

Finance and Resources Committee

10.00a.m, Tuesday, 2 February 2016

Proposed New Lease at 297 Canongate, Edinburgh

Item number	8.4
Report number	
Executive/routine	Routine
Wards	11 – City Centre

Executive summary

The retail unit at 297 Canongate is let to Mr Sitki Cagritekin and Mrs Mari Cagritekin, and trades as Wonders of Nature.

The lease is due to expire on 1 April 2016 and the tenant has requested a new 15 year lease in the name of Mrs Mari Cagritekin only.

The report seeks approval to grant a new 15 year lease, to Mrs Mari Cagritekin, on the terms and conditions outlined in the report.

Links

Coalition pledges	P15 , P28
Council outcomes	CO8 , CO9
Single Outcome Agreement	SO1

Proposed New Lease at 297 Canongate, Edinburgh

Recommendations

1.1 That Committee:

- 1.1.1 Approves a new 15 year lease, to Mrs Mari Cagritekin, of retail premises at 297 Canongate, Edinburgh, on the terms outlined in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

Background

- 2.1 The shop premises at 297 Canongate extends to 59.98m² (646sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since September 2013, the property has been let to Mr Sitki Cagritekin and Mrs Mari Cagritekin who operate a retail business selling a range of woollen fashions, household furnishings and ornaments, trading as Wonders of Nature. The current rent is £16,290pa excl VAT.

Main report

- 3.1 The existing lease expires on 1 April 2016, and Mrs Mari Cagritekin has requested that the Council grants a new 15 year lease, from 2 April 2016, in her name only. Mr Cagritekin is to guarantee the lease.
- 3.2 The tenant has fulfilled all its legal and financial obligations in terms of the existing lease.
- 3.3 The following main terms have been provisionally agreed:
- Subjects: Retail shop at 297 Canongate, Edinburgh, EH8 8BD;
 - New Lease: 15 years from 2 April 2016 until 1 April 2031;
 - Rent: £19,200 per annum (current market rental value);
 - Rent Reviews: Reviewed on each 5th anniversary of the term to open market value;
 - Use: The sale of woollen fashions, household furnishings and ornaments;
 - Repairs: Full repairing and maintaining obligation;
 - Guarantor: Mr Sitki Cagritekin.

Measures of success

- 4.1 Granting a new 15 year lease will allow Mrs Cagritekin to continue her long term financial planning of the business and, in turn, sustain employment to her workers and also help maintain the vibrant mix of retailers found in the Canongate.

Financial impact

- 5.1 An increase in rent of £2,910 per annum payable to the General Property Account.

Risk, policy, compliance and governance impact

- 6.1 This is a new 15 year lease to an existing joint tenant who has been trading from the property since September 2013. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

Equalities impact

- 7.1 An Equality and Rights Impact Assessment has been carried out.
- 7.2 An enhancement of rights has been identified as through a new lease, it will ensure that Mrs Cagritekin can continue to plan both financially and in terms of developing her business. This will allow her to continue to provide a high level of service and experience to her employees and customers. This directly links to an enhancement of the following rights namely (i) Legal Security, (ii) Education and Learning and (iii) Productive and Valued Activities.
- 7.3 A possible infringement has been identified in that by offering a new lease to the current tenant rather than placing the retail premises on the open market, there is the potential impact on others who may want to lease the shop. However, given the established nature of the tenant's business and the possible effect on it if a new lease is not granted, the impact is considered to be proportionate and justifiable.

Sustainability impact

- 8.1 There are no sustainability issues arising from this report as the property has been leased out as a retail shop for many years and this is set to continue.

Consultation and engagement

- 9.1 N/A.

Background reading/external references

N/A.

Hugh Dunn

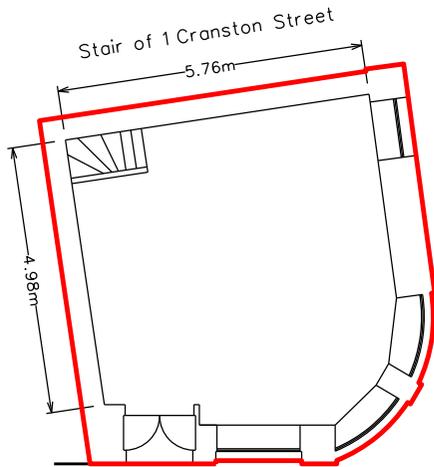
Acting Executive Director of Resources

Contact: Iain E Lamont, Estates Surveyor

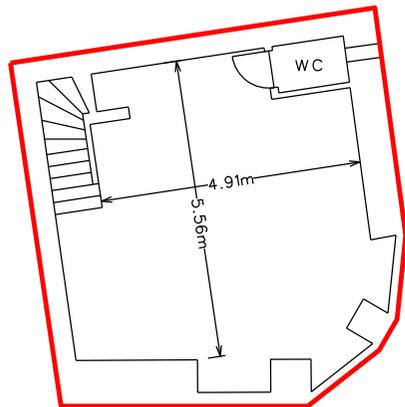
E-mail: iain.lamont@edinburgh.gov.uk | Tel: 0131 529 7610

