

Abbeyhill

Industrial Estate

FOR SALE

RARE OPPORTUNITY TO ACQUIRE A MULTI-LET
CITY CENTRE INDUSTRIAL INVESTMENT

ABBAY LANE, EDINBURGH, EH8 8JL



Abbeyhill

Industrial Estate

- Comprising a terrace of 6 units extending to a total of 22,706 sq ft
- Total site area of c.1.215 acres (0.49 ha)
- 44% site coverage
- Leased to tenants including HSL Ltd, The Edinburgh Festival Centre Ltd and Edmundson Electrical
- Current passing rent of £159,470 per annum
- ERV of £172,517 per annum
- Strong prospects for rental growth
- Significant underlying residential/alternative use potential
- **Offers over £2.35M (exclusive of VAT)**
- **Net Initial Yield of 6.41% (allowing for purchasers costs based on LBTT)**



Location

Edinburgh is Scotland's capital city and its principal financial and administrative centre housing both The Scottish Parliament and The Scottish Government.

Edinburgh is also recognised as a globally important business centre, the UK's second largest and Europe's fourth largest financial centre by equity assets under management.

The population of the city is 487,500 people, increasing to 1.3 million within the Lothians, Fife and Scottish Borders catchment area. It is the most prosperous regional city in the UK and its workforce is one of the most highly educated in Britain.

Edinburgh benefits from excellent transport links with Edinburgh International Airport 8 miles west of the city centre, two city centre railway stations and easy access to the national motorway network.

Amongst recent accolades, the city has been voted the UK's best city for the second year running by The Telegraph and the second most 'tech savvy' city in the UK by the Google eTown awards.



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Situation

Abbeyhill Industrial Estate is located within Edinburgh city centre, approximately 1 mile east of Waverley Station/Princes Street and accessed off London Road (the A1) one of the city's main arterial routes.

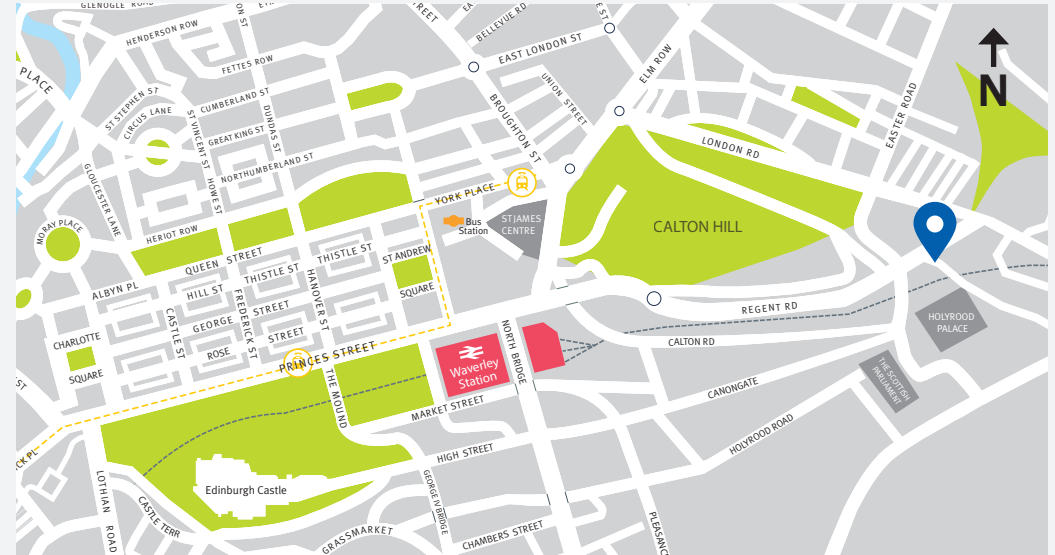
The subjects lie on the south side of London Road with access provided via Abbey Lane. The site is bounded by Abbey Lane to the north and west, and the main Edinburgh to London east coast rail line to the south.

The surrounding area provides a mix of predominantly residential and commercial uses and the property, subject to obtaining the necessary planning consents, could offer strong underlying residential/alternative use potential.

The subjects form one of the closest remaining

industrial estates to the city centre and benefit from excellent connectivity to the rest of Edinburgh and beyond, including the A1, the city of Edinburgh bypass and the wider motorway system.

Meadowbank Retail Park lies directly to the north of the subjects across London Road. Meadowbank Sports Centre, The Scottish Parliament at Holyrood and Holyrood Palace are all in close proximity.



