



RETAIL PARK INVESTMENT

Shrub Hill Retail Park

Pheasant Street, Worcester WR1 2DD





INVESTMENT SUMMARY

- Prime Cathedral city retail park, situated adjacent to city centre.
- 83,302 sq ft, 10 unit scheme of high quality construction and excellent city centre parking ratio of 1:244 sq ft.
- Freehold.
- 71 % of income secured for 17 years. Strong and improving tenant mix.
- Significant pitch improvement upon completion of immediately adjacent Lowesmoor Centre. This scheme currently under construction will extend the city centre retail boundary and includes a new Asda superstore.
- Low base rents. Average rent £14.79psf.
- Bulky Goods Planning, which has been widened for named users and has potential for further improvement.
- Price: **£17,250,000 (seventeen million two hundred and fifty thousand pounds)** subject to contract and exclusive of VAT.
- Attractive Net Initial yield of 6.75%, after purchase costs of 5.7625%.

LOCATION & DEMOGRAPHICS

The city of Worcester is located within the county of Worcestershire, approximately 103 miles (166 kms) to the north west of Central London, 23 miles (33 kms) south west of Birmingham and 54 miles (87 kms) north of Bristol.

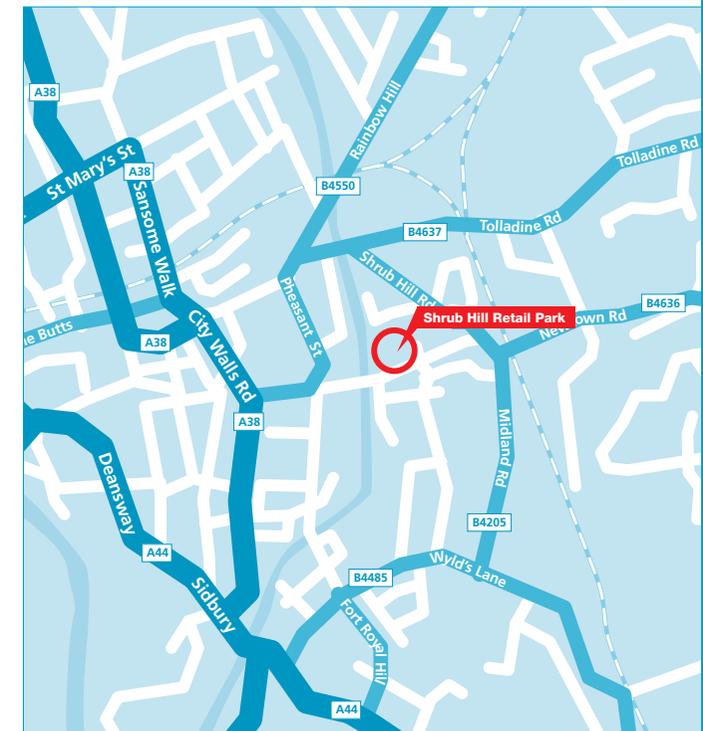
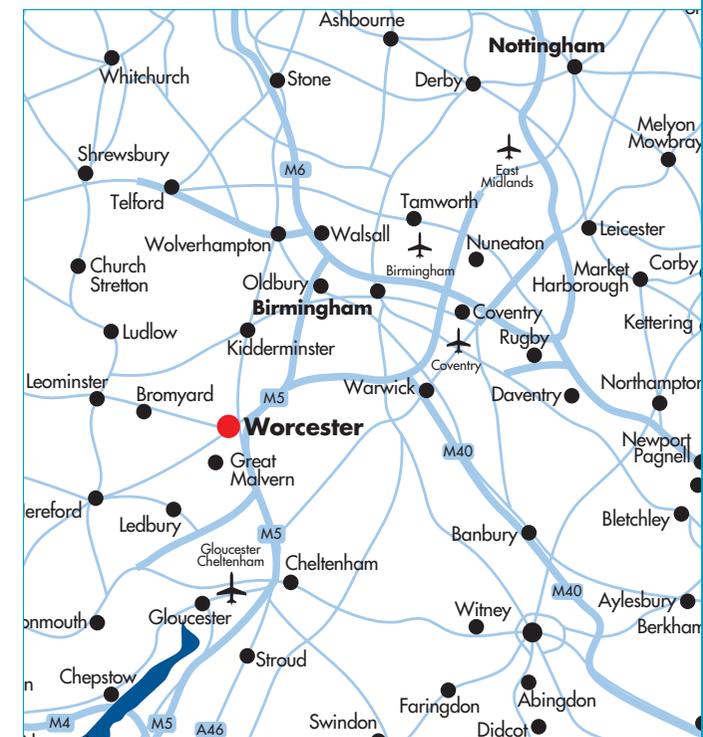
The city benefits from good communications by road and rail, being located immediately to the west of Junctions 6 and 7 of the M5 motorway, which leads to the M42 and M6 motorways. In addition, access to neighbouring towns is provided by the A44, A38, A449 and A422. Rail links, from Worcester Foregate Street, provide a frequent service to London (Paddington) with a fastest journey time of 2 hours 20 minutes. Additional rail services are provided by Shrub Hill railway station, located to the north of the retail park. Furthermore, Birmingham International Airport is 40 minutes away by car.

