

KCP



KINGSHILL COMMERCIAL PARK

PRIME, BEST IN CLASS MULTI-LET
INDUSTRIAL INVESTMENT

Prospect Road, Westhill, AB32 6FT



ON THE INSTRUCTIONS OF:



KNIGHT PROPERTY GROUP



EXECUTIVE SUMMARY

Occupying a 100% prime location in Westhill, Kingshill Commercial Park is Aberdeen's premier industrial estate.

Best in class, highly specified units including 8.46m eaves heights, secure concrete yards, dedicated car parking, 6m high electric roller shutter doors and high specification office content.

Five, stand alone industrial units with RPI led uplifts offering guaranteed rental growth, together with 2 multi let terraces.

Multi-let to 11 occupiers including Swellfix UK Limited, Texo Group Limited, Dron and Dickson, Advanced Industrial Solutions Limited and Power Jacks.

Extending to a total built GIA of 103,053 sq ft arranged over 13 units plus generous dedicated yards.

Attractive WAULT to expiry of 9.14 years, with an exceptional mix of long dated income and asset management opportunities.

Produces a total passing rent of £1,562,834 per annum, reflecting an average rent of only £10.96 psf on the warehouse content, £19.65 psf office content, and £1.97 psf on the yards.

90% of the current income incorporates RPI led indexation, guaranteeing future rental performance.

Heritable Title (Scottish equivalent of English Freehold).



Offers in excess of £18,000,000 are invited for the benefit of our clients heritable interest (Scottish equivalent to English freehold) subject to contract and exclusive of VAT. A purchase at this level would provide a very attractive net initial yield of 8.13% and a low capital value of £174.67 psf assuming purchasers costs of 6.74%.



ABERDEEN



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 city is home to global oil and gas companies including Total, BP, Shell, Apache, Neptune Energy and Harbour Energy.

Aberdeen is viewed as the UK's green energy hub, with the city's strength in engineering and offshore technical expertise creating opportunity for traditional oil and gas companies to diversify into sustainable energy forms. In addition to significant increases of renewable energy from wind farms, Aberdeen is set to be at the forefront of other new technologies including Hydrogen and Carbon Capture, utilising North Sea oil field capacity.

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

+24%

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

£18.2_{BN}

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

78%

Aberdeen's employment rate is 78%, the second highest in the UK.

