

SO Stamp Office

EDINBURGH EH1 3EG



An outstanding investment opportunity
in the heart of Edinburgh's city centre

A rare opportunity to acquire
a repositioned multi-let
office investment in the core
city centre of Edinburgh,
with inherent reversion.



Investment Summary

- Edinburgh, Scotland's capital city, is one of the most dynamic and fastest growing cities in the UK.
- The city is held in equally high regard as both a global commercial centre and an exciting tourist destination.
- The east end of the city centre is unequivocally Edinburgh's premier office and leisure location, with unrivalled public transport links and exceptional surrounding amenities.
- The Stamp Office is situated next to the new £1bn St James Quarter development, with occupiers in the immediate vicinity including Harvey Nichols, Louis Vuitton, Apple, Gleneagles Townhouse, Dishoom and The Ivy.
- The Stamp Office extends to 51,305 sq.ft of high-spec offices, with 2,228 sq.ft of best-in-class amenity provision.
- EPC of A(13), BREEAM In-Use of 'Very Good'* and ActiveScore 'Platinum' accreditations.
- Significant recent investment by the landlord to reposition the building through refurbishing common areas, provision of new end of journey facilities and on floor refurbishments of 4 floors.
- Fully-let to six high-calibre and diverse tenants – Atkins Realis, Secretary of State, Henderson Loggie, Dentsu, Current Health and CreateFuture.
- Income-weighted average Experian score of 80/100, reflecting 'Low Risk'
- Total net annual rental of £1,554,479 p.a, equating to an average of £30.03/sq.ft on the offices.
- Further opportunity to add value through on floor refurbishments of levels 1, 3 and 6 at lease expiries / break options.
- Excellent opportunity to capitalise on inherent reversion in a supply-starved market, where prime rents are now £46.00/sq.ft+.
- WAULT of 7.5 years to expiry and 4.4 years to nearest tenant break options.
- Heritable interest (Scottish equivalent of English Freehold).

* Final certificate awaited

Offers are sought in excess of **£20,950,000**, exclusive of VAT. The property is held in a clean Jersey domiciled SPV and a sale of either the asset or the SPV is available.

A purchase at this level would reflect the following profile:

	Asset purchase (6.74% costs)	SPV purchase (1.80% costs)
Net initial yield (%)	7.0%	7.3%
Headline reversionary yield (%)	7.7%	8.1%
Capital value (£/sq.ft)	£400	£400



Edinburgh



Edinburgh continues to prove itself as one of the UK's strongest regional cities. Being the capital city of Scotland, Edinburgh is the country's political and legal centre and home to the Scottish Government and Scottish Parliament. The city remains the largest financial centre outside of London and is consistently voted one of the best places to live, work and visit in the UK.

Renowned for its cultural heritage, academic prowess and shopping, Edinburgh is continuing to maintain itself as a leading European city. Edinburgh was voted 'Time Out' World's Best City 2022.

Edinburgh is the second largest shopping destination in Scotland and is a major tourist destination attracting around 4 million visitors each year and accounting for a fifth of the UK's tourism expenditure.

Edinburgh has two UNESCO World Heritage sites, twelve international arts festivals and seven Michelin-starred restaurants. Edinburgh continues to attract more visitors every year and is the UK's most favoured conference destination outside London.



Growing Population

Fast growing population of 560,000 and forecast to grow to over 600,000 by 2034.



Resilient

Edinburgh has a resilient knowledge-based economy and the lowest unemployment rate of any UK city at 2.5%. 63% of the workforce is educated to degree level or above.



Innovative

Edinburgh excels in innovative growth sectors such as data science, cyber security, robotics and stem cell research and enjoys one of the highest rates of business start-ups in the UK.



Financial Powerhouse

Edinburgh is the UK's largest regional financial centre – over 30 operational banks and £500 billion of assets under management.



Tourist Hotspot

4 million visitors annually injecting £1.2 billion into the local economy.



Heritage & Culture

2 UNESCO World Heritage sites, 11 major arts and culture festivals and 7 Michelin-starred restaurants.



Productive

High value service industries account for 86% of employment. Edinburgh's GVA per capita is 1.3 times the UK average for major cities and forecast to grow at 6% p.a. for the next 5 years.



Education Hub

80,000 higher education student population across 6 universities and higher education colleges, providing a highly educated pool for employers.



Quality of Life

'Time Out' World's Best City 2022.

East End

The east end of Edinburgh's city centre is the most highly desired office and leisure location in the city, having undergone significant recent transformation, cementing it as Edinburgh's premier commercial and leisure centre.

The Stamp Office is situated on Waterloo Place, a few seconds walk from Princes Street and the Edinburgh Waverley Rail Station. St James Quarter, St Andrew Square and Edinburgh Bus Station are all within a 5-minute walk.

Many high-quality retailers are in the immediate vicinity, including Apple, Harvey Nichols and John Lewis department stores, and a number of luxury retailers including Louis Vuitton, Burberry, Canada Goose, Mulberry and Tag Heuer.

