

# 23 Nelson Mandela Place

An impressive freehold block of ten serviced apartments within a stunning B-listed building in the heart of Glasgow city centre.



# Investment overview.

**We are delighted to present a rare opportunity to acquire an attractive block of 10 serviced apartments.**

- 23 Nelson Mandela Place comprises 10 serviced apartments. (8 x studio apartments, and 2 x superior studio apartments)
- Fantastic central location in Glasgow city centre.
- The portfolio is currently operating under a professionally managed short let operation with a total NET income of **c. £128,000** paid in the last financial year (23/24) to the owners.
- The properties are all classified as short stay serviced apartments (sui Generis) consent which means there is no issues with licensing in the future.
- We are seeking offers in excess of £2 million reflecting a NET investment yield of **c. 6.4%** on its current short let operation
- April 23 to Mar 24 gross income was **£305,500** per annum (net of VAT).
- There is currently **£140,000** of gross revenue bookings taken for the 24/25 financial year.

# Location

Located in the heart of Glasgow City Centre, an area of Glasgow which has benefitted from significant redevelopment in the last few decades with both commercial developments and exclusive residential buildings. This location offers a wonderful central position and a very prominent social location with the city centre. Nearby there is a wealth of historic buildings and a range of amenities including both general and specialist shopping, wine bars and many highly acclaimed restaurants and is also conveniently located for access to the Merchant City.

The property is in close proximity to Strathclyde & Caledonian Universities, the Glasgow School of Art, the SEC and The Clyde Auditorium. The area benefits from frequent public transport with easy access to Central and Queen Street Train Stations, and both St Enoch and Buchanan Street subway stations. Public transport and road links are exceptional.



## Glasgow Rents Overview

The trading landscape across Scotland's short stay market has been robust, with strong growth recorded, consistently outperforming the regional UK market. Between 2015 and 2022 RevPAR performance across all Scotland hotels recorded compound annual growth of 4.4% per annum, compared to the regional UK average of 3.1%.

Scotland's RevPAR performance has far exceeded pre pandemic trading, with an uplift in RevPAR of 22% in 2022 versus 2019. This recovery has continued at the start of 2023, with year-to-date RevPAR to April surging by 34% versus 2019.

The growth has been led by an exceptional strong performance in Edinburgh/Glasgow and provincial Scotland.

With Central Glasgow hotels showing 8% YTD RevPAR growth versus 2019, and an uplift of 54% for RevPAR in Glasgow's suburbs, this provides evidence that demand for Glasgow's quality hotel supply is robust.

With Airbnb regulations coming into force during 2023, short stay serviced apartments and hotels are likely to benefit significantly from the reduced supply in the short stay market.



## Accommodation and Tenancy Schedule

Units	Floor	Sq m	Size sq ft	Bedrooms	Bathrooms	23/24 NET Income PA
1.1	1st	29	312	1	1	Net income allocated per unit
1.2	1st	39	420	1	1	Net income allocated per unit
2.1	2nd	23	248	1	1	Net income allocated per unit
2.2	2nd	26.8	288	1	1	Net income allocated per unit
2.3	2nd	23.8	256	1	1	Net income allocated per unit
2.4	2nd	25	269	1	1	Net income allocated per unit
3.1	3rd	22.9	246	1	1	Net income allocated per unit
3.2	3rd	26.8	288	1	1	Net income allocated per unit
3.3	3rd	25.1	270	1	1	Net income allocated per unit
3.4	3rd	23.6	254	1	1	Net income allocated per unit
<b>Totals</b>		<b>265</b>	<b>2852</b>			<b>£127,789.00</b>