Aerial View

Abbeyhill / surrounding developments

- 1 Abbeyhill Industrial Estate
- 2 Imperial Heights, residential development (Bellway)
- 3 Brae House Student Residences
- 4 The Arc, residential development

Landmarks

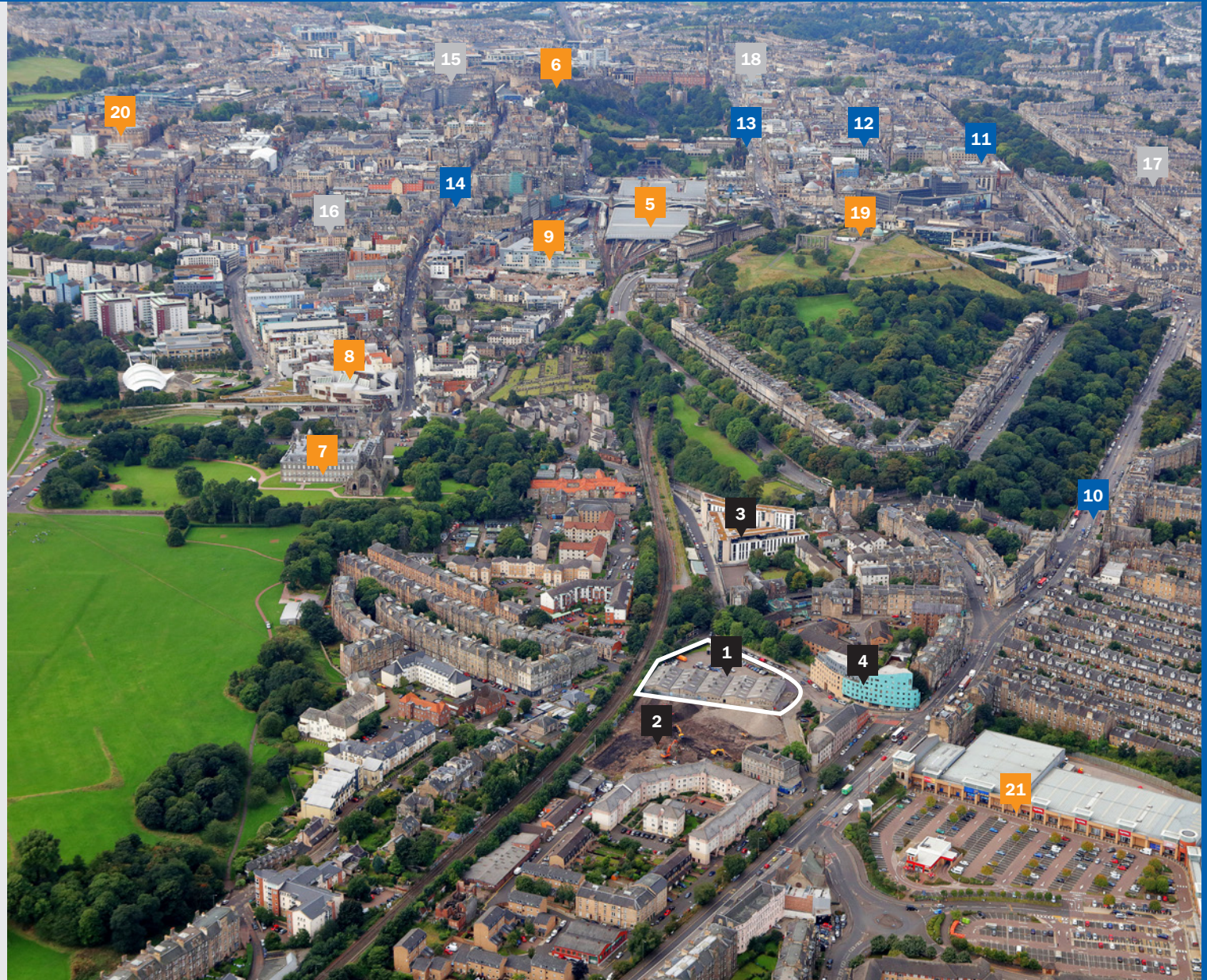
- 5 Waverley Station
- 6 Edinburgh Castle
- 7 Holyrood Palace
- 8 Scottish Parliament
- 9 Waverley Court / The City of Edinburgh Council
- 19 Calton Hill
- 20 Edinburgh University
- 21 Meadowbank Retail Park

Roads

- 10 London Road (A1)
- 11 Queen Street
- 12 George Street
- 13 Princes Street
- 14 Royal Mile

Areas

- 15 Exchange District
- 16 Old Town
- 17 New Town
- 18 West End



Surrounding Developments

Brae House, Abbeyhill (Manson Architects / Watkin Jones / Knightsbridge Student Housing)

422 bed student accommodation scheme completed in August 2015. Developed by Watkin Jones on behalf of Knightsbridge Student Housing. Managed by The Student Housing company.

www.thestudenthousingcompany.com/locations/edinburgh/brae-house

The Arc, Abbey Lane (Elphinstone Homes / CMM Architects)

Seven Storey development including 31 flats and maisonettes completed in 2003.