£826_M

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

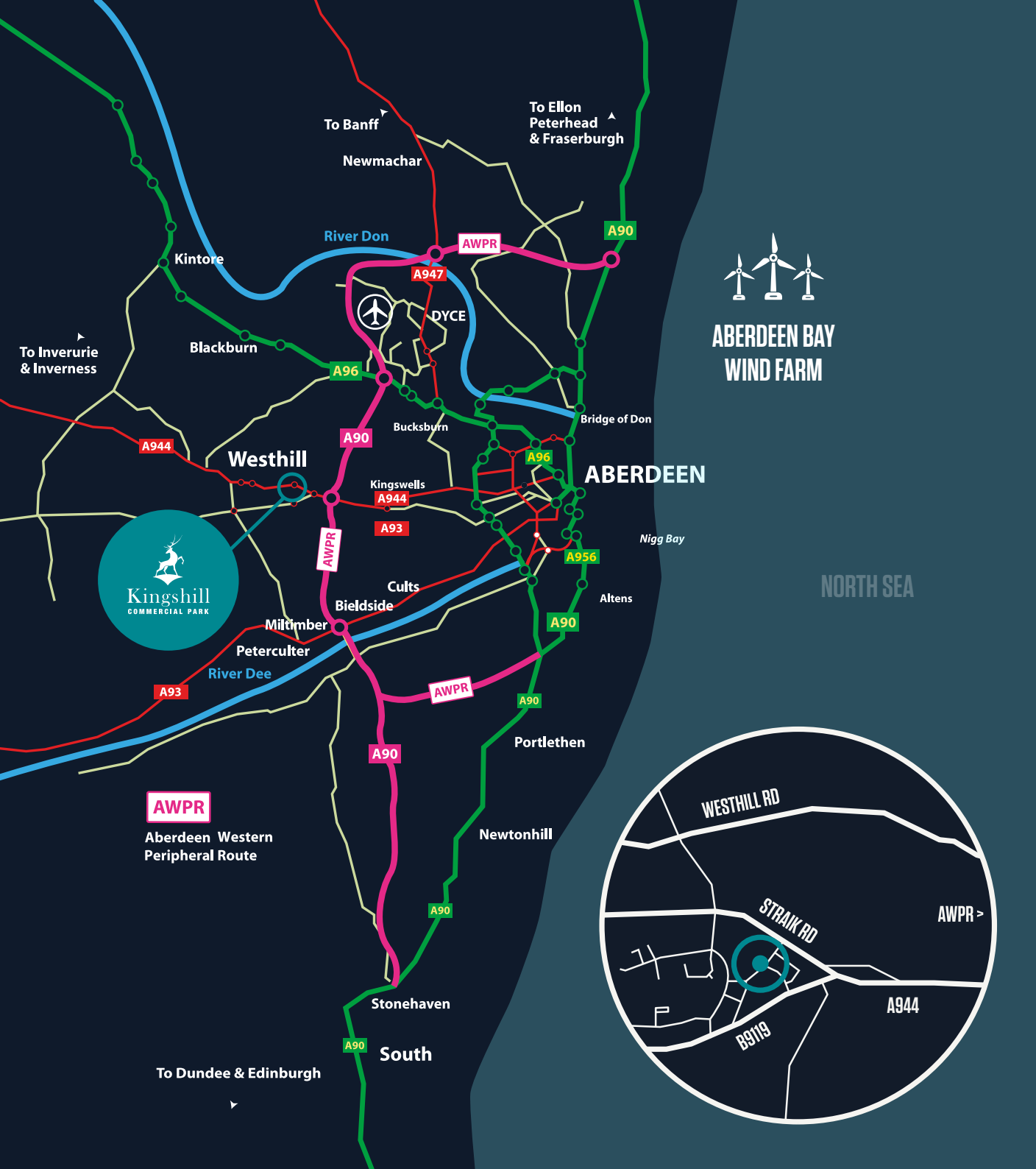
£500_M

Currently under construction, Kincardine Offshore Windfarm will be the world's largest floating wind farm with development investment of £500m.

£350_M

Investment in Aberdeen Harbour is expanding as part of the city's role in the UK's sustainable energy infrastructure.

CONNECTED



ABERDEEN BAY
WIND FARM

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

Road – Westhill is served by the A90 from the south providing connections to Dundee and Perth, with the A90 leading to the M90, providing access to Edinburgh. The Aberdeen Western Peripheral Route (AWPR) situated 1.5 miles to the east of Westhill, has significantly cut journey times throughout Aberdeen and provides easy access to Westhill via the A944 and leads to the A90, the principle connection between Aberdeen and Scotland's central belt.

Air – Aberdeen Airport is located approximately 7 miles north of Westhill, providing routes to over 40 destinations along with regular services to London. The airport recorded 2.9 million passengers in 2019, with airlines travelling from the airport including Air France, British Airways, Easyjet, KLM and Ryanair. 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. Aberdeen Railway Station is 7.5 miles east of Westhill.



Created as an upmarket satellite town in 1968, Westhill lies around 6 miles to the west of Aberdeen city centre and enjoys a population in excess of 10,000. Commercially, Westhill is a 100% prime business space centre attracting world class multinational companies, drawn to the location due to its excellent connectivity, proximity to Europe's largest energy hub and its extensive amenity including Costco, Tesco, M&S Simply Food and Aldi.

The area continues to positively evolve, highlighted by the addition of three, recently completed drive thru's occupied by McDonalds, Greggs and Starbucks situated immediately

adjacent to Kingshill Commercial Park. Further positive pre letting and speculative development will enhance the area further in the near future.

Westhill is home to leading energy companies including Total, Schlumberger, Subsea 7, Technip and Kongsberg. Marsh, Cala, Screwfix, Tool Station and Scottish Water also have representation within the immediate area.



