

PRIME MULTI LET RETAIL INVESTMENT FOR SALE

GLOUCESTER

MARKS &
SPENCER

12/18 EASTGATE STREET

13/15 SOUTHGATE STREET

25/31 BELLWALK, EASTGATE
SHOPPING CENTRE

Poundland® 

INVESTMENT SUMMARY

- Gloucester is an historic cathedral city which is ranked in the top 75 UK retail centres and is the 9th fastest growing city in the UK.
- 100% prime pitch on the pedestrianised Eastgate Street and frontage to Southgate Street.
- Let to the undoubted covenants Marks & Spencer PLC and Poundland.
- Marks & Spencer PLC have an unexpired term of approximately 12.5 years to expiry.
- New lease to Poundland with an unexpired lease term of approximately 5.3 years.
- Substantial asset comprising approximately 88,702 sq ft (8,240 sq m).
- WAULT to expiry of c.11.2 years and c.7.1 years to break.
- Total gross passing rent of £568,750 pa with a net operating income of £508,750 pa, following the deduction of headrent.
- Leasehold with 112 years unexpired at a current ground rent of £60,000 pa.
- Advantageous head lease provides a low service charge payable by both tenants, with the total service charge being £29,320.18 for the current year.



Our client is seeking offers in excess of **£3,900,000**

(Three Million Nine Hundred Thousand Pounds) subject to contract and exclusive of VAT, reflecting a Net Initial Yield of 12.25% net of standard purchasers costs and a low capital value of c.£44 psf.

LOCATION OVERVIEW



Gloucester is the county town of Gloucestershire and is a significant commercial centre for the region, situated approximately 166km (104 miles) west of London, 58km (36 miles) north of Bristol and 14km (9 miles) west of Cheltenham.



Road communications to the town are excellent, the principal routes to the town being via the A40 to junction 11 of the M5, the A38 from the south of the town to junction 12 of the M5, and east to junction 11A of the M5. The A40 and A48 to the west and south west provide access to south Wales. Access to the national motorway network has been improved with a recent upgrading of junction 12 of the M5 to a two way junction, which opened this year.



Gloucester is served by a Mainline rail service to Birmingham, Bristol and London. The fastest journey time to London Paddington is approximately 1 hour 45 minutes.

DEMOGRAPHICS

Gloucester has a daytime population of 202,000 and is estimated to see above average population growth between 2022 – 2027 (Promis, 2023). The town has a consumer base of 344,000 persons ranking 75 on the PMA indicator.

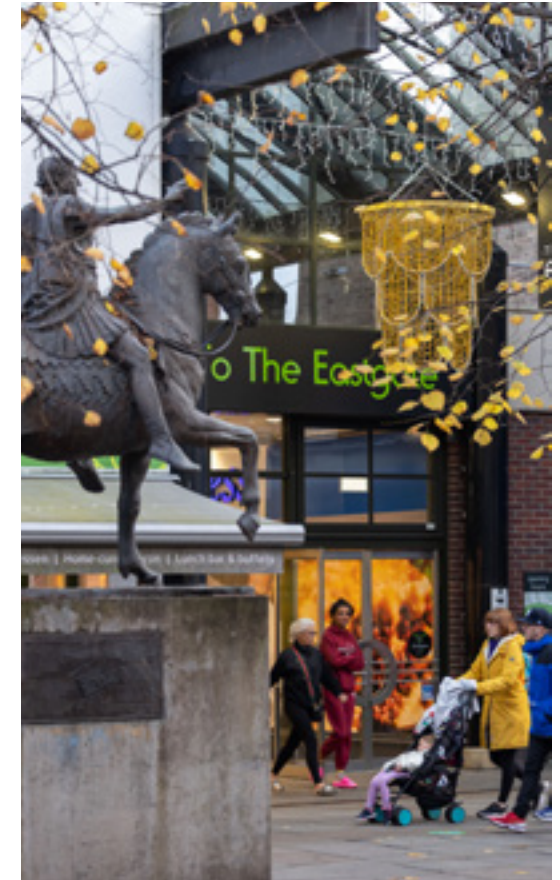
The town ranks 76 in terms of the volume of total retail spend with a significantly above average proportion of adults of working age categorised within the C2 social group.

