

187 WESTERN ROAD
BRIGHTON
BN1 2BA

Prime, Well Secured,
Freehold, Retail
Investment



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PRIME, WELL SECURED, FREEHOLD, RETAIL INVESTMENT

INVESTMENT SUMMARY

- Brighton is one of the **largest and most popular retail & commercial centres** in the South East with an **affluent primary catchment population** of **511,000** swelled by **8.5 million** tourist visits each year contributing an estimated **£780m** to the local economy.
- Brighton is **ranked 7th** in **VENUESCORE'S UK Top Shopping Venues (2015/16)** ahead of Edinburgh and Cardiff.
- A **prominent, prime corner position** on the northern side of Western Road adjacent to **New Look** and **H&M** and close to **M&S, Gap, Primark** and **The Churchill Square Shopping Centre**.
- A substantial three story property comprising circa **750.3 m² (8,077 sq.ft)** of retail accommodation & incorporating 2 self-contained flats and a vacant second floor warehouse capable for conversion (subject to planning).
- Well secured to **Select (Genus UK Ltd)** for an unexpired term of circa **12.25 years**.
- **The lease** is an **'old lease'** and as such benefits from privity of contract therefore **Esprit GB Ltd (4A 1)** and **New Look Retailers Ltd (5A 1)** and are still liable for the current tenant's obligations.
- Total current rent of **£250,000 pax**.
- **Freehold**.
- Offers are sought in excess of **£4,265,000** reflecting a **net initial yield of 5.5%**, reflecting graduated purchasers costs of 6.57%.



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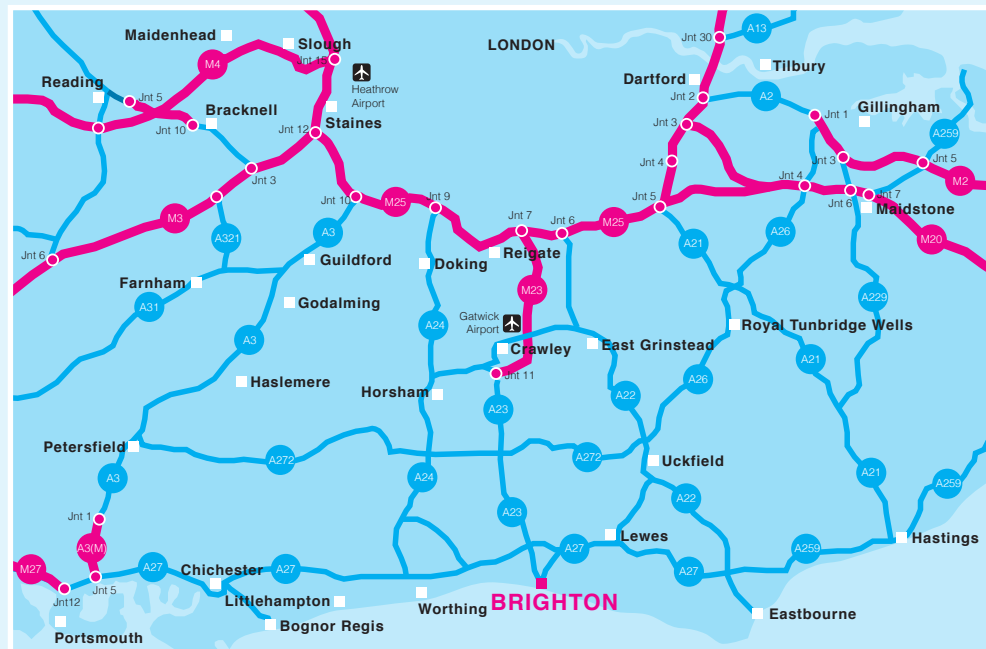
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LOCATION

Brighton is a major commercial centre strategically located circa 56 miles (90km) south of London, 25 miles (40km) west of Eastbourne and 62 miles (100km) east of Southampton. The City benefits from excellent road communications, the A23 joins the M23 after 18 miles (29km) and the M25 after a further 12 miles (19km) at Junction 7. The A2 dual carriageway is located on the northern fringe of the city linking to Portsmouth and Southampton to the west and Eastbourne to the east.

