

# GALABANK BUSINESS & TRADE PARK PORTFOLIO

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INVESTMENT

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MULTI-LET OFFICE  
HQ OFFICE  
TRADE COUNTER

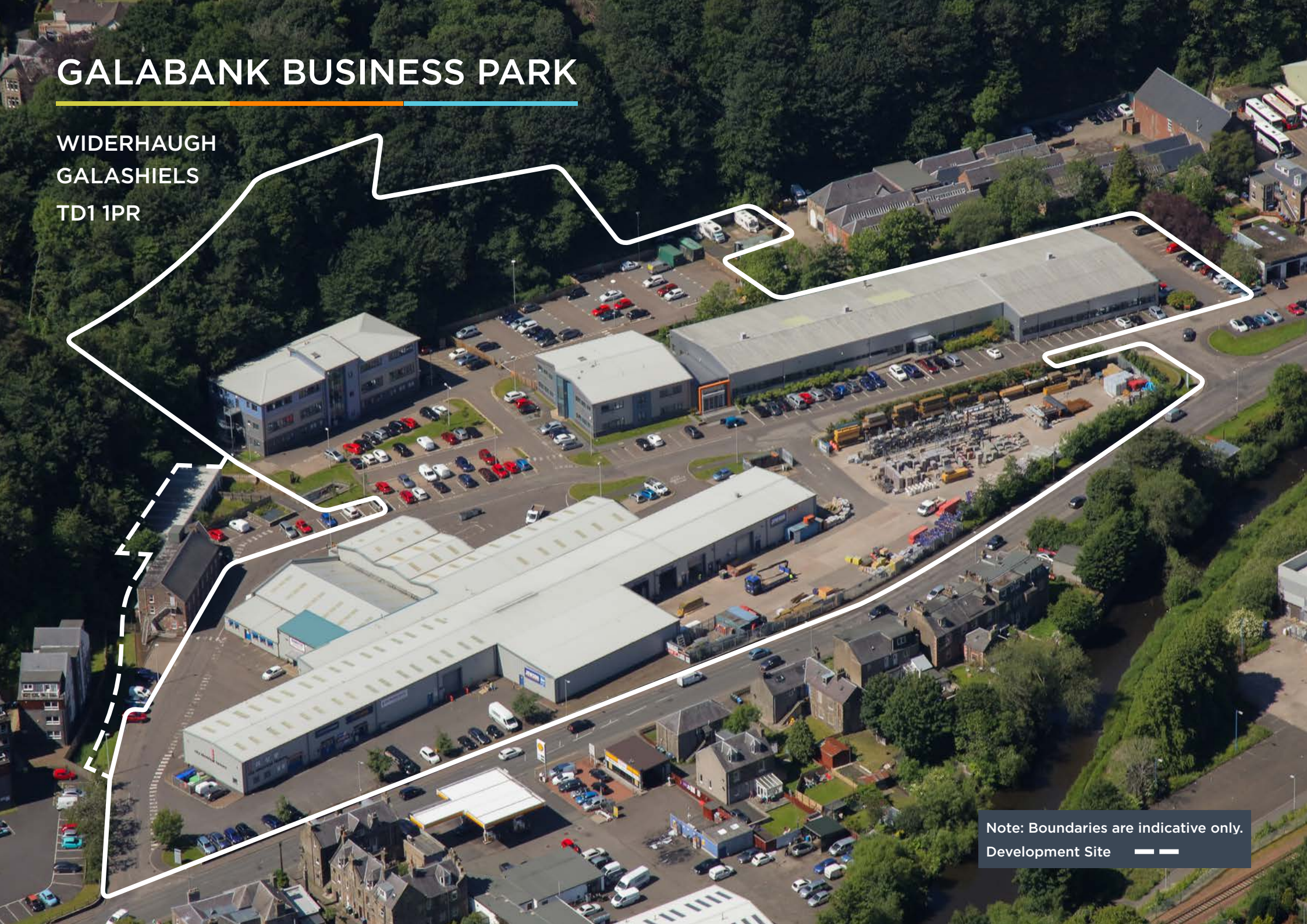
**Galbraith**





# GALABANK BUSINESS PARK

WIDERHAUGH  
GALASHIELS  
TD1 1PR



Note: Boundaries are indicative only.  
Development Site — —





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Development Site — —

Offers in excess of £8.73m exclusive reflecting a portfolio net initial yield of 9.57%. Available as a Business & Trade Park Portfolio or as 3 separate lots.

