

GUILDHALL SHOPPING CENTRE EXETER



HIGHLY SUCCESSFUL SHOPPING CENTRE INVESTMENT OPPORTUNITY
WITH EXCEPTIONAL 31 YEAR WAULT TO BREAK

 Knight
Frank

INVESTMENT SUMMARY

- Exeter is a **historic Cathedral and University City**.
- Totalling approximately **307,000 sq ft**, the Guildhall Centre is Exeter's main covered shopping centre and the scheme's Queen Street Dining Quarter dominates the City's casual dining offer.
- Anchored by **Primark** and **Sainsbury's**, the scheme offers a right-sized and robust mix of essential and convenience-led operators, combined with a successful mix of F&B operators, anchored by **Brewdog** and **The Botanist**.
- 20%** of net income secured against Sainsbury's (expiring 2075) and **15%** against Primark (expiring 2074).
- 66%** of net income secured against the top 5 tenants (Sainsbury's, Primark, Wilko, WH Smith and Superdrug).
- Exceptional WAULT of **31 years** to break and **32.4 years** to expiry.
- Held **long leasehold** from Exeter Council for a term of 100 years from 29 September 2001 with an option to extend to 2161.
- The property benefits from a **gross income of £3,942,647** per annum and a **net income of £2,821,612** per annum after the deduction of head rent and landlord non-recoverables.
- Substantial capex invested in the new and highly successful dining quarter in 2016 - there are a variety of further opportunities to add value and drive growth through asset management across the scheme.
- We are instructed to seek offers in excess of **£34,000,000** (Thirty Four million pounds), exclusive of VAT and subject to contract. A purchase at this level reflects a **blended net initial yield of 7.75%** and a capital value of £110 per sq ft, assuming standard purchaser's costs.





EXETER

Exeter is located in Devon,
in the south west of England



LOCATION & CONNECTIVITY

Exeter is a historic Cathedral and University City located in Devon, in the south west of England. The city is located 45 miles North East of Plymouth, 63 miles South West of Bristol and 174 miles South West of London.

Exeter is the key administrative centre for Devon, with an enviable location at the base of the M5, providing access to the West Midlands and to the South East and Wales via the M4. The A30 runs through the city, providing access to the A303 to the east, connecting Exeter to the M3. The A38 dual carriageway, known as the Devon Expressway, is situated to the south of the city and provides the main link to west Devon and Cornwall.



The city benefits from two mainline railway stations: Exeter St David's and Exeter Central, both of which are within walking distance to the town centre. Exeter St David's is the main hub, providing links to most major cities across the UK, including a frequent and direct service to London Paddington with a journey time of 2 hours and 8 minutes. Exeter Central is the closest station to the High Street and connects all of Exeter's surrounding areas to the city.

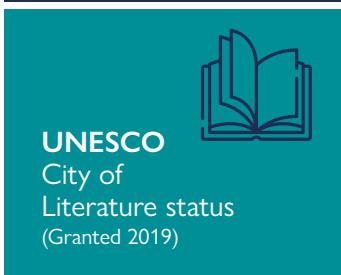
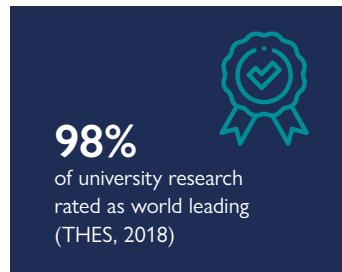
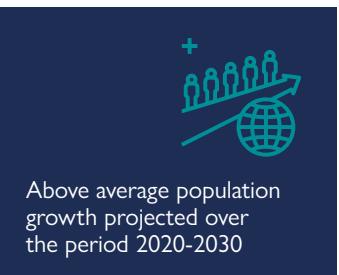
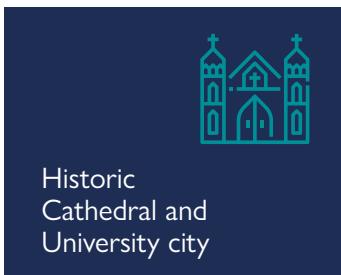


Exeter International Airport is located 6 miles to the east of the city centre, providing domestic and international flights to the UK and continent respectively.



