

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 06/09/2016

Title:

**PROPERTY MATTER – RE-GEAR OF LEASE AT UNIT C, GUILDFORD ROAD
TRADING ESTATE, FARNHAM**

**[Portfolio Holder: Cllr Tom Martin]
[Wards Affected: Farnham Moor Park]**

Note pursuant to Section 100B(5) of the Local Government Act 1972

An annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Summary and purpose:

Authorisation is sought for the re-gear of a long lease granting an extension to the term on Unit C Guildford Road Trading Estate in conjunction with the settlement of an outstanding rent review.

How this report relates to the Council's Corporate Priorities:

Value for Money – The proposed new level of rent represents a good increase on the current passing rent and the best settlement that it likely to be achieved by negotiation in the current market. Agreement at the proposed level will also avoid the cost and delay of otherwise proceeding to a 3rd party for a determination of the rent.

Financial Implications:

The new lease will provide the Council with an increased rental stream.

Legal Implications:

The tenant will meet Waverley Borough Council's reasonable legal and surveyor's costs. Legal Services will assist with the drafting and preparation of the legal documents as required.

Introduction

1. This property comprises an industrial unit within Guildford Road Trading Estate in Farnham which is let on a long lease of 99 years from 1 January 1991 (74 years remaining).

2. The property is subject to a rent review dated 1 January 2016 and a rental settlement by negotiation has tentatively been agreed but the tenant has requested that in addition to the rental settlement, the lease term is also extended so as to grant a new 99 year term (to December 2140) together with modern updates to the lease clauses.
3. Terms for the rental settlement and lease extension are set out in the (Exempt) Annexe to this report.

Recommendation

It is recommended that consent to the lease term be granted for Unit C, Guildford Road Trading Estate, Farnham, upon the terms and conditions as set out in the (Exempt) Annexe, with other terms and conditions being agreed by the Estates and Valuation Manager.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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