Imperial Heights, Abbey Lane (EMA Architects / Bellway)

Development of 138 1,2, & 3 bedroom homes (104 Private) on site of 1.94 acres.

Planning permission granted in May, construction has commenced with planned launch in 2017.

www.bellway.co.uk/new-homes/scotland/imperial-heights



Brae House



The Arc



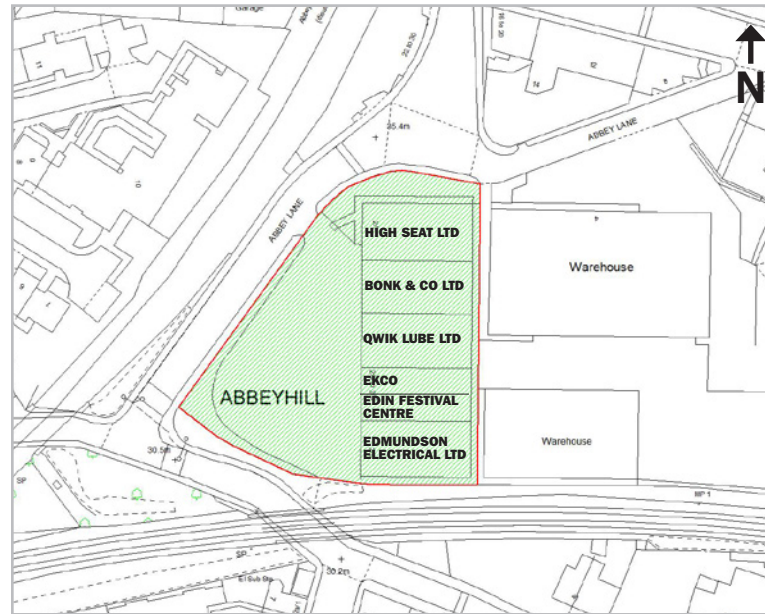
Imperial Heights

Description

The subjects comprise a terrace of 6 industrial units developed in c. 1970. They are of steel portal frame construction, brick and part steel clad with pitched roofs above.

The units are decorated/fitted out in the corporate styles of the individual occupiers and benefit from customer entrances, glazed frontage/display and roller shutter access to the front elevations.

The estate comprises a total area of approximately 1.215 acres (0.49 hectares) including a large secure fenced and gated forecourt providing car parking for in excess of 40 vehicles.



Tenancy & Accommodation

ADDRESS	GROSS INTERNAL AREA SQM (SQFT)	EPC RATING	TENANT	LEASE START	NEXT RENT REVIEW	BREAKS	LEASE EXPIRY	RENT PA (OMRV)	RENTAL RATE (PSF)	ERV PA (PSF)	COMMENTS
UNIT 1	431.5 (4,645)	E	HIGH SEAT LTD (CO. NO 00916661)	28/09/2015	28/09/2020	27/09/2020 (MUTUAL)	22/06/2024	£32,515	£7.00	£34,838 (£7.50)	SCHEDULE OF CONDITION ATTACHED TO THE LEASE. RENT FREE PERIOD EXPIRING 28/11/2016. UNIT BENEFITS FROM CLASS 1 (NON-FOOD) RETAIL CONSENT.
UNIT 2	417.0 (4,489)	E+	BONK & CO LTD (CO. NO SC064104)	12/11/2010	N/A	N/A	11/11/2020	£30,900	£6.87	£33,668 (7.50)	SCHEDULE OF CONDITION ATTACHED TO THE LEASE.
UNIT 3	419.5 (4,515)	C	QWIK LUBE LTD (CO. NO SC373883)	24/6/2010	N/A	N/A	23/6/2020	£31,700	£7.00	£33,863 (£7.50)	SCHEDULE OF CONDITION ATTACHED TO THE LEASE. RENT DEPOSIT OF £7,500 IN PLACE.
UNIT 4A	204.2 (2,198)	D+	EKCO (EDINBURGH) LTD (CO. NO SC452549)	2/8/2013	2/8/2018	N/A	1/8/2023	£15,505	£7.00	£17,584 (£8.00)	SCHEDULE OF CONDITION ATTACHED TO THE LEASE. RENT DEPOSIT OF £5,000 IN PLACE. LEASE GUARANTEED BY EDINBURGH KITCHEN COMPANY LTD.
UNIT 4B	208.3 (2,242)	E	EDINBURGH FESTIVAL CENTRE LTD (CO. NO SC171133)	21/6/1999	N/A	N/A	20/6/2017	£17,000	£7.58	£17,936 (£8.00)	SCHEDULE OF CONDITION ATTACHED TO THE LEASE.
UNIT 5	428.9 (4,617)	F	EDMUNDSON ELECTRICAL LTD (CO. NO 02667012)	23/6/2014	22/6/2019	22/6/2020 (6 MONTHS WRITTEN NOTICE)	22/6/2024	£31,850	£7.00	£34,628 (£7.50)	SCHEDULE OF CONDITION ATTACHED TO THE LEASE.
TOTAL	2,109.4 (22,706)							£159,470		£172,517	

Industrial Occupational Market

A distinct lack of supply in Edinburgh combined with a robust occupational market has witnessed rental levels increase for prime space by in the order of 10% in the last 9 months or in some instances within established trade parks by up to 20%.

