

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Proposed Lease Extension at 9 Cockburn Street, Edinburgh

Item number	8.2
Report number	
Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	C2, C3

Executive Summary

The retail unit at 9 Cockburn Street is currently let to George Sinclair Forsyth MacDonald and trades as Underground Solu'shn.

The lease is due to expire on 4 May 2018 and the tenant has requested a 20 year lease extension.

This report seeks approval to grant a 20 year lease extension to George Sinclair Forsyth MacDonald on the terms and conditions outlined.

Proposed Lease Extension at 9 Cockburn Street, Edinburgh

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 20 year lease extension to George Sinclair Forsyth MacDonald of the retail premises at 9 Cockburn Street 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 9 Cockburn Street extends to 44.77 sq m (482 sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since April 2006, George Sinclair Forsyth MacDonald has been the tenant at the property operating as a music shop. The current rent is £18,300 per annum, and is considered to be market value.
- 2.3 The existing lease expires on 5 May 2018 and the tenant has requested the Council grant a 20 year lease to be effective from 6 May 2018 expiring 5 May 2038.

3. Main report

3.1 The following terms have been provisionally agreed:

- Subjects: 9 Cockburn Street, Edinburgh
- Lease extension: 20 years from 6 May 2018 until 5 May 2038;
- Break Option: Tenant only break option on the 5th anniversary;
- Rent: £18,300 per annum;
- Rent Reviews: Reviewed on each 5th anniversary to open market review.
- Use: Class 1 Retail Use;
- Repairs: Full Repairing and Insuring obligation;
- Other terms: As contained in the subject existing lease.

- Costs: Tenant responsible for all Council and Legal 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 20 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 A rent of £18,300 per annum will continue to the General Property Account.

6. Risk, policy, compliance and governance impact

- 6.1 This is a 20 year lease extension to the existing tenant who has been trading from the property since April 2006. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

7. Equalities impact

- 7.1 The proposal in this report to grant an extension of the lease which currently exists on the property does not have a significant additional impact on people, equalities, the economy and the environment.

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 Ward elected members have been made aware of the recommendations of this report.