#### Lot 1: Enterprise House **MULTI- LET OFFICE**

- Open plan multi-let office building
- Extending to 14,974 sq ft with 39 car parking spaces (1:383 sq ft)
- Suites from 2,500 sq ft to 5,018 sq ft
- Strong and diverse tenant mix
- 1 vacant suite (vendor guarantee)
- WAULT of 2.78 to expiries (1.14 to breaks)
- Low passing rents
- Annual rent of £206,556 p.a. exclusive resulting in a low passing rent of only £13.79 per sq ft
- **Lot 1: Offers in excess of £1,300,000 exclusive, reflecting a net initial yield of 15.00% and a capital rate of £87 per sq ft**

#### Lot 2: Kyowa Kirin International **SINGLE LET HQ OFFICE**

- Recently extended single let HQ office building
- Significant high quality tenant fit-out
- Extending to 33,859 sq ft with 170 car parking space (1:200 sq ft)
- Let to global pharmaceutical company Kyowa Kirin International PLC until March 2027 providing an unexpired term of approximately 7.58 years
- Globally Kyowa Kirin has over 7,000 employees with an annual turnover of £2.58 billion and an operating profit of £431 million.
- Annual rent of £446,250 p.a. exclusive reflecting a low passing rent of only £13.16 per sq ft
- **Lot 2: Offers in excess of £4,653,000 exclusive, reflecting a net initial yield of 9.00% and a capital rate of £137 per sq ft**

#### Lot 3: Galabank Trade Park **MULTI-LET TRADE PARK**

- Modern multi-let trade counter with generous parking and yard space
- Situated in a prominent roadside location
- Total GIA of 43,088 sq ft
- 9 units, ranging in size from 3,621 sq ft to 16,820 sq ft
- Let to a variety of strong national tenants including Jewson, Dingbro, City Electrical Factors & City Plumbing Supplies
- WAULT of 8.09 to expiries (6.04 to breaks)
- Fully let with a total rent of £237,935 p.a. exclusive
- Rents range from £4.65 to £6.21 per sq ft
- **Offers in excess of £2,795,000 exclusive, reflecting a net initial yield of 8.00% and a capital rate of £65 per sq ft**
- Additional development site for trade counter use available through separate negotiation

# LOCATION - WIDERHAUGH GALASHIELS TD1 1PR

FURTHER AND HIGHER  
EDUCATION HUB IN THE  
BORDERS

THRIVING TOURISM WITH  
£6M CAPITAL PROJECTS  
COMMITTED

28 MILES SOUTH OF  
EDINBURGH

65.5% ECONOMICALLY  
ACTIVE POPULATION IN  
EMPLOYMENT (ABOVE THE  
UK AVERAGE)

42 MILES WEST OF BERWICK

MAIN COMMERCIAL  
CENTRE IN THE  
HEART OF THE SCOTTISH  
BORDERS

TOTAL POPULATION  
WITHIN THE GALASHIELS  
PRIMARY CATCHMENT  
AREA IS 33,592

THE TOWN BENEFITS  
FROM AN ANNUAL GOODS  
SPEND OF £221.5M

68 MILES NORTH OF  
NEWCASTLE UPON TYNE

NEW BORDER RAILWAY  
LINE DIRECT TO  
EDINBURGH (50 MINS)

24% OF HOUSEHOLDS  
WITHIN THE MOST  
AFFLUENT ACORN  
CATEGORY (ABOVE  
THE AVERAGE FOR BOTH  
SCOTLAND  
AND THE UK)



**GALABANK  
BUSINESS &  
TRADE PARK**



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# SITUATION

The assets are located in the heart of Galashiels to the north west of the town centre, and are accessed from the A72 (Wilderhaugh Street/Queen Street/King Street).

