

Finance and Resources Committee

3.00pm, Tuesday, 4 December 2018

Proposed Lease Extension at 5-11 Leith Street, Edinburgh, EH1 3AT

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

Executive Summary

The public house at 5-11 Leith Street is currently let to Domemajor Limited and trades as The Newsroom.

The lease is due to expire on 3 July 2025 and the tenant has requested a new 25 year lease.

This report seeks approval to grant a new 25 year lease extension to Domemajor Limited on the terms and conditions outlined in the report.

Proposed Lease Extension at 5-11 Leith Street, Edinburgh, EH1 3AT

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a new 25 year lease to Domemajor Limited trades as The Newsroom of 5-11 Leith 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 premises at 5-11 Leith Street extends to 435 sq m (4,680 sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since 4 July 2000, Domemajor Limited has been the tenant at the property which has operated as a public house. The current rent is £29,560 per annum and in addition the tenant pays a top up rent based on a percentage of turnover. Last year the Council received a total rent of £34,052.
- 2.3 The existing lease expires on 3 July 2025 and the tenant has requested the Council grant a new 25 year lease over the property to replace the existing agreement.

3. Main report

3.1 The following terms have been provisionally agreed:

- Subject: 5-11 Leith Street;
- Lease extension: 25 years from January 2019;
- Rent: £45,000 per annum;
- Rent Reviews: Reviewed on each 5th anniversary to open market rental value;
- Use: Public house;
- Repairs Full repairing and maintaining obligation;
- Other terms: As contained in a standard commercial lease;
- 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 new 25 year lease 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 £45,000 per annum will continue to the General Property Account. This represents an increase of over £10,000 per annum. In addition the turnover element of the rental calculation has been removed providing a greater certainty of income.

6. Risk, policy, compliance and governance impact

- 6.1 This is a new 25 year lease to the existing tenant who has been trading from the property since July 2000. 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 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 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

