

Finance and Resources Committee

10.00am, Tuesday, 30 April 2024

13 Lochrin Place, Edinburgh - Proposed Disposal

Executive/routine
Wards

Routine
11 – City Centre

1. Recommendations

- 1.1 That Finance and Resources Committee approve the disposal of the retail premises extending at 13 Lochrin Place, Edinburgh to Majid Valiani on the terms set out in this report and on such other terms and conditions to be agreed by Executive Director of Place.

Paul Lawrence

Executive Director of Place

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13 Lochrin Place, Edinburgh - Proposed Disposal

2. Executive Summary

- 2.1 The Council owns the retail premises at 13 Lochrin Place. Majid Valiani is the owner of the adjoining premises and has made an approach to purchase the Council's interest. This report seeks approval to progress the disposal on the terms and conditions outlined in the report.

3. Background

- 3.1 The Council owns the shop at Number 13 Lochrin Place, shown shaded pink on the attached plan. Historically, the owner of Number 11 took a lease for No. 13 and combined the two shops by opening up two areas in the dividing party wall. The units were leased on that basis until June 2022 when the existing tenant chose not to renew and vacated.
- 3.2 Initially the Council conducted an exercise to evaluate the cost to reinstate the dividing walls between the shops and refurbish Number 13 to meet modern standards to allow it to be marketed for lease. The cost was circa £110,000 which, when considered against a potential rental of circa £12,000 per annum, was considered prohibitive. The existing condition and the fact that it is the only unit the Council owns on the southside of Lochrin Place, resulted in a decision to dispose of the premises.
- 3.3 The owner of Number 11, Mr Valiani, had already expressed an interest to buy if it was to be offered for sale and therefore the property was offered to the neighbouring owner, at market value in the first instance, with agreement being reached.

4. Main report

- 4.1 The following terms have been provisionally agreed.
- 4.1.1 Subjects: 13 Lochrin Place, Edinburgh;
- 4.1.2 Purchaser: Majid Valiani;

4.1.3 Price £165,000; and

4.1.4 Costs: each party to meet their own fees.

- 4.2 The Council instructed an independent valuation of the property based on the current condition and placing the property on the market for sale. The valuation figure is less than the proposed purchase price and therefore the proposed sale to an adjoining owner at a price in excess of the valuation reflects best value to the Council.

5. Next Steps

- 5.1 Following approval of the terms by the Finance and Resources Committee, solicitors will be instructed to conclude the legal documentation.

6. Financial impact

- 6.1 A unbudgeted capital receipt of £165,000 will be received and credited to the General Fund. In line with the [Commercial Property Portfolio Strategy](#) (approved on 20 June 2023) Committee is asked to note that the receipt will be allocated for reinvestment in future opportunities in the investment portfolio.
- 6.2 A pressure of £10,400 per annum (the 2022 passing rent) is created on the current rental income assumptions but this can be mitigated by ongoing rent reviews across the wider investment portfolio in financial year 2024/25.

7. Equality and Poverty Impact

- 7.1 This is a disposal of retail premises to the adjoining owner. It is considered this disposal does not have any equality or poverty implications.

8. Climate and Nature Emergency Implications

- 8.1 The impact on sustainability has been considered. There is no negative impact on the environment as the result of the proposed sale.

