



# THE PYRAMIDS BUSINESS PARK

A STRATEGIC INVESTMENT IN CENTRAL SCOTLAND



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# THE PYRAMIDS BUSINESS PARK EXECUTIVE SUMMARY



<b>Location</b>	The Pyramids Business Park occupies a key strategic position in central Scotland, at junction 3A, M8, allowing for easy access to Scotland's two main cities. The central location is ideally located to take advantage of the surrounding motorway network.
<b>Description</b>	<p>The Pyramids Business Park provides a high quality working environment within a strategic location. Flexible office suites, adaptable production space and efficient distribution warehousing is situated on a high profile landscaped site with excellent visibility and access to the M8 motorway. The appeal of The Pyramids Business Park was reinforced with HM Revenue &amp; Custom's decision in 2008 to name the facility as a core office location for the department resulting in an extension of their lease to July 2019. Royal Mail Group returned in December 2010 for the third time in 12 months to use the distribution facility on a temporary basis.</p> <p>The office and production/distribution accommodation extend to 16,490 sq.m. (177,494 sq.ft.) and 17,053 sq.m. (183,563 sq.ft.) respectively. The business park provides car parking for 1,294 cars, with capacity for additional spaces, if required.</p> <p>The site extends to a total area of 37.8 hectares (93 acres).</p>
<b>Income</b>	<p>The current passing rent totals £880,216 per annum. (This excludes short term income from Royal Mail Group and the projected profit share from the management agreement with Aramark.)</p> <p>We believe, when fully occupied, the total estimated rental value of the park is £1,847,000 per annum. A profit share from the restaurant/coffee shop could enhance this figure.</p>
<b>Asset Management</b>	The Pyramids Business Park provides an excellent opportunity to add value through an active asset management programme. Opportunities include increasing income through securing new tenants and continuing discussions with existing occupiers. Purchasers may also want to consider reconfiguration, refurbishment or redevelopment options which can still be implemented.
<b>Purchaser Due Diligence</b>	A suite of sale due diligence reports can be made available for the benefit of interested parties. These include environmental, building and services surveys, lease and title reports, a planning summary and construction documentation. The package is available online and is password protected.
<b>Tenure</b>	Heritable Interest (the Scottish equivalent of Freehold).
<b>Price</b>	We are instructed to invite offers in the region of £10,000,000. A price at this level reflects a net initial yield of 8.32%, assuming purchaser s costs at 5.8%





# THE PYRAMIDS BUSINESS PARK







Strategic central Scotland location providing high quality, flexible business space with excellent onsite amenities.









# WEST LOTHIAN & LIVINGSTON

The population of West Lothian extends to approximately 170,000 and is projected to increase by 22.9% to 208,364 by 2033, this compares with a Scotland-wide population rise of about 7% to 5,544,410.

The M8 and M9 motorways bisect West Lothian providing easy access across central Scotland while the nearby M74 motorway gives access to the south - some 100 distribution companies have recognised the benefits of West Lothian's strategic location in Scotland, making it ideal for logistics operations.

Historically, West Lothian was heavily reliant on traditional manufacturing. However, more recently, the region has reinvented itself as a key location for knowledge based, research and development, and high technology manufacturing businesses.

Major employers include - Sky TV, Tesco, Intelligent Finance, ASDA Wal Mart and Jabil Circuit. Notable recent projects have included Tesco's £75m distribution depot at Livingston, and more recently Quintiles 120,000 sq.ft. purpose built facility at Alba Business Park. The long-term commitment of these major corporate organisations further supports the long-term view and belief in the West Lothian region as a first class commercial location.

West Lothian continues to work towards the ultimate vision of developing a modern, high performance knowledge economy. The track record to date has demonstrated that West Lothian has been able to adapt and respond to the flexibilities of the global economic and technological sector.

Through change, the West Lothian region has experienced rising levels of economic activity. As to be expected this slowed around 2008, however, interestingly, the economic activity levels continues to surpass the Scottish average.