Little, to no speculative development replacing the shortage of quality stock, particularly for small to mid-range requirements, has resulted in longer lease terms, reduced rental incentives, and increased rental rates.

The development cycle for new accommodation is at least 12 months behind the market which, given

current levels of occupier demand, will continue to impact positively on rental growth within modern / well established estates.

Our opinion of estimated rental value at Abbeyhill is based on current market conditions and upcoming lease events on the estate. It is our view that if available on the open market to let, rents in excess of £7.50 per sq.ft. and £8 per sq.ft. could be commanded for the smaller/ larger size units respectively.

Retail Consent

In September 2015 change of use to Class 1 retail (non-food) consent was granted in respect of unit 1, High Seat Ltd (15/03241/FUL). This offers further scope to enhance rental levels on the estate by exploring similar consents over the remaining units as demand from occupiers becomes more trade / showroom orientated.



Tenant Covenant

TENANT	ULTIMATE PARENT COMPANY	CREDITSAFE RATING	CREDITSAFE CATEGORY	DATE OF ACCOUNTS	T/O	NET WORTH	COMMENTS
HIGH SEAT LIMITED (WWW.HSLCHAIRS.COM)	HIGH SEAT HOLDINGS LTD	71	VERY LOW RISK	31/12/2014	£35,933,403	£2,084,474	RETAIL OF FURNITURE, LIGHTING AND SIMILAR IN SPECIALISED STORE.
BONK & CO LTD (WWW.BONKANDCO.CO.UK)	DOLBYCO LTD	79	VERY LOW RISK	30/06/2015	N/A	£699,512	SOLID FUEL COOKERS AND HEATING EQUIPMENT.
QWIK LUBE LTD (WWW.QWIKLUBE.CO.UK)	N/A	55	LOW RISK	31/07/2015	N/A	-£120,872	MAINTENANCE AND REPAIR OF MOTOR VEHICLES.
EKCO (EDIN) LTD	N/A	54	LOW RISK	30/06/2015	N/A	-£45	SALE OF NEW GOODS IN SPECIALISED STORES.
GUARANTOR: EDINBURGH KITCHEN COMPANY LTD (WWW.EKCO.CO.UK)	N/A	39	MODERATE RISK	30/11/2015	N/A	£125,471	SALE OF NEW GOODS IN SPECIALISED STORES.
EDINBURGH FESTIVAL CENTRE LTD (WWW.HUBTICKETS.CO.UK)	EDINBURGH INTERNATIONAL FESTIVAL SOCIETY	68	LOW RISK	31/10/2015	£1,970,000	£5,136,000	OPERATES THE HUB, WHICH INCLUDES THE OFFICES OF THE EDINBURGH INTERNATIONAL FESTIVAL AND A TICKETING SERVICE FOR THE INTERNATIONAL FESTIVAL AND OTHER EVENT PROMOTERS.
EDMUNDSON ELECTRICAL LTD (WWW.EDMUNDSON-ELECTRICAL.CO.UK)	BLACKFRIARS CORP	96	VERY LOW RISK	31/12/2014	£1,159,115,000	£340,551,000	WHOLESALE DISTRIBUTION OF ELECTRICAL PRODUCTS.



EPC

The EPC ratings for each unit are set out within the tenancy and accommodation schedule.

Copy certificates can be provided upon request.

Tenure

Outright ownership interest/heritable (Scottish equivalent of English freehold).

Service Charge

Managing agents are appointed in relation to the property and costs incurred in the management, upkeep, and provision of certain services are recovered via the service charge. A copy of the current budget can be provided to interested parties.

Proposal

We are instructed to invite offers in excess of £2.35M exclusive VAT, representing a Net Initial Yield of 6.41% allowing for purchasers costs based on LBTT of 5.89%.

VAT

We understand the property is VAT elected and therefore VAT will be payable on the purchase price. We anticipate the transaction can be treated as a Transfer of a Going Concern (TOGC).

Viewing & Further Information

Strictly by appointment with the joint selling agents:

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COMMERCIAL PROPERTY INVESTMENT
0131 226 4004

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