

## **110 Queen Street**

### **Grade A new office building, Glasgow City Centre**

165,000 sq ft of business space created  
142,000 sq ft of which is office space  
BREEAM 'Excellent'

### **Costs and SPRUCE funding**

Total development cost of £38.6m  
SPRUCE facility of £9.6m  
Repaid in full.

### **IPSUD**

Glasgow's has relatively high levels of deprivation. Much of the deprivation is economic driven with relatively high levels of unemployment. There is a lack of speculative investment due to funding constraints.

### **IMPACT**

Economic impact of developing prime commercial space is clear:

- construction impact created
- operational impacts of providing relatively high value-added office jobs in Glasgow City Centre.
- environmental impact of BREEAM 'Excellent' office space
- 250 FTE construction jobs (short term)
- 1,500 FTE jobs - operational impact
- Offices now fully let
- £75 million contribution for Scotland's overall economy.
- Community benefits - 7 work placements, 200 curriculum support activities, 10 apprentice starts and 6 completions.
- Property agents and experts consulted believed that the 110 Queen Street development was unlikely to have happened without the SPRUCE funding.



In 2012 SPRUCE provided a £9.6m senior debt facility to BAM Properties development at 110 Queen Street in central Glasgow. The completed building comprises a total of 224,000 sq ft of new space over eight floors, a ground floor with reception and retail space, and basement car parking.

### **Background**

At the time of entering the transaction there was very limited commercial bank finance available for speculative property development in Scotland.

The 110 Queen Street project is an example of the SPRUCE fund helping to address market failure in the provision of mainstream commercial finance to Scottish property transactions.

The project assists with the delivery of the Scottish Government's long-term regeneration aims and objectives:

- Creation of low carbon business space
- Creation of employment and training opportunities through both the construction period and the operational phase of the asset's life.
- The building is fully occupied with high quality tenants
- Development has provided a stimulant to further commercial real estate development within the central Glasgow core.
- The SPRUCE facility has been repaid.

### **Additional facts**

- Urban development sector
- Status – Operational
- Project in Glasgow, Scotland
- Private ownership
- Financial close December 2012
- Medium term senior debt facility
- 13,383sq m BREEAM excellent office space
- £9.6m senior debt facility

## **Abstract/St Vincent's Plaza**

### **Grade A new office building, edge of Glasgow City Centre**

170,000 sq ft office space  
2,044 sq ft retail accommodation (not funded by SPRUCE)  
BREEAM Excellent  
78 space car park

### **Costs and SPRUCE funding**

Total development cost of £36m  
SPRUCE facility of £9.6m  
SPRUCE repaid in full

### **IPSUD**

Glasgow's has relatively high levels of deprivation. Much of the deprivation is economic driven with relatively high levels of unemployment. There is a lack of speculative investment due to funding constraints.

### **IMPACT**

Economic impact of developing prime commercial space is clear:

- construction impact created
- operational impacts of providing relatively high value-added office jobs in Glasgow city centre
- environmental impact of BREEAM 'Excellent' office space
- 350 FTE construction jobs (short term)
- 2,600 FTE jobs - operational impact
- Offices 85% let at December 2017
- Unlikely to have happened without the SPRUCE funding
- Almost fully let demonstrating demand.



In 2013 SPRUCE provided a c.£10m senior debt facility to an Abstract Securities led speculative Grade A office development at 303 St Vincent Street, Glasgow. The new building can accommodate 2,000 staff over 10 floors with a 78-space car park.

### **Background**

At the time of entering the transaction there was very limited if any commercial bank finance available for speculative property development in Scotland.

The project is an example of the SPRUCE fund helping to address market failure in the provision of mainstream commercial finance to Scottish property transactions, and it assists with the delivery of the Scottish Government's long-term regeneration aims and objectives.

The project has created low carbon business space and employment and training opportunities through both the construction period and the operational phase of the asset's life. The majority of floors in the building have been successfully let to a variety of high quality tenants, and the project has gone some way to stimulating further commercial real estate development within the central Glasgow core.

### **Additional facts**

- 250 construction jobs sustained
- 15,807sq m of BREEAM excellent office space
- Urban development sector
- Project in Glasgow, Scotland
- Private ownership
- Financial close November 2013
- Medium term senior debt facility

## **Haymarket, Edinburgh**

### **Commercial led, mixed use development, Edinburgh City**

Planned 650,000 sq ft of business space including 405,000 sq ft of BREEAM Excellent office space  
57,000 sq ft of retail space  
165-room aparthotel  
Space for 30 businesses in total  
Key location close to City's central business district (CBD)  
Well connected to rail and tram lines.

### **Costs and SPRUCE funding**

Estimated total development cost of £120m  
SPRUCE facility of £9.6m for ground works – only 8% of estimated costs  
SPRUCE funding repaid in full

### **IPSUD**

Edinburgh is the primary driver for the Scottish economy. This site is the logical extension of the CBD Next to Haymarket station, Scotland's 4<sup>th</sup> busiest station, trams connection to the airport.

