

FOR SALE
PRIME MULTI-LET INVESTMENT OPPORTUNITY

ALLAN HOUSE
21-25 BOTHWELL STREET
GLASGOW G2 6NL

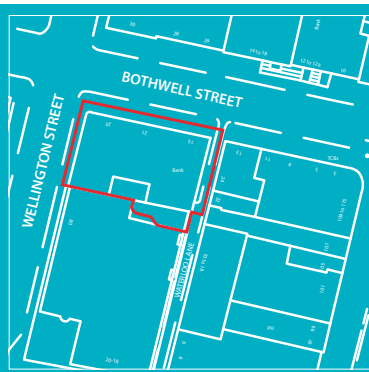
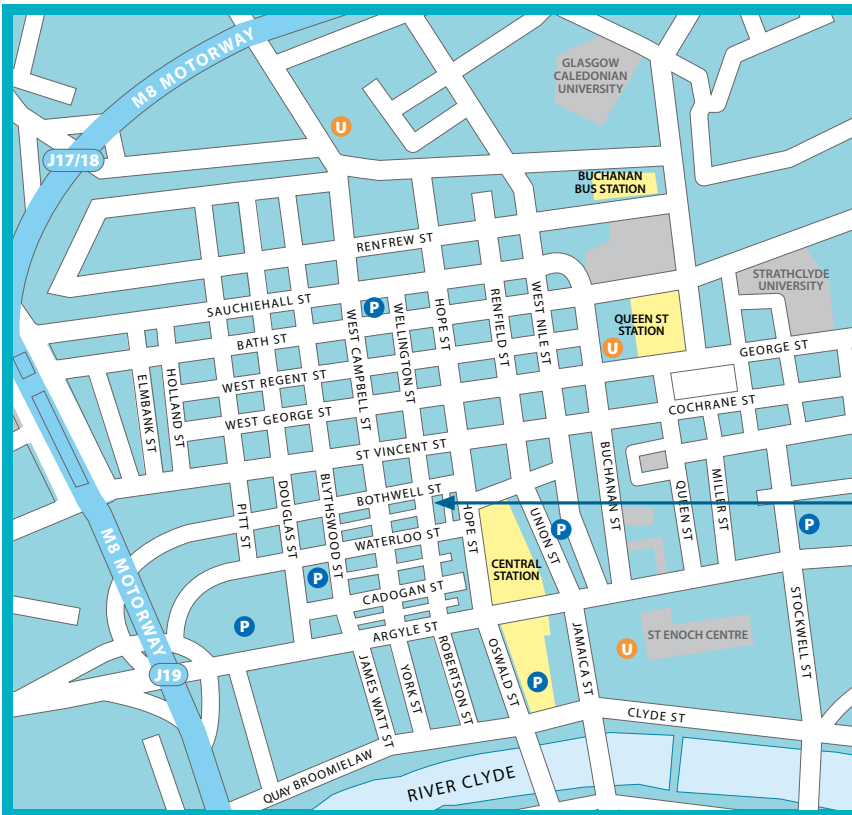


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Investment Summary

- Attractive landmark multi-let investment occupying a prominent position within the CBD.
- Excellent location in one of Glasgow's best office addresses with easy access to the City's train stations, M8 Motorway, bar/restaurant amenities and retailing offer.
- Grade B listed – exempt from vacant rates liability.
- Multi-let building with total floor area of 31,462 sq ft, split 22,247 sq ft of office space on 1st-4th floors and 9,215 sq ft of restaurant accommodation on ground and basement floors.
- Seven single car spaces and one tandem space secured within the basement.
- Total passing rent of £479,273 per annum.
- Heritable Interest (Equivalent of English Freehold).
- Let to four tenants including Scott-Moncrieff and Living Ventures Restaurants Limited (guaranteed by The Restaurant Group Plc).
- Mixed income profile with various short to medium term asset management opportunities.
- Seeking offers over £6.1 million (Six Million One Hundred Thousand Pounds Sterling) exclusive of VAT, which reflects a net initial yield of 7.43% after allowing for purchaser's costs at 5.75%.



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Location

Glasgow is Scotland's largest City and the third largest in the UK with an approximate population of 600,000 and is at the centre of a catchment population of over 1.5 million, almost one third of Scotland's population.

The City has a diverse and vibrant service based local economy generating over £13 billion Gross Value Added each year and supporting over 400,000 jobs. Glasgow is one of the fastest growing employment centres in the UK. Major employers include National Australia Group, RBS, Tesco, Lloyds, Santander, Shell, KPMG and Barclays.

