

## PRIME CITY CENTRE FINANCIAL INVESTMENT

- > LET ENTIRELY TO VIRGIN MONEY PLC
- > UNDOUBTED 5A1 COVENANT
- > **PASSING RENT OF £190,000 PAX**
- > LEASE TO FEBRUARY 2029 (TENANT  
BREAK 2024)
- > **TAKE OUR VIDEO TOUR**
- > CATEGORY A LISTED BUILDING -  
EXTENSIVELY REFURBISHED IN 2014
- > **OFFERS OVER £2,250,000 (7.94% NIY)**



# FOR SALE



**2-4 ROYAL EXCHANGE SQUARE & 143-145 QUEEN STREET, GLASGOW, G1 3BJ**

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## INVESTMENT CHARACTERISTICS

- **Glasgow City Centre 'Flagship' Virgin Money Store**
- **Let To Virgin Money Plc until 2029 (subject to tenant only break in 2024)**
- **Unique opportunity to acquire a prime City Centre and iconic building**
- **Fantastic location within close proximity to Buchanan Street & George Square**
- **Passing Rent of £190,000 Pax**
- **Would suit a variety of alternative uses at Lease Expiry**

## LOCATION:

Glasgow is Scotland's largest city and the third largest city in the UK. Glasgow acts as the administrative and economic capital of the west coast of Scotland located on the shores of the River Clyde. In November 2021, Glasgow will host the 26<sup>th</sup> UN Climate Change Conference (COP26).

Glasgow's economy, attracts representation from the worlds leading financial and professional services firms with Barclays, JP Morgan, HSBC, Clydesdale KPMG, Grant Thornton, Deloitte and Ernst and Young all residents within the city. On the back of this major representation, amongst others, Glasgow's economy generates around £20bn per annum.

Glasgow has two main rail stations; Glasgow Central Station and Glasgow Queen Street. Additionally, Glasgow Benefits from a local rail system which connects the city with the surrounding suburbs. Glasgow's International Airport is a 15 minute drive from the city centre.

The subjects occupy a prominent corner position on the west side of Queen Street and the north side of Royal Exchange Square within Glasgow City Centre.

Queen Street forms one of the main shopping streets within Glasgow city centre and runs parallel to Buchanan Street to the east and adjacent to Argyle Street to the south and George Square to the north.

Royal Exchange Square consists of a pedestrianised link between both Buchanan Street and Queen Street and is well represented by a mix of retail, café and licensed leisure operators. Upper floors generally comprise a mix of office, leisure and residential uses.

The subjects benefit from excellent connectivity with Central and Queen Street Stations both located within a short 5 minute walk, Buchanan Bus Station and the city's subway system are all located close by.

Queen Street itself has benefited from a number of high profile office redevelopment schemes over the last few years to include the landmark 'Connections' building at 110 Queen Street developed by BAM which comprises circa 80,000sqft of prime 'Grade A' office accommodation. This was shortly followed by the refurbishment of 100 Queen Street which offers circa 55,000sqft of 'Grade A' office accommodation. These developments now house a number of national and international occupiers to include Brodies LLP, Edrington, WSP, Grant Thornton and Deloitte.

Neighbouring retail occupiers within the nearby vicinity include, Costa Coffee, Pret a Manger, Greggs, RS McColl, Sainsbury's and Lululemon amongst others.

## DESCRIPTION:

The subjects comprise a substantial and prominent corner positioned building offering extensive frontage to Royal Exchange Square and Queen Street. The category 'Grade A' listed building is of traditional masonry construction and planned over ground, basement and 3 upper floor levels. The building was extensively refurbished both externally and internally prior to Virgin Money taking occupation in 2014.

At present, the subjects are fully occupied by Virgin Money Plc. Accordingly, the subjects are configured to provide a main banking hall at ground floor, with the first and second floors serving as additional meeting space and bespoke lounging facilities. Third and basement levels are primarily utilised for storage purposes. A modern Kone passenger lift serves ground and upper floor

The subjects benefit from a high quality and bespoke fit out synonymous with the corporate branding and style of Virgin Money Plc 'money stores'. The subjects offer high quality and flexible accommodation that would satisfy the majority of modern occupier requirements.

