

INVESTMENT OPPORTUNITY

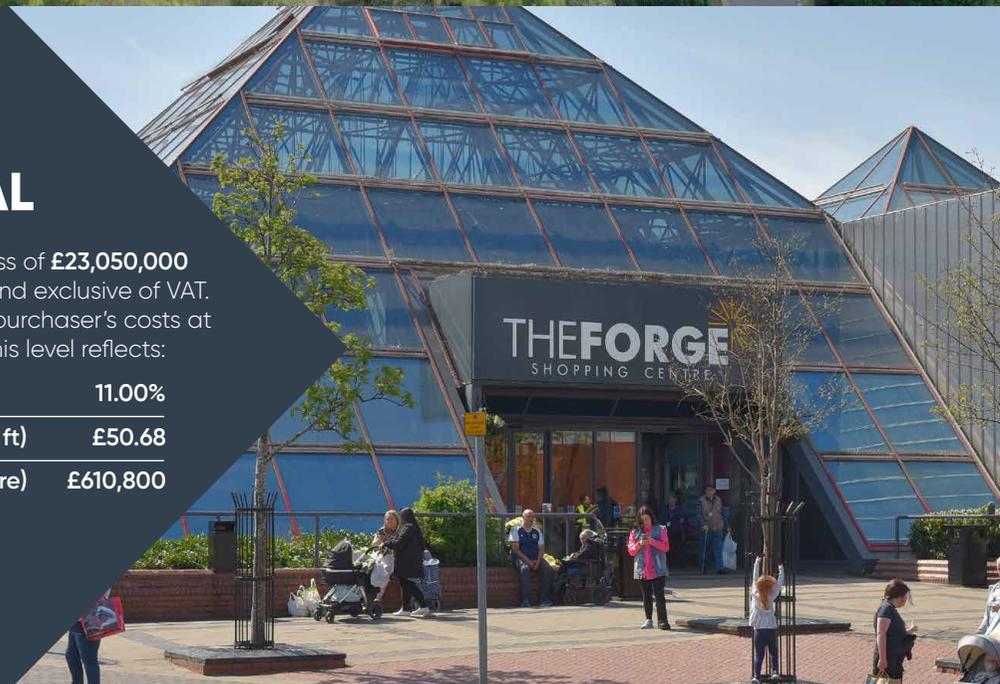
- The Forge Shopping Centre is a **dominant regional foodstore anchored shopping centre**, situated 2 miles to the east of Glasgow city centre.
- The scheme benefits from an extensive catchment extending to over **734,000 people within a 20 minute drive time**.
- Glasgow's East End is **undergoing significant regeneration** following the legacy of the 2014 Commonwealth games, with £150m worth of construction work ongoing since summer 2020.
- The centre **extends to 454,957 sq ft (42,267 sq m)** comprising a 124,000 sq ft foodstore and petrol filling station, 87 retail units, drive-thru restaurant, multiplex cinema and 1,600 vehicle car park.
- **Total site area of 37.75 acres (15.28 hectares)**.
- There is a wide offer for all visitors including essential and **convenience retail, leisure, fashion** and an increasing amount of community focussed uses including a market hall with over 40 independent retailers.
- **6.4 million annual footfall** in 2019 and strong recovery seen in 2022 with figures already back to pre-Covid levels.
- Asda provides an exceptionally long let **foodstore anchor with 91.4 years unexpired**.
- Other key tenants include Primark, Cineworld, River Island, McDonald's, BodyCare, Specsavers, JD Sports, Superdrug, Peacocks, One Below, Card Factory, Poundland and Holland & Barrett.
- **96% of floorspace is currently let**.
- 62% of the gross income is secured from national operators.
- 30% of the gross income is secured from the top 6 tenants in the scheme.
- **Total gross income of £3,118,241 per annum** (Net Operating Income of £2,580,848 per annum).
- Attractive **WAULT of 10.6 to expiry** and 9.7 years to break.
- Low service charge of **£6 per sq ft**.
- **Heritable interest** (equivalent to English freehold).
- Large car park directly controlled by the freeholder offers the **potential for future redevelopment** including the addition of another drive-thru pod, hotel or residential (subject to necessary consents).
- Postponed Scottish non-domestic rates revaluation and revised empty rates relief also expected to benefit the scheme.



