

FOR SALE

PRIME LEISURE  
INVESTMENT  
IN THE HEART  
OF GLASGOW

MERCHANT CITY GLASGOW  
— INDEPENDENT SPIRIT —

MERCHANT  
SQUARE

GLASGOW

— REBUILT 1886 —  
WHERE IT NEVER RAINS



MERCHANT CITY GLASGOW  
— INDEPENDENT SPIRIT —

# MERCHANT SQUARE

GLASGOW

— REBUILT 1886 —  
WHERE IT NEVER RAINS







# INVESTMENT SUMMARY



- Glasgow is one of Europe's most exciting and vibrant cities and the largest in Scotland
- Rare opportunity to acquire the only exclusive leisure scheme in Glasgow city centre
- Situated a few minutes' walk from George Square, Queen Street Station, Strathclyde University and the core retailing/office areas of the city centre
- There are approximately 130,000 students in Glasgow, ranking it 3rd in the UK in terms of numbers
- Merchant Square comprises a multi-let leisure destination positioned around a covered courtyard
- Located adjacent to Candleriggs Square, the UK's biggest city centre development site outside of London, with construction under way on phase 1 of the 500-room Student Hotel, the first of its kind in the UK and largest in Scotland.
- Recent substantial developments in the area include Strathclyde University's £90 million Technology and Innovation HQ and the £200 million Collegelands 588 student bed accommodation project
- Grade A listed building – no vacant rates
- Long Leasehold expiring 2123 – Head rent geared to 16% of Gross Rent received
- Current Net Rent of £752,519 per annum
- WAULT to expiry 16.09 years (12.25 years to break)

**Our clients are seeking offers over £8,000,000 reflecting a net initial yield of 8.82% and a capital value of £104 per sq ft, assuming standard purchasers costs of 6.66%**

# GLASGOW

Glasgow is the largest city in Scotland, the commercial and industrial capital of the country and the administrative centre for the West of Scotland. The city has an urban population of approximately 635,640 people and a catchment population of over 2.8 million people within a 40 minute drive, making Glasgow the third largest urban centre in the UK. The city benefits from 2 main train stations; Central and Queen Street both of which provide regular services to London and link to the wider Scottish Railway Network.



Glasgow is Scotland's centre of employment and an economic powerhouse, generating £18 billion in gross value each year. There are 1.2 million working age people within a 45 minute commute of the city and 2 million within an hour. The city is home to an impressive list of blue chip companies and major global organisations across numerous sectors including Tesco Bank, Barclays, Dell, E-sure, JP Morgan, Morgan Stanley, KPMG, Royal Bank of Scotland, Shell, Scottish and Southern Electricity, Scottish Power and Santander Bank. The public sector is also a key employer including Glasgow City Council, The Ministry of Defence and the Scottish Executive.

With over half a million square metres of retail space, Glasgow is the largest UK shopping destination outside London. It is ranked 2nd in CACI's UK Retail Ranking and placing it in the top 20 super league of major European shopping destinations by commercial expenditure. Within a 30 minute drive time from Glasgow, the comparison goods spend pre-covid was £6.6billion per annum with an annual catering spend of £372million per annum. Pre-Covid, the city was ranked as having the highest catchment spend available out of the top UK retailing centres.



## SITUATION & EDUCATION

Merchant Square is situated within Glasgow City Centre, a short walk from the bustle of the busy retailing thoroughfares of Buchanan Street and Argyle Street.

Dating back to the 1800s, Merchant Square is housed in the part of Glasgow's Old Fruitmarket in the heart of Merchant City.

Greater Glasgow has a superb education base and boasts 5 universities and 3 super colleges educating some 130,000 students from 135 countries, ranking third in the UK in terms of number of students. Employers are attracted by the level of qualifications job applicants have achieved, with 31% of the population degree educated or higher. This is higher than any other comparable city.



# GLASGOW'S INTERESTING STATS & FACTS



**31%**

of population degree educated or higher



**a catchment of 2.8m people**

with a comparison goods spend of over £6.6 billion and an annual catering spend of £372m (Pre-Covid - Glasgow City Council)



Glasgow is to benefit from an investment of approximately

**£1.13 billion**

as part of the Glasgow City Region Deal



**Europe's largest hospital**

the Queen Elizabeth University Hospital



**32.9%**

of population aged between 18 - 35.



