

# Highly Secure Bank Investment - Assignment only to undoubted covenants



Bank of Scotland Plc | 31 High Street | Montrose | DD10 8LT

£370,000

subject to contract

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## SUMMARY

- Let to Bank of Scotland plc
- In excess of 8.25 years unexpired lease term
- No breaks
- Assignment restricted to undoubted covenants
- Strong Position
- Heritable (Scottish Freehold)
- VAT free
- £370,000, subject to contract
- 8.0% Net Initial Yield



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## LOCATION

Montrose is a traditional popular Scottish market town situated on the Angus coastline located approximately 56 km (35 miles) south of Aberdeen and 48 km (30 miles) north of Dundee along the A92 Aberdeen to Dundee coastal route.

The town lies on the main East Coast National Rail Network, linking London and Aberdeen. The closest major airports are Aberdeen Airport and Dundee Airport which lie approximately 73 km (46 miles) and 51 km (32 miles) from Montrose respectively.

Montrose is an important service and employment centre for the north east of Scotland with a commercial port and employers in the town include GlaxoSmithKline and GE Oil & Gas. As well as being an attractive place to live, it is also a popular destination for visitors and tourists.

## SITUATION

The property occupies a strong position on the eastern side of the High Street on the corner with John Street in a prime position towards its northern end. The High Street is the main retailing location within Montrose town centre. Other operators present on the High Street include Greggs (adjacent), Boots, Card Factory, Savers and WHSmith.

## DESCRIPTION

The property comprises the ground floor and basement of an end of terrace Grade B Listed building of traditional stone construction with a pitched and slated roof. The ground floor is fitted in the typical Bank of Scotland corporate style to provide an open plan banking hall and several meeting / consultation rooms. The basement is used as ancillary accommodation by the tenant.



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## ACCOMMODATION

We are advised the property provides the following net internal floor areas;

Floor	Sq M	Sq Ft
Basement	30.10	324
Ground	208.38	2,243
ITZA	152.73	1,644
<b>Total</b>	<b>238.48</b>	<b>2,567</b>



## TENURE

Heritable.

## TENANCY

The property is let to **Bank of Scotland plc** on a full repairing and insuring lease for a term of 15 years from 29th December 2016, expiring on 28th December 2031 (**in excess of 8.25 years unexpired lease term**). The current passing rent is **£30,750 per annum**, equating to a Zone A rate of £19.00 before a 2.5% deduction for quantum.

The lease benefits from an upwards only rent review on 29th December 2026 (open market). The tenant has the option to extend the lease for 10 years by giving notice no later than 12 months prior to expiry of the lease (and in such event, rent reviews will apply on 29th December 2031 and 29th December 2036).

**The tenant is only able to assign the lease to the Government, a Local or Public Authority, or a company which has had a Dun & Bradstreet rating of 5A1 or better for three years.** The tenant may assign to a group company of the original tenant subject to certain conditions.



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## COVENANT

Bank of Scotland plc (Co. No. SC327000) has reported the following figures;

Year Ending	31 <sup>st</sup> December 2022	31 <sup>st</sup> December 2021
Total Income	£4,931 million	£5,763 million
Pre-Tax Profit	£1,137 million	£2,316 million
Total Assets	£320,241 million	£319,152 million
Total Equity	£16,046 million	£15,904 million

Bank of Scotland plc is a direct subsidiary of HBOS plc and a wholly owned subsidiary of Lloyds Banking Group plc. It is one of the main operating companies of the Group. For further information visit [www.bankofscotland.co.uk](http://www.bankofscotland.co.uk).



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## VAT

The property has not been registered for VAT. Therefore, VAT will not be payable by a purchaser.

## PROPOSAL

We are instructed to seek a figure of **£370,000** (Three Hundred and Seventy Thousand Pounds), subject to contract, reflecting a net initial yield of **8.0%** assuming purchasers' costs of 3.69%.

Please note that a purchaser will be charged a Transaction Fee of 1.0% of the Purchase Price + VAT.

## INVESTMENT CONSIDERATIONS

1. Investment opportunity let to the undoubted covenant of Bank of Scotland plc;
2. In excess of 8.25 years unexpired lease term;
3. The tenant is only able to assign the lease to the Government, a Local or Public Authority, or a company which has had a Dun & Bradstreet rating of 5A1 or better for three years.
4. The property occupies a strong position on the High Street;
5. VAT free investment;
6. A purchase at the asking price will provide an investor with an attractive net initial yield for a highly secure heritable investment.



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## CONTACT US

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