



WATERSIDE
SHOPPING CENTRE
LINCOLN

DOMINANT, PRIME, SHOPPING CENTRE
INVESTMENT OPPORTUNITY

green&partners



INVESTMENT SUMMARY

- **Lincoln is a historic and popular cathedral city** and the county's strategic commercial and administrative centre, located 55 miles (86km) south-east of Sheffield and 40 miles (64km) north-east of Nottingham.
- **A populous affluent city with over 103,900 residents** and an estimated consumer base of 376,000. The population is **projected to grow above the UK average** between 2021/2026. The city benefits from **a strong tourist economy** and a significant student presence.
- Lincoln continues to attract **significant strategic inward investment** with both the City Council and Lincoln Co-Op contributing greatly to the regeneration and improvement of the City Centre commercial core and retail offer.
- The Waterside Centre is the **dominant covered retail scheme** in Lincoln's prime retailing pitch with the High Street entrance directly opposite Primark and very near M&S.
- Key anchor tenants include **Next and H&M** with a variety of strong national multiples present including **New Look, Superdrug, Trespass/Nevisport, Savers, Office, Vision Express, The Body Shop, Goldsmiths, Skechers, Three, O2, Stormfront** and **Claire's**.
- A fully enclosed **freehold** scheme comprising circa **131,287sqft (12,197m²)** of retail accommodation arranged over two trading floors.
- Core city centre **site area of 1.8 Acres (0.72 Hectares)**.
- Current gross income (including turnover rents) of **£1,658,240 pax**.
- **WAULT 3.64 years** to lease expiry.
- **Affordable annual, 'global' rents and sensible rental tone.**
- A number of **asset management opportunities** subject to vacant possession/planning/re-configuration.

We are instructed to seek offers in excess of **£10,500,000 (Ten Million, Five Hundred Thousand Pounds Only)** subject to contract and exclusive of VAT.

This reflects a **net initial yield of circa 11%** allowing for usual purchaser's costs. The capital value psf is **circa £80**.



LINCOLN

The historic and popular cathedral city of Lincoln is the largest urban centre in the largely rural county of Lincolnshire and is its strategic commercial and administrative hub. The city serves a wide catchment containing numerous small market towns, making Lincoln a focal point for retailing, commerce, and tourism in the region. The city is located circa 55 miles (86km) south-east of Sheffield, approximately 40 miles (64km) north-east of Nottingham and some 48 miles (77km) north of Peterborough. London is situated circa 155 miles (249km) to the south.

BY CAR

The city benefits from excellent road links. The A57 affords access to Sheffield to the west and the A15 connects the city to Peterborough to the south and Scunthorpe to the north. Leicester and Nottingham to the south-west can be reached via the A46. The M1 lies circa 42 miles (68 km) to the west with the M180, some 22 miles (35 km) north. These routes provide quick and easy access south towards London, and the north towards Leeds and beyond onto Newcastle.

BY PLANE

Doncaster Sheffield Airport and East Midlands Airport are located approximately 34 miles (54km) to the north and 50 miles (80km) south-west of Lincoln respectively. The larger of the two, East Midlands Airport, provides a hub for 17 different airlines servicing over 4.2 million passengers, moving over 300,000 tonnes of freight per year and visiting more than 90 destinations worldwide.

BY TRAIN

Lincoln Central rail station in the core of the city centre is located only 0.25 miles (0.4 km) from the Waterside Centre. A major terminus, Lincoln Central is served by both the East Midlands, LNER and Northern rail networks with direct services to London (Kings Cross) in circa 115 minutes, Doncaster in 62 minutes, Sheffield in 85 minutes and Peterborough in 75 minutes.

BY BUS

There is an extensive range of regular bus routes serving Lincoln City centre with the main bus stops in close proximity to the Waterside Centre. Services link the city centre to the neighbouring towns of Grantham, Sleaford, Branston, Market Rasen, Gainsborough and surrounding villages.





