

Secure City Centre Retail Investment



Indigo Sun | 134 Lothian Road Edinburgh | EH3 9BQ

£500,000

subject to contract

singerviellesales.com

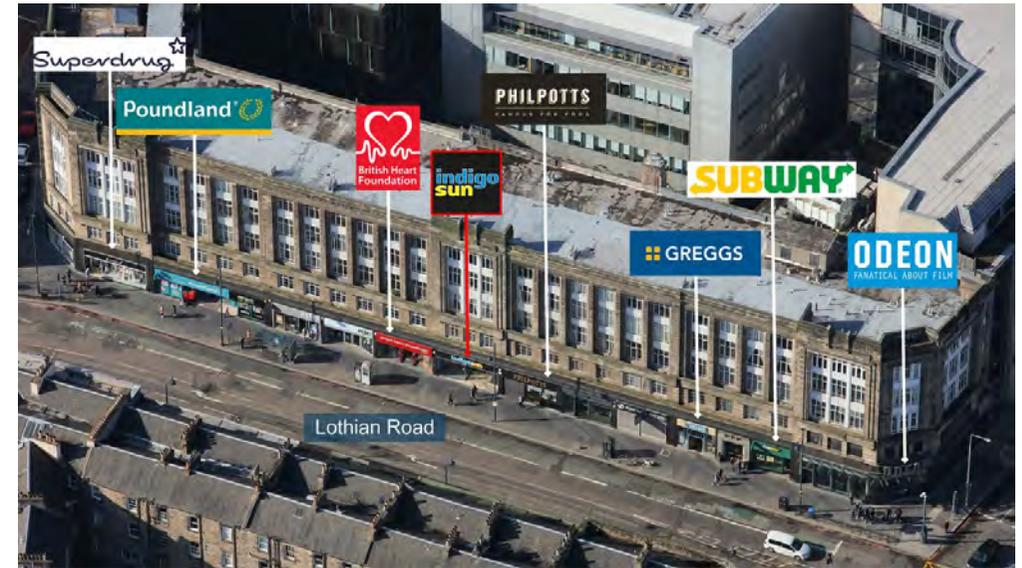


eric young & co

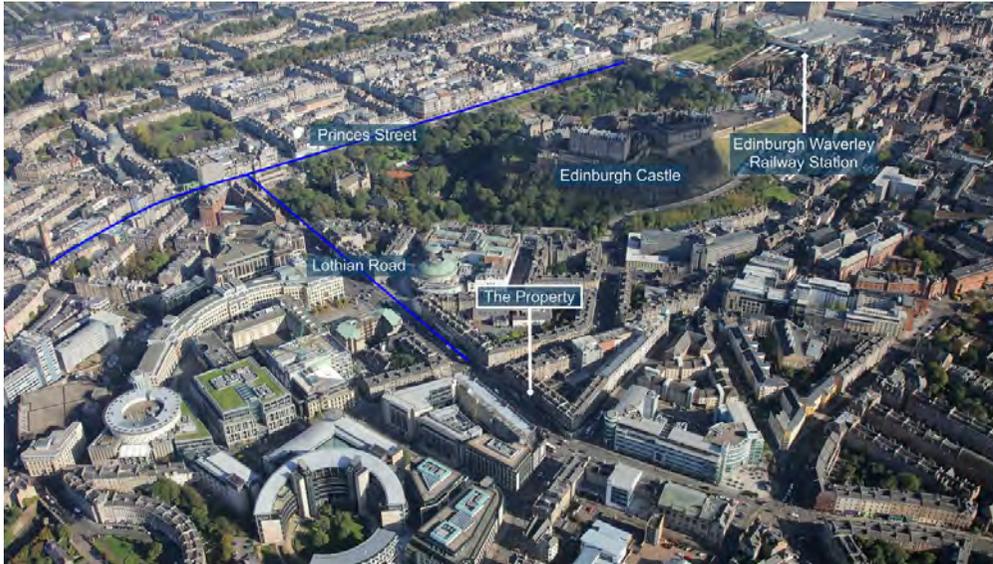
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SUMMARY

