

FOR SALE PRIME RETAIL INVESTMENT WITH DEVELOPMENT POTENTIAL

78 / 90 ARGYLE ST & 05 / 17 QUEEN ST

GLASGOW G2 8BQ



78/90
05/17

INVESTMENT CONSIDERATIONS

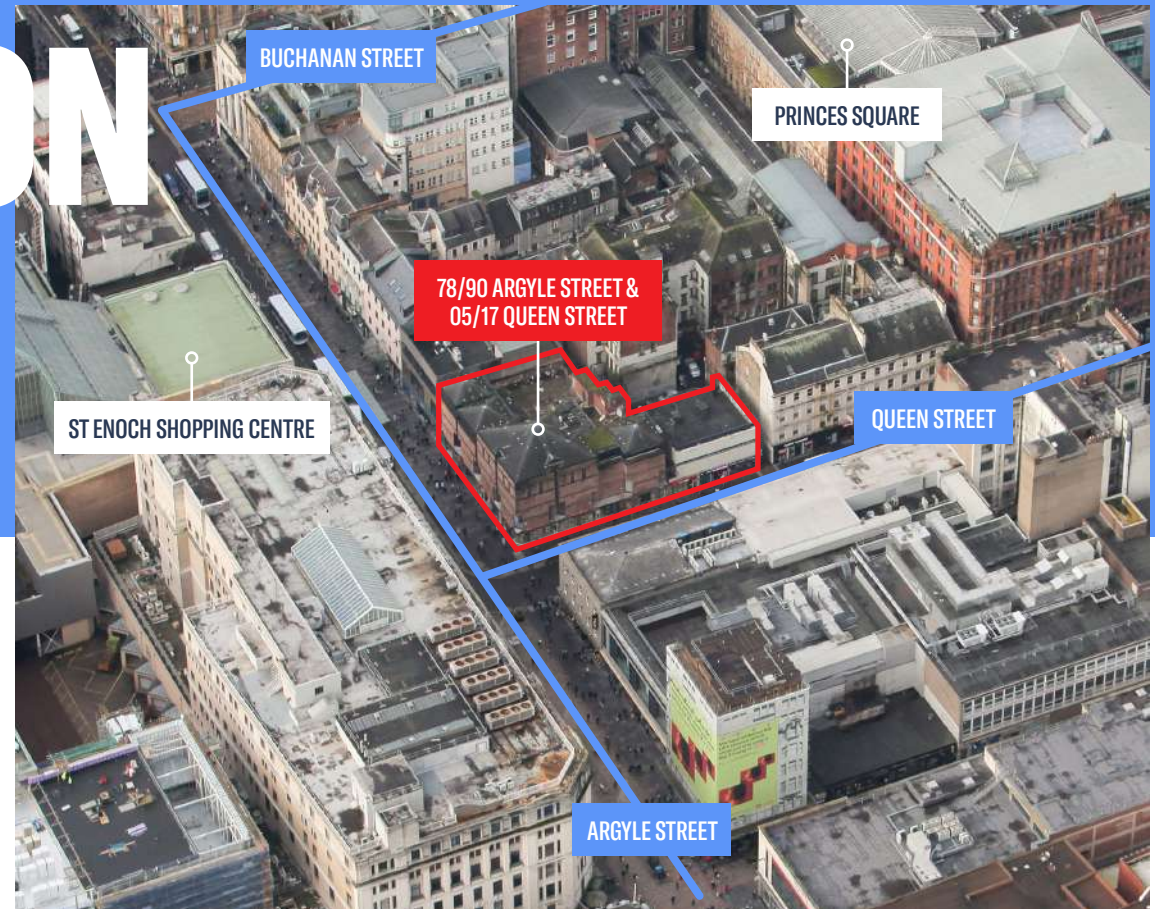
- The property occupies an excellent position at the junction of Argyle Street & Queen Street, which is one of Glasgow's premier shopping thoroughfares.
- Glasgow is Scotland's largest city and is widely acknowledged as being the UK's **best retail centre outside London**.
- The property is situated opposite St Enoch Shopping Centre.
- **Shopper footfall** on Argyle Street is the highest for any location in the city centre.
- The property comprises eight retail units in an unbroken parade extending to over 20,000 sq ft.
- Tenants include **Santander, Foot Locker, Holland & Barrett** and **Ladbrokes**.
- Four tenants have recommitted to the location with new leases from January 2021.
- Foot Locker have recently removed a break clause.
- Redevelopment opportunity for alternative uses over 11/17 Queen Street.
- **Current rental income of £881,501 per annum.**
- Wault to expiry **5.9 years**.
- Heritable investment (Scotland's equivalent to English Freehold).

