

# DUNCAN HOUSE

ENTERPRISE DRIVE | WESTHILL | ABERDEEN | AB32 6TQ



PRIME HIGH  
YIELDING OFFICE  
INVESTMENT



# EXECUTIVE SUMMARY



## 1

Opportunity to purchase a prime HQ building let to a strong tenant until **27th November 2032** at a rent of **£1,080,000 pa** reflecting **£18.67 per sq.ft.**

## 2

The subjects comprise a well specified office arranged over ground, first and second floors, extending to a total of **57,834 sq.ft.**, together with car parking for **217 vehicles**, offering a preferential ratio of **1:266 sq.ft.**

## 3

Let to **Technip UK Limited** (Experian rating of 98/100 denoting Very Low Risk of business failure), a subsidiary of Technip FMC PLC, a company listed on the NYSE.

## 4

Attractive unexpired lease term of **over 9.50 years to expiry.**

## 5

The tenant has been in occupation since the 1990's and has recently committed capital expenditure to the building with further upgrading planned in the near future.

## 6

Technip also occupy the adjacent office building and are owner occupiers of the industrial facility immediately to the rear highlighting commitment to the location.

## 7

Rent review as at **27th November 2027** is to the higher of open market rental value or **rental increase multiplication factor of 1.104 (£1,192,320 pa)**

## 8

Heritable interest (Scottish equivalent of English freehold).

## INVESTMENT PROPOSAL

Offers in excess of **£10,655,000** are invited for the benefit of our clients heritable interest subject to contract and exclusive of VAT. A purchase at this level would provide a **highly attractive net initial yield of 9.50%, minimum reversion of 10.49% as at 27th November 2027** and a low capital value of only **£184.23 per sq.ft** assuming purchasers costs at **6.69%**







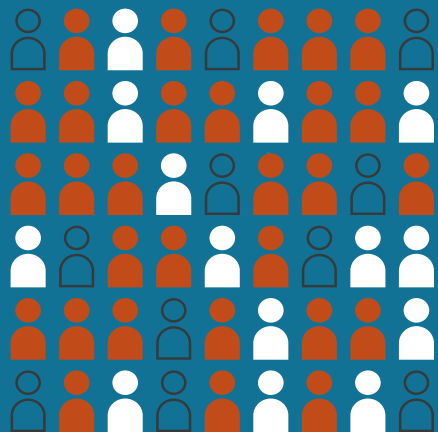




Aberdeen is the principal financial and administrative centre for Aberdeenshire. The city has been a leading centre for the energy sector over the last 50 years with over 40 billion barrels of oil extracted from the North Sea. The price of Brent Crude Oil has been above \$70 per barrel for 12 months, illustrating the recovery made since COVID-19 with the current price per barrel of \$86 (at the time of writing) representing an increase of 258% compared to the lowest point of 2020. The city remains home to global energy companies including Total, BP, Shell and Harbour Energy. With a strong knowledge base and expertise in off-shore engineering, technology and infrastructure, Aberdeen is well placed to benefit from the growing green energy industry.

# ABERDEEN





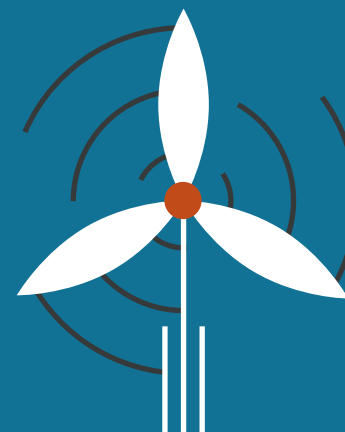
Aberdeen has a current population in the region of 230,000 people with a catchment population of over 500,000.



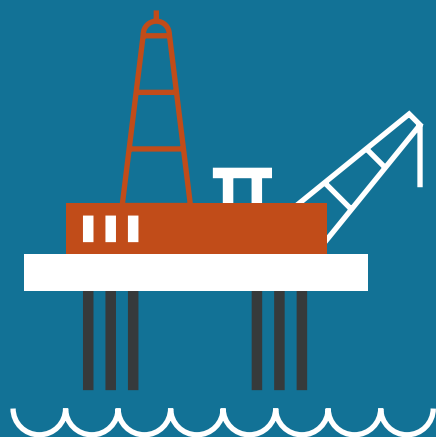
The population is expected to grow by 24% to over 285,000 over the next 25 years.



