



EIGHTY  
ONE -  
EIGHTY  
FIVE

PRIME CITY CENTRE INVESTMENT

TROPHY,  
MIXED-USE  
INVESTMENT  
OPPORTUNITY  
IN THE HEART  
OF EDINBURGH  
CITY CENTRE





# EXECUTIVE SUMMARY



PLAY VIDEO

81-85 George Street is a Grade "B" listed trophy, city centre, mixed-use investment opportunity contained within the Edinburgh New Town Conservation Area and World Heritage Site.

## 100% Let

Fully let to Clydesdale Bank, Phase Eight, InterGen and AAB.

## 46% Clydesdale Bank Until 2036

46% of the overall income is secured against Clydesdale Bank PLC until October 2036 without breaks.

## Strong Tenant Covenants

100% rated very low & below average risk of business failure.

## 8.2 Years Unexpired

Attractive overall WAULT of 8.2 years to expiries and 7.5 years to breaks.

## Strong Supply-Demand Dynamics

City centre office supply is critically low, and levels of demand remain robust. Low office passing rents offer genuine scope for future rental performance.

## 100% Prime Location

George Street is essentially fully let - retailer and leisure operators recently committing to the street include The Alchemist, Monica Vinander, Ragu, Abercrombie & Fitch and Knooks.

## High Quality Asset

Comprehensively refurbished in 2016/2017 resulting in low capital expenditure commitment in the near term. High quality and modern tenant fit outs throughout.

## Heritable Title

Heritable Title (Scottish equivalent of English Freehold).

## £22,000,000

We are instructed to seek offers in excess of £22,000,000, subject to contract and exclusive of VAT. A purchase at this level provides an attractive net initial yield of 7.00% assuming purchaser's costs at 6.75%.





# £500BN

The city is the UK's largest regional financial centre, with over 30 banks operational, £500 billion of assets under management and headquarters for major financial institutions including abrdn, RBS, Sainsbury's Bank, Baillie Gifford and Martin Currie.



# 80,000

The city is a major centre of education in the UK boasting 8 universities and further education colleges, providing an educational hub for over 80,000 students, including more than 16,000 international students. Many students opt to stay after their studies and the constant stream of emerging talent is highly attractive for businesses.



# £25.2BN

Edinburgh's contribution to the UK economy consistently out performs other key UK centres, with the city's GVA of £25.2bn (2023) reflecting a year on year growth rate of 1.1%, ahead of Bristol, London and Oxford. Edinburgh's strong financial sector is complemented by a thriving technology sector, with the city home to key technology companies such as Computershare, Skyscanner, Rockstar North, Cirrus Logic, FanDuel, Craneware and FNZ.



Edinburgh is globally recognised as a prestigious place to study; the University of Edinburgh was ranked 5th in the UK (1st in Scotland) and 30th in the World University Rankings in 2024.

# EDINBURGH



# 35,000

new overseas workers were registered in the last 3 years, adding to a diverse and highly qualified workforce.

## 82.1%

of the working age population is in employment, making it one of the UK's most economically active populations.

## 20.5%

Between 2018-2022 The City of Edinburgh recorded balanced GVA growth of 20.5% (ONS, 2024).

## 20%

The population is projected to grow by 20% by 2039, making Edinburgh one of the UK's fastest growing cities.

## 55%

Edinburgh's workforce is one of the most highly educated in the UK with 55% holding a degree or professional level qualification.

Edinburgh, the capital city of Scotland, is consistently recognised as one of the most prosperous cities in the UK, having the strongest economy of any city in the UK outside of London.

The city is a globally recognised financial centre and is home to the Scottish Government. The population of the city is estimated at 513,200, increasing to 1.36m within the 'Edinburgh City Region' area. Edinburgh has two UNESCO World Heritage sites and 12 international arts festivals helping to attract 4 million tourists on average every year.

LOCATED WITHIN  
THE **HEART** OF  
EDINBURGH CITY  
CENTRE

**EIGHTY  
ONE -  
EIGHTY  
FIVE**

QUEEN STREET  
GARDENS

CHARLOTTE  
SQUARE

JOHNNIE  
WALKER  
EXPERIENCE

RUTLAND  
SQUARE

GEORGE  
STREET

CASTLE  
STREET

FREDERICK  
STREET

PRINCES  
STREET

PRINCES  
STREET  
GARDENS

EXCHANGE  
DISTRICT

ST ANDREW  
SQUARE

W HOTEL

ST. JAMES  
QUARTER

WAVERLEY TRAIN  
STATION

HANOVER  
STREET

EDINBURGH  
CASTLE

USHER  
HALL

81-85 GEORGE STREET | EDINBURGH EH2 3ES



EDINBURGH IS  
A WALKABLE  
CITY WITH  
CONTINUING  
INVESTMENT  
INTO HIGH  
QUALITY PUBLIC  
TRANSPORT

# CONNECTED

Edinburgh is a walkable city with continuing investment into high quality public transport, cycling networks and pedestrian friendly routes. Edinburgh therefore benefits from excellent connectivity locally, nationally and internationally thanks to a world class transport infrastructure.



## LOCAL

The city's tram system commenced operations in May 2014 and provides a direct link from Edinburgh Airport to Newhaven via the city centre, with stops including the West End, Princes Street and St Andrew Square which are all within a 10 minute walk of 81-85 George Street. The city also benefits from award winning bus services as well as over 75km of cycle paths and extensive pedestrian routes.



## RAIL

Edinburgh also benefits from exceptional railway services and facilities following recent multi-million-pound refurbishments, line extensions and upgrades. Edinburgh's two main rail stations, Waverley and Haymarket, lie within a short walk from George Street. The stations provide direct train services to and from London on the east coast rail network and are easily reached from other main English towns and cities, as well as providing Scottish services to all major centres.

Glasgow	52 Mins
Newcastle	1 Hrs 23 Mins
York	2 Hrs 25 Mins
Leeds	3 Hrs
Manchester	3 Hrs 15 Mins
Birmingham	4 Hrs 20 Mins
London	4 Hrs 21 Mins



## ROAD

Edinburgh has excellent road communications with direct access into the national motorway network. The city is served by the M8 from the west (Glasgow and Livingston), the M90/A9 from the north (Aberdeen and Inverness) and the A1 and A7 from the south/south east (the Borders, East Lothian and Newcastle).