Along the A72 there is a combination of retail and trade outlets and roadside uses including drive thru restaurants, car showrooms and petrol filling stations. Nearby occupiers include B&Q, Matalan, Aldi, Currys, Carpetright, Sports Direct, TK Maxx and McDonalds.



Note: Boundaries are indicative only.  
Development Site — —



# LOT 1

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## ENTERPRISE HOUSE

GALABANK

BUSINESS & TRADE PARK  
PORTFOLIO





## SUMMARY

- High quality modern multi-let office building
- Extending to 14,974 sq ft 39 car parking spaces (1:383 sq ft)
- Flexible open plan floor plates provide suites from 2,500 sq ft to 5,018 sq ft
- Strong and diverse tenant mix including Qube, Kyowa Kirin & Momentum Skills
- 1 vacant suite (vendor guarantee)
- WAULT of 2.78 to expiries (1.14 to breaks)
- Low passing rents
- Annual rent of £206,556 p.a. exclusive resulting in a low average rent of only £13.64 per sq ft





## DESCRIPTION

The subjects are of modern steel frame and concrete construction with cladding wall system. Office accommodation is provided over ground and two upper floors, with first and second floors offering an open plan office layout and the ground floor being open plan split into two suites.

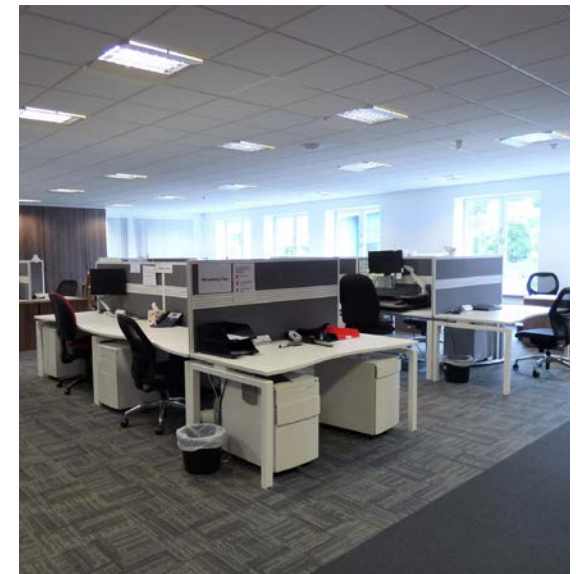
The property was constructed in 2007 and provides high quality floor plates, which are well suited to single or multi-occupancy. The office is set within an attractive landscaped environment with excellent car parking capacity.

Enterprise House provides a glazed central atrium core with lift and feature stair. WC facilities are provided on each floor. Office suites provide efficient grade B accommodation with raised access flooring for power and data, good natural light, wall mounted gas fired wet radiator system and suspended ceiling incorporating VDU lighting.

The property has an EPC rating of C.

## SERVICE CHARGE

The 2019/2020 service charge for Enterprise House runs at approximately £5.02 psf. Within this is approximately £3,600 (£0.24 psf) which is attributable to the common areas of the estate.





