OUTSTANDING DEVELOPMENT OPPORTUNITY

THE GATEWAY TO GLASGOW

CLICK HERE TO FIND OUT MORE →
Rare opportunity to acquire a detached office building in one of the UK's key regional office markets.

Located on the doorstep of Glasgow's cultural quarter, yards away from Charing Cross Station and close to major corporate occupiers such as Scottish Power, Santander, KPMG and Barclays.

Substantial Heritable (similar to English Freehold) island site comprising 0.826 acres / 0.33 hectares.

The property extends to approximately 99,782 sq ft across lower ground, ground, 6 upper floors and provides 12 car parking spaces.

Short term lease from The Secretary of State for Housing, Communities and Local Government until 1 April 2021 at a rent of £500,000 per annum exclusive of VAT.

Initial feasibility studies have been undertaken by Cooper Cromar Architects, with a number of options to reposition the building via full-scale redevelopment (subject to statutory consents), and with the potential to significantly increase the net useable accommodation.

Offers are invited, subject to missives and exclusive of VAT, for the heritable interest in the property.
A 0.826 ACRE HERITABLE ISLAND SITE
PORTCULLIS HOUSE IS LOCATED WITHIN THE CHARING CROSS AREA OF THE CITY CENTRE WHICH HAS WITNESSED A RESURGENCE IN POPULARITY DUE TO THE DEVELOPMENT OF SCOTTISH POWER’S HQ, THE SPECULATIVE DEVELOPMENT OF ST VINCENT PLAZA AS WELL AS OFFERING FAST AND EASY ACCESS TO GLASGOW’S COMMUTER NETWORK.

There are some quality occupiers within the immediate vicinity including Scottish Power, Santander, KPMG, Cisco, Whyte & Mackay, Royal London, Zurich, Registers of Scotland and Wood Group.

The building is also within walking distance to Sauchiehall Street, which is one of the City’s main shopping precincts. The surrounding area also offers a wide range of independent bars, restaurants and coffee/sandwich outlets. Having such a range of shops and amenities close to Portcullis House is a major selling point and should not be underestimated when pitching available space to occupiers and their staff.

Surrounding uses on Elmbank Street, Bath Street and St Vincent Street provide largely office accommodation. The area also incorporates residential, retail and leisure accommodation, within walking distance of both The Glasgow School of Art and Glasgow Dental Hospital & School.

LOCATION

Why Glasgow? Map Aerial Connectivity

Summary Location Portcullis House Market Development Options Further Information Contact
WHY GLASGOW?

THE OFFER IS SIMPLE
GLASGOW LOCATION WITHIN UK

GLASGOW

BELFAST
45 MINS FLIGHT

LIVERPOOL
3 HRS 20 MINS
BY TRAIN

BIRMINGHAM
4 HRS BY TRAIN
1 HR 15 MINS FLIGHT

CARDIFF
1 HR 30 MINS FLIGHT

BRISTOL
1 HR 10 MINS FLIGHT

EDINBURGH
1 HR 10 MINS BY CAR
45 MINS BY TRAIN

NEWCASTLE
2 HRS 20 MINS
BY TRAIN

LEEDS
4 HRS BY TRAIN

MANCHESTER
3 HRS 35 MINS
BY TRAIN

LONDON
1 HR 10 MINS FLIGHT
4 HRS 30 MINS
BY TRAIN

NEXT SLIDE →
KEY DIFFERENTIATORS

WORKFORCE
1 million working people in the Glasgow catchment area

TRANSPORT
International Airport just 15 minutes from the city centre and the largest suburban rail network outside of London

OFFICES
Wide range of new offices available in the city centre

EDUCATION
40% of Glaswegians with NVQ3 qualifications, or above; higher than any comparable UK city

LIFESTYLE
Cosmopolitan choice of housing and retail boasting the UK’s No.1 retail centre outside of London’s West End

