

FOR SALE

LANGLANDS HOUSE

48 HUNTLY STREET • ABERDEEN • AB10 1SH



City Centre Office Investment / Redevelopment Opportunity



Location

Aberdeen is Scotland's third largest city with a population of approximately 210,000 and a regional catchment population of over 500,000. Aberdeen is the administrative capital of the North East of Scotland, with 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, located 125 miles and 148 miles to the south respectively, accessible in just over 2 hours. The city benefits from a new rail and bus terminus at Union Square, linking Aberdeen to major towns and cities throughout the UK whilst Aberdeen Airport lies 7 miles north west of the city centre at Dyce and provides regular direct flights/connections to the principal cities of the UK and Europe.

Aberdeen has become established as the Energy Capital of Europe with the oil and gas sectors responsible for unprecedented economic growth in the region. All the oil and gas majors together with the principal service companies have a presence in the city, including Shell, BP, Marathon, Conoco Phillips, Chevron and ExxonMobil.

Office Market

Aberdeen's office market continues to be buoyed by improving conditions in the local economy and rising oil prices. The acute shortage of Grade A supply in the city centre and the lack of any new speculative development suggests that this trend will continue in the short to medium term.

The Aberdeen office market experienced a record year in 2012. The city saw take-up of 883,000 sq ft last year, 14% above 2011's previous high. Aberdeen commands the highest rent of any key market outside London and the South East with a prime headline rent of £31.50 psf achieved with the letting of 13 Queens Road to Pinsent Masons. The Aberdeen market is unique in terms of limited incentives on offer, with occupiers currently receiving a maximum of three month's rent free for good quality space on a 10 year term.

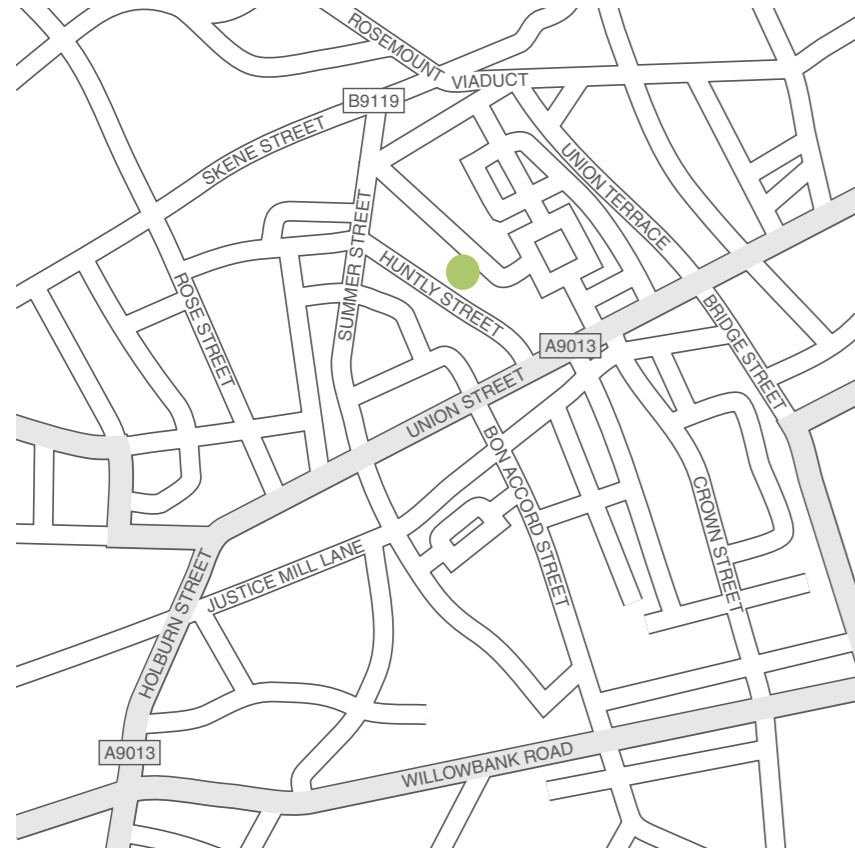
Recent Aberdeen Investment Sales:

Address	Date	Size (sq ft)	Sale Price	NIY	Purchaser
Prime Four, Kingswells Business Park	07/2012	299,749	£94 million	6.83%	F&C REIT
Bridge View/Consort House, North Esplanade West	06/2012	159,170	£59.9 million	7.15%	Gatehouse Bank
St Magnus House, Guild Street	06/2012	80,180	£18.3 million	8.66%	British Airways Pension Fund
Duncan House, Enterprise Drive, Westhill	10/2012	58,322	£13 million	7.27%	Ignis Asset Management
Quattro House, Wellington Circle, Altens	07/2012	48,997	£11.65 million	7.99%	Lumina Real Estate
Caledonian House, 232-234 Union Street	11/2012	48,535	£7.75 million	9.10%	Ediston Properties
GDF Suez House, North Esplanade West	01/2013	40,375	£16.1 million	7.0%	Tritax



City Centre Office Investment / Redevelopment Opportunity

1 Union Plaza 2 iQ 3 Union Square / Aberdeen Railway Station 4 Trinity Shopping Centre 5 Bon Accord / St Nicholas Shopping Centre



Situation

Langlands House is situated in the heart of the city, on the east side of Huntly Street, approximately 100 metres north of its junction with Union Street, Aberdeen's renowned retail pitch. The property is well placed to benefit from the numerous bus services serving the city centre and Aberdeen's main railway station is only a short walk away to the east. Being so centrally located, Langlands House is well placed for a wide range of amenities that includes cafés, restaurants and bars and a number of quality hotels.

