

SENTINEL

103 Waterloo Street | Glasgow G2 7BW

PRIME CITY CENTRE OFFICE INVESTMENT



EXECUTIVE SUMMARY

1. Prime city centre office situated in the heart of Glasgow's CBD.
2. Sentinel benefits from excellent connectivity being in close proximity to Central Station and occupies a highly prominent position on the corner of Waterloo Street and Douglas Street.
3. Extending to a total NIA of 84,095 sq ft (7,812.6 sq m) arranged over ground and 9 upper floors together with 26 secure basement car parking spaces.
4. Highly specified, all electric building, benefitting from EPC "A" and WiredScore "Gold" rating. The building has undergone a recent comprehensive refurbishment with no immediate requirement for landlord capital expenditure.
5. Let to high quality tenants including DWF LLP, Aggreko UK Ltd, Chubb and Sedgewick International UK, with total passing rent of £2,538,992 per annum (including guarantees) reflecting a low average contracted rent of £29.28 psf.
6. WAULT to expiry of 7.9 years and to breaks of 4.4 years.
7. 100% of contracted income is to tenants with an Experian rating of 'Very Low Risk' with an income-weighted Experian score of 100/100.
8. Heritable Interest (Scottish equivalent of English Freehold).



Offers are sought in excess of **£23,800,000** for the asset, subject to contract and exclusive of VAT. A purchase at this level would reflect a **net initial yield of 10%**, based on standard purchaser's costs of 6.75% and an **attractive capital value of £283 psf**.



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.



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.



GLASGOW



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



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.



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



42.3% of the workforce is educated to degree level or above.



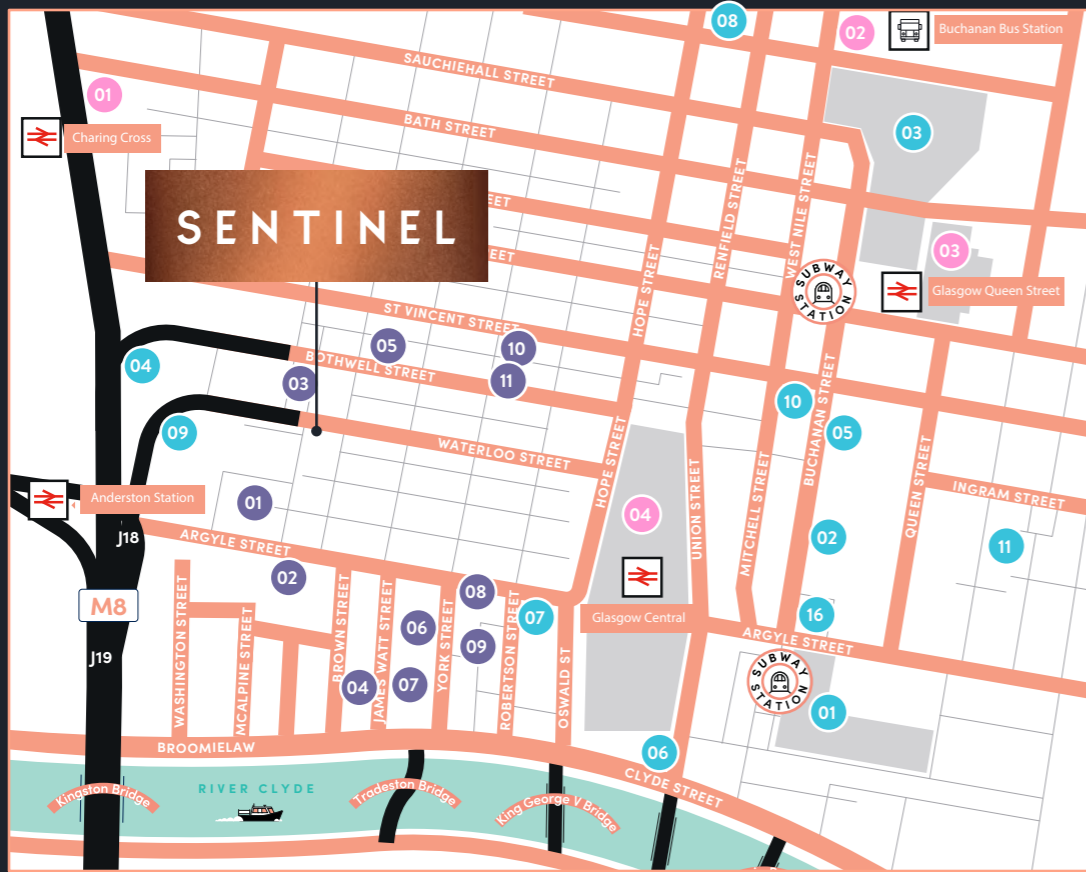
Home to 3 universities and 5 colleges, with a student population of 185,000.



