

52 ABOVE
BAR
STREET

SOUTHAMPTON



Superdrug

BHs
restaurant

Free
mix & match



INVESTMENT SUMMARY

- Southampton is one of the UK's dominant regional commercial centres, with a primary catchment population of 719,000.
- The property is situated on the prime pitch of the pedestrianised Above Bar Street, opposite the main entrance to WestQuay shopping centre and adjacent to Urban Outfitters and BHS.
- The property is let to Superdrug Stores Plc until 28/09/2020 at a current gross rent of £287,500pa.
- Superdrug Stores Plc have an excellent covenant strength with a Dun & Bradstreet credit rating of 5A1.
- We are instructed to invite offers in excess of **£3,260,000** subject to contract and exclusive of VAT. A purchase at this level reflects an attractive **Net Initial Yield of 7.25%**, assuming purchaser's costs of 5.80%.



LOCATION

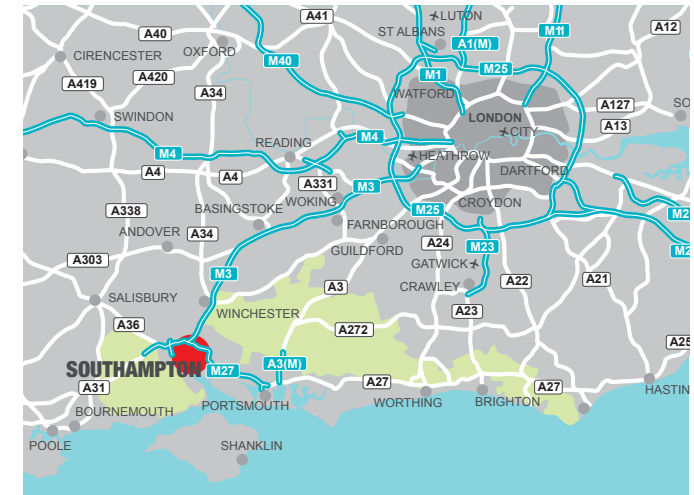
Southampton is a major port city and forms one of the UK's dominant regional commercial centres. It is located on the south coast of England, approximately 76 miles south-west of London, 20 miles west of Portsmouth and 30 miles east of Bournemouth.



The city benefits from excellent road links: the M3 connects the city to the other Hampshire towns of Winchester and Basingstoke and to the M25 and London.

By rail, there are frequent services to London Waterloo from Southampton Central Station with a fastest journey time of 1 hour 20 minutes. There are also services to Birmingham, Portsmouth, Bournemouth and Gatwick Airport.

Southampton Airport, located 3.5 miles from the city, provides flights to over 40 destinations with 1.7m passengers using the airport in 2013.



DEMOGRAPHICS

Southampton has a primary catchment population of 719,000 and an estimated shopping population of 434,000. The population is affluent with an above average number of adults in the AB social group and unemployment is 2.4%, below the PROMIS national average of 2.9%.

The age profile of the Southampton primary catchment population includes a particularly high proportion of young adults aged 15-24, this is reflective of the high number of students living in the city attending Southampton University and Southampton Solent University (50,000).

The local economy is boosted heavily by tourism; with an estimated 7.5 million day trips made each year, generating approximately £247 million per annum in expenditure. Tourism expenditure in the city is further boosted by Southampton's status as a major cruise port.



RETAILING IN SOUTHAMPTON

Southampton's central shopping area provides 2.18m sq ft of retail space, this ranks the city 12th of the PROMIS centres on this measure.

The key retail scheme in the city is WestQuay Shopping Centre (situated opposite the subject property) which opened in 2000. The centre is anchored by John Lewis and Marks & Spencer. Other major retailers in the centre include Zara, Hollister Co. (the first UK store to be opened outside of London) and Apple.

Availability is limited on the prime pitch. There are currently no vacant units on the pedestrianised section of Above Bar Street.

In July 2014, there were 35 reported requirements for Southampton, against an average of 13, ranking the city 16th of the PROMIS Centres on this measure. There are many retailers with a registered active requirement for Southampton including fashion retailers such as footwear retailers Dr Martens and Deichmann and specialist retailers such as Lakeland, Lush, Tiger and Scribbler.

SITUATION

The subject property is situated on the prime pitch of Above Bar Street, opposite the main entrance of WestQuay Shopping Centre.

The property sits between Urban Outfitters and BHS. Other retailers in the immediate vicinity include; TK Maxx, Boots, Primark, Top Shop and Footlocker.



DESCRIPTION

The property comprises a well configured mid-terrace retail unit of post-war construction with a flat roof and light stone cladding.

Arranged over basement, ground, first and second floors, the property fronts onto Above Bar Street. The tenant currently trades on the ground floor only with the basement and first floor accommodation used as storage and ancillary space, whilst the second floor is not currently used by the tenant. The first floor was historically used as sales accommodation with a staircase at the front of the unit.

The property benefits from a goods lift whilst a self-contained yard at the rear services the building, which is accessible from Vincent's Walk.

A planning application has been submitted on land at the rear of the Superdrug on Vincent's Walk to provide a mixed use development consisting of a ground floor restaurant and 900 student/independent studios over 13 floors. This development would generate increased footfall should the application be successful.



TENURE

The property is held on a long lease from Southampton City Council. The head lease is on full repairing and insuring terms and for a period of 125 years from 26th December 1994 at a current rent of £37,375 per annum subject to automatic review to 13% of income receivable from the occupational tenant and on an upwards only basis.

There is an excellent opportunity for a purchaser to undertake a lease extension and add immediate value to the property.

TENANCY

The property is let on effective FRI terms to Superdrug Stores Plc (on assignment from Mothercare UK Ltd) on a lease commencing 29/09/1995 for a term of 25 years, expiring 28/09/2020 at a passing gross rent of £287,500pa. Rent reviews are 5 yearly and upward only with the next review dated 29/09/2015. The hypothetical term at review is 15 years.

AREAS

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and provide the following areas:

Floor	Use	Area (Sq M)	Area (Sq Ft)
Basement	Ancillary	238	2,565
Basement	Loading	34	366
Ground	ITZA	103.81	1,117
Ground	NIA	307	3,307
First	Sales	174	1,871
First	Ancillary	85	915
Second	(Not used by tenant)	39	425
Total		878	9,449

COVENANT

Superdrug Stores Plc is a subsidiary of the A.S. Watson Group and operates over 850 stores throughout the UK. Founded in 1964, the beauty and health retailer now employs 12,000 staff.

The last 3 years reported financial information for Superdrug Stores Plc is outlined below:

	Fiscal Non-Consolidated GBP 28 Dec 2013 (000's)	Fiscal Non-Consolidated GBP 29 Dec 2012 (000's)	Fiscal Non-Consolidated GBP 31 Dec 2011 (000's)
Sales Turnover	£1,010,212	£1,021,021	£1,049,128
Profit (Loss) Before Taxes	£28,982	(3,977)	£5,517
Tangible Net Worth	£122,235	£106,905	£124,652

Superdrug Stores Plc has a Dun & Bradstreet credit rating of 5A1, which represents a minimal risk of business failure.

VAT

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

EPC

Full copies of the EPC are available upon request. The property achieved an EPC rating of C68.

PROPOSAL

We are instructed to invite offers in excess of **£3,260,000 (Three Million Two Hundred and Sixty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects an attractive **Net Initial Yield of 7.25%**, assuming purchaser's costs of 5.80%.

FURTHER INFORMATION

For further information or to arrange an inspection please contact either of the following:

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