EXETER -

VOTED #1 UK CITY FOR QUALITY OF LIFE (ARCADIS, 2018)



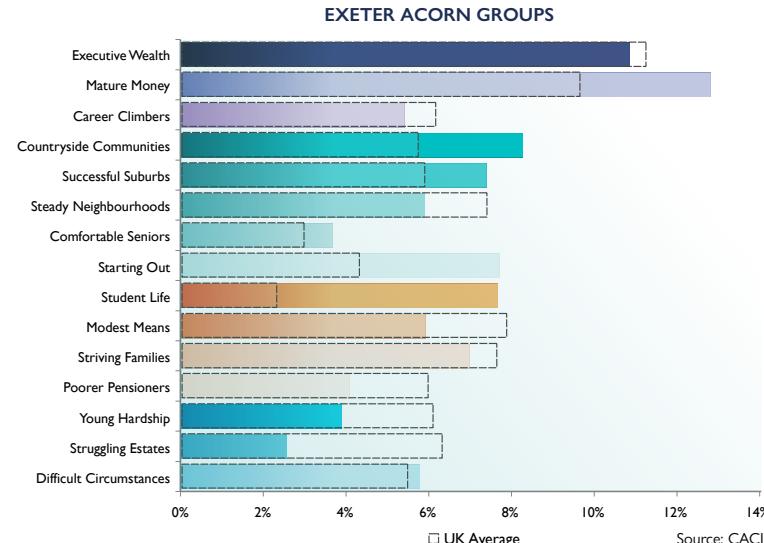


A wealthy,
youthful and mobile
demographic base

CATCHMENT & DEMOGRAPHICS

The total population within the Exeter Primary Retail Market Area is estimated at 439,000 and is forecast to see above average levels of population growth (6.6%) over the period 2020-2030. This is anticipated to drive both leisure and retail spend within the local area.

Exeter exhibits a strong demographic base, with significant over-representation in the most affluent Acorn group, "Affluent Achievers". The following key Acorn sub-categories are particularly over indexed in comparison to UK averages: "Mature Money", "Countryside Communities" and "Student Life" (CACI) demonstrating a predominantly mass-market core.



Exeter city centre retains 92.5%
of spend within its primary
catchment population

The age profile of Exeter includes a high proportion of both the high spending young adults demographic, reflecting the sizeable student population, and retired and older, working age adults aged 45-64. Exeter is forecast to see significantly above average percentage growth in the available pool of retail spending between 2020-2025 (PMA).

Despite Exeter boasting a particularly high proportion of 2 car households, significantly above average, Exeter city centre retains 92.5% of spend within its catchment population with little leakage of spend to nearby towns and cities (CACI).



EXETER CITY CENTRE REGENERATION



Liveable Exeter Programme

Borne off the back of Exeter being granted Garden City designation in 2019, the Liveable Exeter programme is a 20-year strategy aiming to create new communities in the city through the delivery of **12,000 new homes by 2040**, alongside investment into the sustainable infrastructure needed to attract investment and improve quality of life. Liveable Exeter will encompass eight brownfield sites around the city.



CityPoint

Exeter's £300m mixed use development in the heart of the city centre. The 850,000 sq ft flagship development is planned to deliver 500 new homes, 200,000 sq ft of office accommodation, flexible workspace, hotels and commercial leisure, culture, and retail uses.



"CityPoint will support the creation of a vibrant city environment and facilitate an economy which runs in to the evening"
(Richard Marsh, ECC)

Harlequins Centre Development

Plans have been submitted to redevelop Exeter's smallest shopping centre, adjacent to the Guildhall Centre, into two co-living blocks. The scheme will comprise c.400 co-living units on the site, and help to meet the pressing need for residential accommodation within the city. As part of the scheme, the plans will see the creation of a pocket park, significant improvements to the urban realm of Paul Street, enhancing the environment for pedestrians and cyclists, and the replacement of the existing pedestrian bridge over Paul Street which provides access to the Guildhall Centre. This direct link will result in an additional customer base accessing the scheme adjacent to Primark, at no cost to the Guildhall Centre. Guildhall will therefore sit on the direct route between this major new co living development and the City Centre.