## Description

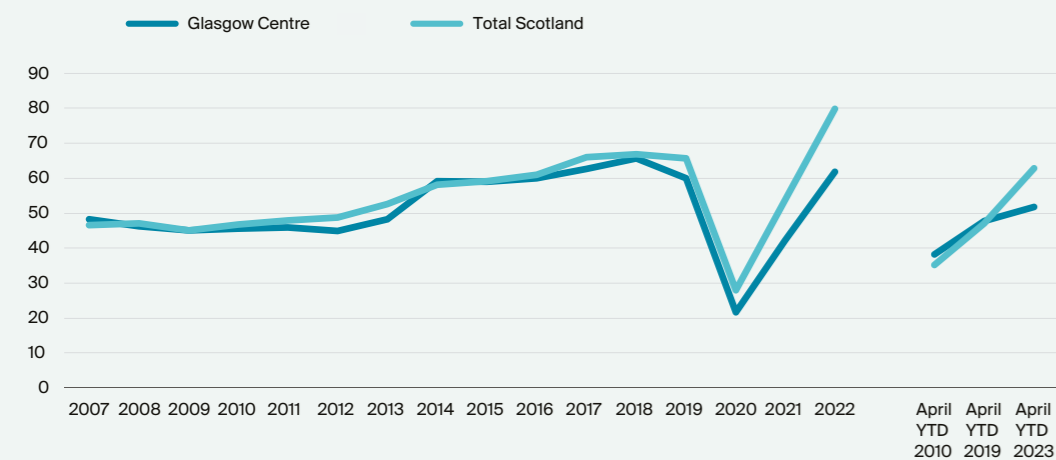
The building ownership has accommodation over 4 floors in total. The living accommodation is based on the first to third floors with an attractive main door entrance off Nelson Mandela Place. The building was fully renovated during its current ownership back in 2016 and consists of ten studio apartments in all. The properties have been managed and maintained well by Destiny Scotland. All ten apartments run off a well maintained central stair.

On the first floor there are two superior studio apartments on this level which are spacious and bright benefitting from large windows and the grandeur of the high ceilings. These apartments are similar in fit out compared to the other flats however there is more space for a larger living area compared to the other serviced apartments. Each of eight studio apartments on the second and third floors have a spacious kitchen/living area including a fully equipped kitchen, good sized bedrooms with built in storage, stylish shower rooms and a storage cupboard in each property.

The apartments are currently experiencing high occupancy all year round and it is likely a new owner could continue to operate as is and look to improve the current rent roll & operations of the asset. NET income of c. £128,000 in the 2023/24 financial year reflecting a NET investment yield of c. 6.4% on its current short let operation. 2023/24 building income was £305,500 per annum (net of VAT). There is currently £140,000 of gross revenue bookings taken for the 24/25 financial year. Depending on how the asset is managed in the future, there is potential to develop the NET yield further.

### Glasgow / Scotland Hotel Trading Performance

RevPAR (£)



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# 23 Nelson Mandela Place (Plots 1/1 & 1/2)

