

118 - 124 GEORGE STREET | EDINBURGH | EH2 4LH

HD

HENRY  
DUNCAN  
HOUSE

PRIME OFFICE INVESTMENT  
OPPORTUNITY IN THE  
HEART OF EDINBURGH  
CITY CENTRE

PLAY







# EXECUTIVE SUMMARY



## EDINBURGH

Edinburgh is a European capital city, UNESCO World Heritage site, and held in equally high regard as a major commercial centre and global tourist destination.

## PRIME LOCATION

George Street is a prime office location and Edinburgh's most prestigious retailing address.

## UNIQUE SCALE

High quality office building arranged over basement, ground and four upper floors extending to 56,183 sq ft with 21 secure basement car parking spaces.

## HERITAGE & PERFORMANCE

Rarely available, open plan office floor plates of 10,000 – 11,000 sq ft behind a Category B listed Georgian façade.

## SINGLE TENANT

Single let to TSB Bank Plc on a FRI lease expiring 27th December 2031 – providing 6.3 years unexpired.

## INVESTMENT GRADE COVENANT

TSB Bank Plc provide an investment grade covenant, with a long-term credit rating of Baa1 from Moody's.

## LOW PASSING RENT

Current passing rent of £1,485,000 per annum reflecting an exceptionally low passing rent for Edinburgh city centre of £25.12 per sq ft.

## HIGHLY REVERSIONARY

Opportunity to unlock rental growth in the forthcoming rent review on 28th December 2026.

Recent subletting within the building has achieved £34.00 psf, with rental evidence in the immediate vicinity at £46.00 psf.

## CAPITAL PROTECTION

Investment value is heavily underpinned by vacant possession value, with recent VP office sales in Edinburgh city centre achieving rates of £260-£360 per sq ft.

## EPC

EPC 'B' Rating.

## TENURE

Heritable title (Scottish equivalent of English freehold).



# PROPOSAL

Offers are invited in excess of **£18,550,000** (Eighteen Million, Five Hundred and Fifty Thousand Pounds Sterling) subject to contract and exclusive of VAT.

A purchase at this level reflects a **net initial yield of 7.50%** and a **capital value of £330 per sq ft**, assuming **purchasers costs at 6.74%**.

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A BUILDING  
OF CLASSICAL  
ARCHITECTURE AND  
CONTEMPORARY  
PERFORMANCE  
IN SCOTLAND'S  
CAPITAL

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# EDINBURGH



## EXPANDING POPULATION

Fast growing population of 560,000, with a wider catchment of 1.4 million people - Edinburgh has grown by 10.2% over the past decade.



## CONNECTED

Well connected via Scotland's busiest airport, serving 15.7 million passengers in 2024, two arterial train stations and an expanding tram network.



## LOW UNEMPLOYMENT

Resilient knowledge-based economy with the lowest unemployment rate of any major UK city (2.4% - May 2024) and the highest gross disposable income outside London.



## FINANCE HUB

The city is renowned as the largest financial centre outside London, reflected by Banking and Financial Services accounting for approximately 30% of office take up over the past 5-years.



## AFFLUENCE

Edinburgh's GVA per capita stands 1.3 times above the UK average for major cities and is projected to grow at 6% annually over the next 5 years.



## HIGHER EDUCATION

Home to eight higher education institutions, Edinburgh boasts a 51% graduate retention rate.



## TOURISM

Edinburgh attracts over 5 million visitors annually, supporting more than 33,000 jobs.

