

Finance and Resources Committee

10.00am, Thursday, 20 May 2021

137 Lauriston Place, Edinburgh - Proposed Lease Extension

Executive/routine	Routine
Wards	11- City Centre
Council Commitments	2

1. Recommendations

- 1.1 That Committee approves a 20-year lease extension to Dragon Fly Edinburgh Limited of the premises at 137 Lauriston Place, Edinburgh on the terms and conditions outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Seli McVittie, Investment Officer,

Property and Facilities Management Division, Resources Directorate

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Report

137 Lauriston Place, Edinburgh- Proposed Lease Extension

2. Executive Summary

- 2.1 The lease to Dragon Fly Edinburgh Limited, commenced in October 2019, following a successful open market bid for the property, for a 5-year term. The tenant has requested a 20-year lease extension and this report seeks approval for the extension, on the terms and conditions outlined in the report.

3. Background

- 3.1 The retail property at 137 Lauriston Place, extends to 189 sq. m (2,204 sq. ft) over ground and basement floors as shown outlined in red on the plan at Appendix 1.
- 3.2 Following a previous marketing exercise, Dragon Fly Edinburgh Limited entered a 5-year lease of the property from October 2019, at a rent of £11,000 per annum, to open a restaurant. Due to governmental restrictions during 2020, the tenant has been unable to complete the renovations required to allow trading to commence.
- 3.3 The tenant is now seeking an extension to the original lease term to provide greater security of tenure for the proposed business and allow access to funding opportunities whilst the renovations are finished, and the business launched.

4. Main report

- 4.1 The following main terms have been provisionally agreed:-
- Subjects: Ground and basement level floor retail unit, 137 Lauriston Place, Edinburgh;
 - Tenant: Dragon Fly Edinburgh Limited;
 - Term: 20-year extension to 30 September 2044;
 - Rent: £11,000 per annum (as existing);
 - Use: Class 3 Restaurant;

- Rent Review: Five yearly upwards only to market rental value;
- Repair: Tenant full repairing liability;
- Break Option: Tenant only break option at fifth anniversary;
- Costs: Each party will be responsible for their own costs associated with the preparation of the lease. The tenant shall be responsible for any Land and Building Transaction Tax and Registration Dues; and
- Other Terms: As contained in a standard lease.

5. Next Steps

- 5.1 Following approval of the terms, solicitors will be instructed to conclude the legal documentation.

6. Financial impact

- 6.1 A rental income £11,000 per annum to the General Fund is secured for a longer term, with potential to increase at future rent reviews.

7. Stakeholder/Community Impact

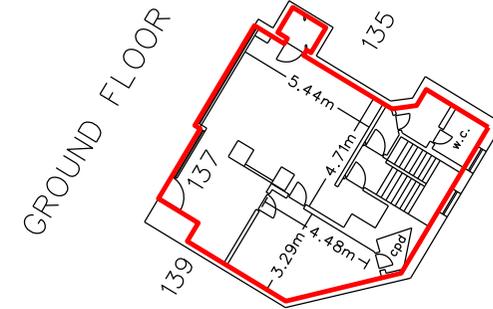
- 7.1 Ward members have been made aware of the recommendations of the report.

8. Background reading/external references

- 8.1 Not applicable

9. Appendices

- 9.1 Appendix 1- Location Plan



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 THE CITY OF EDINBURGH COUNCIL
 PROPERTY AND FACILITIES MANAGEMENT
 RESOURCES

SHOP AT 137 LAURISTON PLACE EDINBURGH	
DATE	4/8/20
SURVEYED BY	MB,FM
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/900

LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

FLOOR PLAN