



Dominant, Prime, Shopping Centre
Investment Opportunity

AYR
CENTRAL
SHOPPING CENTRE

SKYE SQUARE • AYR • KA7 1TP

green&partners

INVESTMENT SUMMARY

Ayr is the county town of Ayrshire and a popular and picturesque commuter and tourist destination on Scotland's scenic west coast.

The area is designated for material inward investment from both the UK and Scottish Governments along with the Ayrshire Local Authorities.

Ayr Central is the prime, dominant retailing focal point in the town centre and provides the main fashion offer.

Limited retail competition, ranking 1st out of 200 PROMIS Centres.

A modern part open, part enclosed, managed shopping centre comprising circa 179,840 sq ft anchored by **Debenhams** and **Primark**. Other major national multiple retailers include **Next**, **JD Sports**, **River Island**, **H&M**, **Top Shop/Top Man**, **New Look**, **Poundland**, **Holland & Barrett**, **Clarks**, **HMV** and **Costa Coffee**.

Extensive 5.2 acre town centre site adjacent to Ayr Railway Station

Includes a landlord operated, 450 space, integrated underground car park – a main central parking hub within the town.

Heritable Title (Scottish equivalent of Freehold).

Current gross income (including 2019 Turnover rents) of £2,554,793 pax.

WAULT 4.95 years to expiry.

Affordable global rents and sensible rental tone.

Various potential asset management opportunities subject to vacant possession/planning.



AYR
CENTRAL
SHOPPING CENTRE



Ayr United FC

Ayr Racecourse

TK Maxx

River Ayr

M&S

The Wallace Tower

High Street

Kyle Shopping Centre

AYR
CENTRAL
SHOPPING CENTRE

Ayrshire College

University of
West of Scotland
(UWS) Ayr Campus

Ayr Railway Station

Odeon Cinema

Matalan

Morrisons (inc. PFS)

Sports Direct



AYR

Ayr, the largest of the Clyde coast tourist resorts and is situated on the Firth of Clyde approximately 35 miles (56.3km) to the south west of Glasgow, 13 miles (21km) to the south west of Kilmarnock and 3 miles (4.8km) south of Prestwick.



The town is easily accessible and is served by both the A77 and A70 affording a direct link to the M77 motorway providing a swift commuting access to Glasgow city centre and nearby surrounding districts to the north including the M74 and M8 motorways. The nearby A76 and A74(M) also give access to both Dumfries and ultimately Carlisle to the south.



Ayr is served by ScotRail with regular direct train services to Glasgow Central with a fastest journey time of circa 47 minutes. There are also regular services to Prestwick Airport with the average journey time being circa 7 minutes.

