

FOR SALE

Ground Lease Portfolio

NORTH DEE BUSINESS QUARTER
ABERDEEN



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NORTH DEE BUSINESS QUARTER, ABERDEEN



Freehold ground lease portfolio totalling approximately 0.679 hectares (1.68 acres) in a central Aberdeen location.



Strategic position with excellent transport connectivity, near Union Square, major office developments, and the harbour.



Multi-let to five tenants across a range of uses, providing income diversification and resilience.



WAULT of 15.1 years, underpinning long-term income security.

£64,949

Total passing rent of £64,949 per annum, equating to a reversionary £9.54 per sq m.



Scope for future asset management and potential redevelopment to unlock value.

6.11%

Offers invited in excess of £995,000 reflecting a net initial yield of 6.11%

ABERDEEN

Aberdeen is Scotland's third largest city and is the main administrative and financial centre for Aberdeen City and Aberdeenshire. Its population, which currently stands at 230,000 and is forecast to see significant growth of over 24% to 285,000 by 2035. The wider catchment is currently 500,000.

Aberdeen has a long history of economically outperforming cities of a comparable size in the UK. The driving force has been the energy industry, with the City being the energy capital of Europe, however the economy in Aberdeen is supported by several growing sectors to include:

Technology & Digital: Aberdeen hosts one of Europe's largest EnergyTech communities, with strengths in ClimateTech, AgriTech, and FinTech.

Life Sciences: Home to world-renowned research institutions, the city is a hub for medical research and innovation.

Food, Fisheries and Agriculture: The region is known for its high-quality food and drink products, including seafood and whisky.



The city benefits from two distinguished universities, several major research institutes offering world renowned expertise in areas such as food, fisheries and agricultural.

Aberdeen is positioning itself as a leader in the energy transition. The city is developing a green hydrogen hub, aiming to produce up to 300 tonnes of green hydrogen annually by 2026.

Additionally, Aberdeen is a key player in offshore wind projects, with several licenses awarded for developments near the city.

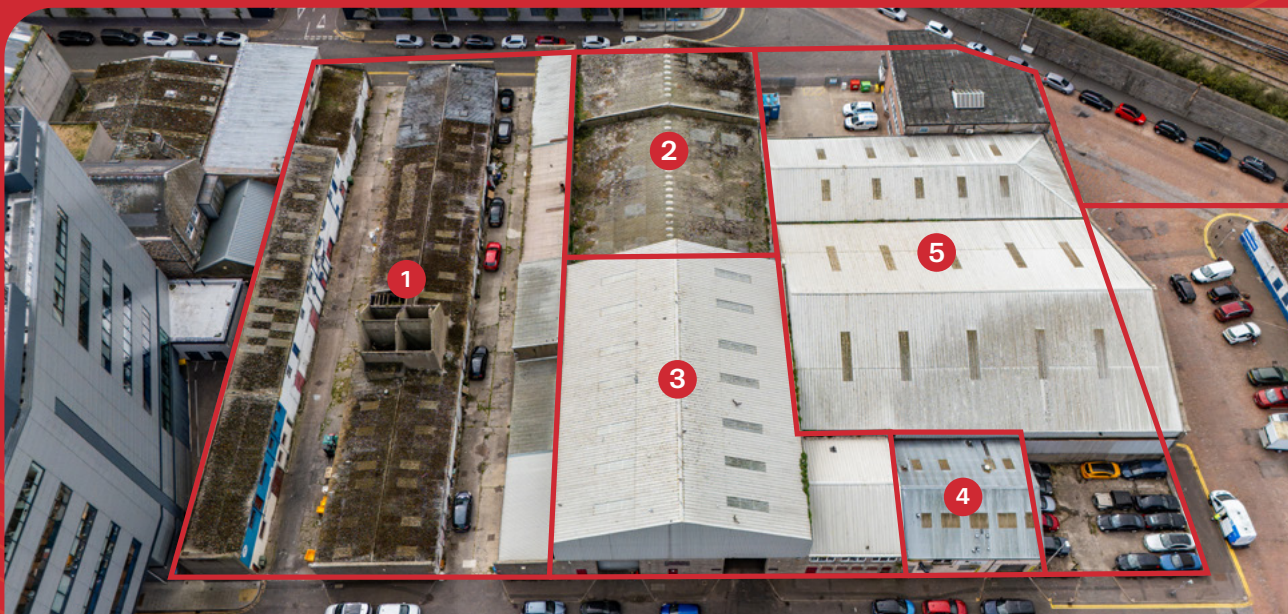
In 2023, Aberdeen was designated as one of Scotland's first Investment Zones, receiving up to £160 million in targeted investment and tax reliefs over ten years to stimulate business growth and job creation.

PROPERTY LOCATION

The subjects are located within the heart of the North Dee Business Quarter in a mixed office and commercial location close to the city's harbour and to the Union Square shopping centre. Accordingly, the premises are well located for access to all parts of the City and are in close proximity to the heart of the city and the main shopping areas.