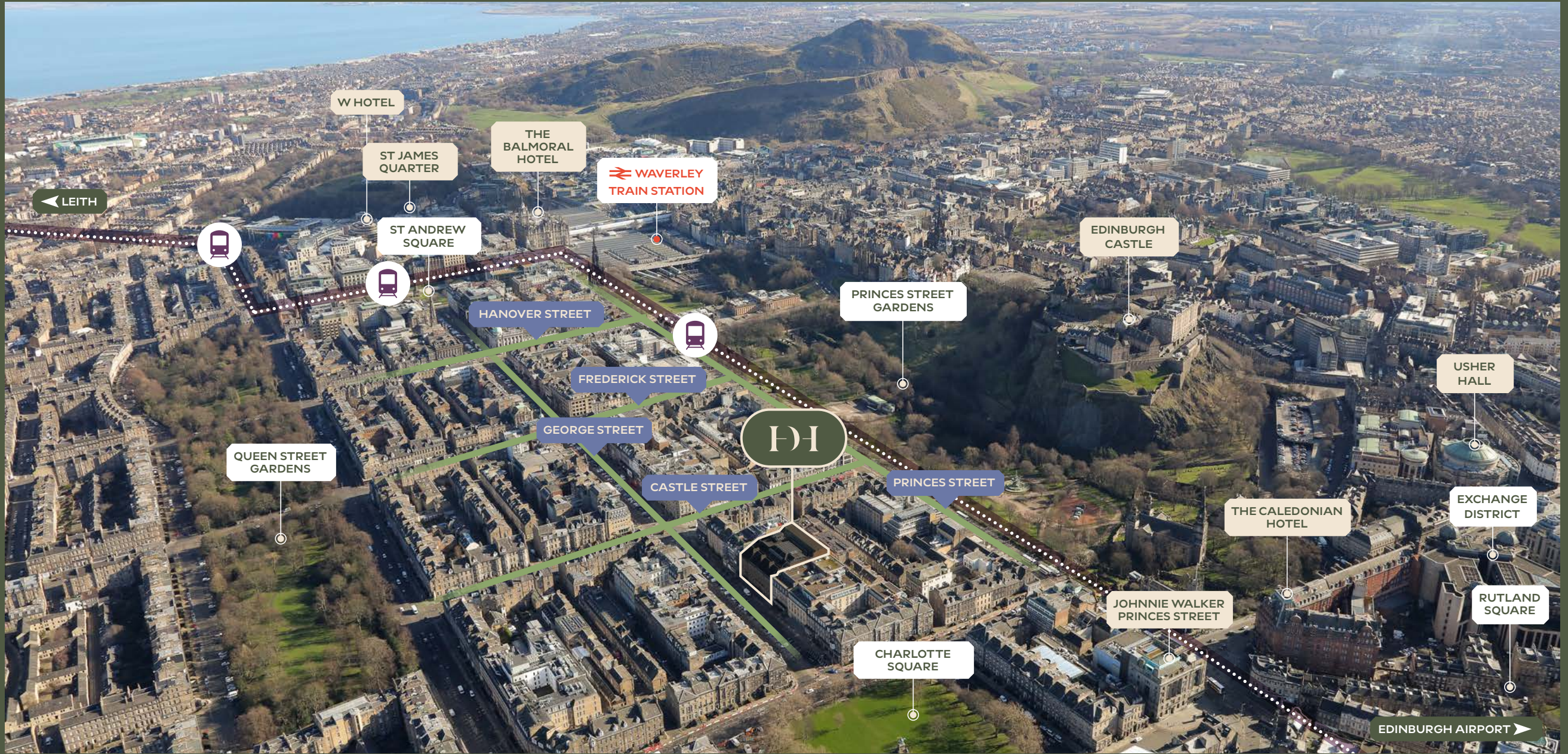


## CULTURE

Home to 2 UNESCO World Heritage Sites, 12 major arts and cultural festivals and 7 Michelin starred restaurants.









# CONNECTIVITY

## TRAM

Edinburgh's Tram Network opened in 2014 and is an established part of the city's transport infrastructure. The tramline provides a direct connection from Edinburgh Airport to Newhaven, with a cluster of stops in the city centre.

Henry Duncan House is located 6-minutes' walk from Princes Street Tram Stop. Trams run up to every 7 minutes during peak times, with Edinburgh Airport accessible in approximately 30 minutes.

## RAIL

Edinburgh Waverley and Haymarket Train Stations are equidistant from the property and are both accessible within 15 minutes' walk. Both stations provide direct rail services to all major UK cities and regional centres.

