


Landmark city centre office investment with excellent
repositioning and redevelopment potential

George House

50 George Square, Glasgow, G2 1EH

 Play Video





Executive Summary



01.

Prime office with future repositioning and redevelopment potential, occupying a highly prominent position on George Square, at the centre of Glasgow's regeneration.

02.

George House benefits from excellent connectivity with immediate access to Queen Street rail station, the Glasgow underground network and city-wide bus infrastructure.

03.

Arranged over ground and 5 upper floors, the building extends to a total floor area of 99,740 sqft, arranged around a central courtyard together with 31 car parking spaces. Flexible office floor plates ranging from 4,269 sqft to 20,553 sqft.

04.

Net sale income of £1,991,251 pa.

05.

91,008 sq.ft of offices, multi-let to high quality tenants including Rathbones Group plc, Network Rail Infrastructure Ltd and Anderson Strathern LLP, at a low average rent of £19.07/sq.ft.

06.

8,127 sq.ft of highly prominent leisure space let to Costa Limited and The Alchemist Bar & Restaurant at a low average rent of £25.71/sq.ft.

07.

WAULT of 6 years to expiry, 2.8 years to nearest tenant break and 4.7 years to nearest landlord break.

08.

Landlord break options in office leases in 2029 to permit repositioning or redevelopment.

09.

100% of income is to tenants with an Experian rating of 'Very Low Risk'. The asset offers a very strong income-weighted Experian score of 97.5/100.

10.

Heritable Interest (Scottish equivalent of English Freehold).

Proposal

Offers are sought in excess of £16.50m (Sixteen million, five hundred thousand pounds) for the asset, subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of 11.31%, based on standard purchaser's costs of 6.73% and an attractive capital value of £166 per sqft.

Glasgow



0.86%

Critically low availability of new-build Grade A office space, with a vacancy rate of 0.86%.

42.3%

of the workforce is educated to degree level or above.



2nd

Ranked 2nd for Foreign Direct Investment Strategy across fDi Large European Cities for the Future 2023.

185,000

Home to 3 universities and 5 colleges, with a student population of 185,000.



34,000

Glasgow's digital and creative tech economy is now the largest in Scotland and one of the fastest growing in the UK with almost 34,000 jobs and a turnover of more than £1bn.

£23.5bn

As Scotland's economic engine, Glasgow generates c.£23.5bn, amounting to 16% of Scotland's output, reinforcing the importance of the city in national context.



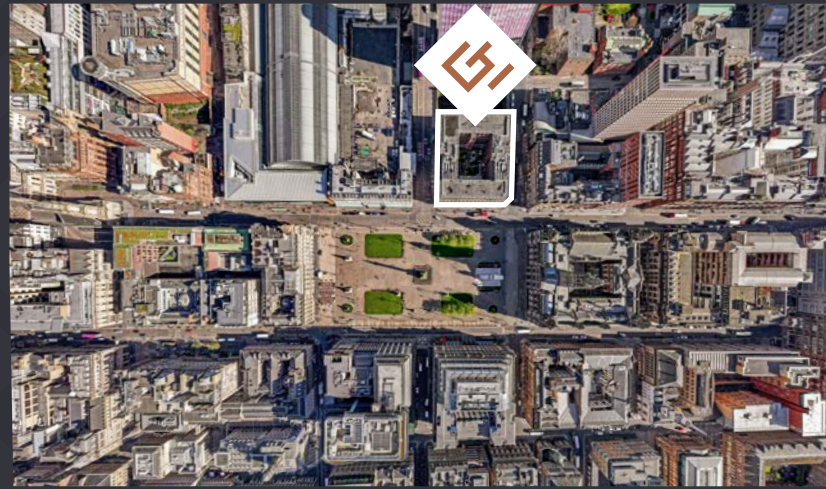
635,000

Glasgow is Scotland's largest city with a resident population of 635,000 and a wider catchment of 2.3 million. The fifth largest in the UK.

Global

Host of global events including COP26, the United Nations Climate Change Conference, and the 2014 Commonwealth Games.

Connectivity



Road

George House benefits from excellent road connections with four main motorways giving access to key cities throughout the UK. The M8 motorway provides direct access into the city centre with Junction 15 a five-minute drive, giving access to the East and Edinburgh.

The M74 and M77 are easily accessible, the latter of which is the principal connection to the M6, providing access to the English motorway network.

Rail

Glasgow benefits from having two main railway stations in Glasgow Central and Queen Street Station. In addition to providing services throughout Scotland, Central Station provides regular services to London via the West Coast mainline. Glasgow Queen Street station, situated immediately adjacent to the subjects, provides a fast connection between Glasgow and Edinburgh in under one hour.