## TENANCY SCHEDULE

Enterprise House, Unit 12 Galabank Business Park (Multi-Let Office)

PROPERTY	TENANT	SIZE (SQ FT)	LEASE START	TENANT BREAK OPTION	RENT REVIEW	EXPIRY	TERM CERTAIN	TERM TO LEX	RENT (P.A.)	RENT (PSF)	COMMENTS
Ground Floor (East)	Vacant (12 month g'tee)	2,501	Guarantee				1.00	1.00	£33,764	£13.50	12 month vendor g'tee including vacant rates and SC cover to be deducted from the settlement price.
Ground Floor (West)	Momentum Scotland	2,503	23/08/2015		24/08/2018	22/08/2020	0.87	0.87	£33,898	£13.51	August 2019 TBO not actioned. Rent review not actioned.
First Floor	Kyowa Kirin International PLC	4,952	21/07/2017	15/10/2020	15/10/2020	14/10/2025	1.02	6.02	£67,669	£13.66	Fixed rent uplift at review on 15/10/2020, rent increases to £75,940 p.a. (£15.33 psf)
Second Floor	Qube (GB) Ltd	5,018	23/02/2011		23/03/2016	22/03/2021	1.45	2.34	£71,226	£13.87	Rent review not actioned.
TOTAL		14,974							£206,556		

WAULT Term Certain 1.14 years / WAULT to Expiry 2.78 years

\*In the event of a split asset sale 2 car parking spaces will be let to the owner of the neighboring Kowa Kirin HQ office on license until March 2027.

## COVENANTS

**Momentum Scotland** (SC127950) is a limited company with Scottish Charitable Status (SC004328). The company is an outreach programme in the Scottish Borders for adults who have sustained brain injuries. Momentum Skills operates across the UK from 16 locations. To 31 December 2017 the company showed a surplus of £439,946 and a balance sheet net position of £2.241m.

[www.momentumskills.org.uk](http://www.momentumskills.org.uk)

**Qube GB Ltd** (SC314249) is a technology focussed service provider for field engineering and managed services relating to the telecoms and ISP industries. The company was founded and is based in the Scottish Borders. To 31 January 2018 the company reported a turnover of £20.83m and a profit of £1.67m.

[www.qubegb.com](http://www.qubegb.com)

**Kyowa Kirin International PLC** (SC198780) is a rapidly growing speciality pharmaceutical company with a global reach. They are engaged in the development and commercialisation of prescription medicines in major western markets. Detailed financial information is provided in Lot 2 section of this brochure (Kyowa Kirin are a dominant tenant on the estate). The tenant is part of global organisation with Q1 2019 revenues in excess of GBP550m/ YEN75bn.

[www.international.kyowa-kirin.com/uk/](http://www.international.kyowa-kirin.com/uk/)



LOT 2  
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**KWOYA KIRIN HQ OFFICE**

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BUSINESS & TRADE PARK  
PORTFOLIO





## SUMMARY

- Recently extended single let HQ office building benefitting from a high level of tenant fit out
- Extending to 33,859 sq ft with 170 car parking spaces (1:200 sq ft)
- Let to Kyowa Kirin International PLC until 31 March 2027 providing an unexpired term of approximately 7.48 years
- Kyowa Kirin has over 7,000 employees with an annual turnover of £2.58 billion and an operating profit of £431 million
- The passing rent is £446,250 p.a. (Reflecting £13.18 per sq ft overall)







## DESCRIPTION

The subjects comprise 3 elements, a large original offices arranged over ground floor, a new build link building and feature entrance and a modern open plan two storey office.

The property is of steel framed construction with cladding system and generous fenestration. The main building benefits from a feature floor to ceiling height. The property provides a gas central heating and air handling with comfort cooling in part.

During 2018 the tenant embarked on a major refurbishment of their fit out to provide a modern refreshing office working environment.

The office is set within an attractive landscaped environment with an excellent car parking capacity of 170 spaces (1:200 sq ft).

The building contributes to the common areas of the estate via a service charge which runs at £23,700 p.a. (£0.24 psf) for the 2019/2020 year.







## TENANCY

The property is let to Kyowa Kirin International PLC on FRI terms from 27 January 2017 until 31 March 2027, there are no break options. The total passing rent is £446,250 per annum (reflecting a very low rate of £13.18 psf), inclusive of 172 car parking spaces. The rent is subject to 5 yearly upward only rent reviews, the next review being due 31 March 2022.