DEMOGRAPHICS & LOCAL ECONOMY

Lincoln is the largest and most populous city in Lincolnshire with circa 103,900 residents (2021 Census), an increase of 11.1% from 2011. Its' primary retail market area of circa 233,000 people is above the Sub Regional Resilient Town average (PROMIS) ranking the city 66th/200 of the PROMIS centres. PMA estimates Lincoln's consumer base to be 376,000 persons, again above the average for Sub-Regional Resilient Towns. The city's affluence is in line with the PMA and Retail PROMIS average, with circa 52% of people categorised within the most affluent ABC1 Social Groups. Home and car ownership ratios are similarly in line to the national average.

Lincoln and the wider county benefits from a strong tourist economy and the Heritage city's catchment is annually boosted by the influx of visitors drawn to the numerous historic city attractions including Lincoln's Cathedral, Castle and Bishops Palace. Pre-Covid, over 4.26 million people visited the city in 2018 with visitor and tourism expenditure generating an estimated £216m and supporting over 2,500 full time leisure related jobs. The city's economy also benefits from the presence of both Lincoln University and Bishop Grosseteste University attracting between them over 18,700 students in 2020/21 and contributing an estimated £300m to the local economy (PROMIS).

As Lincoln is the 'county town', major public sector employers are headquartered in the city including both County and City councils as well as the United Lincolnshire Hospitals NHS Trust and Police Authority. Private sector service and manufacturing companies represented in the city and environs include Siemens (employing more than 1,500 people and investing over £100 million into the area since 2010), Walkers Snack Foods (PepsiCo has recently invested £24.5m into its Walkers crisp factory in the city in order to upgrade its facilities, meet growing demand and secure the future of the site), The Lindum Group and Gelder Group.



**CIRCA
103,900**
RESIDENTS
(2021 CENSUS)



**CITY RANKING
66TH**
OUT OF 200
PROMIS CENTRES



**CIRCA
52%**
WITHIN ABC1
SOCIAL GROUPS



**APPROX
4.26M**
VISITORS
TO THE CITY



**ATTRACTING
18,700**
STUDENTS
(2020/2021)





LINCOLN CASTLE

BISHOPS PALACE

LINCOLN COLLEGE

PREMIER INN

LINCOLN CATHEDRAL

THE COLLECTION

BROADGATE CAR PARK

USHER GALLERY

CENTRAL MARKET

HIGH STREET

CITY SQUARE CENTRE

HOF

SILVER ST

SALTERGATE

PRIMARK

WILKO

M&S

CORNHILL QUARTER

ST BENEDICTS SQUARE

LLOYDS

HIGH STREET

RIVER ISLAND

BOOTS

CORNHILL

STRATEGIC INWARD INVESTMENT

Lincoln has and continues to benefit from a series of positive initiatives attracting strategic inward investment from both the public and private sectors.

THE CORNHILL QUARTER REGENERATION

The Cornhill Quarter is the most significant refurbishment and new-build retail and leisure development in Lincoln's city centre in the last decade. The award-winning overall regeneration project costing circa £70m has provided in excess of 150,000 sq ft of mixed use commercial floorspace, a £1.5m urban realm enhancement and a £30m investment in the city's infrastructure. New retailers attracted to the development include Superdry, WH Smith, Whistles, Hobbs, HMV, Mountain Warehouse, Flying Tiger, Joules, Jojo Maman Bebe, White Stuff, Lakeland, Seasalt, Phase Eight and Specsavers. This new development has greatly contributed to the improvement in Lincoln's retail offer and contributed to increased town centre footfall which also benefits Waterside and the prime High Street.

As part of the continued regeneration of The Cornhill Quarter North, Lincolnshire Co-op are bringing forward proposals for the next phase of its development. Planning applications have been submitted for the addition of both residential and hotel accommodation at the site. McCarthy Stone has submitted a full planning application and are proposing a flagship development at the 0.47hectare City Square Centre site on the corner of Sincil Street and Waterside South, combining 70 x1 bed and 45 x2 bed retirement flats with associated retail and parking facilities. Adjacent on Melville Street, Lincolnshire Co-op have submitted an outline planning application to develop a 0.34 hectare site for a hotel with 150 bedrooms, supporting and enhancing the city's role as a key destination for tourism.