Artist Impression of proposed redevelopment of Harlequin Centre

EXETER CITY CENTRE REGENERATION

St Sidwell's Point

A new state of the art leisure centre is due to open later this year. Once open, St Sidwells Point leisure centre is expected to attract around 500,000 visits a year, twice the amount of the previous leisure centre.

A new state of the art leisure centre is due to open later this year



Artist Impression St Sidwell's Point



A new £8m bus station opened in July 2021

Exeter Bus Station

A new £8m bus station opened in July 2021, providing the city with a modern facility, which is fit for purpose for the millions of passengers it serves every year. The new bus station is located adjacent to the new leisure centre St Sidwell's Point, 5 minute's walk from Guildhall, and has been shortlisted for a prestigious regional award.





RETAILING IN EXETER

Exeter is a historic cathedral town, providing 1.39m sq ft of retail accommodation within the town centre (PMA).

Exeter's retail core is concentrated around the junction of South Street, North Street and Fore Street in the west, to the intersection of Sidwell Street and York Road in the east. At the heart of the city is the Cathedral Quarter, which alongside the pedestrianised Gandy Street, provides the more historic retail core with a host of independent shops, bars & restaurants overlooking Exeter Cathedral, creating a historic 'village' green atmosphere.

There are two primary shopping centres within the town, the Princesshay Shopping Centre and the Guildhall Shopping Centre. The Princesshay Shopping Centre, comprising 389,000 sq ft with a fashion-led offering, opened in 2007, extending the retail core southwards and creating a new retail quarter. There are plans to redevelop The Harlequins Shopping Centre into c.400 co-living units.

The High Street runs parallel to Princesshay and the Cathedral area, and features a variety of key retailers including John Lewis, Marks & Spencer, H&M and Boots. Queen Street is a busy city centre street that runs northwest from the High Street towards Exeter University and College, with a focus on food & beverage operators.

Exeter is a historic cathedral town, providing
1.39m sq ft of retail accommodation



GUILDHALL
SHOPPING CENTRE

GUILDHALL SHOPPING CENTRE

The Guildhall Centre is a successful, well-let semi-covered mall arranged over two floors. The centre combines traditional architecture with a modern shopping centre and dining quarter. The Queen Street façade, designed by Charles Fowler (Covent Garden Architect), leads through to one of the oldest foundations of the City, the 13th century St Pancras Church.

The 307,339 sq ft scheme offers a robust mix of mass market and value-led operators including Primark, Wilko, Sainsbury's and WH Smith. The centre, which opened in 1976, underwent a £13.5m refurbishment in 2016 which saw the opening of the successful Queen Street Dining Quarter, with key tenants including Brewdog, Comptoir Libanais, Turtle Bay and The Botanist (opening November 2021). The Guildhall was awarded the REVO (BCSC) Gold Award following the redevelopment in 2016, due to the scale of enhancement and extensive public realm improvements.



A new deal has been agreed with a popular competitive socialising occupier which is due to exchange this year. This, combined with the mix of hospitality and highly successful retailers, comprises an attractive addition to the leisure offer to cater to the local demographic.

