

1-8 MARKET STREET & 34-36 CATTLEMARKET

LOUGHBOROUGH

LE11 3EP



green&partners

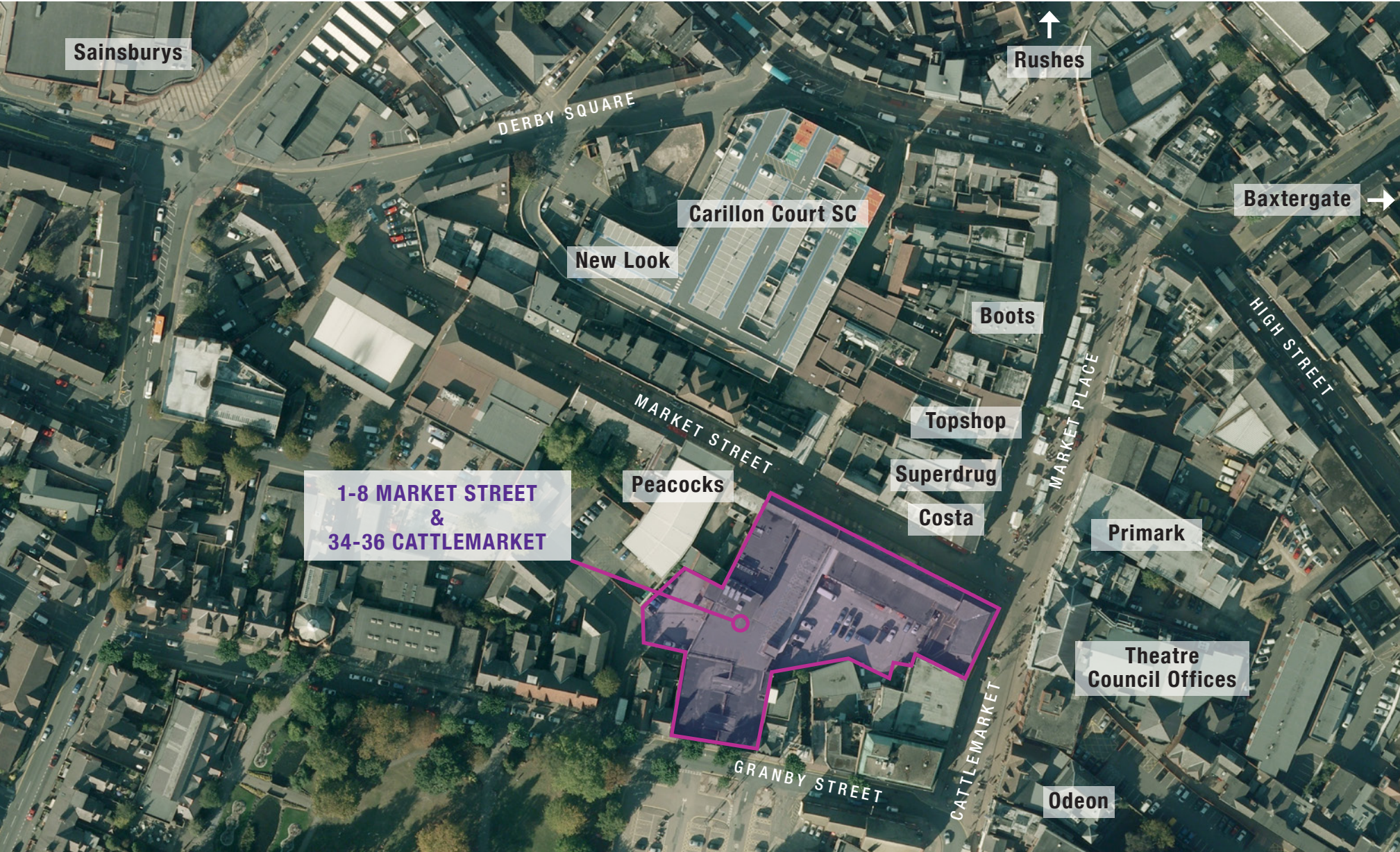
High Yielding, Well Secured,
Freehold, Retail Investment

