FOR SALE
PRIME RETAIL INVESTMENT IN EDINBURGH CITY CENTRE
OFFERS OVER £575,000 (7.48% NET INITIAL YIELD)

45-47
SHANDWICK PLACE
EH2 4RG
Executive Summary:

- Rare opportunity to acquire prime retail unit in the heart of Edinburgh city centre
- Situated on the main arterial routes from the west to Edinburgh city centre
- Let to Amplifon Limited
- Total passing rent of £45,000 per annum (£51.84/sq ft Zone A)
- Strong reversionary potential
- Neighbouring rental comparables recently agreed at in excess of £59/sqft Zone A, showing genuine rental growth prospects

- We are instructed to seek offers in excess of £575,000 (FIVE HUNDRED AND SEVENTY-FIVE THOUSAND POUNDS STERLING) exclusive of VAT. A purchase at this level would reflect an attractive Net Initial Yield of 7.48% assuming purchaser’s costs of 4.60%
Location:

Edinburgh is the capital city of Scotland, located approximately 400 miles north of London and 45 miles east of Glasgow. It is one of the six cities categorised by PMA as a major city and, consequently, benefits from a significant catchment population.

The city has a population of 486,000 people and a regional population of over 1.6 million. It attracts a significant number of tourists from the UK, with an average 2.28 million trips to the City, in addition to the 1.24 million trips from overseas visitors. This added influx provides a boost to the local economy of approximately £1 billion (Source: Scottish Tourist Board).

Road communications are excellent with the M90 located to the north, the M8 and M9 to the west and the A1 trunk road to the south which provide links to all major cities in the UK. The city is well served by the rail network, with direct and frequent services to London (Euston and Kings Cross) and Glasgow with fastest journey times of approximately 4 hour 50 minutes and 51 minutes respectively. Edinburgh also benefits from one of Britain’s fastest growing airports, providing both domestic and international flights.

Edinburgh has a strong educational heritage, boasting four universities providing an education hub for over 100,000 students. This in part accounts for Edinburgh’s workforce being one of the most highly educated in the UK with 44% holding a degree or professional level qualification.
**Situation:**

Shandwick Place forms a continuation of Princes Street, at Edinburgh’s west end and is one of the main thoroughfares to and from the city centre. The street is a popular retail and leisure pitch and benefits from its close proximity to the Exchange Office District and the more traditional West End district with excellent transport links. In addition, the primary shopping destinations of Princes Street and George Street are within a short walking distance.

The surrounding area has seen significant improvement since the opening of the tram line in recent years. Since the opening of the street and the installation of tram stop/line the street has flourished with a number of new lettings of various uses and a number of tenants signing lease extensions.

Shandwick Place has more recently adjusted itself to reflect the location, i.e. convenience, take away, casual dining and general retail. It is now a vibrant pitch benefitting from a variety of different uses, with a number of new leases and lease extensions including Starbucks, ASK Restaurants, Sainsbury’s, Pret a Manger, Savers, Ryman, Specsavers, Holland and Barrett and Optical Express.
Description:
The subject property comprises a basement, ground, first and second floor retail unit contained within a four-storey, mid-terraced traditional stone building held under a pitched and slated roof. The ground floor is utilised as a sales area fitted out in the corporate style of Amplifon whilst the basement and upper floors of the subject property are utilised for staff and store rooms together with WC facilities.

Edinburgh Retail Market:

Edinburgh is one of the strongest retailing centres in the UK and being the Capital City, dominates its catchment, generating an estimated £2.56bn of instore comparison retail expenditure. This is further enhanced by tourist expenditure which is estimated at over £1bn annually, equating to an average spend of £334 per visitor.

Retail in Edinburgh City Centre is generally focused around Princes Street and George Street where prime rents are £230/sq ft Zone A and £190/sq ft Zone A respectively. New entrants to the city centre include streets include Miller & Carter, Chisholm Hunter, Kiko, H Samuel, Smiggle, Cau, Five Guys and Sports Direct, and, as a result there are almost no vacant retail units.

