

FOR SALE

PRIME RETAIL INVESTMENT

70-76 ARGYLE STREET &
2/10 QUEEN STREET

GLASGOW G2 8AG



INVESTMENT SUMMARY

- The city is ranked as the largest and most successful retailing destination in the UK outside of London (CACI)
- Glasgow is one of the Europe's most exciting and vibrant cities and the largest in Scotland
- Argyle Street is the best mainstream retailing pitch in Glasgow with estimated footfall of 20 million per year generated by the redeveloped St Enoch Centre and attractive retailing brands including Marks & Spencer, Debenhams, H&M, Primark and Superdry
- Argyle Street forms part of Glasgow's famous Golden Z retailing pitch
- Rare opportunity to purchase prominent corner unit on one of Glasgow's busiest retailing pitches opposite St. Enoch Shopping Centre and adjacent to a flagship Primark store and in close proximity to TK Maxx and M&S
- The property is let to Next Holdings Limited (5A1) on FRI terms until February 2022
- Total Passing rent of £725,000 per annum (£189.74/sq ft Zone A)
- Offers in excess of **£10,000,000 (TEN MILLION POUNDS STERLING)** exclusive of VAT are sought for the Absolute Ownership in the property. A purchase at this level would reflect an attractive Net Initial Yield of 6.83% assuming purchaser's costs of 6.20%



LOCATION

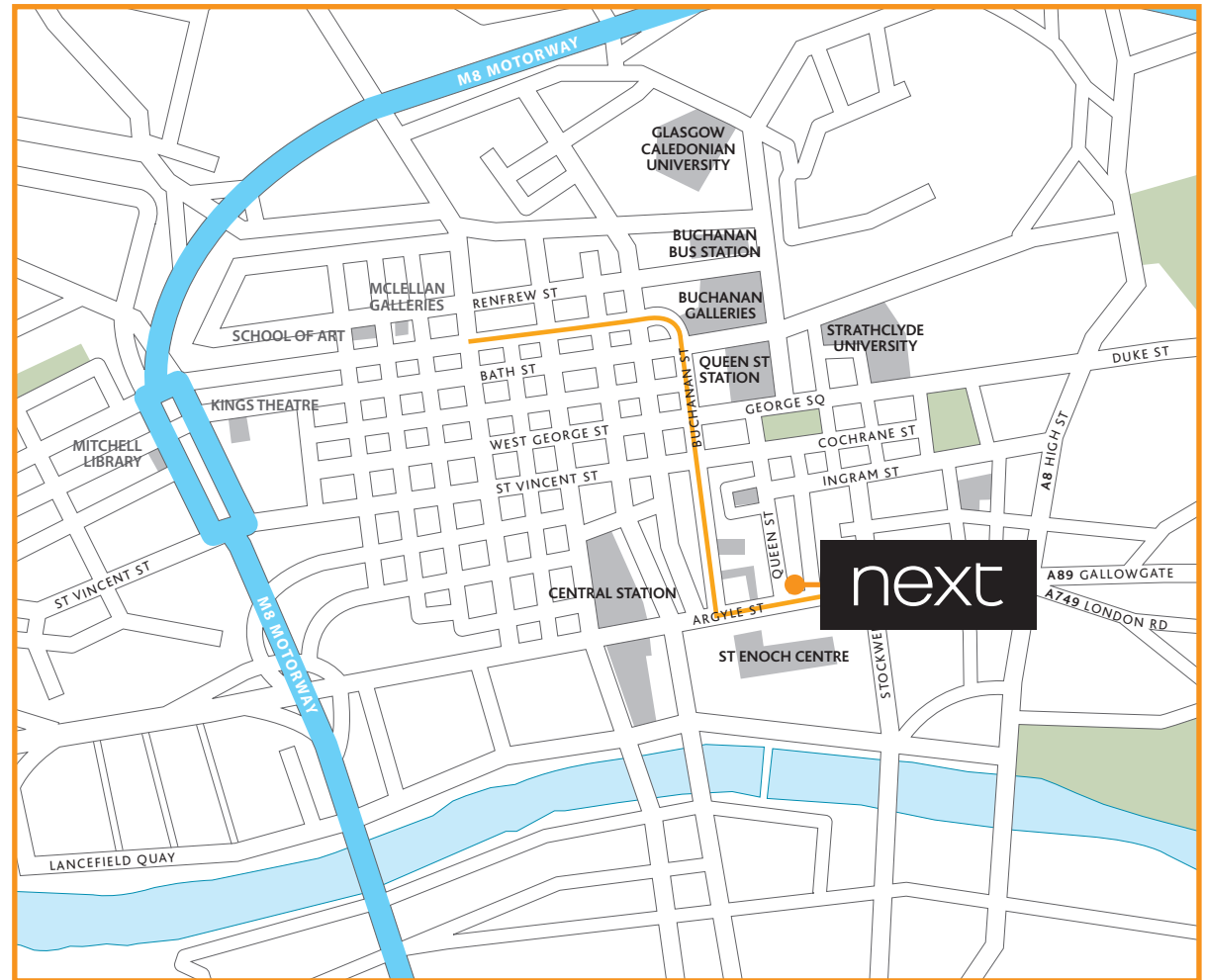
Glasgow is the largest city in Scotland, the commercial and industrial capital of the country and the administrative centre for the West of Scotland.

