

FOR SALE
PRIME FLAGSHIP RETAIL INVESTMENT

Rowan House

66-70 BUCHANAN STREET, GLASGOW G1 3JE



PLAY VIDEO

OFFERS OVER £9,750,000
(6.00% Net Initial Yield & 9.60% Reversionary Yield)



Investment Summary

Prime flagship retail investment opportunity;

100% prime location on the east side of Buchanan Street;

Exceptional reversion potential to be captured;

Extensive refurbishment works costing in excess of £2million have recently been completed;

Let on two separate co-terminus leases to Laing the Jeweller (Glasgow) Limited (2A1 D&B Credit Rating);

The retail element is arranged over basement, ground and first floors and extends to 11,146 sq ft (3,291 sq ft ITZA);

The retail lease rent is £505,000 per annum (£153.44 Zone A) with a lease expiry on 7 January 2039 (no breaks) on full repairing & insuring terms;

The office element is arranged over second, third, fourth and fifth floors and extends to 12,476 sq ft.

The office lease rent is £120,000 per annum (£9.62 per sq ft) with a lease expiry on 7 January 2039 (no breaks) on full repairing & insuring terms (subject to a restricted schedule of condition);

Combined passing rent of £625,000 per annum;

Estimated rental value of £999,000 per annum;

Our clients are seeking offers over **£9,750,000 (NINE MILLION SEVEN HUNDRED AND FIFTY THOUSAND POUNDS STERLING)** exclusive of VAT which reflects a Net Initial Yield of 6.00% and an attractive Reversionary Yield of 9.60% assuming standard purchasers' costs of 6.68%.

