

LINCOLN

PRIME HIGH STREET RETAIL INVESTMENT

297 HIGH STREET





INVESTMENT SUMMARY

- Lincoln is an affluent and historic cathedral city with a loyal catchment
- The city is a highly visited tourist destination with 3.7 million visitors per year
- 100% prime retailing location on the pedestrianised high street
- Prominent corner unit
- Secured to the strong national covenant of Ann Summers Limited
- Unexpired term of 7.53 years
- Potential to convert the un-used upper floors to residential, subject to planning and securing vacant possession
- Freehold

PROPOSAL

Net Income:

£160,000 per annum

Offers in excess of:

£2,860,000 (subject to contract)

Net Initial Yield:

5.25%



LOCATION

The historic cathedral city of Lincoln is the principal shopping and administrative centre in Lincolnshire. The city is renowned for the gothic minster which dominates the skyline of the surrounding area. Lincoln is located 32 miles north east of Nottingham, 48 miles north of Peterborough and 120 miles north of London.



The city benefits from excellent road communications, being located in close proximity to both the A1 (M) and the M1 motorway. Both of these major arterial routes are easily accessed via the A57 and the A46 which run directly into Lincoln. The A46, A57 and A15 also provide strong communication links to the neighbouring towns of Scunthorpe, Grimsby and Newark-on-Trent.



Lincoln's mainline station provides regular services to a variety of destinations including Nottingham (25 minutes), Sheffield (1 hour 10 minutes), Leicester (1 hour 40 minutes) and London (1 hour 54 minutes).



Humberside International and East Midlands airports are easily accessible being 25 and 48 miles away respectively, providing direct flights to many continental destinations.



DEMOGRAPHICS

Lincoln is geographically removed from any significant competing centres, and is therefore the dominant retail destination for its' catchment population. The total population within the Lincoln Primary Retail Market Area is 226,000, above the Sub Regional Resilient Town average. The city penetrates 80% of this population, with a Consumer Base of 182,000, and a comparison spend of some £181.9 million.

Retail spend in Lincoln is bolstered by over 15,000 students and 1,300 academic staff who attend one of the two universities, The University of Lincoln and Bishop Grosseteste University. It is estimated that the universities contribute £250 million to the local economy. The city also benefits from a thriving tourist population, hosting 3.7 million tourists per year. The main attractions include the Cathedral and Castle, which are both located in the north of the main central shopping district. Lincoln also hosts a four day Christmas Market, which reportedly attracts between 150,000 to 200,000 shoppers.



Lincoln hosts
3.7 million
visitors
per year

Lincoln is an affluent and historic cathedral city with a loyal catchment

RETAILING IN LINCOLN

Lincoln's city centre retail floorspace is estimated at 1.51 million sq ft, ranking the city 32nd out of the 200 PROMIS Centres. The city provides a unique shopping environment offering local, national and international brands woven into historic and modern retail locations.

Lincoln's prime pitch is considered to be the section of High Street between Saltergate and Cornhill. Many of the city's key multiples are located in this pitch including:

PRIMARK® M&S Waterstones
EST. 1884
FATFACE UNITED KINGDOM **RIVER ISLAND** *Boots*

Lincoln's High Street is complimented by two shopping centres. The first is Waterside Shopping Centre situated on the eastern side of the High Street, just to the north of the River Witham. This two-level centre has entrances along the prime section of the High Street, on Saltergate and on Riverside. The main occupiers in the scheme are Next, H&M, New Look, Topshop and The Body Shop. St Marks Centre is the other scheme, situated at the southern edge of the central shopping area and adjacent to St Marks Retail Park. This scheme's is anchored by Debenhams, Boots, Argos Extra and Sports Direct. JLL understand that Boots are also currently under offer on 196-199 High Street, the former BHS unit, and that this lease is due to complete imminently.

The Cornhill Quarter, a £70 million rejuvenation scheme by Lincolnshire Co-Op, has recently opened 28,000 sq ft of new retail and leisure space to the south east of the subject property. The building is opposite the Corn Exchange and faces onto Exchange Square, encompassing a dramatic two-storey glazed retail parade with a roof terrace bar and restaurant. The first phase completed in October 2017 and includes Cosy Club, Flying Tiger Copenhagen, Moss Bros and Thomas Cook. Phase 2 and Phase 3 totalling 23,000 sq ft and 30,000 sq ft respectively, are now underway and include a pre-let to Everyman Cinema. The next phase is set to open by Christmas 2018.



100% prime retailing location on the pedestrianised high street

SITUATION

The property is prominently situated on the corner of the pedestrianised High Street and Saltergate, in a 100% prime pitch. The property is situated opposite HSBC and Primark, and adjacent to Waterstones. Other retailers in close proximity include:

M&S OFFICE **H.SAMUEL** JOULES



DESCRIPTION

The property is an attractive Georgian Style corner building with return frontage on to both High Street and Saltergate, arranged over four floors. The tenant trades from ground floor and the first floor is used as ancillary accommodation.

The second and third floors are not currently utilised by the tenant and have self-contained access from Saltergate.



ACCOMMODATION

We have relied upon the following Net Internal Areas supplied by the vendor, which we have used to devalue the passing rent:

Floor	Uses	Area (sq m)	Area (sq ft)
Ground	Sales	175.6	1,890
ITZA			880 units
First	Ancillary	144.7	1,558
Second	Ancillary	52.4	565
Second	Unused	98.7	1,062
Third	Unused	*	*
Total		503.1	5,416

*Not measured due to hatch access.

