

Neighbourhood Shopping Centre Investment



St Leonards Shopping Centre
East Kilbride, G74 2AU

78% of Income Secured
by National Multiple
Retailers with an Overall
WAULT of 10.93 years

INVESTMENT SUMMARY

- Well established neighbourhood shopping centre.
- 78% of income secured by major covenants.
- 65% of income secured by Tesco Stores Ltd until October 2027.
- WAULT to expiry of 10.93 years and 10.69 years to break.
- 26,083 sq ft total lettable floor area.
- Asset management opportunities.
- Annual rent of £384,970 per annum.
- Offers in excess of **£4,600,000** reflecting a net initial yield of 7.89% rising to minimum of 8.15% in 2017.



RSMcColl

TESCO

rowlands
pharmacy
a company of the PHOENIX group

LOCATION

East Kilbride is Scotland's first, and most successful, new town with a current population of circa 74,000 and a catchment of over 1.7 million. The town is situated in the South Lanarkshire Council area and is located 11 miles south-east of Glasgow city centre and 6 miles west of Hamilton.

Lanarkshire is at the hub of Scotland's road network where three major motorways converge. East Kilbride is strategically located in Lanarkshire with easy access to the M77, M74 and M8 which together form the heart of the country's motorway network.

East Kilbride Station provides access to the national railway network including direct access to Glasgow Central. There is also good access to Glasgow Airport (15 miles to the northwest), Edinburgh Airport (38 miles to the east) and Prestwick Airport (37 miles south west).



SITUATION

St Leonards is one of East Kilbride's longest established residential neighbourhoods and is situated just over a mile south east of the town centre.

St Leonards Shopping Centre is located on the west side of High Common Road and is accessed from a principal roundabout junction on this main thoroughfare. This road leads to St Leonards Road which provides easy access from East Kilbride town centre.

The substantial John Wright Sports Centre and Calderglen High School, which caters for over 2,000 pupils, are located in close proximity.

DESCRIPTION

The property comprises a purpose built neighbourhood shopping centre comprising a supermarket, small mall with four ground floor retail units, a first floor leisure club and a separate terrace of six "lock up" shops all of which is arranged around a central common car park with parking spaces for 140 vehicles.

The buildings are of concrete framed construction under felt covered flat roofs.

SITE

The site area extends to approximately 5.44 acres (2.2 hectares) as outlined red on the Title Plan adjacent. The blue hatched areas are excluded from the ownership. A copy of the Title Plan can be made available on request.