PROPOSAL

Offers sought in excess of **£23,050,000** subject to contract and exclusive of VAT. Assuming corporate purchaser's costs at 1.8%, a purchase at this level reflects:

Net Initial Yield	11.00%
Capital Value (per sq ft)	£50.68
Capital Value (per acre)	£610,800



LOCATION

Glasgow is the largest city in Scotland with an urban population of 608,000 and an economic growth rate of 4.4% annually, the largest of all UK cities after London. The city boasts 840,000 jobs in more than 54,000 companies.

The city is **home to an impressive list of blue chip companies** and major global organisations across numerous sectors including Santander, Morgan Stanley, The Student Loans Company, KPMG, Ministry of Defence, BT, Aggreko, Scottish Power, Scottish & Southern Energy, Barclays and JPMorgan Chase & Co. It has 5 universities and is a popular tourist destination with around 2.3 million tourists visiting every year.

The city has a **shopping population in excess of 2.2 million** making it the top retailing destination in Scotland and second only to London in the UK. The city is ranked as having the **highest catchment spend available** out of the top UK retailing centres.

Considerable investment in Glasgow has been a legacy of the 2014 Commonwealth Games. These developments include a £120 million upgrade of Queen Street railway station, the Candlerigg development which is the UK's biggest city centre development outside of London and a £40 million leisure redevelopment of the St Enoch Centre that opened in 2021.

**GLASGOW HAS THE
HIGHEST CATCHMENT
SPEND AVAILABLE
IN THE UK**

COMMUNICATIONS

The property is located in Parkhead, a suburban district lying 2 miles to the east of Glasgow City Centre. Glasgow comprises the third largest GDP per capita in the United Kingdom and is situated approximately 45 miles (72 km) west of Edinburgh, 150 miles (241 km) north west of Newcastle Upon Tyne and 220 miles (354 km) north of Manchester. It is well serviced by local bus routes, connecting the area with Glasgow City Centre and neighbouring suburbs.



ROAD

Glasgow is served by excellent communication links with the M8 motorway, which dissects the city on an east west axis, running to Edinburgh. It also provides access to the M80, M73, M74 and M77 motorways. The M74 provides the principal route from the west side of Scotland to the M6, and thereafter a national motorway network.



RAIL

The city has two mainline railway stations; Glasgow Central Station on the inter city network and providing regular train services to all principal stations throughout the UK, and Queen Street that provides services across Scotland, including to Edinburgh and Aberdeen. In addition, the local Scottish network provides services from the city centre to stations in the outlying suburbs, including the closest station to The Shopping Centre of Duke Street, and neighbouring towns.



AIR

Glasgow Airport is situated approximately eight miles to the west of the city centre, where regular flights are available to various UK and international destinations. The airport contributes around £200 million annually to the regional economy and supports 4,000 jobs across Scotland.



STRATEGIC SITUATION

The Forge Shopping Centre is situated in the heart of Glasgow's East End sitting on a triangular site of 37.75 acres, with frontages onto Duke Street and Gallowgate.

The car parks are situated to the south west and north of the site providing in excess of 1,600 spaces. The drive-thru restaurant, situated in the car park, is accessible from the A89 Shettleston Road, to the north. The Asda foodstore is one of the only foodstores in the local area to service the large catchment population.

The Shopping Centre is flanked to the west by the Forge Retail Park and the Forge Market to the east which is Scotland's largest purpose-built indoor market.

Parkhead sits within the Clyde Gateway, Scotland's largest regeneration project. The latest development being the addition of 1,200 new homes delivered by the Swan

Group. Although largely residential in nature, Parkhead is also home to the Celtic Park football stadium, the largest stadium in Scotland, and the Emirates Arena which includes the Sir Chris Hoy Velodrome. The Shopping Centre lies within the Glasgow City Development Plan, adopted in March 2017 and has been identified in the local plan as a 'Major Town Centre' and a 'strategic area'.

