

To: <b>POLICY AND RESOURCES (PROPERTY) SUBCOMMITTEE</b>	Subject: <b>INDUSTRIAL &amp; COMMERCIAL LEASES - 1 JANUARY 2011 TO 31 MARCH 2011</b>
From: <b>HEAD OF PROPERTY SERVICES</b>	
Date: <b>27 April 2011</b>	Ref: <b>CAB/FF</b>

### 1. INTRODUCTION

- 1.1 The purpose of this report is to advise Committee of the lease transactions approved by the Head of Property Services in respect of the lease of industrial and commercial properties.

### 2. BACKGROUND

- 2.1 The attached appendix lists all the new leases, renewals and assignments (including those reported to Committee) during the period from 1 January 2011 to 31 March 2011. As detailed in the attached schedule, a total of 49 properties were let, renewed or assigned during the period (9 offices, 3 retail units, 23 industrial units, 1 compound, 1 lease of ground and 12 miscellaneous properties), generating £484,613 in annual rent. As a result, a total of approximately 691 jobs were maintained or created of which 167 were new jobs.

### 3. STATISTICS

- 3.1 For the Committee's information, the figures for the past year are shown below:-

Dates	Properties let	Rental generated	Jobs maintained/created
01/04/10-30/06/10	26 (13 offices, 1 retail unit, 9 industrial units, 1 compound and 2 miscellaneous properties)	£193,501	98 (42 new)
01/07/10-30/09/10	27 (5 offices, 4 retail units, 10 industrial units, 2 compounds, 4 grazings, 1 ground lease and 1 miscellaneous property)	£314,695	110 (86 new)
01/10/10-31/12/10	52 (7 offices, 12 retail units, 26 industrial units, 3 compounds, 1 grazing, 1 ground lease and 2 miscellaneous properties)	£635,582	461 (67 new)
01/01/11-31/03/11	49 (9 offices, 3 retail units, 23 industrial units, 1 compound, 1 ground and 12 miscellaneous properties)	£484,613	691 (167 new)
<b>TOTAL</b>	<b>154</b>	<b>£1,628,391</b>	<b>1,360 (362 new)</b>

- 3.2 The Committee should note that despite experiencing the worst recession since the 1930s, Property Services have achieved lettings, renewals and assignments at levels above those for the same period in the preceding year.

Dates	Properties Let	Rental Generated	Jobs Maintained/ Created
01/04/08 to 31/03/09	133	£827,685	527 (91 new)
01/04/09 to 31/03/10	140	£857,616	513 (150 new)
01/04/10 to 31/03/11	154	£1,628,391	1,210 (317 new)

- 3.3 The figures show that 14 more properties were leased in 2010/11 than the preceding year, with an increase in rental generation of £770,775 and nearly 167 new jobs were created in a rental market that is generally inactive with little letting activity.

#### 4. JOBS MAINTAINED/CREATED

- 4.1 Set out below is an annual summary of the jobs retained and new jobs created, which shows that over the last 6 years, the Investment Portfolio has been responsible for supporting 4,350 jobs of which 1,017 are new jobs.

Period	Existing Jobs	Jobs created	Total
1April05 to 31March06	491	160	651
1April06 to 31March07	502	167	669
1April07 to 31March08	543	87	630
1April08 to 31March09	436	91	527
1April09 to 31March10	363	150	513
1April10 to 31Dec10	998	362	1,360
	<b>3,333</b>	<b>1,017</b>	<b>4,350</b>

#### 4.2 Enquiry Database

For the period 1 April 2010 to 31 March 2011, Property Services have recorded details of the property enquiries by prospective tenants. 523 enquiries have been logged and these have generated 154 lettings in the same period. The Committee will be interested to note that the sources of enquiry were as follows:-

Internet	143	34%
Letting and Estate Boards	80	19%
Newspaper Adverts	24	6%
Local Knowledge	90	21%
Other	84	20%
<b>Total</b>	<b>421</b>	<b>100%</b>

Property Services will continue to report this information on a quarterly basis.

