

ABERDEEN
KITTYBREWSTER
RETAIL PARK 

Bedford Road, AB24 3LJ

INVESTMENT HIGHLIGHTS

- Considered Aberdeen's premier retail park.
- Prime Open A1 Non-Food consent, with no minimum unit size restriction.
- Wren Kitchens relocated from Beach Boulevard Retail Park at a significantly greater rent in 2020.
- Recent letting to JD Sports in May 2022 at a headline rent of £23 psf.
- Strong and diversified tenant line up including Halfords, SCS, TK Maxx, Wren, Dreams, Pure Gym, McDonalds and JD Sports amongst others.
- Aberdeen is one of the UK's top retail destinations with a consumer base of 1,197,000, ranking the city 6th out of the PROMIS centres.
- WAULT of 7.4 years to expiry and 5.8 years to break.
- 155,504 of ground floor space, many of the tenants have installed a mezzanine to further enhance their sales space.
- Significant car parking, providing 543 spaces.



PROPOSAL

We have been instructed to seek offers in excess of £46.26M (Forty Six Million Two Hundred and Sixty Thousand Pounds, subject to contract and exclusive of VAT for the benefit of our client's feuhold interest in the subject property. A purchase at this level would reflect a **net initial yield of 6.75% and a capital value of £297.50 per sq ft.**



ABERDEEN
INTERNATIONAL
AIRPORT

 KITTYBREWSTER
RETAIL PARK

UNIVERSITY OF
ABERDEEN

ABERDEEN
SPORTS VILLAGE

ABERDEEN
FOOTBALL CLUB

CENTREPOINT RETAIL PARK/
BERRYDEN RETAIL PARK

CRESCENT
CRICKET CLUB

ABERDEEN
BEACH

ABERDEEN
TENNIS CENTRE

LIDL

NORTH EAST
SCOTLAND COLLEGE

VICTORIA PARK

BON ACORD
SHOPPING CENTRE

ABERDEEN
CITY CENTRE

QUEENS LINK
LEISURE PARK

BEACH BOULEVARD
RETAIL PARK

ABERDEEN
HARBOUR

For indicative purposes only.

LOCATION

ABERDEEN IS SCOTLAND'S THIRD LARGEST CITY AND IS THE ADMINISTRATIVE CENTRE FOR THE NORTH EAST OF SCOTLAND.

The city is located 125 miles (201 km) north of Edinburgh, 145 miles (233 km) north east of Glasgow and 100 miles (161 km) to the east of Inverness. Aberdeen is considered to be the oil capital of Europe, being a beacon of activity for the North Sea Oil industry.

There are two universities in Aberdeen, the University of Aberdeen and Robert Gordon University, which are home to c.30,000 students. The University of Aberdeen is ranked 20th in the UK in the Guardian University Guide and Times and Sunday Times Good University Guide 2022 as well as ranking 5th in the UK for overall student satisfaction in the 2021 National Student Survey.



Aberdeen is well connected with the A90 which links to the national motorway network, providing easy access to Edinburgh and Glasgow, whilst the A96 provides access to Inverness.



Aberdeen railway station is the mainline station for the city and is the busiest station in Scotland north of Glasgow and Edinburgh. The station is the northern terminus of the Dundee-Aberdeen line and the southern terminus of the Aberdeen-Inverness line.



The city has fantastic global connectivity via Aberdeen International Airport, which is located just a 15 minute drive from the city centre. The airport offers international flights to the following destinations: Spain, Netherlands, Norway, Bulgaria, Denmark, Greece, Turkey, Portugal, Poland, Latvia and the Canary Islands.

DEMOGRAPHICS

ABERDEEN IS ONE OF THE UK'S TOP RETAIL DESTINATIONS WITH A CONSUMER BASE OF 1,197,000, RANKING THE CITY 6TH OUT OF THE PROMIS CENTRES.



The city is home to a large number of multinational oil companies which have a major presence in the city and a range of other employers are connected to the oil and gas industry, including energy services firm The Wood Group, engineering firm Aker Solutions and facilities solutions firm Petrofac.



Aberdeen also has major financial services employers in the city, namely ABRDN and Lloyds Register. Other large employers include Ernst & Young, KPMG, PricewaterhouseCoopers, Fugro Survey, Accenture and solicitors Ledingham Chalmers. **The city is home to 28 of Scotland's top 100 companies.** The public sector accounts for a below average proportion of the workforce, with employers including the NHS, the Common Services Agency and the Aberdeen Harbour Board.