**Offers in excess of £8,250,000 which will
reflect a net initial yield of 10.00%**



78/90
05/17

LOCATION



City Centre retail floor space is estimated at 3 million sq ft. The city ranks number 1 on the PMA Retail Provision score out of the UK's top 200 retail centres; Glasgow has an extensive retail catchment which is densely populated.

However, due to the extent of the retail offer the catchment also has a very long reach throughout the west coast and rest of the country.

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.

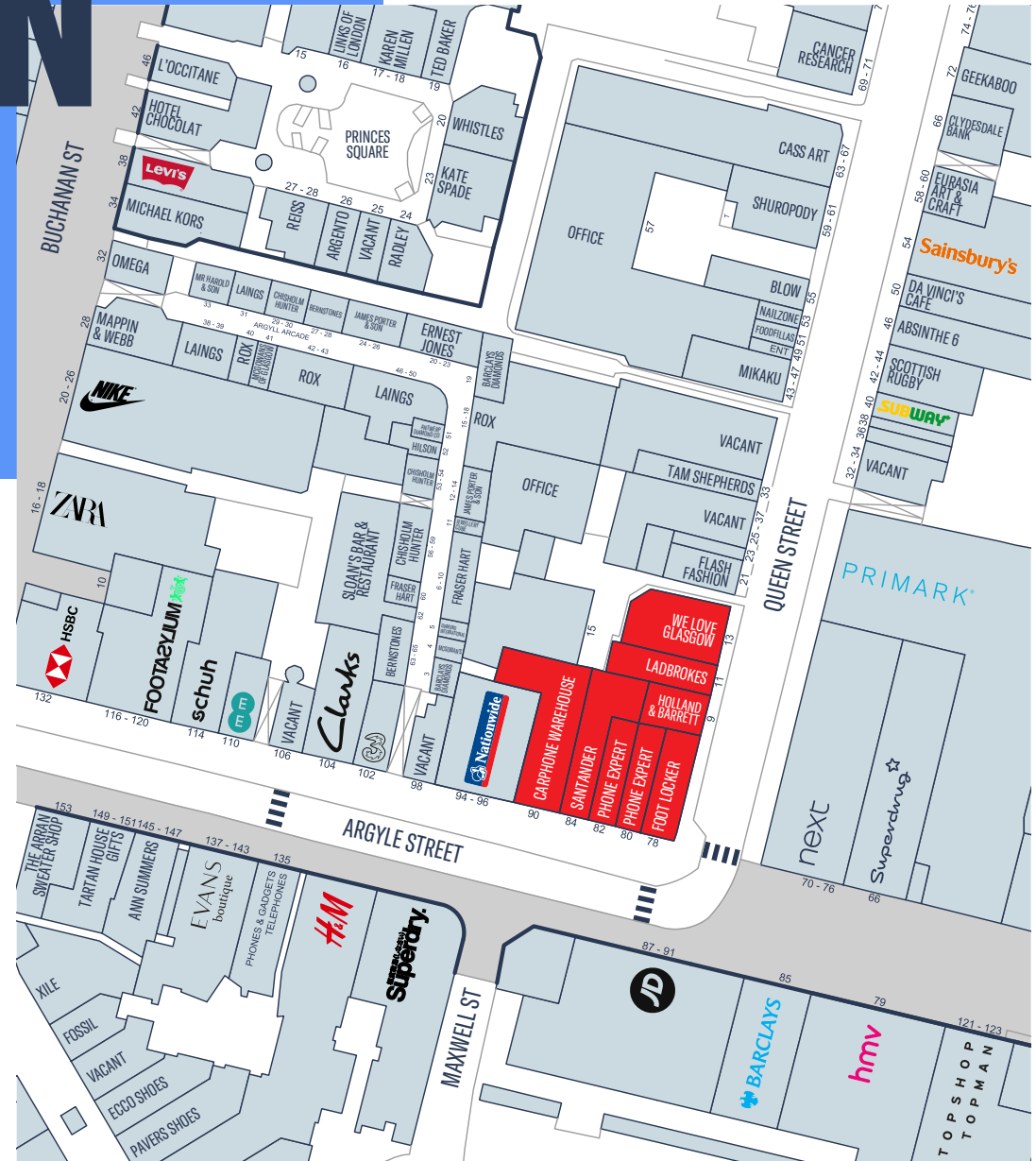
Argyle Street, includes entrances to St Enoch Centre, the larger of Marks & Spencer's two Glasgow stores and a number of national multiples including Next, Gap, TK Maxx, WH Smith, River Island and Primark. Several of the larger units along Argyle Street including those occupied by HMV and WH Smith and are part of St Enoch Centre. The street is partially pedestrianised to Glassford Street.