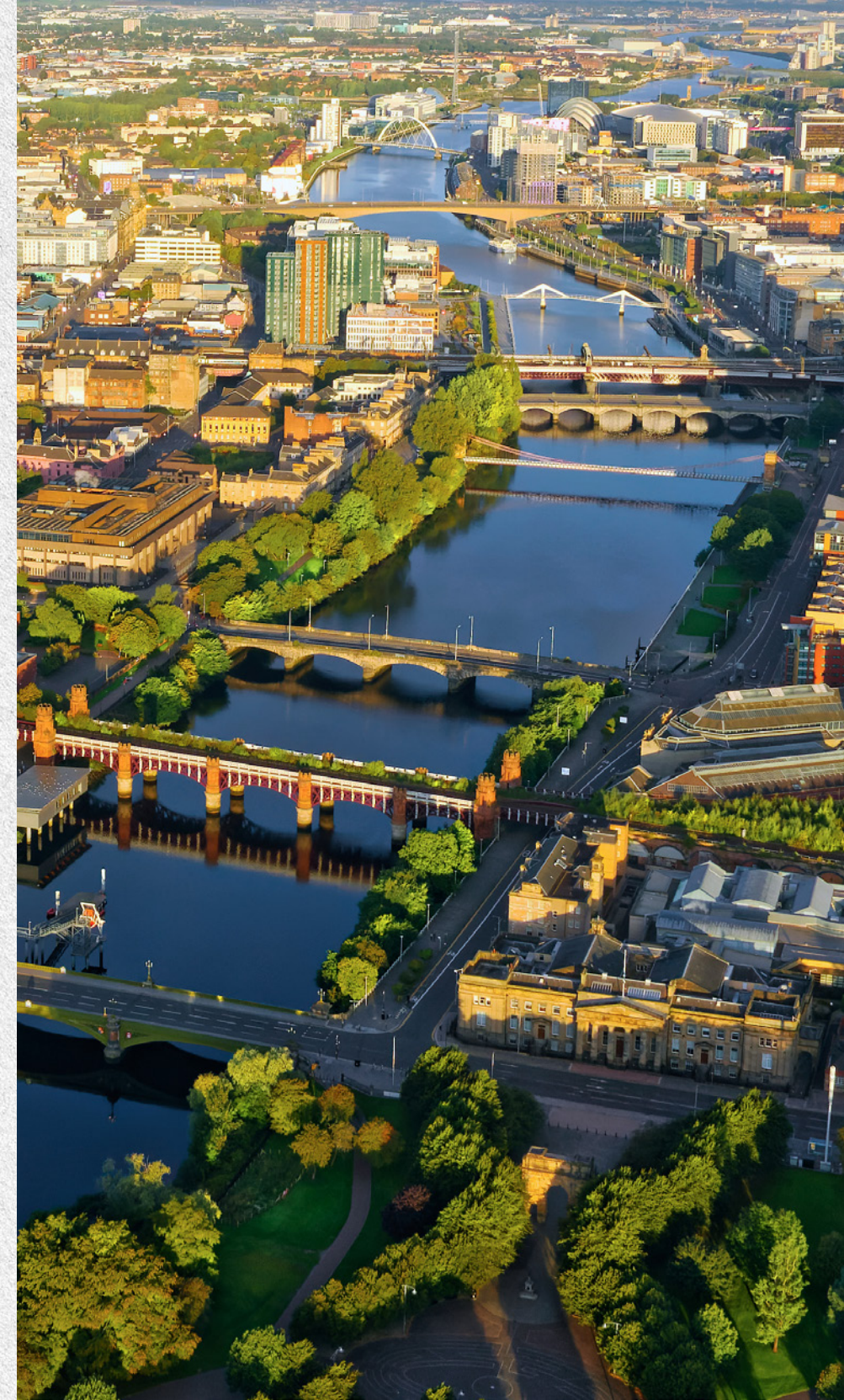
Glasgow

Glasgow is Scotland's largest city and the third largest in the UK with a population of approximately 600,000. Greater Glasgow includes the surrounding local authority areas and has a population of 1.75 million, approximately 34% of Scotland's population.

Glasgow's city centre is the principal business and commercial hub in Scotland. The city has a diverse economic base having repositioned itself as a national and international provider of business and financial services, a major tourist destination and a national centre for retail, entertainment, and leisure activities.

Glasgow also has a significant student population of over 160,000. This comprises a total of 67,000 students who attend the five Higher Education Universities in the City plus a further 97,000 who attend colleges providing further education.

Major employers in Glasgow include Tesco Bank, Barclays, Dell, E-sure, JP Morgan, Morgan Stanley, KPMG, Royal Bank of Scotland, Shell, Scottish and Southern Electricity, Scottish Power and Santander Bank. The public sector is also a key employer including Glasgow City Council, The Ministry of Defence and the Scottish Executive.



Connections

Glasgow is extremely well connected by a number of different transport modes including road, bus, rail, subway and air. In addition, Glasgow is continually investing in its transport infrastructure, with many projects ongoing which will improve and modernise various major transport systems.



Road: Glasgow city centre is located at the heart of the motorway network with the M8, Scotland's main motorway, connecting Glasgow to Edinburgh. The M8 also provides direct access to the north, south, east and west of Scotland through its connections with the M74, M73, M77 and M80. Major improvement works to upgrade the core of Scotland's motorway network have recently completed. Works include the completion of the M8 between Baillieston and Newhouse, improvements to the Raith Interchange on the M74 and upgrading of the existing M8, M73 and M74.



Train: Glasgow has the UK's largest suburban rail network outside London, benefitting from two city centre train stations. Glasgow Central, Glasgow's biggest train station has connections to all major English cities and London can be reached in around 4 hours. Glasgow Queen Street station connects Glasgow to the east and north of Scotland to destinations including Edinburgh, Perth, Dundee, Aberdeen and Inverness. In recent years there have been many rail line improvements and extensions and Queen Street completed a major multi million pound redevelopment and expansion in 2021.



Bus: There are a number of operators running over 170 daily services across over 100 routes in and out of Glasgow to various surrounding locations. There are frequent bus services to and from Glasgow Airport, taking only 15 minutes.



Subway: Glasgow's underground rail system has an inner and outer circle serving key locations across Glasgow through its 15 stations. Trains run every 4 minutes at peak times and are able to travel across the city centre in 10 minutes. The Glasgow subway is currently undergoing a full scale upgrade and modernisation including the introduction of new trains, automated signalling and associated system improvements.



Air: Glasgow is within an hour's drive of three international airports, with Glasgow International Airport just 15 minutes from the city centre. Glasgow Prestwick Airport and Edinburgh Airport are also easily accessible being around a 60 minute journey time. Glasgow Airport hosts approximately 200 flights daily and is home to 30 airlines which fly to 120 destinations worldwide. There are 16 flights to London per week with a circa 1 hour 20 minute flight time. The airport terminal has recently been expanded and improved as part of a 10 year £200 million investment programme.



Retail In Glasgow

Glasgow city centre has an established reputation as a leading fashion centre with a broad range of fashion multiples from mass market to upmarket, specialist retailers. The city centre has 2.9 million sq ft of retail floor space with the prime retailing locations being Buchanan Street, Argyle Street and Sauchiehall Street forming the retailing 'Golden Z'. The offer on these thoroughfares is supplemented by the 660,000 sq ft Buchanan Galleries, the 540,000 sq ft St Enoch Centre and aspirational shopping centre, Princes Square.

Buchanan Street which is firmly established as the 100% prime location for high end fashion retailers has been a sustained period of significant rental growth, with prime rents now in the order of £330 Zone A.

