

Prime Retail Investment With 12.5 Years Unexpired
105/107 High Street Poole, Dorset BH15 1AN



LOCATION

The attractive and affluent south coastal town of Poole, with a catchment population of approximately 139,000 (2001 census) is the second largest settlement in Dorset. The town is located approximately 110 miles to the south west of London, 5 miles to the south west of Bournemouth and 35 miles to the south west of Southampton. The town lies at the junction of the A35 and the A31 which links with the M27 Motorway at Junction 1.

The town benefits from Poole Harbour, one of the world's largest natural harbours, which is shared by the established ferry terminal, providing a ferry service to the Channel Islands and France.

The principal retailing provision centres on the High Street, Falkland Square and The Dolphin Centre which is anchored by M&S, Boots and a BHS Department Store.

SITUATION

The property is situated on the East side of the main retail thoroughfare of the High Street, between its junctions with Globe Lane and Prosperous Street. The High Street is fully pedestrianised and other occupiers in the immediate vicinity include Lloyds TSB (adjacent), HSBC Bank, Barclays Bank, Peacocks and Bon Marche.

DESCRIPTION

The property comprises a prominent and substantial modern unit providing retail accommodation on the ground floor with ancillary accommodation on the 1st floor. The property benefits from ample loading facilities to the rear, together with car parking for approximately 5 cars with access from Lagland Street.



ACCOMODATION

The property has been measured in accordance with the RICS code of measuring practice and comprises the following approximate net internal floor areas:

Floor	(Sq m)	(Sq ft)
Ground Floor Retail	567.1	6,104
ITZA		1,594 Units
Ground Floor Ancillary	69.1	744
First Floor Ancillary	534.1	5,750
Totals	1,170.3	12,598

TENURE

Freehold

TENANCY

The entire property is let to 99p Stores Limited on a full repairing and insuring lease for a term of 15 years from the 19th November 2008 at a current rent of £95,000 per annum. The lease provides for five yearly upward only rent reviews to the greater of:-

1. The Open Market Rent
2. The initial rent increased by 2.5% per annum compounded annually equating on the first review date to £107,483 pa and again by the same rate at the second review in 2018 (£121,608 pa).

It is my client's intention to top-up the rent until the fixed uplift in 2013 so the rent passing will be £107,483 pa.





COVENANT

99p Stores Limited was founded in January 2001. Since enhancing capacity with a new national distribution centre, there are plans to grow the 99p Stores portfolio from 140 stores to more than 350 stores in the next four years.

The company employs over 3,000 people and currently more than 1.5 million people are said to be weekly shoppers at its stores.

	Year Ended		
	31.01.2010	31.01.2009	31.01.2008
Turnover	£183,472,000	£112,861,865	£94,000,930
Pre tax profit	£1,785,669	£333,348	£142,924
Shareholder funds	£7,036,270	£4,921,593	£4,588,245

RENTAL VALUE

The letting to 99p Stores Ltd was concluded in November 2008 at a rent of £95,000pa. By applying £4psft on the ancillary accommodation, this rent equates to a Zone A rent of c£45 (A). The 2013 topped up rent of £107,483pa equates to a Zone A of c£50 (A).

Top rents in the Dolphin Centre, Poole are approaching £115 (A) and the subject rent seems reasonable based on the letting done on 115 High Street (Greggs) at a rent of £49 (A) in March 2008. A substantially larger unit at 125 High Street (This Is It) was let for £46 (A) in September 2010.

VAT

VAT is applicable.

PROPOSAL

We are instructed to seek offers in excess of £1,500,000 (One Million Five Hundred Thousand Pounds) subject to contract for the freehold interest which reflects a net initial yield of 6.8% rising to a minimum guaranteed reversionary yield of 7.66% in 2018, based on the rent being topped up to the 2013 uplift level.





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