



Citypoint²

25 TYNDRUM STREET, GLASGOW G4 0JY

INVESTMENT OPPORTUNITY



INVESTMENT SUMMARY

- An opportunity to acquire a prominent city centre office building with asset management potential.
- Net internal area of 38,836 sq.ft. arranged over ground and 4 upper floors on a self-contained site.
- Let to Aecom (not in occupation) and the recently renewed, Hardie Caldwell.
- Reversionary potential on letting vacant floor.
- Net passing rent of £500,222 p.a which reflects a low average rent of c. £18 psf.
- 44 car parking spaces.
- Heritable interest for sale (Scottish equivalent of English freehold).
- Superb location on northern edge of Glasgow city centre on a highly prominent site overlooking the M8, Scotland's busiest motorway.
- Offers invited in excess of £2,500,000 reflecting a low capital value per square foot of £64.

LOCATION

Glasgow is situated approximately 396 miles north of London and approximately 44 miles west of Scotland’s capital city, Edinburgh.

Glasgow is Scotland’s largest city with a core population of over 600,000 people (2016) and over 2.5 million people in the wider catchment area.

Glasgow acts as the economic powerhouse of the Scottish economy being the largest city, generating a gross value added of approximately £20bn per annum which represents 16% of Scotland’s total output.

It is the largest employment centre in Scotland with 13,000 firms having representation in the city and was ranked in the top 15 European Financial Centres according to the Global Financial Services Index 2018.

The city is the 3rd largest in the UK and the wider catchment accounts for 40% of Scotland’s population making it the 5th largest urban area in the UK.

Glasgow is a globally recognised education base and with more than

135,000 students from 135 countries currently studying in the city.

The city has 5 universities and 3 super colleges, It has one of the most highly skilled and flexible workforces in Europe, with 46% of the current working age population educated to degree level or above.

The city is home to an impressive list of blue chip companies and major global organisations including Barclays Wealth, Santander, HSBC, Morgan Stanley, Direct Line, The Student Loans Company, Ministry of Defence, O2, Atos, Tesco Bank, Dell and J.P Morgan.

ROAD

Four main motorways give Glasgow high speed road access to cities throughout the UK. The M8 motorway provides direct access into the city via six junctions located on the periphery of the CBD and lies at the heart of Scotland’s integrated motorway network, connecting directly to Edinburgh. It links with the M74 and the M73 motorways at Junction 4, offering access to Carlisle and Northern England. It also provides access to Stirling and Northern Scotland through its connection to the M80 / A80 at Junction 13.

