

# FOR SALE

## Mixed use city centre investment opportunity

63 Brown Street, Dundee DD1 5AQ



- Well located flexible accommodation suitable for a variety of uses.
- Fully let to a diverse range of tenants.
- Hyper Luminal Games Ltd, Total Business Furniture Ltd, Abertay Plumbing, Heating & Gas Co Ltd and Independent Vetcare Ltd.
- Total rent roll of c.£108,000 pa.
- Low average rent of £5.82 per sq ft.
- Total GIA of c.18,570 sq ft.
- On site car parking for 40 cars.
- **Offers over £1.1M exclusive of VAT.**
- **NIY of 9.28%.**

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## LOCATION

Dundee is Scotland's fourth largest city set in a stunning location at the mouth of the River Tay on Scotland's east coast - 65 miles from Edinburgh and Aberdeen respectively. The city has a resident population of c.148,000 people and a catchment of 640,000 within 60 minutes' drive time. The city benefits from excellent road, rail and air connections.

Dundee is a dynamic city with an exciting future driven by the development of Dundee Waterfront and a wave of investment that is transforming the economy, spearheaded by the V&A Dundee.

Since opening in September 2018 the V&A has attracted over 6,000 visitors per day helping to trigger a £187m tourism boost (a £16m increase from 2017).

The city is well known for its excellence in academia and research with two world class universities (The University of Dundee and the University of Abertay) and the University of St Andrews within a 45 minute drive.

It is recognised globally for teaching and research in areas as diverse as bio-technology and computing gaming. Dundee was named among the coolest places in the world to visit this year by National Geographic Traveller UK.

## SITUATION

The subjects occupy a prominent and easily accessed site fronting onto Marketgate (A991) and Brown Street. It is a 500m north-west of Dundee's main retail and leisure pitch and 900m from the train station.

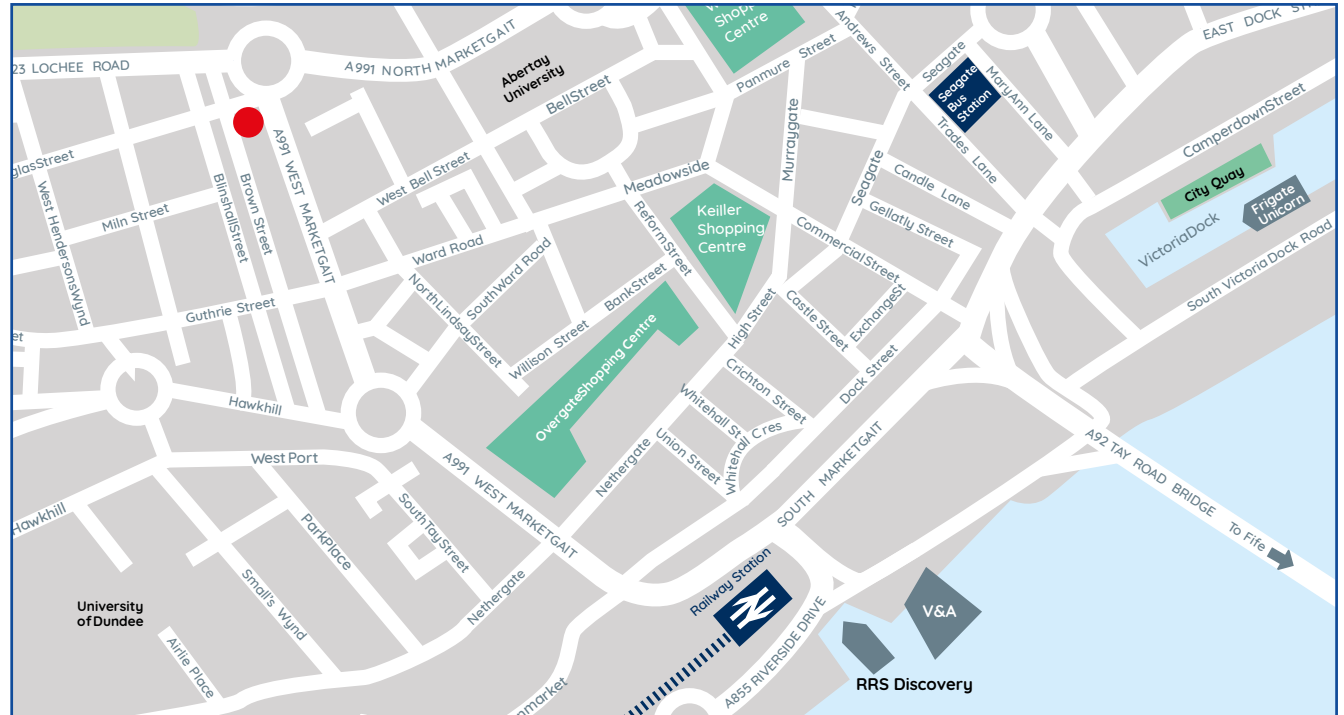
## DESCRIPTION

The property comprises a former jute mill that was acquired by SDA (Scottish Development Agency) and sub-divided to create a terrace of four flexible self-contained units benefiting from generous dedicated onsite parking.