THE TOWNS FUND GRANT

In March 2020 Lincoln received a grant of £19m from The Ministry of Housing Communities and Local Government (The Towns Fund) to deliver thirteen key capital and regeneration projects. These included:

Central Market Redevelopment Scheme

This project will restore and repurpose the Grade II listed Central Market Building adjacent to Cornhill Quarter, City Square and opposite the river footbridge to the Waterside Shopping Centre. Works are scheduled to be completed by Q4, 2023 and will comprise:

- A new restaurant unit on the ground and first floor with its own dedicated entrance onto Sincil Street
- A new refurbished market hall including new perimeter and central island stalls
- A new 'fresh produce' area to the eastern end of the market hall with a new mezzanine area above providing flexible retail and business start-up workspace
- New public realm works across City Square including new paving, lighting, seating and greenery.

Cornhill Phase Two Works

Comprehensive upgrading of the existing paving and street furniture and associated drainage works comparable in quality to the recently refurbished Cornhill Pavement immediately to the east and improve connectivity between the Transport Hub, Sincil Street, regenerated Cornhill Quarter, and the High Street.

Hospitality, Events and Tourism (HEAT) Institute

In partnership with Lincoln College the City Council are proposing the development of the UK's first Hospitality, Events and Tourism (HEAT) College with the creation of new training facilities and enabling outdated facilities to be refreshed and re-imagined.

Barbican Production & Maker Hub

Alongside Historic England's Heritage Action Zone's grant investment, development of the former Barbican Hotel has been further supported by funding from the Government's Town Deal Fund and a partnership between the University of Lincoln and Lincolnshire Co-op which will see the building reopen in 2023 as a creative hub (community-focused space for exhibitions and events, a café and creative workspaces) for the city.

SWANPOOL DEVELOPMENT SITE (WESTERN GROWTH CORRIDOR)

A significant joint project between Lindum Western Growth Community Ltd and City of Lincoln Council received outline planning consent in early 2022 to develop a 240-hectare site, approximately 2.5 miles to the west of Lincoln City centre, stretching from the A46 Bypass in the east to Tritton Road in the west and from Skellingthorpe Road to the south of the railway and Fosdyke in the north.

The £500m project will ultimately create 3,200 new homes as well as a new Lincoln City Football Stadium, a primary school, hotel, bars restaurants, commercial premises and a regional sports and leisure complex. It is anticipated that 4,000 jobs could be created giving the local economy a multi-million pound boost. Full planning permission has been given for two access points to the site from Skellingthorpe Road and development is planned in phases with an initial build of 300 homes planned for the Birchwood Avenue area of the site.

This scheme, whilst not competing directly with Lincoln city centre, will ultimately increase the city's catchment and retail spend and attract more residents to the immediate area.





LINCOLN'S RETAIL OFFER

Lincoln benefits from being the dominant retail destination for a large geographical area with the nearest regional competition being Nottingham, over 39 miles (63km) distant. City centre floorspace is estimated at approximately 1.51m sq ft, ranking the city 33/200 of the PROMIS centres. Lincoln has a linear central shopping area, focussed on the High Street, which extends northwards from the A15 as far as Steep Hill, which links the city centre with the cathedral and castle quarter.