Air

Glasgow Airport, located approximately 10 miles to the west of the city centre, provides domestic, European, Far Eastern and Transatlantic flights to over 120 destinations for over 9 million passengers a year with key airlines including British Airways, Emirates, KLM and Lufthansa.

Bike & Pedestrian

Being situated in a core city centre location, George House is easy to access by both bike and on foot, with links to all other modes of transport in close proximity. George House has a Walk Score® of 98/100.

Subway

Glasgow has an excellent Subway system operating on an inner and outer circle system, with fifteen stations around the city centre and west end. The nearest Subway station to George Square is Buchanan Street, a 4-minute walk away.

Bus

The subjects benefit from easy access to a number of central bus stops, offering routes to all areas of the city. In addition, George House is a 7-minute walk away from Buchanan Street bus station which provides services locally, regionally and nationally.





Occupiers

01. Glasgow City Council
02. E&Y/Dentons
03. Brodies
04. Novel Student
05. Buchanan Galleries
06. Esure
07. Virgin Money
08. PWC/News UK
09. Pinsent Masons/ RSM Tenon
10. Lloyds/HMRC/BT/ BDO/JP Morgan
11. Morgan Stanley
12. Scottish Power
13. KPMG/Zurich
14. Chivas Brothers
15. Chubb/Aggreko
16. Skills Development Scotland
17. Met Tower
18. University of Strathclyde

Regeneration



Glasgow City Councils "City Centre Strategy 2024-2030" outlines an ambitious plan for regeneration within Glasgow city centre.

50 George Square is at the centre of Glasgow's regeneration plan with part of phase 1 beginning in 2024, including an 'Avenue of Trees', segregated cycle lanes and resurfacing of streets and pavements.

Further information is available [here](#).

£1bn

Glasgow city region deal, forecast increase in GVA of £2.2bn (4.4%) in addition to unlocking £3.3bn of private sector investment.

£10m

Redesign of George Square to include new green space, new seating, and space for contemporary art installations.

£115m

A new Avenue of Trees, with George square at its heart.

£120m

Comprehensive redevelopment of Queen Street Station, one of Glasgow's two key mainline railway stations.



George House



George House is a highly prominent 1970's multi-let office comprising 91,008 sq ft of office accommodation plus 8,127 sq ft of leisure accommodation across ground to 5th floors.



The building benefits from flexible floorplates arranged around a private central courtyard. Principal access is off George Square, with additional access from North Hanover Street. The leisure units benefit from high prominence and extensive glazed frontages onto George Square.

George Square is located immediately opposite the east entrance to Queen Street Station and within a 4-minute walk of Buchanan Street and Buchanan Street Subway.

