



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Unit 1 St George's Market, proposed part change of use
Date:	19 August 2011
Reporting Officer:	Gerry Millar, Director of Property and Projects, Ext. 6217.
Contact Officer:	Pamela Davison, Estates Surveyor, Ext. 3506.

1	Relevant Background Information
1.1	<p>St Georges Market has six retail units on the ground floor and a first floor restaurant. Currently all of the units are let. Unit 1 is let to Liam Conlon as a fish and chip shop, Unit 2 as a Mace store, Unit 3 is Bean coffee shop, Unit 4 Subway, Unit 5 is Javaman Coffee Shop and Lemon Grove Mediterranean Takeaway food, Unit 6 is Fullarton Pharmacy. The rental income from the units is £95,675 per annum with a further service charge income of £9567.50 and rates payable of £40,055 06.</p> <p>Members will be aware that after the refurbishment of the market over ten years ago difficulties were experienced in both attracting and keeping suitable tenants for the units. A period of stability has occurred over the last couple of years and the Markets Unit in Development department have worked closely with the tenants throughout the current difficult trading period.</p> <p>A proposal has been received from Liam Conlon of Unit 1 to change the use of part of his unit to sell bakery products/coffee shop. Two thirds of the unit will remain as a traditional fish & chip shop with part of the unit retailing bakery products, breakfast rolls, sandwiches, tea and coffee with provision for both sitting in and take away.</p>

2	Key Issues
2.1	<p>Currently units 2-5 all sell tea & coffee, sandwiches, rolls, pastries to varying degrees. Units 3-5 all cater specifically for the tea and coffee sit in and takeaway lunchtime market; they are also open to serve customers on their way to work.</p> <p>The proposal from Liam Conlon is to catch the breakfast trade and to open earlier than the other units at 7.00am. The fish & chip shop opens mid morning. The permitted use in the lease is for a fish and chip shop only. The lease further requires that the premises are used as a single retail shop only. The User clause</p>

	<p>further permits Belfast City Council as landlord to withhold its consent for a change of use if the proposed user of the premises would or might conflict with the authorised user of any other premises in the Market Building or would be prohibited by reason of any understanding or undertaking whether written or oral entered into by the landlord.</p> <p>Liam Conlon is also proposing to enter into a franchise agreement with Asher's Baking Company to supply the bakery products, operating system and trademarks for the business. Mr Conlon's lease does not permit him to assign, underlet, charge, hold on trust for another to part with or share possession or occupation of part only of the premises.</p> <p>Legal Services have confirmed that amendments to the existing lease can be made to accommodate the proposal, subject to agreement between the parties and from members. The main issue to be resolved at this stage is whether or not members consider that the addition of a small bakery/coffee shop will add to the offer at St Georges or will provide too much direct competition to the adjoining tenants and hence affect their viability. Whilst competition can be beneficial an over supply of any particular service/facility maybe detrimental to the overall successful operation of a parade of shop units.</p> <p>The situation could arise that if permission is granted for the Asher's Bakery/coffee shop franchise one of the other units is put out of business. The three market days also have several traders bringing additional tea/coffee offering to St Georges Market.</p> <p>Mr Conlon runs a successful fish and chip shop business across several Belfast sites and has been a welcome addition to St Georges Market. Mr Conlon was previously a tenant of Mount Charles Catering but has held his own 25 year lease on the unit from 1st April 2009. The current rent is £11,500pa subject to review from 1st April 2011.</p>
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3	Resource Implications
3.1	<p>Financial</p> <p>Proposal could impact on the financial viability of units in St Georges Market and lead to vacancies and loss of rent, rates and service charge to Belfast City Council.</p> <p>Human Resources</p> <p>None</p> <p>Asset</p> <p>Vacant units could be difficult to let in current market and provide an unattractive frontage to St Georges Market.</p>

4	Equality and Good Relations Considerations
4.1	None

5	Recommendations
5.1	<p>Two options are available to members.</p> <ol style="list-style-type: none"> 1. Approval is not granted to extend the user of the fish & chip shop at Unit 1 St Georges Market to include a bakery and coffee shop due to the impact on the future financial viability of the other units at St Georges Market who already retail some similar products and services. 2. Approval is granted to amend the lease at Unit 1 to provide an extended user clause and sharing of the premises subject to satisfactory terms and conditions. <p>The existing lease does not require Belfast City Council to grant consent to the proposal to extend the user of unit 1 St Georges Market. The Markets Management would suggest that the financial viability of units 2-5 St Georges Market may be detrimentally affected by a further tea/coffee shop opening within the parade of shops and would recommend that members consider approving option 1.</p>

6	Decision Tracking
	<p>If members agree to Option 1 no further action is required</p> <p>If members agree to Option 2 Estates Management and Legal Services to agree amended terms with the tenant subject to approval of the Director of Property & Projects under the scheme of delegation and reported retrospectively to members.</p> <p>Reporting Officer Gerry Millar Date November 2011</p>

7	Key to Abbreviations
	None

8	Documents Attached
	None