

113-115

COMMERCIAL ROAD
PORTSMOUTH



PRIME HIGH STREET RETAIL INVESTMENT WITH RESIDENTIAL POTENTIAL

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COMMERCIAL ROAD PORTSMOUTH



INVESTMENT SUMMARY

- **Portsmouth is Hampshire's second largest city** and is a major commercial and retailing centre on the south coast
- **100% prime location** on the pedestrianised Commercial Road
- Situated adjacent to an entrance to the **Cascades Shopping Centre**
- **Fully let** to the strong covenants of **Lloyds Bank Plc** and **Waterstones Booksellers Ltd**
- Waterstones rent has been rebased following lease renewal in June 2022
- Second and third floors are currently underutilised and **provide opportunity for redevelopment to residential, office or student accommodation**, subject to planning and vacant possession
- **Freehold**
- Offers invited in excess of **£2,450,000 (Two Million, Four Hundred and Fifty Thousand Pounds)** which reflects a **Net Initial Yield of 10.94%**

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Portsmouth Harbour

GOSPORT

Spinnaker Tower

HMS Victory

Portsmouth Guildhall

Portsmouth Harbour Station

St John's Cathedral

Portsmouth & Southsea Station

ARUNDEL STREET

cascades
shopping centre portsmouth

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PUREGYM

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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.



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DEMOGRAPHICS



The total population within Portsmouth's primary catchment area is 309,000, set to increase to 314,000 by 2027. The city has an estimated total retail expenditure of £1.841 million and is the most densely populated in the United Kingdom, outside of London, with 15,336 people per square mile. The University of Portsmouth has a student population 28,000.



Tourism is key to Portsmouth's local economy, with pre-pandemic figures valuing it at around £600million annually and supporting around 12,000 jobs in the city.



Major tourist attractions include HMS Victory, the Mary Rose and the Emirates Spinnaker Tower.



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, EDS Astrium and Pall Corporation.



Large tourist attractions in the coming year include the Formula Kite European Championships on Eastney Beach and the Great South Run both of which attract over 10,000 tourists.



Other developments include a new five star hotel at the former Royal Marines Museum site. This boutique-style hotel planned as part of the Southsea John Lewis store redevelopment along with the proposed plans for City Centre North are also important for the visitor economy.



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RETAILING IN PORTSMOUTH

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

The retail is supported by an attractive leisure offering, with a variety of restaurants and bars near the pitch including:



KOKORO



Key retailers include:

next

SPORTSDIRECT

PRIMARK



TESCO



NEW LOOK

'The vision to make Portsmouth an aspirational world class city'



POTENTIAL REDEVELOPMENT IN PORTSMOUTH

The City Council have defined a vision of the city in the Local plan and stated their aspiration to make Portsmouth world class. Given the physically constrained character of the city overall, the city centre is a key location to deliver those needs.

The city centre is seen as playing a particularly significant role in meeting the city's housing targets for the next Local Plan period. The current adopted Local Plan identifies the city centre as being able to absorb 1,600 new homes, 50,000 m² of retail and significant office space.

It is likely that developments comprising a mix of uses will create a more viable model for regeneration and a diversified city centre offer.

Such developments in and around Commercial Road are essential to creating confidence in city centre shopping. The neighbouring shopping centre, The Cascades currently has no plans to redevelop in the short to medium term.

