

Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

47a Cockburn Street, Edinburgh - Proposed Disposal

Executive/routine Wards Council Commitments	Routine 11 – City Centre
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1. Recommendations

- 1.1 That the Finance and Resources Committee approves the disposal of basement premises at 47a Cockburn Street, Edinburgh to Judith Gonzalez-Lobo on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

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Report

47a Cockburn Street, Edinburgh - Proposed Disposal

2. Executive Summary

- 2.1 The owner of the restaurant at 47a Cockburn Street has requested to purchase the adjoining basement premises which are leased from the Council. Approval is sought to progress the disposal on the terms and conditions outlined in this report.

3. Background

- 3.1 The basement property at 47a Cockburn Street extends to 92.01 sq m (990 sq ft) as shown outlined in red on the attached plan and is accessed at one end from the basement area of the adjoining Viva Mexico restaurant. The area is leased to the restaurant owner until May 2028 at a rent of £11,000 per annum.
- 3.2 The owner has approached the Council with an offer to purchase the basement to consolidate their business into a single heritable interest.
- 3.3 As the sole access to the basement is via the ground floor unit, should the lease not be renewed on expiry, the Council would be left with space that would be difficult to let in isolation and therefore of low rental value.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: Basement premises at 47a Cockburn Street, Edinburgh;
 - 4.1.2 Purchaser: Judith Gonzalez-Lobo;
 - 4.1.3 Price: £90,000; and
 - 4.1.4 Costs: purchaser responsible for Council's reasonably incurred costs.
- 4.2 The agreed purchase price of £90,000 reflects best value for the Council as it exceeds the rental income to be received during the remaining term of the lease (£55,000) and removes a potential future potential liability should the lease not be renewed.

5. Next Steps

- 5.1 Following Committee approval, Legal Services will be instructed to progress with drafting the essential documentation for the proposed disposal.

6. Financial impact

- 6.1 The Council will lose the rental income due for the remainder of the lease, however, this is manageable in the context of the wider portfolio.
- 6.2 A unbudgeted capital receipt of £90,000 will be received and credited to the General Fund. In line with proposals set out in another report on the agenda, Commercial Property Portfolio Strategy, Committee is asked to note that a business case for the development industrial units at Peffermill, Craigmillar is being developed that may seek the use of some of the capital receipt for this purpose, i.e., utilise capital raised from the investment portfolio for reinvestment in future opportunities. The business case will be submitted to a future Committee to be considered on its own merits.

7. Stakeholder/Community Impact

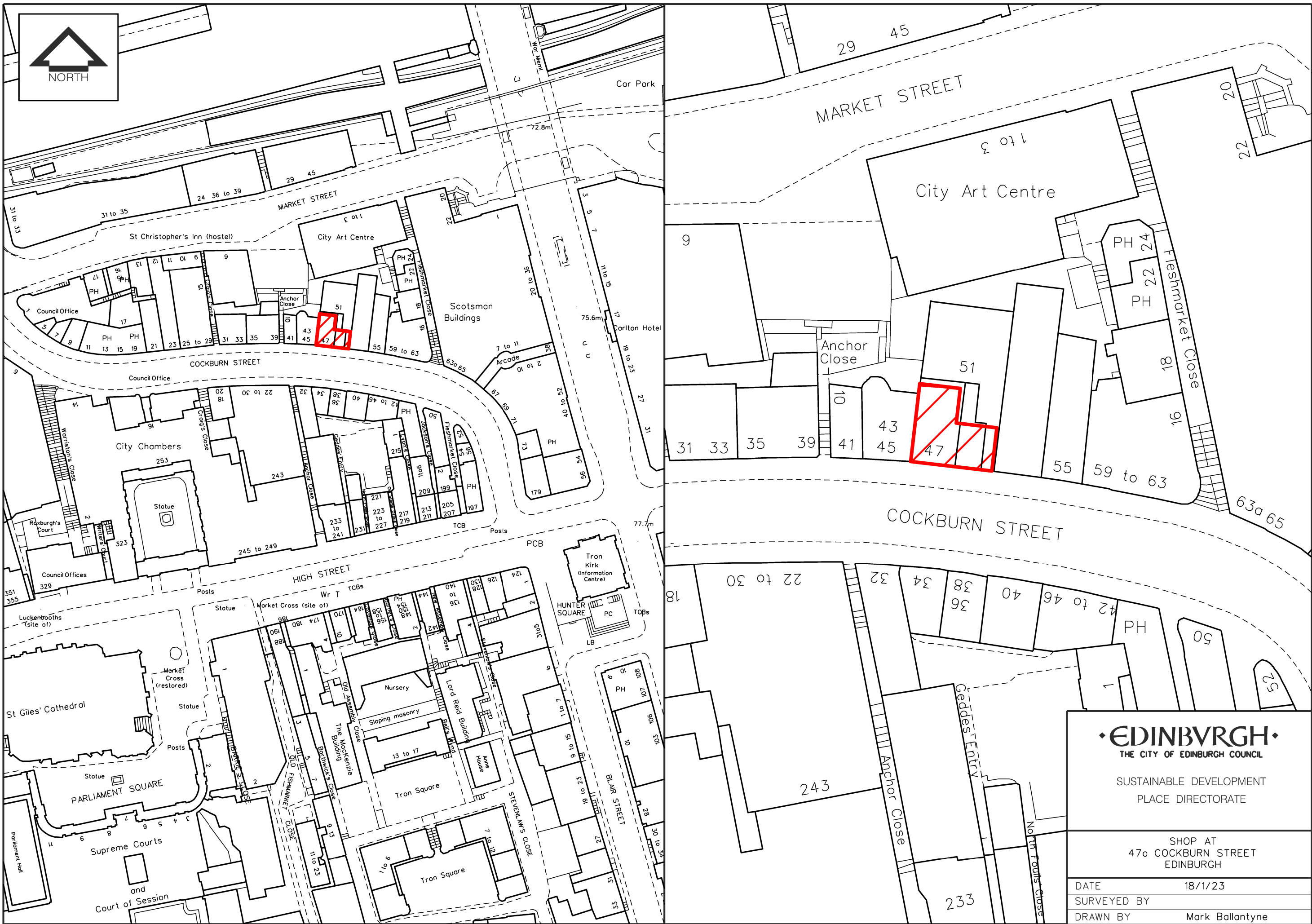
- 7.1 Ward members have been made aware of the recommendations of this report.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Location plan.



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT
PLACE DIRECTORATE

SHOP AT
47a COCKBURN STREET
EDINBURGH

DATE	18/1/23
SURVEYED BY	
DRAWN BY	Mark Ballantyne
FILE NO.	
NEG. NO.	A3/1384a