PRIME FREEHOLD RETAIL & OFFICE INVESTMENT

82 Abington Street, Northampton, NN1 2AP

CLAY STREET
PROPERTY CONSULTANTS

INVESTMENT SUMMARY

- Northampton is the main commercial and administrative town for the county of Northamptonshire.
- The town has a large catchment population of 468,000 with forecasts for substantial future growth.
- Freehold.
- Ground floor retail with self-contained offices above.
- Let to the strong covenants of Caversham Trading Ltd (t/a BrightHouse) and Pertemps Limited.
- An AWULT of 5.95 years.
- Rent passing of £102,771 per annum reflecting a Zone A rate of £70.00 per sq ft on the retail element and £8.80 on the office accommodation.
- We invite offers in excess of **£1,080,000** subject to contract and exclusive of VAT. A purchase at this level will reflect a net initial yield of **9.00%**, after purchaser's costs of 5.80%.
- Potential reversionary yield of 11.00% upon letting the vacant accommodation at the quoting rent.

LOCATION

Northampton is the county town of Northamptonshire and is an important retailing centre strategically located 109km (68 miles) north of London, 61km (38 miles) south of Leicester, 88km (55 miles) east of Birmingham and 87km (54 miles) west of Cambridge.

The town benefits from excellent road communications with junctions 15 and 16 of the M1 motorway approximately 8km (5 miles) to the west of the town centre. The A34 trunk road also provides a direct link to the M40 motorway to south west, offering excellent access to Oxford. There are regular rail services to London Euston and Birmingham New Street with fastest journey times of 55 minutes and 1 hour respectively.

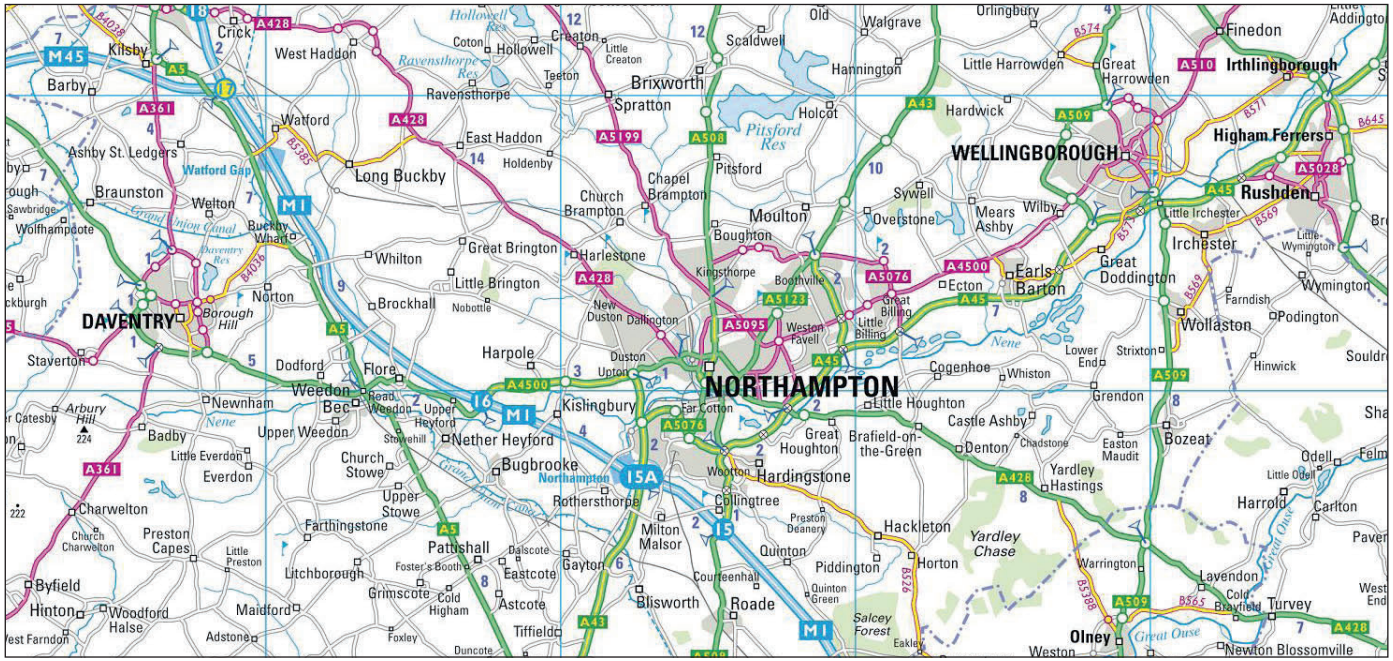
CATCHMENT ECONOMY

Northampton has an extensive primary catchment population of approximately 468,000 which ranks the town 43 out of the PROMIS Centres.

