

A high yielding, prestigious office investment opportunity with residential conversion potential

Located in Glasgow's vibrant Merchant City.

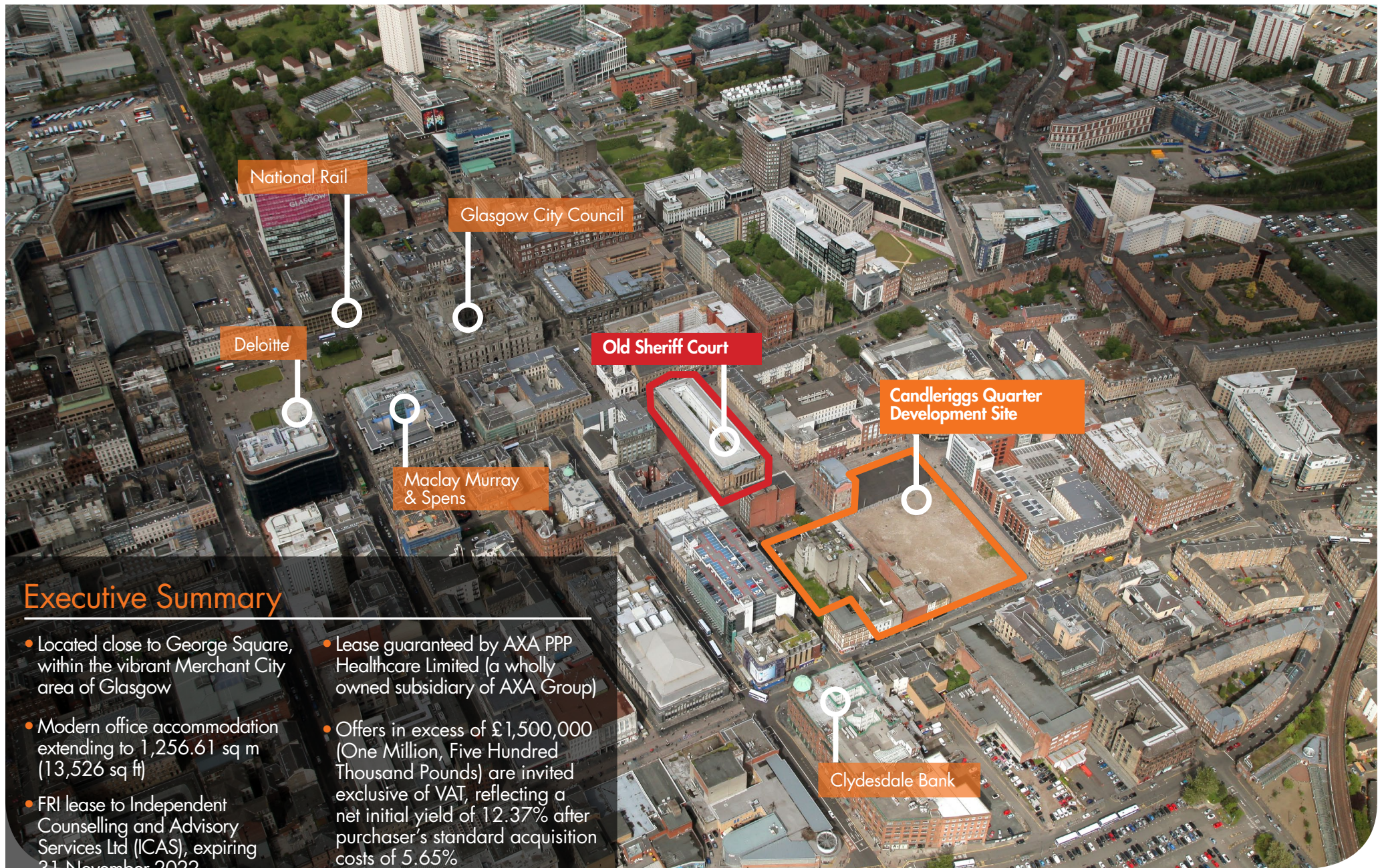


Old Sheriff Court

70 HUTCHESON STREET / MERCHANT CITY / GLASGOW / G1 1SH

CBRE

**Griffin
Webster**
PROPERTY CONSULTANTS



Executive Summary

- Located close to George Square, within the vibrant Merchant City area of Glasgow
- Modern office accommodation extending to 1,256.61 sq m (13,526 sq ft)
- FRI lease to Independent Counselling and Advisory Services Ltd (ICAS), expiring 31 November 2022
- Passing rent of £196,000 per annum (£14.49 per sq ft)
- Lease guaranteed by AXA PPP Healthcare Limited (a wholly owned subsidiary of AXA Group)
- Offers in excess of £1,500,000 (One Million, Five Hundred Thousand Pounds) are invited exclusive of VAT, reflecting a net initial yield of 12.37% after purchaser's standard acquisition costs of 5.65%
- A purchase at this level reflects a low capital value of £110 psf

Old Sheriff Court

70 HUTCHESON STREET / MERCHANT CITY / GLASGOW / G1 1SH

Location

The property is located in the Merchant City area of Glasgow, around 250 metres south-east of George Square, which is recognised as the heart of the city centre. The property is only an 8 minute walk from Glasgow Central train station and a 4 minute walk from Glasgow Queen Street station. The city two main shopping centres - Buchanan Galleries and St Enoch are located within a 6 minute walk.

