



THE BRAES SHOPPING CENTRE
CASTLEMILK DRIVE, GLASGOW, G45 9AA

HIGH YIELDING SHOPPING CENTRE INVESTMENT



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INVESTMENT CONSIDERATIONS

- High Yielding Convenience led Shopping Centre in the heart of the Glasgow suburb of Castlemilk
- Glasgow is the economic, cultural, sporting and academic heart of Scotland with 40% of Scotland's population living within the wider Glasgow conurbation
- Tenants include The Secretary of State, Greggs plc, Sportswift Ltd, Iceland Frozen Foods, Co-operative Foodstores Ltd, Ladbrokes Betting & Gaming Ltd and William Hill Organization Ltd

- Multi-let property with 56 well configured retail units anchored by a large format B&M Bargains
- Total Contracted Rent of £828,551 pa
- Net Operating Income of £634,815 pa
- Freehold (Heritable) Interest
- Various asset management opportunities including increasing income through letting vacant units, converting the upper parts or completely redeveloping the site

PROPOSAL

- Our client is seeking offers in excess of **£3,250,000 (Three Million, Two Hundred and Fifty Thousand)** subject to contract and exclusive of VAT. A purchase at this level would reflect an attractive net initial yield of **23.95%** and a triple net yield of **18.35%** after allowing for purchasers costs of 6.14%.



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LOCATION

Glasgow is the largest city in Scotland with a resident population of approximately 610,000 people and a wider regional catchment population of 2.5 million. The city forms the principal commercial area in the central belt and west coast of Scotland with key employment sectors including; industrial & retail, banking, financial services, public administration and tourism.

The City benefits from excellent transport communications with the M8 motorway providing access to the national motorway networks via the M74 and M77. The City has two main railway stations which link Glasgow to other key cities across the United Kingdom. Glasgow International Airport is located 9 miles to the west of the city centre, accommodating 30 airlines and providing regular domestic, European and transatlantic flights.

Over £2 billion has been invested into improving the city's infrastructure across the last 10 years. A major driver for this was Glasgow hosting the Commonwealth Games in 2014, which resulted in the regeneration of major areas within the city and the creation of over 1,000 jobs.

Glasgow is a major university city with five higher education Universities in the city and a further 13 colleges in the wider area. The city maintains a robust skills pipeline and a talented workforce with over 130,000 students from over 135 countries. The City has a graduate level workforce above almost all major UK cities, with 43.6% of the workforce educated to degree level.

Castlemilk is accessed from Junction 1A of the M74 and is a residential suburb located approximately 5 miles to the south of Glasgow city centre. The area has a residential population of some 60,000 within 1 mile radius. Croftfoot Railway Station is located 1 mile to the north and offers regular services to Glasgow Central (17 minutes).



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SITUATION

The Braes Shopping Centre is located in the heart of Castlemilk adjacent to numerous community facilities including a health centre, library, community centre, swimming pool and leisure centre. The car park is accessed via Castlemilk Drive with additional frontages to Dougrie Drive and Douglas Drive Lane.

The area is residential in nature with Glasgow Housing Association having recently developed 130 homes along Dougrie Drive, across from the shopping centre. Work has also started on a £3.6 million housing regeneration to the south of Castlemilk.

The centre is within close proximity to both Castlemilk High School and St Margaret Mary's Secondary Schools as well as a further 4 primary schools.





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■ SOLD OFF ON LONG LEASE



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DESCRIPTION

The Braes Shopping Centre was developed by Ravensfeild Properties Ltd (now Land Securities) in the 1960s and comprises a part covered mall formed of 56 retail units predominantly arranged over ground and two upper floors. The centre is anchored by a large B&M Bargains store. The venue is served by two car parks to the south of the property for up to 120 vehicles.

There is a pod McDonald's Drive-Thru unit situated within the car park.

There is a large service yard serving the majority of the units accessed via Dougrie Drive. B&M Bargains benefits from its own service yard.

TENURE

Freehold (Heritable) Interest.

ASSET MANAGEMENT

There are numerous asset management opportunities including:

- Letting the vacant units and raising the income profile
- Converting the disused upper parts into alternative accommodation (subject to planning)
- Increasing income through installing aerials on the roof
- Increasing the net operating income through implementing rates mitigation plans
- Utilising the flexible leases to comprehensively redevelop the site with a mixed use scheme. Site amalgamation could be explored to allow for increased redevelopment options.





