

Eighty Three

Buchanan Street, Glasgow

PRIME RETAIL INVESTMENT



Investment Summary

Glasgow – one of the UK's strongest shopping locations outside London.

Buchanan Street – the city's prime retailing location.

83 Buchanan Street – 100% prime central location with an annual footfall of circa 15 million.

Let to Mint Velvet – a high quality progressive boutique fashion multiple with over 50 UK stores and now part of a wider long established retailing family.

No void between Mint Velvet occupying and the Landlord exercising their right to break option over the previous tenant. Competitive multiple tenant interest with minimal marketing and over rental bid received after agreeing terms.

Rare opportunity to acquire entire property with clear floorplates providing efficient overall usage – retailing on ground and first floor; stock and staff ancillary on second and third floors, with rear servicing.

Ground floor with the benefit of return frontage and recent tenant fit-out.

10 year lease from 22nd April 2024 until 21st April 2034.

Tenant break option at the end of Year 5.

£325,000 pa ex VAT – reflecting £262.50 Zone A.

Reversionary rental with continued future growth drivers; while the unit's size and configuration allows for maintaining affordable overall rental on a store size suitable for varied retailer offerings.

Continuous robust occupational demand for Buchanan Street. Multiple recent lease renewals and new lettings. No current voids within the prime section of the Street with demand outstripping supply.

Offers in excess of £4.80m exclusive of VAT are sought for the Heritable interest, reflecting a net initial yield of 6.35% and reversionary yield of 7.14%



Glasgow

Glasgow is Scotland's largest city and a significant UK metropolitan region. With a city population of over 635,000 and a region population of 1.85m it has a renowned vibrancy and attractiveness to inward investment, innovation and development. As a place to live, work, study and visit it has an economy and lifestyle to support its desirable retailing reputation.



70% of the population being of working age

Glasgow is the biggest economic region in Scotland and 4th largest economy in the UK. With 70% of the population being of working age it is Scotland's largest centre for employment, with around a third of Scotland's output it generated £47.3bn GVA in 2021. It is recognised as one of the most affordable cities in the UK and beats London, Manchester, Birmingham and Edinburgh on property and labour costs, while delivering quality across the board. The city has a 61% lower cost of living than London, which combined with the 39,800 graduates produced from its universities adds to the city's attributes for business location and expansion – Barclays Bank, JP Morgan and Morgan Stanley as examples who have all made significant investment into expansion in new campuses in recent years. The city also ranks in the UK's top two most attractive technology locations and is a natural focus for the knowledge economy – according to Tech Nation, the city is amongst the top three fastest growing tech investment hubs in the UK. Having one of the youngest populations in Scotland with 53.9% educated to degree level provides a dynamic talent pool for this.



5th largest catchment in the UK

As the 5th largest catchment in the UK, this is supported by being ranked 6th for connectivity in the fDi Large European Cities of the Future 2023. Be it road, rail or air connectivity to the city is excellent, all of which are being continually invested in for the future. The extensive motorway network that surrounds the city was added to with the £700m M74 extension link; two large commuter rail stations are each within 5 minutes walk of the property one of which, Queen Street Station recently completed a £120m redevelopment programme, with the even closer to the property Central Station handling 29m passengers a year. Scotland's only city subway system Glasgow's busy 'clockwork orange' has recently been fully upgraded, completing in June 2024. The subway is the 3rd oldest in the world to London and Budapest and the £300m modernisation programme is intended to provide the city with one of the most modern systems in the world for its 13m passengers per year.