Aberdeen University is ranked in the top 20 UK universities and currently has over 15,000 students enrolled from 130 different nationalities (source: Sunday Times Good University Guide).



Aberdeen benefits from a highly skilled workforce supporting the UK's oil and gas sector and increasingly involved in new green energy initiatives including wind power and carbon capture technology.



The oil and gas industry contributes £18.2bn GVA to the region's economy, supporting 65,000 jobs.



1.12 – Aberdeen has a jobs density of 1.12 significantly ahead of Great Britain at 0.85.



The Aberdeen City Region Deal comprises additional funding of £826m over the next decade.



£350m investment in Aberdeen Harbour expansion as part of the city's role in the UK's sustainable energy infrastructure.



# CONNECTED

Aberdeen is located 125 miles north of Edinburgh and 105 miles south east of Inverness and benefits from excellent transport connections via road, air, rail and sea.

## ROAD

The city is served by the A90 from the south providing connections to Dundee and Perth, with the A90 leading to the M90, providing access to Dundee and Edinburgh. In the north, the A96 connects Aberdeen to Inverness, with initial planning taking place to dual the entire route of the A96. The recently opened Aberdeen Western Peripheral Route (AWPR) has significantly reduced travel times throughout Aberdeen with Westhill being a significant beneficiary.

## AIR

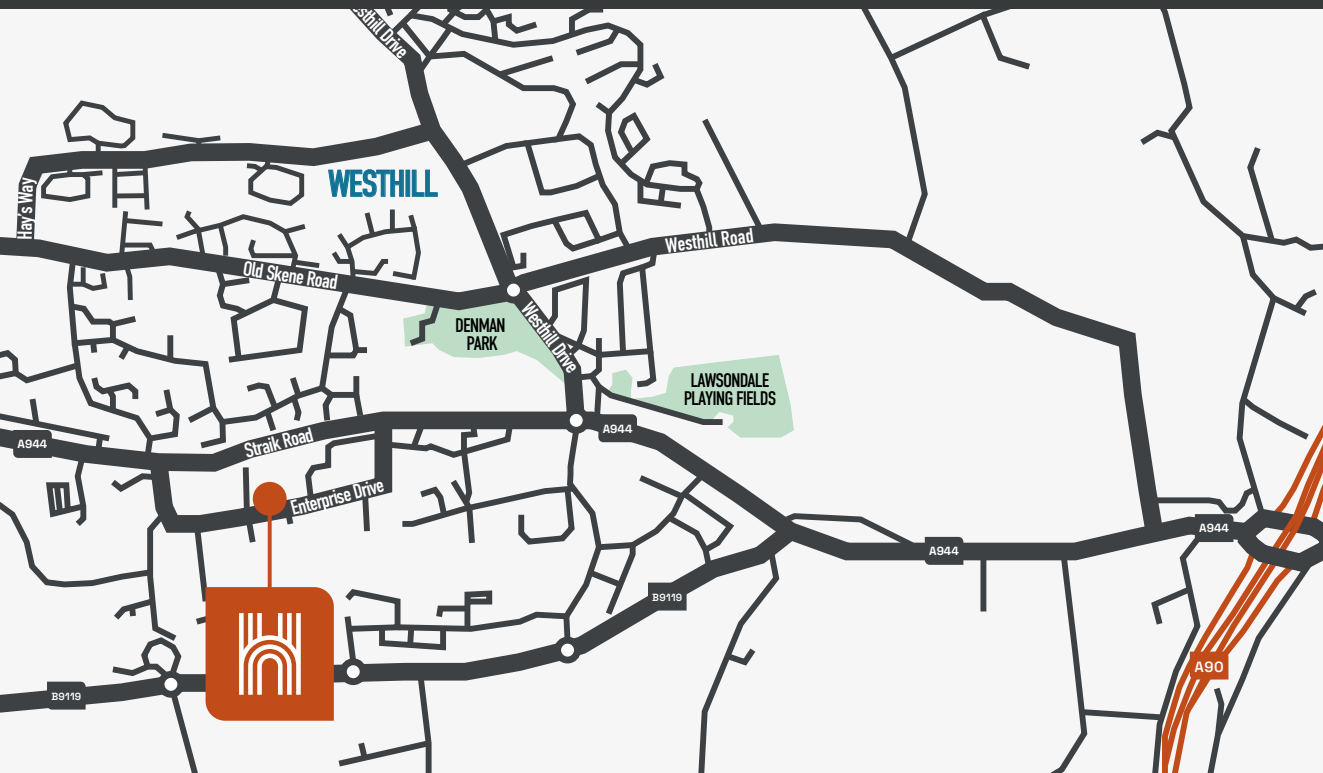
Aberdeen Airport is located 5 miles north east of Duncan House with airlines including Air France, British Airways, Easyjet, KLM and Ryanair providing connections to key UK and European cities. Recent developments to the airport include an extension to the main runway, a new covered international walkway, a £5m parking deck and resurfacing project and a £20 million terminal transformation project completed in 2019. The airport also serves as the main heliport for the North Sea oil and gas industry, with over 500,000 passengers per year, making it the world's busiest heliport.

