



# Holyrood Park House

Prime Multi-let Edinburgh Office Investment

[Video tour](#)



# Holyrood Park House

106 Holyrood Road, Edinburgh, EH8 8AS



# Investment summary

Grade A building providing 4,322.3 sq m (46,529 sq ft) of open plan office accommodation

Located in the Holyrood area of Edinburgh city centre close to the Scottish Parliament and Holyrood Park

Fully let to Citibank NA, InterSystems Corporation, Rockstar North Limited, Scottish Universities and ESRI (UK) Ltd

WAULT of 7.5 years to expiry and 5 years to breaks

Heritable Interest (Scottish equivalent of English freehold)

Rents from £11.68 sq ft to £27 sq ft. Total passing rent of £1,074,943 per annum

Offers in excess of **£17,500,000** exclusive of VAT are invited, representing a net initial yield of 5.75% after allowing for purchaser's costs of 6.73%.





# Edinburgh

Edinburgh is the capital city of Scotland and is consistently recognised as one of the most prosperous parts of the UK, having the strongest economy of any city in the UK outside of London.

The city is a globally recognised financial centre with over £500 billion of assets under management and home to a considerable number of financial institutions.

The Scottish Government is based at Holyrood, adjacent to Holyrood Park House. Edinburgh boasts two UNESCO World Heritage Sites.

The population of the city is estimated at 513,000, increasing to 1.36m within the 'Edinburgh City Region' area.



## £500bn

The city is the UK's largest regional financial centre, with over 30 banks operational, £500 billion of assets under management and headquarters for major financial institutions including Aberdeen Standard Investments, RBS, Sainsbury's Bank, Baillie Gifford and Martin Currie.



## £1BN

The city is a technology centre home to key technology companies such as Computershare, Skyscanner, Rockstar North, Cirrus Logic, FanDuel, Craneware and FNZ.



## 20%

The population is projected to grow by 20% by 2039, making Edinburgh one of the UK's fastest growing cities.



## 2.6%

From figures collated by the City of Edinburgh Council (CEC) 2020 'Edinburgh Economy Watch' publication it states that the unemployment rate in Edinburgh is 2.6% compared to the national average of 4.6%.



## 6TH

Edinburgh is globally recognised as a prestigious place to study; the University of Edinburgh was ranked 6th in the UK (1st in Scotland) and 37th in the World University Rankings in 2020.



## 3.5 million

Edinburgh is the most visited city in the UK outside London, with 3.5 million tourist visits annually.



## 1ST

Edinburgh hosts the largest annually ticketed event worldwide, with the Edinburgh Festivals attracting a truly global audience

# Connections & amenities

Edinburgh benefits from excellent transport links both throughout the UK and internationally.



## Road

Edinburgh benefits from an excellent road network which links the city to Glasgow via the M8, and Newcastle and the south via the A1. The M9/M90 provide links to the north of Scotland.



## Rail

Edinburgh Waverley is located in the city centre, approximately a 10 minute walk from Holyrood Park House. The station offers direct connections to London via the East Coast Main Line, taking approximately 4 hours 20 mins, with regular services to Glasgow taking approximately 40 minutes.



