

Report to Portfolio Holder for Resources and Reputation

Subject: 15 Hazelford Way, Newstead. New Lease proposal.

Date: 10th May 2023

Author: Property Services Manager

Ward(s) Affected: Newstead Abbey

Purpose: To seek approval to grant a new lease at the above to the existing tenant and additionally to agree to the assignment of those lease interests to a new business tenant.

Key Decision: This is not a Key Decision.

Recommendation(s)

THAT: Approval is given for the Council to grant a new business tenancy.

- 1 Background:** This property forms part of a light industrial park, on the edge of Newstead Village. The current tenant is renewing their business tenancy. They have also advised us that it is their intention to sell their business as part of their retirement plans.
- 2 Proposal:** To grant a renewed new lease as outlined in the attached Heads of Terms.
- 3 Alternative Options:** By not agreeing to this lease renewal request, the tenant still has a right to renew their lease through the statutory renewal process under the 1954 Act and it would incur the council in a lot of time and financial cost going through that statutory process in objecting to the proposal without a valid objection, under the Act there is no apparent valid reason to object.

By agreeing to the grant this renewal with the tenant it will be drawn outside of the landlord and tenant Act rather than our being forced to grant a protected tenancy if it went through the statutory renewal process.

- 4 Financial Implications:** The property is currently occupied by the tenant who has been holding over for an extended period at what is now an historic rent quite some margin below the market levels seen elsewhere in this industrial park.

The agreed rent is c50% higher than that previously paid.

- 5 **Legal Implications:** None. We are looking to grant a renewal lease to the tenant outside the security of tenure provisions of s24-s28 of the landlord and tenant Act 1954 Pt II.
- 6 **Equalities Implications:** There are no equalities implications arising from this report.
- 7 **Carbon Reduction/Sustainability Implications:** There are no carbon reduction/sustainability implications arising from this report.
- 8 **Background Papers:** Heads of Terms.
- 9 **Reasons for Recommendations:** The tenant wishes to renew the lease as they are entitled to, and sell their business to another party. They have been open with GBC about these intentions to sell their limited company and we have seen details of the new business owner, who meets our basic requirements as a suitable tenant.

The rent under the renewed lease will be considerably higher than previously paid.