Situation

Bothwell Street is a prime office location and in recent years has become one of the best office addresses in Glasgow. Allan House occupies a very prominent position on the south side of Bothwell Street at its junction with Wellington Street.

The property is in close proximity to Glasgow Central Station and a short walk from Glasgow Queen Street Station, as well as being in close vicinity to Glasgow's retailing offer and a wide range of bars and restaurants. Buchanan Bus Station, St Enoch and Buchanan Street underground stations are a short walk from the subjects. In addition the property allows for excellent access to the M8 Motorway.

Surrounding occupiers include Shell, Barclays, Student Loans Company, Bovis Lend Lease, Price Waterhouse Coopers, Sainsbury's, Marks & Spencer, Costa, Starbucks, HSBC and BNP Paribas.



Buchanan Galleries

Glasgow Queen Street Rail Station

West George Street

St Vincent Street

Bothwell Street

ALLAN HOUSE

Buchanan Street

Hope Street

Glasgow Central Rail Station

Argyle Street

St Enoch Shopping Centre

River Clyde

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- 1 Standard Life
- 2 Lloyds TSB
- 3 KPMG
- 4 RBS
- 5 IGNIS
- 6 Student Loans
- 7 Barclays
- 8 BNP Paribas
- 9 PWC
- 10 Shell
- 11 Clydesdale Bank
- 12 JP Morgan
- 13 ESURE
- 14 BT



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Description

Allan House is a prominent Grade B Listed red sandstone building arranged over basement, ground and four upper floors. The property provides ground and basement restaurant accommodation with return frontage and office accommodation on the four upper floors.

The offices extend to approximately 22,247 sq ft and provide open plan accommodation around a central service core. Access is provided via ground floor entrance foyer / reception area with two eight person passenger lifts serving all floors. Each floor has male and female toilet facilities.

The office floors are open plan with good natural daylighting, suspended ceilings, recessed modular lighting and gas central heating. The fourth floor has a raised access floor and comfort cooling. The property benefits from seven single car spaces and one tandem space within the basement which is accessed via Waterloo Lane.

The ground and basement floors have undergone substantial fitting out works and present a very high quality fitted bar/restaurant. The ground floor is used for bar / restaurant purposes with the main entrance situated towards the east side of the ground floor with kitchen facilities at the rear. Further kitchen, preparation, storage, staff areas and customer toilets are provided in the basement.



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Tenure

Heritable Interest (Scottish equivalent of English Freehold).

Tenancy Schedule and Accommodation

ALLAN HOUSE, 21-25 BOTHWELL STREET, GLASGOW

Unit	Tenant	Floor Area (sq ft)	Rent (£pa)	Rental Rate (sq ft)	Car Spaces	Lease Start	Lease Expiry	Rent Review	Break Option	Comments
Grnd & Bment	Living Ventures Restaurants Ltd Guarantor - The Restaurant Group Plc	9,215 (GIA) g/f 6,205 b/f 3,010	£140,000	£15.19 overall	n/a	12 July 1999	11 July 2024	Outstanding review 29 Sept 2009	n/a	29 September 2009 rent review is outstanding. Notice served at £199,000 pa. Landlord has redevelopment break option in 12/7/2014 subject to 12 months written notice.
1st, 2nd & 3rd Flrs	Scott-Moncrieff	17,113	£255,000	£14.00	6	1st & 2nd - 1 Nov 1988 3rd - 5 January 2000	4 January 2015	n/a	n/a	Rent includes 6 car spaces at £2,500 pa.
Part 4th Flr	McBains Cooper Consulting Ltd	2,263	£38,208	£16.00	1	15 August 2008	14 August 2018	15 August 2013	15 August 2013	Rent includes 1 car space at £2,000 pa. Tenant break option is exercisable on 9 months written notice.
Part 4th Flr	Moore Stephens LLP	2,871	£46,065	£15.00	1 tandem	22 June 2005	21 September 2015	22 September 2010	22 September 2010	September 2010 break option has been exercised. Rent includes 1 tandem space at £3,000 pa.
Total		31,462	£479,273		7 single 1 tandem					



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Tenant Covenant

Living Ventures Restaurants Limited – established in 1987, the company run a successful chain of bar/restaurant establishments throughout the UK. The company have a Dun & Bradstreet rating of 2A2 and to the year end March 2009, posted a turnover of £22.39 million, a pre-tax loss of £316,000 and a tangible net worth of £5.206 million.