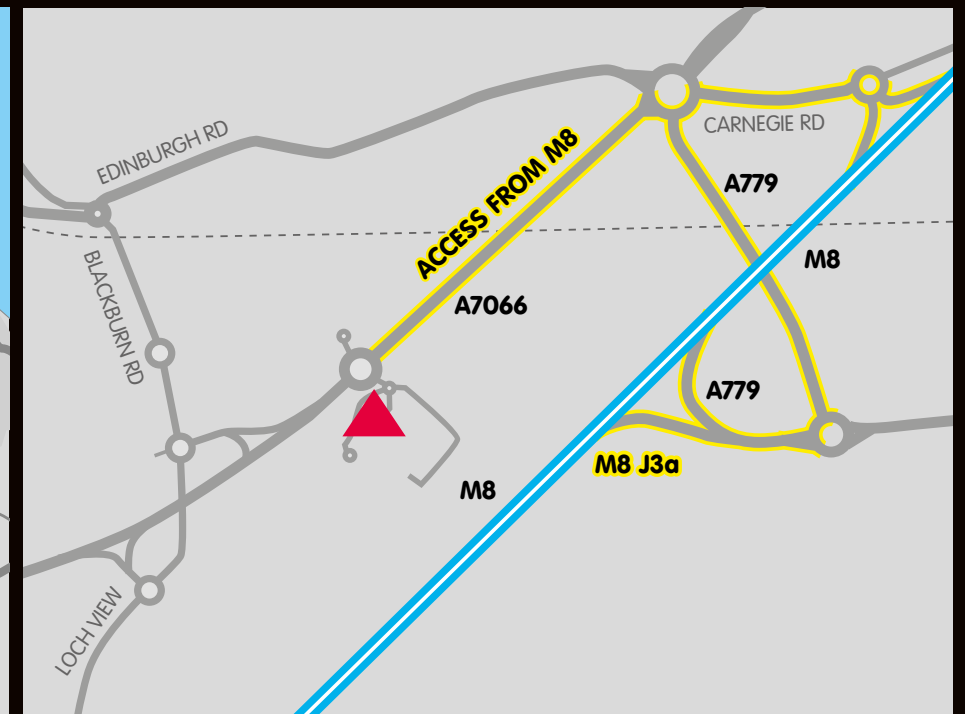
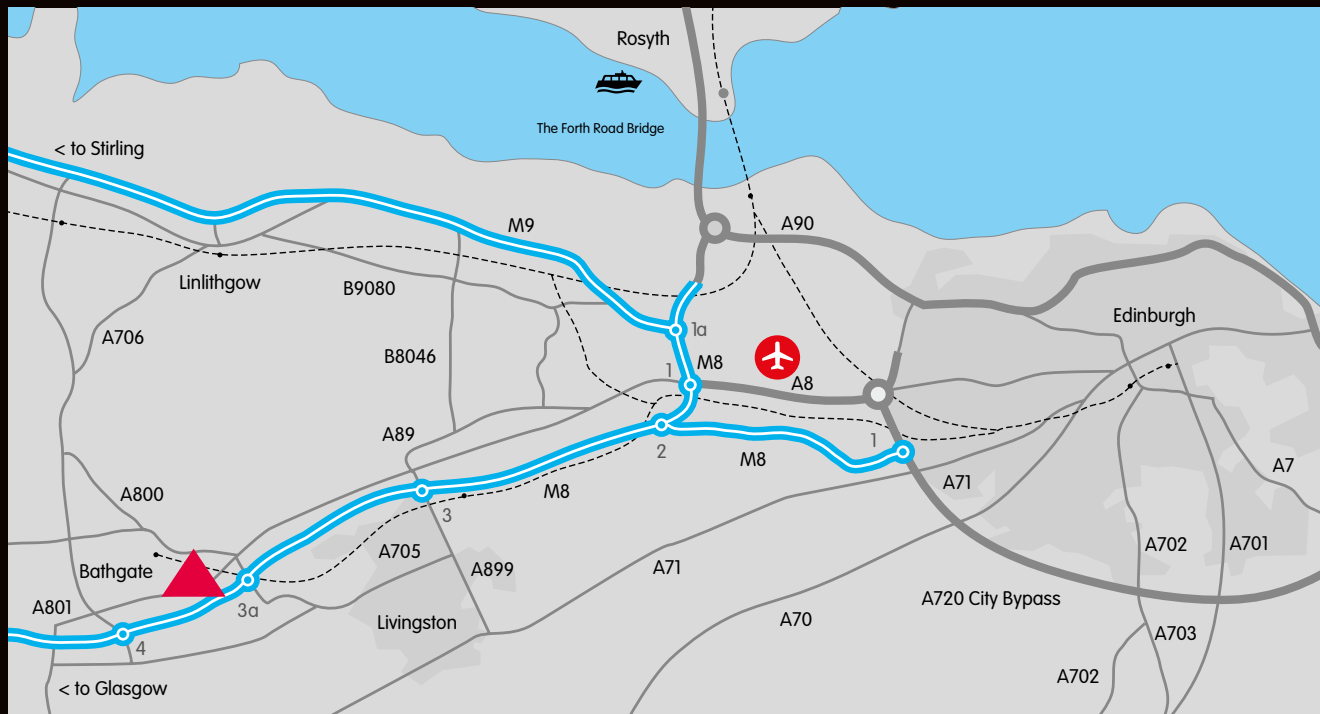
West Lothian offers a host of amenities. Livingston has established itself as central Scotland's top retailing destination, recently enhanced by Land Securities extension to the existing Almondvale Shopping Centre. The newly developed Elements Square now provides, combined with Almondvale Shopping Centre, almost 1 million sq.ft. of retailing space.