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SCHEDULE OF ACCOMMODATION

Unit	Tenant	Trading As	Floor Area (Sq M)	Floor Area (sq ft)	Lease Start	Next Rent Review	Lease Break Dates	Lease Expiry	Current Rent (pa)	Comments
1	The Secretary of State	Job Centre	309.1	3,327	16/09/1991			31/03/2020	£19,395	
2-4	Mega Leisure (Scotland) Ltd	Mega Amusements	465.5	5,011	12/06/2013		Mutual Break Option 6 months anytime	01/06/2020	£10,000	
3	Kellock Pharmacy Ltd	Kellock Pharmacy	123.3	1,327	29/09/1992			28/09/2020	£13,200	
5	John Blackett		149.5	1,609	29/08/2018			28/08/2020	£1,200	
7	VACANT		148.6	1,600					£0	
8	Greggs plc	Greggs	115.3	1,241	29/09/1992			month to month	£12,000	
9	VACANT		157.5	1,695					£0	
10	Sense Scotland	Sense	112.0	1,206	26/04/2014			month to month	£0	
11 & 15	VACANT		185.2	1,994					£0	
11a	VACANT		78.3	843					£0	
12	James McCluskey	J. McCluskey Butchers	118.6	1,277	29/09/1992		Landlords Break Option 6 months notice	28/09/2022	£8,000	
14	Laura Kernachan	Classic Cafe	111.7	1,202	24/05/2018		Landlords Break Option 6 months notice	23/05/2020	£9,000	Not in occupation
16	VACANT		113.7	1,224					£0	
17	VACANT		119.4	1,285					£0	
17b	Mandy McIntosh		143.1	1,540	09/02/2015			08/02/2020	£400	
18	VACANT		117.0	1,259					£0	
19	Sportswift Ltd	Card Factory	126.1	1,357	17/07/2014			16/07/2020	£11,500	
20	VACANT		121.3	1,306					£0	
21	Optical Express	Optical Express	141.9	1,527	09/03/1994	09/03/2014		08/03/2020	£15,000	
22	VACANT		301.7	3,247					£0	
23	Atiq Rehman	New Gifto Gifts	192.4	2,071	03/05/1994	03/05/2014		02/05/2020	£21,250	
25	Julie-Anne Cupples	The Braes Fruit & Veg	109.5	1,179	29/08/2018		Landlords Break Option 6 months notice	28/08/2020	£7,800	
26	Clark Retail Ltd	R S McColl	107.6	1,158	07/06/1993	07/06/2013		06/06/2020	£13,700	
2nd floor 26a	VACANT		52.2	562					£0	
27	Caversham Finance Ltd	Brighthouse	197.8	2,129	24/06/2009	24/06/2014	Mutual Break Option 6 months anytime	23/06/2024	£18,000	
29	Sense Scotland	Sense	159.2	1,714	01/01/2008			31/12/2019	£9,000	
30	Samantha Rose	Braes Barber	18.2	196	30/07/2012			29/07/2020	£6,000	
31	Semi Chem Ltd	Semi Chem Pharmacy	144.3	1,553	11/04/2011	11/04/2016		10/04/2021	£14,500	
32	Thomas McConnell	The Blind Guy	17.9	193	26/09/2015			25/09/2020	£6,000	
33	The Firm of Messrs Rafferty & Wood	Gallen & Co Solicitors	88.7	955	21/09/1987	20/09/2017		20/09/2027	£11,000	
34	Helen McDermott	Deli-licious	18.5	199	15/09/2011			23/06/2020	£5,000	
35	Vapessm Ltd	OHM Vape	150.9	1,624	19/10/2018		Landlords Break Option (6 months notice after 2 years)	18/19/2023	£12,000	
36	Cheryl Smith	Cuti-Cool	18.4	198	07/04/2009			07/04/2020	£5,600	