Critically low availability of new-build Grade A office space, with a vacancy rate of 0.38%.



SITUATION



Key

Office

1. AXA Insurance
2. Ministry of Defence
3. Morgan Stanley
4. Scottish Government
5. PWC
6. HMRC
7. BT
8. JP Morgan
9. Lloyds
10. Skyscanner
11. Pinsent Masons

Amenity

1. St Enoch Centre
2. Princes Sq Shopping Centre
3. Buchanan Galleries
4. Hilton Glasgow
5. Glasgow Marriott
6. Jury's Inn
7. Radisson Blu
8. Maldron Hotel
9. The Ivy
10. Miller & Carter
11. Paesamo Pizza

Transport

1. Charing Cross
2. Buchanan Bus Station
3. Glasgow Queen Street
4. Glasgow Central

CONNECTIVITY



ROADS

Direct access to the M8 motorway via junction 18 provides fast road connections to Glasgow International Airport (10 minutes) via the Kingston Bridge and Edinburgh to the east. The M77 and M74 are easily accessible, the latter of which is the principal connection to the M6, providing access to the English motorway network.



BUS

The subjects benefit from easy access to a number of central bus stops, offering routes to all areas of the city. Additionally, there is a direct Airport shuttle with the city centre stop immediately outside the property.



RAIL

Glasgow benefits from having two main railway stations in Glasgow Central and Queen Street Station. Glasgow Central is Scotland's busiest station serving over 20 million passengers per annum, providing services across Scotland and is the terminus for the West Coast mainline providing regular services to London. Both stations are within a few minutes walk from the property.



BIKE & PEDESTRIAN

Within a core city centre location, Sentinel is easy to access by both bike and on foot, with links to all other modes of transport in close proximity.



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 Sentinel is Buchanan Street, a 12-minute walk away.



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.

