

KINGSHILL PARK & PROSPECT PARK

WESTHILL,
ABERDEEN

PRIME MULTI LET OFFICE PARK INVESTMENT
WITH VALUE ADDING POTENTIAL

ON THE INSTRUCTIONS OF:



KNIGHT PROPERTY GROUP



Consented development site.



KNIGHT PROPERTY GROUP



EXECUTIVE SUMMARY

- Located around 6 miles from Aberdeen city centre, Westhill is one of the city's best performing office locations.
- Modern, high specification offices, developed by award winning developer, Knight Property Group.
- Constructed between 2014 and 2020, the subjects comprise 8 detached offices, let to 16 tenants with generous car parking.
- 7 new lettings and one lease regear concluded over the last 12 months highlighting strong demand for the development and genuine reversionary prospects.
- A total NIA of 93,532 sqft.
- Attractive WAULT to expiries of 6.96 years and to breaks of 5.62 years.
- Heritable Title (Scottish equivalent of English Freehold).
- Asset management opportunities to add value by letting vacant space and adding term to existing leases. Consented development sites adjacent can be purchased, subject to agreement in order to add to the current offering.
- Gross passing rent of £2,155,605 per annum, including a 12 month rent, rates and service charge guarantee over Pavilion 11, suite B.
- Offers in excess of £16,500,000, 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 12.24%, a low capital value of £176.41 psf assuming purchasers costs of 6.73%.



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 off shore 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 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.

£18.2BN

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.

£826M

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

£500M

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

£350M

Investment in Aberdeen Harbour is expanding 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 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.



WESTHILL

Created as an upmarket satellite town in 1968, Westhill lies some 6 miles to the west of Aberdeen city centre with 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 it's excellent connectivity and proximity to Europe's largest energy hub.

Marsh and Scottish Water have representation in the immediate area as do a number of leading energy companies, including Total, Schlumberger, Subsea 7, Technip and Kongsberg.

Westhill benefits from extensive amenity including Costco, Tesco, M&S Simply Food and Aldi. The area continues to positively evolve with recent additions to amenity including Starbucks, Greggs and McDonalds, all being situated within 300 yards of Kingshill Park.

Further development is planned to occur within the near future including development of Phase 3 Kingshill Commercial Park, together with a new Wickes trade counter unit.

Westhill remains a prime residential location, with Cala recently gaining planning approval on the western edge of the town at Burnland to build 50 four and five bedroom detached family homes.

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 subjects, The Capitol, Union Street, Westpoint Business Park, Kingshill Commercial Park, 4-5 Lochside Avenue, Prospect Park, Kirkhill Commercial Park, Altens Trade Park, Langlands Commercial Park and Belgrave Logistics Park - currently the largest ongoing speculative logistics development in Scotland.



KINGSHILL PARK

Kingshill Park is a leading business park, comprising 9 office pavillions together with a consented site for future development.

Within the development, 2 buildings have been previously sold and are lowlighted on the supporting aerial photography for ease of reference.

The buildings have been considerably designed for flexible, modern working and although not exhaustive, the specification includes the following:

- Open plan, column free floor plates
- 150mm raised access flooring
- 2700mm floor to ceiling heights
- 3 pipe VRV air conditioning
- Excellent car parking ratio of 1:291 sqft
- Energy efficient lighting
- DDA compliant design
- Energy saving photovoltaic panelling generating power
- EPC ratings of A and B

The importance of the development can be highlighted by strong recent letting activity comprising 7 new lettings over the last 12 months.



PROSPECT PARK

Prospect Park features a modern development comprising 4 HQ office buildings. Completed in 2013, Proserv House comprises a detached office arranged over ground and 2 upper levels together with dedicated car parking for 93 vehicles providing a ratio of 1:254 sq ft.

The building produces an abundance of natural light and the open plan floor plates designed for flexible, modern working. Although not exhaustive, the internal specification includes the following:

- Open plan, column free floor plates with double height reception area
- 150mm raised access flooring
- 2700mm floor to ceiling heights
- VRV heating and cooling system
- Excellent car parking ratio of 1:254 sqft
- Energy efficient lighting
- DDA compliant design
- EPC rating of B+



TENANT PROFILES

Tenant financial information is available upon request.



Proserv

Proserv is a controls technology company which incorporates two divisions. Proserv Controls encompasses innovative subsea controls solutions and Gilmore, known for its globally renowned control valves. Proserv operates in over 60 countries including the USA, India, Norway, Qatar and UAE.



