



For sale

Rose Street, Edinburgh

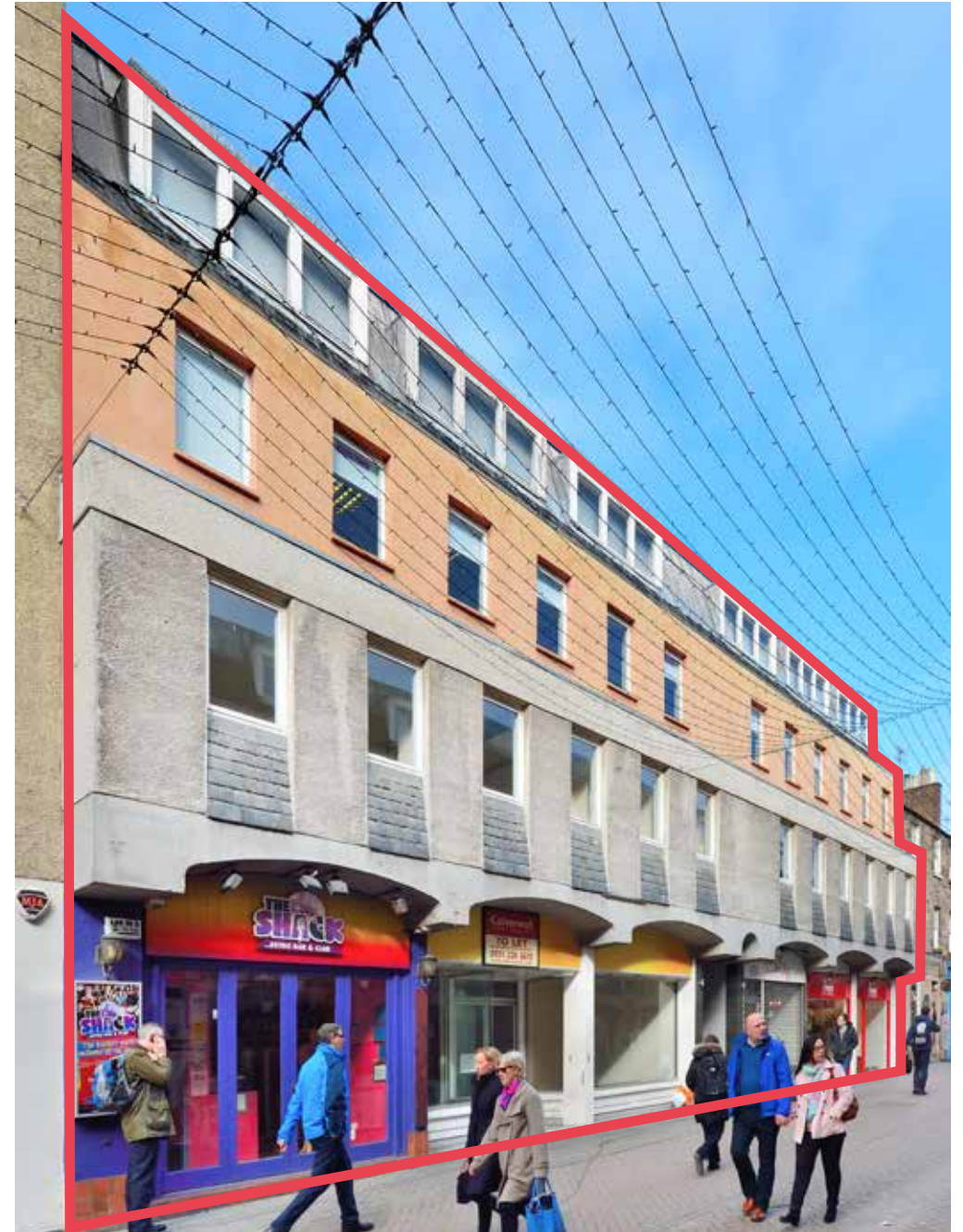
City Centre Mixed Use Commercial Property Investment

Comprising three buildings and car parking
situated in the prime stretch of Rose Street