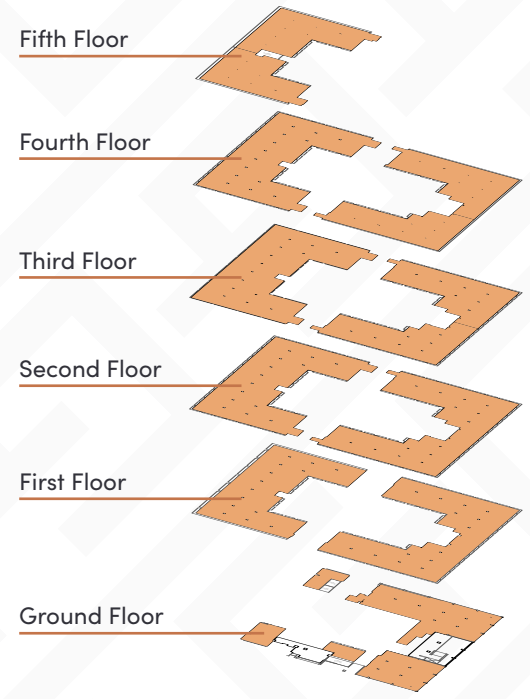
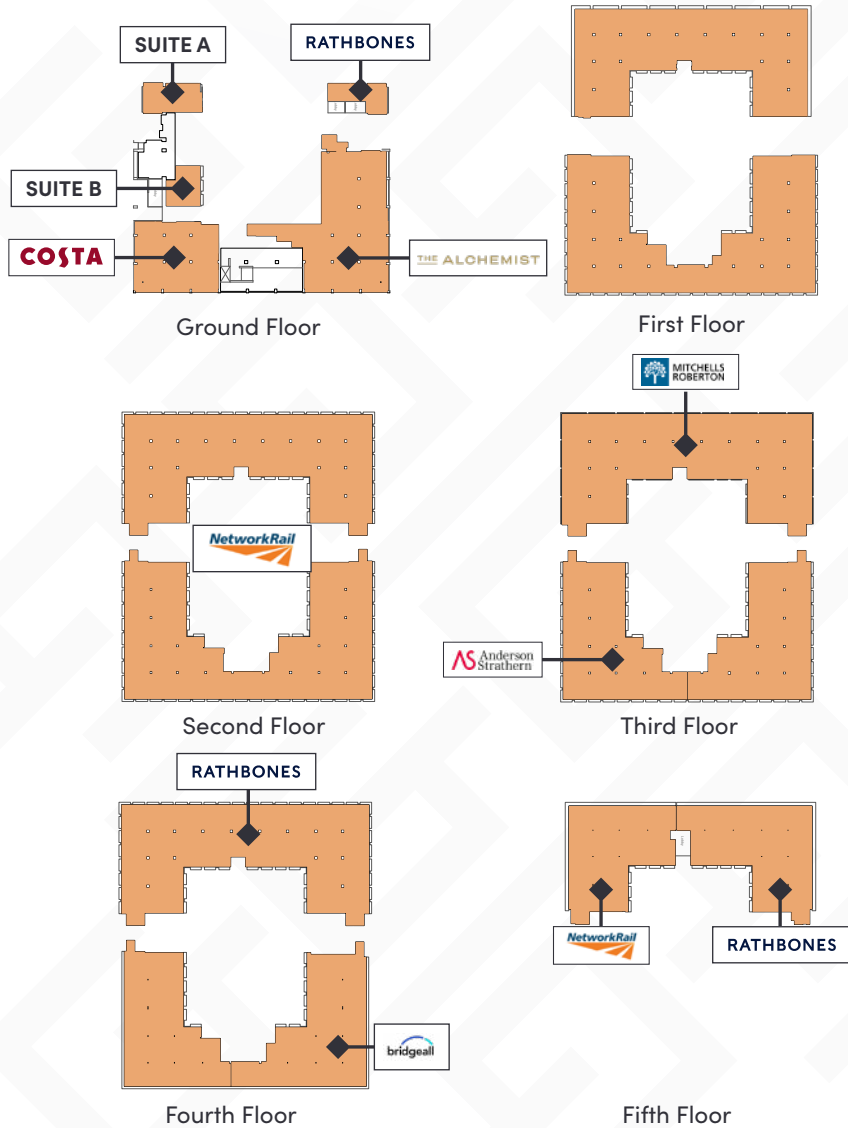
The building provides the following general specification:

- Landscaped central courtyard.
- Secured covered car parking for 27 cars together with 4, external spaces.
- Minimum 72mm clear raised access flooring.
- VRF system with the exception of 3rd floor North.
- DDA access throughout.
- Shower facilities on each floor.
- Secondary and single glazed windows.
- Combination of LED and LG7 lighting
- Provision of stands for 56 cycles.



The 1st floor and two ground floor office suites, totalling 20,573 sq.ft, are currently vacant. The 1st floor and ground floor suite B have been fully refurbished to include new LED lighting and VRF air-conditioning, and are ready for immediate occupation. Ground floor suite A requires refurbishment but would also lend itself to conversion to further building amenity.

Accommodation & Floorplans



A measured survey has been undertaken by Plowman Craven. A copy of the report is available in the dataroom. The net internal areas undernoted are calculated in accordance with the RICS Code of Measuring Practice (6th Edition).

Accommodation	Floor	NIA (sq.m)	NIA (sq.ft)
Office	5th East	451.79	4,863
Office	5th West	396.60	4,269
Office	4th North & part 4th South	1,399.31	15,062
Office	Part 4th South	443.43	4,773
Office	3rd North	961.08	10,345
Office	3rd South	981.99	10,570
Office	2nd	1,909.44	20,553
Office	1st	1,785.04	19,214
Office	Ground Suite A	73.39	790
Office	Ground Suite B	52.86	569
Leisure	Ground West	251.30	2,705
Leisure	Ground East	503.72	5,422
Storage	Ground Storage	56.21	605
Total		9,266.16	99,740