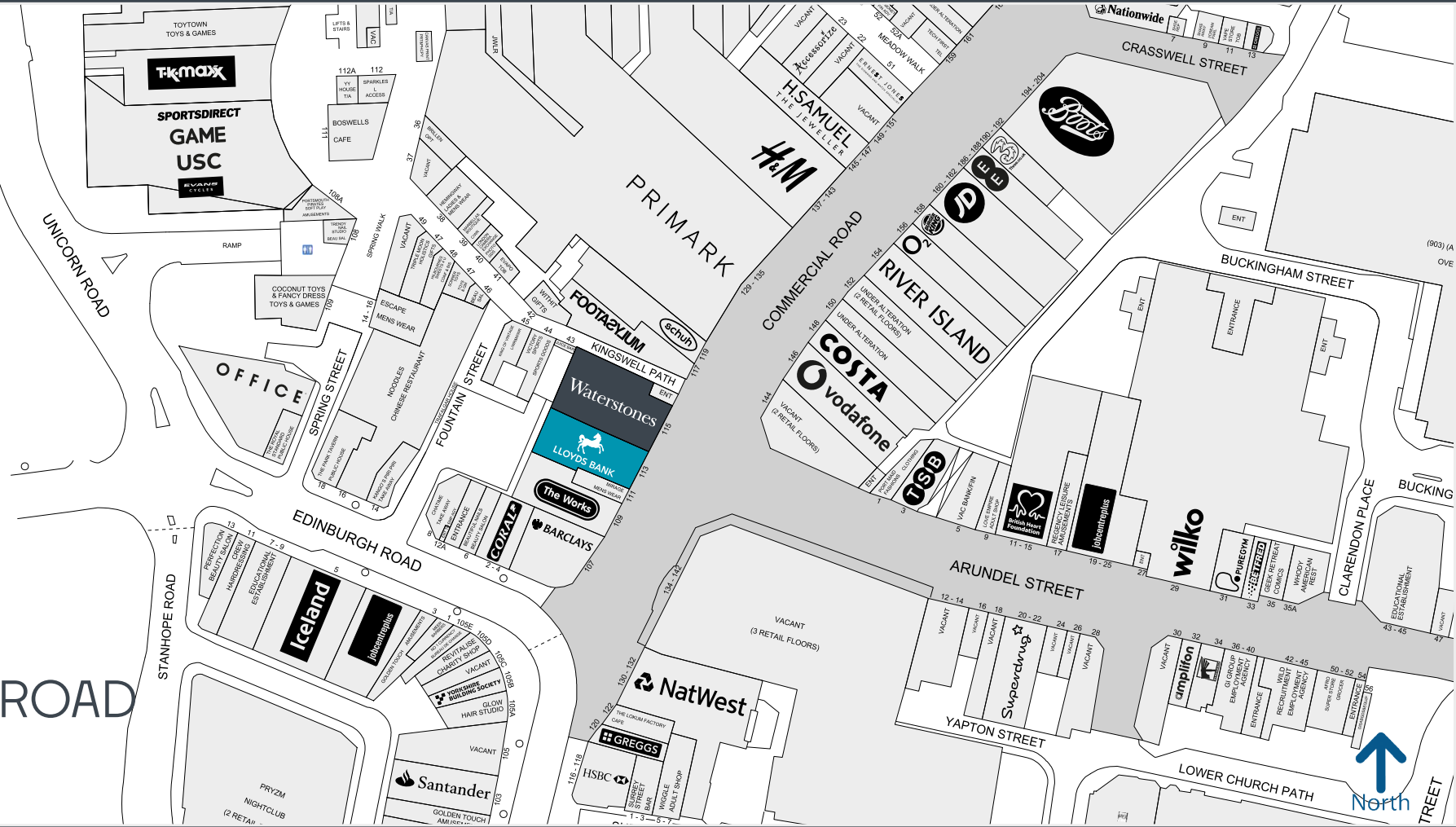




SITUATION

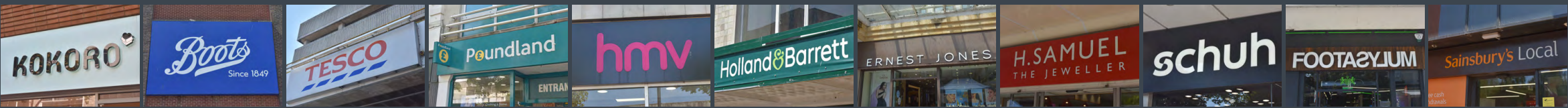
The Subject Property is situated within the City Centre of Portsmouth on Commercial Road. Commercial Road is a Prime location within Portsmouth where national, multiple retailer's stores are located, along with the Cascades Shopping Centre.