### **IMPACT**

Projected economic impact:

- Estimated Gross Development Value (GDV) of £202m
- Construction costs in excess of £138m
- 1,000 construction jobs are linked to the development
- 3,500 FTE jobs relating to the operational impacts of business space 1.7 acres of brownfield land brought into use
- Groundworks completed 300 jobs (26 training places and six apprenticeships)



In 2014 SPRUCE provided a c.£10m senior debt facility to Edinburgh Haymarket Developments Limited, an Interserve sponsored special purpose vehicle. The funding supported the delivery of the engineering works and land assimilation required to regenerate an underutilised site in west central Edinburgh.

### **Background**

The site is situated in close proximity to Edinburgh's Haymarket train station (one of Edinburgh's two main railway stations and recently the subject of a £25m refurbishment) and a tram interchange and is approximately half a mile to the southwest of Princes Street, close to Edinburgh's Financial Services District.

This project has strong regeneration credentials, including:

- Being located within one of the 13 most deprived local authority regions of Scotland, which were the key target areas for SPRUCE prior to the fund's first closing at the end of 2015;
- The regeneration of a brownfield, significantly underutilised site;
- Considerable job creation during construction and thereafter; and
- Support to a large, high profile project which has significant Scottish Government backing through SPRUCE.

Following previous transactions in 2012 and 2013, the project built on Amber and SPRUCE's existing profile as a key real estate lender in Scotland.

With the works successfully completed the facility has been repaid and is being utilised for recycling into other SPRUCE funded projects.

### **Additional facts**

- 1.7ha of Brownfield land treated
- £9.6m senior debt facility
- Urban development sector
- Status – substantially complete
- Project in Edinburgh, Scotland
- Private ownership
- Financial close in February 2014
- Medium term senior loan facility

## **Western Campus, Strathclyde Business Park**

In 2015 SPRUCE provided a c.£2m senior debt facility to part fund the creation of speculative industrial units at Western Campus, Strathclyde Business Park in North Lanarkshire.

### **Commercial space**

43,000 sq ft of Class 4, 5 and 6 flexible business and industrial floorspace  
Redevelopment of 1.42 acres of vacant land

### **Costs and SPRUCE funding**

Estimated development cost of £3.3m  
SPRUCE facility of £2m.  
SPRUCE funding repaid in full.

### **IPSUD**

Relatively high levels of deprivation in North Lanarkshire

Rationale is the lack of speculative development.

High levels of demand for SME industrial units in the North Lanarkshire area due to lack of commercial lending.

Undertaken by Fusion Assets. See <http://www.fusionassets.co.uk/> for more detail.

### **IMPACT**

Projected economic impact:

- Construction phase sustained approximately 126 jobs
- Operational impact at 130 FTE jobs (gross)
- 4 new training posts will also be created
- 97 car parking spaces
- Regeneration benefits due to redevelopment of vacant land



## **Background**

Strathclyde Business Park is Scotland's Premier Business Park, offering extensive business and lifestyle space and being home to over 240 companies employing approximately 6,300 people.

The project was a 50/50 private/public joint venture sponsored by CBC and Fusion Assets (part of North Lanarkshire Council). It consists of 44,000 sq ft of industrial units plus 97 car parking spaces and was built on 1.5 hectares of brownfield land. The key drivers for the sponsors were economic regeneration and delivering employment outcomes.

At the time of entering the transaction there were no pre-lets in place, with the co-sponsors working together through the construction phase and operational phase to secure tenants for the new space. The development was completed to shell and core and then fitted out to meet tenants' space requirements. The new units have let up well and continue to be marketed. Through the project an estimated 49 full time construction jobs were sustained, and numerous SMEs have now been supported.

The project has demonstrated the alignment of the SPRUCE fund and Scottish Government strategic regeneration objectives. The investment provides access to development finance for speculative property projects and hence addressing the market failure for this in the banking market.

### **Additional facts**

- 44,000sq ft industrial units
- 1.5ha of Brownfield land remediated
- Urban development sector
- Status – operational
- Project in North Lanarkshire, Scotland
- Public / Private joint venture ownership
- Financial close in December 2015
- Medium term senior debt facility

## **Dundyvan**

### **Industrial Estate, Coatbridge**

44,000 sq ft of industrial floorspace

### **Costs and SPRUCE funding**

Estimated total development cost of £2.9m

SPRUCE facility of £1.9m

SPRUCE funding repaid in full.

### **IPSUD**

Industrial heritage of North Lanarkshire means a legacy of large scale brownfield dereliction. Dundyvan is an example of ongoing change and development. North Lanarkshire suffers from above average unemployment and the construction sector was severely affected by the recession locally.

Lack of speculative development despite the high levels of demand for SME industrial units in the North Lanarkshire.

### **IMPACT**

Economic and regeneration impact:

- Construction jobs 12 FTE
- 117 FTE jobs - occupation and operation of the industrial space.
- Space for 16 SME businesses
- Regeneration of 1.24 hectares of brownfield land on the Vacant and Derelict Land Register
- Retention and capture of local independent and start-up companies in suitable accommodation (CBRE, June 2015).

### **Background**

In 2012 SPRUCE provided a c. £2m senior debt facility to Dundyvan LLP, a 50/50 private / public joint venture between CBC and Fusion Assets (part of North Lanarkshire Council), to be used for the speculative construction of c.44,000 sq ft of industrial units.

North Lanarkshire is one of Scotland's primary locations for industrial property for SMEs, and one of the 13 most deprived local authority areas of Scotland which were the key target geographies for SPRUCE up until the fund's first closing at the end of 2015.



