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FOR SALE
100% PRIME RETAIL INVESTMENT

122-128 Buchanan Street
Glasgow
G1 2JW



PLAY VIDEO



OFFERS OVER
£5,700,000
(6.87% NET INITIAL
YIELD & 7.55%
REVERSIONARY
YIELD)

INVESTMENT SUMMARY

Glasgow is Scotland's largest city with the Greater Glasgow population totalling 2.8 million people;

100% prime corner block on the east side of Buchanan Street;

Two self-contained retail units arranged over ground and basement levels;

Total NIA of 216.28sqm (2,328 sq ft);

Let to Luxottica Retail UK Ltd t/a Ray-Ban and Watches of Switzerland Company Limited t/a Breitling;

Dun & Bradstreet covenants of 5A2;

Passing rent of £417,500 per annum and an ERV of £459,000 per annum;

122-124 (Ray-Ban) lease expiry on 9th July 2027;

126-128 (Breitling) lease expiry on 12th September 2026;



PROPOSAL

Our clients are seeking offers over **£5,700,000 (FIVE MILLION, SEVEN HUNDRED THOUSAND POUNDS STERLING)** exclusive of VAT which reflects an attractive Net Initial Yield of 6.87%, and a Reversionary Yield of 7.55%, assuming standard purchaser's costs of 6.60%.

GLASGOW'S STATS & FACTS



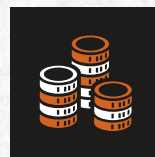
31%

of population degree education or higher



A catchment of 2.8m people

with a comparison goods spend of over £6.6 billion and an annual catering spend of £372m (Pre-Covid - Glasgow City Council)



Glasgow is to benefit from an investment of approximately

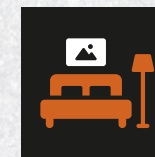
£1.13 b

as part of the Glasgow City Region Deal



Europe's largest hospital

the Queen Elizabeth University Hospital



500-room hotel complex by The Student Hotel at Candleriggs Square will be the

largest in Scotland and first of its kind in the UK



UK's

most advanced NHS cancer centre

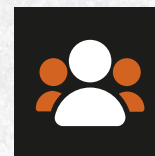


The city centre's vibrant shopping

'Style Mile'

commanded, pre- Covid, a footfall of 50m annually

Pre-Covid, Glasgow welcomed 2.5 million domestic and international visitors, generating £774 million for the city economy



32.9%

of population aged between 18-35



Glasgow named

Best ranked city to live for millennials

According to Independent research



Largest medical physics research

division in the world



GLASGOW CALEDONIAN UNIVERSITY

BUCHANAN GALLERIES

SAUCHIEHALL STREET

QUEEN STREET STATION

HOPE STREET

GEORGE SQUARE

ST VINCENT STREET

WEST NILE STREET

1
122
8

CENTRAL STATION

GORDON STREET

BUCHANAN STREET

GLASGOW

Glasgow is Scotland's largest city and the third largest in the UK with a population of approximately 2.8 million.

Greater Glasgow includes the surrounding local authority areas and has a population of 2.8 million, approximately 34% of Scotland's population.

Glasgow's city centre is the principal business and commercial hub in Scotland with 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.



Strongest retailing street outside of Oxford Street, London.

BUCHANAN GALLERIES DEVELOPMENT

Buchanan Galleries shopping centre and multi-storey car park is subject to wide ranging emerging redevelopment proposals, with the Masterplan Vision consulted on to date comprising nine distinct mixed-use development blocks over 6.18ha within an extended City Centre grid, including new public realm, workplaces, retail, leisure, music venue, cafes and restaurants, hotel and residential.

The Galleries currently provides c. 600,000 sq ft of retail space to a wide range of occupiers. The proposed demolition of Buchanan Galleries is likely to benefit leasing activity on Buchanan Street as occupiers seek relocations, and compete for the best position.



CONNECTIVITY

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.