Office buildings in close proximity include Union Plaza, Grampian House, Kings Close and Princemwall House and notable office occupiers in the near vicinity include Barclays, Aberdeen Asset Management, Paul & Williamsons, Wood Group and Centrica. The precise position of the subjects is shown on the above plan.



Description

The subjects comprise a four storey office building arranged in three linked sections, providing open plan accommodation throughout. The original building ie Wings 'A' and 'B' forming an "L" shape was constructed in 1979, with an extension to Wing 'B' added in 1998. Wings 'A' and 'B' are of concrete panel construction. The main entrance is accessed via an attractive mono-pitched glazed atrium comprising a reception and waiting area. The central service core containing lifts, toilets and stairs is situated immediately behind, and connects the two wings. There are tea points/kitchenettes on all floors.

The original two office wings have solid concrete floors with carpet tile floor coverings. The walls are plastered and painted or papered. The ceilings are of modern suspended tile grids with a mixture of integral CAT2 lighting, halogen and low voltage down-lighter fitments. The building is heated by a gas-fired central heating system serving wall mounted radiators. The office areas are served by perimeter telecom and IT trunking, and there is excellent natural light via the aluminium framed double glazed windows. The building is fully DDA compliant with two 8 person (630 kg) lifts and grade level access across all floors, together with disabled toilet facilities.

The newer extension is arranged over three storeys above a covered car parking area. The elevations are clad with glass curtain walling and smooth metal panels under a curved roof. This part of the property features LG3 lighting and a combined heating and comfort cooling system. The third floor of the extension incorporates an attractive boardroom with terrace plus adjoining kitchen, and a plant room.

There are 57 on-site car parking spaces. 20 spaces are located in a secure car park under the extension accessed from Crimon Place through electronically operated security gates, and there are 37 surface spaces to the front of the main entrance, accessed from Huntly Street. This equates to an excellent car parking ratio of 1:780 sq ft.