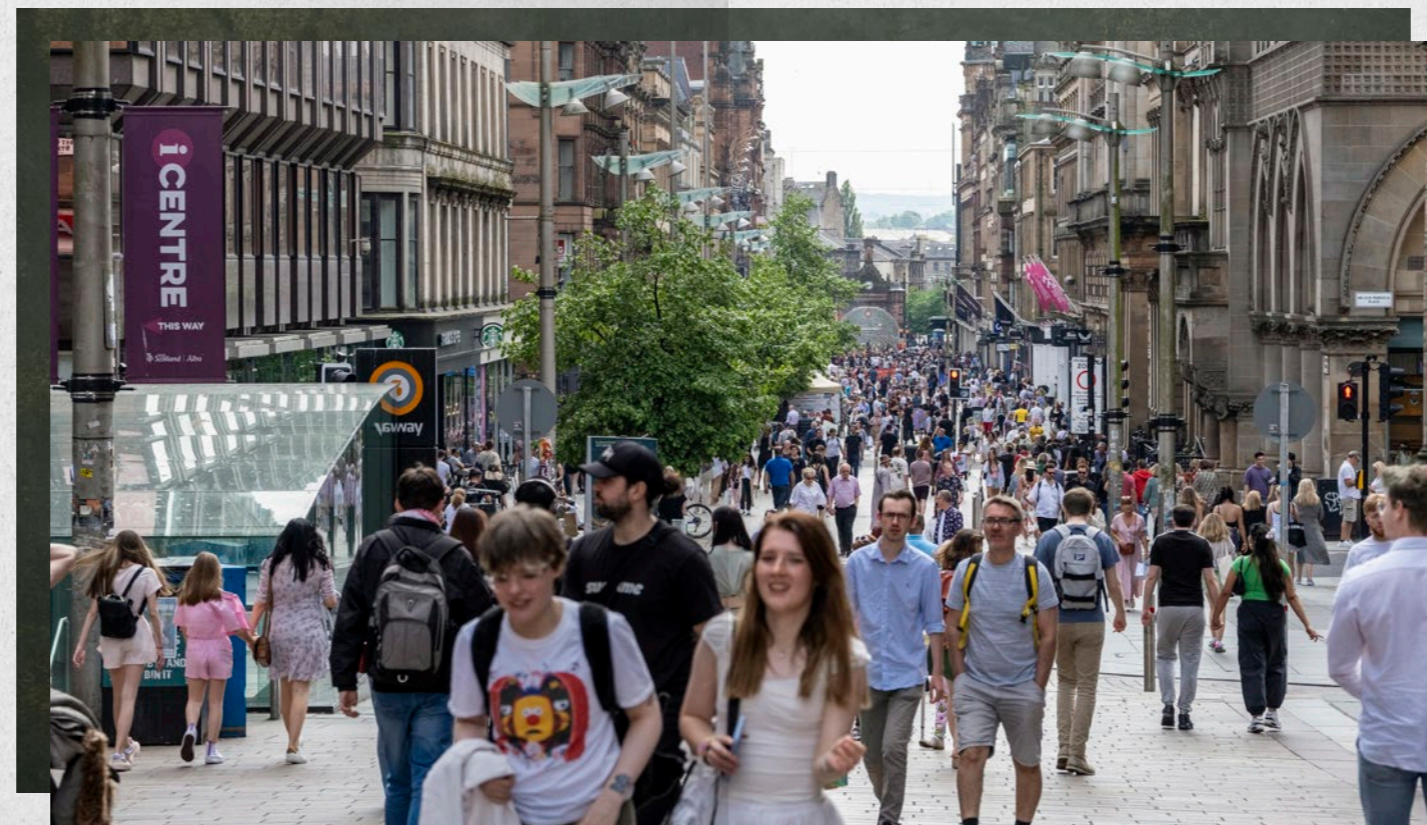
Ranked 2nd UK city for work-life balance

Glasgow is ranked number 2 UK city for work-life balance (Start-ups Cities index 2022). The thriving urban social scene and employment options are complimented by over 90 parks and gardens, city cycle routes, the River Clyde and the Clyde & Fort Canal offers urban tranquillity as well as the buzz of a cosmopolitan city.



At the forefront of Scotland's BTR provision

Billions of public and private investment are being delivered in the city centre including major office, residential hospitality and public realm developments. The city is at the forefront of Scotland's BTR provision with the largest pipeline and greatest approved or under construction units. Moda's Holland Park, Platforms Central Quay and L&G/Drum Property Solasta developments will create 1,325 quality apartments in and around the city centre.



Glasgow Retailing

Glasgow is long established as one of the strongest shopping locations outside London.

The city is a leading fashion destination and has an expansive variety of retail offering. High Street multiples, boutiques and international flagships provide an all encompassing retail experience with Buchanan Street being the prime retail pitch and principal thoroughfare linking the condensed shopping experience.