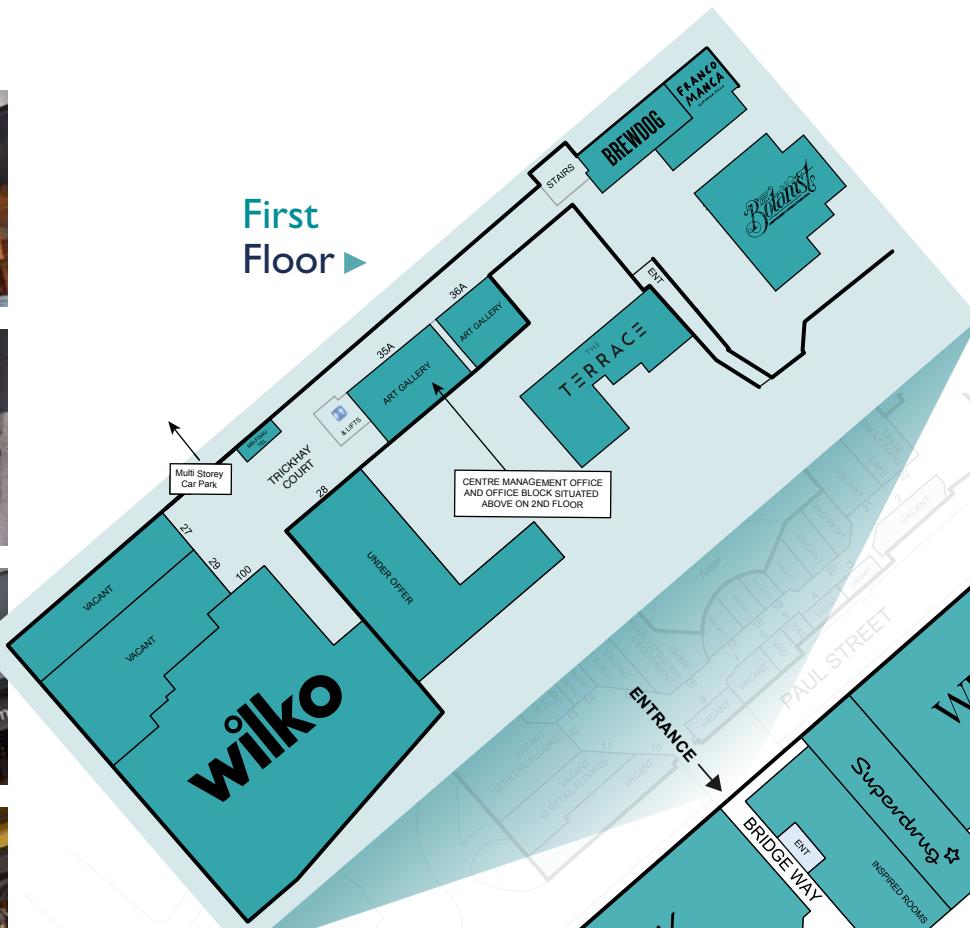
The scheme also benefits from being located adjacent to the City's main 440 space multi-storey car park, accessed via Paul Street.

Pre-Covid annual footfall stood at 9.9 million people per annum (2019)