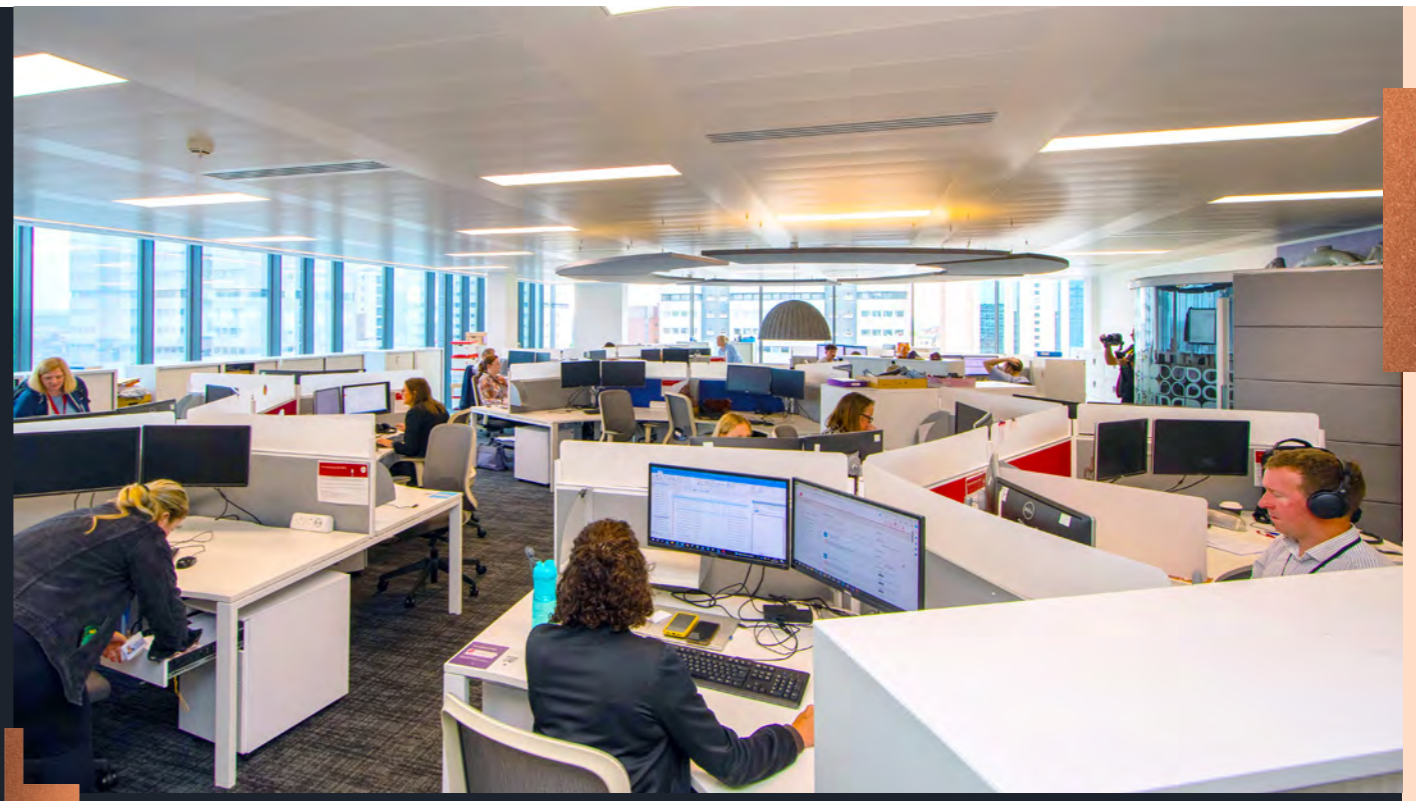


THE ASSET

Sentinel is a prime, landmark office building, comprising 84,095 sq ft of office accommodation across ground and nine upper floors. The building is steel framed with glazed curtain walling on three elevations providing an abundance of natural light from the north, south and west. A 9th floor roof terrace benefits from stunning views across Glasgow city centre to the north.

The asset has been comprehensively refurbished with most recent works being completed in 2022. Offering superior ESG credentials, the specification includes:

- New remodelled lobby & reception area including new Boon Edam swing speed gates.
- New VRF air conditioning.
- LED lighting.
- 2.7m floor to ceiling height.
- Full access 150mm raised floors with 120mm clear void.
- Virtually column-free floor plates.
- 3 new 13 person high speed Mitsubishi passenger lifts.
- New wellness facilities including dedicated female and male showers, locker room and drying space.
- 26 secure basement car parking spaces and 38 cycle racks.
- WiredScore “Gold” rating.
- EPC rating of “A” and all-electric building.



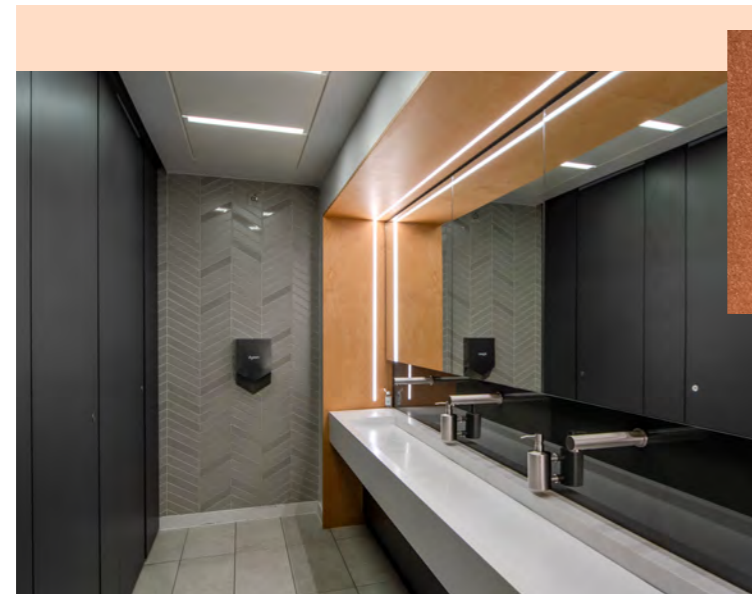
ACCOMMODATION & FLOORPLANS

A measured survey has been undertaken by Plowman Craven (with the exception of the ground floor). 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).