The city centre's vibrant shopping

**'Style Mile' commanded, pre-Covid, a footfall of 50m annually**

Pre-Covid, Glasgow welcomed 2.5 million domestic and international visitors, generating £774 million for the city economy



**UK's**

most advanced NHS cancer centre



**largest medical physics research**

division in the world



500-room hotel complex by The Student Hotel at Candleriggs Square will be the

**largest in Scotland and first of its kind in the UK**



Glasgow named

**Best ranked City to live for millennials**

According to Independent research



MERCHANT CITY GLASGOW  
— INDEPENDENT SPIRIT —

# MERCHANT SQUARE

GLASGOW

— REBUILT 1886 —  
WHERE IT NEVER RAINS



— Glasgow's Famous Golden Z Retailing Pitch



# DESCRIPTION

The independent heart of Glasgow's Merchant City, just minutes from one of Europe's busiest shopping destinations, Merchant Square is home to good food and drink and great events – all within the spectacular architecture of the original merchant's fruitmarket.

Merchant Square comprises a Grade A listed multi-let leisure destination positioned around an internal covered courtyard. The property includes multiple bars, restaurants, nightclub and entertainment venue along with offices on the upper levels. The courtyard hosts weekly craft markets and events throughout the year.

Once a merchant's fruitmarket, the indoor venue is now one of Glasgow's most exciting leisure establishments for eating, drinking and entertainment.

MERCHANT CITY GLASGOW  
— INDEPENDENT SPIRIT —  
**MERCHANT  
SQUARE**  
GLASGOW  
— REBUILT 1885 —  
WHERE IT NEVER RAINS



## MERCHANT SQUARE & EVENTS

Merchant Square is a long established venue for hosting some of Glasgow's most popular events. It is regarded as one of the best venues in the city for hosting conferences and dinner parties, with capacity for approximately 1,600 people.

It is the main venue for the annual Merchant City Festival, a wonderful celebration of creativity which brings carnival to the streets and venues in the heart of Glasgow. It also hosts an annual Hogmanay Party, which has become one of the main events in Glasgow's calendar year.

Prior to the COVID-19 pandemic, the courtyard hosted a wide variety of hugely popular events and functions and created additional net of income of approximately £24,000 – £30,000 per annum.

There is excellent scope for prospective purchasers to benefit from this as covid restrictions are now lifted. For more information on events at Merchant Square, check out the website; [www.merchantsquareglasgow.com](http://www.merchantsquareglasgow.com)





# EXISTING OCCUPIERS

## **BAR SOBA (UNIT 6,7 & J)**

A stylish Asian inspired bar and restaurant. Offers high quality fresh food, cocktails and a vibrant atmosphere.

## **ESCAPE REALITY (BASEMENT)**

Offers a unique escape room experience with expertly created themed rooms that have some of the most advanced special effects in the UK. The venue enjoys a private bar for guests. Rated the No 1 thing to do in Glasgow on Tripadvisor.

## **MONTEREY JACK'S (UNIT 1,2 & 3)**

Monterey Jack's serves up American inspired gourmet burgers. They won Best Burger Scotland Award 2019 - 2020. They now have nine restaurants across Scotland.

## **BAR SQUARE (UNIT C & D)**

A popular bar and food venue with a large courtyard area and a lively atmosphere.

## **O'NEILL'S (UNIT A)**

A Mitchells & Butlers themed Irish sports bar. Offers a variety of live music, food and sporting events.

## **BEER CAFE (82 CANDLERIGGS)**

Award winning bar for having the best selection of beers in Scotland. Stocks a wide range of beers from all around the world.

## **JUNGLE RUMBLE (CLUB 1)**

Jungle Rumble is one of the top adventure golf operators in the UK with 4 existing sites and several more in development.

## **STEAK, CATTLE & ROLL (UNIT B)**

American inspired menu from an independently owned Glasgow business. They have a second premises on Sauchiehall Street.

## **NQ64 (CLUB 2)**

NQ64 is a quirky arcade club awash in colourful neon lights, offering cocktails, craft beers & retro games.

## **METROPOLITAN (UNIT F)**

One of Merchant City's most popular venues. A cocktail bar and restaurant with a great reputation for lively nights. A stylish and contemporary fit out.

## **CALICO**

Calico is a casual and relaxed bar with a New York loft inspired interior with art work reflecting the buildings history as a fruit market.





# RECENT OCCUPIER ACTIVITY

Recent occupier activity at Merchant Square is summarised below and not only demonstrates the tenants undoubted trading performance from Merchant Square but also the strength of demand from new occupiers to the square.

## NEW LETTING

Unit E to Calico at a headline rate of £30.54 psf with a lease start of August 2021.

