20/32 Abington Street & 4/6 Fish Street, Northampton
Freehold property, let to the excellent covenants of HSBC Bank, Vodafone, Virgin Media, William Hill & Select
20/32 Abington Street & 4/6 Fish Street, Northampton

INVESTMENT SUMMARY

- Prime High Street retail block investment opportunity
- Northampton is the county town of Northamptonshire
- Freehold property, let to the excellent covenants of HSBC Bank, Vodafone, Virgin Media, William Hill & Select
- Total accommodation of 30,957 sq ft (2,875.90 sq m)
- Major development initiatives will revitalise the town centre
- Current Net Rent passing of £741,194 per annum exclusive
- A weighted average unexpired term of 5.29 years (to break 4.22 years)
- Ability to carry out asset management initiatives and residential development above the block, subject to planning
- Our clients are seeking offers in excess of £8,200,000 (Eight Million Two Hundred Thousand Pounds) subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of 8.54%, allowing for normal purchaser’s costs at 5.8%
Northampton is the county town of Northamptonshire, situated 109 km (68 miles) north of London, 61 km (38 miles) south of Leicester, 88 km (55 miles) east of Birmingham and 87 km (54 miles) west of Cambridge.

The town benefits from excellent road communications with Junctions 15/16 of the M1 approximately 8 km (5 miles) to the west of the Town Centre. The A34 Trunk Road also provides a direct link to the M40 in the south west, offering excellent access to Oxford and Birmingham. There is a regular rail service to Birmingham New Street, with a fastest journey time of 1 hour and London Euston with a fastest journey time of 55 minutes.

DEMOGRAPHICS

Northampton has a primary catchment population of approximately 478,000, which is above the sub-regional centre average and ranks the town 44th out of the PROMIS Centres.

The catchment population is young and expanding with a high concentration of the more affluent AB households to the north and south of the town.

The Northampton catchment is moderately affluent ranking 98th of the PROMIS centres on the PMA Affluence Indicator in 2011.

The East Midlands Development Plan (2009) aims to add some 128,000 new homes to Northamptonshire for the period 2001-2026. Over 40,000 of these homes will be added to the Northampton implementation area which will drive population growth and spending within the catchment. The town is projected to see above average growth in population in the period 2014-2019.

Northampton’s local economy is dominated by the service sector, which accounts for 80% of local employment. Within this sector, ‘financial and business services’ account for 29% of total employment. Barclaycard and Nationwide Building Society are amongst the largest private sector employers in the town.

The town’s position between London and the Midlands and its proximity to the M1 has led to Northampton becoming a major distribution hub, with key employers including TNT Express, Royal Mail and NYK Logistics.

The area also retains a strong manufacturing background accounting for 7% of total employment. Several shoe manufacturers are located in the region including Barker Shoes and Crockett & Jones. Other major employers in the region include Carlsberg-Tetley Brewing, Weetabix and KAB Seating.

The local authority is carrying out/promoting a number of major development initiatives aimed at revitalising the town centre. These include Project Angel, a new headquarters for Northampton County Council, which will house around 2,000 employees back into the town centre and is due on site this year. In addition, Northampton University are re-siting into the town centre in a new £300m Waterside complex, which is due to start on site in late 2015 and open for the Academic year in 2018.

Both these projects, and others planned, will increase the number of people living and working in the town centre, increasing demand for retail space as well as increased food and beverage opportunities which will increase the dwell time for shoppers.
Northampton is categorised by PMA as a sub-regional centre with the total Town Centre provision comprising approximately 1.3m sq ft of retail floor space, above the Sub Regional Centre average, and ranking the town 53 of the PROMIS Centres on this measure. There are two covered shopping centres within the town; the Grosvenor Centre and Market Walk Shopping Centre. The Legal & General owned Grosvenor Centre is Northampton’s principal scheme and provides approximately 320,000 sq ft, comprising 62 retail units and anchored by Primark, British Home Stores, New Look, Next and Boots. Legal & General have recently invested £10m into the Grosvenor Centre, with Next and Primark opening major new stores in the centre in the latter part of 2014.

A £5m facelift of the wider facilities, including refurbishment of the malls and toilets, has also completed. In addition, Legal & General have submitted a planning application to remodel both the Market Square and Abington Street entrances.

Abington Street is an extension of the prime retailing thoroughfare, where multiple retailers located include Marks & Spencer, H&M, Tesco and Primark.