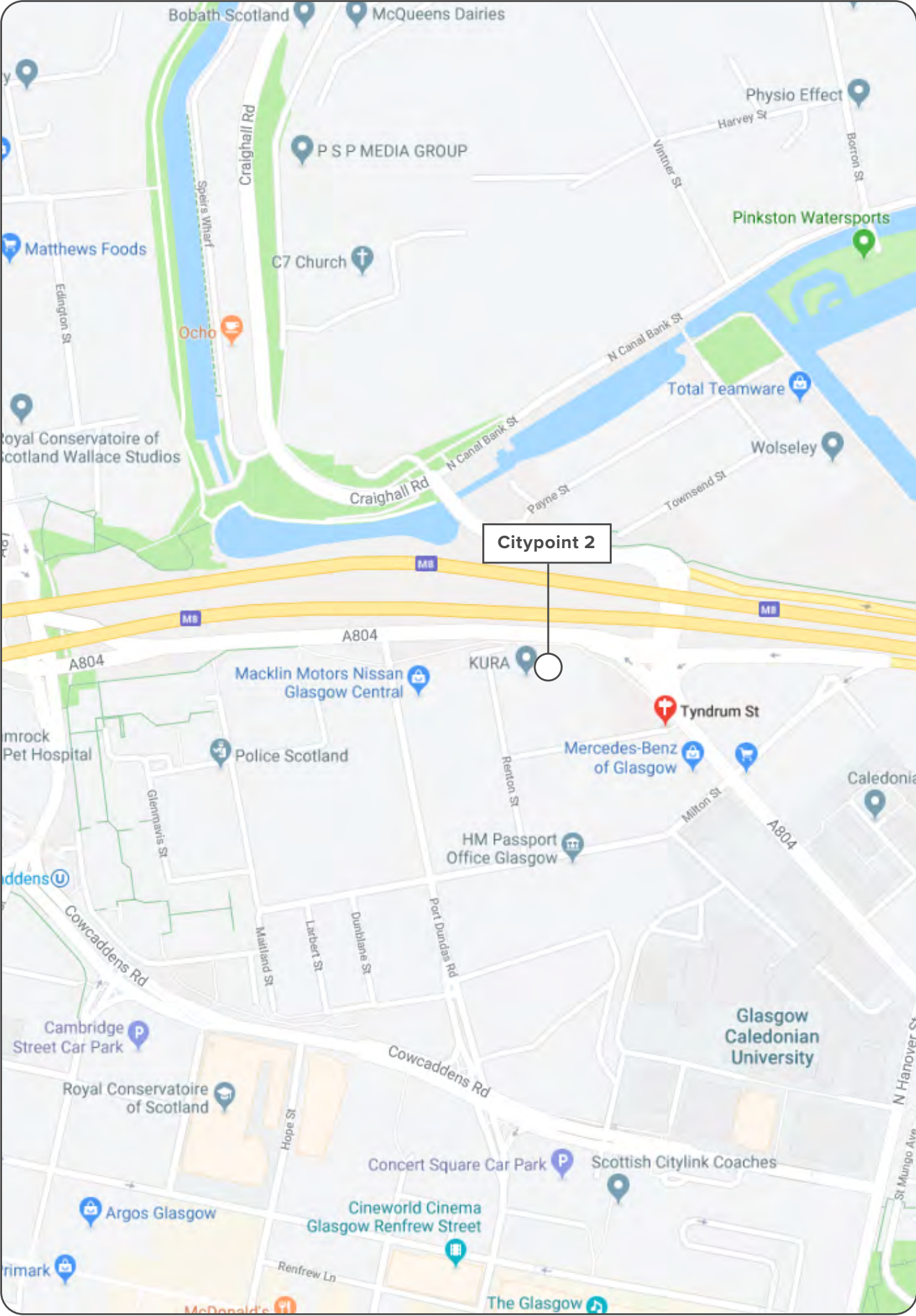
RAIL

Glasgow benefits from having two main railway stations; Glasgow Central Station and Glasgow Queen Street. These stations provide both local services and regular intercity transport to all major cities throughout the UK.

Glasgow is also served by a subway and a local rail system which links the city centre to the suburban areas, making it very accessible for commuters.

AIR

Glasgow benefits from having three international airports within 45 minutes of the city centre (Glasgow International, Prestwick and Edinburgh) linking Glasgow to all major UK, European and International destinations. Glasgow International, only 15 minutes’ drive from the city centre, is one of the busiest airports in the UK, serving 9.9 million passengers annually.



SITUATION

The building is prominently situated in the northern wedge of Glasgow city centre fronting Scotland's busiest motorway, the M8 at junction 19. The building is highly accessible by road and also by public transport. Cowcaddens Subway and Buchanan Street Bus station are approximately 5-7 minutes' walk away with the prime city centre amenities approximately 10-12 minutes' walk away.

In recent years the area has seen significant development across a broad range of sectors including, student residential, office, self-storage and car showrooms.

Major higher and further education campuses are nearby including Glasgow Caledonian University, Strathclyde University and the new 619,000 sq ft Glasgow College Campus.

On the opposite side of the M8 motorway lies the Sighthill Transformational Regeneration Area which is an extensive site where future regeneration plans are in place for new homes, student accommodation, new schools and pedestrian bridge over the M8.





- | | |
|----------------------------------|----------------------------------|
| 1. Nissan | 6. Glasgow Bus Station |
| 2. Kura | 7. Department of Work & Pensions |
| 3. Mercedes Benz | 8. Network Rail |
| 4. Glasgow Caledonian University | 9. Glasgow College |
| 5. BMW | 10. Strathclyde University |

DESCRIPTION

The property comprises a modern detached office building arranged over ground and 4 upper floors, constructed c. 2002 on a self-contained site with generous parking for over 40 cars.

