

PRIME CITY CENTRE CONVENIENCE STORE INVESTMENT

OFFERS IN EXCESS OF
£2,180,000
(6.00% NET INITIAL YIELD)

8 PICARDY PLACE
EDINBURGH
EH1 3JT



Executive Summary

- 01. Prime city centre convenience store investment opportunity.
- 02. Situated in the heart of the East End of Edinburgh city centre.
- 03. Let to Tesco Stores Limited (5A1 D&B Credit Rating).
- 04. Ground and basement floor accommodation.
- 05. Extends to an adjusted GIA of 556.02 sq m (5,985 sq ft).
- 06. Passing Rent of £139,100 per annum (£23.24/sq ft).
- 07. Recent 10 year extension from May 2030 showing undoubted tenant trading performance.

- 08. Lease expiring on 15 May 2040 (no breaks).
- 09. Over 13.50 years of term certain.

PROPOSAL

We are instructed to seek offers in excess of **£2,180,000 (TWO MILLION ONE HUNDRED AND EIGHTY THOUSAND POUNDS STERLING)** exclusive of VAT. A purchase at this level reflects a net initial yield of 6.00% after allowing for standard purchasers' costs of 6.27%.



Location

Edinburgh is the capital city of Scotland, located approximately 400 miles north of London and 45 miles east of Glasgow. It is one of the six cities categorised by PMA as a major city and, consequently, benefits from a significant catchment population.



UNESCO world heritage site



Strongest UK economy after London

£3bn

£3 Billion average annual tourist spend a year



UK's 6th busiest airport flying to 130 global destinations



HQ location for global companies such as Aberdeen, Natwest Group and Scottish Widows



The Edinburgh Festival Fringe is the world's largest performing arts festival



4 Million visitors annually to Edinburgh

£1.2bn

£1.2 Billion contributed by tourism to the local economy each year



UK's 2nd most visited tourist destination



Connectivity

Road communications are excellent with the M90 located to the north, the M8 and M9 to the west and the A1 trunk road to the south which provide links to all major cities in the UK.

The city is well served by the rail network, with direct and frequent services to London (Euston and Kings Cross) and Glasgow with fastest journey times of approximately 4 hour 50 minutes and 51 minutes, respectively. Edinburgh also benefits from one of Britain's fastest growing airports, providing both domestic and international flights.



ROAD

Edinburgh has excellent road communications with direct access into the national motorway network. The city is served by the M8 from the west (Glasgow and Livingston), the M90/A9 from the north (Aberdeen and Inverness) and the A1 and A7 from the south/southeast (the Borders, East Lothian and Newcastle).



TRAM

Opened in May 2014, the city's tram network provides a direct link from Edinburgh Airport to City Centre including stops on Princes Street and the west end. The northern extension now provides connections to Newhaven and Leith.



BUS

Lothian Buses provide an award-winning service, with the majority of services routed via Princes Street ensuring the city centre is easily accessible. The city also benefits from over 75km of cycle paths and extensive pedestrian routes.



RAIL

Edinburgh also benefits from exceptional railway services and facilities following recent multi-million-pound refurbishments, line extensions and upgrades. Waverley Station is located at the east end of Princes Street with Haymarket a short walk from the west end. The East Coast Mainline connects Edinburgh with London and the south, with both stations providing connections to all major Scottish centres.



AIR

Edinburgh International Airport is located 8 miles west of the city centre and is easily accessible via The City of Edinburgh Bypass or the motorway network. There are also direct links from Princes Street by bus and tram.

Edinburgh Airport is Scotland's busiest airport and is approximately 20 minutes by car and 45 minutes by bus or tram. The airport is the 6th busiest in the UK flying to 160 destinations and welcoming 11.2 million people in 2022. Edinburgh Airport was sold to Global Infrastructure Partners for £800m in April 2012.

Since their ownership, £25 million has been spent on a new landside terminal extension, security hall and £19 million south east pier extension, with a further £125million planned.

Situation

The subjects occupy a highly prominent and visible position within the East End of Edinburgh's city centre where Edinburgh's historic Georgian New Town meets Leith Walk. Picardy Place acts a prime gateway between the traditional commercial core of Princes Street/Queen Street to the west and the vibrant residential corridors extending towards Leith and The Shore district of Edinburgh.

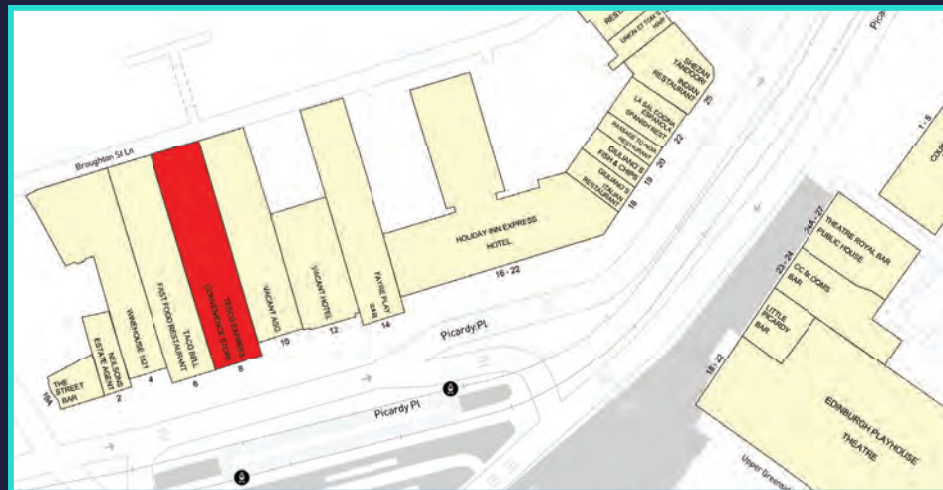
Its positioning offers exceptional connectivity, benefiting from direct integration with the Edinburgh Trams network at the Picardy Place stop directly opposite, which links the location directly to Edinburgh Airport to the west and Newhaven to the north/north-east.