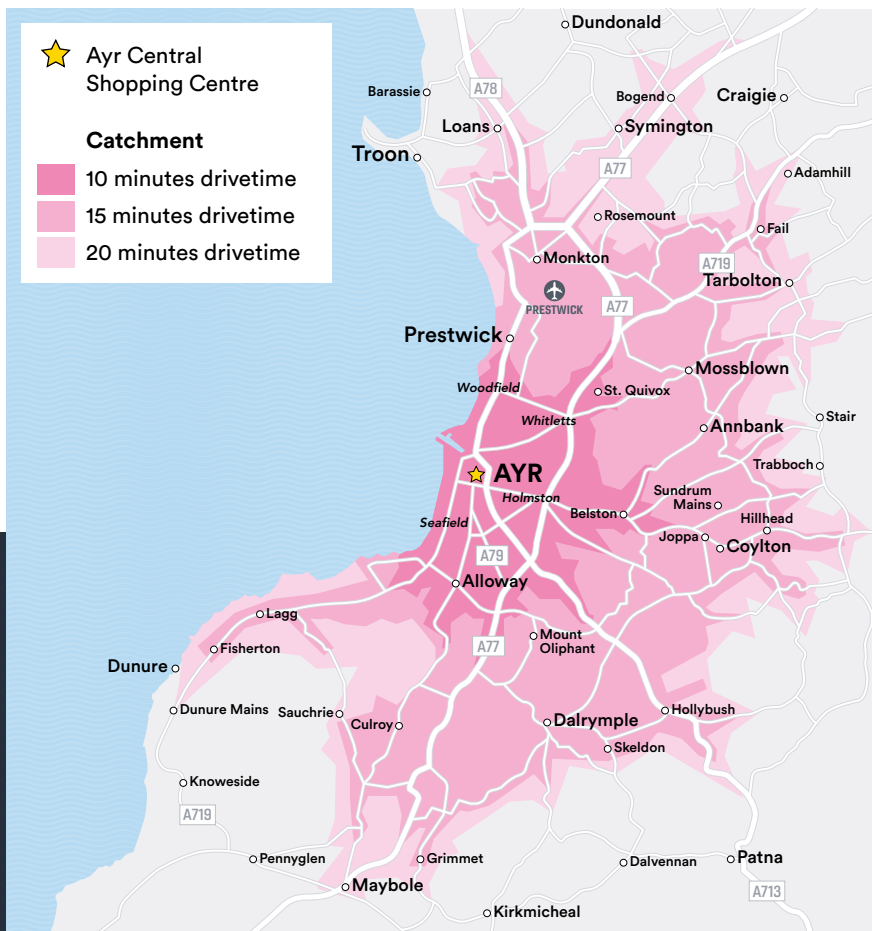


The town greatly benefits from the close proximity of Glasgow Prestwick Airport some 4 miles (6.4km) to the north. Occupying an 880 acre site the airport offers flights to multiple domestic and international destinations and currently serves in excess of 2.3m people living within a 60 minute drivetime. The airport has the capacity and facilities suitable for up to 2.5m passengers per annum. In 2019 there were over 640,449 passengers with 24,697 aircraft movements and 13,526 tonnes of freight shifted. The airport currently contributes £61.6m to the Scottish economy and supports over 4,500 jobs.



Stagecoach West Scotland buses provide regular services from Ayr to neighbouring towns and villages as well as Glasgow, Kilmarnock, Irvine and Prestwick Airport.





CATCHMENT & DEMOGRAPHICS

Ayr has an estimated total population within the Ayr Primary Retail Market Area of circa 114,000 persons and a Consumer Base in the order of 104,000 (PROMIS). The town has a loyal catchment which is strengthened by a vibrant tourist industry as well as a growing student population. In addition Ayr town centre faces below average competition from competing retail centres and ranks 1/200 of the PROMIS centres on the PMA Competition Indicator. In 2018 the towns per capita total retail expenditure was 6.29% higher than the PROMIS average ranking Ayr 45/200 of the PROMIS centres.

The demographic profile within a 15 minute drive-time reveals a higher than average home ownership and proportions of AB, C1 and C2 social categories are generally in line with national averages. The three highest represented MOSIAC Groupings are Prestige Positions – Established families in large detached homes living upmarket lifestyles (14.61%), Senior Security- Elderly people with assets who are enjoying a comfortable retirement (12.79%) and Municipal Tenants – Urban residents renting high density housing from social landlords (11.01%).

LOCAL ECONOMY & STRATEGIC INWARD INVESTMENT

Ayrshire is set for future economic growth following a series of agreed initiatives attracting strategic inward investment.

Ayrshire Growth Deal / Ayrshire Regional Economic Partnership

A deal was signed in March 2019 by the UK Government, Scottish Government and three local authority areas (East Ayrshire, North Ayrshire and South Ayrshire) to invest in the region. Anticipated to unlock around £300m of public sector investment and ultimately £2bn of private sector investment and create 7000 new jobs. £80M is allocated to position Ayrshire (focussed on Prestwick Airport) as one of the UK's leading hubs for Aerospace and Space. The sector employs over 4000 people in the county and is home to BAE Systems, GE Aviation, Spirit, UTC and Woodward. In addition £23.5m is allocated to create the Ayrshire Manufacturing Investment Corridor near Kilmarnock and £60m has been set aside for the creation of high quality business space to support entrepreneurial start-up businesses.

