

Finance and Resources Committee

10.00am, Thursday, 10 October 2019

Summary Report on Property Transactions concluded under Delegated Authority

Executive/routine	Routine
Wards	All
Council Commitments	2,10

1. Recommendations

- 1.1 The Committee is recommended to note the 15 transactions detailed in the attached appendix which been concluded in terms of the Council's 'Scheme of Delegation to Officers.

Stephen S. Moir

Executive Director of Resources

Contact: Graeme McGartland, Investments Senior Manager,

Property and Facilities Management Division, Resources Directorate

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

Summary Report on Property Transactions concluded under Delegated Authority

2. Executive Summary

- 2.1 To advise the Committee of all lease agreements, etc. concluded in terms of the Council's 'Scheme of Delegation to Officers'.
- 2.2 This delegated authority currently extends to the conclusion of all new leases of up to five years in length where the rental is no greater than £50,000 per annum and rent reviews where the rental is no greater than £50,000 per annum. The authority also includes the sale of property which has been declared surplus to the requirements of the Council and sold on the open market to the highest bidder. Any transactions outwith these parameters are reported separately to Committee.

3. Background

- 3.1 Under the Council's Scheme of Delegation to Officers it is the responsibility of the relevant Executive Director to keep the elected members appropriately informed about activity arising within the scope of the delegated authority under the Scheme. Reporting on a quarterly basis is considered the appropriate manner and frequency of keeping members advised.

4. Main report

- 4.1 Appendix 1 provides details of 16 transactions completed under delegated authority since the last quarterly report. Leased properties which have been vacant for more than 6 months are shown at a previous rent of zero.
- 4.2 The financial benefit to the Council of these transactions is summarised below:
 - 3 new leases producing an additional £46,416 per annum;
 - 3 lease renewal/extensions producing an additional £9,950 per annum;
 - 7 rent reviews producing an increase of £37,600 per annum;
 - 2 disposals producing a capital receipt of £730,116.

5. Next Steps

- 5.1 The report sets out transactions which have been completed, under delegated authority, since the Finance and Resources Committee on 23 May 2019. There are no further steps in relation to these transactions.

6. Financial impact

- 6.1 The financial impact of the transactions noted are set out above.

7. Stakeholder/Community Impact

- 7.1 Not applicable.

8. Background reading/external references

- 8.1 Not applicable.

9. Appendices

- 9.1 Appendix 1 – Schedule of Property Transactions

APPENDIX 1

NEW LEASES

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
1. RV-U04 AM	Ward 3 – Drumbrae/ Gyle	General Property	Suite 4, Ratho Park Phase 1 EH28 8PP	Emtec Building Services Ltd	Office	Old Rent: £0 per annum New Rent: £18,016 per annum Lease Period: 12/07/2019 to 11/7/2024 Payable: Quarterly in advance
REMARKS: New open market letting.						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
2. PEF01/U07 AM	Ward 17 – Portobello/ Craigmillar	General Property	Block 3 Unit 4 Peffermill Industrial Estate, King's Haugh EH16 5UY	Duck Egg Blue Management Ltd	Warehouse	Old Rent: £14,700 per annum New Rent: £ 17,600 per annum Lease Period: 18/04/19 to 17/04/24 Payable: Quarterly in advance
REMARKS: New open market letting following a closing date.						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
3. PEF01/U10 AM	Ward 17 – Portobello/ Craigmillar	General Property	Block 4 Unit 3/4 Peffermill Industrial Estate, King's Haugh EH16 5UY	Director of Safer & Stronger Communities	Warehouse	Old Rent: £0.00 per annum New Rent: £25,500 per annum Lease Period: 01/05/19 to 30/4/2024 Payable: Quarterly in advance
REMARKS: New letting to internal department. Existing lease within another CEC Estate brought to an end and being marketed.						