# KYOWA KIRIN

## COVENANT INFORMATION

Kyowa Kirin is a highly successful and rapidly growing speciality pharmaceutical company engaged in the development and commercialisation of innovative medicines for the treatment of unmet therapeutic needs.

The company specialises in the core field of oncology, nephrology, immunology/ allergy and the central nervous system. They develop leading-edge biotechnologies, focussing on the use of antibodies, to develop and discover new drugs, which Kyowa Kirin market worldwide.

More information can be found on their website: [www.international.kyowa-kirin.com](http://www.international.kyowa-kirin.com)

### Tenant: Kyowa Kirin International Plc (SC198780)

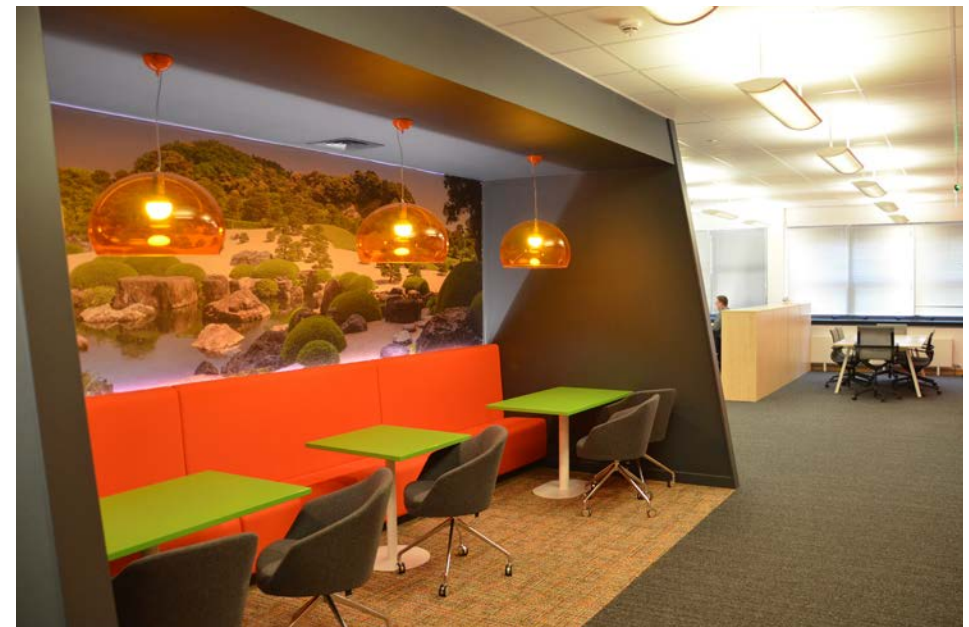
Year	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
Pre-tax Profit	£23,200,000	‑£61,900,000	£4,600,000	£3,900,000
Net Assets	£143,800,000	£120,600,000	£187,600,000	£184,000,000

We understand the loss showing in 2017 relates to a significant merger during this period and is reflected this way in accordance with international accounting practices.

## PARENT COMPANIES

The tenant, Kyowa Kirin International Plc (SC198780), is a subsidiary of a major pharmaceutical company Kyowa Hakko Kirin Co Ltd.

The parent company, Kyowa Hakko Kirin Co Ltd, is a Japanese pharmaceutical and biotechnology company under Kirin Holdings, and is among the 40 largest in the world by revenue. The company is headquartered in Tokyo and is a member of the Nikkei 225 stock index. The company has over 7,000 employees with an annual turnover of £2.58 billion and an operating profit of £431 million.





