

# 37 ALBYN PLACE

ABERDEEN, AB10 1YN



## FOR SALE

Fully Refurbished Multi-Let Office Investment



# Investment Summary

## Outstanding multi-let office building

Energy efficient **£1.15m** refurbishment, completed February 2021

Fully let within **6** months

**4** established tenants

Well secured income - **77.5%** covered by professional services companies

Rebased rents - average **£22.50** per sq ft

WAULT of **7.56 years** to expiries and **4.30 years** to breaks

Price - **£3,900,000 exc VAT**, reflecting a net initial yield of **7.49%**





# Aberdeen

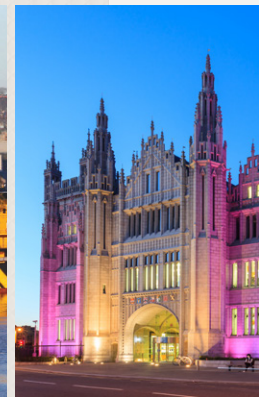
Aberdeen is Scotland's third largest city with a population of approximately 220,000 and a regional catchment population of over 500,000. The city has been established as the energy capital of Europe for over 40 years and that is set to continue for years to come. A growing number of companies in the city are utilising their skilled workforce to expand into the field of renewable energy. The city stands to benefit from significant public sector support in the coming years with the establishment of a £62m Energy Transition Fund.

The city and the surrounding region has long been regarded as one of Scotland's biggest success stories being a key engine of the Scottish and UK economies. The pandemic has highlighted the importance and essential nature of the industry with many companies in the city operating as normal.

Aside from energy, the city benefits from two distinguished universities, an expanding international harbour, seven major research institutes, together with world renowned food, fisheries and agricultural research establishments. Additional industries including digital technology, life sciences and tourism are all growing in importance in the area.

Aberdeen has strong communication links with the rest of Scotland, the UK and Europe. The A90 trunk road links Aberdeen with the Scottish motorway network, making Edinburgh and Glasgow accessible in around 2 hours. Journey times in and around the city dramatically improved with the opening of the Aberdeen Western Peripheral Route (AWPR) in February 2019.

The city also benefits from frequent rail services to major towns and cities throughout the UK. Aberdeen International Airport, which lies to the north west of the city, provides direct flights to the principal UK cities and popular European destinations. The Airport also incorporates the world's largest commercial Heliport to predominantly service the offshore energy industry. Finally, the £350m expansion of Aberdeen harbour to accommodate larger vessels will open in phases in 2022 with a 70 hectare Energy Transition Zone developed alongside by 2030.



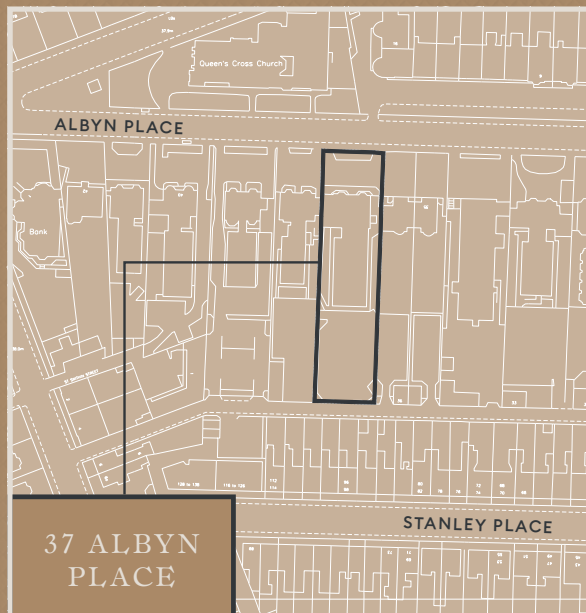


# Location

The subjects are located in the heart of Aberdeen's West End office district on the south side of Albyn Place between Albyn Grove and St Swithin Street.