The development was completed successfully to shell and core and has since been fitted out to meet tenants' space requirements. At the time of entering into the transaction there were no pre-lets with the co-sponsors working together through the construction phase and operational phase to secure tenants.

The project has demonstrated the alignment of the SPRUCE fund and Scottish Government strategic objectives with regard to government regeneration policy.

The project has delivered numerous benefits;

- the development and the remediation of a 1.24ha brownfield site which was identified on the Vacant and Derelict Land Register;
- new fit for purpose business space for up to 16 SMEs;
- an estimated 12 full time construction jobs being sustained;
- an estimated 117 full time jobs being created; and
- increasing access to development finance for speculative property projects and hence addressing the market failure evident in this lending market.

The project was the first of any of the projects funded with the assistance of the 2007/13 European Regional Development Fund to make a capital repayment, with the funds repaid having since been recycled into further projects.

### **Additional facts**

- 117 FTE jobs created
- 1.24ha land remediated
- Urban development sector
- Project in North Lanarkshire, Scotland
- Public / Private joint venture ownership
- Financial close in October 2012
- Medium term senior debt facility
- Undertaken by Fusion Assets. See <http://www.fusionassets.co.uk/> for more detail.

## **Cube**

### **Broomhill and Gorget District Heating Scheme**

Retro-fit low carbon energy scheme  
Two new energy centres, providing heating and hot water for 702 connected homes

### **Costs and SPRUCE funding**

Estimated total development cost of £10.8m  
SPRUCE facility £5m  
SPRUCE funding has been repaid in full.

### **IPSUD**

Aim of the project is to reduce fuel poverty for Cube's tenants.

An estimated 658,000 households were in fuel poverty in Scotland in 2010. The new district heating and CHP plant has been designed to deliver low carbon energy in a cost effective manner to help alleviate fuel poverty.

### **IMPACT**

The projected economic, social and environmental impacts are:

- Improved environmental performance - CO2 savings over the first full year of operations estimated at 2,008 tonnes at a cost of £2,491 per tonne.
- 40,000 tonnes of CO2 will be saved over 20 years
- 144 jobs created (one job for every £75,000 of capital expenditure)
- Help households in fuel poverty
- Improve the quality of housing stock so that it meet Scottish Housing Quality Standard, and improve environmental performance (through CO2 savings).

### **Background**

In 2015 SPRUCE provided a £5m senior debt facility to the Cube Housings Association (a wholly owned subsidiary of the Wheatley Housing Group) to be used for the part-financing of a distributed energy and building fabric improvement project for multi-story stock at Cube's Broomhill and Gorget Estates in Glasgow.



The aim of the project was to substitute the existing electric heating and domestic hot water systems within the residences with a wet (radiator) system centrally fuelled by biomass with gas back-up. Retrofit insulation also formed part of the project.

As such, the project focuses on both energy supply side carbon dioxide reductions as well as demand side energy conservation measures, and has helped to alleviate fuel poverty for the Cube tenants within the units. In addition Cube has benefited from the reduced on-going maintenance costs of a district heating scheme compared to its previous system.

Additional support for the project came from an Energy Company Obligation contribution from a major utility provider.

### **Additional Facts**

- 2,000 tonnes of CO2 saved annually
- £5m SPRUCE investment
- Sustainable energy sector
- Status – operational
- Located in Glasgow, Scotland
- Public sector ownership
- Financial close in December 2015
- Medium term senior debt facility

## **University of St Andrews**

### **Guardbridge Energy Centre**

Creation of Low Carbon Innovation Centre, linked to St Andrews University buildings, through regeneration of 36 acres of a former paper mill.

### **Costs and SPRUCE funding**

Total estimated cost £21m

SPRUCE facility of £11m

SPRUCE funding has been fully repaid

£10m grant from the Scottish Funding Council's (SFC) Carbon Reduction Programme.

### **IPSUD**

The University's Carbon Management Plan sets out a five year plan for the reduction of carbon emissions across the University's activities.

The University has set a strategic goal of becoming carbon neutral for its own energy consumption. Considerable loss of jobs in Fife post-recession, with jobs at the heart of the 'Guardbridge Guarantee'.

### **IMPACT**

Projected impacts are:

- Carbon and regeneration outcomes through the 'Guardbridge Guarantee'.
- A mix of impacts from capital spend, construction, remediation of buildings, CO2 savings and long-term community impacts through bringing in complementary investments.
- University of St Andrews will reduce carbon emissions by 29,000 tonnes per annum, or circa 200,000 tonnes over 20 years.
- Construction and supply chain - 225 FTE jobs
- Operational - 3 FTE jobs
- Regeneration of 3.6 acre derelict site and catalyst for the regeneration of a wider 36 acre site.

### **Background**

SPRUCE provided a c.£11 million senior debt facility to part finance the 40GWh Guardbridge Energy Centre project, being a biomass plant and heat distribution network developed by St. Andrews University at Guardbridge, Fife.

The project forms part of the University's green energy strategy aimed at achieving its objective of becoming the first carbon neutral higher education institution in the United

Kingdom. The project is now operational and is saving up to 10,000 tonnes of carbon dioxide per annum, as well as delivering significant cost savings to the University over its life compared to the "do nothing" scenario.