The choice of restaurants and bars is excellent, with Lady Libertine, Hawksmoor, Dishoom, The Ivy, Duck & Waffle, Sushi Samba and Gleneagles Townhouse all within a few minutes' walk.

A range of excellent hotels are also available around the east end, including the W Hotel, The Edinburgh Grand, Malmaison, The Balmoral, Motel One, Premier Inn and ibis Styles. Two new hotels are planned on St Andrew Square, including a Clayton by Dalata at no. 28 and a Point A at no. 9-10.

Work has also now begun on the Dunard Centre, on the east side of St Andrew Square. Designed by David Chipperfield Architects and supported by the Dunard Fund and Edinburgh City Region Deal, this will provide a brand new 1,000-person capacity concert hall. The investment to create the facility is in excess of £75 million and it is expected to open in 2026.

LOCAL OCCUPIERS

- | | |
|--|--|
| 1 Stewart Investors, First Sentier Investors | 7 Amazon, Creative Scotland, Microsoft & NHS |
| 2 Heineken, Glenmorangie | 8 Kaplan International Language School |
| 3 RBS | 9 UBS, KPV & Places for People |
| 4 Baillie Gifford | 10 Edinburgh Council HQ |
| 5 Glenmorangie | 11 Scottish Government |
| 6 Registers of Scotland | 12 Computershare |

LOCAL AMENITIES

- | | | |
|--------------------|------------------------------|---|
| 1 John Lewis | 7 Costa Coffee | 13 (to be) Point A |
| 2 Multrees Walk | 8 Malmaison | 14 (to be) Dunard Centre |
| 3 St James Quarter | 9 Gleneagles Townhouse | 15 The Ivy, Dishoom, Gaucho, Wagamama, Bread Street Kitchen |
| 4 Harvey Nichols | 10 The Edinburgh Grand | |
| 5 Motel One | 11 W Hotel | |
| 6 The Balmoral | 12 (to be) Clayton by Dalata | |

PUBLIC TRANSPORT

- | | | |
|--|--|---|
|  Tram Stops |  Waverley Station |  Edinburgh Bus Station |
|--|--|---|



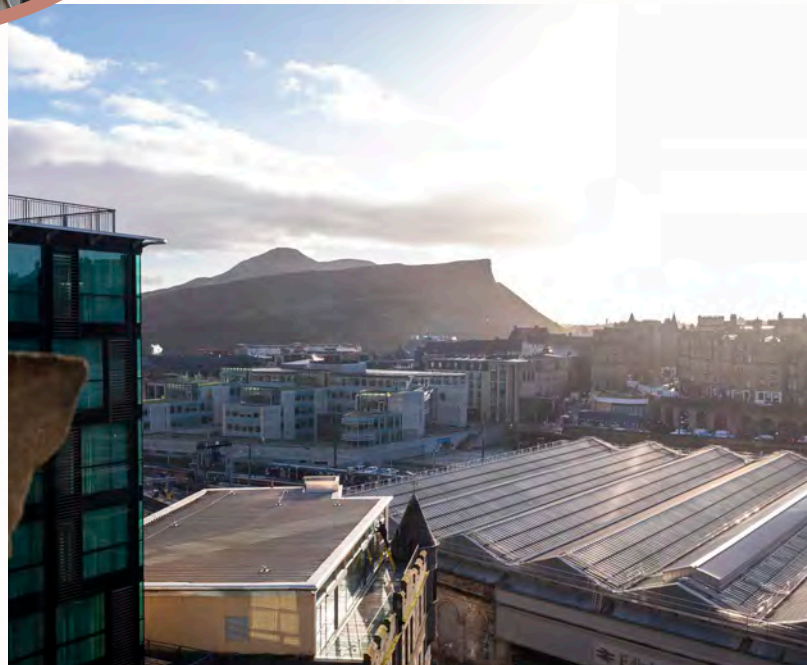
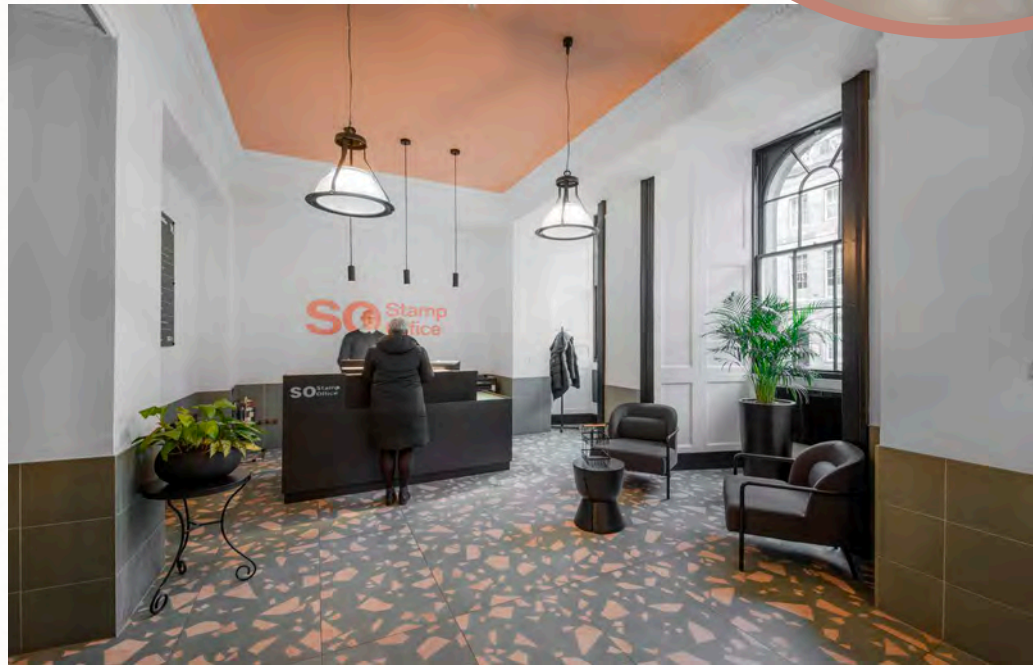


