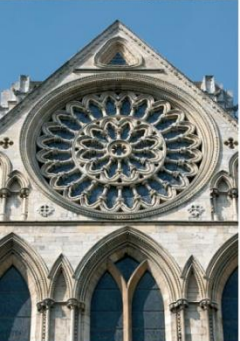


# Commercial Property Portfolio

## Economy & Place Scrutiny Committee

### 4th October 2017





# Portfolio Composition

- CYC owns 1,246 property assets (comprises all assets such as; schools; commercial property; land).
- Of these; 492 assets have 1 or more commercial tenants. Some assets have multiple tenants.
- There are 1,074 occupational commercial agreements within the 492 asset base.



# Portfolio Composition

- Assets provide CYC with £5.29m per annum.
- This is made up of commercial assets' rental income, including West Offices
- £1.01million pa is rental and contribution to running costs from commercial lettings within West Offices.
- £4.28m pa from portfolio exc. West Offices

Of which;

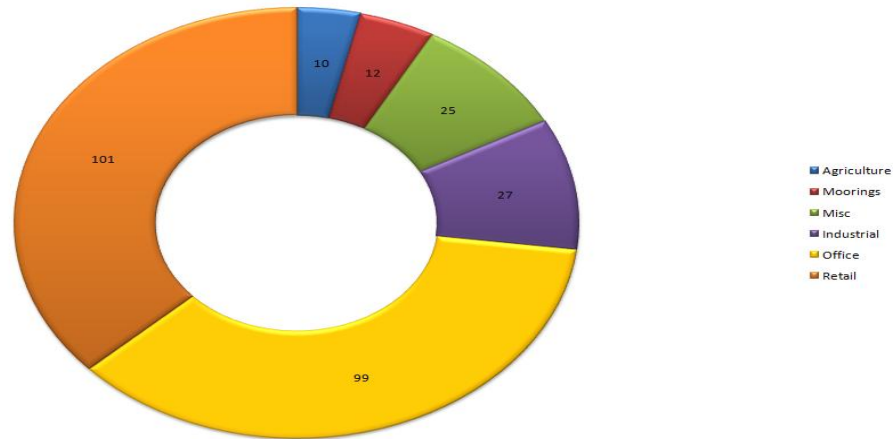
- c.£3.4m pa is from just 270 commercial assets with capital value of c.£48m and return of c.7.1%



