

# PRIME INDUSTRIAL INVESTMENT

M8/M73  
Interchange

M8-J9

M8

**The I O Centre | Glasgow Business Park | Glasgow | G69 6GD**

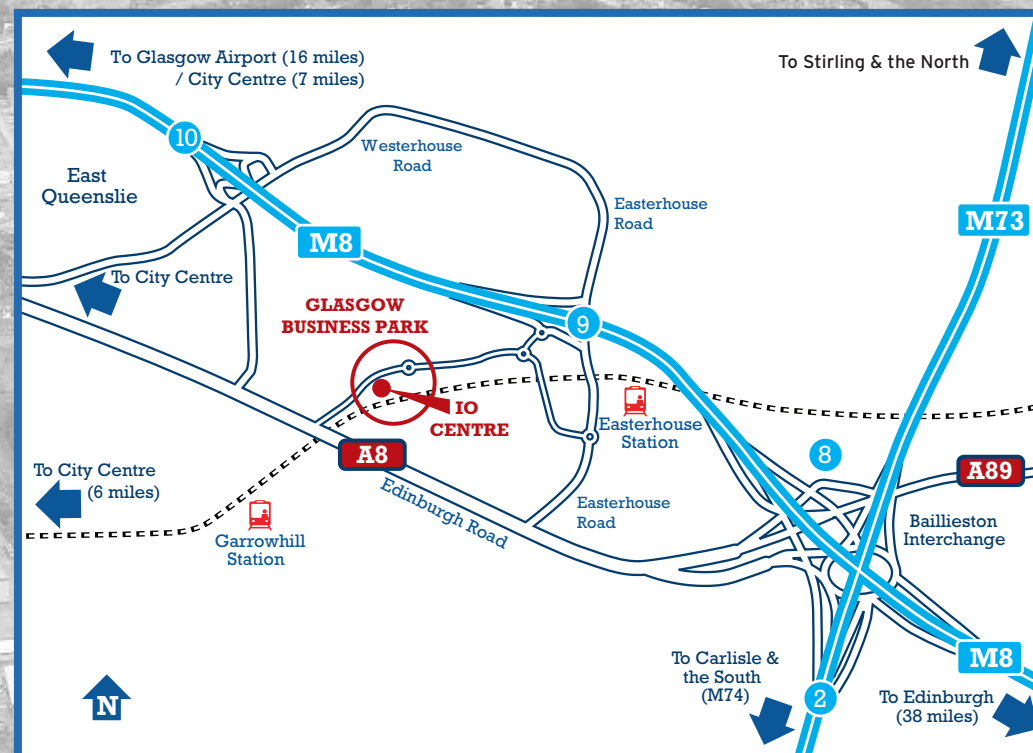


# Investment Summary

- Prime Modern Multi Let Industrial Estate
- Located on Glasgow Business Park fronting M8 Motorway
- 6 units totalling 4,636.94 sq m (49,912 sq ft) gross internal area
- Over 85% Let
- Gross and Net Rent - £294,575
- Est Rental Value - £288,000
- Empty Rates Exempt

- Offers Over £2,900,000
- Only £58.10 psf capital value

- Net Initial yield - 9.60%
- Net Reversionary yield - 9.39%
- Equivalent yield - 9.38%
- True Equivalent yield - 9.96%
- Based on 5.8% purchaser's costs









## Glasgow Business Park



The Glasgow Business Park is a 32 hectare (79 acre) business location fronting the M8 motorway. It is one of Scotland's premier business parks just 7 miles from Glasgow City Centre via Junction 9 of the M8.

Access is also available from the A8 on the southern boundary of the Park. The M8 and A8 join at the Baillieston Interchange 1 mile to the east, which connects with the M73 and M74 motorways and in turn the entire Scottish motorway network. Public transport also serves the Park well with regular bus services and an adjacent railway station with trains to Glasgow every 15 minutes. Glasgow Airport is around 20 minutes' drive away.

The Park is predominantly an office and distribution hub, with supporting restaurant (Brewers Fayre) and retail offerings nearby, including Glasgow Fort Shopping Centre and a Morrisons Superstore just across the north side of the M8. Further information can be found on the website [www.glasgowbusinesspark.com](http://www.glasgowbusinesspark.com)



## The I O Centre

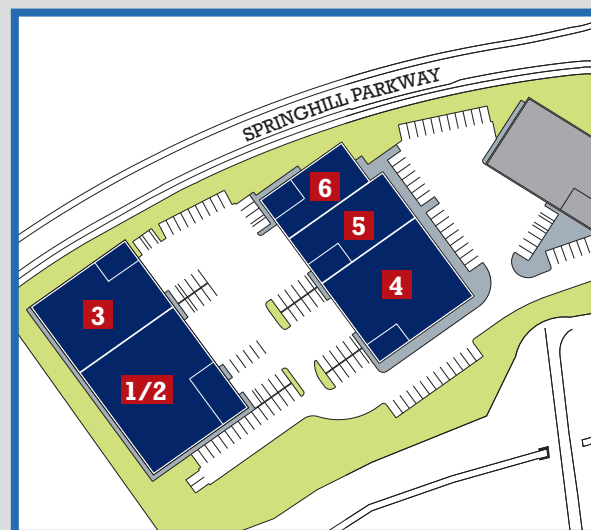
The I O Centre itself was completed in 2003 and comprises 2 terraces of high quality modern industrial units.

The units comprise screeded concrete floors, profile metal sheeting walls and roofs, and blockwork internal walls, providing a clear internal height of 6.5 metres (21 feet).

Office and staff accommodation is provided to each unit at ground and first floors, finished with carpet tiles, plastered walls and acoustic tiled ceilings.

Warehouse areas benefit from gas fired warm air blower heaters and sodium box lighting. Each unit benefits from an electrically operated vehicle door 4.12m by 6.0m.

