

# Finance and Resources Committee

10.00am, Thursday, 3 March 2022

## 23 South Gyle Crescent, Edinburgh - Proposed Lease Extension

Executive/routine	Routine
Wards	Ward 3 - Drumbrae/Gyle
Council Commitments	<a href="#">2, 10</a>

### 1. Recommendations

---

- 1.1 Finance and Resources Committee is asked to approve a 42-year lease extension to Tilstone Industrial Limited of ground at 23 South Gyle Crescent, Edinburgh on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Place.

**Paul Lawrence**

Executive Director of Place

Contact: Iain Lamont, Investment Portfolio Officer

E-mail: [iain.lamont@edinburgh.gov.uk](mailto:iain.lamont@edinburgh.gov.uk) | Tel: 0131 529 7610

# Report

## 23 South Gyle Crescent, Edinburgh - Proposed Lease Extension

### 2. Executive Summary

---

- 2.1 The ground at 23 South Gyle Crescent is let to Tilstone Industrial Limited on a 125-year ground lease which expires on 28 November 2105. The tenant has requested a 42-year lease extension until 28 November 2147. This report seeks approval to grant a 42-year lease extension to Tilstone Industrial Limited on the terms and conditions outlined in the report.

### 3. Background

---

- 3.1 The ground at 23 South Gyle Crescent extends to 1.49 Hectares (3.69 Acres) or thereby and is shown outlined in red on the attached plan at appendix 1.
- 3.2 Tilstone Edinburgh Limited are the current tenant of the ground, upon which they have constructed an industrial type property. The current ground rent paid to the Council is £56,000 per annum.
- 3.3 The existing lease expires on 28 November 2105 and the tenant has requested a 42-year lease extension from this date until 28 November 2147. This extension has been requested as it will provide the tenant with enhanced security of tenure and, in turn, ensure the building which they own remains a viable investment asset should they decide to sell their leasehold interest at a future date.

### 4. Main report

---

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: 23 South Gyle Crescent, Edinburgh;
  - 4.1.2 Tenant: Tilstone Edinburgh Limited;
  - 4.1.3 Lease extension: 42 years to extend expiry date to 28 November 2147;
  - 4.1.4 Rent: the current rent is £56,000 per annum;
  - 4.1.5 Rent Review: 5 May 2021 and five yearly thereafter;
  - 4.1.6 Repair: full repairing obligation on the tenant;
  - 4.1.7 Costs: the tenant will meet the Council's costs; and

4.1.8 Other conditions: as contained in the subjects existing lease.

4.2 As part of the negotiations to extend the lease term the rent review from May 2021 has been provisionally agreed at £65,350 per annum.

4.3 The tenant, Tilstone Edinburgh Limited, has met all their financial and legal obligations under the existing lease.

## **5. Next Steps**

---

5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for the extended lease.

## **6. Financial impact**

---

6.1 The current rent received from the lease is £56,000 per annum. This will increase to £65,350 per annum when the outstanding rent review from May 2021 is formally documented. The rental increase will be backdated to the date of review.

## **7. Stakeholder/Community Impact**

---

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

## **8. Background reading/external references**

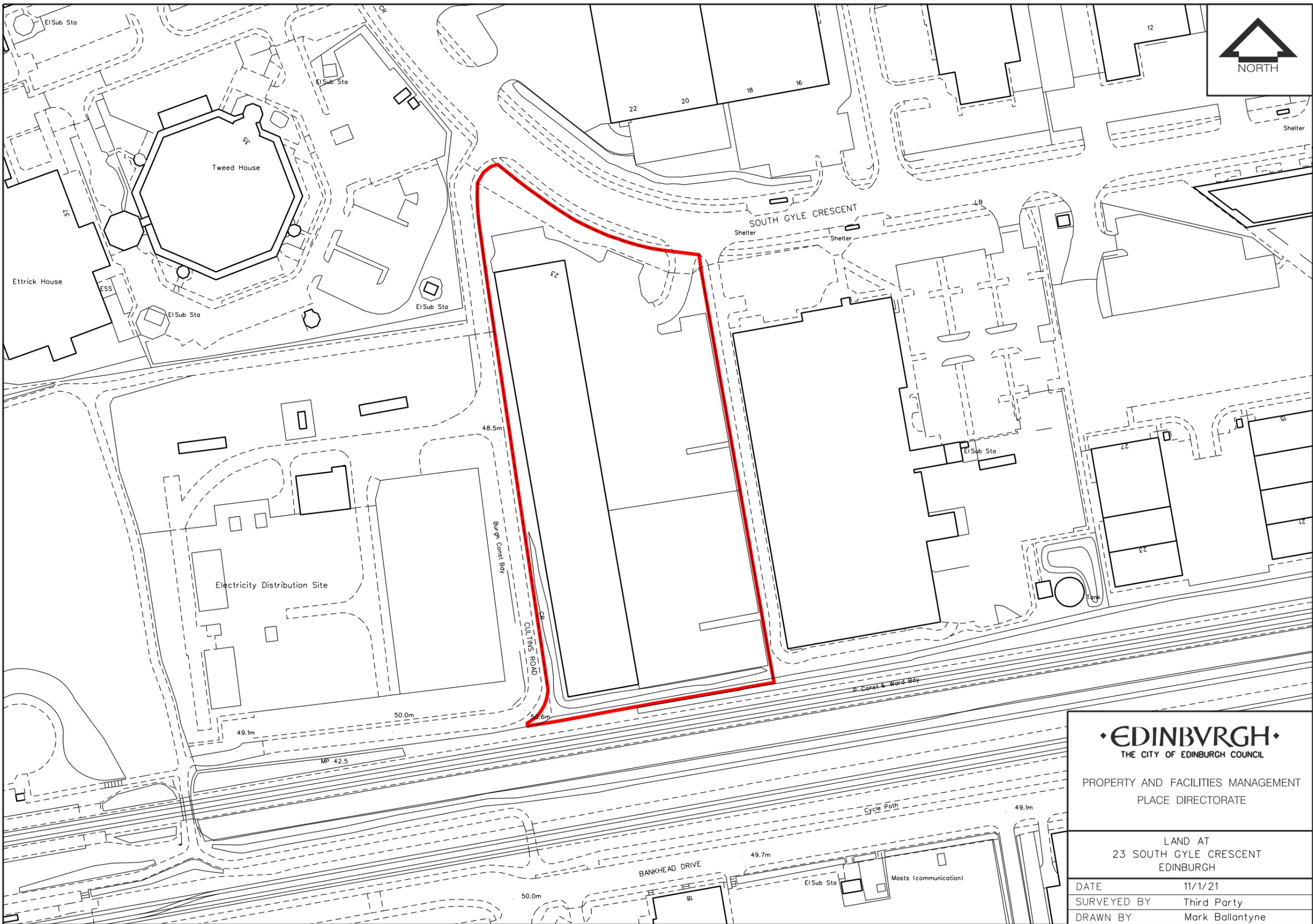
---

8.1 None.

## **9. Appendices**

---

9.1 Appendix 1 – Location Plan.



<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT PLACE DIRECTORATE	
LAND AT 23 SOUTH GYLE CRESCENT EDINBURGH	
DATE	11/1/21
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/2413

SITE PLAN

SCALE 1:1250

THIS MAP IS REPRODUCED FROM ORDNANCE SURVEY MATERIAL WITH PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTROLLER OF HER MAJESTY'S STATIONARY OFFICE CROWN COPYRIGHT. UNAUTHORISED REPRODUCTION INFRINGES CROWN COPYRIGHT LICENCE NUMBER 100023420. CITY OF EDINBURGH 2013 AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS.