

Attractive prime
city centre office
investment

220

ST VINCENT STREET

GLASGOW | G2 5SG

EXECUTIVE SUMMARY



1. 220 St Vincent Street is an attractive Grade B listed, **mid terrace modern office** investment opportunity, in the heart of Glasgow's CBD.
2. Located on St Vincent Street, the building benefits from excellent travel connections with both **Central Station and Queen Street Station within a 10 minute walk** and bus and subway routes within a short walk.
3. **Heritable Interest** (Scottish equivalent of English Freehold).
4. Extending to a total NIA of 27,054 sq.ft with office space arranged over lower ground, ground and four upper floors with **well-proportioned floor plates**, ideally suited to the Glasgow occupational market.
5. The building benefits from an **EPC rating of A (15)**.
6. Tenants include HKA Global Limited, Hiscox Underwriting Group Services Limited and Orega (Management) Limited, with a **weighted average Experian rating of 86/100**.
7. **51.8% of income** currently derives from Orega (Management) Limited until 2035 with an **occupancy rate of 98%** dating from December 2022 until November 2023.
8. Total passing rent of £466,979 per annum which provides a **low average rent of £19.90 psf** across the ground to fourth floor office suites.
9. **Potential to improve yield** through letting of the recently refurbished lower ground Plug & Play suite.
10. **WAULT of 7.66 years to expiry** and **1.82 years to breaks**.

PROPOSAL

We are instructed to seek **offers in excess of £3,000,000**, subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of **14.63%** and a **low capital value of £110 psf**, assuming purchaser's costs of 6.42%. Based on our assumptions this price would reflect a **reversionary yield of 18.29%**.

GLASGOW



4th

Glasgow is the largest city in Scotland and the fourth biggest in the UK, with a population of nearly 600,000. The city has an extensive catchment with the Greater Glasgow conurbation totalling around 2.3 million and accounting for more than 40% of Scotland's population.

2nd

Glasgow is known for its retailing and is the top shopping location in Scotland and second only to London in the UK, with over half a million square metres of retail space and a shopping population of circa 2 million.

£4.85bn

It is one of Europe's most dynamic cities with over £4.85 billion of comparison goods spend available in the catchment area and is featured in the top 20 super league of major European shopping destinations by commercial expenditure. Furthermore, there are circa 2.3 million tourists drawn to Glasgow every year which increases footfall and spending.

130,000

Glasgow has an excellent reputation for education, with 5 universities and 3 super colleges. The city has a graduate level workforce above almost all major UK cities, with 46.3% of the workforce educated to degree level. Glasgow maintains a robust skills pipeline and a talented, multilingual workforce with over 130,000 students from 135 different countries.

£1bn

Glasgow's conference facilities are best in class. It is home to the Scottish Event Campus (SEC) which is the UK's largest integrated conference and convention centre. The SEC has generated in excess of £1 billion through business tourism. In addition, the Scottish Hydro Arena was completed in 2013 and hosts around 140 events every year and is currently in the top 3 worldwide arena venues based on annual ticket sales.



£19.6bn

As Scotland's economic engine, Glasgow generates over £19.60 billion GVA per annum (c £32,305 per head against the UK average of c £25,350).
Source: PWC.

16%

These figures amount to around 16% of Scotland's output, and it is the fastest growing major city economy in the UK with growth significantly outperforming all other core cities in recent years.



3rd

Glasgow is the 3rd largest financial centre in the UK and number one in Scotland for Foreign Direct Investment. The city is home to an impressive line-up of occupiers including JP Morgan, NFU Mutual, Barclay's Wealth, Morgan Stanley and Lloyd's Banking Group.



CONNECTED

Road

Four main motorways give Glasgow high speed road access to cities throughout the UK. The M8 motorway provides direct access into the city via six junctions located on the periphery of the CBD and lies at the heart of Scotland's integrated motorway network, connecting directly to Edinburgh.

It links the M74 and M73 motorways at Junction 4, offering access to Carlisle and Northern England. It also provides access to Stirling and Northern Scotland through its connection to the M80/A90 at Junction 13.

Air

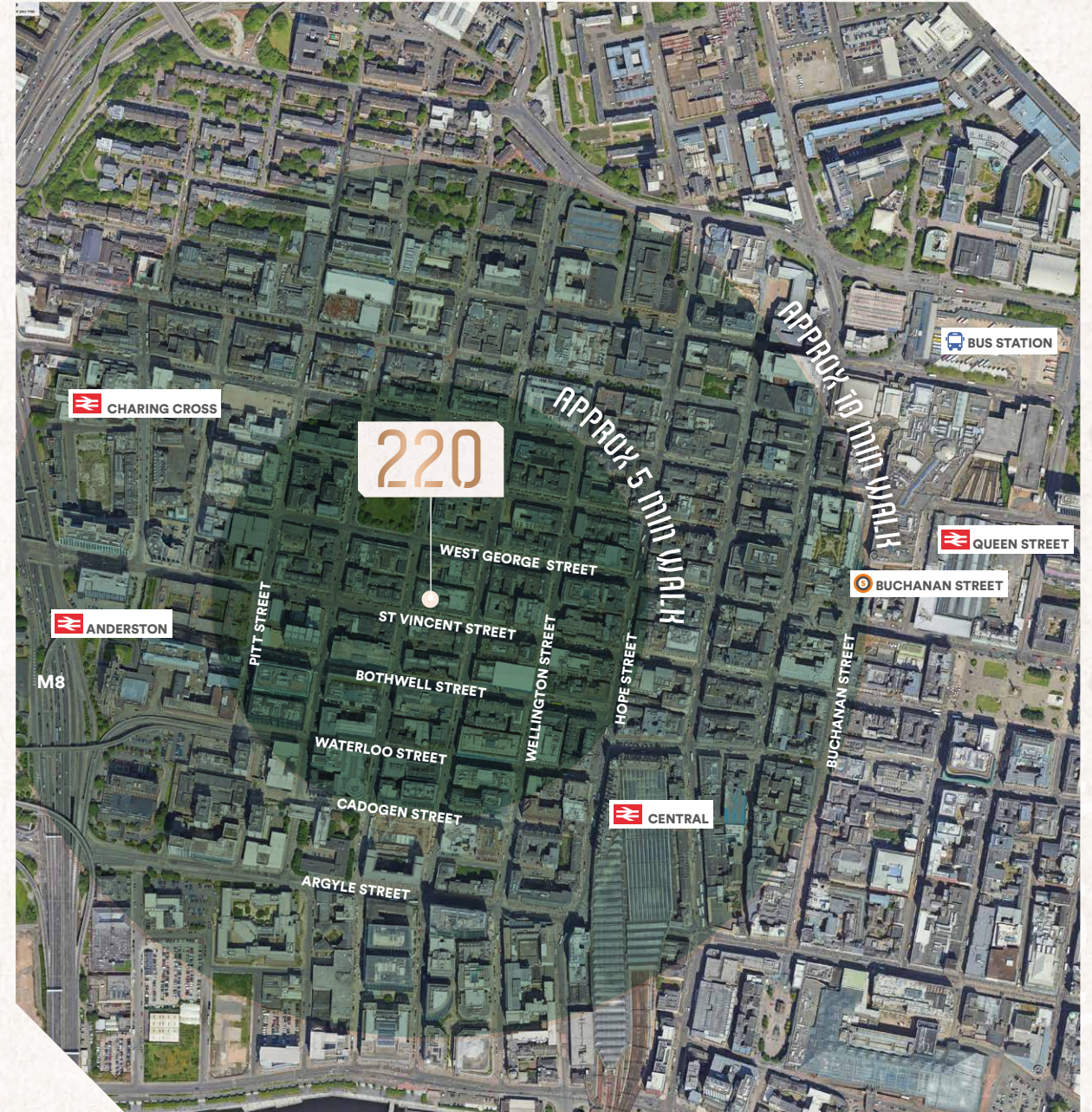
Glasgow International Airport is located 10 miles to the west of the city centre. The airport provides domestic, European, Far Eastern and Transatlantic flights to 120 destinations for some 9.70 million passengers each year.

