

# THE SHIRLEY CENTRE INVESTMENT

CAPITA SYMONDS

[capitasymonds.co.uk/realestate](http://capitasymonds.co.uk/realestate)

02380 832224



SHIRLEY HIGH STREET, SOUTHAMPTON, SO15 5LL

## Investment Summary

- Freehold
- 82,560 sq ft (7,670 sq m) total buildings area on a site area of approx. 4.27 ac. (1.73 ha.)
- Located in a prominent suburb of Southampton, largest city in the SE outside London.
- Leased to Fairgate International Limited. Largest underletting to J Sainsbury 53,200 sq ft supermarket built in 2004/5.
- Term certain of approximately 243 years
- Passing rent £266,642.25 pa
- Minimum guaranteed rent **£225,000 pa**
- Seeking offers in excess of **£5,000,000**, subject to contract exclusive of VAT, for our client's freehold interest. A purchase at this level, allowing for purchaser's costs at 5.8% will show a net initial yield of 5.04%.



own copyright. All rights reserved. Southampton City Council 00019679 2012



## Location

The city of Southampton is the largest city in the South East outside of London, with a catchment population in excess of 217,500 and is located approximately 80 miles south-west of London and 30 miles west of Portsmouth accessed by the M27 motorway. The city benefits from excellent access to the motorway network being approximately 3 miles to the south of the M3 and 3 miles to the east of the M27. The city also benefits from an international airport, excellent rail links and one of the country's biggest depot ports.

Shirley is one of the main suburbs of Southampton catering for high density residential areas, located approximately 2 to 3 miles to the north west of the City Centre. Many multiple traders are represented in the area including Sainsbury's, Boots, Wilkinsons, Lloyds Chemists, M & Co, Peacocks and Iceland.

## Description

The Shirley Centre is a district shopping centre at the northern end of Shirley High Street. It is anchored by a 53,200 sq ft J Sainsbury Supermarket built in 2004/5 plus 9 unit shops comprehensively refurbished and extended in 2004/5. The supermarket fronts on to the pedestrianised Redcar Street (adopted). Retailers within The Shirley Centre fronting Shirley High Street include Lloyds Chemists, Subway, and Bon marche. There are a modern library and local housing office on Redcar Street opposite Sainsbury's. The shops have upper parts used in the main as ancillary storage and staff areas. On the first floor of the supermarket at the rear are staff areas and stores plus at the front a gymnasium business. The centre has a 230 space surface shopper's car park accessed from Victor Street with 1.5 hours free parking.

## Summary of Head Lease Terms

**Rent:** £266,642.25 pa being a gearing of 21.00% of the annual gross rents receivable subject to a minimum ground rent of £225,000 pa.

**Term:** 250 years from 5 March 2004

**Demise:** land at Shirley High Street and Redcar Street (Supermarket (built 2004/5), 9 unit shops, library and housing office, 230 space car park, Redcar Street, Regents Grove, electricity substation and paved areas (subject to highway rights) to front of 99 - 115 Shirley High Street.

**Repairs:** To keep in good and substantial repair & condition.

**Insurance:** Tenant to insure

**User:** As a good quality shopping centre with retail units, a food store, Council Facility (presently library and local housing office), and car park and such other complimentary ancillary uses.

**Car Park:** Approx. 230 spaces. For the first 25 years not to use other than as a shoppers car park which encourages short term shoppers and discourages long term users, with charges (if any) in line with similar Council shopper's car parks but in any event allows 1.5 hours free car parking.





## Headlease

Address	Tenant	Current Rent £pa	Term	Lease Dated	Lease Start Date	Lease Expiry Date	Next Review
Land at Shirley High St. and Redcar St., Shirley, Southampton	Ramheath Properties Limited assigned to Fairgate International Limited	266,642.25	250 years	08-Apr-2004	5-Mar-2004	4-Mar-2254	Annual reconciliations to 21% of annual gross rents receivable subject to minimum ground rent of £225,000