#### 4.3 Internet Presence

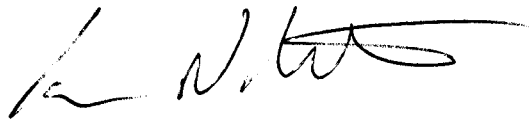
In the period 1 April 2010 to 31 December 2010, Commercial Property's main internet page received 4,446 visits resulting in 143 firm enquiries. Property Services recognise the internet as an important tool in marketing commercial property.

## **5. ECONOMIC OUTLOOK**

- 5.1 In spite of the success in maintaining income levels throughout what are difficult economic times, the short term outlook is still uncertain and it is anticipated that there will continue to be a large degree of "churn" in the portfolio which will require renewed efforts in re-marketing units as and when they are returned by tenants.
- 5.2 Growth in income from rent reviews and lease renewals has proved to be problematic and difficulties have been encountered in seeking to implement increases in rent at review. Property Services are currently developing a strategy of introducing "sustainable rents" whereby rent increase at reviews will be introduced in a phased manner to assist tenants where they face a significant increase in rent and their business cannot sustain this. This will always have regard to the market levels applicable for the relevant property.

## **6. RECOMMENDATION**

- 6.1 It is recommended that Committee notes the contents of the report.



**IAN NISBET**  
**Head of Property Services**

CAPB

Members seeking further information on the contents of this report are asked to contact Ian Nisbet, Head of Property Services, on 01236 616305.



# Commercial Property Portfolio Leases

Transactions completed between 01/01/2011 and 31/03/2011

<i>Category</i>	<i>Property</i>	<i>Tenant</i>	<i>Transaction</i>	<i>Use</i>	<i>Rent pa</i>	<i>Employment</i>	<i>Jobs created</i>
<b>Office ( 9 transactions)</b>							
	Unit 8, Strathclyde Business Centre, 391 Langmuir Road, Bargeedie, G69 7TU (8102)	Lanarkshire Community Food and Health Partnership	New Lease	Health Improvement Charity	£1,200	3	2
	Suite 3.2, Dalziel Building, 7 Scott Street, Motherwell, ML1 1PN (7330)	JHP Group Limited	New Lease	Training	£6,100	2	0
	Suite 3.8 Dalziel Building, 7 Scott Street, Motherwell, ML1 1PN (7506)	JHP Group Ltd	New Lease	Training	£5,500	2	0
	16A Stirling Street, Cumbernauld Village, G67 2QY (7960)	Lesley Brown	New Lease	Beauty Therapy	£1,500	1	1
3	Suite 2.7, Dalziel Building, 7 Scott Street, Motherwell, ML1 1PN (8037)	Dalziel Services Limited	New Lease	Maintenance & Electrical Contractor	£9,700	30	20
	Unit 4, Enterprise House, Dalziel Street, Motherwell, ML1 1PJ (8040)	Mr Neil Ward	New Lease	Storing Janitorial Products	£1,100	1	1
	Suites U & V, Town Hall Business Centre, 1/11 High Road, Motherwell, ML1 3HU (8146)	Barnardo's	New Lease	Childrens Charity	£11,880	0	0
	Orbiston Business Centre, 46 Babylon Drive, Bellshill, ML4 2DN (8143)	Community Learning & Development	Lease Renewal/Rent Review	Community learning centre	£49,520		
	Suite 3.12, Dalziel Building, 7 Scott Street, Motherwell, ML1 1PN (8038)	Therapeutic Counselling Services Limited	New Lease	Counselling Service	£3,300	0	0
Sub totals for Office transactions					<b>£89,800</b>	<b>39</b>	<b>24</b>

## Retail ( 3 transactions)

	489 Main Street, Coatbridge, ML5 3RD (7807)	Dale Bruce	New Lease	Pets and Pet Food	£9,000	1	1
--	---	------------	-----------	-------------------	--------	---	---

<i>Category</i>	<i>Property</i>	<i>Tenant</i>	<i>Transaction</i>	<i>Use</i>	<i>Rent pa</i>	<i>Employment</i>	<i>Jobs created</i>
	100 Windmillhill Street, Motherwell, ML1 1TA (7528)	Mr Vahit Can	New Lease	Barber Shop	£6,300	1	1
	11 Easton Place, Coatbridge, ML5 4EW (8127)	Hamayun Haq	New Lease	Hardware	£6,000	1	1
Sub totals for Retail transactions					<b>£21,300</b>	<b>3</b>	<b>3</b>