Tourism

Tourism forms an important part of the local economy in South Ayrshire, attracting more than 1.4 million visitors to the region annually, supporting nearly 4000 jobs and has an economic benefit of over £195.4 million to the region. Ayrshire was the birthplace of Scotland's Favourite bard, Robert Burns and the area profits greatly from its proximity to three world class golf courses (Royal Troon, Trump Turnberry and Old Prestwick) and Ayr Racecourse hosting the Scottish Grand National and Ayr Gold Cup.

Education

Ayr benefits from a large and growing student population – University of West Scotland's £81m Ayr Campus serves 2,420 students and Ayrshire college over 13,265 (2017/18) in three locations throughout the county.



c.114,000
estimated population
within Ayr Primary
Retail Market Area
(PROMIS)



1/200
PMA Competition
Indicator
(PROMIS)



45/200
PROMIS Centres Total
Retail Expenditure
(PROMIS)

TOWN CENTRE RETAILING / SITUATION

Ayr Central is conveniently located adjacent to Ayr's main railway station and is the prime dominant shopping destination within the town centre with the High Street, Alloway Street and Kyle Street supporting the retail offer.

The shopping centre is the primary focus of Ayr's retail fashion core and home of the town's national multiple retailing with **Primark**, **Debenhams**, **Next**, **River Island**, **JD Sports**, **H&M**, **New Look**, **Clarks**, **Costa Coffee**, **Holland & Barrett** and **Poundland** all represented.

National retailers located elsewhere within the town centre include M&S, Boots, Wilko, Tesco Express, Superdrug, WH Smith, Mountain Warehouse, Warren James, Pandora and Waterstones.

Ayr's main out of town retail offer is Heathfield Retail Park, located circa 1.8 miles (2.9km) to the north of the town close to the A77 Trunk Road. The town's only retail park is leased to the likes of M&S Simply Foods, Home Bargains, B&M, Iceland, Currys PC World, Halfords, Tapi and Bensons. Asda and B&Q also occupy adjoining sites.



DESCRIPTION

Developed by Henry Boot in 2006 and refurbished between 2012/2013, Ayr Central comprises a modern, 'L shaped', part open, part enclosed, managed shopping centre with pedestrianised customer access from both Kyle Street and Smith Street. The centre comprises circa 179,840 sq ft (16,650 sq m) and is configured as 22 units in two distinct terraces with retailing focussed at ground floor level.

Ayr Central also accommodates an integrated 450 space, single level, underground car park which is controlled and managed directly by the vendor.

The scheme's two main service yard areas are accessed from Smith Street and Mill Street.

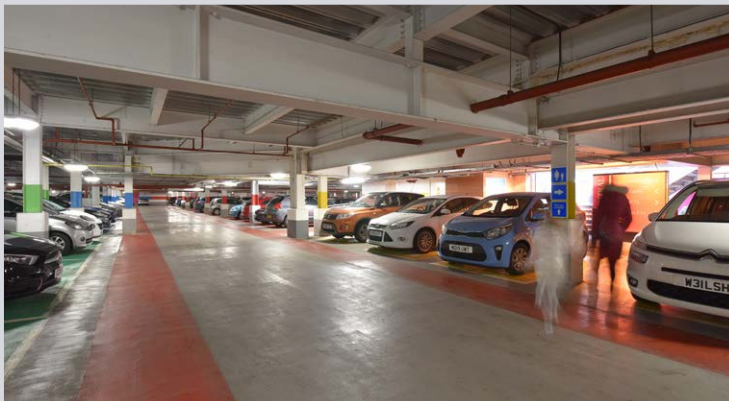


CONSTRUCTION

The property is of steel framed construction with external elevations clad with stone under metal profiled roofs. An ETFE glazed canopy covers a substantial part of the mall.

