CASTLEPOINT

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A UNIQUE OPPORTUNITY TO PURCHASE ONE OF THE UK'S LEADING REGIONAL SHOPPING DESTINATIONS

BOURNEMOUTH

INVESTMENT HIGHLIGHTS

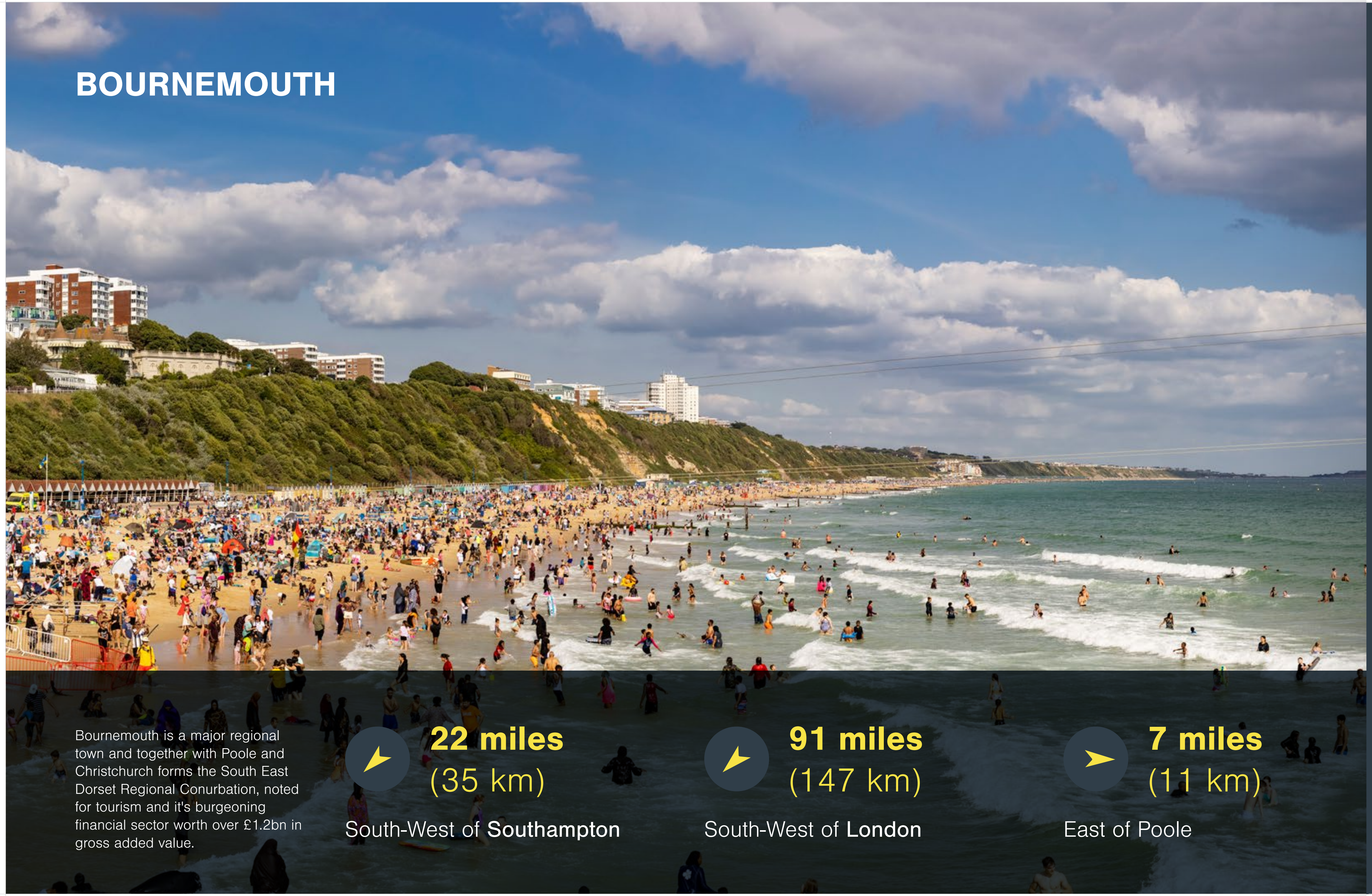
- Castlepoint is in the top 1% of all CACI Retail Centres in the UK and has a total potential retail spend of over £1 billion pa.
- 2nd highest Comparison Goods Market Potential of any UK Shopping Park, after Fosse Park.
- Strategically dominant regional destination with no substantial competition, either in town or out of town.
- Strong and loyal shopping population with 63% market share within the core catchment and a higher comparison goods spend than either Bournemouth or Oxford.
- Large catchment population of 540,000 people living within a 30-minute drive time generating over £1.5 billion pa of retail spend.
- Strong demographic profile, with a high proportion of households in the most affluent ACORN groups.
- A modern, well presented Freehold shopping destination with a flexible layout and a site area of approximately 35 acres.
- Approximately 684,000 sq ft of retail accommodation across 38 units, of which 450,000 sq ft (65%) is occupied by M&S (secured on a long lease until 2102), Sainsbury's, Asda and B&Q anchor stores.
- Total income of circa £13.8 million per annum with an average rent of approximately £20 psf across the centre, including vendor 'top-ups'.
- Strong income WAULT of 6.27 years to expiry and 5.29 years to break, with 78% of the income attributed to covenants rated as very low risk.
- 46% of the income is secured to strong, pandemic proof and e-commerce resilient grocery and DIY retailer covenants.
- Annual car count of 4.1 million (2019 pre-COVID-19) averaging 342,000 cars per month with post June 2021 average of 358,000.
- Deliverable asset management initiatives including conversion of circa 200,000 sq ft of unutilised/non-income producing ground floor space capable of conversion to various complementary and/or retail uses.