This stretch of the street is considered to be 100% prime and has attracted several notable occupiers including **RBS**, **Bank of Scotland**, **TMM Recruitment**, **Stronachs**, **Virgin Money** and **Johnston Carmichael**. Other amenities in the area include local cafés, pubs, restaurants and convenience stores.

Union Street, the City's principal retail thoroughfare and home to The Capitol and Silver Fin office developments, are only a short walk away. In 2022 Shell will relocate to the Silver Fin which is bound to have a positive impact on the City Centre and West End.



## Occupiers

- 01 Virgin Money
- 02 RBS
- 03 Bank of Scotland
- 04 Johnston Carmichael
- 05 Stronachs
- 06 BMI Hospital
- 07 Shell (from 2022)
- 08 Barclays
- 09 Harbour Energy
- 10 PWC



# Description

**The subjects comprise an attractive, detached 19th Century former townhouse of granite construction under a pitched slated roof with double glazed timber sash and case windows. To the rear there is a three storey extension built in 1995.**

The entire building was comprehensively refurbished in 2021 to provide a multi occupancy office with open plan suites offering a flexible, modern working environment. This incorporated a green energy solution by replacing the gas heating with electric VRV air conditioning. There is an imposing reception area with a tea/coffee lounge and communal meeting room provided at ground floor level.



The refurbishment specification includes:

- New VRV air conditioning to all office areas
- Full rewire and installation of LED lighting
- Power distribution from walls and recessed floor boxes
- Intercom door entry for tenants
- New passenger lift to all floors
- Communal meeting room
- Communal break out / coffee facility
- New toilets and shower facilities
- Cycle stands



# Accommodation

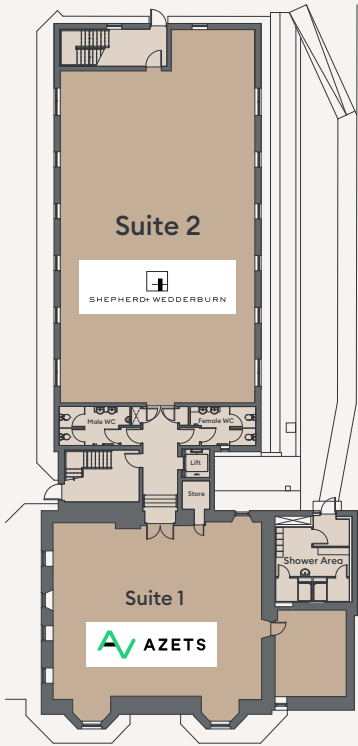
The premises have been measured in accordance with the RICS Code of Measuring Practice (Sixth Edition) and provide the following net internal floor areas:

Floor/Suite	sq ft	sq m
Lower Ground Floor - Suite 1	1,941	180.36
Lower Ground Floor - Suite 2	2,980	276.81
Ground Floor - Suite 3	3,958	367.71
First Floor - Suite 4	1,624	150.87
First Floor - Suite 5	2,931	272.30
Communal Meeting Room	298	27.68
Total	13,732	1,275.73

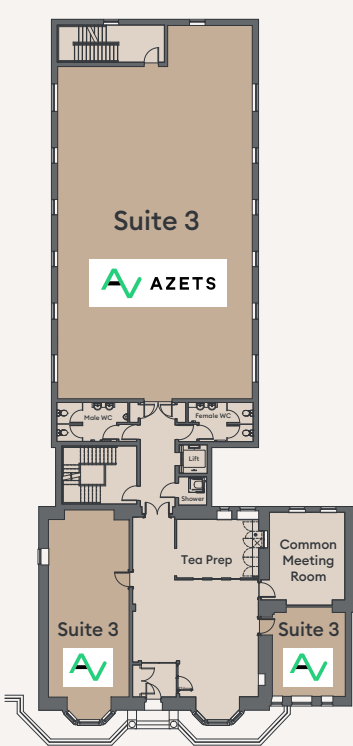
# Car Parking

The property benefits from private car parking with 42 spaces allocated to the tenants accessed from the front and Albyn Lane to the rear. In addition there are 3 visitor spaces and 1 disabled space. The overall parking ratio is excellent at 1 space per 300 sq ft.