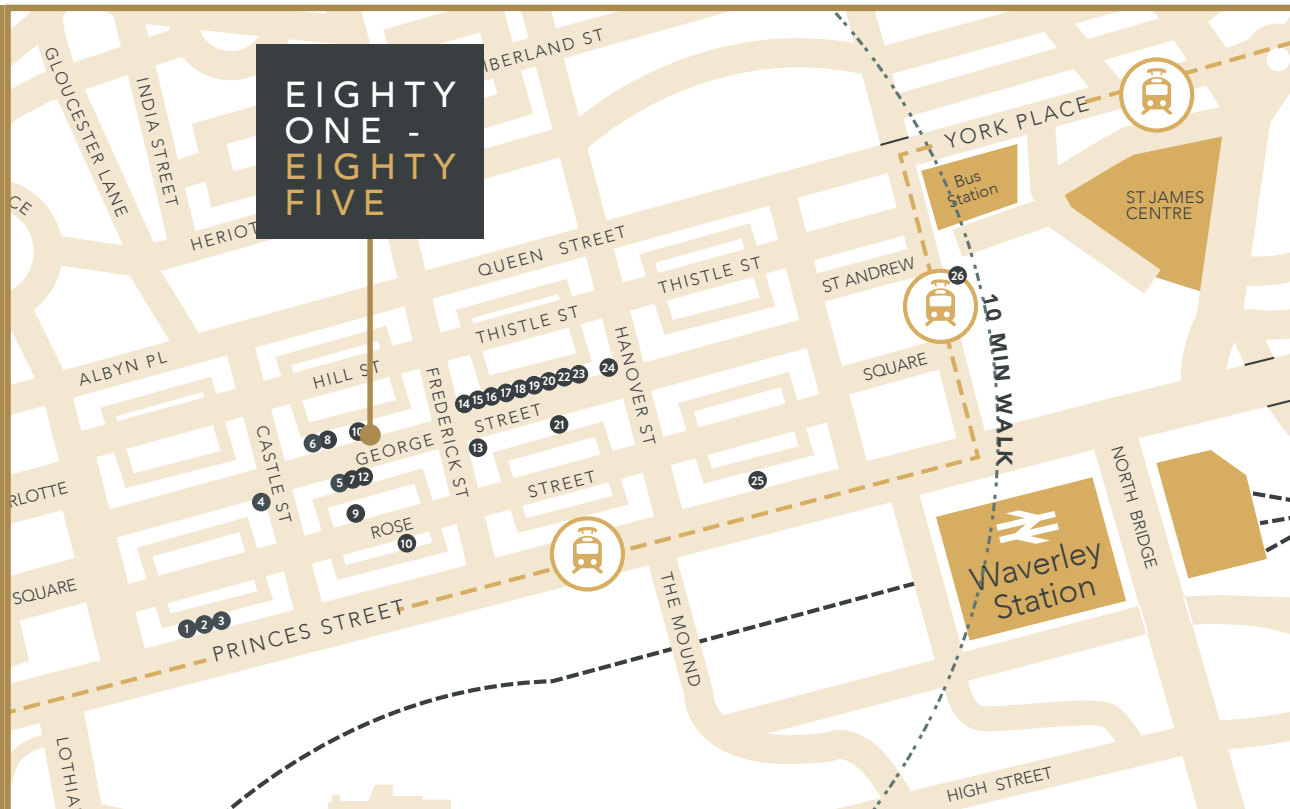
## AIR

Edinburgh Airport is located 8 miles west of the city centre and is easily accessed via the motorway network or directly from the city centre by bus or tram. The airport is Scotland's busiest airport, and it is the sixth largest international airport in the UK. Offering connections to 152 destinations via 35 airlines, the airport recorded a total of 14.4 million passengers in 2023, an increase of 28% on 2022, with passenger numbers forecast to grow to 20 million by 2030. In June 2024, Vinci Airports acquired a 50.1% stake in the airport for £1.27bn representing a tripling in the airport's value over the last 12 years. Recent airport improvements include £25 million on a new landside terminal extension, security hall and a £19 million south east pier extension. Over the next few years, there is to be additional retail, improved check in and immigration facilities included as part of a £125 million investment programme.

### KEY

#### Shopping

1. Waterstones
2. Vans
3. Urban Outfitters
4. Knoops
5. Gant
6. Space NK
7. The White Company
8. Jo Malone
9. Tiso
10. White Stuff
11. ECCO
12. Hackett
13. All Saints
14. Abercrombie & Fitch
15. Sweaty Betty
16. Church's
17. Lululemon
18. Helly Hansen
19. Hobbs
20. Monsoon
21. Charles Tyrwhitt
22. Anthropologie
23. Monica Vinader
24. Mint Velvet
25. Marks & Spencer
26. Harvey Nichols





# SITUATION



The property occupies a 100% prime location in the heart of George Street. Retail occupiers situated nearby include Hamilton & Inches, Gant, Hackett, White Company, Rohan, Space NK and Jo Malone.

