



SPRINGFIELD

RETAIL PARK

ELGIN, IV30 6WQ

Open Class 1 Non Food
Retail Park Investment

INVESTMENT SUMMARY

- Dominant Retail Park occupying a prominent position on Edgar Road, adjacent to B&Q and opposite a 24 hour Asda Supermarket.
- Captive retail catchment, with circa 117,000 residents living in the catchment area (Source: CACI), both Inverness and Aberdeen are over 1 hours drive away.
- Elgin is the major commercial centre for the Moray district, home to RAF Lossiemouth (Bomber, Jet and Submarine Hunter aircraft) and the Royal Engineers (Air Support) at Kinloss Barracks. The town is also close to the renowned Speyside Malt Whisky Trail, home to the Walkers Shortbread factory and 6 miles from Gordonstoun School.
- The scheme totals 103,896 sq ft over 11 units.
- 420 car parking spaces giving a ration of 1:247.
- Fully let to national multiple retailers with a WAULT of 8.04 years (6.38 years to the breaks).
- Open Class 1 (Non Food) consent.
- Heritable interest (equivalent of English Freehold).
- Current passing rent of £1,744,765 per annum rising assuming our ERV's to £1,813,780 per annum by August 2022.
- Offers are invited, exclusive of VAT.



LOCATION

Elgin is the administrative and commercial centre of Moray district. The town has a population of approximately 25,000 (Source: Census 2001) and 117,000 residents living in the catchment area (Source: CACI).

Elgin is situated on the southern coast of the Moray Firth on the A96 road between Inverness and Aberdeen. Inverness is 40 miles to the west with a journey time of 1 hour; Aberdeen is 64 miles south east, around 1.5 hours by road. It benefits from regular rail services to both Aberdeen and Inverness, which in turn provide domestic and international flights from their respective airports.

About 6 miles north of Elgin is Gordonstoun School, which is a co-educational boarding and day school for c.600 students and 120 staff; around 30% of students come from abroad.

The town sits in the world famous Speyside Whisky country and hosts famous brands such as Glen Moray Distillery, Gordon & MacPhail, Johnstons of Elgin Cashmere, Baxters Soups and Walkers Shortbread. It is a popular tourist destination with the Cairngorm National Park and Malt Whisky Trail very close by.

5 miles north of Elgin is RAF Lossiemouth, home to 3 frontline fighter squadrons. It is one of the RAF's largest and busiest bases and is one of two main operation bases for Eurofighter jets. Kinloss Barracks, a former RAF station, is 8 miles west of Elgin and is home to the Royal Engineers air support function. Both military establishments form a valuable and vital part of the local economy. A further £60m is being invested in RAF Lossiemouth to meet the US Navy's Submarine Hunter air capability.

SITUATION

Springfield Retail Park is situated on Edgar Road approximately 3/4 miles south of Elgin town centre. There is a large 24 hour Asda Superstore opposite the retail park and a B&Q supercentre adjacent. According to CACI this retail cluster has a market share of 31.8% and is the number 1 centre within the catchment; Elgin town centre is number 2.



DESCRIPTION

Springfield Retail Park is the dominant retail park within Elgin.

The scheme provides 11 units of retail warehouse accommodation extending to 103,896 sq ft anchored by B&M, Next, Boots and Currys. All the units are capable of accommodating mezzanine floors.

The park provides 420 dedicated customer car parking spaces to the front (363) and rear (57) providing a ratio of 1:247. Customer access egress is via two points onto Edgar Road. Servicing is via the rear of the units and is also accessed off Edgar Road.

THE SCHEME
TOTALS 103,896
SQ FT OF CLASS
1 NON FOOD
RETAIL CONSENT



SITE

The site extends to approximately 7.5 acres and offers a site coverage of 32%.

ENVIRONMENTAL

The site has a risk rating assessment of "Low".

Copies of the environmental documentation are available on request.