The remainder of the funding for the project was sourced from the Scottish Funding Council and the University's own resources. The project is providing a wide range of benefits, including:

- Facilitating the injection of £21m of capital investment into the local area.
- Supporting in excess of 225 Construction and supply chain-related jobs
- Providing a variety of full time equivalent operational positions to manage the operational phase of the project.
- The procurement of up to 17,000 tonnes per annum of locally sourced roundwood.
- Remediating part of a disused brownfield site for the energy centre and wood processing facility and acting as a catalyst for the regeneration of the wider site.

The project has provided community and wider socio-economic benefits to the local area through the "Guardbridge Guarantee", whereby the University and its contractors have provided apprenticeships, graduate employment and employment for the local community.

### **Additional Facts**

- Sustainable energy sector
- Status – operational
- Located in Fife, Scotland
- Public ownership
- Financial close in March 2015
- Medium term senior debt facility
- 225 construction jobs supported
- 40GWh of energy generated per annum

## **Clyde Gateway East**

### **Clyde Gateway East industrial site**

Creation of 27,000sq ft manufacturing and engineering unit. 3 industrial units available to let in the East end of Glasgow.

### **Costs and SPRUCE Funding**

Total estimated cost £2.93m

SPRUCE facility of £1m

Loan repaid in full.

### **IPSUD**

Whilst Glasgow's physical renewal has proceeded apace, and the number of jobs in the City has increased by almost 20% since 1996, not all parts of Glasgow have benefited. The Scottish Index of Multiple Deprivation (SIMD) 2016 indicates that, on measures relating to income, health and education, for example, 56% of the 100 most deprived areas in Scotland are within Glasgow. To put this in context the City of Edinburgh is next with 6%

### **IMPACT**

The impacts of the project are:

- 71 FTE operational jobs created
- Regeneration of 0.67ha of brownfield land
- Provides an businesses the opportunity to let out 1 of the 3 units for manufacturing or engineering
- 1,550m<sup>2</sup> of business land created.

### **Background**

The project has a strong alignment with SPRUCE's strategic objectives and also Scottish Government regeneration policy. The project is strongly backed by Scottish Government and Scottish Enterprise through the provision of grant funding as part of the capital structure.

In 2017 SPRUCE provided a c£1m senior debt facility to Clyde Gateway Developments Limited to fund the creation of a 27,000 sq ft manufacturing and engineering unit at the Clyde Gateway East industrial site in the east end of Glasgow.



The project is also supported by Glasgow City Council, one of the members of the borrower's parent charity company Clyde Gateway Urban Regeneration Company (URC). At the time of funding the project there were no pre-lets in place.

Clyde Gateway URC is one of five Scottish URCS established by the Scottish Government to deliver physical, economic and social regeneration in their specific geographical areas. It has three members, being Glasgow City Council, South Lanarkshire Council, and Scottish Enterprise, and is backed by funding and direct support from the Scottish Government.

The company has stated objectives of sustainable place transformation, increased economic activity, and development of community capacity.

Construction is now complete, with the units being marketed for tenants.

### **Additional Facts**

- 27,000sq ft of manufacturing space
- £1m senior debt facility
- Urban development sector
- Status – operational
- Located in Glasgow, Scotland
- Public ownership
- Financial close in January 2017
- Medium term senior debt facility



## **Fore Partnership**

### **Office Accommodation**

Involves demolishing existing buildings and then using the land to construct a new 93,300sq ft grade A office complex at Cadogan Street in Glasgow.

### **Costs and SPRUCE Funding**

Total estimated cost £38.8m  
SPRUCE facility of £7.5m  
SPRUCE funding repaid in full.

### **IPSUD**

Glasgow has relatively high levels of deprivation. Much of it is economic driven with relatively high levels of unemployment. There is a lack of speculative development due to funding constraints.

### **IMPACT**

The impacts of the project are:

- First net zero office building in Glasgow
- 8,670m<sup>2</sup> business space created of which has been award BREEAM excellent
- Supports 9 different enterprises
- Generates 734 FTE operational jobs as well as creating jobs throughout the supply chain.
- Replaced two levels of underground car parks with cycling infrastructure.



Cadworks™ is one of the most sustainable buildings in Scotland. It has been designed with the health and wellbeing of the occupier front of mind, but we are equally passionate about improving the wellbeing of the wider community.

### **Background**

The building was purchased as a prime development site in the CBD of this large, regional market. The in-place planning permission was significantly amended, most notably to incorporate our Responsible Real Estate vision into the existing design, producing a high-quality sustainable office space. Two levels of underground car parking were replaced with a single level of cycling infrastructure, including Scotland's first cycle-in ramp. The building uses cement replacement concrete, recycled steel and glass, and Airlite paint that eats up greenhouse gasses. Fossil fuels were removed from the plans, creating an all-electric building.

The resulting Grade A, 10-storey office building sits as the first Net Zero office in Glasgow, and one of Scotland's most sustainable.

Cadworks has received many accolades, and is certified BREEAM Excellent, Well-ready Gold, and EPC A. It has also been rated Wired Score Platinum, and holds a number of "firsts" for its best-in-class digital infrastructure.

### **Additional Facts**

- 95,000sq ft in stature
- Architect was Cooper Cromar
- Urban development sector
- Located in Glasgow, Scotland
- Acquisition year was 2016
- Awarded BREEAM excellent
- Awarded FT Urban Ingenuity award.

