



CIRRUS

GLASGOW AIRPORT BUSINESS PARK,
GLASGOW, PA3 2SJ

OUT OF TOWN OFFICE
INVESTMENT OPPORTUNITY

THREE STOREY SELF-CONTAINED MODERN OFFICE DEVELOPMENT



CIRRUS | GLASGOW AIRPORT BUSINESS PARK



EXECUTIVE SUMMARY

Opportunity to purchase a modern Out of Town office investment with significant asset management opportunities.

Located within Glasgow Airport Business Park immediately south of Glasgow Airport.

Glasgow Airport Business Park benefits from strong transport links being within 1 minute drive of junction 28 of the M8 motorway & regular bus services also serving the area. The area will benefit further following the development of the proposed Glasgow Airport Tram Link.

Three storey self-contained office development with ancillary parking.

Property extends to 77,637 sqft (NIA).

Multi-let to Taylor Wimpey UK Ltd, First Milk Limited and Loganair Limited with a WAULT of 1.87 years to breaks and 5.55 years to expiries.

Taylor Wimpey provide a D&B rating of 5A1, First Milk Limited a rating of O3 and Loganair, 3A1.

The property provides a total passing rent of £454,932 per annum equating to an average of £13.83 psf on the current let space.

The property is presently 58% vacant offering significant value add opportunities.

Number of asset management angles providing an opportunity to significantly increase the property's value including lease re-gears and letting of vacant space.

Heritable Interest (Scottish equivalent of English Freehold).

Offers are sought in excess of £4.00m exclusive of VAT for our client's heritable interest reflecting a NIY of 10.72%. Upon letting of the vacant space, it is anticipated that the property will provide a reversionary yield in excess of 25% at our opinion of ERV.

This reflects an extremely low capital value of £52 psf.



LOCATION

GLASGOW IS THE CULTURAL, SPORTING AND ACADEMIC HEART OF SCOTLAND AND IS FAST BECOMING ONE OF EUROPE'S MOST VIBRANT AND COSMOPOLITAN CITIES.



It is located in the West of Scotland and lies approximately 644 km (400 miles) north of London and 64km (40 miles) to the west of Edinburgh.

The city has a population of almost 600,000 people making it Scotland's largest city. The entire region surrounding the conurbation has approximately 2.3 million people within one hour's drive which is more than 40% of Scotland's entire population, making it the fifth largest urban area in the UK.

Glasgow is Scotland's largest centre of employment and an economic powerhouse, generating approximately £18bn in Gross Value Added (GVA) each year. Over the last few decades it has undergone a sustained period of regeneration, with the hosting of the Commonwealth Games in 2014, acting as a catalyst for this investment.

The most recent global financial services index identified Glasgow as the most important financial centre in the UK after London. It is ranked first for Foreign Direct Investment (FDI) Strategy across large European cities (Financial Times FDI Magazine Awards 2014/15).

GLASGOW AIRPORT BUSINESS PARK

Glasgow Airport Business Park is located approximately 9 miles west of Glasgow city centre. The park is easily accessed via Junction 28 of the M8 motorway which provides direct links to both the west coast of Scotland as well as Glasgow and Edinburgh to the East. The park is also located within 0.5 miles of Glasgow Airport which has allowed it to thrive as a business destination with many occupiers in the area being associated with the airport/haulage.

The location also benefits from regular shuttle buses from Glasgow City Centre via Glasgow Airport's Express Bus Service, which offers connections every 10 minutes. Nearby amenities serving the park include Braehead Shopping Centre 4 miles to the east and Paisley town centre 1 ½ miles to the south. There are also a number of hotels within the park and surrounding area which offer food and beverage options.

Nearby occupiers include FedEx, Kuehne + Nagel Ltd, Daikin, Travelodge, Premier Inn & Marriot.