Tenancies

Level	Use	Tenant	NIA (sq.ft)	Parking*	Rent (£/p.a.)	NIA Rent (£/sq.ft.)	Lease Start	Next Rent Review	Break Option	Lease Expiry	LL Rates (£/p.a.)	LL S/C (£/p.a.)	Experian Rating	Experian Score (/100)	Comments
Part 5th Floor East	Office	Rathbones Group plc	4,863	2	£ 90,453	£ 17.57	01/02/2018	-	-	31/01/2028	-	-	Very Low Risk	92	Contracted rent £85,452.50 p.a. and an additional £5,000 for 2 car parking spaces. Current service charge cap at £51,664 p.a. (increasing annually with RPI).
Part 5th Floor West	Office	Network Rail Infrastructure Ltd	4,269	3	£ 74,708	£ 15.74	13/01/2020	31/05/2025	31/05/2025 (T) 08/01/2029 (M)	31/12/2030	-	-	Very Low Risk	100	3 months rent free from 31/05/2025 if tenant does not exercise break. Current service charge cap £44,535 (increasing annually with RPI).
4th Floor North, Part 4th Floor South	Office	Rathbones Group plc	15,062	4	£ 305,558	£ 19.62	03/01/2013	-	-	02/01/2028	-	-	Very Low Risk	92	Current service charge cap at £152,645 p.a (increasing annually with RPI).
Part 4th Floor South	Office	Bridgeall Ltd	4,773	2	£ 95,345	£ 18.93	22/09/2014	-	-	21/09/2024	-	-	Very Low Risk	93	Notice to Quit served by Tenant to bring lease to an end at 21/09/2024. Landlord has served Schedule of Dilapidations.
3rd Floor North	Office	Mitchells Robertson Ltd	10,345	5	£ 166,085	£ 14.85	01/08/2010	01/08/2025	01/08/2025 (T) 08/01/2029 (LL)	31/07/2030	-	-	Very Low Risk	100	Lease subject to 3 month rent free from 1st August 2025 if tenant does not exercise break. Payment to Tenant by Landlord of sum equivalent to 3 month rent if Landlord exercises break. Current service charge cap at £79,076 p.a. (increasing annually with RPI).
3rd Floor South	Office	Anderson Strathern LLP	10,570	3	£ 226,970	£ 21.00	30/06/2014	20/06/2024	03/02/2025 (T) 08/01/2029 (LL)	02/02/2030	-	-	Very Low Risk	100	Contracted rent of £221,970 p.a. plus £5,000 for 3 car spaces.
2nd Floor - Whole	Office	Network Rail Infrastructure Ltd	20,553	4	£ 441,613	£ 21.00	10/07/2014	01/01/2026	31/12/2025 (T) 08/01/2029 (M)	31/12/2030	-	£ 10,642	Very Low Risk	100	Service charge cap at higher of £143,626 p.a. or £143,626 p.a. plus change in RPI for the preceding year. Contracted rent of £431,613 p.a plus £10,000 for 4 car parking spaces. Sub-let to the Scottish Ministers (Transport for Scotland).
1st Floor - Whole	Office	Vacant	19,214	4	£ 413,494	£ 21.00	-	-	-	-	-	-	-	-	2 years rent, rates and service charge cover to be provided from the date of sale.
Suite A - Ground Floor	Office	Vacant	790	0	£ -	£ -	-	-	-	-	£ 4,582	£ 4,297	-	-	Unrefurbished space.
Suite B - Ground Floor	Office	Vacant	569	0	£ -	£ -	-	-	-	-	£ 6,275	£ 6,030	-	-	Refurbished space.
Ground Floor West	Leisure	Costa Limited	2,705	0	£ 83,981	£ 31.05	27/10/2017	27/10/2027	-	26/10/2032	-	£ 2,640	Very Low Risk	100	Small service charge shortfall due to carve out on one of the service charge schedules.
Ground Floor East	Leisure	The Alchemist Bar & Restaurant Ltd	5,422	0	£ 125,000	£ 23.05	12/09/2022	12/09/2027	12/09/2032 (M)	11/09/2037	-	-	Very Low Risk	98	If the Landlord exercises their break option for re-development then the Tenant is to have first refusal to acquire a new lease at Open Market Rent (subject to such concessions as agreed between Landlord & Tenant) and "on such other commercial terms as are reasonably standard at that time".
Ground Floor Storage	Store	Rathbones Group plc	605	0	£ -	£ -	-	-	-	-	-	-	Very Low Risk	92	Included in 5th floor lease as ancillary right of exclusive use.
Car Parking	Car Parking	Bridgeall Ltd	-	1	£ 2,400	£ -	22/09/2014	-	-	Rolling	-	-	Very Low Risk	93	1 car parking space held on a month to month licence, subject to a right for either party to terminate on one month's notice.
Car Parking	Car Parking	Mitchells Robertson Ltd	-	1	£ 2,500	£ -	01/04/2018	-	-	Rolling	-	-	Very Low Risk	100	1 car parking space held on a quarterly licence, subject to a right for either party to terminate on one month's notice.
Car Parking	Car Parking	Vacant	-	2	£ -	£ -	-	-	-	-	£ 2,606	-	-	-	Rating liability pro rata basis from Scottish Assessors website entry for 6 cars.
Totals			99,740	31	£ 2,028,107						£ 13,463	£ 23,609	Very Low Risk	97.5*	

* Weighted by income.