# LOT 3

## GALABANK TRADE PARK

GALABANK

BUSINESS & TRADE PARK  
PORTFOLIO





## SUMMARY

- Modern multi-let trade counter asset situated on a prominent roadside location
- Total GIA of 43,088 sq ft (4,002.97 sq m)
- The asset comprises 9 units, ranging in size from 3,621 sq ft to 16,820 sq ft
- Let to a variety of strong tenants including Jewson, Dingbro, City Electrical Factors & City Plumbing Supplies
- Total annual income of £237,935 p.a. exclusive
- Rents range from £4.65 to £6.21 per sq ft
- Heritable Interest
- Potential to purchase additional trade counter development site (subject to negotiation)



Note: Boundaries are indicative only.  
Development Site — —



DESCRIPTION

The subjects comprise a combination of new build and refurbished industrial units constructed from blockwork and steel frame of varying heights. The estate roofs and walls are finished in metal cladding systems, with each unit benefitting from at least one roller shutter door.

Formats vary but units generally provide a typical trade counter layout with many tenants having fitted additional mezzanine storage.

SERVICE CHARGE

The trade park is subject to a service charge of £10,318 p.a. (£0.24 psf). Under separate ownership there would be small additional service charge apportioned to the trade park tenants of approximately £4,000 p.a.

EPC

Energy Performance Certificates rating are as follows:

Units 1 - 4	D
Unit 5	E
Unit 6	F
Unit 7	E
Unit 8	F
Unit 9	D





TENANCY SCHEDULE

PROPERTY	TENANT	SIZE (SQ FT)	LEASE START	TENANT BREAK OPTION	RENT REVIEW	EXPIRY	TERM CERTAIN	TERM TO LEX	RENT (P.A.)	RENT (PSF)	COMMENTS
Units 1 - 9 Galabank Trade Park											
Units 1 - 4 (inlcuding large materials yard)	Jewson Ltd	16,820	15/10/2004	14/10/2024	15/10/2024	14/10/2029	5.02	10.02	£97,600	£5.80	Lease recently extended.
Unit 5	City Plumbing Supplies Ltd	7,645	17/01/2005		07/01/2015	16/01/2025	5.28	5.28	£44,275	£5.79	Rent review not actioned.
Unit 6	City Electrical Factors Ltd	2,242	03/02/2005			03/02/2020	0.32	0.32	£13,060	£5.83	Heads of terms issued for a new 10 year lease with TBO in year 5.
Unit 7	Dingbro Ltd	8,111	01/03/2013		01/03/2018	28/02/2033	13.40	13.40	£38,900	£4.80	Rent review not actioned. Schedule of condition attached to the lease. Additional rent reviews in March 2023 and 2028.
Unit 8	Rexel UK Ltd	4,649	15/07/2013	14/07/2018	14/07/2018	14/07/2023	3.76	3.76	£21,600	£4.65	Rent review not actioned. Schedule of condition attached to the lease.
Unit 9A & 9B	SBS (Cumbria) Ltd	3,621	01/07/2014			01/07/2024	4.73	4.73	£22,500	£6.21	Lease recently extended.
TOTAL		43,088							£237,935		

WAULT Term Certain 6.04 years / WAULT to Expiry 8.09 years





## COVENANTS

**SBS (Cumbria) Ltd** was founded in Heversham in 1994. The company currently has a factory producing conservatory roofs, 2 factories fabricating upvc windows & doors and a new factory making Warmcore Aluminium with 7 trade outlets throughout Cumbria and Southern Scotland. SBS are the area's leading stockists of upvc building products from a wide range of leading suppliers such as BCE/Kestrel, Freefoam, Floplast, Plastivan, Synseal, Soudal and Klover.

**City Electrical Factors Ltd** was founded in Coventry in 1951 and has grown at a sustained rate to operate from 400 branches throughout the UK. The business is now the largest electrical wholesale operator in the country.

**City Plumbing Supplies Ltd** is a market leader in the supply of pipeline, process, heating and mechanical services equipment trading from 300 branches across the UK. The business was purchased by Travis Perkins Plc in 2002, who operate from over 1,900 outlets and employ in excess of 27,000 people throughout the UK and Ireland.

**Dingbro Ltd** is a wholesale distributor of motor vehicle components, bodyshop supplies and paint plus truck & trailer parts. The business began trading in 1973 and have grown to become the largest independent motor factor in Scotland, with over 1,300 staff across 26 sites.