Standard Life
Investments



116A, 118, 120, 122, 124, 126, 128, 130, 132, 134 AND 136 ROSE STREET, EDINBURGH



107, 109, 111, 113, 115, 117 AND 119 ROSE STREET, EDINBURGH



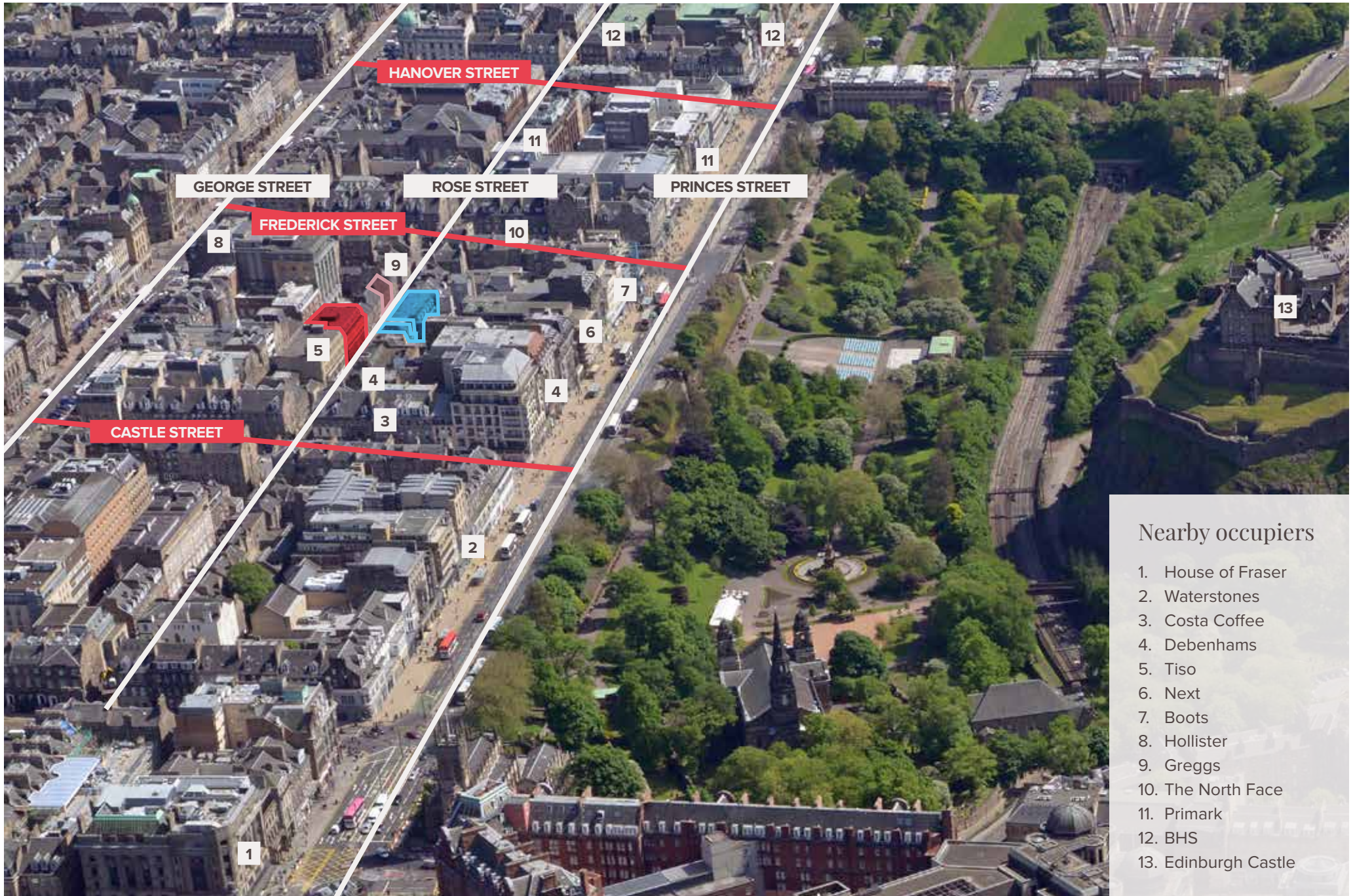
89, 91 AND 93 ROSE STREET, EDINBURGH



Executive Summary

Opportunity to acquire the heritable interest in three buildings and car parking within Edinburgh City Centre