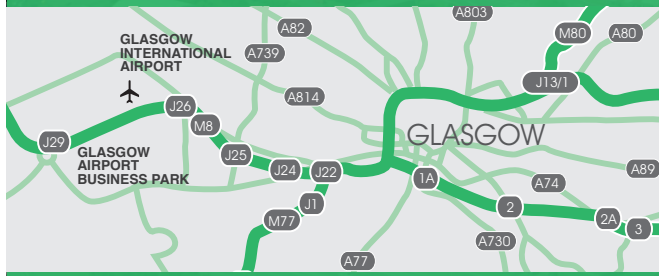


GLASGOW IS SCOTLAND'S LARGEST CENTRE OF EMPLOYMENT AND AN ECONOMIC POWERHOUSE

PROPOSED TRAM LINK

The Scottish Government has recently announced the revival of the Glasgow Airport Project which will see the creation of a tram-train link between Glasgow Airport and Glasgow City Centre. The scheme, which will cost £144m, will see a dedicated rail link leaving from Glasgow Central Train station every 15 minutes and cut journey times to the airport to 16 ½ minutes. This scheme will increase the frequency and amount of public transport services to the area with the station at Glasgow Airport being a short walk from the subject.





JUNCTION 28 / M8 MOTORWAY



CIRRUS



M8 MOTORWAY



MARCHBURN DRIVE

AERIAL VIEW

- 1. GLASGOW AIRPORT EXPRESS BUS SERVICE
- 2. PROPOSED TRAM LINK STATION
- 3. GLASGOW AIRLINK
- 4. FED EX, KUEHNE + NAGEL LTD
- 5. AXSYS TECHNOLOGY
- 6. DAIKIN AIRCONDITIONING UK
- 7. VACANT DEVELOPMENT LAND AVAILABLE BY SEPARATE ENQUIRY

DESCRIPTION & SPECIFICATION

The subject property was built in 2004 and comprises a 3 storey multi-let office spread over 2 cores. The property has the following specification:

- Impressive triple height reception
- Fully raised access flooring
- Four pipe fan coil heating and cooling
- Recessed lighting
- 2.8m floor to ceiling height
- 3X13 person passenger lifts
- 24/7 access with concierge

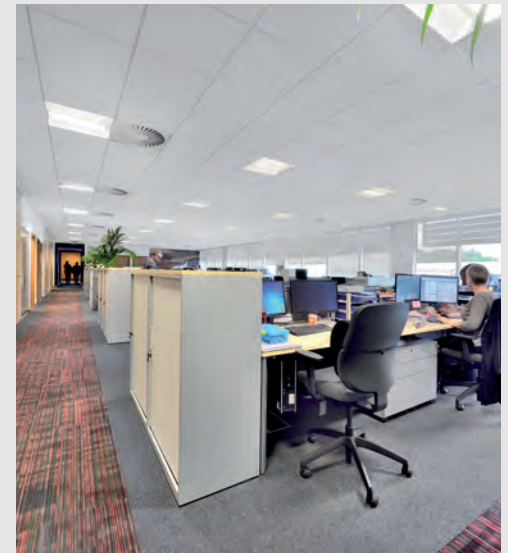
The design and layout of the building allows the building to be easily split to accommodate requirements of various sizes with the far west core also offering a triple height entrance/reception.

The development offers 245 car parking spaces at a ratio of 1: 317 sqft

MODERN SPECIFICATION WITH FULLY ACCESSIBLE RAISED ACCESS FLOORING



SEPARATE CORE A RECEPTION



✈ ACCOMMODATION

The properties have been measured by Malcolm Hollis in accordance with the RICS Code of Measuring Practice 6th Edition (2007) and provides the following Net Internal Areas (NIA). Reliance on this survey can be assigned to the purchaser.

Demise		Sqm (NIA)	Sqft (NIA)
Ground			
	East Wing	993.8	10,698
	West Wing	1,332.5	14,343
1st			
	East Wing	1,037.9	11,171
	Central Suite	729.6	7,853
	West Wing	674.3	7,258
2nd			
		2,444.7	26,314
Total		7,212.8	77,637

* The property has also been measured in line with IPMS. Areas can be provided to interested parties.

SITE AREA

The property occupies a regular site bound by Sanderling Road/M8 motorway to the north, an industrial parade to the east, Marchburn Drive to the south and the Marriot Hotel to the west. The site extends to approximately 4.82 acres (1.95 ha).