Externally, there are a total of 122 car spaces mostly demised with the leases, but some are communal for visitor parking. There is a large communal yard area providing ample circulation space for articulated trucks.



Illustrative purposes only - not to scale



## Accommodation

The estate provides a total gross internal floor area of approx. 49,912 sq ft (4,636.94 sq m), individual unit sizes as shown on the tenancy schedule below. Units 1 & 2 are presently let as one, and there is no dividing wall between these.

UNIT	TENANT	AREA SQ.FT.	LEASE TERM	RENT REVIEW	RENT P.A.	RENT P.S.F.	ERV P.A.	ERV P.S.F.	COMMENTS
1 & 2	Tascor Services Ltd	15,423	05.11.2003-05.11.2014		£96,575	£6.26	£87,150	£5.65	Tascor formerly Reliance Secure Task Services Ltd, not in occupation. Strong tenant interest in part.
3	Pilkington Automotive Ltd	10,064	05.12.2006-05.12.2016		£55,000	£5.46	£57,850	£5.75	Uplift from £52,734 in December 2011 review. Discussions ongoing regarding lease extension.
4	Tri-Star Packaging Supplies Ltd	11,911	01.08.2010-31.07.2020	01.08.2014-01.08.2017	£68,500	£5.75	£68,500	£5.75	Tenant break options at the end of years 5 and 8 upon 6 months prior written notice.
5	Rent Guarantee 12 months	7,046	01.01.2014-31.12.2014		£41,500	£5.89	£41,500	£5.89	12 month rent and service charge guarantee. Terms agreed with quality tenant subject to award of government contract.
6	Imtech Traffic & Infra UK Ltd	5,468	15.09.2013-15.09.2023	15.09.2018	£33,000	£6.04	£33,000	£6.04	Re-gear agreed with Imtech (formerly Peek Traffic) from 15 Sept 2013.TBO as at 15 Sept 2018. Previously let to Peek Traffic from Sept 2003. Reduced rent from 15.09.14 to 14.03.15 to be absorbed by vendor, equivalent to £8,250.
		49,912sq.ft.			£294,575		£288,000		

## Tenancies

The property is let on FRI terms in accordance with the schedule, however a Schedule of Condition applies to unit 4. There is strong tenant interest in unit 1, albeit the lease to Tascor Services lasts until November 2014. A 12 month rent and service charge guarantee is provided for the vacant Unit 5, which again has strong tenant interest.

The total gross and net rental income is £294,575 which compares with an estimated rental value of £288,000.



## Management and Service Charge

Further details can be provided on past and budget service charge for the estate. There is a standard service charge regime in place for the I O Centre, along with an estate charge for the Glasgow Business Park. Combined service charges approximate to £0.60 psf per annum. Further details can be provided on past and budget service charge for the estate.

## Covenants

Credit reports for each tenant can be forwarded to interested parties. The most up to date accounts indicate a tenant line up in terms of financial strength, as summarised below :-

Company	Turnover	Pretax Profit	Net Worth	Comments
Tascor Services Ltd	£94.01m	-£6.91m	£17.19m	Immediate parent company Capita Business Services Ltd
Tri-Star Packaging Supplies Ltd	£21.44m	£926,000	£2.04m	
Imtech Traffic & Infra UK Ltd	£55.66m	£5.04m	£17.17m	Formerly Peek Traffic
Pilkington Automotive Ltd	£615.99m	£79.59m	£11.14m	

## Miscellaneous

### EPC's

The units have varying EPC ratings of C, D & E. Certificates can be forwarded to interested parties.

### VAT.

The property is elected for VAT, the incidence of which we anticipate can be avoided by effecting a TOGC.

## Proposal

Offers are sought in excess of £2,900,000 (Two Million Nine Hundred Thousand Pounds) for our client's freehold interest. This reflects a net initial yield of 9.60% and a reversionary yield of 9.39%. Equivalent and true equivalent yields are calculated at 9.38% and 9.96% respectively.

An Argus (Circle) Valuation file can be forwarded to interested parties.

## Comparable Investment Transactions

There has been a marked resurgence of investor interest in the prime / good secondary industrial market in Scotland in the past few months, as the recovery in pricing ripples out from the south-east. Notable recent transactions are set out on the table below.

Property	Description	Purchaser	Date	Price/ Yield
Uddingston - Apex, Tannochside	Multi let, 8 units. 75,215sq.ft.	Private Investor	Autumn 2013	Close to asking £2.98m/9.00% reverting to 12.00%
Aberdeen - Wellington Circle	Multi let industrial estate.	William Pears Group	Nov 2013	£6.35m/9.45%
Newbridge, Edinburgh - Queen Anne Park	Multi let, 5 unit industrial estate. 51,863sq.ft.	Eskmuir	Nov 2013	£3.30m/8.64%
Glasgow - Kingston Bridge Trading Estate	Multi let trade counters in Kinning Park. 121,748sq.ft.	Cornerstone Real Estate	Feb 2013	£8.75m/8.00%
Glasgow - Inner City Trading Estate	Multi let industrial adjacent to city centre, one retail unit. 51,465sq.ft.	Eskmuir	August 2013	£3.40m/8.50%

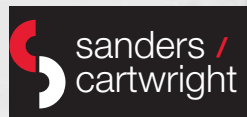


## Viewing & Further Information

Please contact

Graham Sanders  
0141 221 9399 / 07710 427 336  
[graham@sanderscartwright.co.uk](mailto:graham@sanderscartwright.co.uk)

Sanders Cartwright  
147 Bath Street  
Glasgow  
G2 4SQ  
[www.sanderscartwright.co.uk](http://www.sanderscartwright.co.uk)



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These particulars have been prepared as at March 2014