Prominent, well secured, freehold, department store investment

201/209 High Street, Cheltenham GL1 1NN
INVESTMENT SUMMARY

- A prominent prime corner position at the busy, pedestrianised junction of High Street, Promenade and North Street
- Well secured to the undoubted covenant of Primark Stores Ltd (D&B 5A 1) for a further 6.4 years.
- In close proximity to numerous national multiple retailers such as Boots, Superdry, WH Smith, M&S, Caffe Nero, Lush and Starbucks
- Cheltenham is a desirable and expanding retail and leisure destination with Phase 2 of The Brewery development completing in 2016 and with the anticipated arrival of John Lewis to the town.
- Freehold
- Total rent of £610,000 pax
- Offers in excess of £9,850,000 (Subject to Contract & exclusive of VAT), reflecting a net initial yield of 5.85%, assuming purchaser’s costs of 5.8%.

201/209 HIGH STREET, CHELTENHAM GL1 1NN
LOCATION
The Regency Spa town of Cheltenham is a strong retail and tourist destination and regarded as the ‘Gateway to the Cotswolds’. The town is situated approximately 100 miles (169km) north west of London, 40 miles (64km) north of Bristol and 9 miles (14km) east of Gloucester. Cheltenham serves an extensive primary catchment area and dominates the retail provision in the region.

The town benefits from excellent transport links. By road, junctions 10 and 11 of the M5 motorway, lie circa 3.5 miles (5.6km) north-west and west of the town centre, providing direct access to Birmingham, Bristol and the rest of the UK’s motorway network. By rail, Cheltenham Spa train station provides regular services to London Paddington, with a journey time of circa 120 mins. Regular services also operate to Bristol, Birmingham, Manchester, Newcastle and Glasgow.

DEMOGRAPHICS
Cheltenham benefits from an affluent and loyal local catchment population of circa 388,000 persons, and a shopping population of 248,000 persons. The town ranks equal 32nd on The Venuescore UK Shopping Rankings which places it on a par with Guildford, London’s Covent Garden and Stratford (Westfield). Tourism (especially the renowned Cheltenham Festival) swells these numbers with the County Council estimating over 460,000 staying visitors and 5.6m day trippers visiting each year contributing over £235m to the local economy and sustaining over 8,000 jobs (2011 GCC Data).
RETAILING IN CHELTENHAM

Total retail floor space within Cheltenham amounts to approximately 1.3 million sq. ft. with the prime retail pitch centred on the High Street and Promenade. Over time the Promenade has evolved into the location of choice for many of the UK’s top fashion retailers including Jack Wills, Jigsaw, Hobbs, The White Company, The Kooples, Phase Eight and LK Bennett. Consequently, the town ranks 29th on the basis of its PMA Retail Score and 26th on the Fashion Score.

The town also boasts two covered shopping centres; Regent Arcade and Beechwood Shopping Centre. Regent Arcade consists of 185,000 sq.ft and is anchored by BHS, House of Fraser and H&M. Topshop/Topman are in talks to relocate to the newly developed entrance of the scheme, which also houses H&M and River Island. Other tenants include Boots, EE, Schuh, Claire’s, Ernest Jones, The Fragrance Shop and Ann Summers.

The Beechwood Shopping Centre comprising 127,000 sq.ft is anchored by Debenhams, while Next, Animal, Vision Express and Thornton’s are also represented. The owners, Blackrock, are rumoured to be in discussions with John Lewis as part of a proposed substantial re-development of the existing scheme. If realised, this would benefit the town generally, reducing ‘leakage’ to surrounding centres by enhancing the already extensive retail offer.
CHELTENHAM BREWERY DEVELOPMENT
Located within close proximity to the subject property, Phase 1 of the mixed use development completed in 2006, consists of 200,000 sq.ft incorporating a Cineworld (11 screens), Fitness First, 19 residential units and a host of A3 retailers including Prezzo, Nando’s, Frankie & Benny’s, Ruby Tuesday and Chiquito.

Martin Commercial Properties and NFU Mutual Insurance Society are currently on site building a £30 million regeneration of 233-269 High Street known as Phase 2 will include 110,000 sq.ft of new retail space, including a Wilko’s re-site, a 104 bedroom Premier Inn and 34 two bedroom apartments. In addition the development will enable a pedestrianised link from the High Street to the existing Brewery complex.

SITUATION
The property occupies a particularly prominent pedestrianised corner position at High Street’s junction with North Street and is highly visible from the north-eastern end of the pedestrianised section of the Promenade. Nearby retailers include Boots, Superdry, WH Smith, Caffe Nero, Lush and Starbucks. The property is located within the Central Conservation Area.

THE PROPERTY
The property comprises a large anchor store arranged over ground, lower ground, first floor (sales) and second floor (ancillary). There is a third floor plant area. Servicing is from a side yard accessed from Baynham Way to the rear.
ACCOMMODATION
The property has been measured in accordance with RICS guidelines and provides an approximate total gross internal floor area (GIA) of 4,921m² (52,971 sq.ft.). These areas were agreed between the parties at rent review. There is also a Plowman Craven measured survey available on request.