Aberdeen has an approximate **total population of 230,000 people**, which accounts for c.4% of Scotland's total population, which is projected to increase in the coming years.



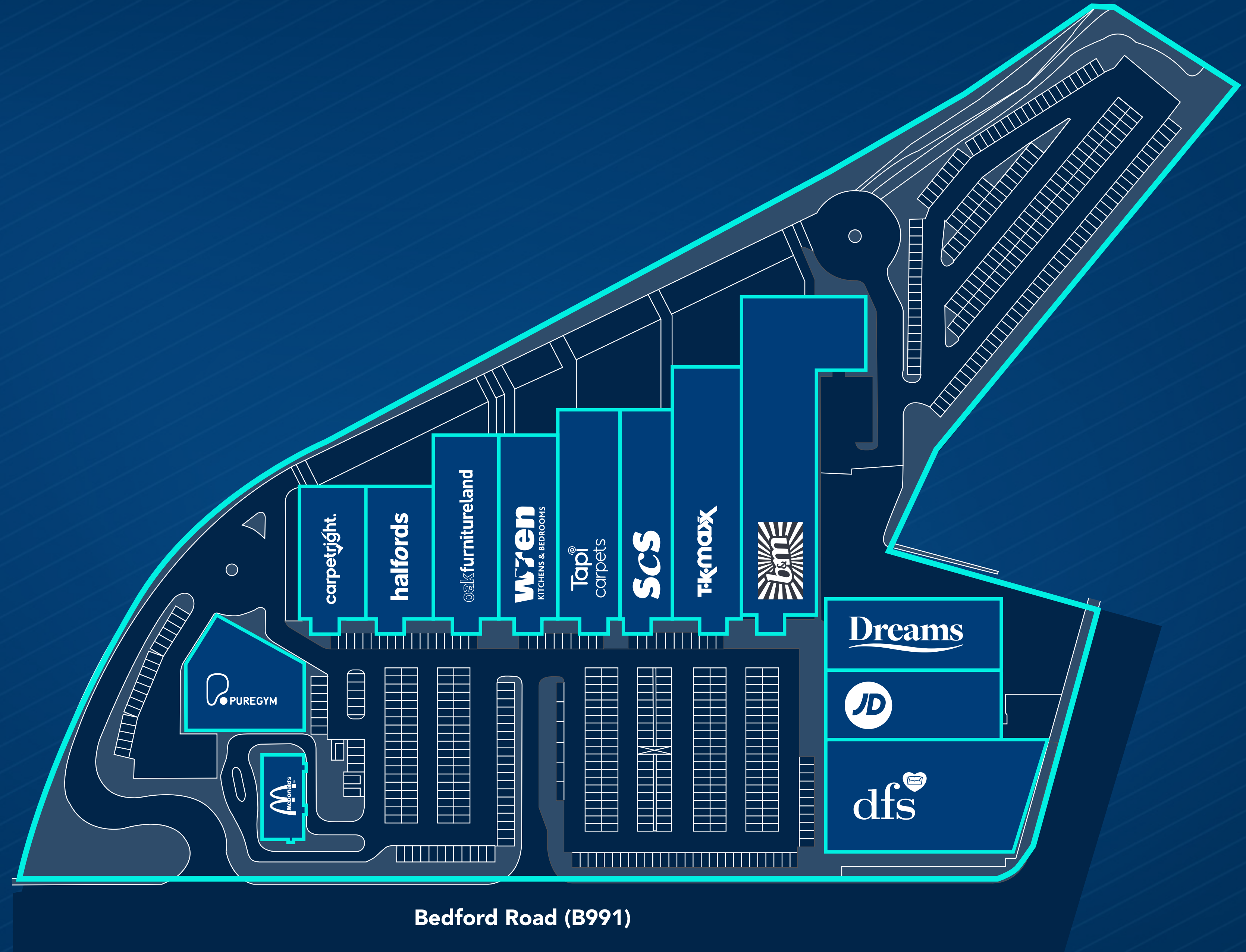
Aberdeen has a **total retail expenditure of 2.9 billion**, which is approximately 22% higher than the PMA Regional Centre average and 118% greater than the Retail PROMIS 200 Centre average, this is driven by the strong fundamentals of the Aberdeen consumer, whose average earnings are 21% above the Scottish national average.