Since the tram became operational in 2014 general trading conditions and retailer certainty on Shandwick Place have improved considerably. As a consequence, retailer demand has increased and there are now very few available units on the street, and, as a result, recent rents achieved have been in excess of £90.00/sq ft Zone A.
Accommodation:

We have been provided with the following areas of the subject property which have been measured in accordance with the RICS Code of Measuring Practice 2007 (Sixth Edition):

<table>
<thead>
<tr>
<th>Floor</th>
<th>Size (sq m)</th>
<th>Size (sq ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground</td>
<td>126.16</td>
<td>1,358</td>
</tr>
<tr>
<td>First</td>
<td>57.32</td>
<td>617</td>
</tr>
<tr>
<td>Second</td>
<td>41.99</td>
<td>452</td>
</tr>
<tr>
<td>Total NIA</td>
<td>225.47</td>
<td>2,427</td>
</tr>
<tr>
<td>Total Reduced Area</td>
<td>80.64</td>
<td>868</td>
</tr>
</tbody>
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Tenancy:

The subject property is let to Amplifon Limited on Full Repairing & Insuring terms, subject to a photographic schedule of condition, from 24 September 2010 until 23 September 2020 at a passing rent of £45,000 per annum (£51.84/sq ft Zone A), paid monthly in advance.

Estimated Rental Value (ERV):

Shuropody at 17 Shandwick Place have recently agreed a 10 year extension at a rate of £59.52/sq ft Zone A, demonstrating fantastic rental growth prospects.

This latest piece of rental evidence highlights the fantastic reversion potential this property offers and based on a Zone A rate of £59/sqft we are of the opinion that the ERV for 45-47 Shandwick Place is £51,212 per annum.

Company Information:

Amplifon Limited were founded in the 1940’s and since that point and with the advancements in technology they are widely regarded as the premier providers of hearing aid equipment across the globe.

Amplifon are continually at the forefront of technical innovation and customer care, in 1971 Amplifon established the Centre for Research and Studies (CRS). The Centre is a not-for-profit foundation to support scientific and clinical research programmes into hearing loss. To this day, the Centre provides services to ENT (Ear, Nose & Throat) specialists, GPs, paediatricians, neurologists and hearing aid specialists worldwide

As at 2018, Amplifon has more than 5,700 specialist centres in over 20 countries around the world staffed with highly qualified professionals. Accounts posted for the financial year ending 31 December 2016 show a turnover of £31million and total current assets of £10.3million.
**Tenure:**
The properties are held on heritable title (Scottish equivalent to English freehold).

**EPC:**
We are advised that the Energy Performance Ratings of the property is C.

**Proposal:**
We are instructed to seek offers in excess of £575,000 (FIVE HUNDRED AND SEVENTY-FIVE THOUSAND POUNDS STERLING) exclusive of VAT.

A purchase at this level would reflect an attractive Net Initial Yield of 7.48% assuming purchaser’s costs of 4.60%.

**VAT:**
Our clients have elected to waive exemption for VAT and accordingly VAT will be payable on the purchase price, although we anticipate the sale will be dealt with by way of a Transfer of Going Concern (TOGC).

**Legal Costs:**
Each party will be responsible for their own legal costs incurred in connection with the transaction.

**Viewing & Further Information:**
Please contact the joint selling agents:

**Sheridan Property Consultants**
Sheridan Property Consultants
37 ONE,
37 George Street
Edinburgh
EH2 2HN

Tel. 0131 300 0296
Stewart: 07740 940898
e-mail: stewart@sheridanproperty.co.uk
Cathal: 07808 627224
e-mail: cathal@sheridanproperty.co.uk
Graeme: 07523 512804
e-mail: graeme@sheridanproperty.co.uk

**Caledonia Management Ltd**
Caledonia Management Ltd
Crown House
152 West Regent Street
Glasgow
G2 2RQ

0141 353 1417
Colin Steele: 07795 906359
e-mail: colin.steele@caledoniaml.co.uk

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