## RAIL

Aberdeen benefits from excellent rail connections, with local services connecting the city to Inverness, Dundee, Edinburgh and Glasgow and the East Coast Mainline providing regular services to London.

## SEA

Aberdeen Harbour plays a vital role in the city's energy sector, providing capacity to the oil & gas sector, renewables and decommissioning. The harbour handles over 4 million tonnes of cargo per year with over 18,000 vessel movements and 170,000 passengers each year. The £350 million South Harbour expansion is the largest marine infrastructure project underway in the UK.







# SITUATION

Created as an upmarket satellite town in 1968, Westhill lies some 6 miles to the west of Aberdeen city centre enjoying a population in excess of 10,000.

Commercially, Westhill is a prime, out of town office location, home to a number of world class ,multinational companies, attracted to the area due to its excellent connectivity and amenity. Nearby occupiers include Schlumberger, Subsea 7, Total, Boskalis, Cala, Lockton, Royal Mail, Costco, M&S and Aldi.

The property is prominently situated on the southside of Enterprise Drive which leads onto the A944 and subsequently onto the A90.



## PRIME, OUT OF TOWN OFFICE LOCATION

The Aberdeen office market acts differently to most of the main regional centres with out of town office stock being preferred by many established occupiers.



SURROUNDING  
AREA IS HOME  
TO A NUMBER OF  
WORLD CLASS  
MULTINATIONAL  
COMPANIES —



subsea 7

*Apache*





# DESCRIPTION

The premises comprise a headquarters office building, developed in 2 phases, originally around 1995 and sympathetically extended in 2004/2005.

An impressive, full height glazed atrium links the buildings forming the main entrance and combined reception area. Internally, the buildings provide open plan office accommodation.







Externally, car parking is provided for 217 vehicles, offering a preferential ratio of 1:266 sqft.



## WELL SPECIFIED OFFICE ARRANGED OVER GROUND, FIRST AND SECOND FLOORS

The tenant has committed expenditure to the asset over the years with further upgrading planned in the future.

