

# 197-199 COMMERCIAL ROAD PORTSMOUTH PO1 1EA



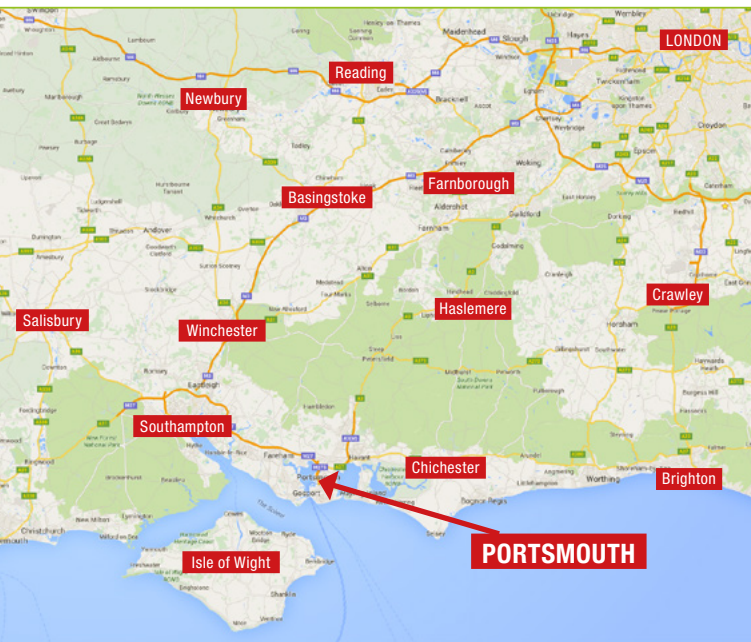
**well secured, freehold, retail and residential investment opportunity**



# 197-199 COMMERCIAL ROAD PORTSMOUTH PO1 1EA

## Investment Summary

- Portsmouth is Hampshire's second largest city and is a major commercial and retail centre on the south coast
- An established retailing pitch where national retailers including **Marks & Spencer, Primark, Boots, New Look, WH Smith, Top Shop, Costa, Mothercare** and **Sports Direct**
- Well secured to **Cancer Research UK Limited** and **Gadgets4UK Retail Limited** for an average weighted unexpired term (**AWULT**) of **7.33 years to expiry** and **4.44 years to break**
- Opportunity to increase income and value by refurbishing two vacant flats
- **Freehold**
- Total rent of **£95,000 pax**
- Offers in excess of **£1,327,000** (Subject to Contact & exclusive of VAT) which reflects a **Net Initial Yield** of **7.25%** and **£65 sq.ft.** on the residential element



## Location

Portsmouth is **Hampshire's second largest city** and is a major commercial and retailing centre situated on the south coast. The city has been home to the Royal Navy for over 500 years and also acts as one of the **UK's main commercial ports**. The city is located 19 miles (30 km) east of Southampton, 20 miles (32 km) west of Chichester, 29 miles (46 km) south west of Winchester and 70 miles (112 km) south west of London.

Portsmouth benefits from **excellent road communications** with immediate access to the city centre via the M275 which links to the **M27/A27**, the main coastal route. The M27 provides access to the west to Southampton with the A27 providing access to the east to Brighton. **London is easily accessible** via the **A3(M)** and **A3** which links into the **M25** and the rest of the **UK's motorway network**.

There are regular rail services to **London Waterloo** with a fastest journey time of **1 hour 33 minutes**.



## Demographics

The total population within the Portsmouth primary catchment area is **506,000** ranking the town 40th of the PROMIS centres. The estimated shopping population is **255,000** which is above the average for towns of similar measure. The Portsmouth area contains a moderately **affluent population** with the least affluent social groups D and E under-represented.

**Tourism** is an important part of Portsmouth's economy and Tourism South East estimates that approximately **9.25 million day trips** were made by tourists to the city in 2014. This accounted for an estimated visitor spend of **£444 million**.