ASSET OVERVIEW

Kittybrewster Retail Park consists of a total of 13 units, made up of two primary terraces of retail warehousing which have been divided into 11 individual units. Each of the units benefits from a modern and prominent entrance feature, and the buildings are of steel portal frame construction. In addition, there are a further two units that were developed in 2015/16 to provide a gym and restaurant unit.

The eaves height within the units allow for a mezzanine level, which has been installed in a number of the units as set out in the accommodation schedule.

The retail park is accessed from Bedford Road, which leads to a customer car park in front of the units providing 350 car parking spaces. In addition, there is a separate service road leading to a service yard to the rear of the units, the north eastern corner of which provides an additional car park with 193 spaces. The total number of car parking spaces at the scheme is therefore 543, providing a ratio of 1:284 sq ft.



INVESTING IN ABERDEEN

Aberdeen Harbour has historically been an important economic driver within the city. The harbour is currently being extended as part of a £350 million investment project, which is set to make it the largest harbour by berthage in the UK. This is widely expected to boost tourism and further enhance the oil and shipping industries as well as creating 7,000 indirect equivalent jobs by 2035, injecting an additional £0.9 billion GVA into the national economy. The project is projected to complete in October 2022.



The city is further set to benefit from more than £12 billion of public and private infrastructure investment over the next decade, which will underpin the local economic performance and further enhance the prosperity in the area.



In 2021 Nestrans gained ministerial approval of the north east's new Regional Transport Strategy (RTS). The strategy will shape the area's transport actions and policies over the next 20 years. The initiative will improve journey efficiencies, improve air quality and improve accessibility.



Aberdeen Harbour Extension
Source: Invest Aberdeen



RETAIL WAREHOUSING IN ABERDEEN

ABERDEEN HAS AN ESTIMATED RETAIL WAREHOUSE SUPPLY OF 1.22 MILLION SQ FT, RANKING THE CITY 28TH OF THE PROMIS CENTRES ON THIS MEASURE.

In addition to Kittybrewster Retail Park, Aberdeen has the following retail warehouse schemes.



1

Beach Boulevard Retail Park

Owner: Realty Corporation

Beach Boulevard is the largest retail park in Aberdeen by floor space, extending to 224,348 sq ft. The retail park benefits from 961 car parking spaces and includes occupiers such as Aldi, Asda, Costa Coffee, Dunelm, Home Bargains, Iceland and Pets at Home. Headline rents at Beach Boulevard are in the region of £17.50 per sq ft.

2

Garthdee Retail Park

Owner: Realty Corporation

Garthdee comprises of approximately 35,000 sq ft of retail warehouse accommodation, with occupiers including Boots and Currys. Additionally, there is a c.100,000 sq ft B&Q that sits adjacent, with a Sainsbury's and Asda in close proximity. Headline rents at Garthdee are in the region of £30 per sq ft.

3

Bridge of Don Retail Park

Owner: Realty Corporation

Bridge of Don comprises of approximately 82,015 sq ft of retail warehouse accommodation, with the retail park being anchored by a c.40,000 sq ft B&Q. Other tenants include Carpetright, Home Bargains, Costa Coffee, M&S Foodhall and Pets at Home. Headline rents at the retail park are in the region £18.50 per sq ft.

4

Centrepoint Retail Park / Berryden Retail Park

These two retail parks are positioned immediately adjacent to each other, despite being under separate ownership.

Owner: RPMI Railpen

Centrepoint extends to 95,519 sq ft of retail warehouse accommodation and is let to Matalan, Mecca Bingo and Poundland. Headline rents at Centrepoint are in the region of £17.75 per sq ft.

Owner: Frasers Group Plc

Berryden extends to 74,293 sq ft of accommodation and is let to Currys, Home Bargains, Next and Sports Direct. Headline rents at Berryden are in the region of £23.50 per sq ft.

5

Union Square

Owner: Hammerson

To the south of Hammerson's Union Square Shopping Centre in the city centre, there are a number of retail warehouse units fronting the car park. These are let to fashion occupiers including M&S, JD Sports, TK Maxx and Decathlon. Headline rents in are in the region of £35 per sq ft.