- » Situated within prime section of Rose Street in the block bounded to the east by Frederick Street and the west by Castle Street.
- » The properties comprise:
 - 89, 91 and 93 Rose Street, Edinburgh
 - 107, 109, 111, 113, 115, 117 and 119 Rose Street, Edinburgh
 - 116a, 118, 120, 122, 124, 126, 128, 130, 132, 134 and 136 Rose Street, Edinburgh
 - 76, 78, 82, 86, 88 and 94 to 110 (even numbers only) Rose Street South Lane, Edinburgh
- » The properties incorporate 11 retail units, 7 floors of offices, 1 bar/night club and 28 car spaces.
- » In total retail and leisure accommodation extends to 1761.61 sq m (18,962 sq ft) and office accommodation extends to 1,436.18 sq m (15,459 sq ft).
- » Occupiers include Flight Centre, Thomas Rogerson, Timpson, MacMillan Cancer Support and Scottish Womens' Aid.
- » Based upon the assumed annual income of £790,035 pa a purchase at £9.3M would represent a net initial yield of 8%.
- » The proposal represents an opportunity to acquire a substantial holding within the city centre which is underpinned by vacant possession value and offers both short and longer term asset management possibilities.



Nearby occupiers

1. House of Fraser
2. Waterstones
3. Costa Coffee
4. Debenhams
5. Tiso
6. Next
7. Boots
8. Hollister
9. Greggs
10. The North Face
11. Primark
12. BHS
13. Edinburgh Castle

Location

Edinburgh is the capital of Scotland and widely recognised as a key financial, political, administrative, legal and judicial centre within Europe.

The city has a population in the order of 487,500 people and a broader city region population of approximately 1.33M (National records of Scotland 2013). Edinburgh's population has grown by 9.5% since 2003 and now represents 9% of Scotland's population. Benefiting from the highest net migration in Scotland, a higher than average birth rate and a lower than average death rate, the city's population is expected to exceed 600,000 by 2035.

In addition to being one of the fastest growing cities in the UK it is also one of the most productive. The city benefits from a highly skilled workforce and with over 50% educated to degree level, it is the UK's most educated city. In 2014, approximately 78,500 students were enrolled in further or higher education across Edinburgh's four universities and 3 colleges.

The financial services sector is the city's biggest employer and the city is home to major companies such as Standard Life, RBS, Lloyds, Baillie Gifford and Aberdeen Asset Management. The city is the UK's second largest financial centre and 4th largest in Europe as measured by equities under management.

Another important and rapidly growing industry in Edinburgh is technology. Growth within this sector is largely due to the informatics expertise within the city's universities. The University of Edinburgh's School of Informatics is the UK's leading research centre and a rich source of highly skilled graduates.

Edinburgh is also a major tourist destination attracting 2.15M domestic and 1.3M overseas tourists in 2013 (VisitBritain). The city is a well-established festival location. The Edinburgh Festival Fringe which runs during the month of August enjoyed a record year in 2015 with 2.183M attendees. In 2015 the Edinburgh International Festival attracted a further 428,800 and the Book Festival attracted 347,980 attendees.

Excellent road, rail and air communications link Edinburgh with the rest of Scotland, the UK, Europe and beyond. Edinburgh Airport is now the 5th busiest in the UK with 40 airlines serving 130 destinations. The city is served by two railway stations which have recently undergone a £1bn refurbishment and expansion. The city has an excellent bus service and the new £750M tram line connecting the city centre with West Edinburgh and Edinburgh Airport opened in May 2014.