The city has excellent rail links with regular trains to London Bridge and London Victoria with journey times of just under an hour. Brighton is also served by a direct link from the Eurostar Service at St Pancras and is easily accessible from the major ports of Dover, Portsmouth, Southampton and the local port of Newhaven.

London Gatwick, the second busiest airport in the UK, is located some 22 miles (35km) to the north and is accessible both by car (via the A23 and M23) and by rail (with a fastest journey time of 24 minutes).



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DEMOGRAPHICS

Brighton's catchment area encompasses the built up areas of Brighton, Hove and Shoreham-by-Sea extending to Haywards Heath to the north and Worthing and Newhaven to the west and east respectively.

Brighton has a **total population** of circa **511,000** within its primary catchment area and an **estimated shopping population** of **329,000** people. The catchment has a high proportion of young adults (aged 22-44) and a significantly above average proportion of working age adults categorised within the most affluent AB social group as well as an over-representation of social group C1. In contrast, the

least affluent D and E social groups are particularly under-represented. The city has some of the **highest population density levels in South-East** and a substantial student population of 34,678; 14% of which live in the city centre which is circa twice the national average.

Reflecting the demographic profile per capita retail spending levels are well above average as is total in store retail expenditure which equated to £1,402 million in comparison to the PROMIS average of £924 million (2015). Spending is boosted by leisure and **tourism expenditure**. In 2012 this amounted to **£780 million** with an estimated **14,600 jobs** tourism related.



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RETAILING IN BRIGHTON

City centre retail floor space is estimated at **1.58 million sq.ft** which is concentrated in Western Road, Churchill Square shopping centre and North Street. This area is the focal point of major national multiples such as **M&S, Topshop, H&M, Primark, New Look, Debenhams, Boots** and **Zara**. In addition there are a large number of 'lifestyle' retailers including **Ted Baker, Hollister, MAC, Coast, Cath Kidston, Hobbs, L'Occitane** and **The White Company**. In this respect Brighton has seen an increase in retailers at the higher end of the fashion spectrum. **Brighton ranks 9th** on the basis of its **PMA Retail score** and **6th** on the **Fashion Score**.

To the east of prime pitch is The Lanes providing a more diverse retail offer. Comprising narrow, pedestrianised streets the area has attracted an abundance of independent antique shops, jewellers, 'designer' fashion and speciality gift retailers.

Brighton's retail offer will be further enhanced if **John Lewis Partnership's** long term plans to re-develop and occupy the existing Boots store in North Street to create a potential **130,000 sq.ft department store** comes to fruition. The site was acquired in March 2015, although the redevelopment works will likely not begin until after the Boots lease expiry in 2021.



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SITUATION

The property occupies a prominent, corner site within the prime retailing section of Western Road diagonally opposite **Churchill Square** (the West Mall) and adjacent to **New Look**, **Cotswold** and **H&M**. National retailers nearby include **M&S**, **Gap**, **Primark**, **Topshop** and **Currys/PC World**.

THE PROPERTY

The property is arranged over ground, mezzanine, first and second floor. The tenant retails the ground and mezzanine floor with the first floor ancillary accommodation. Two self-contained flats are included within the tenant demise and consist of a 4 bed flat at first and a newly refurbished 3 bed flat on the second floor.

There is a sub-let warehouse on the second floor which is currently unused. The sub-tenant currently pays £750 per annum with the sub-lease expiring 24th December 2026.

ACCOMMODATION

Floor	Area (m ²)	Area (sq.ft.)
Ground (Retail)	193.7	2,085
Mezzanine (Retail)	135.7	1,461
First (Ancillary)	200.3	2,156
ITZA*	1,501	
Second (Ancillary)** ***	220.6	2,375
Flats (1x 3beds & 1x4beds)	214.6	2,309
TOTAL (Commercial)	750.3	8,077

* ITZA is inclusive of Mezzanine Sales (A/10) and Return Frontage (GF only) of 5%

** Sub-let by tenant but unused

*** G&P were unable to measure and have relied upon vendor's areas.

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TENURE

FREEHOLD.

