

LONG INCOME INVESTMENT OPPORTUNITY LET TO RBS



Falkirk, FK1 1JX

2 NEWMARKET CENTRE



INVESTMENT SUMMARY

Long income investment opportunity located in Falkirk town centre.

Highly prominent single let commercial building comprising banking hall with offices extending to 10,491 sq ft and associated parking.

Let to Royal Bank of Scotland Ltd until 31st March 2075 at a current passing rent of £40,000 per annum.

There are five yearly upward only, rent reviews geared to 29% of open market rental value.

Heritable tenure (Scottish equivalent of English Freehold).

Offers in excess of **£760,000 (Seven Hundred and Sixty Thousand Pounds Sterling)** are sought for our client's heritable interest in the property, subject to contract and exclusive of VAT. A purchase at this level would provide a **net initial yield of 5.00%** assuming purchaser's costs at 5.29%.



LOCATION

Falkirk is a large town in Central Scotland located approximately 25 miles west of Edinburgh and 22 miles east of Glasgow. The town forms the main administrative centre for the surrounding district and provides retail and leisure amenity as well as local Government facilities. It has a resident population of 35,858 and a district catchment of over 142,000.

The Falkirk area employs more people in the chemicals industry than any other local authority in Scotland, making it the key industry for the town. Other key sectors include transport, vehicle manufacturing, timber processing, leisure and tourism.

Falkirk is home to some of Scotland's major tourist attractions including 'The Kelpies', The Helix, Callendar House and park, the Antonine Wall and the Falkirk Wheel. The Falkirk Wheel, built as part of the Millennium Project, is one of Scotland's most visited tourist attractions.



CONNECTIVITY

The property is easily accessed via road with multiple routes out of the town centre that link into Scotland's main motorway network via the M9. There is ample parking in the city centre, nearby facilities include ASDA's car park located immediately adjacent to the property as well as Melville Street pay and display which is located opposite the ASDA car park entrance.

In terms of bus links, the property is ideally located to benefit from the local bus service with a bus stop immediately in front of the property. This stop provides regular services to the local area and major centres including Glasgow, Stirling, Edinburgh and Linlithgow.

Falkirk Grahamston train station is located to the north only a few minutes' walk and Falkirk High train station is less than a mile to the south. Both stations link into the wider Scottish rail service which in turn links into the National rail service to destinations across the UK. Indicative journey times are outlined below:

Destination	Journey Time
Edinburgh	30 minutes
Glasgow	20 minutes
Stirling	15 minutes
Newcastle	2 hours 10 minutes
Manchester	3 hours 45 minutes
London	6 hours 25 minutes

SITUATION

The property is located immediately to the North of the Town Centre and fronts on to both Newmarket Street and the A803. The RBS building is positioned at the main ASDA pedestrian entrance and with good prominence to Newmarket Street.

The main shopping thoroughfare is only a few minutes' walk away from the subject property. The town centre is fully pedestrianised and benefits from two shopping centres, the Howgate and Callendar Square. Local occupiers include Costa Coffee, Specsavers, Boots, McDonald's, Caffe Nero, Greggs, TSB and Nationwide. Furthermore, Central Retail Park is also within walking distance, with occupiers including M&S Simply Food, Nandos, TK Maxx, Next, Hobbycraft, Pets at Home as well as a 12 screen Cineworld Cinema.





DESCRIPTION

The building is a self-contained, 2 story stone-built commercial building. The frontage is mainly of stone construction with a moderate amount of glazing. Internally, the premises have been fitted out as a banking hall at ground floor with ancillary staff and office accommodation. First floor is predominantly used for hot desking with boardroom, meeting rooms and staff facilities including male and female WC's and a shower. The unit is styled in a typical RBS manner.

ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and the Net Internal Areas (NIA) are as follows:

Description	Area (sq ft)	Area (sq m)
Ground	5,072	471.24
First	5,419	503.49
Total	10,491	974.73

The property benefits from an unmarked parking area with one designated disabled parking bay. The car park is accessed from A803 and is controlled by a coded barrier system.





TENURE

Heritable (Scottish equivalent of English Freehold).

TENANCY INFORMATION

The property is let in its entirety to Royal Bank of Scotland Ltd until 31st March 2075. The tenant has the right to extend the lease for 21 years at lease expiry. The current passing rent is £40,000 per annum, equating to £3.56 per sq ft*. The rent is to be reviewed five yearly and is geared to 29% of the open market rental value with the next review on 1st April 2023.

*Please note, the rent review was undertaken on the basis of an agreed area of 11,235 sq ft.

COVENANT INFORMATION



RBS was established in Edinburgh in 1727 and went on to become one of the biggest banks in Scotland. RBS operates globally and currently has in excess of 19 million customers. Royal Bank of Scotland is part of NatWest Group which is majority government owned.

Creditsafe rating – 86A (Very Low Risk)

Key financials - RBS PLC

Year to Date	Turnover	Pre Tax Profit	Shareholder's Funds
31/12/2019	£2,819,000,000	£998,000,000	£5,974,000,000
31/12/2018	£2,261,000,000	£976,000,000	£7,561,000,000
31/12/2017	£32,500,000	£4,700,000	£86,000,000

For more information please visit: www.rbs.com



EPC

The property has an EPC rating of 'D'.

PROPOSAL

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VAT

VAT will be applicable to the sale of the property, which we anticipate will be undertaken by way of a Transfer of a Going Concern (TOGC).

FURTHER INFORMATION

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