## Air

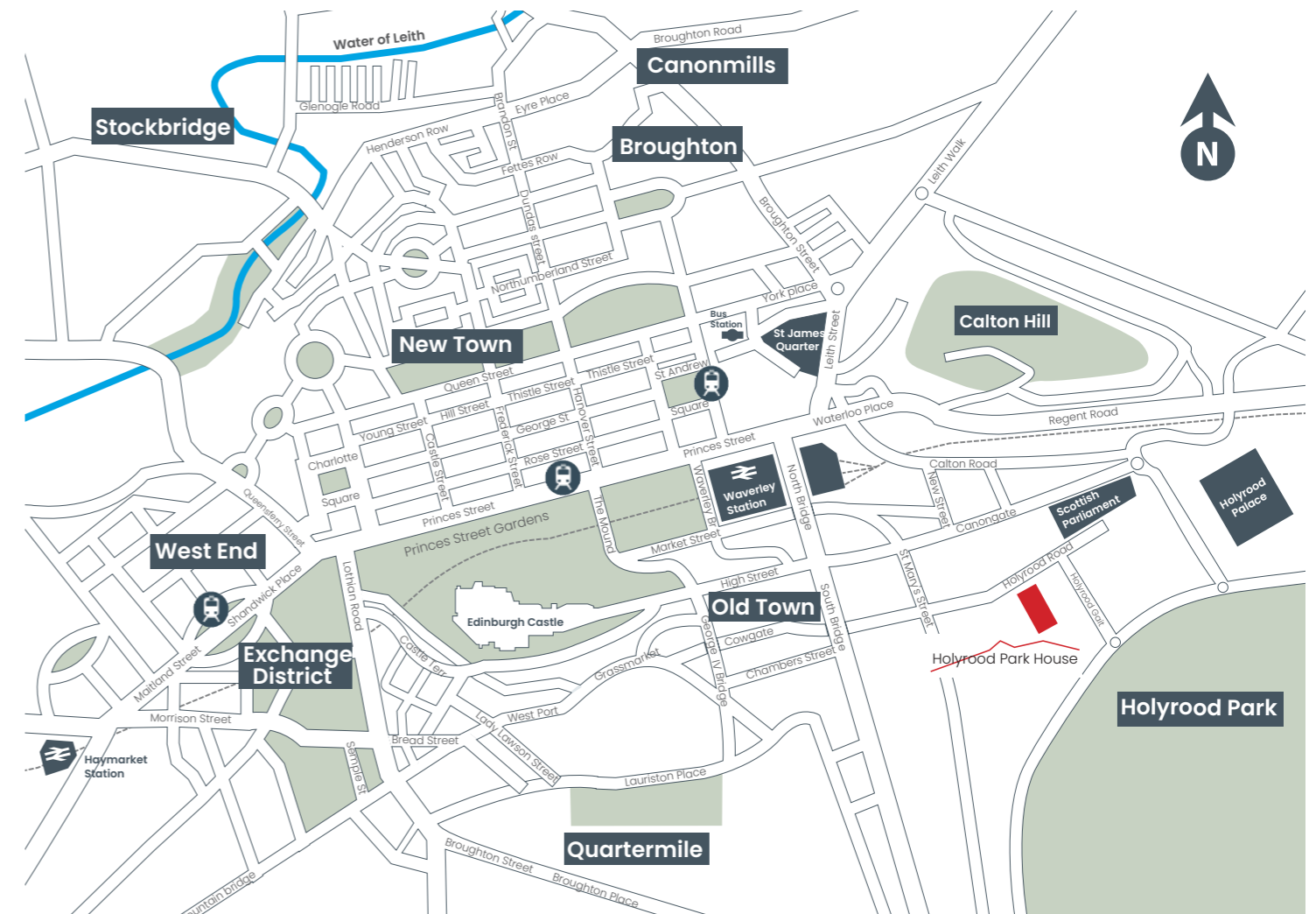
Edinburgh Airport is located 8 miles west of the city centre and is easily accessible via car, bus or tram. The Airlink bus service connecting the city centre and airport runs every 15 minutes. The airport is Scotland's busiest and the 6th busiest in the UK with 14.7m passengers in 2019.



## Tram

The tram network provides a fast link between the city centre and Edinburgh airport, with an extension to Newhaven, in the north of the city, currently under construction.

The Holyrood area of the city has established itself as a vibrant office location. Occupiers at Holyrood Park House benefit from a wide range of bars, restaurants and cafes on their doorstep in addition to a variety of nearby quality hotels and leisure facilities. As staff well-being becomes even more important, having Holyrood Park next door gives ample opportunity for staff to spend quality time outdoors – exercising or simply relaxing.





# Location

Holyrood Park House is located ten minutes' walk from Waverley Railway Station, in an attractive location adjacent to Holyrood Park. The immediate area is home to occupiers including Rockstar North, BBC, City of Edinburgh Council, UK Government, General Medical Council and WWF Scotland.

