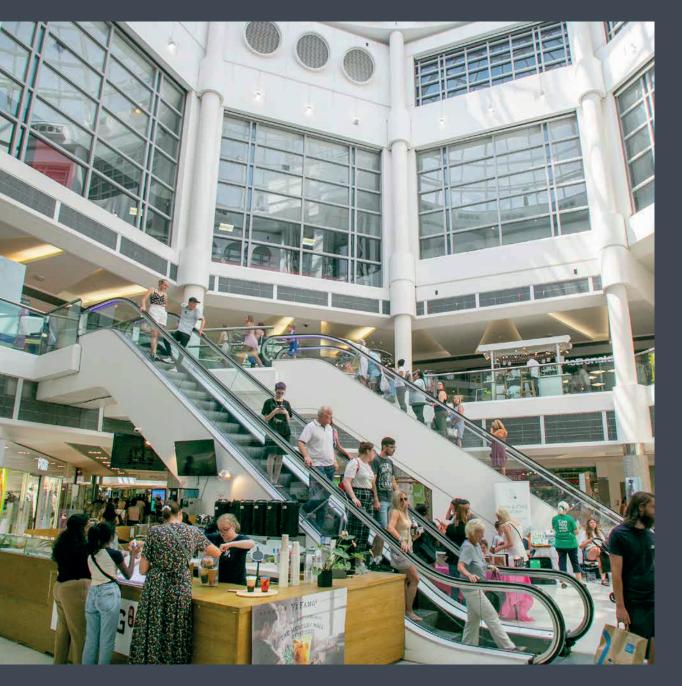
THE MERCURY ROMFORD RM1 3EE

ASDA ANCHORED, VALUE-ORIENTATED COMMUNITY SHOPPING CENTRE





INVESTMENT SUMMARY

- ► The Mercury is a thriving, value-orientated community shopping centre let to a robust mix of essential and convenience-led operators
- Romford is a densely populated commuter town with exceptional connectivity, benefitting from high speed train access to London Liverpool Street in 17 minutes through the opening of the Elizabeth Line
- ▶ Loyal catchment population of 550,000 within a 20 minute drive, which is predicted to grow by 10.47% by 2040
- Romford's retail scene has witnessed one of the most successful recoveries within the UK in terms of footfall, with the highest recovery ranking in London
- The centre comprises 243,089 sqft including a 96,751 sqft Asda and a 998 space car park
- Asda have an option to extend their lease to 2051 at a gearing of 53% of ERV
- The scheme offers an all-day leisure experience with an 8-screen Cinema, Bingo hall and day care within the complex
- ► The scheme is on an upward trajectory, with 14 lettings and lease renewals concluded over the last 24 months
- ▶ Part freehold part long leasehold with 93 years remaining
- ▶ High footfall of 9.7 million per annum
- ► Affordable, low operating cost base, with rents largely rebased and service charge running at £8.48 psf
- ► The property benefits from a gross income of £3,077,370 pa and a net income of £2,026,544 pa after deduction of headrent and landlord non-recoverables



LOCATION & CONNECTIVITY

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Romford is a thriving London commuter hub, located in the Borough of Havering, 20 miles east of London. Romford's train links and convenient location within the M25 orbital motorway provides excellent communications into London.

Romford is strategically located with excellent road networks into Central London, Essex, Kent and South East England via the M25, A12 and A127.

London City airport is located less than 8 miles South West of Romford, with London Stanstead located 22 miles North West, offering worldwide air travel services.

Located 5 minutes' walk from The Mercury, Romford railway station provides services into Central London with an approximate journey time of 17mins.

The Elizabeth Line is open and provides direct access across Central London every 5 minutes. The new station has improved entrance, ticket hall and access to the new 200m long platforms.





ROMFORD

CATCHMENT POPULATION 550,000

3,500 NEW HOMES PLANNED (HAVERING)







HIGHEST POST COVID FOOTFALL RECOVERY IN LONDON





1,710 NEW BUSINESSES

CREATED IN ROMFORD IN 2021



EMPLOYMENT RATE IS

5% HIGHER

THAN NATIONAL AVERAGE

ONE OF THE OLDEST MARKETS IN THE UK, **OVER 800 YEARS OLD.**





CATCHMENT & DEMOGRAPHICS

SOCIAL GRADES

Social Grade	National Average	Index	Romford %
AB Higher & Intermediate manage/ admin/professionals	22.38%	92	20.62%
C1 Supervisory, cleric, junior manage/admin/professionals	30.96%	122	37.76%
C2 Skilled manual workers	20.79%	105	21.81%
DE Semi-skilled/unskilled manual workers; on state benefits, unemployed, lowest grade workers	25.87%	77	19.81%