<table>
<thead>
<tr>
<th>Floor</th>
<th>Use</th>
<th>M²</th>
<th>Sq Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground</td>
<td>Sales</td>
<td>1,261.8</td>
<td>13,582</td>
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<tr>
<td>Lower Ground</td>
<td>Sales</td>
<td>1,172.4</td>
<td>12,620</td>
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<tr>
<td>First</td>
<td>Sales</td>
<td>1,188.2</td>
<td>12,790</td>
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<td>Second</td>
<td>Ancillary</td>
<td>1,209.6</td>
<td>13,020</td>
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<tr>
<td>Third</td>
<td>Plant</td>
<td>89.1</td>
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<tr>
<td>TOTALS</td>
<td></td>
<td>4,921.1</td>
<td>52,971</td>
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TENURE
Freehold
201/209 HIGH STREET, CHELTENHAM GL1 1NN

At last review our client served notice on the basis of the Notional Unit being 35,000 sq. ft. having 17,500 sq. ft. at ground floor and 17,500 sq. ft. at basement.

In order to consider the full details of the rent review clause a copy of the lease is available to interested parties.

COVENANT

Primark are a highly successful and popular Irish clothing retailer, owned by ABF, and operating in over 293 stores (11.2m sq. ft.) throughout Europe and more recently the US. Primark sales are expected to have risen some 13% over its last financial year, which ends on 12 September contributing more than half of ABF’s annual profit. Like-for-likes are expected to edge up 1% after unseasonably warm autumn. Much of the growth has come from opening new stores in the Netherlands, Germany, France and Spain with the company saying that all stores which had opened in the last 18 months had “very high sales densities”, while France was its most successful new market this year. Primark opens its first US store in the historic Burnham building in Boston this month and another near Philadelphia before Christmas. It will have opened almost one million sq. ft. of selling space over the last 12 months (a 9% uplift). The retailer has an “extensive pipeline of new stores” lined up for the next few years. Some 1.5m sq. ft. of new store space is scheduled for the upcoming financial year, primarily in the north east of the US, the UK and Spain.

<table>
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<tr>
<th>Tenant</th>
<th>D&amp;B Rating</th>
<th>Date of Accounts</th>
<th>Turnover</th>
<th>Pre-tax profit/loss</th>
<th>Net Worth</th>
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<tbody>
<tr>
<td>Primark Stores Ltd</td>
<td>5A</td>
<td>13/09/2014</td>
<td>£2,786,250,000</td>
<td>£273,952,000</td>
<td>£293,718,000</td>
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Recent Primark Leasing Activity

<table>
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<tr>
<th>Date</th>
<th>Town/Address</th>
<th>Tenant</th>
<th>Size (sq ft)</th>
<th>Lease Term</th>
<th>TBO</th>
<th>Rent pax</th>
<th>Rate psf (H/L)</th>
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<tr>
<td>Jun-15</td>
<td>COLCHESTER Lion Walk SC</td>
<td>Primark Stores</td>
<td>Basement 4,490</td>
<td>20 years FR&amp;I</td>
<td>Year 15</td>
<td>£700,000</td>
<td>£12.54</td>
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<td></td>
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<td></td>
<td>Ground 22,525</td>
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<td>First 21,923</td>
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<td>Other 6,865</td>
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<td>TOTAL 55,803</td>
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<tr>
<td>Jun-15</td>
<td>UXBRIDGE The Pavilions SC</td>
<td>Primark Stores</td>
<td>Basement 7,976</td>
<td>20 years FR&amp;I</td>
<td>Year 15</td>
<td>£631,375</td>
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<td>Ground 23,724</td>
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<td>First 19,246</td>
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<td>TOTAL 50,946</td>
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<td>Nov-14</td>
<td>TRURO Lemon Quay</td>
<td>Primark Stores</td>
<td>Ground 19,300</td>
<td>20 years FR&amp;I</td>
<td>n/a</td>
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<td>First 20,650</td>
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<td></td>
<td>Second 11,034</td>
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<td>TOTAL 50,984</td>
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RENTAL INCOME & ANALYSIS

Areas and a devaluation of the rent were agreed between parties at the rent review in 2007. The review was settled using the Notional Rent formula and based on the agreed areas between the parties. This is devalued as follows:

A - 26,202 sq. ft. (basement & ground) @ £12.60 = £330,145
B - 26,769 sq. ft. (remainder of total area) @ £10.45 = £279,736
Total = £609,881
Say = £610,000 pax

The 2012 review was subject to a nil increase.

EPC
An EPC is available on 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
We have been instructed to seek offers in excess of £9,850,000 (Nine Million, Eight Hundred and Fifty Thousand Pounds), Subject to Contract & Exclusive of VAT, which reflects a net initial yield of 5.85% allowing for usual purchaser’s costs of 5.8%.
FURTHER INFORMATION

For further information 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. September 2015.

Adrian Gates Photography & Design 07710 316901