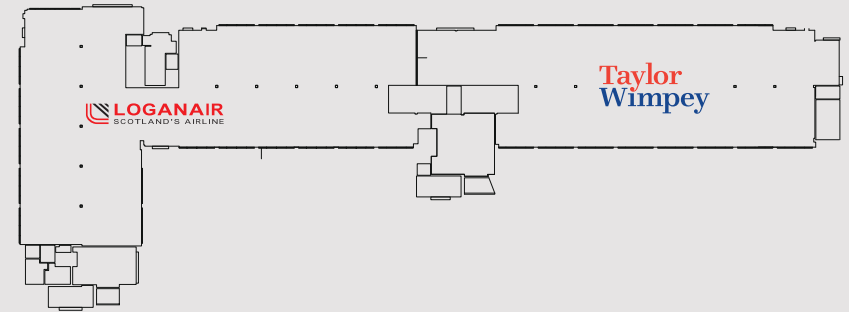


Indicative Site Plan only

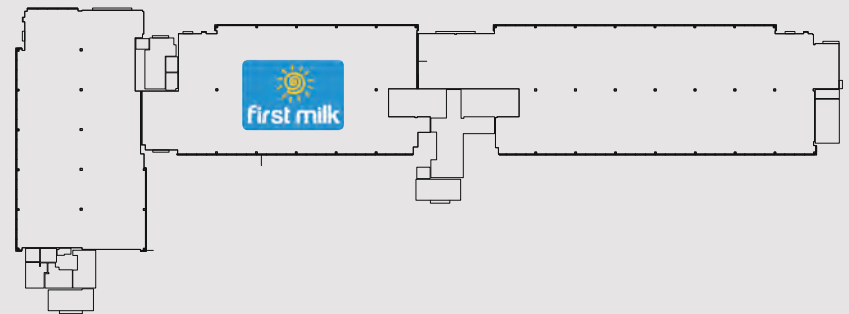
TENURE

Heritable (Scottish equivalent of Freehold)

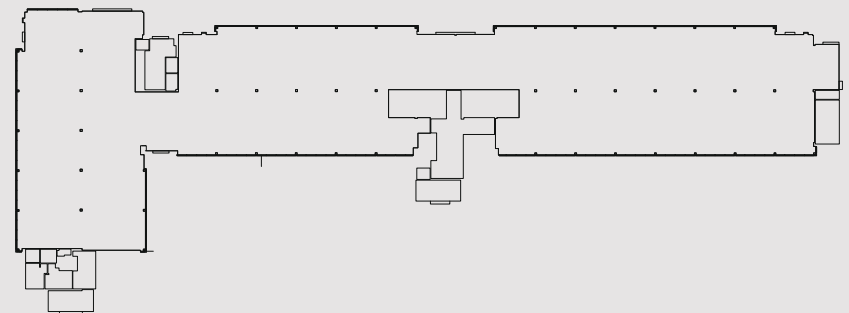
GROUND FLOOR



FIRST FLOOR



SECOND FLOOR



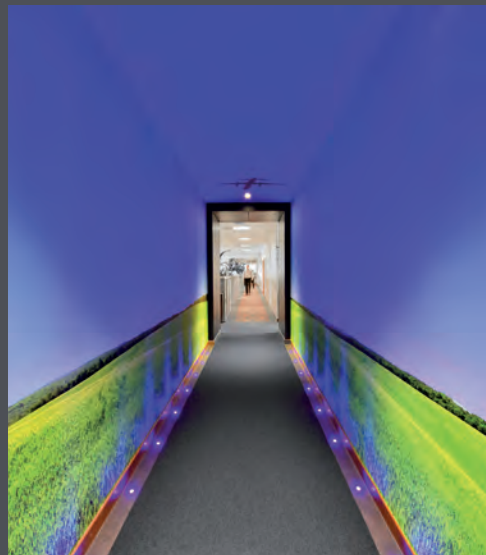
Indicative floorplans only



TENANCY SCHEDULE

Demise	Tenant	NIA (sqft)	Lease Start	Lease End	Break	Rent	Rent (psf)	ERV	Comments
Ground Floor - West	Loganair Ltd	14,343	15/10/2013	14/10/2023	14/10/2018	£183,638	£12.20	£200,802	Loganair have a service charge cap (index linked) of £70,630 (£4.92 psf). Tenant repairing liability restricts contribution for costs of upgrading the air conditioning in the building. Area stated within the lease as 14,126 sq ft. Lease subject to a schedule of condition
Ground Floor - East	Taylor Wimpey UK Ltd	10,698	18/08/2004	17/08/2024	17/08/2019	£149,604	£14.02	£149,772	Tenant break option. Area stated within the lease as 10,686 sq ft
1st Floor - West	Vacant	7,258	-	-	-	-	-	£101,612	Refurbished
1st Floor - Central	First Milk Ltd	7,853	17/02/2006	16/02/2021	N/A	£121,690	£15.28	£109,942	2016 rent review outstanding. First Milk also have a service charge cap (index linked) of £59,418 (£7.57 psf) over their demise
1st Floor - East	Vacant	11,171	-	-	-	-	-	£156,394	Suite in shell condition
2nd Floor	Vacant	26,314	-	-	-	-	-	£368,396	Unrefurbished (previous occupiers fit-out still in place)
Total		77,637				£454,932		£1,086,918	