Northampton Town Centre is a key priority for the Council and a series of measures have been introduced to develop economic activity and create prosperity in the Town Centre. Abington Street will be re-opened to one way traffic that will travel up from St Giles Street to Wellington Street. There will be 40 parking bays, disabled bays and dropping off points. The Council also intends to make parking free in their multi-storey car parks on Saturdays, with 2 hours free during the week.

The Northgate Bus Station has revitalised the western side of the Town Centre, including the Market Square and Drapery.

Northampton Borough Council has taken sole responsibility for delivering a retail and leisure offer on the site of the former Grey Friars Bus Station.

The property is situated in a prime trading location on the south side of Abington Street, close to its junction with Fish Street.

The property is situated opposite the Grosvenor Shopping Centre and nearby retailers including Tesco, BHS, Marks & Spencer and River Island.
DESCRIPTION

The property provides a parade of 8 retail properties with frontages to Abington Street, Fish Street and Dychurch Lane, principally arranged on ground and two upper floors with office accommodation arranged on second floor, accessed from Abington Street. The property is serviced from the rear at Dychurch Lane.

TENURE

The property is held freehold and the extent of the title is outlined in red for indicative purposes only on the enclosed goad plan extract.

TENANCIES

The property is let to 9 tenants on effectively FR&I terms recoverable by a service charge, in accordance with the tenancy schedule attached, currently producing a gross rent of £746,750 per annum exclusive. The tenant at 20A/30 Abington Street (Michael Anthony Project Management) pays a rent that is inclusive of service charge and HSBC have a cap on the management fee, resulting in a shortfall of £5,556.29 per annum.

The net rent receivable is therefore £741,194 per annum exclusive.

PLANNING

The property is not listed and does not lie within a conservation area.

RENTAL VALUE

Northampton is currently undergoing a period of resurgence following the opening of Next and Primark in The Grosvenor Centre and whilst rents have fallen back over recent years, it is our opinion that rents are in a period of upward growth indicated by recent lettings in the block and offers that have been received. The most salient comparable evidence can be set out as follows:

• **38 Abington Street** (The Works)
  The property was let to The Works in November 2014 on a 10 year FRI lease subject to a tenant only break clause in the 5th year of the term at a rent of £100,000 pax, subject to 6 months rent free, which devalues to a net Zone A rent of £79.80 per sq ft.

• **20 Abington Street** (Cash-A-Cheque (UK) Limited)
  The property, which is a smaller unit, was let in July 2015 to Cash-A-Cheque on a 10 year lease, at an average rent of £40,000 pax, which reflects a net Zone A of £69.20 per sq ft.

• **24 Abington Street** (Select)
  The vendor has received an offer from a 5A1 tenant to take a new 15 year lease over 24 Abington Street at the rent passing of £160,000 pax, subject to the tenant receiving a 12 month rent free period. The proposed offer would devalue to a net Zone A tone of £100 per sq ft and a headline Zone A tone of approximately £108 per sq ft.

As a result of the evidence outlined above, it is our opinion that the realistic prime rental tone as of today’s date would lie in the region of £85 per sq ft.

It is our opinion that the estimated rental value at today’s date would lie in the region of £536,500 pax.

