

Retail Investment

51-53 Marischal Street, Peterhead AB42 1PR

**Reith
Lambert**
Commercial Property Advisers



Investment Summary

51-53 Marischal Street
Peterhead

- Located in the prime stretch of Marischal Street, opposite Drummers Corner.
- The town's two main car parks are located in close proximity.
- Let to AG Retail Cards Limited (Company No 08087453) trading as Clinton Cards.
- A newly reversionary lease was entered into in 2014 at a rent of £52,500 per annum for a term expiring on the 2nd August 2025. The lease is fully repairing and insuring, is subject to an upwards only rent review in 2020 and is not subject to any break clauses.
- Heritable Title (Scottish equivalent of English Freehold).
- Modern two storey building containing a double fronted shop unit.
- Passing rent of £52,500 pa, equates to a Zone A rate of £26.99 per sq ft.
- Offers in excess of £550,000 are sought subject to contract and exclusive of VAT. A purchase at this level would reflect an attractive net rental yield of 9.02%



LOCATION

Peterhead is a prosperous Scottish town located approximately 32 miles northeast of Aberdeen, with a population of approximately 24,000 people.

The town has a vibrant and diverse local economy. It retains a strong commercial fishing and industrial base, but economic activity has shifted towards the service sector leading to a significant population growth in Peterhead and the Aberdeenshire region.

Peterhead is one of the major white fish landing ports serving the European fish industry, whilst also benefitting from its excellent ports facilities having now established as a major service centre for the offshore oil and gas platforms.

Major employers include: Score Europe & Score Energy, ASCO plc, Precision Powertrain (UK) Ltd, Fresh Catch Ltd & Aberdeenshire Council.

Peterhead is located over an hour's drive from Aberdeen city centre and therefore, serves as a major shopping destination for the surrounding catchment area of approximately 40,000 people.

SITUATION

Marischal Street is the town's prime retail thoroughfare. Other retailers located in the immediate vicinity include **WH Smith, Superdrug, H Samuel, Dorothy Perkins & Argos.**

DESCRIPTION

The subject property consists of a double fronted, two storey building of modern construction under a pitched and slated roof. The ground floor comprises a double fronted shop fitted out to a high standard with storage accommodation at first floor.

The two major car parks serving the town centre are located in close proximity to the subject property.

ACCOMMODATION

The subjects extend to the following approximate floor areas:-

Ground Floor	288.48 sq m	3,104 sq ft
First Floor	81.32 sq m	875 sq ft
Total	369.80 sq m	3,979 sq ft

Based on the above floor areas we calculate that the passing rent equates to a Zone A rate of £26.99 per sq ft.

TENURE

Heritable (Scottish equivalent of English Freehold).

TENANCY

The property is being sold with the benefit of a new reversionary lease entered into in 2014 to AG Retail Cards Limited due to expire on the 1st August 2025. The lease is not subject to any break clauses. The passing rent has just been agreed at £52,500 per annum, the lease is fully repairing and insuring and subject to an upwards only rent review on the 2nd February 2020.



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COVENANT INFORMATION

For The 36 weeks ended 2nd February 2013, AG Retail Cards Limited reported a turnover of £153.369m, a pre-tax profit of £10.303m and a net worth of £4.717m. (Source: Experian riskdisk.com 20.02.2014). Clinton Cards trade from 397 stores in the UK and is managed by Schuman Retail Group which operates 400 stores throughout North America (Source: www.clintoncards.co.uk). AG Retail Cards is owned by American Greetings Corporation which generates annual revenue of approximately £1.9 billion, and its products can be found in retail outlets worldwide (Source: www.americangreetingcards.com).

USE

Class 1 Retail

EPC

A copy of the EPC will be made available as required.

LEGAL COSTS

Each party shall be responsible for their own legal costs incurred with this transaction, with the ingoing tenant being responsible for stamp duty, tax, registration dues and VAT incurred thereon.

PROPOSAL

We are instructed to seek offers in excess of £550,000 exclusive of VAT, subject to and with the benefit of the existing lease. A purchase at this level would reflect a net initial yield of 9.02% assuming purchasers costs at 5.8%.

VAT

All figures are quoted exclusive of VAT. The property has been elected for VAT.

VIEWING & FURTHER INFORMATION

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