9. Risk, policy, compliance, governance and community impact

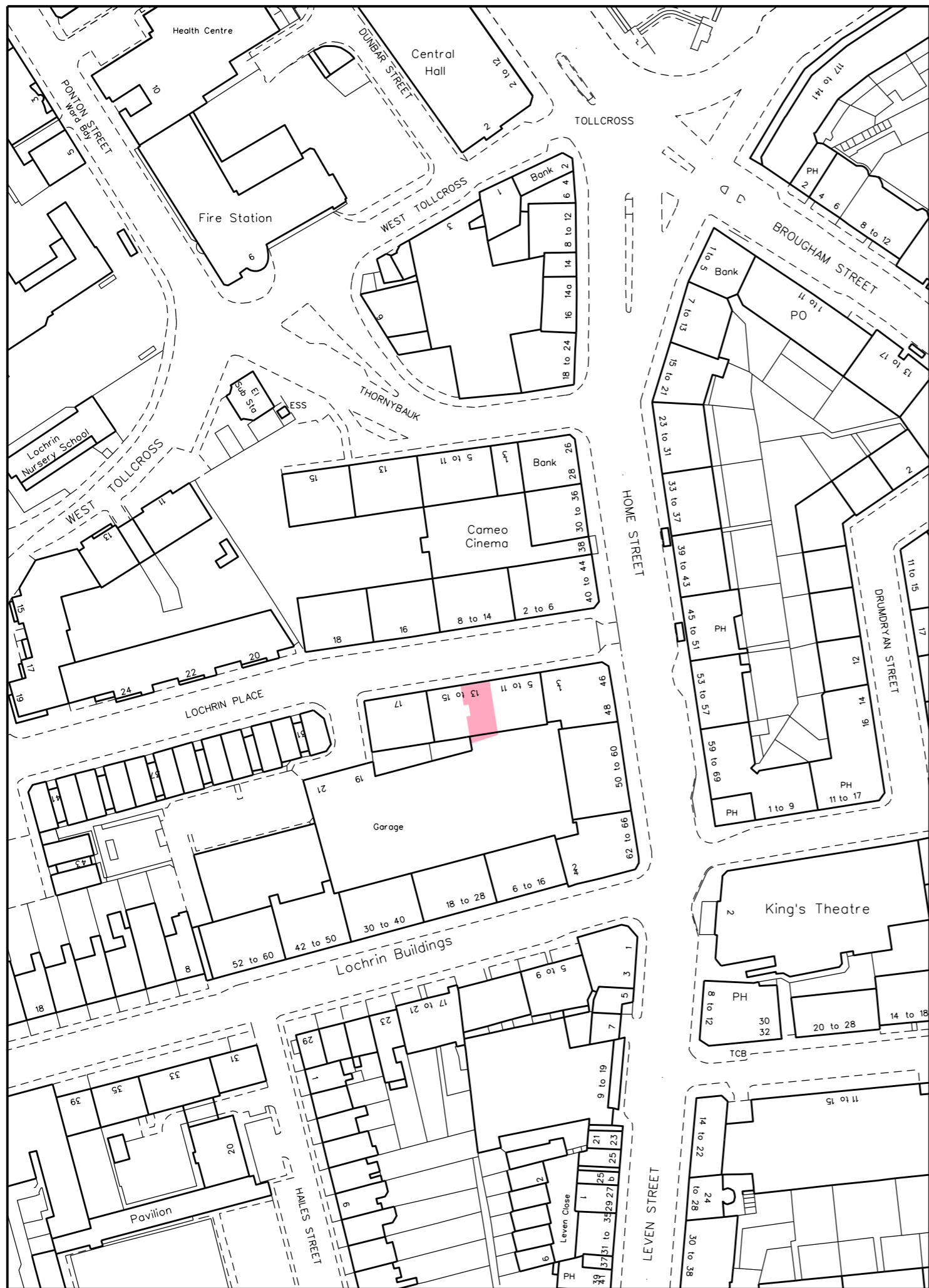
- 9.1 Ward members have been aware of the recommendations of this report.
- 9.2 The proposed disposal is in keeping with the Commercial Property Portfolio Strategy that was approved by the Committee on 20 June 2023.

10. Background reading/external references

10.1 [Commercial Property Portfolio Strategy](#).