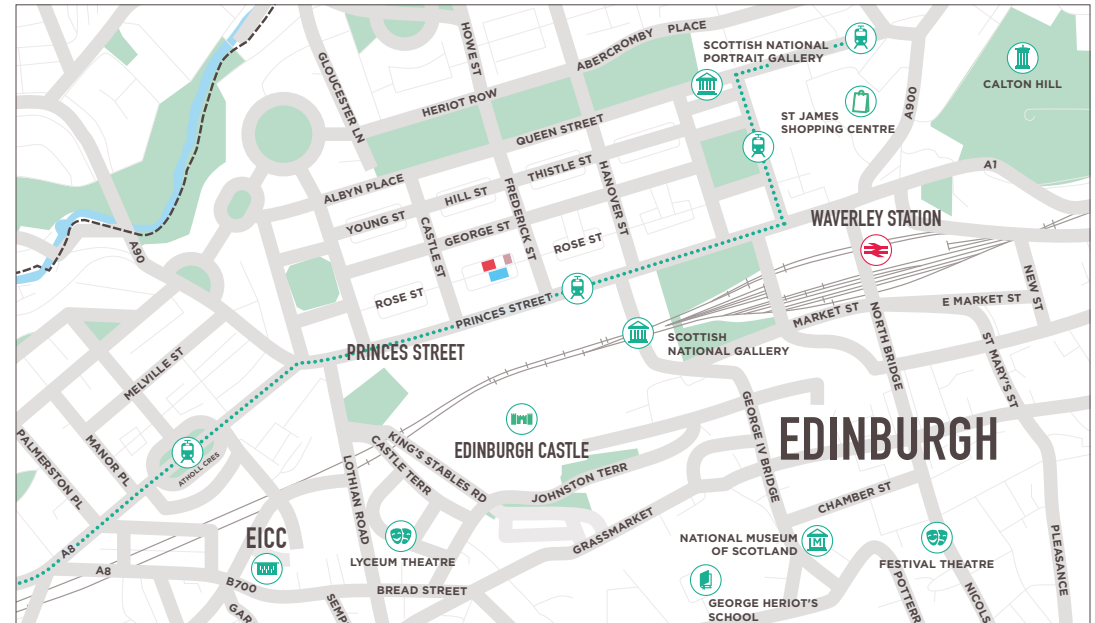
Situation

Rose Street runs parallel to George Street and Princes Street linking South Charlotte Street at the west end with South St Andrew Street at the east end. The street was included in James Craig's original plan for Edinburgh's New Town and was originally used as a service entrance to the grand residential homes on Princes Street and George Street.

It is now fully pedestrianised and a busy retail and leisure destination within the city centre. The street accommodates a number of bars, restaurants and retail units occupied by a mixture of local, national and speciality traders. A number of the larger department stores fronting Princes Street also have back entrances onto Rose Street such as Debenhams, Marks & Spencer, Jenners and Primark.

The street enjoys significant footfall but much lower occupational costs than the likes of Princes Street, George Street and the streets that run perpendicular to it.

The properties are situated within the block bounded by Castle Street to the west and Frederick Street to the east. The block is considered to be the prime stretch of Rose Street and other occupiers within this stretch include Debenhams, Tiso, Patisserie Valerie and Ladbrokes. The property that incorporates 118 Rose Street is situated on the south side of the street and backs onto Rose Street South Lane where rear servicing is provided and there is also access to secure and surface car parking. The properties incorporating 89 and 107 Rose Street are situated on the north side of the street and back onto Rose Street North Lane where access and rear servicing is available.



Description

89, 91 and 93 Rose Street, Edinburgh

The property is a Category B listed mid-terraced Georgian building arranged over basement, ground and two upper levels. The property is of traditional sandstone construction with a pitched and slate covered roof. It provides two small ground floor retail units (89 and 93 Rose Street) under two floors of office accommodation which benefits from main door access at 91 Rose Street. The office accommodation is cellular in layout and benefits from electric heating, perimeter trunking, dedicated WCs and a phone entry system.

The office accommodation has recently been vacated and is being marketed by Ryden as available to let. The retail unit at 93 Rose Street is available to let through the offices of Appleton Craig. A marketing update can be provided.

Our client is willing to provide rent cover for a period of up to 18 months over vacant accommodation at the rental value incorporated in the tenancy schedule. Given that the property is B Listed it does not attract vacant rates.



Description

107, 109, 111, 113, 115, 117 and 119 Rose Street, Edinburgh

Constructed in the 1970s the property comprises a four storey building of concrete frame construction with a mixture of brick rendered and slate finished wall cladding under a covered flat roof. The subjects incorporate three ground floor retail units (one with ancillary first floor accommodation), a basement level bar/night club with ground floor/street level access and three floors of office accommodation above.

The offices have a designated access at street level and comprise open plan accommodation benefiting from good natural daylight and lift access to all levels. The specification includes electric heating and perimeter trunking, male/female and disabled WC facilities and a phone entry system.

The office accommodation at first and third floors has recently been vacated and is being marketed by Ryden as available to let. The second floor office accommodation is occupied by The Flight Centre.

