

FOR SALE

32 MELVILLE STREET
EDINBURGH | EH3 7HA

**RARE WEST END EDINBURGH
TOWNHOUSE OFFICE INVESTMENT**



OFFERS OVER £1,600,000

(5.00% NET INITIAL YIELD AND A CAPITAL VALUE OF £346 PSF)


Sheridan Keane
REAL ESTATE INVESTMENT

EXECUTIVE SUMMARY

- Rare & highly sought after townhouse office investment opportunity;
- Situated in the heart of Edinburgh's vibrant West End Business District;
- Prestigious West End address of Melville Street;
- Arranged over 5 floors with 6 car parking spaces to the rear;
- Extends to a NIA of 429.03 sqm (4,618 sqft);
- Single let to The Consul General of Italy with expiry on 15th August 2024;
- Rolling quarterly tenant breaks on 6 months' notice (time being of the essence);
- Grade A Listed building (no vacant rates);
- Full Repairing & Insuring terms;
- Low Passing rent of £85,000 per annum (£18.40/sq ft);
- Future redevelopment potential to alternative uses (subject to planning);
- We are instructed to seek **offers over £1,600,000 (ONE MILLION, SIX HUNDRED THOUSAND POUNDS STERLING)**, reflecting a **5.00% net initial yield** and £346 per sq ft capital value on the net internal area, after allowing for standard **purchaser's costs of 6.08%** to include LBTT (Land and Buildings Transaction Tax).



LOCATION

Edinburgh is Scotland's Capital City and its principal, financial and administrative centre, housing both the Scottish Parliament and the Scottish Government.

Edinburgh is recognised as a globally important business centre and is the UK's second largest and Europe's fourth largest financial centre, by equity assets under management. The capital city of Scotland is 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.

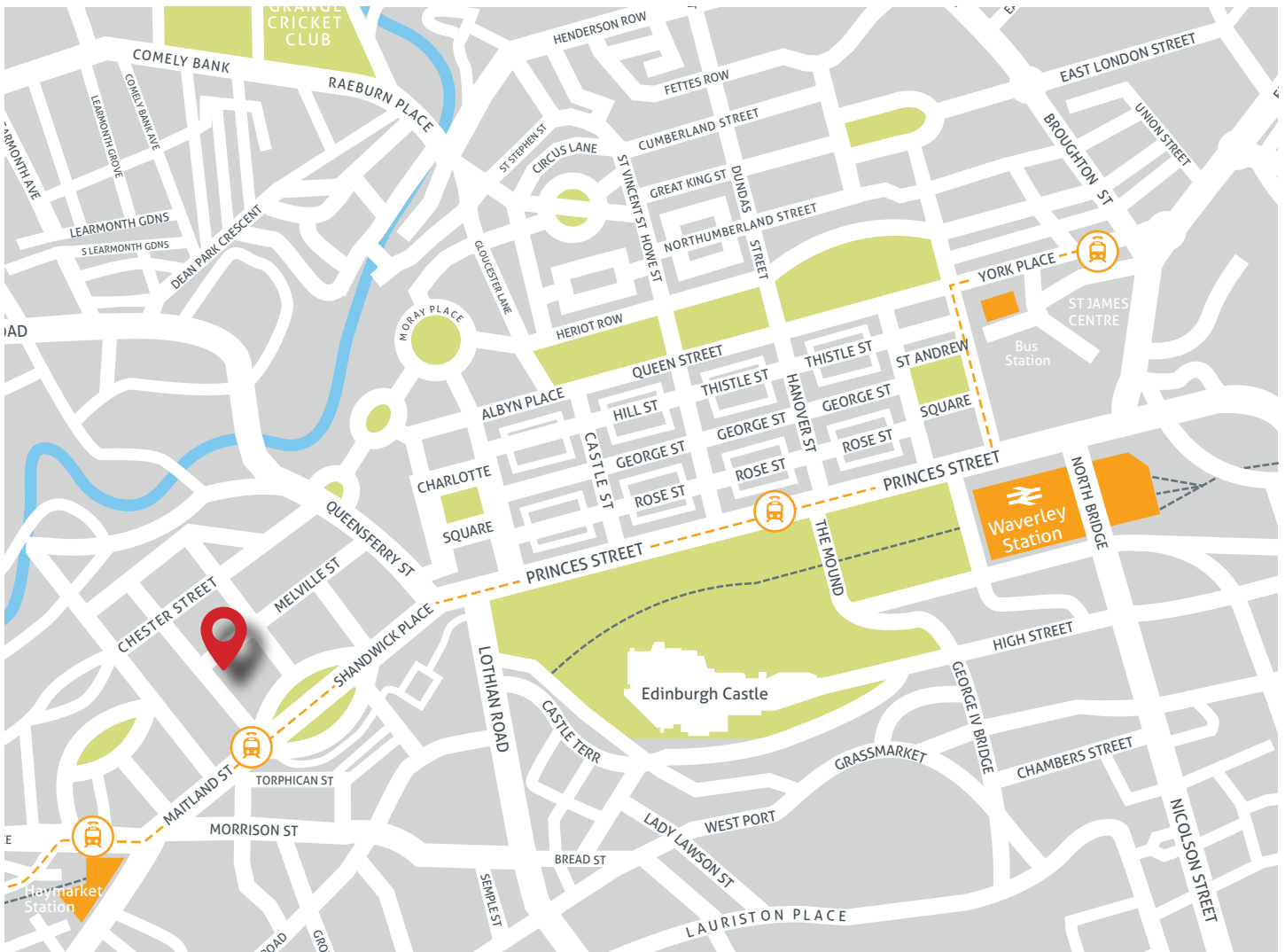
The city has a population of 527,620 people and a regional population of over 1.6 million within the Fife, Central Belt and Scottish Borders catchment area.

