

42 Thistle Street

An exciting freehold residential investment opportunity to acquire a clean block of 8 apartments and a double garage in the New Town.

Investment overview.

We are delighted to present a rare opportunity to acquire a strong yielding clean block of 8 apartments and a double garage in central Edinburgh.

- 42 Thistle Street comprises 8 x Studio Apartment
- Popular city centre location, a short distance from Princes Street and the St James Quarter
- Located a short walk from the bus station and tram network to Newhaven & Edinburgh airport.
- The portfolio is currently producing a total gross income of c. £105,300 per annum
- 8 rentals on Private Rental Tenancies (PRTs) and 1 commercial lease for the garage
- We are seeking offers in excess of £2.45 million reflecting a gross investment yield of c. 4.3%
- Should any apartments be increased to £1,095 PCM which is the most recent new rent achieved within building then it would improve the gross yield to 4.45%.
- The apartments were originally designed with potential short term let usage in mind. During Covid-19 the apartments operated as residential accommodation. Subject to council planning approval, an investor may consider applying for alternative use on the properties such as short let approval which could significantly improve the yield potential.

Location

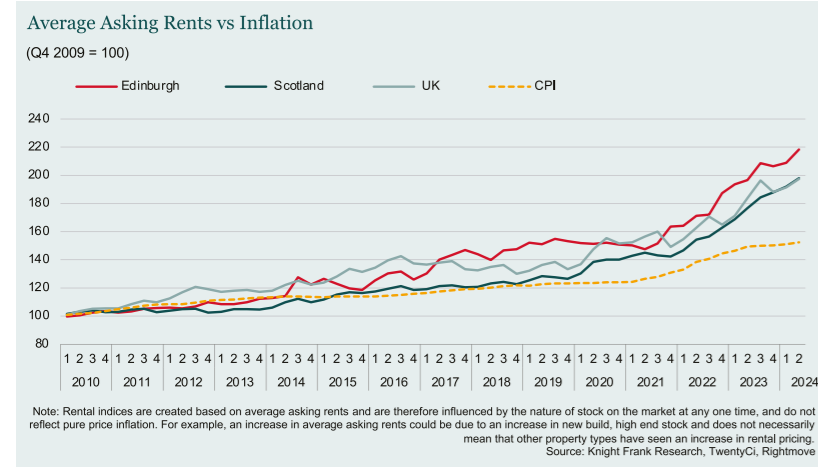
Thistle Street has all the amenities of Edinburgh's city centre on its doorstep. Situated roughly equidistant between the New Town's prestigious Charlotte and St Andrew Squares, it is within easy walking distance of the shops and restaurants of Princes Street, George Street and Multrees Walk, including Harvey Nichols and the vibrant St James' Quarter.

Thistle Street is also within easy reach of other attractions such as the Royal Mile and Edinburgh Castle, Royal Botanic Gardens, National Gallery of Scotland, Scottish National Portrait Gallery and the popular shops and cafés of nearby Stockbridge and picturesque walks along the Water of Leith.



Edinburgh Rents Overview

As shown in the below chart, Edinburgh has seen a strong historic growth in average asking rents. Over the five years to Q2 2024, average asking rents in Edinburgh have grown by 44.5%, which equates to a Compound Annual Growth Rate (CAGR) of 7.6%. Projections indicate that Edinburgh could see an average annual change in asking rents of 4.5% between Q2 2024 and Q2 2029, which is driven by historic rental growth as well as forecast change in disposable household income of 22.2% over the five-year period. Please note this does not take into account any potential housing policy in Scotland such as rent controls.



Accommodation and Tenancy Schedule

| Address - 42 Thistle Street | Flat Number & Position on Floor | Beds | Baths | Lease Type | Date of Entry/ Lease From | Lease To | Gia Area (Sq M) | Gia Area (Sq Ft.) | Current Gross Rent Pcm (£) | Current Gross Rent Pa (£) |
|-----------------------------|---------------------------------|------|-------|------------------|---------------------------|----------|-----------------|-------------------|----------------------------|---------------------------|
| Flat 1 | Ground Floor | 1 | 1 | PRT | 07/05/24 | Ongoing | 37 | 397 | £1,095 | £13,140 |
| Flat 2 | Ground Floor | 1 | 1 | PRT | 05/06/24 | Ongoing | 36 | 388 | £1,095 | £13,140 |
| Flat 3 | First Floor | 1 | 1 | PRT | 03/02/23 | Ongoing | 41 | 445 | £1,075 | £12,900 |
| Flat 4 | First Floor | 1 | 1 | PRT | 24/05/23 | Ongoing | 41 | 446 | £1,095 | £13,140 |
| Flat 5 | Second Floor | 1 | 1 | PRT | 25/07/22 | Ongoing | 43 | 462 | £1,075 | £12,900 |
| Flat 6 | Second Floor | 1 | 1 | PRT | 12/09/22 | Ongoing | 46 | 500 | £1,050 | £12,600 |
| Flat 7 | Third Floor | 1 | 1 | PRT | 11/03/21 | Ongoing | 36 | 390 | £895 | £10,740 |
| Flat 8 | Third Floor | 1 | 1 | PRT | 20/05/24 | Ongoing | 34 | 365 | £1,095 | £13,140 |
| Garage | Ground Floor | | | Commercial Lease | 04/03/24 | Monthly | 27 | 294 | £300 | £3,600 |
| Total (Inc Garage) | | | | | | | 315.22 | 3687 | £8,775 | £105,300 |