The Stamp Office

The Stamp Office was originally built in 1819 and forms a 7-storey classical Georgian building with entrances onto both Waterloo Place and Calton Road. It is Category A listed but has been comprehensively redeveloped behind a retained facade to provide open plan office accommodation on all levels.

The Stamp Office extends to 51,305 sq.ft of high-quality, open-plan office accommodation, together with 2,228 sq.ft of best-in-class amenity. Extensive repositioning and upgrading have been undertaken by the current owner between 2022-2024, including:

- Refurbishment of both front and rear receptions, common parts and toilet facilities throughout the building.
- Creation of best-in-class “end of journey” facilities, including cycle storage, high-quality “country club” style showers and toilets, extensive locker storage, drying room and Wellness Centre providing 24/7 access to fitness facilities including free Peloton classes.
- On-floor refurbishments of levels 2, 4, 5 and 7 to include new electric VRF air-conditioning, ceiling-mounted LED strip lighting, new WC’s, vanity units, showers and decoration.



The general specification of the offices includes:

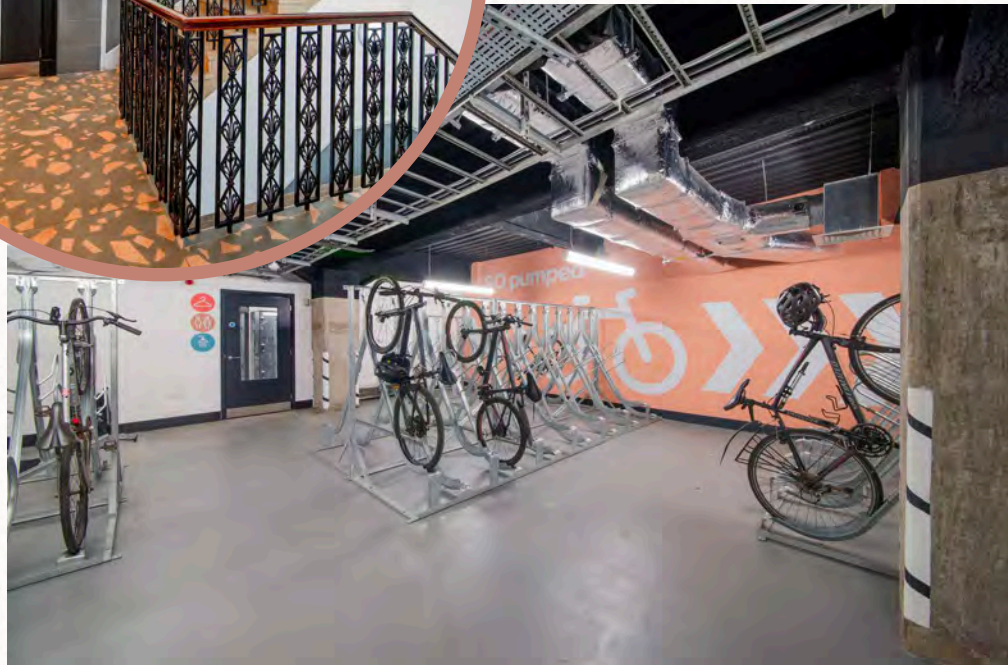
- Metal raised access floor with 120mm void.
- Clear floor to ceiling heights of 2.6m - 2.8m plus.
- Contemporary male, female and accessible toilets on every floor.
- Shower facilities on every floor.
- 3 lifts serving all floors.
- Electric VRF air conditioning.
- Dual entrances on Waterloo Place and Calton Road. The Calton Road entrance provides direct access to the east entrance of Edinburgh Waverley Rail Station.

