

Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Block 1 Unit 2 Pennywell Town Centre, Edinburgh – Proposed New Lease

Executive/routine Wards Council Commitments	Routine 1 – Almond
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approve a new 15-year lease to Ladbrokes Betting and Gaming Limited at Block 1 Unit 2 on the terms and conditions outlined in the report.

Paul Lawrence

Executive Director of Place

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Report

Block 1 Unit 2 Pennywell Town Centre, Edinburgh – Proposed New Lease

2. Executive Summary

- 2.1 The Pennywell/Muirhouse Civic Centre Redevelopment is a three-phase project providing new ground floor retail accommodation with residential uses above. To facilitate the redevelopment, an existing tenant, Ladbrokes, are required to relocate to the new Block 1 Unit 2. This report seeks approval to grant a new 15-year lease to Ladbrokes Betting and Gaming Limited on the terms and conditions outlined in the report.

3. Background

- 3.1 Pennywell/Muirhouse is a major Council led regeneration project delivering 196 affordable homes around a new civic square with retail outlets. The development of the civic centre involves the demolition of 48 flatted properties, 25 commercial units and existing public realm delivered over three phases.
- 3.2 Block 1 forms part of the second phase of the town centre redevelopment and will consist of eight retail premises on the ground floor, with 40 residential properties above.
- 3.3 Block 1 Unit 2 Pennywell Town Centre extends to 127 sq m (1,367 sq ft) or thereby and is shown outlined in red on the attached plan.
- 3.4 As part of the management of the development delivery process, it was agreed that former occupiers would be relocated within the new development. Consequently, Ladbrokes would relocate to a unit within the new scheme when complete. The purpose of this report is to seek approval to the terms and conditions of the new lease.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: Block 1 Unit 2 Pennywell Town Centre, Edinburgh;

- 4.1.2 Tenant: Ladbrokes Betting and Gaming Limited;
 - 4.1.3 Lease term: 15 years;
 - 4.1.4 Rent: £22,685 per annum;
 - 4.1.5 Rent review: 5 yearly
 - 4.1.6 Break Option: tenant break option on tenth anniversary;
 - 4.1.7 Repair: tenant full repairing liability;
 - 4.1.8 Use: retail use;
 - 4.1.9 Costs: each party responsible for their own costs; and
 - 4.1.10 Rent free; as the unit is in a shell condition a six-month rent-free period will be granted
- 4.2 The tenant has fulfilled all their legal and financial obligations in terms of the previous lease for the former unit where the rent was £15,000 per annum.

5. Next Steps

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

6. Financial impact

- 6.1 A rent of £22,685 per annum will be received from a new unit for a 15-year term. The income contributes to the previously approved business case for the civic centre redevelopment.