For indicative purposes only

H&M ▪ RIVER ISLAND ▪ EE ▪ Boots ▪ Waterstones ▪ JD ▪ Superdrug ▪ next ▪ Sainsbury's ▪ KFC WHSmith ▪ M&S EST. 1884 ▪ BARCLAYS ▪ 3 ▪ ASDA ▪ STARBUCKS ▪ FIVE GUYS BURGERS and FRIES ▪ TK maxx ▪ Nando's ▪ B&Q

Sources: Oxford Economics (2021); CACI Research (2021); Castlepoint Management Reports

BOURNEMOUTH



Bournemouth is a major regional town and together with Poole and Christchurch forms the South East Dorset Regional Conurbation, noted for tourism and it's burgeoning financial sector worth over £1.2bn in gross added value.

22 miles
(35 km)
South-West of **Southampton**

91 miles
(147 km)
South-West of **London**

7 miles
(11 km)
East of Poole

WELL CONNECTED

Motorway Links

Strong regional transport links, with access to the M27 and M3 motorways via the A338 and A31. To the west, the A338 provides access to neighbouring Poole and the south-west via the A35, which runs along the coast to Exeter.

Rail Networks

The region is served by a number of mainline railway stations, including Bournemouth, Southampton and Portsmouth. South West Trains provide direct access to London Waterloo (1hr 43 mins), Winchester (45 mins) and Southampton (27 mins).

Airport Connections

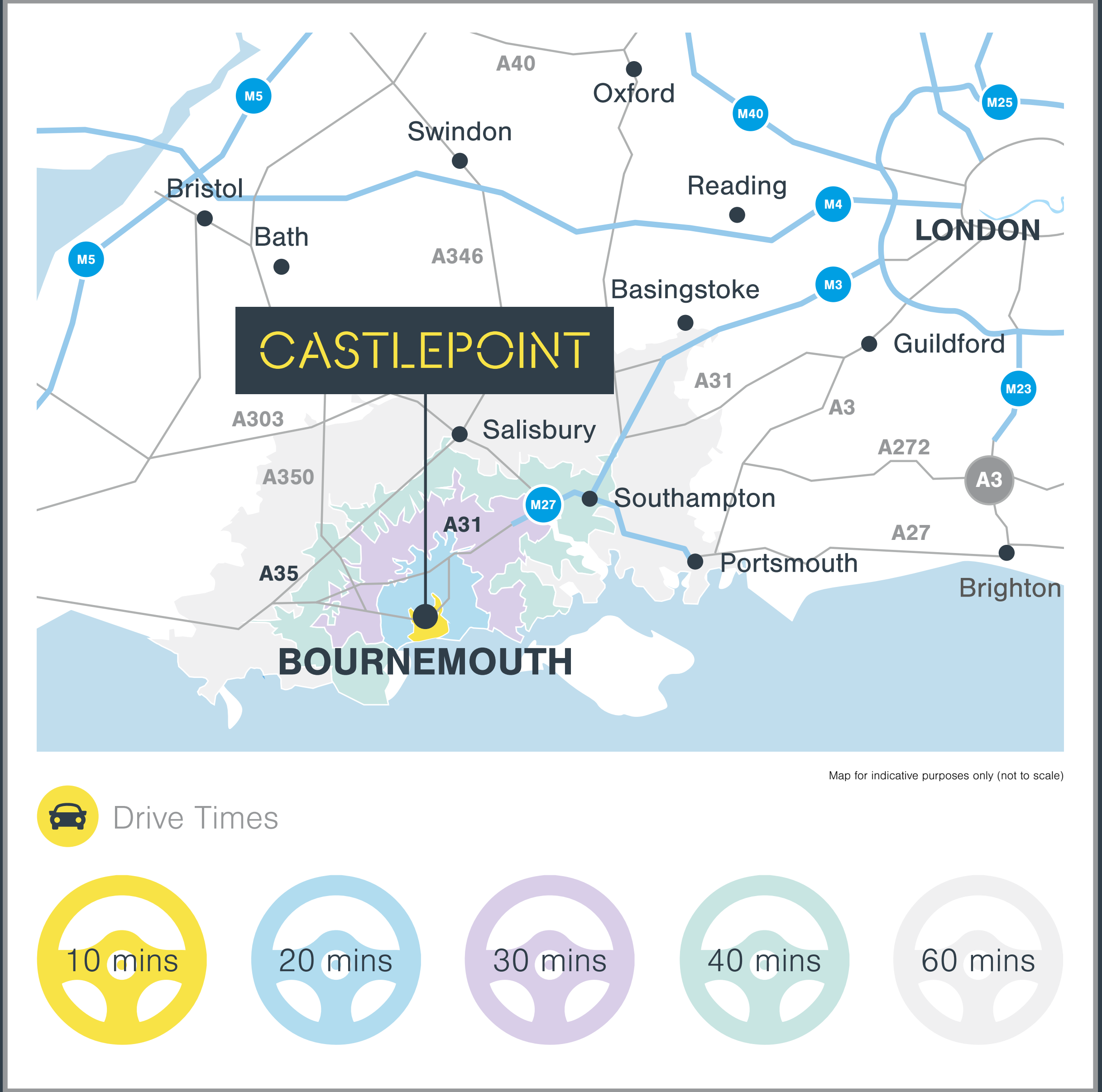
Bournemouth and Southampton International Airports are 1.8 miles (2.9 km) and 25 miles (40 km) to the north-east respectively. Furthermore, there are regular Condor ferry services to the continent and Channel Islands via Poole.