HOUSEHOLD INCOME

Household Income	National Average	Index	Romford %
£14,999 or Less	16.31%	93	15.16%
£15,000 to £19,999	9.17%	82	7.54%
£20,000 to £29,999	19.34%	82	15.89%
£30,000 to £39,999	15.96%	104	16.57%
£40,000 to £49,999	12.25%	106	12.96%
£50,000 to £59,999	7.98%	102	8.13%
£60,000 to £69,999	5.74%	110	6.31%
£70,000 to £99,999	8.19%	145	11.90%
£100,000 to £149,999	3.53%	129	4.56%
£150,000 or Over	1.53%	64	0.98%

CATCHMENT POPULATION OF

550,000 WITHIN 20 MINS

LOW UNEMPLOYMENT OF 3.78%

LARGEST MOSAIC GROUPS

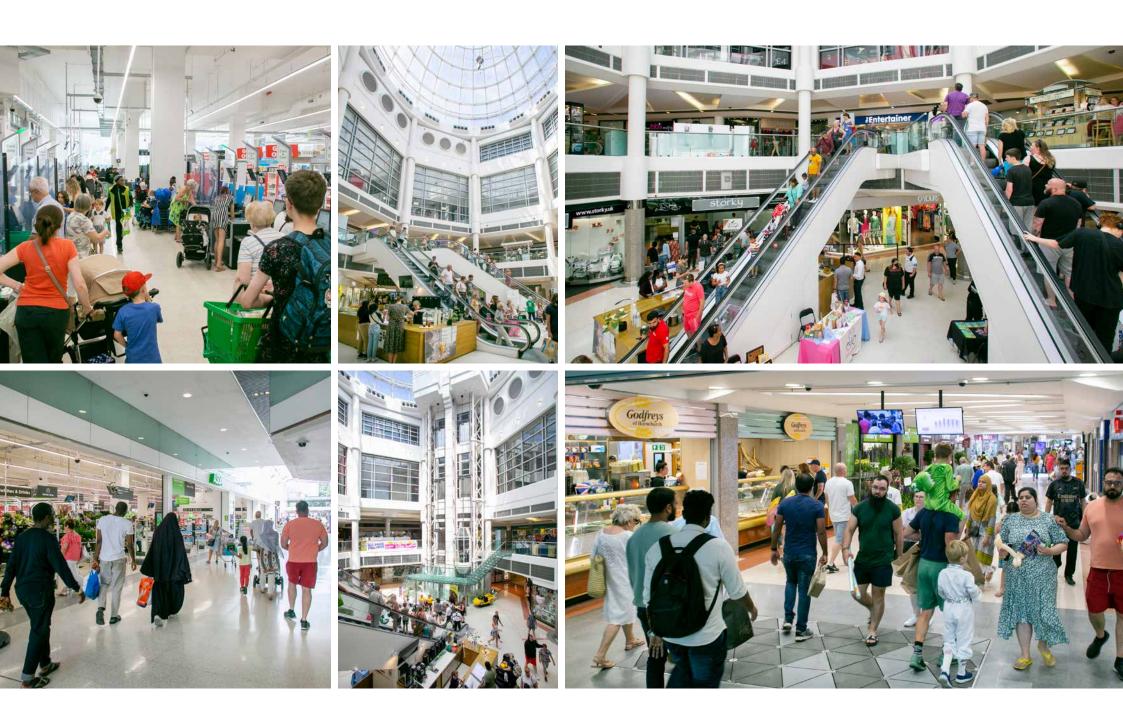
G Domestic Success 24,485 (25.15%) 272	H Aspiring Homemakers 13,689 (14.06%) 133	N Urban Cohesion 12,236 (12.57%) 230	
Families with children	Families with young children	Homesharers in terraces	
Mid to high household income	3 bedrooms	Uber passengers	
Monthly discretionary income under £1000	High outstanding mortgages	Free mobile phone apps	
Very high mortgage debt	Internet via smartphone	Read news and shop online	
Internet via smartphone	Text and photos on smartphone	Visual arts and design sites	
Online Shoppers	Order from takeaways	Watch TV	

AGE BAND

Age Bands	National Average	Index	Romford %	
Under 15	17.86%	116	20.80%	
15 - 19	5.48%	106	5.82%	
20 - 24	6.14%	93	5.68%	
25 - 34	13.43%	110	14.79%	EX
35 - 44	12.67%	115	14.51%	
44 - 54	13.29%	96	12.74%	
55 - 64	12.46%	87	10.81%	
65+	18.66%	80	14.85%	

POPULATION INCREASED **19.8%** SINCE 2002 XPECTED TO GROW BY ANOTHER

10.47% BY 2040



RETAILING IN ROMFORD

Romford's retail core is focused on The Liberty Centre, The Mercury Centre, the historic Market Place and the out of town provision at Brewery Retail Park that forms part of the retail circuit.