Buchanan Street is fully pedestrianised and bookended by Buchanan Galleries to the north and St Enoch Centre to the south. At the centre of the street and directly opposite No 83 is Princes Square, a high quality leisure destination and retail centre. The previously referred to famous retail “Z” at Glasgow’s core has been condensed and remodelled with Buchanan Street as it’s ever present backbone. Sauchiehall Street to the north is less recognised within the main retailing core, while Argyle Street has retained its position as a busy complimentary pitch. Ingram Street to the east links Buchanan Street to the Merchant City with a more niche high end fashion offer.

Glasgow has an extensive retail catchment. The immediate catchment is densely populated, however, the extent of retail offer and city connectivity provides for a long reach throughout the west coast and the rest of the country. This is added to by the consistently growing number of tourists that visit the city estimated at more than 3m annually. There are over 2.25 million people within 45 minutes drive of the city and it is estimated Buchanan Street attracts a footfall of 290,000 weekly.

Buchanan Street was one of the most resilient retailing locations in the UK during and after the covid period. Landlords worked with occupiers to quickly address the affordability issues caused by the pandemic and there were no voids in the prime sections. Rental levels on the street were naturally rebased but to a lesser degree than elsewhere and have shown a robustness ahead of their peers in the extent of continued demand and return to rental growth over the past two years.

Both Buchanan Galleries and the St Enoch Centre have redevelopment proposals for the covered centres which include refurbishment and mixed use options. If progressed, they will be exciting progressions of the centres for the city. Buchanan Street will remain as prime and the link between the other core retailing and leisure focuses of the city centre.

Retailers who have restructured and extend their presence on Buchanan Street in the past 24 months includes, Hobbs, White Company, Khiels, Zara and Office. New entrants to the street include Charlotte Tilbury, Tudor, Tag Heur, Mango, Laings, MAC Cosmetics, NARS Cosmetics and Sostrene Grene. Other notable new additions to the city centre include Uniqlo who are opening within part of the St Enoch Centre fronting Argyle Street.



Situation

Located in a 100% prime location on the west side of Buchanan Street. Centrally located on the street between Argyle Street and St Vincent Street; opposite Princes Square and close to Gordon Street leading to Central Station, a few minutes walk from the property. Nearby occupiers include Boss, Tudor, Molton Brown, Office and Russell & Bromley.



Description

The property comprises a prime retail unit over an entire 4 story block.

It was constructed in 1970 and is Grade B listed through its distinctive cladding and architectural presence. The building was comprehensively redeveloped in 2005 and as such it provides clear floor plates fitted out to provide pillar free retailing on ground and first floor, stock on second floor and staff ancillary on third. There is a tanked basement void with restricted head height that is unused.

It is steel framed, concrete floors with metal deck and double height glazed frontages to Buchanan Street and Mitchell Lane. The roof is flat and this was fully recovered as part of the letting to Mint Velvet.

The floors are connected at the rear by two stairwells and a lift serving all floors. Servicing doors open out to Gordon lane.

The retail unit benefits from excellent light from the double height ground floor and return frontage; the internal layout lends itself to a flexible shop fit configuration, and the connectivity between floors means the unit is inviting and flows well for customers and staff.





MINT VELVET



Accommodation

Floor Plans

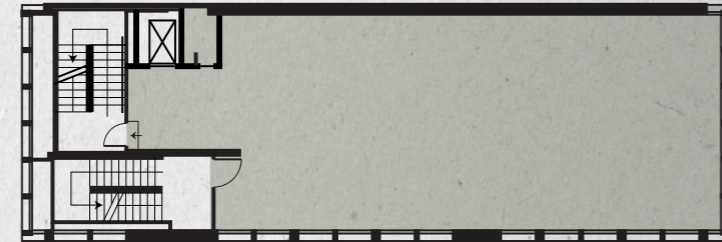
It is understood the property provides the approximate net internal accommodation noted below:

	Sqft	Sqm
Ground Floor	1,610	149.57
1st Floor	1,527	141.85
2nd Floor	1,512	140.46
3rd Floor	1,021	94.85
Total	5,670	526.73