The historic cathedral city of Worcester is the main employment centre for the largely rural county of Worcestershire, and has, according to the 2001 census, a catchment population of approximately 224,000 people. Given the rural nature of the surrounding area and the distance to major commercial centres, Worcester retains a large proportion of spending within its catchment area, as well as attracting visitors from further afield.

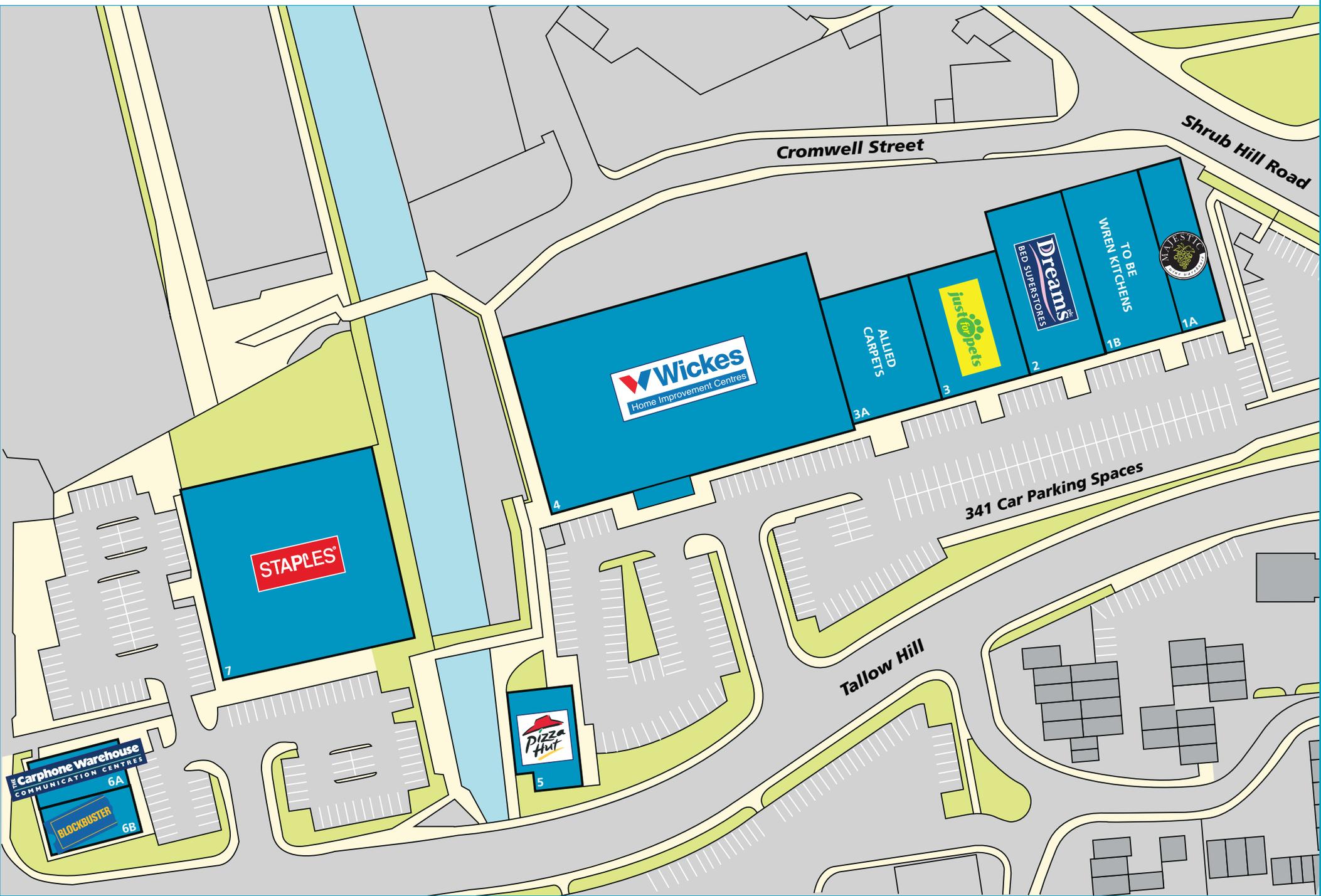
Worcester's population is affluent and relatively mature. There is a particularly high level of multiple car owning households. In addition the city attracts a significant level of tourist spending, with an estimated 1.5 million visitors in 2004, spending approximately £63 million. (source: www.visitworcestershire.org)