78/90
05/17

SITUATION

The subject property occupies a very prominent position on the north side of Argyle Street with a return frontage along the west side of Queen Street. The St Enoch Centre is located opposite and surrounding retailers include Next, Nationwide, JD Sports, Footasylum, Barclays Bank, HSBC, Santander, Bank of Scotland, EE, Superdry, Superdrug and Primark.



78/90
05/17

DESCRIPTION

The investment is made up of two separate but adjoining buildings.

78/90 Argyle St & 9 Queen St constructed in the mid 1980's is arranged over ground, first and second floors. It is of concrete frame construction, with a series of timber pitched roofs over-clad in slate. The front elevations are clad externally in red sandstone. There is an inverted flat roof to the rear 2 storey element finished with asphalt. A small yard and a sub-station are located at the back of the subjects.

11/17 Queen St was constructed in the late 1970's and comprises a 2 storey steel framed property with concrete and brick infill under a flat concrete and mineral felt roof. A 'dummy' floor has been constructed to give the appearance of 3 storeys.



ACCOMMODATION

We understand the approximate floor areas can be set out as follows:

Tenant	Address	NIA (sq ft)		NIA (sq m)		*ITZA (sq ft)
Carphone Warehouse	90 Argyle Street	Ground 1,635	First 560	Ground 152	First 52	1,385
Santander UK Plc	84 Argyle Street	Ground 2,240	First 2,790	Ground 208	First 259	1,647
Blueside Retail Ltd t/a Phone Expert	82 Argyle Street	Ground 687		Ground 64		545
Bluegate (Scot) Ltd t/a Phone Expert	80 Argyle Street	Ground 267		Ground 25		267
Foot Locker	78 Argyle Street	Ground 1,483	First 1,307	Ground 138	First 121	1,279
Holland & Barrett	9 Queen Street	Ground 1,195	First 1,164	Ground 111	First 108	1,049
Ladbrokes Betting & Gaming Ltd	11 Queen Street	Ground 1,036	First 425	Ground 96	First 39	802
LL 2 Year Guarantee	15/17 Queen Street	Ground 1,844	First 1,367	Ground 171	First 127	1,574
Scottish Power Sub Station	Rear Yard Area	-		-		-
Vacant 2nd Floor	78/90 Argyle Street	Second 2,938		Second 273		-
Total	-	20,938		1,945		-

*The first floors have been taken at 1/10th.

78/90
05/17

FLOOR PLAN



PLANNING

We are verbally advised by Glasgow City Council Planning Department that the properties are not listed and are situated within the Central Area Conservation Area. The properties have Class 1 consent with Santander having Class 2 consent. We are further advised that there are no developments planned of a comprehensive nature which would adversely affect the subjects nor were we informed of any statutory notices over the property.