Description

This exceptional property benefits from accommodation over 4 floors and has been well maintained through its current ownership after a full renovation of the building in 2019.

All eight studio apartments run off a central stair and follow similar style in layouts with only slight variances in size on the different floors. The building is currently factored by Murray and Currie and the communal stair is cleaned once a month for a fee of £50. All apartments have the right to apply for a permitted parking space as well as ample on street parking in the local areas.

Each apartment has good sizes open plan kitchen/dining/ living room including a fully equipped kitchen, a principal bed area with wardrobe storage and a separate stylish bath or shower room. All flats benefit from a central storage cupboard. All the apartments are currently let and have been maintained in good order since there were let via private rental tenancy leases (PRTs) and are in similar condition as when purchased in 2019 after the building's full renovation.

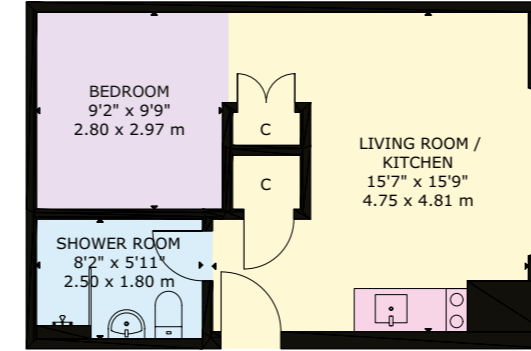
The apartments are currently fully occupied, and it is likely a new owner will be able to look to improve the current rent roll as tenancies expire and relet. Flats 1 & 2 rented in May & June 24 respectively at £1,095 which gives an idea of what increases may be possible on other flats.

The flats were initially deigned with a short let serviced apartment usage in mind. Due to Covid-19, the owner was forced to look at long term rentals when overseas travel was prevented and therefore in order to consider this operational use, it will require council planning approval and potential licensing and would be subject to council approval. We have found central properties such as Thistle Street can attract higher incomes should such an operation be possible which could create further opportunity for an investor.

Flat 1

Approx. Gross Internal Area
397 sq ft / 37 sq m

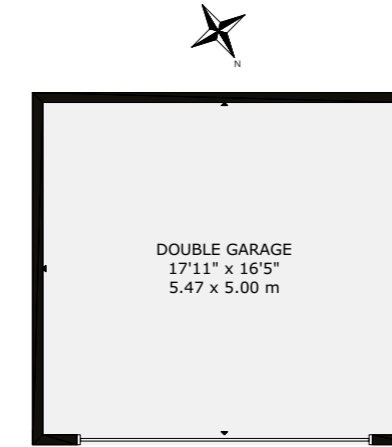
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Ground Floor

Double Garage

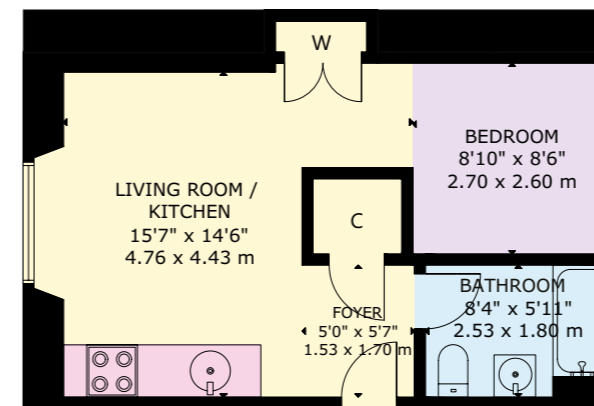
Approx. Gross Internal Area
294 sq ft / 27 sq m