RAIL TIMES	
Glasgow	45 mins
Manchester	3 hrs 15 mins
London	4 hrs 20 mins

## ROAD

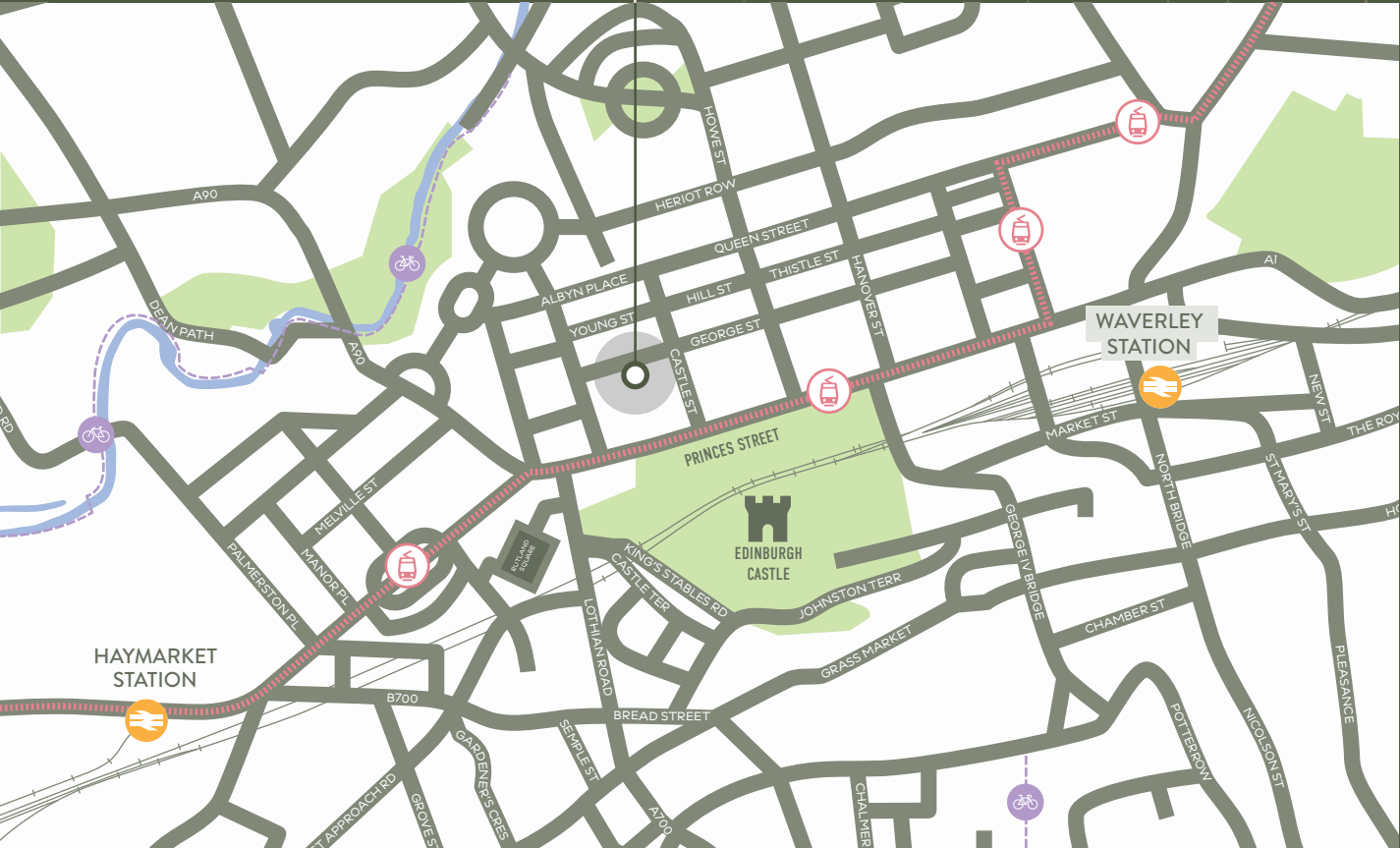
Edinburgh enjoys excellent road connectivity. The city is served by the M8 to the west, linking it with Glasgow and Livingston. From the north, the M90/A9 connect to Aberdeen and Inverness, and the south is accessed via the A1 and A7 roads. Numerous bus routes have stops in the vicinity of Henry Duncan House, providing connections across Edinburgh and its suburbs, with the closest stop a 4-minute walk from the property.

## AIR

Just 8 miles from the city centre, Edinburgh Airport is extremely well connected via bus and tram links. It is Scotland's busiest airport, welcoming 15.7 million passengers in 2024 - a 10% increase from 2023. The airport provides direct flights to over 150 destinations across the world, as well as frequent domestic routes.

FLIGHT TIMES	
London	1 hr 10 mins
Amsterdam	1 hr 20 mins
Frankfurt	1 hr 55 mins
New York	7 hrs 35 mins
Doha	6 hrs 55 mins

## PRIME CITY CENTRE LOCATION WITH GLOBAL CONNECTIVITY







"EDINBURGH IS A CITY THAT  
OFFERS EVERYTHING ONE  
COULD DESIRE IN A GREAT  
CITY, AND THEN SOME."

ALEXANDER MCCALL SMITH



# GEORGE STREET

George Street stands amongst Edinburgh's most prestigious business addresses, owing to its central location, transport connectivity, elegant Georgian architecture and significant surrounding amenity.

In recent years, the street has been revitalised, boasting near to no retail vacancy with a vibrant mix of high-end shops and hospitality venues attracted to the location, creating an

energetic business environment that complements the professional office atmosphere.

With such a strong retail presence, Henry Duncan House offers a rare proposition as one of the only 100% office buildings on the entire street. This provides the prestige of a George Street address whilst avoiding the operational compromises associated with mixed-use buildings.



## PEDESTRIANISATION

The regeneration of George Street continues to be a focus for the City of Edinburgh Council, with a £35m pedestrianisation project scheduled to commence in Summer 2027. The plans will enhance the streetscape, creating a more welcoming environment for pedestrians and businesses alike.



