

FOR SALE

202-204 LEITH WALK

EDINBURGH | EH6 5EQ

PROMINENT REVERSIONARY RETAIL INVESTMENT



OFFERS OVER £245,000

6.59% NET INITIAL YIELD

(POTENTIAL 11.35% REVERSIONARY YIELD FOLLOWING JULY 2024 RENT REVIEW)

EXECUTIVE SUMMARY

- Let to Ladbrokes Betting & Gaming Limited ;
- Passing rent of £16,500 per annum (£17.42/sqft Zone A);
- Anticipated reversion to £28,410 per annum (£30/sqft Zone A);
- Dun & Bradstreet rating of 5A1;
- Full Repairing & Insuring lease expiring 30 June 2034;
- Tenant break option on 30 June 2029 subject to serving 6 months notice;
- Break option in June 2024 has not been exercised;
- Option to extend Lease for a further 15 years at expiry;
- Potential reversionary yield of 11.35% following July 2024 rent review;
- We are instructed to **seek offers in excess of £245,000 (TWO HUNDRED AND FORTY FIVE THOUSAND POUNDS STERLING)** exclusive of VAT. A purchase at this level would show an attractive **net initial yield of 6.59%** after allowing for **purchasers' costs of 2.21%** including LBTT (Land Building and Transactions Tax).



LOCATION

Edinburgh is the capital city of Scotland, and its principal, financial and administrative centre, housing both the Scottish Parliament and the Scottish Government. Edinburgh is recognised as a globally important business centre and is the UK's second largest and Europe's fourth largest financial centre, by equity assets under management.

It is one of the six cities categorised by PMA as a major city and consequently benefits from a significant catchment population. The city has a population of 527,620 people and a regional population of 1.6 million within Fife, Central Belt and Scottish Borders catchment area.

Edinburgh is the most prosperous regional city in the UK and its workforce is one of the most highly educated.

According to Visit Scotland, Edinburgh and the Lothians welcomed 4.5 million overnight trips by international visitors and 19.2 million day trips by GB residents. The combined spend reached £2.9 billion.