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37/39	Iceland Frozen Foods Plc - NF003271	Iceland	1058.8	11,397	25/03/1965			24/03/2028	£67,000	Formerly 4 maisonette flats above. Held within lease.
38	Muhammad Ibrahim	Mobilezone	17.2	185	05/05/2011			04/05/2020	£6,000	
40	Christine Fullerton	Christine Lite Bites	18.2	196	22/06/2006			21/06/2020	£5,330	
41/43	GI01 Off Sales	One O One	123.2	1,326	14/02/2005	14/02/2015		13/02/2025	£32,000	
42	Co-operative Foodstores Limited	B&M Bargains	1714.4	18,454	13/11/1995	13/11/2015		11/11/2020	£216,000	Sub-let to B&M Bargains
45	Station Flowers Ltd	Station Flowers	36.9	397	13/12/2004		LBO 6 months notice	12/12/2022	£5,000	
45a	Cathay Cuisine (Glasgow) Ltd	Cathay Cuisine	44.6	480	26/10/2018		LBO 6 months notice	25/10/2023	£10,000	Guarantor Xing Xian Liao
47	McDonald's Restaurants Ltd	McDonald's	299.7	3,226	11/11/2002			10/11/2101	£1	Sold off on long lease
11 Dougrie Dr	Ben Kwok on Tong	Woor Ping	96.7	1,041	09/06/1993	24/06/2020		08/06/2033	£12,700	
15 Dougrie Dr	Murat Ozgur	Braes Fish and Chips	92.3	993	23/06/2009	23/06/2019		22/06/2029	£12,700	
17 Dougrie Dr	Ramis Zafar Qureshi	Shop Local	93.8	1,010	13/03/2009	24/12/2014		12/03/2029	£12,000	
19 Dougrie Dr	Sultan Yaqub	Chilli Grill	83.8	902	01/07/2019	30/06/2024	Tenant Break Option 1st July 2021 6 months notice. Landlords Break Option Anytime 6 months notice	30/06/2029	£14,000	
21 Dougrie Dr	Paul McColl	Jamie's Barbers	82.3	886	12/07/2017		LBO (6 months notice)	11/07/2022	£10,500	
23 Dougrie Dr	VACANT		59.5	640					£0	
25 Dougrie Dr	Ladbrokes Betting & Gaming Ltd	Ladbrokes	465.2	5,007	25/12/1991	25/12/2021	TBO 25/12/2021 & 25/12/2026	24/12/2031	£18,500	
27 Dougrie Dr	Castlemilk Citizens Advice Bureau	CAB	141.8	1,526	01/10/2006			30/09/2020	£9,000	
29/31 Dougrie Dr	William Hill Organization Ltd	William Hill	145.9	1,570	02/06/2009	02/06/2014		01/06/2029	£20,000	
29a	VACANT		183.4	1,974					£0	
33/35 Dougrie Dr	Castlemilk Second Opportunities	New Two	667.4	7,184	01/10/1996			month to month	£0	
37 Dougrie Dr	Tote Bookmakers Ltd	Betfred	136.7	1,471	29/09/2007	29/09/2022		27/09/2027	£21,275	
41/45 Dougrie Drive	Trust Inns Ltd	The New Oasis	865.2	9,313	24/06/1966			23/06/2026	£60,000	
47 Dougrie Dr	Mr Nasar Javad Khan	U Save	155.2	1,671	25/03/2011	25/03/2016		24/03/2021	£11,000	
49 Dougrie Dr	Cameron Duncan	Adams & Duncan Funerals	147.6	1,589	08/04/2005	08/04/2015		07/04/2020	£10,500	
Storage	Cameron Duncan	Adams & Duncan Funerals	0.0		01/04/2009			month to month	£1,200	
51 Dougrie Dr	Co-operative Group CWS Ltd	Co-op Funeral Care	127.8	1,376	09/07/2007	09/07/2017		08/07/2022	£14,000	Not in occupation
53 Dougrie Dr	The Secretary of State	Job Centre	127.3	1,370	16/09/1991			31/03/2020	£9,800	
Mall Income	Various (promo stalls, coin machines)	week to week							£6,000	
Mgmt suite	The Castlemilk Retail Property Unit Trust					29/09/2009		month to month	£4,000	
Taxi Rank	Glasgow Taxis Ltd					01/06/2013	LBO - 6 months notice anytime	31/05/2020	£10,500	
Total			11,519.1	123,992					£828,551	



LANDLORDS SHORTFALL

The service charge budget for the year ending 31/03/2020 is £399,800.
The current service charge, insurance and rates liability for the Landlord is £193,735.88 pa.
The current net operating income is £634,815.12 pa.

EPC

To be available within the dataroom.

AML

A successful bidder will be required to provide information to satisfy the AML requirements when Head of Terms are agreed.

VAT

The property is elected for VAT. It is anticipated that the transaction will be treated as a transfer of going concern (TOGC).

DATAROOM

For access to the Allsop dataroom please use the following link:
<https://datarooms.allsop.co.uk/register/castlemilk>

PROPOSAL

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This is a lender disposal and as such no warranties or representations will be provided in relation to the property or any other matter. A property will be sold on an "as seen" basis and the purchaser will require to satisfy themselves on this basis.

For further information or to make arrangements for viewing please contact:

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