Flat 2

Approx. Gross Internal Area
388 sq ft / 36 sq m

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Ground Floor



Flat 2

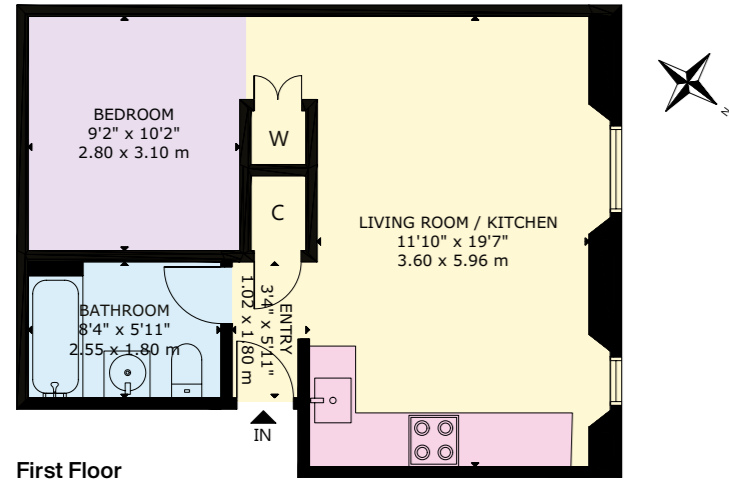


Flat 2

Flat 3

Approx. Gross Internal Area
445 sq ft / 41 sq m

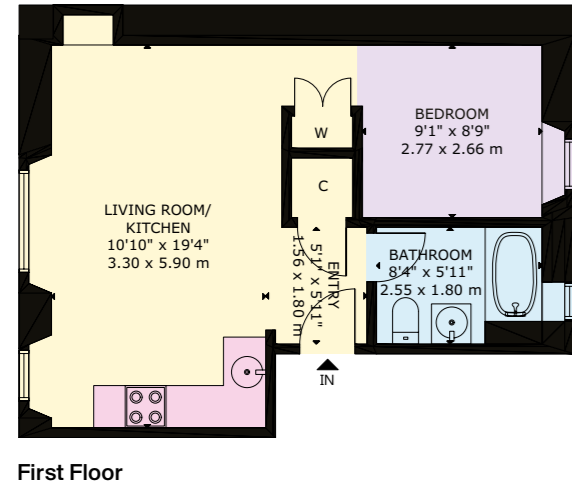
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Flat 4

Approx. Gross Internal Area
446 sq ft / 41 sq m

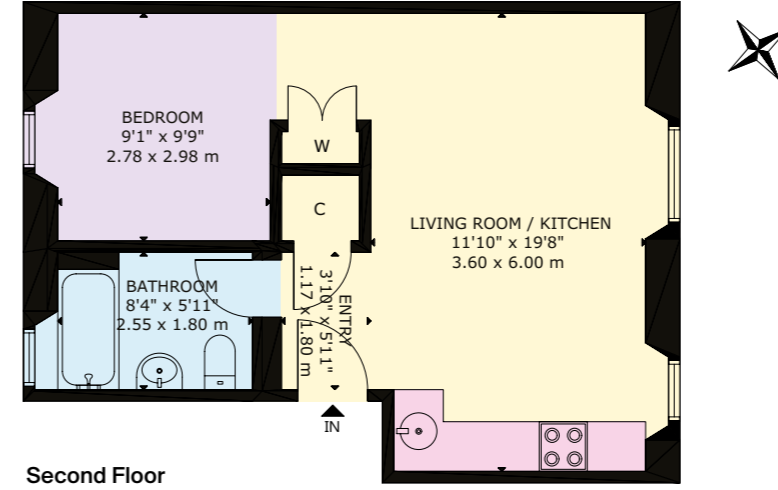
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Flat 5

Approx. Gross Internal Area
462 sq ft / 43 sq m

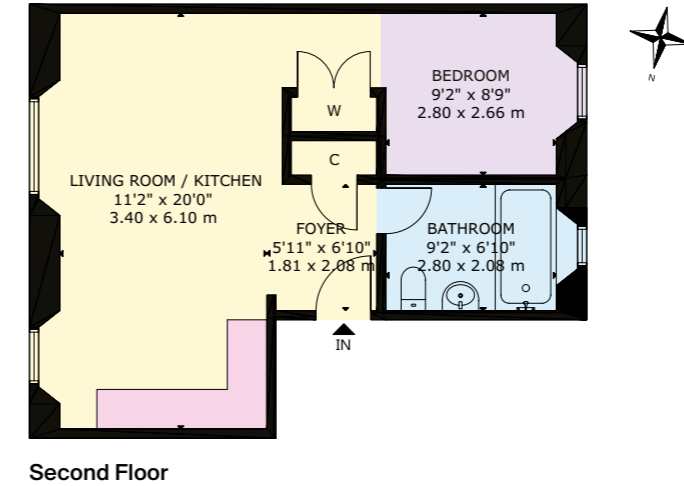
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Flat 6