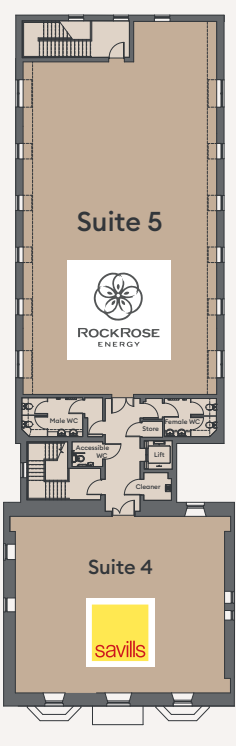
Lower Ground



Ground



First



# Service Charge

Under the terms of the leases the landlord is responsible for the management and repair / maintenance of the common parts of the property. A service charge regime is in place and the costs are allocated to the tenants on a pro-rata basis. This also includes additional rent of £10,780 for use of the communal meeting room and kitchen. Further details upon request.

# Tenure

Heritable (Scottish equivalent of Freehold).



# Tenancy Schedule

A Tenancy Schedule is provided below highlighting the principal lease terms:

Suite	Tenant	Floor Area	Lease Start	Lease Expiry	Break Options	Options to Extend	Rent (pa)	Rent (£ per sq ft)	Rent Review	Comments
Lower Ground Suite 1	Azets Holdings Limited	1,941	01/10/2021	31/05/2031	01/06/2026	-	£41,731.50	£21.50	01/06/2026	The tenant has a rent free period of 12 months. If the break option is not exercised the tenant will be granted a RFP of 9 months spread over 18 months. The service charge is capped at £7 per sq ft.
Lower Ground Suite 2	Shepherd & Wedderburn LLP	2,980	17/08/2021	16/08/2031	17/08/2026	-	£68,540.00	£23.00	17/08/2026	Tenant has a rent free period of 12 months. If the break option is not exercised the tenant will be granted a half rent period of 12 months. The service charge is capped at £8 per sq ft.
Ground Floor Suite 3	Azets Holdings Limited	3,958	01/03/2021	31/05/2031	01/06/2026	-	£85,097.00	£21.50	01/06/2026	If the break option is not exercised the tenant will be granted a RFP of 9 months spread over 18 months. The service charge is capped at £7 per sq ft.
First Floor Suite 4	Savills UK Ltd	1,624	01/03/2021	28/02/2026	-	28/02/2026	£37,352.00	£23.00	01/03/2026	The tenant has a rent free period of 12 months. If the option to extend is exercised the tenant will be granted an additional RFP of 9 months spread over 18 months. The service charge is capped at £8 per sq ft.
First Floor Suite 5	RockRose UKCS4 Ltd	2,931	28/05/2021	27/05/2026	-	27/05/2031	£67,413.00	£23.00	27/05/2026	If the option to extend is exercised the tenant will be granted an additional RFP of 9 months spread over 18 months. The tenant pays an additional rent of £2,076.03 per annum for the first five years of the lease. The service charge is capped at £8 per sq ft.
Communal areas rent - meeting room & kitchen							£10,780.00	-	-	The tenants pay a pro rata share of additional rent for use of the communal meeting room & kitchen.
<b>Total</b>							<b>£310,913.50</b>			

## Tenants' Covenant



### Azets Holdings Limited (Company No 06365189)

Azets is an international accountancy and business advisory services group with over 6,500 employees across 160 local offices in the UK and Scandinavia.

The company was formerly known as Campbell Dallas in Aberdeen and North-east Scotland, the business rebranded across the UK as Azets in September 2020, creating a major new presence in the accounting and business services market. In August 2019 the well-known local firm of Williamson and Dunn merged with Campbell Dallas. The company has plans to increase their headcount to around 100 by the end of 2022.

