

PRIME OFFICE INVESTMENT

# Norloch House

36 KING'S STABLES ROAD  
EDINBURGH EH1 2EU

- Highly Distinctive Detached Period Office Building.
- Located in the West End of Edinburgh.
- Fully Refurbished Freehold Office Investment.
- FRI Lease to Whitespace (Scotland) Limited until May 2025.
- Rental Income £293,000 per annum (£23 per sq ft).
- Offers over £4,600,000 reflecting 6.00% NIY.



SMOLKA  
STRACHAN

LLP



# Edinburgh

**The capital of Scotland** and its legal, political and administrative base, home to the Scottish Parliament and the Scottish Government. The population of around 500,000 is expected to grow substantially over the next 20 years due to Edinburgh's massive popularity as a city in which to live, work and play.

Edinburgh has long been recognised as one of the best cities in the UK in terms of the prosperity and education of its citizens, in part due to its 8 universities and further education colleges catering to over 80,000 students.

Edinburgh punches well above its weight in terms of the numbers of visitors and the investment it draws from around the world: it hosts an astonishing range of internationally renowned cultural festivals throughout the year and attracts almost the highest level of foreign direct investment among regional UK cities.

Of particular relevance to Whitespace is Edinburgh's IT digital tech sector which has enjoyed spectacular growth over the last 10 years and has one of the highest concentrations of people working in the sector in the UK.

The city is now home to a wide range of major firms such as Amazon, Avaloq, Dell, Microsoft and Sky, with home grown companies such as Skyscanner, Fanduel, Rockstar North and Craneware, many of whose highly skilled workers are graduates of the city's universities and particularly of the University of Edinburgh's world leading School of Informatics.



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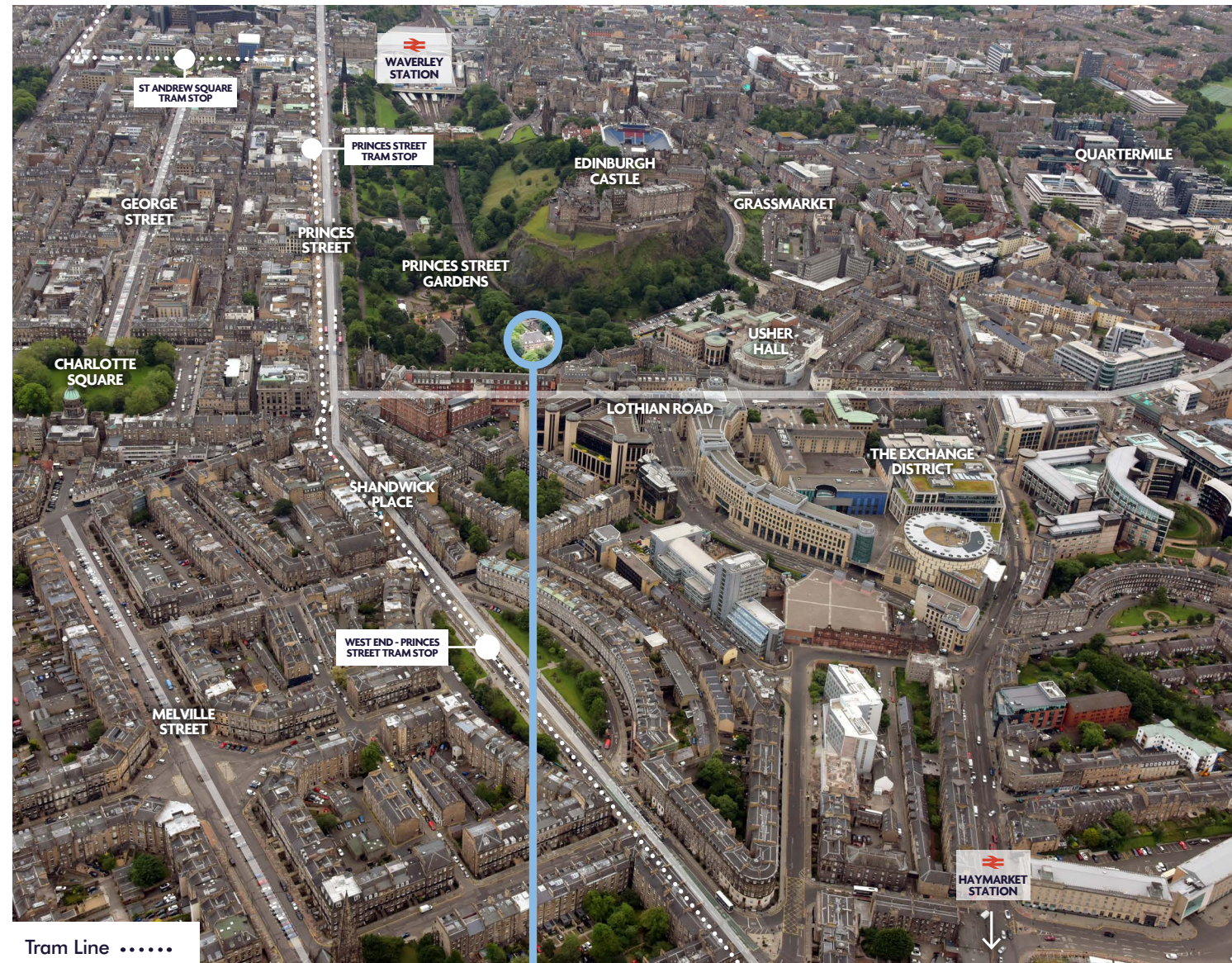
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# Location