The Merchant City is a mixed use area with residential, office, leisure and retail properties present. It is a popular, trendy residential location of the city and there are a number of bars and restaurants serving local residents and city centre workers. Immediately opposite the property, the 3 acre Candleriggs Quarter site is about to be developed by Mace and Mercer Real Estate, to form a hotel, bars, restaurants, student housing and residential apartments.

Background

The Sheriff Court was a major justice building designed by architects Clarke and Bell, with the earliest parts of the building constructed between 1842 and 1844. It is arranged over four levels and the entire building was redeveloped in 2005 by Persimmon Homes to create 62 residential apartments, retail, leisure and office accommodation. They also developed a base for the Scottish Youth Theatre. The project involved the retention of the envelope of the Old Sheriff Court's B-listed, exterior walls and the construction of a modern, mixed-use space, around an open-air central courtyard, spanned by an elevated walkway.

The shell offices were bought by our client (Henderson Property Corporation Limited), who had pre-let it to ICAS Ltd and spent £700,000 to create bespoke office and healthcare facilities. During that process ICAS was bought by AXA PPP Healthcare giving them a total of four offices in the UK. In 2012 AXA closed two of the other regional branches and spent over £100,000 on the subject premises, relocating more staff into the building.

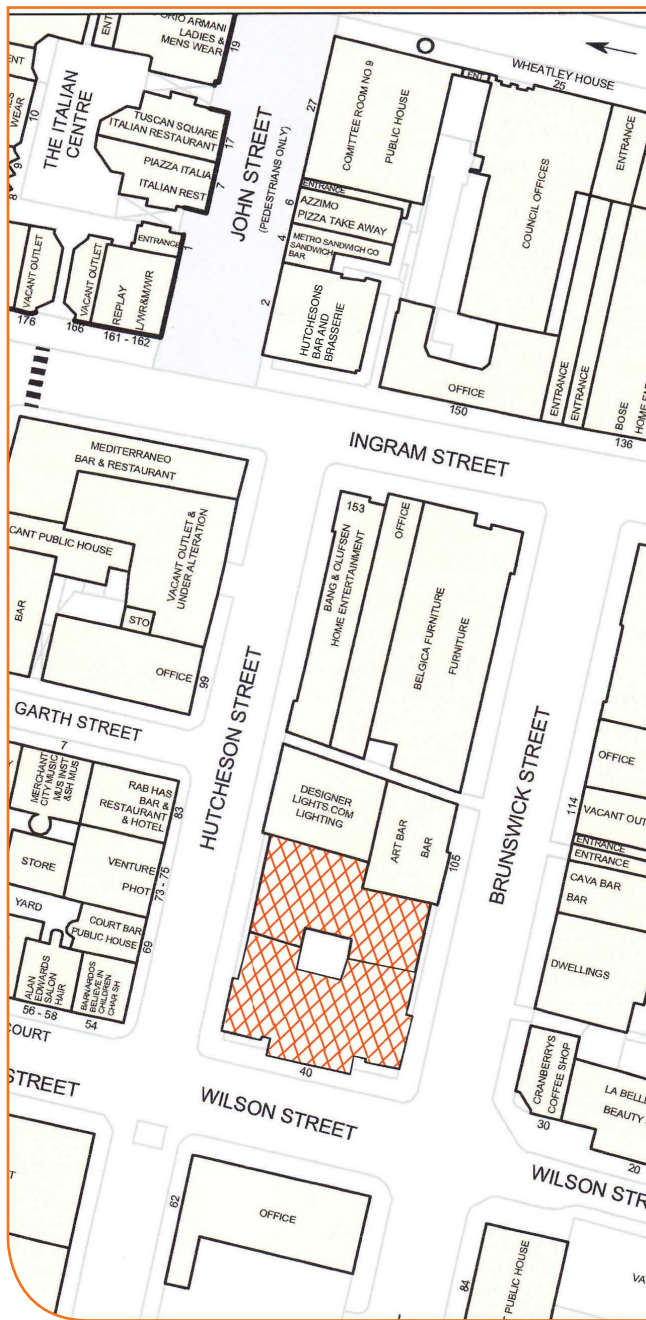
Description

The property includes two floors of office accommodation, predominantly occupying the second floor of the southern end of the landmark Old Sheriff Court Building. The office property has its own access from Hutcheson Street with both lift and stair access to the upper floors.