Directly adjacent to the subjects lies the St James Quarter, a major 1.7 million sq ft mixed-use lifestyle destination that completely reshaped the East End of Edinburgh. The scheme features approximately 850,000 sq ft of retail space anchored by John Lewis and over 80 retail units alongside 30-plus food and beverage outlets. High-density residential and premium hospitality are seamlessly integrated into the development, comprising 152 private apartments at New Eidyen, the flagship 244-room W Edinburgh Hotel, and a 75-room Roomzzz Aparthotel.

Directly opposite the subjects to the south sits the OMNi Centre, providing the primary leisure anchor within Edinburgh's city centre. It is home to a 12-screen Vue Cinema, a Nuffield Health fitness club, Edinburgh Street Food market hall, Cosmo, Nando's and the 77-room Glasshouse Hotel on its upper levels. Positioned right alongside the Edinburgh Playhouse, the OMNi Centre completes a dense entertainment, residential and leisure cluster right on the doorstep of 8 Picardy Place.



St James Quarter



W Edinburgh Hotel



Omni Centre

Description

The property comprises the ground and basement floors within a mid-terraced stone-built property held under a pitched and slated roof.

The basement and ground floors have been extended to the rear by way of a two-storey extension under a flat roof incorporating a cupola. The property has also been extended to the front to incorporate an extensive glazed frontage and separate entrance lobby stairwell. The accommodation comprises retail, storage and staff use and has been extensively fitted out by the tenant.



ACCOMMODATION

The subject premises has been measured in accordance with the RICS Code of Measuring Practice (Sixth Edition) and extend to the following gross internal areas:

FLOOR	SIZE (SQ M)	SIZE (SQ FT)
Ground	458.29	4,933
Basement	390.93	4,208
Total	849.22	9,141
*Adjusted GIA	556.02	5,985

*A ¼ reduction factor has been applied to the basement floor.



TENURE

The property is held on a heritable title (Scottish equivalent of English freehold).

TENANCY

The property is let to Tesco Stores Limited who have recently extended their existing lease for an additional 10 year term. The lease now expires on 15 May 2040 and is held on full repairing & insuring terms.

The rent was increased at the last rent review effective from 16 May 2025 to £139,100 per annum which equates to £23.24/sq ft. In terms of the Minute of Extension, Tesco have the benefit of a six-month period at a reduced rent of £69,550 per annum, from 28 May 2026 to 28 November 2026.

There are 5 yearly rent reviews to the greater of the passing rent or open market rental value. The remaining rent review dates are on 16 May 2030 and 16 May 2035.

COVENANT



Tesco Stores Limited stands as the undisputed market leader in UK grocery retail, serving as a core defensible asset in the UK consumer sector. The group controls a dominant 28.5% market share which is nearly double that of its nearest rival, Sainsbury's reflecting a sustained trend of market share gains and volume retention. Anchored by an expansive network of over 4,000 stores spanning large-format superstores, standard supermarkets, and high-density Express convenience locations, Tesco operates a uniquely scalable physical footprint that creates unmatched barriers to entry across the UK retail landscape.

Tesco Stores Limited have a Dun & Bradstreet credit rating of 5A1.

(in Thousands)	Year End 28/02/2026	Year End 22/02/2025	Year End 24/02/2024
Turnover	£73,712,000	£69,916,000	£68,187,000
Tangible Net Worth	£6,371,000	£6,579,000	£6,605,000
Net Profit	£1,787,000	£1,626,000	£1,188,000

EPC

We would advise that the Energy Performance Rating is A.

LEGAL COSTS

Each party will be responsible for their own legal costs incurred in connection with the transaction.

VAT

Our clients have elected to waive exemption for VAT and accordingly VAT will be payable on the purchase price, although the property may be sold as a TOGC.

AML

To comply with the current anti-money laundering regulations the agents acting on both sides of any qualifying transaction are required to undertake appropriate due diligence in advance of the transaction, including identifying and verifying all relevant parties and establishing the source(s) and legitimacy of funding. Both parties will be required to disclose all relevant information prior to conclusion of missives to enable the agents to meet their respective obligations under the Regulations.

PROPOSAL

We are instructed to seek offers in excess of **£2,180,000 (TWO MILLION ONE HUNDRED AND EIGHTY THOUSAND POUNDS STERLING)** exclusive of VAT for our client's heritable interest subject to and with the benefit of the existing lease.

A purchase at this level reflects a net initial yield of 6.00% after allowing for standard purchasers' costs of 6.27%.



VIEWING & FURTHER INFORMATION

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