The building is of steel frame construction with a mix of block, profile metal sheet and curtain wall glazing to the elevations. The large car park is a mixture of tarmac, pavers and grass infill.

The main entrance leads to an attractive double height atrium which accesses the main core of the building.

There is a central staircase accessing each floor, which has male and female WC facilities and disabled WC. The building has 2no. glazed passenger lifts each capable of accommodating 10 people. There are 2 additional stair cores used for emergency egress purposes.

The office suites are finished to a good standard, with raised access flooring, suspended ceilings, plastered and painted walls and carpet flooring. The building has excellent floor to ceiling heights and abundant levels of natural light. There are also two veranda areas accessed from the fourth floor.

A detailed description of the building and associated M&E is available by way of a vendors building survey which is included in the dataroom.

TENANCY

Floor	Tenant	Lease Start	Review	Lease Expiry	Annual Rent (£)
Ground	Hardie Caldwell	12/11/18	(TBO on this date) 11/11/23	11/11/2028	134,000
1	Aecom Infrastructure & Environment UK Ltd	26/09/06	N/A	25/09/21	154,074
2	Aecom Infrastructure & Environment UK Ltd	26/09/06	N/A	25/09/21	154,074
3	Aecom Infrastructure & Environment UK Ltd	26/09/11	N/A	25/09/21	154,074
4	Vacant				Nil Landlord Costs of £82,000 p.a.

ACCOMMODATION

Floor	Size (sq.ft)	Ratable Value (£)	Service Charge (£)
Ground	8,102	99,500	68,197*
First	8,284	96,000	68,989
Second	8,284	96,000	68,989
Third	8,284	96,000	68,989
Forth	5,882	72,000	49,157

***Subject to service charge cap resulting in a shortfall of £14,000.**
The unified business rate in Scotland for the financial year 20/21 is 49.8 pence per pound.
For properties with a rateable value in excess of £51,000 there is supplemental charge of 1.3 pence per Pound and for those with a rateable value in excess of £95,000 a supplement of 2.6 pence per Pound.

GALLERY











OFFICE OCCUPATIONAL MARKET



Glasgow’s office market continues to perform strongly with limited new development and the loss of stock through conversions and demolitions pulling vacancies down to near historic lows.

Forward commitments and pre-lets have fuelled a jump in construction starts. However, tightening vacancies and the limited amount of speculative space underway means large corporates with forthcoming lease events are restricted to just a handful of schemes.

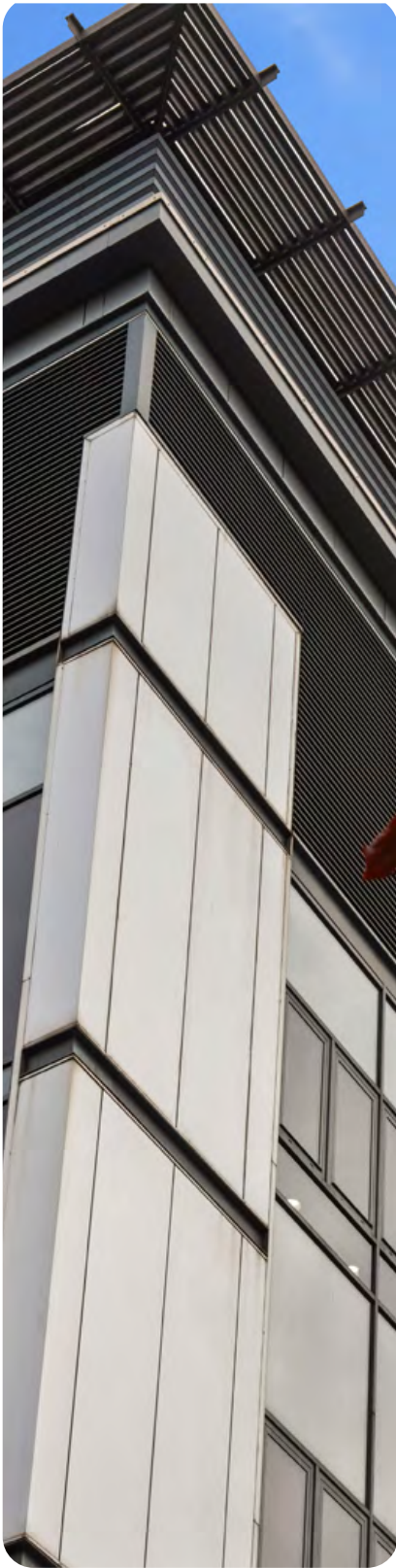
Glasgow’s increasingly dynamic economy, relative affordability and significant infrastructure projects have resulted in a string of landmark office deals in recent quarters, with construction activity following suit. Financial firms have driven a significant amount of recent demand. Barclays and JP Morgan are gearing up for major office moves over the next few years and have ramped up recruitment ahead of this, leasing nearly 80,000 sq.ft. in 2019. As well as the corporates demand has been fuelled by the growth of service office firms Spaces and Orega, who occupied over 70,000 sq.ft. in the latter half of 2018 with WeWork also rumoured to be under offer in the city.