# THE PYRAMIDS BUSINESS PARK

strategic central scotland location





# LOCATION

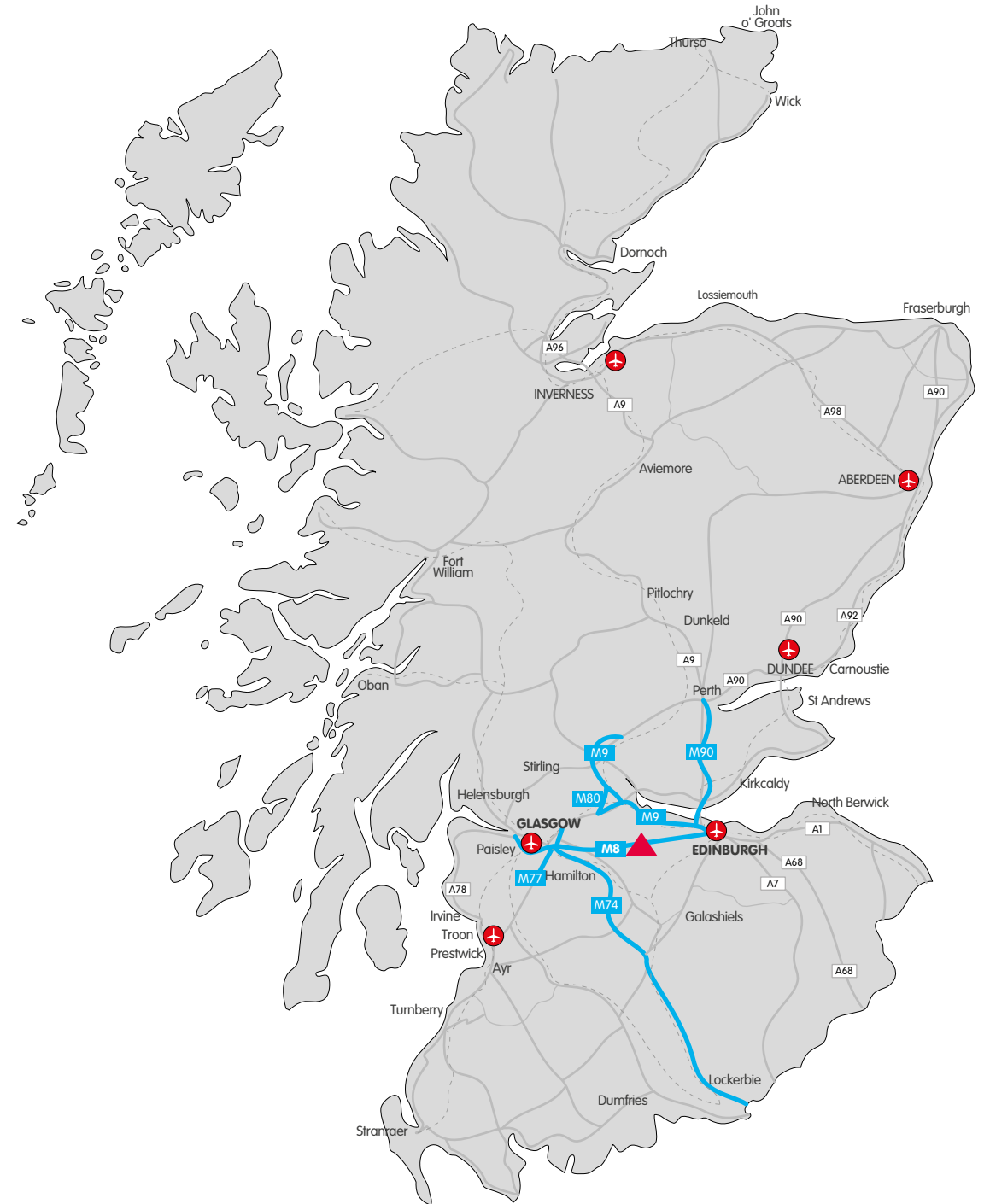
Pyramids Business Park is situated adjacent to the M8, close to Junction 3A. The central Scotland location is 7 miles from Livingston, but more notably is in close proximity to Edinburgh, which is 20 miles to the east, and Glasgow, located 34 miles to the west.

