

Finance and Resources Committee

10.00am, Thursday, 21 September 2023

244 Canongate, Edinburgh – Proposed New Lease

Executive/routine
Wards

Routine
11- City Centre

1. Recommendations

- 1.1 That the Finance and Resources Committee approve a new 20-year lease to the Wine and Spirit Group at 244 Canongate, Edinburgh on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

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Report

244 Canongate, Edinburgh – Proposed New Lease

2. Executive Summary

- 2.1 The shop unit at 244 Canongate has been vacant since February 2023. This report seeks approval to lease the property to the Wine and Spirit Group on the terms and conditions outlined in this report.

3. Background

- 3.1 The property known as 244 Canongate extends to 103.12 sq m (1,110 sq ft) and is shown outlined in red on the attached plan.
- 3.2 The unit was vacated in February 2023 and was subsequently marketed. Three offers were received at the closing date of 7 July 2023.

4. Main report

- 4.1 The following terms have been provisionally agreed with the preferred bidder at the closing date:-
- 4.1.1 Subjects 244 Canongate, Edinburgh;
 - 4.1.2 Tenant: Wine and Spirit Group;
 - 4.1.3 Lease term: twenty years and one day;
 - 4.1.4 Rent: £36,000 per annum;
 - 4.1.5 Rent Review: five yearly, upward only, to market value;
 - 4.1.6 Break Option: tenant only at years five, 10 and 15;
 - 4.1.7 Repair: full repairing obligation; and
 - 4.1.8 Costs: each party responsible for their own costs.
- 4.2 Wine and Spirit Group were selected as preferred bidder as their proposal offered the most competitive rent and sought the longest lease term.

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 When the lease is completed, an annual rent will of £36,000 per annum will be credited to the General Property Account. The rent prior to the unit becoming vacant £30,000 per annum.

7. Equality and Poverty Impact

- 7.1 It is not considered that there are any equality and poverty implications from re-letting this vacant unit which is part of the Council's commercial property portfolio.

8. Climate and Nature Emergency Implications

- 8.1 It is not considered that there are any direct Climate and Nature Emergency Implications from re-letting this vacant unit.

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

- 9.1 Ward members have been made aware of the recommendations of this report.
- 9.2 The proposed lease 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.

