

Finance and Resources Committee

10.00am, Thursday, 25 January 2024

181-183 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 25-year lease to B&GS Landa Limited of the retail unit at 181-183 Canongate, 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

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181-183 Canongate, Edinburgh - Proposed New Lease

2. Executive Summary

- 2.1 The retail unit at 181-183 Canongate is let to B&GS Landa Limited on a lease expiring in February 2024. This report seeks approval to grant a new 25-year lease B&GS Landa Limited on the terms and conditions outlined in the report.

3. Background

- 3.1 The retail unit known as 181-183 Canongate extends to 187.70sq m (2,020sq ft) or thereby and is shown outlined in red on the attached plan.
- 3.2 B&GS Landa Limited have occupied the retail unit since March 2016 and trade as a clothing and gift shop. The current rent for the subject is £32,000 per annum. The existing lease expires on 28 February 2024 and the tenant has requested a new 25-year lease.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: 181 – 183 Canongate, Edinburgh;
 - 4.1.2 Tenant: B&GS Landa Limited;
 - 4.1.3 Lease term: 25 years from 1 March 2024;
 - 4.1.4 Rent: £50,700 per annum;
 - 4.1.5 Rent free period: 3 month rent free period from the date of entry;
 - 4.1.6 Rent Review: five yearly;
 - 4.1.7 Repair: full repairing obligation; and
 - 4.1.8 Costs: tenant responsible for the Councils legal costs.
- 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 the Finance and Resources Committee, solicitors will be instructed to conclude the legal documentation.

6. Financial impact

- 6.1 When the lease is completed, the rent will increase from £32,000 to £50,700 per annum, to be credited to the General Property Account.

7. Equality and Poverty Impact

- 7.1 This is a new 25-year lease to an established tenant who has occupied the retail unit since March 2016. It is not considered this proposal has any equality or poverty implications.

8. Climate and Nature Emergency Implications

- 8.1 It is considered there are no direct Climate and Nature Emergency Implications from offering a lease extension to the established tenant.

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

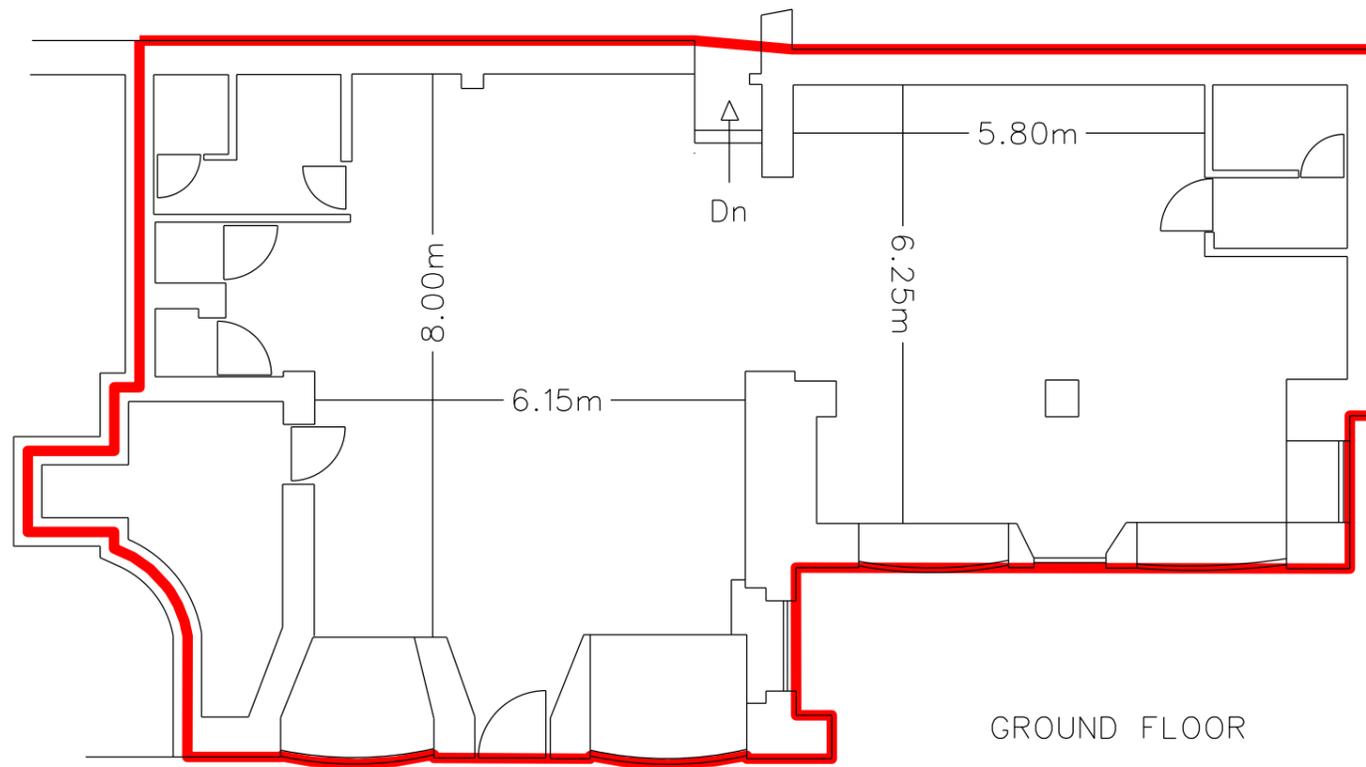
- 9.1 Ward members have been aware of the recommendations of this report.
- 9.2 The proposed lease is in keeping with the Commercial Property Portfolio Strategy that was approved by Committee on 20 June 2023.