The majority of large employers in Gloucester are public sector organisations including education, health and public administration and financial and business services. Key employers include the county and city councils, Gloucester Royal NHS Trust and HM Customs and Excise. Large private employers include Dowty Aerospace propellers and Birdseye Walls.



RETAILING IN GLOUCESTER

Gloucester is an established retail centre, providing an estimated town centre retail floor space of 1,480,000 sq ft.



The city's prime retailing is focused along the pedestrianised Eastgate Street, complemented by two managed shopping centres in the city, The Eastgate Centre & Kings Walk shopping centre. The former comprises 260,000 sq. ft, with notable occupiers including H&M, JD Sports and F Hinds. The latter comprises 155,000 sq ft with Primark and Iceland anchoring the centre. Major national retailers represented in the city include Marks & Spencer, Boots and Primark.

A local market operates in the Eastgate Centre six days a week.

PRIMARK®

F.HINDS

M&S

GREGGS

TUI

next



Poundland®

H&M



Iceland.co.uk



SITUATION

The property is extensive and has its main frontage to Eastgate Street. The Marks & Spencer store benefits from a dual frontage to Bellwalk, the main thoroughfare through the Eastgate Centre.

Nearby occupiers on Eastgate Street include H&M, Primark, Holland and Barrett, The Body Shop and Clarks.

Poundland fronts onto Southgate Street, a part pedestrianised retail thoroughfare, where occupiers include Tesco Express, Costa Coffee, H Samuel and Barclays Bank.

The town's second covered centre, Kings Walk Shopping Centre is situated diagonally opposite the subject property and is anchored by Primark.

We have been informed by the local authority that the property is situated within the City Centre Conservation Area.

Plan for identification purposes only.

12/18 EASTGATE STREET, 13/15 SOUTHGATE STREET & 25/31 BELLWALK EASTGATE SHOPPING CENTRE GLOUCESTER

PROPERTY DESCRIPTION

The property comprises two large retail stores, which are an integral part of the Eastgate Shopping Centre.

The Marks & Spencer Store is arranged on basement, ground and first floors together with accommodation on the car park deck and the upper roof level. Whilst the main shopping frontage is to Eastgate Street, the store has a large secondary entrance onto Bellwalk within the Eastgate Centre. The entire ground floor and the majority of the basement are utilised for sales purposes.

Between the front and rear sections of the first floor is a service road and loading bays serving the subject properties. The service road is shared with all the occupiers of the shopping centre although both Poundland and Marks & Spencer have their own loading bay.

The Poundland store is predominantly arranged on ground and first floors. The ground floor provides clear, well proportioned retail accommodation with the first floor being currently used for storage.



TENANCY AND ACCOMMODATION

The tenancy and accommodation details are set out below.
The wault to expiry is 11.2 years and 7.1 years to break.

Unit Description	Tenant	Areas	SQ FT (GIA)	SQ M (GIA)	Rent pax	Lease Start	Lease Expiry	Rent Review	Next Tenant Break	Rateable Value	EPC	Experian Score	Comments
12-18 Eastgate Street	Marks and Spencer P.L.C (Co No: 02495645)	Ground Floor Sales Basement Sales First Floor Storage/Offices Second Floor Plant Third Floor Offices/Ancillary Fourth Floor Plant Total	20,546 20,533 12,627 3,049 9,717 1,217 67,689	Total: 6,288	£468,750	29/11/2011	28/11/2036	29/11/2026	29/11/2031	£422,500	B (50)	100	Lease inside act s/c for y/e March 25 is £21,535.67.
13-15 Southgate Street	Poundland Limited (Co No: 00214436)	Ground Floor Sales Ground Floor Storage First Floor Stock Total	10,249 43 10,721 21,013	Total: 1,952	£100,000	15/09/2023	14/09/2029			£144,000	C(58)	100	Lease inside act s/c cap at £8,312.32, subject to annual RPI increases with a cap at 4% pa. s/c for y/e March 25 is £7,784.51 Photographic schedule of condition attached to the lease
Totals			88,702	8,240	£568,750								