Future Infrastructure Improvements

Bournemouth International Airport: Recently underwent a £45 million investment to improve passenger experience.

Highways Infrastructure: Refurbishment of A338 to connect Bournemouth Airport and it's adjacent business parks more closely with Poole and Bournemouth.

Bournemouth Transport Hub: A £1.5 million project to open up Bournemouth Travel Interchange, improving the train station and adjacent bus and coach station.



Map for indicative purposes only (not to scale)

CASTLEPOINT IS IN THE TOP 1% OF ALL CACI RETAIL CENTRES IN THE UK

CASTLEPOINT - A LEADING REGIONAL SHOPPING DESTINATION

88 minutes
average dwell time

85%
shoppers spend
>£60

530,940
people live within
a 30-minute drive

358,000
cars per month in June 2021
(up 4% on June 2019)

£937 psf
potential spend density
on comparison goods

120,832
people live within
a 10-minute drive

4.1 million
cars visited pa
(2019)

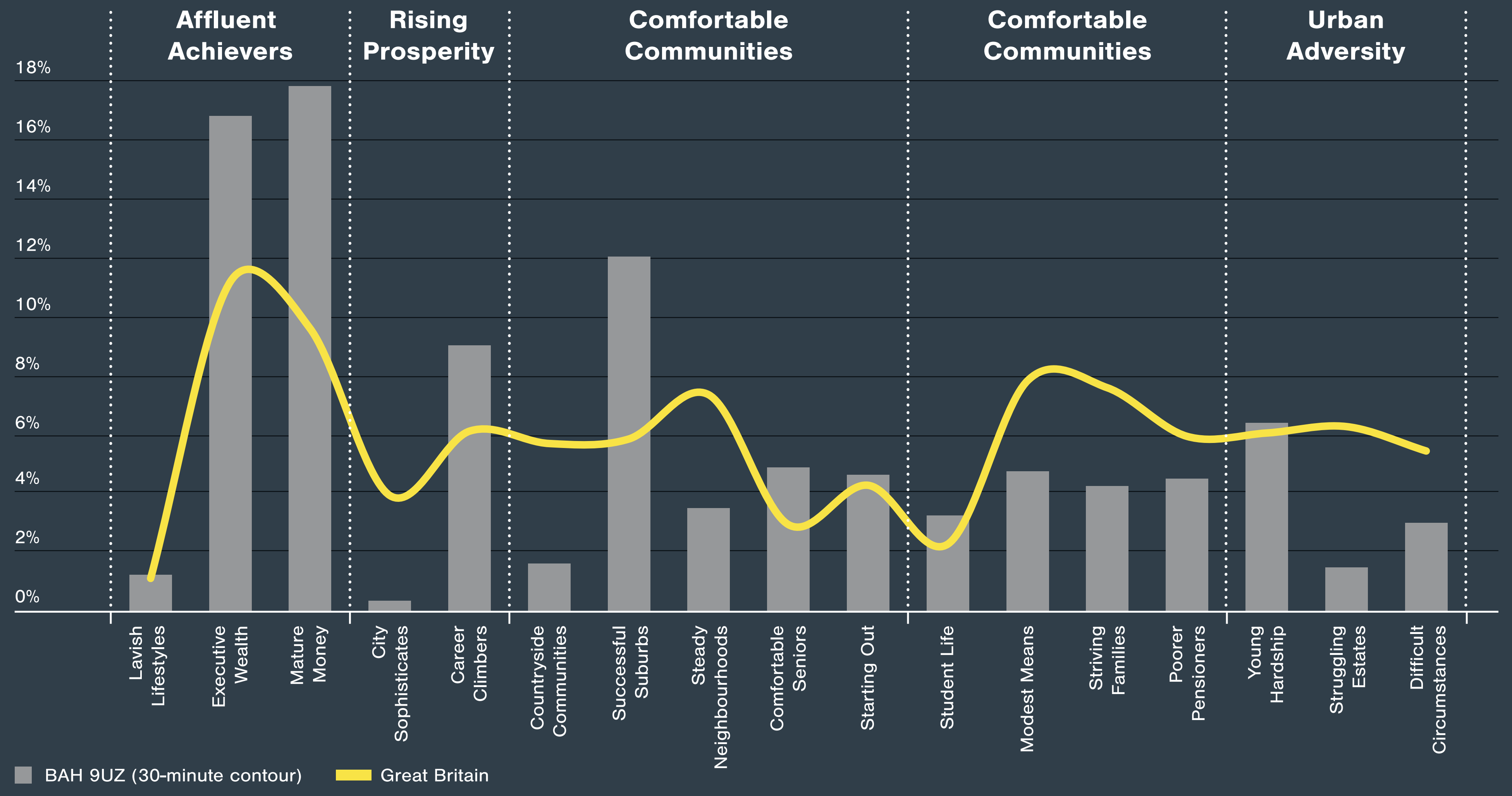
47%
of the population earn more
than £45,000 per annum vs a
UK average of 39%