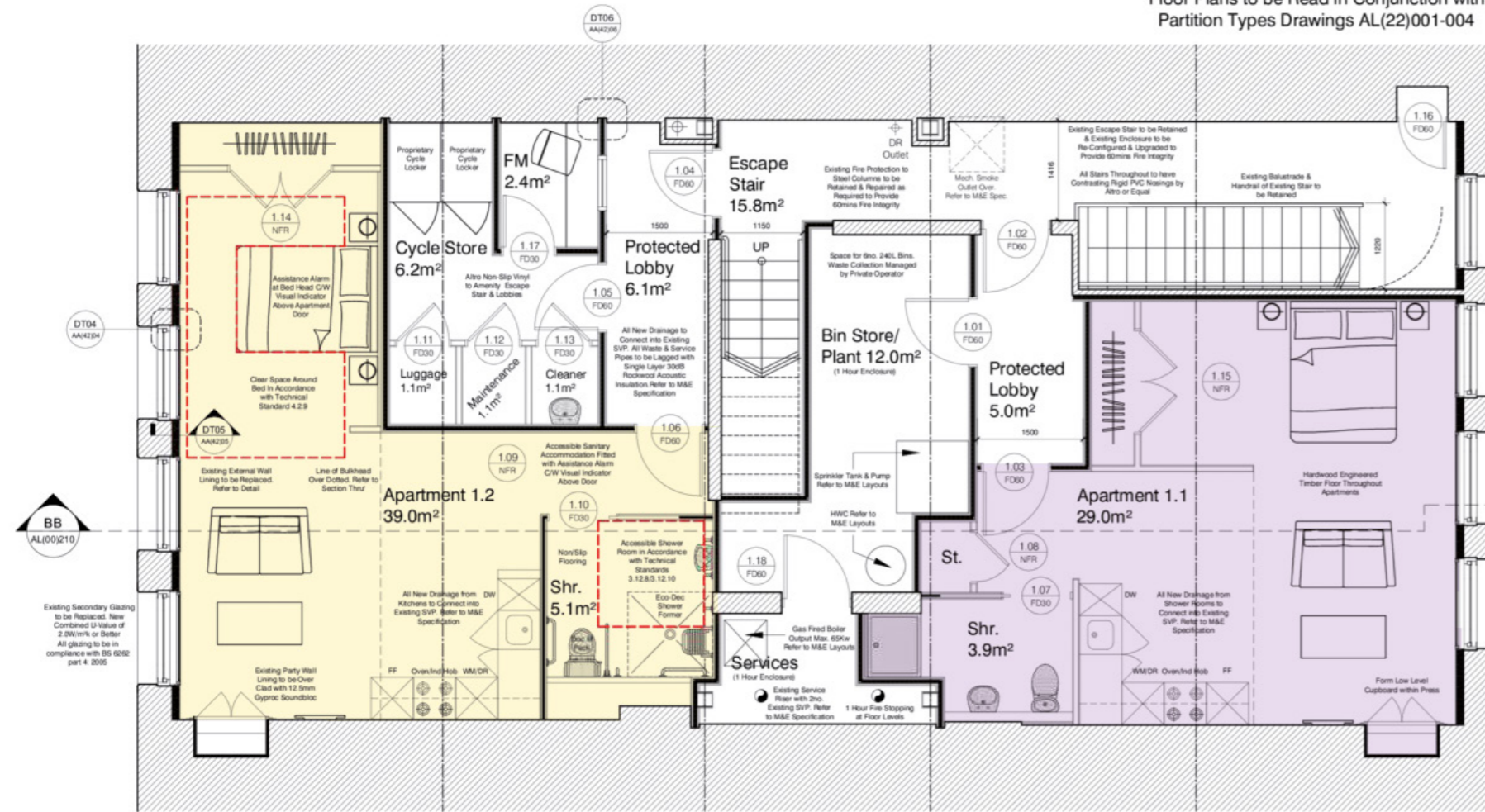
Approx. Gross Internal Area

Plot 1/1 – 29 Sq M / 312 Sq Ft

Plot 1/2 – 39 Sq M / 420 Sq Ft

For identification only. Not to scale.

Floor Plans to be Read in Conjunction with  
Partition Types Drawings AL(22)001-004



