

**NORTH LANARKSHIRE COUNCIL
REPORT**

To: POLICY & RESOURCES (PROPERTY) SUBCOMMITTEE	Subject: PROPOSED LEASE EXTENSION AT 66B LEVEN ROAD, COATBRIDGE
From: HEAD OF PROPERTY SERVICES	Tenant: AUJLA ENTERPRISES (SCOTLAND) LTD.
Date: 21 April 2011	Ref: MH/R3090446

1. INTRODUCTION

- 1.1 The purpose of this report is to seek Committee approval to grant a lease extension to an existing 5-year lease.

2. BACKGROUND

- 2.1 The Council has been approached by the current tenant, Aujla Enterprises (Scotland) Ltd, with a request for a 20-year extension to their lease at 66B Leven Road, Coatbridge. The current lease is due to expire on 9 September 2012.
- 2.2 Aujla Enterprises (Scotland) Ltd. operate a number of successful grocery retail businesses within North Lanarkshire and provide a service to the local community, as well as employing local people.
- 2.3 Granting a lease extension will continue to enhance the viability of the other smaller shops in the parade, and provide the Council with security of income on a long term basis.

3. DESCRIPTION

- 3.1 The property is located at the centre of a terrace of 3 shops within a housing development in the Townhead area, about 2 miles from Coatbridge Town Centre.
- 3.2 The property is a small retail unit in one of 2 blocks of shops. Parking is available to the rear of the adjacent block of shops and limited loading is located to the front.
- 3.3 The building extends to 43 m² (460 ft²) or thereby, as outlined on the attached plan.

4. NEGOTIATIONS

- 4.1 The current passing rent is £6,000 per annum with effect from 9 September 2007 and is due to be reviewed at 9 September 2012. A reviewed rent of £7,500 with effect from 9 September 2012 has been pre-agreed on the basis of the lease being extended for a further 20 years.

5. PROPOSED LEASE TERMS

5.1 A provisional agreement has been reached with the tenants on the following terms and conditions:-

- (i) **Duration:** 20 years from the lease expiry date.
- (ii) **Rental:** £6,000, rising to £7,500 from 9 September 2012.
- (iii) **Rent Reviews:** 5-yearly to market value, from 9 September 2017.
- (v) **Break Options:** None.
- (vi) **Rent Free:** None.
- (vii) **Use:** Licensed Grocer (current use continuing).
- (viii) All other terms and conditions and alterations to be in accordance with the standard lease terms for industrial/commercial ground.

6. CORPORATE CONSIDERATIONS

- 6.1 The property is held as Property Holding (Investment).
- 6.2 There are no adverse financial considerations as a consequence of this lease extension.
- 6.3 It is considered good estate management practice to secure tenants on as long a lease term as possible and this proposal is therefore of benefit to the Council in revenue terms.

7. RECOMMENDATIONS

- 7.1 It is recommended that the Committee agrees to grant a 20-year extension to the lease.
- 7.2 All other terms to be adjusted by the Head of Property Services.


IAN NISBET
Head of Property Services

IAN

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



LOCATION PLAN - For Information Only

Title: Coatbridge

Scale 1:NTS



Town: 66B Leven Road

Date: 28/04/11



Property Services

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