► CGI Visualisation







# DESCRIPTION

The property comprises a prominent, 56,183 sq ft office building, with accommodation arranged over basement, ground and four upper floors behind a retained Category B listed Georgian facade. The mid-terraced Georgian townhouses were constructed in 1792 before a substantial redevelopment in 1984, to create a modern open plan extension arranged around a glazed central atrium. The property underwent significant refurbishment by the tenant in two

phases between 2016-2019 at a cost of approximately £7.8 million to include: installation of a new chilled water fed Fan Coil system - with replacement energy efficient chillers installed in 2018 and new BMS; replacement of existing flat roof in 2016; full office redecoration in 2017; new generator/UPS system in 2018; new basement shower rooms, WC's and changing facilities in 2018 and new LED lighting throughout all office, atrium and car parking areas.



## THE PROPERTY BENEFITS FROM THE FOLLOWING SPECIFICATION:



Glazed lifts to all floors



Staff amenities including showers and lockers



Existing canteen and break out area



21 secure basement car parking spaces



LED lighting throughout



Four pipe fan coil air conditioning system



Raised floor and cabling (150mm clear void)





# ACCOMMODATION



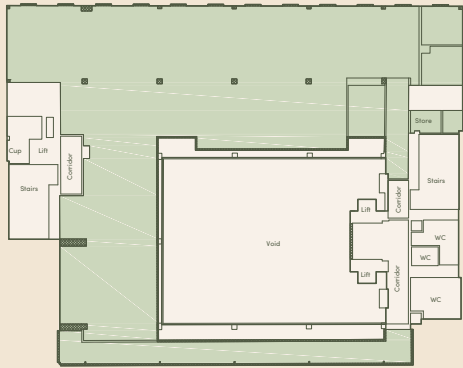
A measured survey has been undertaken by Hollis on both a Net Internal Area and Gross Internal Area basis, which is available in the Data Room.

Floor areas are as follows:

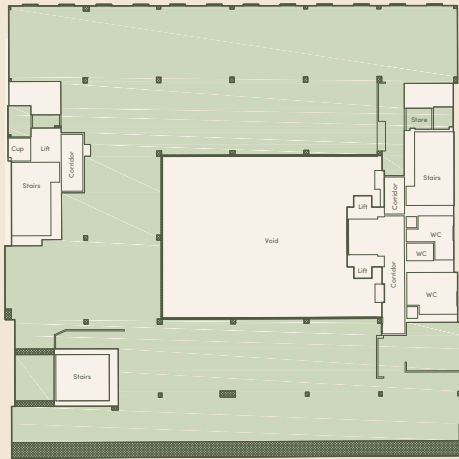
FLOOR	USE	NIA (SQ FT)	NIA (SQ M)	GIA (SQ FT)	GIA (SQ M)
5th	-	-	-	3,605	334.9
4th	Office	6,397	594.4	9,057	841.4
3rd	Office	10,303	957.2	13,254	1,231.3
2nd	Office	11,281	1,048.10	13,784	1,280.60
1st	Office	11,587	1,076.50	14,070	1,307.10
Ground	Office	10,135	941.6	-	-
-	Atrium	2,449	227.5	-	-
-	-	670	62.2	-	-
-	Reception				
GROUND TOTAL	-	13,254	1,231.30	16,266	1,511.20
Basement	Office	2,963	275.2	-	-
-	Store	398	37	-	-
BASEMENT TOTAL	-	3,361	312.2	16,426	1,526.00
TOTAL	-	56,183	5,219.70	86,462	6,801.20



