

Finance and Resources Committee

10.00am, Thursday, 3 December 2020

Summary Report on Property Transactions concluded under Delegated Authority

Executive/routine Wards Council Commitments	Routine Citywide 2, 10
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1. Recommendations

- 1.1 That Committee notes the 10 transactions detailed in the attached Appendix have been concluded in accordance with the terms of the Council's approved 'Scheme of Delegation to Officer'.

Stephen S. Moir

Executive Director of Resources

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Report

Summary Report on Property Transactions concluded under Delegated Authority

2. Executive Summary

- 2.1 To advise the Committee of all lease agreements, etc. concluded in terms of the Council's 'Scheme of Delegation to Officers'.
- 2.2 This delegated authority currently extends to the conclusion of all new leases of up to five years in length where the rental is no greater than £50,000 per annum and rent reviews where the rental is no greater than £50,000 per annum. The authority also includes the sale of property which has been declared surplus to the requirements of the Council and sold on the open market to the highest bidder. Any transactions out with these parameters are reported separately to Committee.

3. Background

- 3.1 Under the Council's Scheme of Delegation to Officers it is the responsibility of the Chief Executive or relevant Executive Director to keep the elected members appropriately informed about activity arising within the scope of the delegated authority under the Scheme. Reporting on a quarterly basis is considered the appropriate manner and frequency of keeping members advised.

4. Main report

- 4.1 Appendix 1 provides details of 10 transactions completed under delegated authority since the last quarterly report. Leased properties which have been vacant for more than 6 months are shown at a previous rent of zero.
- 4.2 The financial benefit to the Council of these transactions is summarised below:-
 - 3 new leases producing an additional £83,327 per annum;
 - 2 lease renewal/extensions producing an additional £2,960 per annum on a total rent of £58,500 per annum; and,
 - 5 rent reviews producing an increase of £12,796 per annum on a total rent of £290,096 per annum.

5. Next Steps

- 5.1 The report sets out transactions which have been completed, under delegated authority, since the Finance and Resources Committee on 5 March 2020. There are no further steps in relation to these transactions.

6. Financial impact

- 6.1 The financial impact of the transactions noted are set out above.

7. Stakeholder/Community Impact

- 7.1 Not applicable.

8. Background reading/external references

- 8.1 Not applicable.

9. Appendices

- 9.1 Appendix 1 – Schedule of Property Transactions

APPENDIX 1

NEW LEASES

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
1. AM RV-U02	Ward 3 – Drum Brae / Gyle	General Property (GP)	Suite 2, Ratho Park Phase 1, Newbridge (5,461 sq ft)	UniKlasers Ltd	Office	Old Rent: £0.00 per annum New Rent: £43,688 per annum Lease Period: 01/08/20 to 31/07/24 Payable: Quarterly in advance
REMARKS: Relocation of existing occupier from elsewhere within Council portfolio to allow for business expansion / social distancing due to Covid19. Unit vacant since 2017 with limited interest. 4 months rent free granted on entry. Former unit to be openly marketed.						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
2. AM RV-U07	Ward 3 – Drum Brae / Gyle	General Property (GP)	Suite 4, Ratho Park Phase 3, Newbridge (2,873 sq ft)	Bruni Erben Ltd	Office	Old Rent: £0.00 per annum New Rent: £33,039 per annum Lease Period: 08/09/20 to 07/09/20 Payable: Quarterly in advance
REMARKS: New open market letting. Agreed in February 2020 but delayed due to lockdown. Subject unit vacant since 2018 with limited interest. 3 month rent free period granted on entry.						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
3. AM NID-07	Ward 17 – Portobello / Craigmillar	General Property (GP)	94 Niddrie Mains Road (2,873 sq ft)	Kelly Thomson	Retail – Hot Food Cafe	Old Rent: £6,400 per annum New Rent: £13,000 per annum Lease Period: 15/05/20 to 14/05/22 Payable: Quarterly in advance
REMARKS: New open market letting following closing date. Agreed in February 2020 but delayed due to tenants Change of Use application / Covid19 lockdown. 3 month rent free period granted on entry.						

LEASE RENEWALS/EXTENTIONS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
4. IL 3750/35	1 – Almond	General Property	Unit 35 The Loan, Viewforthbank Industrial Estate, South Queensferry, EH30 9SD	Julia Margaret Cross	Class 11 Martial Arts Dojo	Old Rent: £7,940 per annum New Rent: £8,200 per annum From: 16/08/2020 to 15/08/2025 Payable: Monthly in Advance

REMARKS: NIA = 134.89sq ft (1,452sq ft)

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
5. IL COW – U001	11 – City Centre	General Property	156 Cowgate, Edinburgh, EH1 1RP	Access To Industry Limited	Class 4 Office Employment & Job Seeking Skills Agency	Old Rent: £47,600 per annum New Rent: £50,300 per annum From: 14/04/2020 to 13/04/2025 Payable: Monthly in Advance

REMARKS: NIA = 333.97sq ft (3,595sq ft)

RENT REVIEWS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
6. IL 31965	3 – Drum Brae / Gyle	General Property	7 South Gyle Crescent, Edinburgh, EH12 9EB	Redwood (Light Industrial) Prop Co S.A.R.L.	Ground Lease	Old Rent: £11,000 per annum New Rent: £12,146 per annum From: 28/11/2018 to 27/11/2023. Payable: Quarterly in advance.

REMARKS: Area = 0.202 Ha (0.499 Ac)

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
7, IL CLO-U06	3 – Drum Brae / Gyle	General Property	7-10 Clocktower, Flassches Yard, South Gyle Industrial Estate, Edinburgh, EH12 9LB	Verizon UK Limited	Business Use Class 4 – 5 Data Centre	Old Rent: £164,000 per annum New Rent: £165,000 per annum From: 27/08/2019 to 26/08/2024. Payable: Quarterly in advance.

REMARKS: Area = 1,955sq m (21,043sq ft)

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
8. IL 6986A	10 – Meadows & Morningside	General Property	8 Falcon Road, Edinburgh, EH10 4AH	Childs Play Childrens Nursery Limited	Nursery Class 10	Old Rent: £41,300 per annum New Rent: £47,200 per annum From: 01/04/2020 to 31/03/2025. Payable: Quarterly in advance.
REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
9. IL 16274/7	11 – City Centre	General Property	379/381 High Street, Edinburgh, EH1 1PW	The Dormant Distillery Company Limited	Retail Class 1	Old Rent: £45,750 per annum New Rent: £49,500 per annum From: 01/04/2020 to 31/03/2025. Payable: Quarterly in advance.
REMARKS: ITZA = 49.79sq m (536sq ft)						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
10. IL 16274/4	11 – City Centre	General Property	361 High Street, Edinburgh, EH1 1PW	The Dormant Distillery Company Limited	Retail Class 1	Old Rent: £15,250 per annum New Rent: £16,250 per annum From: 01/04/2020 to 31/03/2025. Payable: Quarterly in advance.
REMARKS: ITZA = 16.44sq m (177sq ft)						