Glasgow’s enduring appeal to a broad range of occupiers can be seen through recent lettings to ARM (27,000 SF at St Vincent Plaza), Hilton (42,000 SF at 191 West

George Street) and Gamma Telecom (16,000 SF at 2 West Regent Street) which are all welcome expansions. This narrative along with a known pipeline of 800,000 sq.ft. in occupier requirements, suggests a depth of tenant demand.

Rents in the City show a peak of £32.50 with Clydesdale Bank’s pre-let of 111,000 SF at 177 Bothwell Street while HP’s letting of 10,000 SF at 191 West George Street set a new benchmark for refurbished space at £31 psf in the latter half of 2018.

INVESTMENT MARKET



Glasgow’s strong fundamentals and relative discounted yields has helped the capital flow into the market, 2018 was a record year for transactions with over £650m trading, demonstrating the city’s attractiveness to investors.

The currency movements since 2016 have appealed to overseas buyers in particular, one of the largest deals of 2019 was the acquisition of 110 St Vincent Street £48.4 million and Roebuck Asset Management’s purchase of Equinox for £30.5 million both of which involved overseas investors.

European investors have been active too acquiring 200 Broomielaw for £15.6 million and French asset manager Corum’s purchase of 2 Atlantic Quay for £22.3 million.

Notable Asset Management backed purchases in recent quarters also demonstrate confidence in the market into next year and beyond with deals such as 124 St Vincent Street and The Eagle Building acquired by Shelborn Asset Management and Commercial Estates Group respectively.



PROPOSAL



Proposal

OFFERS INVITED IN EXCESS OF £2,500,000 REFLECTING A LOW CAPITAL VALUE PER SQUARE FOOT OF £64.

Tenure

The property is held by way of Heritable interest (Scottish equivalent of English freehold).

VAT

The property has been elected for VAT.

EPC

The current EPC rating for the property is D and his is valid until September 2029. EPC Certificates are available on request.

Dataroom

A dedicated data room is available. Access details will be made available on request to named parties.

The dataroom includes vendor building survey and associated due diligence, which has identified that the existing external wall system should be stripped back to the primary structure and a new built up external wall system installed in line with current regulations to remedy fire safety and thermal deficiencies.

Contact



NICKY FINNIESTON

Director, Investment

DD: +44 (0) 2890 501 554
nfinnieston@lisney.com

STEPHEN CHAMBERS

Associate Director, Investment

DD: +44 (0) 2890 501 550
schambers@lisney.com



lisney.com

IMPORTANT NOTICE: The agent, their clients and any future agents give notice that: 1. They are not authorised to make or give any representations or warranties in relation to the property either here or elsewhere, either on their own behalf or on behalf of their client or otherwise. They assume no responsibility for any statement that may be made in these particulars. These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact. 2. Any areas, measurements or distances are approximate. The text, photographs and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the property has all necessary planning, building regulation or other consents and the agents have not tested any services, equipment or facilities. Purchasers must satisfy themselves by inspection or otherwise.

The affairs, business and property of Presbyterian Mutual Society Limited are being managed by Paula Watson and John Hansen as Joint Supervisors. Paula Watson and John Hansen are both licensed Insolvency practitioners and are licensed by Chartered Accountants Ireland. The Joint Supervisors act as agents of the Presbyterian Mutual Society Limited without personal liability.