### The general specification includes:

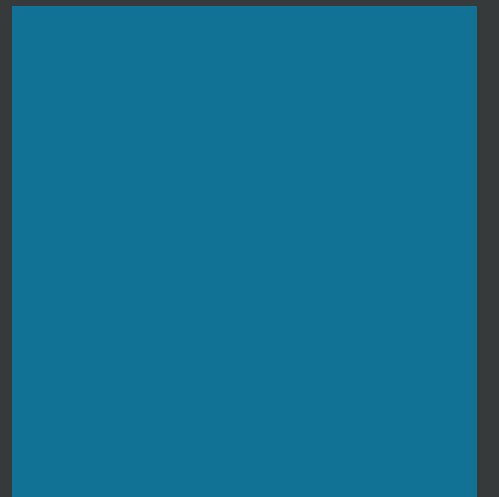
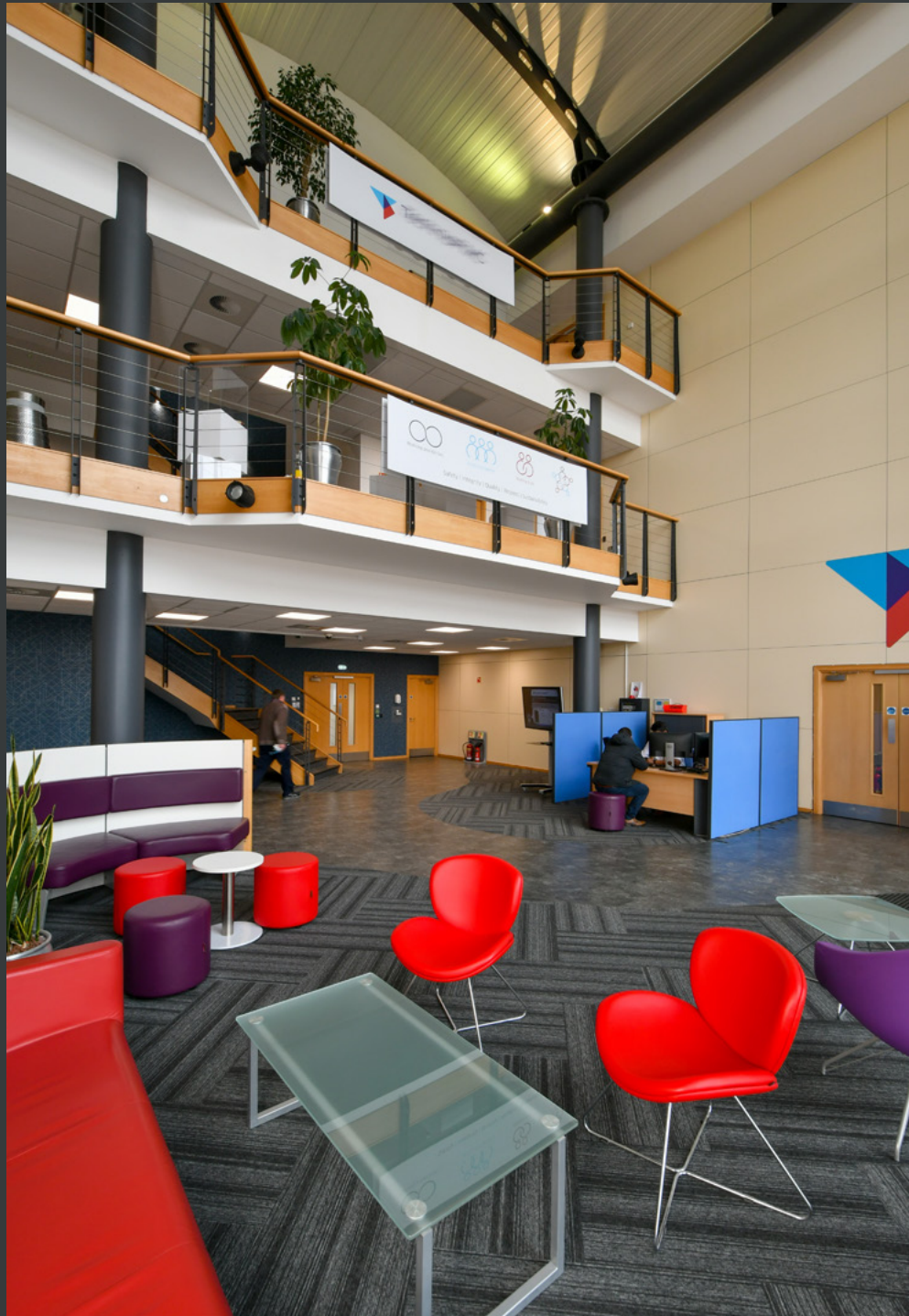
-  Raised access floor system
-  Suspended ceilings
-  Modern WC facilities
-  Trilux Siella LED lighting being installed by the tenant throughout the building
-  2 X 8 person Schindler passenger lifts
-  Modern, full height atrium











MODERN, WELL OCCUPIED  
OFFICE SPACE, LET TO A  
GLOBAL TENANT WITH A LONG  
STANDING COMMITMENT TO  
THE BUILDING AND LOCATION.





