JACKSON CRISS

The Exchange

EXCHANGE ARCADE 4/10 HIGH STREET, 12/14 CHEAPSIDE & 11 SMITHY ROW **NOTTINGHAM**

PRIME DOMINANT REGIONAL MIXED USE INVESTMENT FOR SALE

JLL®



RARE OPPORTUNITY

TO ACQUIRE A LANDMARK ISLAND SITE RETAIL ARCADE INVESTMENT IN ONE OF THE UK'S PREMIER RETAIL CENTRES

Investment Summary

- Nottingham is the commercial and regional capital of the East Midlands and one of the UK's busiest retailing destinations, ranking 6th of the Promis centres nationally by the size of its shopping population of 580,000, drawing from its primary catchment of 934,000.
- Nottingham is one of the UK's premier retail centres and ranks 10th on the PMA retail score index.
- The Exchange is a landmark retail arcade, comprising 20 retail units and 3 principal floors of office accommodation.
- Site extending to 0.77 acres (0.31 hectares).
- In total the property comprises 49,725 sq ft (4,620 sq m) of accommodation.
- The scheme is let to a number of leading national multiples including Nationwide, Starbucks, Pret A Manger, Loake, Dr Martens, Sweaty Betty and Castle Fine Art.
- The property has a current proposed gross income of £959,500 pa. Following the deduction of landlord shortfalls amounting to £54,419, the property will offer a net operating income of £905,081 pa.
- 69% of the proposed gross income is secured against national retailers and 72% is secured against tenants with an Experian Rating of 80 or above, reflecting low to very low risk of default.
- Robust occupier demand and strong tenant retention evidenced by the recent letting to Starbucks and renewals with Nationwide, Sweaty Betty, Optique and Gauntleys.
- Attractive WAULT of 5.9 years to expiry (2.6 years to break).
- Held part freehold and part long leasehold at a peppercorn rent.

Proposal

Our client is seeking offers in excess of £8,000,000 (Eight Million Pounds), subject to contract and exclusive of VAT which reflects a net initial yield of 11.06% net of standard purchasers costs on the retail income and a capital value of £50 psf on the vacant offices at 12-13 Cheapside.





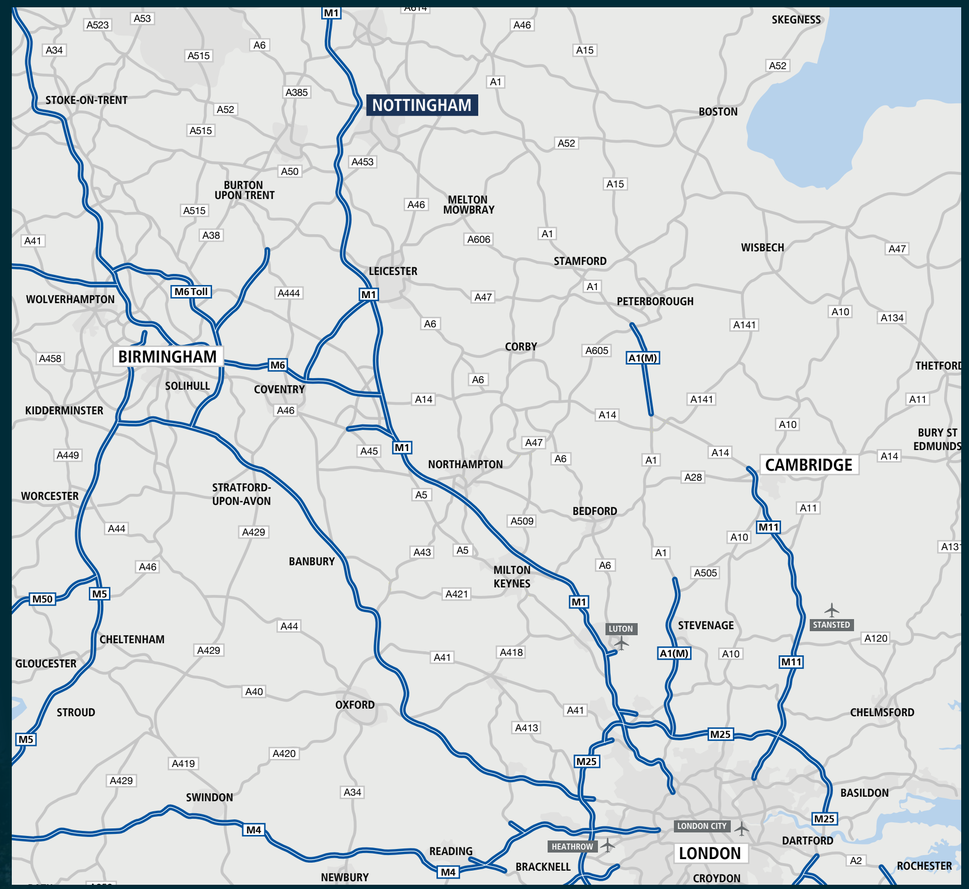
For illustrative purposes only.