Rail

Glasgow benefits from having two main railway stations in Glasgow Central and Glasgow Queen Street. In addition to providing services throughout Central Scotland, these stations provide regular intercity transport to all major cities in England, whilst Glasgow Queen Street Station provides services to major Scottish cities such as Edinburgh, Aberdeen, Dundee and Inverness.

Glasgow is also served by a subway and a local rail system which links the city centre to the outlying suburban areas, making it very accessible for commuters.

CITY	TRAVEL TIME
Edinburgh	42 mins
Newcastle	2 hours 47 mins
York	3 hours 22 mins
Manchester	3 hours 27 mins
Birmingham	3 hours 53 mins
Leeds	4 hours
London	4 hours 28 mins



SITUATION

220 St Vincent Street is a prominent mid-terrace building situated on the north side of St Vincent Street, in the block bounded by West Campbell Street to the east and Blythswood Street to the west. St Vincent Street is a key office location, with occupiers benefitting from excellent links to public transport hubs and a wide ranging selection of restaurants, bars and coffee shops nearby.



SPECIFICATION

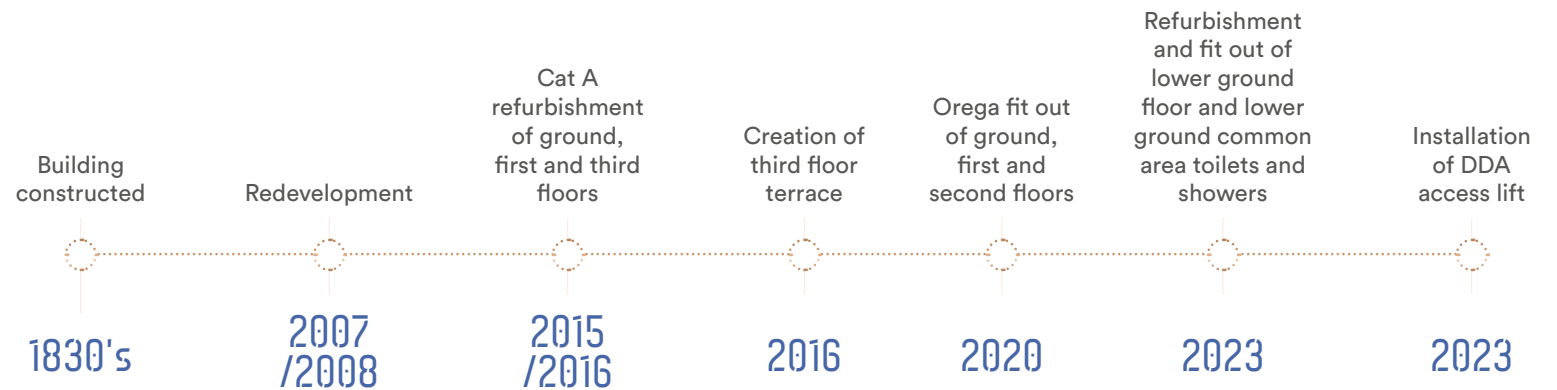
220 St Vincent is a 1830's Grade B listed mid-terrace building comprising basement, lower ground, ground and four upper floors. The building was fully renovated in 2008 by ING Real Estate to create modern flexible workspace. An attractive 3rd floor external terrace was created in 2016.