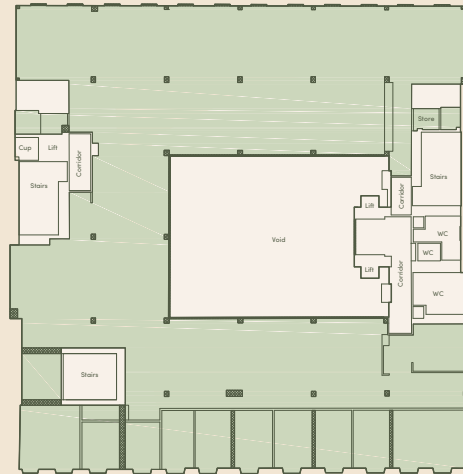
FOURTH FLOOR - 5,523 SQ FT



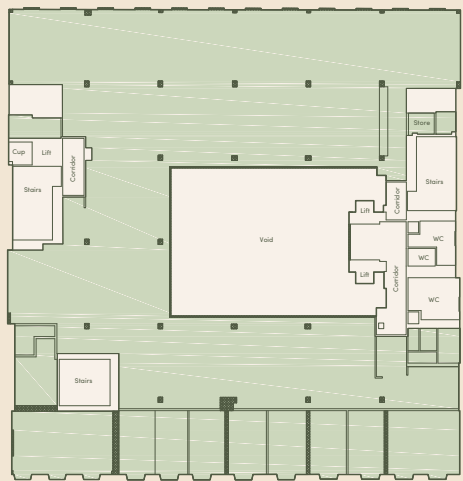
THIRD FLOOR - 10,891 SQ FT



SECOND FLOOR - 11,525 SQ FT



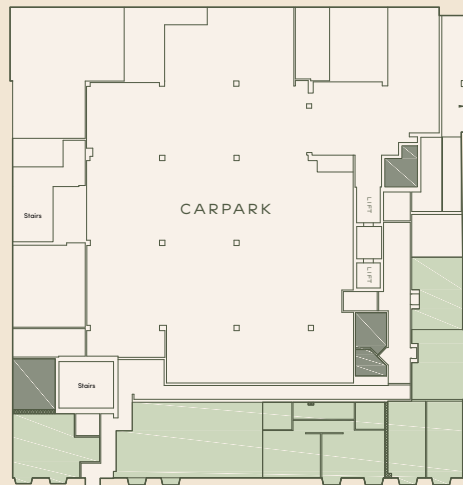
FIRST FLOOR - 11,688 SQ FT



GROUND FLOOR - 10,384 SQ FT



BASEMENT - 2,777 SQ FT



KEY

- Office
- Atrium
- Storage
- Reception

GEORGE STREET







# TENANCY & TENANT COVENANT

The property is currently let to TSB Bank Plc on FRI terms expiring 27th December 2031 (6.3 years unexpired) at a current passing rent of £1,485,000 per annum, reflecting a rate of £25.12 per sq ft overall.

The lease was originally for a period of 20 years from 28th December 2001 to 27th December 2021. This was subsequently extended in 2017 for a period of 10 years from expiry, to December 2031.

The next rent review is on 28th December 2026, to open market value.

The hypothetical term is 10 years without breaks, with standard assumptions and disregards (further information available in the data room).

The fourth floor is sub-let to Space Intelligence Ltd from 4th March 2025 to 1st December 2031. The initial passing rent of £187,782 per annum reflects a rate of £34.00 psf, subject to an upwards only open market rent review on 28th December 2026. There is a sub-tenant only break option on 4th March 2028, subject to 9 months' notice.

Floor areas are documented within the lease and their subsequent weightings are as follows for the purpose of rent reviews:

FLOOR	DESCRIPTION	AREA (NIA)	% OF PRIME RATE
4th	Offices	5,523	100%
"	Storage	1,919	30%
3rd	Offices	10,891	96%
2nd	Offices	11,524	100%
1st	Offices	11,688	100%
Ground	Offices	10,384	100%
Ground	Atria	2,402	50%
Ground	Reception	739	50%
Basement	Offices	2,777	80%
Total		57,847	53,492
Car Parking		21	



## TSB BANK PLC

TSB is a leading UK retail bank, with heritage stretching back 200 years. The bank currently serves more than 5 million customers, operating digital, phone and in-person services throughout the UK.

TSB Bank Plc have an investment grade covenant strength - with a long term credit rating of Baal from Moody's - and reported pre-tax profits of £285.1 million for the 2024 financial year.

YEAR TO DATE	TURNOVER	PRE-TAX PROFIT	SHAREHOLDERS' FUNDS
Dec-24	£2,264,000,000	£285,100,000	£2,120,700,000
Dec-23	£2,098,000,000	£235,500,000	£1,954,600,000
Dec-22	£1,376,800,000	£181,100,000	£1,929,800,000

## HENRY DUNCAN

Henry Duncan House is named in tribute to Reverend Dr. Henry Duncan, who founded what became the Trustee Savings Bank (TSB) in 1810. Duncan established a "penny bank" to help ordinary people save money and earn interest when traditional banks required minimum deposits far beyond their means. In doing so, he created what is considered to be the first savings bank in the world, which to this day, is headquartered at Henry Duncan House, Edinburgh.



## SANTANDER ACQUISITION

In June 2025, Banco Sabadell, the ultimate owner of TSB Bank, announced they had accepted approximately £2.65 billion from Santander to acquire TSB Bank Plc. The transaction is expected to complete in the first quarter of 2026, subject to shareholder and regulatory approvals.

The acquisition of TSB marks a significant consolidation in the UK banking sector. The move comes following a strong financial period for Santander, which reported net profits of approximately €11.1 billion for 2024, representing continued growth from its record 2023 performance.

The addition of TSB's branch network and customer base will substantially increase Santander's UK retail banking footprint, providing increased scale and competition to the traditional "Big Four" UK banks.



# OFFICE INVESTMENT MARKET

The UK office sector is experiencing a significant resurgence, with investment volumes reaching £5.7bn in the first half of 2025 - a substantial 75% increase compared to last year.

Edinburgh has long been regarded as one of the leading Big 6 regional UK office markets. As a city of international recognition, with a strong occupational underpin, Edinburgh has remained a highly liquid market despite the economic headwinds faced in recent years.

