

# THE EDEN CENTRE, MARKET HALL & 40 SCOTCH STREET CARLISLE CA3 8PU

SUBSTANTIAL CITY CENTRE RETAIL INVESTMENT OPPORTUNITY





## INVESTMENT SUMMARY

- Located in the **Cathedral City of Carlisle**, the **largest settlement** and the county town of Cumbria
- Compact retail centre focused on Scotch Street and English Street with national retailers represented including **Marks & Spencer, Boots, Wilko, TK Maxx** and **Primark**
- A **dominant retail destination** within its catchment with **little leakage to competing centres**
- **Large city centre site anchoring** the northern end of the retail pitch comprising of a covered Grade II listed **Victorian Market Hall** and **two large retail units**
- **Net income of £280,791.33 pax**
- **WAULT of 7.07 years** to expiry excluding the market hall and 16.51 years to expiry including the market hall
- **Long leasehold** from Carlisle City Council with **69 years** unexpired with the option to renew for a **further 51 years** (c. 120 years in total)
- **77.5% of the total income** secured to **TK Maxx and Wilko**
- Offers are invited in excess of **£2,500,000** reflecting a **net initial yield** of **10.5%** and a **capital value per sq ft of £30**, allowing for graduated purchaser's costs

# LOCATION

Carlisle is the largest settlement, county town and the only Cathedral City in Cumbria. Located in the north west of England, it serves as the administrative centre for both Carlisle City Council and Cumbria County Council. The city is strategically located, 9 miles (14km) south of the Scottish border, 30 miles (48km) south east of Dumfries and 50 miles (80km) west of Newcastle upon Tyne.

The city has excellent road communications, sitting adjacent to the M6 Motorway, linking the city to the rest of the North West of England and Scotland. The A69 links to the North East and to Newcastle upon Tyne.

Carlisle Railway Station, the principal station on the West Coast Main Line, provides regular direct services to Glasgow (1 hour 12 minutes), Newcastle upon Tyne (1 hour 30 minutes), London Euston (3 hours 20 minutes) and Birmingham New Street (2 hours 50 minutes).

The closest international airport is Newcastle Airport located some 56 miles (90km) to the East.



# RETAILING IN CARLISLE

City centre retail floor space in Carlisle is estimated at 970,000 sq ft, comparable with retailing centres of a similar population. The city ranks 25th out of 200 on the PMA Anchor Store scale with a number of large store retailers represented including **Marks & Spencer, Boots, Wilko's, TK Maxx and Primark**

Carlisle is the dominant retail destination within its catchment with a compact and largely pedestrianised retail core. Scotch Street and English Street provide Carlisle's prime retail offer and while retailers inside the **Lanes Shopping Centre** include **Primark, JD, H&M, Next, Bodycare, Superdrug** and a host of other national retailers, the pedestrianised High Street offers a more attractive and busy retailing environment.

Capreon's **The Lanes Shopping Centre** is the only shopping centre in the city. There are two other managed retail environments, **the subject property** and **Caryle's Court**. Due to the strength of Carlisle's retail offer and significant distances to comparable locations, there is minimal leakage to other shopping destinations.