The area is mixed use in nature with various large office premises, Union Square Shopping Centre and commercial premises all being present within the immediate vicinity.

The location provides good connectivity to the A90 trunk road which links Aberdeen with the Scottish Motorway Network, this has been further enhanced with the Aberdeen Western Peripheral Route (AWPR). The property has good access to the local road network and to the city centre. The main rail and bus transport hub is also located nearby as well as Aberdeen harbour.



1 Cromdale Lanes Ltd | 2 Cromdale Esslemont LLP | 3 MW Trustees | 4 Chubby Bags (in receivership) | 5 AB Cromdale





NORTH DEE BUSINESS QUARTER ABERDEEN

NEARBY OCCUPIERS

1	Worley	9	Trinity Centre
2	Freedom House	10	Leonardo Hotel
3	PD&MS	11	Bus Station
4	Admiral Court	12	The Exchange
5	Consort House: Petrofac	13	St Magnus House: CNR International
6	Bridge View: Petrofac	14	Annan House: Enquest / OEUK
7	Union Square		
8	Train Station		

THE SITE

The site in total extends to approximately 0.679 Hectares (1.68 acres) and is bounded by Old Ford Road to the West, Poynerook Road to the North and Russell Road to the East. The portfolio comprises five separate leases, with a range of assets on site as follows:

Address	On Site
161 sqm, Russell Road Aberdeen, AB11 5RB	Small workshop and office building
998 sqm, Poynerook Road Aberdeen, AB11 5RW	Large industrial workshop
849 sqm, Old Ford Road Aberdeen, AB11 5RL	Large industrial workshop
2,484 sqm, Russell Road Aberdeen, AB11 5RB	Four terraces of semi-derelict fish processing units accessed by two lanes
2,314 sqm, Poynerook Road Aberdeen, AB11 5RW	Three storey office together with large industrial buildings and small yard

The buildings on each site were constructed by the tenants and therefore, for rent review purposes, are treated as tenant improvements disregarded in the valuation.

TENANT INFORMATION

The site is subject to five separate tenancies, a schedule for which is as follows:

Address	Tenant	Expiry	Passing Rent (pa)	Analysis psqm	Next Review
161 sqm, Russell Road Aberdeen, AB11 5RB	Chubby Bags (in receivership)	28/05/2046	£1,610	£10.00	28/05/2025
998 sqm, Poynerook Road Aberdeen, AB11 5RW	MW Trustees	14/07/2056	£12,627.44	£12.65	14/07/2027
849 sqm, Old Ford Road Aberdeen, AB11 5RL	Cromdale Esslemont LLP	28/05/2037	£8,277.75	£9.75	28/05/2024
2,484 sqm, Russell Road Aberdeen, AB11 5RB	Cromdale Lanes Ltd	28/05/2026	£19,872.00	£8.00	28/05/2026
2,314 sqm, Poynerook Road Aberdeen, AB11 5RW	AB Cromdale	28/05/2045	£22,561.50	£9.75	28/05/2024

- **The Weighted Average Unexpired Lease Term (WAULT) is 15.1 Years.**
- **Total passing rent of £64,948.69 per annum exclusive of VAT.**
- **Potential ERV of circa £74,450 per annum exclusive of VAT.**
- **4 yearly review pattern to Open Market Rental.**



ASSET MANAGEMENT

There are currently two rent reviews outstanding from 2024 giving an opportunity to move income to market level for each. There is also one site which continues on Tacit Relocation giving the opportunity to regear the lease or potentially take back same in short course to enable redevelopment, to sell off separately or to grant a new ground/occupational lease.

The current average rental rate is £9.65 per sq.m. however estimated rental levels for the wider estate range from £11.00 per sq.m. to £16.00 per sq.m. and evidence to back up these figures can be provided to seriously interested parties. There is therefore an opportunity to increase the rent roll through proactive management of the rent review process.

TENURE

Heritable (Scottish equivalent of Freehold).

PROPOSAL

Offers are invited in the region of £995,000 subject to contract and exclusive of VAT. A purchase at this level reflects a net initial yield of 6.11% after the deduction of LBTT and purchaser costs.

VAT

All prices are quoted exclusive of VAT which will be applicable on this transaction.

LEGAL COSTS

Each party will be responsible for their own legal costs incurred with the purchaser being responsible for any Land and Building Transaction Tax (LBTT) and Registration Dues, if applicable.

ANTI MONEY LAUNDERING REGULATIONS

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 came into force on the 26th June 2017. This now requires us to conduct due diligence not only on our client but also on any purchasers or occupiers. Once an offer has been accepted, the prospective purchaser(s)/occupier(s) will need to provide, as a minimum, proof of identity and residence and proof of funds for the purchase, before the transaction can proceed.

FURTHER INFORMATION

For further information or viewing arrangement please contact the sole selling agent:

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