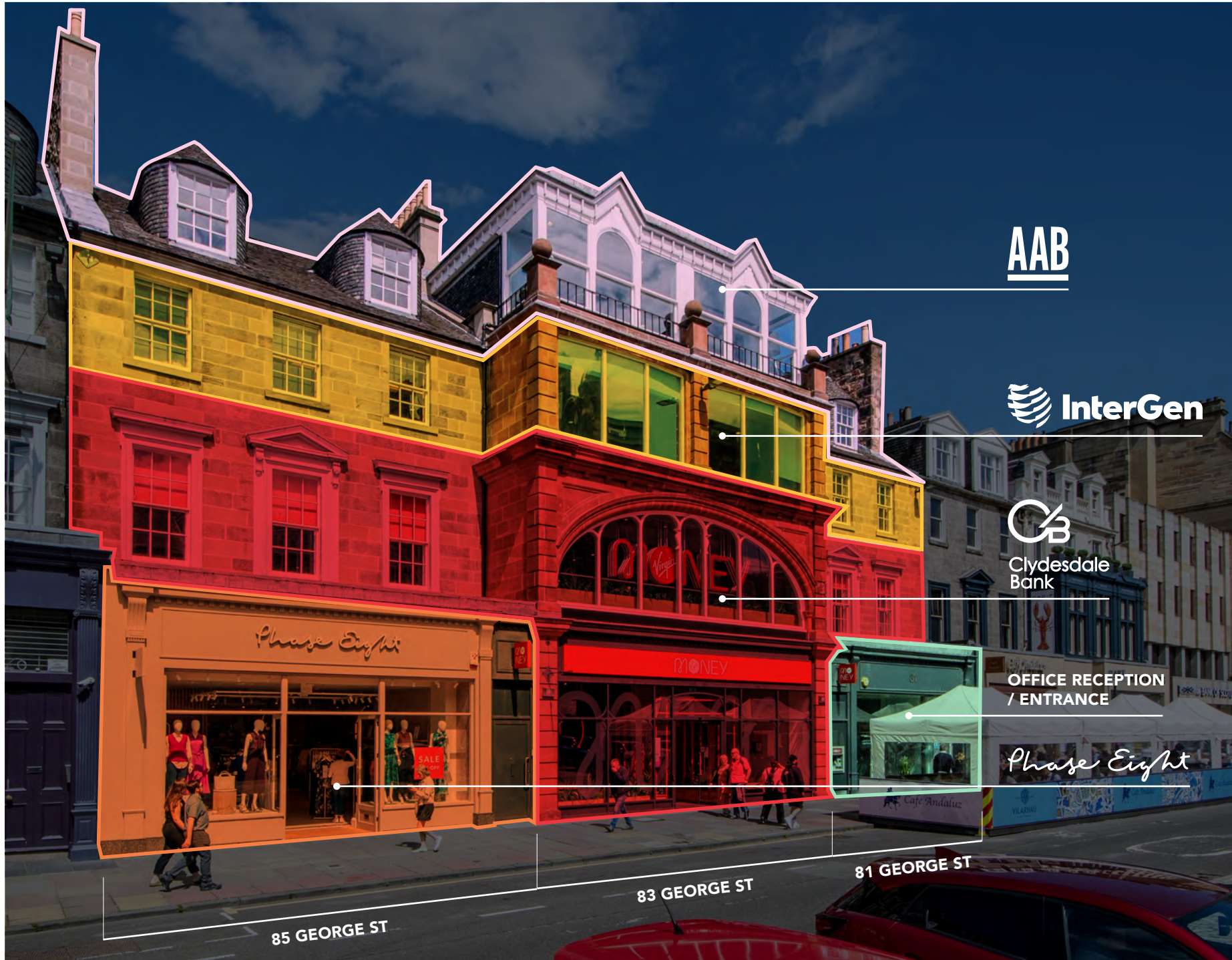
Restaurant operators are increasingly targeting the street with quality occupiers in close proximity including Cadiz, Café Andaluz, Contini, Fazenda and Ragu.

The asset is contained within the city's traditional office district, the "Golden Rectangle", where supply of office accommodation is extremely restricted with robust high levels of demand. Occupiers within the Golden Rectangle include Arup, abrdn, Computershare, FNZ and Rathbones.



EDINBURGH IS  
ONE OF THE  
STRONGEST  
RETAILING  
CENTRES IN  
THE UK





# EIGHTY ONE - EIGHTY FIVE

The property was originally constructed in circa 1775 and consists of three mid-terrace former townhouses. The property is a Grade "B" listed city centre, mixed-use trophy asset contained within the Edinburgh New Town Conservation Area and a UNESCO World Heritage Site. The building was part-demolished with the period façade retained, and a rear annexe constructed in the 1990s including the construction of the dormer structure to 83 George Street.

Comprehensively refurbished in 2016/2017 the building offers modern accommodation extending over ground floor, with three upper levels and a basement level. The accommodation incorporates very high quality and modern tenant fit outs throughout.

## CAR PARKING

The asset includes 14 secure car parking spaces in total (all spaces are currently allocated within the leases and/or via licences) – these are provided and accessed to the rear of the building off Hill Street South Lane.

## CYCLE / SHOWER / CHANGING FACILITIES

Cycle bays are provided at basement level along with changing / shower facilities. Access is provided from the common reception at 81 George Street and from the rear of the building at Hill Street South Lane.



# GEORGE ST.

Edinburgh is one of the strongest retailing centres in the UK, generating an annual in store comparison spend of £2.56bn, of which over £1bn is contributed by tourists. The city benefits from the highest number of tourist visits outside London with over 4.5 million visitors in 2022. Tourist numbers peak each summer during the Edinburgh festivals, the largest annually ticketed event worldwide, providing a summer sales spike in the retail and hospitality sectors and ensuring high footfall in the city centre throughout the year.

At the east end of Princes Street, the St James Quarter opened in June 2021, comprising 850,000 sq.ft of retail and leisure space, anchored by John Lewis, Zara and H&M. Representing an investment of £1bn, the mixed-use development represents 21% of Edinburgh's retail market. St Andrew Square has been transformed in recent years and is now home high quality restaurants including The Ivy, Dishoom, Gaucho, Tattu and Hawksmoor. The recent addition of Gleneagles Townhouse adds further to the Square's appeal. There is now a vibrant retail and leisure corridor leading from St James Quarter through Multrees Walk and St Andrew Square and along George Street. Rather than polarising Edinburgh's offer, the increased footfall generated by the St James Quarter is resulting in occupiers experiencing increased sales as visitors are spilling out across the city. George Street has been an immediate beneficiary of this.



Since mid 2022, George Street has seen significant take up in demand, with the street now essentially fully let. Significant retailer activity has resulted in a vibrant mix of occupiers, with a number of new occupiers acquiring space on the street. Recent lettings include The Alchemist, White Stuff, Monsoon, Astrid & Miyu, Sweaty Betty, Abercrombie & Fitch, Jigsaw and Knoops. Phase Eight have recently upsized into the subject property, increasing their retail space on the street from 1,693 sq ft to 6,345 sq ft. Restricted supply is expected to stimulate rental growth from rebased rents in the short to medium term.