The population is relatively affluent, ranking 32nd of the PROMIS centres in terms of volume of comparison retail spend available. 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 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 retail spending within the catchment.

Northampton's local economy is dominated by the service sector which accounts for 76% of local employment. The town's position between London and the Midlands, and its proximity to the M1, have led to Northampton becoming a major distribution hub with key employers including TNT Express, Royal Mail and NYL Logistics. Other major employers in the region include Barclays, Nationwide Building Society and Carlsberg Tetley.



RETAILING WITHIN NORTHAMPTON

Northampton is categorised by PMA as a Sub Regional Centre on the basis of the quality of its extensive retail offer. The total town centre provision comprises approximately 1.3m sq ft of retail floor space.

There are two covered shopping centres within the town; The Grosvenor Centre and Market Walk Shopping Centre. The Grosvenor Centre is Northampton's principle scheme and provides approximately 320,000 sq ft comprising 62 retail units anchored by BHS, House of Fraser, New Look and Boots.

Abington Street is the prime pedestrianised thoroughfare and is home to the town's core large space occupiers, which include multiple retailers such as Marks & Spencer, H&M and Primark.

The town draws on its extensive catchment from surrounding towns including Wellingborough, Kettering, Corby, Rushden and Daventry.

SITUATION

The property is prominently located in a prime position on the pedestrianised Abington Street, Northampton's principle high street. Primark is located two units to the east with the entrance to The Grosvenor Shopping Centre to the west, therefore generating significant pedestrian footfall past the premises.

DESCRIPTION

The property is a mixed use three storey building of concrete frame construction providing an extensive clear retail trading area on the ground floor, ancillary storage space in the basement and self-contained office accommodation on first and second floors.

The retail sales area is regular in shape with a fully glazed retail frontage. The first floor office accommodation is occupied by Pertemps Limited and fitted out to their requirements, whilst the second floor provides a fully refurbished open plan floor plate.

Servicing is via the yard to the rear which also provides for 22 car parking spaces, which is well above average for this location.

ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and provides a total of 8,110 sq ft (783.40 sq m). The Net Internal floor areas are as follows:

