

# SouthGyle

BUSINESS PARK EDINBURGH EH12 9EB

phase 1: for sale, in whole or in part  
high yielding multi-let office investment



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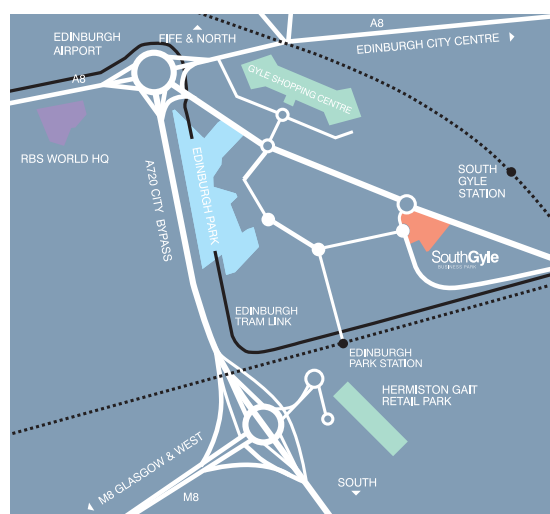


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BUSINESS PARK EDINBURGH

## Key Considerations

- PRIME BUSINESS PARK LOCATION
- FOUR FLEXIBLE HIGH QUALITY OPEN PLAN OFFICE BUILDINGS
- SUB DIVISIBLE FLOOR PLATES FROM 2,500 SQ FT
- GENEROUS ON SITE CAR PARKING
- ASSET MANAGEMENT OPPORTUNITIES
- CURRENT NET INCOME AFTER DEDUCTION OF SERVICE CHARGE AND RATES OF £519,449 PA
- OFFERS OVER £3.5M REFLECTING NET INITIAL YIELD OF 14%
- LOW CAPITAL RATE OF £69 PER SQ FT



## Location

Edinburgh is Scotland's capital city, financial capital of Scotland and Europe's sixth largest financial centre.

The city has a resident population of approximately 450,000 and a catchment population in the region of 1 million.

Major employers within Edinburgh include: The Royal Bank of Scotland, Lloyds Banking Group, Standard Life and Scottish Widows. In addition to the financial services sector, the city is a major centre for the government, science and technology and is highly acclaimed for education, tourism and the arts.

As a major European city, Edinburgh benefits from excellent transport links with national and international locations.

## Situation

South Gyle Business Park is situated adjacent to Edinburgh Park approximately six miles west of the city centre. The area benefits from excellent communication links to the City Bypass and its junction with the M8 motorway and A8, providing direct access to Edinburgh Airport (five minutes drive time) the M9 and A90/M90.

South Gyle and Edinburgh Park railway stations are both in close proximity to the property and provide regular services to Edinburgh city centre and the rest of Scotland. Communication links will continue to improve with the development of the Edinburgh Tram network which will provide a direct route from the airport, via Edinburgh Park into the city centre.

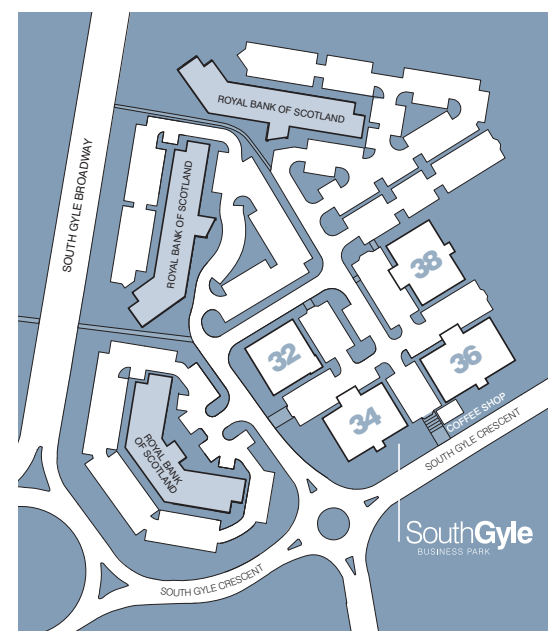
The subjects occupy a prime position on South Gyle Crescent with the surrounding area providing predominantly office and industrial/distribution accommodation. High profile occupiers in the vicinity include Royal Bank of Scotland, Aegon, Lloyds Banking Group, HSBC, Tesco Finance and Scottish Ministers.