Demise	NIA (sq ft)	NIA (sq m)
9th Floor	5,973	554.9
8th Floor	8,804	817.9
7th Floor	8,807	818.2
6th Floor	9,085	844.0
5th Floor	9,074	843.0
4th Floor	9,077	843.3
3rd Floor	9,076	843.2
2nd Floor	9,076	843.2
1st Floor	9,072	842.8
Ground Floor*	6,051	562.12
Total	84,095	7,812.6

* Lismore measured area.

The building benefits from 26 secure basement car spaces.





TENANCY

The property is let in accordance with the following tenancy schedule.

Demise	Tenant Name	Area (sq.ft)	Area (sq.m)	Parking Spaces*	Lease Start	Lease Expiry	Lease Break	Next Review	Passing Rent (£/p.a.)	Office rent (£/sq.ft)	% contracted income	WAULT (E)	WAULT (B)	Experian score	Experian rating	Comments		
9th Floor	Jones Lang LaSalle Limited	5,973	554.9	3	28/11/2022	27/11/2032	27/11/2027 (T)	28/11/2027	£198,404	£31.84	10.94%	7.9	2.9	100	Very Low Risk	Current s/c cap of £51,553, excluding utilities and rising annually with RPI. Roof terrace of 1,815 sq.ft excluded from floor area. 6 months rent free over offices only in event break not operated.		
8th Floor	DWF LLP	8,804	817.9	2	26/05/2021	25/05/2031		26/05/2026	£270,820	£30.14	14.93%	6.4	6.4	100	Very Low Risk	Current s/c cap of £85,339, excluding utilities and rising annually with RPI.		
7th Floor	Aggreko UK Ltd	8,807	818.2	2	01/02/2024	31/01/2034	01/02/2029 (T)	01/02/2029	£262,672	£29.20	14.48%	9.9	4.1	100	Very Low Risk	Current s/c cap of £85,519, excluding utilities and rising annually with RPI.		
6th Floor	Sedgwick International UK	9,085	844.0	3	01/06/2020	31/05/2035	01/06/2030 (T)	01/06/2025	£273,339	£29.18	15.07%	10.4	5.4	100	Very Low Risk	Current s/c cap of £89,270, excluding utilities and rising annually with RPI.		
5th Floor	Sedgwick International UK	9,074	843.0	3	01/06/2020	31/05/2035	01/06/2030 (T)	01/06/2025	£272,933	£29.17	15.05%	10.4	5.4	100	Very Low Risk	Current s/c cap of £89,133, excluding utilities and rising annually with RPI.		
4th Floor	Vacant	9,077	843.3	1					£275,060	£30.00	0.00%						24 months rent , rates and service charge guarantee.	
3rd Floor	Vacant	9,076	843.2	1					£275,030	£30.00	0.00%							24 months rent, rates and service charge guarantee.
2nd Floor	Chubb European Group SE / Chubb Services UK Limited	9,076	843.2	3	02/11/2020	01/11/2030	02/11/2025 (T)	02/11/2025	£263,778	£28.15	14.54%	5.8	0.8	100	Very Low Risk	Current s/c cap of £88,910, excluding utilities and rising annually with RPI. 6 months rent free over offices only if break in 5 is not exercised. Tenant will be granted right of first refusal on the 3rd floor.		
1st Floor	Chubb European Group SE / Chubb Services UK Limited	9,072	842.8	3	02/11/2020	01/11/2030		02/11/2025	£263,778	£28.17	14.54%	5.8	5.8	100	Very Low Risk	Current s/c cap of £88,910, excluding utilities and rising annually with RPI.		
Ground	Vacant	6,051	562.1	2					£174,928	£28.00	0.00%							NIA measured by Lismore. 24 months rent, rates and service charge guarantee.
Car Parking	Jones Lang LaSalle Limited			1	01/11/2023	01/03/2025			£2,750		0.15%	0.1	0.1	100	Very Low Risk	Month-to-month licence which can be terminated by either party on the 1st day of any calendar month subject to not less than 1 month's notice. Assuming no notices served to date, the earliest this could be terminated would now be 1st March 2025.		
Car Parking	Chubb European Group SE / Chubb Services UK Limited			2	02/11/2020	01/03/2025			£5,500		0.30%	0.1	0.1	100	Very Low Risk	Month-to-month licence which can be terminated by either party on the 1st day of any calendar month subject to not less than 1 month's notice. Assuming no notices served to date, the earliest this could be terminated would now be 1st March 2025.		
TOTAL		84,095	7,812.6	26					£2,538,992		100%	7.9	4.4	100				