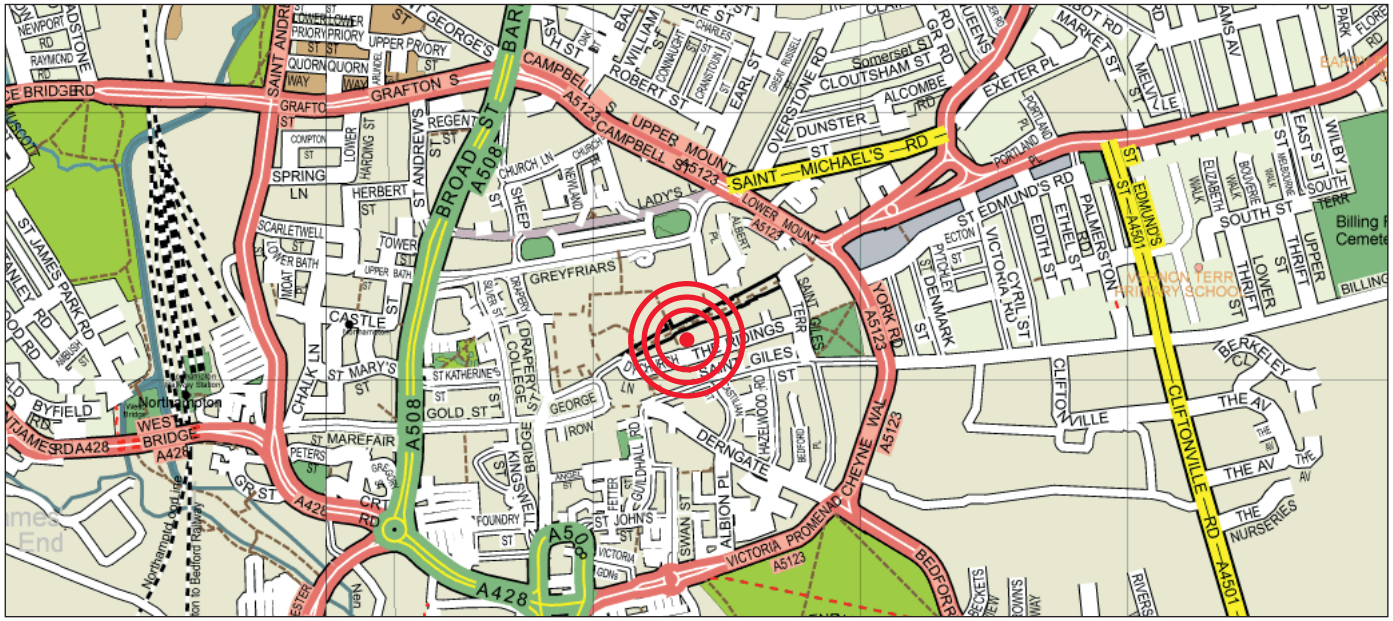
Retail

Gross frontage: 8.00m (26 ft)
Shop depth: 21.75m (72 ft)

Area	Sq ft	Sq m
Ground Floor Sales	2,258	209.77
Basement Storage	1,823	169.36
ITZA units	1,072	99.60

Offices

Area	Sq ft	Sq m
First Floor	1,959	182.04
Second Floor	2,070	192.27
Total	4,029	374.31



TENANCY

The ground floor and basement are let to Caversham Trading Limited (t/a BrightHouse Limited) for a term of 15 years from 19 August 1998, expiring 18 August 2013. There is a reversionary lease in place (completed 3rd June 2009) extending the term for a further 5 years until 18 August 2018, therefore providing an unexpired term of over 6 years. The lease is let on FRI terms with 5 yearly upward only rent reviews. The current rent passing is £82,500 per annum exclusive, which equates to approximately £70.00 per sq ft ITZA.

The first floor is let to Pertemps Limted on an FRI lease for a term of 5 years from 29 September 2011, expiring 28 September 2016 at a rent of £17,271, which equates to £8.80 per sq ft. The lease is subject to a fixed increase on 28 September 2013 to £21,328 per annum. The second floor has been fully refurbished and is currently vacant and available to let.

3 car parking spaces have been let to the British Heart Foundation from the 23 March 2010 to the 22 March 2013 at a rent of 3,000 per annum.

The total rent is therefore £102,771 per annum, going to £106,828 per annum, in September 2013.

COVENANT INFORMATION

BrightHouse

Caversham Finance Limited, trading as BrightHouse Limited, is the nation's leading rent-to-own retailer, providing top brand household goods on low weekly, fortnightly or monthly payments. They operate from over 250 stores and serve over 200,000 customers across the UK.

During 2010/11 revenue grew 15.4% and EBITDA 16.4%. Focus on customer retention and acquisition saw their customer base expand by 29,000 to 204,000, a 17% increase. Against a difficult economic environment, BrightHouse delivered a fifth year of double-digit profit growth.

Caversham Finance Limited reported the following financial figures:

	Year End 31 Dec 2010 £'000's	Year End 31 Dec 2009 £'000's
Sales / Turnover	286,014	219,611
Pre tax Profit	8,528	3,044
Net Assets	17,485	11,842

JOBS @PERTEMPS

Pertempts Limited is a provider of specialist outsourced recruitment services and temporary employment solutions. The business provides outsourced labour and human resource and training solutions to a number of clients with a supporting network of around 140 locations in the UK. The business operates across a wide range of sectors with particular expertise in the industrial, engineering, logistics and commercial markets associated with Northampton.

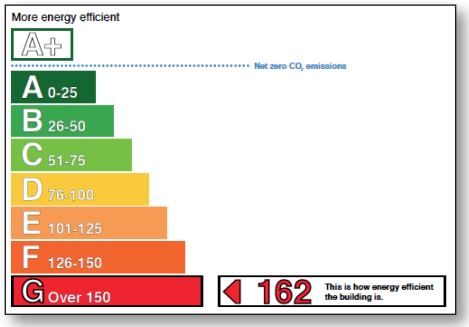
Pertemps Limited reported the following financial figures:

	Year End 31 March 2011 £'000's	Year End 31 March 2011 £'000's
Sales / Turnover	225,980	195,362
Pre tax Profit	12,793	18,652
Net Assets	129,621	116,795

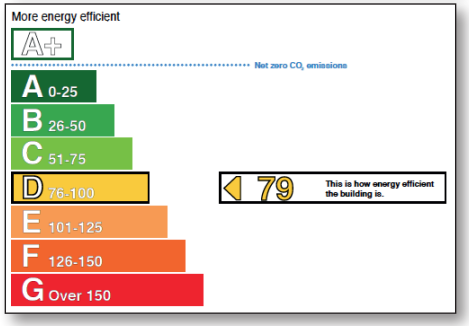
TENURE

Freehold.