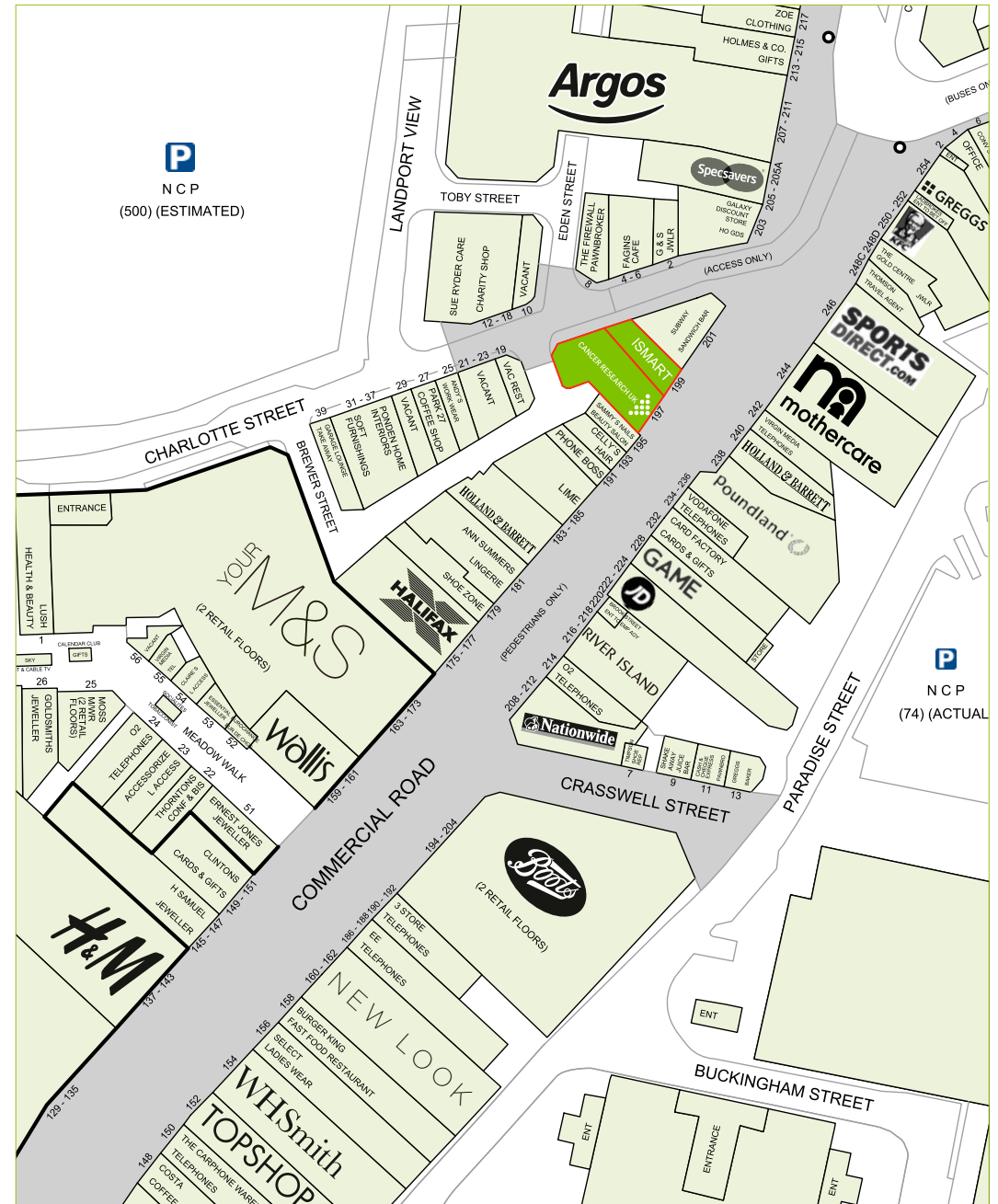
# 197-199 COMMERCIAL ROAD PORTSMOUTH P01 1EA

## Retailing in Portsmouth

The city centre provides an estimated retail floor space of **960,000 sq.ft.** focussed on the pedestrianised **Commercial Road** and **Cascades Shopping Centre**. Arundel Street, also pedestrianised, provides further, more secondary retail accommodation.