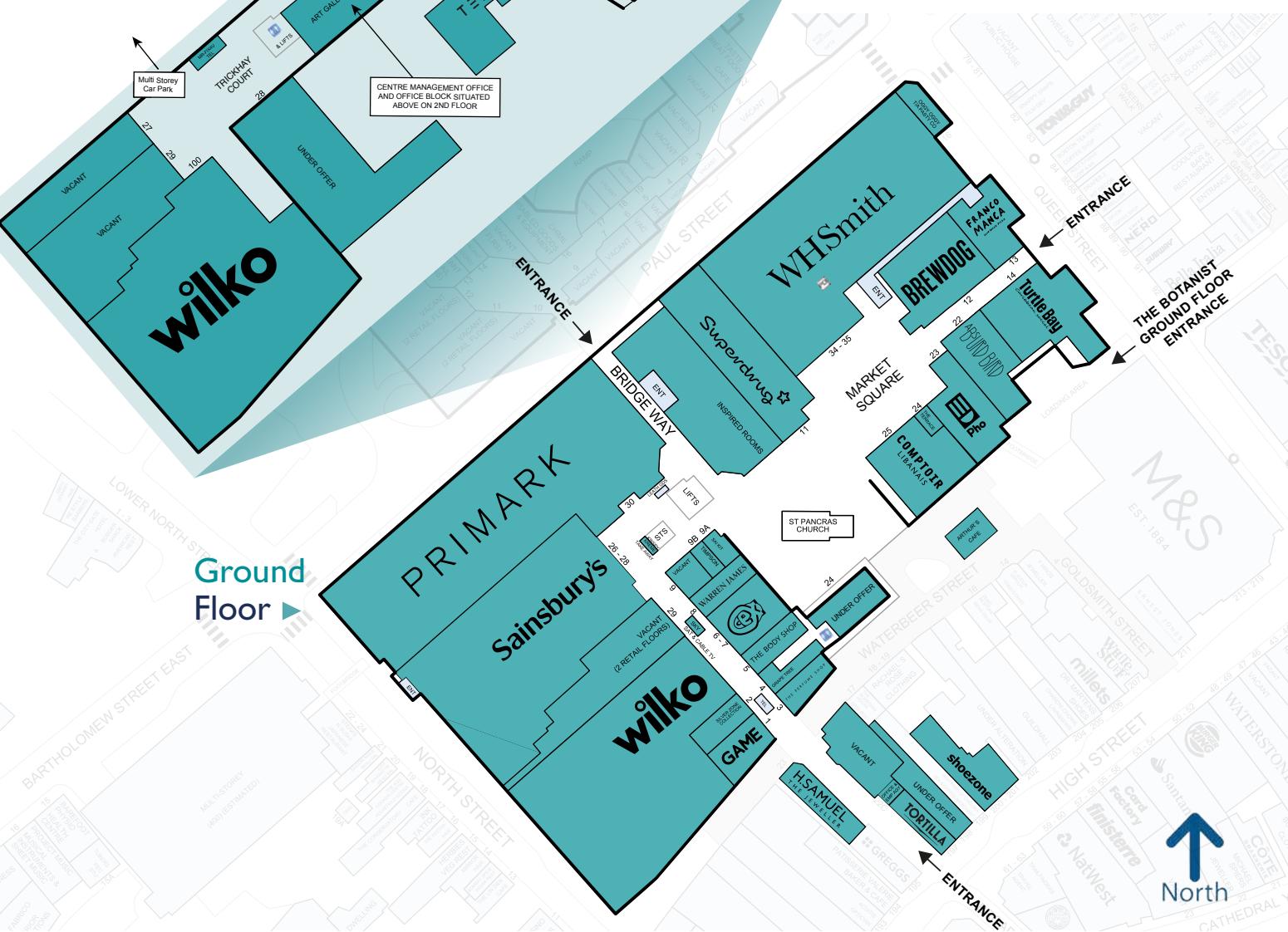
The Guildhall Shopping Centre is a highly successful scheme combining essential retailers with popular leisure operators



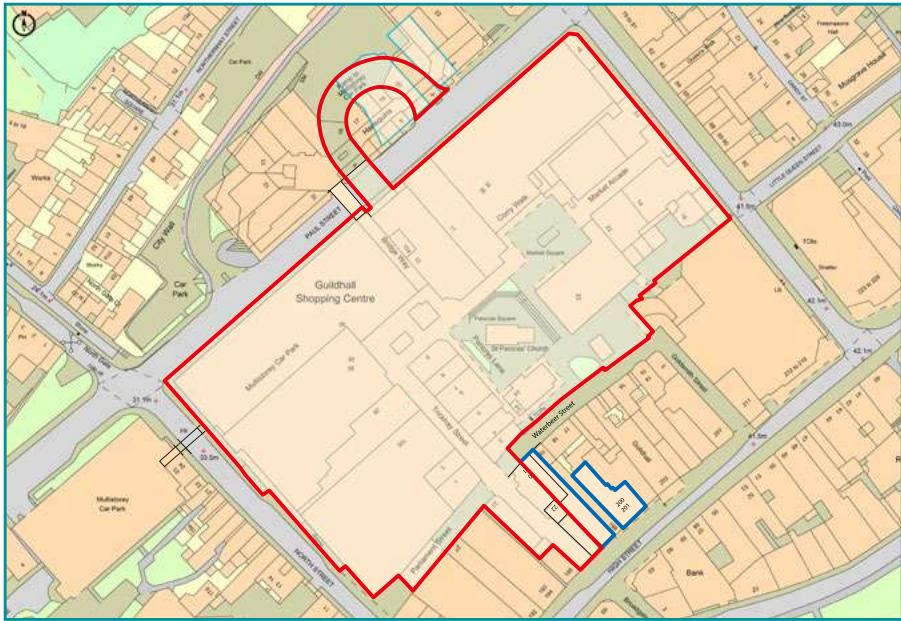
First
Floor ►



Ground
Floor ►



LEASING PLANS



For indicative purposes only

TENURE

The Guildhall Shopping Centre is predominantly held long leasehold under title number DN455355 from Exeter City Council for a term of 100 years from 29 September 2001, expiring 26 September 2101 (approximately 80 years unexpired). There is an option to extend at any time before the last month of the term by taking a new lease for an additional term of 60 years, expiring on 26 September 2161.