## West Edinburgh Office Market

The success of the West Edinburgh office market has historically been dependant on the financial and IT sectors with many firms moving staff to the area due to a shortage of space in the city centre and the availability of modern efficient space out of town.

The banking crisis and this over reliance has forced occupiers to consolidate their operations. This has had an impact on the local office market significantly facilitating demand for increased flexibility in terms of size of accommodation and lease terms offered.

South Gyle Business Park is well placed to take advantage of this increased demand for small to medium sized suites when compared to other buildings in the area where typical floor plates are circa 8,000 to 10,000 sq ft.







## Description

Developed in 1989 the subjects provide four two storey office pavilions and a retail kiosk within a landscaped park. Each office building provides flexible open plan office accommodation, capable of being occupied independently, on a floor by floor basis or sub-divided into smaller suites of 2,500 sq ft. The subjects also benefit from generous on site car parking provision.

The buildings differ slightly in terms of specification but are generally of steel frame construction clad with cavity walling and brick outer face. Internally typical specification includes the following:

- SUSPENDED CEILINGS INCORPORATING LOW GLARE FLUORESCENT LIGHTING
- FULLY ACCESSIBLE RAISED FLOORS
- MALE AND FEMALE TOILET FACILITIES ON EACH LEVEL WITH SEPARATE DISABLED WC AT GROUND FLOOR LEVEL
- HIGH GRADE CARPET TILES

For further information see the website [www.southgylebusinesspark.com](http://www.southgylebusinesspark.com)



## At a glance...

- 32**
  - 41 CAR PARKING SPACES.
  - ENTIRELY LET TO QA LTD.
- 34**
  - 41 CAR PARKING SPACES
  - FULLY DDA COMPLIANT
  - VRV HEATING/COOLING
- 36**
  - 49 CAR PARKING SPACES
  - FIRST FLOOR HIGH QUALITY EXISTING TENANT FIT-OUT
  - EIGHT PERSON LIFT
- 38**
  - 42 PARKING SPACES
  - DOUBLE HEIGHT RECEPTION AREA WITH FULL HEIGHT GLAZING
  - EIGHT PERSON LIFT
  - FULLY DDA COMPLIANT BUILDING
  - SHOWER FACILITIES
- 30a**
  - GLAZED COFFEE SHOP WITH FRONTAGE TO SOUTH GYLE CRESCENT
  - EXTERNAL SEATING



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## Accommodation and Tenancy

Building No.	Tenant	Area sq ft	Passing Rent	Passing Rate (£ per sq ft)	Lease Start	Lease Expiry	Break Option Date	ERV (£ per sq ft)	ERV (£ per annum)	Comments
32	QA IT Services Ltd	11,200	£169,724	£15.15	31/12/1989	30/12/2014		£8.50	£95,200	Tenant in occupation.
34 GF (South)	John Graham (Dromore) Ltd	3,122	£31,220	£10.00	10/01/2011	09/01/2016	10/01/2014	£10.00	£31,220	Tenant in occupation.
34 GF (North)	Technology Services Group Ltd	3,035	£30,350	£10.00	17/08/2010	16/08/2015	17/08/2013	£10.00	£30,350	Tenant in occupation.
34 FF (North)	Equiniti Ltd	2,476	£39,616	£16.00	17/03/2009	16/03/2014		£10.00	£24,760	Tenant in occupation.
34 FF (South)	Vacant	3,919	-	-	-	-	-	£10.00	£39,190	Being marketed to let by Ryden.
36 (GF)	Capgemini (UK) plc	7,048	£70,310	£17.96	07/05/1997	06/05/2012		£10.00	£70,480	HoTs agreed for short-term extension. Dilapidations served.
36 FF (South)	ICON Clinical Research (UK) Ltd	3,635	£67,675	£18.62	29/02/2008	01/07/2018	02/07/2013	£10.00	£36,350	Suite vacant but not formally on market.
36 FF (North)	ICON Clinical Research (UK) Ltd	3,675	£68,498	£18.64	02/07/2008	01/07/2018	02/07/2013	£10.00	£36,750	Suite vacant but not formally on market.
38 (GF)	Vacant	5,782	-	-	-	-	-	£10.00	£57,820	Being marketed to let by Ryden.
38 FF (West)	Rentokil Initial UK Ltd	3,082	£54,706	£17.75	04/09/2007	03/09/2017	04/09/2012	£10.00	£30,820	Break served but in discussion to remain in-situ.
38 FF (East)	MWH Farrer Ltd	3,135	£55,646	£17.75	05/09/2007	04/09/2017	05/09/2012	£10.00	£31,350	Break served. HoTs agreed for new lease (3 years term certain) at £31,350pa upon expiry. Lease includes 6 months rent free and L/L contribution to A/C installation.
Retail Kiosk	Alessandro Ventisei	370	£13,500	£36.49	03/09/2006	02/09/2016				
<b>Total</b>		<b>50,479</b>	<b>£601,245</b>						<b>£484,290</b>	