Studio 220 - Plug & Play

The current specification includes:

- | | |
|-------------------------------|----------------------------------|
| Raised access flooring | 2x12 person passenger lifts |
| All electric VRF system | Shower rooms with secure lockers |
| LED lighting | Cycle storage |
| External terrace on 3rd floor | 15 car parking spaces |
| Fully DDA compliant | |



ACCOMMODATION

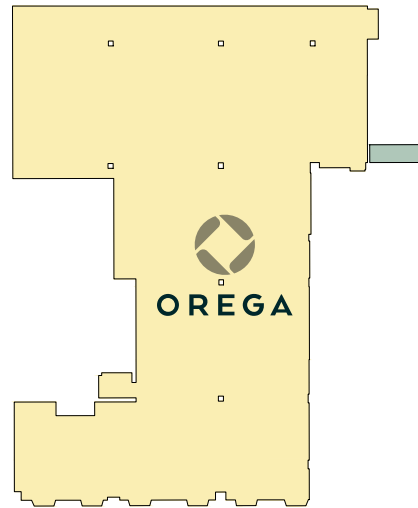
The subjects have been measured by Plowman Craven in accordance with the RICS Code of Measuring Practice (6th Edition) and extend to the following net internal area:

FLOOR	USE	NIA (SQ.FT)	NIA (SQ M)
4 th Floor	Office	4,229	392.9
3 rd Floor	Office	4,701	436.7
2 nd Floor	Office	6,081	564.9
1 st Floor	Office	6,083	565.1
Ground Floor	Office/Reception	2,282	212.0
Lower Ground Floor	Office	3,678	341.8
Total		27,054	2513.4

KEY:

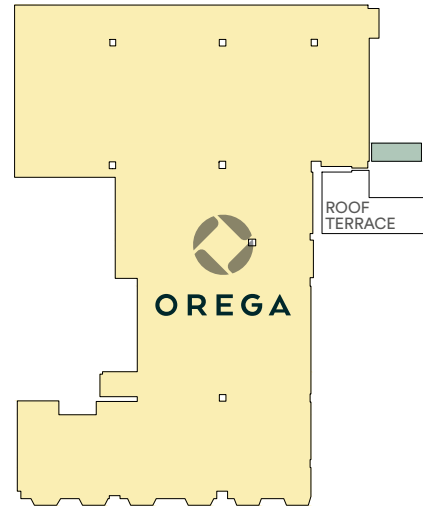
- OFFICE
- STORAGE
- RECEPTION
- BUILDING MANAGEMENT

