



Prime Office Investment



Hamilton House, Hamilton Business Park
Hamilton, ML3 0QA



Executive Summary

- Modern 3 storey office pavilion extending to 1,719 sq m (18,507 sq ft).
- Designated car parking for 53 cars (1:349 sq ft).
- FRI leases to Scottish Children's Reporters Administration and The Scottish Ministers, expiring 17th December 2021 and 17th June 2022 respectively.
- Total passing rent of £268,215 per annum.
- 5 yearly upward only, open market rent reviews.
- Offers in excess of £3.8 million are invited exclusive of VAT, producing a net initial yield of 6.67%, a reversionary yield of 7.12% and an equivalent yield of 7.05%, after purchaser's standard acquisition costs of 5.75%.



Location

Hamilton is located in South Lanarkshire, 12 miles south-east of Glasgow city centre, 42 miles west of Edinburgh, 5 miles east of East Kilbride and 5 miles south-west of Motherwell. It is strategically located at Junction 5/6 of the M74 Glasgow/Carlisle motorway which is the main motorway route between Scotland and England.

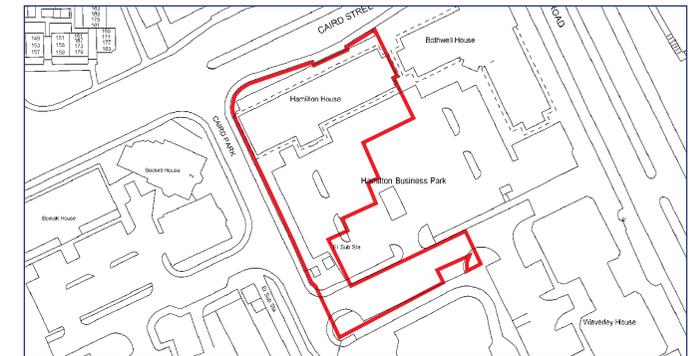
Hamilton is the administrative centre for South Lanarkshire Council and the town is a popular residential location, having a population of approximately 65,000 (2003 GROS). There is a wide variety of retail and leisure facilities, including the Regent Shopping Centre, Hamilton Retail Park and Palace Grounds Retail Park.

The property is located within Hamilton Business Park at the junction of Bothwell Road, Caird Street and is best accessed from Junction 5 of the M74 motorway, following signs for Hamilton (B7071).

The subjects are located directly opposite Hamilton College on Bothwell Road and at its junction with Caird Street.

Hamilton town centre is within easy walking distance to the south of the property.

Surrounding occupiers include Communities Scotland, Forestry Commission, Bellway Homes and Daks Simpson.



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Description

Hamilton Business Park was developed in the 1990s and comprises Waverley House, Bothwell House and The Caird Centre.

Hamilton House was built in 2006 to the following high specification:

- Modern three storey office pavilion with east and west wings either side of a central core
- Extending to 1,719 sq m (18,507 sq ft)
- Steel framed construction
- Flexible open plan office accommodation
- Raised access floors
- Suspended ceilings
- Double glazed windows
- Full gas central heating
- 1 x 13-person passenger lift
- Male, female and disabled WCs on each floor
- Designated parking for 53 cars providing a generous ratio of 1:349 sq ft

Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and provides the following net internal areas:

	Sq m	Sq ft
Ground Floor	573	6,169
First Floor	572	6,157
Second Floor	574	6,181
Total	1,719	18,507

Tenancy

The ground and first floors are let to Scottish Children's Reporters Administration on full repairing and insuring terms from 18th December 2006 until 17th December 2021. The passing rent equates to £172,704 per annum (£14.00 per sq ft). The lease incorporates 32 car spaces and is subject to five yearly upward only rent reviews, the next due on 18th December 2011.

The second floor is let to The Scottish Ministers (occupied by Mental Health Tribunal and Police Complaints Commission) on full repairing and insuring terms from 18th June 2007 until 17th June 2022 with a tenant only break option on 18th June 2017 subject to twelve months' prior written notice. The passing rent equates to £95,511 per annum (£15.45 per sq ft). The lease incorporates 21 car spaces and is subject to five yearly upward only rent reviews, the next due on 18th June 2012.

The combined total passing rent is £268,215 per annum, although we estimate the Market Rental Value to be £285,933 per annum (£15.45 per sq ft).

Covenant Information

Scottish Children's Reporter Administration (SCRA) is a national body formed under the Local Government (Scotland) Act 1994.

The Scottish Ministers are Members of The Scottish Executive constituted under the Scotland Act 1998 with statutory powers of government conferred by and exercised on behalf of HM The Queen.

The property is occupied by **Mental Health Tribunal**, who are an administrative review Tribunal who conduct hearings of patients in accordance with the Mental Health Act 1996.

The **Police Complaints Commission** was set up under the Police, Public Order and Criminal Justice (Scotland) Act 2006 as a non-departmental public body.

Service Charge

The service charge is recoverable.

Tenure

The property is held Freehold.

VAT

The property is elected for VAT, which will therefore be payable over and above the purchase price.

Proposal

Offers for the freehold interest in Hamilton House subject to the existing leases are invited in excess of £3.8 million excluding VAT. A purchase at this level would reflect a net initial yield of 6.67%, a reversion to 7.12% and an equivalent yield of 7.05% assuming purchaser's costs of 5.75%.

For Viewing and Further Information

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