## **Dalmore**

### **Dalmore House**

Refurbishment of Dalmore House (previously vacant 26-year-old 70,000 ft<sup>2</sup> landmark office building) in the centre of Glasgow. Refurbishment aims to bring the building to a grade A standard with the view to letting out the office space upon completion.

### **Costs and SPRUCE Funding**

Total estimated cost £24.58m  
SPRUCE facility of £7.7m  
SPRUCE funding has been fully repaid.

### **IPSUD**

Glasgow has relatively high levels of deprivation. Much of it is economic driven with relatively high levels of unemployment. There is a lack of speculative development due to funding constraints

### **IMPACT**

The impacts of the project are:

- 6,228m<sup>2</sup> business space created
- Supports 10 enterprises (of which this includes 3 enterprises operating within key sectors)
- Supports 1 start up
- Generates 519 FTE operational jobs



In 2017 SPRUCE provide a c£8m senior debt facility to Tarn Crag Limited, a subsidiary of commercial property market investor Praxis (Holdings) Limited, to refurbish Dalmore House, a vacant office building in central Glasgow.

### **Background**

Dalmore is a c26 year old c70,000 ft<sup>2</sup> landmark building at 310 St Vincent Street. The building is 0.5 miles to the west of the city centre, and is close to the M8 motorway and Charing Cross and Anderston railway stations. The property is arranged over basement, ground and nine upper floors with 56 surface parking spaces. Tarn Crag comprehensively refurbished the building to a modern Grade "A" EPC "B" standard, with a view to letting and selling the building. At the time of entering into the funding there were no pre-lets in place.

The Dalmore Project has a strong alignment with SPRUCE's strategic objectives and Scottish Government regeneration policy. The facility is being drawn against an agreed construction profile, with monies released following SPRUCE Monitoring Surveyor certification.

SPRUCE funding for the transaction originated from additional capital injected into the fund by the Scottish Government in the form of 2016/17 Financial Transactions Capital. This ring-fenced additional funding tranche was received into SPRUCE following the successful progress of the fund to date.

### **Additional Facts**

- 70,000sq ft of grade A office space
- £8m senior debt facility
- Urban development sector
- Located in Glasgow, Scotland
- Financial close in March 2017
- Medium term senior debt facility.

## **Greenside**

### **Blenheim House**

A brand new building constructed within a 30 year old shell. Having stripped the building back to its shell, unique office space has been created that celebrates the raw building fabric.

### **Costs and SPRUCE Funding**

Total estimated cost £11m

SPRUCE facility of £8.9m

Loan has been repaid.



### **IPSUD**

Edinburgh is the capital city of Scotland and has one of the strongest economies of any city in the United Kingdom outside London. It also has the highest percentage of professionals in the UK with 43% of the population holding a degree-level or professional qualification. According to the Centre for International Competitiveness, it is the most competitive large city in the United Kingdom. It also has the highest gross value added per employee of any city in the UK outside London, measuring £57,594 in 2010.

There is an ineffective supply of quality grade A accommodation coming onto the Edinburgh office market to ensure that the current healthy level of occupational demand can be met. There remains effective market failure in the provision of debt for speculative business space projects.

### **IMPACT**

The impacts of the project are:

- 3,400m<sup>2</sup> business space created
- Supports 4 enterprises (of which this includes 1 enterprise operating within a key sector)
- Supports 1 start up
- Generates 283 FTE operational jobs
- Greenside delivers a modern working environment with open-plan, economically and environmentally sustainable office space ideal for contemporary office use
- Construction phase will create jobs.

In 2017 SPRUCE provided a c£9m senior debt facility to CSG Blenheim House Limited, a special purpose vehicle sponsored by Chris Stewart Group. CSG Blenheim House was set up to acquire, expand and refurbish a c37,000 sq ft Grade A office with 18 basement and external car parking spaces located in east central Edinburgh.

### **Background**

The project has a strong alignment with SPRUCE's strategic objectives and also Scottish Government regeneration policy. At the time of entering into the funding arrangements there were no pre-lets in place and no other commercial debt propositions for the developer to access. As such SPRUCE was the only lender to the project. Works to shell and core are to take eight months, with a fit out period of up to 16 months anticipated and to be undertaken in accordance with tenant demand.

SPRUCE funding for the transaction originated from additional capital injected into the fund by the Scottish Government in the form of 2016/17 Financial Transactions Capital. This ring-fenced additional funding tranche was received into SPRUCE following the successful progress of the fund to date.

### **Additional Facts**

- 37,000sq ft of grade A office space
- £9m senior debt facility
- Urban development sector
- Status – operational
- Private ownership
- Located in Edinburgh, Scotland
- Financial close in February 2017
- Medium term senior debt facility.

## **Cerium House**

### **Office Accommodation**

Formerly known as the Cerium Building, this part-refurbishment, part-new build project, aptly located on the corner of Waterloo Street and Douglas Street, now offers 85,400 sq ft of offices and wellness facilities over seven floors.

### **Costs and SPRUCE Funding**

Total estimated cost £26.6m  
SPRUCE facility of £12.5m including funds provided by the Building Scotland Fund.