2ND FLOOR



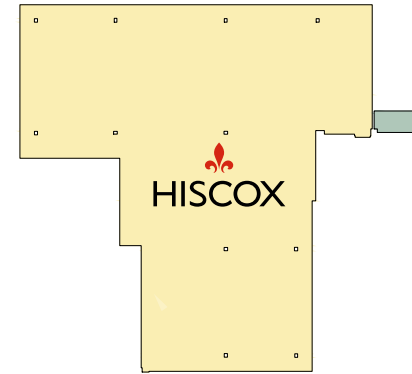
ST VINCENT STREET

1ST FLOOR



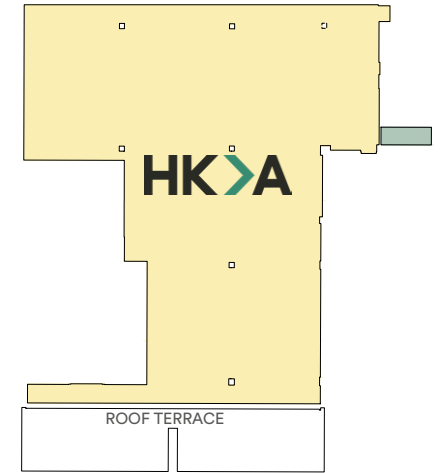
ST VINCENT STREET

4TH FLOOR



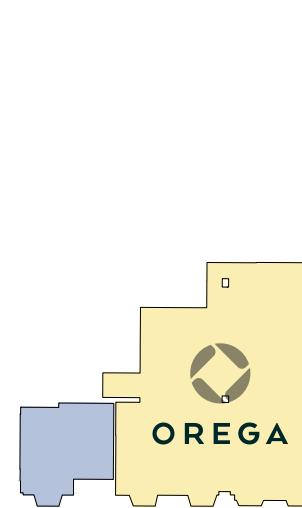
ST VINCENT STREET

3RD FLOOR



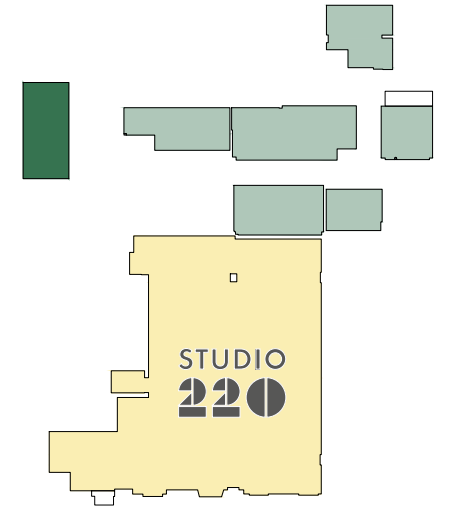
ST VINCENT STREET

GROUND FLOOR

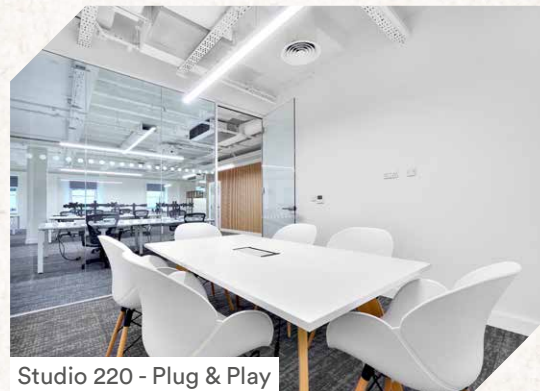
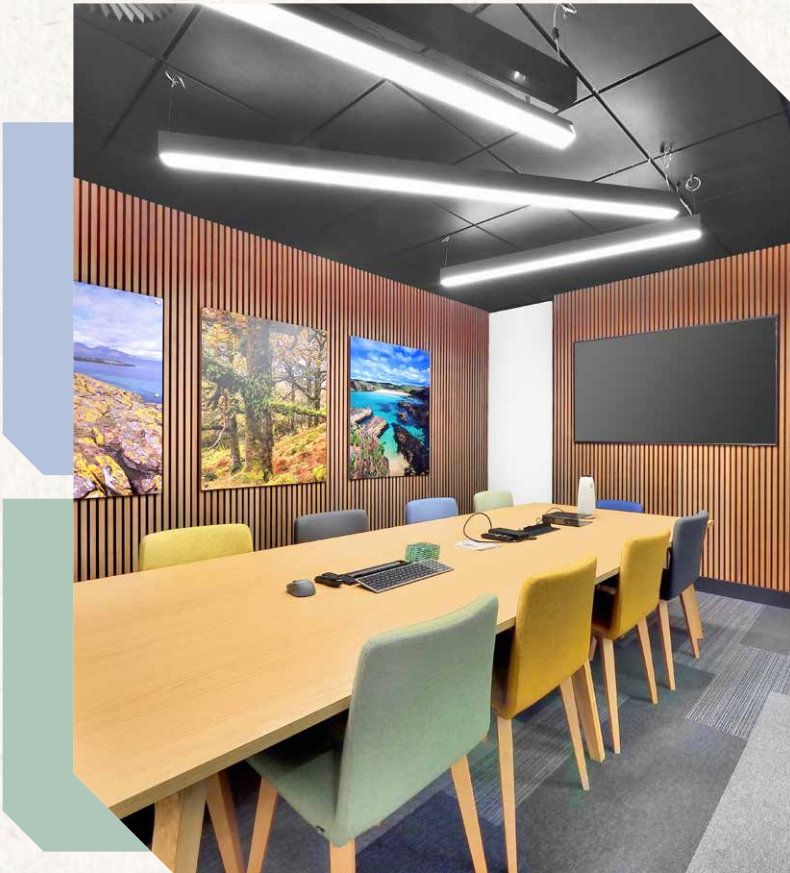