Norloch House is located in the west end of Edinburgh on the north side of King's Stables Road near Lothian Road and Princes Street and about 5 minutes' walk from Waverley and Haymarket Railway Stations. There are ample bus routes on Lothian Road coupled with trams along Princes Street, Edinburgh's main shopping thoroughfare.

King Stables Road connects the Exchange District immediately west with the vibrant Grassmarket area to the east. Almost directly opposite Norloch House is the 750 space NCP Castle Terrace Car Park. Access to Princes Street Gardens is immediately to the north. The views from Norloch House are outstanding with Edinburgh Castle providing a unique backdrop to the north and east elevations.



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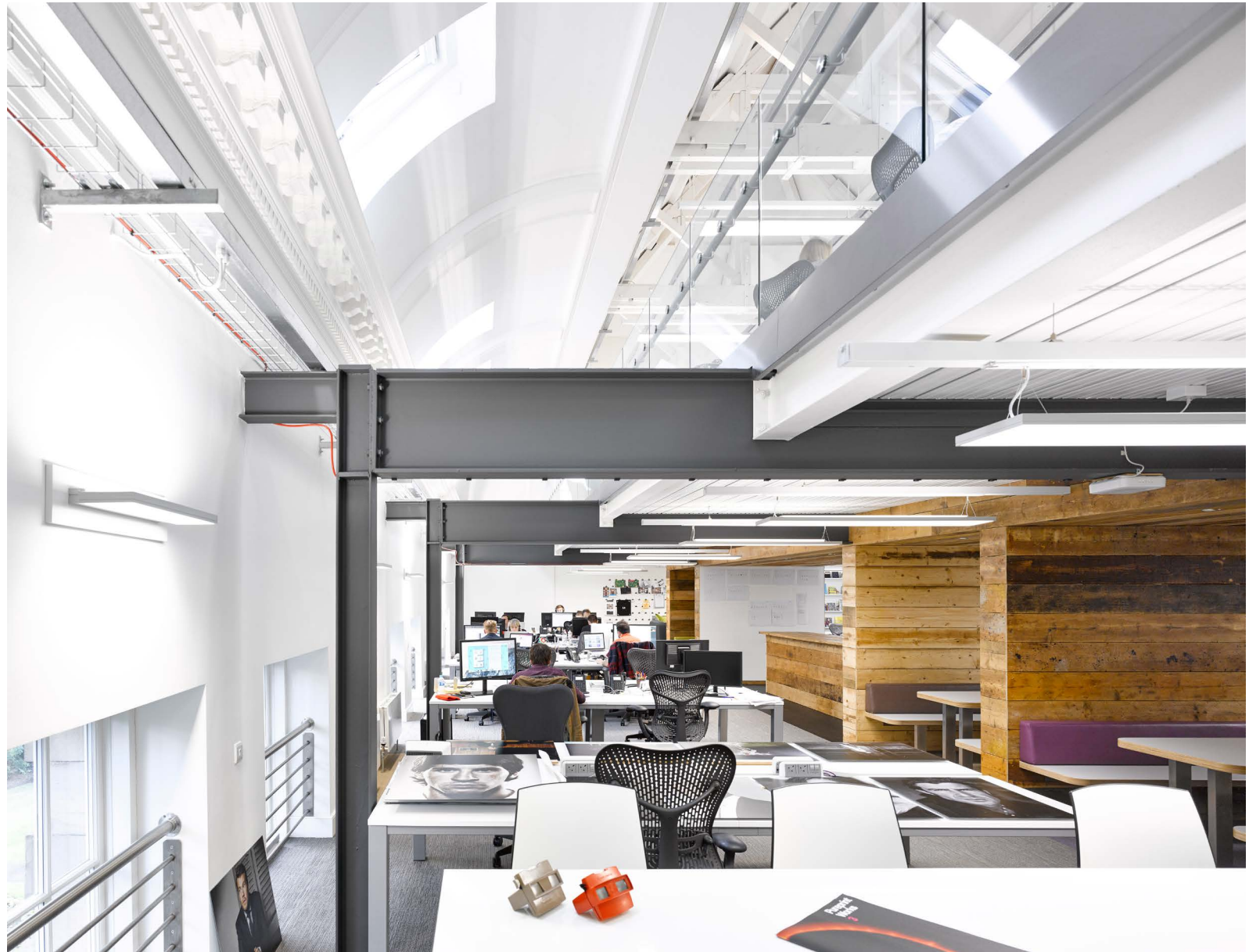


# Description

Norloch House is an elegant Category C Listed building within attractive landscaped garden grounds. It was constructed in 1893 of blonde ashlar sandstone, pitched slated roof and impressive main entrance via a stone pedimented porch.

The building was thoroughly and innovatively redesigned by architects 3DReid and comprehensively refurbished by main contractor Sharkey throughout 2014/2015.

