

Prime Retail Investment

For Sale

111 Buchanan Street
Glasgow
G1 3HF





111
Buchanan St

Investment Summary

Offers in excess of **£2,535,000** (Two Million Five Hundred and Thirty Five Thousand Pounds) are sought for the Heritable Interest in the property. A purchase at this level will reflect a **Net Initial Yield of 8%** and a **net equivalent of 6.25%** after allowing for purchasers costs and LBTT.



- Glasgow is Scotland's largest city and is widely acknowledged as being the **UK's best retail centre outside of London**.
- The property occupies arguably one of the **best locations on Glasgow's prime Buchanan Street**, the city's premier shopping thoroughfare.
- **Shopper footfall** continues to grow and it is anticipated it will soon reach its pre-pandemic peak of circa **1 million people per week**.
- The property comprises an exceptionally well-located and very prominent **corner unit over ground, first and basement levels**.
- The unit is currently let to **L'Oreal (UK) Ltd** trading as **Kiehl's** and provides a tenant of a strong financial covenant.
- Future opportunities exist to **re-structure the existing lease** or **re-let the unit** to an alternative occupier.
- **Current rental income of £215,000 pa** ex VAT based on an FRI lease expiring **20 May 2024**.
- Based on an ITZA of **685 sq ft**, this equates to a passing rental of **£313.87 per sq ft ITZA**.



Situation



On the famous 'Z'

Glasgow is one of the strongest shopping locations outside of London and is widely recognised as a leading European fashion destination.

The city centre provides a wide variety of retail offerings from high street multiples, to boutiques and international flagship stores. Glasgow is frequently first on the representation list for occupiers outside London.

City centre retail floor space is estimated at 3 million sq ft with Buchanan Street at the heart of this. **The city ranks number 1 on the PMA Retail Provision score** out of the UK's top 200 retail centres; and is often within the top 3 of many other city centre rankings.

This is further added to by the growing number of tourists and visitors to the city. There are 2.24m people within 45 minutes' drive of the city and the prime thoroughfare of **Buchanan Street attracts an estimated 1 million shoppers weekly***. Glasgow has a high comparison spend of **£2.56 billion** ranking it second in the UK behind London's West End*. (*Source CACI)

The city provides a concentrated effective mix of pedestrianised and covered retailing. **The famous 'z' shaped shopping core** which takes in **Sauchiehall Street, Buchanan Street and Argyle Street** provides the spine and prime pitch.

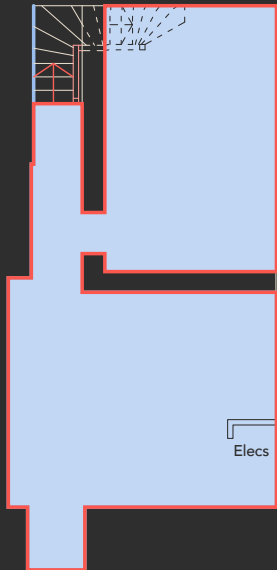
At either end of Buchanan Street is **Buchanan Galleries** and **St Enoch Shopping Centre**, with the more boutique Princes Square shopping and leisure destination centered on Buchanan Street, all of which provide over 1.7 million sq ft.

The retail offer on Buchanan Street has been expanded with the development of the 115,000 sq ft Buchanan Quarter by Land Securities – a high street development providing 11 retail stores, cafés and restaurants. It opened in March 2013 and is well-let, demonstrating the inherent strength of tenant demand for Buchanan Street. The 62,000 sq ft flagship store is occupied by **H&M**, other tenants in the development include **Rolux, Peloton, Skechers, Fat Face** and **Vans**.

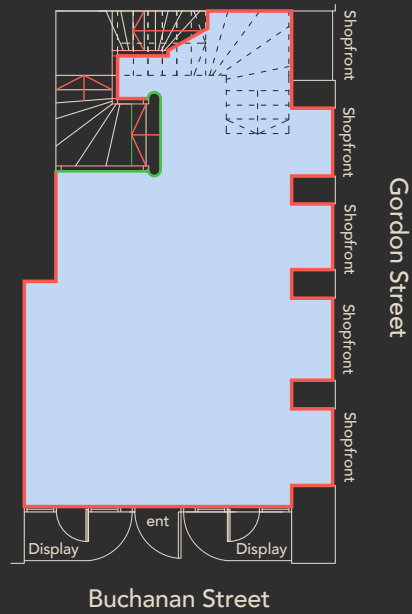
Top brands represented on Buchanan Street include **Hugo Boss, Apple, Zara, Levi's, Urban Outfitters, Breitling, Rituals** and **Castore**. At the southern end of the street is the flagship **House of Fraser** and **St Enoch Centre** whilst at the north lies Buchanan Galleries anchored by **John Lewis** and including tenants such as **Hollister** and **Next**.