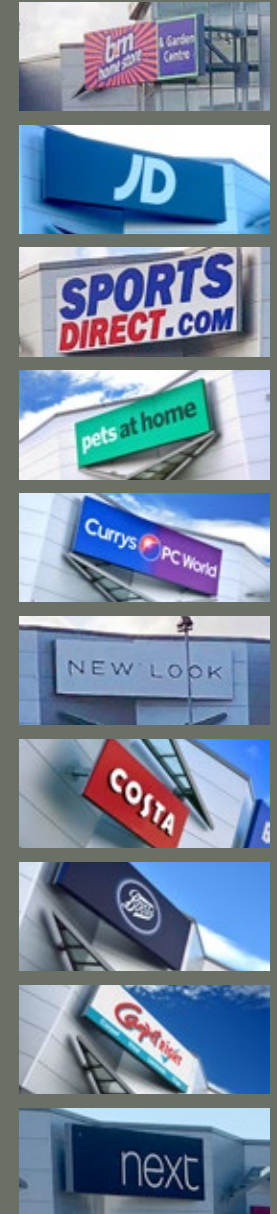
TENURE

Heritable (the Scottish equivalent of English Freehold).

EPC RATINGS

Unit	Tenant	EPC Rating
1A1	B&M	D
1A2	Tapi	E
1B	Sports Direct	G
2A1	JD Sports	F
2A2	Costa	F
2B	Next	G
2C	Boots	E
2D	Carpentryright	E
2E	New Look	G
3A	Currys PC World	E
3B	Pets at Home	E

The EPC's are based on the Scottish version of the Energy Performance of Buildings Directive.



TENANCY & ACCOMMODATION

The current passing rent for Springfield Retail Park is £1,744,765 per annum which equates to an average of £16.79 per sq ft based on a total floor area of 103,896 sq ft. The WAULT to expiry is 8.04 years (6.38 years to the breaks). The property is let to the following tenants on full repairing and insuring terms:

UNIT	TENANT	AREA (SQ FT)	RENT PA	RENT PSF	LEASE START	LEASE EXPIRY	BREAK OPTIONS	NEXT REVIEW	ERV PSF	ERV PA	COMMENTS
1A1	B&M Retail Ltd	25,250	£350,500	£13.88	18/08/2017	17/08/2032		18/08/2022	£15.50	£391,380	5 yearly unrestricted RPI rent review, annually compounded. ERV assumes 2.25% pa.
1A2	Tapi Carpets & Floors Ltd	9,449	£186,618	£19.75	06/11/2017	05/11/2027		06/11/2022	£18.00	£170,080	Tapi pay half rent until 5 August 2020 - vendor will top up.
1B	Sportsdirect.com Retail Ltd	9,701	£155,216	£16.00	24/02/2014	23/02/2024		24/12/2019	£18.00	£174,620	Sportsdirect did not exercise February 2019 break option.
2A1	JD Sports Fashion plc	6,121	£122,420	£20.00	25/01/2017	24/01/2027	25/01/2023	25/01/2022	£18.50	£113,240	
2A2	Costa Ltd	1,786	£46,689	£26.14	21/06/2013	20/06/2028	*Note 1	21/06/2018	£35.00	£62,510	Rent review notice not yet served-time not of the essence.
2B	Next Holdings Ltd	7,500	£110,400	£14.72	17/11/2008	16/11/2023		17/11/2018	£18.50	£138,750	Mezzanine installed by Next and is to be disregarded at rent review.
2C	Boots UK Ltd	6,932	£170,000	£24.52	09/10/2009	08/10/2024	09/10/2019	09/10/2019	£18.50	£128,240	
2D	Carpentryright plc	6,747	£138,314	£20.50	28/07/2008	27/07/2028		28/07/2023	£18.50	£124,820	10 year lease extension from July 2018.
2E	New Look Retailers Ltd	7,835	£149,200	£19.04	07/09/2018	06/09/2028	07/09/2023	07/09/2023	£18.50	£144,950	New 10 year lease with 5 year mutual break option.
3A	DSG Retail Ltd t/a Currys PC World	14,987	£194,000	£12.94	07/08/1995	23/06/2020		n/a	£15.00	£224,810	
3B	Pets at Home Ltd	7,588	£121,408	£16.00	19/09/2006	18/09/2021		n/a	£18.50	£140,380	
Total		103,896	£1,744,765							£1,813,780	

There is a substation let to Scottish Hydro Electric Power Distribution plc from 23/9/11 to 22/11/71 at £1 per annum. Costa Ltd (Container) - £1,000 per annum and Rhonda Woods (Snack Van) - £7,200 per annum, both continue year on year, each with mutual break options on 1 months notice.