## BREAK OPTION REMOVAL

Mitchells & Butlers t/a O'Neills removed their May 2023 break option showing commitment to the location.

## UNIT 4 & 5

Under offer to adjoining occupier Bar Soba showing undoubted tenant trading performance.

## OPTION TO EXTEND EXERCISED

Metropolitan at Unit F exercised their option to extend their lease for a further 5 years from an original expiry of 2033.

## NEW LETTING

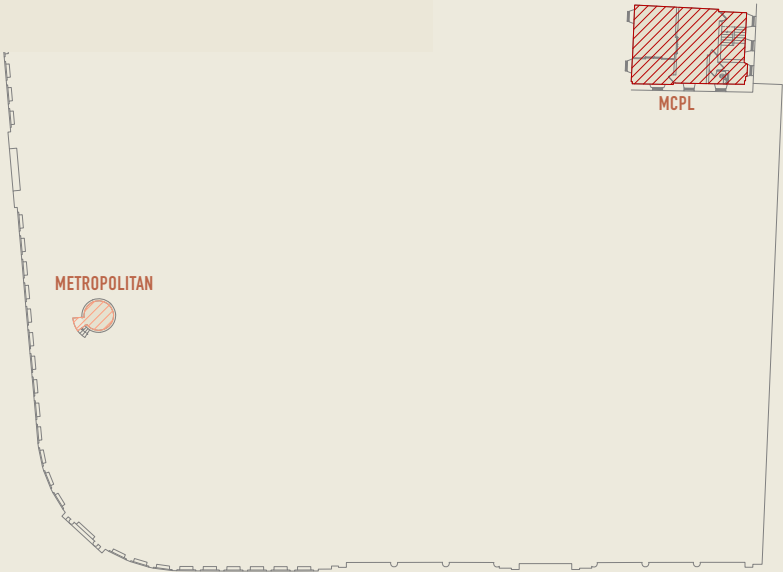
Club 2/Unit Q let to NQ64 from December 2021.

## NEW LETTING

Jungle Rumble agreed a new lease over Club 1 for a 15 year term in June 2022.