### **IPSUD**

Whilst Glasgow's physical renewal has proceeded apace, and the number of jobs in the City has increased by almost 20% since 1996, not all parts of Glasgow have benefited. The Scottish Index of Multiple Deprivation (SIMD) 2016 indicates that, on measures relating to income, health and education, for example, 56% of the 100 most deprived areas in Scotland are within Glasgow. To put this in context the City of Edinburgh is next with 6%.

### **IMPACT**

The impacts of the project are:

- 85,400sq ft of offices and wellness facilities across seven floors
- 10,000 ft extension to increase the footprint of the building
- Supports 7 enterprises
- Generates 689 FTE operational jobs
- 7,962m<sup>2</sup> modified/additional business space as a result of the project
- Construction phase will create jobs and indeed other aspects of renovation will support the supply chain.

### **Background**

Previously known as Cerium House, 55 Douglas Street is situated within the International Financial Services District (IFSD). The Scottish Partnership for Regeneration in Urban Centres (SPRUCE) Fund is committing £12 million from The Building Scotland Fund towards the refurbishment, which includes a 10,000 sq ft extension, providing larger more regular floor plates, and a complete transformation of the front exterior with new double height entrance.



Formerly known as the Cerium House, this part-refurbishment, part-new build project, aptly located on the corner of Waterloo Street and Douglas Street, now offers 85,400 sq ft of offices and wellness facilities over seven floors.

Glasgow is renowned for its spectacular Victorian and art nouveau architecture, built on the legacy of its prosperous history of maritime trade and shipbuilding. Today, the city centre is benefiting from a government strategy to address a shortage of premium office accommodation.

The renovation of 55 Douglas Street was supported by £12m of funding from the Scottish Partnership for Regeneration in Urban Centres (SPRUCE) as part of the Building Scotland Fund.

The scope of this project was extensive with the entire internal area being renovated and expanded to create large, versatile, virtually column-free floorplates ranging from 6,000 to 16,000 sq ft. The original façade was largely adopted but the front exterior was completely transformed with a double height entrance and a 10,000 ft extension to increase the footprint of the building.

### **Additional Facts**

- 85,400sq ft of offices and wellness facilities across seven floors
- Urban development sector
- Located in Glasgow, Scotland

## **Chancery Gate**

### **Livingston Industrial Estate**

Consists of 9 units constructed for the purposes of trade counter and industrial accommodation and is located 15 mile west of Edinburgh and 33 miles east of Glasgow.

### **Costs and SPRUCE Funding**

Total estimated cost £4.2m

SPRUCE facility of £2.2m

SPRUCE funding has been fully repaid.

Also used funds provided by the Building Scotland Fund.

### **IPSUD**

Livingston is one of the principal warehouse distribution locations in the east of Scotland, benefitting from good access to the M8 and M9 motorways and lying a short distance west of Edinburgh city centre.

Industrial stock in Livingston varies significantly in terms of age, size and quality, with a number of estates constructed in the 1970s and 1980s requiring capital expenditure to extend their economic life and the supply of newer more modern industrial development space is limited.

Various national and international companies having a significant presence in the area.

### **IMPACT**

The impacts of the project are:

- Development of 9 units totalling 83,550sq ft
- Supports 8 enterprises
- Generates 77 FTE operational jobs
- 3,643m<sup>2</sup> modified/additional business space as a result of the project
- Construction phase sustained jobs and other aspects of the renovation will support the supply chain
- 2 EV charging points per unit
- Close proximity to other big retailers so a significant economic impact as it will be highly attractive for other potential retailers to let.



SPRUCE provided a £2.2m loan for the development of new industrial and trade counter accommodation at a site at the Houston Industrial Estate in Livingston, West Lothian. This investment was support using funds provided by the Building Scotland Fund.

### **Background**

Livingston Trade Park has been part-funded by the Scottish Partnership for Regeneration in Urban Centres (SPRUCE.)

The units were designed to offer occupiers full flexibility to fit out as best suits their business needs. The units can be combined to meet occupiers specific requirements with generous eaves heights, parking and yard space.

The site is located within the established Houston Industrial Estate an area with other occupiers such as Screwfix, Hire Station, Toolstation and Tile Giant.

The prominent site is adjacent to J3 of the M8 motorway (0.5 miles), approximately 15 miles west of Edinburgh and 33 miles to the east of Glasgow. Uphall Railway Station is just 1.2 miles from the scheme.

The development consists of 9 units totalling 83,550 sq ft. All units were sold to Northwood and CVS group PLC after Practical Completion.

### **Additional Facts**

- 83,550sq ft across 9 units
- Urban development sector
- Located in West Lothian, Scotland
- Has a development value of £5m
- Units 1, 2 & 3 can be combined as standalone unit

## **McLellan Works**

### **McLellan Galleries, Creative hub**

Refurbishment of Breckenridge House on Sauchiehall Street, Glasgow. It is a creative hub in the heart of the city.

### **Costs and SPRUCE Funding**

Total estimated cost £9.2m

SPRUCE facility of £5.25m

SPRUCE funding has been repaid.

Also used funds provided by the Building Scotland Fund.