**Jewson Ltd** is one of the largest chains of general builders' merchants in the UK, selling to small and medium building contractors. The chain comprises around 600 branches all across the UK. Jewson was acquired by Saint Gobain in April 2000.

**Rexel UK Ltd** is an electrical distributor carrying a wide range of supplies from lighting and circuit board protection to electrical wiring, industrial control, safety and workwear. The business operates from 230 branches throughout the UK.



## OPPORTUNITIES

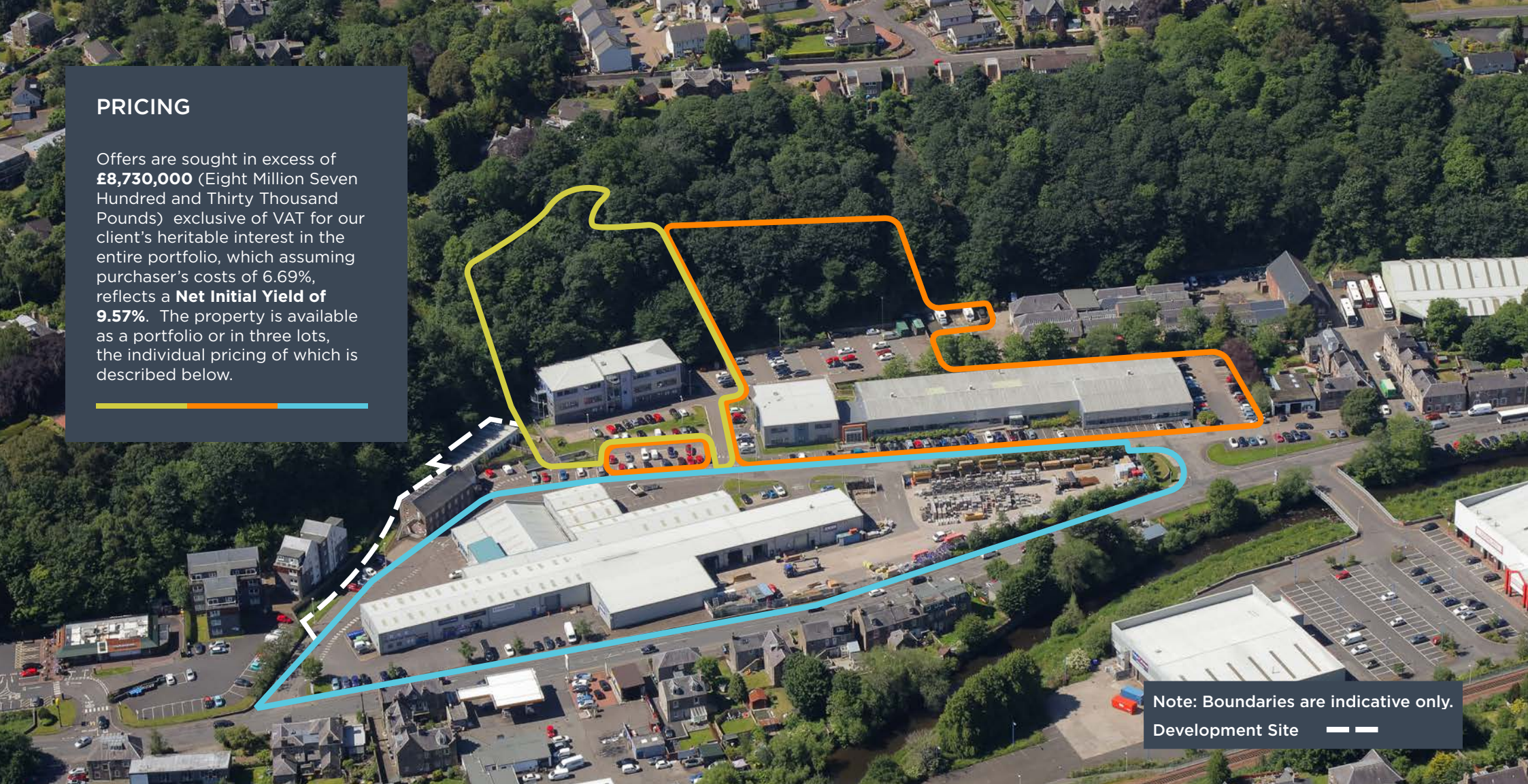
- Diverse heritable office and trade park portfolio
- Dominant portfolio
- Significant medium term asset management opportunities
- Combination of core and short term income
- Portfolio WAULT of 6.55 years and 5.62 years to breaks
- Large holding in very close proximity to the town centre
- Excellent tenant line up
- Core holding with minimal competing premises
- Opportunity to acquire an additional development site for trade counter expansion