PROPOSED FIRST FLOOR PLAN

# 23 Nelson Mandela Place (Plots 2/1 to 2/4)

Approx. Gross Internal Area

Plot 2/1 – 23 Sq M / 248 Sq Ft

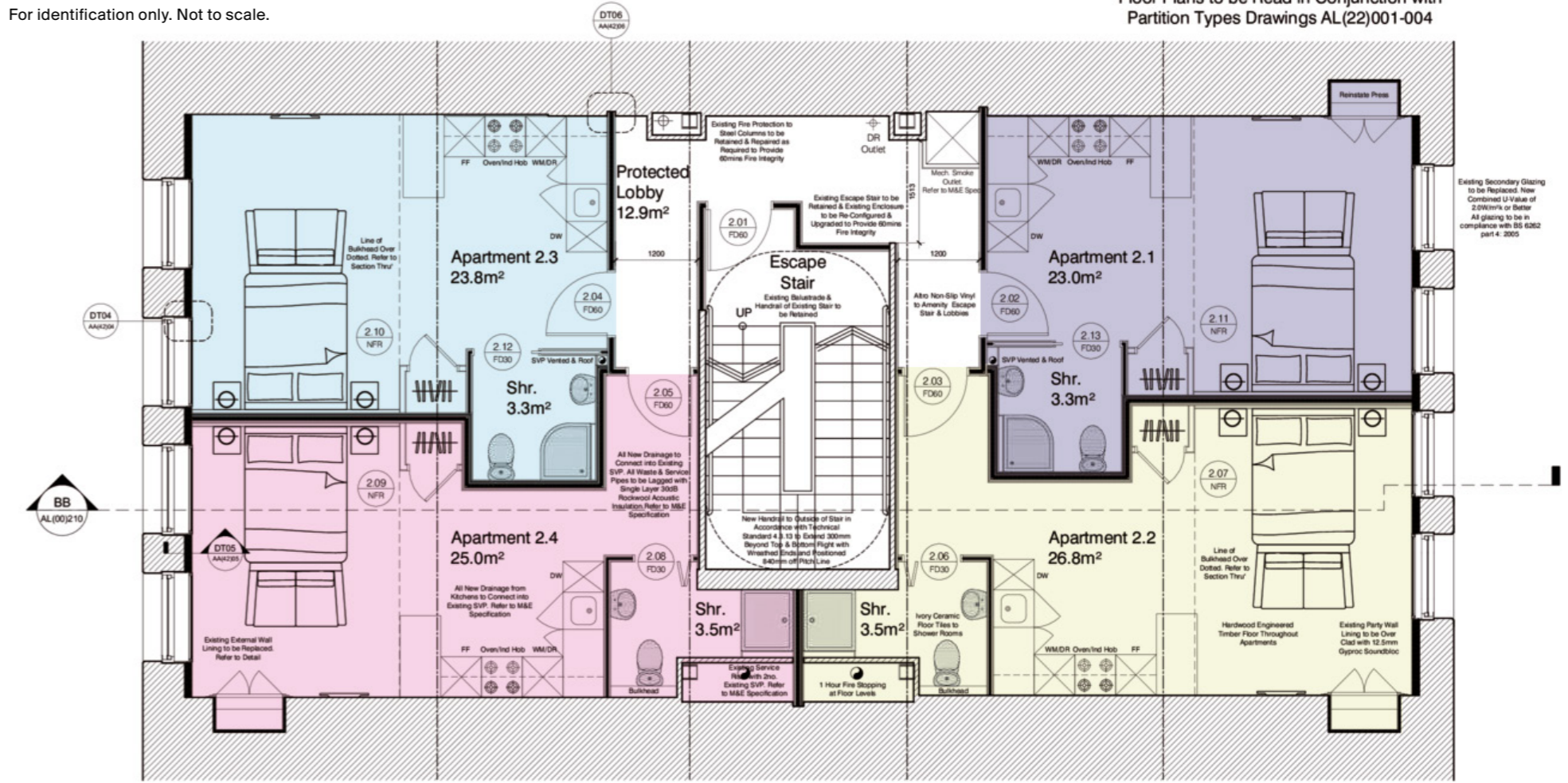
Plot 2/2 – 26.8 Sq M / 288 Sq Ft

Plot 2/3 – 23.8 Sq M / 256 Sq Ft

Plot 2/4 – 25 Sq M / 269 Sq Ft

For identification only. Not to scale.

Floor Plans to be Read in Conjunction with  
Partition Types Drawings AL(22)001-004