Whilst predominantly retail in nature the surrounding area includes both office and residential uses, with a particular agglomeration of student accommodation.



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DESCRIPTION

The Property comprises a building of masonry construction providing accommodation over 5 floors. The building provided ground floor retail space with a basement, first floor ancillary space and 2/3rd floor of disused office space. The retail space is split into 2 units occupied by Waterstones and Lloyds, both spaces have been fitted out to tenant specification.

'100% prime location on Commercial Road situated adjacent to an entrance to the Cascades Shopping Centre'

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TENANCY SCHEDULE

| Address | Tenant | Area | Lease Start | Lease Expiry | Break | Rent Review | Passing Rent (£pa) | Comments |
|---------------------|-------------|--------|-------------|--------------|-------|-------------|--------------------|--------------------------|
| 113 Commercial Road | Lloyds Bank | 16,763 | 24/06/2017 | 23/06/2027 | - | 24/06/2022 | £160,000 | |
| 115 Commercial Road | Waterstones | 10,132 | 24/06/2022 | 23/06/2027 | - | - | £125,000 | Rent to be paid monthly. |
| Total | | | | | | | £285,000 | |

FLOOR AREAS (SQ FT)

| Address | Basement | Ground | GF ITZA | First | Second | Third | Total |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| 113 Commercial Road | 4,846 | 2,674 | 1,275 | 888 | 5,640 | 2,715 | 16,763 |
| 115 Commercial Road | 835 | 4,348 | 1,480 | 4,949 | - | - | 10,132 |
| Total | 5,681 | 7,022 | 2,755 | 5,837 | 5,640 | 2,715 | 26,895 |



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COVENANTS

Waterstones

Waterstones Booksellers Limited - Company No: 00610095

Waterstones Booksellers Limited trading as Waterstones, is a British book retailer, with 311 stores, mainly in the UK as well as Ireland, Belgium and the Netherlands and employs approximately 3,000 staff. In September 2018, Waterstones also bought Foyles.

Waterstones Booksellers Limited have reported the following last three year's results and have a Creditsafe rating of 97/100 indicating a 'Very Low Risk' of business failure:

| Year to Date | Turnover | Pre-Tax Profit | Net Worth |
|--------------|--------------|----------------|--------------|
| 30/04/2022 | £399,798,000 | £50,622,000 | £105,466,000 |
| 24/04/2021 | £230,885,000 | £4,172,000 | £63,382,000 |
| 25/04/2020 | £376,024,000 | £21,048,000 | £60,501,000 |



Lloyds Bank PLC - Company No: 00002065

LLOYDS BANK

Lloyds Bank plc is a British retail and commercial bank with branches across England and Wales. It is the largest retail bank in Britain, and has an extensive network of branches and ATMs in England and Wales.

Lloyds Bank plc have reported the following last three year's results and have a Creditsafe rating of 86/100 indicating a 'Very Low Risk' of business failure:

| Year to Date | Turnover (000's) | Pre-Tax Profit (000's) | Net Worth (000's) |
|--------------|------------------|------------------------|-------------------|
| 31/12/2022 | £21,303,000 | £6,094,000 | £38,977,000 |
| 31/12/2021 | £17,499,000 | £5,785,000 | £40,678,000 |
| 31/12/2020 | £18,590,000 | £1,329,000 | £41,040,000 |



TENURE

Freehold.

EPCS

Energy Performance Certificates are available upon request.

VAT

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



'Prime High Street
Retail Investment with
Residential Potential'

PROPOSAL

Offers invited in excess of **£2,450,000 (Two Million, Four Hundred and Fifty Thousand Pounds)** which reflects a **Net Initial Yield of 10.94%**

CONTACT

For further information or to arrange an inspection, please contact the sole agent:

Jonathan Heptonstall
jonathan.heptonstall@jll.com
Mobile: 07920 020039

Jonny Gooch
jonny.gooch@eu.jll.com
Mobile: 07928 525978

Toby Spencer-Pickup
Toby.spencer-pickup@jll.com
Mobile: 07843 803917

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