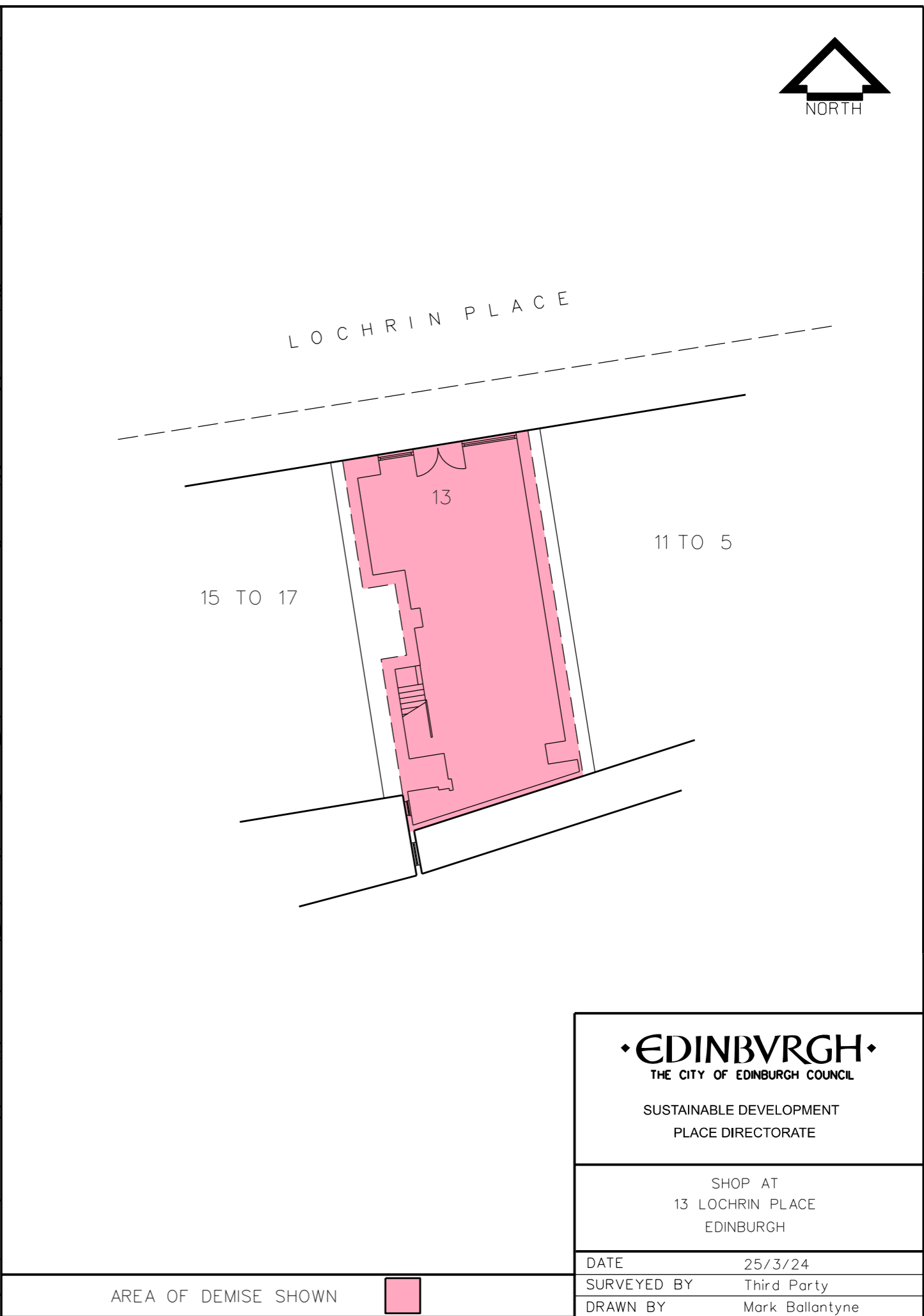
11. Appendices

11.1 Appendix 1 – Location plan.



LOCATION PLAN

SCALE 1:1250



SITE PLAN

SCALE 1:200

AREA OF DEMISE SHOWN

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
SHOP AT 13 LOCHRIN PLACE EDINBURGH	
DATE	25/3/24
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/1781a