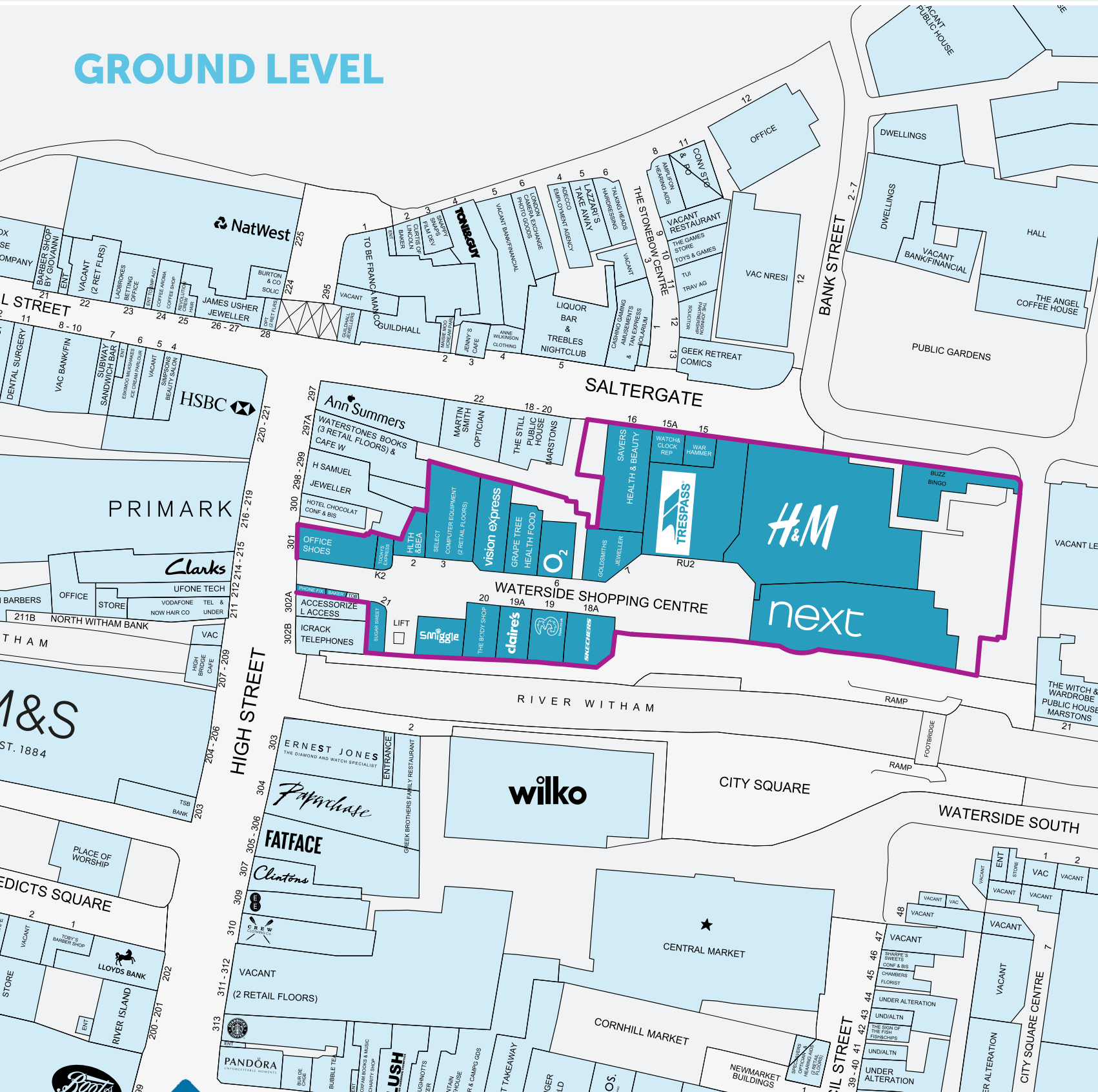
Due to the natural footfall barriers of St Mary's Street and the Guildhall, the city has a particularly compact prime retailing pitch, regarded as the section of the pedestrianised High Street extending between Saltergate and Cornhill where the Waterside Shopping Centre is located.

Key occupiers in this prime pitch just outside the scheme include: **M&S, Primark, Boots, Clarks, Fat Face, H Samuel, Waterstones, HSBC & River Island**

LOWER GROUND



GROUND LEVEL



SITUATION

The Waterside Shopping Centre is situated in a 100% prime High Street position within Lincoln's main city centre, retail core.

The prominent and substantial site is bounded by the High Street to the west, Saltergate to the north, and City Square to the south. Lincoln's new Cornhill Quarter, the fully refurbished Central Market and Wilko is also located immediately to the south.

The main entrance to the Centre is from the High Street with the secondary riverside entrance on Waterside's lower level. There are multiple car parking opportunities within the city centre in close proximity to Waterside in Melville Street, Steep Hill and St Rumbolds Street.

DESCRIPTION

The Waterside Centre, built in 1992, is an enclosed, managed, retail mall fronting the prime High Street with an three additional external facing units on Saltergate.






Servicing is undertaken from the rear of the scheme via a separate private service road accessed off Saltergate/St Swithins Square via Broadgate (A1434).