Location

Nottingham is the commercial and regional capital of the East Midlands and one of the UK's busiest retailing destinations, ranking 6th of the Promis centres nationally by the size of its shopping population of 580,000, drawing from its primary catchment of 934,000.

The city is located 128 miles (206 km) north of London, 28 miles (45 km) north of Leicester and 45 miles (72 km) north east of Birmingham.





Communications to the city are excellent, being served by three junctions of the M1 Motorway. The City benefits from an excellent major road network including the A453, A52 and A610, providing access to the M1 and A52 also providing access to the A1(M), 18 miles to the west.

There is a fast regular train service to London (St. Pancras) with a fastest journey time of 1 hour 40 minutes, whilst East Midlands Airport is situated 11 miles (18 km) south west from the City providing direct flights to destinations throughout the UK and Europe.



Demographics

The latest estimate of the city's resident population is 325,765 - projected to rise to 331,701 in 2030 and to 359,010 in 2045 (Nottingham Insight). The wider Nottingham urban area has a population estimated at 750,000, which ranks it in the top 10 largest urban areas in the UK.

The city is the commercial capital of the East Midlands and has an age profile that contains a large proportion of young adults with 16% of the population aged 19-22 (UK average of 4.7%). Additionally, approximately 75,000 students attend the University of Nottingham and Nottingham Trent University. Nottingham has strong public sector employment which totals 24.6% of the total employment in the area.

Within the city's workforce, 90% are employed in the service industries and major employers include The Compleat Food Group, Boots, E.ON, Calyx and Rolls Royce.

Tourism is estimated to generate a total economic impact to the area of £2.5 billion pa, with retail estimated to make up £1.89 billion of the total spend (STEAM).









Retailing in Nottingham

Nottingham is one of the UK's premier retail centres and ranks 10th on the PMA retail score index. Nottingham's prime retail offer runs north to south from the Victoria Centre through Clumber Street, High Street and Bridlesmith Gate.

The city centre retail floor space in Nottingham is currently estimated at 2.54m sq ft, ranking the city 7th of the PROMIS Centres on this measure.

The city is ranked 7th out of the 200 Promis centres for Total Retail Expenditure.