10. Background reading/external references

10.1 Not applicable.

Stephen S. Moir

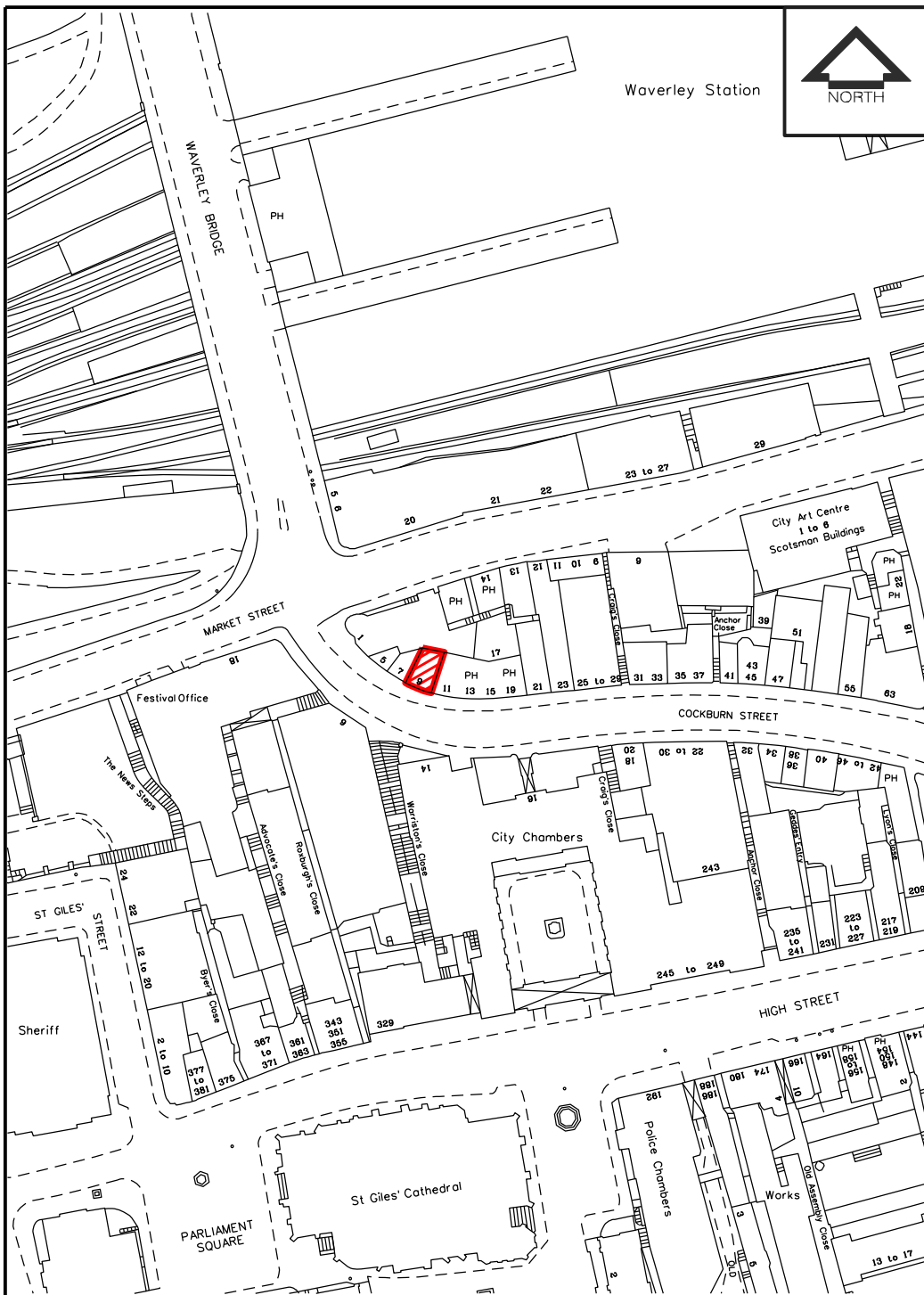
Executive Director of Resources

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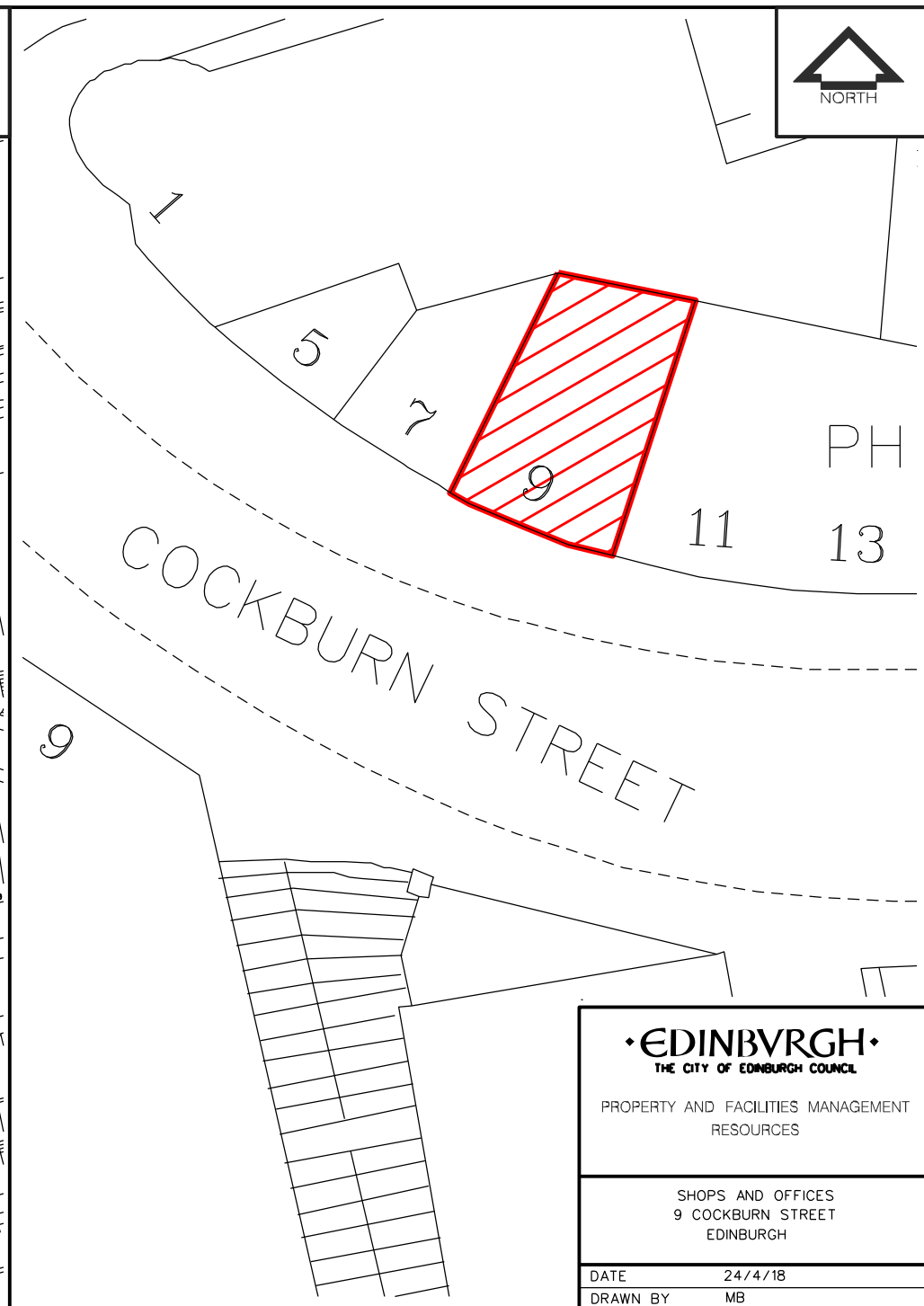
11. Appendices

Appendix 1 – Location Plan



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE



SITE PLAN

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
SHOPS AND OFFICES 9 COCKBURN STREET EDINBURGH	
DATE	24/4/18
DRAWN BY	MB
FILE NO.	ES1179/4
NEG. NO.	NT2573/A3/173A