THE DEVELOPMENT



THE DEVELOPER



KNIGHT PROPERTY GROUP

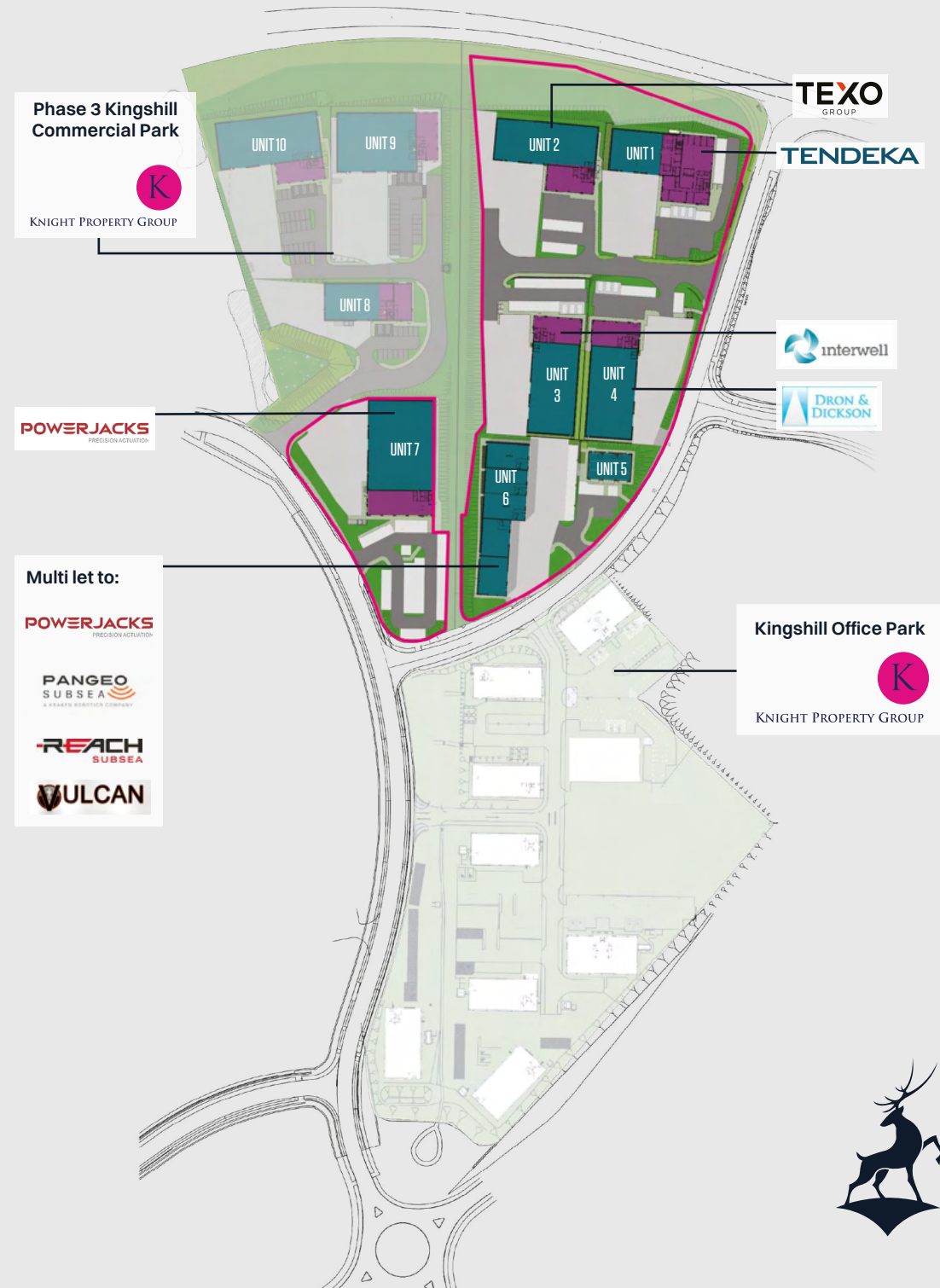
Established in the north east of Scotland in 1987, Knight Property Group is an award winning developer, renowned for the development and delivery of speculative and pre-let commercial properties across the logistics, office, industrial and trade counter sectors. Active throughout Aberdeen, the north east and central belt of Scotland, Knight Property Group has developed market leading sites including The Capitol, Union Street, Westpoint Business Park, Prospect Park, Kirkhill Commercial Park, Altens Trade Park, Langlands Commercial Park and Belgrave Logistics Park, currently the largest ongoing speculative logistics development in Scotland.

