27-35 Victoria Road West
Cleveleys, Lancs, FY5 1BS

HIGH YIELDING, FREEHOLD, PRIME RETAIL INVESTMENT OPPORTUNITY
Investment Summary

- Cleveleys is an attractive and affluent resort town on the Fylde Coast
- An established retail centre concentrated on Victoria Road West
- A ground and first floor retail parade located in 100% prime retailing pitch
- Well-configured retail units providing excellent sales accommodation
- Fully let to 4 adjoining national retailers including Superdrug, WH Smith, O2 and New Look

- Freehold
- Approximate net internal floor area of 13,142 sq ft (1,221 sq m)
- WAULT of 2.8 years to expiry
- Current net rent of £255,165 pax
- No landlord shortfalls
- Offers of £2,660,000 (Two Million, Six Hundred and Sixty Thousand Pounds), subject to contract and exclusive of VAT for the freehold interest reflecting a net initial yield of 9% allowing for purchaser’s costs of 6.41%.
Location & Demographics

Cleveleys is a popular Lancashire town on the Fylde coast, lying between Fleetwood to the north, Thornton to the east, and Blackpool 6 km (4 miles) to the south. Lancaster is 25 km (16 miles) to the north east and Manchester 68 km (43 miles) to the south-east.

The town serves an urban area population of approximately 28,700 persons (2011 Census). The population in Cleveleys is relatively affluent with a higher percentage of the population than the national average in social groups C2 and C1 and a lower percentage of working age adults categorised in the least affluent social grouping D and E.

The town enjoys good transport and communication links with the A584 providing direct access to Blackpool to the south and the A585 directly to junction 3 of the M55 motorway, approximately 12 km (8 miles) to the south east.

The town is also located on the Blackpool tramway network which provides a regular direct service to both Blackpool and Fleetwood. The nearest train station is Poulton-le-Fylde approximately 5.5 km (3.4 miles) to the south east.
Retailing in Cleveleys

Cleveleys has a compact retail centre situated along Victoria Road West which runs east to west towards the seafront. The A587, which runs alongside the Blackpool to Fleetwood tramway, bisects Victoria Road West further inland at Cleveleys Square and The Crescent. This is where a number of local shops are located.

The A3 pitch is located towards the western end of Victoria Road West, while the majority of the household retailer names represented in the town centre are concentrated towards the seafront. Some of these include M&S, Tesco, Boots, Superdrug, WH Smith, Holland & Barrett, Costa, KFC, Subway, Halifax, TSB, The Works, Card Factory, Home Bargains, Wilko and Betfred. There are also a number of local retailers and cafes.

Description

The subject property comprises four well configured retail units adjacent to Boots and Tesco and arranged over ground and first floor. The building is constructed of red brick with a slate pitched roof and canopy sheltering the pavement in front of the four shops. The pavement is particularly wide and is more prominent than the opposite side of Victoria Road West.

Servicing is to the rear of the property via Rough Lea Road.

The main town centre car park is located immediately behind the subject property and is accessed via a pedestrian footpath to the right of the property.
Tenant Covenants

Superdrug Stores PLC has a Dun & Bradstreet status of SA 1 representing a tangible net worth of £86,291,000 and a minimum risk of failure. For the financial year ending 31st December 2016 the company reported a sales turnover of £1,213,600,000, pre-tax profits of £80,385,000 and net current assets of £154,779,000.

WH Smith Retail Holdings Ltd occupy over 600 stores on the high street, over 600 stores at airports, train stations, hospitals and motorway services and is one of the UK’s leading retail groups and a household names for books, newspapers and stationary. The company has a Dun & Bradstreet status of SA 1 representing a tangible net worth of £449,954,000 and a minimum risk of failure. For the financial year ending 31st August 2017 the company reported a sales turnover of £181,024,000, pre-tax profits of £67,219,000 and net current liabilities of £177,914,000.

Mid Communications Ltd (trading as O2) is the largest independent O2 franchise in the north-west operating locally in several communities across Greater Manchester, Cheshire, Merseyside and the Fylde Coast. The company operate 16 franchise stores and the subject property was their original store. The company has a Dun & Bradstreet status of 1A3 representing a tangible net worth of £704,401 and a higher than average risk of failure. For the financial year ending 31st March 2017 the company reported a sales turnover of £11,000,510, pre-tax profits of £699,432 and net current liabilities of £1,312,513.