The Head Rent payable is the greater of £325,000 per annum or 10% of revenue less permitted deductions. Exeter City Council are also obliged to contribute 10% towards capital expenditure.

The Head Rent increases to a fixed £350,000 per annum if the option to extend is exercised.

198 High Street & 20 Waterbeare Street (Title DN53727) and 200-201 High Street (Title DN124819) are held freehold.

Further information can be found on the marketing data room.



GUILDHALL
SHOPPING CENTRE
EXETER

INCOME ANALYSIS

Guildhall Shopping Centre produces a gross income of **£3,942,647** per annum and a net income of **£2,821,612** per annum after the deduction of headrent, landlord non-recoverables and the landlord's contribution to the marketing budget.

The scheme benefits from an exceptional WAULT of **31 years** to break and **32.4 years** to expiry.

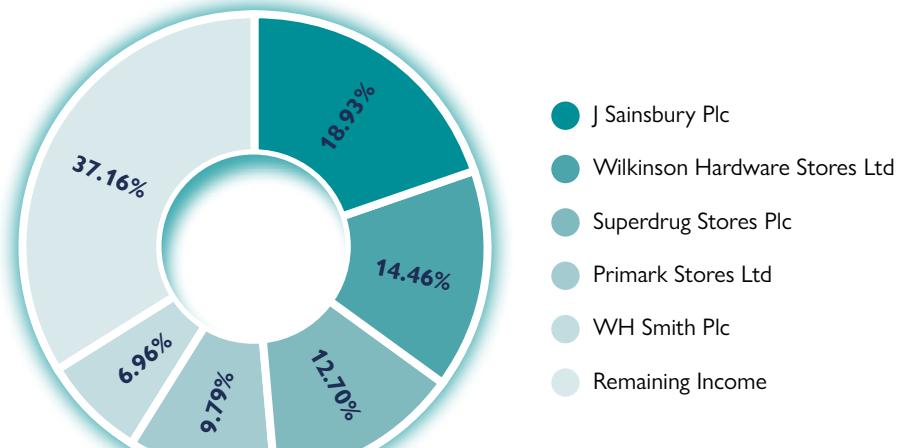
A full schedule of tenancies is provided in the marketing data room.

TOP 5 TENANTS

Tenants	Net Income	% NOI (Excl Headrent)	Earliest Expiry
J Sainsbury Plc	£571,578	18.93%	10/04/2075
Primark Stores Ltd	£436,652	14.46%	26/07/2074
Wilkinson Hardware Stores Ltd	£383,327	12.70%	23/05/2025
W H Smith Plc	£295,463	9.79%	31/12/2024
Superdrug Stores plc	£210,000	6.96%	24/12/2021
Remaining Income	£1,121,707	37.16%	



