

Finance and Resources Committee

10.00am, Thursday, 29 October 2020

1st Floor, Ratho Park (Phase 3), Edinburgh – Proposed New Lease

Executive/routine Wards Council Commitments	Routine Ward 3 – Drum Brae / Gyle <u>2</u>
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1. Recommendations

- 1.1 That Committee approves a new 20-year lease to Nykobing Ltd of the 1st Floor Office Suite, Ratho Park (Phase 3), 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

Contact: Andrew McCurrach, Investment Portfolio Officer,
Property and Facilities Management Division, Resources Directorate

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- Rent Review: Upwards only on a five yearly basis;
- Use: Private medical centre;
- Repairs: Tenant full repairing and insuring obligation;
- Incentive: 15 month rent free;
- Costs: Each party to bear their own costs;
- Condition: Subject to planning permission for proposed use;
- Other Terms: As contained in the standard Council lease.

4.2 The rent equates to a rate of £10 per sq ft which is reflective of current market rental levels at Ratho for an office suite of this size. Since July 2020, the Investment Team have concluded two similar new lettings at Ratho Park, under delegated authority. These have resulted in 8,367 sq. ft of office space being leased, £78,188 of new income being generated and removal of void costs in the region of £79,750, before the proposed transaction is considered.

5. Next Steps

5.1 Following Committee approval, legal services will be instructed to progress the preparation of a new lease.

6. Financial impact

6.1 A new rental income of £81,270 per annum, will be payable to the General Property Account Removal. In addition the liability for vacant property costs in the sum of £77,000 per annum will be removed.

7. Stakeholder/Community Impact

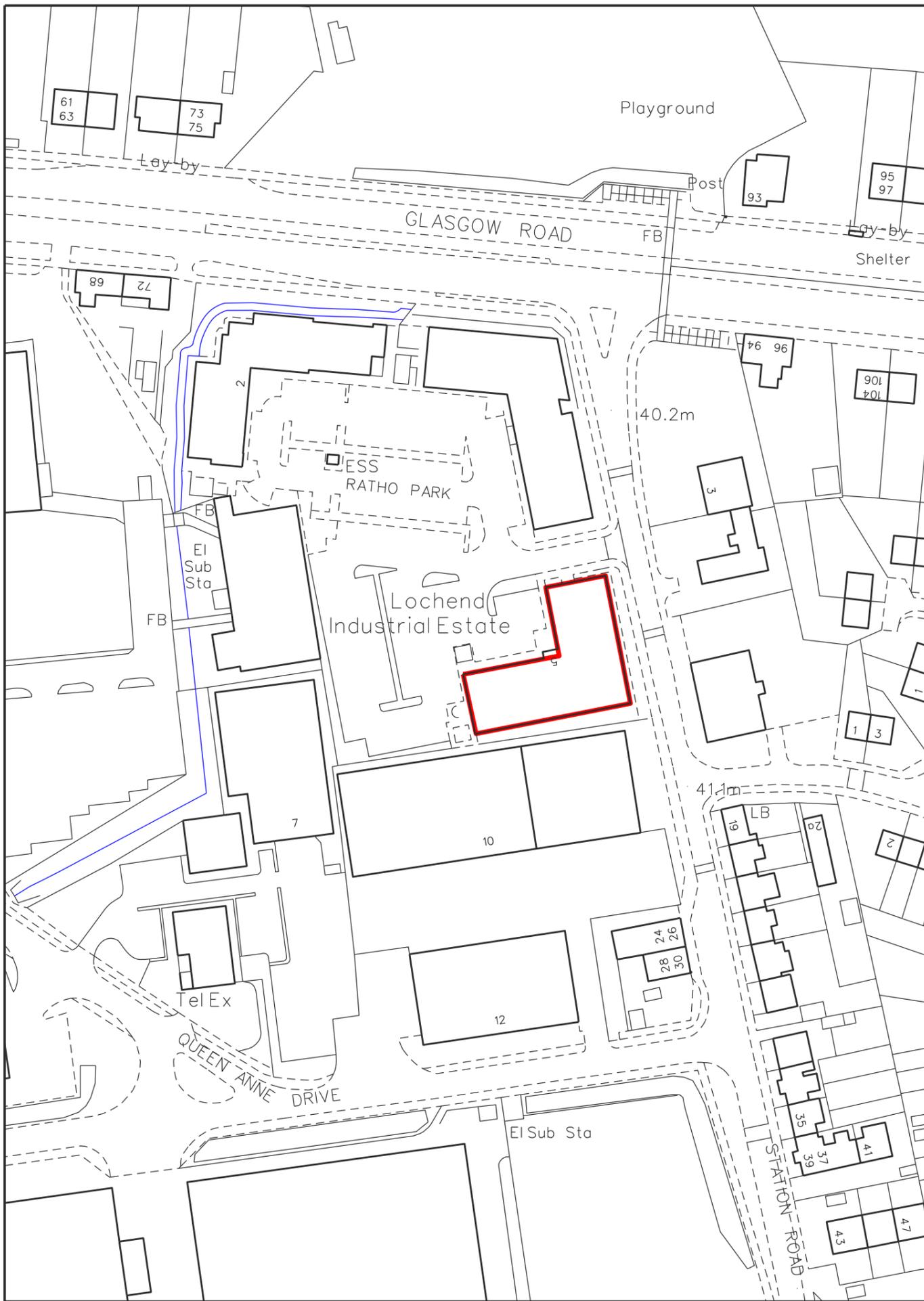
7.1 Ward members have been made aware of the recommendations of the report.

8. Background reading/external references

8.1 N/A.

9. Appendices

9.1 Appendix 1 – Location Plan



LOCATION PLAN

SCALE 1:1250



FIRST FLOOR

SITE PLAN

SCALE 1:500

EDINBURGH
THE CITY OF EDINBURGH COUNCIL

PROPERTY AND FACILITIES MANAGEMENT
RESOURCES

FIRST FLOOR
RATHO PARK
STATION ROAD
RATHO STATION

DATE	9/9/20
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:500 @ A3 SIZE
NEG. NO.	A3/1759