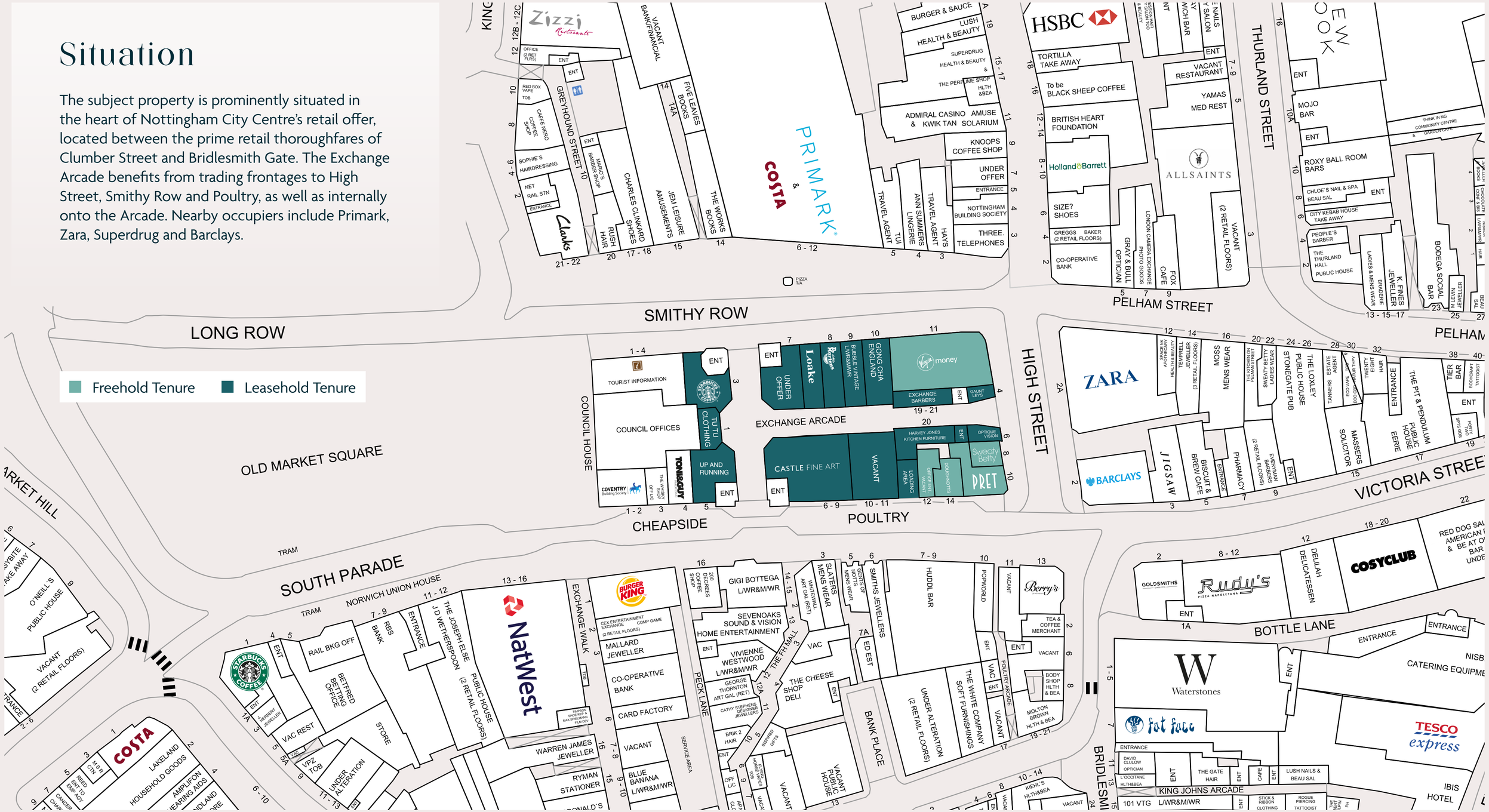
The retail in the city centre is complemented by the 985,000 sq ft Victoria Centre anchored by John Lewis, H&M, Boots and Next. A mix of tenants can be found on Long Row including Primark, Dr Martens and Clarks which is anchored by the Exchange Arcade.

The prime retailing is further complimented by Clumber Street, High Street and Bridlesmith Gate running south.

The former 20 acre area of The Broadmarsh Shopping Centre is seen by its owner, the Nottingham City Council as a catalyst for change and will be subject to a substantial redevelopment, following council consultations and planning.