TENANCY

The property is currently let to **SELECT (GENUS UK LTD) t/a Select** on a reversionary FR&I lease expiring 24th June 2028 (**circa 12.25 years unexpired**). Rent reviews are 5 yearly. There is an outstanding rent review dated 25th of March 2016.

The property was originally let from 25th March 1986 to **Richard Shops Ltd** on a lease and reversionary lease. The lease expires on 24th June 2028. **New Look Retailers Ltd** took an assignment of a reversionary lease in November 1993 and they subsequently assigned the lease to **Esprit GB Ltd** in June 2008 who in turn subsequently assigned the lease to **Select (GENUS UK LTD)** (05896509) in February 2016.

The original lease was agreed prior to the 1995 Covenants Act, therefore we are advised that all previous tenants and their guarantors remain liable for the terms of the lease under **privity of contract** provisions.

CURRENT INCOME PAX

£250,000 pax.

TENANT COVENANT

Select is a high street women's fashion retailer with over 180 stores in the UK and rapid expansion plans in place. The retailer also delivers to over 30 European destinations including France, Germany, Spain and Italy. Select first launched in the 1980's and in 2004 was acquired by Turkish investor, Cafer Mahiroglu when it became Genus UK Ltd (t/a Select).



Tenant	Co. Number	D&B Rating	A/C Date	Turnover	Pre-Tax Profit	Net Worth
Select (Genus UK Ltd)	5896509	2A 3	06/06/15	£86,365,034	£806,056	£3,361,215
Privity Tenants (Guarantors)						
Esprit GB Ltd	4104065	4A 1	30/06/14	£18,461,425	£-2,063,813	£17,856,087
Esprit Europe GMBH (G)	N/A	N/A	30/06/14	£156,599,856	£21,704,510	£830,945,889
New Look Retailers Ltd	1618428	5A 1	28/03/15	£1,310,401,000	£145,471,000	£307,168,000
New Look Ltd (G)	1996366	5A 1	28/03/15	£20,000,000	£129,579,000	£87,973,000



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INVESTMENT MARKET COMPARABLE EVIDENCE

Brighton has historically and continues to attract strong investor interest. We highlight below relevant comparable investment transactions in the city.

Date	Property	Price	Yield (NIY)	Purchaser
April 2016	181/185 Western Rd	£16.95m (Q) (U/O at better than Q)	4.68% (Q)	Private Investor
April 2016	13 Black Lion Street	£17m	4.6%	DTZ Investors
June 2015	Dukes Lane	£20m	5.1%	DTZ investors
June 2015	132/134 North St	£15.15m	4.2%	Teeside Pension Fund
June 2015	Hannington's Estate	£56.7m		Redevco
March 2015	129/133 North St	£21.8m	4.4%	John Lewis P/ship
April 2014	71/78 North St & 40/44 West St	£8m	4.86%	Private Investor