## ACCOMMODATION:

The accommodation comprises as follows:

ACCOMMODATION	SqM	SqFt
<b>Basement</b>	<b>135.13</b>	<b>1,454</b>
<b>Ground Floor</b>	<b>139.5</b>	<b>1,501</b>
<b>First Floor</b>	<b>142.86</b>	<b>1,537</b>
<b>Second Floor</b>	<b>153.29</b>	<b>1,650</b>
<b>Third Floor</b>	<b>174.67</b>	<b>1,880</b>
<b>TOTAL</b>	<b>745.45</b>	<b>8,024</b>

The above measurements have been taken on site and in accordance with the RICS Code of Measuring Practice 6<sup>th</sup> edition on a net internal area (NIA) basis. Additionally, we calculate the approximate Gross Internal Floor Area (GIA) to be 1,059 Sqm (11,398 SqFt).

Gross Internal Area Sizes indicative only.



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### RATEABLE VALUE:

The subjects are currently entered into the Valuation Roll at: NAV/RV £123,000

### TENANCY INFORMATION:

The subjects are occupied in their entirety to Virgin Money PLC on the following terms;

Tenant	Virgin Money PLC
Repairing Obligation	Full Repairing and Insuring (subject to a Schedule of Condition).
Date Of Entry	17th February 2014
Term	15 years from the date of entry
Break Option	Upon the 10th anniversary of the date of entry (Feb 2024) subject to providing 6 months prior written notice
Rent Review	Upwards only to open market on the 5th and 10th anniversary of the date of entry
Rent	£190,000 PA

\*NOTE: Rental concessions have been agreed with the tenant in return for undertaking significant landlords works. For the period from 17<sup>th</sup> February 2021 to 16<sup>th</sup> February 2022, a rental reduction of £105,898.33 has been granted. Accordingly, the net rent for this period is £84,106.67. The landlord will agree to "Top Up" the rent upon agreement of sale.

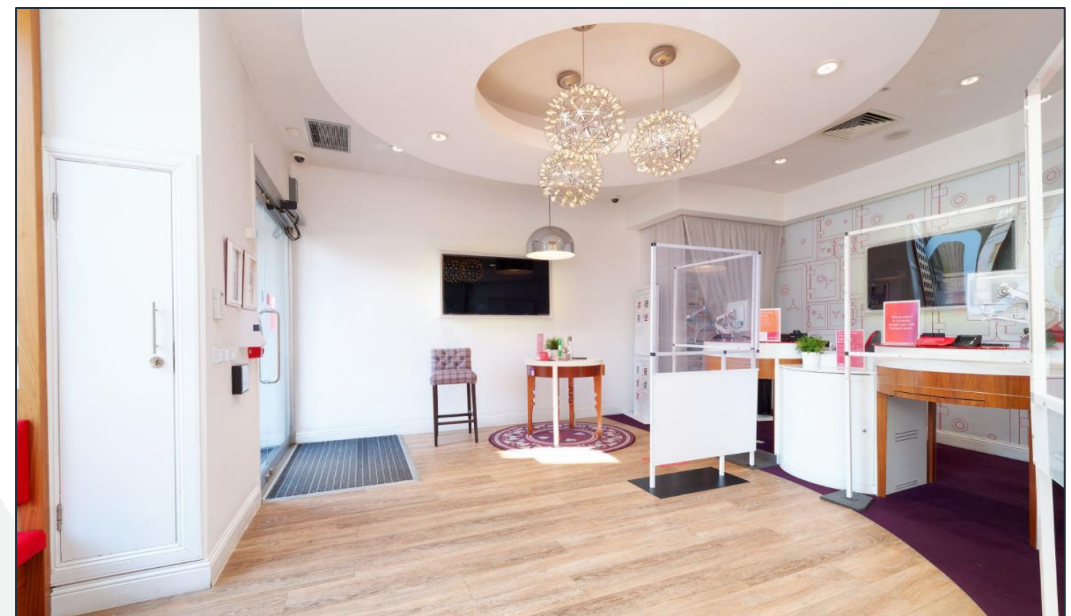
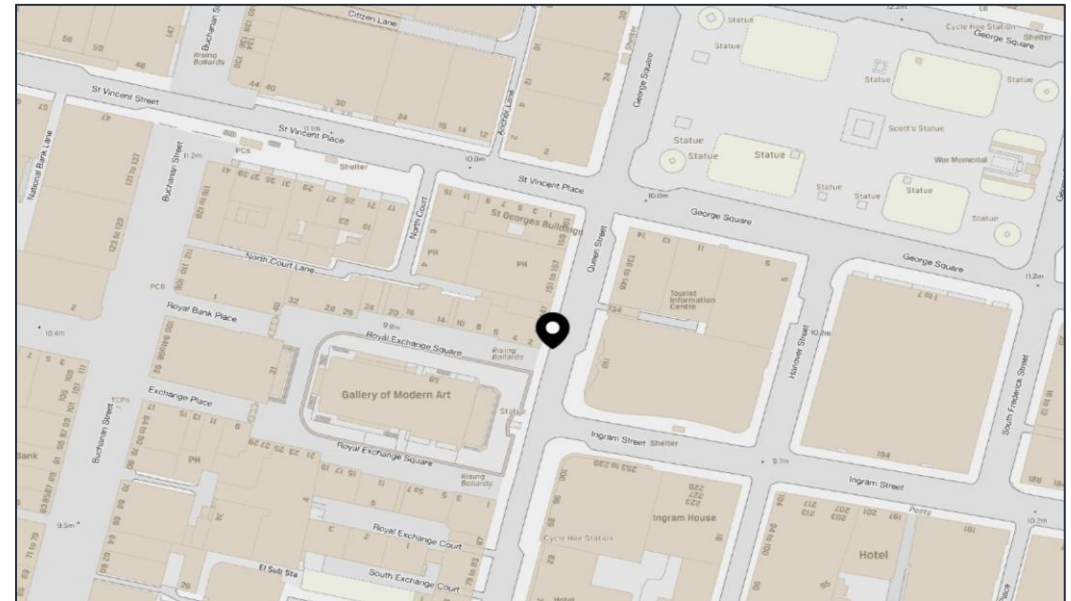
### TENANT COVENANT:

