

## **BACKGROUND INFORMATION - PORTFOLIO HOLDERS DECISION**

### **1 LOCATION & DESCRIPTION**

- 1.1 The subject property is situated in the Queens Drive Industrial Estate and is located on Crossgate Drive. The estate can be accessed via Queens Drive (A453) and is approximately one mile South-West of the City Centre with easy access to J24 of the M1 Motorway. The surrounding area is an established industrial location.
- 1.2 The site was developed in the early 1970's and briefly comprises a brick two storey office accommodation to the front with an interconnecting single storey industrial unit to the rear which is of portal frame construction with elevations of blockwork and steel sheet external cladding. The roof is a renewed cladded profile panel roof incorporating translucent light panels. There are two level access loading doors on each side of the unit. In addition, there is a small area of parking to the front of the building.

### **OWNERSHIPS AND CURRENT LEASE TERMS**

- 2 The freehold in the subject property is held by the City Council as an investment and sits in the Property Trading Account (PTA).
  - 2.1
  - 2.2 The property is let on a 99-year lease with effect from 24 June 1973 (thus having approximately 48 years unexpired) at a current ground rent passing of £38,000 per annum exclusive subject to 14 yearly reviews (next review being 24/06/2029). The leaseholder occupies the property for a printing business.
  - 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 within the estate which are also let on long leases.

### **3 RE- GEAR THE CURRENT LEASE**

- 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 provide them with 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 due to the surrounding parcels of land are also let on long lease which prevents any comprehensive redevelopment. 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.