# DESCRIPTION

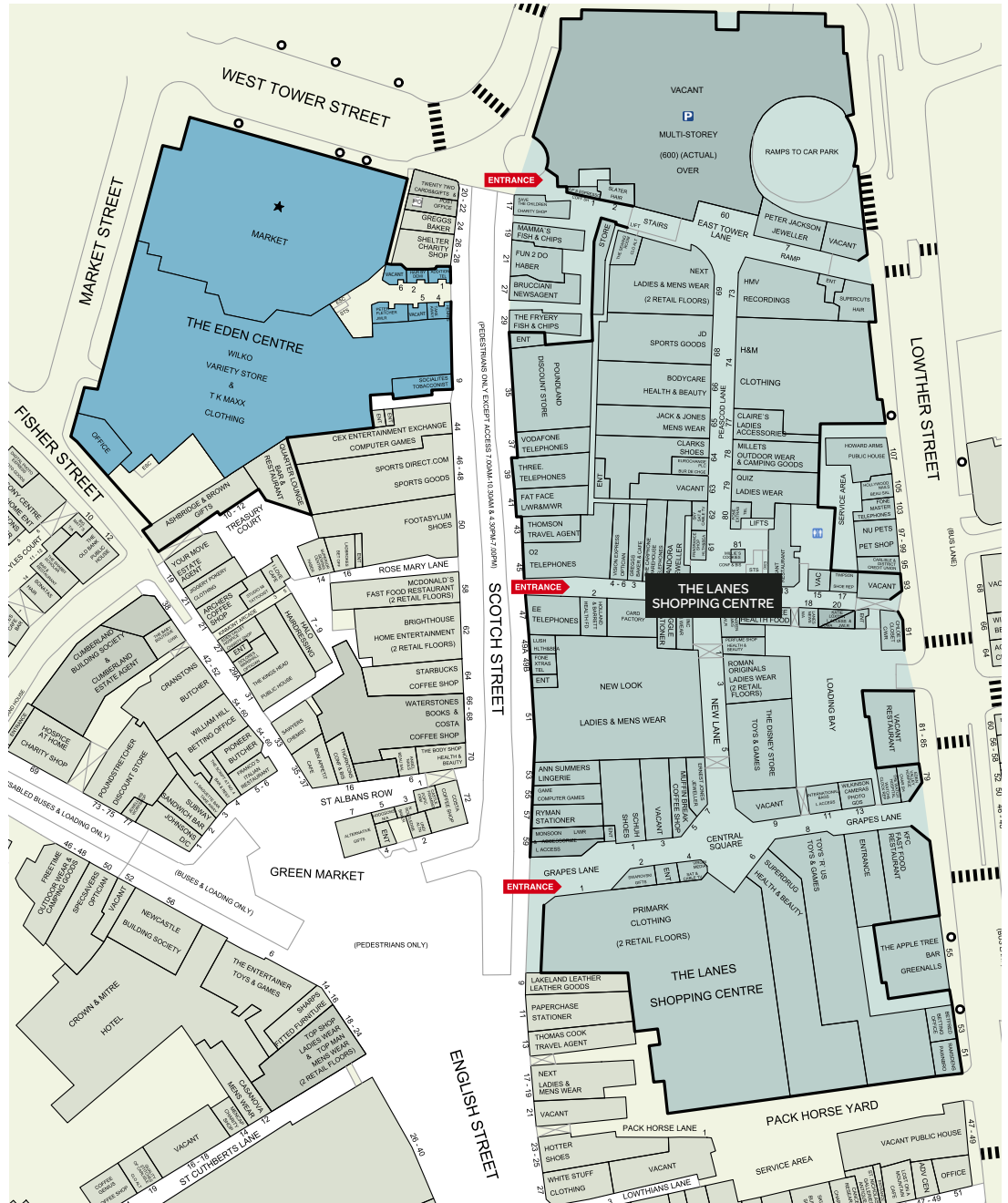
The subject property is a substantial city centre site located towards the northern end of the pedestrianised Scotch Street and it borders with West Tower Street to the north, Market Street to the west and Fisher Street to the south. The property comprises a historic covered Victorian market hall, two large retail units and a retail arcade located at the entrance of the market hall.

The market hall is one of the few covered Victorian Markets remaining in the UK. The market is run by Carlisle City Council and is occupied by a host of local independent retailers including greengrocers, florists, cards, stationery, pet supplies and several cafés. It is open from Monday to Saturday from 8am until 5pm.

The market has public entrances on Scotch Street and West Tower Street, where a number of bus stops are located servicing local bus routes to Morton, Kingstown, Houghton and Blackwell.

The Eden Centre comprises two large anchor store retail units currently let to TK Maxx and Wilko. TK Maxx trade from first floor only while Wilko trade from ground floor.

The subject property is Grade II listed.



# TENANCIES

Unit Description	Tenant Name	Rent PAX	Area (SqFt)	Lease Start Date	Expiry or REV Date & Termination Date	Outside LTA Y/N	Next or O/S Review	Next Option Date + ROLLING	Minimum Months Notice	Break Exercised (Y/N)	Landlord/ Tenant/ Mutual Option	SERVICE CHARGE Y/E 31/03/22	RATES PAYABLE	INSURANCE (Expiry 01-07-21)	LL SHORTFALL	NOTES
FIRST FLOOR	TJX UK LTD	£120,000.00	23,785	14/06/1999	22/12/2026	N	14/06/2019					£87,788.18	£67,536	£11,532.10	£17,691.36	Service Charge cap at £70,096.78. Cap is subject to annual RPI increases. The rent on review is the higher of the passing rent and the open market rent, but the increase is capped at 15%
GRND, 1ST & 2ND FLOOR OFFICES	WILKO RETAIL LIMITED	£275,000.00	31,783	12/11/2014	11/11/2029	N	12/11/2019	12/11/2024	6	N	T	£79,157.64	£130,500	£15,929.18	£20,343.32	TBO 12/11/2024. Service charge cap at £58,814.32. Cap is subject to annual RPI increases.
UNIT 1	MOBILE ZONE RETAIL LIMITED	£13,500.00	435	22/06/2021	21/06/2024	Y		22/12/2022				£3,383.78	£5,624	£262.11		If tenant exercises break there is a penalty of £6,750.
UNIT 2	PRIVATE INDIVIDUAL	£8,000.00	374	11/07/2017	10/07/2022	Y						£3,231.70	£3,227	£406.29		
UNIT 3	PRIVATE INDIVIDUAL	£9,500.00	397	12/11/2019	11/11/2024	Y		12/11/2022	6	N	T	£3,459.82	£3,374	£226.41		
UNIT 4	VACANT	£-	223			Y		25/10/2022	6	N	T	£1,786.94	£5,501	£125.67	£1,912.61	A lease is still in place but the tenant has vacated.
UNIT 5	PRIVATE INDIVIDUAL	£6,000.00	182	01/06/2020	31/05/2023	Y		31/05/2022	3	N	T	£1,558.82	£3,325	£84.08		
UNIT 6	VACANT	£-	388									£3,307.74	£6,235	£206.43	£3,514.17	
40 SCOTCH STREET	VACANT	£-	1,394			Y						£3,878.04	£9,780	£734.61	£4,612.65	
THE MARKET HALL	LONG LEASE TO CARLISLE CITY COUNCIL BUT INCOME RECEIVED FROM INDIVIDUAL MARKET HALL TENANTS	£78,000.00	25,327	25/03/1991	22/03/2090	Y						£192,647.34			£86,609.56	The income is received from the individual market hall tenants and not from the Council. The Council as part of their long lease is responsible for managing the Market Hall and the tenants within. Income is that confirmed by Ryden on behalf of the Council and is the assumed rent from January-December 2021. Service charge and LL shortfall is the latest budget for the year ending March 2022.
SUBSTATION	NORWEB PLC	£-		04/07/2000	03/07/2060	N										
<b>Total</b>	<b>Gross Rent</b>	<b>£510,000.00</b>	<b>84,288</b>										<b>£380,200</b>		<b>£134,683.67</b>	

