

**OTC HOUSING DEVELOPMENT, FIRST TOWER,
ST. HELIER: LEASE OF SHOP UNITS**

**Lodged au Greffe on 31st March 1998
by the Housing Committee**



STATES OF JERSEY

STATES GREFFE

175

1998

P.57 (Revised)

Price code : A

PROPOSITION

THE STATES are asked to decide whether they are of opinion -

1. to approve the lease by the public for a term of 21 years, commencing on a date to be agreed between the Committee and the lessees, on an internal repairing lease, of two new shops at the OTC Housing Development, First Tower, St. Helier, as follows -

Shop A to Blades Hairdressing Limited at a commencing rental of £13,000 a year, payable quarterly in advance, with each party being responsible for its own legal fees;

Shop B to Edgar Holdings Limited, trading as Village Pharmacy, at a commencement rental of £14,500, a year, payable quarterly in advance, with the lessee to be responsible for the public's legal fees;

subject to the additional terms and conditions. as follows -

- (i) a three month rent free period to be granted from the commencement of the lease to enable the lessee to fit out the shop;
- (ii) the lessee to be responsible for 2.33 per cent of the following costs incurred in respect of Blocks A-H, inclusive, OTC Housing Development -
 - (a) building insurance;
 - (b) maintenance, repair and decoration of the structure of the building, and

- (c) lighting and cleaning of the communal areas;
 - (iii) the lessee to be responsible for the payment of Parish foncier and occupier's rates;
 - (iv) the annual rental to be subject to three yearly rent reviews and increased to an amount agreed between the parties representing the open market rental value of the leased properties;
 - (v) the lessee to be permitted to carry out alterations, subject to prior written consent of the Housing Committee, such consent not to be unreasonably withheld;
 - (vi) both premises to be used for retail purposes, and the assignment or sub-letting of the premises for use as a take-away food outlet not to be permitted; all other uses to be permitted, subject to the Housing Committee's prior written consent, such consent not to be unreasonably withheld.
2. to authorise the Attorney General and the Greffier of the States to pass the necessary contracts on behalf of the public;
 3. to authorise the Treasurer of the States to receive the rent on both properties as it becomes due.

HOUSING COMMITTEE

NOTE: The Finance and Economics Committee supports this proposition.

Report

The Housing Committee, with the support of the Property Services Department has agreed, subject to States' approval and the passing of the necessary contracts before the Royal Court, to lease one of the two retail units at the OTC site to Edgar Holdings Limited who trade as the Village Pharmacy (Shop B). The second shop will be let to Blade Hairdressing Limited who will operate a hair salon from the premises (Shop A).

Both units comprise a ground floor area of 573 square feet, and basement storage, with kitchenette and cloakroom, of a further 386 square feet (detailed confirmation subject to completion of the housing development).

The clauses included in the leases are standard clauses for this type of contract lease.

The difference in the amount of rent received reflects not only the different locations of the two shops: Shop B is in the prime location of the corner of La Route de St. Aubin and La Route es Nouveaux, whilst Shop A is set back from the road behind the garden area of the Old Bakehouse, Mont Cochon, but also the higher premium that can be obtained in letting a retail unit as a pharmacy, given the limit in the numbers of such pharmacies that are licensed to operate in the Island.

The difference in the fee arrangements reflects the conclusions reached during negotiations.