Development Overview

Kingshill Commercial Park currently comprises 13 units with specifications to suit a mix of occupier requirements.

Accessed off Venture Drive, Units 1-4 comprise industrial units with warehouses of 7,000 – 10,000 sqft incorporating well-proportioned office content arranged over two floors and generous yards. To the south, 5a-5c comprise a standalone terrace of three smaller retail units, providing amenity to the surrounding businesses. Adjacent, Units 6a-6e comprise a multi-let terrace of 2,500 sq ft units. Unit 7 is accessed from Prospect Road and is the largest single let industrial unit currently developed.

Knight Property Group own the adjacent land which will form the next phase of construction (Phase 3 identified on the adjacent plan).





DETACHED UNIT SPECIFICATION



8.46m eaves height (excluding retail parade and multi let industrials)

Secure concrete surface yards

6m high electric roller shutter doors

High bay lighting

Open plan offices

150mm raised access flooring

2.70m floor to ceiling heights in office

3 pipe VRV heat recovery air conditioning

Structures capable of incorporating 10T overhead craneage

ABERDEEN INDUSTRIAL MARKET

Aberdeen's industrial take up totalled c953,000 sqft in 2022 representing a 43% increase in the 5 year average of c664,000 sqft.

Prime industrial rents are currently £10.50 per sqft, £19.60 per sqft and £2.50 per sqft on warehouse, office and yards areas respectively, rising to £15.00 per sqft overall on smaller, modern, multi let buildings. These levels have been recently agreed at Kingshill Commercial Park, proving the quality on offer.

Much of the total supply (c3m sqft) is dated stock, nearing the end of its useful life. This obsolescence is becoming more pronounced as quality occupiers seek modern, energy efficient buildings. It is widely considered that stock levels will reduce in the short to medium term as landlords demolish first generation buildings.

New build quoting rents in the city are currently £23.00 per sqft, £11.00 per sqft and £2.50 per sqft relative to office, warehouse and yard areas respectively. New lettings at these levels will produce MRV growth on prime stock going forward.

With Aberdeen now the UK's green energy hub at the forefront of new technologies including Hydrogen, Carbon Capture and Wind, it is anticipated competition will increase for modern facilities with little speculative construction underway.



SCOTTISH INDUSTRIAL MARKET

The industrial sector has been one of Scotland's stand out performers over the last 18 months.

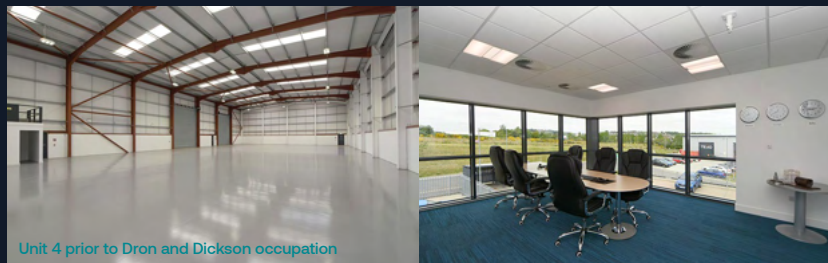
Driven by a strong occupational backdrop with low levels of supply and restricted new build development, Scottish industrials continue to offer genuine performance capabilities.

Prime Scottish industrial yields continue to trade at a discount against best locations south of the border.

This yield gap has attracted interest from a truly global investor base. With macroeconomic factors impacting the UK commercial property market it is anticipated that investors will prepare for a flight to quality, targeting modern, well specified, energy efficient industrial assets.

Developments such as Kingshill Commercial Park are perfectly placed to meet such anticipated demand going forward.

A flavour of some recent single and multi let investment transactions are highlighted adjacent.