In March 2018 New Look Retailers Ltd entered into a Company Voluntary Arrangement (CVA). The store within the holding is identified as a Category B with the retailer currently paying a CVA rent of 60% of the original rent plus 5% of the original rent for dilapidations.
## Schedule of Tenancies and Accommodation

<table>
<thead>
<tr>
<th>Unit</th>
<th>Tenant</th>
<th>Areas</th>
<th>Sq ft</th>
<th>Sq m</th>
<th>Lease Start</th>
<th>Lease Expiry</th>
<th>Rent PAX</th>
<th>1954 L&amp;T</th>
<th>Service Charge</th>
<th>Rates Payable</th>
<th>Insurance</th>
<th>Landlord Shortfalls</th>
<th>Comments</th>
</tr>
</thead>
</table>
| A    | SUPERDRUG STORES PLC  
t/a Superdrug | Ground Floor Sales        | 3,323 | 309  | 22/06/2016  | 21/06/2021  | £91,000  | IN       | £8,926.17      | £41,533       | £558.32   | -                 | Tenant renewed in 2016.                                                   |
|      |        | Ground Floor Ancillary    | 1,157 | 107  |             |              |          |          |                |               |           |                   |                                                                          |
|      |        | Ground Floor ITZA         | 1,469 | N/A  |             |              |          |          |                |               |           |                   |                                                                          |
|      |        | First Floor               | 836   | 78   |             |              |          |          |                |               |           |                   |                                                                          |
| B    | MID PROPERTIES (RETAIL) LIMITED  
t/a O2 | Ground Floor Sales        | 1,337 | 124  | 04/11/2010  | 03/11/2020  | £45,000  | IN       | £2,876.33      | £18,340       | £206.07   | -                 |                                                                          |
|      |        | Ground Floor Ancillary    | -     | -    |             |              |          |          |                |               |           |                   |                                                                          |
|      |        | Ground Floor ITZA         | 670   | N/A  |             |              |          |          |                |               |           |                   |                                                                          |
|      |        | First Floor               | 363   | 34   |             |              |          |          |                |               |           |                   |                                                                          |
| C & D| WH SMITH RETAIL HOLDINGS LTD  
t/a WH Smith | Ground Floor Sales        | 2,594 | 241  | 24/06/2016  | 23/06/2021  | £85,365  | IN       | £6,513.29      | £38,219       | £470.41   | -                 | Tenant renewed in 2016.                                                   |
|      |        | Ground Floor Ancillary    | 104   | 10   |             |              |          |          |                |               |           |                   |                                                                          |
|      |        | Ground Floor ITZA         | 1,372 | N/A  |             |              |          |          |                |               |           |                   |                                                                          |
|      |        | First Floor               | 1,298 | 121  |             |              |          |          |                |               |           |                   |                                                                          |
| E    | NEW LOOK RETAILERS LTD  
t/a New Look | Ground Floor Sales        | 1,633 | 152  | 21/08/2016  | 20/08/2021  | £33,800  | OUT      | £3,133.23      | £24,624       | £248.53   | -                 | Tenant renewed in 2016. LL has the option to break within the first 180 days of CVA with 60 days notice. Tenant has the option to break after 18 months with 3 months notice. |
|      |        | Ground Floor Ancillary    | -     | -    |             |              |          |          |                |               |           |                   |                                                                          |
|      |        | Ground Floor ITZA         | 821   | N/A  |             |              |          |          |                |               |           |                   |                                                                          |
|      |        | First Floor               | 497   | 46   |             |              |          |          |                |               |           |                   |                                                                          |
|      |        | Total Gross Income        | 13,142|      |              |              | £255,165 |          | £21,449        | £1,483        | £0        |                   |                                                                          |

Total W.A.U.T. 2.8 years
Income Profile

The subject property has a current net rent of £255,165 pax with no landlord shortfalls.

- 36% Superdrug
- 33% WHSmith
- 18% O2
- 13% New Look
- 5 A 1 D&B
Property Management & Service Charge
The property is currently managed by JLL. The service charge is operated under one schedule with the tenants having apportioned percentage contributions based on gross lettable floor area occupied.

The current service charge runs for the period of 1st April 2018 to 31st March 2019 and it amounts to £21,449 per annum exclusive reflecting £1.63 psf.

Energy Performance Certificates
Each of the four units has an EPC rating of C. Certificates and recommendation reports are available on request.

VAT
The property has not been elected for VAT.

PROPOSAL
Offers of £2,660,000 (Two Million, Six Hundred and Sixty Thousand Pounds), subject to contract and exclusive of VAT for the freehold interest reflecting a net initial yield of 9% allowing for purchaser’s costs of 6.41%.

Further Information
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