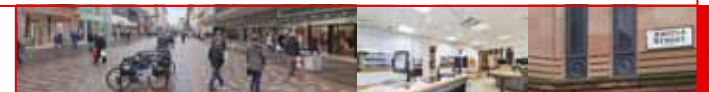




**9/11 Argyle Street Glasgow**

Well secured, feuhold retail investment





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### Executive summary

- Well located retail investment situated in the heart of Glasgow city centre, directly opposite M&S
- Pedestrianised section of Argyle Street
- Feuhold tenure
- Let to undoubted covenant of Everything Everywhere Limited on full repairing and insuring terms at a passing rent of £167,500 per annum (£164.54 per sq ft Zone A)
- 5¾ years unexpired lease term
- Offers in the region of £2,350,000, exclusive of VAT, reflecting a net initial yield of 6.75% after purchaser's costs of 5.8%

### Location

Glasgow, the commercial and industrial capital of Scotland, is located approximately 48 miles west of Edinburgh, the nearest major city.

The city is considered to be one of the leading retailing centres outside of London's West End and is one of only eight retail centres categorised by PMA as a Major City on the basis of the volume and quality of its city centre retail provision.

City centre retail floorspace in Glasgow is estimated at 2.9 million sq ft. The city is therefore one of the largest retail centres in the UK and ranks above all other major cities on the basis of its retail offer (Source: PMA).

The total population within the Glasgow primary catchment area is in excess of 1.8 million, with the estimated shopping population of the city just over 840,000. On this basis, Glasgow is ranked city 1 of the PROMIS centres (Source: PMA). The city is also a major tourist centre with over 600,000 visitors annually.

### Situation

The property is situated in an excellent trading location on the south side of the pedestrianised section of Argyle Street, being opposite M&S, and within the immediate vicinity of multiple retailers including River Island, TK Maxx, WH Smiths, Next, Topshop and Superdrug.

Argyle Street forms a significant part of Glasgow's city centre retailing provision, along with Buchanan Street. The recent refurbishment of the St Enoch shopping centre has increased the pedestrian footfall along Argyle Street. Tenants in the St Enoch centre include Hamleys (its first UK store outside of London), Debenhams, BHS and Boots.

The adjoining block at 13-29 Argyle Street is held by AXA Real Estate Investment Managers. The block is due to be demolished and redeveloped to provide a new 36,000 sq ft flagship store. Work is due to commence on site in January 2012.

50-54 Argyle Street, owned by Salmon and NFU Mutual, is being promoted as a new retail, public house and hotel development with adjoining owner Punch Taverns. The scheme is at the initial planning stage and it is anticipated that a full planning application will be submitted Q2 2012.

Both of these developments will undoubtedly improve the micro retailing pitch along this part of Argyle Street and have a positive effect on rental values. Top Zone A rents along Argyle Street are currently estimated to be between £165 - £180 per sq ft.

### Description

The property, constructed in circa 1985, comprises a retail unit, arranged over ground, first and second floors. The ground floor provides well configured sales accommodation to the front, with staff / storage accommodation to the rear. The first and second floors are utilised as further staff / storage accommodation.

### Accommodation

We understand that the following net internal floor areas were agreed between landlord and tenant at the last rent review in 2007:-

| Floor        | Sq m   | Sq ft |
|--------------|--------|-------|
| Ground       | 104.61 | 1,126 |
| ITZA         | 94.20  | 1,014 |
| First floor  | 105.07 | 1,131 |
| Second floor | 101.36 | 1,091 |
| TOTAL        | 311.04 | 3,348 |

### Tenure

The property is held feuhold.

### Tenancy

The entire property is let to Everything Everywhere Limited for a term of 25 years from 18th September 1992, expiring on 17th September 2017 (i.e. 5¾ years unexpired). The lease contains full repairing and insuring covenants.

The current rent passing amounts to £167,500 per annum exclusive (£164.54 per sq ft Zone A). The rent is subject to upwards only reviews in every fifth year of the term, with the next review due in September 2012.

### Covenant

|                                  | Year ending<br>31 Dec 2010 (000's) | Year ending<br>31 Dec 2009 (000's) | Year ending<br>31 Dec 2008 (000's) |
|----------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Sales Turnover                   | 5,298,000                          | 3,020,381                          | 3,221,052                          |
| Profit / (Loss) Before Taxes     | (72,000)                           | (116,765)                          | (700,467)                          |
| Tangible Net Worth               | 262,000                            | (38,692)                           | (91,685)                           |
| Net Current Assets/(Liabilities) | (1,454,000)                        | (202,310)                          | (398,512)                          |

Everything Everywhere Limited is a mobile network operator and internet service provider, with its company headquarters based in London. It is the largest mobile network operator in the UK, with around 28 million customers.

The company is a 50:50 joint venture between Deutsche Telekom and France Télécom and was formed through the merger of their respective T-Mobile (UK) and Orange UK businesses.

Everything Everwhere Limited has a Dun and Bradstreet rating of 5A1. Trading figures for the last 3 years are summarised in the table above.

### VAT

The property is elected for VAT. We understand that the purchase may be enacted by way of a Transfer of a Going Concern (TOGC).

### Legal costs

Each party will be responsible for their own legal costs incurred in connection with the transaction. The purchaser will be responsible for Stamp Duty, registration dues and any VAT incurred therein.