Pyramids strategic position within central Scotland, and West Lothian, allows for easy access to the major population centres, Edinburgh and Glasgow - West Lothian is within one hour's drive to 60% of Scotland's population.

The central Scotland location is ideal to take advantage of the many surrounding transport links.

- **ROAD** – Clear access to the M8 motorway allows occupiers instant access to Scotland's main arterial routes. The M90-A90 provides access to north Scotland, while the M9 leads to Stirling and the A1 links the east coast and further routes south.
- **RAIL/BUS** – Bathgate railway station is only 5 minutes drive from the subject property, providing easy access to the East Coast rail service. The Airdrie Bathgate line opened on 12 December 2010. The £300m project includes the upgrade of the existing Bathgate-Edinburgh line but more importantly will directly link Bathgate railway station to Glasgow Queen Street.
- **THE PARK** benefits from an on site bus stop which is serviced by three separate bus routes. Nearby Bathgate is serviced by a further 20 bus routes, providing links to neighbouring towns in the West Lothian region and further afield.
- **AIR** – Edinburgh International Airport, Scotland's busiest airport, is within 10 miles of the subject property. Glasgow International and Prestwick Airport are also within a 60 minute drive.

Location	Distance	Drive Time
Bathgate Rail Station	0.7 miles	3 mins
Livingston	7 miles	12 mins
Edinburgh Airport	10 miles	15 mins
Eurocentral Rail Freight	16 miles	25 mins
Edinburgh	20 miles	30 mins
Rosyth Ferry Port	20 miles	40 mins
Glasgow	34 miles	40 mins





# SITE PLAN & HERITABLE TITLE

Pyramids Business Park is situated in 37.8 hectares (93 acres) of landscaped grounds adjacent to the M8.

The site is bounded by the M8 to the south, A7066 to the north, the Edinburgh / Bathgate rail line to east and industrial land to the west.





# DESCRIPTION

Pyramids Business Park provides high quality flexible business space extending to 33,543 sq.m. (361,057 sq.ft.) over a 37.8 hectare (93 acres) site. In addition to providing an attractive and flexible working environment, Pyramids Business Park has excellent on site amenities including conference, restaurant, crèche and gymnasium facilities.

The building has a state-of-the-art computerised Building Management System (BMS) and a full time on-site facilities team. Security for employees and visitors is an essential component of the building management remit. There are full time security staff within the building 365 days a year, 24 hours per day. The development has extensive computerised CCTV coverage and card access controlled for all staff areas.

The total office accommodation extends to 16,490 sq.m. (177,494 sq.ft.) across nine separate suites in its current form. There are a variety of suites allowing for flexible office requirements ranging from 371.6 sq.m. (4,000 sq.ft.). The accommodation provides a high quality specification including raised access floors, CAT 2 lighting, full air-conditioning and full height glazing to one elevation.

The distribution/storage accommodation spans over 3 separate suites, extending to 10,340 sq.m. (111,300 sq.ft.) with a large secure yard area. There are additional first floor offices to support this accommodation extending to 2,472 sq.m. (26,611 sq.ft.).

The main distribution unit provides a highly specified unit including 8.3 metre eaves height, high energy efficient lighting, sprinkler system throughout, full CCTV coverage, 23 automated dock levellers and high level smoke control system.

There is additional planning consent for a further 11,148 sq.m. (120,000 sq.ft.) high bay warehouse to the east of the existing accommodation.

There are 1,294 staff car parking spaces on site, providing occupiers with an attractive car parking ratio of 1 space per 27 sq.m. (295 sq.ft.). There is additional visitor car parking outside the visitor entrance.

## OFFICE

<b>Units 1-3</b> (Ground Floor)	Currently occupied by the HM Revenue & Customs. The office accommodation extends to 9,407 sq.m. (101,267 sq.ft.) over ground and first floor levels. The tenant is currently undertaking an extensive refurbishment programme to provide a highly specified environment.
<b>Units 6-8</b> (First Floor)	
<b>Units 5</b> (Ground Floor)	Occupied by DRS (Disaster Recovery Services Ltd). The office suite extends to 388 sq.m. (4,187 sq.ft.).
<b>Unit 9A</b> (First Floor)	Office accommodation extending to 2,480 sq.m. (26,700 sq.ft.).
<b>Unit 10A</b> (First Floor)	Office accommodation extending to 1,740 sq.m. (18,729 sq.ft.). Fully refurbished to provide high quality open plan accommodation. Occupied on a short-term lease during ongoing refurbishment works of the HMRC accommodation.