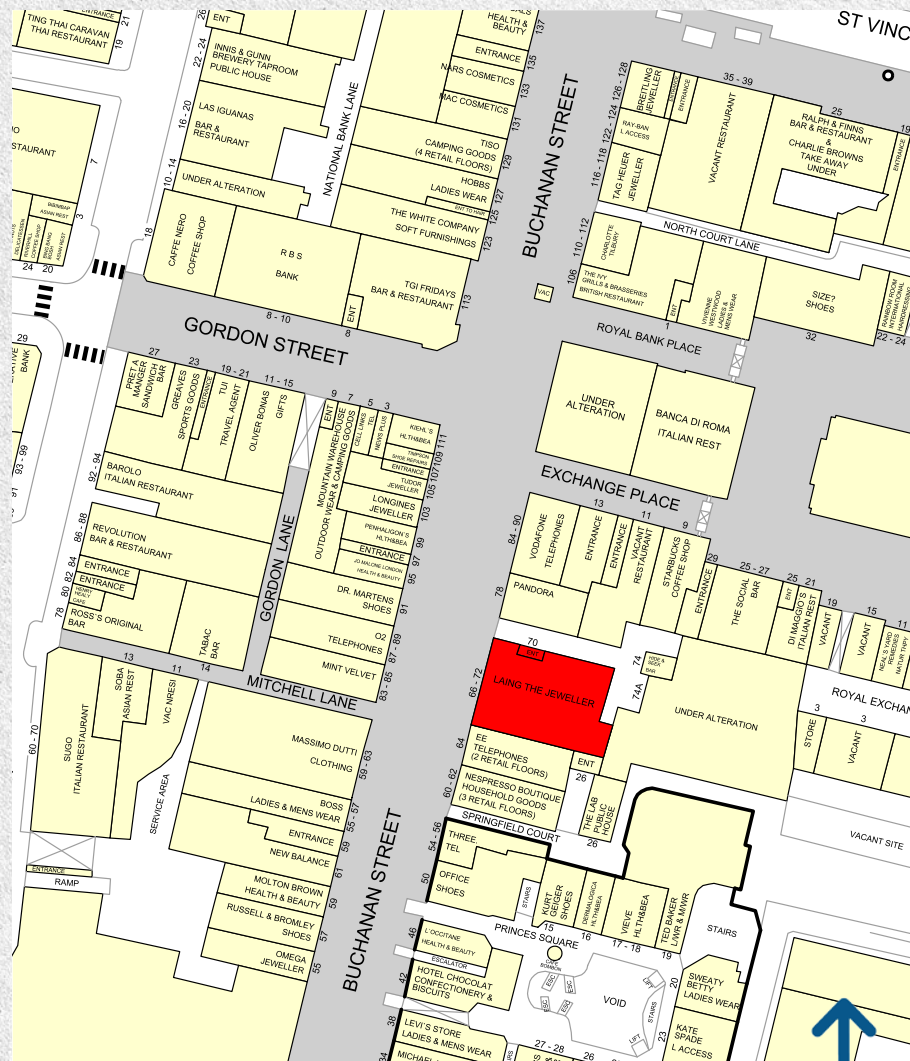
Demand for the prime retail pitch continues to grow and Glasgow recently welcomed global brands Uniqlo, Omega, Michael Kors, Hugo Boss, Brietling, Ray-Ban, Tag Heuer and New Balance.



Situation

The property is situated in the heart of Glasgow city centre, on the east side of Buchanan Street. Rowan House is an impressive yet imposing building on Buchanan Street which was originally built in circa 1830.

This prominent unit occupies the 100% prime retail pitch in close proximity to Princes Square, with nearby occupiers including Apple, House of Fraser, All Saints, Boss, Massimo Dutti, Omega, Longines, Lush, The White Company and Kiehls.





Sauchiehall Street

George Square

Queen Street Station

Rowan House



St Vincent Street

West Nile Street

Glasgow Central Station

Gordon Street

Buchanan Street

Argyle Street



St Enoch Shopping Centre

Description

The subject property comprises a large flagship retail unit providing sales areas at ground and first floors with basement storage. The property benefits from significant frontage onto Buchanan Street.

The upper floors can be accessed both internally from the main retail premises and by way of their own exclusive access door along the side elevation which is fully equipped with a passenger lift that serves the entire upper floors. The subjects have been extensively fitted out in the corporate branding of Laings.



Accommodation

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

Description	Size (Sq M)	Size (Sq Ft)
Office		
Fifth Floor	202.31	2,177
Fourth Floor	283.44	3,050
Third Floor	308.89	3,324
Second Floor	364.64	3,925
Total	1,159.28	12,476

Retail		
First Floor	337.8	3,636
Ground Floor	365.97	3,941
Basement Floor	331.61	3,569
TOTAL NIA	1,035.38	11,146
Total Reduced Area	305.76	3,291



Buchanan Street Retail Occupational Market

City centre retail occupational demand in Glasgow continues to be dominated by Buchanan Street, which remains one of the best retailing streets in the UK and the second busiest shopping thoroughfare in the UK, second only to Oxford Street in London. Glasgow has been recognised for being the second best shopping destination in the United Kingdom, after London, since 2008.