The city has an urban population of approximately 600,000 people and a catchment population of over 2.3 million people within a 40 minute drive, making Glasgow the third largest urban centre in the UK. The city benefits from 2 main train stations; Central Railway Station and Queen Street Railway station both of which provide regular services to London and link to the wider Scottish Railway Network.

Glasgow is Scotland's centre of employment and an economic powerhouse, generating £18 billion in gross value each year. There are 1.2 million working age people within a 45 minute commute of the city and 2 million within an hour. The city is home to an impressive list of blue chip companies and major global organisations across numerous sectors including Santander, Morgan Stanley, The Student Loans Company, KPMG, Ministry of Defence, BT, Aggreko, Scottish Power and Scottish & Southern Energy.

With over half a million square metres of retail space, Glasgow is the largest UK shopping destination outside London. It is also the most successful, ranking 2nd in CACI's UK Retail Ranking and placing it in the top 20 super league of major European shopping destinations by commercial expenditure. Within a 30 minute drive time from Glasgow, the comparison goods spend is £4.85 billion per annum whilst convenience expenditure is £5.23 billion per annum. The city is ranked as having the highest catchment spend available out of the top UK retailing centres.

Glasgow contains a particularly high proportion of people aged 15-44, reflecting a large student population at the four universities, Glasgow University, Strathclyde University, Glasgow Caledonian University and the University of the West of Scotland. Along with the indigenous population, this young age group has a very high propensity to spend.



GLASGOW IS SCOTLAND'S LARGEST CITY

with a population of 580,690 and is the centre of the Glasgow and Forth Valley conurbation which has a population of around 1,750,000.*

*source: www.glasgow.gov.uk, 2006

GLASGOW CENTRAL STATION

BUCHANAN STREET

PRINCES SQUARE SHOPPING CENTRE

BUCHANAN GALLERIES

QUEEN STREET STATION

GEORGE SQUARE



70-76 ARGYLE STREET &
2/10 QUEEN STREET

SAUCHIEHALL STREET

ARGYLE STREET



SITUATION

The subject property is situated on the north side of Argyle Street on the prime pedestrianised pitch between Queen Street and Miller Street and opposite the re-developed St.Enoch Centre. The property occupies a prominent corner block at the junction of Argyle Street and Queen Street. Surrounding occupiers include Debenhams, Marks & Spencer, Superdrug, Primark, Footlocker, Barclays, Top Shop and TK Maxx.

DESCRIPTION

The property comprises a large corner retail unit offering clear, unobstructed sales accommodation on basement, ground and first floors with ancillary stock and staff accommodation on the second floor.

The property was purpose built in 1986 by Next Properties for occupation by Next plc, and in 1997 Next extended into the adjacent former Littlewoods store in Queen Street with open walk through areas created between the properties (which is to be reinstated by the tenant at lease expiry). It should be noted that this area is outside our client's ownership and leased separately.