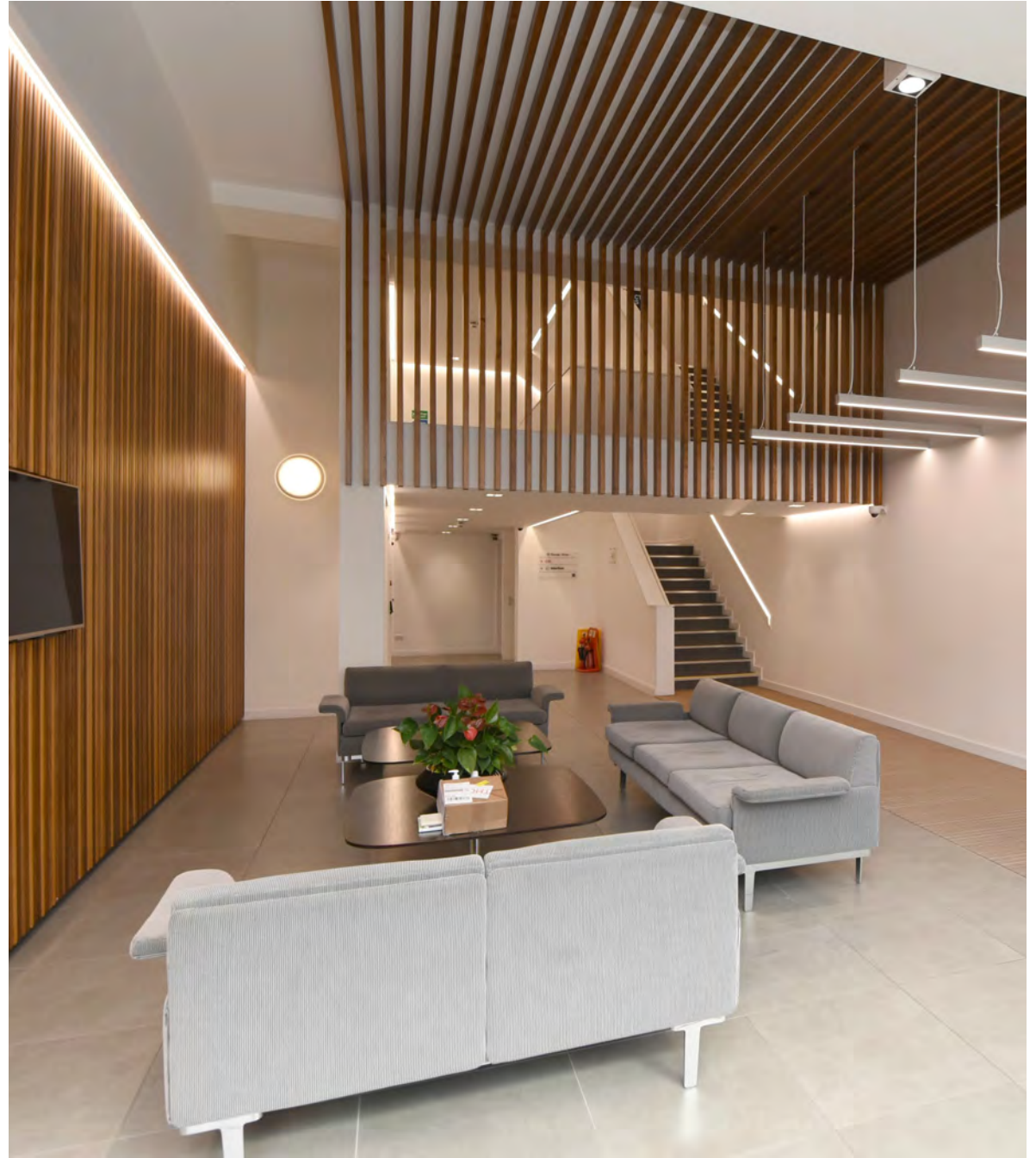
The pedestrianisation of George Street is scheduled to commence in 2025, representing a £32M investment by the City of Edinburgh Council to improve the streetscape, which is expected to lead to increased dwell time and added vibrancy.

# 81 GEORGE STREET

81 George Street comprises self contained Grade "A" office accommodation, benefitting from the following specification:

- Modern, high quality reception area and common parts
- Modern open plan office accommodation
- VRV air conditioning system
- Mix of metal tiled suspended ceilings and exposed service ceilings with LED lighting throughout
- Raised access flooring
- Refurbished male and female WCs plus disabled facilities
- Secure bike store
- Shower and changing facilities
- Two passenger lifts serving all floors





# 81 GEORGE ST

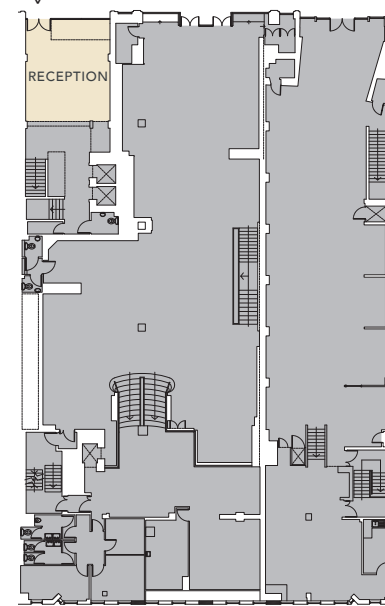
Net internal floor areas are summarised below:

Floor	Use	Area (sq.m)	Area (sq.ft)
First	Office	962.75	10,363*
Second	Office	955.31	10,283
Third	Office	876.07	9,430
<b>Totals</b>		<b>2794.13</b>	<b>30,076</b>

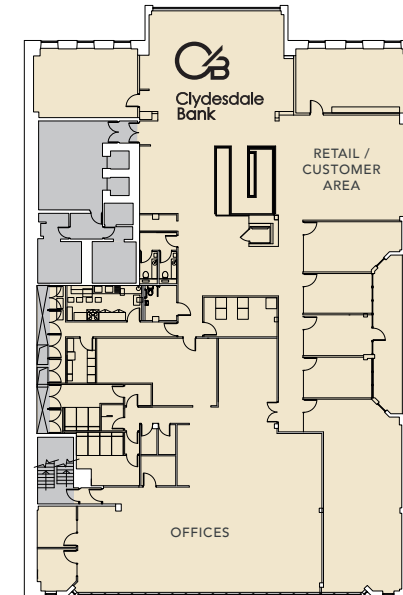
\* First floor office forms part of Clydesdale Banks demise but can be rentalised separately for review purposes.

## GEORGE STREET ELEVATION

81 GEORGE ST ENTRANCE

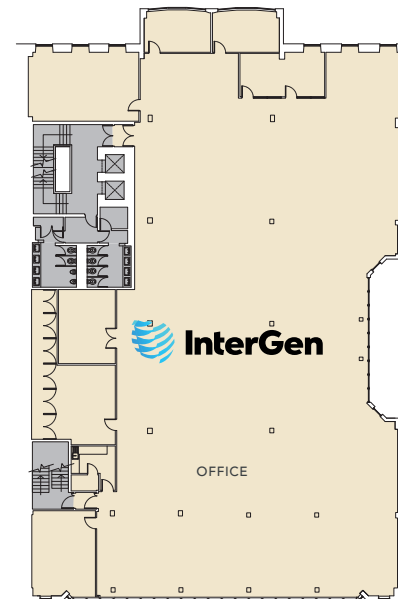


GROUND

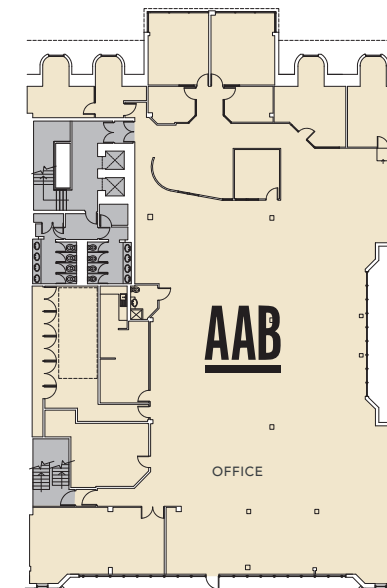


FIRST

(Demise currently accessed via 83 George St but can be independently accessed via 81 George St)



SECOND



THIRD



## 83 GEORGE STREET

Arranged over basement, ground, mezzanine and first floors, the subjects are Virgin Money's flagship Edinburgh offering, fitted out in the tenant's corporate style.