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INVESTMENT SUMMARY

- An **established retail** offer in a prime position within the **busy and popular market town** of Loughborough with an estimated primary catchment of **144,000**.
- A well secured parade of 9 adjoining retail units let to a variety of national occupiers including **Vodafone, Specsavers, Greggs, CEX, Brighthouse, Clinton Cards, Paddy Power** and **99p Stores (Poundland)**.
- The ownership also includes a **second floor hairdressing salon**, a busy **85 space, multi-storey car park** and a **substantial service yard** area which could have future redevelopment potential.
- A low Zone A rental base.
- **Freehold**.
- Weighted Average Unexpired Lease Term (**WAULT**) of **5.35 years to expiry**.
- **The April 2017 rates revaluation will greatly reduce the current rates payable** materially lowering the tenants occupational costs.
- Total net income of **£624,503 pax**.
- Offers of **£6,900,000** subject to contract & exclusive of VAT reflecting a **net initial yield** of **8.5%** allowing for purchaser's costs of 6.66%.





NOTE: For indicative purposes only.

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LOCATION

Loughborough is a popular and vibrant Leicestershire market town with a rich industrial and cultural heritage and home to the internationally renowned University Campus. The town is located approximately 12 miles (19km) north of Leicester, 18 miles (29km) south of Nottingham, 41miles (66km) north-east of Birmingham and some 113 miles (182km) north of London.



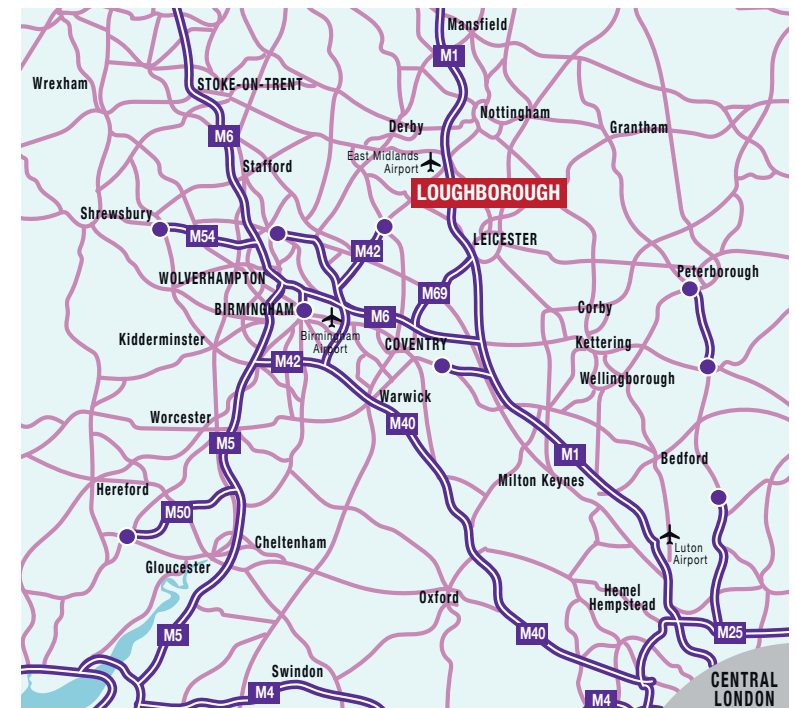
The town benefits from excellent transportation links. By road, Loughborough is highly accessible, located on the A512 (Ashby Road) which connects with the M1 motorway (J23) some 3.3 miles (5.3km) to the west of the town centre and the A6 (Leicester/Loughborough Road) which links to Leicester city centre 11.7 miles (18.8km) to the south.



By rail, Loughborough Station serves the town and is located circa 0.8 miles (1.3km) north-east of the town centre on Station Boulevard. Loughborough is located on the 'Midland Main Line' which provides frequent services to Sheffield (53mins), Nottingham (16mins), Leicester (10mins) and ultimately London St Pancras with an average journey time of approximately 90 minutes.



