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PRIME HERITABLE INVESTMENT

116 SAUCHIEHALL STREET
GLASGOW G2 3DH

smithprice RRG
RETAIL & LEISURE





- **INVESTMENT SUMMARY**

- Prime corner location in **Sauchiehall Street**
- Let to **Kokoro UK Ltd**
- Lease until **2039**
- Unbroken lease term until **2034**
- Rebased rent from **2019**
- Income **£62,500 per annum**
- Offers in the region of **£845,000**
- Net Initial yield **7.0%**

GLASGOW

Glasgow is the largest city in Scotland with a population in the order 626,000 and greater urban population close to 1.2 million. It is a major commercial, industrial and financial centre and benefits from significant numbers of visitors, conference delegates and tourists. It was European City of Culture in 1990 and hosted the Commonwealth Games 2014 and European Championships in 2018.

It is the second largest UK shopping destination (behind central London) and in the top 20 in Europe. Traditional shopping streets are complimented by St Enoch, Princes Square and Buchanan Galleries shopping centres.

Glasgow lies 49 miles to the west of Edinburgh, 97 miles north of Carlisle, 147 miles south-west of Aberdeen and 409 miles from London.

The city benefits from excellent communications. The M8 passes right through the city centre and links with Edinburgh and to the wider national motorway network via the M74 to Carlisle and the south, A80/M80 to Stirling and the north and M77/A77 to Prestwick.

The city has the second largest integrated suburban rail network in the UK and an extensive underground metro. Glasgow Central and Queen Street railway stations serve the suburbs and surrounding area with frequent services to Edinburgh with a journey time of 50 mins and London with a fastest journey time of 4hrs 30 mins. Glasgow International Airport is just 8 miles from the city centre and provides services to around 120 national and international destinations. Prestwick Airport is about 30 miles to the south-west and Edinburgh International Airport 34 miles to the east.

LOCATION

Sauchiehall Street is one of the three principal shopping streets in Glasgow and together with Buchanan Street and Argyle Street forms the shopping Z. The east end of the street is anchored by the Buchanan Galleries shopping centre which includes John Lewis. The street is pedestrianised and home to major retailers including Primark, Marks & Spencer and TK Maxx.

The subject property is located near the middle of the street in the busy pedestrianised section between Marks & Spencer, Primark, Boots, TK Maxx and WH Smith to the west and Buchanan Galleries to the east. It is on the north side at the junction with Hope Street.

The premises occupy the Sauchiehall Street/Hope Street corner within the recognised leisure circuit and with unrestricted access for the evening trade. It is opposite Savers, close to Savoy Shopping Market, McDonalds, Waterstones, Forbidden Planet, Superdrug and the Co-op.

BRIEF DESCRIPTION

The accommodation is arranged over ground, basement and first floors within a typical city centre block having four upper floors. The property was built in around 1845 and is grade B listed.

The corner location provides excellent prominence including an extensive return frontage and good natural light for the seating areas at ground and first floors. The premises have the benefit of a Class 1 and Class 3 consent and are occupied by Kokoro as a restaurant with takeaway service.

The ground floor provides counter service for takeaway and customer seating facilities whilst the first floor provides further customer seating and WC facilities. The basement is used for storage.

Following refurbishment - including complete basement tanking - the accommodation has been comprehensively fitted in the tenant's corporate style.



DIMENSIONS

The property has the following approximate dimensions and net internal areas:

116 Sauchiehall Street Glasgow		
Gross Frontage	20' 00"	6.10 m
Net Frontage	18' 10"	5.74 m
Return Frontage	49' 10"	15.19 m
Shop Depth	54' 00"	16.46 m
Ground Floor Sales	907 sq. ft.	84.30 m ²
First Floor Sales and Staff	728 sq. ft.	67.60 m ²
Basement Storage	661sq.ft.	61.40 m ²
ITZA	819 units	

EPC

Certificate and Report are available on request



TENURE

The property is held on a heritable interest (Scottish freehold).

LETTINGS

The property is let to Kokoro UK Ltd. on a full repairing and insuring basis for a term of 20 years from 19th August 2019 and expiring on 19th August 2039 at a rent of £62,500 per annum exclusive. There is a tenant break in the lease on 19th August 2034 for which the tenant must give 6 months notice.

There is an **unbroken term of around 14 years**.

In consideration for the long unbroken term the tenant received a short rent free period and reduced rent until November 2021. The vendor will top-up any remaining rent shortfall.

COMMENT ON RENT

We devalue the passing rent of £62,500 per annum to a zone A rate of £73.10 per sq. ft. The property was let on the open market in 2019.

Historically, zone A Sauchiehall Street rents had been as high as £150 per sq. ft. They stabilised at levels up to £100 per sq. ft. about 4/5 years ago and have now reached the point where future growth might reasonably be expected.

