



TRADE COUNTER INVESTMENT

Earlston Road
Newtown St Boswells TD6 0PL

- Offers over £430,000 - 6.05% net initial yield
- Fixed uplift in December 2020 to 7.01%
- Strong Travis Perkins 5A1 covenant
- 12.5 years unexpired

Location

Newtown St Boswells is the administrative centre of the Scottish Borders Council area, 40 miles south of Edinburgh, 10 miles west of Kelso, 4 miles to Melrose and 8 miles east of Galashiels. The property is situated on the southern edge of the town, close to the Borders Agricultural College.

Description

The property comprises a detached single storey warehouse arranged in two sections incorporating offices, trade counter and storage areas functioning as a builders merchants. The warehouse is of concrete frame construction with solid floor and elevations of blockwork to an eaves height of approximately 4 metres.

The total site area is approximately 0.36 hectares (0.85 acres) with the yard comprising concrete and tarmac, used for external storage and a one way goods in/out circuit.

Accommodation

The total GIA is 9,124 sq ft, broken down as follows:

Ground Floor office shop	2,122 sq ft	(197.1 sq m)
Ground Floor warehouse	4,865 sq ft	(451.9 sq m)
Mezzanine storage	2,137 sq ft	(198.5 sq m)

A Plowman Craven report can be provided on a non-reliance basis.

The site coverage is circa 25%.

Energy Performance Certificate

EPC Rating = F

(If assessed on English & Welsh method, the rating would be E.)

Tenure

Long leasehold for 175 years from 1 December 2006 at a peppercorn with an option to purchase the heritable interest for £1, where (i) the occupational lease has come to an end, or (ii) no Travis Perkins group company has an interest in the occupational lease.

Tenancy

The property is let to Travis Perkins (Properties) Limited for 25 years from 1 December 2006 until 30 November 2031 at a current passing rent of £27,074 per annum on full repairing and insuring terms, subject to a Schedule of Condition.

The next rent review is 1 December 2020, upwards only to the higher of two thirds of 'market rent' or 3% per annum compounded, i.e. guaranteed uplifts to £31,386 per annum on 1 December 2020, and to £36,385 per annum in December 2025.

Covenant

Travis Perkins (Properties) Limited is a private limited company incorporated in May 1949. For the year ending 31 December 2018, it turned over £92.2M, with pre-tax profits of £52.2M and a total net worth of £277.1M. It has a D&B rating of 5A1. The company's principal activity is regarded as the management of the Travis Perkins Group property portfolio and it forms part of Travis Perkins plc, which is the holding company.

The Travis Perkins Group has 2,000+ branches and more than 29,000 employees in the UK and Ireland, structured in four divisions and 21 businesses. Brand names include: Travis Perkins, Keyline, Plumbing Trade Supplies (PTS), The Underfloor Heating Store, Wickes, Toolstation, Tile Giant and Insulation Giant.

More information can be found at www.travisperkinsplc.co.uk/investor-relations/results-centre.aspx

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eric young & co

Earlston Road, Newtown St Boswells TD6 0PL

Scottish Borders Council - Local Development Plan

The current LDP was adopted on 12 May 2016 and sets out the Council's policies on development and land use. Principally because Newtown St Boswells is located within the heart of the Borders, is the Council's administrative centre, has good road connections and is convenient for the Borders Railway - there is planned expansion. As such the LDP has allocated a site marked as ANEWT005, totalling 143 acres with a capacity for up to 900 houses, for residential development purposes.

The south eastern edge of this site adjoins the western boundary of the Travis Perkins demise and therefore may afford a longer term residential change of use opportunity in the future.

Price

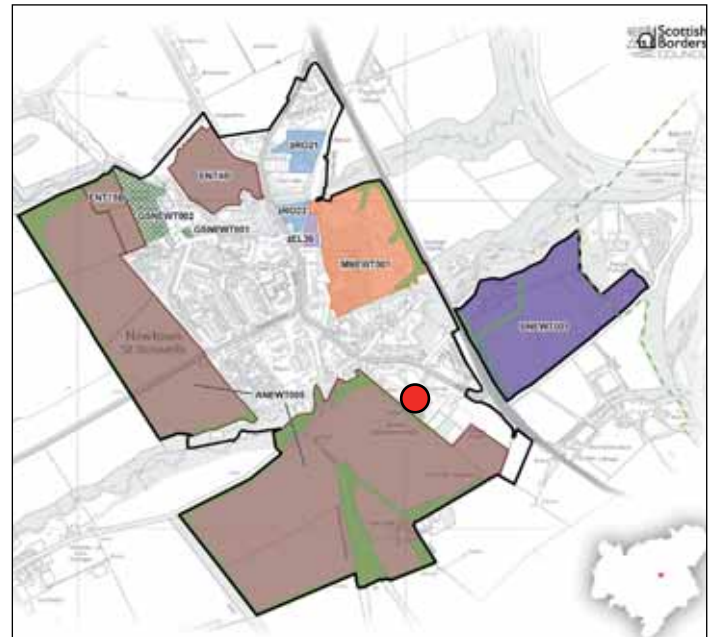
Offers sought in excess of **£430,000** (FOUR HUNDRED AND THIRTY THOUSAND POUNDS STERLING) exclusive of VAT for the long leasehold (175 year) peppercorn interest reflecting a net initial yield of 6.05%, rising to 7.01% in December 2020, and 8.13% in December 2025.

VAT

The property is elected for VAT and it is anticipated that any sale could be treated as Transfer of a Going Concern (TOGC).