36%
of the population are in the
most affluent Acorn Group

Sources: Oxford Economics (2021); CACI Research (2021); Castlepoint Management Reports

DEMOGRAPHICS

Castlepoint has a highly affluent catchment population, with 35% of the population within the most affluent Acorn group.



Sources: CACI Research (2021)

CASTLEPOINT TODAY

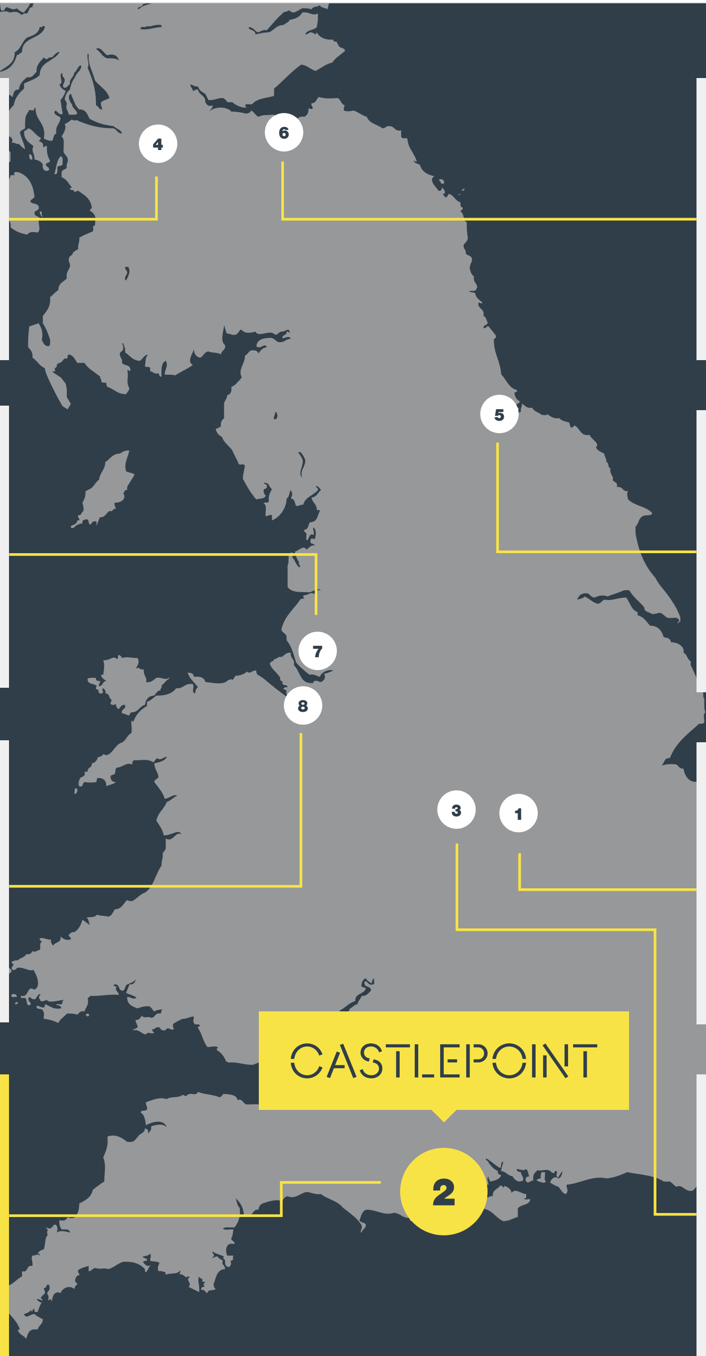
Castlepoint has the 2nd highest Comparison Goods Spend potential of any comparable centre in the UK, second only to Fosse Park.