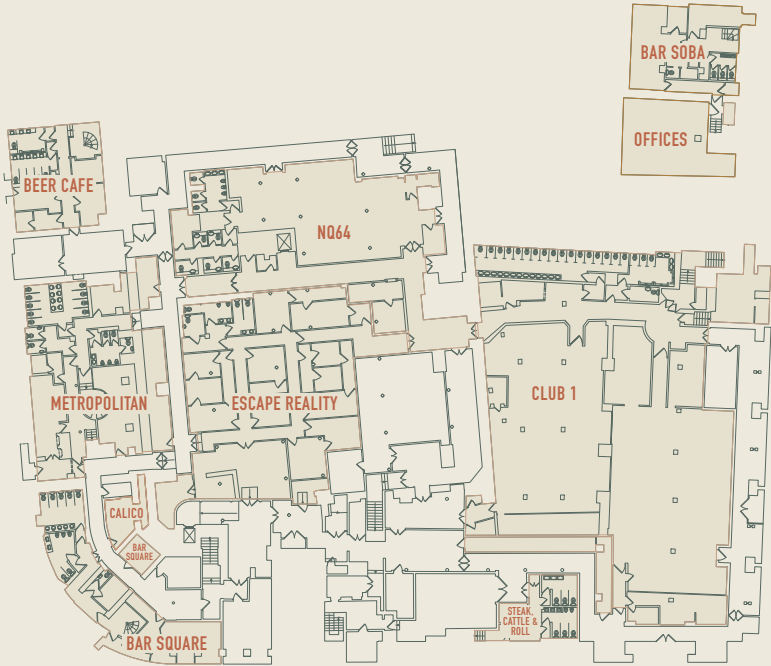
# FLOOR PLANS



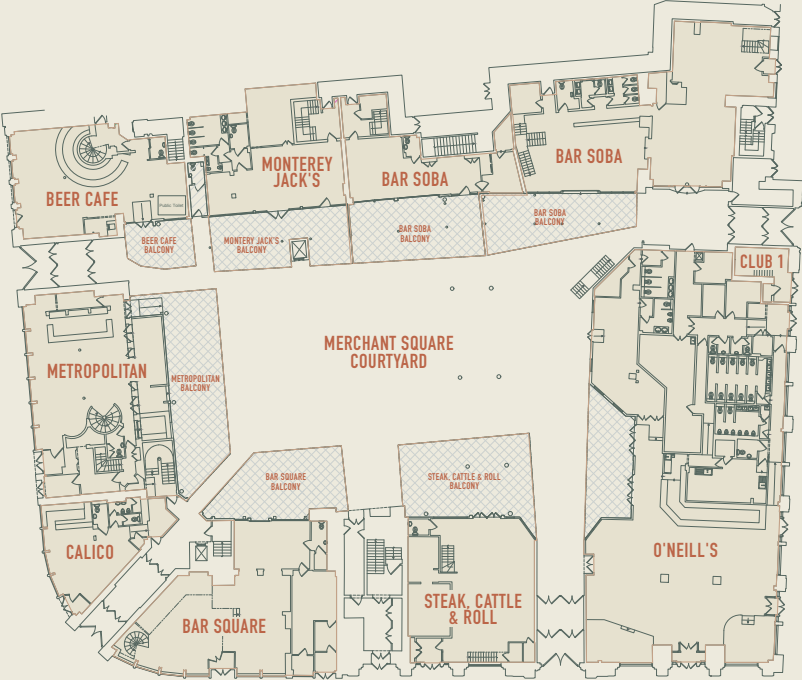
Second Floor



First Floor



Basement



Ground Floor



# CANDLERIGGS SQUARE

It is an exciting time for Glasgow with huge levels of investment helping to promote positive change, growth and vibrancy in this historic district of the city. The city centre has seen a resurgence following significant investment made in conjunction with the 2014 Commonwealth Games. The momentum created continues with the regeneration of one of the last major development sites known as Candleriggs Square.

## CANDLERIGGS SQUARE

The new £300 million Candleriggs Square is directly opposite the Merchant Square. It is the UK's biggest city centre development outside of London.

Construction is under way on the first phase of the much-anticipated regeneration of the 3.6-acre Candleriggs Square site and is being delivered by a joint venture between Drum Property Group and Stamford Property Investments.

## THE STUDENT HOTEL

The first phase will see a 500-room hotel complex which will be owned and operated by pioneering hotel brand The Student Hotel (TSH). This will be the first of its kind in the UK and the largest hotel in Scotland.

## BUILD-TO-RENT

The second phase will see a 346-apartment Build-to-Rent scheme forward funded by Legal & General which is designed to meet the growing demand for affordable and high-quality rental accommodation across Glasgow. Construction is due to begin on site shortly.

Candleriggs Square is set to be a bustling hive of activity with an exceptional mix of high-quality housing, hotels, local amenities and open spaces which combined with new pedestrian links will transform the whole Merchant City area into a more accessible, welcoming and exciting place for people living, working and visiting the area; a link to the website is as follows:

[www.candleriggs-square.com](http://www.candleriggs-square.com)



**THE  
STUDENT  
HOTEL**





# CITY CENTRE RESURGENCE CONTINUED...

## NEW BTR

Get Living has secured planning consent for Scotland's largest BTR scheme – 727 units behind High Street Station, located 500 metres from Merchant Square.

## COLLEGELANDS DEVELOPMENT

Collegelands is part of a £200m development project. The development comprises 588 student study bedrooms.

## NEW HOTEL DEVELOPMENTS

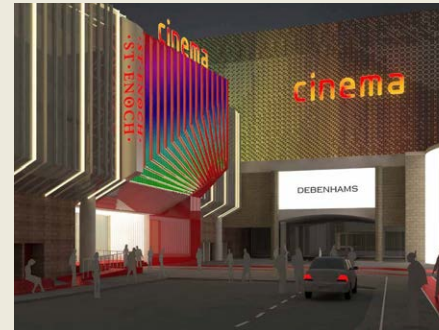
There are numerous hotel developments under construction and planned within and surrounding the Merchant City including:

- 250 room Premier Inn at St Enoch Square completed in summer 2021.
- 204 room Citihome Aparthotel granted permission November 2019; with practical completion due in 2023.
- Custom House, a waterfront development comprising a 294 room hotel operated by Dalata and a 162 bed Aparthotel operated by Adagio.
- Plans approved for 157 room Aparthotel at the junction of Trongate and Hutcheson Street.



## KING STREET CAR PARK DEVELOPMENT

This landmark gap site was granted planning permission in principle in May 2022 for a new and vibrant mixed-use scheme.



## ST ENOCH CENTRE

Construction has started on a £40m leisure development at one of Glasgow's largest shopping centres. The redevelopment will add 30,000 sq ft to the centre and include a cinema, retail outlets and restaurants. It opened in the summer of 2021.