Since the return from Covid-19 in April 2021, Romford's retail scene has witnessed one of the most successful recoveries within the UK in terms of footfall, with the highest recovery ranking in London (IPSOS).

Alongside the Mercury Centre, Romford has a significant retail offer including:

Liberty Centre

The Liberty Centre is adjacent to the Mercury Centre, connected via a walkway under the Romford ring road. The Liberty houses over 90 tenants with nationwide brands such as Boots, Primark, JD Sports and Next. Redical Holdings with RivingtonHark recently purchased the Liberty Centre in May 2022 for £87.15m reflecting £178 psf capital value.

Brewery Retail Park

The Brewery Retail Park offers 530,000 sq ft of retail space, anchored by Sainsburys, TK Maxx, Vue cinema and The Range. The retail park is interlinked with the town centre and provides an access point to Romford Market and the high street. Schroder UK REF (JV) recently purchased the Brewery Retail Park in January 2022 for £162m reflecting £305 psf capital value.

Romford Market

The Romford Market is one of the largest and oldest markets within the UK, dating back to the 1200s. With over 270 market stalls, the market operates over 3 days of the week.





MERCURY

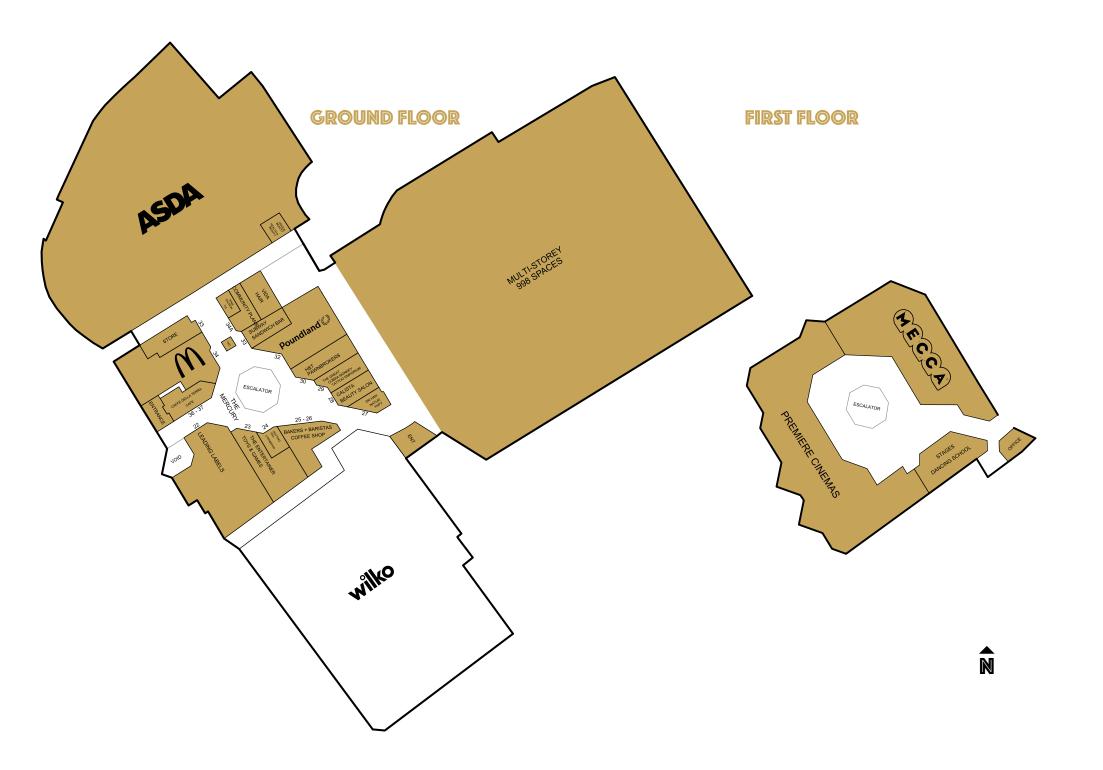
The Mercury Centre lies within the heart of Romford, offering 243,089 sq ft of value orientated retail and leisure anchored by Asda, Wilko, Poundland, Premier Cinema and McDonalds as well as 998 car parking spaces.





