

**From:** Mortimer, Martin: CP-Prop  
**Sent:** 18 August 2015 14:35  
**To:** 'John Mackay'  
**Cc:** [Mark.Belsham@hng.co.uk](mailto:Mark.Belsham@hng.co.uk); "Mark Nelson-Smith"; Egan, Richard: CP-Prop  
**Subject:** NORTH KENSINGTON LIBRARY

Dear John

We have had a meeting this morning to discuss proposals received, including NHP , in respect of WIC and we will be doing further analysis this coming week. If we have any queries Mark or myself will come back to you.

We have instructed Mark Belsham to have a discussion with you/your agent in relation to the existing library building in order to set out what our required process would involve in terms of your email yesterday .

I believe that in the absence of others on holiday you would be the point of contact.

Regards

Martin

**Martin Mortimer FRICS**  
Senior Development Surveyor  
Corporate Property  
Royal Borough of Kensington and Chelsea  
Town Hall  
Hornton Street  
London W8 7NX

Tel: 0207 361 3521  
Mob: 07739 314 147

**From:** Mortimer, Martin: CP-Prop  
**Sent:** 07 September 2015 10:43  
**To:** 'John Mackay'  
**Cc:** 'Mark Belsham'  
**Subject:** NORTH KENSINGTON LIBRARY -Subject to Contract and Cabinet Approval

Good morning John

Sorry I did not send this to you earlier as promised.

As discussed last week we are in the process of reviewing the proposals received on the Westway Information Centre and will come back to you with any comments.

As advised, our surveyor Mark Belsham has now re inspected the existing Library building and provided us with his views as to current market values etc to inform our discussions with you with regard to NHP's interest in taking a tenancy on this once the new Library is completed.

I am setting out below an indicative 'structure' which represents our thoughts on the basis that I would be prepared to recommend if the Council was prepared to progress a transaction with NHP on the basis of a market rent plus in effect a 'premium ' in order to ensure that we were obtaining best value. This is obviously subject to Cabinet approval , and contract, and is intended to enable you to obtain feedback and approval from your Trustees.

Lease Term: Minimum 25 year term , FRI

Condition of property: The landlord will undertake a survey of the external elevations and structure, and prior to the lease being completed will undertake any works reasonably required to these elements at its expense.

Tenant works: The tenant would undertake at its expense the necessary fit out /internal works including but not limited to any mechanical electric work, redecoration, works to toilet areas etc which would form the basis of a specification attached to an Agreement to Lease.

Rent free period: A rent free allowance which would be apportioned over the first five years of the term would be granted by the Landlord

In consideration of the fitout works undertaken by the tenants at their expense.

Rent: The Market rent plus premium assessed on the basis that this would reflect the position at the time of exchange of an Agreement to Lease would be £365,000 per annum. This is based upon the GIA of 8,900 sq ft assessed by our surveyor. As you will appreciate, there are areas of the building which attract a different level of rental due to their level( eg basement, top floor) and configuration.

Adjustment of rent from date of Agreement to Lease through to Lease commencement date. As a guide to programme it is anticipated that the Landlord would be able to provide the existing library building following relocation to a new library facility by around Easter 2019. To reflect the uplift in Market rent it is proposed that an RPI adjustment is applied to the rental figure shown, and this will be the annual rental figure on the lease.

Rent free allowance: To reflect the works undertaken by the tenant it is proposed that an effective one year rent free period is granted, split over the first 5 years, to allow for both the cost of the work and the period required to undertake these works. This would produce an annual rental for this period of £292,000 pax for the first five years.

VAT: I will confirm this as I appreciate the importance of this to NHP, but my understanding is that the property has not been elected for VAT.

Rent Review: Every fifth year of the term, upward only to market value ( detailed basis tba) , to reflect the fit out works undertaken by the tenant.

Timescale: Following relevant approvals the intention would be to progress an Agreement to Lease for exchange as soon as possible, target late October/early November 2015.

There are other detailed matters that would need to form the subject of any HOT between the parties , but I believe that this should provide you with sufficient information at this time.

If you have any queries please give me a call.

I have copied Mark Belsham who is on holiday but picking up emails, so this is also subject to any comments that Mark may have, although obviously I have discussed the key elements with him last week.

Regards

Martin Mortimer

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**Martin Mortimer FRICS**

Senior Development Surveyor

Corporate Property

Royal Borough of Kensington and Chelsea

Town Hall

Hornton Street

London W8 7NX

Tel: 0207 361 3521

Mob: 07739 314 147