

INVESTMENT FOR SALE

**HIGHLAND HOUSE**  
**ST CATHERINE'S ROAD**  
**PERTH PH1 5YA**

- Retail, leisure & office investment
- Prominent location in the centre of St Catherine's Retail & Leisure Park
- Annual net rent of £241,064
- 55% of income secured to government backed covenants
- Offers over **£2,600,000** reflecting an NIY of **8.75%** and a reversionary yield of **12.12%**





PERTH CONCERT HALL  
PERTH THEATRE

High Street

Perth Train Station

MORRISONS

b.m

ALDI

pets at home

Wickes

COSTA COFFEE

Bannatyne health clubs

Currys PC World

Frankie & Benny's



Dunelm

St Catherine's Road



Carpet RIGHT

home bargains

Dunkeld Road / A912

SPORTS DIRECT.COM

TKmaxx

St Catherine's Retail Park

PAGAZZI

halfords

bensons for beds

Stagecoach

The RANGE Home, Leisure & Garden

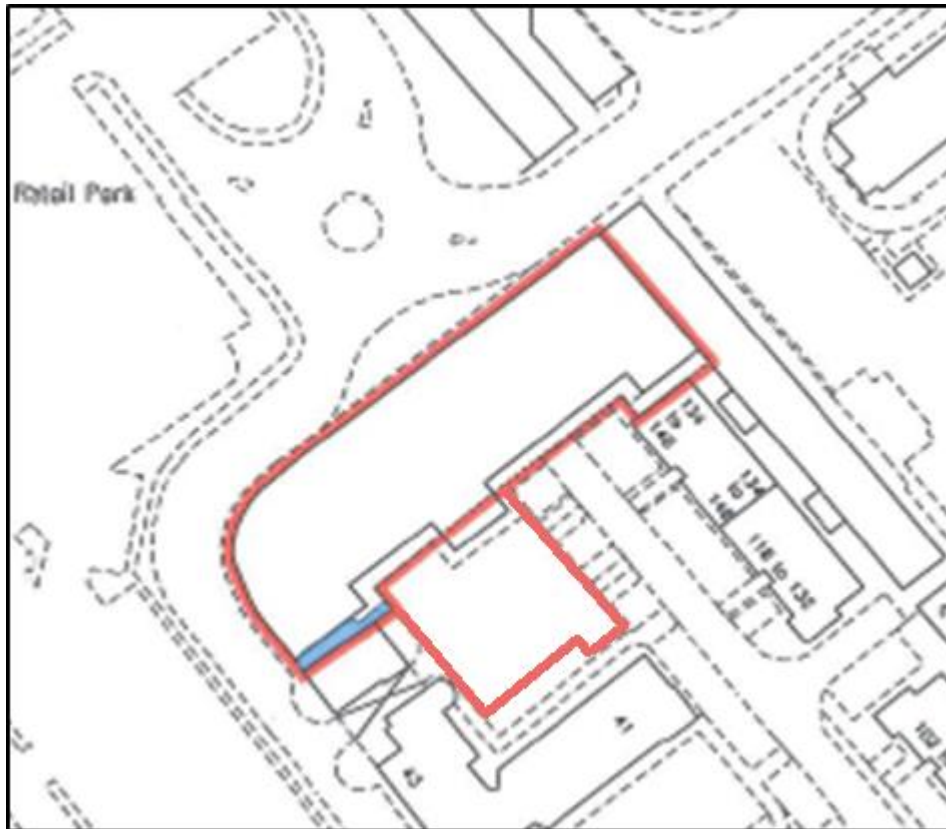
maplin

## LOCATION

Perth is located in central Scotland and is the administrative centre of Perth & Kinross. The city is approximately 34km (21 miles) south west of Dundee, 69km (43 miles) north of Edinburgh and 95km (59 miles) north east of Glasgow. The City has a resident population of approximately 45,000 people and a wider catchment population of 130,000.

## SITUATION

The property is well located at the centre of St Catherine's Retail & Leisure Park in a strong location 0.5 miles from Perth city centre. Access to the property is via the Dunkeld Road/A912 and St Catherines Road.