Specification includes raised floors, excellent floor to ceiling height, fully air conditioned with staff break-out and toilet facilities on each level.

Old Sheriff Court

70 HUTCHESON STREET / MERCHANT CITY / GLASGOW / G1 1SH



Floor Area

Floor	SQ M	SQ Ft
Second	644.89	6,942
Mezzanine	611.65	6,584
TOTAL	1,256.61	13,526

Tenancy

The premises are let to Independent Counselling and Advisory Services Ltd (ICAS) on a 15 year FRI lease, expiring 31 November 2022. There is a tenant only break option at 30th November 2017. The current passing rent is £196,000 per annum (£14.49 per sq ft).

The lease is guaranteed by AXA PPP Healthcare Limited (a wholly owned subsidiary of AXA Group and the second largest insurer in the world).

Tenure

Heritable interest (the Scottish equivalent of English freehold).

Covenant Information

The most recent Experian credit rating and financial figures for the tenant are summarised as follows:

AXA ICAS Limited (02548573)	PERIOD ENDING 31/12/2013 (£000S)	PERIOD ENDING 31/12/2012 (£000S)	PERIOD ENDING 31/12/2011 (£000S)
Sales Turnover	8,036	7,213	9,266
Profit / (Loss) Before Taxes	(2,553)	(1,317)	(2,181)
Tangible Net Worth	(1,446)	865	1,851

Financial figures for the lease guarantor AXA PPP Healthcare are Ltd. summarised as follows:

AXA PPP	PERIOD ENDING 31/12/2013 (£000S)	PERIOD ENDING 31/12/2012 (£000S)	PERIOD ENDING 31/12/2011 (£000S)
Sales Turnover	tbc	1,095,700	1,056,200
Profit / (Loss) Before Taxes	89,600	69,800	52,900
Tangible Net Worth	338,100	302,700	364,500

For further info see www.axapphealthcare.co.uk

Old Sheriff Court

70 HUTCHESON STREET / MERCHANT CITY / GLASGOW / G1 1SH

Energy Performance Certificate

A copy of the EPC can be provided upon request.

Capital Allowances

We understand that there may be some capital allowances available which can be transferred to the purchaser. Further details can be provided upon request.

Vat

The property is elected for VAT, however we anticipate that the transaction will be treated as a Transaction of a Going Concern and therefore no VAT will be applicable to the sale price.

Disposal Terms

Our client is looking to sell the building at a price of £1,500,000 showing a net initial yield of 12.37% assuming purchasers cost of 5.65%.

Contacts



DAVID GRIFFIN
T: +44 (0)141 2487808
M: +44 (0)7808148957
E: david@griffinwebster.co.uk

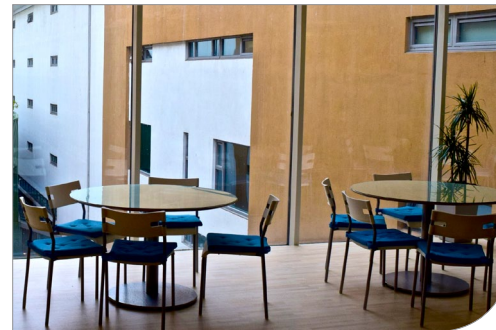
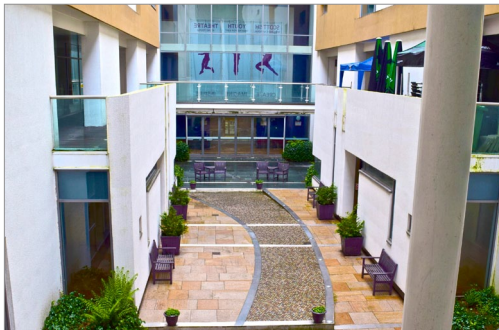
Griffin Webster
95 West Regent Street
Glasgow G2 2BA

CBRE

MARTYN BROWN
T: +44 (0)141 204 7703
M: +44 (0)7919 38 39 40
E: martyn.brown@cbre.com

CAMILLE CASEY
T: +44 (0)141 204 7718
M: +44 (0)7760118563
E: camille.casey@cbre.com

CBRE National Capital Markets
Sutherland House
149 St Vincent Street
Glasgow G2 5NW



Old Sheriff Court

70 HUTCHESON STREET / MERCHANT CITY / GLASGOW / G1 1SH