## QUEEN STREET STATION

A £104 million upgrade of Queen Street Station will create a landmark, modern station reflecting its role as a gateway to Glasgow. The east side of the building will become an extension to Buchanan Galleries and it will create new passenger facilities over 2 levels. The public floor space will be doubled in size and platforms extended. Practical completion was obtained in October 2021.



## GARMENT FACTORY

Recently refurbished award winning office scheme extending to 48,000 sq ft located in the heart of the vibrant Merchant City, only a 2-minute walk from Merchant Square.



# TENANCIES & ACCOMMODATION

UNIT	TENANT	GIA (SQ FT)	ADJUSTED GIA (SQ FT)	RENT PA	RATE (PSF)	LEASE START	EXPIRY	BREAK OPTION	NEXT REVIEW	COMMENT
Unit A	Mitchells & Butlers Retail Ltd t/a O'Neills	GR - 6,842 CY - 540 T - 7,382	7,382	£157,000	£21.27	06/07/1998	05/07/2048	06/07/2033	28/05/2023 5 yrly	• TBO on 12m notice required
Unit B	Fin Group Ltd t/a Steak, Cattle & Roll	GR - 1,764 CY - 1,025 1st - 455 B - 786 T - 4,030	3,060	£72,500	£23.69	28/05/2010	27/05/2035	MBO 28/05/2025	28/05/2025	• MBO 28/05/2025 giving 6m notice • Deposit £18,125 with Savills
Unit C & D	Margaret Latimer t/a Bar Square	GR - 2,381 CY - 779 B - 1,298 T - 4,458	3,420	£80,000	£23.68	17/10/2001	16/10/2038		28/08/2022	• 5 yearly rent review
Unit E	Calico Solutions Limited	GR - 916 B - 173 T - 1,089	951	£30,000	£31.54	12/08/2021	11/08/2036		12/08/2026	• 5 yearly rent reviews • The Vendor will top up the initial stepped rent from £22,500 to £30,000 which becomes payable on the 3rd anniversary of the lease start date • Deposit held of £15,000
Unit F	M-City Bar & Restaurant Ltd t/a Metropolitan	GR - 2,153 CY - 1,476 1st - 4,973 Bal - 1,403 B - 2,488 T - 12,495	5,830	£131,995	£22.62	03/05/2002	27/11/2038		28/11/2023	• Review to OMV • Option to extend exercised by the tenant in 2022 which moves the original lease expiry from 2033 to 2038
82 Candleriggs	HBCBar Limited t/a Beer Café	GR - 1,597 CY - 301 B - 977 T - 2,875	2,093	£42,700	£20.40	08/07/2002	30/06/2037		28/05/2022	• Review to OMV • Rent Review discussions ongoing
Unit 1, 2 & 3	Montery Jack's Glasgow (Central) Limited t/a Montery Jacks	GR - 1,562 CY - 726 1st - 1,193 Bal - 645 T - 4,126	2,779	£65,000	£23.39	13/11/2018	12/11/2033		13/11/2023	• Review upwards only to higher of OMV & RPI
Unit 4 & 5	Under Offer - SCC Leisure Ltd t/a Bar Soba	GR - 1,045 CY - 798 1st - 1,389 Bal - 663 T - 3,895	2,389	£55,000	£23.02	TBC	02/03/2035			• Bar Soba occupy the adjoining unit demonstrating trading performance and commitment to Merchant Square • Expiry and lease terms to run co-terminus with the tenants occupied UNIT 6, 7 & J • Rent & S/C cover for 6 months should the letting not complete prior to a sale • Guarantee from Camerons Brewery Limited