Landlord Shortfalls	£134,683.67
Head Rent	£94,525.00
NOI	£280,791.33

## HEAD RENT PAID

The actual head rent paid over the past three years;

2019-2020:	£94,525
2018-2019:	£97,683
2017-2018:	£97,888
2016-2017:	£109,045

## TENURE

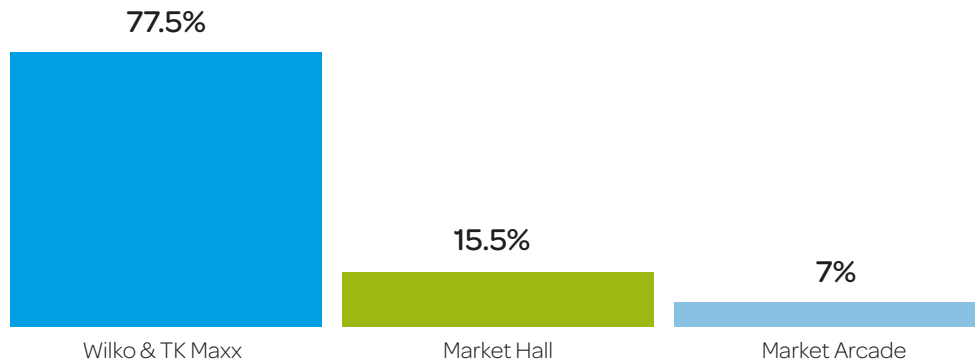
The property is held on a long leasehold from Carlisle City Council for a term of 99 years from 25 March 1991 expiring 24 March 2090. There is an option to renew for a further 51 years which can be exercised no sooner than 21 years prior to expiry. This would improve the unexpired term to approximately 120 years.

The buyer will have a right of pre-emption in the event that the Council dispose of their freehold interest in the premises.

# HEAD RENT

The head rent payable is 20% of gross rent received less permitted deductions.

# INCOME PROFILE



77.5% of the total gross income is secured to TK Maxx and Wilko.



# PROPERTY MANAGEMENT

Under their lease dated 25/03/1991 Carlisle City Council are responsible for managing and leasing the market hall, collecting rent and service charge and paying the total received to Columbia Threadneedle Investments, the current owners of the leasehold. £1.9million was recently spent on the subject property refurbishing the glass roof.

# SERVICE CHARGE

The service charge budget runs from 1st April - 31st March and for the year ending 31st March 2022 amounts to £380,200.

We have been advised that no major planned preventative maintenance is scheduled for the next two years.



# VAT

The property has been elected for VAT and any disposal will be by way of a Transfer of a Going Concern (TOGC).

# PROPOSAL

Offers are invited in excess of **£2,500,000 (Two Million Five Hundred Thousand Pounds)** reflecting a **net initial yield of 10.5%** and a **capital value per sq ft of £30**, allowing for graduated purchasers costs.



The agents for themselves and for the vendors or lessors of the property whose agents they are give notice that: (i) these particulars are given without responsibility of The agents or the vendors or lessors as a general outline only for the guidance of prospective purchasers or tenants, and do not constitute the whole or any part of an offer or contract; (ii) The agents cannot guarantee the accuracy of any descriptions, dimensions, references to condition, necessary permissions for use and occupation and other details contained here in and any prospective purchaser or tenant should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the accuracy of each of them; (iii) no employee of The agents (and their joint agents where applicable) has any authority to make or give any representation or warranty or enter into any contract whatsoever in relation to the property; (iv) VAT may be payable on purchase price and/or rent, all figures are quoted exclusive of VAT, intending purchasers or lessees must satisfy themselves as to the applicable VAT position, if necessary by taking appropriate professional advice; (v) except in respect of death or personal injury caused by the negligence of The agents, its employees or servants, The agents will not be liable, whether in negligence or otherwise howsoever, for any loss arising from the use of these particulars save to the extent that any statement made in these particulars has been made fraudulently **July 2021**.

Photography & Design by Adrian Gates: 07710 316 991

# FURTHER INFORMATION

For further details or to arrange an inspection, please contact:

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