SITE AREA

Circa 5.2 acres (2.1 Hectares).



TENANCIES

Anchored by **Debenhams** and **Primark** with other notable national multiple tenants including **Next**, **River Island**, **New Look**, **H&M**, **JD Sports**, **Top Shop/Top Man**, **Poundland**, **Clarks**, **Holland & Barrett**, **Costa Coffee**, **HMV**, **Fragrance Shop**, **Toytown**, **Ernest Jones**, **Quiz** and **Hallmark Cards**.

TENURE

Heritable Title (Scottish equivalent of Freehold).

ACCOMMODATION

Ayr Central comprises approximately 179,840 sq ft (16,650 sq m) arranged within 22 retail units and as set out in the attached separate Schedule of Tenancies & Accommodation.

A full measured survey has been undertaken by Lane & Frankham which is assignable to a purchaser on completion at no cost.

CAR PARK

A large 450 space, single level, underground landlord controlled/managed car park serves the centre with vehicular access from Mill Street and customer access by lifts/stairs from the centre of the shopping mall and via Debenhams. The car park is open 7 days a week and closes one hour after the stores close. Standard tariffs (Monday to Sunday including Bank Holidays) are:

Up to one hour	£1.00
Up to two hours	£2.00
All day	£4.00

For the service charge year ending 30th November 2019 the car park produced a gross income of £447,419.38 and net income of £147,049.10.

INCOME & INCOME ANALYSIS

Current Gross Contracted Income (Excluding Turnover Top Ups)	£2,198,683
---	------------

Current Gross Contracted Income (Including Turnover Top Ups)	£2,554,793
---	------------

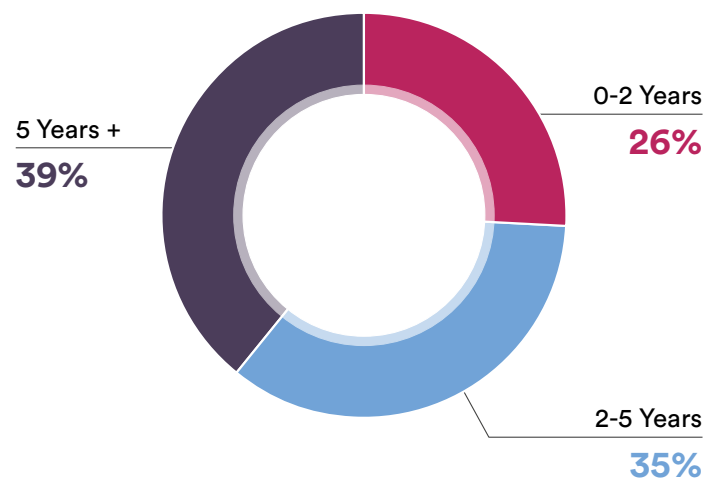
Current Landlord Annual Shortfalls (Inclusive of. S/C Caps)	£283,442
--	----------

Landlord Marketing Contribution	£42,050
---------------------------------	---------

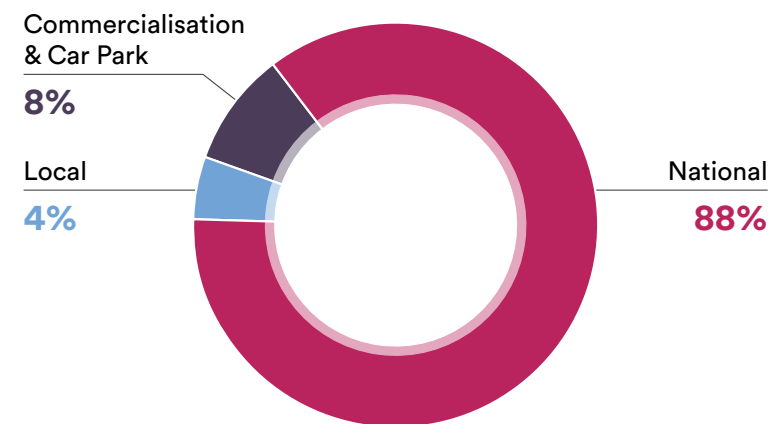
Net Income (Including Turnover Top Ups)	£2,229,301
---	------------