Virgin Money PLC merged with Clydesdale and Yorkshire Banking Group (CYBG) in 2019 which resulted in a combined total of 233 branches throughout the UK. In 2020 Virgin Money PLC reported profits of £141.00 Million Pounds, the tenant has an undoubted 5A1 Covenant

Virgin have recently demonstrated their wider commitment to the city through their recent agreement to sign a long term lease on their new Head Office at HFD Group's, 177 Bothwell Street development. Furthermore, Virgin recently announced that they are to open a new Virgin Hotel in 2022 on Clyde Street, a short distance to the south of the Virgin Money store and overlooking the River Clyde.

### ENERGY PERFORMANCE CERTIFICATE:

An EPC (Section 63) has been prepared and a copy can be made available to interested parties upon request.







## TENURE

The property is held by way of Heritable Title, Scottish equivalent of English Free Hold.

## PROPOSAL

We are instructed to seek offers in excess of £2,250,000 for our client's heritable interest subject to contract and exclusive of VAT. A purchase at this level would show a Net Initial Yield of 7.94% after allowing for purchaser's costs.

Based on the Total Gross Internal Floor Area of 1,059 SqM (11,395 SqFt) a purchase at this level reflects an overall capital rate of £2,126 SqM (£197.45 SqFt).

## LEGAL COSTS

Please note that each party will be responsible for their own legal costs relative to the sale.

## DATA ROOM

Legal documentation, and other information to include the Section 63 EPC Certificate and Recommendation Report are held within a Data Room. Access will be provided to seriously interested parties upon written request to the sole selling agents.

## VAT

The property has been elected for VAT and therefore VAT will be applicable on the purchase price, however, it is anticipated that the sale will be treated by way of a Transfer of a Going Concern (TOGC).

## ANTI MONEY LAUNDERING REGULATIONS

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 came into force on the 26th June 2017. This now requires us to conduct due diligence not only on our client but also on any purchasers or occupiers. Once an offer has been accepted, the prospective purchaser(s)/occupier(s) will need to provide, as a minimum, proof of identity and residence and proof of funds for the purchase, before the transaction can proceed



**For further information or viewing arrangements please contact the sole agents:**

**Shepherd Chartered Surveyors: 31 Byres Road, Glasgow, G11 5RD**

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