Glasgow Fort 4th
GLASGOW
579 RF* Score
523,000 sq ft
Anchor Tenants
M&S, Boots, Vue Cinema
Comparison Goods Market Potential
£407.7 (M)

New Mersey 7th
LIVERPOOL
391 RF* Score
436,000 sq ft
Anchor Tenants
B&Q, Next, Boots
Comparison Goods Market Potential
£255.8 (M)

Broughton 8th
CHESTER
341 RF* Score
350,000 sq ft
Anchor Tenants
Tesco Extra, Primark,Cineworld
Comparison Goods Market Potential
£129.0 (M)

Castlepoint 2nd
BOURNEMOUTH
545 RF* Score
684,000 sq ft
Anchor Tenants
Asda, Sainsbury's, B&Q, M&S
Comparison Goods Market Potential
£443.7 (M)



Fort Kinnaird
EDINBURGH
573 RF* Score
560,000 sq ft
Anchor Tenants
Primark, M&S, Odeon
Comparison Goods Market Potential
£351.5 (M)

Teeside Shopping Park
STOCKTON-ON-TEES
482 RF* Score
750,000 sq ft
Anchor Tenants
Currys, PC World, M&S, Next
Comparison Goods Market Potential
£376.5 (M)

Fosse Park
LEICESTER
567 RF* Score
788,500 sq ft
Anchor Tenants
M&S, Frasers Group, Next
Comparison Goods Market Potential
£584.4 (M)

Ventura Retail Park
TAMWORTH
634 RF* Score
705,000 sq ft
Anchor Tenants
Asda, Primark, Next
Comparison Goods Market Potential
£425.2 (M)

Sources: CACI Research (2021).
*RF: Retail Footprint is a CACI measure of the attractiveness of a Retail Centre. It takes into account the location of competing schemes, the accessibility of the centre and the level of demand in the area

SPEND POTENTIAL

Castlepoint has a total retail market spend potential of over £1 billion per annum and a greater Comparison Goods market potential than Bournemouth and Oxford.

Spend Potential Explained

Spend potential is calculated by CACI using a gravity model which is influenced by four key factors - Castlepoint outperforms on every measure.

01. Competition

No significant local and regional competition. Poor quality high street offer in Bournemouth.

02. Affluence

Affluent catchment population with 48% households earning more than £45,000 pa vs 39% National Average.

03. Quality

Strong retail offering comprising grocery, DIY and major UK shopping brands.

04. Accessibility

Good transport links, with access to the M27 and M3 motorways via the A338 and A31.

Spend Breakdown

Category	Expenditure Per Annum (£m)	Annual Household Spend (£)
RESIDENTIAL SPEND		
Clothing & Footwear	£111.1	£1,359
House & Home	£37.2	£455
Leisure Goods	£47.8	£585
Personal Goods	£40.2	£491
Personal Care	£75.4	£922
Durable Goods	£131.9	£1,614
Comparison Goods	£443.7	£5,426
Convenience	£422.8	£5,171
Catering	£145.5	£1,780
Total Retail Spend	**£1,012.0**	**£12,377**

Sources: CACI Research (2021)

Sources: CACI Research (2021)

358,000 CARS VISIT PER MONTH (JUNE 2021) - EQUATING TO ALMOST 4.3 MILLION PER YEAR

Sources: CACI Research (2021).
*RF: Retail Footprint is a CACI measure of the attractiveness of a Retail Centre. It takes into account the location of competing schemes, the accessibility of the centre and the level of demand in the area

ONE OF THE UK'S LEADING REGIONAL SHOPPING DESTINATIONS WITH SIGNIFICANT UNEXPLOITED POTENTIAL

Castlepoint is a modern, best-in-class shopping destination, offering a relevant and resilient tenant mix that provides shoppers with a comprehensive experience.

Key Physical Attributes

Castlepoint construction was completed in 2003 and comprises approximately 684,000 sq ft of retail and restaurant accommodation on a 40-acre site. The park is formed of two terraces in an 'V' shape, anchored by a 80,000 sq ft Sainsbury's superstore at the western end and a 146,000 sq ft B&Q Warehouse at the eastern end. Other key anchor tenants include a 133,000 sq ft M&S, a 50,000 sq ft Next flagship and a 89,000 sq ft Asda superstore.