The City benefits from an excellent communication system with transport links by road, rail and air to many of the major cities within the UK. Edinburgh has strong road communications and is served by the M8 from the west, the M90 / A9 from the north and the A1 and A7 from the south / south east.

Edinburgh is also served by frequent direct train services and sits on the main east coast railway line. Edinburgh International Airport provides flights to over 80 destinations and is one of the largest airports in the UK.

Edinburgh is the second largest financial district in the UK and in recent years has become an increasingly popular location for the TMT (technology, media and telecommunications) sector. Tourism also plays a key role, with the City being the second most visited tourist destination in the UK.

Edinburgh is consistently ranked as one of the UK's most competitive large cities, based on factors such as skills, productivity and qualifications. It also has the second highest gross value added per resident of any of the 133 NUTS3 regions of the UK, with GVA per resident of £39,300 compared to a UK averaged of £26,300 with 75.6% of working age population in employment.



SITUATION

The subjects are located in a prime position on the south side of Melville Street bounded by the junctions of Stafford Street to the east and Walker Street to the West in the heart of Edinburgh's West End. Melville Street is within close proximity to a wide variety of local amenities including bars, restaurants, gyms and shops all within easy walking distance.

There are excellent transport links in the area with Queensferry Street a principal bus route in and out of the City. Haymarket railway station is a short 10-minute walk away and there are numerous bus stops and a tram stop within close proximity. Nearby occupiers include Johnston Carmichael, Close Brothers, Oberlanders, Eversheds and Melville Independent plc.

THE JOHNNIE WALKER VISITOR CENTRE

The brand-new flagship Johnnie Walker visitor centre which opened in August 2021, is located just around the corner from Queensferry Street. This new visitor centre is the centrepiece of a £150 million investment by Diageo to transform their Scotch Whisky experiences at distilleries around Scotland.

The new Johnnie Walker Princes Street offers the ultimate whisky experience from rooftop bars and a flagship retail store to a variety of interactive tours and exclusive tasting experiences.