TENURE

Heritable interest (feehold).

PLANNING

The property benefits from an Open A1 Non-Food consent, with no minimum unit size restriction.



11.55 ACRE
RETAIL PARK
in the heart of
ABERDEEN



TENANCY SCHEDULE

GROSS INCOME	£3,343,593
LANDLORD SHORTFALLS	(£9,524)
NET OPERATING INCOME	£3,334,069

UNIT/ DESCRIPTION	TENANT	TRADING AS	AREAS	HEADLINE RENT	HEADLINE RENT PSF	LEASE START	LEASE EXPIRY	NEXT TENANT BREAK	RENT REVIEW	SERVICE CHARGE SHORTFALL	COMMENTS
1a	Carpetright plc	Carpetright	7,512	£225,000	£30	28-Jul-08	27-Jul-28		28-Jul-23		This store was a Category A performer within their CVA, meaning that the lease remains unaffected except that rent, service charge and insurance is paid monthly as opposed to quarterly.
1b	Halfords Limited	Halfords	7,512	£277,182	£37	25-Jul-08	25-Jul-28		25-Jul-23		
2	Oak Furnitureland Group Limited	Oak Furnitureland	10,249	£190,000	£19	10-Nov-14	24-Nov-30	24-Nov-25	25-Nov-25		The lease was assigned and varied in November 2020.
3	Wren Kitchens	Wren Kitchens	10,262	£225,764	£22	13-Jul-20	12-Jul-30	13-Jul-25	13-Jul-25		Wren benefit from 6 months rent free if the July 2025 break clause is not exercised.
4a	Tapi Carpets & Floors Limited	Tapi Carpets	10,461	£230,120	£22	20-Nov-15	19-Mar-26				
4b	A Share & Sons Limited	SCS	10,404	£252,240	£24	31-May-16	30-May-26				
5a	TJX UK	TK Maxx	16,732	£292,464	£17	01-Apr-22	31-Mar-32	01-Apr-29	01-Apr-27		SC Cap of £18,500 rising with CPI annually. 9 month rent free period expiring January 2023, which will be topped up by the vendor.
5b	B & M Retail Limited	B&M	24,500	£390,336	£16	13-Oct-14	12-Oct-29			£9,524	Fixed uplift in October 2024 to £414,732 pax. There is a service charge cap of £13,697 pa rising with RPI.
6a	Dreams Limited	Dreams	10,010	£225,000	£22	27-Nov-20	26-Nov-30	27-Nov-25	27-Nov-26		6 month break penalty if served. Dreams in a 2 year period of half rent expiring November 2022, which will be topped up by the vendor.
6b	JD Sports Fashion PLC	JD Sports	9,610	£221,000	£23	03-May-22	02-May-32	03-May-27	03-May-27		6 month rent free period followed by 12 months at half rent, which will be topped up by the vendor. There is a service charge cap of £10,378.80 pa, rising with RPI. Break penalty of £52,500.
6c	DFS Furniture Company Limited	DFS	23,201	£536,613	£23	26-Dec-02	25-Dec-27		25-Dec-22		
7	Pure Gym Limited	Pure Gym	10,056	£140,778	£14	03-Sep-15	02-Mar-31		03-Sep-25		The 2025 rent review benefits from indexation cap and collared at 1% and 4% annually.
Drive Thru	McDonald's Restaurants Limited	McDonalds	4,995	£122,525	£25	21-Jul-16	20-Jul-41		21-Jul-26		
Sub-station (main)	Scottish Hydro Electric Power Distribution plc	Scottish Hydro Electric Power Distribution plc		£1							
Sub-station (gym & restaurant units)	Scottish Hydro Electric Power Distribution plc	Scottish Hydro Electric Power Distribution plc		£1		01-Aug-15	31-Aug-41				
Consolidated Commercialisation	Commercialisation	Commercialisation		£14,569							
TOTALS			155,504	£3,343,593	£21					£9,524	

