



INGLISHOWIE
PROPERTY CONSULTANTS

WOLFCRAIG BUILDING

5/15 DUMBARTON ROAD, STIRLING FK8 2LQ



**REVISED INCOME
PROFILE
& PRICING**
JUNE
2011

Government Let Investment with Minimum Uplifts

INVESTMENT SUMMARY

- City Centre Property adjacent to Thistles Shopping Centre
- 1,558.2 sq m (16,773 sq ft)
- FRI lease to Stirling Council until February 2022
- Initial Rental of £351,868 pa
- Minimum uplift of 2.5% pa compound in 2012 & 2017
- Heritable Interest
- Offers Over £3.8m
- NIY of 8.75% increasing to a minimum of 9.9%



LOCATION

The city of Stirling is situated in the heart of Scotland approximately 28 miles from Glasgow and 37 miles from Edinburgh. It has a population of over 200,000 however its central position means there are around 2.8 million people living within one hour drive time.

Stirling is served by an excellent communications network. It is located close to J10 of the M9 providing links to the motorway network and there are direct rail services to all major cities throughout the country.

With a growing population and strong local economy, Stirling is one of the country's key cities. It is the administrative centre for Stirling Council and Stirling University has just been awarded Scottish university of the year.

The city is a thriving tourism and retail centre; key retail anchors include Marks & Spencer, Debenhams and BHS and around 2.5 million tourists are attracted to the area every year.

The subjects occupy a prominent city centre corner position on the south side of Dumbarton Road at its junction with Port Street, immediately adjacent to the principal retailing thoroughfares and the Thistle Shopping Centre.

DESCRIPTION

The Grade C listed property comprises two inter-connecting buildings over ground and four upper floors. Part of the ground floor is currently used by a licensed restaurant operator, however could also be used for retail or office purposes (subject to planning).

The building is of traditional stone and brick construction with timber windows and a mix of slate and bitumen covered roofs. The upper parts are accessed via a security entrance system from Dumbarton Road.

Internally the office space has been finished to a good standard with carpet tiled floors, a mix of partitioned and open plan office areas benefiting from suspended ceilings, fluorescent strip lighting and central heating radiators. Each of the upper floors is served by both male and female toilets and the ground to third floors have lift access.

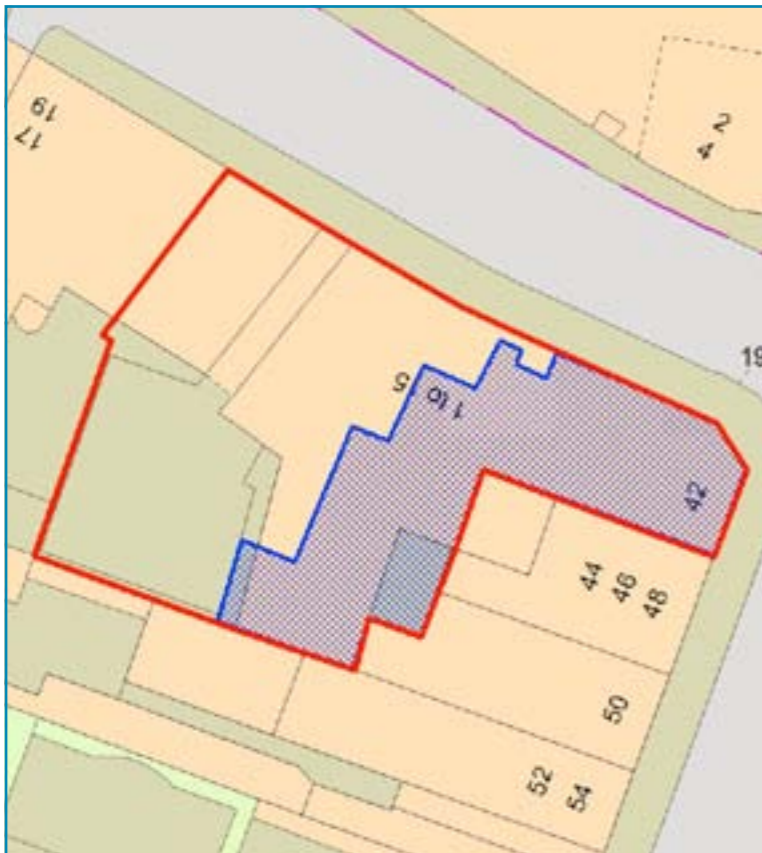


ACCOMMODATION

In accordance with the RICS code of measuring practice (6th Edition), the property extends to the following approximate net internal area;

| Floor | sq m | sq ft |
|--------------|----------------|---------------|
| Ground | 242.1 | 2,606 |
| First | 406.5 | 4,376 |
| Second | 388.2 | 4,179 |
| Third | 372.0 | 4,004 |
| Fourth | 149.4 | 1,608 |
| Total | 1,558.2 | 16,773 |

There is an enclosed area at the rear of the property, accessed from Dumbarton Road, providing private parking for up to 9 cars.



Indicative Title Plan

TENANCY DETAILS

The property is let in its entirety to The Stirling Council on an FRI lease expiring 14 February 2022. There are further rent reviews in 2012 and 2017 which allow for upward only reviews to the higher of MRV or 2.5% pa compound.

The review mechanism will take the annual rental on 15 February 2012 to a minimum of £351,868 pa and the rent from the date of purchase will be topped up to this level by the vendor. As of 15 February 2017, the rent increases further to a minimum of £398,106 pa.

The tenant also currently pays a fit out rent of £47,600 pa until 27 December 2015 however this will be retained by the vendor.

USE

The building is currently used for Class 3 and 4 of the Use Classes Order 1997. The permitted use under the lease is Classes 1, 2, 3 or 4 subject to satisfying planning conditions etc.

TENURE

The Heritable (Freehold) Interest is being sold however it should be noted that the subjects of sale exclude part of the ground floor hatched blue on the indicative title plan.

ASSET MANAGEMENT OPPORTUNITIES

Notwithstanding the fact there is a lease in place with the Council until 2022, asset management opportunities exist.

In April 2011, Stirling Council announced that the various departments within Wolfcraig would be vacating on a phased basis, with the office accommodation due to be unoccupied by August 2011. The building lends itself to a number of alternative uses and the Council's decision to vacate the building provides a clearer position to consider surrender and redevelopment opportunities.

The opportunity to acquire the Heritable Interest of the adjoining ground floor unit remains.

PROPOSAL

Based on the income profile being offered, offers in excess of £3,800,000 are sought for the Heritable Interest.

This would provide a very attractive Net Initial Yield of 8.75%, increasing to a minimum of 9.9% in February 2017, after deduction of standard purchaser's costs of 5.8%.

VAT

The property has been registered for VAT, however it is anticipated that a sale could be affected by way of a Transfer of a Going Concern.



MISDESCRIPTIONS

Inglis Howie for themselves and the vendor of this property, whose agents they are, give notice that: i) these particulars are set out as a general outline only for the guidance of intending purchasers, and do not constitute or form part of any offer or contract; ii) all descriptions, areas, references to condition, and all other details are given without responsibility, and any intending purchaser should not rely on these particulars as statements or representations of fact, and must satisfy themselves as to the correctness of each of them; iii) no person in the employment of Inglis Howie has any authority to give representation or warranty whatsoever in relation to this property; iv) unless otherwise stated, all prices, rents, and premiums are quoted exclusive of Value Added Tax at the then current rate.

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