ST VINCENT STREET

LOWER GROUND FLOOR



ST VINCENT STREET



Studio 220 - Plug & Play



TENURE & TENANCY

The property is held by way of a Heritable title (Scottish equivalent of English Freehold) and is let in accordance with the tenancy schedule set out below:

FLOOR	TENANT	NIA (SQ.FT)	LEASE START	LEASE EXPIRY	BREAK DATE	PASSING RENT (PER ANNUM)	RENT (PSF)
Lower Ground Floor	HKA Global Limited	201	01/08/2023	31/07/2024		£1,800	£8.96
Lower Ground Floor	Vacant (storage)	1,084					£0.00
Lower Ground Floor	Vacant	2,393					£0.00
Ground Floor	Orega (Management) Limited	2,282	25/09/2020	24/09/2035	25/09/2025*	£37,744	£16.54
First Floor	Orega (Management) Limited	6,083	25/09/2020	24/09/2035	25/09/2025*	£100,612	£16.54
Second Floor	Orega (Management) Limited	6,081	25/09/2020	24/09/2035	25/09/2025*	£100,644	£16.54
Third Floor	HKA Global Limited	4,701	01/03/2017	28/02/2027		£113,054	£24.05
Fourth Floor	Hiscox Underwriting Group Services Limited	4,229	04/02/2008	03/02/2028	04/02/2025	£113,125	£26.75
Total		27,054				£466,979	

* A pre-condition in the lease allows the break to only be exercised if the third and fourth operating years average at £197,367.75. Year 3 income totalled £239,000 per annum, meaning the income for 2024 would need to be £155,735.

**The passing rent and rent psf in the above table is inclusive of car parking.



OREGA OCCUPANCY RATE

2020 - 2021	100%
2021 - 2022	97%
2022 - 2023	98%
Average	98%

TENANT PROFILES



HKA Global Limited

HKA is a leading global consultancy in risk mitigation, dispute resolution, expert witness, and litigation support services. Specialist services include; Expert, Claims and Advisory services for the capital projects and infrastructure sector; Forensic Accounting and Commercial Damages services for all types of contracts, including commercial and investment treaty disputes; Consulting services to support companies working on US Federal Government contracts.

	31/12/2022	31/12/2021	31/12/2020
Turnover (£)	37,643,787	39,995,904	32,264,214
Pre-tax profit (£)	2,567,910	6,463,043	4,838,775
Total net worth (£)	2,761,798	1,642,020	3,445,572

Further information [here](#).



OREGA

Orega (Management) Limited

Orega offers modern serviced office spaces operating 22 office spaces in central locations across the UK, including 6 in London and key regional cities including Manchester, Liverpool, Leeds and Newcastle, with over 10,000 customers and over 550,000 sq.ft of flexible space.

In September 2023 Orega completed its third management agreement in the City of London in as many months. The latest deal takes Orega's space under management at Gracechurch Street to more than 87,000 sq.ft where it has been running at more than 95% occupancy. The flex space provider now operates from six locations in London, totalling more than 220,000 sq.ft out of its portfolio of 605,000 sq.ft across the UK.

The company offers accommodation from 27 locations across the UK and is now regarded as the UK's leading provider of flexible workspace under management agreement. The group has a target to double the size of its business over the next three years, which will ultimately give it an office footprint of 1.5 million sq.ft.

	31/3/2022	31/3/2021	31/3/2020
Turnover (£)	10,836,795	8,821,097	9,857,615
Pre-tax Profit (£)	3,857,701	3,659,188	4,138,032
Total Net Worth (£)	4,567,161	4,122,490	3,946,253

Further information [here](#).