- Edinburgh is the UK's most prosperous city outside London
- Prime position in the heart of the City Centre
- Secure Income
- 8.25 years unexpired lease term
- Tenant has been in occupation for over 16 years and recently extended their lease, demonstrating their commitment to the property
- Heritable Interest (Scottish Equivalent of English Freehold)
- £500,000, subject to contract
- 7.46% Net Initial Yield



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LOCATION

Edinburgh is Scotland's Capital City and its principal, financial and administrative centre, housing both the Scottish Parliament and the Scottish Government. It is the UK's most prosperous city outside London (Source: Invest Edinburgh).

The city has a population of 495,000 people and a regional population of over 1.6 million within the Fife and Scottish Borders catchment area. It is one of the eight UK centres categorised by Property Market Analysis as a major city on the basis of the volume and quality of its retail offering. It is the most prosperous regional city in the UK and its workforce is one of the most highly educated.

It is consistently ranked as one of the UK's most competitive large cities, based on factors such as skills, productivity and qualifications, due, in part, to having four universities with over 60,000 students and producing over 15,000 graduates each year. It also has the second highest gross value added per resident in the UK, with GVA per resident of £38,000 compared to a UK averaged of £20,699.

Edinburgh is one of the most visited tourist destinations in the UK, attracting over 4 million visitors each year. With more overseas visitors than any other UK regional city it boasts the highest hotel occupancy (averaging 83.7%).

SITUATION

The subjects are situated on the west side of Lothian Road within the section of the street bounded by Morrison Street to the north and Semple Street to the south in the heart of the Edinburgh's Exchange District.

Lothian Road forms part of one of the main arterial routes into Edinburgh City Centre from the south benefitting from high vehicular and pedestrian footfall. The subjects lie approximately 0.8 km (0.5 miles) to the south of Edinburgh City Centre within a mixed commercial and residential locality. Occupiers in the vicinity include Tesco Express, Boots, Costa, Superdrug, Poundland, Greggs, Odeon Cinema, and Pret a Manger.

In addition, the property is adjacent to 2 Semple Street, a prime, new Grade-A office scheme. The development extends to approximately 40,000 sq ft to comprise of two retail units at ground floor and five upper floors of Grade A office accommodation. The completion of this development will significantly improve the area and undoubtedly increase footfall. Other nearby office occupiers include Blackrock, Standard Life, Lloyds Banking Group, Brewin Dolphin and PwC.

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DESCRIPTION

The subject property comprises a well-configured ground floor retail unit which forms part of a steel framed Art Deco building dating back to 1935. The unit has been fitted out by the tenant in their usual corporate style.



ACCOMMODATION

The property has been measured by BRK Floor Plans and provides the following Net Internal Areas;

Net Frontage	6.71 m	22'0"
Gross Frontage	7.32 m	24'0"
Zone A	181.16 sq m	668 sq ft
Zone B	60.48 sq m	651 sq ft
Zone C	57.41 sq m	618 sq ft
Remainder	12.36 sq m	133 sq ft
ITZA		1,248
Total Ground Floor Sales	192.30 sq m	2,070 sq ft
Basement	77.29 sq m	832 sq ft
Total	269.60 sq m	2,902 sq ft

A set of floorplans are available to download and the measured survey report will be assigned to a purchaser at a cost of £250 + VAT.

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TENURE

Heritable (Scottish equivalent of English freehold).

TENANCY

The ground floor is let on a renewed lease to **Indigo Sun Retail Limited** on a full repairing and insuring basis for a term of 10 years from 24th March 2018, expiring on 23rd March 2028 (8.25 years unexpired lease term).

The current passing rent is **£39,000 per annum** which, based on our analysis, equates to £31 Zone A. There is an upwards only rent review on 24th March 2023.

