

EDINBURGH | EH2 3AA

113 Princes Street



FOR SALE

Prime Retail Investment



Investment Summary

Rare opportunity to acquire a prime retail unit in the heart of Edinburgh city centre on Princes Street.

Princes Street is Edinburgh's prime retailing thoroughfare and benefits from the highest footfall in the city centre, estimated at circa 12 million per year.

Let to Hotter Shoes Limited; over 35 stores nationwide.

Total passing rent of £120,000 per annum (only £113.52/sqft Zone A).

Genuine opportunity for further rental growth.

Lease expiry in 30 November 2026.

Offers over £1,150,000 are invited, exclusive of VAT. A purchase at this level reflects an attractive Net Initial Yield of 9.86% assuming purchasers' costs, including Land & Buildings Transaction Tax (LBTT) at 6.42%.

Edinburgh

Edinburgh, Scotland's historic and vibrant capital, seamlessly blends its rich heritage with a thriving modern economy. With an estimated population of 564,000 as of 2025, it ranks as Scotland's second-largest city. Beyond its city limits, Edinburgh serves a broader catchment area of over 1.6 million people across the Lothian region, amplifying its significance as a retail and commercial hub. This extensive reach, combined with its economic dynamism and cultural allure, makes Edinburgh a standout location for investment opportunities.



ECONOMIC STRENGTH

Edinburgh's economy is a cornerstone of its appeal, recognized as one of the UK's premier financial centres outside London. Its diverse economic base includes several powerhouse sectors.



FINANCIAL SERVICES

The city hosts global players like the Royal Bank of Scotland, NatWest, and Scottish Widows, cementing its status as a financial powerhouse. This sector alone contributes billions to the local economy annually.



TECHNOLOGY & INNOVATION

Edinburgh is rapidly emerging as a hub for tech and life sciences, driven by cutting-edge research from institutions like the University of Edinburgh and Heriot-Watt University. Start-ups and established firms alike thrive in this innovation-friendly environment.



TOURISM

As a UNESCO World Heritage Site, Edinburgh's historic charm—embodied by landmarks like Edinburgh Castle, the Royal Mile, and the Palace of Holyroodhouse—draws over 4 million visitors yearly, boosting local commerce.



EDUCATION

Home to four universities and over 100,000 students, Edinburgh boasts a highly skilled workforce, with 45.3% of residents holding degrees or professional qualifications—well above the UK average.

This economic diversity, paired with a highly educated population, fosters resilience and growth, making Edinburgh an attractive base for businesses and a reliable market for retail investment.



CULTURAL & TOURIST APPEAL

Edinburgh's cultural richness is unrivalled, drawing millions to its streets each year and creating a bustling atmosphere ideal for retail. The city's global reputation is anchored by its world-famous festivals:



EDINBURGH INTERNATIONAL FESTIVAL

A premier showcase of performing arts, attracting top talent from around the globe.



EDINBURGH FESTIVAL FRINGE

The world's largest arts festival, it transforms the city each August with thousands of performances and millions of attendees.



HOGMANAY

Edinburgh's iconic New Year celebration features fireworks, street parties, and concerts, drawing international crowds.

Beyond festivals, the city offers a wealth of cultural treasures, including the National Museum of Scotland, the Scottish National Gallery, and historic sites like St. Giles Cathedral. This cultural vibrancy ensures high footfall in the city centre, particularly along Princes Street, enhancing its retail potential.



RETAIL ENVIRONMENT

Princes Street, Edinburgh's flagship retail destination, is undergoing a transformative period, with significant developments poised to elevate its status as a premier shopping and leisure hub. Anchored by iconic landmarks and high-street brands, the street is set to benefit from a wave of new investments, including planned luxury hotels and the ambitious redevelopment of the historic Jenners department store. These projects are not only revitalizing the eastern end of Princes Street but also reinforcing its appeal as a vibrant, high-footfall location for retailers and investors alike.

PLANNED HOTELS ON PRINCES STREET

Several high-end hotels are in the pipeline for Princes Street, signalling a renewed focus on hospitality and tourism in the area. These developments are expected to attract a steady stream of visitors, boosting foot traffic and enhancing the retail environment:

1

RUBY HOTEL:

The planned Ruby Hotel at 104-108 Princes Street represents a significant milestone in the ongoing transformation of Edinburgh's premier retail thoroughfare. This £100 million+ development, set to open in 2027, will replace the former Next, Zara, and Russell & Bromley stores with a modern, 346 room upscale hotel. As one of the largest single investments on Princes Street since the Johnnie Walker Whisky Experience in 2021, the Ruby Hotel is poised to enhance the street's appeal as a vibrant retail and hospitality hub.

