

15th August 2023

**To: The Chairman and Members of
The South-East Area Committee**

Meeting: 11th September 2023

Item No.

Surrender and Grant of a new combined Lease of the Kiosk and former public toilets at the junction of Adelaide Road and Leeson Street, Dublin 2 to Perch Coffee Limited

Under Indenture of lease dated 3rd August 1989, the Kiosk at the junction of Adelaide Road and Leeson Street as outlined in red and coloured in pink on Map Index No. 9465/2 was demised by Dublin City Council to Mr. Edward McCarthy for a term of 35 years from the 1st December 1986.

By further Indenture of Lease dated 9th September 2005, the former public toilets adjoining the Kiosk as outlined in red and coloured in pink on Map Index No. 13098 were demised to Mr. McCarthy for a term of 35 years from 1st December 2004 and the two were incorporated into a single unit for use as a coffee shop. Both leases are currently held on assignment by Perch Coffee Limited.

The lease granted in 1989 has now expired but the second lease has 17 years to run. Rather than grant a renewal of the expired lease alone it is considered preferable and more practical that the lessee surrender the residue of the unexpired lease and that a single new lease be granted in respect of the entire premises.

Perch Coffee Limited through their Solicitors Rice Jones have confirmed agreement with this plan and it is proposed therefore to grant a new 20-year lease subject to the following terms and conditions which the Chief Valuer has recommended as fair and reasonable:

1. That the subject property comprises The Kiosk and former public toilets at the corner of Adelaide Road and Leeson Street, Dublin 2 and is shown outlined in red and coloured in pink on Map Index No. SM-2022-0032.
2. That the Tenant holds the property under two leases:
 - a. from 1st December 1986 for a term of 35 years at a passing rent of €14,000 (fourteen thousand euro) per annum,
 - b. from 1st December 2004 for a term of 35 years at a passing rent of €14,000 (fourteen thousand euro) per annum.
3. That the Tenant will be required to surrender the current lease for the former public toilets and a new single lease for the entire property will be created from 1st December 2021.
4. That the new lease shall be for a period of twenty (20) years.
5. That the rent shall be stepped over five years as follows:

Year 1 - €28,000 (twenty eight thousand euro) per annum plus VAT if applicable effective from 1st December 2021

Year 2 - €28,000 (twenty eight thousand euro) per annum plus VAT if applicable effective from 1st December 2022

Year 3 - €30,000 (thirty thousand euro) per annum plus VAT if applicable effective from 1st December 2023

Year 4 - €31,000 (thirty one thousand euro) per annum plus VAT if applicable effective from 1st December 2024

Year 5 - €32,000 (thirty two thousand euro) per annum plus VAT if applicable effective from 1st December 2025

That the stepped rent is only proposed for the first five years to reflect the improvement works carried out by the Tenant.

6. That the rent shall be reviewed at the end of year five to the full open market rental value.
7. That the Tenant shall be responsible for fully repairing and insuring the property including all glass windows and doors.
8. That any future fit out works shall be agreed in writing with the Council prior to the commencement of the works. That all fit out works and use of the property shall comply with all necessary statutory consents.
9. The Tenant shall not carry out any structural alterations or erect any external signage without the prior written consent of Dublin City Council.
10. That the Tenant shall be responsible for the payment of rates, service charges utilities, waste collection, building insurance, taxes and all other charges for the demised property.
11. That the Tenant shall not assign or sublet the demised property without prior written consent of the Landlord which shall not be unreasonably withheld.
12. That the Tenant shall indemnify Dublin City Council against any and all claims arising from its use of the demised property. The Tenant shall hold Public Liability Insurance (minimum of €6.5 million) and Employers Liability Insurance (minimum of €13 million) and contents insurance.
13. That each party shall be responsible for their own fees and costs incurred in this matter.
14. That the lease agreement shall contain covenants and conditions as normally contained in agreements of this type.
15. That this proposal is subject to all necessary approvals being obtained from Dublin City Council.

MÁIRE IGOE
ACTING EXECUTIVE MANAGER