The first floor office component can be separately accessed via 81 George Street providing future flexibility in terms of reletting.







83 GEORGE STREET

# 83 GEORGE ST



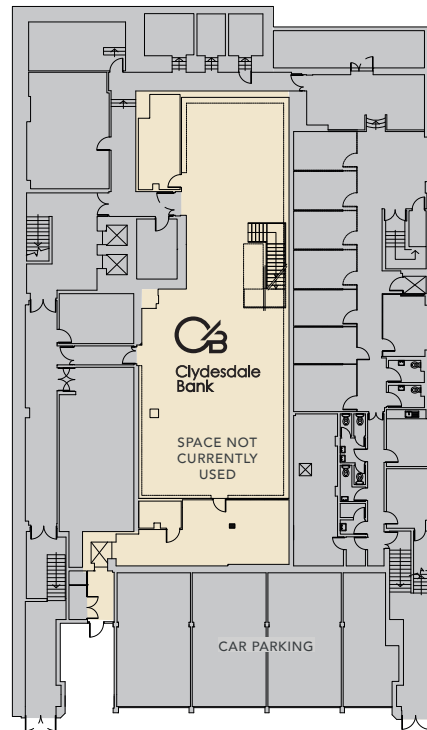
Clydesdale Bank



Measured areas are summarised below:

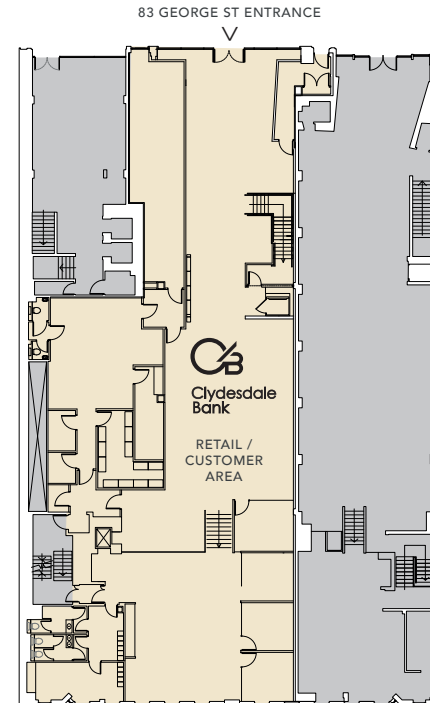
Part	Area	Area
Gross frontage	13.41 m	44'0 ft
Net frontage	12.01 m	39'5 ft
<b>Floor</b>		
Ground floor NIA	595.60 sq.m	6,411 sq.ft
Basement	277.9 sq.m	2,991 sq.ft
<b>Total NIA</b>	<b>873.5 sq.m</b>	<b>9,402 sq.ft</b>
ITZA*	240.52 sq.m	2,589 sq.ft

\*For analysis purposes the reduced area above excludes the Clydesdale Bank first floor office. For review purposes this element can be reviewed separately as part of the overall demise.



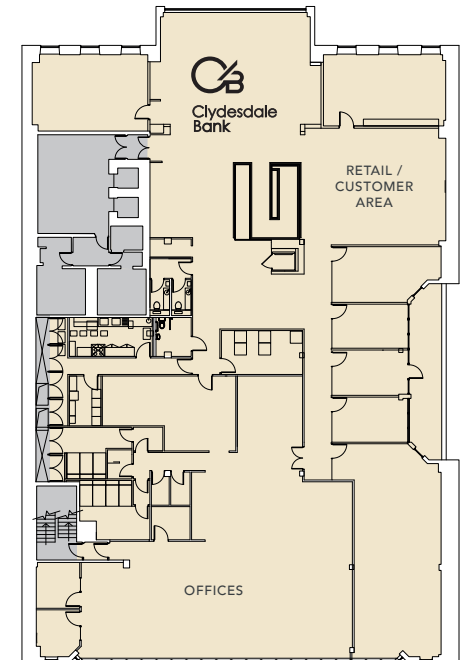
**BASEMENT**

GEORGE STREET ELEVATION



**GROUND**

(Including mezz)



**FIRST**

(Shown to highlight full extent of demise. Floor area presented as part of 81 George Street for ease of reference)



## 85 GEORGE STREET

Arranged over ground, mezzanine and basement levels, the unit has been fitted out in the tenant's corporate style.