For the year ended 30 June 2019 the tenant company recorded a turnover of £67.337m, a pre-tax loss of £10.156m and shareholders' funds of £34.407m. This was a year of transition when the company acquired 11 local practices.

Further information is available from the company website: [www.azets.co.uk](http://www.azets.co.uk)



### Savills UK Limited (Company No 02605138)

Savills is a global real estate services provider with a network of more than 35,000 people in over 600 offices across the Americas, Europe, Asia Pacific, Africa and the Middle East. A FTSE 250 company headquartered in London, Savills advises corporate, institutional and private clients who are seeking to acquire, lease, develop or realise the value of residential and commercial property in the world's key locations. Savills' Aberdeen office was established in 2014.

For the year ended 31 December 2019 the tenant company recorded a turnover of £589.47m, a pre-tax profit of £61.517m and shareholders' funds of £88.65m.

Further information is available from the company website: [www.savills.co.uk](http://www.savills.co.uk)



### RockRose UKCS4 Limited (Company No 02552901)

RockRose Energy is an independent oil and gas production and infrastructure company that focuses on onshore and offshore production opportunities and infrastructure projects. Founded in 2015, to identify onshore and offshore production opportunities and infrastructure projects, the company focused on building a low-cost E&P business of scale.

Two corporate acquisitions in 2018 and 2019, from Dyas and Marathon Oil, substantially increased the Group's size. With the Marathon Oil acquisition, RockRose took on the role of operator for the first time and enhanced its ability to participate in pre-production appraisal and development projects.

For the year ended 31 December 2019 the tenant company recorded a turnover of £75.772m, a pre-tax profit of £37.694m and shareholders' funds of £12.521m.

Further information is available from the company website: [www.rockroseenergy.com](http://www.rockroseenergy.com)



SHEPHERD+ WEDDERBURN

### Shepherd & Wedderburn LLP (Company No SO300895)

Shepherd and Wedderburn is a Scottish-headquartered UK law firm. From offices in Edinburgh, Glasgow, Aberdeen and the City of London, the firm provides comprehensive multi-jurisdictional legal advice across every business sector as well as offering an extensive range of private client services.

Founded in 1768, Shepherd and Wedderburn has grown to a Partnership of 80 employing more than 400 staff. The firm first opened in Aberdeen in the mid-2000s and expanded in 2017 with the acquisition of the Commercial Law Practice.

For the year ended 30 April 2020 the tenant company recorded a turnover of £56.925m, a pre-tax profit of £22.738m and shareholders' funds of £26.377m.

Further information is available from the company website: [www.shepwedd.com](http://www.shepwedd.com)





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## EPC

The property has an EPC rating of B.

## Capital Allowances

Considerable capital allowances have been accrued following the refurbishment of the property and the unclaimed balance of these are available to be transferred to the purchaser at the settlement date. Further information is available upon request.

## Proposal

Offers over £3,900,000 excluding VAT are sought for our client's heritable interest in the building. A purchase at this level would show an attractive net initial yield of 7.49% after inclusion of the communal areas rent and deduction of purchaser's costs and LBTT. Any unexpired initial rent concessions shall be deducted from the purchase price at settlement.

## VAT

The property has been elected for VAT and it is anticipated the sale will be treated as a Transfer of a Going Concern.

## Data Room

A data room has been set up to provide access to the legal documentation. Further details upon request.

## Anti-Money Laundering Regulations

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 required to enable the agents to meet their respective obligations under the Regulations.

## Viewing and Further Information

For further information or to arrange a viewing please contact the selling agents:

**Ryden.co.uk**  
01224 588866

25 Albyn Place  
Aberdeen, AB10 1YL

**Ken Shaw**  
07836 556 768  
ken.shaw@ryden.co.uk

**Daniel Stalker**  
07887 751 090  
daniel.stalker@ryden.co.uk

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