

# Finance and Resources Committee

3.00p.m., Tuesday, 4 December 2018

## Proposed Lease Extension at 18 – 20 High Street, Edinburgh, EH1 1TB

Item number	8.2
Report number	
Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	<a href="#">C2, C3</a>

### Executive Summary

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The retail unit at 18 – 20 High Street is let to Surinder Singh and trades as Heritage Clearance Store.

The lease expires on 30 April 2021 and the tenant has requested a 25 year lease extension effective from this date.

The report seeks approval to grant a 25 year lease extension to Surinder Singh on the terms and conditions outlined in the report.

## Proposed Lease Extension at 18 – 20 High Street, Edinburgh, EH1 1TB

### 1. Recommendations

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#### 1.1 That Committee:

- 1.1.1 Approves a 25 year lease extension to Surinder Singh of retail premises at 18 – 20 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

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- 2.1 The shop premises at 18 – 20 High Street extends to 55.91 sq m (602 sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since April 1998, Surinder Singh has been the tenant at the property operating a clothing and gift shop business. The current rent is £33,600 per annum and is due to be reviewed on 1 April 2020 to market levels.
- 2.3 The existing lease expires on 30 April 2021 and the tenant has requested the Council grant a 25 year lease extension until 30 April 2046.

### 3. Main report

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

- Subjects                      Retail shop at 18 – 20 High Street, Edinburgh;
- Lease Extension:            25 years from 1 May 2021 until 30 April 2046;
- Rent:                            £33,600 per annum (current rent);  
    Rent Reviews:                1 April 2020 (the remaining review on the existing term)  
    and 5 yearly thereafter to Market Rental Value;
- Use:                              Class 1 Retail Use;
- Repairs:                        Full repairing and maintaining obligation;
- Other terms:                   Condition relating to the prohibition of external displays;
- 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**

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- 4.1 Granting a 25 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**

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- 5.1 The rent will be reviewed on the 1 April 2020 and 5 yearly thereafter to the Market Rental Value and any uplift will go to the General Property Account which will also benefit from the continued income stream for a further 25 years.

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

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- 6.1 This is a 25 year lease extension to the existing tenant who has been trading from the property since April 1998. 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 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**

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- 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**

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

## 10. Background reading/external references

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10.1 Not applicable.

### **Stephen S. Moir**

Executive Director of Resources

Contact: Iain Lamont, Investment Portfolio Officer

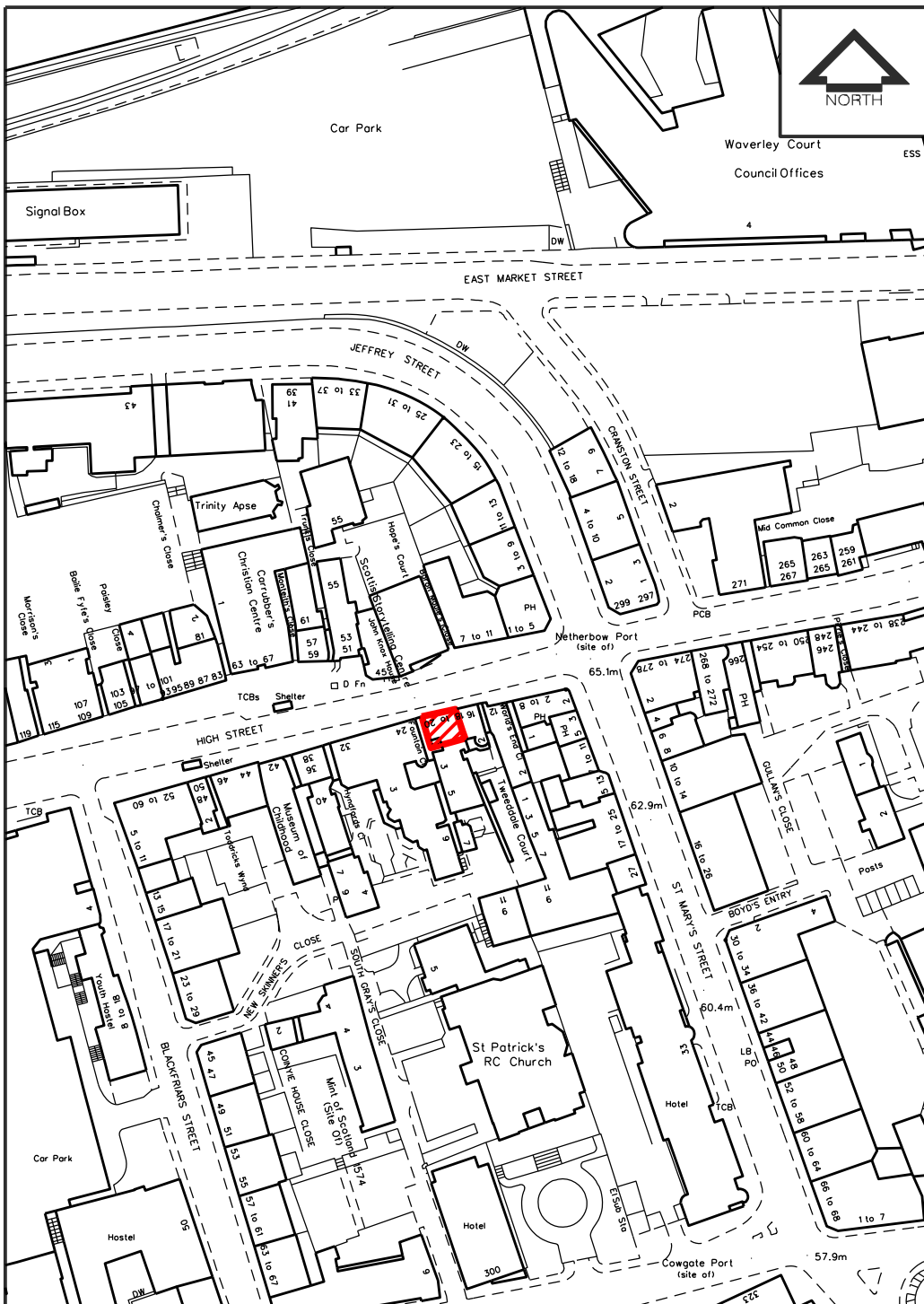
Property and Facilities Management Division, Resources Directorate

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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

<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
SHOP AT 18-20 HIGH STREET EDINBURGH	
DATE	16/7/18
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1988

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