Situation

The subject property is prominently situated in the heart of Nottingham City Centre's retail offer, located between the prime retail thoroughfares of Clumber Street and Bridlesmith Gate. The Exchange Arcade benefits from trading frontages to High Street, Smithy Row and Poultry, as well as internally onto the Arcade. Nearby occupiers include Primark, Zara, Superdrug and Barclays.



Description

The Exchange is a landmark Grade II* listed retail arcade featuring high vaulted ceilings, ornate stonework and flagstone flooring. The total ownership benefits from 20 retail units and vacant office accommodation arranged over three floors accessed via a self-contained entrance on Cheapside. The Arcade has both internal and external facing units, trading predominantly on ground floor.

The ownership occupies the majority of an island site, with an approximate site area of 0.77 acres (0.31 hectares). Servicing is at basement level, via a loading bay accessed from Poultry.

The freehold ownership at 8/10 High Street and 12/14 Cheapside comprises three shops with three floors of self-contained vacant offices and a vacant two bed flat above. The vacant office building is in need of refurbishment.

11 Smithy Row (Nationwide) is held freehold and comprises a ground floor banking unit with basement ancillary accommodation with three floors of offices above, accessed internally, as well as via a self contained access from Smithy Row. The banking area and first floor have been refurbished and are well fitted, while the second and third floors are in need of refurbishment, which is the responsibility of the tenant. All offices floors are served via a passenger lift.

The freehold interest in the Arcade is owned by Nottingham City Council and we understand that all of the space above the Arcade demise is currently vacant and does not form part of the investment.












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Tenancy and Accommodation

The property is currently let to 16 tenants providing a proposed gross income of £959,500 pa. Following the deduction of landlord shortfalls amounting to £54,419, the property will offer a net operating income of £905,081 pa.

The income stated assumes a 12 month rental and service charge shortfall guarantee on unit 5-7 The Exchange & unit 16-18 The Exchange, more particularly described in the tenancy and accommodation schedule below.

It is anticipated that any rent free outstanding at completion will be topped up by the vendor.

The property has a WAULT to expiry of 5.9 years (2.6 years to break).

Tenure

The ownership is is split between long leasehold and part freehold as detailed on the goad plan on page 8.

8/10 High Street, 12/14 Cheapside and 11 Smithy Row are held freehold whilst the Arcade is held long leasehold from Nottingham City Council for a term of 125 years from the 30th May 1994, expiring the 29th May 2109 at a peppercorn rent. The leasehold tenure of the Arcade relates primarily to the internal areas at ground floor and basement only, which greatly limits the repairing liability. More information is available on request.