*Phase Eight*

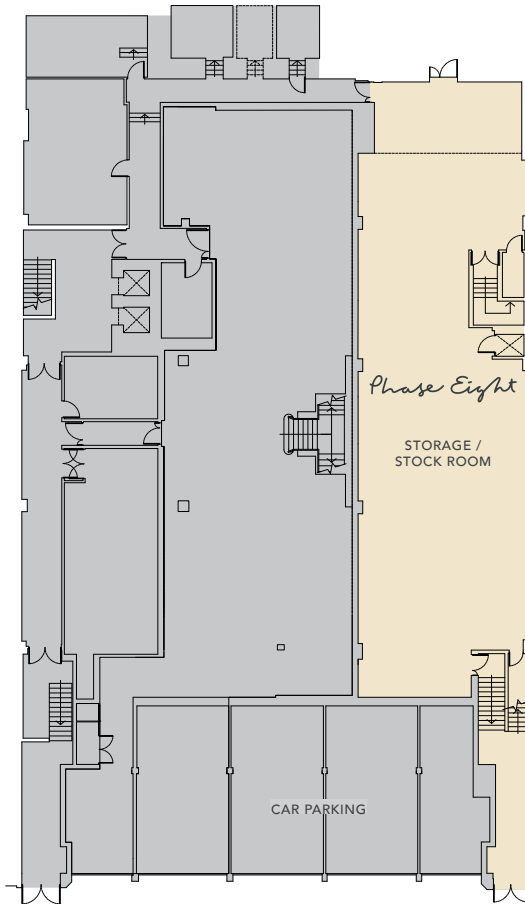
# 85 GEORGE ST

## Phase Eight

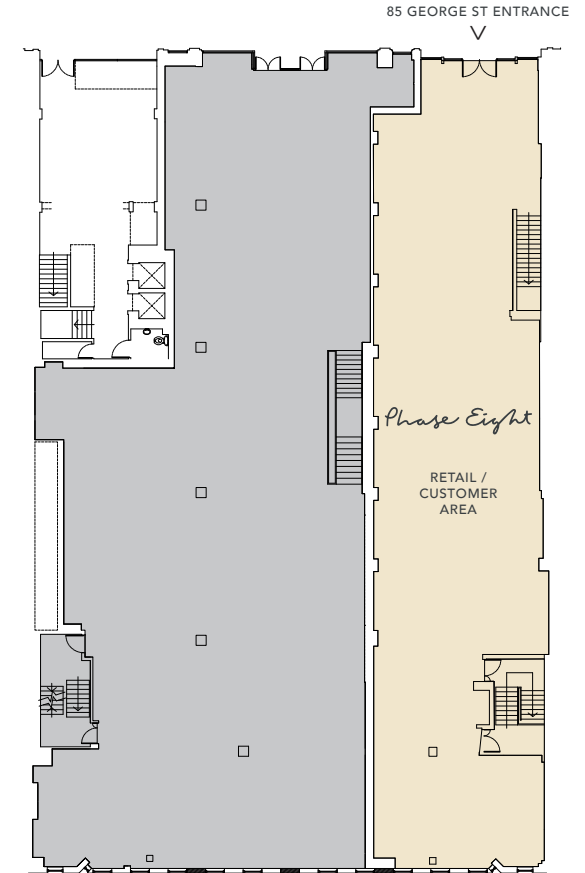
Measured areas are summarised as follows:

Part	Area	Area
Gross frontage	7.08 m	23'3 ft
Net frontage	6.39 m	21'0 ft
<b>Floor</b>		
Ground floor NIA	338.30 sq.m	3,641 sq.ft
Basement	251.20 sq.m	2,704 sq.ft
<b>Total NIA</b>	<b>589.50 sq.m</b>	<b>6,345 sq.ft</b>
ITZA	163.88 sq.m	1,746 sq.ft

GEORGE STREET ELEVATION



BASEMENT



GROUND

# TENANCY ARRANGEMENTS

ADDRESS	TENANT	USE	CAR PARKING SPACES	SIZE (SQ.FT)	ITZA (SQ.FT)	RENT (£/PA)	RENT (£/SQ.FT)	LEASE START	LEASE EXPIRY	NEXT REVIEW	LEASE BREAK	COMMENT
83 George Street (B, G, Mezz & Level 1)	Clydesdale Bank PLC	Retail / Bank & Office	1	19,765	2,589	£750,000	See comment.	03/10/2016	02/10/2036	03/10/2026 (Upwards only OMRR)		Office floor area of 10,363 sq ft (1st fl rear) and retail floor area of 9,402 sq ft/ ITZA 2,589 sq ft (G, 1st fl front). 1 car parking space included in the lease at £3,000. Retail component and offices can be separately assessed at rent review. Assuming £35.58 per sq ft (as per the most recent evidence at L3) on the 1st fl office and car space at £3,000 this reflects a rent of £146 Zone A on the retail component. The offices were let as shell but are to be reviewed to the fitted out specification.
85 George Street (G & B)	Phase Eight (Fashion & Designs) Limited	Retail	1	6,345	1,746	£215,000	£121 (Zone A)	05/02/2024	04/02/2034	05/02/2029 (Upwards only OMRR)	05/02/2029	1 car parking space included in the lease (no specific parking rent in lease). Zone A rate allows for deduction of £3,000 for consistency. 6 months notice on the tenant break.
81 George Street (Level 2)	Intergen UK Ltd	Office	6	10,283		£331,000	£30.88	13/01/2017	12/01/2027			Guarantee from Green Bess Developments (UK) Limited. 6 car parking spaces in the lease - 3 clear spaces at £3,000/space and 3 blocked spaces at £1,500/space.
81 George Street (Level 3)	Anderson Anderson Brown LLP	Office	4	9,430		£344,500	£35.58	05/03/2019	04/03/2029			Rent review 05/03/2024 agreed being documented, previous rent £304,399 pa. 4 car parking spaces in the lease - 2 clear spaces at £3,000/space and 1 blocked spaces at £1,500/space.
Car spaces	Clydesdale Bank PLC		2			£4,125		03/10/2016	02/10/2025			Rolling 12 month licence subject to 6 months notice by either party to terminate. 2 car parking spaces - 1 clear space at £2,750 and 1 blocked space at £1,375.
<b>TOTAL</b>			<b>14</b>	<b>45,823</b>		<b>£1,644,625</b>			<b>8.2 YRS</b>		<b>7.5 YRS</b>	

\* The "Mezz" space at 83 George Street is the raised area to the rear of the store at G level

## SERVICE CHARGE

The total service charge budget for the current year ended 31st July 2025 is £214,977.92. This is split over 2 schedules relative to the retail and office components (Clydesdale Bank full demise being treated as retail). The budget over the retail element amounts to £0.86 per sq ft and £9.68 per sq ft over the offices. Detailed service charge information is contained within the dataroom.

# TENANT PROFILES

## Clydesdale Bank

### Clydesdale Bank PLC - 46% of the total income

Founded in 1838 in Glasgow, Clydesdale Bank PLC operates retail bank branches across the UK and is now part of the Virgin Money UK plc group of businesses which also includes Virgin Bank and Yorkshire Bank. Virgin Money UK plc has been listed on the London Stock Exchange since February 2016.

Clydesdale Bank plc has an Experian rating of 77/100 denoting 'Below Average Risk' of business failure.

Year ended	30/09/2023	30/09/2022	30/9/2021
Turnover (£)	-	-	-
Pre-tax Profit (£)	344,000,000	590,000,000	416,000,000
Total Net Worth (£)	5,516,000,000	6,144,000,000	5,209,000,000

## AAB

### Anderson Anderson Brown LLP - 21% of the total income

AAB are a leading professional services firm with offices across the UK, Ireland and USA. Founded in 1990 as Anderson Anderson Brown and providing accountancy services to the north east of Scotland, today AAB employs over 1,000 professionals providing a comprehensive range of services including audit, tax, corporate finance and business advisory.

Anderson Anderson Brown LLP has an Experian rating of 100/100 denoting 'Very Low Risk' of business failure.