VALUE
72% cheaper than London
ECONOMIC ASSETS

- 3.5m population in the Central Belt and 1.8m in the Glasgow City Region – 46% of which are educated to a degree level
- Regional GVA 2018: £41.4bn, 30% of Scottish total
- City region City deal worth £1.13bn, second largest city deal in UK
- Scotland’s largest city
- 4th largest city in the UK
- Glasgow Airport serves 120 destinations worldwide
- UK’s largest retail centre
- by spend outwith London’s West End
- 3 new innovation districts forming in and around the city
- 185,000+ students from 140 countries study at 8 institutions of higher and further education
- 34% of Scotland’s jobs
- 28% of Scotland’s business

NEXT SLIDE →
INVESTMENT PROFILE

OVER £16BN capital investment since 2011

NO 1 CITY in Scotland for FDI 6th in the UK

TOP 50 IN THE WORLD for size of financial centre; 3rd largest in the UK

£32.50 office prime rent (psf) prime yield - 5.25%

HIGHLY COMPETITIVE office rents 72% lower and wages 49% lower than London

79.1% 2019 hotel occupancy. Revenues have reached record highs with rev par at £56.33 and ADR at £71.25

FIRST-CHOICE host for major international events and conferences. Confirmed business up to 2024.

£2 BILLION Glasgow’s night-time economy is worth over £2bn and provides 16,000 jobs

NEXT SLIDE —
AWARD WINNING INFRASTRUCTURE

QUEEN ELIZABETH UNIVERSITY HOSPITAL
IMAGING CENTRE OF EXCELLENCE
TECHNOLOGY AND INNOVATION CENTRE
INTERNATIONAL FINANCIAL SERVICES DISTRICT
THE SSE HYDRO
COMMONWEALTH GAMES LEGACY

NEXT SLIDE
Portcullis House benefits from exceptional connectivity via Charing Cross & Anderton Railway Stations, both within a 5 minute walk of the building. These stations are one stop away from Glasgow Central and Queen Street railway stations.

Portcullis House is within a 5 minute walk of two railway stations, providing direct access to Glasgow Central and Queen Street railway stations.

A train every 3.75 minutes at peak times from Charing Cross Railway Station

The number of passengers using Charing Cross Railway Station annually.
Connectivity to Portcullis House is further enhanced by the nearby St George's Cross Subway Station, which connects with fourteen other stations spread across the West End and City Centre of Glasgow carrying 13 million passengers a year and 40,000 people a day.

The Glasgow subway is currently undergoing a £288m modernisation programme which includes the refurbishment of all the stations, new smartcard ticketing and new driverless trains. At St George's Cross, the station is heated using recycled water from the tunnel network using a Water Source Heat Pump.
Portcullis House was completed by Glasgow Corporation (City Council) in the early 1970s and extends to approximately 99,782 sq ft over lower ground, ground and 6 uppers floors. The typical floor plate is c.12,717 sq ft and the building benefits from 12 open car parking spaces. Additionally, there is an adjacent multi story car park operated by Glasgow City Council providing over 433 secure spaces available on flexible / long term arrangements.

The internal building specification is generally as follows:

- Open plan layout
- Heating/cooling system
- Modern lighting
- Suspended ceiling
- Carpet tile finish
- Cable management system
- Male, female and accessible toilets on each floor

OCCUPYING AN ENTIRE ISLAND SITE, THE OFFICE FLOORS AT PORTCULLIS HOUSE ARE FILLED WITH NATURAL LIGHT, CREATING AIRY, OPEN PLACE SPACES, WHilst THE UPPER FLOORS BENEFIT FROM SOME OF THE BEST PANORAMIC VIEW'S OF THE PARK AREA AND GLASGOW UNIVERSITY TO THE WEST.
PORTCULLIS HOUSE OCCUPIES A SUBSTANTIAL HERITABLE (SIMILAR TO ENGLISH FREEHOLD) ISLAND SITE OF 0.826 ACRES / 0.33 HECTARES, HELD UNDER TITLE NUMBER GLA54996. THE EXTENT OF THE TITLE CAN BE SEEN OUTLINED IN WHITE ON THE ORDNANCE SURVEY EXTRACT TO THE RIGHT.
The current accommodation provides the following approximate net internal areas:

<table>
<thead>
<tr>
<th>Floor</th>
<th>Sq Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Six</td>
<td>12,664</td>
</tr>
<tr>
<td>Five</td>
<td>12,664</td>
</tr>
<tr>
<td>Four</td>
<td>12,664</td>
</tr>
<tr>
<td>Third</td>
<td>12,717</td>
</tr>
<tr>
<td>Two</td>
<td>12,717</td>
</tr>
<tr>
<td>One</td>
<td>12,717</td>
</tr>
<tr>
<td>Ground</td>
<td>11,567</td>
</tr>
<tr>
<td>Lower Ground</td>
<td>12,072</td>
</tr>
<tr>
<td>TOTAL</td>
<td>99,782</td>
</tr>
</tbody>
</table>

12 car parking spaces
The property will be sold subject to a lease to The Secretary of State for Housing, Communities and Local Government expiring 1 April 2021 at a rent of £500,000 per annum.

Lease Expiry: 1 April 2021 (Notice to Quit has been served by the Tenant)

Rent: £500,000 per annum

Landlord & Tenant Act 1954: The Landlord and Tenant legislation does not apply in Scotland

Permitted Use: Offices for any purpose within Class 4 Business Use

Repair: The tenant will maintain the property for their own occupation for the period of the lease and will yield up in a broom swept condition

Substation 1 – South of Scotland Electricity Board – 60 years from and after 15 May 1972. Rent £1 per annum

Substation 2 – SP Distribution Limited – from 16 Sep 2005 to 15 May 2036. Rent £1 per annum

Copies of the leases are held in the online data room
OFFICE MARKET

CON Restrainted SUPPLY

Current availability levels in Glasgow city centre are representative of an under-supplied market, with an overall vacancy rate of 7.9%, whilst Grade A vacancy is at its lowest level since CBRE records began, with a vacancy rate of only 0.04% (as at Q1 2020). This is 95% down on the 5-year long term Grade A level average.

Supply is forecast to remain relatively constrained given the intensifying pre-letting activity across Glasgow. Whilst an estimated 955,239 sq ft is under construction and expected to be delivered within the next three years, as at the end of April 2020, 72% (or 688,725 sq ft) was pre-let or under offer, which should insulate the impact of future Grade A supply.

ROBUST TAKE-UP AND TENANT DEMAND

Following robust occupier take-up in 2019 with 856,410 sq ft of leasing activity, the positive trend continued during Q1 2020, with leasing volumes reaching 89,398 sq ft. The largest transaction to complete was insurance firm Sedgwick’s letting of 18,268 sq ft at Sentinel. The scheme completed during Q4 2019 and is one of the few buildings capable of providing scale with 59,901 sq ft of available space.

Furthermore, demand from corporates showed no sign of abating, with 23 transactions completed during Q1 2020. Further evidence of this positive sentiment continues with a number of unsatisfied corporate occupier requirements still active in the market.
**HOTEL MARKET**

Glasgow's profile as a top international tourist destination has gone from strength to strength. Business tourism, world-class retail, major attractions and global events are all driving demand for additional hotel rooms. The addition of the 12,000 seater Hydro at the Scottish Event Campus (SEC) has significantly boosted demand for hotel beds in the city.

**BTR MARKET**

With high projected rates of economic and employment growth, Glasgow will remain in the top five largest rented sectors in the UK, with Glasgow's BTR expected to grow to 70,000 households. More accommodation is needed to meet this demand.
A professional team led by Cooper Cromar Architects have undertaken an initial feasibility study to identify the development opportunities presented by Portcullis House. A copy of the full Cooper Cromar feasibility study is available in the online data room.