*cars rentalised at £2,750 each

TENANT COVENANTS



Aggreko UK Ltd

Founded in 1961, Aggreko are a global supplier of mobile and modular technology, headquartered in Glasgow. The business was de-listed from the London Stock Exchange in 2021 after its acquisition by TDR Capital and I Squared Capital. As a leading supplier of temporary power solutions, Aggreko provided temporary power to over 40 venues at the 2021 Olympic Games hosted by Japan, with the contract totalling £230m. Operating from 200 locations in 80 countries, the company employs over 6,000 people globally.

Experian rating of 100/100 (Very Low Risk)

	31/12/2023	31/12/2022	31/12/2021
Turnover (£)	188,901,00	206,960,000	146,235,000
Pre-Tax Profit (£)	143,277,000	75,004,000	38,431,000
Net Worth (£)	411,425,000	311,575,000	251,268,000



Jones Lang Lasalle Limited

Headquartered in Chicago, Illinois JLL is a global real estate company with offices in 80 countries. JLL is a Fortune 500 company with a global workforce of over 98,000 with service lines including Leasing, Capital Markets and Property Management. La Salle Investment Management, a wholly owned subsidiary, invests on behalf of clients in both private assets and publicly traded real estate securities.

Experian rating of 100/100 (Very Low Risk)

	31/12/2023	31/12/2022	31/12/2021
Turnover (£)	426,758,000	460,054,000	404,494,000
Pre-Tax Profit (£)	21,908,000	60,948,000	41,721,000
Net Worth (£)	396,562,000	378,324,000	411,889,000

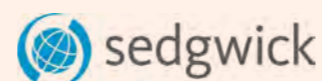


Chubb Services UK Limited

Chubb is a world leading insurance underwriter with over \$225bn in assets and \$57.5bn of gross premiums written in 2023 and operates from 54 countries, providing commercial, personal property, personal accident and life insurance. Parent company, Chubb Limited, is listed on the New York Stock Exchange and employs over 40,000 people worldwide with offices in London, Paris, New York and Zurich. Chubb Services UK Limited is the company's UK operating business and a wholly owned subsidiary of Chubb Limited.

Experian rating of 100/100 (Very Low Risk)

	31/12/2023	31/12/2022	31/12/2021
Turnover (£)	142,840,000	116,827,000	93,742,000
Pre-Tax Profit (£)	-£1,985,000	5,328,000	-12,716,000
Net Worth (£)	169,790,000	162,973,000	172,052,000



Sedgwick International UK

Sedgwick are a global business employing over 33,000 people globally. The company has a diverse range of business lines including Building Consultancy, Forensic Accounting and Business Operation. Sedgwick is a leader in claims management and loss adjusting, covering the marine, motor and media sectors.

Experian rating of 100/100 (Very Low Risk)

	31/12/2023	31/12/2022	31/12/2021
Turnover (£)	222,631,000	200,780,000	190,602,000
Pre-Tax Profit (£)	27,344,000	7,984,000	18,736,000
Net Worth (£)	61,069,000	40,443,000	38,816,000



