

# Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

## Proposed New Lease at Old Stamp Office Close, 221 High Street, Edinburgh

Item number	8.7
Report number	
Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	<a href="#">C2</a> , <a href="#">C3</a>

### Executive Summary

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The property at Old Stamp Office Close, 221 High Street, Edinburgh (also known as Lyon's Close, 215 High Street) was previously leased out as the Royal Mile Nursery. The tenant vacated the premises in January 2018.

The property was placed on the open market for lease in February 2018 with a closing date set for 16 March 2018. At the closing date 13 offers were received.

This report seeks approval to grant a 25 year lease to Tron Tourist Services Limited on the terms and conditions outlined in the report.

## Proposed New Lease at Old Stamp Office Close, 221 High Street, Edinburgh

### 1. Recommendations

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#### 1.1 That Committee:

- 1.1.1 Approves a new 25 year lease to Tron Tourist Services Limited of the premises at Old Stamp Office Close, 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

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- 2.1 The building at Old Stamp Office Close extends to 72.46 sq m (780 sq ft) with a private courtyard adding a further 291.72 sq m (3,140 sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 The property has been leased to Lesley Bothwell who operated the Royal Mile Nursery at a current rent £10,500 per annum. Although the tenant has vacated the lease is still in place. The tenant gave the Council consent to market the premises and the lease will be surrendered at an agreed date.
- 2.3 The premises were placed on the open market for lease and given the unique nature of the property and location, the marketing exercise generated substantial interest. The closing date resulted in 13 offers and following evaluation of those offers, Tron Tourist Services Limited has been selected as the preferred bidder.
- 2.4 Tron Tourist Services Limited provided the best commercial offer. Furthermore, Tron Tourist Services Limited will now be able to provide an alternative location for the stall holders displaced from the Tron Kirk.

### 3. Main report

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#### 3.1 The following terms have been provisionally agreed:

- Subjects: Old Stamp Office Close, 221 High Street, Edinburgh.
- Lease Term: 25 years from date of entry.
- Rent: £70,200 per annum.

- Rent Reviews: Reviewed on each 5<sup>th</sup> anniversary of the date of entry to open market value.
- Use: Building to be used as a team room / café with outside courtyard to provide retail market for up to 17 trader stalls (subject to planning permission).
- Repairs: Full repairing and maintaining obligation.
- Incentives: Six month rent free period from date of entry to account for repair work required.
- Deposit: Tron Tourist Services Limited is a limited company incorporated on 25 May 2016 and unable to provide sufficient trading history and will therefore pay a deposit of £17,500.
- Costs: Both parties to meet their own costs.
- Other terms: As contained in the subjects existing lease.

#### **4. Measures of success**

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- 4.1 Granting a new 25 year lease will bring a vacant unit back into commercial use thus reducing the Council's vacant property costs and generating rental income.

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

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- 5.1 An increase in rent to £70,200 per annum to the General Property Account.

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

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- 6.1 This is a new 25 year lease following a full and open marketing process. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

#### **7. Equalities impact**

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- 7.1 The proposal in this report to grant a new lease on an existing Council property does not have a significant additional impact on people, equalities, the economy and the environment.

#### **8. Sustainability impact**

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- 8.1 There are no sustainability issues arising from this report.

## 9. Consultation and engagement

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

## 10. Background reading/external references

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- 10.1 Not applicable.

### **Stephen S. Moir**

Executive Director of Resources

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## 11. Appendices

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- 11.1 Appendix 1 - Location Plan



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

**• EDINBURGH •**  
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT  
RESOURCES

215 HIGH STREET  
EDINBURGH

DATE	26/4/18
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/1865a