TENURE

The property is held on a long leasehold from Gloucester City Council (who own the superior long leasehold and the wider freehold interest in the Eastgate Centre) for a period of 125 years from 13th May 2011 at a current head rent of £60,000 pa, which is reviewed to the higher of the passing rent or 8.7% of the rent receivable on 12th May 2032 and 21 yearly thereafter.

The lease is effectively full repairing and insuring, recoverable via the Eastgate Shopping Centre service charge. As the long lease is dated there are a number of items which the long leaseholder does not contribute to so the liability is much lower than one would expect for an asset of this size.

Full title information is available on request.

SERVICE CHARGE

The service charge budget for the year ending 31st March 2025 is £29,320.18. The current tenant apportionment is as follows: -

M&S	£21,535.67
Poundland	£7,784.51

Under our clients lease the service charge is capped at 2.5% of recoverable expenses with a reasonable amount towards depreciation of plant and machinery.

COVENANT

Poundland 

POUNDLAND	1 Oct 2023 (£)	25 Sep 2022 (£)	26 Sep 2021 (£)
Sales Turnover	1,771,723,000	1,586,100,000	1,544,694,000
Profit before Tax	18,812,000	33,920,000	33,478,000
Net Worth	63,225,000	78,007,000	23,890,000

Poundland Ltd has an Experian credit score of 100/100 reflecting a very low risk.



**MARKS &
SPENCER**

MARKS AND SPENCER PLC	01 Apr 2023 (£)	02 Apr 2022 (£)	27 Mar 2021 (£)
Sales Turnover	11,847,100,000	10,885,100,000	9,155,700,000
Profit before Tax	432,600,000	404,700,000	-266,800,000
Net Worth	4,516,900,000	4,630,400,000	3,980,900,000

Marks and Spencer PLC has an Experian credit score of 100/100 reflecting a very low risk.

EPC

12/18 Eastgate Street (Marks & Spencer) has an EPC of B (50).

13/15 Southgate Street (Poundland) has an EPC rating of C (58)

VAT

The property is elected for VAT purposes. It is anticipated that the investment sale will be treated as a Transfer Of A Going Concern (TOGC).

PROPOSAL

Our client is seeking offers in excess of **£3,900,000 (Three Million Nine Hundred Thousand Pounds)**, subject to contract and exclusive of VAT, reflecting a Net Initial Yield of 12.25% net of standard purchaser's costs and a low capital value of £44 psf.



**FOR FURTHER INFORMATION OR TO ARRANGE AN INSPECTION
PLEASE DO NOT HESITATE TO CONTACT:**

Philip Hay BSc (Hons) MRICS
07770 580 590
phay@jacksoncriss.co.uk

Rhodri Jones BSc (Hons) MSc
07570 684 444
rjones@jacksoncriss.co.uk

Identity Checks: In order to comply with anti-money laundering legislation, the successful purchaser will be required to provide certain identification checks. The required documents will be confirmed and requested from the successful purchaser at the relevant time.

Messrs. Jackson Criss for themselves and for the vendors or lessors of this property whose agents they are to give notice that: (i) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given in good faith and are believed to be correct but any intending purchasers or tenants should not rely on them as statements of representations of fact but satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) no person in the employment of Messrs. Jackson Criss has any authority to make or give any representation or warranty whatever in relation to this property.

104483 JULY 2024. Designed by tccommunications.co.uk