The tenant recently extended their lease and has been in occupation for over 16 years.

COVENANT

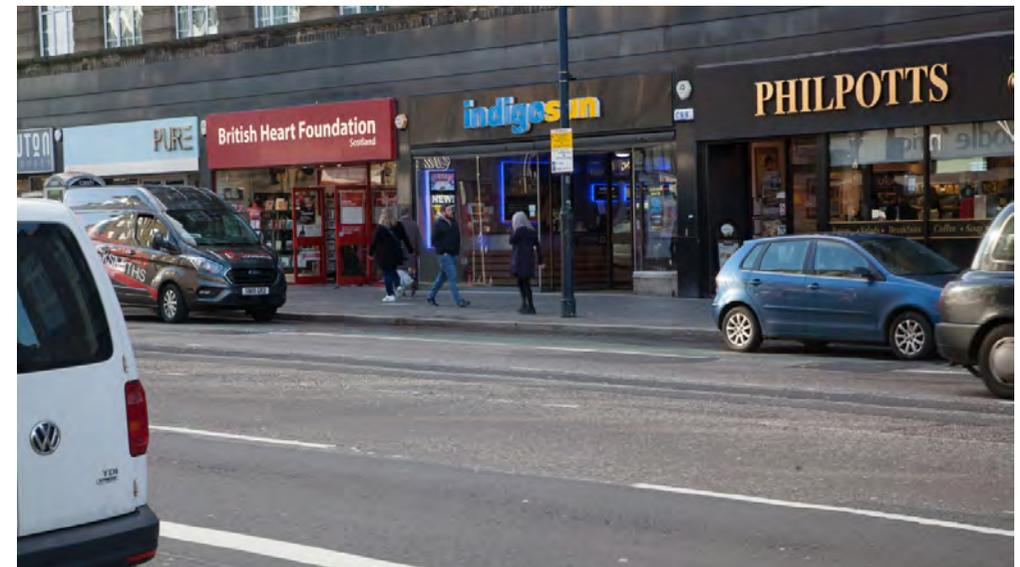
Indigo Sun Retail Limited (Co. No. SC124986) has reported the following figures:

	30th September 2018	30th September 2017
Turnover	£14,273,693	£13,187,448
Pre-Tax Profits	£1,604,015	£2,016,725
Net Assets	£7,390,203	£6,706,119

Established in 1993, Indigo Sun is an award winning tanning salon, voted the UK's best tanning centre by the European Tanning Awards. The company has over 70 salons throughout the UK.

Indigo Sun has occupied the subject property for over 16 years and recently extended their occupation for a further 10 years, without breaks, demonstrating their commitment to this location.

For further information visit www.indigosun.co.uk.



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VAT

The property has been registered for VAT. It is anticipated that the sale will be treated as a Transfer of a Going Concern (TOGC).

PROPOSAL

We are instructed to seek offers in the region of **£500,000** (Five Hundred Thousand Pounds), subject to contract, reflecting a net initial yield of **7.46%**, assuming purchasers' costs of 4.50%.

Please note a purchaser will be re-charged the cost of the searches and surveys which are provided in the data room.

Please note a purchaser will be charged a Transaction Fee of 1% of the Sale Price + VAT.

INVESTMENT CONSIDERATIONS

1. The property is located in the UK's most prosperous city outside London;
2. The property occupies a prime prominent position in the heart of the city centre;
3. Secure income;
4. Attractive unexpired lease term of 8.25 years;
5. The tenant has been in occupation for over 16 years and recently extended their lease, demonstrating their commitment to the property
6. A purchase at the asking price reflects an attractive net initial yield;
7. Attractive lot size for an investor.



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SUBJECT TO CONTRACT & EXCLUSIVE OF VAT

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Finance Act 1989

Unless otherwise stated, all prices and rents are quoted exclusive of VAT.

Property Misdescriptions Act 1991

These details are believed to be correct at the time of compilation, but may be subject to subsequent amendment.

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