TENANT COVENANT

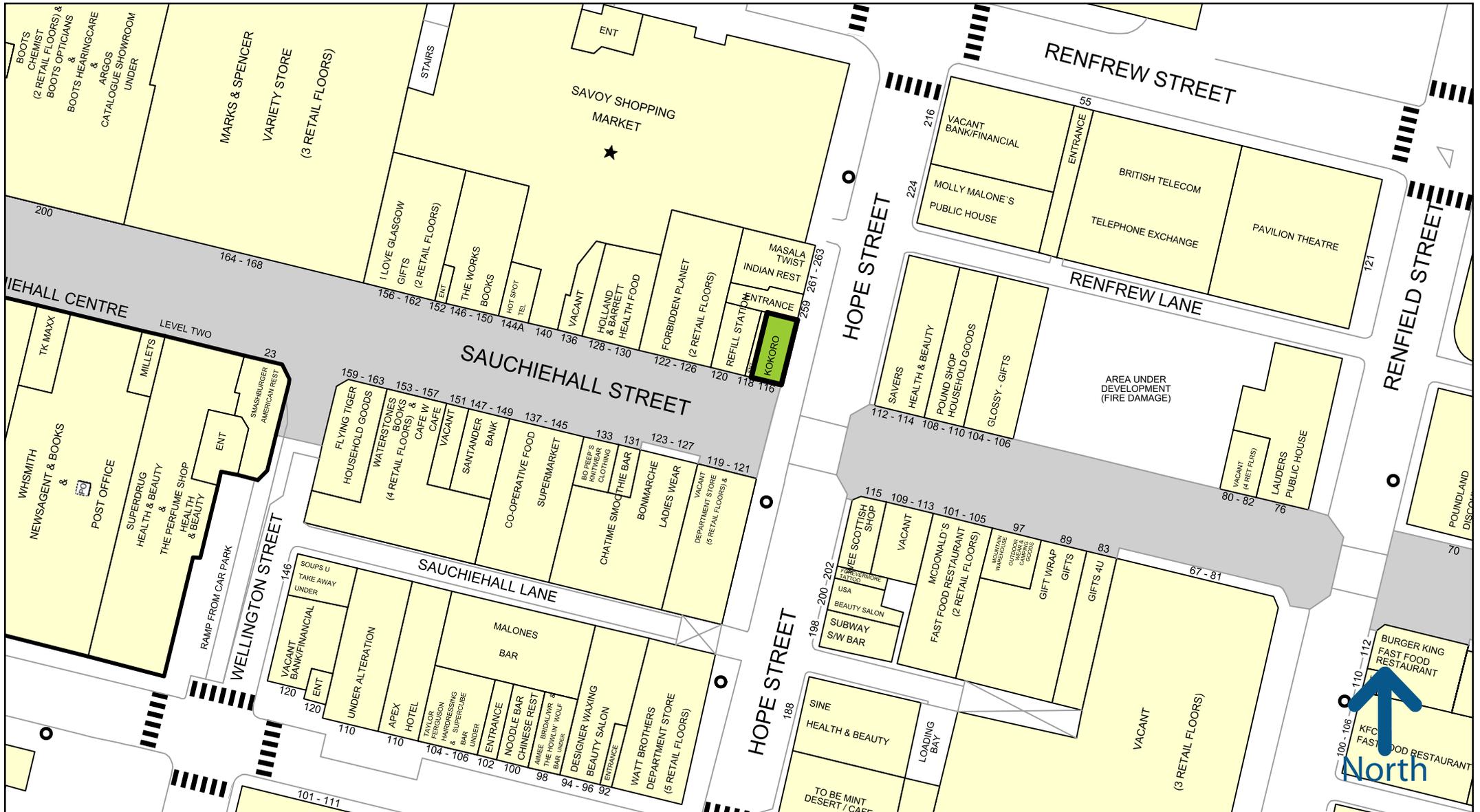
Kokoro UK Ltd (07729027) was established around 10 years ago in Kingston Upon Thames as a Korean/Japanese takeaway specialising in sushi and soups. Their carefully prepared food has become increasingly popular and the company now has about 30 branches in major cities and affluent towns throughout the country. The Sauchiehall Street branch is their first in Scotland.

The branch has been very popular since opening and has managed to operate a takeaway service when this has been permitted under Covid lockdown regulations. The Hope Street corner location has certainly helped in this respect.

The company is owned and run by the original founders – Rak Kyu Park and Eun Gyu Ko who have grown the business in a conservative and sustainable way. For the year ended 31st August 2019 the company had shareholder funds of £2.31 million.

D&B rate the company **2A2** (23.07.2020) with an Overall Business Risk of **Low/Moderate**, Cash Flow risk of **Low** and Payment risk of **Low**.





50 metres

Experian Goad Plan Created: 22/07/2020
Created By: Whitelaw Baikie Figes



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PROPOSAL

For the heritable interest subject to the lettings, we seek offers in the region of **£845,000** subject to contract to show a net initial yield of **7.0%** allowing for costs at 5.62%.

This is an opportunity to purchase a prime retail/Class 3 investment in a prominent city centre location securely let to a popular and successful operator with an unbroken lease term of around 14 years.

The property is registered for VAT and a sale is expected to be by TOGC.

FURTHER INFORMATION

For further information please contact:

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To comply with Money Laundering Regulations we are legally required to undertake due diligence on prospective purchasers to include proof of identity, address and funding. Applicable documentation will therefore be required.

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