

# Finance and Resources Committee

**10.00am, Tuesday, 5 September 2017**

## **Proposed New Lease at 52 High Street, Edinburgh**

<b>Item number</b>	8.7
<b>Report number</b>	
<b>Executive/routine</b>	Routine
<b>Wards</b>	11 – City Centre

### **Executive Summary**

---

The retail unit at 52 High Street is let to Robert Newman and Stephanie Davidson and trades as Nutcracker Christmas Shop.

The existing lease is running on a prescribed month to month basis and for increased security of tenure the tenant has requested a new 25 year lease.

The report seeks approval to the grant of a new 25 year lease to Robert Newman and Stephanie Davidson on the terms and conditions outlined in the report.

## Proposed New Lease at 52 High Street, Edinburgh

### 1. Recommendations

---

#### 1.1 That Committee:

- 1.1.1 Approves a new 25 year lease to Robert Newman and Stephanie Davidson of retail premises at 52 High Street, 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 52 High Street extends to 105.33 sq m (1,133 sq ft) or thereby and is shown outlined in red on the attached plan (Appendix 1).
- 2.2 Since June 2002, the property has been let to Robert Newman who operates a retail business selling Christmas decorations and related products and trades as Nutcracker Christmas Shop. With effect from August 2014, Robert Newman took on Stephanie Davidson as a partner in the business and they are now looking to put a new long term lease in place. The current rent is £29,100 per annum exclusive of VAT.

### 3. Main report

---

- 3.1 The existing lease currently runs on a prescribed month to month basis and Robert Newman and Stephanie Davidson have 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 52 High Street, Edinburgh, EH1 1TB;
  - New Lease: 25 years from 1 November 2017 until 31 October 2042;
  - Rent: £29,100 per annum;
  - Rent Reviews: 1 April 2019 and five yearly thereafter 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 business to continue their long term financial planning and in turn sustain employment for their workers.

#### **5. Financial impact**

---

- 5.1 The passing rent will continue and the Council will receive a rent of £29,100 per annum to the General Property Account for a secure term of 25 years. The rent will be reviewed on 1 April 2019 and five yearly thereafter.

#### **6. Risk, policy, compliance and governance impact**

---

- 6.1 This is a new 25 year lease to the existing tenant. The existing tenant has been trading from the property since June 2002. 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 new lease, it will ensure that Robert Newman and Stephanie Davidson 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 new lease rather than placing the retail premises on the open market upon 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 new lease 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 Not applicable.

### **Stephen S. Moir**

Executive Director of Resources

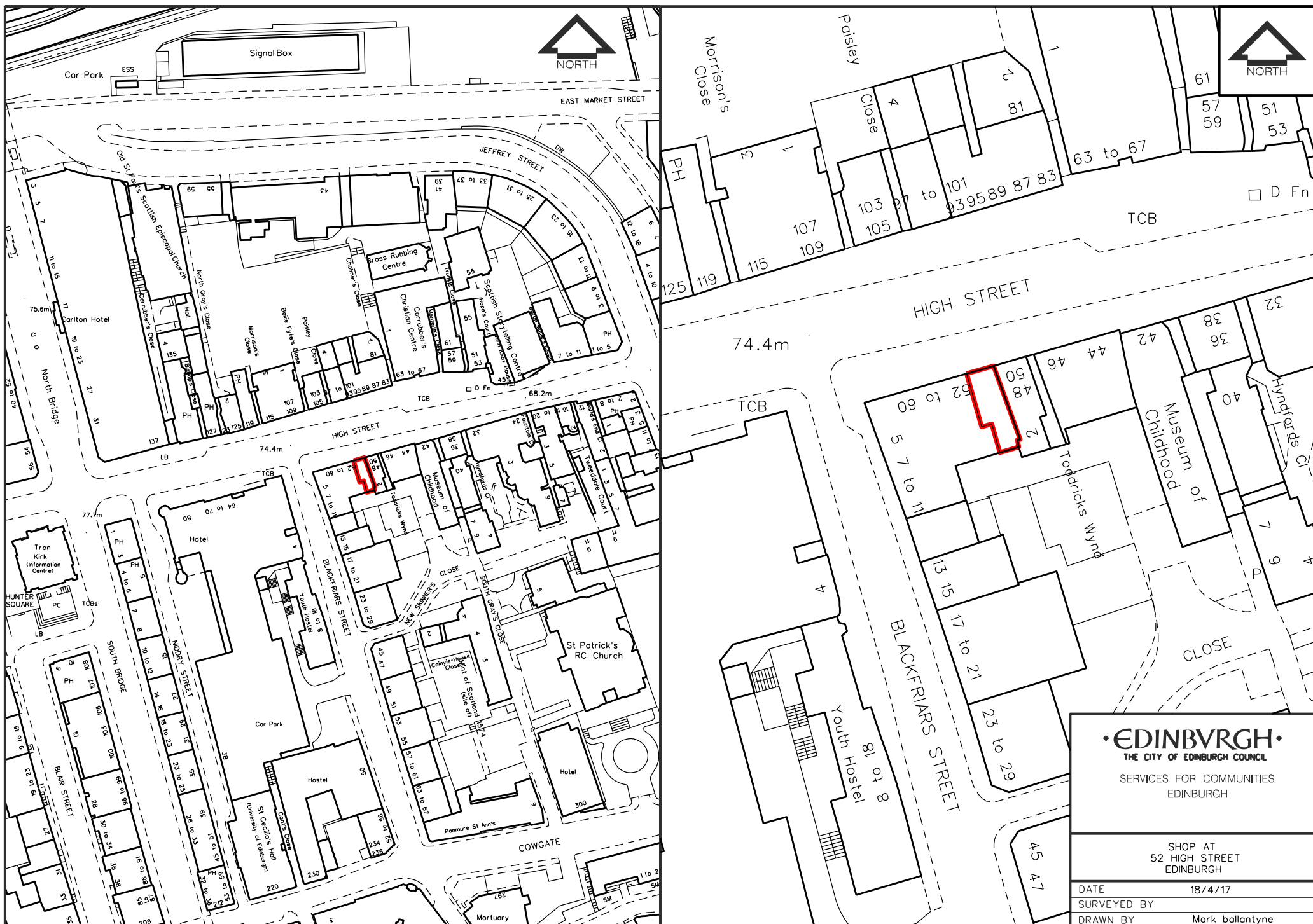
Contact: Iain E Lamont, Portfolio Investment Officer

E-mail: [iain.lamont@edinburgh.gov.uk](mailto:iain.lamont@edinburgh.gov.uk) | Tel: 0131 529 7610

## **11. Appendices**

---

Appendix 1 – Location Plan



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

• EDINBURGH •  
THE CITY OF EDINBURGH COUNCIL

SERVICES FOR COMMUNITIES  
EDINBURGH

SHOP AT  
52 HIGH STREET  
EDINBURGH

DATE	18/4/17
SURVEYED BY	
DRAWN BY	Mark ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/1764