EPC

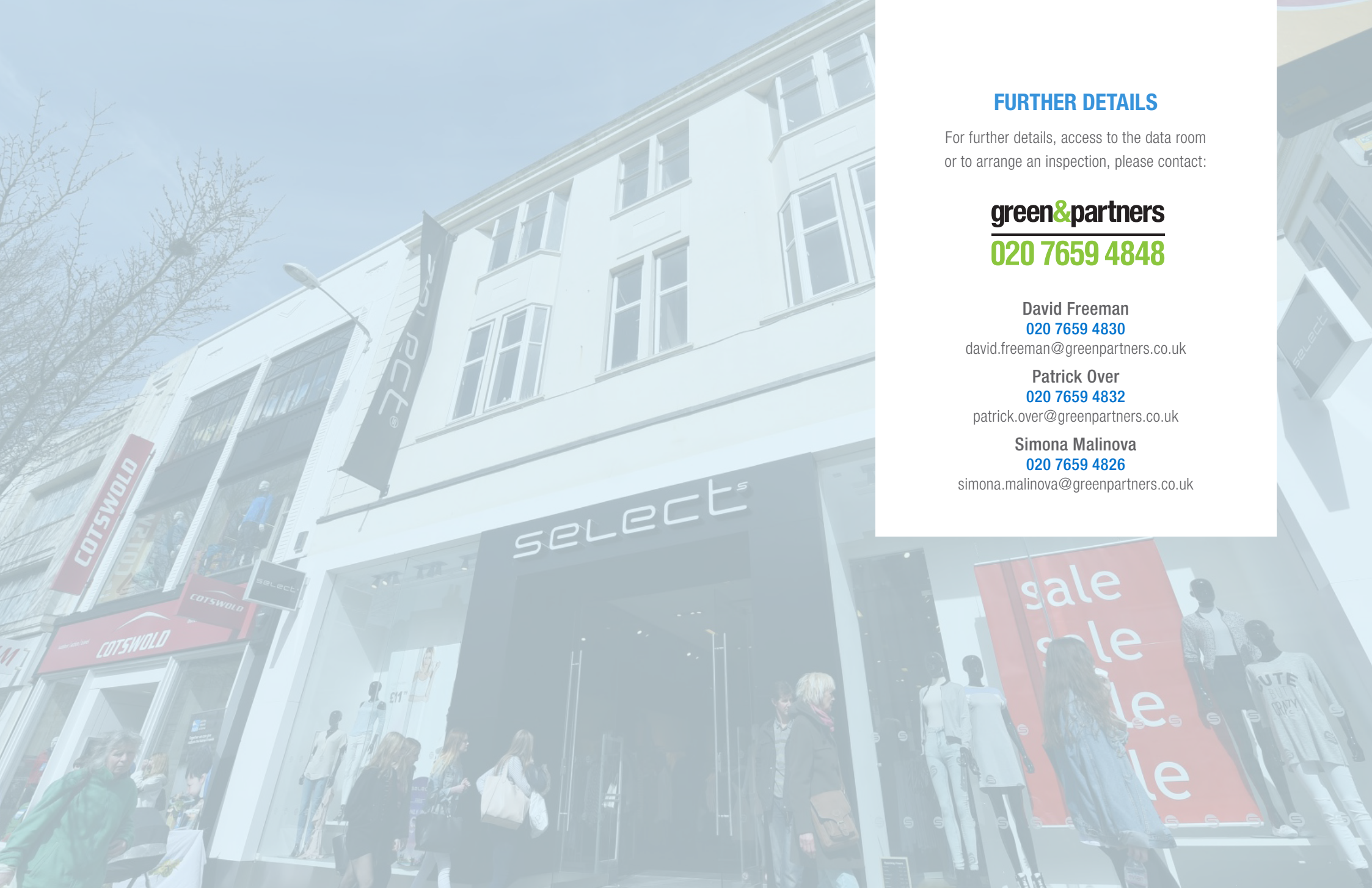
The property has an EPC rating of C70. A copy of the EPC Rating & Assessment Report is available upon request.

VAT

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

PROPOSAL

Offers in excess of **£4,265,000 (Four Million, Two Hundred and Sixty Five Thousand Pounds)** Subject to Contract & Exclusive of VAT, reflecting a **net initial yield of 5.5%** allowing for graduated purchasers costs of 6.57%.



FURTHER DETAILS

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

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MISREPRESENTATION These particulars do not constitute an offer or contract. They are intended as a guide to prospective purchasers. All reasonable care has been taken in the preparation of these particulars but their accuracy is not guaranteed. The purchaser should satisfy himself and as to the correctness of these details. Neither the agents nor the vendors or lessors are to be or become under any liability or claim in respect of these particulars. These particulars are supplied on the understanding that all negotiations are conducted through this office. May 2016.

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