The retail unit at 115-117 Rose Street is vacant and is being marketed by Culverwell. The retail unit at 111 Rose Street will also be available to let following lease expiry in July 2016.

In respect of vacant accommodation at purchase our client is willing to provide rent cover for a period of up to 18 months plus vacant rates and service charge cover for a period of up to 12 months with effect from completion.



RIEKER, 107 - 109 ROSE STREET



FLIGHT CENTRE, 2ND FLOOR, 113 ROSE STREET

Description

116a, 118, 120, 122, 124, 126, 128, 130, 132, 134 and 136 Rose Street, Edinburgh

Situated on the south side of Rose Street and constructed in the 1970s (excepting 116a which comprises the basement of a traditional Georgian property), the property comprises a five storey building of concrete frame construction with a mixture of rendered and slate finished wall cladding under a flat bituminous covered roof. The property incorporates six retail units which occupy ground and first floors. Second and third floors are in office use with access via a designated entrance at 132 Rose Street.

The offices comprise open plan accommodation that benefits from good natural daylight and lift access to both levels. The specification includes electric heating and perimeter trunking, male, female and disabled WC facilities and an entry-phone system. There are 17 car spaces situated at lower ground floor level and these are accessed at the rear of the property via secure doors on Rose Street South Lane.

The building is presently fully let however one of the retail tenants, Murdo McLean (Hairdresser) has indicated that the business does not intend to renew the lease upon expiry in November 2016.

In addition to the secure car parking provided at lower ground floor level there are an additional 11 external surface spaces which are situated to the rear of the building with access from Rose Street South Lane.



SCOTTISH WOMEN'S AID, 2ND FLOOR, 132 ROSE STREET



MACMILLAN CANCER SUPPORT, 3RD FLOOR, 132 ROSE STREET



Accommodation and Tenancies

The below schedules contain summary information regarding tenancies, accommodation and where appropriate an indication of rental value, vacant rates payable and an approximation of the service charge for 2016. For information – Ryden has recently been appointed as Property Managers.

89, 91 and 93 Rose Street, Edinburgh

Address	Demise	Use	Tenant / Occupier	Lease Start	Lease Expiry	Next R/R	Breaks	Net Internal Area	Itza (sq ft)	Rent Passing Pa	Rental Rate Psf (Za)	Rental Value	S/C 2016 Budget	Vacant Rates Pa	Comments
89 Rose Street, Edinburgh	Ground and Basement Floors	Retail	Creative Cookware LLP	15.06.10	14.06.20	–	–	G – 77.39 sq m (833 sq ft) B – 25.55 sq m (275 sq ft)	657	£30,000	(£45.66)		N/A	N/A (Cat B Listed)	The tenant has no obligation or liability in respect of damp within the basement. Liability to remain with the landlord.
91 Rose Street, Edinburgh	1st & 2nd Floors	Office	VACANT	–	–	–	–	1F – 64.64 sq m (696 sq ft) 2F – 67.84 sq m (730 sq ft) Total: 132.48 sq m (1,426 sq ft)	N/A		–	£20,000 (£14psf)	N/A	N/A	Ryden appointed to market. Space being refurbished. Heads of Terms issued and negotiations ongoing.
93 Rose Street, Edinburgh	Ground Floor	Retail	VACANT	–	–	–	–	58.62 sq m (631 sq ft)	520		–	£28,600 (£55 ZA)	N/A	N/A	Appleton Craig appointed to market.
							Total	294.04 sq m (3,165 sq ft)		£30,000		£48,600			
										Assumed Annual Income	£78,600				