LEASE EXPIRY PROFILE BY INCOME



COVENANT STRENGTH PROFILE



The WAULT to lease expiries is 4.95 years and to tenant break options 3.57 years.





TURNOVER RENTS

In the latest year, the scheme produced **£356,110** of income via turnover top up provisions. Main contributors (2019):

NEXT	£196,000
JD Sports	£108,284
Top Shop	£34,816
Toy Town	£8,440
TFS	£8,570

LANDLORD SHORTFALLS

Landlord shortfalls currently total **£283,442** as per the attached Schedule of Tenancies & Accommodation.

LANDLORD MARKETING CONTRIBUTION

£42,050 (Service charge period 01/12/2019 - 30/11/2020)

SERVICE CHARGE

The current service charge budget for the period 01/12/2019 to 30/11/2020 is £1,482,230.58. This equates to circa £6.95psf overall (on a weighted floor area basis) and £4.40psf (on a non-weighted floor area basis).

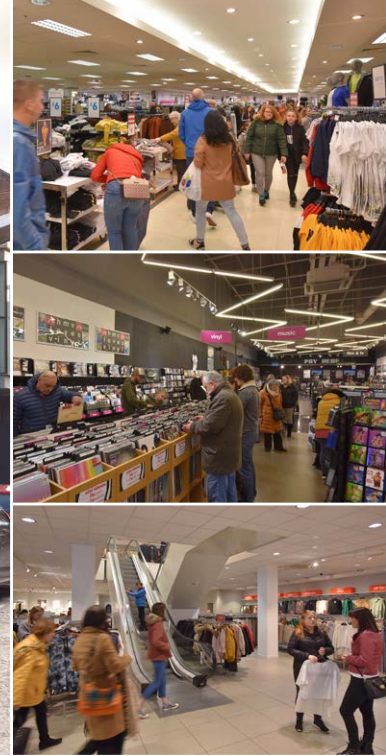
The centre comprises circa 179,840 sq ft (16,650 sq m) and is configured as 22 units in two distinct terraces with retailing focussed at ground floor level.

COMMERCIALISATION

The commercialisation is managed by Space & People and for the year ending November 2019 produced an income of £41,132 including £5,000 from Photo-Me International.