HISCOX

Hiscox Underwriting Group Services Limited

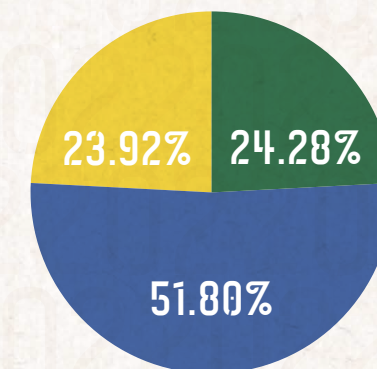
Hiscox are a specialist insurer underwriting personal and business risks. Founded over 100 years ago, Hiscox provides commercial cover including public liability insurance, professional indemnity insurance for over 400,000 business in the UK. Other insurance offerings include contents insurance, buildings insurance and listed buildings and high value homes.

	31/12/2022	31/12/2021	31/12/2020
Turnover (£)	356,859,000	-	-
Pre-tax Profit (£)	-15,383,000	-10,837,000	22,241,000
Total Net Worth (£)	-27,728,000	-32,907,000	-56,688,000

Further information [here](#).

% INCOME

- HKA Global Limited
- Orega (Management) Limited
- Hiscox Underwriting Group Services Limited



WIDER OCCUPATIONAL MARKET

Glasgow take up totalled c78,000 sq.ft in Q4 2023, taking the total for 2023 to c310,000 sq.ft. The average deal size in Q4 was 3,250 sq.ft with 90% of deals for space of 5,000 sq.ft and under. The most active sectors continue to be Business Services/ Professional and Creative Industries.

The Grade A vacancy rate is currently 2% and is expected to reduce further following larger lettings at ongoing redevelopment schemes at Lucent and Aurora. The market remains polarised, with signs of demand returning for larger floor plates (15,000 sq.ft plus) as well as continuing strong appetite for sub 5,000 sq.ft suites, particularly 'Plug & Play' space.



INVESTMENT MARKET

Glasgow is one of the UK's key regional centres and has historically attracted investment from UK institutions, global funds, high net worth individuals and family offices. Glasgow office market investment volumes over the last two years have averaged over £250m, a selection of which are highlighted below. The majority of transactions of late have been on behalf of overseas investors or well capitalised UK property companies.

Date	Address	Area (sq.ft)	Unexpired term	Price	NIY	Capital Rate (psf)	Refurbished/ Unrefurbished	Purchaser
Under offer	95 Bothwell Street	135,000	5.47 years to expiry	c£16,000,000	-	c£118	Unrefurbished	
Dec-23	The Garment Factory	54,045	5.2 years	£15,700,000	9.00%	£290	Refurbished	Private Investor
Oct-23	Merchant Exchange	25,000	8 years	£3,850,000	9.00%	£160	Unrefurbished	Keystone
Sep-23	130 St Vincent Street	32,794	-	£3,705,000	-	£113	Part Refurbished	Stelmain
Jun-23	RWF House, Renfield Street	45,000	5 years	£9,700,000	7.30%	£220	Part Refurbished	GT Properties
Apr-23	Sutherland House, 149 St Vincent Street, Glasgow	39,378	6 years to expiry	£9,050,000	7.57%	£230	Refurbished	Priory Group
Mar-23	2-4 Blythswood Square	27,125	11.5 years to expiry	£9,000,000	6.56%	£332	Refurbished	Priory Group

PERFORMANCE

Orega offer secure income over three of the six floors until 2035. Yield performance is expected through a projected turnover rent in 2024 of c£263,000 per annum (2023 turnover rent of £239,000 per annum).

Further performance to be achieved through upcoming lease events in the remaining office suites which are perfectly suited to capture the city's sub 5,000 sq.ft demand. Recent transactions in this space are outlined below.