It now provides 13,033 sq ft NIA of modern open plan office space arranged over 4 floors serviced by an 8 person passenger lift.



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# Description

There are male and female toilets and kitchen facilities on each floor, with disabled access toilets and shower facilities.

There is car parking at the rear of the building accessed via a driveway over which Edinburgh Council has granted rights of access until 2119. 2 clear and 1 blocked surface car parking spaces are permitted although it is capable of accommodating more.

The purchaser will be assigned a full suite of collateral warranties from the contractor and design team in respect of the redesign and refurbishment works.

The British Council of Offices (BCO) recognises top quality design and functionality that sets a benchmark for excellence in workplaces.

Norloch House won the BCO's Regional Fit Out of Workplace Award 2016, demonstrating how the potential of historic buildings may be realised for modern digital occupiers through intelligent sustainable design combining modern technology and construction methods with traditional craftsmanship.



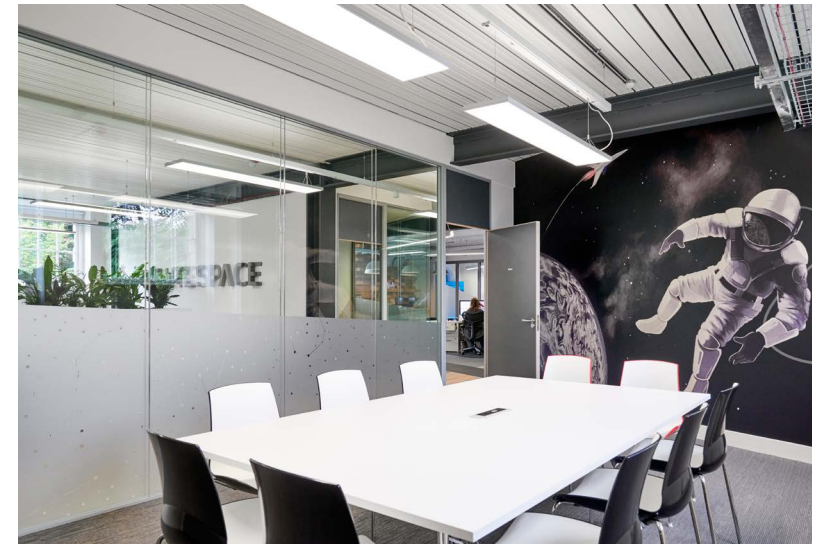
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# Site Plan

