



Anchored Retail Scheme

FOR SALE

College Square, Margate CT9 1PR



Description

The Development was built in the mid 1980's and is of traditional brick and concrete construction and has a total floor area of approximately 69,900 sq ft comprising a large supermarket let to Morrisons 40,356 sq ft, 6 retail units and a kiosk together with a large multi-storey car park offering 506 spaces. The main pedestrian access to College Square is directly from Hawley Street into College Walk.



The supermarket is arranged over ground, first and basement floors, the ground floor provides retail sales area as well as ancillary storage together with staff and office accommodation. The basement provides a goods delivery area from the secure service yard and storage. The car park is demised to Morrison and is managed for the benefit of the foodstore by Euro Car Parks and provides 506 car parking spaces. 198 spaces are at surface level and 308 are undercover on two floors in an adjoining multi-storey car park which is approached from Hawley Street. Customer access from the car park is directly into the store from entrance level or via lift directly from the car park at basement level.

Location

The seaside resort of Margate is located in the north east corner of Kent in the Isle of Thanet which is also made up of Broadstairs and Ramsgate. The town lies 16 miles (25 km) north east of Canterbury and approximately 77 miles (124 km) east of Central London.

The Town is easily accessible from the M2 at junction 7 via Thanet way (A299) and the A2 via Canterbury Road (A28). Canterbury is approximately a 23 minute drive from the Town centre and Broadstairs and Ramsgate are 7 minutes and 10 minutes along the A255 and A254 respectively.



Margate railway station provides services to London, Canterbury, Dover and Ashford. Since the opening of the High Speed 1 rail service the journey time from St Pancras International (Central London) is 88 Minutes and proposals to enhance the Ashford to Margate line will further reduce the journey time to 60 minutes

Situation

Margate's retailing is predominately centred on High Street (where tenants include Primark, Store Twenty One, New Look, WHSmith, Costa and the Carphone Warehouse) with further retailing located at the Centre and College Square (less than 100m away). The High Street and College Square are linked to the north via the Old Town area surrounding Market Place, which offers small independent restaurants and shops, and at the middle of the High Street via Queen Street and Cecil Square, which abuts The Centre where tenants include Boots, Shoe Zone, Peacocks and Card Factory.

College Walk occupies a well-known location which is easily accessible by both car, public transport and pedestrian from the town Centre and seafront. The site is bounded by Hawley Street to the west, Union Row to the South and Addington Street to the west. The large retail unit to the north of the scheme has recently been acquired by Poundstretcher and will further consolidate this part of town as Margate's key convenience retail destination.

MARGATE – COLLEGE SQUARE
Areas & Tenancies

Unit Description	Tenant Name	Trading As	ITZA	Ground	First Floor	Lower Ground	Total NIA (GIA)	Lease Start	Nest Review	Lease Expiry	Annual Rent (pa)	ERV (pa)	Comment
Supermarket	WM Morrisons Supermarkets PLC	Morrisons		36,681	1,231	2,444	40,356	17/11/1986	17/11/2016	16/11/2036	£450,000	£511,000	Passing Rent £11 psf ZA, Rent includes £1.00 psf on 6,789 sq ft external caged storage
1-3	Iceland Foods Limited	Iceland		5,778	3,928		9,706	24/03/2014	24/03/2019	23/03/2024	£50,000	£50,000	Lease Renewal
4	UNDER OFFER – Mr Takaloo, due to complete shortly		716	1,099			1,099				£13,000	£13,000	10 Year term, break in 4 th year. Yr1 - £13k, Yr2-£14k, Yr3- £15k, 3m RF – to be topped up. 3M rent deposit
5-6	99p Stores Ltd	99p Stores	2,879	5,646	3,916		9,562	25/06/2014	25/06/2019	24/06/2024	£55,000	£55,000	Review capped at 15% increase
7	Help Animals Ltd	Help Animals	669	1,025	1,268		2,293	21/03/2013		20/03/2018	£13,000	£13,000	
8	E Cigs		738	1,103	897		2,000	12/09/2016		11/09/2026	£11,000	£11,000	T.J's E Cigarettes Ltd for £11,000 pa on a 10 year lease 95 year break – mutual) outside the 1954 act – no rent reviews
9-10	Superdrug Stores Plc	Savers	1,534	2,304	2,358		4,662	01/09/2013		31/08/2018	£27,000	£27,000	
kiosk	Mr Aljert Sulaj	Bakers		222			222	11/05/2012		10/05/2020	£8,500	£8,500	
							69,000				£627,500	£688,500	

Net Income from Leases & Licences
Gross Rental Value

£627,500
£688,500

Investment Summary



- Dominant 40,356 sq ft Morrisons supermarket within the surrounding area
- 94% of the income is secured against Morrisons, 99p Stores, Iceland and Superdrug
- Excellent WAULT of 18.1 years to expiry
- 506 car parking spaces with a ratio of 1:80sq ft
- Reversionary Morrisons rent from £11.00 psf to £12.50 psf representing an increase of £61,000 pa in 2016

Service Charge

The service charge is operated under two schedules and is apportioned on a floor area basis. The service charge year end is 31st March 2015 and the current budget is £91,150, reflecting £1.30 psf.

EPC

Energy Performance certificates are available upon request

VAT

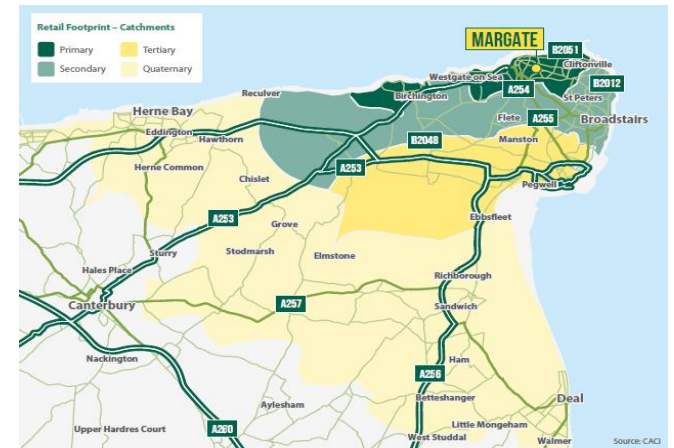
This property has been elected for VAT purposes and it is anticipated that the investment will be treated as a Transfer of a Going Concern (TOGC).

Proposal

Offers sought in excess of £9,000,000 (Nine Million Pounds,) Reflecting the following yield profile –

Net Initial Yield – 7%

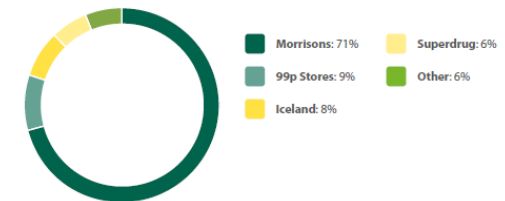
Reversionary Yield – 7.7%



INCOME ANALYSIS

Top Rent Payers

94% of the income is derived from Morrisons (71%), 99p Stores, Iceland and Superdrug.



Income to expiry

71% of the current income is secured for over 15 years with the Morrisons lease expiring in 2036.