Kraken Robotics Services UK Limited

Kraken Robotics is a marine geophysical-geotechnical service delivery company, specialising in high resolution 3D imaging solutions to mitigate risk in offshore installations.



Cala Management Limited

Founded in 1875, Cala has dominated the premium housing market over the last 40 years and is active throughout Scotland, the Midlands and South East England.



Reach Subsea UK Ltd

Established in 2008, Reach Subsea is known for its world class engineering and state of the art remotely-operated underwater vehicles. Headquartered in Norway, the company also has a presence in Houston, Singapore and Trinidad & Tobago.



FST (Scotland) Ltd t/a Swagelok

Founded 75 years ago, Swagelok operate from 20 manufacturing centres and over 200 sales and service centres across more than 70 countries.



LIGS Limited

LIGS is a subsidiary of Lockton, the world's largest insurance broker headquartered in Missouri and operating in 125 countries with over 8,500 employees worldwide.



Infinity Oilfield Engineering Limited

Infinity are an independent oil & gas and sustainable energy engineering consultancy. The company has a long history of development projects in Norway, West Africa, China, Brazil and the Gulf of Mexico. Infinity has offices in Aberdeen, London and Perth, Australia.



Compass Contract Services (U.K.) Limited

Compass Contract Services is part of the larger Compass Group PLC, a FTSE 100 catering company serving 5.5 billion meals in 45 countries every year.



Donaldson Timber Systems Limited

Donaldson Timber is the UK's largest and longest established manufacturer of structural timber components with 9 branches across the UK, supplying a range of precision-engineered timber products.



Contract Solutions Grampian Limited

Founded in Aberdeen 30 years ago, Contract Solutions Grampian is a leading provider of commercial office cleaning in Aberdeen and the North East of Scotland.



StormGeo Limited

StormGeo are a leading weather intelligence and advanced data science company using in depth data to enable decision making in weather sensitive operations, whether offshore and more.



Mermaid Subsea Services (UK) Limited

Founded 30 years ago, Mermaid is a leading international subsea and offshore drilling services company for major oil and gas companies or their contractors. The company has a presence in South East Asia, the Middle East and North Sea.



Noble Drilling

Founded in 1921, Noble are a leader in offshore drilling and one of the largest offshore drilling contractors in the world. In 2022, Noble merged with Maersk Drilling, creating a world-class offshore drilling operation.



ROVCO Limited

ROVCO are a leading provider of remotely operated underwater vehicles and hydrographic services supported by unique AI technology. The business has a long track record in supplying services to the offshore energy industry. ROVCO has a global presence encompassing offshore wind, wave and tidal, scientific and maritime security.



Interocean Marine Services Limited

Interocean Marine Services offers a complete range of specialist services encompassing marine, offshore drilling and production operations. Interocean provides marine consultancy, project management, naval architecture and engineering supporting rig moves and wind turbine installation. Interocean is part of the Rigmar Group, with a presence in Dubai, Abu Dhabi, Canada, Singapore and Ghana.



Sulmara Subsea

Sulmara Subsea is a leading provider of innovative survey and inspection services to the offshore energy sector. Sulmara are at the forefront of shaping the offshore energy sector as it increasingly focuses on a more sustainable net zero future. In addition to Aberdeen, the business has major hubs in Houston, Texas and Singapore.

ABERDEEN OFFICE MARKET

Total take up reached c385,583 sqft in 2022 against a 5 year average of c425,000 sqft. H1 2023 office take up has been relatively subdued transacting c108,000 sqft, however some larger lettings are expected in the second half of the year.

Whilst headline supply levels remain high at c2,500,000 sqft much of the available stock is dated or obsolete, requiring re-purposing.

Grade A supply is estimated as being closer to 210,000 sqft, just 8.50% of total available floorspace. As occupational requirements continue to focus on modern, ESG friendly space, Grade A supply is likely to become increasingly under pressure.

Prime office rents in Aberdeen currently stand at £32.50 per sqft reflecting a considerable discount to the main regional office markets. With no meaningful speculative office development planned for the near future, supply of modern, good quality office accommodation is likely to be controlled, helping maintain headline rents and reduce incentives.

Westhill is generally regarded as one of the premier out of town office locations in the Granite City due to its strategic position, quality of office product and excellent amenity. This coupled with its position as being one of the city's most affluent suburbs makes it well placed to capitalise on the aforementioned dynamics going forward.

A selection of some recent letting activity is shown in the table to the right.