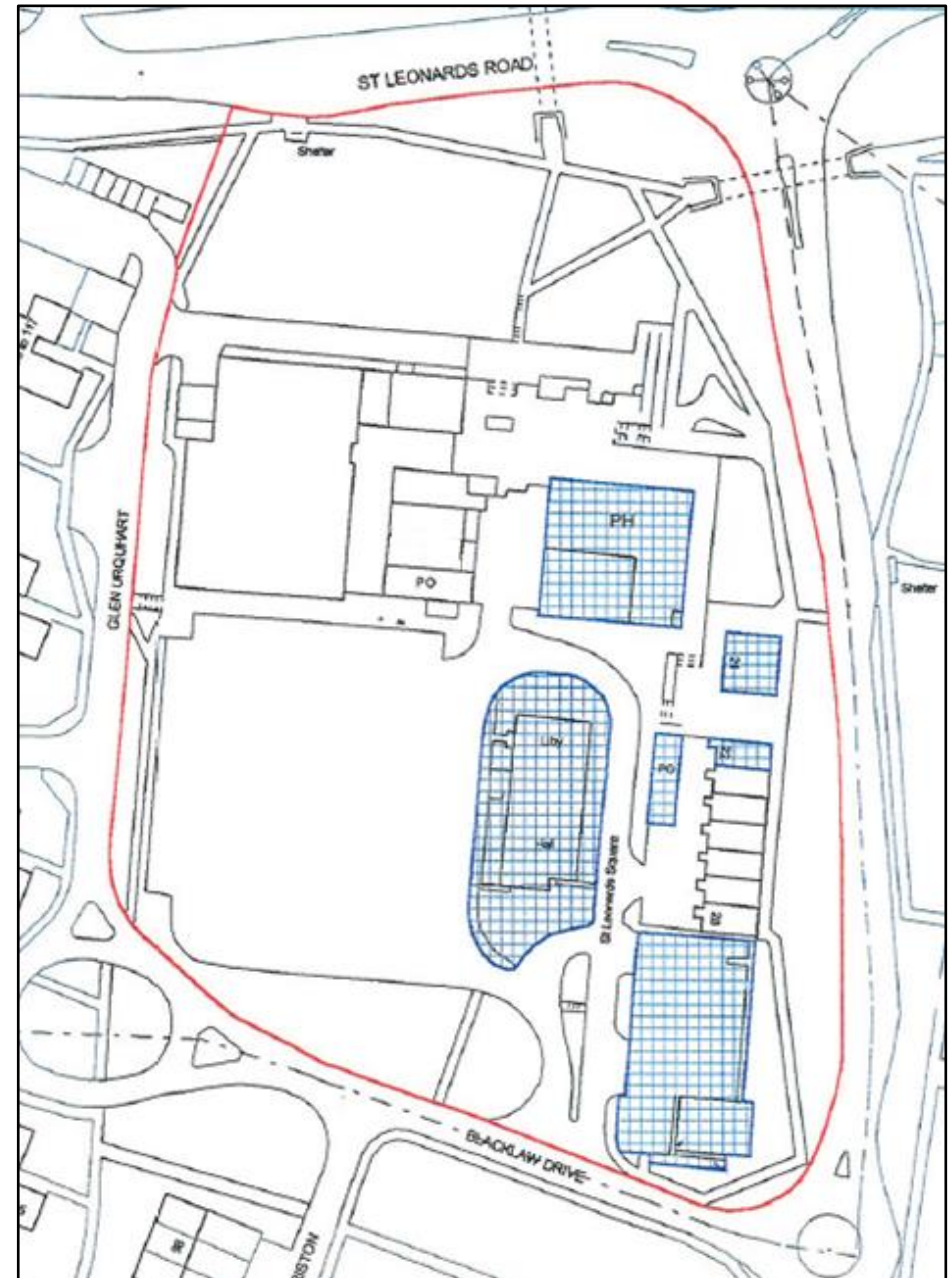
PLANNING

Our clients obtained Outline Planning Consent in April 2008 for the development of a solus food store unit of 38,000 sq ft gross plus associated customer parking.

This consent lapsed in May 2014 but has the ability to be reinstated and therefore offers the potential to undertake further development on-site and increase the critical mass and retail offer.

In addition, subject to Planning, Clydesdale Bank have agreed to a 5 year lease at a rent of £5,750 per annum for a new ATM in the mall.

Full details are available on request to seriously interested parties.





TESCO

rowlands
pharmacy
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Public
House

William HILL

St
Leonards
Library

TOTAL

TENANCY

| Unit | Tenant | Lease Start | Lease Expiry | Unexpired Term (Yrs) | Tenant Break | Unexpired Term to Break (Yrs) | Next Review | NIA Area (Sq Ft) | ITZA (Sq Ft) | Rent pa | NIA psf | Comments |
|--------------|--|------------------|--------------|----------------------|-----------------|-------------------------------|-------------|------------------|--------------|-----------------|---------------|--|
| Super market | Tesco Stores Ltd | 22/10/12 | 21/10/27 | 11.98 | | | 22/10/17 | 16,598 GIA | | £248,970 | £15.00 (GIA) | RPI linked review collared and capped at 1.00-4.00% |
| 1 | Martin McColl Ltd t/a R S McColl | 30/07/12 | 30/06/27 | 11.67 | | | 01/07/17 | 844 | 699 | £21,000 | £30.04 (ITZA) | Includes £4,000 pa fit out rent. |
| 2/3 | L Rowland (Retail) Ltd t/a Rowlands Pharmacy | 30/07/12 | 29/07/27 | 11.75 | | | 30/07/17 | 1,610 | 1,394 | £30,000 | £21.52 (ITZA) | |
| 4 | John Ralston t/a Esratat Café | 06/02/15 | 05/02/25 | 9.27 | 05/02/20 | 4.30 | 05/02/20 | 852 | 692 | £16,000 | £23.12 (ITZA) | Tenant paying half rent until 06/02/16. Rent to be topped up by Vendor. |
| First Floor | Osprey Enterprises Ltd t/a The Ospreys / Club 2000 | 28/11/99 | 27/11/24 | 9.08 | | | 28/08/14 | 3,115 | | £23,000 | £7.38 | Snooker club / Event venue |
| 23/24 | Maudsley & McMillan t/a St Leonards Dental Practice | 26/02/99 | 27/02/18 | 2.33 | | | | 1,053 | | £16,000 | £15.19 | |
| 25 | C & P Paterson t/a The Barber Shop | 15/10/01 | 28/02/18 | 2.33 | Any quarter day | | | 503 | | £6,500 | £12.92 | TBO with 1 month notice. |
| 26 | J Singh & M Olak t/a Tikka's Takeaway | 01/12/10 | 27/06/34 | 18.67 | | | 28/06/19 | 503 | | £10,000 | £19.88 | Landlord redevelopment break with 4 months notice. Repair obligations excludes roof. |
| 27 | David Dunn t/a Foresters Dry Cleaning | 14/07/15 | 13/07/18 | 2.70 | | | | 502 | | £7,000 | £13.94 | |
| 28 | L Hannah t/a EK Autocare | 04/06/10 | 28/02/18 | 2.33 | | | | 503 | | £6,500 | £12.92 | |
| ATM | Clydesdale Bank Plc | New 5 year lease | | | | | | | | | | Subject to planning. Agreed rent of £5,750 pa. |
| Total | | | | | | | | 26,083 | | £384,970 | | |