There are many new developments within the area including Topgolf's fourth UK golf range, due to open late 2022, located under a mile from the centre. South of The Forge on Salamanca Street, the Parkhead Hospital is currently being demolished to create the North East Hub. The Hub will combine community health and social services currently located at nine different sites, into one 120,000 sq ft health and social care facility, in partnership with NHS Greater Glasgow.



PARKHEAD IS HOME TO
**CELTIC PARK FOOTBALL
STADIUM**



NEW NORTH EAST **HEALTH
AND SOCIAL CARE HUB**



FORGE MARKET IS SCOTLAND'S
**LARGEST PURPOSE-BUILT
INDOOR MARKET**



IN EXCESS OF 1,600
CAR PARKING SPACES

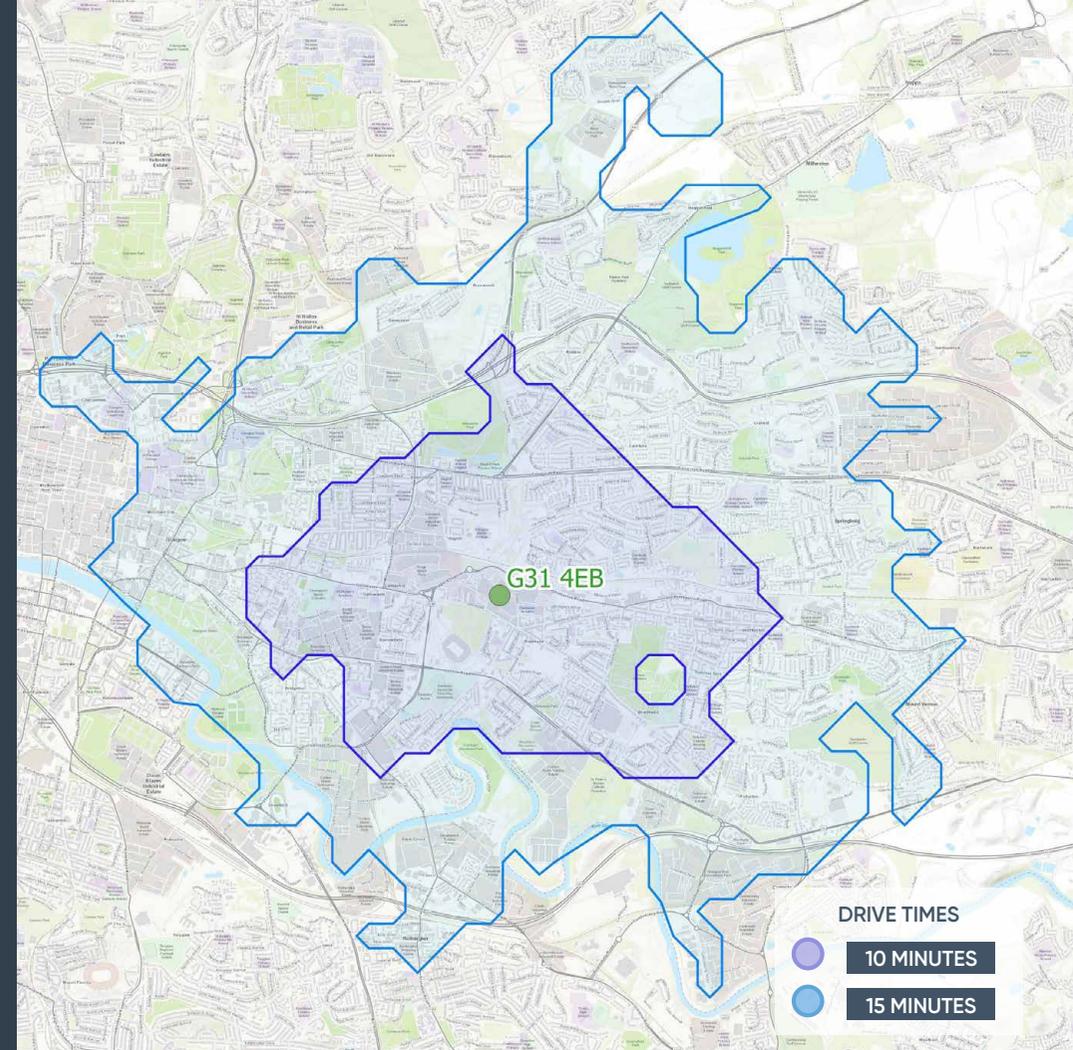


CATCHMENT & DEMOGRAPHICS

There are 1.2 million working age people within a 45 minute commute of the city and 2 million within the hour. The Shopping Centre and local Parkhead district benefit from a catchment population of over 734,000 people within a 20-minute drive time.

Drive Time	Population	Households
5 Minutes	17,296	9,138
10 Minutes	109,306	58,145
15 Minutes	326,725	163,301
20 Minutes	734,332	348,210

While over 75% of the population within the 10 minute drive time is made up of the mosaic social groups; municipal tenants, rental hubs and vintage value, Glasgow as a city is ranked as having the highest catchment spend available out of the top UK retailing centres. The Vintage Value group are made up of retirees who are less likely to shop online and prefer to shop frequently and locally. Additionally, positive market research conducted by Rettie indicates that following the pandemic, house prices in the Glasgow area are expected to rise by 1.4% after three years and 11.3% in five years.