Income Analysis

7 Tenants

(5 office and 2 leisure)

100%

of income from Experian Rated "Very Low risk" tenants

87%

of total contracted income generated by office tenants

6.0 years

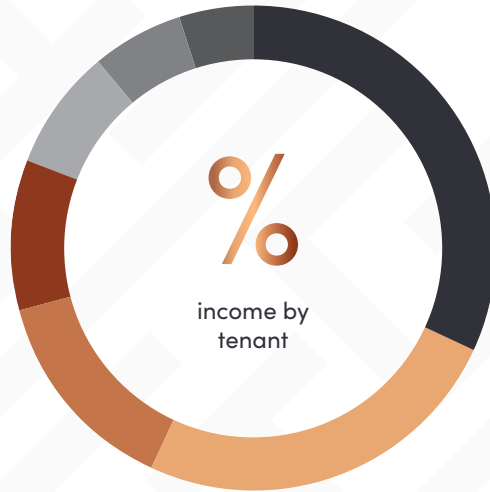
WAULT of 6.0 years to expiries, 2.80 years to nearest tenant breaks and 4.70 years to nearest landlord breaks

£19.07

Average contracted office rent. £25.71 average leisure rent.

57%

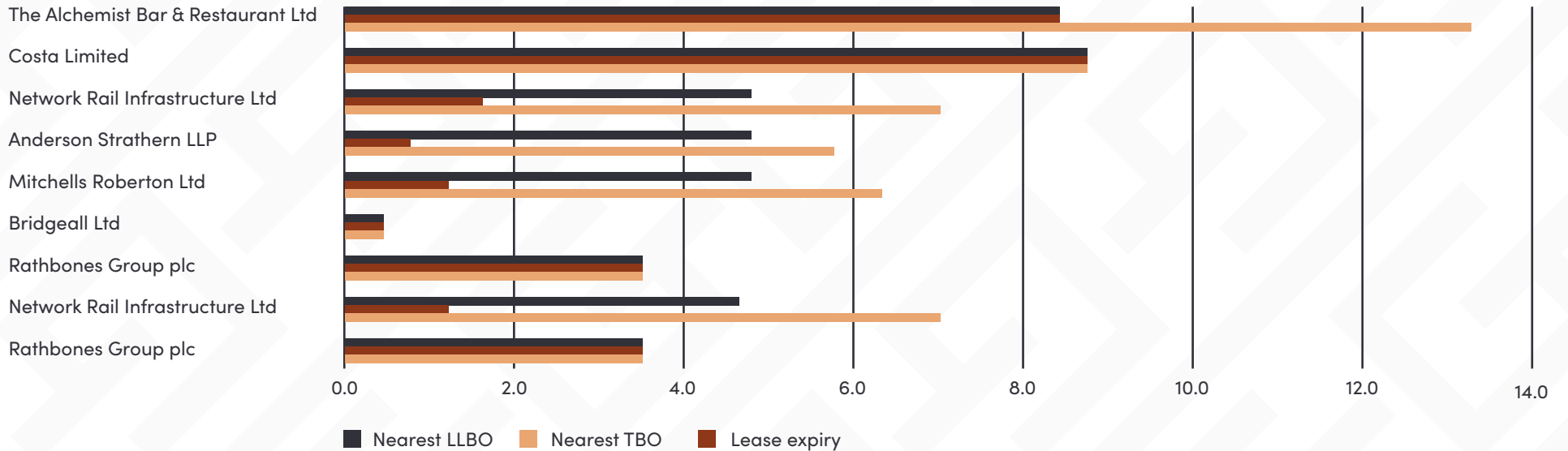
of income from undoubted covenants of Rathbones Group plc and Network Rail Infrastructure Limited