PROPOSED SECOND FLOOR PLAN

# 23 Nelson Mandela Place (Plots 3/1 to 3/4)

Approx. Gross Internal Area

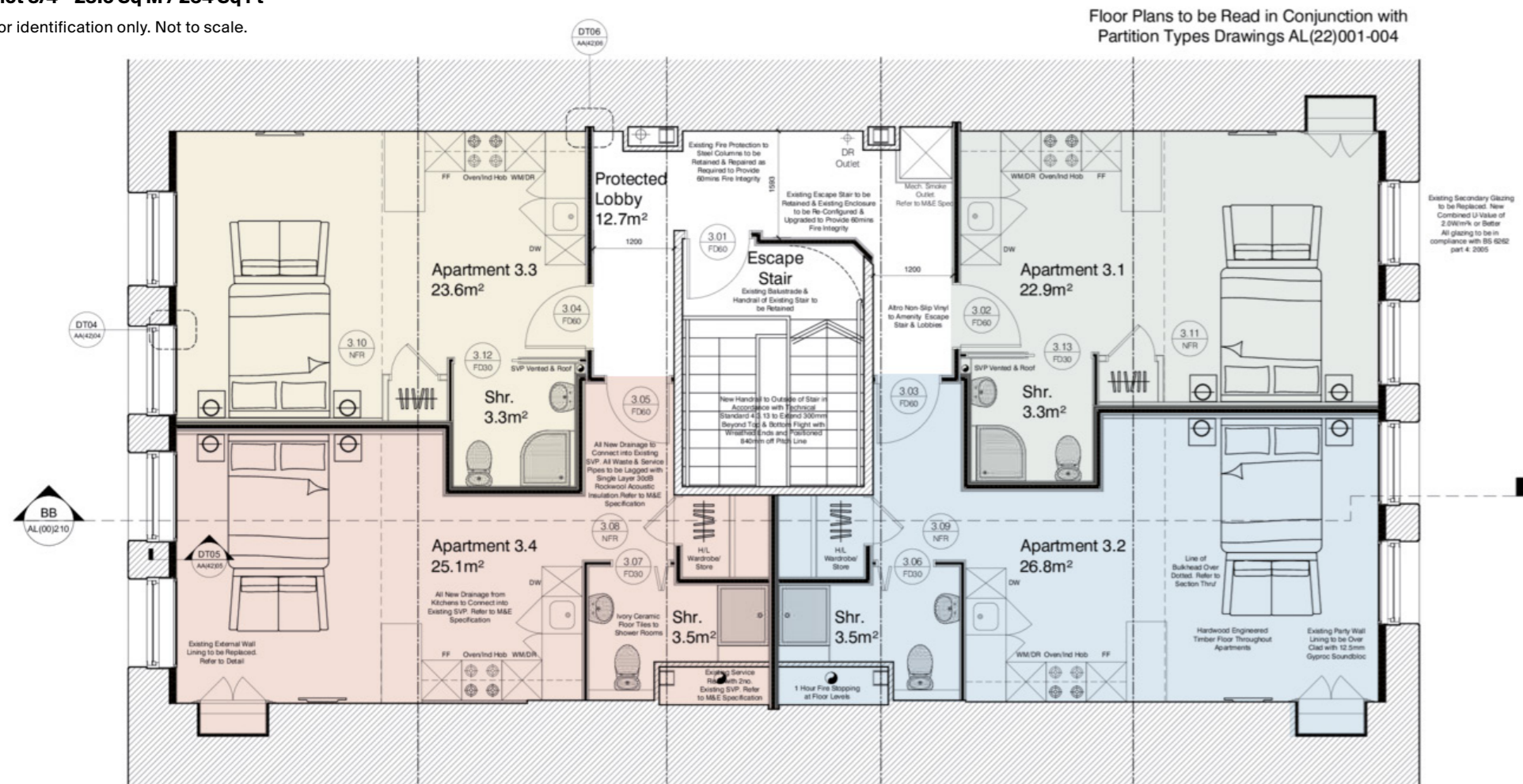
Plot 3/1 - 22.9 Sq M / 246 Sq Ft

Plot 3/2 - 26.8 Sq M / 288 Sq Ft

Plot 3/3 - 25.1 Sq M / 270 Sq Ft

Plot 3/4 - 23.6 Sq M / 254 Sq Ft

For identification only. Not to scale.



Existing Secondary Glazing to be Replaced. New Combined U Value of 2.0W/m<sup>2</sup> or Better. All glazing to be in compliance with BS 6262 part 4: 2005.



PROPOSED THIRD FLOOR PLAN



## Proposal

We are instructed to seek Offers in Excess of £2,000,000.

## Legal title & Factoring

The property is held freehold by the current owners. The building is currently managed and factored by Destiny Scotland. Operational income and cost details can be provided upon request from Knight Frank.

## Services

Mains water, electricity, gas and drainage are provided. Gas and Electric are centrally operated for all ten properties creating excellent efficiency within the building. Each property can be controlled via the Nest heating controls remotely. It is the responsibility of the purchaser to ensure that services available are adequate. There is a sprinler system throughout the building satisfying fire regulations.

## Viewings

The building can be externally inspected from the front and rear. The property may be inspected internally strictly through prior appointment with Knight Frank.

## EPC

This building is an EPC B. This is available upon request.

## VAT

The property and trade are being sold as a Transfer of Going Concern ("TOGC").

The property is not opted to tax.

Prospective purchasers should obtain their own VAT advice.

## Method of sale

The property is offered for sale via private treaty.

## Rateable Value / Council Tax bands

Current Rateable Value of £33,000 across all ten serviced apartments which is effective from 1st April 2023.

## Financial Guarantee/Anti Money Laundering

All offers to purchase the property (regardless of whether the offer is on a cash basis or subject to loan funding) must be accompanied with evidence of Source of Funds. This can be in the form of a bank statement showing the purchase price, a financial reference from a bank/funding source, or confirmation from a solicitor that the purchaser has sufficient funds to complete the purchase. In addition, the purchaser must supply certified copies of his/her passport and confirmation of residence in terms acceptable under anti money laundering (AML) legislation. These documents will be required for all individuals who will appear on the title once the transaction is complete.

## Further information

Further information and access can be provided upon request.

# Contacts.



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**Fixtures and fittings:** A list of the fitted carpets, curtains, light fittings and other items fixed to the property which are included in the sale (or may be available by separate negotiation) will be provided by the Seller's Solicitors.

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Particulars dated April 2024. Photographs dated June 2023.

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