



# 154 Commercial Road, Portsmouth, PO1 1EX

## Prime High Street Retail Investment



*Portsmouth*



# Investment Summary

- Portsmouth is Hampshire's second largest city and is a major commercial and retailing centre on the south coast
- 100% prime retailing location on Commercial Road
- Situated opposite the Cascades Shopping Centre
- Let to the 5A 1 covenant of WH Smith Retail Holdings Limited
- Well configured unit well suited to modern retailing requirements
- Rebased rent agreed at lease renewal in January 2015
- Freehold

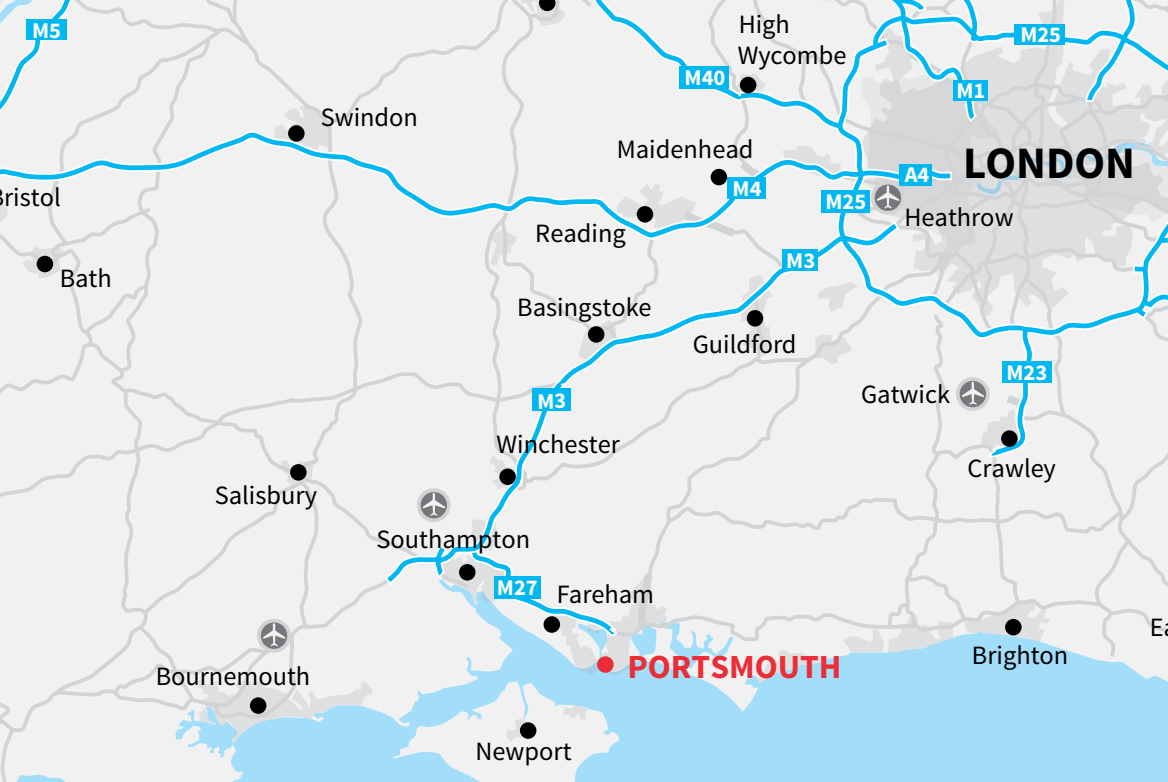
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## Proposal

<b>Net Income:</b>	<b>£238,000 per annum</b>
<b>Offers in excess of:</b>	<b>£2,800,000 (subject to contract)</b>
<b>Net Initial Yield:</b>	<b>8.00%</b>







## Location

The city of Portsmouth is located on the south coast of England, 74 miles south west of London, 30 miles south east of Winchester and 22 miles east of Southampton.



The city centre benefits from direct motorway access via the M275, which links to Junction 12 of the M27. In addition, the A3(M) connects Portsmouth with the M25 and Central London.



Portsmouth has a mainline railway station, with a journey time to London Waterloo of approximately 1 hour 30 minutes.

## Demographics

The total population within the Portsmouth primary catchment area is 505,000 and the city has an estimated shopping population of 255,000. The city is the most densely populated in the United Kingdom, ahead of London, with 15,336 people per square mile. The student population has also increased in recent years and there are currently approximately 25,000 students in the city.

Portsmouth currently ranks 38th out of the 200 PROMIS centres in terms of the volume of comparison retail spend available in the catchment area.

Tourism is an important part of Portsmouth's economy; The Great Britain Day Visitor Survey estimates that an average of 8.75 million day trips per year are made by tourists to the city, with visitor spending estimated around £396 million. Major tourist attractions include HMS Victory, the Mary Rose and the Isle of Wight.

Over the next 20 years Portsmouth is set to receive £1 billion of investment from both the public and private sectors, bringing 16,000 new jobs and 5,000 new homes, under the banner of 'Shaping Portsmouth'.

Portsmouth is one of the world's best known ports and home to the Royal Navy. The head-quarters of BAE Systems is located in the city with other employers including IBM and Zurich.





