

Finance and Resources Committee

10.00am, Thursday, 5 March 2020

8-13 Johnston Terrace, Edinburgh - Proposed New Lease

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

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 25 year lease to GL Attractions Limited of premises at 8 – 13 Johnston Terrace, Edinburgh, on the terms 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

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Property and Facilities Management Division, Resources Directorate

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Report

8-13 Johnston Terrace, Edinburgh- Proposed New Lease

2. Executive Summary

- 2.1 The retail unit at 8 – 13 Johnston Terrace is currently let to GL Attractions Limited. The existing lease expires on 30 June 2020 and the tenant has requested a new 25 year lease. The report seeks approval to grant a new lease to GL Attractions Limited on the terms and conditions outlined in the report.

3. Background

- 3.1 The premises at 8 – 13 Johnston Terrace extend to 341.40 sq m (3,675 sq ft) or thereby as shown outlined in red on the attached plan.
- 3.2 Since April 2017, GL Attractions Limited has been the tenant of the property operating a retail business. The current rent is £48,000 per annum.
- 3.3 The existing lease expires on 30 June 2020 and the tenant has requested the Council grant a new 25 year lease until 30 June 2045.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- Subjects: 8-13 Johnston Terrace, Edinburgh;
 - Tenant: GL Attractions Limited;
 - Term: 25 years from 1 July 2020;
 - Rent: £75,000 per annum for years 1-4, increasing to £80,000 in year 5;
 - Use: Class 1 Retail Use;
 - Rent Review: The rent will be reviewed on the fifth anniversary, and 5 yearly thereafter, based on the uplift in in the Retail Price Index over the preceding 5 year period subject to a collar and cap of 7.5% and 12.5%;

- Repair: Full repairing and maintaining obligation;
- Costs: The tenant shall be responsible for all Council and Legal costs;
- Other terms: As contained in a standard lease.

4.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.

5. Next Steps

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

6. Financial impact

6.1 An increase in rent to £75,000 per annum to the General Property Account, effective from 1 July 2020 and a further increase to £80,000 from 1 July 2024. The initial revised rent represents an increase of 56% on the rent currently received.

7. Stakeholder/Community Impact

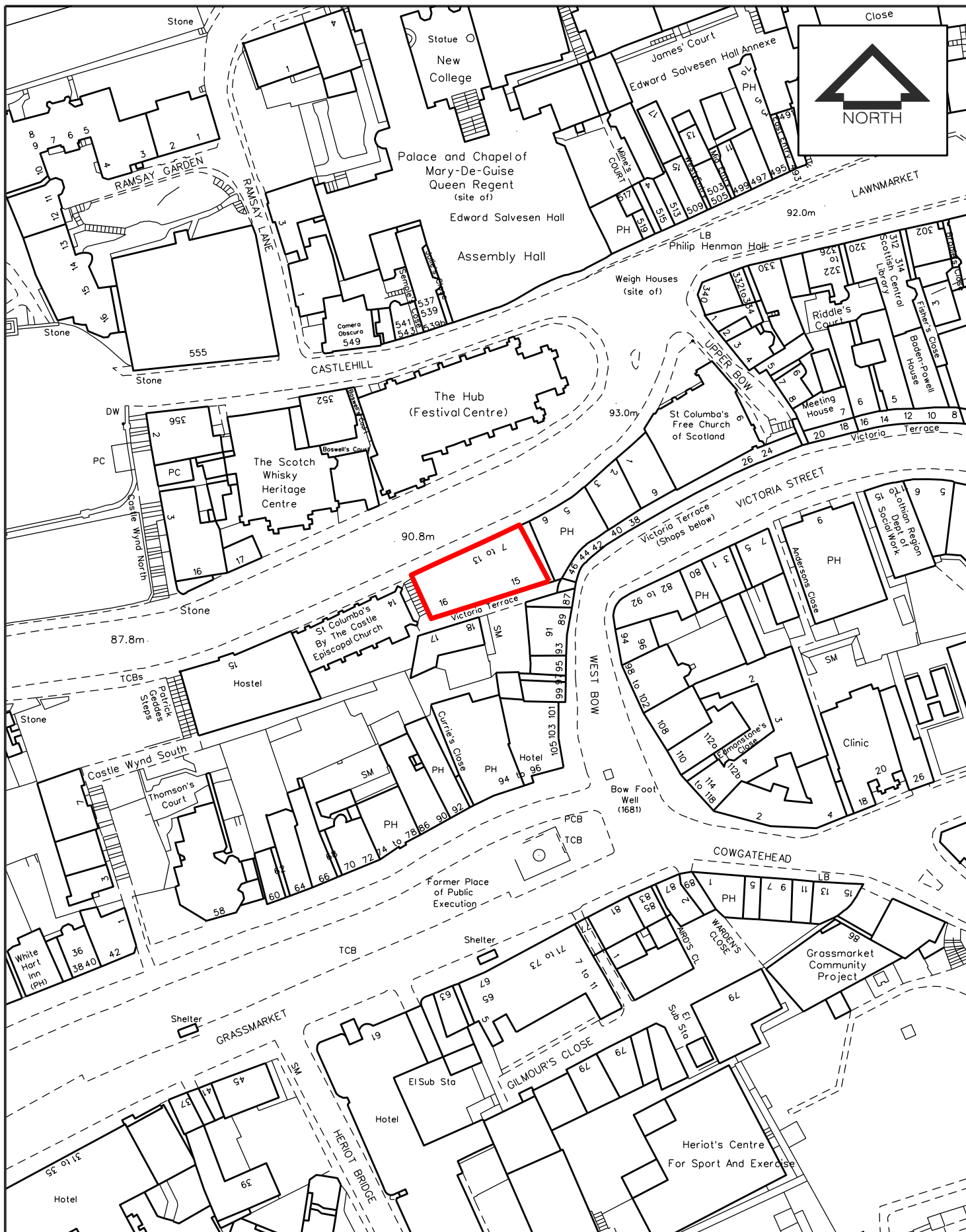
7.1 Ward elected members have been made aware of the recommendations of the report.