111 Buchanan Street is centrally placed on the spine of the city's retail core securing its long term position as a prime pitch in one of the UK's most important retail shopping streets.

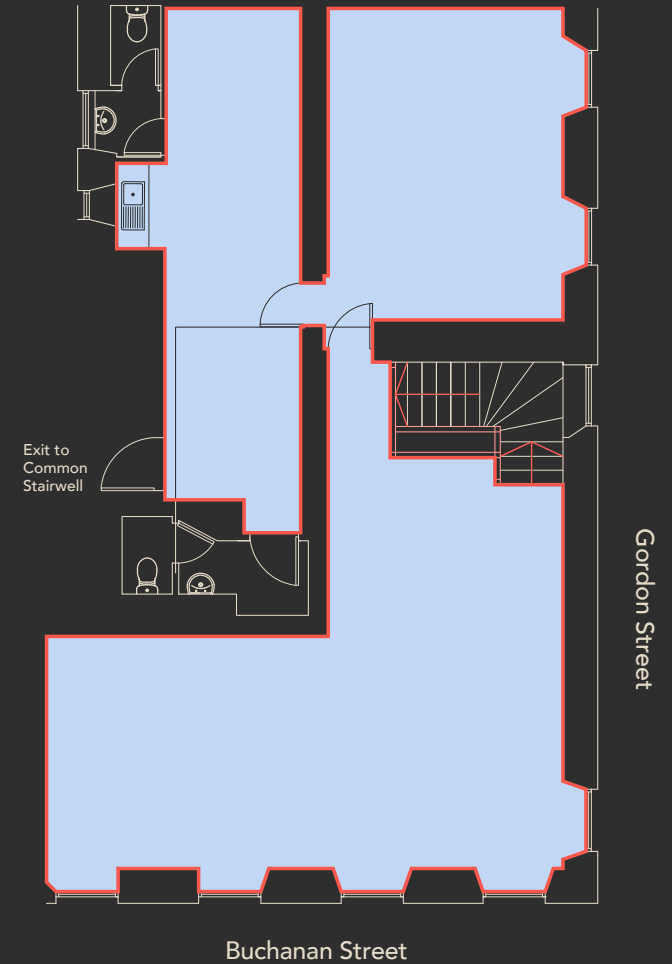
Floor plans



Basement



Ground



First

Description

The subjects comprise a 3-level retail unit within a 5-storey B-Listed building of sandstone construction under a pitched and slate covered roof. Levels 2 and 3 are currently utilised as offices and are under separate ownership.

The **ground floor** retail accommodation benefits from a wooden-framed, glazed frontage and single-door, recessed entrance onto Buchanan Street with an extensive return frontage onto Gordon Street.

The sales space is finished to a high level with a wooden floor throughout with partial brick, partial wooden panelling and plasterboard walling with a plastered ceiling housing a varied lighting system.



The unit benefits from a vented air conditioning and heating system.

The **first floor** provides additional sales and storage accommodation accessed from the ground floor via a wooden customer stairwell. The first floor is again finished to a very high specification.

Staff facilities including toilets are located on the **upper level**.

The **basement** area is utilised as storage only. Accessed from a staff stair from the rear of the unit at ground floor, the basement is finished to a basic level in keeping with its use.

Tenant Information & Tenancy Schedule



L'Oreal (UK) Ltd t/a Kiehl's
has a D&B rating of 5A1.

For the year ending 31 December 2020
the company had a turnover of **£1.029
billion** and a tangible net worth of
£176m. Pre-tax profits were **£137.82m**.

The company has net current
assets of **£25.02m**.

Unit	Tenant	Lease Start	Lease Expiry	Rent Review	Rental (pa ex VAT)	Areas (sq ft)	Comments
111 Buchanan Street, Glasgow G1 3HF	L'Oreal (UK) Ltd t/a Kiehl's	21 May 2014	20 May 2024	N/A	£215,000 Passing rental: £313.87 psf ITZA	Ground (sales): 514 First (sales): 630 First (stock): 557 Basement (stock): 386 ITZA: 685	5% return frontage allowance on the ground floor

Further Information

Data Room

Legal documentation, plans, ITZA breakdowns, tenant credit reports and other information is held within a Data Room. Access will be provided to interested parties via the selling agent.

VAT

The property is VAT exempt and therefore no VAT will be chargeable on the purchase price.

EPC

Full details are available in the Data Room.

Tenure

Heritable Interest (Scottish equivalent of English Freehold Interest).

Pricing

Offers are sought in excess of **£2,535,000 (Two Million Five Hundred and Thirty Five Thousand Pounds)** for our client's Heritable Interest, subject to contract and exclusive of VAT. A purchase at this level will reflect a **Net Initial Yield of 8%** and a **net equivalent of 6.25%** after allowing for purchasers costs and LBTT.

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Contact

For further information and to inspect the property please contact:

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