CREATIVE COOKWARE, 89 ROSE STREET



89 & 93 ROSE STREET

107, 109, 111, 113, 115, 117 and 119 Rose Street, Edinburgh

Address	Demise	Use	Tenant / Occupier	Lease Start	Lease Expiry	Next R/R	Breaks	Net Internal Area	Itza (sq ft)	Rent Passing Pa	Rental Rate Psf (Za)	Rental Value	S/C 2016 Budget	Vacant Rates Pa	Comments
107/109 Rose Street, Edinburgh	Ground Floor	Retail	Sarah Rogerson & William Rogerson t/a Thomas Rogerson & Sons	15.05.92	14.05.17	-	-	70.79 sq m (762 sq ft)	685	£48,500	(£70.80)	-	£450	-	
111 Rose Street, Edinburgh	Ground Floor	Retail	VACANT	-	-	-	-	38.74 sq m (417 sq ft)	369	-	-	£20,300 (£55 ZA)	£225	£10,890	Rockcandy lease expiring July 2016.
113 Rose Street, Edinburgh – 1st & 3rd Floors	1st & 3rd Floors	Office	VACANT	-	-	-	-	1F – 120 sq m (1286 sq ft) 3F – 211 sq m (2303 sq ft) Total: 331 sq m (3589 sq ft)	N/A	-	-	£53,835 (£15psf)	£17,582	1F - £9,365 3F - £18,131	Ryden appointed to market.
113 Rose Street, Edinburgh – 2nd Floor	2nd Floor	Office	Flight Centre (UK) Ltd	06.06.11	05.06.21	-	Break option as at 05.06.19	229.5 sq m (2470 sq ft)	N/A	£39,000	£15.80	-	£12,103	-	Lease extended to 5 June 2021. Tenant to benefit from half rent for 6 months from June 2016.
115/117 Rose Street, Edinburgh	Ground and 1st Floors	Retail	VACANT	-	-	-	-	G – 87.26 sq m (939 sq ft) 1F – 110.01 sq m (1,184 sq ft)	924	-	-	£50,000 (£54 ZA)	£675	£26,255	Under offer to Route One Retail Ltd. Rental £50,000 pa. 10 year lease with TBO at year 3. Schedule of Condition.
119 Rose Street, Edinburgh	Entrance at Ground floor plus Basement	Public House	Broadway Inns Ltd	08.11.71	15.05.28	15.05.21	-	223.15 sq m (2402 sq ft)	N/A	£41,750	£17.38	-	£585	-	7 yearly rent reviews. Sub-let to The Coconut Grove Company Limited.
							TOTAL	1092.81 sq m (11,763 sq ft)		£129,250		£124,135	£18,482 void S/C	£64,641	
										Assumed Annual Income	£253,385				



VACANT OFFICE SPACE



FLIGHT CENTRE, 2ND FLOOR, 113 ROSE STREET

116a, 118, 120, 122, 124, 126, 128, 130, 132, 134 and 136 Rose Street, Edinburgh

Address	Demise	Use	Tenant / Occupier	Lease Start	Lease Expiry	Next R/R	Breaks	Net Internal Area	Itza (sq ft)	Rent Passing Pa	Rental Rate Psf (Za)	Rental Value	S/C 2016 Budget	Vacant Rates Pa	Comments
116a Rose Street, Edinburgh	Basement only	Retail	Alistair Wood Tait Antique and Fine Jewellery Limited	07.11.91	31.01.27	07.11.16	27.05.20	44.87 sq m (483 sq ft)	N/A	£2,925	£6.05				Lease extended to 31 January 2027. The Lease Subjects are in respect of the Basement only.
118/120 Rose Street, Edinburgh	Ground & 1st Floors	Retail	Murdo MacLeans (Hair) Ltd	14.11.88	11.11.16	11.11.11	–	291.06 sq m (3133 sq ft)	961	£65,000	(£67.64)	£57,660 (£60 ZA)	£1,999	£29,101	The tenant has indicated that it will not renew.
122/124 Rose Street, Edinburgh	Ground & 1st Floors	Retail	KRM (Great Britain) Ltd t/a Ecco	14.10.15	13.10.25	14.10.20	14.10.20	173.82 sq m (1871 sq ft)	1206	£75,000	(£62.20)		£1,875		
126/128 Rose Street, Edinburgh	Ground & 1st Floors	Retail	Sarah Rogerson & William Rogerson t/a Thomas Rogerson & Sons	03.02.92	02.02.17	03.02.17	–	234.58 sq m (2525 sq ft)	1009	£71,000	(£70.36)		£1,531		
130 Rose Street, Edinburgh	Ground Floor only	Retail	Master Tailor (Edinburgh) Ltd	01.10.10	02.02.20	03.02.12	30.09.17	43.20 sq m (465 sq ft)	420	£21,000	(£50)		£875		
132 Rose Street (2nd Floor) & 1 car space see 82-100 Rose St Ln Sth, Edinburgh	2nd Floor	Office	Scottish Women's Aid Ltd	01.12.04	30.11.24	01.12.19	30.11.19	380.90 sq m (4100 sq ft)	N/A	£60,100	(£14.05)		£11,883		Car space rent is £2,000 as per Minute of Amendment and Variation of Lease between JP and Tenant 2014
132 Rose Street (3rd Floor), Edinburgh	3rd Floor	Office	Macmillan Cancer Support	01.10.07	30.09.17	01.10.12	–	351.54 sq m (3874 sq ft)	N/A	£55,240	£14.60		£11,883		Schedule of Condition attached to the lease.
134 Rose Street, Edinburgh	Ground & 1st Floors	Retail	MBCD Ltd	26.09.11	25.09.21	26.09.16	–	192.31 sq m (2070 sq ft)	367	£32,500	(£88.56)		£968		Lease in process of being assigned to TTALL Ltd.
136 Rose Street, Edinburgh	Ground & 1st Floors	Retail	Timpson Ltd	22.02.13	21.02.23	22.02.18	Tenant Break at 22.02.18	90.30 sq m (972 sq ft)	373	£22,500	(£60.32)		£656		Photographic Schedule of Condition attached to the lease.
							TOTAL	1810.94 sq m (19,493 sq ft)		£405,265 (£340,265 under deduction of Murdo MacLeans rent)		£57,660 (Rental value of 118/120)	£1,999 Potential Void S/C	£29,101 Potential Vacant Rates	
										Assumed Annual Income	£397,925				