Major development initiatives proposed by the local authority and private sector will revitalise the town centre.
<table>
<thead>
<tr>
<th>Tenant Name/Unit</th>
<th>Lease Start/Expiry</th>
<th>Next Break</th>
<th>Next Rent Review</th>
<th>Passing Rent (PAX)</th>
<th>Accommodation</th>
<th>Area sq ft (sq m)</th>
<th>ERV (PAX)</th>
<th>EPC Rating</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 Abington Street (Cash-A-Cheque (UK) Limited)</td>
<td>15/07/2015 14/07/2025</td>
<td>-</td>
<td>15/07/2020</td>
<td>£50,000</td>
<td>Ground Floor Sales Ground ITZA</td>
<td>925 (61.20)</td>
<td>£50,000 (£78 ZA)</td>
<td>D (83)</td>
<td>Ex L&amp;T Act 1954</td>
</tr>
<tr>
<td>22 Abington Street (HSBC Bank Pic)</td>
<td>24/06/2006 23/06/2021</td>
<td>-</td>
<td>24/06/2016 5 Yearly</td>
<td>£303,500</td>
<td>Ground Floor Sales Ground ITZA First Floor Sales/Ancillary Total Area</td>
<td>5,105 (2,007) 5,428 (10,533) (474.25) (186.45) (504.26) (978.51)</td>
<td>£209,000 (£85 ZA)</td>
<td>D (88)</td>
<td>The lease contains a service charge cap in relation to management fees</td>
</tr>
<tr>
<td>24 Abington Street (Genus UK Limited) Guaranteed by Cafér Mahiroglu</td>
<td>05/07/2011 04/07/2021</td>
<td>05/07/2018 5 Yearly</td>
<td>05/07/2016</td>
<td>£160,000</td>
<td>Ground Floor Sales Ground ITZA First Floor Sales/First Floor Ancillary Total Area</td>
<td>3,910 (1,089) 1,089 (2,280) 1,089 (2,925) (363.24) (101.17) (211.81) (860.16)</td>
<td>£128,000 (£85 ZA)</td>
<td>D (94)</td>
<td>-</td>
</tr>
<tr>
<td>26 Abington Street (Virgin Media Limited)</td>
<td>25/01/2008 24/01/2019</td>
<td>-</td>
<td>-</td>
<td>£80,000</td>
<td>Ground Floor Sales Ground ITZA Ground Floor Ancillary Total Area</td>
<td>823 (589) 97 (920) (76.46) (54.16) (9.01) (85.47)</td>
<td>£50,000 (£85 ZA)</td>
<td>E (105)</td>
<td>-</td>
</tr>
<tr>
<td>2nd Floor Offices, 20a-30 Abington Street (Michael Anthony Project Management Limited)</td>
<td>15/10/2014 14/10/2019 (Ex L&amp;T Act 1954)</td>
<td>-</td>
<td>N/A</td>
<td>£12,000 increasing to £17,000 on 16/04/2017</td>
<td>Second Floor</td>
<td>5,780 (536.96)</td>
<td>£17,000 (£2.94 psf)</td>
<td>G (162)</td>
<td>Rent inclusive of service charge</td>
</tr>
<tr>
<td>28 Abington Street (Vodafone Limited)</td>
<td>01/04/2006 31/03/2016</td>
<td>-</td>
<td>-</td>
<td>£74,250</td>
<td>Ground Floor Sales Ground ITZA</td>
<td>810 (541) (75.25) (50.25)</td>
<td>£46,000 (£85 ZA)</td>
<td>D (98)</td>
<td>-</td>
</tr>
<tr>
<td>4 Fish Street (William Hill Organisation Limited)</td>
<td>25/03/2007 24/03/2023</td>
<td>24/03/2017 5 Yearly</td>
<td>24/03/2017</td>
<td>£45,000</td>
<td>Ground Floor Sales Ground ITZA Ground Floor Ancillary Total Area</td>
<td>772 (678) 70 (842) (71.72) (62.99) (6.50) (78.22)</td>
<td>£42,250 (£65 ZA)</td>
<td>D (76)</td>
<td>-</td>
</tr>
<tr>
<td>4A Fish Street (Brothers2 Limited)</td>
<td>02/06/2014 01/06/2024 (Ex L&amp;T Act 1954)</td>
<td>-</td>
<td>N/A</td>
<td>£12,000</td>
<td>Ground Floor Ground ITZA</td>
<td>439 (417) (40.78) (38.74)</td>
<td>£17,500 (£42 ZA)</td>
<td>D (76)</td>
<td>3 month rent deposit</td>
</tr>
<tr>
<td>Bmt, Grd, 1st Floor, 4 Dychurch Lane (Emma Boddington) t/a Rockabelles</td>
<td>03/03/2015 02/03/2025</td>
<td>03/03/2018 03/03/2020 (Tenant)</td>
<td>03/03/2020</td>
<td>£10,000</td>
<td>Basement, Ground &amp; First Floors</td>
<td>1,449 (417) (134.61)</td>
<td>£10,000 (£30.90 psf)</td>
<td>E (124)</td>
<td>Ex L&amp;T Act 1954. 6 month rent deposit</td>
</tr>
</tbody>
</table>

**TOTAL** | £776,750 | 30,957 (2,875.90) | £569,750 |
The property offers a number of asset management initiatives including the ability to work the asset and increase the resulting Zone A tone.