The new visitor attraction has created between 160 – 180 full-time equivalent jobs and generated about £135m in tourism spend in the wider Edinburgh economy through the visitors it attracts to the city.

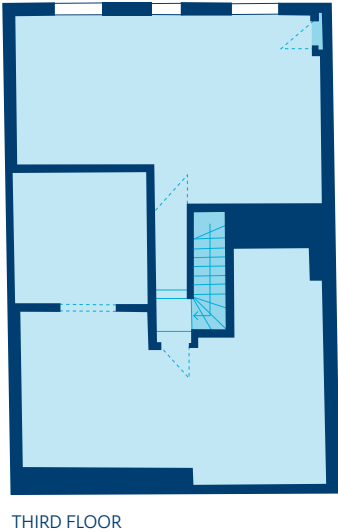
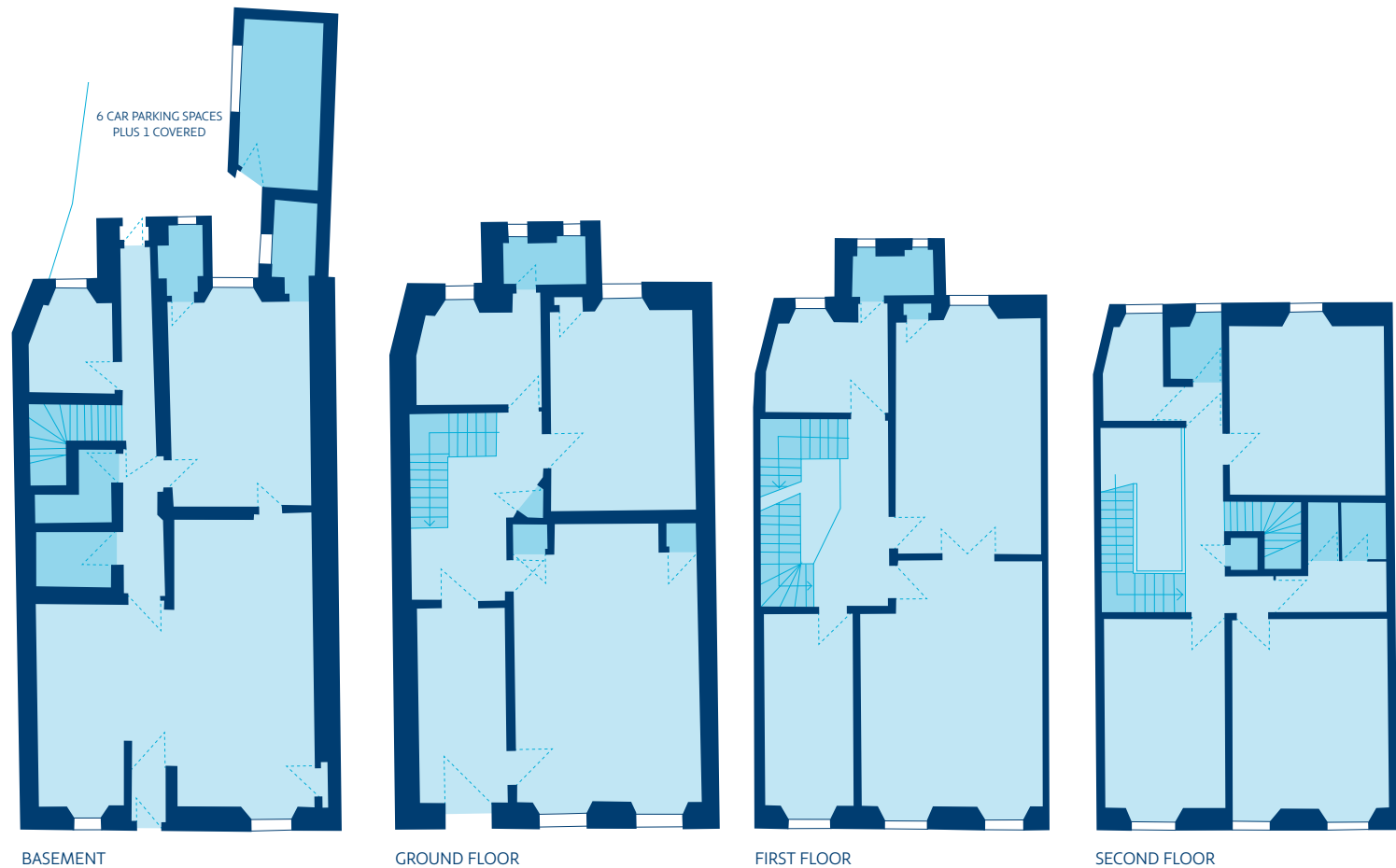