The following areas are approximate and can only be verified by a detailed dimensional survey of the existing and completed building. All areas and scheme feasibility are subject to Legal Reviews and consents, Town Planning consents and all third party issues. All schematic ideas are provided on a non-reliance basis.

**OPTION A - OFFICES**
Brand new iconic office building with a net internal area of 275,000 sq ft
Centralised core
Creation of substantial feature terraces
PORTCULLIS HOUSE OFFERS THE OPPORTUNITY TO SIGNIFICANTLY REPOSITION A SUBSTANTIAL OFFICE BUILDING THROUGH REDEVELOPMENT, SUBJECT TO THE NECESSARY CONSENTS.

OPTION B - OFFICES AND HOTEL

OFFICE BUILDING WITH A NET INTERNAL AREA OF 170,000 SQ FT

PROFESSIONAL TEAM

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Professional Team:
Architect: Cooper Cromar
Planning: Porter Planning
Development Surveyor: CBRE

The following areas are approximate and can only be verified by a detailed dimensional survey of the existing and completed building. All areas and scheme feasibility are subject to Legal Reviews and consents, Town Planning consents and all third party issues. All schematic ideas are provided on a non-reliance basis.

OPTION B - OFFICES AND HOTEL

Office building with a net internal area of 170,000 sq ft

Hotel with 300 plus bedrooms
PORTCULLIS HOUSE OFFERS THE OPPORTUNITY TO SIGNIFICANTLY REPOSITION A SUBSTANTIAL OFFICE BUILDING THROUGH REDEVELOPMENT, SUBJECT TO THE NECESSARY CONSENTS.

OPTION C - OFFICES AND BTR

Office building with a net internal area of 165,000 sq ft

BTR building with 140 units

BTR - 8 units per floor

PROFESSIONAL TEAM

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Professional Team:
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Development Surveyor: CBRE

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OPTION C - OFFICES AND BTR

Office building with a net internal area of 165,000 sq ft

BTR building with 140 units
PORTCULLIS HOUSE OFFERS THE OPPORTUNITY TO SIGNIFICANTLY REPOSITION A SUBSTANTIAL OFFICE BUILDING THROUGH REDEVELOPMENT, SUBJECT TO THE NECESSARY CONSENTS.

PROFESSIONAL TEAM

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Professional Team:
- Architect: Cooper Cromar
- Planning: Porter Planning
- Development Surveyor: CBRE

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OPTION D - HOTEL AND BTR

Hotel with 400 rooms
BTR building with 175 units in total, which could be increased with a reduction on the hotel size
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**PROFESSIONAL TEAM**

A professional team led by Cooper Cromar Architects have undertaken an initial feasibility study to identify the development opportunities presented by Portcullis House. A copy of the full Cooper Cromar feasibility study is available in the online data room.

**Professional Team:**
- **Architect:** Cooper Cromar
- **Planning:** Porter Planning
- **Development Surveyor:** CBRE

The following areas are approximate and can only be verified by a detailed dimensional survey of the existing and completed building. All areas and scheme feasibility are subject to Legal Reviews and consents, Town Planning consents and all third party issues. All schematic ideas are provided on a non-reliance basis.
FURTHER INFORMATION

VAT
The property is elected for VAT and as such it is envisaged that the transaction will be treated as a Transfer of a Going Concern for VAT purposes.

ENERGY PERFORMANCE CERTIFICATE (EPC)
A copy of the Energy Performance Certificate (EPC) is available in the online data room.

DATA ROOM
Access to an online data room containing further information is available on request.

PROPOSAL
Offers are invited, subject to missives and exclusive of VAT, for the heritable interest in the property.

CAPITAL ALLOWANCES
There are no Capital Allowances available with this sale.
CONTACT

For further information or to arrange an inspection of the property, which must be undertaken strictly by appointment, please contact:

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