Links

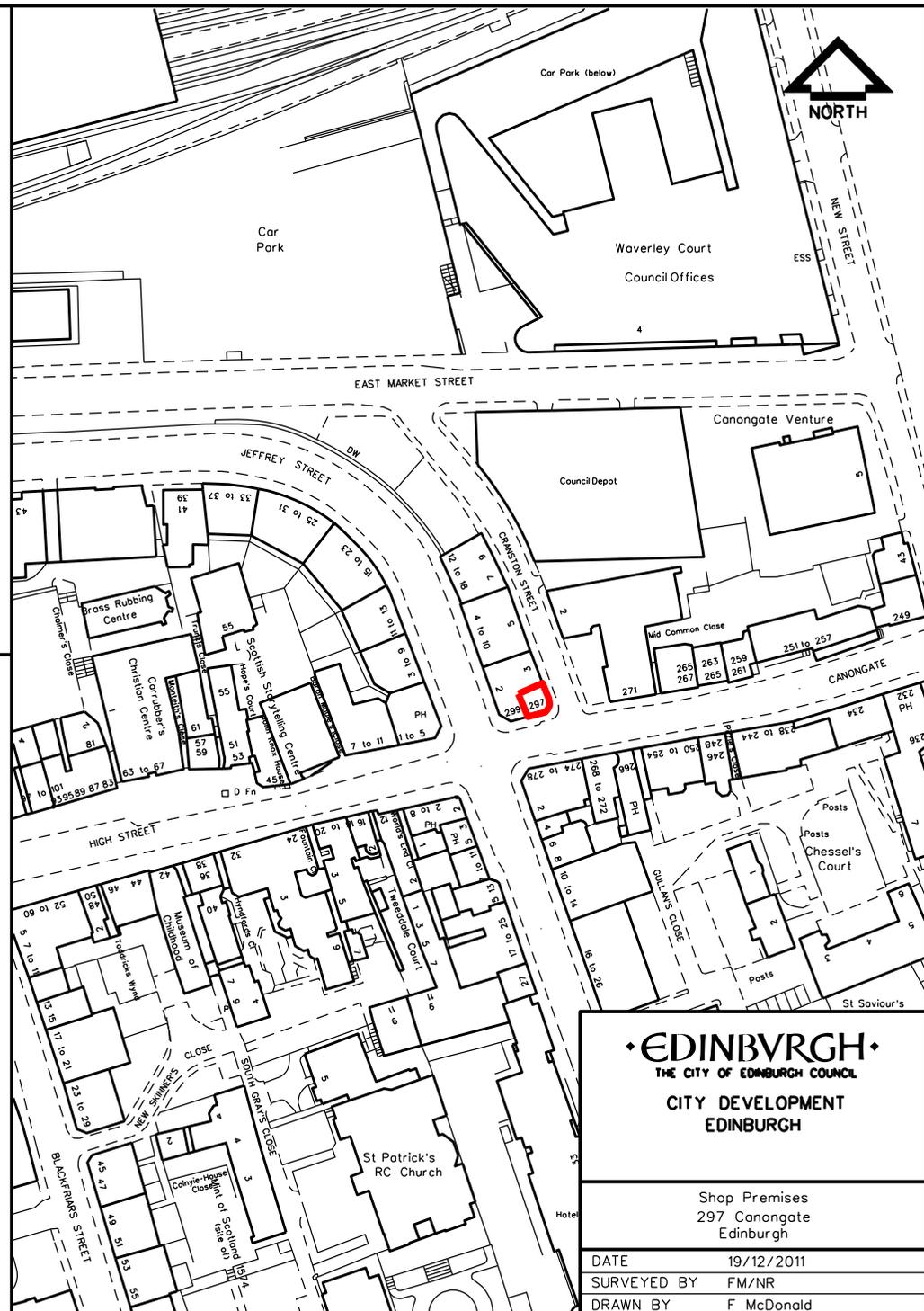
Coalition pledges	P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors. P28 – Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city.
Council outcomes	CO8 – Edinburgh’s economy creates and sustains job opportunities. CO9 – Edinburgh’s residents are able to access job opportunities.
Single Outcome Agreement	SO1 - Edinburgh’s Economy delivers increased investment, jobs and opportunities for all.
Appendices	Location Plan.



Ground Floor



Basement



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THE CITY OF EDINBURGH COUNCIL
CITY DEVELOPMENT
EDINBURGH

Shop Premises 297 Canongate Edinburgh	
DATE	19/12/2011
SURVEYED BY	FM/NR
DRAWN BY	F McDonald
FILE NO.	
NEG. NO.	NT 2673/A3/1258

SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

LOCATION PLAN