GUILDHALL INCOME SPLIT



PRIMARK

WHSmith

Sainsbury's

wilko

Argos

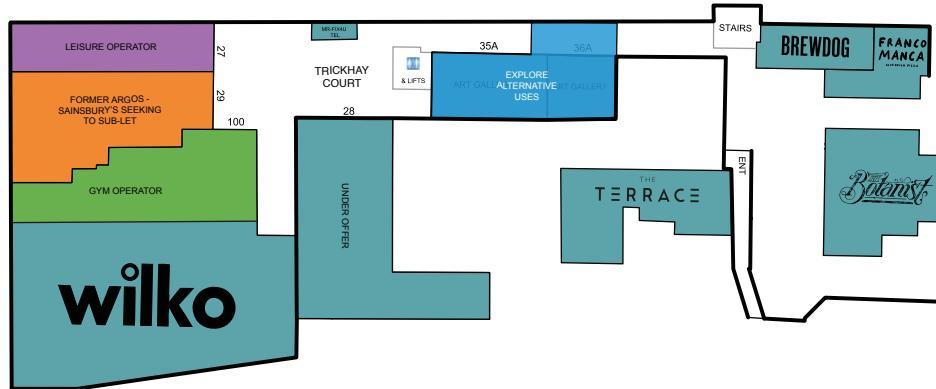
FRANCO
MANCA
ITALIAN PIZZA

BREWDOG

Botanist

COMPTOIR
LIBANAIS
LEBANESE CANTEEN

First Floor ▼



Ground Floor ▼



ASSET ENHANCEMENT INITIATIVES

There are a number of asset management initiatives to consider to add value and drive growth:

CENTRAL SQUARE LEISURE DEVELOPMENT

There is the opportunity to continue to build upon the successful leisure repositioning and re-ignite previous discussions surrounding the development of a leisure scheme on the 1st floor of Market Square. This involves the potential right-sizing of the VH Smith unit.

EXPLORE ALTERNATIVE USES

There is also the opportunity to explore alternative uses which may be introduced into the under-utilised parts of the scheme, such as medical, administrative or co-working space to diversify the income stream and to capitalise on the strong, current demand from operators in these sectors. There is ongoing interest from a service office operator in the vacant offices above the Superdrug unit.

GYM OPERATOR

Terms are being discussed with Wilko to surrender part of the 1st floor space in order to accommodate a gym operator.

LEISURE OPERATOR

There is opportunity to introduce a leisure operator into the former Ferns restaurant. There is demand from a bowling occupier for this space.

ARGOS SUB-LETTING

Sainsbury's are in ongoing discussions to sub-let the former Argos store.

CONVERT TEMPORARY LEASES TO PERMANENT

There is opportunity to convert Inspired Rooms into a permanent lease.

ACQUISITION OF MULTI-STORY CAR PARK

There is potential to explore the acquisition of the highly successful adjacent multi-storey car park.

INCREASE COMMERCIALISATION

There is opportunity to drive commercialisation income further on the malls.

LEASE RE-GEARING AND RENEWALS

Proactive management of leases to maximise income and secure the future of key tenants within the scheme.

DIRECT BRIDGELINK TO HARLEQUINS CO-LIVING DEVELOPMENT

Existing bridgelink to be replaced as part of the redevelopment of the Harlequins Centre, at no cost to the vendor, resulting in direct access between the 400 unit co-living scheme and the Guildhall Centre.

ADDITIONAL INFORMATION

Service Charge & Marketing Budget

Operating costs at the Guildhall Shopping Centre are covered by way of a comprehensive service charge regime, which runs from 1st January - 31st December and is apportioned on a weighted floor area basis.

The 2021 service charge budget for the centre totals £2,020,608 per annum, equating to approximately £6.54 per sq ft.

Service charge includes a total marketing budget of £74,350 for 2021, with the landlord contributing 50%.

Further information, including historic service charge expenditure and detailed budget breakdowns, is available on the marketing data room.



Car Parking

The adjacent Guildhall Car Park, which provides direct access to the scheme at first floor level, is included within the vendor's long leasehold interest but is subject to a lease to Exeter City Council until 2101 on a peppercorn basis.

Parking charges are based on an hourly regime in accordance with the following tariffs:

< 1 hour	£3.00
1 - 2 hours	£4.00
2 - 3 hours	£5.00
3 - 4 hours	£6.00
4 - 5 hours	£7.00
6 - 7 hours	£9.00
All day	£15.00

FURTHER INFORMATION

VAT

The property is registered for VAT and it is intended that the sale will be treated as a Transfer of Going Concern (TOGC).

Building Survey

A warranted building, M&E and environmental survey has been commissioned and will be assignable to the purchaser. The property was surveyed by TFT Consultants.

Dataroom

Further information can be located on the data site, accessed via the following link:
www.guildhallcentre-exeter.com



Proposal

We are instructed to seek offers in excess of £34,000,000 (Thirty Four Million Pounds), exclusive of VAT and subject to contract. A purchase at this level for the leasehold interest reflects a blended net initial yield of 7.75% and a capital value of £110 per sq ft, assuming standard purchaser's costs.

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