Date	Address	Size (sq.ft)	Tenant	Headline rent (sq.ft)
Sep-23	201 West George Street	2,980	Cheine and Tait	£22.00
Sep-23	10 Bothwell St	5,509	If Only	£25.00
Aug-23	45 West Nile Street	1,958	Oberlanders Architects	£20.50
Jun-23	145 St Vincent Street	2,153	E Capital	£26.00
Jun-23	145 St Vincent Street	1,653	PMP	£26.00
May-23	90 St Vincent Street	1,512	Henry Boot Developments	£22.00
May-23	90 St Vincent Street	1,512	Teneo	£22.00
Mar-23	24th St Vincent Place	4,639	Scottish Renewables	£21.50
Mar-23	145 St Vincent Street	2,024	Multrees	£26.00
Mar-23	Suite 139, Central Chambers, 92 Hope Street	2,097	The Healthcare Collection	£13.00
Mar-23	90 St Vincent Street	3,303	Sabio Limited	£22.00
Mar-23	24 St Vincent Place	4,639	Scottish Renewables	£21.50
Feb-23	Framework, 124 St Vincent Street	2,056	Adecco	£22.50
Feb-23	221 West George Street	3,620	Safe Deposits Scotland	£13.00
Dec-22	McLellan Works	5,011	Hoare Lea	£25.00
Dec-22	2nd Floor, 24 Blythswood Square	2,354	Wallace White	£17.50
Dec-22	Garment Factory, 10 Montrose Street	3,575	Sulmara Subsea	£24.00
Dec-22	Suite 2A, The Garment Factory, 10 Montrose Street	4,962	Statkraft	£25.00
Nov-22	Onyx, Bothwell Street	5,754	Currie & Brown	£29.00
Nov-22	10 Bothwell Street	3,470	Ossian Offshore	£25.00

ADDITIONAL INFORMATION

VAT

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

EPC

The property has an EPC rating of A (15).

A copy of the EPC Certificate is available in the dataroom.

DATAROOM

An online data room is available containing key documentation including:

- Title information
- Occupational leases
- Service Charge information
- Assignable technical and measured surveys
- EPC Certificate

Access can be provided upon request.

ANTI-MONEY LAUNDERING

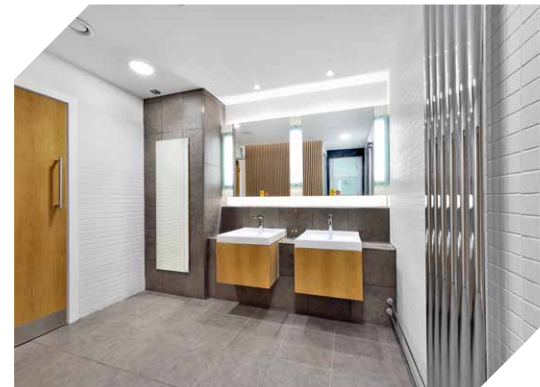
In accordance with AML Regulations, the successful purchaser will be required to satisfy the Vendor on the source of funds used to acquire 220 St Vincent Street, Glasgow.

SERVICE CHARGE

The property is managed on behalf of the landlord by MAPP. For the service charge year which runs until 31st December 2024, the service charge equates to £11.90 per sq.ft. For the current service charge year, there is a service charge shortfall of £37,306.33 of which £32,140.72 is attributable to Studio 220 which is currently vacant. Further detail is available in the dataroom.

PROPOSAL

We are instructed to seek **offers in excess of £3,000,000**, subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of **14.63%** and a **low capital value of £110 psf**, assuming purchaser's costs of 6.42%. Based on our assumptions this price would reflect a **reversionary yield of 18.29%**.



CONTACT

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

Chris Thornton

T 0131 202 4565
M 07843 975 345
E chris.thornton@lismore-re.com

Richard Mackie

T 0131 202 4564
M 07966 396 480
E richard.mackie@lismore-re.com



Subject to Contract

Disclaimer: Lismore Real Estate Advisors Limited.
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.
February 2024. Produced by Designworks.

220

ST VINCENT STREET

GLASGOW | G2 5SG