East Midlands Airport is situated some 9 miles (15km) to the north-west via the M1/A453. London Luton Airport, the 5th busiest airport in the UK in 2015 by passenger numbers lies 85.2 miles (137km) south-east and is accessible via direct train in a shortest travel time of 70 minutes.





circa
17,672
full time students
in the town



LOUGHBOROUGH

Education

Loughborough is synonymous with its internationally renowned university. Since receiving its Royal Charter in 1966, Loughborough University has held an established reputation for excellence in teaching and research, has strong links with industry and an unrivalled sporting achievement (named University of the Year for Sport for the second time by The Times and Sunday Times Good University Guide 2017). Loughborough is the largest single-site campus in the UK (440 acres of land) and currently accommodates circa 3,787 staff and 17,672 full time students which makes a significant contribution to the social and economic wellbeing of the town.

Tourism

The value of tourism to Leicestershire's economy was 1.7 billion in 2015 (1.591 billion in 2014) with over 32.81 million visits in the county. Loughborough is the home of the John Taylor Bell Foundry, the largest bell maker in the world, as well as the Great Central Railway which is the only double track privately run heritage steam railway in the UK.



£1.76 billion
value of
tourism to
Leicestershire's
local economy



CATCHMENT & DEMOGRAPHICS

Loughborough has a resident population of approximately 60,000 persons and a Borough population (Charnwood) approaching 166,100 (2011 Census). The town is projected to see significantly above average population growth up to 2021. There is a primary catchment population of 144,000 and the town benefits from a strong university student population estimated at circa 17,672 young adults.

The town is largely affluent and has a significantly above average proportion of adults categorised within the most affluent AB social group and an under representation in the least affluent D&E social groups. Both house and car ownership is above the national average. In June 2016 the local claimant count was 0.5% of the population aged 16-64, compared to the national claimant count of 1.3%.



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RETAILING IN LOUGHBOROUGH

Loughborough has a shopping population in the order of **78,000** and is forecast to see significantly above average percentage growth in the available pool of comparison spending up until 2021. Per capita retail spending levels are comparable to the current PROMIS average (CACI).

Retailing within Loughborough is focussed on Market Place, Market Street, Carillon Court Shopping Centre and The Rushes with an estimated **770,000 sq.ft.** of retail floor space.

The **pedestrianised Market Place** is regarded as the prime retail offer within Loughborough where the **Subject Property has a prominent corner position**. National retailers located in the immediate environs include **Top Shop, Boots, Primark, Waterstones, Superdrug, Costa** and **Clarks**. To complement the existing retail offer and a large footfall generator are the regular outdoor retail markets held in Market Place on Thursdays and Saturdays each week. The Rushes also offers a range of national retailers including **Tesco, M&S, TK Maxx, Sports Direct, Argos** and **Next**. To the north of prime pitch Churchgate Mews provides a more diverse retail offer attracting an abundance of independent shops, jewellers, 'designer' fashion and speciality gift retailers.

Loughborough has benefited from the new leisure complex developed by Citigrove on the site of the former Loughborough General Hospital in Baxter Gate, which includes an 8 screen **Cineworld**. National restaurant multiples trading include **Starbucks, Pizza Express, Bella Italia** and **Nando's**.



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DESCRIPTION

The Subject Property comprises 10 retail units arranged over ground, first and second floors as well as a multi-storey car park accessed via Granby Street. The property prominently fronts onto Market Place, Market Street and Cattlemarket which links into the prime retailing pitch on Market Place. The multi-storey car park to the rear arranged over three levels provides approximately 85 car parking spaces.

ACCOMMODATION

The property provides a total approximate net internal floor area of **3,540 sq.m. (38,105 sq.ft.)** as set out in the Schedule of Tenancies.