## Service Charge and Deed of Conditions

Building No/Suite	Tenant	Area sq ft	Building S/C p/a	Common S/C p/a	Total per sq ft	Void rates payable p/a
32	QA IT Services Ltd	11,200	-	£7,018.79	-	-
34 GF (South)	John Graham (Dromore) Ltd	3,122	£10,756.28	£2,118.68	£4.12	-
34 GF (North)	Technology Services Group Ltd	3,035	£10,457.85	£2,064.35	£4.13	-
34 FF (North)	Equiniti Ltd	2,476	£8,533.23	£1,684.08	£4.13	-
34 FF (South)	Vacant	3,919	£13,502.65	£2,661.93	£4.12	£14,404.10
36 (GF)	Capgemini (UK) plc	7,048	£27,586.24	£4,932.71	£4.61	£26,048.75*
36 FF (South)	ICON Clinical Research (UK) Ltd	3,635	£14,257.30	£2,553.28	£4.62	-
36 FF (North)	ICON Clinical Research (UK) Ltd	3,675	£14,420.46	£2,575.01	£4.62	-
38 (GF)	Vacant	5,782	£24,013.22	£4,085.24	£4.86	£23,129.00
38 FF (West)	Rentokil Initial UK Ltd	3,082	£13,032.73	£2,216.46	£4.95	-
38 FF (East)	MWH Farrer Ltd	3,135	£13,254.05	£2,259.92	£4.95	-
Retail Kiosk	Alessandro Ventisei	370	-	£260.76	-	-
<b>Total</b>		<b>50,479</b>	<b>£149,814.01</b>	<b>£34,431.21</b>	<b>-</b>	<b>£37,533.10</b>
<b>Non-recoverable</b>		<b>-</b>	<b>£37,515.87</b>	<b>£6,747.17</b>	<b>-</b>	<b>£37,533.10</b>
<b>Total non-recoverables per annum</b>		<b>£81,796.14</b>				

\*Future Rates

The stated service charge costs are based on the service charge budget for the year to 31/12/2012. A historic under spend is shown by reconciled figures.

Allocations are calculated on a pro-rata basis reflecting respective occupants / suites proportion of the overall net internal floor area.

Copies of the service charge budget and previous reconciliations can be provided to interested parties.

There is a deed of conditions in place relating to the external common parts, which are under the separate ownership of the management company, South Gyle Park Property Management Limited. The deed of conditions and the management company were set up in 2007. The management company, through its managing agents, administers the external common parts for the benefit of all buildings, including Broadstone, Forthstone and Cornerstone office buildings, which are outwith our client's ownership. The owner of each building is a member of the management company, and as such, has an interest in the external common parts.

Charges are allocated on a pro-rata basis reflecting the individual building proportion of the combined net internal area of the properties.

A copy of the deed of conditions, and a summary of its operation via the management company can be made available to interested parties.

## Net Income

Based on the current tenancy situation we estimate a gross rent of £601,245 per annum and total non-recoverable costs of circa £81,796 per annum and therefore a net rent after deducting void service charge and vacant rates of approximately £519,449 per annum.

## Asset Management

- Sub division of accommodation
- Letting of vacant space
- Lease regears with existing tenants
- Potential sales of individual buildings

## Tenure

Outright ownership (Scottish equivalent of English freehold).

A purchaser of at least one building will be obliged to become a member of the management company.

## Capital Allowances

Our client has not claimed any capital allowances. No further information is available.

## VAT

The subjects are elected for VAT and accordingly VAT will be charged on the purchase price. It is anticipated the sale could be treated by way of a Transfer of a Going Concern (TOGC).

## Proposal

We are instructed to invite offers over £3.5m for our clients outright ownership interest.

A purchase at this level would reflect a net initial yield of 14% based on the current net income of £519,449 pa (assuming purchaser's cost of 5.8%), an equivalent yield of 9.33% and a capital rate per sq ft of approximately £69.

## Viewing and Further Information

Please contact the sole selling agents, Ryden LLP.

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