2

ZEDWELL HOTEL:

The iconic former Debenhams department store on Princes Street is being transformed into Scotland's first Zedwell hotel, a luxury brand dedicated to sleep and well-being. Scheduled to open in 2027, this redevelopment will convert the nine-storey building into a high-end hotel featuring innovative "cocoon" rooms with noise-reducing walls, floors, and doors, complemented by calming lighting and curated sleep playlists. This unique offering will cater to both leisure and business travellers, positioning it as a standout addition to Edinburgh's hospitality scene.

3

THE JENNERS BUILDING HOTEL:

As part of the Jenners redevelopment, a 96-room boutique hotel is being created within the upper floors of the iconic building. This hotel will offer luxury accommodations with stunning views of Princes Street and the city, complemented by a rooftop bar and restaurant. The hotel is set to open in 2027, following the completion of the building's restoration. The addition of this hotel will introduce a new wave of affluent visitors to the area, benefiting nearby retailers like Hotter Shoes.

These hotel developments are a testament to the growing confidence in Princes Street as a prime location for investment, with the potential to significantly enhance the area's retail dynamics. Together, these initiatives reflect a strategic effort to blend retail, hospitality, and leisure, creating a vibrant urban environment. For investors, this transformation presents a unique opportunity to capitalize on a location that is both historically significant and poised for future growth.



BROADER IMPLICATIONS FOR PRINCES STREET

The planned hotels and the Jenners redevelopment are part of a broader strategy to rejuvenate Princes Street, supported by the City of Edinburgh Council's Waverley Valley initiative. This strategy aims to enhance public spaces, improve connectivity, and restore the street's historic character. Additionally, the planned pedestrianization of nearby George Street will further boost foot traffic and reinforce the area's status as a retail hotspot.

These developments are not only modernizing Princes Street but also preserving its unique heritage, creating a vibrant blend of old and new. For investors, this signals a unique opportunity: a chance to secure a foothold in a location that is both steeped in history and poised for future growth.

113 Princes Street, with its prime position stands to benefit directly from this revitalisation, making it an attractive proposition for those seeking long-term value in Edinburgh's evolving retail landscape.

CONNECTIVITY

Edinburgh's transport infrastructure supports its status as a major commercial centre:



ROAD:
The M8, M9, and A1 motorways connect Edinburgh to Glasgow, other Scottish cities, and the UK, facilitating easy access for visitors and businesses.



RAIL:
Edinburgh Waverley, Scotland's second busiest station, and Haymarket provide frequent services to London (approximately 4.5 hours), other UK cities, and Scottish destinations.