ESG Credentials

The Stamp Office is future proofed to meet the exacting ESG standards of occupiers and investors. The building has an EPC of A(13), BREEAM In-Use rating of 'Very Good'* and ActiveScore rating of 'Platinum'.



* Final certificate awaited



Accommodation & Floorplans

A digital measured survey has been undertaken by Hollis. A copy of the report is available in the dataroom. The areas undernoted are calculated following the RICS Code of Measuring Practice (6th Edition).

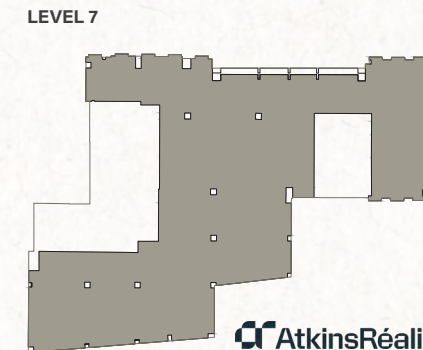
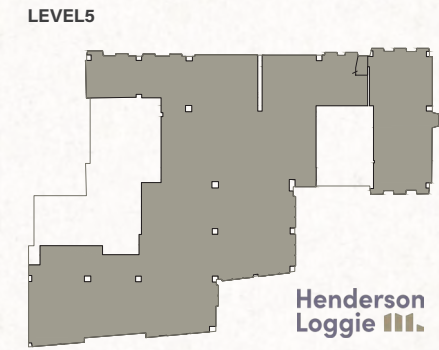
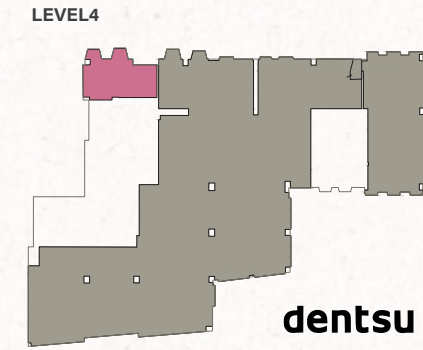
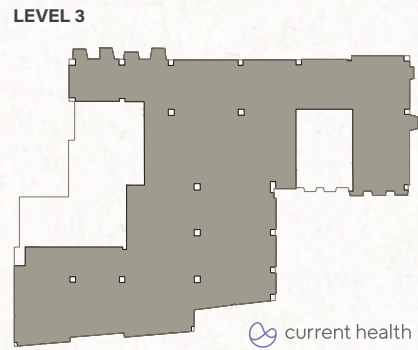
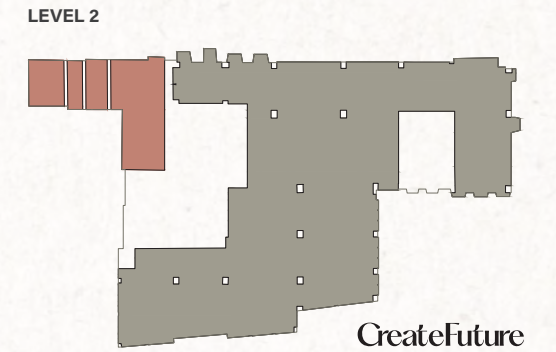
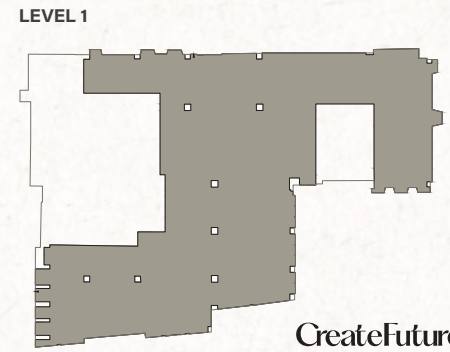
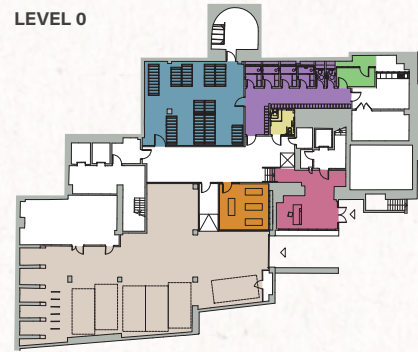
Level	Use	Area (sq.m)	Area (sq.ft)
Level 7	Office	665.9	7,167
Level 6	Office	680.1	7,321
Level 5	Office	681.5	7,336
Level 4	Office	652.4	7,023
Level 3	Office	708.1	7,622
Level 2	Office	704.1	7,579
Level 2	Storage	99.2	1,068
Level 1	Office	674.2	7,257
Level 0	Amenity	207.0	2,228
Total	Office	4,766.3	51,305
Total	Amenity & storage	306.2	3,296
Total	Building area	5,072.5	54,601

ACTIVE HUB

- Gym/Wellness Studio
- Bike Storage
- Country-club Showers
- Drying rooms
- Accessible WC & Shower