**CONVENIENTLY
LOCATED
FOR PUBLIC
TRANSPORT**



**HOUSE PRICES IN
GLASGOW SET TO
RISE BY 11.3%
IN THE NEXT 5 YEARS**



**1.2 MILLION
WORKING AGE PEOPLE
WITHIN A 45 MINUTE
COMMUTE FROM GLASGOW**

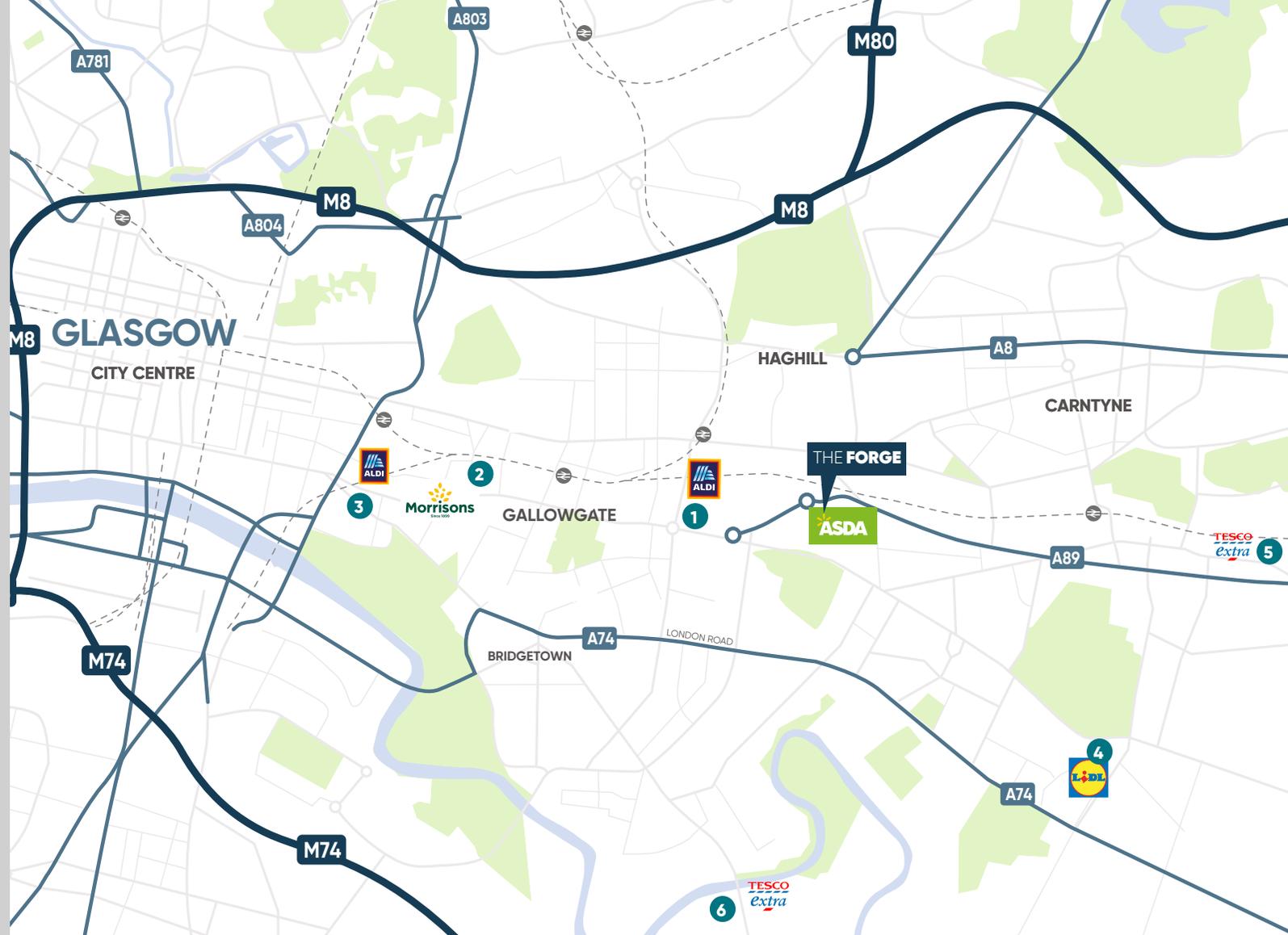


**TOTAL CATCHMENT
OF 734,000
PEOPLE WITHIN A
20 MINUTE
DRIVE TIME**

FOODSTORE COMPETITION

The Asda foodstore occupies a strong position in being one of only two foodstores over 10,000 sq ft within a 5 minute drive time of the Shopping Centre. The Tesco Extra at Forge Retail Park recently closed and as a result there is a significant lack of surrounding foodstore competition particularly to the north of the town. As such the store draws from an extensive catchment area covering the East End of Glasgow including Parkhead, Gallowgate, Haghill, Carntyne and Bridgetown.

Asda is open every day between 8am – 10pm.



SIGNIFICANT LACK OF COMPETITION WITHIN THE PARKHEAD DISTRICT

1. ALDI	2. MORRISONS	3. ALDI	4 LIDL	5. TESCO EXTRA	6. TESCO EXTRA
The Forge Retail Park, Parkhead, G31 4BW (10,650 sq ft net sales)	5 Barrack St, Glasgow, (30,806 sq ft net sales)	132, 136, 140 High Street, Glasgow, G11QF (12,534 sq ft net sales)	850 Tollcross Road, Glasgow, G32 8PF (11,645 sq ft net sales)	Annick Street, Shettleston Industrial Estate, G32 6UB (56,561 sq ft net sales)	Dalmarnock Road, Rutherglen Park, (73,564 sq ft net sales)

DESCRIPTION

The property comprises a modern shopping centre, built in the mid-1980's and extended in the 1990's. The centre is anchored by a large 124,000 sq ft foodstore and petrol filling station, as well as 87 units, drive-thru restaurant and multiplex cinema. There is a substantial car park for 1,600 vehicles directly controlled by the freeholder, providing ample parking provision free of charge with a ratio of 1:283 sq ft. There are two service yards, both having secure entry systems accessible from Duke Street, providing loading facilities with goods lifts to the first floor.

The property is laid out over ground and first floor levels, with the shopping mall formed in a large street like layout, with small first floor with the cinema, food outlets, leisure unit and small number of shops. The scheme also benefits from an indoor market hall with over 40 independent retailers. There is storage at first floor and to the rear of the shopping units.

The property extends to a net internal area of 454,957 sq ft (42,267 sq m) and is characterised by two large pyramid atrium entranceways leading to the shopping mall.