ONE OF THE  
UK'S MOST  
SOUGHT-AFTER  
OFFICE MARKETS



EXCHANGE PLAZA

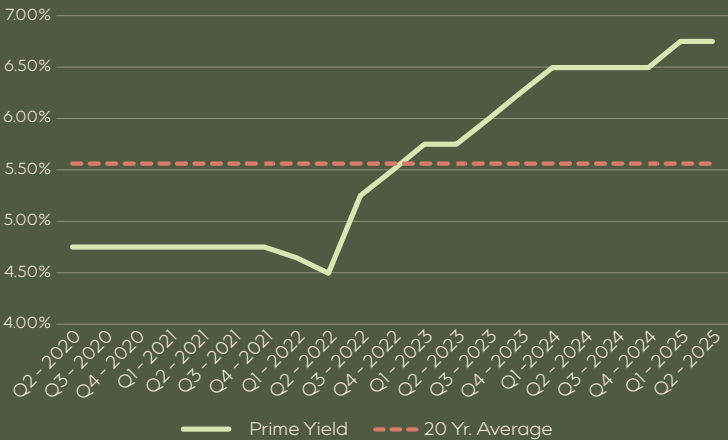


QUARTERMILE ONE



THE MINT BUILDING

EDINBURGH PRIME YIELDS



DATE	PROPERTY	PRICE	NIY	WALVT (YRS)	SIZE (SQ FT)	CAPITAL VALUE (PSF)
Under Offer	Exchange Plaza	Q. £28,000,000	6.94%	7.9	91,678	£305.4
Exchanged	81-85 George Street	c. £21,250,000	7.25%	7.5	45,823	£480.11
Jul-25	Quatermile One	c. £54,500,000	c. 7.25%	-	122,153	£446.16
Aug-24	The Mint Building	£42,500,000	5.78%	10.2 (break)	70,467	£603.24
Mar-23	Capital Square	£71,000,000	5.95%	10.2	121,914	£582.38
Jan-23	7 Castle Street	£20,250,000	7.40%	4.2	40,249	£509.33



# OFFICE OCCUPIER MARKET

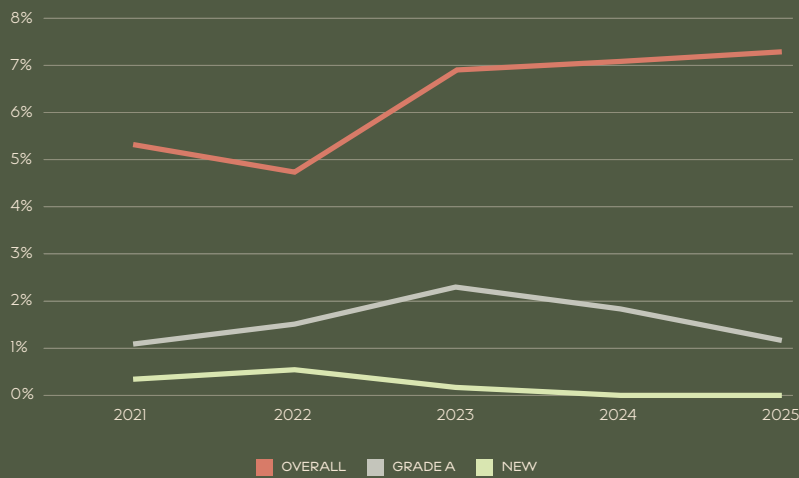
Total take up in Edinburgh for 2024 reached 992,117 sq ft, marking the third consecutive year of increase and a 38% improvement on the 5-year average.

The Grade A vacancy rate for Edinburgh city centre is currently 1.9%, with a critical shortage in the development pipeline to fill the supply gap.

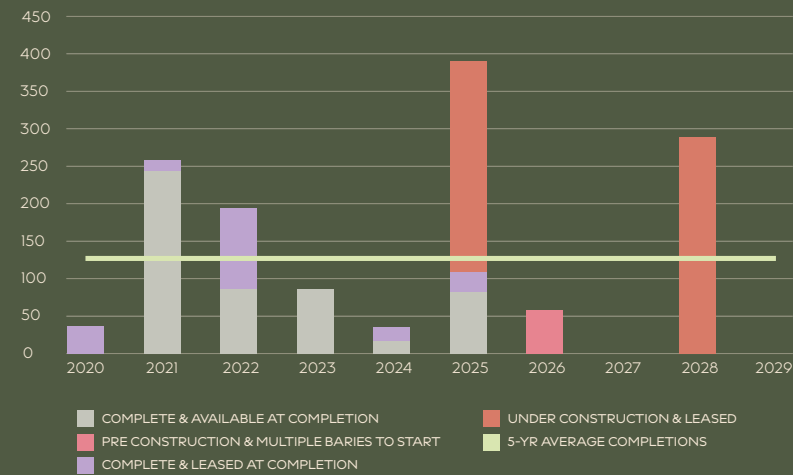
The flight to quality among occupiers remains key, as businesses continue their focus on best-in-class assets. As a result of the supply and demand imbalance, prime rents in Edinburgh remain under upwards pressure, currently standing at £46.00 psf, with further sustainable growth projected.