SCOTTISH WOMEN'S AID, 2ND FLOOR, 132 ROSE STREET



MACMILLAN CANCER SUPPORT, 3RD FLOOR, 132 ROSE STREET

76, 78, 82, 86 and 94 to 110 (even numbers only) Rose Street South Lane, Edinburgh

Address	Use	Tenant / Occupier	Lease Expiry	Breaks	Spaces	Rent Passing Pa	Rental Value (Un-Let)	S/C 2016 Budget	Vacant Rates Pa
76/78 Rose Street Lane South, Edinburgh	Car Parking 2	Hugh Angus	31/07/16 – rolling annually thereafter.		1	£2,000		N/A	
	Car Parking 3	VACANT			1		£2,000	N/A	c. £1,000
	Car Parking Space Nos 4 & 5	Ledingham Chalmers	30/04/17		2	£3,750		N/A	
	Car Parking Space No 6	VACANT			1		£2,000	N/A	c. £1,000
TOTAL					5	£5,750	£4,000		c. £2,000
104/106 Rose Street Lane South, Edinburgh	Car Parking Space Nos 1 & 2	Debenhams	Annual rolling licence.		2	£4,000		N/A	
	Car Parking Space No 3	Adecco Ltd	Annual rolling licence.		1	£2,250		N/A	
	Car Parking Space No 4	VACANT			1		£2,000	N/A	c. £1,000
	Car Parking Space No 5	Slaters Menswear	Annual rolling licence.		1	£2,000		N/A	
	Car Parking Space No 6	Hidden Hearing	Annual rolling licence.		1	£2,000		N/A	
TOTAL					6	£10,250	£2,000		c. £1,000
82/100 Rose Street Lane South, Edinburgh	Car Parking 1	VACANT			1		£2,500	c. £260	c. £1,000
	Car Parking Space Nos 17, 2 & 3	Highland and Universal	Annual rolling licence.		3	£7,500		N/A	
	Car Parking 4	VACANT			1		£2,500	c. £260	c. £1,000
	Car Parking Space No 5	VACANT			1		£2,000	c. £260	c. £1,000
	Car Parking Space No 6	VACANT			1		£2,500	c. £260	c. £1,000
	Car Parking Space No 7	VACANT			1		£2,500	c. £260	c. £1,000
	Car Parking Space No 8	VACANT			1		£2,500	c. £260	c. £1,000
	Car Parking Space Nos 9 & 10	Barton Willmore	Annual rolling licence.		2	£4,250		N/A	
	Car Parking Space No 11	Macintyres	Annual rolling licence.		1	£2,500		N/A	
	Car Parking Space No 12	VACANT			1		£2,500	c. £260	c. £1,000
	Car Parking Space No 13	Federation for Industry Sector Skills and Standards	Annual rolling licence.		1	£2,250		N/A	
	Car Parking Space No 14	Scottish Women's Aid	Annual rolling licence.	See 132 Rose Street	1	See 132 Rose Street		N/A	
	Car Parking Space No 15	Barton Willmore	Annual rolling licence.		1	£2,125		N/A	
	Car Parking Space No 16	VACANT			1		£2,500	c. £260	c. £1,000
TOTAL					17	£18,625	£19,500	c. £2,080	c. £8,000
Let Spaces (17)					£34,625				
Rental Value of Unlet Spaces (11)					£25,500				
Assumed Annual Income					£60,125				