In addition to the anchor stores, the main terraces comprise a further 21 units ranging from 3,000 sq ft to 15,000 sq ft.

There are three further terraces at the entrance and exit to the centre in two groups – 'The East and West Villages'. These units typically measure 1,500 sq ft to 3,500 sq ft and are fully let to a range of convenience and restaurant tenants.

Beneath the main shopping terrace, at ground floor level, there is an area of approximately 200,000 sq ft currently used as overflow parking and ancillary with potential for significant commercial and community use.

Access & Car Park

The main access to the site is directly from the A3060 via Woodbury Roundabout, and Yeomans way roundabout at the junction with Yeomans Road. Separate service access is via Yeomans Road (Western terrace) and Yeomans Way (Eastern terrace).

Castlepoint offers approximately 3,000 free car parking spaces and forms the largest car park offering on the South Coast. The car park is situated to the front of the scheme and is arranged over a two-storey lower and upper deck.

KEY ANCHOR TENANTS

For indicative purposes only.

INCOME

Castlepoint generates £13,747,407 per annum defined as follows:

Contracted Rent

£12,438,753 per annum

Turnover Rent

£492,838 per annum

Vendor Rental Guarantee

£815,816 per annum

Performance

Castlepoint's scale, dominance, accessibility, and parking capacity make it highly attractive to a large range of occupiers.

The scheme is let to a large number of high-quality tenants who trade exceptionally well from the scheme.

46%
of income from anchor tenants (Asda, Sainsbury's and B&Q)

Average WAULT
of 6.27 years to expiry and 5.29 years to break

94% let
by area to leading retailers and international brands

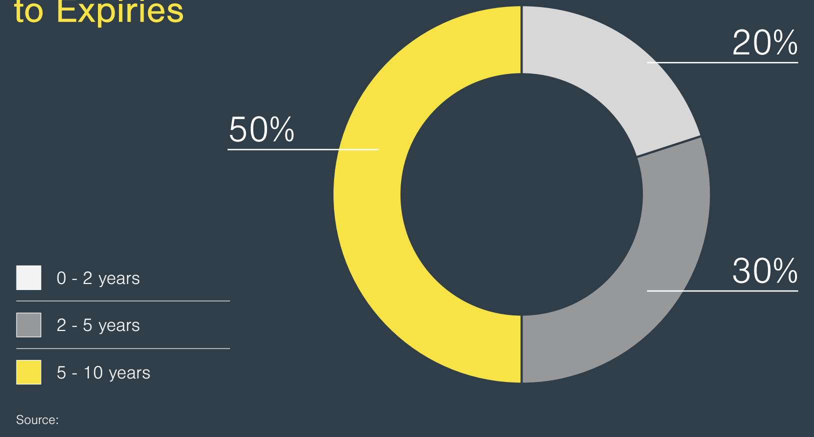
78%
of income secured to Very Low Risk covenants

Key occupiers include:

M&S EST. 1884 · Sainsbury's · B&Q · Waterstones · JD · WHSmith · Boots · BARCLAYS · 3 · Superdrug

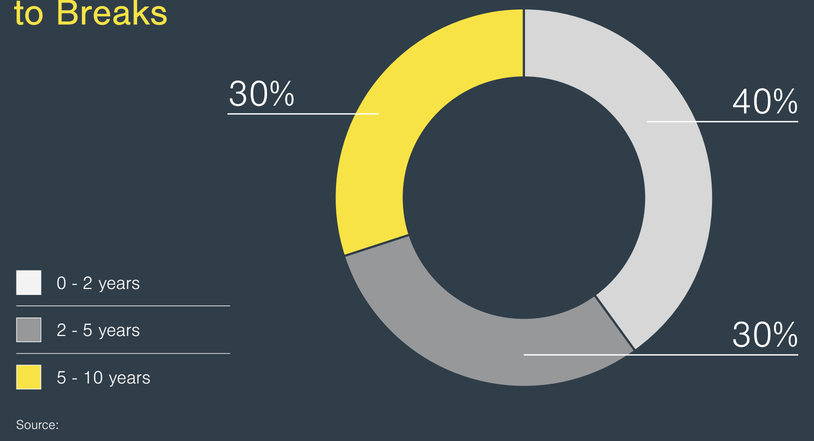
next · H&M · RIVER ISLAND · EE · ASDA · Starbucks · FIVE GUYS BURGERS and FRIES · KFC · Nando's · TK maxx

Income Profile to Expiries



Source:

Income Profile to Breaks



Source:

A FLOURISHING AND RESILIENT OUT OF TOWN RETAIL MARKET

Retail parks have undoubtedly outperformed other retail sectors over the past 12 months. Accessibility, convenience, affordability and flexibility means the retail warehouse market is in a positive position to take advantage of dynamic industry trends and general customer fulfilment.