### **IPSUD**

Glasgow has relatively high levels of deprivation. Much of it is economic driven with relatively high levels of unemployment. There is a lack of speculative development due to funding constraints

### **IMPACT**

The impacts of the project are:

- 52 FTE operational jobs
- 1,858m<sup>2</sup> modified/additional business space as a result of the project
- Supports sustainability goals as there is onsite bike storage as well as the fact the hub is close to public transport lines
- Procure 100% renewable energy directly from wind and solar farms through the Good Energy supplier
- Purchased refurbished furniture package from the C2 Concepts and Rype Office for common spaces instead of purchasing new furniture again helping support sustainability.



Glasgow's most exciting and creative new workspace. An iconic block, reimagined for today in a transformative location at the heart of the city centre, McLellan Works supports a vibrant and innovative entrepreneurial culture that goes beyond work.

### **Background**

McLellan Works is a Place for Change Makers providing contemporary workspace built around a community of like-minded people.

- Striking Contemporary Workspace Within Historic Gallery Building
- Sympathetically Refurbished Invoking McLellan Gallery's Rich History
- Mixture of Sleek Studios and Full Floor Workspaces
- Enhanced Historical Façade with Striking New Entrance Way
- Cool Coworking and Informal Meeting Spaces
- Pitched in a Thriving Part of Town

McLellan Works has been designed for Change Makers. Disrupters who do it differently. from growing start-ups to established businesses. McLellan works can offer you sleek studios for up to 22 people, or larger dedicated workspaces covering 5,249 Sq. Ft. Network over coffee in our social co-workspace. Our commitment to sustainability is unmatched: all of our furniture is recycled. Get to work in no time with our McLellan community bikes, supplied by Cycle of Good.

### **Additional Facts**

- Urban development sector
- Located in Glasgow, Scotland

## **South Gyle**

### **Office Accommodation**

80,000sq ft net zero office complex in the heart of Edinburgh Park. This office complex offers a range of benefits to the local community as well as being integrated apart of the 3,000,000sq ft business community. The offices are also very well connected with tram lines being directly adjacent to the complex.

### **Costs and SPRUCE Funding**

Total estimated cost £27.2m

SPRUCE facility of £14.5m

Funds provided by the Building Scotland Fund

The rest is funded via its pre-existing capital resources.

### **IPSUD**

West Edinburgh is the second most dominant office location in Edinburgh and Scotland's fourth largest office market. Significant investment in infrastructure in West Edinburgh in the last 5-10 years mean the area is now serviced by: the tram; three rail stations; and many bus routes. The area also benefits from direct access to the main motorway network. Lack of available sites for development in Edinburgh city centre (especially for larger floorplates) highlight the need to promote an additional area of the city for office development.

### **IMPACT**

The impacts of the project are:

- 8,125m<sup>2</sup> modified/additional business space as a result of the project which has been awarded with BREEAM excellent
  - Net zero carbon office building
  - Focuses on the wellness of whomever occupies the premises with many features including a café, cycle storage, changing amenities and shared collaboration areas
  - Mixed-used development includes many features beneficial to the wider community for instance art and sculpture, shared amenities including the likes of all weather sports facilities.
  - Very well connected due to the location it is situated in
- Jobs created during the construction phase in addition to benefiting the supply chain as a whole.



Spruce funds will provide a £14.5m loan to support the creation of c80,000 sq ft new Grade A office space at Edinburgh Park, Edinburgh. Total development costs are estimated at £25m. SPRUCE utilised £5.25m of funding provided through the Building Scotland Fund with the remainder coming from its existing capital resources.

### **Background**

1 New Park Square is a Net Zero Carbon office building by award winning architects AMHH. It is designed to meet the highest levels of sustainability and focuses on the wellness of occupiers with amenities including a café, gastro bar, cycle storage and changing amenities, and extensive shared collaboration areas.

In addition, efficient floor plates have high levels of natural light and deliver 100% fresh air through energy efficient displacement ventilation air conditioning, with operable windows.

With high quality finishes focused on sustainable timber, polished concrete and terrazzo, and a generous double height reception area, 1 New Park Square makes a strong corporate statement and appeal to ambitious talent.

The wider mixed-use development includes 1,650 homes, with a focus on outstanding landscaping, art and sculpture, shared amenities including all weather sports

## APPENDIX 1 – SPRUCE CASE STUDIES

facilities, and value add management improving the lives of its occupiers.

1 New Park Square is in an exceptionally well-connected location.

Part of a business community of over 3.0 million sqft of offices occupied by a wide array of companies, it is immediately adjacent to Edinburgh Park Central tram stop which connects with two mainline railway stations, giving rapid access to Edinburgh Airport, the city centre, and across Scotland.

Immediately adjacent to the M8 motorway, which accesses the wider motorway network, the building is well served by buses which connect with destinations across Edinburgh and beyond.

For the health minded, the park is also on the city's bike network, and offers a great environment for those wanting to walk or run to or whilst at work. With a pipeline of amenities being developed on the park, it is also adjacent to The Gyle Shopping Centre and Hermiston Gait Retail Park.

### **Additional Facts**

- Urban development sector
- Located in Edinburgh, Scotland
- 80,000sq ft grade A office space



## **Argyle Street**

### **Office Accommodation**

274,000 sq. ft. of modern Grade A office accommodation within a key site at the entrance way to the International Financial Services District of Glasgow. This is one of the key investment locations within the city. The site is currently semi derelict. 71-75 Robertson Street which is part of the site is on the Buildings at Risk Register due to ongoing vacancy and lack of maintenance.