Prominent corner unit
in the affluent city of Lincoln

TENANCY

The property is let in its entirety Ann Summers Limited, on a 10 year lease expiring 4th November 2025. The current passing rent is £160,000 per annum. The unit is let on an FRI lease with an upwards only rent review on 5th November 2020.

We have analysed the passing rent of £160,000 per annum to show £164 Zone A, applying A/20 to the first floor ancillary area, A/30 to the second floor ancillary area and nil value applied to the remaining second floor and third floor.



TENURE

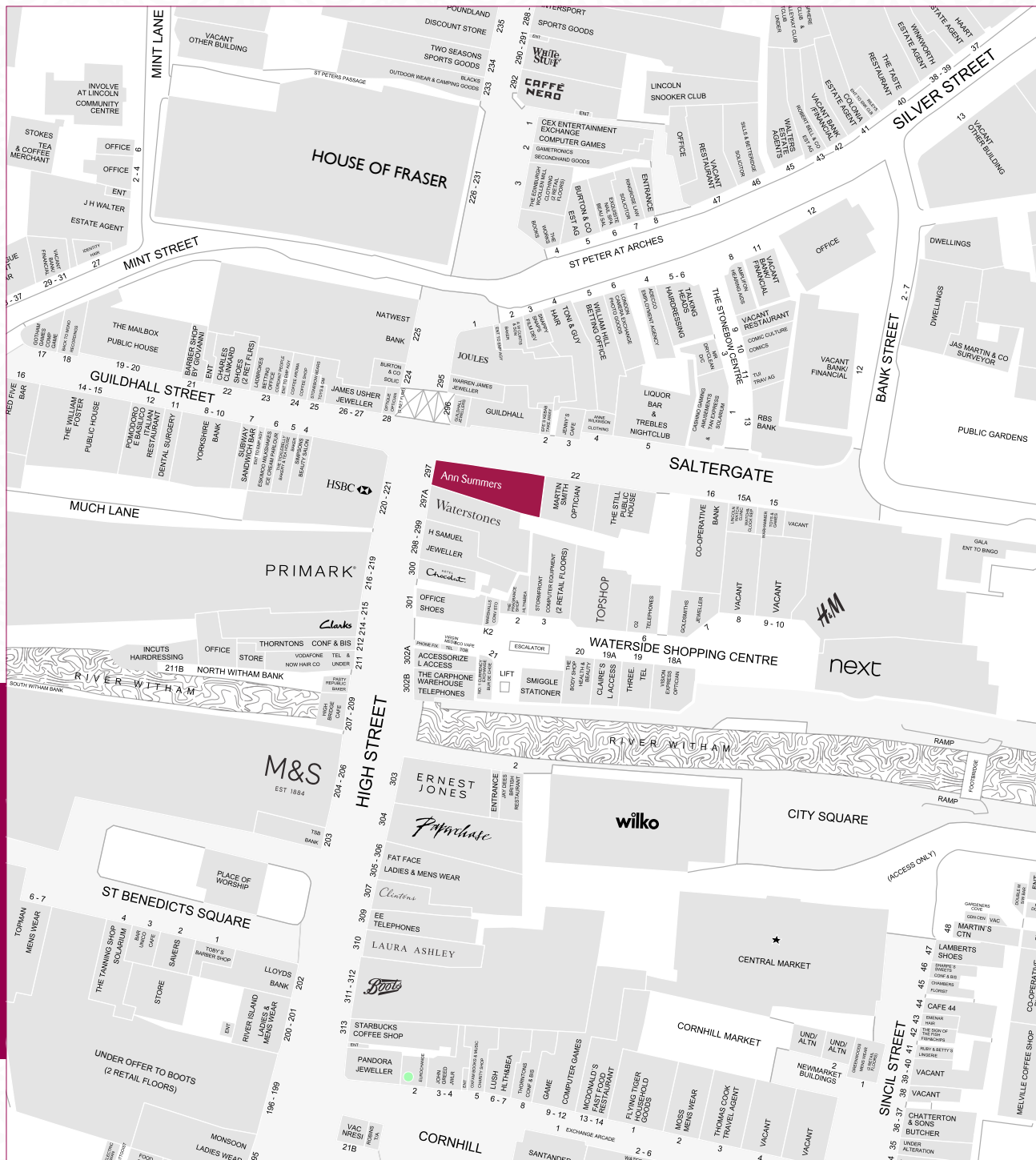
The property is held freehold.



COVENANT

Ann Summers Limited (Company No 01034349) is a British multinational retailer company specialising in lingerie, with over 140 high street stores in the UK, Ireland, and the Channel Islands. The summary accounts information can be set out as follows:

Year Ending	2017	2016	2015
Sales Turnover	£109,011,372	£101,542,868	£104,818,310
Profit Before Tax	£2,910,121	£1,041,385	£1,025,990
Net Worth	£47,485,759	£46,751,496	£45,233,240



EPC

The property has an EPC rating of D.

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 **£2,860,000** (Two Million, Eight Hundred and Sixty Thousand Pounds), subject to contract and exclusive of VAT. A purchase at this level would reflect a **Net Initial Yield of 5.25%**, after allowing for purchasers costs of 6.38%.



FURTHER INFORMATION

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

Jonathan Heptonstall

020 7318 7843

jonathan.heptonstall@eu.jll.com

Christopher Robinson

020 7087 5624

chris.robinson@eu.jll.com

Frankie Maddox

020 7399 5744

frankie.maddox@eu.jll.com



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