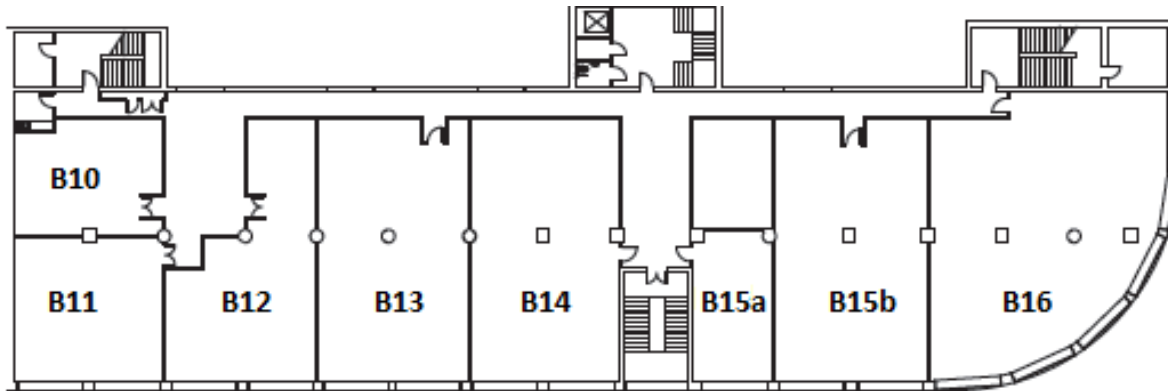
## DEMISE

The demise is outlined red on the Title Plan adjacent.

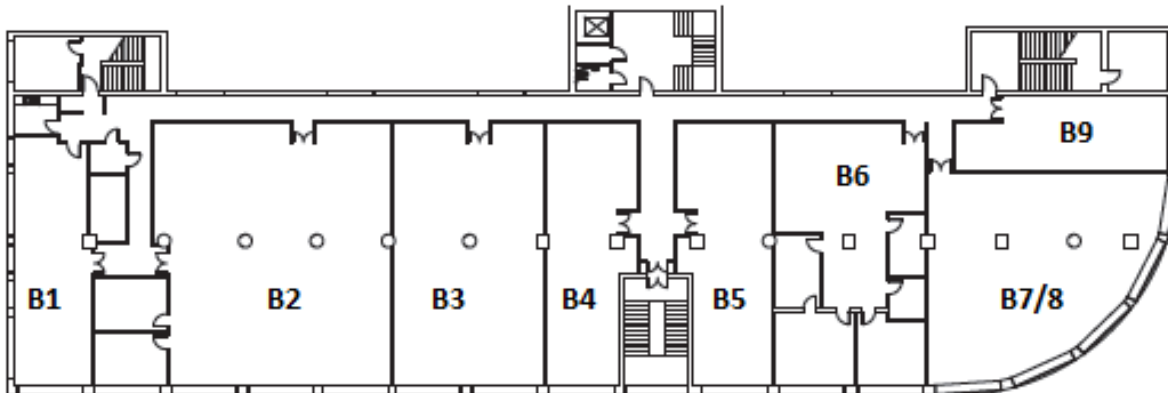
“Excellent location at the heart of St Catherine’s Retail & Leisure Park”



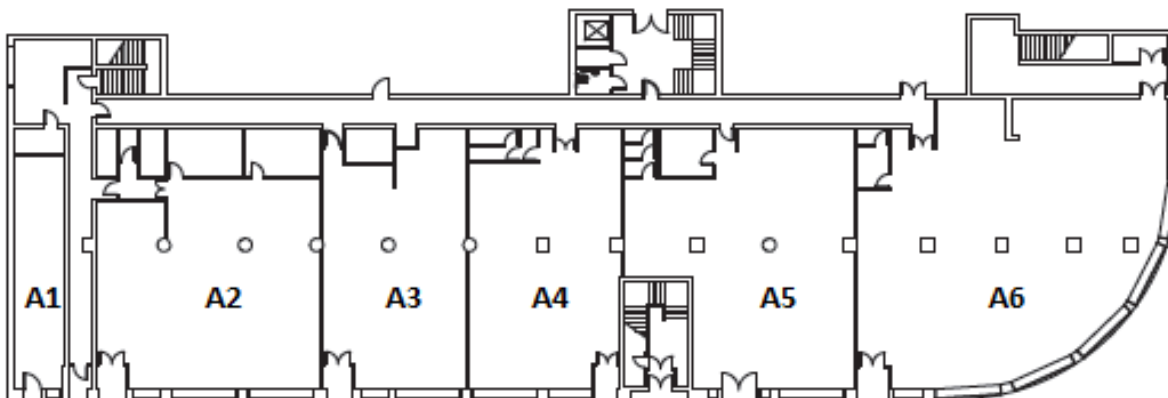
## PLANS



Second floor level



First floor level



Ground floor level

## DESCRIPTION

Highland House is an iconic 1920s three storey building with retail and leisure at ground floor and office accommodation above. The property comprises:

- 6 retail/ leisure units
- 17 office suites
- 3 mobile masts
- 13 dedicated car parking spaces
- 8 person passenger lift

## ASSET MANAGEMENT

- Ongoing discussions with tenants to extend beyond their current terms.
- Local Planning Policy supports potential change of use.
- Letting the vacant office suites at £9.00 psf and achieving full recovery of service charge increases the net rent by £92,653 pa (38%).
- A potential reversionary yield of 12.12% assuming a purchase price of £2,600,000.