7. Stakeholder/Community Impact

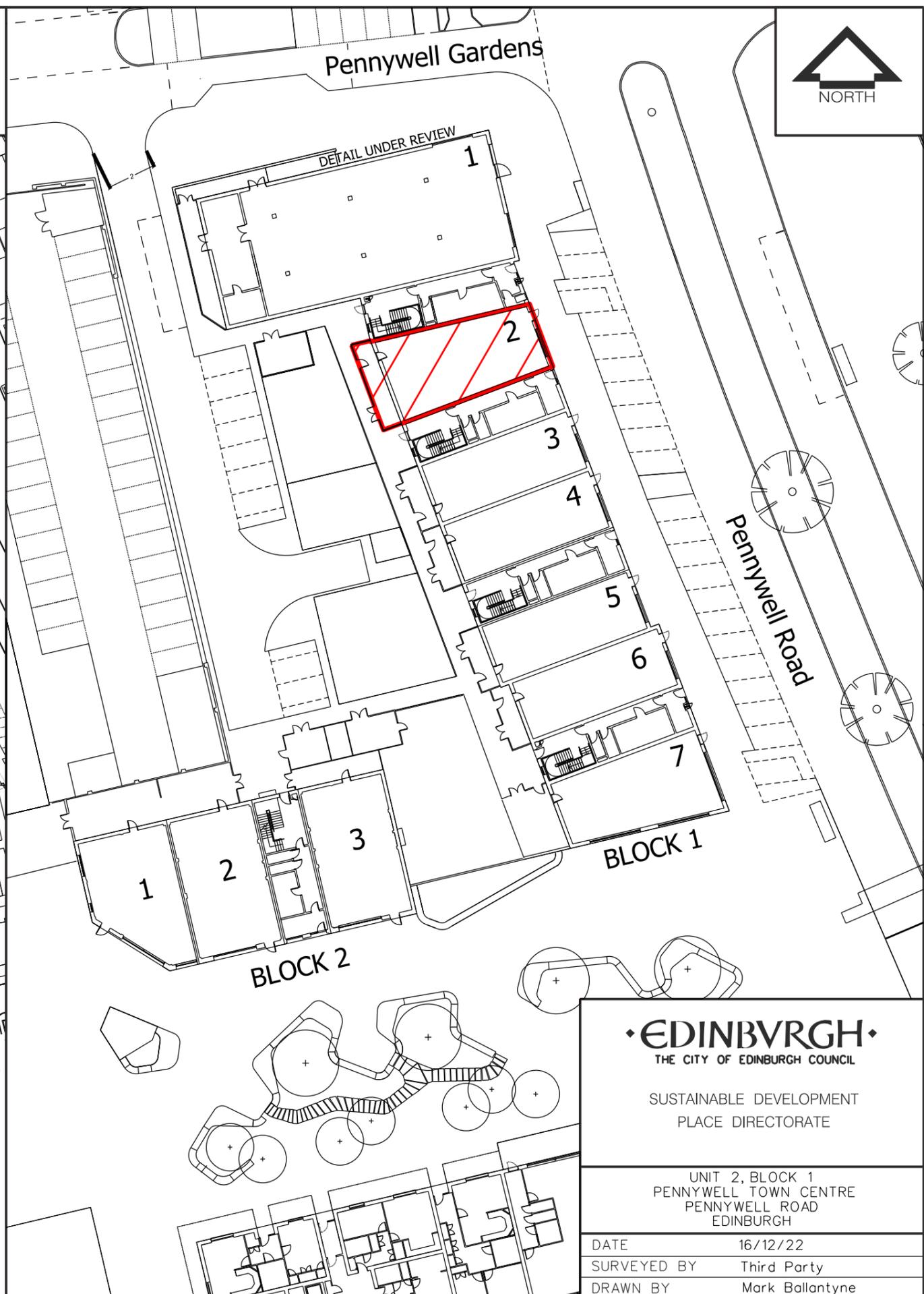
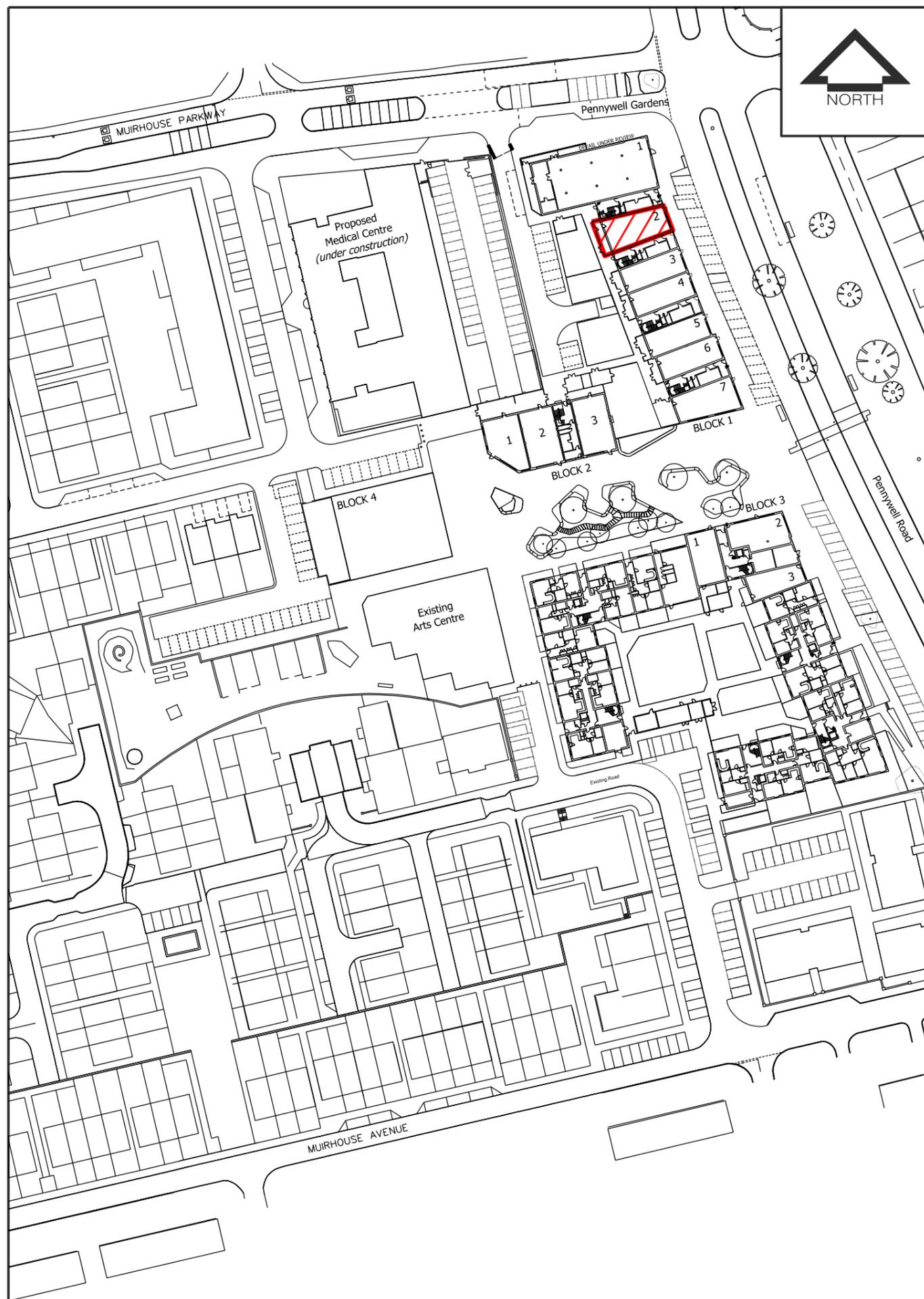
- 7.1 Ward members have been made aware of the recommendations of this report.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Location plan.



LOCATION PLAN

SCALE 1:1250

SITE PLAN

SCALE 1:500

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SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
UNIT 2, BLOCK 1 PENNYWELL TOWN CENTRE PENNYWELL ROAD EDINBURGH	
DATE	16/12/22
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/2086a