

33 NEW CANAL SALISBURY



green&partners

PRIME, PROMINENT RETAIL
INVESTMENT OPPORTUNITY

INVESTMENT SUMMARY

- ◆ Salisbury is a major retailing destination in Wiltshire benefiting from an affluent catchment population.
- ◆ A primary catchment population of circa 256,000 and an estimated shopping population of 142,000.
- ◆ The city benefits from a **thriving tourist industry**.
- ◆ An established and busy commercial centre with a flourishing retail offer encompassing an extensive array of mass market and specialist retailers including **M&S, H&M, New Look, Topshop, TK Maxx, Debenhams**.
- ◆ **An attractive prominent retail unit** occupying a corner site on a 100% prime pitch at the main entrance to Old George Yard.
- ◆ Occupiers in the immediate vicinity include **Joules, White Stuff, Boots, Pret a Manger, Pandora** and **Topshop**.
- ◆ The property is let to Russell & Bromley Ltd expiring February 2024 (TBO in February 2019).
- ◆ Current passing rent of **£75,000 pax**.
- ◆ Offers in excess of **£1,100,000 (One Million, One Hundred Thousand Pounds)**, subject to contract and exclusive of VAT for the freehold interest reflecting a **net initial yield of 6.4%** allowing for graduated purchasers costs of 5.9% at this level.



SALISBURY

Salisbury is a major retailing destination within Wiltshire.

LOCATION

ROAD

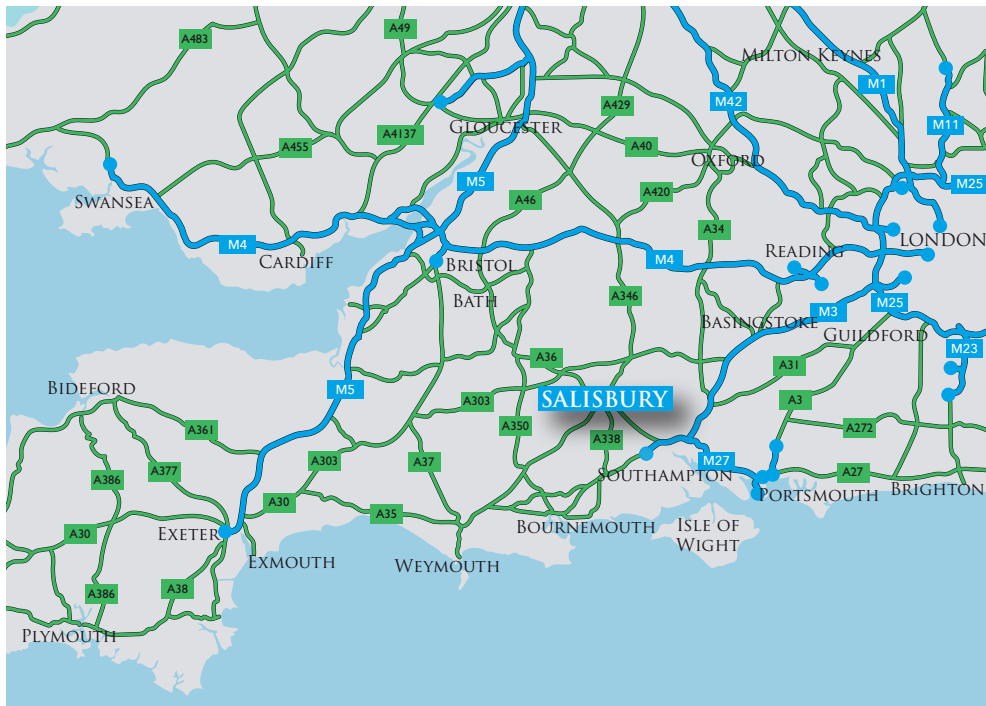
The town benefits from excellent road communications. The A36 links the city to Southampton which is 23 miles away (37km) while the M27 (M3) provides access further south to Portsmouth (42 miles, 67km) and Bath to the north (40 miles, 64km). Meanwhile, the A338 links Salisbury to Bournemouth and Swindon.

RAIL

Regular rail services are in operation providing access to London Waterloo in approximately 90 minutes, while direct services are also available to Bristol, Bath and Southampton.

AIR

Salisbury has excellent connections to a number of major airports within a short drive. London Heathrow Airport (LHR) and London Gatwick Airport (LGW) are within a 90 minute and 2 hour drive time respectively.



CATCHMENT & DEMOGRAPHICS

The city has a primary catchment population of 256,000 and an estimated shopping population of 142,000 persons. The catchment is one of the most affluent of PROMIS centres with an above average proportion of working age adults within the most affluent AB socio-economic group.