DWF LLP

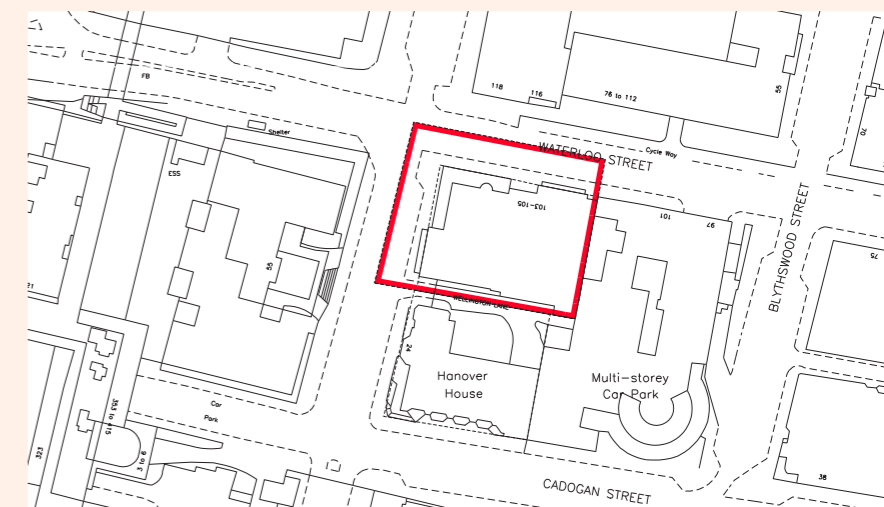
DWF are a leading legal services provider, with over 4,000 employees and offices in over 30 countries, including Australia, Germany, United Arab Emirates and the USA. Sectors of specialism include Real Estate, Financial Services, Public Sector, Insurance and Transport.

Experian rating of 100/100 (Very Low Risk)

	30/04/2023	30/04/2022	30/04/2021
Turnover (£)	62,680,000	53,585,000	69,593,000
Pre-Tax Profit (£)	2,663,000	-4,358,000	4,310,000
Net Worth (£)	-5,602,000	-7,674,000	-8,192,000

TENURE

The property is held under Heritable Title (Scottish equivalent of English Freehold).





INVESTMENT MARKET OVERVIEW







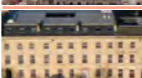

Glasgow is one of the UK's key regional cities, attracting investment from a truly global investor base including UK institutions, global funds, family offices and high net worth investors.

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

As finance rates begin to settle and continued polarisation in demand for highly specified prime office space, we anticipate increasing volumes during H1 2025. 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 strongly with 32 letting deals concluded in Q3 2024. Grade "A" and new build vacancy rates currently sit at 4.3% and 0.38% respectively. Leasing activity at high quality refurbishments such as Lucent and Aurora are achieving rents of £38.00-£39.50 psf. Prime rents are likely to remain under pressure as economic viability of schemes will impede future supply of both new and refurbished space, underpinning investment rationale for performance led assets.