COVENANT STRENGTH

UNIT	TENANT	EXPERIAN RATING	YEAR END	SALES TURNOVER	PRE-TAX PROFITS	NET WORTH
1a	Carpetrigh plc	-	-	-	-	-
1b	Halfords Limited	100	2nd Apr 2021	£977,600,000	£47,600,000	£801,600,000
2	Oak Furnitureland Group Limited	47	30th Jun 2021	£251,084	(£22,981)	(£19,808)
3	Wren Kitchens	100	31st Dec 2021	£916,487,075	£100,586,423	£207,581,897
4a	Tapi Carpets & Floors Limited	50	26th Dec 2020	£99,808,694	(£5,261,582)	£150,347
4b	A Share & Sons Limited	100	31st Jul 2021	£310,566,000	£23,929,000	£56,922,000
5a	TJX UK	79	30th Jan 2021	£2,278,400,000	(£254,000,000)	£550,100,000
5b	B & M Retail Limited	100	27th Mar 2021	£4,085,024,000	£531,888,000	£593,925,000
6a	Dreams Limited	68	24th Dec 2020	£302,150,000	£46,863,000	£43,006,000
6b	JD Sports Fashion PLC	100	30th Jan 2021	£6,167,300,000	£324,000,000	£419,000,000
6c	DFS Furniture Company Limited	67	27th Jun 2021	£3,200,000	(£6,000,000)	£32,200,000
7	Pure Gym Limited	46	31st Dec 2020	£142,405,000	(£60,101,000)	(£13,188,000)
Drive Thru	McDonald's Restaurants Limited	100	31st Dec 2020	£970,266,000	(£23,350,000)	£940,339,000