SITUATION

The properties are situated in a strong central position, under half a mile from the city centre to the west. The retail park is accessed from George Street and Tallow Hill, via the A38, with Shrub Hill station being a short walk to the East.



For identification purposes only





LOWESMOOR CENTRE

SHRUB HILL RETAIL PARK

CITY CENTRE RETAIL

For identification purposes only

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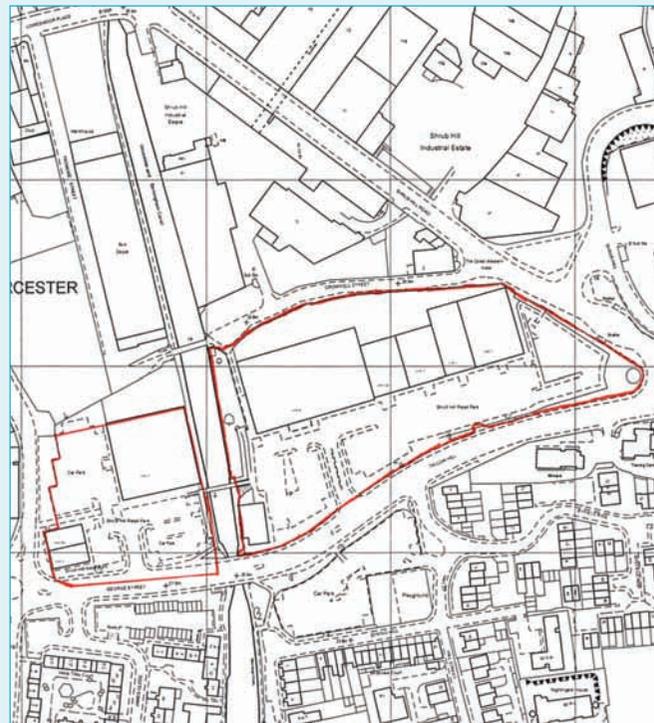


SITE

The site comprises 6.05 Acres (2.4 hectares) and is shown edged red on the ordnance survey extract for identification purposes only.

DESCRIPTION

The subject property comprises an 83,302 sq ft retail warehouse park constructed in 2002 by St Modwen. The scheme is arranged in two phases linked by a footbridge across the Worcester and Birmingham canal. The units are of framed construction with high quality façades comprising brick and profiled cladding below curved roofs. The construction allows for flexible division and as currently configured the 7 original units provide space for 10 retailers.



PARKING

The site is accessed from George Street and Tallow Hill via 2 separate entrance/exit junctions and the car parking is to the front of the units. There are 341 car parking spaces providing an excellent city centre ratio of 1:244 sq ft

PLANNING

Wide Bulky Goods retail with the exception of unit 6 (open a1) and unit 5 (A3).