The location and accommodation has proved attractive to a range of occupiers as evidenced by the current tenant line-up.

Units 1B, 2 and 3 benefit from both pedestrian and vehicular access. The site accommodates 40 parking spaces plus circulation space and extends to a total area of c.0.78 acres (0.316 ha).

The site offers strategic medium to long-term development potential with the Blackness area earmarked as a future focus for regeneration in the local development plan.



Indicative title plan







## ACCOMMODATION AND TENANCY

UNIT (Description)	AREA SQFT	EPC RATING	TENANT	LEASE START	RENT REVIEW	BREAK OPTION	EXPIRY	RENT PA (PSF)	COMMENTS
1A (Office)	3,200 + 4 parking spaces	C	Hyper Luminal Games Ltd	28/04/17	n/a	27/04/21 (tenant)	27/04/23	£23,000 (£7.19)	Original two year lease term recently extended.  Six months prior written notice required to exercise break option.
1B (Office/ Warehouse/ Showroom)	5,899 + 12 parking spaces	TBC	Total Business Furniture Ltd or related newco.	New lease from date of sale	n/a	Mutual break option two years post sale upon six months prior written notice.	Five year term	£24,000 (£4.07)	Sale and leaseback.
2 (Office/ Warehouse/ Showroom)	4,756 + 9 parking spaces	TBC	Abertay Plumbing, Heating & Gas Co. Ltd	01/07/2019	n/a	n/a	30/06/2024	£19,800 (£4.16)	Tenants have been in occupation for over 10 years.
3 (Veterinary Surgery)	4,715 + 15 parking spaces	E	Independent Vetcare Ltd	04/01/2019	04/02/24	04/02/24 (tenant)	03/02/29	£41,200 (£8.74)	Six months prior written notice required to exercise break option.  New veterinary surgery opened for business in May 2019. Fit-out c. £250k.
<b>TOTAL</b>	<b>18,570</b>							<b>£108,000</b>	

## SERVICE CHARGE

There is currently no formal service charge in place. Common maintenance and repairs are organised by the landlord with costs shared amongst the tenants in a fair and equitable manner in accordance with their lease obligations.



## COVENANT

Company	Creditsafe Rating	Net Worth	Comments
Hyper Luminal Games Ltd (www.hyperluminalgames.com)	96/100 indicating very low risk.	£37.24k (30.11.18)	Independent games developer based in Dundee. Recently shortlisted for Games Business of the Year Award in the Courier Business Awards 2019.
Total Business Furniture Ltd (www.tbfol.co.uk)	72/100 indicating very low risk.	£1.212M (31.10.18)	Specialist office/workspace designers and providers.
Abertay Plumbing Heating & Gas Co Ltd t/a Abertay Interiors (www.abertayinteriors.co.uk)	26/100 indicating high risk.	-£9.47k (31.03.18)	Specialist local bathroom suppliers and installers.
Independent Vetcare Ltd t/a Blackness Vets (www.blackness-vet.co.uk)	46/100 indicating moderate risk.	-£384.166M (30.09.18)	Blackness Vets is a long established RCVS accredited practice which has been based in central Dundee for over a century.  Independent Vet Care Ltd was established in 2011 and now consists of a network of over 900 practices throughout the UK (www.independentvetcare.co.uk)

## TENURE

Outright ownership interest (Scottish equivalent of English freehold).

## VAT

We understand the subjects are elected for VAT. It is anticipated that the transaction will be treated as a Transfer of a Going Concern (TOGC).

## PROPOSAL

We are instructed to seek offers over £1.1M exclusive of VAT. A purchase at this level would represent a net initial yield of 9.35% assuming normal purchaser's costs and LBTT of 5.75%. A purchase at this level would represent a capital rate of £59.24 per sqft.

## FURTHER INFORMATION

For further information or to arrange a viewing please contact the sole selling agent:

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