### **Costs and SPRUCE Funding**

Total estimated cost £95.3m  
SPRUCE facility of £6m  
Loan repaid.

### **IPSUD**

Glasgow has relatively high levels of deprivation. Much of it is economic driven with relatively high levels of unemployment. There is a lack of speculative development due to funding constraints

### **IMPACT**

The impacts of the project are:

- 0.3ha of brownfield land regenerated
- Has the capacity to hold 3,000 workers.
- Major financial services firm will yield economic boost – not only from the perspective of greater business for JP Morgan Chase but also for local businesses for instance there is restaurant facilities close by which will see more sales with workers at lunchtime
- Will create more jobs (maybe up to 3,000)
- During construction jobs will also be created
- 270,000sq ft office building developed.



The SPRUCE funds will provide £6m be used for demolition and enabling works required to unlock the Glasgow City Centre development site with planning consent for a proposed 275,000 sq. ft. development. The scale of the overall development project is significant with costs estimated at £109m.

### **Background**

A new 270,000sq ft office building is being developed by Osbourne & co for financial services firm JP Morgan Chase in Glasgow city centre. The 13-storey building will be located on Argyle Street in the heart of Glasgow's international financial services district and is scheduled to open in 2022.

Existing vacant buildings have been demolished to allow the construction of Grade A office with space for 3,000 workers. Ancillary ground floor retail and restaurant facilities along with additional access works will provide further amenities and an enhanced streetscape.

The new building will be one of the first constructed under Planning Policy CDP 5 (Resource Efficiency) of the Glasgow City Development Plan, which sets energy efficiency standards. In line with JP Morgan Chase's commitment to renewable energy, the standards, the building will also target BREEAM, 'Excellent'.

### **Additional Facts**

- Urban development sector
- Located in Glasgow, Scotland
- 270,000sq ft grade A office space
- Capacity to hold 3,000 workers
- Opening in 2022.

## **Bankhead**

### **Capital Park**

Development of 20 industrial units, in Edinburgh, ranging from 3,400sq ft to 25,000sq ft and will be available for leasehold and freehold.

### **Costs and SPRUCE Funding**

Total estimated cost £18.7m  
SPRUCE facility of £12m

### **IPSUD**

Supply of industrial land in Edinburgh is limited and stock has continued to diminish in recent years with various estates being redeveloped for higher value alternative uses such as residential and student accommodation.

### **IMPACT**

The impacts of the project are:

- 14,864m<sup>2</sup> of business space created
- During construction jobs will also be created
- Delivery of 165,000 sq ft of industrial and warehousing space across 20 units
- Will have the potential to create operational jobs when units are occupied by businesses.



A joint venture (JV) between industrial developer Chancerygate and property fund Bridges Fund Management has exchanged contracts to acquire a 7.5-acre site in Sighthill and is creating a 'best-in-class' urban logistics project.

### **Background**

The JV are redeveloping the site to deliver 165,000 sq ft of industrial and warehousing space across 20 units ranging from 3,400 sq ft to 25,000 sq ft. Units will be available freehold or leasehold.

Neighbouring occupiers to the proposed development include Evans Halshaw, Tool Station, Edinburgh College, Edinburgh Napier University and Burton Biscuit Company. Chancerygate is the UK's largest multi-unit industrial developer with 22 sites ranging from Livingston to Bournemouth. This is subject to planning.

Capital Park will be Chancerygate's second development in Scotland after Livingston Trade Park which is located on the Houston Industrial Estate and comprises eight leasehold units totalling 40,000 sq ft.

## **6 Atlantic Quay**

### **Office Accommodation**

Refurbishment of the 78,459sq ft Grade A 7 storey office space in the heart of Glasgow. Built in 2003 and upon regeneration the desirable outcome is to let it out to a leading name in the financial services sector.

### **Costs and SPRUCE Funding**

Total estimated cost £28m  
SPRUCE facility of £9.6m

### **IPSUD**

Glasgow has relatively high levels of deprivation. Much of it is economic driven with relatively high levels of unemployment. There is a lack of speculative development due to funding constraints.

### **IMPACT**

The impacts of the project are:

- 6,503m<sup>2</sup> of business space created
- Easy to commute to as there is public transport links all around which helps achieve a more sustainable mode of transport for employees
- Will create more jobs due to occupiers of the office space, which in turn helps economically to businesses local to the area (emphasis on this point as the occupier will likely be a larger firm)
- 78,459sq ft office building regenerated.



### **Background**

A signature refurbishment project in the heart of Glasgow's International Financial Services District (IFSD), 6 Atlantic Quay (6AQ) will offer 78,459 sq ft of prime office space when it is complete in the summer of 2021. This major urban regeneration scheme is revitalising the vacant multi-storey property that was originally built in 2003.

The premium CAT A office accommodation, over seven floors has been developed to attract blue-chip clients, facilitating single or multi occupancy, in the highly desirable IFSD, home to leading names in finance and technology such as Barclays, JP Morgan and B

Brommielaw has seen a large amount of activity with the Government Hub choosing it as their preferred location. Number 1 & 3 Atlantic Quay have also seen activity with the two building set to be fully let for the start of 2018. With limited other available options for large scale occupiers 6 Atlantic Quay can provide a fully vacant property.