Unit Name	Tenant	Trading As	Area Breakdown sq ft	Total Area sq ft	Total Area sq m	Lease Start	Lease Expiry	Rent Review	Break Option	Contracted Rent (pa)	Total Shortfall	NOI (pa)	Comments
11 Smithy Row	Nationwide Building Society	Nationwide	Ground Floor: 2,459 Ground Floor ITZA: 1,476 Basement Storage: 1,710 First Floor: 1,975 Second Floor: 1,925 Third Floor: 1,725	9,794	910	18/06/2026	17/06/2036	18/06/2031	18/06/2029 18/06/2032	£175,000	£0	£175,000	Tenant renewed.
1 The Exchange	Joan Mary Taylor	TUTU	Ground Floor: 652 Ground Floor ITZA: 652 Basement Store: 461	1,113	103	17/03/2025	16/03/2035	17/03/2030	17/03/2030 (Mutual)	£31,000	£0	£31,000	
3 The Exchange	K Beverage Ltd	Starbucks	Ground Sales: 1,186 Ground ITZA: 776 Basement Store: 1,110	2,296	213	14/09/2026	13/09/2036	14/09/2031		£60,000	£4,806	£55,194	Service charge cap of £18,193 (subject to annual RPI increases 1%-3%). The tenant received a rent free period of 24 months, of which 15 months were in lieu of landlord works to put the property into a stripped out 'white box' condition.
5 & 7 The Exchange	TOP UP	TOP UP	Ground Floor: 1,179 Ground Floor ITZA: 640 Basement Store: 1,357	2,536	236					£60,000	£0	£60,000	Offer received on unit and landlord is in negotiations. Further information can be provided upon request.
6 The Exchange	Up and Running (UK) Ltd	Up and Running	Ground Floor: 1,162 Ground Floor ITZA: 718 Basement Store: 1,209	2,371	220	01/07/2022	30/06/2032	01/07/2027	30/06/2027	£37,500	£0	£37,500	
8-14 The Exchange	Washington Green Retail Ltd	Castle Fine Art	Ground Floor: 3,113 Ground Floor ITZA: 1,807 Basement Store: 4,282	7,395	687	02/05/2023	01/05/2033	02/05/2028	01/05/2028	£85,000	£0	£85,000	The units are combined but they are valued as two separate units. 8-10-ITZA 696 12-14-ITZA 1,111
9 The Exchange	Loake Brothers Ltd	Loake	Ground: 916 Ground Floor ITZA: 557 Basement Store: 924	1,840	171	11/10/2021	10/10/2031	11/10/2026		£50,000	£18,302	£31,698	Rent is inclusive of service charge. Report being prepared on rent review in 11/10/2026.
11 The Exchange	Airwair International Ltd	Dr Martens	Ground Floor: 903 Ground Floor ITZA: 542 Basement Store: 920	1,823	169	23/02/2023	20/11/2032	01/02/2028	01/02/2028	£40,000	£0	£40,000	Service charge cap of £21,902. Schedule of condition.