The Cascades Shopping Centre opened in 1989 and comprises **275,000 sq.ft.** over predominantly ground floor and part first floor (food hall). National retailers represented include **Marks & Spencer, Next, TK Maxx, Primark, Starbucks** and **H&M**. The scheme went through a refurbishment in 2007.

Retailers located on the pedestrianised Commercial Street include **Boots, EE, New Look, WH Smith, Top Shop, Costa, Shoe Zone, Holland & Barrett, Mothercare** and **Sports Direct**.







Northern Quarter Re-development

The Portsmouth retail offer will be further enhanced by Sovereign Centros and Portsmouth City Councils proposed redevelopment of the Northern Quarter, on the site of the former Tricorn Shopping Centre.

We understand plans are now progressing to create new retail, restaurants, leisure (including a multi-screen cinema) and car parking, along with residential accommodation extending to in the order of 300,000 sq.ft.

The Property

The property comprises two retail units located on the **pedestrianised Commercial Road** which acts as **Portsmouth’s prime retailing pitch**. The retail units are arranged over ground and first floor, while the property also benefits from two flats (vacant and in need of refurbishment) on the second floor. We understand the flats comprise one two bedroom and one three bedroom property.

Investment Transactions

Date	Address	Tenant	AWULT (Years)	Price	Purchaser	NIY	Comments
May 2016	183-185 Commercial Road	Holland & Barrett	10 years	£1.4m	Private Investor	6.25%	£73.50 Zone A.
Aug 2015	149-151 Commercial Road	Clintons	5 years	£1.695m	Undisclosed Fund	7.25%	£134 Zone A. Prime Pitch
Dec 2014	201-201A Commercial Road	Subway	15 years (TBO yr 5 & 10)	£590k	Private Investor	7.25%	£42 Zone A. All within Zone A. Poorly configured.
Dec 2014	158 Commercial Road	Burger King	15 years	£2.7m	Private Spanish Investor	6.3%	£168 Zone A.





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## Tenure

Freehold.

## Tenant Covenant

Company Name	D&B Rating	Financial Year	Sales Turnover	Profit Before Tax	Tangible Net Worth
Cancer Research UK	5A 1	31/03/2015	£634,900,000	£32,500,000	£400,900,000
Gadgets4UK Retail Limited	E 3	31/03/2014	-	-	£66,610

## EPC

EPC's can be provided upon request.

## Tenancy Schedule

Unit Description	Tenant Name	Area Analysis (sq. ft.)					Rent	Start Date	Expiry Date	Next Review or (Next Break)	Comments
		GF Sales	GF Ancillary	FF Ancillary	ITZA	SF					
197 Commercial Road	Cancer Research UK t/a Cancer Research	1,601	218	1,559	924	-	£55,000	28/04/2016	27/04/2026	(28/04/2021)	We have applied a/15 on for GF Ancillary and a/20 on FF Ancillary. The passing rent devalues to £54.14 Zone A (headline). Tenant received 6 months rent free. The vendor intends to top up any outstanding rent free.
199 Commercial Road	Gadgets4UK Retail Limited t/a iSmart	846	-	897	563	-	£40,000	30/04/2015	29/04/2020	-	Applying a/20 on FF Ancillary devalues the passing rent to £65.79 Zone A. The tenancy is outside the Act and subject to Schedule of Condition.
197-199 Commercial Road	2 x Vacant Residential Flats	-	-	-	-	1,408	-	-	-	-	Historically the flats consisted a 2 bed and 3 bed. Both flats are vacant and in need of refurbishment. They are accessed via an entrance on Charlotte Street.
Total Area		6,529		Gross Current Rent			£95,000				



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## 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 **£1,327,000 (One Million Three Hundred and Twenty Seven Thousand Pounds)**, Subject to Contract & exclusive of VAT, which reflects a **net initial yield of 7.25%** on the retail element and **£65 psf** on the residential element, allowing for graduated purchaser's costs of 6.04%.

## Further Information

Further information or to arrange an inspection please contact:

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