Dominant, Prime, Shopping Centre
Investment Opportunity

AYR CENTRAL
SHOPPING CENTRE
SKYE SQUARE • AYR • KA7 1TP
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.


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

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 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.

AYR CENTRAL SHOPPING CENTRE

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.

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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.
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:

<table>
<thead>
<tr>
<th>Time</th>
<th>Tariff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to one hour</td>
<td>£1.00</td>
</tr>
<tr>
<td>Up to two hours</td>
<td>£2.00</td>
</tr>
<tr>
<td>All day</td>
<td>£4.00</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2 Years</td>
<td>26%</td>
</tr>
<tr>
<td>2-5 Years</td>
<td>35%</td>
</tr>
<tr>
<td>5 Years +</td>
<td>39%</td>
</tr>
</tbody>
</table>

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

COVENANT STRENGTH PROFILE

- National: 88%
- Local: 4%
- Commercialisation & Car Park: 8%
TURNOVER RENTS
In the latest year, the scheme produced £356,110 of income via turnover top up provisions. Main contributors (2019):

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEXT</td>
<td>£196,000</td>
</tr>
<tr>
<td>JD Sports</td>
<td>£108,284</td>
</tr>
<tr>
<td>Top Shop</td>
<td>£34,816</td>
</tr>
<tr>
<td>Toy Town</td>
<td>£8,440</td>
</tr>
<tr>
<td>TFS</td>
<td>£8,570</td>
</tr>
</tbody>
</table>

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).

CONTACT

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

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

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

Harry Jeffer
Harry.jeffery@greenpartners.co.uk
020 7659 4837

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