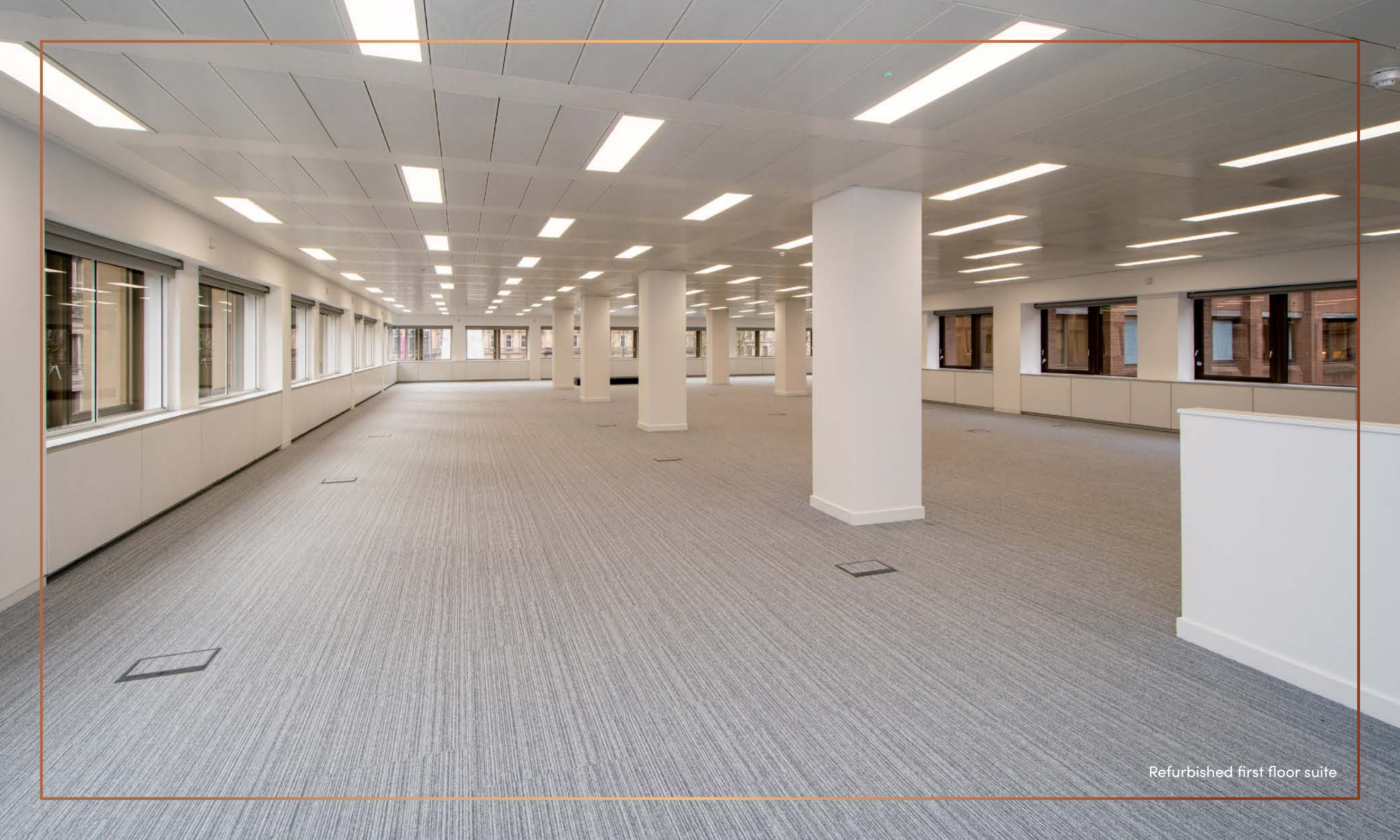


- Network Rail Infrastructure Ltd (32%)
- Rathbones Group plc (25%)
- Anderson Strathern LLP (14%)
- Mitchells Robertson Ltd (10%)
- The Alchemist Bar & Restaurant Ltd (8%)
- Bridgeall Ltd (6%)
- Costa Limited (5%)



100%
'Very Low Risk'





Refurbished first floor suite

Tenant Covenant

RATHBONES

Rathbones Group plc

Rathbones Group plc is a UK headquartered investment and wealth management services provider listed on the FTSE 250. Service lines include tax planning, pension consultation and discretionary investment management. In 2023, Rathbones purchased Investec's UK wealth and investment business for £849m, creating the UK's largest discretionary wealth manager.

Experian rating of 92/100 (Very Low Risk)

	31/12/2022	31/12/2021	31/12/2020
Turnover (£)	-	-	-
Pre-Tax Profit (£)	64,054,000	95,035,000	43,779,000
Net Worth (£)	278,641,000	247,095,000	282,683,000

AS Anderson Strathern

Anderson Strathern LLP

Anderson Strathern is of Scotland's leading legal firms with offices in Glasgow, Edinburgh, East Lothian, and Shetland. With roots leading back to the early 18th century, the modern-day incarnation of the business came about through the merger of J&F Anderson and Strathern & Blair in 1992.