RAIL

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 Station has begun a major multi million pound redevelopment and expansion.



BUS

There are a number of operators running over 170 daily services across 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.



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.



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 438 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 sqft 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 Buchanan Galleries, the 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 seen a sustained period of significant rental growth with prime rents now in excess of £300/sq ft Zone A.

Demand for the prime retail pitch continues to grow and Glasgow recently welcomed global brands Mango, Pandora, Nars, MAC and Charlotte Tilbury.



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 arguably currently at an all-time low.

As supply has reduced, we have seen a number of new lettings which continue to push rents up to over £300/sqft. A sample of recent occupational comparable evidence over the past 12-18 months is shown in the table below:

ADDRESS	TENANT	TRANSACTION TYPE	RENT PER ANNUM (ZONE A SQ FT)	DATE
133 Buchanan Street	NARS Cosmetics	New Letting	£235,000 (£312)	June 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
34 Buchanan Street	Michael Kors	Lease Extension	c.£337,500 (c.£319)	Under Offer

SITUATION

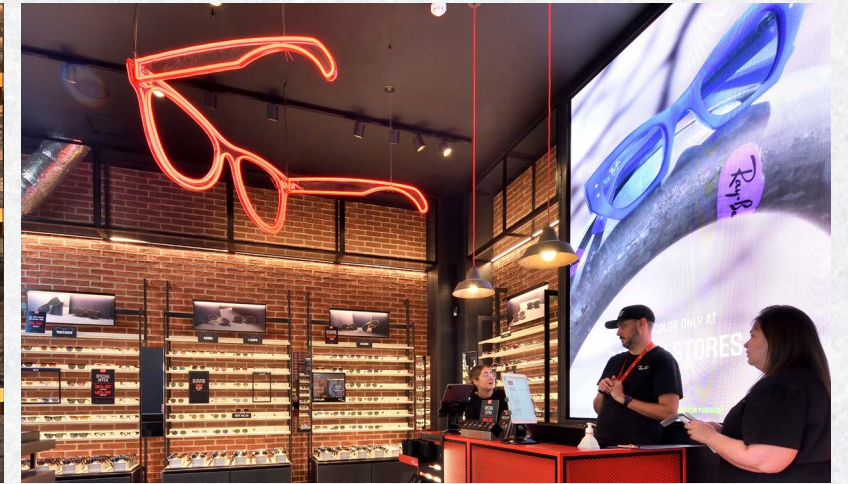
The property is situated in the heart of Glasgow city centre, on the eastern side of Buchanan Street on the corner of St Vincent Place.



DESCRIPTION

The subject property comprise two adjacent prime retail units arranged over ground and basement floors, with the upper floor offices under separate ownership.

The properties have been fitted out to a high standard in the corporate branding of Breitling and Ray-Ban.



ACCOMMODATION

We have measured the subject premises in accordance with the RICS Code of Measuring Practice 2015 (Sixth Edition) and would estimate that the subjects extend to the following areas Net Internal Areas:




122-124 Buchanan Street, Glasgow

DESCRIPTION	SIZE (SQ M)	SIZE (SQ FT)	REDUCTION FACTOR	ITZA (SQ M)	ITZA (SQ FT)
Zone A	47.29	509	1	47.29	509
Zone A1	2.00	21.5	1-10%	1.86	20
Zone B	2.32	25	½	1.21	13
Zone B1	0.84	9	½ - 10%	0.37	4
GF NIA	52.45	565			
Basement	21.74	234	1/10	2.23	24
TOTAL NIA	74.19	799			
TOTAL REDUCED AREA				52.96	570




126-128 Buchanan Street, Glasgow

DESCRIPTION	SIZE (SQ M)	SIZE (SQ FT)	REDUCTION FACTOR	ITZA (SQ M)	ITZA (SQ FT)
Zone A	69.68	750	1	69.68	750
Return frontage allowance at 10%				6.97	75
Basement	72.37	779	1/10	7.25	78
TOTAL NIA	142.05	1,529			
TOTAL REDUCED AREA				83.90	903

