

PRIME RETAIL INVESTMENT

187 & 193/195 HIGH STREET, AYR, KA7 1QT







187 & 193/195 High Street,  
Ayr, KA7 1QT



## INVESTMENT SUMMARY

187 High Street

Telefonica UK Ltd (t/a O2)  
Expiry 24/09/2022  
£75,000 pa (£58.37 psf zone A)

193/195 High Street

Vision Express UK Ltd  
Expiry 09/11/2024 (TBO 10/11/2019)  
£50,000 pa (£48.45 psf zone A)

Total rent £125,000 pa

**Offers over £1,475,000**

(exclusive of VAT) reflecting a net initial yield of 8.02%

- 100% Prime High Street location
- WAULT to expiry 6.23 years (4.23 years to TBO)
- Strong national occupiers who are long term tenants in the location
- Low re-based rents
- Full repairing and insuring leases
- Telefonica did not exercise their 24/09/2017 break option
- 40% + reduction in rateable values at the 2017 Revaluation
- The location of the subject property will benefit significantly from the proposed redevelopment of the Kyle Shopping Centre

187 & 193/195 High Street, Ayr



## LOCATION

Ayr is located 35 miles south-west of Glasgow, and is the commercial and administrative centre for South Ayrshire serving a resident population of 48,000 persons and an estimated catchment of 200,000.

Communication links in the town are excellent with the M77 providing direct access to Glasgow and the A71 to the M74. Train services link Ayr to Glasgow Central Station in around 50 minutes. Prestwick Airport is 4 miles from the town which caters for 1.9 million passengers per year and the Port of Troon, which provides regular ferry services to Northern Ireland, is located 8 miles to the north.