DATE	BUILDING	SIZE (SQ FT)	OCCUPIER	RENT (PSF)
Feb-25	New Clarendon, 114-116 George Street	5,356	Inch Cap Offshore	£46.00
Feb-25	30 Sempole Street	8,135	Red Rock Power	£45.00
Jan-25	23 Charlotte Square	5,000	Ember Core	£48.75
Dec-24	New Clarendon, 114-116 George Street	4,714	Cundall	£45.00
Dec-24	Port Hamilton	282,000	Lloyds	£43.00
Mar-24	New Clarendon, 114-116 George Street	6,329	Patria	£45.00
Jan-24	30 Sempole Street	14,700	Hymans Robertson	£45.00
Dec-23	New Clarendon, 114-116 George Street	3,153	TLT	£42.00

## VACANCY RATES



## NEW BUILD & REFURBISHMENT DEVELOPMENT PIPELINE



## PRIME RENTS & RENTAL GROWTH

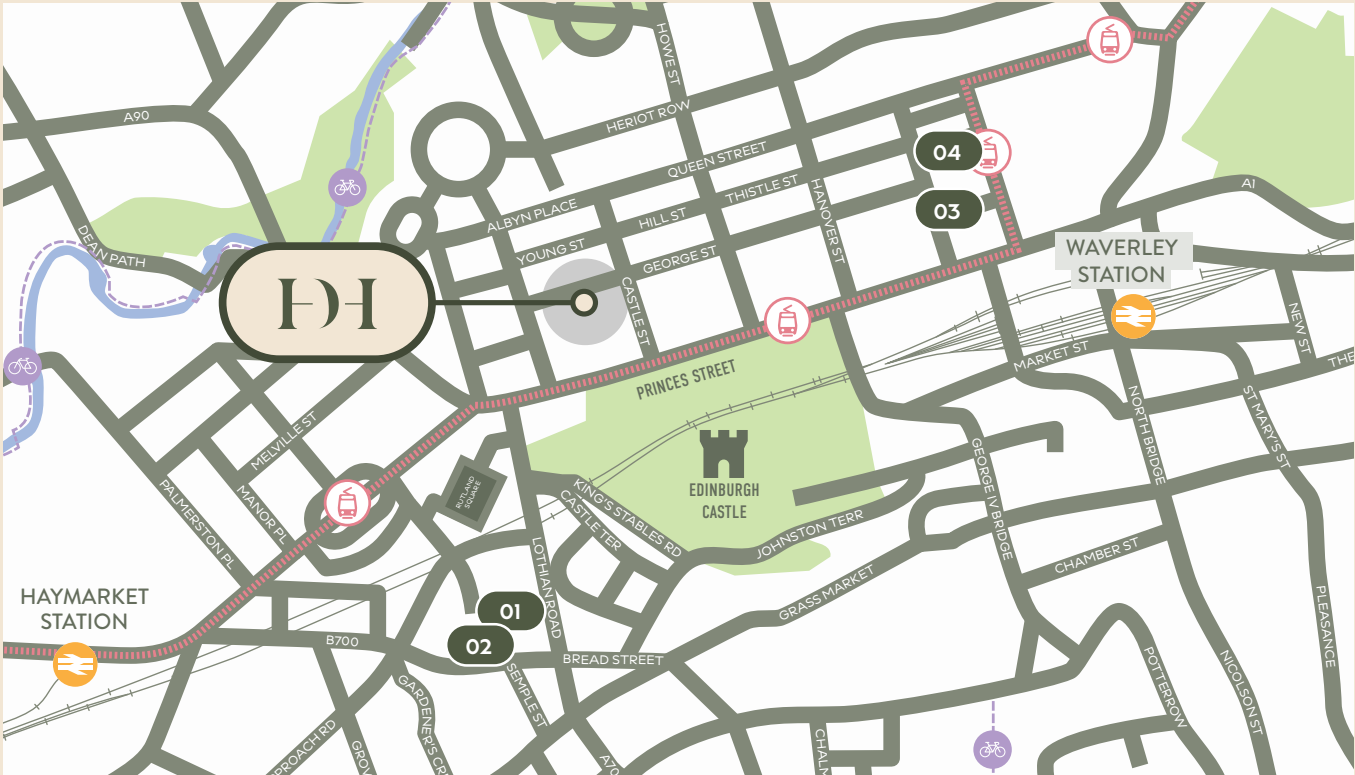




# VACANT POSSESSION VALUE

AS WELL AS BEING ONE OF THE UK'S STRONGEST REGIONAL OFFICE MARKETS, EDINBURGH IS A LEADING EUROPEAN TOURIST DESTINATION WITH A BUOYANT HOTEL OCCUPATIONAL MARKET.