# TENANCY

Unit	Tenant	Use	Area (sq ft)	Lease Start	Lease Expiry	Next Review	Break Option	Rent (pa)	Rent (psf)	Landlord Costs	Net Rent (pa)	Comment
<b>RETAIL / LEISURE</b>												
A1	Shenoagh Tait t/a Ladeside Barbers	Retail	428	28/05/15	27/05/20			£6,300	£14.72		£6,300	Rent Yr1 £5,775pa, Yr 2 £6,300pa, Yr 3-5 £6,300. To be topped up by vendor. 3 Month rental deposit (£1,575) held.
A2	The Bedroom Centre (Perth) Ltd	Retail	2,188	25/07/13	24/07/19			£26,000	£11.88		£26,000	Fixed rent uplift on 25/07/2016 to £26,000. Current passing rent £21,000. To be topped up by vendor.
A3	Perth and Kinross Council	Retail	1,400	28/08/09	27/08/24	28/08/19	28/08/19	£48,141	£17.09		£48,141	Lease includes Unit B2 & A3. MBO on 12 months notice.
A4	Skills Development Scotland Co Ltd	Retail	1,420	18/12/97	17/12/17			£40,000	£13.31		£40,000	Lease includes Unit A4, B3 & B4.
A5	Arianna Properties Ltd t/a Marini's Fish & Chips	Restaurant	1,954	02/11/07	01/11/22			£23,500	£12.03		£23,500	
A6	LEO9765 Ltd t/a Solas Light & Living	Retail	3,029	01/06/14	31/12/19			£21,200	£6.92		£21,200	Lease extension agreed commencing 01/01/2016. Rent Yr 1 £16,752, Yr 2 £19,689, Yr 3 £21,200. To be topped up by vendor. Lease includes CS 5.
Sub-total								£165,141		£0	£165,141	
<b>OFFICE</b>												
B1	Victim Support Scotland	Office	695	26/11/12	25/11/17			£6,250	£5.06	£2,486	£3,764	Rent includes SC & Insurance. Lease includes Unit B1 & CS 1.
B2	Perth and Kinross Council	Office	2,691						£9.00			Lease includes Unit B2 & A3.
B3	Skills Development Scotland Co Ltd	Office	1,530						£9.00			Lease includes Unit A4, B3 & B4.
B4	Skills Development Scotland Co Ltd	Office	815						£9.00			Lease includes Unit A4, B3 & B4.
B5	EIABC Ltd t/a Pain & Posture Wellness Centre	Office	803	07/04/15	06/04/18			£7,000	£8.72		£7,000	
B6	Vacant	Office	1,550							£11,152	-£11,152	
B7-8	Even Keel Ltd t/a Curves Gym	Office	1,550	18/02/05	14/11/17			£14,000	£9.03		£14,000	
B9	Duncan Porter	Office	554	20/11/15	19/11/16			£0			£0	
B10	IDTC Limited	Office	628	01/12/14	31/03/17			£7,140	£10.57		£7,140	Lease Includes Car Spaces 3 & 4.