Approx. Gross Internal Area
500 sq ft / 46 sq m

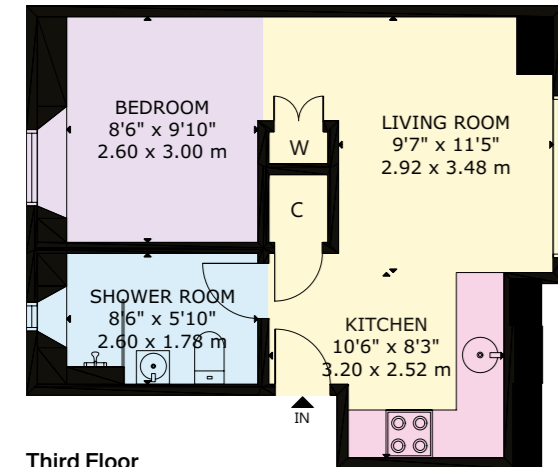
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Flat 7

Approx. Gross Internal Area
390 sq ft / 36 sq m

For identification only. Not to scale.



Proposal

We are instructed to seek Offers in Excess of £2,450,000.

All apartments and the garage are fully occupied and we would be looking for offers on a block sale/purchaser basis with tenants in situ.

Legal title, LBTT & Factoring

The properties are held freehold by the current owner on individual titles. Therefore any block purchase would likely qualify for LBTT multiple dwellings relief. Purchase taxation to be confirmed by your own tax specialist however there is substantial tax savings to be made on a purchase of 6 or more units. A tax advisor has estimate a tax bill of circa £60,000 depending on the agreed offer price.

The building is currently factored by Murray and Currie. Details can be provided upon request.

Services

Mains water, electricity and drainage are provided within each flat. However, it is the responsibility of the purchaser to ensure that services available are adequate.

Viewings

The building can be externally inspected from the front and rear. The property may be inspected internally strictly through prior appointment with Knight Frank. Prospective purchasers should be aware that inspections are made entirely at their own risk and no liability is accepted by the vendor or their agent.

EPC

All apartments are an EPC estimated C / D but vary slightly individually. These are available to issue upon request.

VAT

We understand that the properties are not elected to VAT.

Method of sale

The property is offered for sale via private treaty.

Further information

Further information and access can be provided upon request.

Council Tax bands

All apartments – Council tax band C

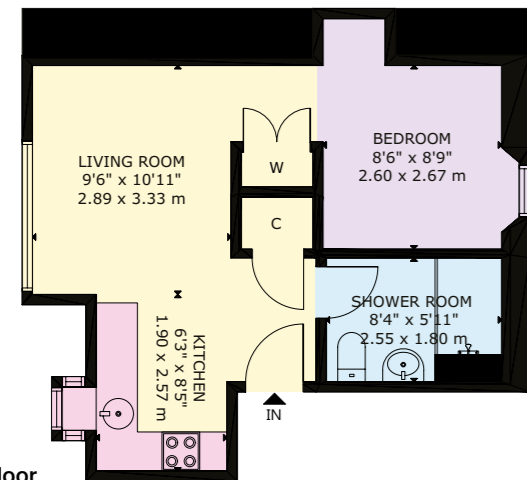
Financial Guarantee/Anti Money Laundering

All offers to purchase the property (regardless of whether the offer is on a cash basis or subject to loan funding) must be accompanied with evidence of Source of Funds. This can be in the form of a bank statement showing the purchase price, a financial reference from a bank/ funding source, or confirmation from a solicitor that the purchaser has sufficient funds to complete the purchase. In addition, the purchaser must supply certified copies of his/her passport and confirmation of residence in terms acceptable under anti money laundering (AML) legislation. These documents will be required for all individuals who will appear on the title once the transaction is complete

Flat 8

Approx. Gross Internal Area
365 sq ft / 34 sq m

For identification only. Not to scale.



Contacts.



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Fixtures and fittings: A list of the fitted carpets, curtains, light fittings and other items fixed to the property which are included in the sale (or may be available by separate negotiation) will be provided by the Seller's Solicitors.

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Particulars dated July 2024. Photographs and videos dated July 2024.

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