ACCESS

- Office
- Storage
- Car Park
- Reception





Outstanding Active Hub

The recent refurbishment has included the development of market-leading amenity, resulting in the building being awarded a 'Platinum' ActiveScore. The amenities include:

- 
 80 secure cycle racks with bike repair station
- 
 83 secure lockers
- 
 4 country-club style showers
- 
 Separate drying area
- 
 Wellness Studio including 4x Peloton bikes and free weights

ACTIVE HUB

- Gym/Wellness Studio
- Bike Storage
- Country-club Showers
- Drying rooms
- Accessible WC & Shower

ACCESS

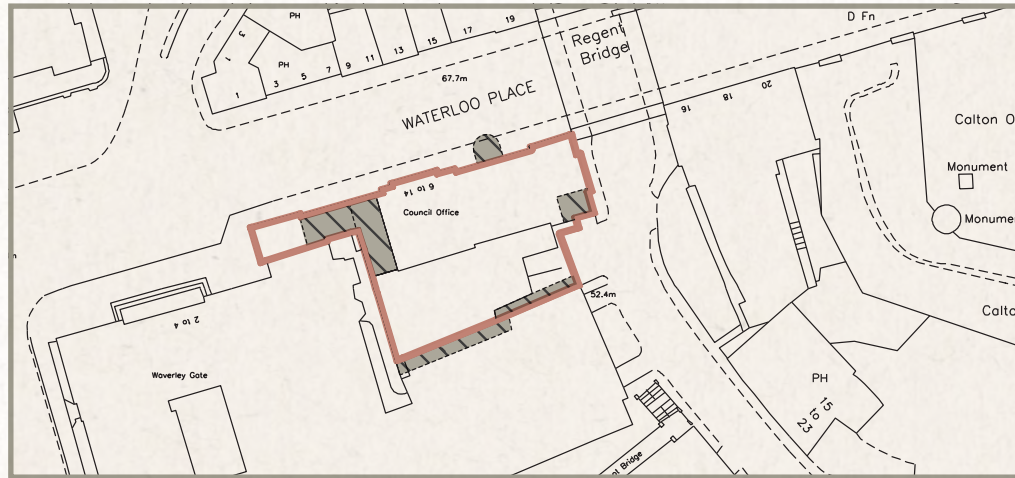
- Car Park
- Reception



LEVEL 0

Title

The property is held by way of Heritable tenure (Scottish equivalent of English Freehold). The Title boundaries are shown on the plan below.



Tenancy Schedule

The Stamp Office is let on institutional full repairing and insuring terms per the following tenancy schedule.

Level	Use	Tenant	Area (sq.ft)	Parking	Office Rent (£/sq.ft.)	Parking Rent (£/space)	Total rent (£/p.a.)	% (income)	Lease Start	Next Rent Review	Break Option	Lease Expiry	Experian Score (/100)	Experian Rating	Comments
Level 7	Office	Atkins Realis UK Ltd	7,167	1	£36.68	£3,000	£265,909	17.1%	26-Jul-24	26-Jul-29	25-Jul-29	25-Jul-34	100	Very Low Risk	Refurbished in 2024. 6 months RF plus further 2m RF after break if not exercised. SC cap linked to RPI of £8.50/sq.ft (excl utilities). Lease has Schedule of Condition.
Level 6	Office	Secretary of State for Communities & Local Government	7,321	1	£27.83	£3,000	£206,750	13.3%	19-Dec-08	-	-	18-Dec-28	100	Very Low Risk	
Level 5	Office	Henderson Loggie LLP	7,336	1	£33.82	£3,000	£251,098	16.2%	14-Nov-24	14-Nov-29	-	13-Nov-34	82	Low Risk	Refurbished in 2024. 12m RF (6m full RF, 12m half). SC cap linked to RPI of £14.75/sq.ft (incl utilities). Lease has Schedule of Condition.
Level 4	Office	Dentsu UK Limited	7,023	0	£35.00	-	£245,805	15.8%	18-Mar-25	18-Mar-30	18-Mar-30	17-Mar-35	54	Below Average Risk	Refurbished in 2024. 6 months RF. 12 month rent deposit held by Landlord. SC cap linked to RPI of £11.00/sq.ft (excl utilities).
Level 3	Office	Current Health Ltd	7,622	1	£27.36	£3,000	£211,533	13.6%	30-Apr-24	-	29-Apr-27	29-Apr-29	73	Below Average Risk	5 months RF (as 10 months half rent) plus further 4 months RF after break if not exercised. SC cap linked to CPI of £7.50/sq.ft (excl utilities). 6 months rent deposit held by Landlord.
Level 2	Office	XSolutions365 Ltd (t/a CreateFuture)	7,579	0	£25.50	-	£193,264	12.4%	09-Jan-23	20-Jun-27	20-Jun-27	20-Jun-32	75	Below Average Risk	Refurbished in 2022. CreateFuture expanded into this space from Level 1 in 2023. SC cap linked to RPI of £10.50/sq.ft (incl utilities). 3 month rent deposit held by Landlord.
Level 2	Storage	Vacant	1,068	0	-	-	-	0.0%	-	-	-	-	-	-	Storage space. Been used by contractors during refurbishment. Void costs will be topped-up for 12 months on sale.
Level 1	Office	XSolutions365 Ltd (t/a CreateFuture)	7,257	2	£23.99	£3,000	£180,120	11.6%	20-Jun-22	20-Jun-27	20-Jun-27	20-Jun-32	75	Below Average Risk	SC cap linked to RPI of £10.50/sq.ft (incl utilities). Lease has Schedule of Condition.
Totals			52,373	6			£1,554,479	100.0%					80	Low Risk	