EPC



Offices



Retail

VAT

The property is registered for VAT. It is therefore anticipated that the transaction will be treadted as a TOGC.

PROPOSAL

We are inviting offers in excess of **£1,080,000**, subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of **9.00%**, after deducting purchaser's costs at 5.80%.

Following the fixed rental increase in September 2013 and upon letting the vacant second floor office at the quoting rent of £9.00 per sq ft, the reversionary yield would be 11.00%.

FURTHER INFORMATION

Should you require further information or would like to arrange a viewing, please contact:

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SUBJECT TO CONTRACT

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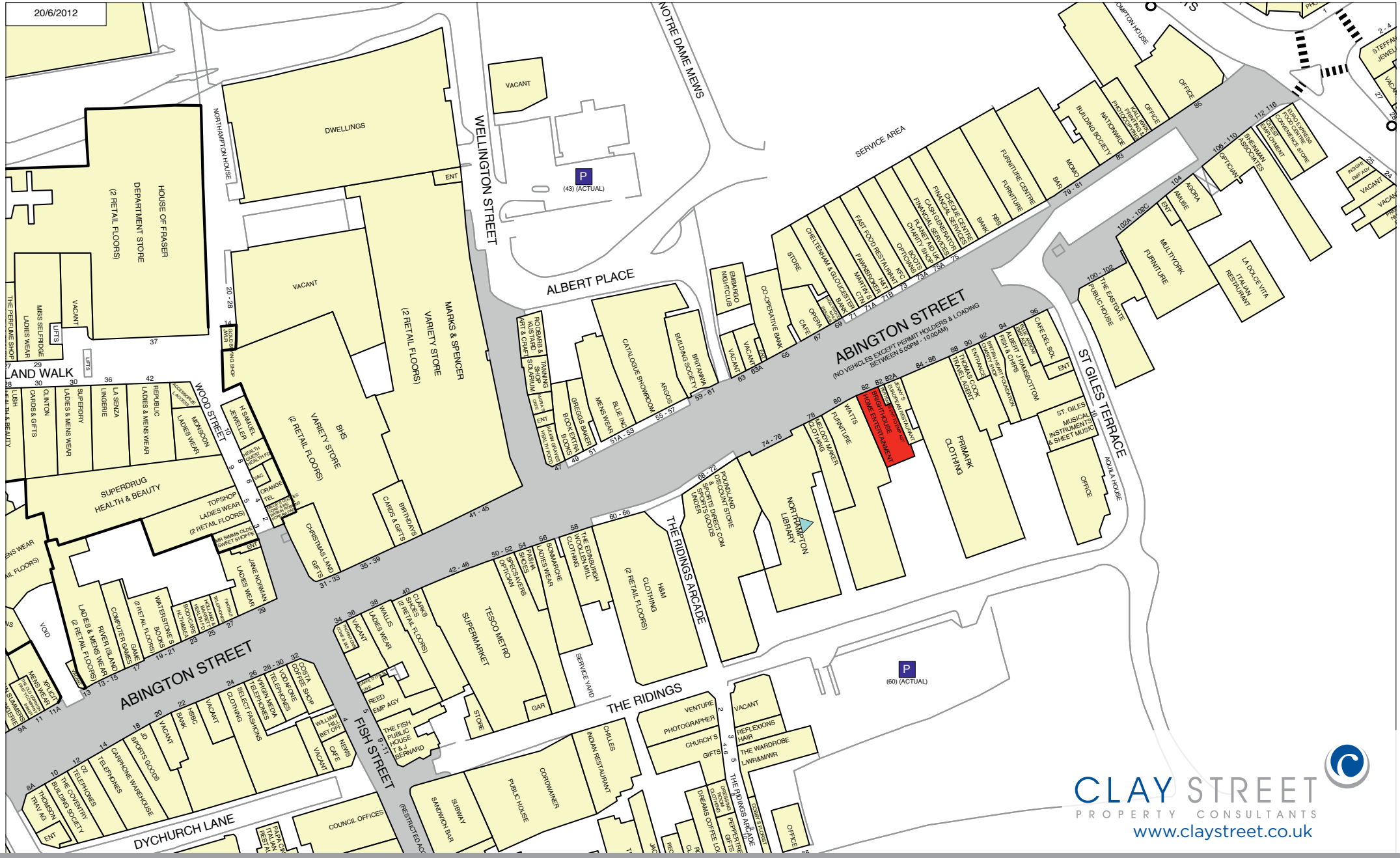

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