The aerial photograph shows an indicative site boundary for convenience of identification only and should be checked and verified against Title Deeds.



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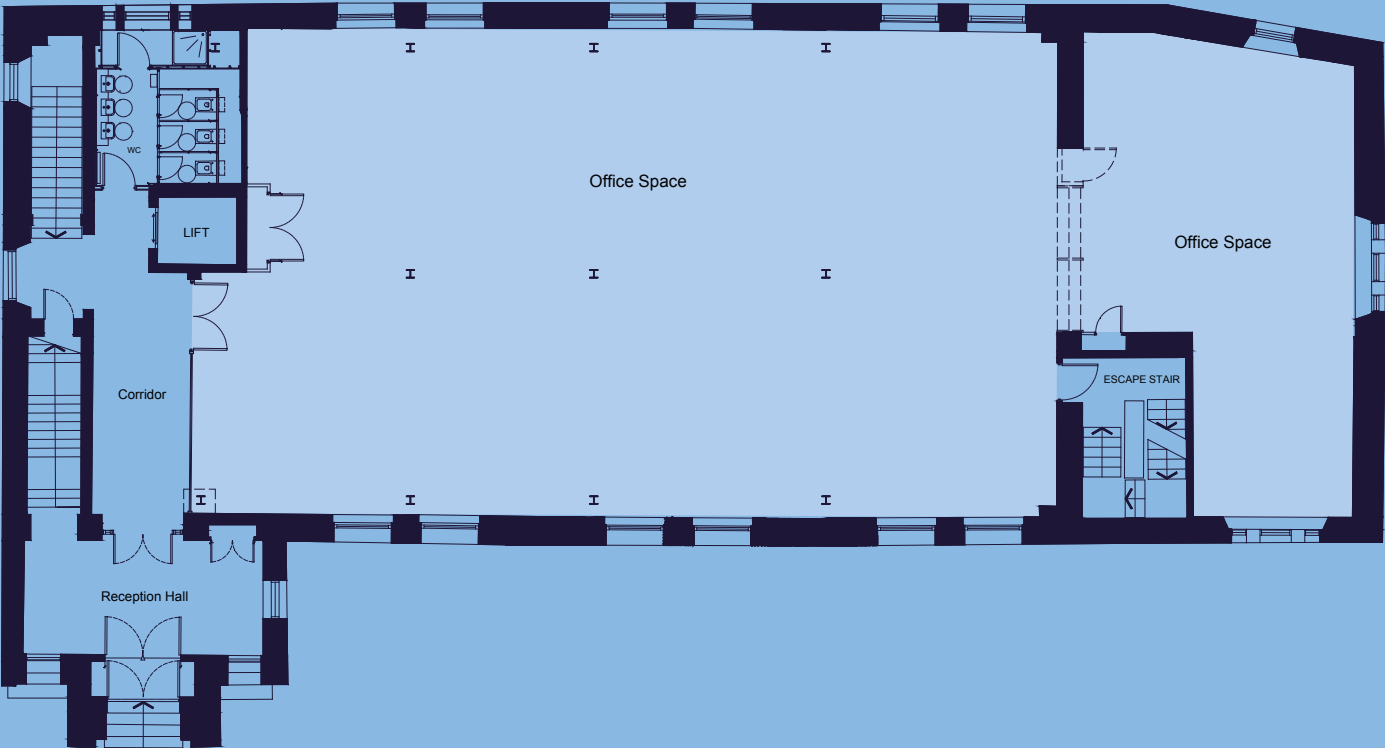
# Floor Areas