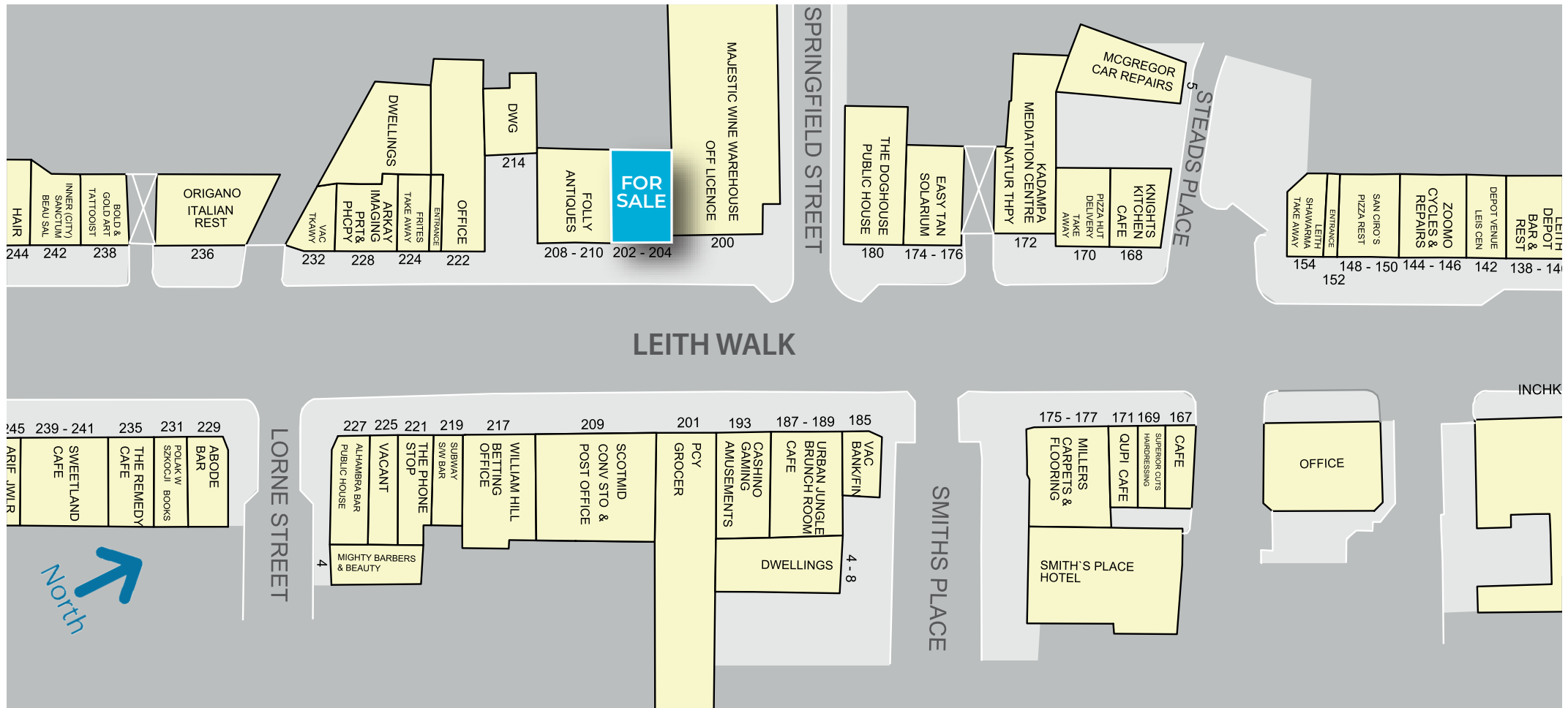
SITUATION

Leith Walk lies to the east of Edinburgh's city centre and acts as a pedestrian and vehicular link from the town. Leith Walk is one of Edinburgh's most prominent and busiest thoroughfares with a great variety of shops and restaurants.

Leith Walk is accessible to a variety of major city landmarks and points of interest which are all within walking distance. Ocean Terminal (10 minutes walk), Princes Street (30-45 minutes walk), Newhaven Harbour (25 minutes walk).

The subject premises are located on the west side of Leith Walk bound by Springfield Street to the north and Balfour Street to the south.

Nearby occupiers include Majestic Wine, Cashino Gaming, Scotmid, Subway, Millers Carpets & Flooring and Pizza Hut.



LEITH WALK DEVELOPMENT ACTIVITY



1 STEAD'S PLACE & LEITH WALK DEVELOPMENT: DRUM PROPERTY GROUP

Drum Property Group £50 million development of the 2.9-acre site on Leith Walk also entails a complete refurbishment of the historic Red Sandstone Building offering a variety of flexible retail spaces on the ground floor, with a level of contemporary office suites above.

To the rear of this landmark building, Drum are to provide 148 high-quality apartments, including 38 affordable homes (25 Social & 15 Intermediate), as part of an attractive landscaped residential scheme linking to Pilrig Park and beyond. The first phase of 110 BTR units are due for Practical Completion in Q2 2024.

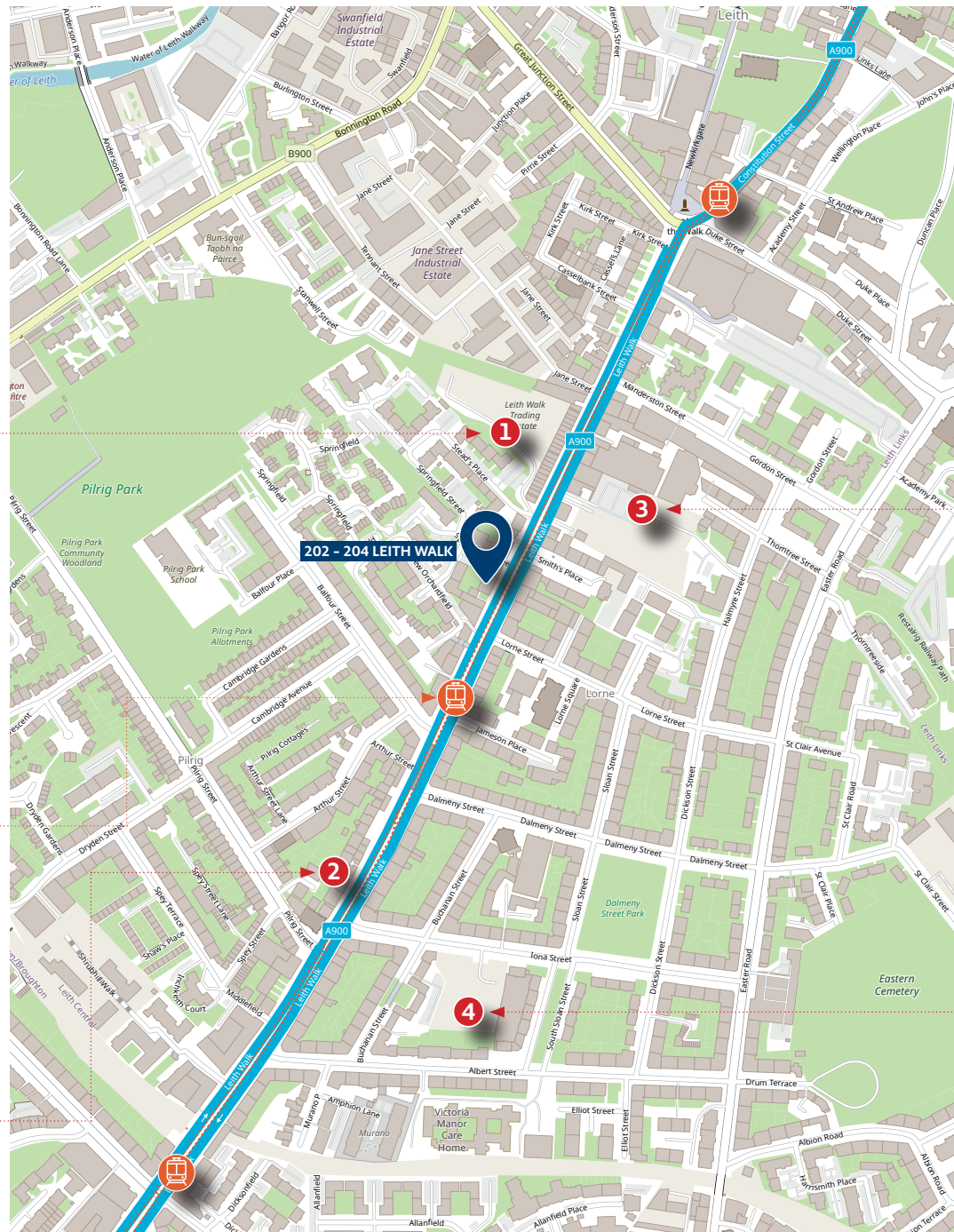
TRAMS TO NEWHAVEN: CITY OF EDINBURGH COUNCIL