### **Industrial ( 23 transactions)**

	76 Telford Road, Lenziemill Industrial Estate, Cumbernauld, G67 2NJ (7985)	Futuro Fashion Ltd	New Lease	Online Trading	£4,200	2	0
	Unit 8 Dellburn Trading Park, 81 Meadow Road, Motherwell, ML1 1QB (7628)	Belmos Electrcial Services Ltd	New Lease	Electrcial Manufacturer	£11,650	6	0
	Unit 3, Braidhurst Industrial Estate, Newhut Road, Motherwell, ML1 3ST (7979)	Midas Engineering Solutions Limited	New Lease	Engineering Supplying	£7,000	2	2
	Unit 2, Braidhurst Industrial Estate, Newhut Road, Motherwell, ML1 3ST (7978)	Brian Cuninghame	New Lease	Online Retail of Gym Equipment	£7,000	1	0
39	Unit 1, Braidhurst Industrial Estate, Newhut Road, Motherwell, ML1 3ST (7977)	Mr John Donnelly	New Lease	Storage of Wedding Cars	£7,000	1	0
	17 Kelvin Road North, Lenziemill Industrial Estate, Cumbernauld, G67 2BD (8111)	Ian Scott and Joyce Scott t/a CEI Dental	New Lease	Dental Equipment	£1,600	1	0
	43 Kelvin Road North, Lenziemill Industrial Estate, Cumbernauld, G67 2BD (7942)	Stuart Graham	New Lease	French Polishing	£3,000	1	0
	Unit 12, 1 Princess Road, New Stevenston, ML1 4JD (7805)	Z & S Scotland Limited	New Lease	Internet Sales	£5,800	2	2
	5 Sandpiper Way, Bellshill, ML4 3NG (8073)	Thermashield Roof Coatings Ltd	New Lease	roofing contractor	£30,000	150	45
	11 Earn Avenue, Righead Industrial Estate, Bellshill, ML4 3LW (7858)	Battery Distribution Group Limited	New Lease	storage & distribution of batteries	£6,000	3	3
	2 Earn Avenue, Bellshill, ML4 3LW (8033)	Relay Vehicle Components	Lease Renewal/Rent Review	distribution of vehicle components	£10,000	5	0
	83 Kelvin Road North, Lenziemill Industrial Estate, Cumbernauld, G67 2BD (7720)	Polar Weld Ltd	New Lease	Welding and Metalwork	£3,000	1	0

<i>Category</i>	<i>Property</i>	<i>Tenant</i>	<i>Transaction</i>	<i>Use</i>	<i>Rent pa</i>	<i>Employment</i>	<i>Jobs created</i>
	69 Kelvin Road North, Lenziemill Industrial Estate, Cumbernauld, G67 2BD (8145)	Bryan Elliott	New Lease	Photographic	£1,600	2	0
	Unit 6, Dellburn Trading Park, 77 Meadow Road, Motherwell, ML1 1QB (7314)	DGC Training Services Limited	New Lease	Training Services	£7,500	2	1
	53 Kelvin Road North, Lenziemill Industrial Estate, Cumbernauld, G67 2BD (7298)	Binu Thomas	New Lease	Indian Grocery	£3,000	2	2
	2 Murray Place, Bellshill, ML4 3LP (7936)	Mark Stephen Keel T/A KD Doors	New Lease	Manufacture of industrial doors	£15,000	9	6
	16 Canyon Road, Nethererton Industrial Estate, Wishaw, ML2 0EG (8110)	McTear Contracts Limited	New Lease	Housing Contractor's	£8,800	140	60
	Unit 10 Strathclyde Business Centre, 18 Princess Road, New Stevenston, ML1 4JD (7571)	Ups and Downs Theatre Group	New Lease	Theatre Group	£1		
	4 Earn Avenue, Righead Industrial Estate, Bellshill, ML4 3LW (8105)	Initiative-Electrical Ltd	New Lease	electrical contractor	£10,000	3	1
	32 Upper Mill Street, Upper Mill Street Industrial Estate, Airdrie, ML6 6JJ (8104)	Sidney Friend t/a Servicemaster Truckmount Scotland	New Lease	Cleaning/disaster restoration	£3,000	3	2
40	6 Johnstone Street, Bellshill, ML4 1DE (8132)	Nafeesa Kausar	New Lease	car valeting	£2,900	2	2
	6 Johnstone Street, Bellshill, ML4 1DE (8131)	Michael McGrory	New Lease	car valeting	£2,900	4	4
	11 Dunlin Court, Strathclyde Business Park, Bellshill, ML4 3NH (7984)	Savain Scotland Ltd	New Lease	Construction firm - Storage/office	£13,300	6	0
Sub totals for Industrial transactions					<b>£164,251</b>	<b>348</b>	<b>130</b>
<b>Compound ( 1 transaction)</b>							
	Plot 7&8 Gartferry Road, Moodiesburn, Glasgow, G69 0JD (8133)	Your Space Architecture Limited	New Lease	architectural services	£4,050	17	10
Sub totals for Compound transactions					<b>£4,050</b>	<b>17</b>	<b>10</b>
<b>Ground ( 1 transaction)</b>							