Over the last 2 years occupational demand for Buchanan Street has risen to unprecedented levels, with rents increasing and availability currently at an all-time low.

As supply has reduced, we have seen a number of new lettings which continue to push rents well in excess of £300 Zone A. A sample of recent occupational comparable evidence over the past 12 months is shown in the table below:-

Address	Tenant	Transaction Type	Rent Per Annum (Zone A Sq Ft)	Date
99 Buchanan Street	Penhaligons	Lease Renewal	£250,000 (£350)	Feb 2025
34 Buchanan Street	Michael Kors	Lease Renewal	£337,500 (£305)	Feb 2025
61 Buchanan Street	New Balance	New Letting	£475,000 (£287)	Nov 2024
133 Buchanan Street	NARS Cosmetics	New Letting	£235,000 (£312)	Jun 2024
78 Buchanan Street	Pandora	New Letting	£410,000 (£313)	Jan 2024
131 Buchanan Street	MAC Cosmetics (Estee Lauder)	New Letting	£225,000 (£316)	Jan 2024

We believe the ERV for the retail element is £850,000 per annum reflecting a conservative rate of £258 Zone A with the office element at £149,000 per annum reflecting £12.00 per sq ft.

This results in a total conservative ERV of £999,000 per annum.



The Occupier

Laing the Jewellers (Glasgow) Limited has a Dun & Bradstreet credit rating of 2A1. For the year ending 31 May 2024, the company reported sales turnover in excess of £68 million, profit in excess of £23 million and a tangible net worth of £5.9 million.

Glasgow HQ

Established in 1840

180 year old
Family Business



Scotland's Oldest
Family Business

6th Generation Family Jeweller

Luxury Brand Watch Specialists

1840 Founding Father James Laing establishes the business initially supplying timepieces & precision instruments to Clydebuilt Shipyard.

1938 Post-war and under the third generation William Laing set out to build on the family's reputation and use their craftsmanship to offer pieces of jewellery that symbolised hope during uncertain times.

1969 Fifth generation, Stuart Laing capitalised on the luxury sentiment that designed jewellery brought, leading Laing to become the go-to, household name for luxury in Scotland. He remains as the Executive Chairman of the business.

2006 Present sales director & sixth generation family member Richard Laing's expertise and passion for diamonds further enhances the skills, craftsmanship and service to their clients.

Present Under the sixth generation, Laings continues to be a family business with their expertise, skill and craftsmanship setting them at the forefront of jewellery across the UK and beyond.

1914 Second generation Robert Laing opens their new Glasgow showroom.

1960 Robert Laing, fourth generation, designed 3 spectacular pieces for the Diamond International Awards which led to a transformation in designs in their retail showrooms.

1970 Technological advancements allowed Laings to enhance the excellence of their pieces and staying true to their founding principles of Heritage, Craftsmanship & Expertise.

2011 Wendy Laing & Joe Walsh joint the business and continue to remain committed to providing an unrivalled passion and determination to ensure that the founding principles of the company continue to succeed for generations to come.

Tenancy Information

The property has two leases that are co-terminus and occupied by Laing. These are referred to as the retail lease and office lease.

Retail Lease

The retail lease is demised over the basement, ground and first floor levels and is let to Laing the Jeweller (Glasgow) Limited at a passing rent of £505,000 per annum (£153.44 Zone A). The lease commencement date was 8 January 2024 with expiry on 7 January 2039 (no breaks) on full repairing & insuring terms.

The rent is to be reviewed on 8 January 2029 and 8 January 2034 to the higher of the rent payable prior to the review date and market rent.

Office Lease

The office lease is demised over the Second, Third, Fourth and Fifth Floor levels and is let to Laing the Jeweller (Glasgow) Limited at a passing rent of £120,000 per annum (£9.62 per sq ft). The initial lease commencement date was 8 April 2022 with expiry on 7 January 2037 (no breaks) on full repairing & insuring terms.

A Minute of Variation was undertaken to ensure both leases were co-terminus. The variation extended the lease expiry to 7 January 2039 along with an insertion of a schedule of condition to the windows on the third, fourth and fifth floors only.

The rent is to be reviewed on 8 April 2027 and 8 April 2032 to the higher of the rent payable prior to the review date and market rent.





Tenure

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

EPC

The property has an Energy Performance Certificate rating of B.

Data Room

Access can be provided to interested parties who formally note interest with the sole selling agent.

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

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

Anti-Money Laundering

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 over **£9,750,000 (NINE MILLION SEVEN HUNDRED AND FIFTY 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 would show an attractive Net Initial Yield of 6.00%, an attractive Reversionary Yield of 9.60%, assuming standard purchasers' costs of 6.68%.

Viewing & Further Information

Please contact the sole selling agents:

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