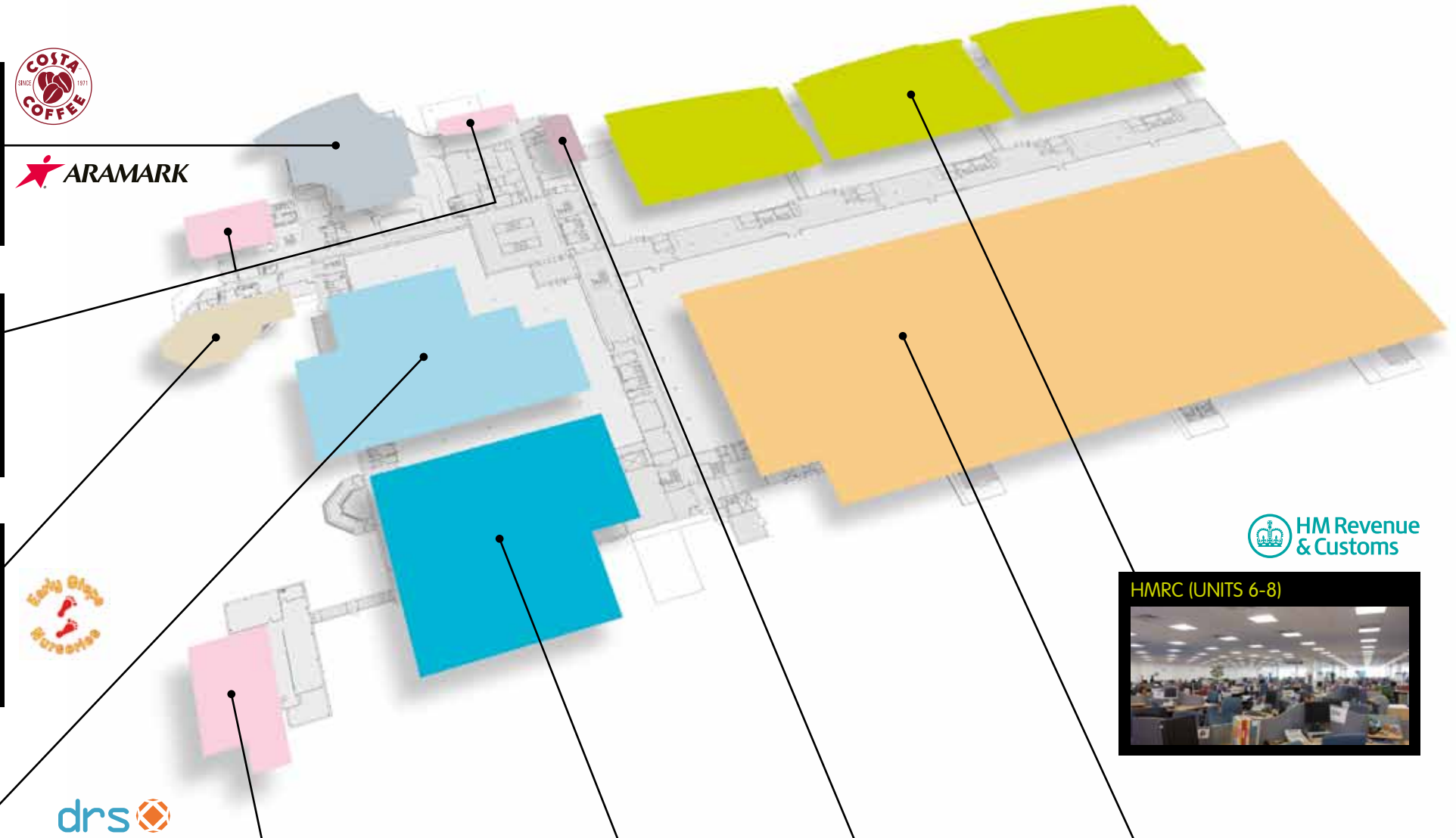
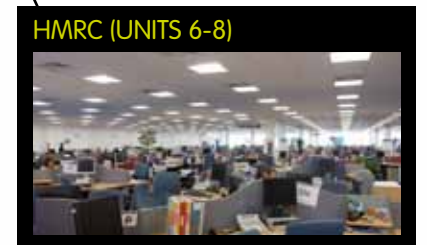
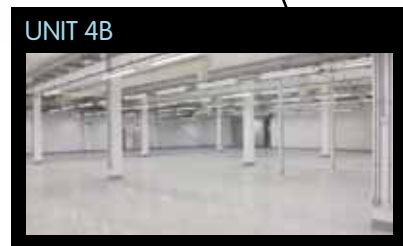
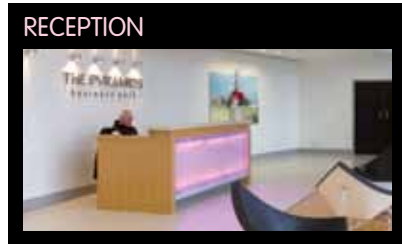
## DISTRIBUTION / STORAGE