The property provides a Weighted Average Unexpired Lease Term (WAULT) of 1.87 years to breaks and 5.55 years to expiries.





COVENANT INFO



FIRST MILK LIMITED:

First Milk Ltd is the UK's only major dairy company 100% owned by British family farms with 5 sites in Scotland and England and headquartered within the subject property, Cirrus. Business operations include milk supply, cheese production and ingredient development with major brands including Lake District Dairy Co, Mull of Kintyre and Isle of Arran. First Milk Limited has a D&B rating of O3.



LOGANAIR LIMITED:

Loganair Limited is a Scottish regional airline, serving 29 destinations across the UK, Republic of Ireland and Norway. Founded in 1962, the company has flown under franchise agreements with both British Airways and Flybe and will fly under its own brand from September 2017. The airline has a fleet of 28 aircraft and a D&B rating of 3A1.



TAYLOR WIMPEY UK LIMITED:

Taylor Wimpey UK Ltd was founded in 2007 following the merger of Taylor Woodrow and George Wimpey to form one of the largest homebuilders in the UK. The firm now operates in 24 regional offices across England Scotland and Wales. The subject property forms the firm's HQ for Scotland. Taylor Wimpey has a D&B rating of 5A1.

Tenant	Turnover	Net Worth	Profit
Loganair Limited	£95,311,000	£11,020,000	£9,633,000
Taylor Wimpey UK Limited	£3,082,043,000	£1,964,340,000	£780,035,000
First Milk Limited	/	/	/



ASSET MANAGEMENT

The property provides numerous asset management opportunities which would allow prospective purchaser an opportunity to significantly increase the value of the property. This includes:

- Investing in the fabric of the building will allow the purchaser to attract new occupiers. This is likely to include investment in the Building Management Systems (BMS) and general refurbishment of the vacant suites including LED Lighting, floor boxes and carpeting.
- Re-gear with Loganair who have indicated an interest in expanding into 1st floor west to accommodate a new training centre.
- Re-let the remaining floors following refurbishment.
- Acquire the site opposite (also owned by Aviva) with a view to increasing parking provision for the property. Further information can be provided to interest parties upon request.
- Following the refurbishment outlined above, we anticipate that the property will have a headline ERV of c.£14.00 psf. This will provide a total reversionary rental value of £1,086,918 pa.

SERVICE CHARGE

The service charge budget for the year ending December 2017 is £297,159 equating to £3.83 psf. A copy of the service charge budget is available on request.

VENDORS SURVEY

The vendor has undertaken the following surveys, which can be relied upon by the purchaser for completion:

- Building and M&E
- Phase 1 Environmental
- Area Referencing

All surveys are available to view within the data room.

VAT

The property has been elected for VAT, it is anticipated that the sale will be treated as a transfer of a going concern (TOGC).

EPC

The asset has an EPC rating of E. Further information can be made available upon request.

DATA ROOM

Further information is available within a data room, please contact Knight Frank to request access

PROPOSAL

Offers are sought in excess of £4.00m exclusive of VAT for our client's heritable interest reflecting a NIY of 10.72%. Upon letting of the vacant space, it is anticipated that the property will provide a reversionary yield in excess of 25% at our opinion of ERV. This price reflects a low capital value of £52 psf.

FOR FURTHER INFORMATION PLEASE CONTACT

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ACCOMPANYING SALE – UNITS A-C, GLASGOW AIRPORT BUSINESS PARK

Knight Frank have also been instructed by the vendor to market an industrial parade within Glasgow Airport Business Park, Units A-C. The asset is multi-let to FedEx and Kuehne + Nagel Ltd and is available either as a package with Cirrus or by separate enquiry. Further information can be provided to interested parties upon request.

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