

Finance and Resources Committee

10.00am, Tuesday, 27 March 2018

Proposed Lease Extension at 107/109 Morrison Street, Edinburgh, EH3 8BY

Item number	8.3
Report number	
Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	C2 , C3

Executive Summary

The retail unit at 107/109 Morrison Street is let to Elizabeth Jones & Aleksandra Slowiak and trades as Wee Coffee Bar.

The lease is due to expire on 28 April 2018 and the tenant has requested a 10 year lease extension.

The report seeks approval to grant a 10 year lease extension to Elizabeth Jones & Aleksandra Slowiak on the terms and conditions outlined in the report.

Proposed Lease Extension at 107/109 Morrison Street, Edinburgh, EH3 8BY

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 10 year lease extension to Elizabeth Jones & Aleksandra Slowiak of retail premises at 107/109 Morrison 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 107/109 Morrison Street extends to 47.53 sq m (512 sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since April 2013, Elizabeth Jones & Aleksandra Slowiak have been the tenants at the property operating a coffee / sandwich bar business. The current rent is £8,500 per annum.
- 2.3 The existing lease expires on 28 April 2018 and the tenant has requested the Council grant a 10 year lease extension to be effective from 29 April 2018.

3. Main report

3.1 The following terms have been provisionally agreed:

- Subjects: Retail shop at 107/109 Morrison Street, Edinburgh;
- Lease Extension: 10 years from 29 April 2018 until 28 April 2028;
- Break Option: Tenant only break option on the 5th anniversary;
- Rent: £9,500 per annum;
- 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;
- Other terms: As contained in the subjects existing lease; and

- Costs: Tenant responsible for all Council costs.
- 3.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.

4. Measures of success

- 4.1 Granting a 10 year lease extension will allow the tenant to continue their long term financial planning of the business and in turn sustain employment for their workers.

5. Financial impact

- 5.1 An increase in rent of £1,000 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 April 2013. 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 the tenant 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 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 Not applicable.

Stephen S. Moir

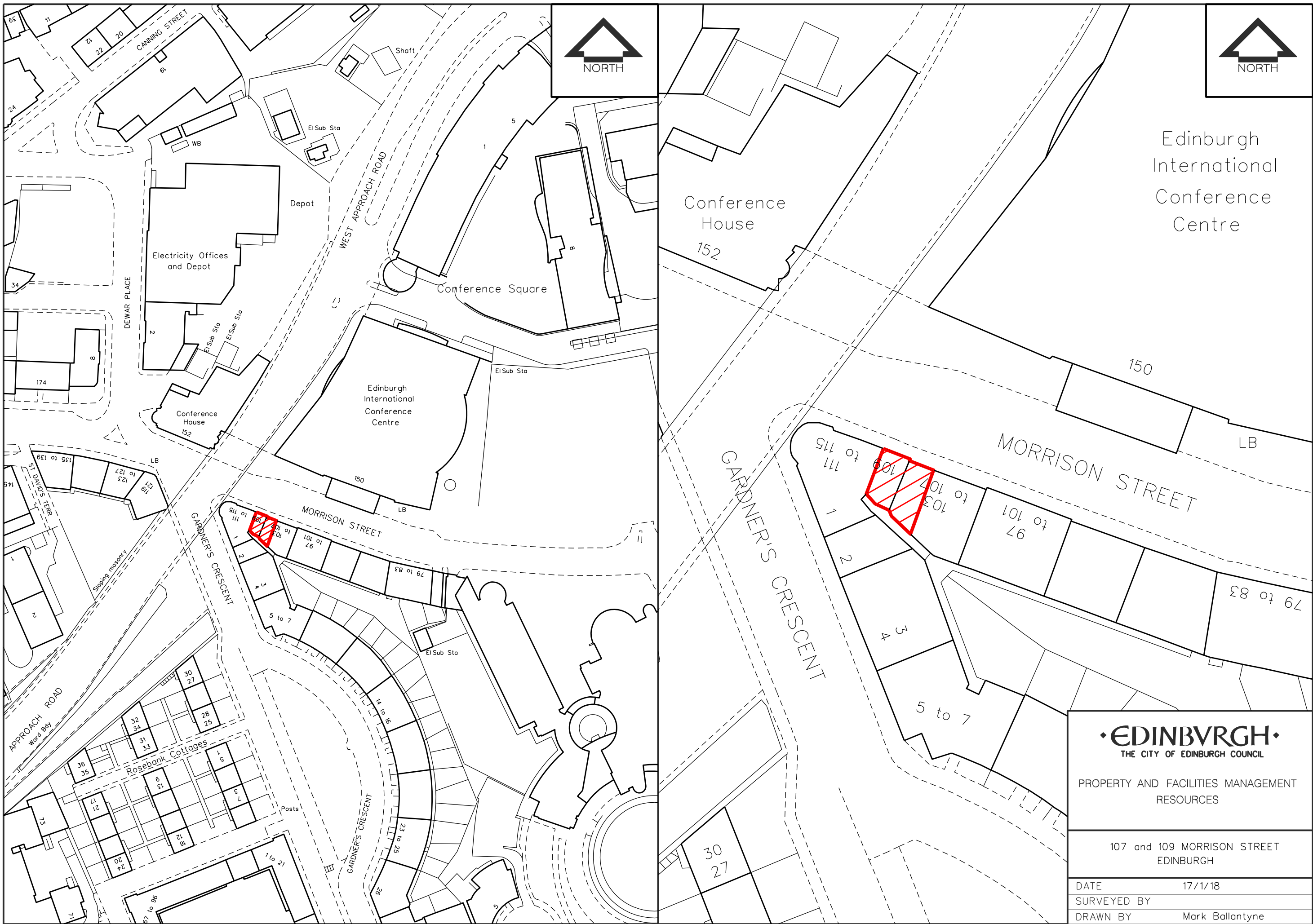
Executive Director of Resources

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11. Appendices

Appendix 1 - Location Plan



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

107 and 109 MORRISON STREET
EDINBURGH

DATE	17/1/18
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1887