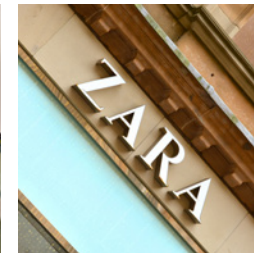
RETAILING IN GLASGOW

Glasgow is the UK's largest and most successful retailing destination outside of London. It has an extended catchment population of 2.89 million people and an estimated shopping population of 680,000 people ranking the city 2nd in the UK behind London's West End. Glasgow has a total annual comparison goods spend of £6.0 billion, of which £1.89 billion is spent in the city centre (Source: CACI). Strong catchment spend is serviced by very attractive and prosperous city centre. Glasgow's retailing core is based around Sauchiehall Street, Buchanan Street and Argyle Street which combined to form the famous Golden Z extended retail pitch. This is supported by the shopping centres Buchanan Galleries, St Enoch Centre (opposite the subject premises) and Princes Square.

Argyle Street is one of the strongest retailing pitches within Glasgow and forms part of Glasgow's famous Golden Z retail thoroughfare. The street has experienced a recent resurgence and as a result, firmly established its position as the heart of Glasgow's Southern Quarter; footfall figures for the street are estimated to be 20 million per year.

St Enoch Shopping Centre (opposite the subject) underwent a £150 million refurbishment in 2010 and has subsequently repositioned itself as a young fashion and family destination. Unlike Buchanan Street, retailing on Argyle Street is dominated by large unit occupiers such as Primark, Marks & Spencer, TK Maxx, River Island, H & M, Top Shop and Superdry all of whom generate high levels of footfall.

Argyle Street is considered the best mainstream retailing pitch in Glasgow demonstrated by recent tenant activity. This includes TopShop upsizing part of the neighbouring HMV unit, Sports Direct buying in 26/32 Argyle Street for owner occupation and both Clarks and Schuh recently extending their leases at 104 & 114 Argyle Street respectively. The ability of Argyle Street to satisfy retailer demand for "big box space has been a key reason for its success. Recent "big box" entrants to the street include TK Maxx, Superdry and H&M Hennes.



ACCOMMODATION

The net internal areas of the property are specified within the leasehold documentation as follows;

Ground Floor (Sales)		
Zone A	146.69 sq m	1,579 sq ft
Zone B	145.58 sq m	1,567 sq ft
Zone C	96.43 sq m	1,038 sq ft
Ground Floor Total	388.70 sq m	4,184 sq ft
Basement (Sales)	374.02 sq m	4,026 sq ft
First Floor (Sales)	378.67 sq m	4,076 sq ft
Second Floor (Stock/Staff)	374.77 sq m	4,034 sq ft
Total NIA	1,516.16 sq m	16,320 sq ft

In our opinion the ITZA is 3,821 sq ft after allowing for a 5% addition to Zones A & B only to reflect the benefit of the substantial return frontage onto Queen Street



TENANCY

The property is let to Next Holdings Limited on FRI terms for 35 years from 27 February 1987 until 26 February 2022 at a current passing rent of £725,000 per annum (£189.74/sq ft Zone A) which is subject to 5 yearly upward only rent reviews with the next review being due on 15 December 2016.

COVENANT

Next Holdings Limited have a Dun & Bradstreet rating of 5A1. For the year ending 30 January 2016 the company reported Sales Turnover in excess of £4.1 billion, Profit in excess of £836 million, Tangible Net Worth in excess of £268 million and have Net Current Assets in excess of £471 million.

TENURE

The property is held on heritable title (Scottish equivalent to English freehold).

EPC

We are advised that the Energy Performance Ratings of the unit is E.

PROPOSAL

Offers in excess of **£10,000,000 (TEN MILLION POUNDS STERLING)** exclusive of VAT are sought for the Absolute Ownership in the property. A purchase at this level would reflect an attractive Net Initial Yield of 6.83% assuming purchaser's costs of 6.20%.

VAT

The property is currently VAT elected and the sale will be treated as a TOGC if the purchaser complies with the requirements of the VAT legislation. However, if it does not, then VAT will be payable on the price.

LEGAL COSTS

Each party will be responsible for their own legal costs incurred in connection with the transaction.

VIEWING & FURTHER INFORMATION

For further information or to arrange an inspection, please contact the sole selling agent, Sheridan Property Consultants:

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