HIGH YIELDING, WELL SECURED, FREEHOLD, RETAIL INVESTMENT

Address	Tenant	Lease Start	Lease Expiry	Rent PAX	Next RR	1954 L&T	Breaks	Description	Sq.Ft.	M ²	SC%	Service Charge (To 31/12/2016) Sch 1	SC%	Service Charge (To 31/12/2016) Sch 2	Rates @ UBR £0.497	BID Levy @ 0.015 until 01/02/2017	Insurance	Landlord Shortfall	Notes	
6-7 Market Street	Specsavers Optical Superstores Ltd t/a Specsavers	29-Sep-11	28-Sep-21	£75,000	29-Sep-16 (Outstanding RR)	IN	n/a	ITZA	1,252	n/a	17.85%	£3,708.64	8.51%	£413.40	£33,051	£998	£328.05			
								GF Sales	1,776	165										
								FF Ancillary	1,664	155										
5 Market Street	Greggs Plc t/a Greggs	21-May-03	20-May-18	£37,500		IN	n/a	ITZA	536	n/a	4.41%	£917.22	2.11%	£102.24	£15,159	£458	£103.18	£192.58	Service charge cap at £826.88	
								GF Sales	794	74										
4 Market Street	C.E.X. Franchising t/a Complete Entertainment Exchange	20-Sep-11	19-Sep-21	£41,000	20-Sep-16 (Outstanding RR)	IN	n/a	ITZA	633	n/a	11.69%	£2,428.86	5.58%	£270.74	£18,265	£551	£231.52		Underlet to Gurbaksh Kang.	
								GF Sales	760	71										
								FF Sales	709	66										
								FF Ancillary	817	76										
2-3 Market Street	Caversham Trading Ltd t/a Brighthouse	07-Mar-13	06-Mar-23	£70,000	07-Mar-18	IN	07-Mar-18	ITZA	1,226	n/a	20.42%	£4,243.97	9.74%	£473.07	£31,063	£938	£359.32		The tenant may terminate the lease on or after 07/03/18 but no later than and including the 07/03/19 subject to 6 months prior notice.	
								GF Sales	1,669	155										
								FF Ancillary	2,109	196										
1 Market Street	Vodafone Ltd t/a Vodafone	29-Sep-14	28-Sep-19	£62,500		IN	n/a	ITZA	914	n/a	12.93%	£2,686.86	6.17%	£299.50	£26,093	£788	£249.26		Assignment from Phones 4 U Ltd.	
								GF Sales	1,153	107										
								FF Ancillary	976	91										
7a Market Street (SF Salon)	4/7 Market St Ltd t/a Keith Hall Hairdressers	22-Jan-09	21-Jan-19	£6,555		IN	n/a	SF (Salon)	2,784	259	14.65%	£3,044.88	6.99%	£339.41	£2,009	£62	£207.57			
36 Cattlemarket	AG Retail Cards Ltd t/a Clinton Cards	29-Sep-13	28-Sep-18	£34,000		IN	n/a	ITZA	549	n/a	6.64%	£1,379.80	3.17%	£153.81	£14,662	£443	£129.08		Lease assigned to AG Retail following Strand administration.	
								GF Sales	796	74										
								FF Ancillary	417	39										
35 Cattlemarket	Envisiplan Ltd t/a The Phone Clinic	Lease Start TBC	Lease Expiry TBC	£12,400		OUT	1 month rolling break after the first 3 months	ITZA	516	n/a	6.82%	£1,415.04	3.25%	£157.73	£15,034	£454	£122.81	£1,695.58	Quoting £30,000 pax.	
								GF Sales	809	75										
								FF Ancillary	445	41										
34 Cattlemarket	Power Leisure Bookmakers t/a Paddy Power	14-Feb-14	13-Feb-29	£38,000	14-Feb-19	IN	13-Feb-24	ITZA	547	n/a	4.59%	£954.72	2.19%	£106.42	£12,052	£364	£104.65			
								GF Sales	756	70										
								GF Ancillary	98	9										
8 Market Street	99p Stores t/a Poundland	01-Oct-12	30-Sep-22	£215,000	01-Oct-17	IN	n/a	GF Sales (GIA)	12,807	1,190		£0.00	52.29%	£2,538.68	£44,730	£1,350	£1,894.37		Subject to schedule of condition. The unit has been rebranded 'Poundland' although the Poundland covenant is not on the lease.	
								FF Ancillary (GIA)	5,822	541										
								SF Ancillary (GIA)	944	88										
Granby Street/Packe Street	Euro Car Parks Ltd	12-Aug-13	11-Aug-23	£34,437		OUT	12-Aug-18					n/a		£35,536	£1,073			Net Income share, 80/20 split in favour of landlord.		
	Total			£626,392.00				TOTAL AREA	38,105		100%	£20,780	100%	£4,855.00						
	Net Income (Less shortfalls)			£624,503.84				AWULT - L/E	5.35		£25,635						£3,730	£1,888.16		
								AWULT - TBO	4.21											