The resident population is boosted significantly by tourism, particularly by day trips to the city's medieval sites including Stonehenge, located approximately 8 miles (12.8km) away where an estimated 1.4m people visited in 2014.

RETAILING IN SALISBURY

The city has an estimated retail floor space of 920,000 sq ft and has three managed shopping centres. The city's main shopping centre is the Old George Mall which boasts approximately 165,000 sq ft of floor space and a 550 space car park. It is anchored by **M&S**, **H&M**, **New Look** and **Topshop** accessed via entrances onto the prime shopping streets of New Canal, where the subject property is located, and High Street.

There are two other managed shopping centres, The Cross Keys Centre (**TK Maxx anchored**) and The Maltings Centre, where the current owners are planning to undertake a 250,000 sq ft, £75m mixed use development in conjunction with Stanhope and Wiltshire Council. Debenhams provides the city's main department store which is located on Blue Boar Row and forms one of the roads surrounding the market place.

New Canal boasts a number of aspirational fashion retailers such as **Jigsaw**, **Joules**, **Russell & Bromley (Subject Property)**, **M&S**, **White Stuff**, **L'Occitane**, **Mistral** and **Laura Ashley**.



THE PROPERTY

The subject property occupies a 100% prime pitch at the main entrance to the Old George Mall on New Canal.

DESCRIPTION

The premises sits in a prime, prominent position of New Canal at the entrance of Old George Mall. Occupied by Russell & Bromley, the tenant trade ground floor as sales and first floor as ancillary. At ground floor level the unit benefits from a glazed return frontage into the shopping centre. The adjoining retail unit, 35-37 New Canal (not within the ownership) is also occupied by Russell & Bromley. They trade ground and part first floor as sales with a small ancillary section at second floor level. The tenant occupies this space on a lease which is co-terminus with the subject property. The tenants repairing obligations are fully repairing and insuring; importantly, they are responsible to reinstate the internal wall on expiry or termination of their current lease.



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ACCOMMODATION

ADDRESS	FLOOR		AREA (SQ FT)	AREA (SQ M)
33 New Canal	Russell & Bromley Ltd t/a Russell & Bromley	ITZA	671	n/a
		Ground Floor Sales	1,090	101.2
		First Floor Ancillary	787	71.2
		TOTAL	1,857	172.4

TENURE

Freehold.

TENANCY

The property is entirely let to **Russell & Bromley Ltd** (512958) on fully repairing and insuring lease terms for 15 years from 16th February 2009 expiring 15th February 2024 (6.7 years unexpired). The tenant has an option to determine the lease in the 10th year, 16th February 2019 when there is also an upwards only rent review.

The current passing rent is **£75,000 per annum**.

TENANT COVENANT

RUSSELL & BROMLEY LTD (512958)

The retailer has a D&B rating of 5A1 based off a tangible net worth of £76,737,125 and a minimum risk of business failure. For the financial year ending 31st December 2015 the limited company reported a sales turnover of £114,686,984, profit before tax of £20,761,714 and net current assets of £76,737,125. Russell & Bromley Ltd have a strong covenant and financial background. Highlighted in the table below is Russell & Bromley's financial summary for the past three years.

	YEAR ENDING 31 ST DEC 2015	YEAR ENDING 31 ST DEC 2014	YEAR ENDING 31 ST DEC 2013
Sales Turnover	£114,686,984	£120,558,421	£117,568,732
Profit Before Taxes	£20,761,714	£25,091,329	£21,955,814
Tangible Net Worth	£76,737,125	£70,115,948	£64,611,212
Net Current Assets	£41,910,168	£38,900,081	£36,660,030



INVESTMENT COMPARABLES

DATE	TOWN	STREET	TENANTS	UNEXPIRED TERM	LOT SIZE	INITIAL YIELD
Jun-17	Sutton	High Street	Poundland	5 years	£2,200,000	5.50%
May-17	Reading	Broad Street	Monsoon	1.5 years	£2,650,000	5.30%
May-17	Ashford	High Street	Boots	10 years	£2,850,000	6.60%
May-17	Norwich	Haymarket	Accessorize	TBC	£1,104,000	5.90%
Mar-17	Chelmsford	High Street	Moss Bros	4 years	£1,900,000	5.85%
Dec-16	Cirencester	Cricklade Street	New Look	3.5 years	£1,310,000	4.80%

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 in excess of **£1,100,000 (One Million, One Hundred Thousand Pounds)**, Subject to Contract & Exclusive of VAT, which reflects a **net initial yield of 6.4%** allowing for graduated purchasers costs of 5.9% at this level.



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FURTHER DETAILS

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