Year ended	31/03/2023	31/03/2022	31/03/2021
Turnover (£)	25,180,554	20,211,389	16,723,479
Pre-tax Profit (£)	1,240,338	3,237,578	3,090,633
Total Net Worth (£)	18,264,053	6,156,951	5,526,528

## InterGen

### InterGen (UK) Ltd - 20% of the total income

InterGen is an independent energy company who own and operate power stations across the UK and Australia with commodity trading teams based in Edinburgh and Brisbane. The company's electricity generating portfolio provide over 4,000 MW capacity across six advanced sites with a further 2,175 MW currently in development. UK sites include Rocksavage in the north west of England and Spalding in Lincolnshire.

InterGen (UK) Ltd has an Experian rating of 100/100 denoting 'Very Low Risk' of business failure.

Year ended	31/12/2022	31/12/2021	31/12/2020
Turnover (£)	20,231,000	16,592,000	16,588,000
Pre-tax Profit (£)	1,650,000	2,912,000	1,855,000
Total Net Worth (£)	9,971,000	8,385,000	4,880,000

### Guarantor: Green Bess Developments (UK) Limited

Green Bess Developments (UK) Limited has an Experian rating of 100/100 denoting 'Very Low Risk' of business failure.

Year ended	31/12/2023	31/12/2022	31/12/2021
Turnover (£)	-	2,389,000,000	-
Pre-tax Profit (£)	57,949,000	627,545,000	57,949,000
Total Net Worth (£)	717,478,000	822,719,000	717,471,000

## Phase Eight

### Phase Eight (Fashion & Designs) Limited - 13% of the total income

Phase Eight is a premium womens wear brand with high street stores throughout the UK. Phase Eight is part of TFG London, owned by The Foshini Group, a leading South African business. TRG entered the UK market in 2015 and has since created an impressive portfolio which includes Hobbs and Whistles, in addition to Phase Eight.

Phase Eight (Fashion & Designs) Limited has an Experian rating of 70/100 denoting 'Below Average Risk' of business failure.

Year ended	25/03/2023	26/03/2022	27/03/2021
Turnover (£)	96,283,000	97,055,000	63,294,000
Pre-tax Profit (£)	3,418,000	6,932,000	-19,443,000
Total Net Worth (£)	58,463,000	54,775,000	48,609,000

100% RATED VERY  
LOW & BELOW  
AVERAGE RISK OF  
BUSINESS FAILURE

# EDINBURGH RETAIL OCCUPATIONAL MARKET

Edinburgh's retail market has rebounded strongly over the last 18 months, with the city benefiting from tourism returning to pre-pandemic levels and workers returning to city centre offices. On Princes Street much of the activity has been conversion of retail premises which are not fit for purpose, for alternative use particularly hotel and leisure. The former Debenhams has recently been purchased by Criterion Capital for Zedwells first Scottish Hotel. Other recent activity includes Uniqlo opening in the former BHS, with the opening representing the most significant new letting on Princes Street for a number of years.

George Street has been the prime beneficiary from increased footfall driven by the opening of the St James Quarter flowing through to the prime city centre retailing pitches. George Street has seen strong rental growth over the last 18-24 months, with rebased Zone A rents of c£110-£115 psf increasing to £140-£150 psf against a historic tone of £190-£200 psf in the prime pitch. The street is now essentially fully let and continues to attract quality retailers seeking representation on Edinburgh's strongest retailing street. Competition for units is strong with only the lack of availability limiting new letting evidence. National leisure operators continue to seek space on George Street, with The Alchemist acquiring 51 George Street, their second Edinburgh venue complementing the mix of national and local operators on the street including Ragu, Fazenda, Amarone, Cadiz and Cafe Andaluz.

A selection of recent letting activity on George Street is noted below:

Address	Date	Tenant	Rent (pa)	Headline Zone A Rate (psf)	Lease Details
85 George Street	February 2024	Phase Eight	£215,000	£121	New 10 year lease with tenant break option in year 5.
47B George Street	July 2023	Aubin & Wills	£95,000	£153	New 10 year lease with tenant only break in year 5.
43 George Street	June 2023	Me + Em	£150,000	£148	New 10 year lease with break options in years 3 & 5.
49 George Street	June 2023	White Stuff	£220,000	£136	New 10 year lease subject to a tenant only break option in year 5.
37b George Street	May 2023	Jimmy Fairly	£82,500	£153	New 10 year lease with tenant only break option in year 5.
48 George Street	January 2023	Jigsaw	£115,000	£150	New 10 year lease with tenant only break option in year 5.
65 George Street	November 2022	Abercrombie & Fitch	£141,000 plus 6% turnover top up	£88	New 5.5 year lease with tenant only breaks in years 3 & 4. Stepped rent reaching £171,000 in year 5.
53 George Street	July 2022	Astrid & Miyu	£85,000	£112	New 10 year lease with tenant only breaks in years 3 & 5.
51 George Street	July 2022	The Alchemist	£250,000	£43 (overall rate)	New 15 year lease.



# THE SCOTTISH RETAIL INVESTMENT MARKET

After a quieter couple of years post pandemic, the retail sector has seen increased activity over the last 18-24 months, with a number of high profile transactions. In Glasgow, a number of Buchanan Street shops have transacted, with Land Securities purchasing 229-249 Buchanan Street for £14.25m / c 6.00% and Greenridge purchasing 60-64 Buchanan Street for £7.92m / 7.81%, a significant discount to the historic tone on the street of c4.00%-4.50%. In Edinburgh, Princes Street activity includes Hunter REIM's purchase of 71-77 Princes Street and 1 Hanover Street from Savills IM for £14m, with the upper floors to be converted to short-stay accommodation. On George Street, CBREIM have recently sold 100-104 George Street and 25-35 Castle Street to Broadland Properties for £17.39m / 7.25% whilst Buccleuch Property purchased 49 George Street from Columbia Threadneedle for £3.325m / 6.50%.