## PRICING

Offers are sought in excess of **£8,730,000** (Eight Million Seven Hundred and Thirty Thousand Pounds) exclusive of VAT for our client's heritable interest in the entire portfolio, which assuming purchaser's costs of 6.69%, reflects a **Net Initial Yield of 9.57%**. The property is available as a portfolio or in three lots, the individual pricing of which is described below.



Note: Boundaries are indicative only.  
Development Site — —

### Lot 1: Enterprise House MULTI- LET OFFICE

- Annual rent of £206,556 p.a. exclusive resulting in a low passing rent of only £13.64 per sq ft
- **Lot 1: Offers in excess of £1,300,000 exclusive, reflecting a net initial yield of 15.00% and a capital rate of £87 per sq ft**

### Lot 2: Kyowa Kirin International SINGLE LET HQ OFFICE

- Let to Kyowa Kirin at an annual rent of £446,250 p.a. exclusive reflecting a low passing rent of only £13.18 per sq ft
- **Lot 2: Offers in excess of £4,653,000 exclusive, reflecting a net initial yield of 9.00% and a capital rate of £137 per sq ft**

### Lot 3: Galabank Trade Park MULTI-LET TRADE PARK

- Fully let with a total rent of £237,935 p.a. exclusive
- Rents range from £4.65 to £6.21 per sq ft
- **Offers in excess of £2,795,000 exclusive, reflecting a net initial yield of 8.00% and a capital rate of £65 per sq ft**
- Trade counter development site available through separate negotiation



## DATA-ROOM

Data-room access will be provided to seriously interested parties.

## TENURE

Heritable interest (Scottish equivalent of English Freehold).

In the event of multiple lot sales the title will be split and common area service charge provisions will be made where required, in accordance with good estate management.

## SERVICE CHARGE

The common estate service charge runs at £23,700 p.a. reflecting £0.24 psf. There is a separate service charge provision for Enterprise House. In the event of a split sale there would be a small separate service charge provision for the trade park.

## VAT

The exemption to VAT has been waved and accordingly VAT will be applicable, however, it is anticipated that any sale(s) will be treated by way of a Transfer of a Going Concern (TOGC).

## CAPITAL ALLOWANCES

No capital allowances are available in this instance.

## FURTHER INFORMATION

Interested parties are advised to note interest with the selling agents. Viewings are by appointment only. For additional information please contact:

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EH2 2JG

# GALABANK BUSINESS & TRADE PARK PORTFOLIO

## INVESTMENT

MULTI-LET OFFICE  
HQ OFFICE  
TRADE COUNTER

# Galbraith

The Agents for themselves and for the vendors or lessors of this property whose agents they are give notice that:

(i) the particulars are set out as a general outline only for the guidance of the intended purchasers or lessees and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, dimensions, reference to condition and necessary permissions for use and occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) no person in the employment of the Agents has any authority to make or give any representation or warranty whatever in relation to this property.

Galbraith is a trading name of CKD Galbraith LLP registered in Scotland number S0300208 with registered address 59 George Street, Edinburgh, EH2 2JG. Date of publication: October 2019.