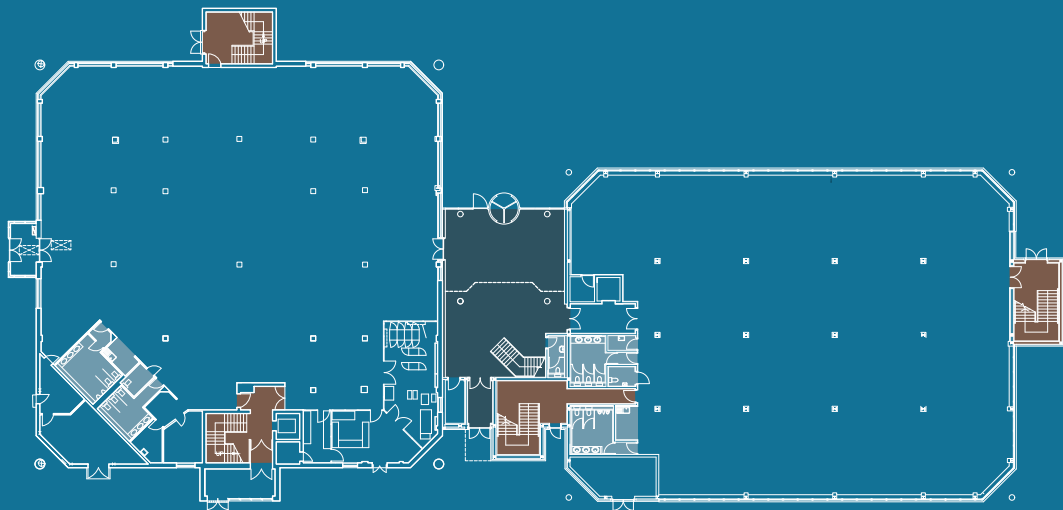
# FLOOR AREAS

The building has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and we estimate the net internal area to be as being 57,834 sq ft over 3 floors, detailed in the table below.

Demise	NIA (sq.ft)	NIA (sq.m)
Reception	1,346*	125.05
Ground Floor Offices	18,837	1,750.02
First Floor Offices	18,955	1,760.98
Second Floor Offices	18,696	1,736.92
Total	57,834	5,372.97

- \* Reception measured at 100%.
- ⦿ Additionally, there are 217 car parking spaces providing a beneficial ratio of 1:266.