As a result of the constrained land supply within the city centre and continued competition from alternative uses, Edinburgh has seen a number of office buildings with vacant possession or short income transact over the past 12-18 months, providing sale evidence of capital values ranging between £259 and £360 per sq ft.



PROPERTY		DATE	PRICE	YIELD	SIZE (SQFT)	CAPITAL VALUE (PSF)	WALT (YRS)	PURCHASER
01	Capital House, 2 Festival Square	Dec-24	£17.00m	6.88%	54,460	£312.16	0.75	Whitbread
02	Edinburgh One, 60 Morrison Street	Feb-24	£15.00m	N/A	54,004	£277.76	N/A	MRP / McAleer & Rushe
03	9-10 St Andrew Square	Oct-23	£19.25m	7.01%	53,455	£360.12	1.2	Tristan / Queensway
04	28 St Andrew Square	Sep-23	£12.50m	N/A	48,238	£259.13	N/A	Dalata Hotels





# INVESTMENT CONSIDERATIONS



## RARE OPPORTUNITY

To acquire one of the most substantial, unencumbered office buildings on George Street, held in the same ownership for over 20 years.

## PRIME LOCATION

George Street is the most historic and prestigious address in Edinburgh city centre, at the heart of the UNESCO World Heritage Site and New Town Conservation area.

## MARKET DYNAMICS

Edinburgh is one of the UK's strongest regional office markets, characterised by chronically low levels of supply and robust occupational demand.

## RENTAL PERFORMANCE

Prime rents in Edinburgh currently stand at £46.00 per sq ft, reflecting year-on-year growth of 7%.

## EXCEPTIONAL TENANT COVENANT

TSB Bank Plc is one of the UK's best known retail banks with over 5 million customers and an investment grade covenant strength.

## ASSET MANAGEMENT OPPORTUNITIES

The tenant recently sub-let space and is marketing additional space to let. There is an opportunity to engage with the tenant to discuss either full or partial lease surrenders and/or agree direct leases with future sub-tenants to crystallise rental growth.

## STRONG RESIDUAL VALUE

The investment is heavily underpinned by vacant possession value, with recent VP offices sales in Edinburgh city centre achieving sales rates of between £260 - £360 per sq ft.



# SUPPLEMENTARY INFORMATION

## VAT

The property has been elected for VAT and therefore VAT will be applicable to the purchase price, however, it is anticipated that the sale will be treated by way of a Transfer of a Going Concern (TOGC).

## EPC

The property benefits from an EPC rating of B (17). Full EPC details can be made available upon request.

## SPV

The Heritable (Freehold) interest in the property is held by a single asset SPV (Scottish registered limited company). The investment may be acquired by way of property transfer, or by acquisition of the SPV.

## DATA ROOM

A Data Room has been set up and details can be provided to interested parties via the selling agents.

## ANTI MONEY LAUNDERING REGULATIONS

In accordance with Anti-Money Laundering (AML) Regulations, the purchaser will be required to satisfy the vendor on the source of the funds used to complete the transaction.

## DEBT ADVISORY

To discuss potential debt terms please contact;

**JAMES DAVIES**

**E** James.Davies@jll.com

**M** 07496 802705

## PROPOSAL

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JLL for themselves and for the vendors or lessors of this property whose agents they are, give notice that:- a. The particulars are set out as a general outline only for guidance and do not constitute, nor constitute part of, an offer or contract; b. All descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are believed to be correct, but any intending purchasers, tenants or third parties should not rely on them as statements or representations of fact but satisfy themselves that they are correct by inspection or otherwise; c. All properties are measured in accordance with the RICS property measurement, 1st Edition May 2015 (incorporating IPMS) unless designated NIA/GIA/GEA, in which case properties are measured in accordance with the RICS Code of Measuring Practice (6th Edition); d. Any images may be computer generated. Any photographs show only certain parts of the property as they appeared at the time they were taken. For properties in Scotland: e. This correspondence is expressly subject to completion of formal legal missives in accordance with Scots Law. © 2025 Jones Lang LaSalle IP, Inc. September 2025. Design by Fifth House

## CONTACTS

**CALUM COWE**

**M** 07432 741 411

**E** CALUM.COWE@JLL.COM

**BEN FARRELL**

**M** 07973 315 189

**E** BEN.FARRELL@JLL.COM

**TIM LEYSHON**

**M** 07752 467 419

**E** TIMOTHY.LEYSHON@JLL.COM

**SIMON VERRALL**

**M** 07815 940 656

**E** SIMON.VERRALL@JLL.COM



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