In addition, there is an integrated Buzz Bingo Hall (Gala Leisure) at the eastern end of the site above H&M and Next which has been let on a long lease albeit with Landlord redevelopment break options (more information on request).

TENANCIES

The Waterside Centre is anchored by both **H&M** and **Next**, with other notable national multiple tenants including, **New Look**, **Superdrug**, **Trespass/Nevisport**, **Savers**, **Office**, **Vision Express**, **The Body Shop**, **Goldsmiths**, **Skechers**, **Three**, **O2**, **Stormfront** and **Claire's**.

KEY TENANTS

	20,973 sq ft
	14,567 sq ft
	13,913 sq ft
	10,319 sqft
	5,034 sq ft





TENURE

Freehold.

ACCOMMODATION

131,287 sqft (12,197m²) as set out in the Schedule of Tenancies & Accommodation.

A fully enclosed freehold scheme comprising **131,287 sqft (12,197m²)** of retail accommodation arranged over two trading floors



SITE AREA

Circa 1.8 acres. (0.72 Hectares).

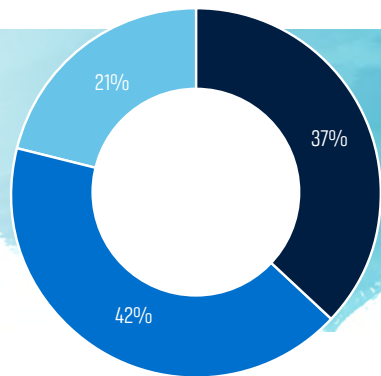


INCOME ANALYSIS

Waterside has a WAULT to lease expiry of 3.64 years and to tenant break options of 2.75 years.

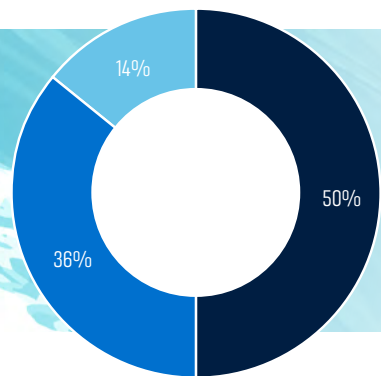
Current Gross Contracted Income PAX (Excluding Turnover Top Ups)	£1,330,940
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Current Landlord Annual Shortfalls (Inclusive of. S/C Caps)	£430,790.25
Landlord Marketing Contribution	£15,065
Net Income (Including Turnover Top Ups)	£1,227,450.38

**INCOME PROFILE
(EXPIRY)**



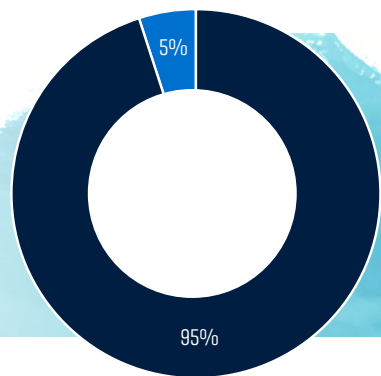
■ 0-2 years ■ 2-5 years ■ 5 years plus

**INCOME PROFILE
(BREAKS)**



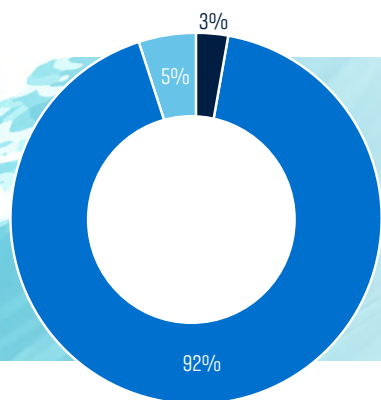
■ 0-2 years ■ 2-5 years ■ 5 years plus

**INCOME PROFILE
BY COVENANT**



■ National ■ Local

**INCOME BY
USE TYPE**



■ Mal/Utilities ■ Retail ■ F&B / Leisure

TURNOVER RENTS

In the latest year, the centre produced £327,300.63 of income via turnover top up provisions. Main contributors include H&M and New Look.

LANDLORD SHORTFALLS

Landlord shortfalls currently total £430,790.25 as per the attached Schedule of Tenancies & Accommodation which includes service charge caps (excludes H&M calculation).