10. Background reading/external references

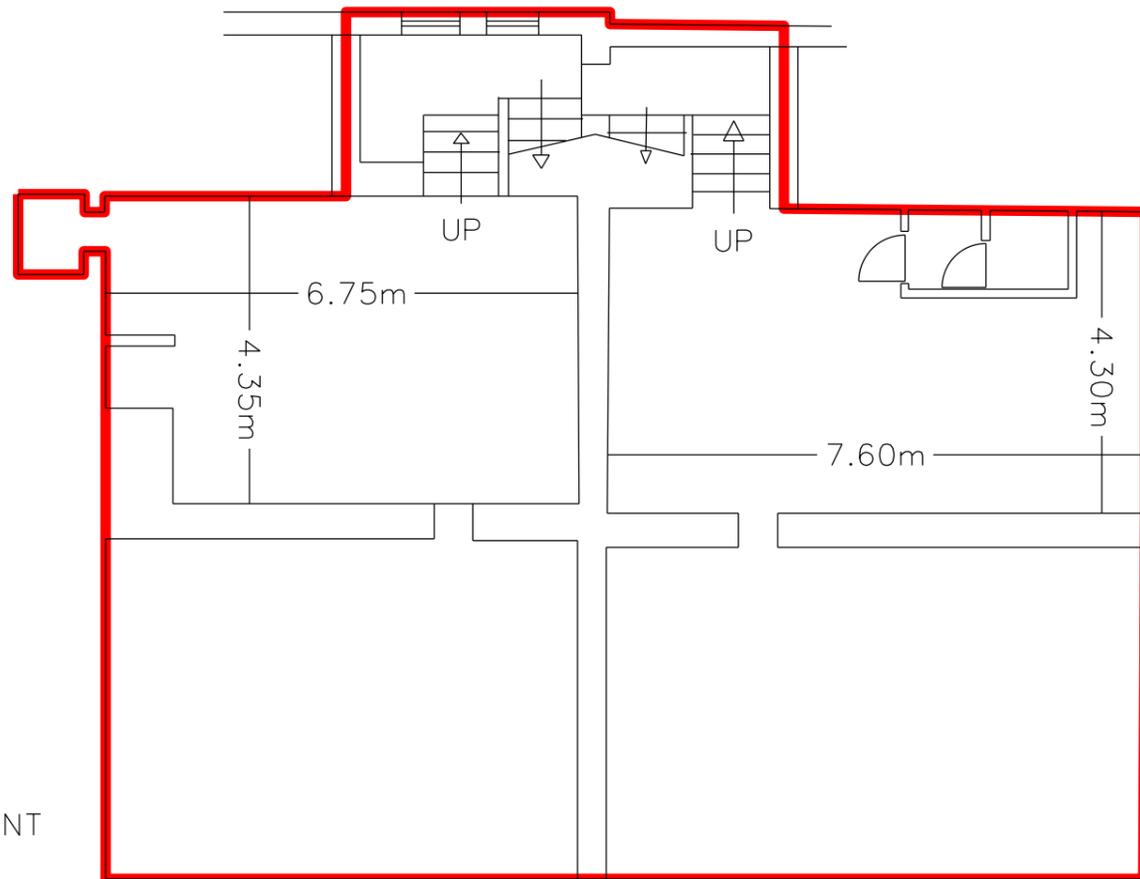
- 10.1 [Commercial Property Portfolio Strategy](#).