Since the original consent the planners have widened the consent to allow Majestic Wine to open and furthermore it is felt that there is scope to widen the consents on other units. Further detail available on request.

TENURE

Freehold



TENANCIES

Unit	Tenant	Area (Sq ft)	Tease Start	Tease End	Rent	Next Review	Break	Comment
1A	Majestic Wine Warehouses Ltd	3,280	14/04/2008	13/04/2023	£58,500 (£17.84psf)	14/04/2013		Service charge capped at £3,000 pa, subject to annual upward only RPI reviews. Planning consent widened to allow use.
1B	Ebuyer Holdings Limited t/a Wren Kitchens	6,670	Under offer	Under offer	£116,725 (£17.50 psf)			New terms agreed and in solicitors hands for 10 year lease to E Buyer Holdings Ltd t/a Wren Kitchens at £17.50 psf. Tenant break at year 5/review at yr 5.
2	Dreams Plc	6,305	29/09/2002	28/09/2027	£94,500 (£14.99 psf)	29/09/2012		
3	Just for Pets Ltd	6,061	29/09/2002	28/09/2027	£91,500 (£15.10 psf)	29/09/2012		
3A	Allied Carpets Retail Limited	6,000	02/06/2010	01/06/2020	£105,000 (£17.50 psf)	02/06/2015		50% rent to commence on 2/9/10 until 1/9/12. Vendor to top up rent in interim. Repair obligation limited by schedule of condition.
4	Wickes Building Supplies Ltd	28,630	29/09/2002	28/09/2027	£383,642 (£13.40 psf)	29/09/2012		
5	Pizza Hut (UK) Limited	Gd: 2,464 L Gd: 1,646	29/09/2002	28/09/2028	£51,925 (£12.63 psf)	29/09/2008	28/09/18 (tenant)	Tenant break option 6 months notice. Rent review currently outstanding.
6A	Carphone Warehouse Ltd	2,070	29/09/2002	28/09/2017	£40,000 (£19.26)	29/09/2012		
6B	Blockbuster Entertainment Ltd	2,070	29/09/2002	28/09/2017	£38,000 (£18.36)	29/09/2012		
7	Staples UK Ltd	18,106	25/09/2002	28/09/2027	£252,000 (£13.92 psf)	29/09/2012		
	Total	83,302			£1,231,792 pax			

TENANT COVENANTS

Unit	Tenant	Accounts y/e	Turnover (£000's)	Pre-Tax Profit (loss) £000's	Shareholder's Funds	% Income
1A	Majestic Wine Warehouses Ltd	29/03/2010	213,540	15,620	30,179	4.75%
1B	Wren Kitchens (E Buyer Holdings Ltd)	31/12/2009	233,274	(206)	52,087	9.47%
2	Dreams plc	24/12/2009	243,570	17,900	42,517	7.67%
3	Just for Pets Ltd	31/10/2010	9,189	649	2,047	7.43%
3A	Allied Carpets Retail Ltd		None yet filed			8.52%
4	Wickes Building Supplies Ltd	27/12/2008	912,735	6,535	127,097	31.15%
5	Pizza Hut UK Ltd	29/11/2009	362,549	(12,122)	33,464	4.22%
6A	Carphone Warehouse Ltd	03/04/2010	1,583,205	61,646	728,022	3.25%
6B	Blockbuster Entertainment Ltd	04/01/2009	293,376	3,008	49,279	3.08%
7	Staples UK Ltd	31/01/2009	N/A	N/A	58,872	20.46%



VAT

The property has been elected for vat and will be payable on the purchase price.

PROPOSAL

We are instructed to seek offers in excess of **£17,250,000 (seventeen million two hundred and fifty thousand pounds)** subject to contract and exclusive of VAT. An acquisition at this level would show an net initial yield of 6.75%. This assumes the completion of the Wren kitchens letting. It is proposed that the transaction is dealt with by way of a base payment followed by an additional "top-up" payment once the letting of unit 1b completes.

FURTHER INFORMATION

For further information or to arrange an inspection please contact:

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