COVENANT INFORMATION

The covenant information where available can be set out as follows:

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Account Date</th>
<th>Turnover £000's</th>
<th>Pre Tax Net Profit £000's</th>
<th>Net Worth £000's</th>
<th>Equifax Rating (2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodafone Limited (Company Number: 01471587)</td>
<td>31/03/2014</td>
<td>6,969,200</td>
<td>-304,800</td>
<td>-1,658,000</td>
<td>C - Above average</td>
</tr>
<tr>
<td>HSBC Bank PLC (Company Number: 00014259)</td>
<td>31/12/2014</td>
<td>N/A</td>
<td>1,953,000</td>
<td>29,404,000</td>
<td>E - Below average/poor</td>
</tr>
<tr>
<td>William Hill Organization Limited (</td>
<td>30/12/2014</td>
<td>895,275</td>
<td>284,209</td>
<td>-685,427</td>
<td>B - Very good</td>
</tr>
<tr>
<td>Company Number: 00278208)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virgin Media Limited (Company Number: 02591237)</td>
<td>31/12/2013</td>
<td>466,967</td>
<td>1,911,396</td>
<td>4,110,822</td>
<td>A - Excellent</td>
</tr>
<tr>
<td>Genus UK Limited (Company Number: 05896509)</td>
<td>31/05/2014</td>
<td>70,794</td>
<td>801</td>
<td>2,480</td>
<td>D - Average</td>
</tr>
<tr>
<td>Cash-A-Cheque (UK) Limited (Company Number:</td>
<td>31/01/2015</td>
<td>N/A</td>
<td>N/A</td>
<td>472</td>
<td>C - Above average</td>
</tr>
<tr>
<td>02965805)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brothers2 Limited (Company Number: 08480380)</td>
<td>30/04/2014</td>
<td>N/A</td>
<td>N/A</td>
<td>168</td>
<td>D - Average</td>
</tr>
</tbody>
</table>
ASSET MANAGEMENT

The property offers a number of asset management initiatives including the ability to work the asset and increase the resulting Zone A tone. Vodafone have re-sited to larger premises opposite the block as part of the Phones 4 U package and as such will be available to re-let on lease expiry in March 2016. This will provide an immediate opportunity to increase the current rental tone.

The vendor has received a rental offer on 24 Abington Street, subject to getting vacant possession, which would increase the prevailing rental tone substantially. The offer is approximately 37.5% ahead of our proposed rental value tone.

The vendor has had plans drawn up for a residential conversion, which show a scheme to convert the offices and add a floor to create 30 apartments with a range of 1 and 2 bedroomed units. Further details are available from this office.

VAT

We understand that the property is elected of VAT and therefore VAT will be payable on the purchase price. It is envisaged that the sale will be dealt with as a transfer of a going concern.

EPC

EPC ratings and certificates are available. The individual ratings are set out on the tenancy schedule.

PROPOSAL

We are instructed to seek offers in excess £8,200,000 (Eight Million Two Hundred Thousand Pounds) subject to contract and exclusive of VAT for the benefit of the freehold interest in the subject property. A purchase at this level would reflect the following yield profile net of purchaser’s costs at 5.8% and on the assumption of our opinion of rental value.

<table>
<thead>
<tr>
<th>Yield Type</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial yield</td>
<td>8.54%</td>
</tr>
<tr>
<td>Reversionary yield</td>
<td>6.57%</td>
</tr>
<tr>
<td>Equivalent yield</td>
<td>6.91%</td>
</tr>
<tr>
<td>True Equivalent yield</td>
<td>7.23%</td>
</tr>
</tbody>
</table>


PRIME FREEHOLD RETAIL BLOCK FOR SALE

20/32 Abington Street & 4/6 Fish Street, Northampton

VIEWINGS

For further information or to arrange a viewing, please contact Jackson Criss on 020 7637 7100.

Philip Hay  t: 020 7637 7100  e: phay@jacksoncriss.co.uk
Matthew Coates  t: 020 3714 0501  e: matthewco@jacksoncriss.co.uk

MISREPRESENTATION ACT. Messrs. Jackson Criss for themselves and for the vendors or lessors of this property whose agents they are to give notice that: (i) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given in good faith and are believed to be correct but any intending purchasers or tenants should not rely on them as statements of representations of fact but satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) no person in the employment of Messrs. Jackson Criss has any authority to make or give any representation or warranty whatever in relation to this property. October 2015. Alamo Design 01924 471114.