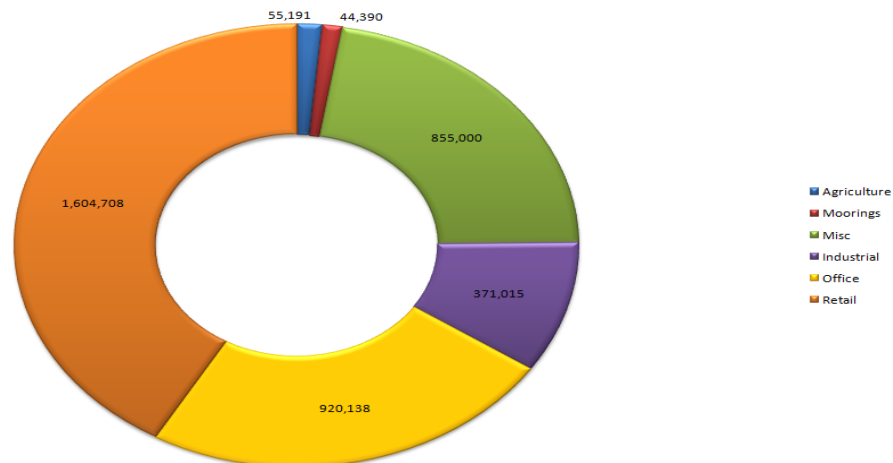
# Portfolio Composition



No's of Asset by Type



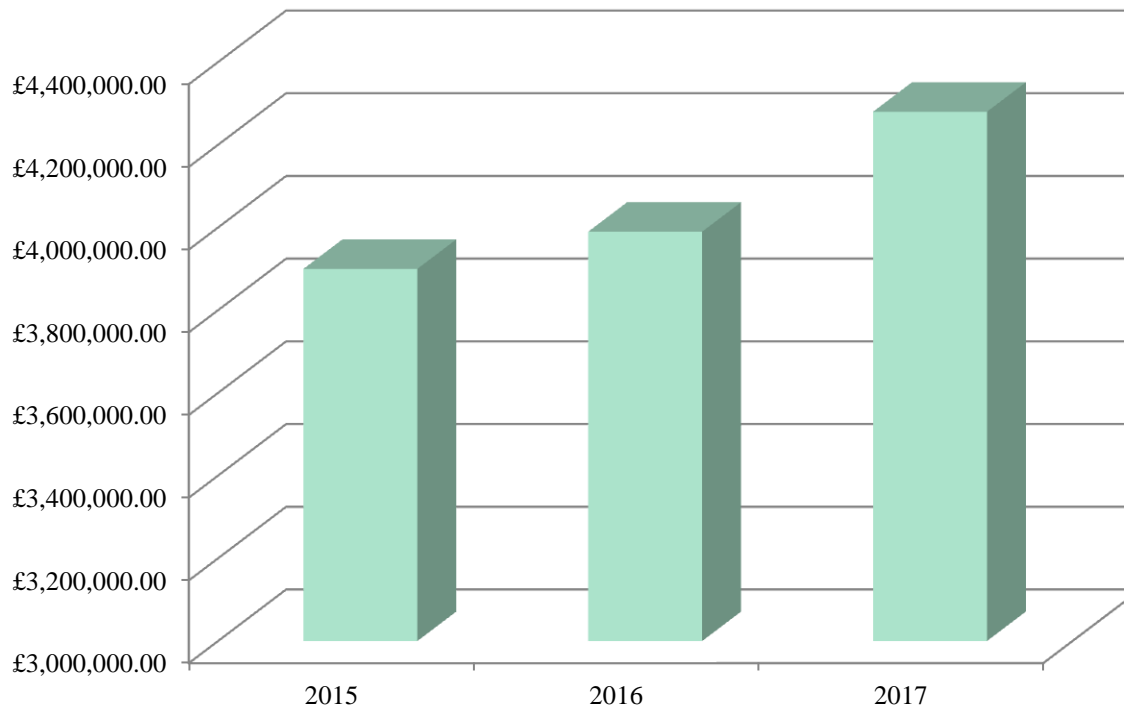
Asset Type by Annual Income





# Portfolio Performance Exc. West Offices

**Rental Growth 2015-17**

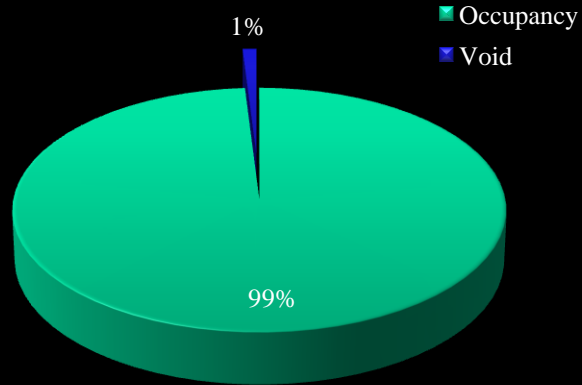


Increase of  
£380,000pa  
since 2015, plus  
Eco Centre mgt  
cost savings

# Key Performance Indicators

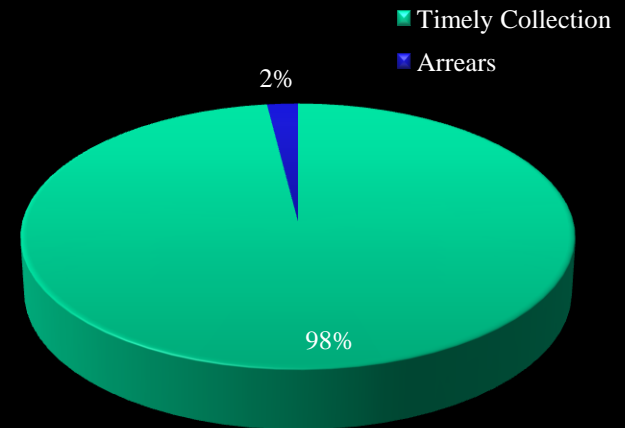
**Low vacancy rate 1%**

**Occupancy Levels**



**Low Arrears Levels 2%**

**Level of Arrears**



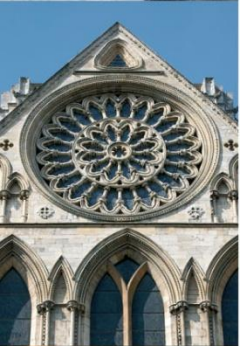


# Eco Centre Amy Johnson Way (63 unit office/ workshop facility)



- Brought management in house and achieved considerable savings of £130K pa
- Premises now fully let and have increased lettable space by leasing previous management suites.
- Removal of significant fees to mgt company.
- Significant annual loss turned to small annual surplus
- Future opportunity in 2019 to restructure head lease.

# The Shambles



- Increased income across key asset of Shambles through successful letting of empty units which has established higher rental tone.
- Rental levels up by c.15-20%
- Council own c.70% of street
- Good sense to acquire remainder if opportunity arose
- Investment in improved fire protection being looked at



# Swinegate



- Full Council & Executive approved the purchase of Swinegate East & West July 2017 setting a capital budget of £15m. Purchase price confidential.
- Anticipated completion of purchase early October 17.
- c40,000 sq ft of accommodation providing retail, leisure and office space, fully let or under offer to multiple occupiers
- Income from property will significantly exceed council borrowing costs, thus helping to plug the savings gap.
- Voids & mgt costs have been factored in.

# Guildhall

£12 million scheme to refurbish and provide lettable accommodation in heart of city.

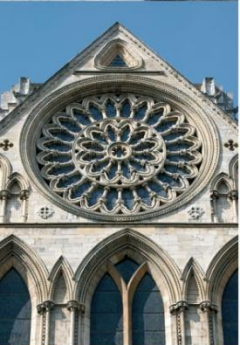
Seeking tenant for restaurant

Planning consent achieved

Construction contractor procured

Renegotiation of mooring leases to accommodate Guildhall works.

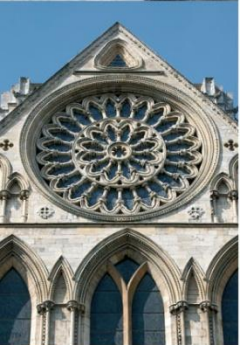
Increase in mooring and boatyard rents.





# Castle Gateway

- My Castlegateway consultation
- Masterplanning underway
- Commercial development potential from
  - St George's Field
  - Castle Car Park
  - Castle Mills Car Park
  - Coppergate lease extension
  - 17-21 Piccadilly





# Summary

- Strong performance of property portfolio in terms of rental growth and low vacancies/ levels of arrears.
- Income supports funding of council services
- Pro active opportunities taken to restructure leases and facilitate redevelopment/ regeneration
- Pro active acquisition of property offering strong rental performance and providing greater ownership of York centre to ensure ongoing economic vibrancy.
- Further purchase opportunities to be considered going forwards which would benefit the council financially/ facilitate regeneration/ protect character of City.