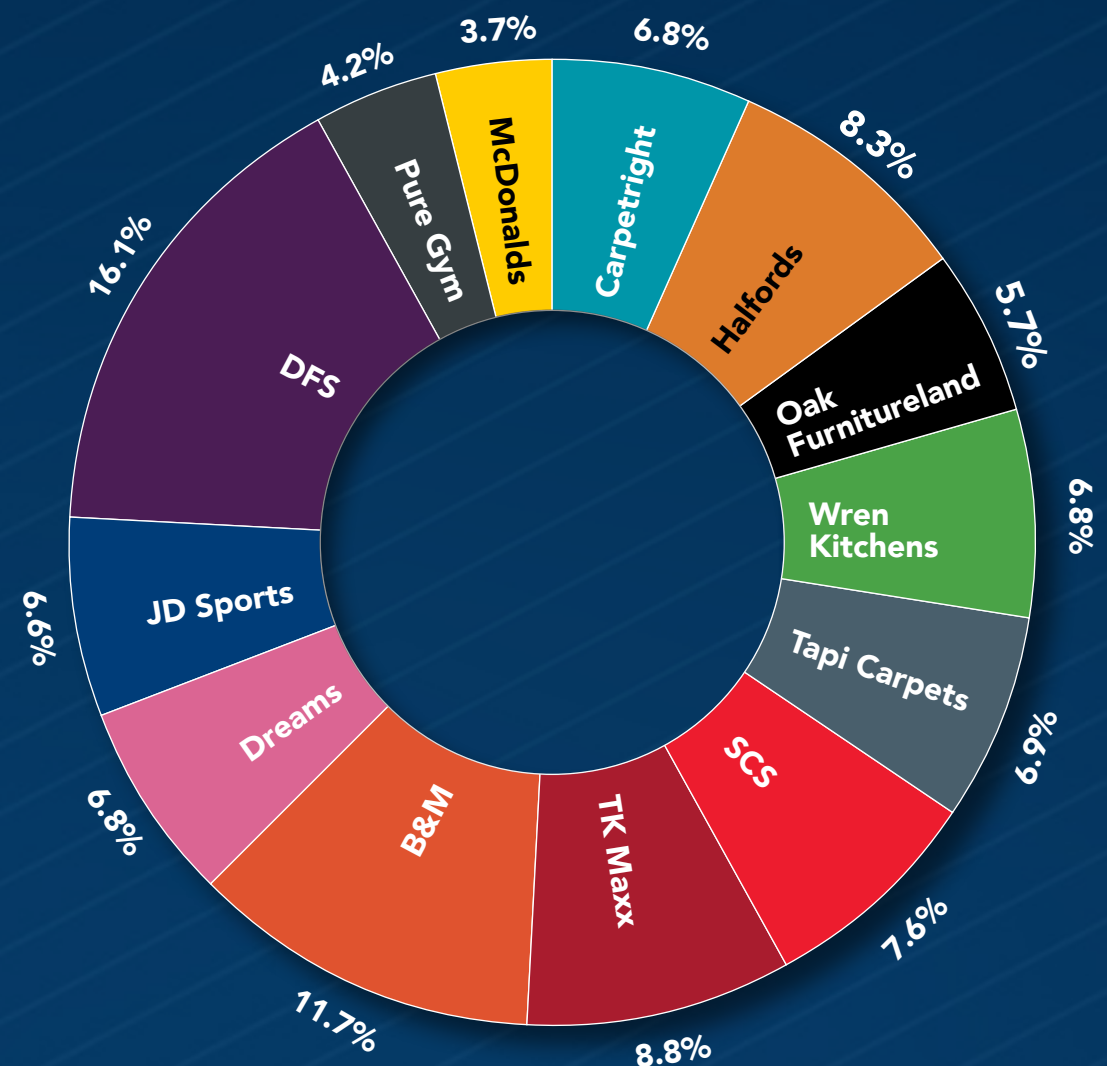


INCOME ANALYSIS

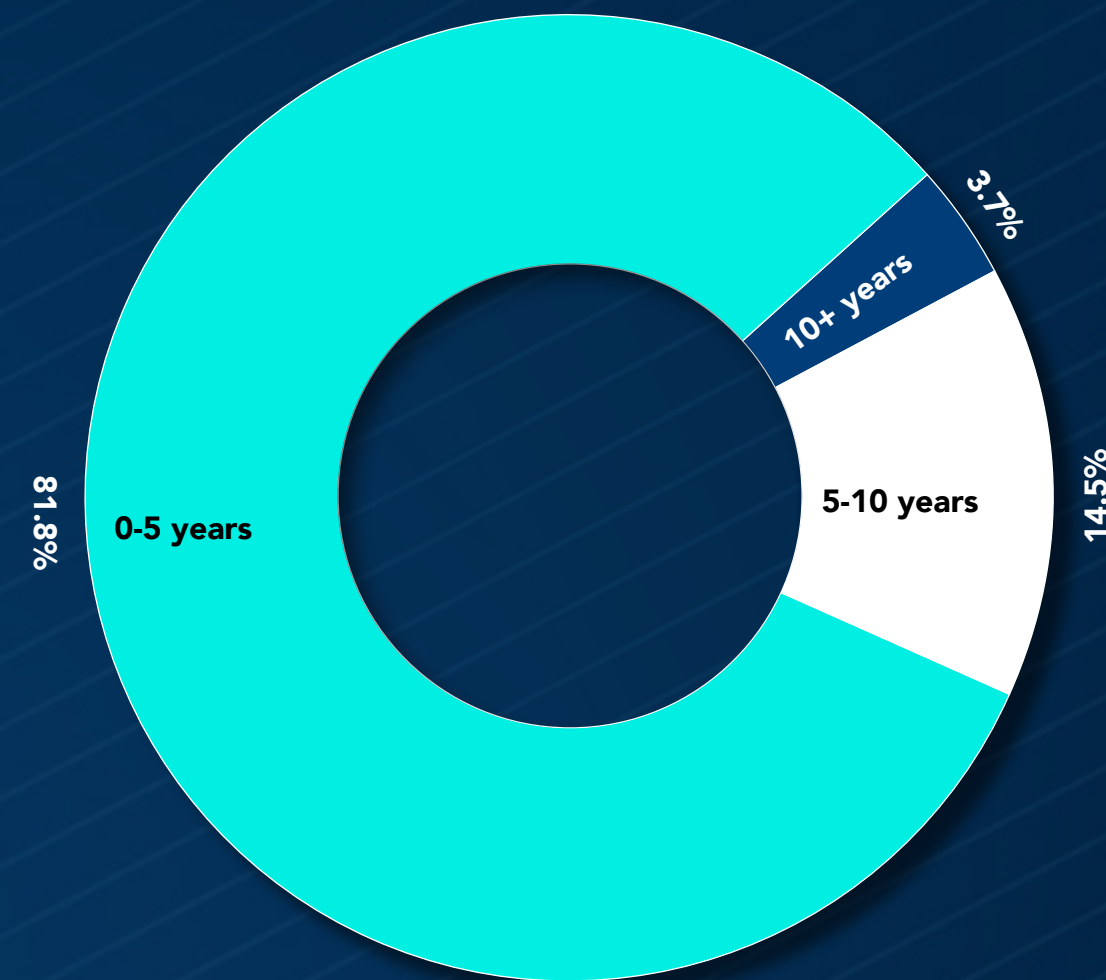
- WAULT to expiry 7.4 years.
- WAULT to break 5.8 years.
- Total annual gross rental income of £3,343,593 with net operating income of £3,334,069 after the deduction of landlord service charge shortfall on the B&M unit.