Occupier	Letting (sq ft)	Rents (£/sqft)	Building	Date
Gilson Grey	4,467	£27.00	Blenheim Gate	May-22
Oceaneering	10,948	£17.00	AIBP, Dyce	Mar-22
OGA	18,000	£30.00	Marischal Square	Mar-22
Shell UK	100,312	c£26.00	Silverfin Building, Union Street	Mar-22
Opportunity North East Limited	3,947	£20.27	11 Queens Gardens	Mar-22
Ponticelli UK Ltd	17,911	£11.17	Abercrombie Court, Westhill	Feb-22
City Financial	1,813	£20.00	58 Queen's Road	Jan-22
Orega	3,155	£20.00	70 Queen's Road	Jan-22
Ithica Energy	41,367	£21.00	Chevron House, Hill of Rubislaw	Oct-21
Met Office	11,250	£18.00	Aberdeen Business Park	May-21
Equinor	15,000	£26.75	Primefour Business Park	Jan-21



SCOTTISH OFFICE INVESTMENT MARKET

Total volumes in the Scottish investment market reached £1.77bn in 2022 with respective office volumes comprising £428m of the total. Positively, despite continued inflationary pressure resulting in rising interest rates, H1 2023 saw £248m traded in the office sector.

The Scottish market witnessed deals occurring from a truly global investor base of UK and overseas institutions, global private equity together with ultra high net worth individuals across the prime, core plus and value add sectors.

Going forward, ESG credentials and associated asset repositioning will continue to form part of office investment rationale which, inevitably, will lead to some dated or difficult stock being converted to alternative use.

Over the past 24 months, supply of Aberdeen office investments has been extremely limited however, investors continue to be attracted to quality product offering the substantial yield compensation the city has to offer.

Some recent investment comparables are highlighted to the right.



Address	Tenant	Date	Purchase Price	WAULT	Capital Value (psf)	NIY
Ardent West, North Esplanade West	PD&MS Energy	On going	£10,870,000 (quoting)	7.30 years	£232.55	13.00% (quoting)
Annan House, Palmerston Road, North Dee Business Quarter	EnQuest Heather	On going	£41,900,000 (quoting)	12.40 years	£347.00	8.00% (quoting)
50-54 Rose Street Johnstone House, Aberdeen	Multi-let	Mar-23	£4,875,000	5.10 years	£93.07	16.84%
Kings Close, 62 Huntly Street	Dana Petroleum	Jan-23	£5,250,000	4.59 years	£159.40	11.99%
Equinor House	Equinor Production UK Ltd	Sept-22	£20,000,000	9.91 years	£437.00	7.70% (SPV)
37 Albyn Place	Multi let	May-22	£20,000,000	4.64 years (to breaks)	£257.72	7.90%
27 Albyn Place	Global Energy	Feb -22	£1,750,000	3 years (to break)	£174.44	10.80%
13 Queens Road	Pinsent Masons	Aug -21	£5,100,000	6 years	£319.39	10.54%
16 North Esplanade, Aberdeen	Neptune Energy Group	May-21	£13,600,000	8 years	£333.63	9.37%
City Park, Altens	Wood Group	Oct-19	£80,000,000	15 years	£384.21	7.00%
B3, Enterprise Drive, Westhill	Technip	Aug-19	£22,400,000	14.5 years	£365.94	6.70%
28 Albyn Place	Stronachs	Apr-19	£4,750,000	13 years	£362.62	6.42%
Atmosphere 1, Westhill	Bibby Offshore Limited	Feb-19	£13,375,000	10.58 years	£250.62	8.68%



TENURE

Boundaries highlighted are for reference only. Title plans can be provided on request.

Heritable Titles (Scottish equivalent of English Freehold).