<i>Category</i>	<i>Property</i>	<i>Tenant</i>	<i>Transaction</i>	<i>Use</i>	<i>Rent pa</i>	<i>Employment</i>	<i>Jobs created</i>
	Strathclyde Country Park, 366 Hamilton Road, Motherwell, ML1 3ED (7888)	M & D (Leisure) Ltd	Lease Renewal/Rent Review		£205,200	284	0
Sub totals for Ground transactions					£205,200	284	0

**Miscellaneous ( 12 transactions)**

	Coatbridge Outdoor Sports Centre, 11 Langloan Street, Coatbridge, ML5 1HH (8115)	North Lanarkshire Leisure Limited	New Lease	Sports Centre	£1		
	Shotts Leisure Centre, High Street, Shotts, (8125)	North Lanarkshire Leisure Limited	New Lease	Sports Centre	£1		
	Tryst Sports Centre, North Carbrain Road, Cumbernauld, (8124)	North Lanarkshire Leisure Limited	New Lease	Sports Centre	£1		
	Sir Matt Busby Sports Complex, Main Street, Bellshill, (8123)	North Lanarkshire Leisure Limited	New Lease	Sports Centre	£1		
	Kirkwood Sports Barn, 100 Viewfield Road, Coatbridge, (8122)	North Lanarkshire Leisure Limited	New Lease	Sports Centre	£1		
4	Keir Hardie Sports Centre, 41 Main Street, Holytown, ML1 4TP (8121)	North Lanarkshire Leisure Limited	New Lease	Sports Centre	£1		
	Kilsyth Swimming Pool, 1 Airdrie Road, Kilsyth, (8120)	North Lanarkshire Leisure Limited	New Lease	SPORTS CENTRE	£1		
	Iain Nicholson Centre, Chryston Road, Chryston, G69 9LE (8118)	North Lanarkshire Leisure Limited	New Lease	Sports Centre	£1		
	Birkenshaw Sports Barn, 35 Fourth Street, Uddingston, G71 6AU (8114)	North Lanarkshire Leisure Limited	New Lease	Sports Centre	£1		
	The Aquatec, 1 Mentieth Road, Motherwell, ML1 1AZ (8113)	North Lanarkshire Leisure Limited	New Lease	Sports Centre	£1		
	AirdrieLeisure Centre, 31 Motherwell Street, Airdrie, ML6 7HU (8112)	North Lanarkshire Leisure Limited	New Lease	Sports Centre	£1		
	John Smith Pool, Stirling Street, Airdrie, ML6 0AH (8119)	North Lanarkshire Leisure Limited	New Lease	Sports Centre	£1		
Sub totals for Miscellaneous transactions					£12		

<i>Category</i>	<i>Property</i>	<i>Tenant</i>	<i>Transaction Use</i>	<i>Rent pa</i>	<i>Employment</i>	<i>Jobs created</i>
Total number of transactions - 49			Totals for all transactions -	£484,613	691	167

42