TENANCY ANALYSIS

- WAULT to expiry of **10.93 years** and 10.53 years to break.
- **78%** of income secured by major covenants.



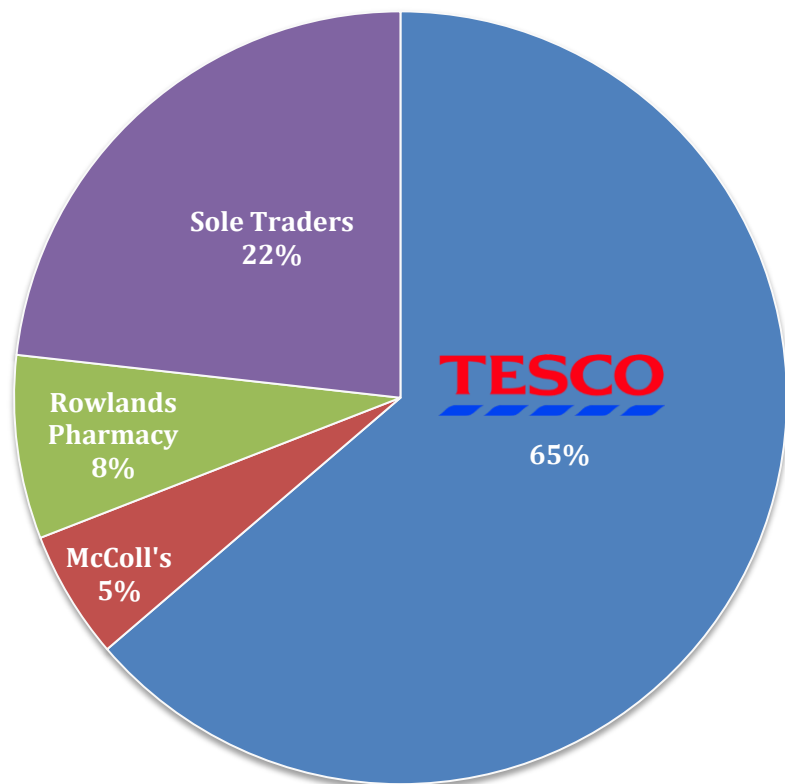
Tesco Stores Ltd is a subsidiary of Tesco Plc which is the grocery market leader in the UK. It is the third largest retailer in the world measured by profits. In the year to 28/02/2015 Tesco Stores Ltd reported a Turnover of £42,278,000,000.



L Rowland (Retail) Ltd is the UK's longest established chain of local community pharmacies with over 500 pharmacies. In the year to 14/01/2014 L Rowland (Retail) Ltd reported a Turnover of £485,546,000 and a pretax profit of £8,367,000.



Martin McColl Ltd is a leading convenience store and newsagent operator with over 1,300 premises. In the year to 24/11/2013 Martin McColl Ltd reported a Turnover £428,100,000, a pre-tax profit of £26,618,000 and a total net worth of £143,673,000.



EPC RATINGS

A copy of the EPC Reports can be made available on request.

VAT

The property has been elected for VAT and therefore VAT will be payable in respect of the purchase price. We anticipate the transaction can be treated as a TOGC (Transfer of Going Concern).

TENURE

Heritable (Scottish equivalent of English Freehold).

PROPOSAL

Offers in excess of **£4,600,000** reflecting a net initial yield of 7.89% rising to minimum of 8.15% in 2017 assuming purchasers costs of 6.09%

FURTHER INFORMATION

For further information contact joint selling agents:



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