FOOTFALL

6.4 million annual footfall for the FY 2019. Footfall for the FY 2022 is fully back to pre-pandemic levels, with many weeks exceeding footfall figures for FY 2019. Despite reduced footfall during 2020 & 2021 due to the pandemic, operating at just under 60%, there was strong recovery shown when the restrictions were lifted, testifying to the strength of the centre in general.

ASDA
124,089 SQ FT

PRIMARK
20,285 SQ FT

cineworld
43,140 SQ FT

RIVER ISLAND
7,854 SQ FT



GROUND FLOOR

FIRST FLOOR



SITE AREA

The site totals approximately 37.75 acres (15.28 hectares).

TENANCIES

The Forge is let to 75 tenants producing a total gross income of £3,118,241 per annum (net operating income of £2,580,848 per annum) and a WAULT of approximately 10.6 years to expiry (9.7 years to break). The Asda foodstore and petrol filling station, unit 101 (previously occupied by Dunnes), McDonald's drivethru and Cineworld multiplex are all held on long occupational leases.

A tenancy schedule is available in the marketing data room.



INCOME ANALYSIS

The shopping centre is anchored by the Asda supermarket until 2113 at a passing rent of £205,141 per annum subject to five yearly reviews linked to the average percentage increase in rent in the centre. The lease is held under McLagan Investments Limited, which is the property arm of Asda Stores Limited which is the guarantor.

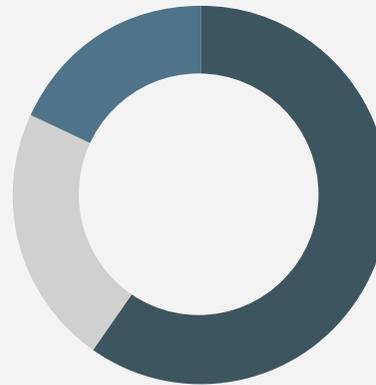
96% OF FLOORSPACE IS **CURRENTLY LET**

62% OF THE GROSS INCOME SECURED FROM **NATIONAL OPERATORS**

30% OF THE GROSS INCOME IS SECURED FROM THE **TOP 6 TENANTS IN THE SCHEME** INCLUDING

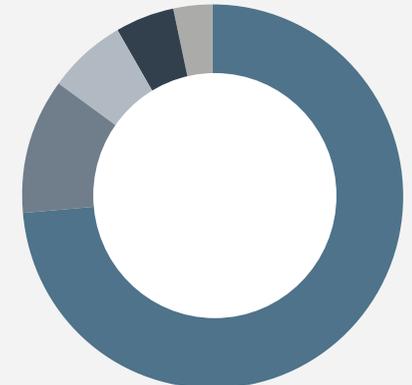


INCOME PROFILE BY COVENANT



● NATIONAL ● REGIONAL ● LOCAL

INCOME BY USE TYPE



● RETAIL ● COMMERCIALISATION ● FOODSTORE ● LEISURE ● F&B



TENURE

The property is held by way of **heritable interest**, equivalent to freehold interest.



For indicative purposes only

SERVICE CHARGE

The service charge budget includes maintenance, cleaning, services and security of the common areas is presently running at approximately **£6 per sq ft**.

Last year's annual service charge budget for the year ending June 2021 was £2,585,216 equating to approximately £5.71 per sq ft on an overall basis.

ASSET MANAGEMENT

The Forge Shopping Centre is the dominant shopping centre in Glasgow's East End. There are a number of short and medium term asset management opportunities that could be undertaken to create further value:

- Unit 101, let on a long occupational lease, at nil rent, is currently unoccupied (formerly Dunnes) with potential opportunity to "buy in" and relet to improve the income profile further.
- Active asset management to secure existing tenants by extending lease commitments and short term re-gear opportunities as is currently ongoing with Specsavers (Unit 12).
- Increase alternative offers to diversify tenant mix, with a focus on F&B and leisure to increase dwell time and decrease the vacancy rate.
- Implement ongoing rates mitigation action to improve the level of net operating income.
- Flexible floor space to combine or split units to accommodate tenant demand.
- Large owner controlled car park offers potential for future redevelopment including the addition of another drive-thru pod or residential (subject to necessary consents).