Income Analysis

7

tenancies overall, across 6 individual tenants.

100%

let, with all income coming from office tenants.

80/100

income-weighted average Experian rating reflecting 'Low Risk'

100%

of income from Experian rated 'Below Average Risk' or better tenants.

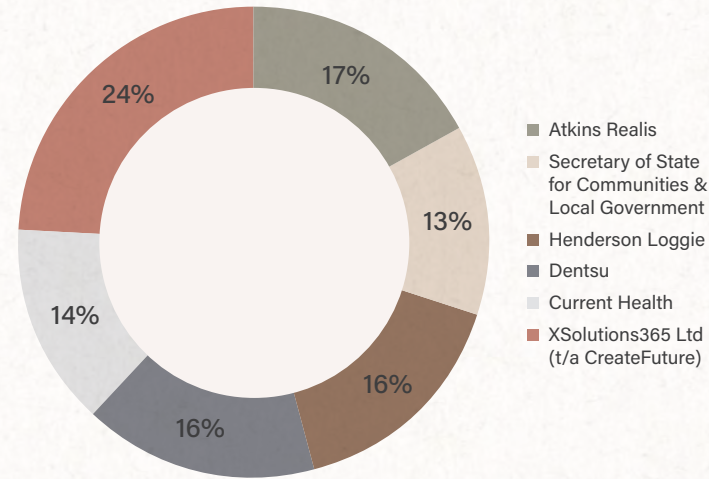
7.6 years

WAULT to expiry & 4.5 years to nearest breaks.

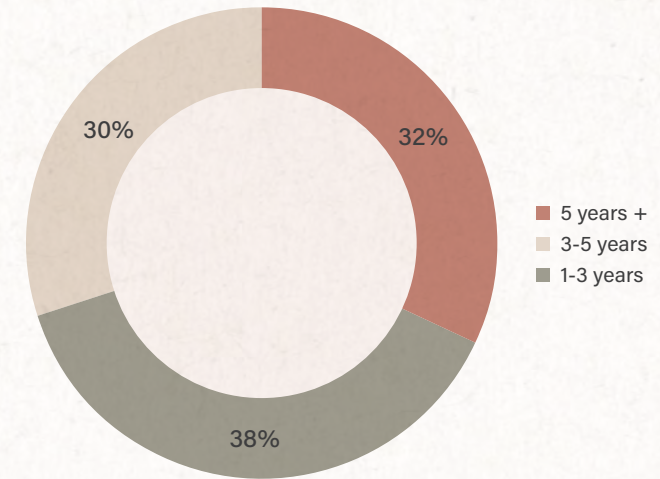
62%

of income secure for 3+ years.