The £207million trams to Newhaven extension was completed in June 2023 has added 4.69 kilometres/2.91 miles of track connecting Leith and Newhaven with 8 new tram stops.

This now offers residents access to and from the city, which sits alongside the existing bus service, as well as improved cycling and walking infrastructure along the route.

2 ARTHUR STREET: CA VENTURES / FAMILY OFFICE

CA Ventures were granted planning consent for a 112 student bedroom scheme in January 2024. Practical Completion anticipated for Q4 2025.



3 139 LEITH WALK: Firethorn Trust/CW Properties

Planning has been granted for a 230 student bedroom scheme and 27 build-to-rent flats along with 27 affordable flats with outlined proposals to retain an active travel route through the site as well as a new civic space. Practical Completion due Q3 2025.

4 IONA STREET: VITA GROUP

Vita Groups mixed-living scheme comprise of two phases. Phase 1 comprised of 60 BTR units which reached practical completion in 2023. Phase 2 will see a 205 student bedroom scheme due for Practical Completion in Q2 2024.

DESCRIPTION

The subjects are arranged over ground and basement levels contained within a six storey, mid terraced, traditional stone building held under a pitched and slated roof. The property benefits from an extensive double display window with a centralised pedestrian access door.

Internally, the subjects comprise a generous ground floor retail space together with a serving counter and 2 WC's located to the rear.

Access to the basement is via concrete stairwell towards the rear of the ground floor. The basement comprises of a mix of store and staff facilities together with a fire escape door out to the rear of the building.

The property has been fitted out in the corporate branding of Ladbrokes.

ACCOMMODATION

We have measured the subject premises in accordance with the RICS Code of Measuring Practice (Sixth Edition) and would estimate the following approximate net internal areas:

FLOOR	SIZE (SQ M)	SIZE (SQ FT)
Ground	89.71	966
Basement	88.29	950
TOTAL NET INTERNAL AREA	178.00	1,916
REDUCED FLOOR AREA	88.00	947

COVENANT

Ladbrokes Betting & Gaming Limited have a Dun & Bradstreet rating of 5A1. For the year ending 31 December 2022 the company reported sales turnover in excess of £1.033 billion, net profit in excess of £54 million and Tangible net worth in excess of £1.53 billion.

A copy of the Dun & Bradstreet report is available on request.

TENANCY INFORMATION

The subjects are let entirely to Ladbrokes Betting & Gaming Limited on a full repairing and insuring lease from 1 July 2014 until 30 June 2034 at a passing rent of £16,500 per annum (£17.42/sqft Zone A). The tenant has the option to break from the lease on 30 June 2029, subject to 6 months prior written notice. Should the tenant not exercise their break, they have an option to extend for a further 15 year term from 2034.

There are rent reviews on every fifth anniversary to the greater of OMRV or the rent immediately payable prior to the review date. The next rent review is on 1 July 2024.

ESTIMATED RENTAL VALUE

There is a rent review with effect from 1 July 2024 and we estimate that following negotiation, this should result in an uplift in rent to £28,410 per annum/(£30/sqft Zone A). A Schedule of Comparable Evidence can be provided to interested parties.





TENURE

The subject properties are held on a heritable title (Scottish equivalent of English Freehold).

PROPOSAL

We are instructed to **seek offers in excess of £245,000 (TWO HUNDRED AND FORTY FIVE THOUSAND POUNDS STERLING)** exclusive of VAT. A purchase at this level would show an **attractive net initial yield of 6.59%** after allowing for **purchasers' costs of 2.21%** including LBTT (Land Building and Transactions Tax) and a potential reversionary yield of 11.35% following July 2024 rent review.

EPC

The subjects have an EPC Rating of C.

LEGAL COSTS

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

VAT

Our clients have elected to waive exemption for VAT and accordingly VAT will be payable on the purchase price, although we anticipate the sale will be treated as a TOGC.

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.



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Date of publication: **May 2024**

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