<b>Distribution &amp; Service Yard</b>	The accommodation extends to 10,340 sqm (111,300 sq.ft.) of distribution space in addition to 2,472 sqm (26,611 sq.ft.) of first floor office.
<b>Unit 4A</b> (Ground Floor)	Office accommodation extending to 2,112 sq.m. (22,733 sq.ft.)
<b>Unit 4B</b> (Ground Floor)	Distribution/storage accommodation extending to 2,515 sq.m. (27,071 sq.ft.) with a dedicated yard area.
<b>Units 10B</b> (First Floor)	Distribution/storage accommodation extending to 2,318 sq.m. (24,956 sq.ft.). Currently vacant providing shell specification. Units 4B and 10B can be combined.

## AMENITIES

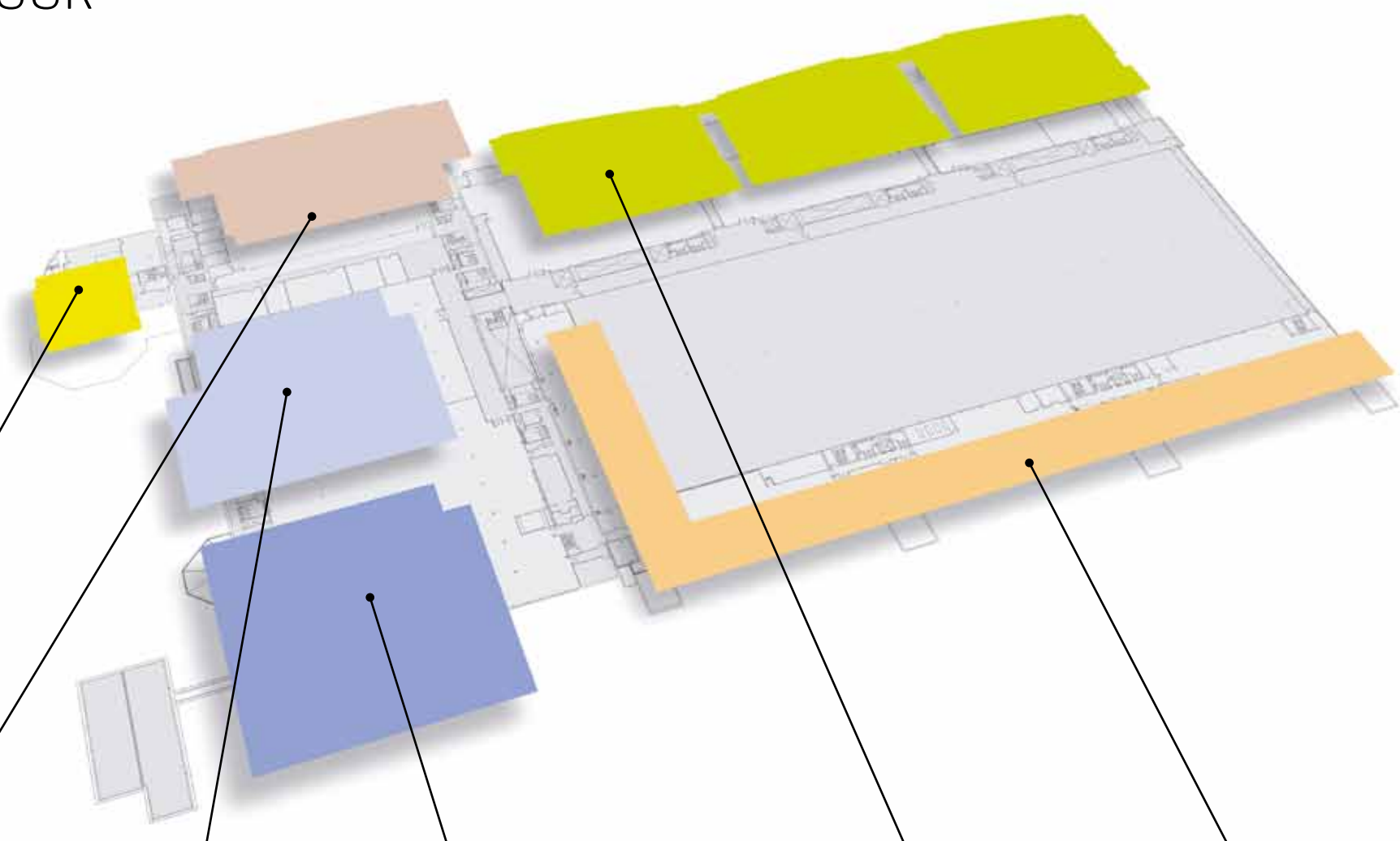
<b>Restaurant</b> (Ground Floor)	Occupiers have the opportunity to take advantage of the on site restaurant facilities. The catering facility has been outsourced to Aramark, while the coffee shop is run by Costa Coffee. In addition, the building has a number of break out areas available for private meetings or casual use.
<b>Crèche</b> (Ground Floor)	'Early Steps Nursery' operate an independent care/crèche facility available to tenant employees and the general public. The crèche has dedicated drop-off and parking facilities.
<b>Health &amp; Fitness Centre</b> (First Floor)	A Health & Fitness Centre is provided through a private operator (Firm 'n' Tone). There are extensive facilities which are open to both occupiers and the general public.