Experian rating of 100/100 (Very Low Risk)

	31/08/2022	31/08/2021	31/08/2020
Turnover (£)	28,413,057	26,163,535	23,272,953
Pre-Tax Profit (£)	8,771,209	8,402,010	7,460,360
Net Worth (£)	10,803,551	9,808,982	10,587,971

NetworkRail

Network Rail Infrastructure Ltd

Network Rail own, repair, and develop the railway infrastructure across England, Scotland, and Wales. Total rail infrastructure includes over 20,000 miles of track, 30,000 bridges, tunnels, and viaducts and 20 of the largest railway stations including Glasgow Central.

Experian rating of 100/100 (Very Low Risk)

	31/03/2023	31/03/2022	31/03/2021
Turnover (£)	9,981,000,000	9,553,000,000	9,618,000,000
Pre-Tax Profit (£)	-1,181,000,000	317,000,000	1,605,000,000
Net Worth (£)	15,018,000,000	10,273,000,000	8,988,000,000

COSTA

Costa Limited

Founded in London in 1971, Costa coffee has expanded throughout the UK and more recently gaining a foothold internationally and now boasts over 32,000 coffee shops in 32 countries. In 2017, Costa's state of the art roastery opened in Essex capable of producing 45,000 tonnes of coffee a year. Voted the UK's favourite coffee shop for 13 consecutive years, the chain was sold to Coca-Cola in 2018 for £3.9bn.

Experian rating of 100/100 (Very Low Risk)

	31/12/2022	31/12/2021	31/12/2020
Turnover (£)	1,117,450,000	923,174,000	603,588,000
Pre-Tax Profit (£)	245,950,000	-42,370,000	-222,103,000
Net Worth (£)	362,372,000	208,981,000	257,650,000

bridgeall

Bridgeall Ltd

Founded in 2003, Bridgeall are a Microsoft Solutions Partner providing advisory, development, implementation and support services across platforms including SharePoint, Teams, and Power Platform. Bridgeall has a diverse service line with expertise including cloud migration, application development, data & analytics, and Cyber Security.

Experian rating of 93/100 (Very Low Risk)

	31/12/2022	31/12/2021	31/12/2020
Turnover (£)	-	-	-
Pre-Tax Profit (£)	-	-	-
Net Worth (£)	787,587	471,612	404,376

THE ALCHEMIST

The Alchemist Bar & Restaurant Limited

The Alchemist is a market leading creative cocktail chain with 23 locations across the UK including 3 in Scotland, serving a range of innovative cocktails and food. Recently secured funding of £15m will be used to open a further 10 sites over the next 3 years. The first international bar located in Berlin, opened in 2023.

Experian rating of 98/100 (Very Low Risk)

	31/03/2023	31/03/2022	31/03/2021
Turnover (£)	59,430,000	54,567,863	16,604,108
Pre-Tax Profit (£)	3,342,000	3,698,124	-6,660,953
Net Worth (£)	5,560,000	2,974,177	629,173

MITCHELLS ROBERTON

Mitchells Robertson Ltd

Mitchells Robertson is a medium-sized law firm founded in Glasgow in the 1740's and is one of the oldest businesses in Scotland. The firm offers a variety of services for both individuals and businesses including employment, family law, tax, wills & trusts, estate planning and business and commercial law.

Experian rating of 100/100 (Very Low Risk)

	31/03/2023	31/03/2022	31/03/2021
Turnover (£)	-	-	-
Pre-Tax Profit (£)	-	-	-
Net Worth (£)	1,133,860	1,000,154	882,492



Market Overview

Glasgow is one of the UK's key regional cities attracting investment from a truly global investor base including UK institutions, global funds, family offices and high net worth investors.

Over the last 2 years, Glasgow office investment volumes have averaged over £250m (in line with long term average) with a lack of high quality office supply driving appetite.

As finance rates begin to settle, we anticipate additional liquidity and increasing volumes during 2024. High entry point yields are strengthening return profiles, making the city an attractive proposition in terms of capital placing.