Site Plan

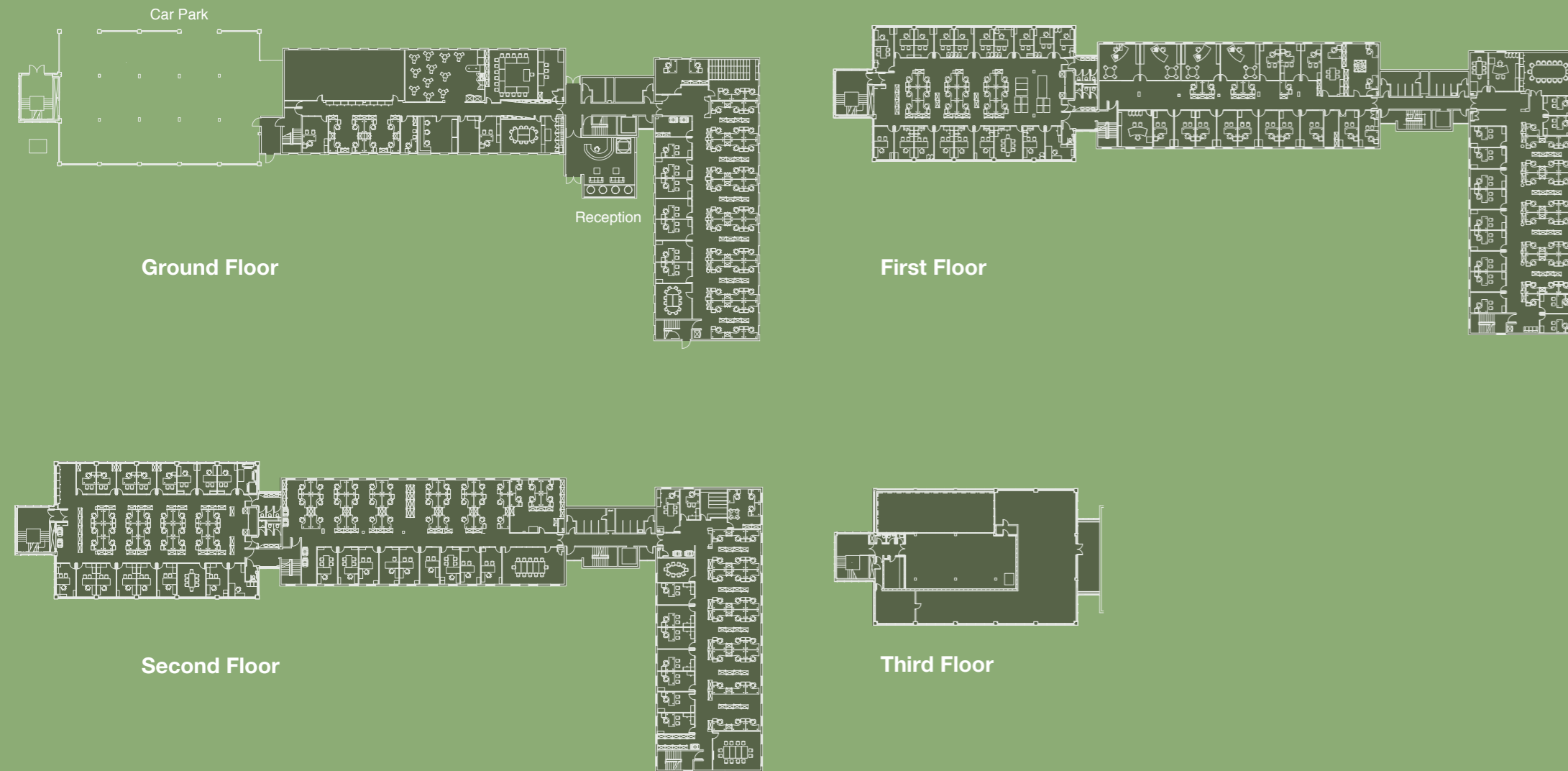


Accommodation

We have measured the Net Internal Floor Area of the accommodation in accordance with the RICS Code of Measuring Practice (6th Edition) as follows:

Accommodation	Type	Sq M	Sq Ft
Ground Floor Entrance	Reception	53.77	577
Ground Floor Wing A	Office	505.54	5,442
Ground Floor Wing B	Office	501.13	5,394
First Floor Wing A	Office	510.31	5,493
First Floor Wing B	Office	504.50	5,430
First Floor Extension	Office	461.76	4,970
Second Floor Wing A	Office	511.53	5,506
Second Floor Wing B	Office	503.76	5,423
Second Floor Extension	Office	462.22	4,975
Third Floor Conference Suite	Office	104.39	1,124
Third Floor Kitchen	Kitchen	13.06	141
Total		4,131.97	44,475

Floor Plans



Tenure

The property is held on a heritable basis (the Scottish equivalent of an English freehold).

Tenancy

The property is leased to Transocean Onshore Support Services Limited on full repairing and insuring (FRI) terms until 8 February 2014. The current rent is £685,000 per annum, with no further rent reviews, which equates to a rate of £14.50 per sq ft in respect of Wings 'A' and 'B' and a rate of £18.50 per sq ft on the newer extension.

Transocean have confirmed their intention to relocate at lease expiry and, accordingly, the subjects offer an excellent opportunity for active management and refurbishment/redevelopment whilst enjoying the benefits of short term rental income.

Regarding dilapidations, it should be noted that the lease stipulates that the Landlord may opt to receive a cash settlement from the Tenant in lieu of the required works. Accordingly, this arrangement offers significant benefits to a purchaser.

Covenant Information

The tenant, Transocean Onshore Support Services Limited (Company Number – SC217020) is a wholly owned subsidiary of the worldwide Transocean Group, the world's largest offshore drilling contractor.

In their audited accounts for the financial year ended 31 December 2011, the tenant company reported turnover of US \$60.51M; profit before tax of US \$2.554M; and net assets of US \$17.815M.

The tenant's ultimate parent company, Transocean Ltd, is listed on the New York and Swiss stock exchanges and further information on the Transocean Group is available at:- www.deepwater.com

Price

We are instructed to seek offers in excess of £7.5 million, exclusive of VAT, for our client's heritable interest in the subjects subject to, and with the benefit of, the existing lease.

A purchase at this minimum level reflects an attractive capital value rate of £168 per sq ft, with the added benefit of short-term rental income until February 2014.

VAT

The property has been elected for VAT however it is anticipated that, subject to HMRC approval, the sale will be treated as a Transfer of a Going Concern (TOGC).



Notice To Interested Parties

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The sole purpose (“the Purpose”) of these particulars is to provide information on the the property at Langlands House, 48 Huntly Street, Aberdeen (“the Property”) to those parties who have expressed an interest in order that they may assess whether or not they wish to submit an offer.

The Particulars and the content of them do not, and are not intended to, constitute an offer for sale. For the avoidance of doubt there is no intention to create a legal relationship and such relationship will not come into existence unless and until a formal contract, approved by respective solicitors, has been entered into.

The information contained herein is being supplied as a guide only and prospective acquirers must make their own investigations and must satisfy themselves as to the condition of the Property and the accuracy and completeness of the statements contained herein.

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Energy Performance Certificate

The property has an EPC rating of “D”.

Viewing and Further Information

To arrange a viewing, request further information or note an interest please contact either of the joint selling agents:



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