# PYRAMIDS GROUND FLOOR

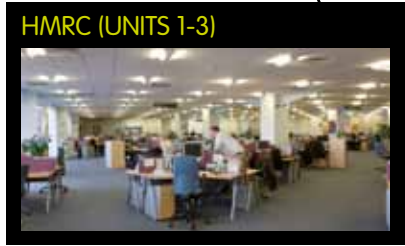
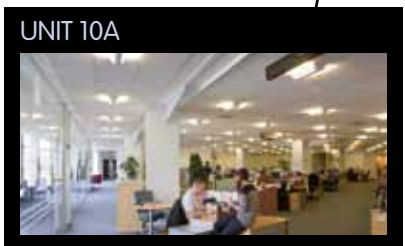




# PYRAMIDS FIRST FLOOR



Firm 'n' Tone









# ASSET MANAGEMENT

## Expansion/Planning

The landlord has secured planning consent for an extension of 11,148sqm (120,000sqft) to the main warehouse.

A planning consent for a further 225 car spaces has recently lapsed but it is anticipated this could be revived.

## Distribution & Storage Yard

Royal Mail returned in December 2010 to Pyramids on a short term lease for the third time in a 12 month period. Royal Mail is expected to return for Xmas occupation again this year. Previous occupiers have included W M Morrison Supermarkets, who took occupation of the distribution warehouse and offices in April 2005 for a 3 year period.

## HM Revenue & Customs

In February 2008 HMRC reviewed all North West, Scotland and Wales accommodation requirements. As a result, Pyramids was highlighted as a key location which was to be retained. Following the review HMRC undertook an extensive upgrading programme to facilitate their expanding requirement. They temporarily occupied office suite 10A while the works were carried out. This suite is now available for immediate occupation.

## Letting Opportunities

The remaining accommodation is immediately available for occupation and layouts can be tailored to suit a number of configurations. Active discussions are being progressed with a number of parties. Interested parties can be briefed on the current status of interest.

## Restaurant & Coffee Shop

A management agreement with the operator, Aramark, offers the potential for a turnover related profit share. At current occupancy levels this is estimated at £16,000 per annum.

## Service Charge

Full service charge information is available on request.

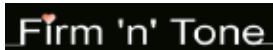
## Rates

A rating appeal has been initiated by the managing agent.

