

Report to Portfolio Holder for Corporate Resources and Performance

Subject: New Lease of 11 Hazelford Way, Newstead

Date: 15 August 2023

Author: Property Services Manager

Ward Affected

Newstead

Purpose

To seek approval to grant a new lease at 11 Hazelford Way (“the Property”) to Assist Engineering Limited (“the Tenant”)

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT the Portfolio Holder for Resources and Reputation:

- 1) Authorises the Council to enter into a lease of 11 Hazelford Way to Assist Engineering Limited**

1. Background

The Property forms part of a light industrial park, on the edge of Newstead Village. The previous tenant surrendered the premises in January 2023. Required clearance works then followed to bring the unit to a lettable standard. HEB Surveyors have been marketing the unit on our behalf since March 2023. HEB have now secured an agreement for a lease with Assist Engineering Ltd.

The proposed lease terms are as follows:

Term – 5 years

Rent - £24,000 (Year 1)

£25,000 (Years 2-5)

Rent Free – 2 months
Break Clause –Year 3 (providing 6 months' notice)
Repair - FRI

HEB Surveyors have carried out the appropriate checks on the Tenant as part of the standard vetting process and they are considered to be a suitable tenant.

2. Proposal

To grant a 5 year lease of 11 Hazelford Way to Assist Engineering Limited.

3. Alternative Options

An alternative would be not to let the unit to the Tenant, however the Property is current vacant and therefore the Council are incurring void costs. The longer the Property is empty, the more costs the Council will be liable for.

4. Financial Implications

The proposed lease will produce a rent of £24,000 in Year 1, this will increase to £25,000 in Year 2 for the remainder of the term.

5. Legal Implications

The proposed rental figure is in line with the current market rent and the rent free period of 2 months is standard in the current market. This is therefore not considered to be a subsidy.

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

None

9. Reasons for Recommendations

Approval to grant the lease of 11 Hazelford Way would ensure that the Council receives an income for the Property which has been vacant for 8 months.

It would also ensure that a business operating within the Borough continues to do so.