

 <b>Brent</b>	<p style="text-align: center;"><b>Executive</b> <b>19 August 2013</b></p> <p style="text-align: center;"><b>Report from the Strategic Director of Regeneration and Growth</b></p>
For Action	<p style="text-align: right;">Wards affected: Queensbury</p>
<b>Lease Renewal, Kingsbury Library Plus, 522 Kingsbury Road, Kingsbury, NW9 9HE</b>	

Appendix 1 is not for publication ('below the line') as it contains the following category of exempt information as specified in Schedule 12A of the Local Government Act 1972, namely:

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

## **1.0 SUMMARY**

- 1.1 To consider the renewal of the lease at Kingsbury Library Plus and premises, 522 Kingsbury Road, Kingsbury, NW9 9HE.

## **2.0 RECOMMENDATIONS**

- 2.1 That the Executive agrees that a new lease from 22 October 2013 is entered into in accordance with the details set out in the report and the confidential appendix 1 and on such other terms as the Operational Director Property and Projects considers in the best interests of the Council.

## **3.0 DETAIL**

- 3.1 The property is a purpose built 3 storey brick built 1930s commercial and residential unit. The property was originally leased to Brent Council in 1984 as a housing benefit office which then subsequently became a Housing area office. The ground floor was converted to a Library about 5 years ago following the relocation of the library from Stag Lane. The library is about 300 m2 and is effectively a triple retail unit. The property

is well located for customers in an active high street location and a few minutes walk from the Kingsbury Tube (Jubilee Line). The four 2 bed flats have housed BHP tenants and 3 are now vacant.

- 3.2 The property is leased from Rohit and Hasmukh Sanghvi on full repairing and insuring terms and commenced 29<sup>th</sup> September 2003 for a 10 year term. The rent was reviewed to £81,250 pa at 29<sup>th</sup> September 2008 which was decided by an independent expert appointed by the RICS. The rent is apportioned £54,250 to the library and £27,000 for the residential element.
- 3.3 The landlord has served notice under the Landlord and Tenant Act 1954 terminating the lease on 22<sup>nd</sup> October 2013 and is offering a new lease to Brent for 10 years from this date at a rent of £124,500. The rental specified in the notice is wholly unrealistic and beyond anything based on market evidence. Previous negotiations with this landlord have resulted in the appointment of an independent expert in accordance with the lease terms, the last rent review saw a minimal rental increase. Retail rents have gone down in the majority of secondary retail pitches over the last 5 years as shoppers have moved on line and the large retail stores have continued to increase their market share. However, Kingsbury has held up relatively well with few retail vacancies. In the event that officers consider that it is difficult to negotiate reasonable terms a further report would be made to the Executive.
- 3.4 The rents that BHP has been able to charge are below those reflected in the lease and therefore the property has been run at a financial loss. Brent has requested that it only wishes to lease the ground floor shop unit and hand the flats back to the landlord for direct management. The landlord is considering this request.
- 3.5 The library strategy has now been completed and this property is to remain as an operational library premises.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 There will be an on-going financial commitment to meet rent and running costs as set out in the confidential appendix 1. Dependant on the level of increase to the annual rent these costs will be met from existing budgetary provision.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 The confidential appendix 1 sets out the implications.
- 5.2 The lease renewal process is controlled by the Landlord and Tenant Act 1954 which sets out the procedures to be followed.

#### **6.0 DIVERSITY IMPLICATIONS**

6.1 None – lease renewal therefore no change.

**7.0 Staffing/Accommodation Implications (if appropriate)**

7.1 None

**8.0 Background Papers**

8.1 None

**9.0 Appendix**

Confidential appendix 1

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