Unit 4 prior to Dron and Dickson occupation

Single Let Evidence

Address	Date	Size (sq ft)	Price/Capital rate sqft	Yield	Purchaser
Biffa, 51 McNeil Drive, Eurocentral	Sept-23	52,459	£6.74m/£129	6.20%	Wesleyan
UPS, Newhouse	Jul-23	47,656	£5.30m/£111	6.33%	Dunedin
Tennents, Dale Avenue, Cambuslang	Mar-23	135,540	£14.20m/£105	6.71%	Wittington Investments
Fed-Ex, Edinburgh airport	Feb-23	39,000	£8.50m/£217	6.07%	ICG
GXO, Eurocentral	Jan-23	330,000	£23.00m/£76	7.80%	Citivale
Morrisons, 10 McNeil Drive, Eurocentral	Dec-22	127,416	£7.90m/£63	7.00%	Private
Gist, Eurocentral	Sept-22	92,930	£11.11m/£119	5.25%	Custodian REIT
Zenith, 10 Brittain Way, Eurocentral	Aug-22	92,997	£16.45m / £177	3.67%	BP
Thornbridge Distribution Centre, Grangemouth	Apr-22	86,922	£7.49m/£86	4.86%	Custodian REIT
Pinnacle, 6 Brittain Way, Eurocentral	Apr-22	67,751	£12.30m/£182	3.43%	Fiera Real Estate
Cliftonhall Road, Newbridge	Jan-22	20,010	£3.13m/£156	4.80 %	Ribston
Dyce Avenue, Aberdeen	Jan-22	20,931	£3.85m/£184	8.18%	Glenstone Property Plc

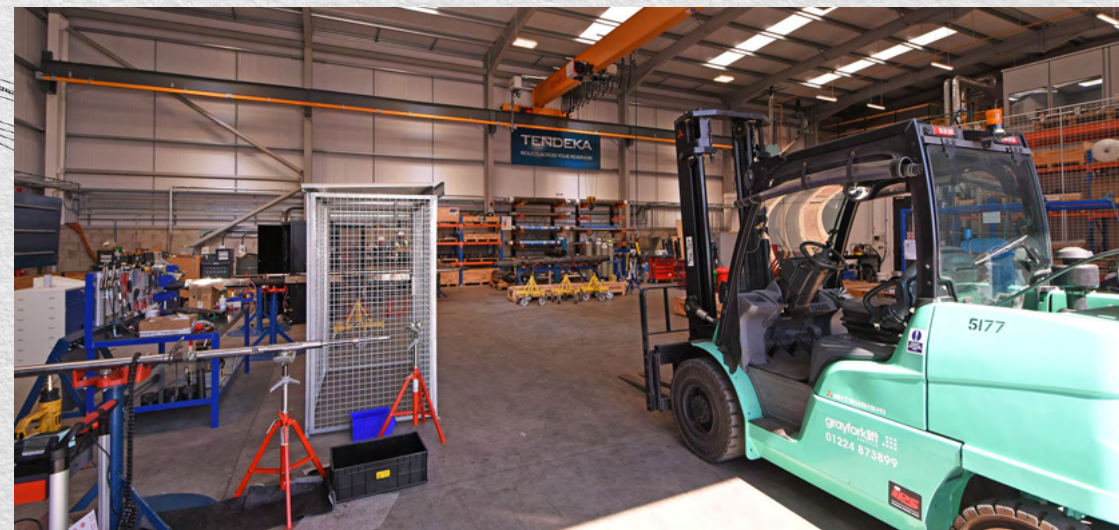
Multi Let Evidence

Address	Date	Size (sq ft)	Price/Capital rate sqft	Yield	Purchaser
The Cesaer Portfolio	Jan-22	169,998	£24.25m /£143	5.20%	Ribston
Orbitstates Building, Wellington Circle, Aberdeen	Jan-22	169,822	£15.17m/£89	5.75%	Realty Income
Citylink Industrial Estate, Helen Street, Glasgow	Dec-21	56,550	£6.97m /£123	c4.88%	Nuveen
Harmony Court, Glasgow	Dec-21	48,169	£5.25m /£109	5.60%	Industrials REIT
Ibrox Business Park, Glasgow	Sept-21	78,764	£10.04m /£127	5.25%	Mileway
D2 Business Park, Dyce, Aberdeen	May-21	128,887	£18.51m /£144	7.56%	Kennedy Wilson
Stenhouse Mill Wynd Industrial Estate, Edinburgh	Mar-21	63,182	£8.46m /£134	5.47%	Kennedy Wilson
M8 Interlink Estate, Coatbridge	Dec-20	290,104	£24.50m/£84	5.67%	Northwood
Bellknowes Industrial Estate, Inverkeithing, Fife	Dec-20	138,043	£10.50m/£76	5.35%	Caisson AM
R6 Industrial Estate, Queen Anne Drive, Newbridge	Dec-20	32,009	£3.90m/£122	6.40%	Industrials REIT