The Landlord’s and Tenant’s agents jointly measured the net internal lettable floor areas in accordance with the RICS Code of Measuring Practice (6th Edition) as follows:

Level	Net Internal Areas (NIA)	
	sq ft	sq m
3rd Floor	1,938	180
2nd Floor	3,026	281
2nd Floor Store	317	29
1st Floor	3,676	341
Reception	196	18
Ground	3,570	332
Basement	310	29
Totals	13,033	1,211



## Indicative Floor Plan



## Tenure

Absolute ownership (Scottish equivalent of Freehold) save for the right to use the car park access route under agreement until 2119 with the City of Edinburgh Council.

## Tenant

Whitespace [www.whitespacers.com](http://www.whitespacers.com) is a young, rapidly growing and highly successful creative and digital marketing design agency whose impressive client list includes Aegon Tennis, Burns Stewart Distillers, Business Stream, Channel 4 TV, Edinburgh Festival Fringe, Highland Spring, Innes & Gunn, Kames Capital, Mary's Meals, National Museum of Scotland, Petrofac, RAC, Royal Bank of Scotland, Sainsbury's Bank, Scottish Government, Scottish Council for Voluntary Organisations and Visit Scotland among others.

For the year to 30 September 2015 Whitespace recorded profit of £645,000 and net worth of £723,282. They employ 80 staff and have won many awards for the quality of their work, most recently at the 19th annual Scottish Design Awards where they won in 3 categories and were awarded Design Agency of the Year 2016.



## Tenancy

The property is leased on full repairing and insuring terms to Whitespace (Scotland) Limited from 11 May 2015 until 10 May 2025 at £293,000 per annum exclusive which equates to £23.00 psf headline on office areas, £8.00 psf on the basement area, £5.00 psf on storage, half headline rate on the reception, £2,500 pa per clear and £1,750 pa per blocked car space.

Prospects for rental growth from the headline rate of £23.00 per sq ft are excellent as recent rental evidence on office buildings in the near vicinity now reflects £25.00 per sq ft and above.

## EPC

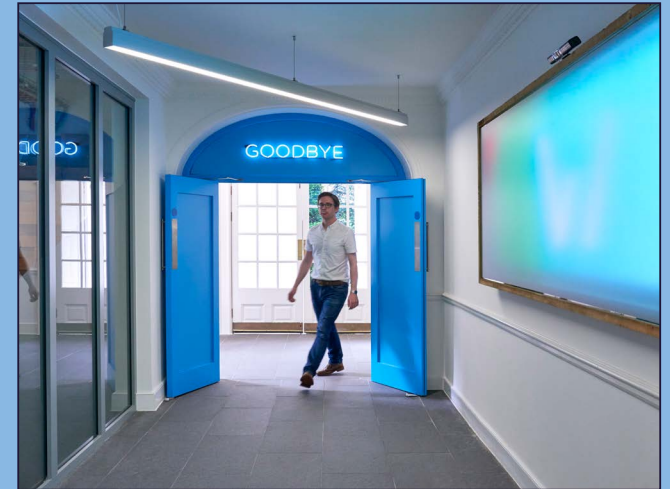
The building has an Energy Performance Certificate Rating of 'C'. A full report can be provided upon request to interested parties.

## VAT

The property is elected for VAT and will therefore attract VAT at the standard rate albeit we anticipate TOGC provisions will apply.

## Proposal

Offers in excess of £4,600,000 (Four Million Six Hundred Thousand Pounds Sterling) are invited subject to missives. At the passing rent of £293,000 per annum, an acquisition at the asking price would reflect an initial yield of 6.00% net of purchaser's standard costs.



## Further Information

**Peter Smolka**

0131 225 8855

[peter@smolkastrachan.com](mailto:peter@smolkastrachan.com)

**Guy Strachan**

0131 226 7555

[guy@smolkastrachan.com](mailto:guy@smolkastrachan.com)



46 Charlotte Square  
Edinburgh  
EH2 4HQ

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