Current gross income
(including turnover rents)
of **£1,658,240.63 pax**

SERVICE CHARGE

The current service charge budget for the period 01/07/2022 to 30/06/2023 is £1,100,819 This equates to circa £8.20 psf overall based on a service charge area of 134,235 sq ft. Workman are the current managing agents.

COMMERCIALISATION

2020	£12,214
2021	£19,637
2022	£14,926

The last three years average is £15,592. Space & People are responsible for the commercialisation account.

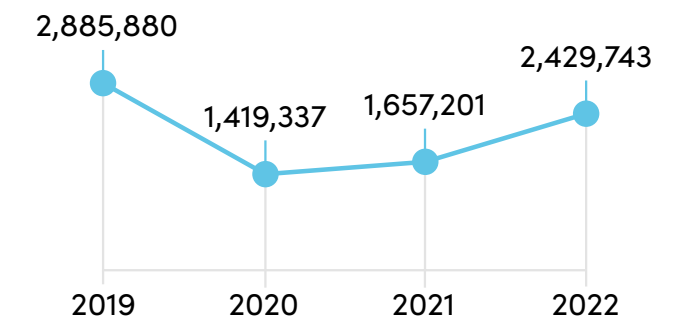
FOOTFALL

Footfall at Waterside has greatly recovered since the covid lockdown and is currently only 15% shy of the 2019 figures. For 2022 the annual footfall for centre was 2,429,743 which is a 46% improvement on 2021.

PLANNING

The property does not lie within Conservation Area and is not listed.

WATERSIDE FOOTFALL SUMMARY



ASSET MANAGEMENT OPPORTUNITIES

- Working in partnership part with Lincolnshire Council and Lincolnshire Co-Op to regenerate the core city centre further and deliver the Lincoln city centre vision for the next generation.
- Undertake a pro-active asset management strategy to negotiate imminent and future lease renewals to secure and improve the schemes income profile and longevity.
- Seek to improve general tenant mix and add more of a convenience offer.
- Increase the food and leisure offer and seek to improve the 'night-time economy. Consider the re-purposing of the lower floors for leisure/catering use utilising the attractive riverside frontage.
- Look to acquire the Buzz short leasehold interest to gain full control of the freehold, increase the NOI and improve the scheme WAULT. This short leasehold already has landlord redevelopment breaks the next being October 2026 and 5 yearly thereafter.
- Focus on continuing reducing the landlord shortfalls and improve commercialisation income.



EPC's

Energy Performance Certificates (EPC's) are available within the marketing data room.

VAT

The property is registered for VAT, and it is proposed that the sale will be treated as a Transfer of a Going Concern (TOGC).

DATA ROOM

Additional information on the asset including leases and EPCs are available in the Waterside Centre data room. Details for access are available upon request.

PROPOSAL

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This reflects a **net initial yield of circa 11%** allowing for usual purchaser's costs. The capital value psf is circa **£80**.



MISREPRESENTATION ACT 1967. The agents for themselves and for the vendors or lessors of the property whose agents they are give notice that: (i) these particulars are given without responsibility of The agents or the vendors or lessors as a general outline only for the guidance of prospective purchasers or tenants, and do not constitute the whole or any part of an offer or contract; (ii) The agents cannot guarantee the accuracy of any descriptions, dimensions, references to condition, necessary permissions for use and occupation and other details contained herein and any prospective purchaser or tenant should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the accuracy of each of them; (iii) no employee of The agents (and their joint agents where applicable) has any authority to make or give any representation or warranty or enter into any contract whatsoever in relation to the property; (iv) VAT may be payable on purchase price and/ or rent, all figures are quoted exclusive of VAT, intending purchasers or lessees must satisfy themselves as to the applicable VAT position, if necessary by taking appropriate professional advice; (v) except in respect of death or personal injury caused by the negligence of The agents, its employees or servants, The agents will not be liable, whether in negligence or otherwise howsoever, for any loss arising from the use of these particulars save to the extent that any statement made in these particulars has been made fraudulently. January 2023. Designed and produced by Creativeworld Tel: 01282 858200

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