

BACKGROUND INFORMATION - PORTFOLIO HOLDERS DECISION

1 LOCATION & DESCRIPTION

- 1.1 The property is located approximately two miles to the south-east of Nottingham city centre in a highly prominent location. Lenton Lane is an estate road which runs parallel to Clifton Boulevard (A52) close to its junctions with Queens Drive and Clifton Lane (A453). The property is well located for access to the A453 and A52, the main arterial routes linking Nottingham city centre with the M1 motorway at junctions 24 and 25. The location also benefits from excellent public transport links. Lenton Lane is well regarded for car and general showrooms uses with nearby occupiers including Ferrari, Maserati, BMW and Tile Mountain.
- 1.2 The property comprises a rectangular shaped site of approximately 1.6 acres fronting the eastern side of Lenton Lane with the principal building being of 'U' shaped configuration. The original building being a 1970s warehouse unit with two storey office on the front elevation. Various extensions have been added over time to increase the production area which wraps around a central yard accessible from Lenton Lane. The production area consists of four interconnecting bays each of steel portal frame construction with a varying eaves height of from 2.9 - 7.0m. Externally, the property benefits from a total of 22 car parking spaces to the front.

2 OWNERSHIPS AND CURRENT LEASE TERMS

- 2.1 The freehold in the subject property is held by the City Council as an investment and sits in the Property Trading Account (PTA) and therefore the rental income received contributes towards an annual PTA income.
- 2.2 The subject property is on a 99 year lease with effect from 25 December 1969 (plan attached) at a fixed ground rent with no reviews. The tenant holds the property for investment purposes and in turn sublets the demised premises.

2.3 The tenant is responsible for all repairs and outgoings associated with their occupation of the property.

2.4 The City Council owns the adjoining land/properties which are also let on long leases.

RE- GEAR THE CURRENT LEASE

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- 3.1 The tenant approached the City Council with a view of re-gearing the current lease to a new 150-year term, which will allow them increased security and encourage their investment into the property. Accordingly, acceptable terms have been agreed.

3.2 There is no strategic reason not to re-gear the current lease and this transaction will not affect the Councils adjoining or surrounding ownership. Accordingly, the re-gear is recommended which will allow the Council to achieve a capital receipt.

The Portfolio Holder has been informed about the proposed re-gear.