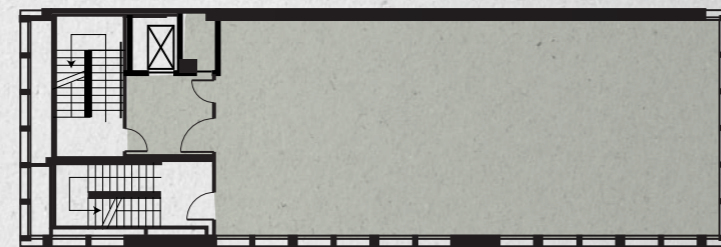
Zone A analysis provides an ITZA of 1,238 sqft, taking the first floor at 1/10th, the 2nd floor at 1/20th and the 3rd floor at 1/30th. No value is attributed to the basement void, albeit it could be used for infrequently accessed storage.



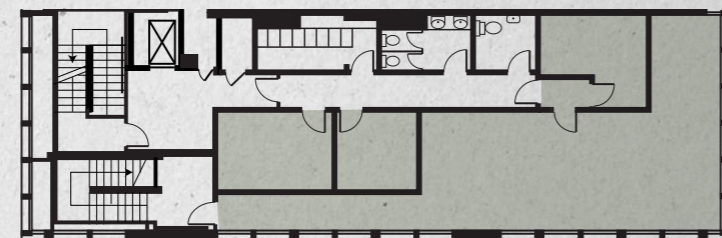
GROUND FLOOR



FIRST FLOOR



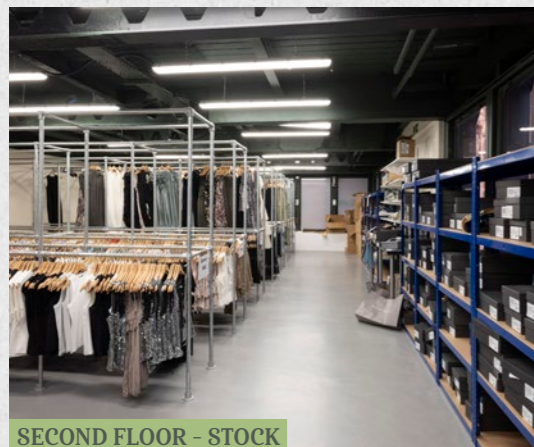
SECOND FLOOR



THIRD FLOOR



FIRST FLOOR - RETAIL



SECOND FLOOR - STOCK



Tenancy

Let to Sabre Retail Fashion Ltd, trading as Mint Velvet at a rental of £325,000 per annum ex VAT.

10 year lease from 22nd April 2024 until 21st April 2034. Tenant break option 21st April 2029 on giving 6 months notice. Upwards only rent review 22nd April 2029. FRI lease subject to SoC on cladding and windows to no better than existing. New L/L roof covering just completed.

Tenant

Mint Velvet was founded in 2009 by three retail executives who identified a gap in the offer for the fashion conscious 35+ age group. The womanswear brand focuses on high quality relaxed glamor fashion that is increasingly popular in the UK and Glasgow market. The business started as concessions within department stores and grew rapidly to include their own stores.

It was acquired by LTG (Lewis Trust Group) in 2019, who had held a stake in Mint Velvet since 2015. Two of the founders are still involved with running and growing the business with a drive to ensure planet conscious retailing. The Lewis Family have deep routed retail expertise best known for their River Island chain.

As at 2023 Mint Velvet/ Sabre Retail Fashion Ltd had 108 outlets which included growing the number of standalone stores from 48 to 52 that year. Turnover for the year ended 31st December 2023 is reported at £139.8m with a pre-tax profit of £23.7m. The company has no external borrowings and net assets of £53.0m.

Tenure

Heritable title (Scottish equivalent of English Freehold).

VAT

The property is elected for VAT. It is anticipated that that the sale will be treated as a transfer of a going concern (TOGC).

EPC

Available on request

Asking Terms

Offers in excess of £4.80m are sought exclusive of VAT. A purchase at this level would reflect a net initial yield of 6.35% based on standard purchasers costs. At an estimated ERV of £295 Zone A for units of this size and location, this shows a reversionary yield of 7.14%.



Further Information

Eighty Three

Buchanan Street, Glasgow

For further information and to request
to inspect the property contact:

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