LEASE RENEWALS/EXTENTIONS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
4. 6335/1. IL	11 – City Centre	General Property	187 Canongate, Edinburgh, EH8 8BN	Luckwinder & Ratan Singh	Retail Class 1	Old Rent: £22,000 per annum New Rent: £25,000 per annum From: 01/04/19 to 31/04/24 Payable: Monthly in Advance
REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
5. 17768/4 IL	17 – Portobello/ Craigmillar	General Property	Unit 4 Peffer Place Business Centre, Edinburgh, EH16 4UZ	Delta Distribution Ltd	Industrial / Business Class 4	Old Rent: £8,500 per annum New Rent: £9,200 per annum From: 04/04/19 to /04/7/24 Payable: Monthly in Advance
REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
6. 16274/6A IL	11 – City Centre	General Property	371 High Street, Edinburgh, EH1 1PW	The Edinburgh Woollen Mill Limited	Retail Class 1	Old Rent: £97,750 per annum New Rent: £104,000 per annum From: 22/12/18 to 22/12/23. Payable: Monthly in advance.
REMARKS:						

RENT REVIEWS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
7. CLO-U04 IL	3 – Drumbrae/ Gyle	General Property	Clocktower, Unit 4/5 Flassches Yard, Edinburgh, EH12 9LB	THUS Plc	Business Use Class 4/5	Old Rent: £53,750 per annum New Rent: £54,500 per annum From: 01/09/17 to 31/08/22. Payable: Quarterly in advance.

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
8. CLO-U03 IL	3 – Drumbrae/ Gyle	General Property	Clocktower, Unit 3 Flassches Yard, Edinburgh, EH12 9LB	NTL National Networks Limited	Business Use Class 4/5	Old Rent: £55,600 per annum New Rent: £58,650 per annum From: 01/03/19 to 28/02/24. Payable: Quarterly in advance.

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
9. SGC-U04 IL	3 – Drumbrae/ Gyle	General Property	10 South Gyle Crescent, Edinburgh, EH12 9EB	The Scottish Ministers	Ground Lease Constructed on the subject is offices and associated car parking	Old Rent: £68,850 per annum New Rent: £77,600 per annum From: 28/05/19 to 27/05/24. Payable: Quarterly in advance.

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
10. IL	4 – Forth	General Property	Units 18/19 West Harbour Road, Edinburgh, EH5 1PN	Powderhall Bronze Ltd	Industrial Class 4	Old Rent: £36,000 per annum New Rent: £40,000 per annum From: 04/04/19 to 03/04/24. Payable: Monthly in advance.

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
11. 1544/4 IL	10 – Meadows/ Morningside	General Property	14 Lochrin Place, Edinburgh, EH3 9QY	Mrs Annie J Munro	Retail Class 1	Old Rent: £10,900 per annum New Rent: £11,800 per annum From: 01/03/19 to 28/02/24. Payable: Monthly in advance.
REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
13. 7066/D3 MB	11 – City Centre	General Property	Unit 2, Assembly Rooms, 54 George Street, Edinburgh, EH2 2LR	L'Oreal (UK) Limited	Retail Class 1	Old Rent: £92,500 per annum New Rent: £111,250 per annum From: 06/06/18 to 05/06/22. Payable: Quarterly in advance.

REMARKS: £18,750 per annum uplift. Third party determination based on £175 per sq ft.
Zone A on Reduced Floor Area of 978 sq ft less 35% end allowances.

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
14. 8071A IL	13 – Leith	General Property	77 Shore, Edinburgh, EH6 6RG	Mr & Mrs Erodgan Bayraktar	Retail Class 1	Old Rent: £9,900 per annum New Rent: £11,300 per annum From: 01/07/19 to 30/06/24. Payable: Quarterly in advance.

REMARKS:

DISPOSALS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
15. FM	Midlothian	General Property	Cockburn Cottage Penicuik EH26 8PP	Emma Louise Drye	Residential House	Net Purchase price: £130,116 Date of sale: 23/08/2019

REMARKS: Former tied house attached to Wellington residential school.

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
16. FM	17 – Portobello/ Craigmillar	General Property	Pittville Street Lane, Portobello EH15 2BN	Andrew Clarke	Residential/ Commercial Conversion	Net Purchase price: £600,000 Date of sale: 27/07/2019

REMARKS: Former laundry room sold following open marketing