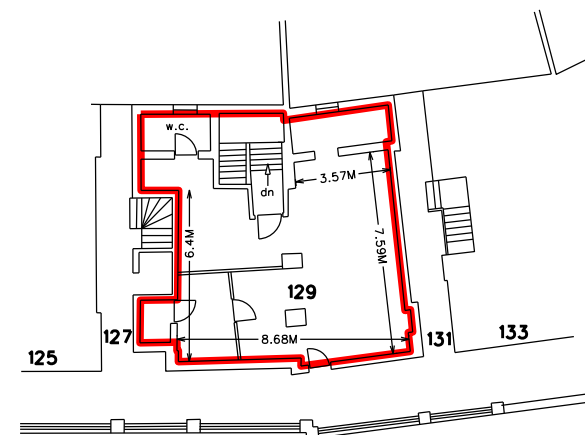
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11. Appendices

Appendix 1 – Location Plan



BASEMENT



GROUND FLOOR

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

CITY DEVELOPMENT
EDINBURGH

SHOP AT
129 LAURISTON PLACE
EDINBURGH

DATE	4/5/17
SURVEYED BY	Mark Ballantyne
DRAWN BY	Mark Ballantyne
FILE NO.	
NEG. NO.	A3/897

LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN