

A PRIME RETAIL INVESTMENT OPPORTUNITY

**TK MAXX, 16-20 STRICKLANDGATE
KENDAL, CUMBRIA LA9 4ND**



Artists impression of unit frontage.

INVESTMENT SUMMARY

Located in Kendal fronting Stricklandgate and forming part of the prime retail pitch

Well secured to TJX UK t/a T K Maxx (D&B 5 A1)

New lease for a term of 10 years from 11 May 2011

Initial Rent of £157,500 per annum exclusive

Price £2,475,000 (Subject to Contract & Exclusive of VAT)

Net Initial Yield of 6.01% (After allowing for usual purchaser's costs at 5.8%)



LOCATION

Kendal stands on the River Kent and is the largest town within the South Lakeland District of Cumbria some 22 miles (35km) north of Lancaster, 34 miles (54km) east of Barrow-in-Furness and 33 miles (53km) and 52 miles (84km) south of Penrith and Carlisle respectively.

The town is often referred to as the “Gateway to the Lakes” given its location 8 miles west of J36 of the M6. Kendal is a historic hub for the local trade and road network with the A591 bypassing the town to the South and providing access to Windermere and Keswick to the North West and the A590 to the south. The A590 connects to the M6 at J36 to the East of Kendal and to Barrow-in-Furness to the West.

Kendal is the commercial centre of South Lakeland and a popular tourist destination due to its numerous historical buildings and ruins dating back to the 12th Century as well as its close proximity to the Lake District National Park. Other tourist attractions within Kendal include the Museum of Natural History & Archaeology and the former home of the famous author Alfred Wainwright who lived in Kendal from 1941 until his death 1991.

Kendal has a resident population of 28,000 and draws on a catchment population of 84,003 persons located in the rural hinterland and including the towns of Sedbergh, Kirkby Lonsdale, Grange-over-sands, Windermere, Ambleside and Ulverston. The population and retail expenditure of Kendal is boosted throughout the year by the large number of tourists visiting the town.



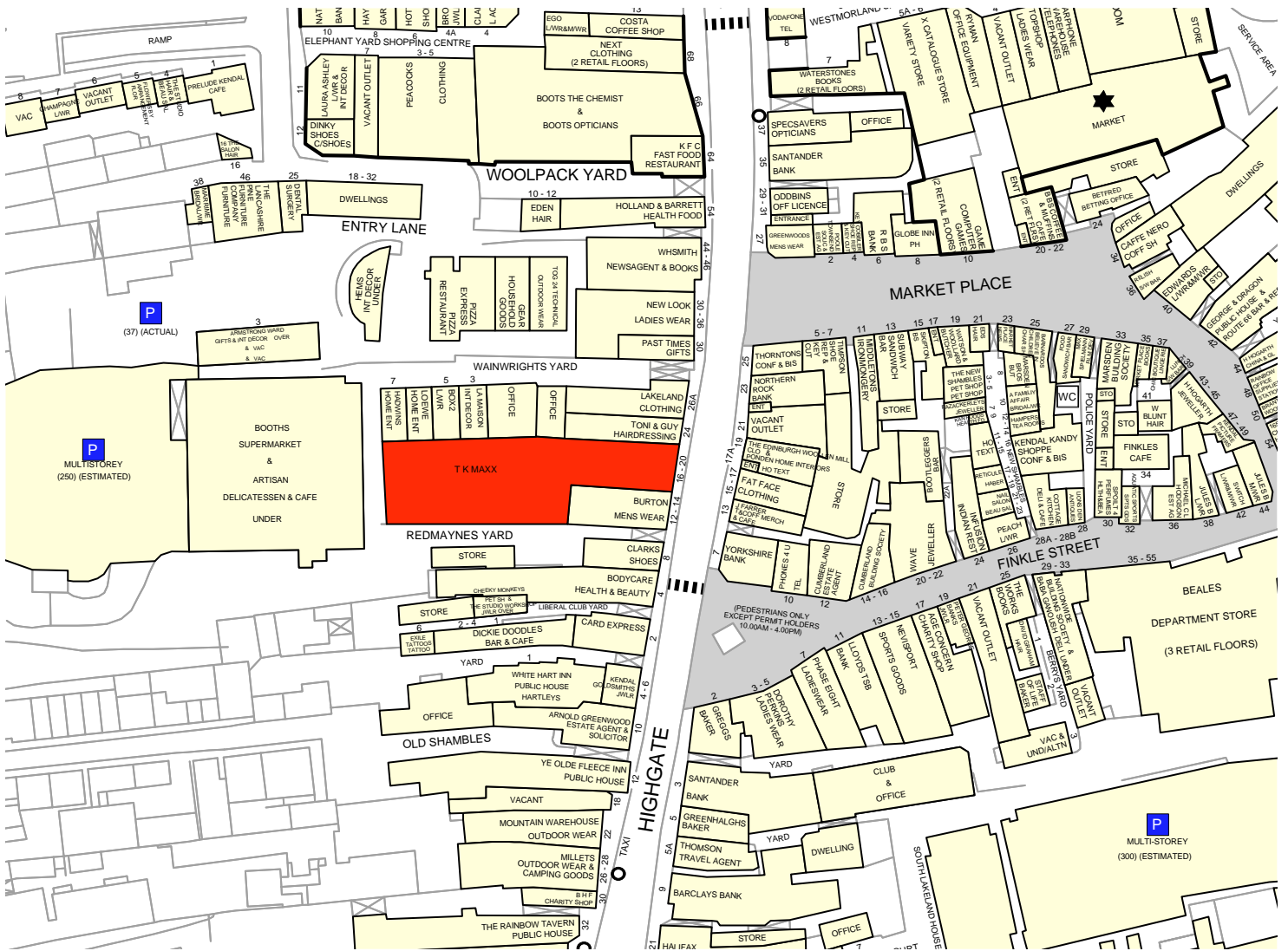
RETAILING IN KENDAL

Kendal benefits from being some distance from the competing centres of Lancaster and Penrith and the regional centres of Carlisle, Preston and Newcastle.

Prime shopping in Kendal is located on Stricklandgate and Highgate, within the Westmorland Shopping Centre and along the adjoining pedestrianised thoroughfares of Finkle Street and Market Place.

The Westmorland Shopping Centre (126,000 sqft) and the Elephant Yard Shopping Centre (66,500 sqft) are located to the north of the property and house tenants including Argos, Ryman, Vision Express, Waterstones, Costa, Next, Boots and Peacocks.

On the outskirts of Kendal is the established K Village The Lakes Outlet, providing 25,000 sqft of retail space and housing tenants including Clarks Factory Shop, Mountain Warehouse, Trespass, The Works, Julian Graves and Whittards of Chelsea. The town benefits from an open air market every Wednesday and Saturday located on Market Place.



SITUATION

The property is situated fronting Stricklandgate and forms part of Kendal's prime retail pitch.

National occupiers within the immediate vicinity include Burton (adjacent) and Toni & Guy (adjacent) as well as Bodycare, Clarks, Lakeland, Fat Face, Past Times, New Look, WHSmith, Edinburgh Woollen Mill and Thorntons.

To the rear of the premises is a Boots supermarket and associated multi-storey car park which can be accessed off Stricklandgate via Wainwrights Yard or Redmaynes Yard to the north and south of the property respectively.



DESCRIPTION

The property is of brick construction behind a stone façade to Stricklandgate and set beneath a flat concrete roof overlaid with bitumen felt.

The premises are arranged on two floors and will provide ground floor sales with additional sales, staff and storage facilities at first floor. The shop widens to the rear behind the adjacent Burtons store, and benefits from a goods lift linking the service, ground and first floor levels.

Rear servicing of the property is accessed from Redmaynes Yard which in turn is accessed via Library Road.

ACCOMMODATION

The property has the following approximate floor areas and dimensions:

Shop Depth	209' 9"	63.94 m
Shop Width (front)	30' 1"	9.18 m
Shop Width (rear)	55' 5"	16.88 m
Net Frontage	28' 2"	8.58 m
Gross Frontage	31' 3"	9.52 m
Ground Floor Sales	9,878 sqft	918 sqm
ITZA	1,558 units	
First Floor Sales	6,790 sqft	631sqm
First Floor Ancillary	2,831 sqft	263 sqm

TENANCY

The property is let to TJX UK t/a TK Maxx for a term of 10 years from 11th May 2011 at an initial rent of £157,500 per annum. The lease is drawn on full repairing and insuring terms and subject to rent review on the 5th anniversary of the term to the lower of £181,125 p.a.x. or the Open Market Rental Value. TK Maxx has commenced its extensive refurbishment/fit-out works which are expected to cost circa £1million. The store is due to open for trading in July 2011.

COVENANT INFORMATION

TJX UK t/a T K Maxx first opened in the UK in 1994, and now trade from over 240 stores nationwide. TJX UK forms part of TJX Companies Inc, the leading half price retailer of apparel and home fashions in the United States and worldwide. In 2009, TJK Companies Inc had a revenue of over \$20 billion and operated from more than 2,700 stores in six countries. TJX UK has a Dun & Bradstreet rating of 5 A1 and a summary of their last 3 years accounts is below:

	30 Jan 2010 (£000's)	31 Jan 2009 (£000's)	26 Jan 2008 (£000's)
Turnover	1,194,312	1,122,197	1,028,247
Pre-tax Profit	78,293	48,878	36,405
Tangible Net Worth	250,604	188,979	155,666
Net Current Assets (Liabilities)	65,263	11,585	(13,141)

TENURE

The property is held Freehold.

VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. Providing certain criteria are met, the transaction may be treated as a Transfer Of a Going Concern (TOGC).

PROPOSAL

We are instructed to seek offers in excess of £2,475,000 subject to contract for our client's freehold interest in this investment. A purchase at this level will reflect a net initial yield of 6.01% after allowing for usual purchaser's costs of 5.8%.

FURTHER INFORMATION

For further information or an appointment to view contact the joint agents:



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