TENURE

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



TENANCY

ADDRESS	TENANT	AREA (SQ.FT)	ITZA (SQ. FT)	RENT (£/P.A.)	% (INCOME)	ZONE A (£/PSF)	ERV (ZA PSF)	ERV (£/P.A.)	REPAIR	LEASE START	LEASE EXPIRY	COMMENTS	UXT (EXPIRY)
122-124 Buchanan Street	Luxtotta Retail UK Limited	799	570	£187,500	44.91%	£329	£330.00	£188,100.00	FRI	10/07/2017	09/07/2027		2.8
126-128 Buchanan Street	Watches of Switzerland Company Limited	1,529	903	£230,000	55.09%	£255	£300.00	£270,900.00	FRI	13/09/2016	12/09/2026	There is a photographic schedule of condition.	1.9
TOTALS		2,328	1,473	£417,500	100.00%			£459,000					2.3

COVENANT



Luxottica Retail UK Limited (t/a Ray-Ban)
Registration No. 02767938

Dun & Bradstreet Credit Rating: 5A2

Luxottica was founded in 1961 as a sunglasses manufacturer selling under its own brand name. Since then, the company has grown from strength to strength across the globe resulting in a merger with Essilor in January 2017 with approval in March 2018 by the European Commission. This merger resulted in a combined market capitalisation of approximately \$70billion.

Luxottica retails its products through stores that it owns, predominantly LensCrafters, Sunglass Hut, Pearle Vision, Target Optical, and Glasses.com. It also owns EyeMed, one of the largest vision health insurance providers.

In addition to licensing prescription and non-prescription sunglasses frames for many luxury and designer brands including Chanel, Prada, Giorgio Armani, Burberry, Versace, Dolce and Gabbana, Michael Kors, Coach, Miu Miu and Tory Burch, the Italian conglomerate further outright owns and manufactures Ray-Ban, Persol, Oliver Peoples, and Oakley.

	31-12-2023 (000s)	31-12-2022 (000s)	31-12-2021 (000s)
TURNOVER	£168,171	£165,048	£112,021
PROFIT / (LOSS) AFTER TAXES	£5,391	£8,170	£8,078
TANGIBLE NET WORTH	£37,699	£32,250	£24,374

WATCHES OF SWITZERLAND

Watches of Switzerland Company Limited (t/a Breitling)
Registration No. 00146087

Dun & Bradstreet Credit Rating: 5A2

Watches of Switzerland is a British retailer of Swiss watches, with 15 stores in the United Kingdom, 11 in the USA. The company headquarters is in Braunstone, England. It is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index. In addition to the major flagships stores situated in the US and UK, there are significantly more mono-brand boutique stores offering a more tailored and brand specific experience for customers. They operate mono-brand boutiques on behalf of Rolex, OMEGA, TAG Heuer, Breitling, Tudor, Grand Seiko, BVLGARI and Fope.

As of 2024, Watches of Switzerland PLC employ over 2,900 across 223 showrooms in the UK, US and Europe.

	30-04-2023 (000s)	01-05-2022 (000s)	02-05-2021 (000s)
TURNOVER	£882,198	£806,762	£603,430
PROFIT / (LOSS) AFTER TAXES	£72,355	£63,564	£12,558
TANGIBLE NET WORTH	£287,774	£231,851	£164,705



FURTHER INFORMATION

DATA ROOM

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

EPC

Both units have an E energy performance rating.

VAT

Our clients have elected to waive exemption for VAT, although we anticipate the sale will be dealt with by way of a Transfer of Going Concern (TOGC). As such, the transaction is likely to fall out with the scope of VAT and accordingly VAT would not be payable in addition to the Price.

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.

LEGAL

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

PROPOSAL

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Sheridan Keane
REAL ESTATE INVESTMENT

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