Unit Name	Tenant	Trading As	Area Breakdown sq ft	Total Area sq ft	Total Area sq m	Lease Start	Lease Expiry	Rent Review	Break Option	Contracted Rent (pa)	Total Shortfall	NOI (pa)	Comments
16-18 The Exchange	TOP UP	TOP UP	Ground Floor: 1,799 Ground Floor ITZA: 1,095 Basement Store: 407	2,206	205					£55,000	£0	£55,000	Previous tenant vacated (Oct-26) - unit is currently being marketed.
15 The Exchange	Blue Banana Retail Limited.	Blue Banana	Ground Floor: 906 Ground Floor ITZA: 542 Basement Store: 947	1,853	172	11/09/2023	10/09/2033	11/09/2028	11/09/2028	£60,000	£0	£60,000	Landlord has first right of refusal before tenant can assign lease.
17 The Exchange	Kazumi Exchange Arcade Ltd	Kazumi	Ground Floor: 998 Ground Floor ITZA: 576 Basement: 1,054	2,032	189	01/12/2021	30/11/2031	01/12/2026		£50,000	£4,037	£45,963	Service charge cap of £16,972. Tenant has not served their Nov 26 break option. Rent deposit of £11,250 +VAT held.
19 & 21 The Exchange	Hyacinth E Performers Limited	Valege Lingerie	Ground Floor: 476 Ground Floor ITZA: 476 Basement: 521	997	93	04/11/2026	03/11/2031		04/11/2029	£20,000	£3,131	£16,869	Rent deposit of £10,000 held. Service charge cap initially £7,500 with annual RPI uplifts.
20 & 22 The Exchange	Harvey Jones Home Limited	Harvey Jones	Ground Floor: 772 Ground Floor ITZA: 722 Basement: 372	1,144	106	18/12/2024	17/12/2029			£25,000	£0	£25,000	Rent is £25,000 to 18/12/26 and then reduces to £21,000 pa for 1 year after which it increases to £25,000. Vendor will top up to £25,000.
4 High Street	Gauntleys of Nottingham Ltd	Gauntleys	Ground Floor: 250 Ground Floor ITZA: 250 Basement Sales/Store: 323	573	53	01/03/2026	29/02/2036	01/03/2031	01/03/2029 01/03/2032	£23,000	£0	£23,000	Tenant renewing on a 10 year lease. £5,750 plus VAT break penalty if either break option exercised. Terms agreed but legals not completed.
6 High Street	Optique Vision (Nottingham) Ltd	Optique	Ground Floor: 280 Ground Floor ITZA: 280 Basement: 519	799	74	01/07/2026	30/06/2036	07/07/2031	01/07/2031	£25,500	£0	£25,500	Tenant renewed and has been in occupation since 2004.
8 High Street	Sweaty Betty Ltd	Sweaty Betty	Ground Floor: 690 Ground Floor ITZA: 535 Basement: 481	1,171	109	18/10/2026	30/06/2036		18/10/2029	£40,000	£0	£40,000	Tenant renewed lease - base rent of £40,000 pa with turnover top up at 8% of any turnover in excess of £40,000 (base rent) for the year. Service charge cap of £3,000 to rise inline with CPI. Tenant benefits from a 'pandemic' rent suspension clause, whereby the rent is reduced by 50% for a period of no more than 6 months.
10 High Street	Dallas Holdings Ltd.	Pret A Manger	Ground Floor: 793 Ground Floor ITZA: 609 Basement Store: 706 Sub Basement Store: 807	2,306	214	14/11/2025	13/11/2030	15/11/2025		£100,000	£0	£100,000	
12-13 Cheapside Floors 1-4	Vacant	Vacant	Ground Reception: 298 First Floor Office: 2,073 Second Floor Office: 2,021 Third Floor Office: 2,103 Fourth Floor 2 bed flat	6,495	603						£10,143	-£10,143	Service charge shortfall displayed. No empty rates payable as the property is Grade II* listed.
14 Cheapside	The Nottingham Doughnut Co. Limited.	Doughnotts	Ground Floor: 528 Ground Floor ITZA: 469 Basement Store: 453	981	91	14/10/2024	13/10/2029		13/10/2027	£22,500	£0	£22,500	Schedule of condition present. Service charge cap of £3,000 pa, subject to RPI index linked increase. Landlord has first right of refusal before tenant can assign or underlet the lease.
Ground Rent	Ground Rent	Ground Rent		-	-	30/05/1984	29/05/2109				£0	£0	
				49,725	**4,620**					**£959,500**	**£40,419**	**Net operating income £905,081 pa after deducting the landlord's marketing contribution of £14,000 pa.**	



Asset Management Opportunities

- Engage with the freeholder Nottingham City Council to extend the long leasehold interest which currently expires on 29th May 2109 or discuss a purchase of their freehold interest in the Exchange, we understand that the Council owned accomodation that sits above the Exchange is vacant. This could be re-positioned subject to planning.
- Let the vacant offices at 12-13 Cheapside (floors 1-4), Once refurbished it is estimated that a headline rent in the region of £18 psf could be achievable.
- Explore the potential for a change of use at 12-13 Cheapside (floors 1-4), subject to planning permission.
- Consideration could also be given to sell off the freehold interests to increase the running yield.

Covenant

Loake

Loake Brothers Ltd
T/A Loake (00043081)

Loake Shoemakers is a family-owned British shoemaker founded in 1880 in Kettering, Northamptonshire. Specialising in men's Goodyear-welted shoes, and has held a Royal Warrant since 2007.

The company operates from around 24 stores across the UK and Ireland, alongside a strong online presence and UK wholesale partners. Their summary accounting information can be set out as follows:-

Turnover (Dec 25)	£26,297,821
Pre-tax Profit (Dec 25)	£4,851,621
Total Net Worth (Dec 25)	£20,590,237

Loake Brothers Ltd has an Experian score of 100/100 reflecting a 'very low risk of default'.