A selection of some recent Scottish retail investment deals are noted below:



Address	Date	Price	NIY	Tenants	WAULT	Income Split (pa)	Purchaser
229-249 Buchanan Street, Glasgow	August 2024	£14.25m	c 6.00%	Sostrene Grene, Holland & Barrett, JD Sports, Sky	5.39 years to expiries	Retail: £600,001	Land Securities
100-104 George Street, Edinburgh	May 2024	£17.39m	7.25%	Retail: Bank of Scotland, Fazenda, Pret, Victor Hugo, Chaopraya, Fired Earth Offices: Grayling Communications, Forth Point Analytics, Museums Galleries	10.46 years to expiries, 7.72 years breaks	Retail: £1,081,700 Office: £265,188	Broadland Properties
49 George Street, Edinburgh	October 2023	£3.325m	6.5%	Retail: White Stuff	4.75 years to break, 9.75 years to expiry	Retail: £220,000	Buccleuch Property
40 Princes Street, Edinburgh	August 2023	£29.50m	7.5%	Retail: H&M Offices: Multrees Investors, Cubo,	7.50 years	Retail: £1,116,000 Offices: £1,247,273	Remake Asset Management
63-65 George Street, Edinburgh	May 2023	£6.775m	7.19%	Retail: Abercrombie & Fitch, Sweaty Betty Office: Hollis, No Logo, Ventus, Alpine	4.40 years	Retail: £223,500 Office: £296,848	Broadland Properties
86, 88 and 90-92 George Street and 72-74 Rose Street, Edinburgh	September 2022	£15.35m	6.50%	Retail: Gant, Hackett, White Company, Xile, Rohan Offices: Hunter REIM, Sheridan Keane, Grayling Capital, Kettle Collective, Orinsen	To expiries: 88 George St - 3.97 years 86 George St - 2.49 years 90-92 George St - 1.43 years	Retail: £751,650 Office: £362,866	Broadland Properties
21-25 Frederick Street, Edinburgh	August 2022	£2.55m	7.41%	Barbour, Hi Tea, Meeting & Events UK Limited	4.86 years to breaks, 6.50 years to expiries	Retail: £180,000 Office: £21,000	King Group
120 Buchanan Street, Glasgow	June 2022	£4.70m	5.80%	Diesel with a pre-let to Laings from expiry	10.00 years	Retail: £290,000	Buccleuch Property
124-125 Princes Street, Edinburgh	June 2022	£15.80m	6.33%	Retail: Urban Outfitters Offices: Harley Haddow, Ofcom, Recast, Cenkos Securities	5.19 years to expiry, 3.66 years to breaks.	Retail: £450,000 Office: £623,950	Overseas Private



# OFFICE OCCUPATIONAL MARKET

Take up in 2023 totalled 463,000 sq ft, just below the 5 year annual average across the highest number of deals since 2015. The pipeline remains extremely limited, with only 147,000 sq ft due to be completed within the next 2 years.

The Edinburgh market draws on a diverse occupational base driven by finance and banking, technology and fintech sectors. This traditionally strong market continues to experience a significantly restricted supply of Grade A space, with the pipeline further limited by potential office redevelopments being lost to hotel use, including 28 St Andrew Square, 9-10 St Andrew Square and Edinburgh One, Morrison Street.

New Clarendon House on George Street has recently achieved £45 per sq ft and with the continuing loss of city centre office buildings to alternative uses leading to the supply of genuine Grade A office space being critically low, rents are anticipated to reach £50 per sq ft plus within the next 2-3 years.

As many city centre buildings continue to be converted to alternative uses, supply of genuine Grade "A" office space is critically low affording rental growth potential in the short to medium term.

A selection of some recent letting activity is highlighted below:

Address	Date	Tenant	Size (sq ft)	Rent (psf)
New Clarendon House (1st floor)	U/O	Confidential	6,329	c£45.00
New Clarendon House (4th floor)	U/O	Confidential	4,714	c£45.00
30 Sempie Street (4th floor)	Q2 2024	Red Rock Power	8,135	£45.00
New Clarendon House (2nd floor)	Q4 2023	Buro Happold	6,383	£45.00
Capital Square (2nd floor)	Q3 2023	LGT Wealth Management	9,272	£43.00





## OFFICE INVESTMENT MARKET

Edinburgh is a proven international investment market. Around 75% of annual volume is dominated by overseas investors with the Middle East, US and Germany particularly active over the recent past.

Prime yields for best in class city centre assets are currently c6% with competition for assets illustrating the wide appeal and strong liquidity Edinburgh enjoys. The city is one of the most attractive regional markets in the UK and offers an attractive discount to comparable European markets such as Frankfurt and Munich where prime yields are sub 4.50%.

A selection of some recent transactional activity is highlighted below.

Address	Date	Price	NIY	Term Certain	Purchaser
The Mint Building	Aug-24	£42.50m	5.78%	10.2 years	Pontegadea
40 Torphichen Street	May-24	£15.81m	9.46%	4.32 years	Cervidae
Capital Square	Mar-23	£72.00m	5.95%	10.6 years	Federated Hermes
7 Castle Street	Jan-23	£20.25m	7.40%	4.2 years	Private
Edinburgh Quay 1	Jan-23	£36.80m	6.50%	5.5 years	Capreon
11-15 Thistle Street	June-22	£5.65m	6.60%	4.2 years	HUB
Waverleygate	Feb-22	£78.05m	5.50%	3 years	Kennedy Wilson
Exchange Place 1	Dec-21	£58.50m	5.00%	3 years	CBRE IM
2 Semple Street	Oct-21	£30.25m	4.70%	8.5 years	La Francaise
Princes Exchange & New Uberior House	Aug-21	£78.60m	5.25%	9.25 years	Union Investment
Barclay House	June-21	£31.00m	5.14%	3 years	Rockstar
Holyrood Park House	June-21	£18.25m	5.56%	5 years	Rockstar



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81-85 GEORGE STREET, EDINBURGH, EH2 3ES

## 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 (7).

### DATA ROOM

An online data room is available containing key documentation including:

- Title information
- Occupational leases
- Estate/Service Charge information
- EPC Certificate

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.



# EIGHTY ONE - EIGHTY FIVE

## PROPOSAL

We are instructed to seek offers in excess of £22,000,000, subject to contract and exclusive of VAT. A purchase at this level would show a purchaser an attractive net initial yield of 7.00%, based on purchaser's costs of 6.75%.

## CONTACT

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

### Simon Cusiter

T 0131 202 4561

M 07815 135222

E [simon.cusiter@lismore-re.com](mailto:simon.cusiter@lismore-re.com)

### Chris Thornton

T 0131 202 4565

M 07843 975345

E [chris.thornton@lismore-re.com](mailto:chris.thornton@lismore-re.com)



### Fran Debney

M 07730 483 007

E [fran.debney@acrellp.com](mailto:fran.debney@acrellp.com)

### James Leach

M 07551 434 545

E [james.leach@acrellp.com](mailto:james.leach@acrellp.com)



Subject to Contract

Disclaimer: Lismore Real Estate Advisors Limited.

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2. All information contained in these particulars is for guidance and general information only and will be used at your own risk.

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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.

September 2024

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