EXCELLENT INCOME DIVERSIFICATION

% OF INCOME BY TENANT



CURRENT INCOME UNEXPIRED TERM PROFILE



THE SCOTTISH RETAIL WAREHOUSE INVESTMENT MARKET

ADDRESS	DATE	AREA (SQ FT)	PRICE	YIELD	RENT (PA)	COMMENTS
Beach Boulevard Retail Park, Aberdeen	March 2022	224,348	£59,000,000	6.25%	£3,905,402	WAULT of 10 years to break and 10.75 years to expiry A 13 unit retail park, anchored by a c.85,000 sq ft Asda, which accounted for 42% of the total rent, with other tenants including Homebase and Aldi.
Portlethen Retail Park, Aberdeen	February 2022	95,457	£17,500,000	7.09%	-	Let to Aldi, Argos, B&M, Home Bargains and Matalan.
Garthdee Retail Park, Aberdeen	October 2021	194,792	£32,230,000	6.55%	£2,254,182	WAULT of 10.65 years to expiry. 3 unit retail park anchored by a c.90,000 sq ft B&Q.
Hermiston Gait Retail Park, Edinburgh	July 2021	307,412	£86,500,000	c.6.5%	£5,995,000	The 27 acre retail park is anchored by B&Q and Tesco, along with eight retail units. There is a low site cover of just 25%.
Livingston Retail Park, Livingston	April 2021	43,000	£7,800,000	6.20%	£516,000	WAULT of 11 years to expiry Let to Dunelm and B&M.
Renfrew Road Retail Park, Paisley	April 2021	60,000	£12,960,000	6.00%	£830,000	WAULT of 15.04 years to break and 17.03 years to expiry. Let to M&S and The Range.
Berryden Retail Park, Aberdeen	August 2020	74,490	£8,600,000	7.64%	£700,866	WAULT of 5.3 years to break and 6.3 years to expiry. A 5 unit retail park let to Argos, DSG, Home Bargains, Next with a vacant unit.
Bridge of Don Retail Park, Aberdeen	August 2019	81,921	£14,250,000	7.57%	£1,150,740	WAULT of 11.5 years to break and 12.32 years to expiry. A 6 unit retail park let to M&S Food, Pets at Home, Home Bargains, Carpetright, B&Q and Costa Coffee.

ASSET MANAGEMENT INITIATIVES

Tenant demand has been consistently strong at the scheme compared to the local competing schemes as evidenced by the relocation of Wren Kitchens from Beach Boulevard Retail Park in July 2020, at a headline rent of £22.

Demand is further underpinned by the reversionary lease completed by TK Maxx in April 2022 at a headline rent of £17 per sq ft, and the open market letting of JD Sports effective May 2022 at headline rent of £23 per sq ft.

There remains good demand from occupiers and given that the subject property is situated in Scotland, there is a lack of security of tenure under the 1954 Act, meaning that there is the opportunity to further enhance the tenant mix by gaining vacant possession or to improve the current position through early lease regears.

SERVICE CHARGE

The property benefits from a low and affordable service charge of £0.95 per sq ft.

VAT

We understand that the property is elected for VAT and therefore VAT will be payable on the purchase price. It is envisaged that the sale will be dealt with as a Transfer Of a Going Concern (TOGC).



PROPOSAL

We have been instructed to seek offers in excess of £46.26M (Forty Six Million Two Hundred and Sixty Thousand Pounds), subject to contract and exclusive of VAT for the benefit of our client's feehold interest in the subject property.
A purchase at this level would reflect a **net initial yield of 6.75%** and a **capital value of £297.50 per sq ft.**

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.

CONTACT

**FOR FURTHER INFORMATION,
PLEASE CONTACT:**

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**jackson
criss**

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. 103593. Designed by TCC 06/22.