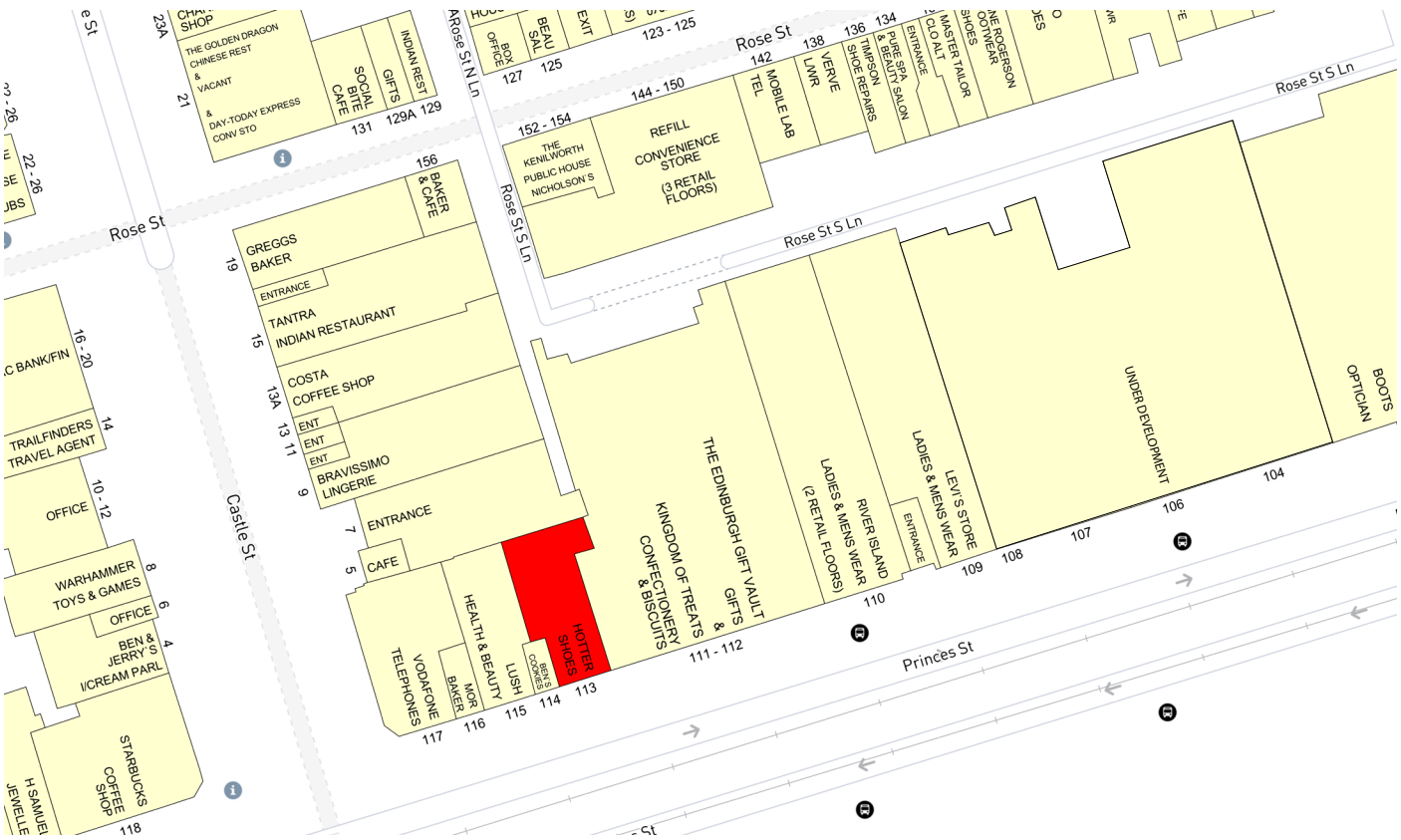


AIR:
Edinburgh Airport, 8 miles from the city centre, offers extensive domestic and international flights, enhancing accessibility for tourists and business travellers.



PUBLIC TRANSPORT:
The city's bus and tram networks are comprehensive, with Lothian Buses operating 24-hour services and a tram line connecting the airport to the New Town. Recent developments include a new dockless e-bike hire scheme launched in 2025, and plans for tram extensions and mass rapid transit systems by 2030.

These connectivity enhancements support the retail viability of Princes Street, ensuring sustained footfall.



SITUATION

113 Princes Street is strategically located on Edinburgh's premier retail street, benefiting from high visibility and footfall. The property is part of a mixed-use block that includes 5-7 Castle Street and 114-117 Princes Street, enhancing its prominence. Princes Street has faced challenges, with reports noting a shift towards souvenir stores and some vacant units. However, the City of Edinburgh Council's revitalisation plans, including the Waverley Valley strategy set for finalisation in 2025, aim to rejuvenate the area, potentially increasing property values. Nearby George Street's pedestrianisation, planned to start in 2027 with completion by 2030, will further enhance the area's appeal.

Description

113 Princes Street is a well-maintained retail unit, fitted out in the corporate style of Hotter Shoes, reflecting its current use. The property benefits from a heritable title (Scottish freehold), with no responsibility for roof maintenance, as confirmed by the Land Certificate. Its prime location ensures high visibility and accessibility.

The subject property is arranged over ground floor and basement and forms part of the wider mixed use block, 5-7 Castle Street and 114-117 Princes Street.



ACCOMMODATION

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

Area	Net Internal Area (sq ft)	Net Internal Area (sq m)
Ground Floor	1,442	133.96
Basement	593	55.09
Total NIA	2,035	189.05
Total ITZA	1,057	98.19

TENANCY

TENANT: Hotter Shoes Limited, trading as Hotter Shoes.

LEASE TYPE: Full Repairing and Insuring (FRI) Lease.

CURRENT RENT: Base rent of £120,000 per annum, plus 17% of turnover exceeding this.

LEASE EXPIRY: 30 November 2026.

BREAK CLAUSE: Landlord can break every 6 months from 1 December 2024 with 8 weeks' notice.

EPC

We are advised that the Energy Performance Rating of the property is C.

COVENANT INFORMATION

Hotter Shoes Limited is a long established UK footwear brand, renowned for blending style, comfort, and innovation in every pair. Founded in 1959, Hotter Shoes has spent over six decades perfecting the art of crafting shoes that empower customers to “do more of what they love.” With a global reach of over four million customers and annual sales topping one million pairs, Hotter Shoes has solidified its place as a trusted leader in the footwear industry.

Hotter Shoes is one of the largest shoe retailers in the UK with more approximately 35 stores nationwide.

Hotter Shoes have a Dun & Bradstreet rating of N3. For the year ending 30 March 2024, the company reported Sales Turnover of £25,122, Gross Profit of £17,823 and Tangible Net Worth of -£3,499.

TENURE

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

PROPOSAL

Offers over £1,150,000 (One Million, One hundred and Fifty Thousand Pounds Sterling) are invited, exclusive of VAT.

A purchase at this level reflects an attractive Net Initial Yield of 9.86% assuming purchasers' costs, including Land & Buildings Transaction Tax (LBTT) at 6.42%.

VAT

Our client has 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 this transaction with the ingoing tenant being responsible for stamp duty land tax, registration dues and VAT incurred thereon.

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

Please contact the joint selling agents:

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September 2025.

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