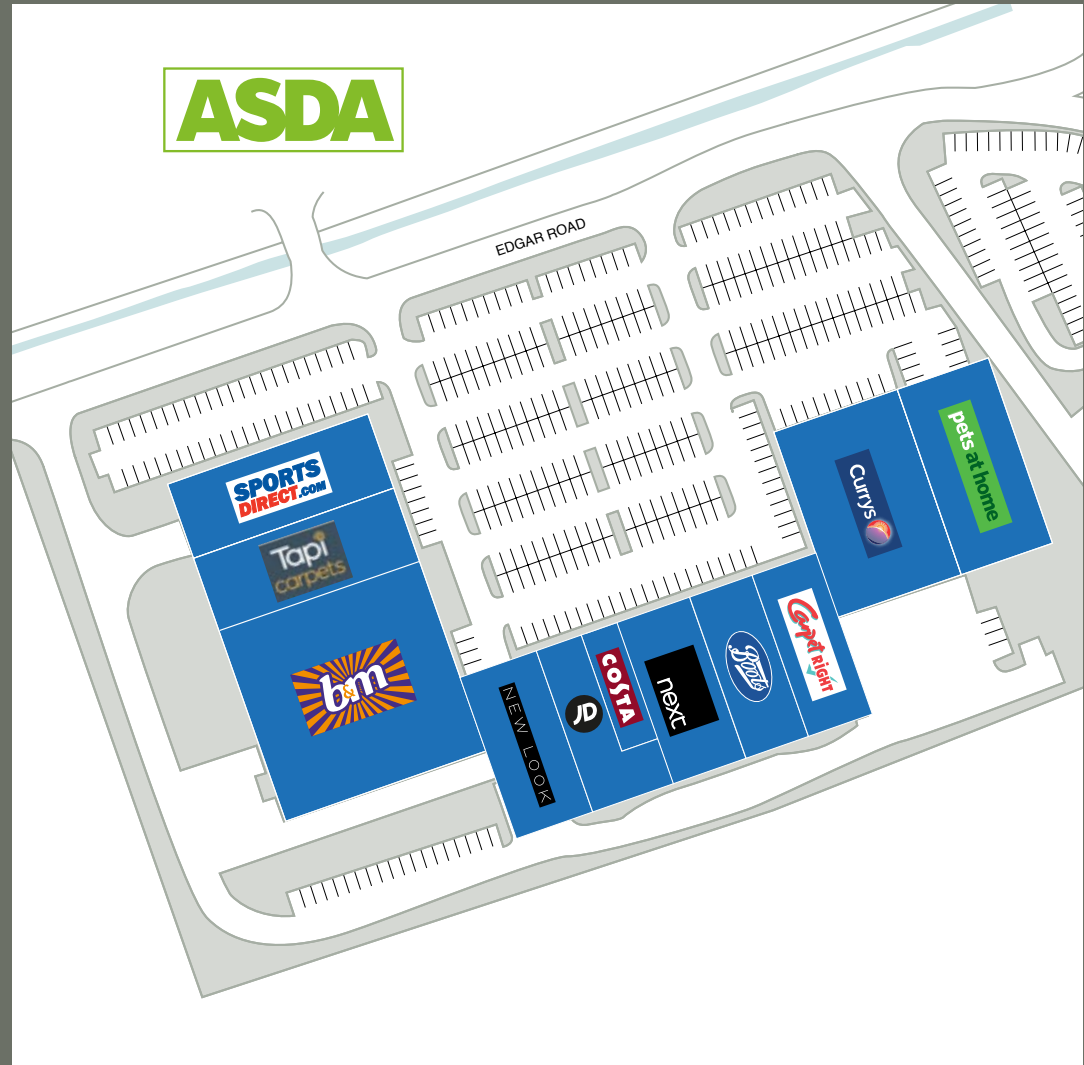
*Note 1: Personal to Costa there is a break option if the landlord grants a new lease to Caffe Nero, EAT, Greggs, Pret a Manger, Starbucks, Subway or any other coffee operator during the initial 6 years of occupation ending June 2019.



TENANT COVENANTS

Springfield Retail Park has a strong tenant line up with 73% of the income secured against low risk Creditsafe covenants.

