

FOR SALE

1 HIGH STREET, MELROSE
TD6 9PA

**VAT FREE MIXED USE INVESTMENT
OFFERS OVER £450,000 (6.51% NIY)**



Sheridan
Property
Consultants

Executive Summary:

- Rare opportunity to purchase a mixed-use investment in the heart of the iconic Border's town of Melrose;
- Located on the main retail thoroughfare within the heart of Melrose's Town Centre;
- National Westminster Bank PLC (t/a RBS) lease expires June 2027;
- 67% of the income is allocated to National Westminster Bank PLC (5A1 Covenant);
- VAT free investment opportunity;
- Low passing rent of £5.55/sqft on the upper office space and £18/sqft Zone A at ground floor;
- Total passing rent £30,500 per annum;
- Future development potential (subject to planning);
- We are instructed to seek offers in excess of **£450,000 (FOUR HUNDRED AND FIFTY THOUSAND POUNDS STERLING)** exclusive of VAT. A purchase at this level would show a net initial yield of 6.51% after allowing for purchasers' costs of 4.13% including LBTT (Land Building and Transactions Tax).



Location:

Melrose is a picturesque town situated in the Scottish Borders, home to the Rugby Sevens and Melrose Rugby Club. The town is famous for the Melrose Abbey, which dates back to the early 12th Century and is one of the most beautiful monastic ruins in Great Britain. It is the site of the burial of the heart of the Scottish King, Sir Robert the Bruce, whose heart was discovered in the grounds of the abbey during an archaeological dig by high school students. The casket was placed in a sealed lead cylinder and then re-buried in its proper resting place. The remains of the Abbey are cared for by Historic Scotland.

Melrose is situated between the Eildon Hills and River Tweed. The town is very popular with tourists and provides an extensive range of quality amenities ranging from a variety of specialist shops, small supermarkets, restaurants and a selection of hotels. The Borders General Hospital also lies within walking distance and the Scottish Borders Council HQ is located in Newton St Boswells, less than 5 miles distant. Edinburgh is within easy commuting reach by car via the A68 or A7 or by Borders Railway, with the station at Tweedbank a short drive away and has a journey time to Edinburgh of around 55 minutes.

Situation:

The subject property is situated on the north-west side of High Street, adjacent to the junction of Buccleuch Street to the north. The High Street in Melrose, together with Market Square, which is a continuation of the high street is the principal retailing thoroughfare in Melrose's Town Centre.

Surrounding occupiers are a mix of national and local operators which include Spar, Boots Pharmacy, Brasserie at The Townhouse, The Fabric Shop, Co-op, Rettie & Co. Estate Agents and the popular Ship Inn Bar & Restaurant. Melrose Rugby Club and Melrose Abbey are also within walking distance.



Description:

The subject property comprises a traditional detached building of stone construction, arranged across three floors, with ground floor retail and office accommodation at first and second floor levels.

Internally, the subjects comprise of a ground floor retail bank, fitted out in the corporate style of RBS split up internally to provide meeting rooms, staff room/kitchen and male and female WC facilities. There is also a private rear car park for up to 12 vehicles. The upper floors, occupied by The Firm of Cullen Kilshaw are of a cellular design with various office and meeting rooms together with stores, safe room, staff room and WC facilities.

The subjects, together with the large car park to the rear, could be suitable for redevelopment in the future. Plans of proposed options for the land to the rear is available on request.

Accommodation:

We have measured the subject premises in accordance with the RICS Code of Measuring Practice 2007 (Sixth Edition) and would estimate the following approximate net internal areas:

AREA	SIZE (SQ M)	SIZE (SQ FT)
Second	65.44	704
First	101.99	1,098
Ground	126.39	1,360
TOTAL NIA	293.82	3,163

The RBS at ground floor extends to a reduced floor area of 105.66 sqm (1,137 sqft)



Tenure:

The property is held on a Heritable title (Scottish equivalent of English Freehold).

Tenancy:

The Firm of Cullen Kilshaw

The first and attic floors are let to The Firm of Cullen Kilshaw from 1 September 2013 for a 10 year term with expiry due 31 August 2023 at a passing rent of £10,000 per annum (£5.55 per sqft), paid quarterly in advance. The lease is held on Full Repairing & Insuring terms.

The rent is to be reviewed in line with RPI on the 5th anniversary, 1 September 2018.

National Westminster Bank PLC (t/a RBS)

The ground floor is let entirely to National Westminster Bank PLC (t/a RBS) from 9 June 2005 with expiry due 24 June 2027 at a passing rent of £20,500 per annum (£18 per sqft Zone A), paid quarterly in advance. The tenant has an option to extend the lease for a further 20 years at expiry.

The lease is held of Full Repairing & Insuring terms with a 5 yearly, upwards only to OMRV rent review pattern with the next review on 24 June 2020.

The combined total passing rent for the building is £30,500 per annum.





Covenant:

The Firm of Cullen Kilshaw

The Firm of Cullen Kilshaw is held in the personal names of James Cullen and David Andrew George Kilshaw as partners of and trustees for the firm.

Cullen Kilshaw are a long-established firm of solicitor estate agents established in 1982 with offices across the central Borders and are the go-to estate agents for the region. They offer a full range of legal services in addition to estate agency across their eight offices, including administration of estates, family law, commercial leases, debt recovery, preparation of Wills and Powers of Attorney.

National Westminster Bank PLC

National Westminster Bank PLC t/a RBS is a retail banking subsidiary of The Royal Bank of Scotland Group PLC, together with NatWest and Ulster Bank. Commonly abbreviated as RBS, the high street bank boasts approximately 1,400 branches nationwide, and employs approximately 75,200 personnel.

National Westminster Bank PLC have a Dun & Bradstreet credit rating of 5A1. For the year ending 31 December 2016 the company reported sales turnover in excess of £15.1 billion and a Tangible Net Worth in excess of £7.9 billion.

EPC:

The subjects have the following EPC rating;

Ground: D

Upper Floors: F

Proposal:

We are instructed to **seek offers in excess of £450,000 (FOUR HUNDRED AND FIFTY THOUSAND POUNDS STERLING)** exclusive of VAT.

A purchase at this level would show a net initial yield of 6.51% after allowing for purchasers' costs of 4.13% including LBTT (Land Building and Transactions Tax).

VAT:

VAT has not been elected for this property.

Legal Costs:

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



Further Information



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