Legal Costs

Each party to be responsible for their own legal costs incurred during the transaction. For the avoidance of doubt the purchaser will be responsible for Land and Buildings Transaction Tax (LBTT), registration dues and any VAT payable thereon.

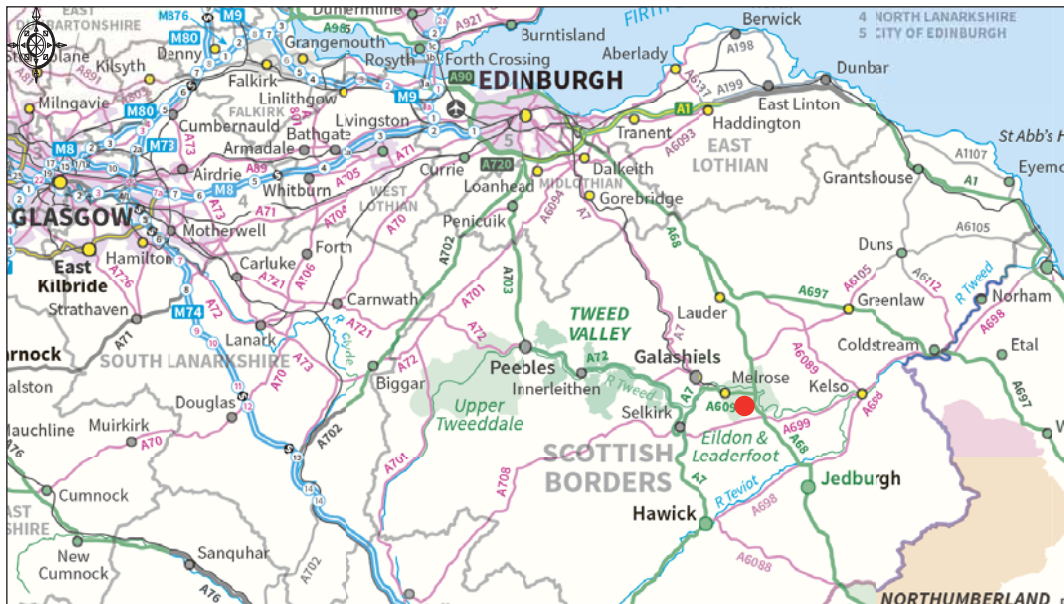
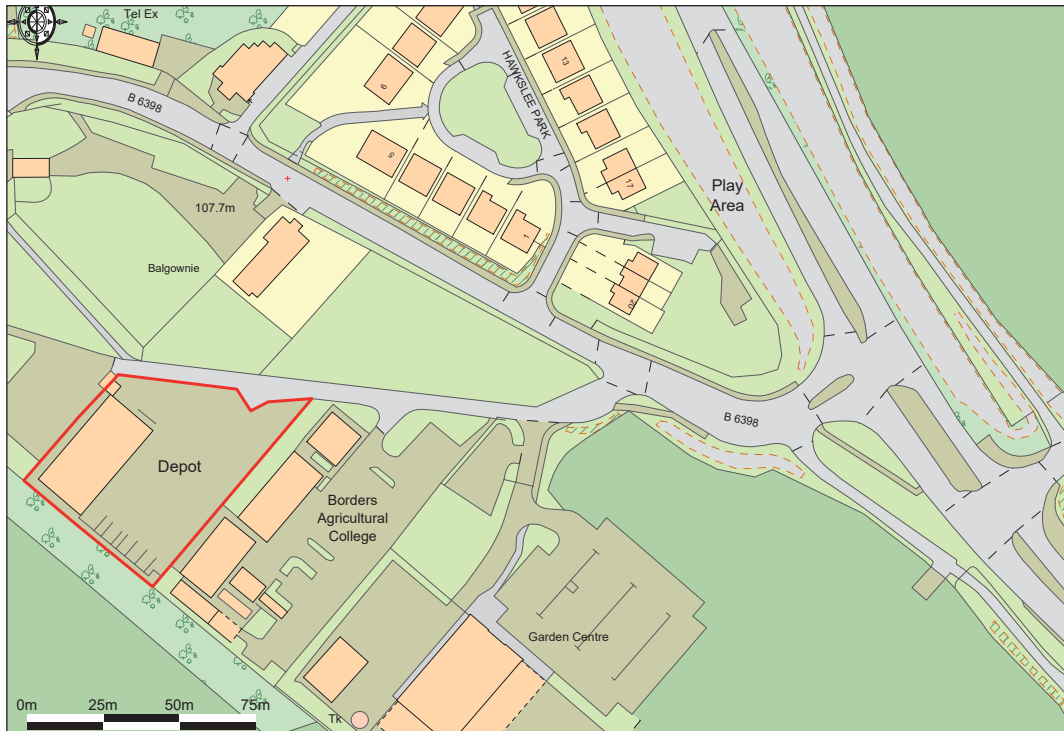


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DCK/LR/Newtown St Boswells - Date of preparation: 4 June 2019

Messrs Eric Young & Co for themselves and for their client whose agent they are give notice that (1) These particulars are set out as a general outline only for the guidance of intended purchasers or tenants and do not constitute any or part of an offer or contract. (2) All descriptions, dimensions, reference to condition and necessary permissions for use and occupation and other details are given without responsibility and any intending purchaser or tenant should not rely on them as statements or presentations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them. (3) No person in the employment of Messrs Eric Young & Co has any authority to make or give representation or warranty whatever in relation to this property. (4) Unless otherwise stated all prices and rents are quoted exclusive of VAT. Prospective purchasers or lessees must satisfy themselves independently as to the incidence of VAT in respect of any transaction.