Consumers

- Accessibility
- Convenience
- No congestion or parking charges
- Safe, clean shopping environment
- Click and collect
- Open air - more suitable to social distancing

Investors

- Liquid and resilient sector
- Restricted supply
- Low vacancy rates and positive occupier demand
- Cost effective to asset manage
- Attractive lease profiles
- Large sites in prominent locations with low capital values psf
- Residual value for opportunities beyond retail

Retailers

- Low occupancy costs
- Flexible space that is adaptable to evolving retailer requirements
- Physical store critical part of a successful omni-channel offer
- Critical mass
- Well located space attractive to new retail entrants
- Augment local and regional distribution centres

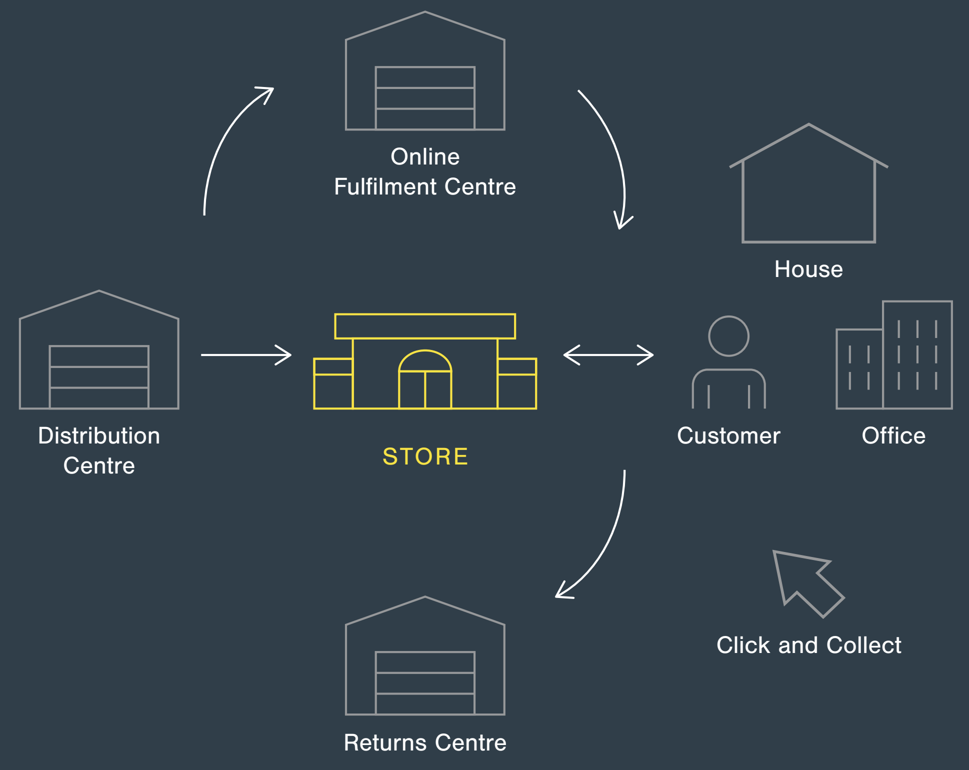
Sources: JLL Research (2021)

EVOLVING RETAIL PARKS – DEMAND THROUGHOUT THE SUPPLY CHAIN

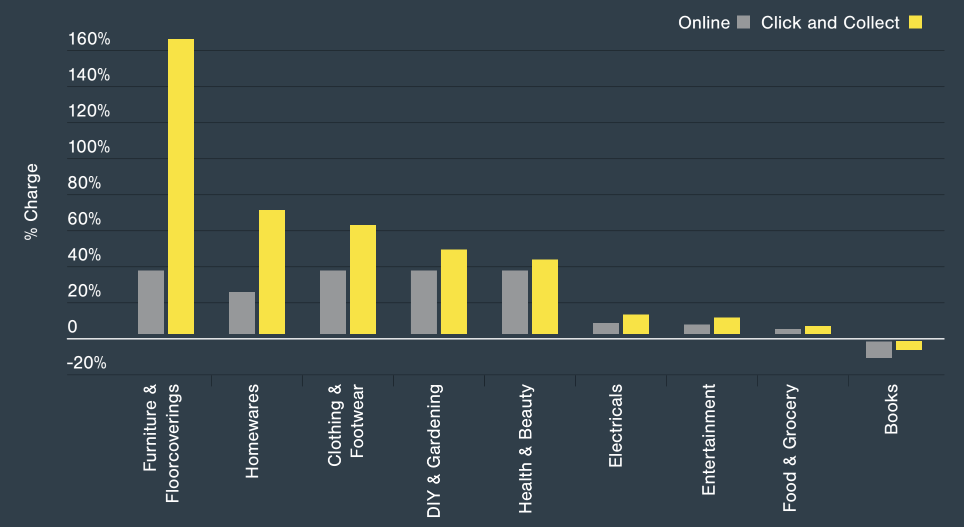
There is a growing realisation that retail warehousing is a vital part of the fulfilment journey and the one channel that works for both retailers (profit) and consumers (convenience).