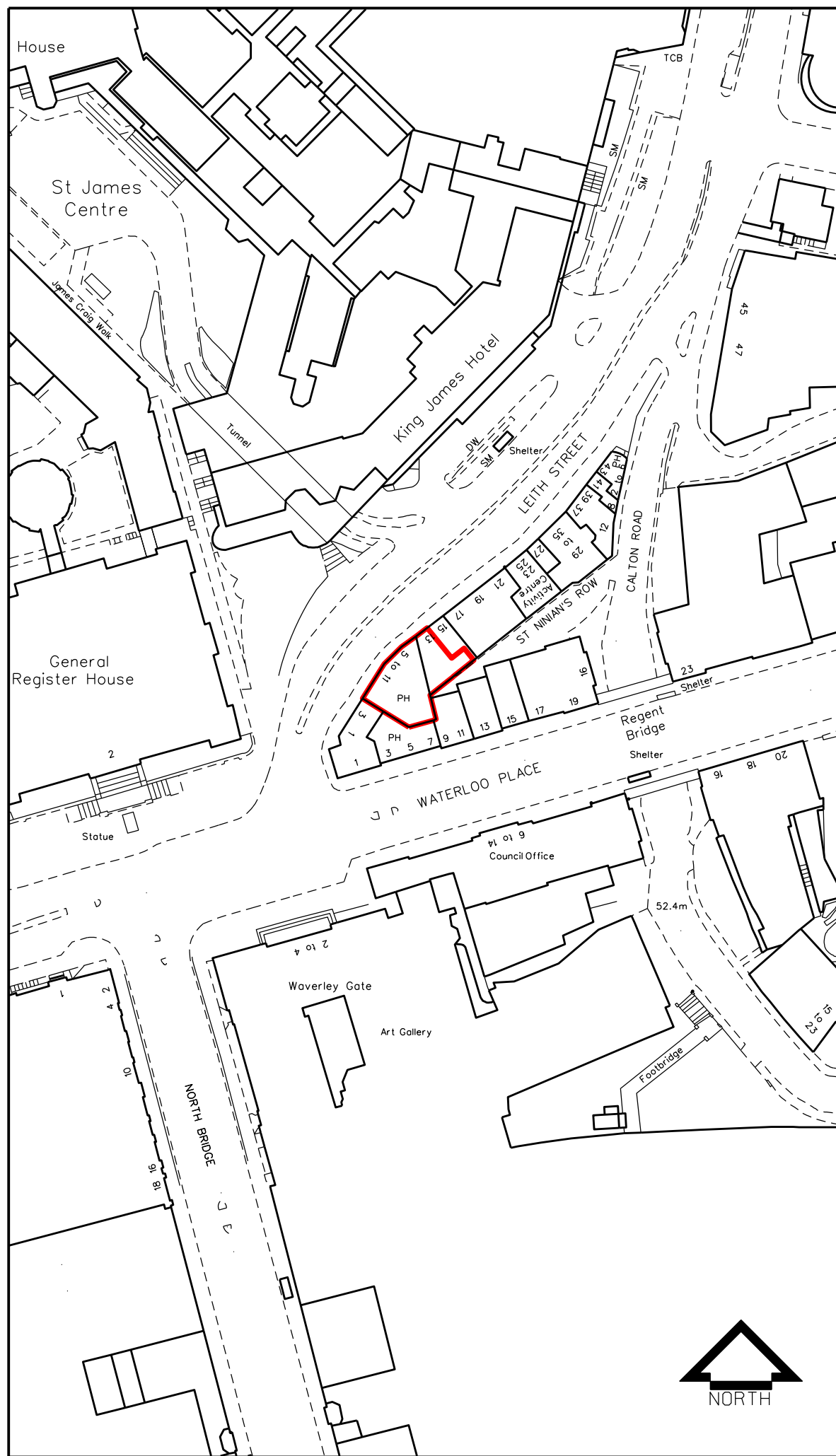
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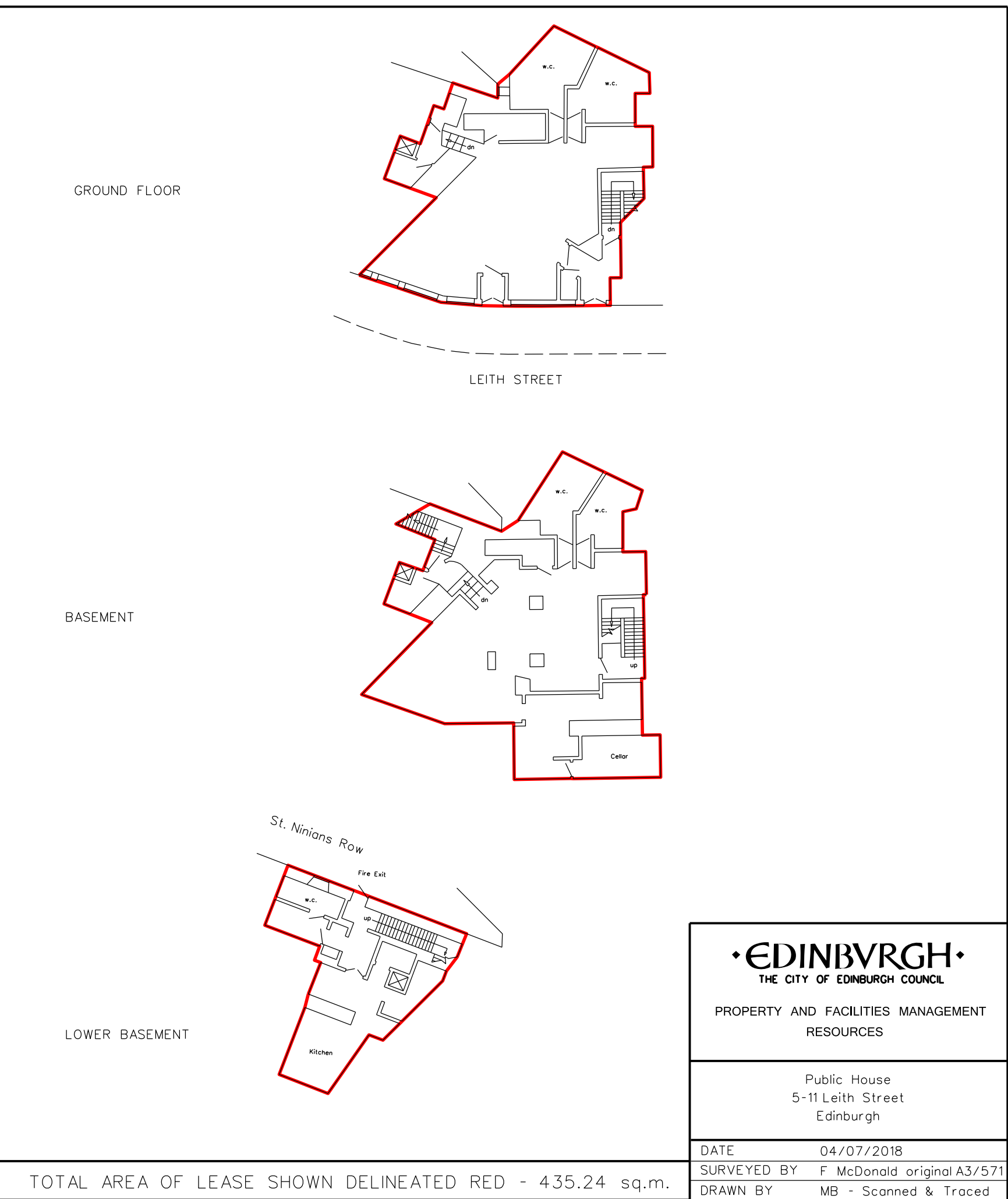
11. Appendices

11.1 Appendix 1 - Location Plan.



LOCATION PLAN

SCALE 1:1250



GROUND FLOOR

BASEMENT

LOWER BASEMENT

TOTAL AREA OF LEASE SHOWN DELINEATED RED - 435.24 sq.m.

FLOOR PLAN

SCALE 1:250

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THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

Public House
5-11 Leith Street
Edinburgh

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