Additionally, major tourist attractions including Dynamic Earth and Edinburgh's Old Town are located within close proximity to Holyrood Park House. The Scottish Parliament is situated at the foot of the Royal Mile opposite Holyrood Palace.

Holyrood Park, immediately to the south, is one of the largest parks in Edinburgh and a popular destination for exercise and site seeing, with excellent panoramas of Edinburgh from the top of Arthur's Seat.

- 1 Holyrood Park House
- 2 Rockstar North
- 3 Dynamic Earth
- 4 University of Edinburgh Holyrood Campus
- 5 McDonald Holyrood Hotel
- 6 Scottish Parliament
- 7 Holyrood Palace
- 8 Exchange District
- 9 Royal Mile
- 10 Adagio Aparthotel
- 11 Doghouse Hotel (Brewdog)
- 12 Edinburgh Castle
- 13 The City of Edinburgh Council
- 14 Queen Elizabeth House (Government Hub)
- 15 Waverley Railway Station
- 16 Princes Street
- 17 Tram Stop
- 18 St Andrew Square
- 19 St James Quarter



Holyrood Park House

# The property

Holyrood Park House, constructed in 2004, is of steel portal frame construction offering unobstructed floor plates across a total of 4,322.3 sq m (46,529 sq ft) of Grade A office accommodation.