Tenant	Year End	Pre Tax Profit	Revenue	Creditsafe Rating
B&M Retail Ltd	31/03/2018	£236,006,000	£2,629,145,000	79
Tapi Carpets & Floors Ltd	31/12/2016	-£10,195,008	£30,294,059	43
Costa Ltd	01/03/2018	£105,215,000	£951,684,000	95
JD Sports Fashion PLC	03/02/2018	£294,500,000	£3,161,400,000	93
Next Holdings Ltd	27/01/2018	£792,700,032	£215,400,000	75
Boots UK Ltd	31/08/2017	£498,000,000	£6,837,000,000	69
Carpentryright PLC	30/04/2018	-£70,500,000	£443,800,000	-
New Look Retailers Ltd	25/03/2017	£84,987,000	£1,324,195,000	-
DSG Retail Ltd	29/04/2017	£247,600,000	£4,345,700,000	76
Pets at Home Ltd	30/03/2017	£67,557,000	£752,374,000	87
Sportsdirect.com Retail Ltd	29/04/2018	£167,306,000	£2,206,501,000	79



Well let to national retailers with a WAULT of 8.04 years (6.38 years to the breaks)

PLANNING

Springfield Retail Park benefits from Open Class 1 (non-food) consents across all the retail units.

Units 2A1, 2B, 2C, 2D and 2E have Open Class 1 (non-food) consent with no restrictions on subdivision, minimum unit size or the installation of mezzanines.

Unit 1A1 has consent for the sale of a proportion of food goods. Unit 2A2 has consent for Class 3 (Food and Drink). Consent has recently been granted for the subdivision and change of use of the upper floor of Unit 2E to accommodate a gym (Class 11).

A copy of any planning related documentation and information is available on request.

Ownership Boundary - For Indicative Purposes Only



ASSET COMMENTARY

- As a town, Elgin is experiencing a significant increase in house building. To the west Scotia and Robertson Homes are building 409 houses; to the north Barratt are building 500 houses (along with a primary school) and to the south, Springfield Properties (AIM listed and Elgin based) are in the midst of their first phase of 295 homes (out of a total of 870). With nearly 1,800 homes being developed in Elgin's immediate vicinity, this is a strong endorsement of the vitality of the town and catchment. In turn, this will have a positive economic impact on consumer spending at Springfield Retail Park.
- B&Q - adjacent to Springfield Retail Park, have recently extended their term to 15 years which demonstrates strong trading and commitment to the location.
- B&M - have recently right sized and signed a new 15 year lease.
- Sports Direct - did not exercise their February 2019 break option.
- JD Sports - took a new 10 year lease (5 year break) in 2017 after shoe retailer Brantano went into administration.
- Costa – low passing rent of £26.14 per sq ft with scope for an increase at the June 2018 rent review.
- Next – bellwether retailer who trade well at Springfield Retail Park.
- Boots - have been in occupation since 2009 with the store incorporating step free access and blue badge parking directly outside, making access easy to the Pharmacy and Consultation Room. The Boots "order and collect" service is also available in the store.
- Carpetright – classified as a Category A store in the recent CVA with the lease extended for a further 10 years on the same rental terms as those prior to the CVA.
- New Look – recent re-gear, on the same terms as those prior to the CVA. Had a re-gear not been secured with New Look, Heads of Terms had been agreed with Superdrug for the ground floor of Unit 2E and Pure Gym on part of the ground and first floor.
- DSG – have been in occupation since 1995 and the unit is the ideal size.
- Pets at Home – the unit is the right size, serves a sizeable catchment, with their other nearest stores in Inverness and Inverurie.
- Pod Unit – after June 2019 Costa no longer have a break option (personal to them) if a new lease is granted to Caffè Nero, EAT, Greggs, Pret a Manger, Starbucks, Subway or any other coffee operator, therefore subject to planning this could be a development option for a future landlord.





FURTHER INFORMATION

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VAT

The property has been elected for VAT purposes and it is envisaged that the sale will be treated as a TOGC.

PROPOSAL

Offers are invited, exclusive of VAT.

Requirements of Writing (Scotland) Act 1995

These particulars are not intended to, nor shall form part of any legally enforceable contract and any contract shall only be entered into by way of an exchange of correspondence between solicitors.

NOTICE: MISREPRESENTATIONS ACT 1967

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