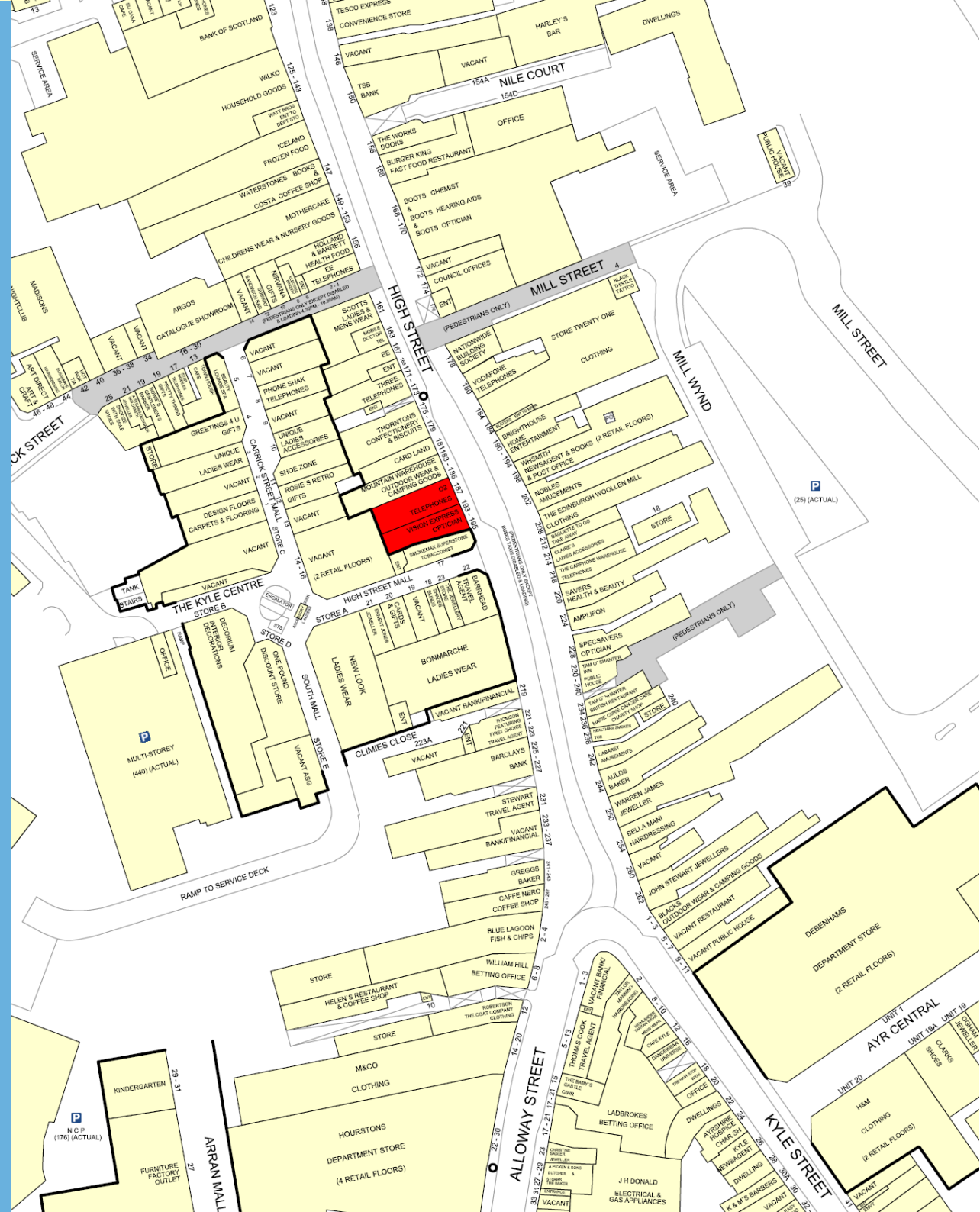
## SITUATION

The subjects are situated in a 100% prime retailing pitch on the High Street. Surrounding national retailers include Thorntons, Three, EE, Boots, WH Smith, Mountain Warehouse, Bon Marche & Nationwide. The main car parks serving the town centre are in close proximity.

## KYLE CENTRE

Planning consent was granted in December 2014 for the alteration, extension and part change of use of the Kyle Shopping Centre to form Class 3 food & drink and Class 11 multiplex cinema. Plans include a 7-screen cinema, 45,000 sq ft food & beverage space, a large retail unit and a gym. Application reference number 14/01636/APP – Click [here](#) for the online application.

Further information and computer generated images of the proposed development can be found [here](#).



## DESCRIPTION

187 High Street (Telefonica UK Ltd t/a O2) is set out over ground and 1<sup>st</sup> floor. The ground floor comprises a retail unit with stairs to the 1<sup>st</sup> floor situated towards the front of the shop. The 1<sup>st</sup> floor extends over this unit and the adjoining unit (193/195 – Vision Express) providing auxiliary space with WC and staff facilities to the rear. Telefonica O2 use the 1<sup>st</sup> floor unit as the regional training centre for the West of Scotland.

193/195 High Street (Vision Express UK Ltd) comprises a ground floor retail unit with 1<sup>st</sup> floor ancillary space to the rear. Vision Express relocated to this unit in 2014 from the adjoining unit which formed part of the Kyle Centre.

## TENANCIES

HIGH STREET	TENANT	ITZA (SQ FT)	LEASE START	LEASE EXPIRY	TERM TO EXPIRY	TBO / REVIEW	TERM TO BREAK	RENT (PA)	ZA RENT PSF	COMMENTS
187	Telefonica UK Ltd (t/a O2)	1,285	25/09/12	24/09/22	5.38			£75,000	£58.37	24/09/17 TBO not exercised.
193/195	Vision Express UK Ltd	1,032	10/11/14	09/11/24	7.50	10/11/19	2.50	£50,000	£48.45	6 month (£25,000) rent penalty if TBO exercised. Stepped Rent; Yr 1 £46,000, Yr 2 £47,000, Yr 3 £48,000, Yr 4 £49,000 – The vendor will top up.
	<b>Total</b>							<b>£125,000</b>		

## COVENANT

Telefonica UK Ltd (Co No 01743099) is the second largest mobile provider in the UK and has 484 stores in the UK. In the year to 31/01/2015 Telefonica UK Ltd reported a turnover of £5,393,000,000 a pre-tax profit of £1,405,000,000 and a net worth of £647,000,000.



Vision Express (UK) Limited (Co No 02189907) is a leading Optometrist and spectacles & contact lenses retailer. It has 390 stores in the UK. In the year to 31/12/2015 Vision Express (UK) Limited reported a turnover of £254,591,000 a pre-tax profit of £7,171,000 and a net worth of £49,642,000.



vision express

O<sub>2</sub>





## RATEABLE VALUE

The Rateable Values of the properties reduced significantly at the 2017 Revaluation resulting in a reduction in the tenant's occupational costs.

Unit	2017 RV	Pre-2017 RV	RV Reduction
187	£50,500	£86,500	41.61%
193 / 195	£42,000	£72,000	41.66%

## EPC

EPC Reports are available on request.

## VAT

The property has been elected for VAT and therefore VAT will be payable in respect of the purchase price. We anticipate the transaction can be treated as a TOGC (Transfer of Going Concern).

## TENURE

Heritable (Scottish equivalent of English Freehold).

## PROPOSAL

Offers in excess of **£1,475,000** reflecting a net initial yield of **8.02%** assuming purchaser's costs of 5.64%.



## FURTHER INFORMATION

For further information or to arrange an inspection please contact:

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