SECURE CAR PARKING, 82 / 100 ROSE STREET LANE SOUTH



Assumed Annual Income

It should be assumed that the properties are income producing as follows:

89, 91 and 93 Rose Street, Edinburgh : £78,600 pa

107, 109, 111, 113, 115, 117 and 119 Rose Street, Edinburgh : £253,385 pa

116a, 118, 120, 122, 124, 126, 128, 130, 132, 134 and 136 Rose Street, Edinburgh : £397,925 pa

76, 78, 82, 86, 88 and 94 to 110 (even numbers only) Rose Street South Lane, Edinburgh : £60,125 pa

On the basis of the above, the assumed combined rent at purchase will be £790,035 pa.

In respect of vacant accommodation at purchase our client is willing to provide rent cover for a period of up to 18 months at the rental value set out in the schedule and in addition, our client is willing to offer vacant rates and void service charge cover for a period of up to 12 months with effect from completion.

Tenant Covenants

The properties are leased to a mixture of local and national traders/companies and charities.

Retail tenants include;

Sarah Rogerson & William Rogerson trading as Thomas Rogerson & Sons;
reference www.rogersonshoes.com.

KRM (Great Britain) Ltd trading as Ecco;
(Creditsafe Rating 62 representing low risk).

Timpson Ltd; reference www.timpson.co.uk
(Creditsafe Rating 70 representing low risk).

Office tenants include;

Macmillan Cancer Support; reference www.macmillan.org.uk
(Creditsafe Rating 62 representing low risk).

Scottish Womens' Aid Ltd; reference www.scottishwomensaid.org.uk
(Creditsafe Rating 96 representing very low risk).

Flight Centre (UK) Ltd; reference www.flightcentre.co.uk
(Creditsafe Rating 87 representing very low risk).



Planning

The properties are situated within a Conservation area and the property comprising 89, 91 and 93 Rose Street is Category B listed. Interested parties are invited to make their own enquiries with the City of Edinburgh Planning Department.

Tenure

Heritable interest (Scottish equivalent of English freehold).

Investment Proposal

We are instructed to seek offers in excess of £9,300,000 (Nine Million Three Hundred Thousand Pounds) for the benefit of the Heritable interests in the properties.

Based upon an assumed combined rental of £790,035 pa, a purchase at this level would offer a net initial yield of 8%, after deduction of purchasers costs at 6.2%.

VAT

We understand that the properties have been elected for VAT. We therefore anticipate VAT will be payable on the purchase price.

EPC Ratings

89, 91 and 93 Rose Street, Edinburgh: F

107, 109, 111, 113, 115, 117 and 119 Rose Street, Edinburgh: E

116a, 118, 120, 122, 124, 126, 128, 130, 132, 134
and 136 Rose Street, Edinburgh: E

Copies of the Energy Performance Certificates can be made available upon request.



Further Information

Strictly by appointment with sole selling agents, Ryden LLP:

Ford Swanson

Email: ford.swanson@ryden.co.uk

Tel: 0131 473 3236

Nick Armstrong

Email: nick.armstrong@ryden.co.uk

Tel: 0131 473 3223

Ryden.co.uk
0131 225 6612

Standard Life
Investments

Messrs Ryden LLP for themselves and for vendors or lessors of this property whose agents they are give notice that: the particulars are set out as a general outline only for the guidance of intended purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; all descriptions, dimensions, reference to condition and necessary permissions for use and occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them; no person in the employment of Messrs Ryden has any authority to make or give any representation or warranty whatever in relation to this property. May 2016