8. Background reading/external references

N/A

9. Appendices

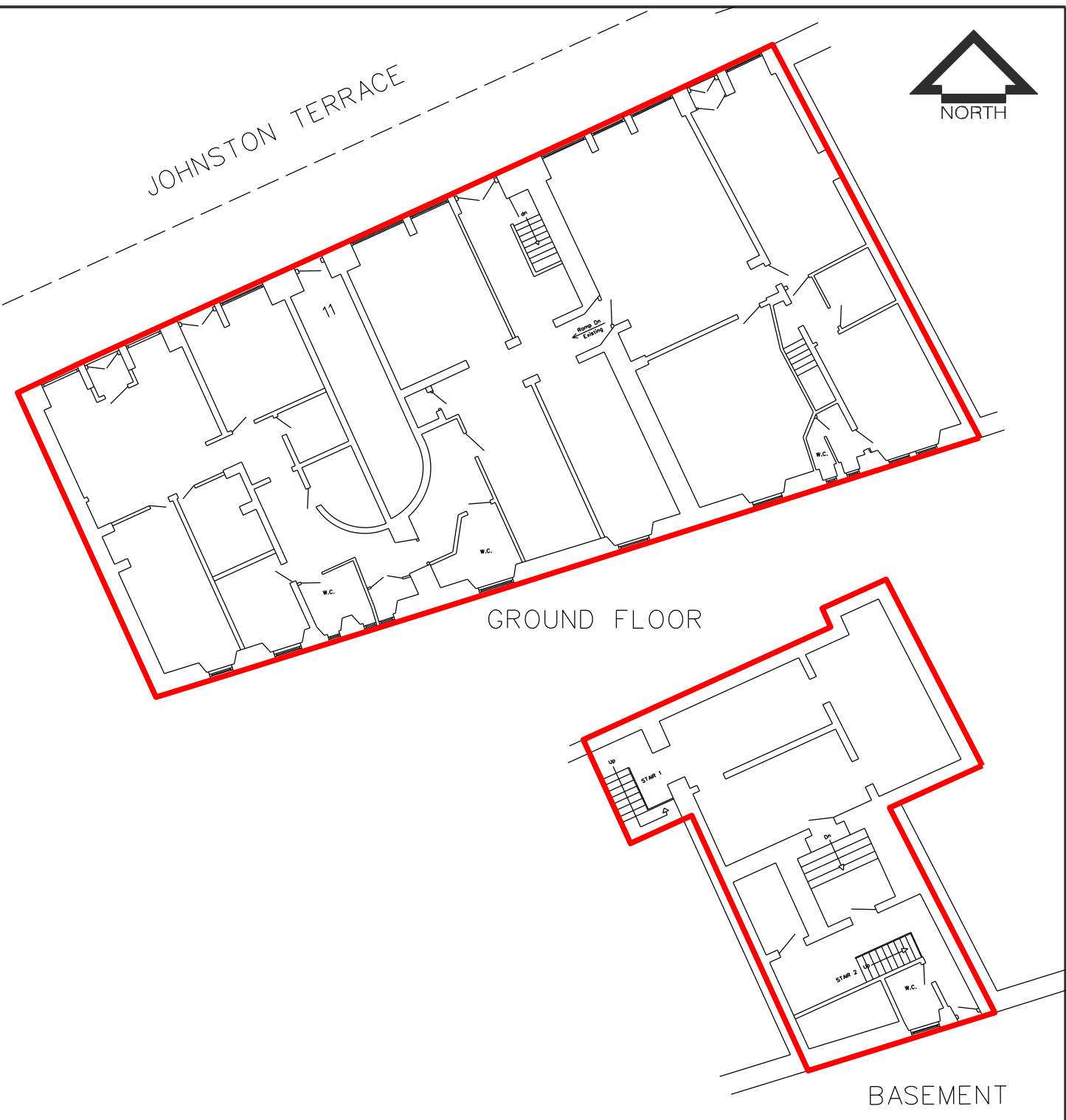
Appendix 1 - Location Plan



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

FLOOR PLAN



GROUND FLOOR

BASEMENT

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
8-13 JOHNSTON TERRACE EDINBURGH	
DATE	25/11/19
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/1524

8-13 JOHNSTON TERRACE, EDINBURGH

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