11. Appendices

- 11.1 Appendix 1 – Location plan.



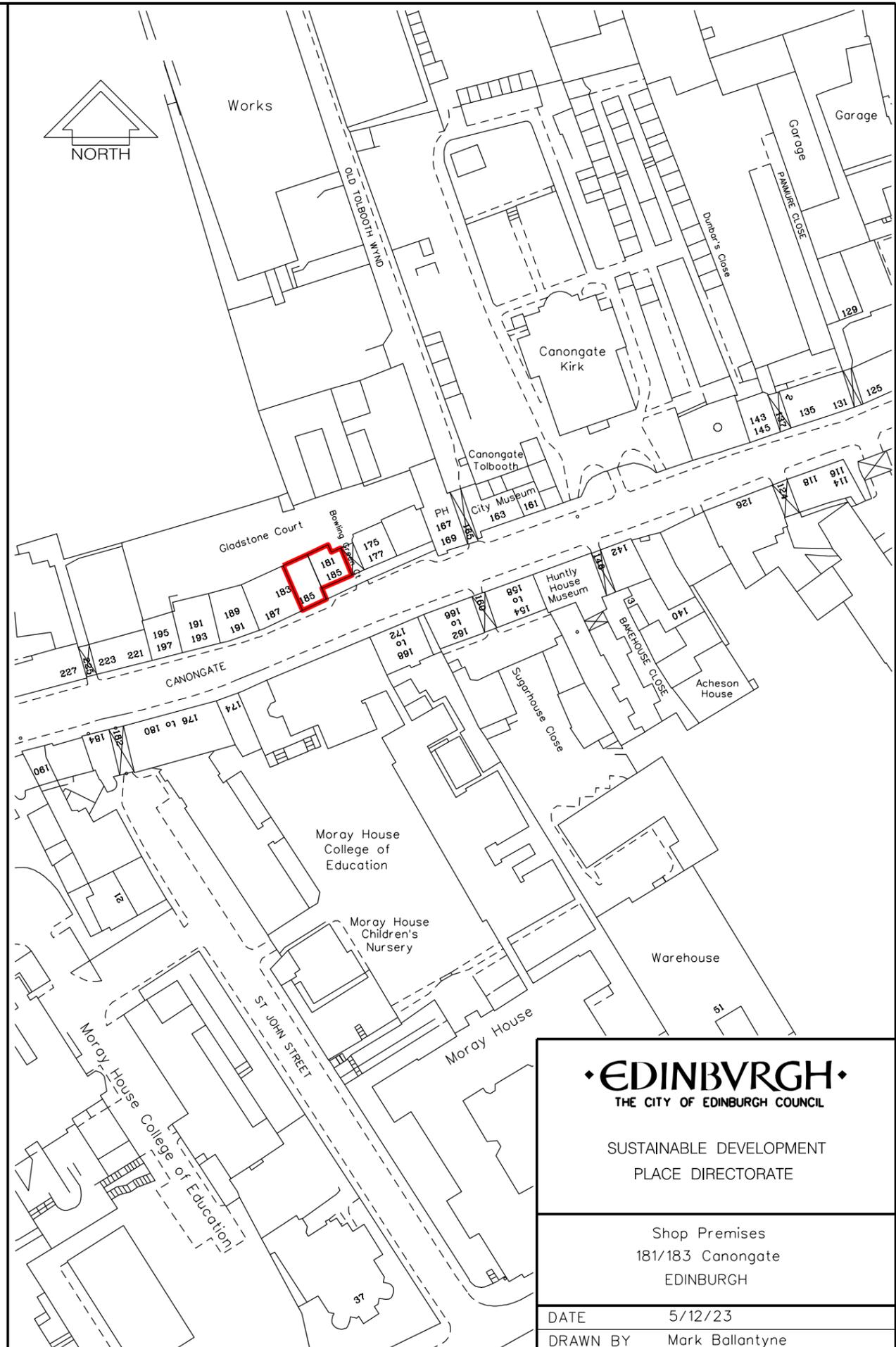
GROUND FLOOR



BASEMENT

FLOOR PLANS

SCALE 1:100



LOCATION PLAN

SCALE 1:1250

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT
PLACE DIRECTORATE

Shop Premises
181/183 Canongate
EDINBURGH

DATE	5/12/23
DRAWN BY	Mark Ballantyne
SCALE	1:100 @ A3 SIZE
NEG. NO.	A3/124