TENANT COVENANT STATUS

Tenant	Year Ending	Turnover	Pre-Tax Profits	Net Worth	Experian Risk Assessment
The Carphone Warehouse Ltd	02/05/2020	£1.527bn	-£269.4m	£443m	60 Below Average Risk
Santander UK Plc	31/12/2020	£1.17bn	£1.012bn	£14.12bn	89 Low Risk
Blueside Retail Ltd	-	-	-	-	Newco. No accounts available yet
Bluegate (Scot) Ltd	-	-	-	-	Newco. No accounts available yet
Freedom Sportsline Ltd t/a Foot Locker	31/12/2019	£124m	£2.82m	£29.9m	74 Below Average Risk
Holland & Barrett Retail Ltd	30/09/2020	£413m	£5.7m	£254m	100 Very Low Risk
Ladbrokes Betting & Gaming Ltd	31/12/2019	£983m	£462m	£1.117bn	99 Very Low Risk

Copies of the Experian reports are available upon request.



LEASE TERMS

Tenant	Address	Lease Start	Lease Expiry	Break Options	Rental (p.a.)	Rental / sq ft ITZA	Rent Review	Comments
The Carphone Warehouse Ltd	90 Argyle Street	07/02/2012	06/02/2022	-	£210,000	£151.62	-	-
Santander UK Plc	84 Argyle Street	01/01/2021	31/12/2030	31/12/2025	£236,500	£143.59	01/01/2026	6 months rent free 01/01/2026 if tenant break clause is not exercised.
Blueside Retail Ltd t/a Phone Expert	82 Argyle Street	01/01/2021	31/12/2030	31/12/2025	£57,050	£104.68	01/01/2026	3 months rent free 01/01/2026 if tenant break clause is not exercised. 3 months rent deposit.
Bluegate (Scot) Ltd t/a Phone Expert	80 Argyle Street	01/01/2021	31/12/2030	31/12/2025	£27,950	£104.68	01/01/2026	3 months rent free 01/01/2026 if tenant break clause is not exercised. 3 months rent deposit.
Freedom Sportsline Ltd t/a Foot Locker	78 Argyle Street	29/07/2011	28/07/2026	-	£190,000	£148.55	-	Tenant break clause removed effective July 2021.
Holland & Barrett Retail Ltd	9 Queen Street	01/01/2021	31/12/2025	31/12/2023	£42,500	£40.51	-	-
Ladbrokes Betting & Gaming Ltd	11 Queen Street	10/12/2001	27/05/2027	-	£57,500	£71.70	28/05/2022	-
L.L Guarantee	15/17 Queen St	01/03/2021	01/03/2023	-	£60,000	£38.14	-	2 years L.L. rent & rates guarantee. A short term tenant currently occupies the property on a monthly basis paying £24k per annum.
Scottish Power Sub Station	-	15/01/1988	31/05/2026	-	£1	-	-	-
Total	-	-	-	-	£881,501	-	-	-

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VAT

The property is registered for VAT and it is proposed that the sale will be treated as a 'Transfer of a Going Concern' (TOGC), therefore no VAT will be payable on the purchase price.

CURRENT RENT

The current passing rent is £881,501 per annum as detailed in the tenancy schedule and is inclusive of the £60,000 rental/cost guarantee provided by the vendor on 15/17 Queen Street.

FUTURE REDEVELOPMENT

Our clients have drawn up plans for the demolition of 11/17 Queen St and the construction of a new 13 storey building. This could be for offices, flats or hotel use.

EPC

To be confirmed.

TITLE

The vendors are selling the Heritable title which is the Scottish equivalent of the English Freehold.

PRICE

Offers are invited in excess of **£8,250,000 exclusive of VAT** for the Heritable interest in the property (Scottish equivalent of English freehold). A purchase at this level will reflect a net initial yield of **10%** after allowing for purchaser's costs and LBTT. Our clients will consider selling 11/17 Queen St separately and pricing is available upon application.

As a comparison, our clients have sold the Nationwide BS at 92/96 Argyle St in Jan 2021 for **£5.775m** reflecting a net initial yield of **6.5%**.

FURTHER INFORMATION



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