TENURE

Boundaries highlighted are for reference purposes and represent extent of sale. Adopted estate roads excluded from ownership transfer. Individual title plans are available in the dataroom.

Heritable Title (Scottish equivalent of English Freehold).



ADDITIONAL INFORMATION

ENVIRONMENTAL / SUSTAINABILITY

A copy of the EPC's are available in the data room.

DATA ROOM

An online data room is available containing key documentation including:

- Title information
- Occupational leases
- Management & service charge information

Access can be provided upon request.

ANTI-MONEY LAUNDERING

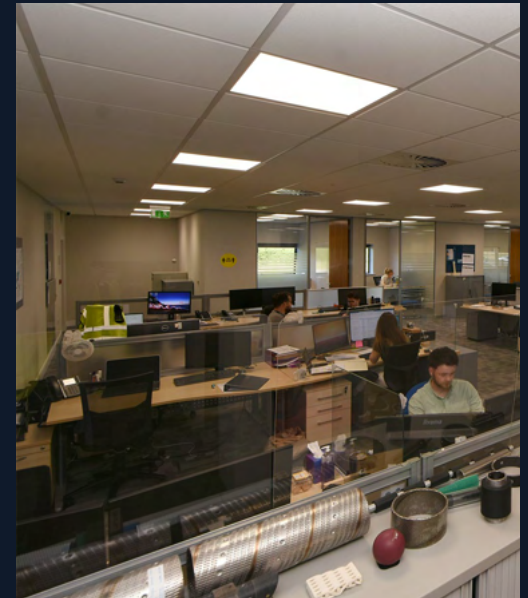
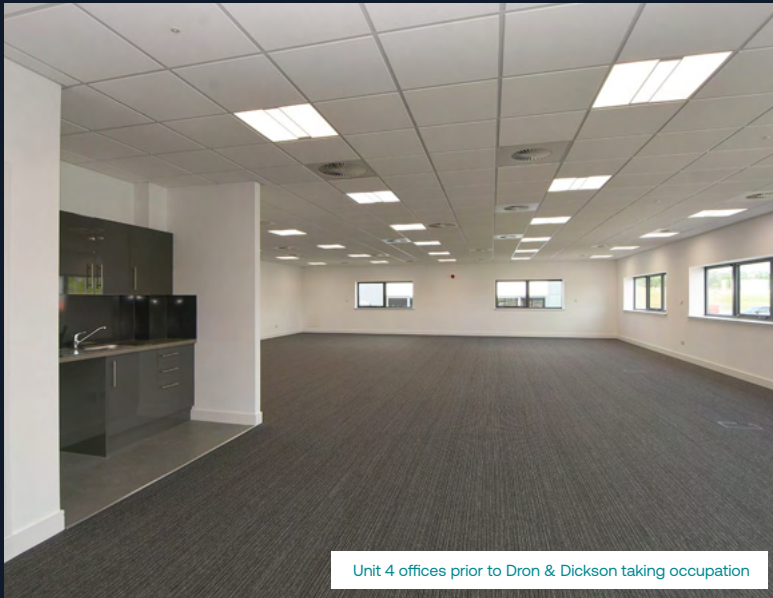
Under both HMRC and RICS guidance, as property agents we are obliged to undertake AML diligence for both the purchasers and vendors (our client) involved in a transaction. As such, personal and or detailed financial and corporate information might be required before any terms are agreed or any transaction can conclude.

INVESTMENT PROPOSAL

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VAT

The property is elected for VAT, however, it is envisaged the transaction will be treated as a TOGC.



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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