Nationwide

Nationwide Building Society
T/A Nationwide (IP00355B)

Nationwide is Britain's biggest building society, a mutual owned by its members rather than shareholders, headquartered in Swindon. It provides mortgages, savings and current accounts.

Nationwide acquired Virgin Money in 2024 for c.£2.9bn and the company operates from 696 branches (605 Nationwide and 91 Virgin Money), the largest branch network in the UK. Their summary accounting information can be set out as follows:-

Turnover (Mar 25)	N/A
Pre-tax Profit (Mar 25)	£2,302,000,000
Total Net Worth (Mar 25)	£18,242,000,000

Nationwide Building Society has an Experian score of 100/100 reflecting a 'very low risk of default'.

Sweaty Betty

Sweaty Betty Ltd
T/A Sweaty Betty (03525806)

Sweaty Betty is a British women's activewear brand founded in 1998.

The company sells premium women's activewear, apparel and accessories, with over 80% of revenue coming from direct-to-consumer channels; US group Wolverine Worldwide (owner of Merrell and Saucony) bought the company in August 2021 for c.£300m.

The brand currently trades from around 85 UK stores. Their summary accounting information can be set out as follows:-

Turnover (Dec 24)	£140,417,498
Pre-tax Profit (Dec 24)	£1,567,665
Total Net Worth (Dec 24)	£12,576,025

Sweaty Betty Ltd has an Experian score of 100/100 reflecting a 'very low risk of default'.

Dr. AirWair Martens

Airwair International Ltd
T/A Dr Martens (03009359)

Dr Martens is a footwear and clothing brand. The company is listed on the London Stock Exchange and is a constituent of the FTSE 250 index. Their summary accounting information can be set out as follows:-

Turnover (Mar 25)	£339,300,000
Pre-tax Profit (Mar 25)	£26,600,000
Total Net Worth (Mar 25)	£205,100,000

Airwair International Ltd has an Experian score of 100/100 reflecting a 'very low risk of default'.

CASTLE FINE ART

Washington Green Retail Ltd
T/A Castle Fine Art (06910082)

Washington Green Retail Limited founded in 1984 is the UK's leading art publisher, the company operates 40 commercial galleries through its retail division trading as Castle Fine Art. Their summary accounting information can be set out as follows:-

Turnover (Dec 24)	£48,902,253
Pre-tax Profit (Dec 24)	£1,060,685
Total Net Worth (Dec 24)	£18,091,875

Washington Green Ltd has an Experian score of 100/100 reflecting a 'very low risk of default'.

Further covenant information is available on the data site.

FURTHER INFORMATION

Proposal

Our client is seeking offers in excess of £8,000,000 (Eight Million Pounds), subject to contract and exclusive of VAT which reflects a net initial yield of 11.06% on the retail income net of standard purchasers costs and a capital value of £50 psf on the vacant offices at 12-13 Cheapside.

Service Charge

The property is run on two separate service charge budgets – the main element of the Arcade's current (y/e Jun 27) service charge budget is £281,999 (£9.73 psf). This includes Units 1-22, 4 High Street, and 6 High Street (Leasehold Title).

The remaining units (8 High Street, 10 High Street, 12-13 Cheapside & 14 Cheapside) have a current (y/e Dec 26) service charge budget of £12,000.

11 Smithy Row (Nationwide) is let on a Full Repairing and Insuring lease and does not form part of either service charge budget.

Therefore, the total service charge budget for the current year is £293,999.

EPCs

A copy of all EPCs and associated reports are available on request.

VAT

The property is elected for VAT purposes and is anticipated that the transaction will be treated as a TOGC (Transfer of a Going Concern).

Data Room

Data room access can be provided upon request.

Anti-Money Laundering

In order to comply with anti-money laundering legislation, the preferred purchaser will be required to provide certain identification documents. The required documents will be confirmed and requested from the successful purchaser at the relevant time.

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