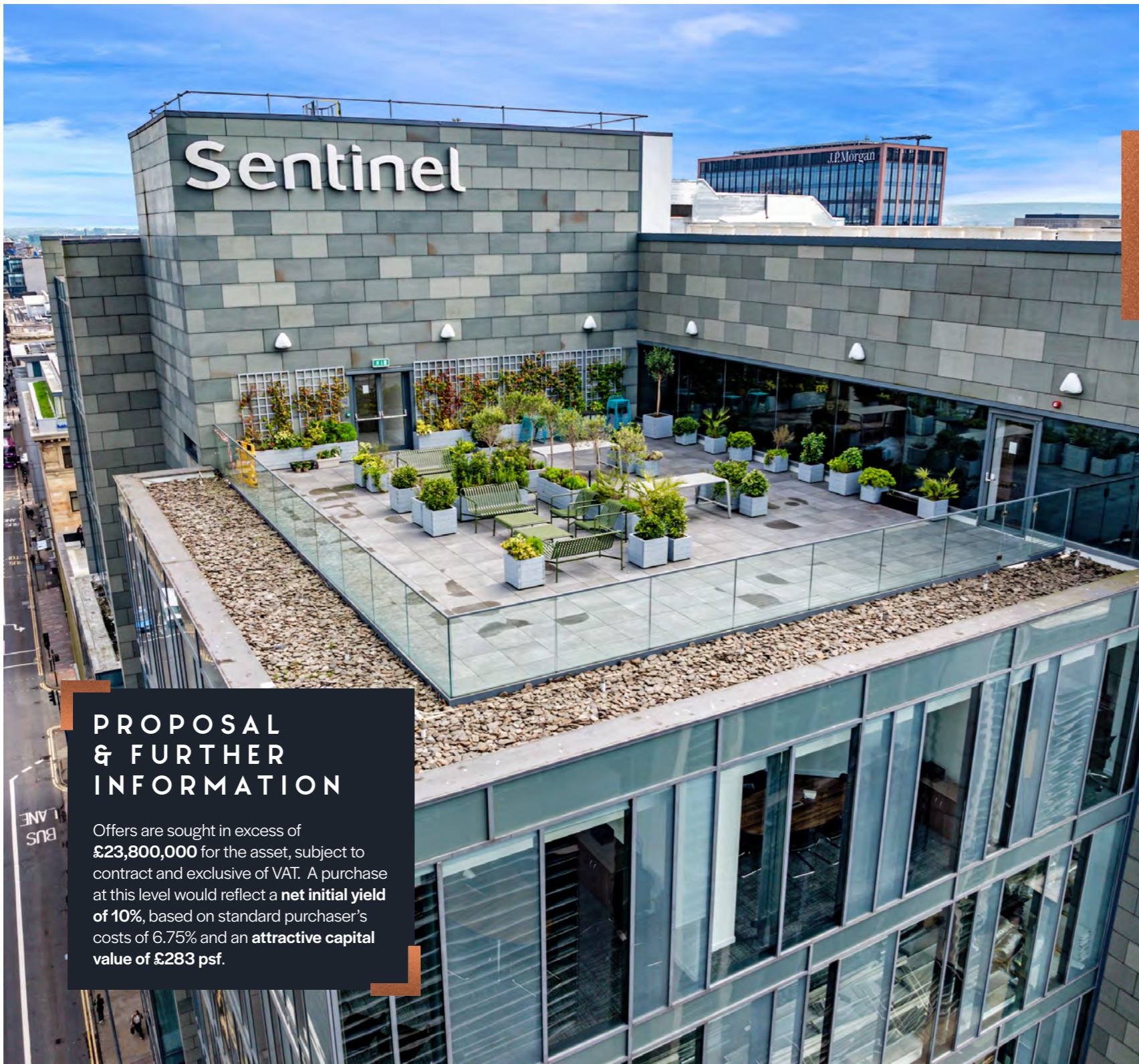
The adjacent table provides a flavour of some recent investment activity.

Photo	Address	NIA (Sq ft)	UXT (Years)	Rental Tone (£ psf)	Price (£)	Yield (%)	Capital value (£ psf)	Comments
	55 Douglas Street	85,200	8.67 (E) 3.75 (B)	29.50	16.00m (asking)	n/a	188 (asking)	Under offer.
	95 Bothwell Street	135,968	5.47 (E) 5.31 (B)	19.41-20.57	21.00m (asking)	n/a	154 (asking)	Under offer.
	122 Waterloo Street	156,980	8.75 (E)	£29.75	50.40m	8.25%	321	Office let in it's entirety to Morgan Stanley acquired by Iroko Zen in October 2024.
	1 West Regent Street	143,429	7.70 (E) 4.60 (B)	27.74 - 29.50	45.80m	8.68%	319	Multi let office acquired by Corum Asset Management in April 2024.
	Garment Factory	54,045	5.20 (E) 2.83 (B)	22.80-26.50	15.70m	9.00%	290	Multi let office acquired by PP Asset Management in 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 Blythswood 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 in 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.

SERVICE CHARGE

The service charge budget for year ending 27/05/2025 reflects £9.67psf. A copy of the budget is available in the data room.





PROPOSAL & FURTHER INFORMATION

Offers are sought in excess of **£23,800,000** for the asset, subject to contract and exclusive of VAT. A purchase at this level would reflect a **net initial yield of 10%**, based on standard purchaser's costs of 6.75% and an **attractive capital value of £283 psf**.

VAT

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

CAPITAL ALLOWANCES

Gateley Capitus have prepared a report in relation to potentially available capital allowances. Their findings outline a P&M special rate pool range of £4.75m - £5.50m and P&M main pool range of £2.25m - £3.00m. A copy of their report is available within the data room.

VENDOR SURVEYS & WARRANTIES

Independent surveys are available in the dataroom, covering the following:

- Measured survey
- EPC

DATAROOM

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

AML REGULATIONS

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.

CONTACTS

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lismore
REAL ESTATE ADVISORS

SENTINEL

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Subject to Contract

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January 2025

Produced by Designworks.

On behalf of:

 **Ardstone**
Capital