Recently refurbished spacious entrance foyer



Two 13 person lifts serving all floors



A range of open plan suites from 3,724 sq ft to 12,024 sq ft



An energy efficient displacement air conditioning system

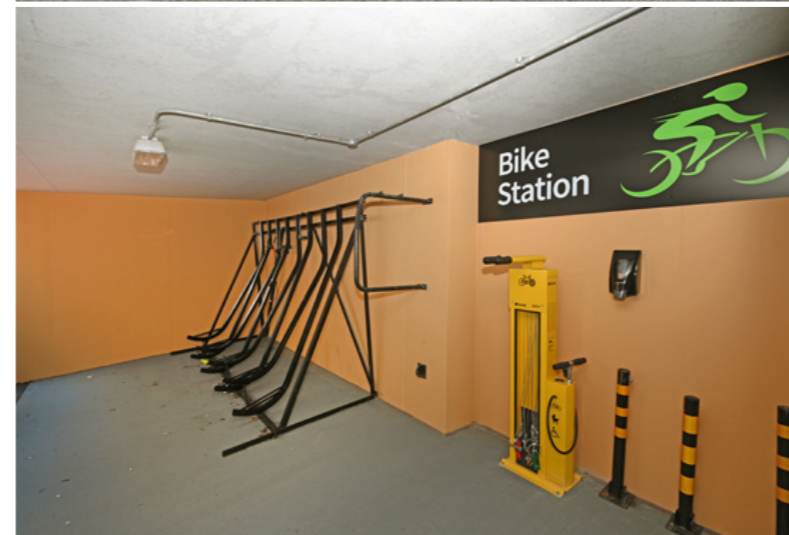
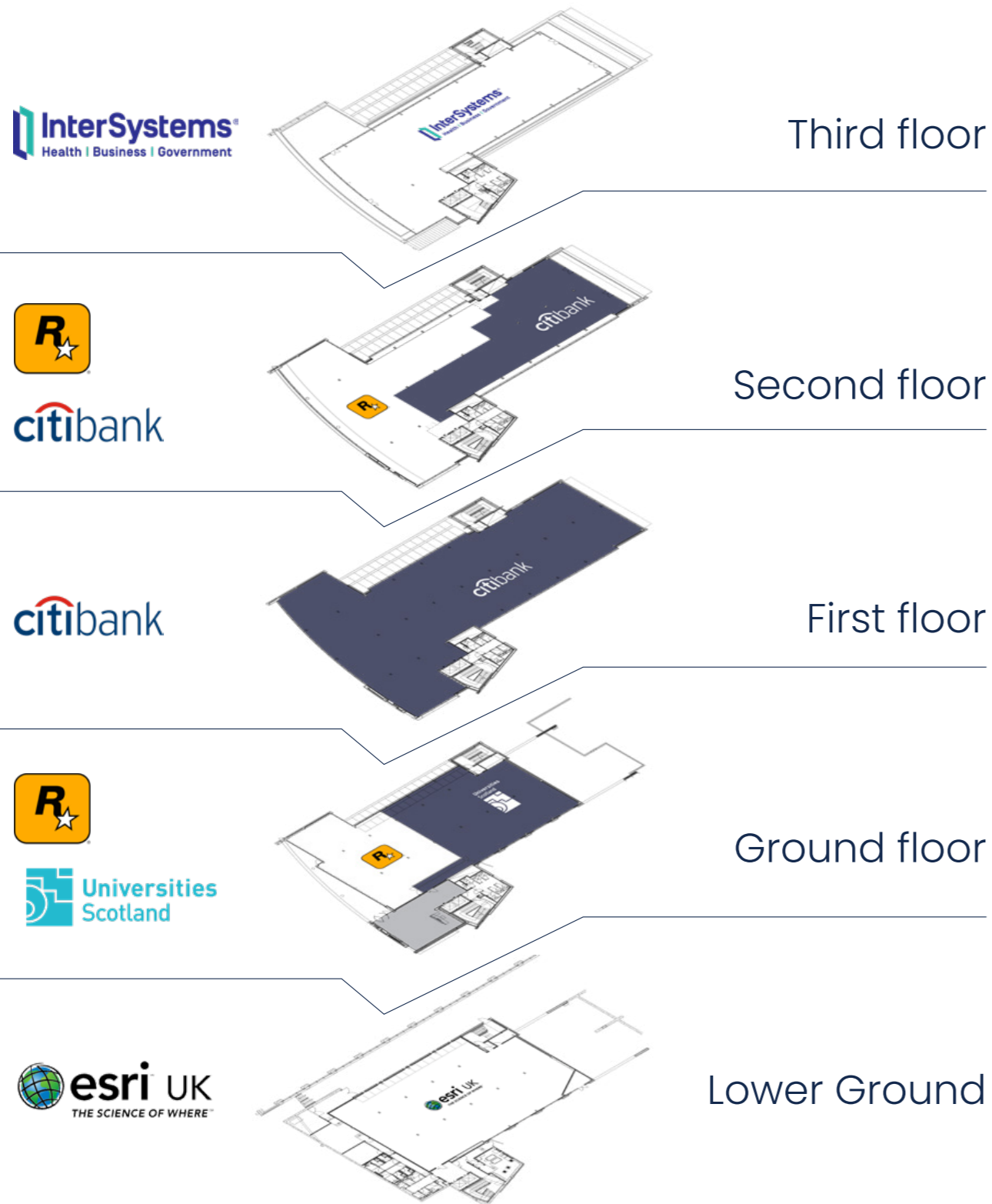


Shower facilities and changing rooms at lower ground floor with male/female and disabled toilets on each level