You can sell and deliver from retail warehouses, you can only deliver from logistics.

Omni-Channel Supply Chain



Channel Growth - 2020 to 2025



Changing consumer trends point to a growing alignment between retail and logistics, with hybrid schemes which allow retailers to sell stock and engage with customers but also fulfil online orders from the surrounding catchments.

Out-of-town parks are aligned to the growth of both convenience, online retail and last mile delivery.

Sources: JLL Research (2021)

EVOLUTION TO MEET DEMAND

Castlepoint has an opportunity to respond to changing shopper demand through upscaling its retail mix, attracting exciting brands and growing its position as one of the UK's leading shopping destinations as well as meeting the needs of the immediate community.

The Opportunity

Castlepoint ranks 41st out of 4,421 UK retail centres. At a time when retailers have been shrinking their store footprints to focus on their top 50, this is critical.

Looking forward, there is more to be achieved and opportunities to enhance the retailing offer over the short and medium term. This will enable the park to further cement its 'top retail destination' status on a regional and national scale.

1. ELEVATE THE TENANCY MIX

To provide a range of retail brands that appeal directly to the affluent catchment and meet demand from growing retailers keen to take space at the property such as Ikea, Decathlon, Primark, Zara and other destination brands.

2. FURTHER ENHANCE THE F&B AND LEISURE OFFERING

In order to enhance dwell time and destination pull within the catchment. This should also further the centre's attractiveness to younger demographics. Recent additions include Five Guys, KFC and Starbucks.

3. MAXIMISE THE INCOME RECEIVABLE

A dynamic asset management approach which increases the revenue from existing space. This includes the re-purposing of the currently unutilised circa 200,000 sq ft of ground floor space. These areas provide opportunity to generate additional income for the scheme through conversion to other community uses, meanwhile uses, health and wellbeing, family entertainment, active leisure and additional retail.

Returns

Maximise catchment penetration, drive increased dwell time and spend

Create an attractive customer experience in an accessible location with free parking

A lifestyle destination which provides retail, leisure and F&B options for consumers across the region

Enhance the popularity of the park through elevating it into the best shopping destination in the UK

ASSET MANAGEMENT

GAP

Store currently closed. Tenant paying rent and service charge until 2024. Opportunity to re-let.

WATERSTONES

Interest from two different current occupiers already represented in the scheme looking for an upsize.

TO LET

Interest from a major national multiple retailer in occupying both Unit 8 and Unit 16.

ROBERT DYAS

Currently occupying on a flexible basis.

Interest from several national multiple retailers as well as current occupiers on the scheme looking for an upsize.

TK MAXX

Re-gear lease with TK Maxx.

LAKELAND

Potential to downsize tenant. Interest from F&B operators.

M&S

Long leasehold until 2102.

TO LET

Interest from a major national multiple retailer in occupying both Unit 8 and Unit 16.

TO LET

Interest from a major national multiple.

MOUNTAIN WAREHOUSE

Requirement to upsize on the scheme.

Interest in this unit from new national multiple entrants to the park, along with a current occupier seeking to upsize.

RIVER ISLAND

Requirement to upsize on the scheme.

EE

Potential to regear with the existing tenant or re-let to F&B operators.

KEY

▨ 200,000 sq ft of Potential Commercial Uses.

Not to scale, indicative only

ESG

Castlepoint continues to strive to contribute to a more sustainable future with progressive strategies at the heart of its operations. It has an opportunity to position itself at the forefront of the retail industry's action on ESG bringing social, environmental and financial value to the scheme and its community.

E

All electricity supplied to Castlepoint is from renewable energy sources

Zero waste goes to landfill

Existing implementable plan to install free electric charging points, positioning Castlepoint as a leading charging hub for the region

S

Castlepoint actively engages with its online customers, reaching 37,000 people through it's website in July 2021

Continuing to enhance the biodiversity across the scheme

Castlepoint regularly hosts events for local charities and the community

G

Utility usage reduced by 25%

A sustainable travel plan which serves its employees and local customers

Opportunity to work towards net zero carbon

FURTHER INFORMATION

Planning

The scheme benefits from a Use Class E planning permission.
Further information available on request.

Tenure

The property is held freehold.

Marketing Website

Further detail and plans are held on the marketing website, please contact one of the team for access.

Surveys

A full suite of surveys will be made available via the marketing website.

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