Unit	Tenant	Use	Area (sq ft)	Lease Start	Lease Expiry	Next Review	Break Option	Rent (pa)	Rent (psf)	Landlord Costs	Net Rent (pa)	Comment
B11	Home-Start Perth	Office	833	01/06/14	31/05/19		01/06/17	£6,500	£7.80		£6,500	Rent Yr 1 £3,600pa, Yr 2 £5,400pa, Yr 3 £6,500. To be topped up by vendor. From 01/06/2018 rent to £7,200pa. TBO 6 months notice - £3,000 penalty. SC cap of £3,000 + annual RPI uplift, current SC is £2,672
B12	Crossco (1045) t/a Rathbone	Office	1,180	13/09/10	01/10/17			£10,400	£8.81		£10,400	Lease assigned from Rathbone Training 20/02/2015.
B13	Vacant	Office	1,500							£10,775	-£10,775	
B14a	Brooke Bell t/a Inspire Studio (Dance, Fitness and Pilates)	Office / Leisure	780	01/12/14	30/11/16			£8,750	£4.56	£5,196	£3,554	Lease recently extended to 30/11/2016. Rent includes SC & Insurance.
B14b	Vacant	Office	780							£1,555	-£1,555	
B15a	David Forbes & Tracey Falconer t/a Arriba Wellness Centre	Office / Leisure	765	13/09/13	12/09/16			£9,672	£2.27	£7,933	£1,739	Rent includes SC & Insurance.
B15b	Vacant	Office	1,543							£5,530	-£5,530	
B16	Enable Scotland (Lead the Way)	Office	2,200	29/06/09	28/06/19			£21,836	£9.93		£21,836	
Sub-total			20,397					£91,548		£44,627	£46,921	
<b>OTHER INCOME</b>												
Mast	T-Mobile (UK) Ltd	Mast		01/03/14	28/02/25			£8,600		£24	£8,576	In legal for extension to 28/02/2025.
Mast	O2 (UK) Ltd	Mast		30/01/06	29/01/17			£9,414		£26	£9,388	In discussion regarding extension.
Mast	Orange Personal Communications	Mast		30/09/04	29/09/24	30/09/15		£9,314		£26	£9,288	
CS 1	Victim Support Scotland	Car										Included with B1.
CS 2	Victim Support Scotland	Car		01/04/15	31/03/17			£250			£250	
CS 3-4	IDTC Limited	Car										Included within unit B10.
CS 5	LEO9765 Ltd t/a Solas Light & Living	Car										Included within Unit A6.
CS 6-9	Perth and Kinross Council	Car		28/08/09	27/08/24	28/08/19	28/08/19	£1,000			£1,000	
CS 10-11	Vacant	Car										
CS 12-13	Enable Scotland (Lead the Way)	Car		29/06/09	28/06/19			£500			£500	
Sub-total								£29,077		£75	£29,002	
<b>TOTAL</b>			<b>30,816</b>					<b>£285,766</b>		<b>£44,702</b>	<b>£241,064</b>	

The current Gross Rent is £285,766 pa. The net rent reduces to £241,064 pa after deducting non-recoverable service charge and insurance for all inclusive rents and rates, service charge and insurance for vacant units. Where rents are inclusive the rent psf stated includes a deduction for the non recoverable elements. Where retail units are let with office or car parking, £9.00 psf and £250 per space has been applied to arrive at the rent psf stated. Management Fees are not included in the non-recoverable calculations. Financial reports of individual tenant are available on request.

## TENURE

Heritable (Scottish Equivalent of English Freehold).

## SERVICE CHARGE

The total service charge budget including insurance but excluding management fee is £75,755 pa. A detailed schedule of costs and non-recoverables can be provided.

## PLANNING

The property is zoned for 'City Centre Secondary Uses' within the Perth City Plan. Appropriate uses include shops, residential, offices, restaurants, pubs and clubs.

## EPCs

EPC reports are available on request.

## VAT

The property has been elected for VAT and therefore VAT will be payable in respect of the purchase price. We anticipate the transaction can be treated as a TOGC (Transfer of Going Concern).

## PROPOSAL

Offers in excess of **£2,600,000** representing a **Net Initial Yield** of **8.75%** and a potential reversionary yield of **12.12%** assuming purchasers costs of 5.93%.

## FURTHER INFORMATION

For further information or to arrange an inspection please contact:

Ewan Cartwright

Direct: 0141 225 5709

Mobile: 07930 443 596

ewan@reithlambert.co.uk

David Thorburn

Direct: 0141 225 5711

Mobile: 07964 688 144

david@reithlambert.co.uk

www.reithlambert.co.uk



MISDESCRIPTIONS: Reith Lambert LLP for themselves and for the vendor of the property give notice that: i) these particulars of sale are a general outline for the guidance of intending purchasers and do not constitute all or any part of any offer or contract. ii) intending purchasers should satisfy themselves as to the accuracy of descriptions, dimensions, references to condition, permitted use and other details all of which are given without any warranty whatsoever. iii) unless otherwise stated all rents and prices are quoted exclusive of VAT. iv) they have not conducted and are not aware of any investigations into any potential or actual pollution or contamination of the building, land, air, or water and give no warranties whatsoever in respect thereof, of which prospective purchasers should satisfy themselves. v) in accordance with the terms of the Requirements of Writing (Scotland) Act 1995 these particulars are not intended to create any contractual relationship or commitment which can only be entered into by exchange of missives between respective solicitors. Date of Publication: April: 2016.