DESCRIPTION

The subject property comprises a traditional Grade A listed terraced townhouse property, arranged over basement, ground, first, second and third floors and constructed around 1825. Internally, the property comprises of cellular office accommodation with full height ceilings at ground and first floor levels, incorporating original periodic cornice features. WC facilities are located on the basement, first and second floors.

Externally, the property has direct access from Melville Street with separate access to the basement level via an external stone stair from pavement level. Access to the basement is also provided internally as well as from the rear car parking area which can accommodate 5 clear and 1 blocked car parking space. There is also an external boiler housing within the car park which can only be accessed from the rear of the property.

FLOOR PLANS



ACCOMMODATION

The subjects have been measured in accordance with the RICS Code of Measuring Practice (Sixth Edition) and would estimate that the subjects extend to the following approximate area:

AREA/FLOOR	SIZE (SQ M)	SIZE (SQ FT)
Third Floor	69.09	744
Second Floor	69.76	751
First Floor	95.36	1,026
Ground Floor	99.23	1,068
Basement	95.59	1,028
TOTAL NET INTERNAL AREA	429.03	4,618
TOTAL GIA	559.59	6,023



TENURE

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

TENANCY INFORMATION

The subjects are let entirely to The Consul General of Italy with their lease expiry due 15th August 2024. The current passing is £85,000 per annum (£18.40/sqft). The lease is held on Full Repairing & Insuring terms.

The tenant has quarterly break options within each year of the lease (31st March, 30th June, 30th September, 31st December) subject to 6 months' written notice (time being of the essence).

EPC

Available on request.

PROPOSAL

We are instructed to **seek offers over £1,600,000 (ONE MILLION, SIX HUNDRED THOUSAND POUNDS STERLING)**, reflecting a **5.00% net initial yield** and £346 per sq ft capital value on the net internal area, after allowing for standard **purchaser's costs of 6.08%** to include LBTT (Land and Buildings Transaction Tax)

VAT

Our clients have elected to waive exemption for VAT and accordingly VAT will be payable on the purchase price, although we anticipate the sale will be dealt with by way of a Transfer of Going Concern (TOGC).

LEGAL COSTS

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

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.

VIEWING & FURTHER INFORMATION



Sheridan Keane
REAL ESTATE INVESTMENT

www.sheridankeane.co.uk

90a George Street, Edinburgh EH2 3DF

Tel: 0131 300 0296

Cathal Keane

Tel: 07808 627224

cathal@sheridankeane.co.uk

Graeme Millar

Tel: 07523 512804

graeme@sheridankeane.co.uk

Fraser McDonald

Tel: 07516 513767

fraser@sheridankeane.co.uk

Sheridan Keane Real Estate Investment for themselves and for the vendors or lessors of this property whose agents they are give notice that: (i) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, reference to condition and necessary permission for use and occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them and are advised to do so; (iii) no person in the employment of Sheridan Keane Real Estate Investment have any authority to give representation or warranty whatever in relation to this property; (iv) all prices, rents and premiums quoted are exclusive of VAT at current rate.

Date of publication: May 2023