Site Plan Key

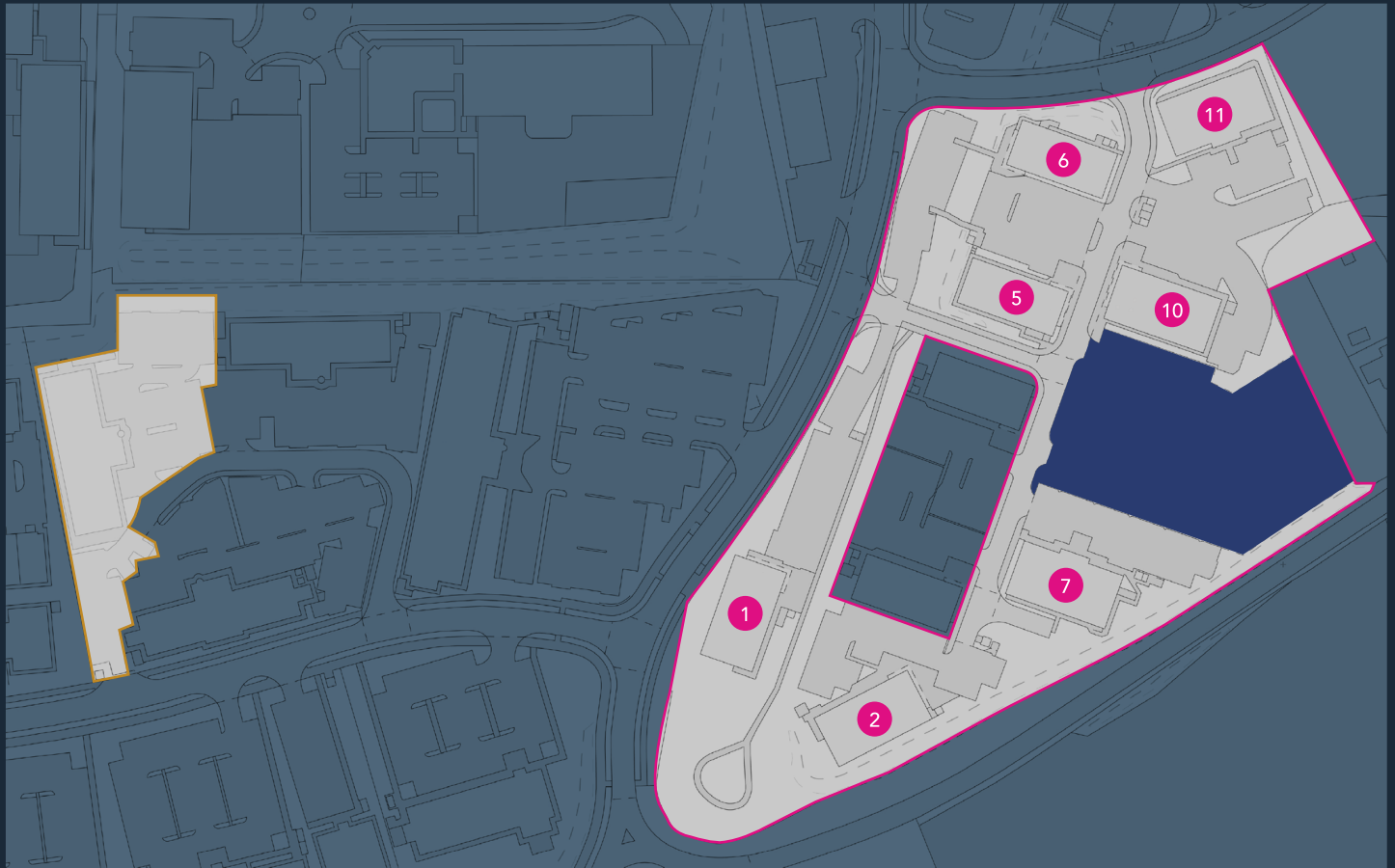
● Subject of Sale

● Excluded

● Consented development Land

● Kingshill Park

● Prospect Park



ADDITIONAL INFORMATION

INVESTMENT PROPOSAL

Offers in excess of £16,500,000 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 12.24%, a low capital value of £176.41 psf assuming purchasers costs of 6.73%.

VAT

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

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.



Consented development site.



KNIGHT PROPERTY GROUP

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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Subject to Contract

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Notices relating to the Misrepresentation Act 1967 and Property Misdescriptions Act 1991.

1. The particulars are set out as a general outline only for the guidance of intending purchasers and do not constitute part of an offer or contract. **2.** All information contained in these particulars is for guidance and general information only and will be used at your own risk. **3.** The particulars have been produced in good faith. We have made reasonable endeavours to ensure the accuracy of this information, however, we do not guarantee or warrant the accuracy or completeness, or factual correctness or reliability of any information contained within. **4.** We do not accept any liability for any errors or omission including any inaccuracies or typographical errors.

All maps and plans are provided for identification purposes only. **5.** Any intending purchasers or third parties should not rely on these particulars as statements of fact but satisfy themselves by inspection or otherwise that they are correct and accurate especially in relation to floor areas and other measurements. **6.** Unless otherwise stated, all prices, rents and other charges are quoted exclusive of Value Added Tax (VAT). Any intending purchasers or tenants must satisfy themselves independently as to the incidence of VAT in respect of any transaction. October 2023 .