



Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Director of Financial and Business Services

Item 4

20th August 2025

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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 30th June 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 January to 30th June 2025, following the report that was submitted to Committee on 29th January 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 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.
- 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 portfolio as at 30th June 2025 is £298,251 an increase of £5,310 from the previous period. Non-recoverable costs, primarily non domestic rates, and rent arrears continue to be monitored closely and actions taken to reduced costs and debt across the portfolio.

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

- 3.1. There are a total of 25 commercial properties within the portfolio, of which 4 were vacant at the end of the reporting period representing a 84% occupancy rate. One vacant unit is under offer and one is being actively marketed. The remaining 2 are being prepared for marketing.

3.2. 53-67 Byres Road

- 3.2.2 There are six shop units at this location, five of which are currently leased, generating a rental income of £52,001 per annum.
- 3.2.3 The previous lease in respect of the vacant unit at 57 Byres Road has recently been retrospectively terminated with effect from 27th May 2024. This was due to an option to transfer the lease and maintain occupancy, however this proposal eventually fell through. This unit is currently the subject of a pre-marketing works assessment prior to being brought to the market by CPGI's appointed agent Graham & Sibbald.

3.3. 4-6 Dowanhill Street

- 3.2.1 There are two shop units at this location, one of which at 4 Dowanhill Street has been vacant since 27th May 2025 and is being marketed for lease by Graham & Sibbald.

3.4. 174-182 Dumbarton Road

3.4.1. There are three shop units at this location with two leased and generating a combined rental income of £20,900 per annum at the present time.

3.4.2. The vacant unit at 180 Dumbarton Road has been vacant since 18th May 2024. A previous offer agreed towards the end of 2024 was held up due to local concerns which took a significant period to attempt to resolve. The prospective tenant eventually withdrew their offer in late March 2025. The property was re-marketed and is currently under offer at a rental of £18,000 per annum approved in late June 2025. A 10 year lease duration has been agreed. This is currently with Legal Services to conclude the lease.

3.5. 407- 439 Great Western Road and 6 Park Road

3.4.1 The retail range consists of 10 retail units all of which are currently leased producing a combined rental income of £189,850 per annum.

3.6. 33-37 Riverford Road

3.6.1. The subjects comprise two ground floor retail units located at the junction of Riverford Road, Ashtree Street and MacDougal Street.

3.6.2. There is one unit at 33 Riverford Road currently leased at a rent of £8,160 per annum.

3.5.3 The other unit at 37 Riverford Road has been vacant since 27th May 2025, the previous lease being terminated and this is currently the subject of a pre-marketing works assessment prior to the unit being brought to the market by Graham & Sibbald.

3.7. 1284 Dumbarton Road

3.7.1. This comprises a ground lease to Victoria Park Bowling Club for a duration of 60 years expiring in 2050. The current rent is £3,190 per annum.

3.8. 120 Woodville Street

3.8.1. The subjects comprise an area of ground leased by way of a 125 year ground lease expiring in 2148 at a rental of £6,750 per annum. The site is used by the tenant as a secure yard and for general storage.

4. CURRENT POSITION - NON COMMERCIAL PROPERTIES.

4.1. The portfolio has several sites where income is derived from ground leases, these include long term ground leases for business use, regulated agricultural tenancies and regulated residential tenancies, the details of which are as follows.

4.2. 254-290 Sauchiehall Street

4.2.1. This property, known as Breckenridge House, 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, and a further premium was secured recently for Landlord's consent for a

change of lease condition and works. The tenant sub-lets the individual shops and offices to various occupiers.

4.3. McLellan Galleries, 270 Sauchiehall Street

4.3.1. The Glasgow School of Art (GSA) vacated the McLellan Galleries during 28th November 2023. City Property served a dilapidations schedule upon the GSA who subsequently appointed an external firm of surveyors to act on their behalf. Following negotiations a settlement £151,500.00 has been agreed with the GSA's agents.

4.3.2. Property and Consultancy Services are now developing a strategy for the future use and how best to utilise the McLellan Galleries going forward. 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 Theatre is currently scheduled to reopen in August 2025 following completion of the extensive redevelopment project.

4.5. Pollok Country Park

Property and Consultancy Services has advised that there is no operational need or budget to refurbish the vacant cottage at 132 Dumbreck Road and have agreed in principle to a sale.

4.6. Humbie Farm

4.6.1. Humbie Farm is located out with the GCC boundary in East Renfrewshire. It comprises two areas of farmland held under separate leases which provide approximately 27 acres in total of grazing land.

4.6.2. The gross rent currently generated from Humbie Farm is £1,150 per annum and there are no non-recoverable costs.

4.6.3. The adjacent seasonal grazing let remains vacant, this having been vacant since 28th February 2017. City Property has now sought advice from an Agent specialising in agricultural tenancies with a view to taking the grazing land to the market and in this regard has recently met with the Agent with a view to agreeing scope of instructions and corresponding fees for undertaking this work.

4.7. Cathkin Braes Country Park

4.7.1. Cathkin Braes Country Park, is let 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 is a detailed agreement with conditions around the use of the income, and City Property are in discussion with various GCC Officers to agree how this tenancy is managed.

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.
- 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 No equality impacts identified.

impacts as a result of this report?

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.