Extensive on-site bike racking in addition to 15 car parking spaces

# Accommodation





# Tenancy Schedule

Unit	Tenant	Area (NIA sq ft)	Car parking	Lease start	Lease expiry	Break	Rent review	Rent pa (psf)	Comments
Lower ground	ESRI (UK) Ltd	7,120	3 spaces	07/02/12	06/02/22			£91,416 (£11.68/psf + £2,750 per car)	S/C based off £6.00psf in 2012 + RPI. Anticipated 2021 shortfall of £6,321.70
Ground floor (rear)	Universities Scotland	4,457		02/07/12	01/07/22			£71,250 (£15.98/psf)	S/C based off £6.25psf in 2012 + RPI. Anticipated 2021 shortfall of £2,585.49
Ground floor (front)	Rockstar North Ltd Guarantor provided by Take-Two Interactive Software Inc	3,724		12/02/21	30/06/29		12/02/26	£92,650 (£24.87/psf)	Initial 16 months rent free. Additional 256 days rent free in lieu of undertaking Landlord CAT A works and 21 days rent free to account for period of carrying out Landlord's works. Tenant has a reinstatement obligation to CAT A on lease expiry.  Liability carve out: - replacement of any part or whole of the roof where repair is greater than 20sqm - replacement of part of whole of the cladding panels if they must be replaced to comply with building regulations - replacement of the AHU.
First floor	Citibank NA	12,024	3 spaces	30/01/06	29/01/30	30/01/26	30/01/21	£295,074 (£23.85/psf + £2,750 per car)	S/C based off £6.90psf in 2019 + RPI. Tenant benefits from 4 months rent free if break not exercised. The rent review from 30/01/21 is outstanding.
Second floor (rear)	Citibank NA	5,128	2 spaces	30/01/06	29/01/30	30/01/26	30/01/21	£130,324 (£24.34/psf + £2,750 per car)	S/C based off £6.90psf in 2019 + RPI. Tenant benefits from 4 months rent free if break not exercised. The rent review from 30/01/21 is outstanding.
Second floor (front)	Rockstar North Ltd Guarantor provided by Take-Two Interactive Software Inc	6,040		25/01/21	30/06/29		25/01/26	£162,459 (£26.89/psf)	Initial 16 months rent free. Additional 89 days rent free in lieu of contribution to convert all demise lighting to LED. Tenant has an obligation to undertake the works.  Liability carve out: - replacement of any part or whole of the roof where repair is greater than 20sqm - replacement of part of whole of the cladding panels if they must be replaced to comply with building regulations - replacement of the AHU.
Third Floor	InterSystems Corporation	8,036	2 spaces	10/06/20	09/06/30	10/06/25	10/06/25	£223,069 (£27.00/psf + £2,900 per car)	S/C based off £7.08psf in 2020 + RPI. Tenant benefits from 3 months rent free if break not exercised.
	InterSystems Corporation		3 spaces	10/06/20	Rolling month to month.			£8,700 (£2,900 per car)	Either party can terminate on one month's notice.
	Vacant		2 spaces						
Lower ground floor (part)	SP Distribution PLC			28/03/03	27/03/43			£1	
<b>Total</b>		<b>46,529</b>	<b>15 spaces</b>					<b>£1,074,943</b>	



## Service charge

runs from 1/1/2021 to 31/12/2021. The 2021 budget is £384,588 equating to £8.27 per sq ft.

Further information is contained within the data room.



# Tenants

## citibank

Founded in 1811, Citibank is a leading financial services company serving over 100 million customers, in 160 countries, with in excess of 200,000 employees. Citibank is the leading issuer of credit cards globally and facilitates approximately \$4 trillion of transactions daily. For the financial year 2020, Citibank reported turnover of \$74.298bn, a net income of \$11.370bn and as of February 2021, had circa \$970bn in available liquidity.



Rockstar North is a leading computer games developer with headquarters adjacent to Holyrood Park House. Rockstar North Limited lease obligations are guaranteed by Take Two Interactive Software Inc.

Rockstar North Limited enjoys an Experian rating of 91 donating a VERY LOW RISK. For the year ended 31st March 2019, Rockstar North Limited reported a turnover of £119.046m, a pre-tax profit of £8.738m and a total net worth of £114.564m. The tenants lease obligations are guaranteed by Take Two Interactive Software Inc, who for the financial year ended 31st March 2020 reported a net revenue of \$3.088bn, a pre-tax profit of \$458.439m and total net worth of \$2.539bn.

## InterSystems® Health | Business | Government

Established in 1978, InterSystems Corporation is a leading provider of data technology in the healthcare, finance, manufacturing and supply chain sectors. The company is privately held and debt free with headquarters in Cambridge, Massachusetts and 25 offices worldwide.

InterSystems Corporation provides technology solutions to Credit Suisse, NHS, HSBC, BNY Mellon, 3M and Petrobras amongst many others. For the financial year 2019, InterSystems Corporation reported \$720m in annual revenue.



ESRI are the market leader in Geographic Information System (GIS) software, founded in 1969 and now with over 5,500 employees across 49 offices worldwide.

