

Lease Right of Renewal and Rent Review - Citizens Advice Bureau - Porritt Park Area

TO	Thames Community Board
FROM	Jan McNeil - Property Officer
DATE	19 March 2015
SUBJECT	Lease Right of Renewal and Rent Review - Citizens Advice Bureau - Porritt Park Area

1 Purpose of Report

To obtain approval for a lease right of renewal and rent review between the Thames-Coromandel District Council (Lessor) and the Citizen's Advice Bureau Incorporated (Lessee) for the premises leased on Queen Street for the term of 3 years commencing 1 May 2015 and expiring 30 April 2018.

2 Background

The Lessee entered into a new lease commencing 1 May 2009 with the final expiry of 30 April 2018. The lease included 2 rights of renewal of 3 years with rent reviews on renewal. The first right of renewal was exercised and recorded in a renewal of lease and rent review deed signed 23 May 2012. The Lessee is a community group and attracts an annual rental of \$350 plus GST per annum.

3 Issue

The Lessee has requested by providing the required written notice to exercise their final right of renewal of 3 years commencing 1 May 2015. Rent review is also to be undertaken at time of renewal. The Thames Community Board (Board) has delegated authority to make decisions on leases.

4 Discussion

The Lessee has not been in breach of the lease and has provided written notice to exercise their final right of renewal of 3 years commencing 1 May 2015 expiring 30 April 2018. Furthermore condition 33.1 of the lease states that if the Lessee is not in breach of the lease then the Lessor will grant a new lease for a further term from the renewal date.

With respect to the rent review, the annual rent payable from each rent review date shall be determined in accordance with any prevailing Council policy relating to leases of Council owned and administered land and buildings, current at the date of each rent review. The 2006 policy remains current; therefore the annual rental will remain at \$350 plus GST per annum until expiry date.

In relation to the Porritt Park site it is noted that significant upgrade of the park is planned including replacement of the public toilet and a new Skatepark.

As per the Board's Terms of Reference the Board has delegated authority to make decisions on leases. If approved by the Board we will draft a deed of rent review for executing by both parties with the cost being on-charged to the Lessee.

5 Suggested Resolution(s)

That the Thames Community Board:

1. Receives the Lease Right of Renewal and Rent Review - Citizens Advice Bureau - Porritt Park Area report.
2. Approves the final right of renewal between the Thames-Coromandel District Council and the Citizen's Advice Bureau Incorporated for the premises leased on Queen Street for the term of 3 years commencing 1 May 2015 and expiring 30 April 2018.
3. Approves the annual rental to remain at \$350 plus GST per annum effective from 1 May 2015 to 30 April 2018.