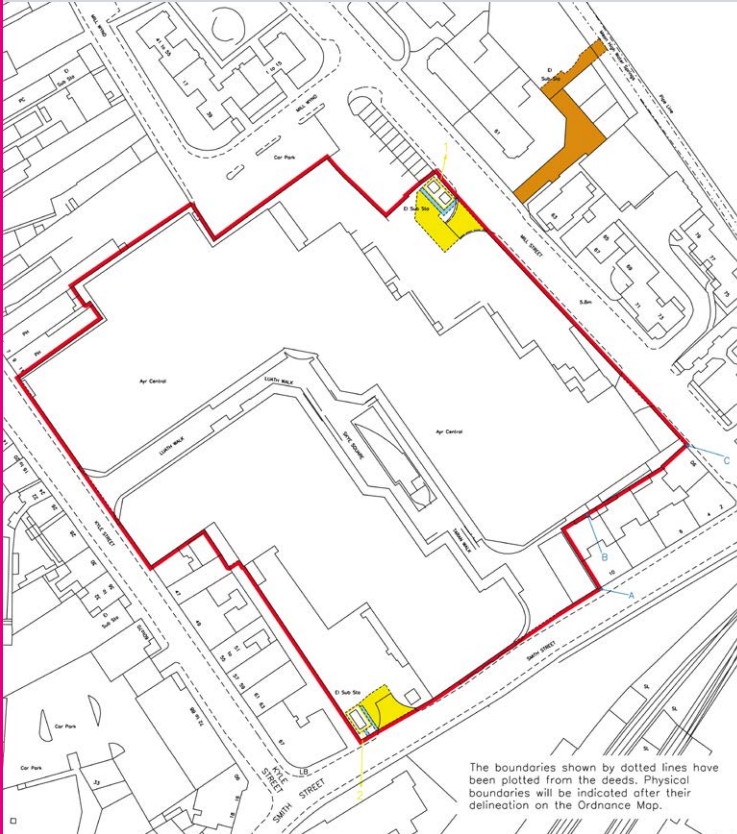
PLANNING

The property lies within the Ayr Central Conservation Area but is not listed.



ASSET MANAGEMENT OPPORTUNITIES

- Consider a re-configuration & improvement of the Kyle Street Entrance incorporating a potential break-up of the H&M unit to create two/three units (interest in part from national multiple tenant)
- Seek to improve the general tenant mix and add more of a convenience offer to complement the strong fashion offer
- Seek to increase the food and leisure offer and improve night time economy. Consider buying in adjoining ownerships – for possible gym/children's entertainment centre/cinema use (current Odeon in town very antiquated)
- Re-letting of the HMV Store – Potential offer from national multiple or consider an upsize of the adjoining JD Sports
- Primark - Re-gear & expansion of retailing of the first floor
- Future downsize of Debenhams with the potential to re-locate either M&S or Matalan to the scheme or convenience food retailer
- Improve and upgrade car park and commercialisation income
- Consider the re-purposing of upper floors where under-utilised
- Improve links to and from Ayr Railway Station



ANTI-MONEY LAUNDERING

In order to comply with anti-money laundering legislation, the preferred purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

WEBSITE & DATA ROOM

For further information please visit the centre website at www.ayrcentral.com

Additional information including leases and EPC's are available in the solicitor's data room. Details for access are available upon request.

VAT

VAT will be applicable to the sale of the property which we anticipate will be undertaken by way of a Transfer of Going Concern (TOGC).



AYR
CENTRAL
SHOPPING CENTRE

CONTACT

David Freeman
david.freeman@greenpartners.co.uk
020 7659 4830

Patrick Over
patrick.over@greenpartners.co.uk
020 7659 4832

Ed Smith
ed.smith@greenpartners.co.uk
020 7659 4831

Harry Jeffery
harry.jeffery@greenpartners.co.uk
020 7659 4837

green&partners
020 7659 4848

MISREPRESENTATION ACT 1967. The agents for themselves and for the vendors or lessors of the property whose agents they are give notice that: (i) these particulars are given without responsibility of The agents or the vendors or lessors as a general outline only for the guidance of prospective purchasers or tenants, and do not constitute the whole or any part of an offer or contract; (ii) The agents cannot guarantee the accuracy of any descriptions, dimensions, references to condition, necessary permissions for use and occupation and other details contained herein and any prospective purchaser or tenant should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the accuracy of each of them; (iii) no employee of The agents (and their joint agents where applicable) has any authority to make or give any representation or warranty or enter into any contract whatsoever in relation to the property; (iv) VAT may be payable on purchase price and/or rent, all figures are quoted exclusive of VAT, intending purchasers or lessees must satisfy themselves as to the applicable VAT position, if necessary by taking appropriate professional advice; (v) except in respect of death or personal injury caused by the negligence of The agents, its employees or servants, The agents will not be liable, whether in negligence or otherwise howsoever, for any loss arising from the use of these particulars save to the extent that any statement made in these particulars has been made fraudulently. February 2020. Designed and produced by Creativeworld. T: 01282 858200.