*100% prime retailing location  
on Commercial Road*

## Retailing in Portsmouth

Portsmouth retail accommodation comprises an estimated 960,000 sq ft, which is below the average for a centre of this size, suggesting an under provision of shopping. Commercial Road is the prime pitch within the city, supported by the Cascades Shopping centre.

The city centre benefits from a broad retail offer with a host of a large format stores, which include:

Fashion multiples with representation include H&M, Topshop, New Look and River Island in addition to other key retailers such as EE, Shoe Zone, Waterstones, Sports Direct and WH Smith (the subject property). We understand that the Marks and Spencer on Commercial Road is shortly to close but that Sports Direct will be taking this unit.

For some time there have been proposals to develop further retailing on a site to the north of the Cascades Shopping Centre, known as Northern Quarter. The plans for the site have been scaled down over the years and the latest proposals are for a predominantly leisure and residential based scheme, providing a total of 300,000 sq ft. Whilst the planning permission has now lapsed, the Council remain supportive and if this development does come to fruition it would enhance the city's retail offer considerably.







## Situation

The subject property is situated on the prime pedestrianised Commercial Road, between the two entrances to the Cascades Shopping Centre. Retailers in close proximity include:

*H&M* H.SAMUEL PRIMARK® select® *Boots* TOPSHOP

## Description

The property comprises ground, first, second and basement floors. The property is arranged to provide sales accommodation at ground and part first floors, with the remaining first, second and basement used as ancillary accommodation.

## Accommodation

We have measured the property in accordance with the RICS Code of Measuring Practice 6th Edition which provides the following Net Internal Areas:

Floor	Use	Area (sq m)	Area (sq ft)
Ground	Sales	360.3	3,878
ITZA			1,385 units
Ground	Ancillary	40.5	436
Basement	Ancillary	393.3	4,233
First	Sales	249.5	2,686
First	Ancillary	96.5	1,039
Second	Ancillary	24	258
<b>Total</b>		<b>1,164.1</b>	<b>12,530</b>



*Well configured unit well suited to modern retailing requirements*

## Tenure

The property is held freehold.

## Tenancy

The property is let in its entirety to WH Smith Retail Holdings Limited on a 5 year lease expiring 11th January 2020. The passing rent for the unit is £238,000 per annum.

## Rental Analysis

We have analysed the passing rent of £238,000 per annum to show £131 psf Zone A, applying A/15 to the first floor sales area, A/20 to the ground and first floor ancillary areas, A/25 to the basement ancillary area and A/30 to the second floor ancillary area.

We are aware of the following comparable evidence:

Address	Tenant	Date	Transaction	Zone A
160-162 Commercial Road	New Look	Sep 2016	Lease Renewal	£131 (Net)
149-151 Commercial Road	Clinton Cards	Sep 2015	Lease Renewal	£134 (Net)

Based on the above recent transactional evidence, we are of the opinion that the subject property has an ERV of £238,000 per annum, reflecting £131 Zone A, with strong opportunity for rental growth.



# PENS

ALL PENS & FINELINERS

InkJoy

Sharpie

STARBLIS

HIGHLIGHTERS & PENCILS

STARBLIS

## Covenant Information

**WH Smith Retail Holdings Limited** (Company No 00471941) is a British retailer, headquartered in Swindon, Wiltshire, which operates a chain of high street, railway station, airport, port, hospital and motorway service station shops selling books, stationery, magazines, newspapers and entertainment products. The company, founded in 1792, is headquartered in Swindon and operates from 1,300 locations, employing 14,000 people. WH Smith is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index. It celebrated its 225th anniversary in 2017.

	2017	2016	2015
Turnover	£181,024,000	£175,131,000	£169,626,000
Pre Tax Profit	£67,219,000	£75,302,000	£62,392,000
Net Worth	£449,954,000	£461,234,000	£472,209,000

WH Smith Retail Holdings Limited has a Dun & Bradstreet Rating of 5A 1 representing a 'minimum risk' of business failure.



# Portsmouth - 154 Commercial Road



For indicative purpose only.





## Investment Comparables

The most salient comparable investment evidence can be set out as follows:

Address	Tenant	WAULT (yrs)	Price	NIY	Date
175-177 Commercial Road	Halifax	4.85	£2,090,000	6.75%	Marketing
194, 196 & 198 Commercial Road	Boots	9.2	£6,100,000	6.37%	Marketing
200/204 Commercial Road	Boots	9.6	£2,775,000	6.33%	Jan 2018
160/162 Commercial Road	New Look	5.0	£3,580,000	6.75%	Jan 2017
183-185 Commercial Road	Holland & Barrett	10.0	£1,440,000	6.25%	Dec 2015

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# Portsmouth

154 Commercial Road



## EPC

The property has an EPC rating of C.

## VAT

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

## Proposal

We are instructed to seek offers for our client's freehold interest in excess of **£2,800,000** (Two Million, Eight Hundred Thousand Pounds), subject to contract and exclusive of VAT. A purchase at this level would reflect a **Net Initial Yield of 8.00%**, after allowing for purchasers costs of 6.42%.

## Further Information

For further information or to arrange an inspection of the property, please contact:

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