NOTE: Car park income is estimated as the average figure of 2014 (£31,479) and 2015 (£27,395 plus a one off insurance premium payment of £10,000)

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TENANT COVENANT

Tenant	Fin. Year End	Turnover	Profit (Loss)	Net Worth	D&B Rating
Power Leisure Bookmakers Ltd t/a Paddy Power	31-Dec-14	£935,735,297	-£3,351,132	£48,668,501	N1
AG Retail Cards Ltd t/a Clintons	31-Jan-15	£207,424,000	-£26,027,000	-£9,466,000	N2
Vodafone Ltd t/a Vodafone t/a Vodafone	31-Mar-16	£6,183,500,000	-£636,800,000	£3,506,200,000	5A1
C.E.X. Franchising Ltd t/a Complete Entertainment Exchange	30-Jun-15	£135,787,157	£833,137	£142,390	C2
Greggs Plc t/a Greggs	02-Jan-16	£835,749,000	£73,028,000	£262,097,000	5A1
Specsavers Optical Superstores Ltd t/a Specsavers	28-Feb-15	£433,826,000	£20,398,000	£54,568,000	5A1
99p Stores Ltd t/a Poundland	31-Jan-15	£361,282,000	-£11,033,000	£423,000	A3
4/7 Market Street Ltd t/a KH Hair	28-Feb-15	n/a	£12,421 (Net Current Assets)	£17,951	G2

APRIL 2017 RATES REVALUATION

The April 2017 rates revaluation will greatly reduce the current rates payable materially lowering the tenants occupational costs. More information available on request.

TENURE

FREEHOLD.

CURRENT INCOME PAX

The total gross contracted income is **£626,392 pax** with a net income of **£624,503.84 pax** after landlord shortfalls.

PROPERTY MANAGEMENT & SERVICE CHARGE

The property is currently managed by Workman. The service charge for the subject property is operated under two schedules with the tenants having apportioned percentage contributions based on gross lettable floor area demised.

The current service charge year runs from 1st January to 31st December 2016 and the present service charge budget amounts to £25,635 per annum (exc. of VAT) which devalues to approximately £0.67 per sq.ft. (£7.21 per sq.m.).

There is a current irrecoverable landlord service charge shortfall of £1,888.16.

ENERGY PERFORMANCE CERTIFICATES

Energy Performance Certificates (EPC's) are available on request.

CAR PARKING

The subject property benefits from a 85 space public car park controlled by Euro Car Parks. The car park tariff is as follows:

Up to 1 hour	£0.50	Up to 4 hours	£2.50
Up to 2 hours	£1.50	Up to 5 hours	£3.00
Up to 3 hours	£2.00	Over 5 hours	£3.50

Also in close proximity is Carillon Court which has the benefit of a further 340 space multi-storey car park arranged over 3 levels and Granby Street car park opposite (140 spaces).

VAT

The property has been elected for VAT and any disposal will be by way of a Transfer of a Going Concern (TOGC).



PROPOSAL

We have been instructed to seek offers of **£6,900,000 (Six Million, Nine Hundred Thousand Pounds)**, subject to contract and exclusive of VAT for the freehold interest reflecting a **net initial yield of 8.5%** allowing for purchaser's costs of 6.66%.

FURTHER DETAILS

For further details, access to the data room or to arrange an inspection, please contact:

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