The Restaurant Group Plc – established in 1954, the company is one of the largest independent bar / restaurant groups in the UK. The company have a Dun & Bradstreet rating of 5A1, indicating a minimum risk of business failure. The company to the year end December 2008, posted a turnover of £416.53 million, a pre tax profit of £47.131 million and tangible net worth of £67.365 million.

Scott-Moncrieff - Scott-Moncrieff are one of Scotland's leading independent accountancy and professional services firms, established in 1792 with offices in Glasgow and Edinburgh. The company provide a full range of services including audit, taxation, wealth management and corporate finance. For the financial year 2008/9, the firm reported a revenue of £13.1 million, in line with the previous financial period.

McBains Cooper Consulting Limited - established in 1995, the company is a leading professional consultancy specialising in property, infrastructure and construction and offering a wide range of consulting and design services through a network of offices, both in the UK and internationally. The company have a Dun & Bradstreet rating of 2A3. To the year end June 2008, the company posted a turnover of £15.39 million, pre-tax profit of £1.41 million and a tangible net worth of £2.45 million.

Moore Stephens LLP - Moore Stephens are a member of Moore Stephens International which is regarded as one of the world's major accounting and consulting associations consisting of 351 independent firms with 630 representative offices.

Moore Stephens offers a wide range of accounting and consulting services. The company have a Dun & Bradstreet rating of 4A1. For the year ended 2009, the company posted a turnover of £81.416 million, pre-tax profit of £16.756 million and have a tangible net worth of £15.158 million.

Investment Market

Glasgow has a proven track record of attracting strong investment demand from a wide range of national and international investors, both institutional and private. Glasgow continues to perform well as a regional office location and the diverse nature of the office occupier market has galvanised Glasgow through the recent economic downturn with occupiers from a range of sectors continuing to acquire new space over the last few years.

Since the beginning of Q4 2009, to date Glasgow has witnessed significant investor activity within the City core. A table highlighting various recent multi-let CBD investment transactions is set out as follows:-

Property	Purchaser	Date	Price	Yield
180 West George Street	ING Real Estate	April 2010	£17.434m	6.65%
145 St Vincent Street	SWIP	March 2010	£11.7m	6.6%
Cornerstone	SWIP	February 2010	£7.45 m	6.6%
50 Bothwell Street	PRUPIM	December 2009	£29m	6.73%
163 West George Street	Cordea Savills	December 2009	£7.73m	7.51%
141 Bothwell Street	Aberdeen Asset	December 2009	£66.5m	5.9%
151 West George Street	Henderson	October 2009	£16.1m	7.58%

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Asset Management Opportunities

Allan House occupies one of the most prominent positions within Glasgow's CBD and we are of the view that the property offers a wide variety of short to medium term asset management opportunities including:-

- Carrying out the outstanding rent review on the restaurant in order to increase rental value.
- Re-letting of the part fourth floor suite (Moore Stephens) on a new lease at an increased rent.
- Potential to extend / re-gear Scott-Moncrieff's lease on 1st to 3rd floors.
- Potential re-letting / refurbishment of 1st to 3rd floors in the medium term with scope to let on a single floor basis (flexibility to split further) in order to increase rental value.
- Possibility of obtaining vacant possession of the entire building for a potential redevelopment within the medium term, aided by a landlord's redevelopment break option within the restaurant lease in 2014 and subject to taking an early surrender of the part fourth floor suite (McBains Cooper).

VAT

The property is elected for VAT, however it is anticipated that the sale of the property will be enacted by way of a Transfer of Going Concern (TOGC).

Capital Allowances

The benefit of any unclaimed Capital Allowances on the property will be passed onto the purchaser.

Proposal

We are instructed to seek offers in excess of £6.1 million (Six Million One Hundred Thousand Pounds Sterling) subject to the completion of formal legal missives and exclusive of VAT. A purchase at this level reflects a net initial yield of 7.43% after allowing for purchaser's costs at 5.75%.

Further Information and Viewing

Further information can be obtained from the vendors agent:-

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Ryden on their behalf and for the sellers or lessors of this property whose agents are, give notice that: (i) the particulars are set out as a general outline only for guidance of intending purchasers or lessees and do not constitute, nor constitute part of, an offer or contract. (ii) All descriptions, dimensions, references to condition and necessary permission for use and occupation, and other details are given in good faith and are believed to be correct, but 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. (iii) No person employed by Ryden has any authority to make or give representation or warranty whatever in relation to this property. May 2010.