# TENANCY

UNIT	TENANT NAME	DESCRIPTION	AREA (SQ.FT)	LEASE START	LEASE EXPIRY	NEXT REVIEW	CURRENT RENT P.A.	MARKET RENT PER SQFT	COMMENTS
Distribution and Service yard	Royal Mail Group Limited	Distribution/Office + Service yard	137,911	15/11/10	22/01/11	n/a	£32,462 per month		The tenant will pay service charge, rates and insurance plus an inclusive rent for the period of £7,500 for the 1F offices.
Unit 1-3 & 6-8	Secretary of State for Communities and Local Government (HMRC)	Office	101,267	20/11/03	09/07/19	10/07/14	£831,360		
Unit 4A		Distribution	22,733						
Unit 4B		Distribution	24,574						
Unit 5	Disaster Recovery Services Ltd	Office/Distribution	4,187	31/09/05	31/08/30	01/09/10	£23,856		Tenant has the option to break on 01/09/20 and 01/09/25 on giving 9 months notice. (£22,356 in respect of the offices and £1,500 in respect of the storage unit).
Unit 9A	Vacant	Office	26,700						
Unit 10A	Secretary of State for Communities and Local Government	Office	18,729	10/07/09	09/01/11		None		Temporary letting to cover refurbishment works on units 1-3 & 6-8. Licence terminates on assignation of the principal lease
Unit 10B	Vacant	Distribution/Storage	24,956						
Crèche	Carol Armstrong & Graham Armstrong – t/a Early Steps Nursery	Crèche	4,359	25/01/03	28/8/30	28/08/13	£25,000		The Lease states the rent as £39,240 but a rental concession has been agreed.
Gym	Sharma Rafiq – t/a Firm n Tone	Gym	3,251	23/04/03	22/04/13	None	Nil		Not currently paying rent.
Restaurant	Aramark	Restaurant		SEE COMMENTS			£16,000		Ardmark is to operate under an operating agreement (to be signed imminently) which can provide the landlord with a profit share. This will provide a projected minimum income of £16,000 per annum (based on current occupation).
	Costa Coffee	Coffee Shop		SEE COMMENTS			Inclusive in Aramark rent		Agreement forms part of the above Operating Agreement.
Substation	SP Distribution Limited	Substation		01/12/06	21/12/2095	n/a	£1 (if asked)		
<b>TOTAL</b>			<b>361,057</b>						





# COVENANT

The Pyramids Business Park offers a multi-let investment. The majority of the current income is secured against a Government tenant.

**The Secretary of State for Communities and Local Government** – The building is occupied by HMRC which is a non-ministerial department of the British Government primarily responsible for the collection of taxes and the payment of some forms of state support. HMRC was formed by a merger of the Inland Revenue and Her Majesty's Customs and Excise and came into formal existence on 18 April 2005. Further information - [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

**Disaster Recovery Services Ltd (DRS)** – Founded in 1984, DRS are now one of the UK's leading off-site media & document storage companies. DRS offer a highly confidential, secure, bespoke service to a wide range of companies, from small businesses to major commercial enterprises, from the public to the private sectors. Based in Greater Manchester, DRS have six other depots covering their UK wide business (Pyramids serves all Scottish business). DRS are continuing to expand with further depots planned and major investment in technology and infrastructure in the pipeline. Further information: [www.drs-ltd.co.uk](http://www.drs-ltd.co.uk).

**Royal Mail Group Ltd** – Royal Mail Holdings plc, the parent company, is a public limited company wholly owned by the UK Government. The framework for change was the Postal Services Act 2000 that created a commercially focused company with a more strategic relationship with the Government. Royal Mail Holdings plc together with its subsidiaries, associates and joint ventures comprise 'the Group'. – [www.royalmail.com](http://www.royalmail.com)

Other brands under the Royal Mail Group include Post Office, Parcelforce Worldwide and General Logistic Systems.

**Aramark Catering Limited** – Aramark are a food service partner across a range of sectors. They employ over 12,500 staff in the UK, providing a vast range of services, including business dining, employee restaurants, retail facilities and coffee outlets. Further information – [www.aramark.co.uk](http://www.aramark.co.uk)

Aramark Catering Limited is part of the Aramark Corporation which employs over 260,000 staff worldwide and sales in excess of £10,600,000.

**Crèche** – t/a Early Steps Nursery – [www.earlystepsnurseries.co.uk](http://www.earlystepsnurseries.co.uk)

**Gymnasium** – t/a Firm n Tone – [www.firmntone.co.uk](http://www.firmntone.co.uk)

## INVESTMENT SUMMARY

### VAT

Our clients have elected to waive their exemption to charge VAT, therefore, VAT is chargeable on the purchase price. However, it is anticipated that the transaction can be treated as a transfer of a going concern.

### Pricing

We are instructed to invite offers in excess of £10,000,000, exclusive of VAT, for our client's Heritable Interest in the property.

### Capital Allowances

No Capital Allowances will be available to the purchaser.

### Diligence Pack Sale

Interested parties will be provided with password protected access to an online data room. Information which is available for the benefit of a purchaser includes environmental, building and services surveys, lease and title reports, a planning summary, construction documentation, service charge account histories and budgets and marketing brochures for available accommodation.

Please contact Kenny Waitt at Jones Lang LaSalle for access details.

## CONTACT



For further information and to arrange access for a viewing please contact:

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