## Subleases

Unit no.	Address	Sub Tenant	Current Rent £ pa	Term	Lease Dated	Lease Start Date	Lease Expiry Date	Next Review	Area (Sq Ft) Gnd Flr	Area (Sq Ft) 1st Flr	Comments
Library & Council Offices	Redcar St., Shirley	Southampton City Council	Peppercorn	250 years less 10 days	1-Apr-2005	5-Mar-2004	24-Feb-2254	N/A	7,788	2,907	
1	Redcar St, Shirley, SO15 5LL	Sainsbury's Supermarkets Ltd	1,025,000	25 years	16-Jun-2005	25-Mar-2005	24-Mar-2030	20-Mar-2015 and 5 yearly	36,884	16,317	Restriction against pharmacy use. Landlord covenants to keep car park open as a short term shoppers car park, and not to reduce car spaces to below 230
2	Shirley High St, SO15 5LL	Lloyds Pharmacy Limited	38,500.00	15 years	8-Sep-2004	24-Jun-2004	23-Jun-2019	24-Jun-2014 and 5 yearly	1,856	1,901	Tenant's break clause on 24 June 2014 on 6 months notice.
3	101 Shirley High St, SO16 4EY	Hitesh Mangjibhal Patel	19,400.00	15 years	25-May-2005	25-May-2005	24-May-2020	25-May-2015	694	366	
4	103 Shirley High St, SO16 4EY	H Gasnier	20,625.00	15 years	30-Jul-2004	26-Jul-2004	25-Jul-2019	26-Jul-2014	694	366	Allocated Parking
5	105 Shirley High St, SO16 4EY	People's Dispensary for Sick Animals	21,000.00	15 years	25-Nov-1997	2-Jul-1997	1-Jul-2012	Expiry	694	366	Allocated Parking
6	107 Shirley High St SO16 4EY	Perfect Pizza Limited	23,500.00	15 years	2-Jun-2005	25-Mar-2005	24-Mar-2020	25-Mar-2015 and 5 yearly	694	366	Tenant break clause 6 months before 24 March 2015 with 6 months notice and proviso that rent has been paid.
7	109 Shirley High St, SO16 4EY	Subway Realty Limited	19,400.00	10 Years	13-May-2005	5-Apr-2005	4-Apr-2015	expiry	694	366	
8	111 Shirley High St, SO16 4EY	Southern Connections Limited	20,300.00	10 Years	15-Jun-2010	15-Jun-2010	14-Jun-2020	15-Jun-2015	694	366	Tenant break clause 6 months in 5th year with 6 months notice and proviso that rent has been paid. Upward only RR to lower of market rent or 2.5% compounded rent increase.
9	115 Shirley High St, SO16 4EY	Bonmarche Limited	61,000.00	15 years	31-May-2005	25-Mar-2005	24-Mar-2020	25-Mar-2015	2900	2900	Upward only RR to market rent.
10	Shirley High St, SO16 4EY	Barnardo's	21,000.00	10 years	5-Jul-2011	11-Jul-2011	4-Jul-2021	5-Jul-2016	1819	928	From 5 Oct 2011 to 4 April 2012 yearly rent of £10,500. Tenant break
TOTAL RENT			1,269,725.00						55,411	27,149	
21% GEARED			GROUND RENT	266,642.25							



## Further Information

**David Reece**

Tel: 02380 832796

Email: david.reece@capita.co.uk

**Fiona James**

Tel: 02380 833081

Email: fiona.james@capita.co.uk

**Capita Symonds**  
**One Guildhall Square**  
**Above Bar Street**  
**Southampton**  
**SO14 7FP**

# CAPITA SYMONDS

[capitasymonds.co.uk/realestate](http://capitasymonds.co.uk/realestate)

02380 832224

## VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. It is envisaged that the sale could potentially be treated as a transfer of a going concern

## Tenant Information

Fairgate International Limited co.  
 reg. no 2317862.

	Turnover £	Net Assets (liabilities) £	Profit Before Tax £
2010	1,130,163	5,961,243	2,954
2009	15,130,956	(5,303,820)	8,487
2008	1,106,956	8,746,965	71,079

Credit rating 73%. Confidence: low risk potential  
 source [www.companysearch.co.uk](http://www.companysearch.co.uk)

The company is a subsidiary undertaking of Fairgate Group Limited. The ultimate controlling party is Lurego Foundation, a family trust based in Liechtenstein. The principal activity of the company throughout the year (2010) continued to be that of property developers and dealers in properties. In view of the current market conditions, the directors have decided on property investment activity as well. *From 2010 Annual Report approved by the board on 27 September 2011*

**THE SHIRLEY CENTRE, SHIRLEY HIGH STREET, SOUTHAMPTON, SO15 5LL**

Capita Symonds, part of The Capita Group Plc, for itself and as agent for the vendors or lessors (the "Seller") of this property, gives notice that (1) These particulars do not constitute any part of an offer or a contract (2) Whilst every attempt as been made to ensure accuracy, this cannot be guaranteed and, therefore (save as set out at (6) below), (a) all statements and descriptions in these particulars as to this property are made without responsibility or liability on the part of Capita Symonds or the Seller, (b) no such statements or descriptions are to be relied on as statements or representations of fact (c) all measurements are approximate and no responsibility is taken for any error, omission or misstatement and (d) any intending purchasers or lessees must satisfy themselves by inspection or otherwise as to the correctness of each of the statements, descriptions and measurements contained in these particulars. (3) The Seller does not make or give, and neither Capita Symonds nor any of its employees or agents makes or gives nor has any authority to make or give, any representation or warranty whatsoever in relation to this property. (4) Unless otherwise stated, all prices and rents are quoted exclusive of VAT and no statement is made as to the incidence of VAT. (5) No liability is accepted and no representation is made by either Capita Symonds or the Seller in respect of the presence, condition, adequacy or suitability of any telecommunications or computer systems or equipment at the property, any software loaded thereon, or any related cabling or infrastructure. (6) Nothing herein shall exclude any liability which either the Seller or Capita Symonds would otherwise have for any fraudulent concealment or for any statements made fraudulently by it, its employees or agents