ESRI (UK) Limited enjoys an Experian rating of 100 donating a VERY LOW RISK. For the year ended 31st December 2019, ESRI (UK) Ltd reported a turnover of £66.985m, a pre-tax profit of £14.934m and a total net worth of £7.706m.

## Universities Scotland

Founded in 1992, Universities Scotland is a registered charity and the representative body of Scotland's 19 higher education systems, developing higher education policy and campaigning on issues aligned with members interests.

Universities Scotland works closely with the Scottish Government, Scottish Parliament and Scottish Funding Council, to shape funding and policy decisions.

# Edinburgh market

Occupational demand in Edinburgh remains strong, with a number of recent Grade A city centre lettings between £36.00–£37.00 per sq ft. Limited supply of Grade A space persists and with minimal speculative development in the city, it is anticipated that rental levels will continue to grow.

## Key occupational transactions

Property	Tenant	Size (sq ft)	Term	Rent (per sq ft)	Landlord	Date
10 George Street	Macroberts	5,603	14 years	£36.00	KP UK A/S	U/o Q1 2021
10 George Street	Scottish Midwifery Council	11,325	14 years	£35.00	KP UK A/S	U/o Q1 2021
10 George Street	ARUP Group	20,072	14 years	£35.00	KP UK A/S	Q4 2020
Quartermile 2	Crown Estate	4,810	10 years	£30.44	UBS	Q3 2020
Haymarket 2 & 3	Baillie Gifford	289,000	20 years (break at 15)	£36.50	M & G Real Estate	Q3 2020
40 Princes Street	Cadence Systems	8,494	10 years	£37.00	Arioso UK Properties PLC	Q1 2020
2 Semple Street	Huawei	9,900	10 years	£36.00	GSS Developments	Q4 2019
2 Semple Street	Womble Bond Dickinson	7,200	10 years	£35.50	GSS Developments	Q4 2019

## Edinburgh office investment comparables

Property	Tenant	Price	NIY (%)	CV / sq ft	Term certain	Date
The Stamp Office	Sec of State, Scottish Complaints Commission, Query Click, Chiltern International	£16.6m	5.25%	£298	4 years	Q1 2021
Quartermile 3	State Street Bank, Cirrus Logic	£45.25m	4.61%	£616	7 years	Q4 2020
1-3 Lochside Crescent	Aegon	£133.00m	5.07%	£537	17.5 years	Q3 2020
4 North, St Andrew Square	Computershare	£31.00m	4.33%	£752	9 years	Q1 2020
Exchange Plaza, Lothian Road	Cairn Energy Plc, Artemis Investment Management LLP, Burness Paull LLP, Mitchells & Butlers Ltd, Leeds Building Society and Brewdog Retail Limited	£54.00m	5.29%	£533	7 years	Q3 2019
4-8 St Andrew Square	Aberdeen Standard, TK Maxx, The Ivy, The Alchemist, Gaucho	£120.00m	4.45% (4.10% on office; 5% on leisure)	£750	18 years	Q2 2019
The Mint Building	Baillie Gifford, Nationwide BS, Tattu, Franco Manca	£54.00m	4.50%	£735	15 years	Q3 2018

Edinburgh Office vacancy rate 2.8% lowest on record

c680,000 sq ft of office supply in Edinburgh, less than one year's take up

Prime rents £36.00 – £37.00 per sq ft and rising

Prime city centre yield 4.5%

5 year prime yield average 4.90%





# Additional Information

## Capital Allowances

Capital allowances may be available. Further information can be provided upon request.

## EPC

The building has an EPC rating of C (35). A copy of the EPC is available in the data room.

## VAT

The property has been elected for VAT and therefore VAT is payable on the purchase price. It is anticipated that the sale will be treated as a Transfer of Going Concern (TOGC).

## Data room

Access to the data room can be arranged for interested parties via the selling agents.



## Proposal

Offers in excess of **£17,500,000** exclusive of VAT are invited, representing a net initial yield of 5.75% after allowing for purchaser's costs of 6.73%. A purchase at this level would reflect a capital rate of £376 per sq ft.

## Contact information

To discuss this opportunity further, or to arrange an inspection, please contact:

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