



Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Director of Financial and Business Services

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Item 2

28th January 2026

Update Report on Common Good Fund Property Portfolio

Purpose of Report:

To provide the Finance and Audit Scrutiny Committee with an update on the management of the Common Good Property Portfolio by City Property Glasgow (Investments) LLP, as at the end of 31st December 2025.

Recommendations:

The Committee is asked to note the contents of the report.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

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1. INTRODUCTION

- 1.1. The purpose of this report is to update Committee on the management of the Common Good Fund Property Portfolio by City Property Glasgow (Investments) LLP (CPGI) for the period 1st July to 31st December 2025, following the report that was submitted to Committee on 20th August 2025.

2. SUMMARY

- 2.1. The portfolio comprises a mixture of income from leases primarily from within the City of Glasgow boundary, however, one area of ground at Humble Farm is located out with the city boundary.
- 2.2. The commercial portfolio has a majority of retail use with the remaining balance split between ground lease income derived from general business, agricultural and leisure uses.
- 2.3. CPGI is responsible for maximising rental income from the portfolio and managing the condition of the properties and instructing as necessary any repairs and maintenance following approval from the Council's Common Good fund.
- 2.4. The portfolio is managed in line with the process set out in the Policy on Common Good approved by the Executive Committee on 5 February 2015.
- 2.5. The total annual rent from the entire portfolio as at 31st December 2025 is £298,359 an increase of £110 from the previous period. Non-recoverable costs for any vacant properties, primarily non domestic rates, continue to be monitored closely.
- 2.6. The total debt for the portfolio is £77,935 which shows a slowly reducing trend over the past 2 years. This is made up of 21 debtors, of which 7 are historic, i.e. their lease has terminated, 3 are on instalment plans, and the remainder are either being managed by CPGI credit control team or have been referred to legal for recovery.

3. CURRENT POSITION - COMMERCIAL PROPERTIES HELD FOR INCOME GENERATION.

- 3.1. In order to provide the Committee with more detail regarding the commercial properties, a tenancy schedule has been provided at Appendix 1. This details the 25 commercial units and sets out each of the tenancy details. This also includes the 4 vacant properties and the date they became vacant resulting in an occupancy rate of 84% the same as was reported in August 2025.
- 3.2. The rental income for the Commercial portfolio is £292,951, detailed in Appendix 1, remains broadly in line with the previous report.
- 3.3. Vacant Units
 - 3.3.1. 57 Byres Road – As previously reported this was a retrospective termination with effect from 27th May 2024. The reason this was subsequently terminated was that there was an option, which was being pursued, for a lease transfer, thereby retaining occupancy. This option eventually fell through. The agreement on proposed works and costs to refurbish the unit have been protracted, however CPGI has now revised the specification and costs in discussion with our agents, and those works will be instructed in parallel to the agent bringing the property to market.

- 3.3.2. 4 Dowanhill Street – This unit has been marketed by our agents and a preferred bidder has now been identified. The report for the new lease is in the process of being approved.
- 3.3.3. 180 Dumbarton Road – As noted in the previous report, the proposed lease which was agreed at the end of 2024 was delayed which resulted in the tenant withdrawing their offer in March 2025. A new 10 year lease has been agreed, however some maintenance and repair works were required to be carried out, and legal advised that under the Community Empowerment Act a 2 month consultation period was required prior to the lease being concluded. It is hoped the lease will conclude in the first quarter of 2026.
- 3.3.4. 37 Riverford Road – Works and costs required to re-market the property have now been agreed and will be instructed once costs have been approved.

3.4. All the other properties are occupied as detailed in Appendix 1.

4. CURRENT POSITION - NON COMMERCIAL PROPERTIES.

4.1. This portfolio is predominantly made up of long term ground leases, including agricultural tenancies, which only generate minimal rental income.

4.2. 254-290 Sauchiehall Street

4.2.1. This property, known as Breckenridge House, is on a long term lease and the building occupies the ground and upper floors of a rebuilt Victorian office block.

4.2.2. The head lease for the property is currently held by Larkhill Properties Limited and runs until 2160. The passing rent is peppercorn but a grassum was paid at the beginning of the lease.

4.2.3. The tenant has recently requested to assign their ground lease interest, and this request is now progressing through the approvals process. The proposed new tenant has fully met all the due diligence tests and demonstrated significant funding. They also operate a number of other commercial properties within Glasgow.

4.3. McLellan Galleries, 270 Sauchiehall Street

4.3.1. The property is vacant following the ending of a lease to the Glasgow School of Art, GCC have been developing a strategy for the future use, and although not directly involved at this stage we understand some initial discussions have taken place with potentially interested parties. Further updates will be provided once a definitive outcome has been reached.

4.4. Citizen's Theatre, 119A-123 Gorbals Street

4.4.1. The 99-year lease from GCC to the Citizens Theatre Limited at a rent of £1,250 per annum commenced in 2019.

4.4.2. The extensive redevelopment of the Theatre is now complete.

4.5. Pollok Country Park

GCC requested an initial survey of the vacant cottage at 132 Dumbreck Road. In order to obtain safe access CPGI undertook works to remove significant overgrown vegetation

in and around the property. These works and the subsequent inspection has concluded that there are considerable structural defects throughout the building. Consequently CPGI are recommending demolition and are in the process of preparing a business case and costs for consideration.

4.6. Humbie Farm

- 4.6.1. The gross rent currently generated from one grazing let at Humbie Farm is £1,150 per annum and there are no non-recoverable costs.
- 4.6.2. The adjacent seasonal grazing let remains vacant. CPGI is now progressing to appoint a specialist agricultural agent to take the grazing land to the market.

4.7. Cathkin Braes Country Park

- 4.7.1. Cathkin Braes Country Park, is let by GCC to SSE Generation Limited as a windfarm. This lease expires in 2037. There is a base rent of £3,000 per annum, with Glasgow City Council entitled to an additional equity share of income generated in terms of a co-venture agreement between GCC and the tenant. This agreement is managed directly by GCC.

5. **CONCLUSION**

- 5.1. Over the next 6-month period CPGI will:
 - 1) Endeavour to complete all outstanding transactions/negotiations and secure lettings following marketing of those subjects which remain vacant.
 - 2) Continue to monitor repair and maintenance expenditure to protect asset value as authorised and approved by the Common Good Fund.
 - 3) Continue to maximise income through increased rental by undertaking rent reviews and lease renewals where appropriate.
 - 4) Continue to pursue debt and implement payment plans and legal action as appropriate.
 - 5) Continue with a programme of regular inspection to ensure tenant compliance with leasehold obligations.

6. **Policy and Resource Implications**

Resource Implications:

Financial: There are currently no financial implications from the proposals.

Legal: There are no legal implications from the proposals.

Personnel: There are no personnel implications.
Procurement: No relevant procurement issues.

Council Strategic Plan: Grand Challenge 4 - Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.

Mission 3 - Enable staff to deliver a sustainable and innovative council structure that delivers value for money.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.

No specific equality related outcomes.

What are the potential equality impacts as a result of this report?

No equality impacts identified.

Please highlight if the policy/proposal will help address socio-economic disadvantage.

The proposal has no impact on socio economic disadvantage.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

No direct support

What are the potential climate impacts as a result of this proposal?

Impact deemed as neutral

Will the proposal contribute to Glasgow's net zero carbon target?

No specific contribution

Privacy and Data Protection Impacts:

No Privacy and Data Protection impacts identified

7. Recommendation

The Committee is asked to note the contents of the report.