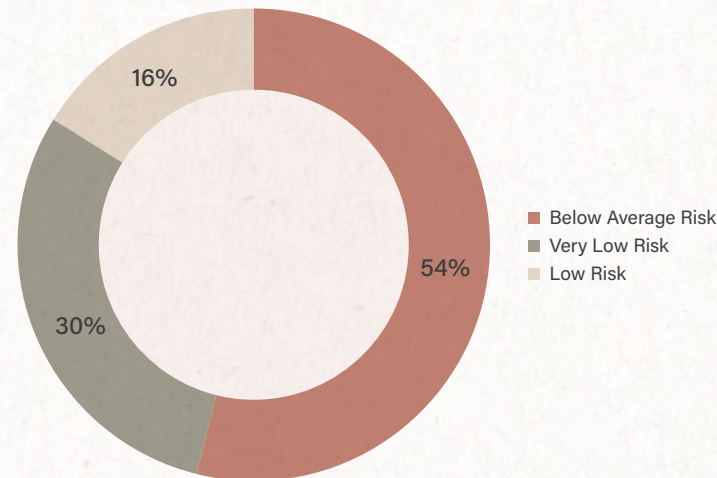
% Income by Tenant



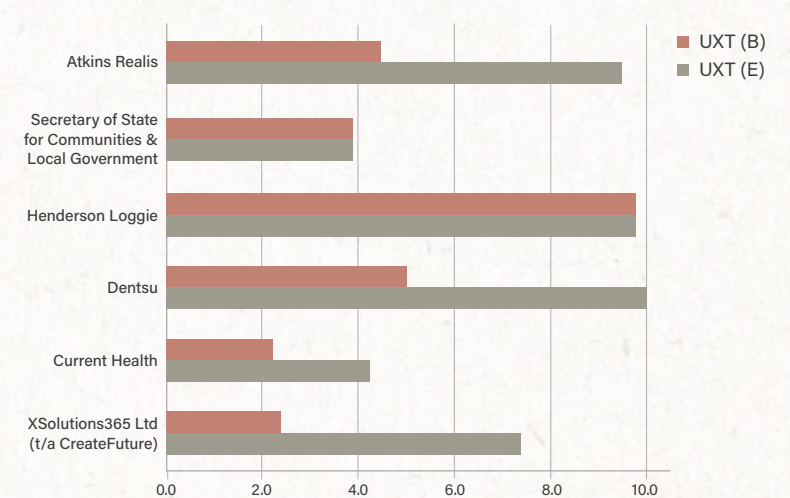
% Income by Term Certain



% Income by Experian Rating



Income Duration by Tenant



Tenant Profiles



Atkins Realis is a world-leading design, engineering and project management organisation, with a global team of 36,000 employees, 40% of which are based in the UK and Ireland.

www.atkinsrealis.com

Tenant – Atkins Realis UK Limited (00688424)

Experian Score – 100/100

Experian Rating – ‘Very Low Risk’



Secretary of State for Communities and Local Government is a Scottish Government body with undoubted covenant standing.

www.gov.scot

Tenant – Secretary of State for Communities and Local Government

Experian Score – 100/100

Experian Rating – ‘Very Low Risk’



Henderson Loggie is a leading independent accountancy partnership, based in Scotland since 1909. They have over 190 partners and staff with offices in Edinburgh, Glasgow, Aberdeen and Dundee.

www.hlca.co.uk

Tenant – Henderson Loggie LLP (SO301630)

Experian Score – 82/100

Experian Rating – ‘Low Risk’



Current Health is a healthcare technology company serving over 20,000 patients globally. Headquartered between Edinburgh and Boston, the company has over 250 employees.

www.currenthealth.com

Tenant – Dentsu UK Limited (SC481544)

Experian Score – 73/100

Experian Rating – ‘Below Average Risk’



Dentsu is one of the largest global marketing and advertising agencies in the world. Established in Japan in 1901, they now have offices in 145 countries employing over 71,000 people.

www.dentsu.com

Tenant – Dentsu UK Limited (01939690)

Experian Score – 54/100

Experian Rating – ‘Below Average Risk’

Rent Deposit – 12 month rent deposit held by the Landlord



CreateFuture is a digital transformation consultancy providing software engineering, strategy and design solutions to blue-chip organisations. Headquartered in Edinburgh, the company operates from 5 UK locations and employs 500+ people.

www.createfuture.com

Tenant – XSolutions 365 Limited (SC371716)

Experian Score – 75/100

Experian Rating – ‘Below Average Risk’



Market Commentary

Edinburgh Office Occupational Market

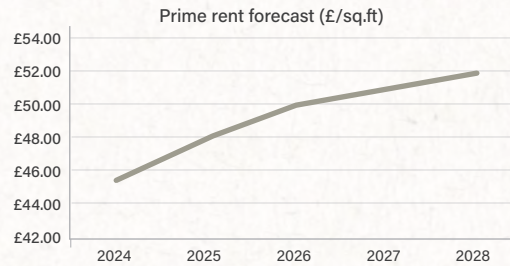
Total office take-up in Edinburgh in 2024 was 502,572 sq.ft. In addition to this, lease regears in the city centre amounted to 222,565 sq.ft.

Supply of new Grade A accommodation is highly constrained, with 4 developments currently under construction and due to complete in the next 12 months, totalling 180,000 sq.ft. Of this, over 50% is already let or under offer. There are no further developments beyond this yet committed.

Potential new supply has been further eroded in 2023 and 2024 with four office buildings being sold for hotel use, reducing the potential pipeline by over 300,000 sq.ft.

Edinburgh's supply of quality offices in both Grade A and Grade B categories in the city core is now critically low, with a vacancy rate of less than 1%. Consequently, rents have continued to grow and are now firmly established at £45.50/sq.ft, with new terms being issued in excess of this.

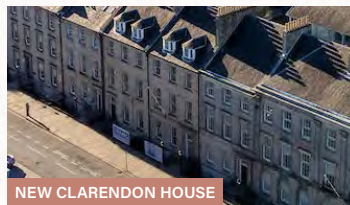
It is widely forecast that rents will continue to grow sustainably and reach £52.00/sq.ft by 2028.



Incentives to tenants taking new space are typically 10-12 months for a 10-year unbroken term and 6 months for a 5-year unbroken term.