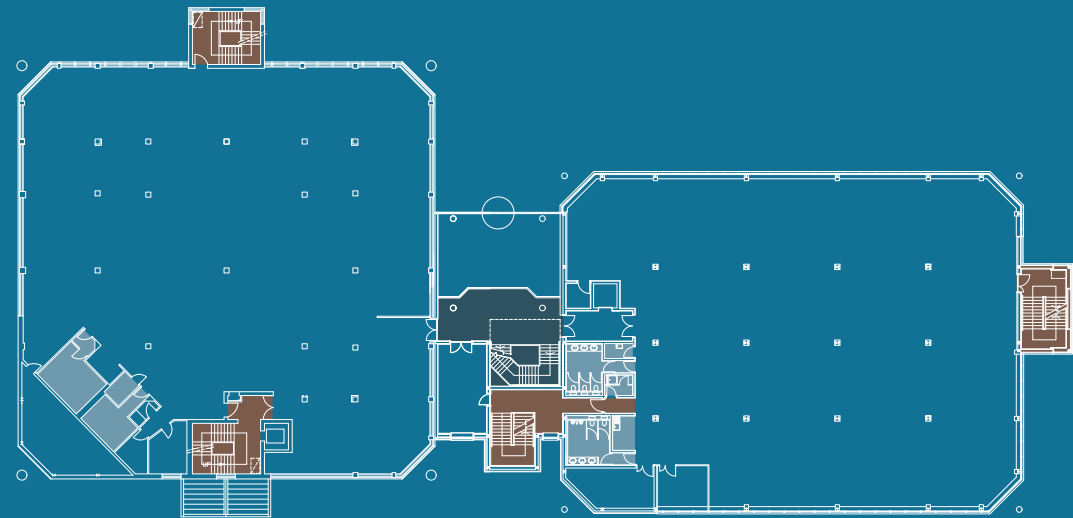
## Ground Floor Offices 18,837 SQ.FT



Building 2

Building 1

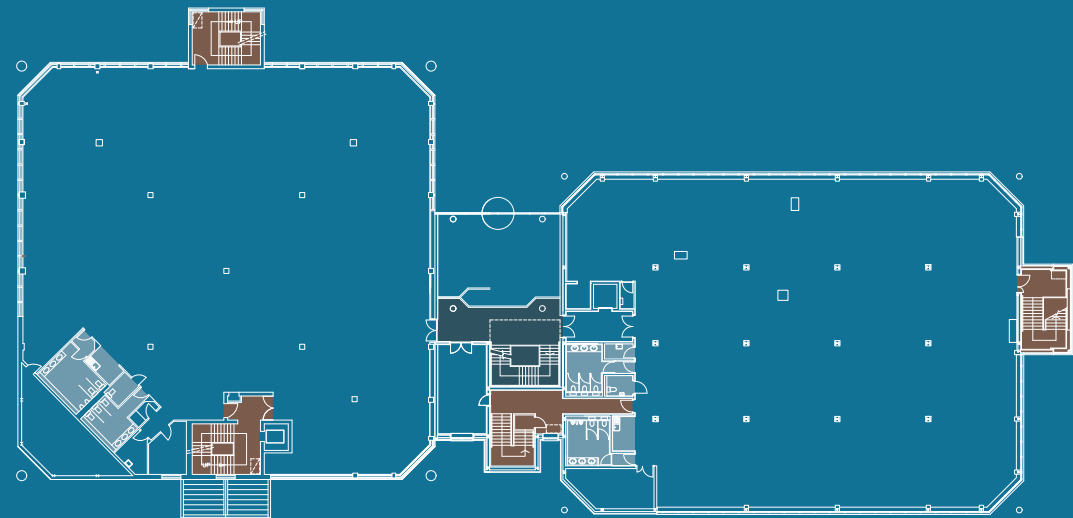
## First Floor Offices 18,955 SQ.FT



Building 2

Building 1

## Second Floor Offices 18,696 SQ.FT



Building 2

Building 1











# TENANCY DETAILS

Following a recent lease extension, the subjects are let in their entirety to Technip UK Limited until 27th November 2032 at a rebased rent of £1,080,000 per annum (£18.67 psf) subject to a rent review as at 27th November 2027 whereby the rent will be increased to the higher of open market rental value or multiplied by a factor of 1.104.

The tenant has occupied the premises since original construction in the mid 1990's and subsequent extension in 2004. The recent lease extension and ongoing upgrading programme shows ongoing commitment to the asset.

Technip also occupy the office building immediately to the west of the subjects and are owner occupiers of the premises immediately to the rear. Westhill is therefore a strategically important location for the business.