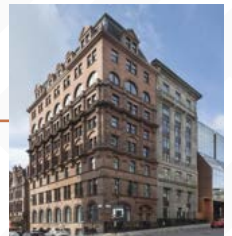
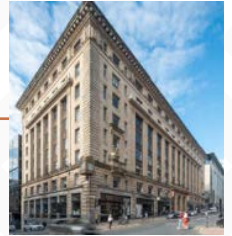
At an occupational level, Glasgow continues to perform well, with 31 letting deals concluded in Q1 2024. Grade

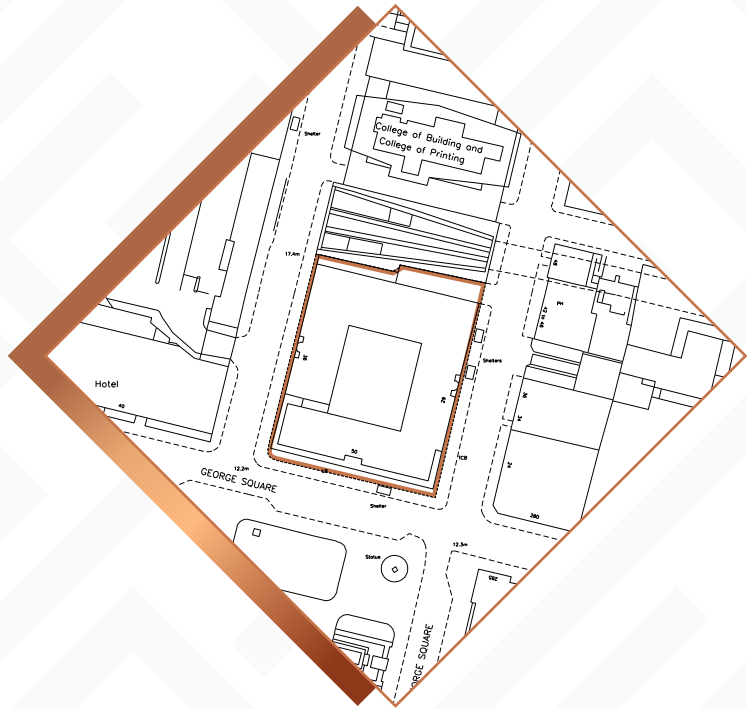
"A" and new build vacancy rates currently sit at 2.63% and 0.86% respectively. Leasing deals at recent high quality refurbishments such as Aurora and Lucent are achieving rents of £37.50 per sq.ft and £39.50 per sq.ft respectively, with rents projected to breach £40.00 per sqft in 2024, underpinning rationale for prime repositioning opportunities.

A flavour of some recent investment activity is highlighted in the table below.



Address	NIA (Sq ft)	UXT (Years)	Rental Tone (£/sq.ft)	Price (£)	Yield	Capital value (£/sq.ft)	Comments
1 West Regent Street	143,429	7.70 (E) 4.60 (B)	27.74 – 29.50	Under Offer		374 (asking)	Asking price offers over £53.50m selecting a NIY of 7.43%
95 Bothwell Street	135,968	5.47 (E) 5.31 (B)	19.41- 20.57	Under Offer		154 (asking)	Asking price offers over £21.00m.
Garment Factory	54,045	5.2 (E) 2.83 (B)	22.80-26.50	15.70m	9.00%	290	Multi let office acquired by PP Asset Management January 2024.
191 West George Street	85,472	6.72 (E) 5.06 (B)	26.00-31.00	36.25m	6.40%	424	Multi let office acquired by Corum Asset management in June 2023
2-4 Blytheswood Square	27,125	11.50 (E) 7.50 (B)	22.88	8.745m	6.76%	322	Single let office let to Chivas Brothers. Acquired by Priory RE March 2023.
Sutherland House, St Vincent Street	39,378	6.00 (E) 3.00 (B)	18.00 – 25.00	8.696m	9.35%	221	Multi let office acquired by Priory RE in March 2023.





Title

Heritable Title (outlined on the plan top left), extending to 0.901 acres. Current site cover is c 70%.

VAT

The property is elected for VAT. We envisage that the sale will be treated as a Transfer of a Going Concern (TOGC).

Vendor Surveys & Warranties

Assignable independent surveys are available in the dataroom, covering the following:

- Measured survey
- Engineers report
- EPC's

Dataroom

Access to a dataroom is available to parties registering an interest via the selling agent.

AML Regulations

In accordance with AML Regulations, the successful purchaser will be required to satisfy the Vendor on the source of funds used to acquire George House, 50 George Square, Glasgow.

Proposal

Offers are sought in excess of £16.50m (Sixteen million, five hundred thousand pounds) for the asset, subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of 11.31%, based on standard purchaser's costs of 6.73% and an attractive capital value of £166 per sqft.



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lismore
REAL ESTATE ADVISORS



on the instructions of Ardstone Capital



George House

[Subject to Contract](#)

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May 2024

Designed by [Fifth House](#)