Recent transactional evidence is summarised in the table below:

Property	Floor	Tenant	Size (sq.ft)	Rent (£/sq.ft)	Date
Waverleygate	5F	Gallagher	6,438	£45.50	Q3 2024
New Clarendon House	1F	Patria	6,307	£45.00	Q3 2024
30 Semple Street	4F	Red Rock Power	8,135	£45.50	Q3 2024
30 Semple Street	5&6F	Hymans Robertson	14,680	£45.00	Q1 2024
Capital Square	2F	LGT Wealth Management	9,272	£43.00	Q4 2023



Investment Market

Edinburgh is one of the leading Big 6 regional UK office markets, with a truly global investor base owning assets in the city. Approximately £1.5bn of investment transactions have completed in the last 5 years.

The international recognition of the city, coupled with the impressive fundamentals of the occupational market and performance prospects has ensured that Edinburgh remains a highly desirable and liquid market.

Recent peak prime yields and capital values have been 4.3% and £750/sq.ft respectively. Current market pricing presents a once in a cycle opportunity for an investor to acquire quality CBD assets at a substantial discount to peak values, in a market which continues to offer rental growth performance.

There have been a limited number of CBD office opportunities offered to the market in Edinburgh in the last 12 months. The following table highlights some of the recent transaction evidence, together with longer-term Edinburgh comparables:

Property	Area (sq.ft)	WAULT	Price	NIY	CV (£/sq.ft)	Comments	Date
Capital House	54,460	0.8 years	£17.00m	6.88%	£312	1980's office building. Sold for hotel conversion, unconditional on planning.	Q4 2024
The Mint Building	70,467	10.2 years	£42.5m	5.78%	£603	Prime single-let office with retail/leisure at GF.	Q3 2024
Edinburgh One	54,004	n/a	£15.0m	n/a	£278	Stripped out and sold with vacant possession for hotel conversion, unconditional on planning.	Q1 2024
9-10 St Andrew Square	53,455	1.2 years	£19.3m	7.01%	£360	Grade A listed office building with GF retail. Sold for hotel conversion unconditional on planning.	Q4 2023
28 St Andrew Square	48,238	n/a	£12.5m	n/a	£259	Grade A listed office building. Sold with vacant possession for hotel conversion, unconditional on planning.	Q3 2023
Capital Square	123,030	10.6 years	£72.0m	5.95%	£585	Prime multi-let office. Sold to JV partner.	Q1 2023
Waverleygate	203,601	3 years	£78.1m	5.30%	£383	Multi-let office behind retained façade, requiring capex to upgrade.	Q1 2022
2 Semple Street	44,866	8.5 years	£30.3m	4.70%	£674	Prime multi-let office.	Q4 2021
Quartermile 3	73,000	7.4 years	£45.3m	4.61%	£616	Prime single-let office.	Q4 2020
4North	41,234	9 years	£31.0m	4.33%	£751	Prime single-let office.	Q2 2020



Investment Rationale



Outstanding location and situation - The situation of The Stamp Office in the heart of Edinburgh's east end embodies what it means to be in a truly core city centre location. The address, immediate amenities and connectivity to all modes of transport are the best the city has to offer.



Significant complete and ongoing regeneration - of mixed-uses in the immediate surrounding area, further enhancing what is already an exceptional environment.



Attractive market dynamics - an opportunity to acquire a trophy asset in one of the UK's strongest and most resilient markets, characterised by low supply levels and robust demand.



Future-proofed ESG credentials - The Stamp Office is future-proofed to meet the exacting ESG standards of occupiers and investors. The building has an EPC of A(13), BREEAM In-Use rating of 'Very Good' and an ActiveScore rating of 'Platinum'.



Diverse tenant profile - strong credit tenants from a range of sectors, all in occupation of the property.



Income performance - The average passing rent reflects an overall discount of c.36% to current prime rental levels in the city. This leaves plenty of headroom for performance through rental uplifts. Targeted capex on levels 1, 3 and 6 at the appropriate time would further drive this.



Optimum entry point - prime office rents in the city have grown by 23% since 2020 and continue to grow with highly-constrained supply and strong demand for best-in-class accommodation. This trend is set to continue with growth of 10%+ anticipated over the next 3 years. At the same time, capital values per sq.ft have fallen, and the purchase price quoted reflects a 23% discount against the 2020 peak of £750/sq.ft. This provides an investor with a once in a cycle opportunity to time an acquisition at the optimum point of entry.





Proposal & Further Information

Offers are sought in excess of **£20,950,000**, exclusive of VAT. The property is held in a clean Jersey domiciled SPV and a sale of either the asset or the SPV is available.

A purchase at this level would reflect the following profile:

	Asset purchase (6.74% costs)	SPV purchase (1.80% costs)
Net initial yield (%)	7.0%	7.3%
Headline reversionary yield (%)	7.7%	8.1%
Capital value (£/sq.ft)	£400	£400



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

Significant Capital Allowances remain available with the building. Further information is contained within the dataroom.

Dataroom

Access to a virtual 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 and their advisors on the source of funds used to acquire The Stamp Office.



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SO Stamp
Office

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March 2025

Produced by Designworks.