# TENANCIES & ACCOMMODATION

Unit 6, 7 & J	SCC Leisure Ltd t/a Bar Soba	GR - 2,857 CY - 729 1st - 587 Bal - 558 B - 1,025 T - 5,756	4,096	£90,000	£21.97	03/03/2015	02/03/2035		03/03/2025	<ul style="list-style-type: none"> <li>• 5 yearly rent review to OMV</li> <li>• Guarantee from Bar Soba Group Ltd</li> </ul>
Courtyard space	SCC Leisure Ltd t/a Bar Soba	277	277	£5,000	£18.05	11/01/2016	02/03/2035			<ul style="list-style-type: none"> <li>• Rolling 1 month landlord only break option</li> <li>• Guarantee from Bar Soba Group Ltd</li> </ul>
Main Basement Room 1	Escape Gaming Ltd t/a Escape Reality	B - 3,746	3,746	£29,000	£7.74	10/10/2016	09/10/2036		10/10/2026	<ul style="list-style-type: none"> <li>• Guarantee from Nocturnal Capital Ltd</li> <li>• Rental deposit of £19,580</li> <li>• Schedule of condition</li> <li>• Rent Review outstanding</li> </ul>
Club 1	Jungle Rumble Ltd	GR - 213 B - 8,378 T - 8,591	8,591	£70,000	£8.15	27/06/2022	26/06/2037		27/06/2027	<ul style="list-style-type: none"> <li>• £42,000 deposit held</li> <li>• Rent Reviews based on higher of OMRV &amp; RPI</li> <li>• Annual rent top up of 5% of gross turnover if it exceeds £1,000,000</li> <li>• 4 months rent free from date of entry to be topped up by the vendor</li> </ul>
Club 2/ Unit Q	NQ64 (Glasgow) Limited	B - 2,654	2,654	£35,000	£13.19	06/12/2021	05/12/2036		06/12/2026	<ul style="list-style-type: none"> <li>• £17,500 deposit held, 50% to be returned on 3rd anniversary and balance on 5th anniversary</li> </ul>
MCP Office - 1st floor & Basement	Vacant	1st - 872 B - 746 T - 1,618		£16,180	£10.00					<ul style="list-style-type: none"> <li>• Vendor to provide 24 months rent cover</li> </ul>
MCP Office - 2nd floor	Vacant	872		£8,720	£10.00					<ul style="list-style-type: none"> <li>• Vendor to provide 24 months rent cover</li> </ul>
ATM	Note Machine		n/a	£7,761		02/10/2018	01/10/2022			<ul style="list-style-type: none"> <li>• TBO anytime on 3m notice</li> <li>• Annual rent = 0.11p/transaction</li> <li>• Quoted Rent is 4 year average</li> </ul>
Craftmarket & Circulation	Courtyard/Craft Market	13,070	2,109 (craftmarket)							<ul style="list-style-type: none"> <li>• The courtyard/craft market hosted a wide variety of hugely popular events pre-covid and created an approximate additional net income of between £24,000 - £30,000 per annum</li> </ul>
TOTAL		76,934		£895,856						
	Headrent @ 16% of Gross Rent received									
	Net Rent			£752,519						

A full measured survey has been carried out and is available to parties that have formally noted interest.

WAULT to expiry 16.09 years (12.25 years to break).

There is a service charge budget in place which runs until 31 December 2022 at an annual budget of £330,249 reflecting £4.29 psf on a gross area basis.





## TENURE

The property is held on a long leasehold from Glasgow City Council from 19/02/1998 until 18/02/2123. The rent is calculated annually based on 16% of the Gross Rent received.

## VAT

Our clients have elected to waive exemption for VAT and accordingly VAT will be payable on the purchase price, although we anticipate the sale will be dealt with by way of a Transfer of a Going Concern (TOGC).

## COVENANT

D&B credit reports are available in the data room.

## DATA ROOM

A data room has been setup and is available through the sole selling agents on receipt of a formal written note of interest.

## LEGAL COSTS

Each party will be responsible for their own legal costs in connection with the transaction.

## EPC

Available upon request.



## PROPOSAL

Our clients are seeking offers over £8,000,000 reflecting a net initial yield of 8.82% and a capital value of £104 per sq ft, assuming standard purchasers costs of 6.66%.



MERCHANT CITY GLASGOW  
— INDEPENDENT SPIRIT —

# MERCHANT SQUARE

GLASGOW

— REBUILT 1886 —  
WHERE IT NEVER RAINS

## VIEWING & FURTHER INFORMATION

Please contact the sole selling agents:



**Stewart Sheridan**  
stewart@sheridankeane.co.uk  
07740 940 898

**Graeme Millar**  
graeme@sheridankeane.co.uk  
07523 512 804

**Cathal Keane**  
cathal@sheridankeane.co.uk  
07808 627 224

Sheridan Keane Real Estate Investment, 90a George Street, Edinburgh EH2 3DF  
Tel: 0131 300 0296

Sheridan Keane Property Consultants for themselves and for the vendors or lessors of this property whose agents they are give notice that: (i) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, reference to condition and necessary permission for use and occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them and are advised to do so; (iii) no person in the employment of Sheridan Keane Property Consultants has any authority to give representation or warranty whatever in relation to this property; (iv) all prices, rents and premiums quoted are exclusive of VAT at current rate; July 2022.