Subjects of sale



Also let to and occupied by Technip

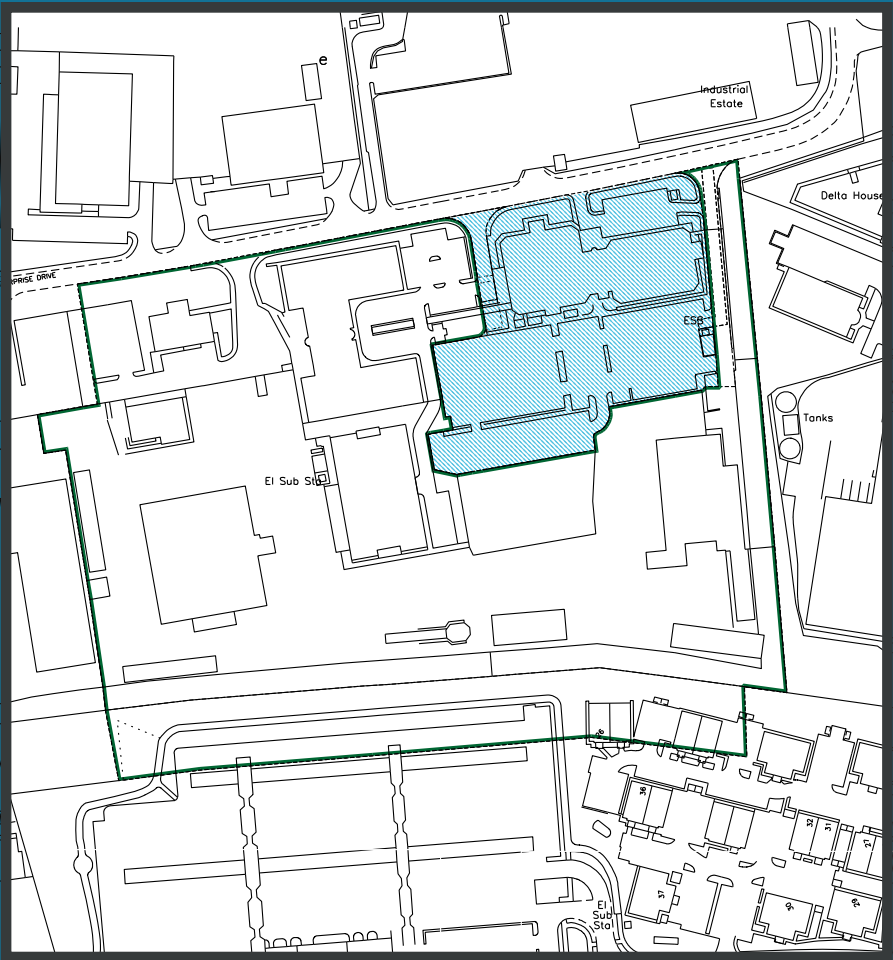


Owner occupied by Technip



# TENURE

Heritable Interest (Scottish equivalent of English freehold).







# TENANT COVENANT



## TECHNIP UK LIMITED (00200086)

Technip UK Limited is a subsidiary of Technip FMC plc which is listed on the New York Stock Exchange and specialises in providing leading technology in the both subsea and surface market to the energy industry, across both traditional and renewable energy types. Renewable expertise includes both offshore and onshore wind farms, tidal energy and hydrogen generation, storage and electrification. Technip FMC has over 20,000 employees globally across 41 countries.

In the year ended December 2022, gross debt declined by \$638m, a reduction of nearly 1/3rd for the year. In July 2022, Technip FMC began a \$400m share buy back scheme, with shares totalling \$100m purchased in 2022. Company revenue is forecast to increase nearly 12% in H1 2023, with major new projects agreed in Norway, Brazil and Angola.

Technip UK Limited has an Experian rating of 98/100.

Key group financial highlights are outlined below:

Year ended	31/12/2019	31/12/2020	31/12/2021
Turnover	£903,352,000	£696,560,000	£526,098,000
Pre-tax Profit	£47,506,000	-£15,664,000	-£80,810,000
Total Net Worth	£374,690,000	£357,270,000	£261,730,000

VISIT WEBSITE FOR FURTHER INFORMATION

# ADDITIONAL INFORMATION

## VAT

The property is elected for VAT, however, it is envisaged the transaction will be treated as a T.O.G.C.

## ENVIRONMENTAL / SUSTAINABILITY

EPC	C32
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A copy of the EPC is available in the Dataroom.

## ANTI-MONEY LAUNDERING

In accordance with AML Regulations, the successful purchaser will be required to satisfy the Vendor on the source of funds used to acquire Duncan House, Enterprise Drive, Westhill.

## INVESTMENT PROPOSAL

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## FURTHER INFORMATION AND VIEWING ARRANGEMENTS

Further information can be found via access to the data room. To make arrangements to view the property please do not hesitate to contact:

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**lismore**  
REAL ESTATE ADVISORS

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DUNCAN HOUSE | ENTERPRISE DRIVE | WESTHILL | ABERDEEN | AB32 6TQ

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