LOWER GROUND FLOOR

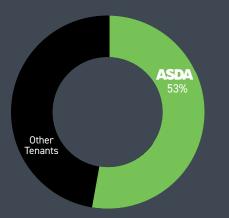




ROMFORD SUPERMARKET COMPETITION

Asda is the dominant in town supermarket with direct access from the ring road.

- Competition is limited to the 60,000 sqft Sainsbury's at the Brewery, with an annual rent of £2,265,000 pa reflecting £37.75 psf, as well as an 18,000 sq ft owner occupied Lidl near the train station.
- ► Asda currently provides 53% of the Net Operating Income.



- ▲ Asda have an option to renew their lease to 2051, geared to 53% of ERV. The option date is 11/12/2025.
- ► Asda's current geared rent of £1,075,529 pa reflecting £11.12 psf is highly reversionary.

Location	Tenant	Rent pa	Price psf	Туре	Date
Ebbsfleet	Morrisons	£545,121	£19.00	OML	Aug 22
Kidbrooke	Aldi	£750,000	£21.35	OML	Feb 21
Kingston	Asda	£917,500	£24.50	Rent Review	Jun 19



ROMFORD REGENERATION

Housing

► The London Borough of Havering are working in partnership with Wates Residential to deliver over 3,500 new homes across the 12 sites within the borough. Over 2,150 of those within 2 miles of Romford town centre.

House Prices

- New build 2-bed prices of £450,000 or £536 psf have been achieved in 2022 in Romford. This is a 25% increase since 2019.
- ► House prices across Romford are 21% lower than average London house price, therefore demand for residential accommodation and exceptional transport links has driven this house price growth.

Romford Ring Road

Regeneration of the central ring road aims to strengthen the cycling and walking routes into the Town Centre and surrounding area. By providing 10 surface level pedestrian crossings helping to promote the economy and community safety.

Crossrail

- ► The introduction of Crossrail (Elizabeth Line) has led to the redevelopment of Romford Station through creation of a new station plaza, entrances, seating and bus shelters.
- Crossrail aims to deliver train services into and from Central London every 5 minutes via the Elizabeth line with 200m long platforms and a new fleet of trains.





A

ASSET MANAGEMENT INITIATIVES

1 Asda

Asda have an option to extend their lease to 08/12/2051, notice is 18 months prior 11/12/2025, at the same geared rent of 53% of ERV. This would improve the WAULT and secure the footfall generating anchor. By negotiating the extension with Asda, this will ensure a further 26 years of unbroken income.

2 Car Park

The two levels of the car park are held under separate ownership, both levels are managed by Apcoa Parking Limited who are holding over on a lease that expired in 2016. The car park was Romford's most used car park due to the ease of access to Romford's ring road. It is still a cash only car park that requires modernisation to regain its previous appeal. There is an option to take control of the car park management to improve the customer experience and benefit from a secure income.

LSREF have a lease on the lower level car park expiring on 11/12/2026. Not renewing the lease could increase the NOI by £703,127 pa.

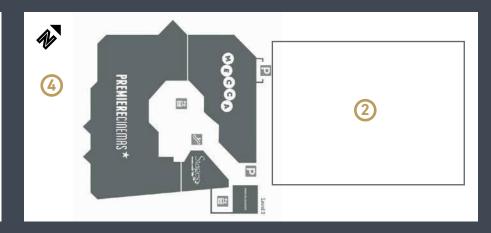
3 Wilko

Sainsbury's Supermarkets Ltd own the long leasehold interest expiring 2114 and underlet the property to Wilko. Negotiations with Sainsbury's and Freeholder could unlock a significant development opportunity.

4 First Floor

Rank Group own the long leasehold of floors 3 and 4, lease expiring 2115. The space is sublet from Rank Group to Mecca Bingo, Stages, Premiere Cinema and a vacant hospitality unit (formerly Pulse nightclub). There is a Landlord break option on 26/06/2030 and every 10 years following which would provide an opportunity to control and improve the leisure offer as well as unlock a development opportunity for other higher value uses.









TENURE

Asda

Freehold.

Barrett Homes developed the residential units above on a long leasehold expiring 04/01/2161 at a peppercorn.

Main Scheme

Owned by LSREF on a long leasehold expiring 24/12/2115 at a fixed rent of £50,000 pa. The freeholder is Grainhome Ltd.





Car Park

The Car Park is arranged over two levels with different ownership on each floor. The freeholder for both floors is Grainhome Ltd.

Upper Floor

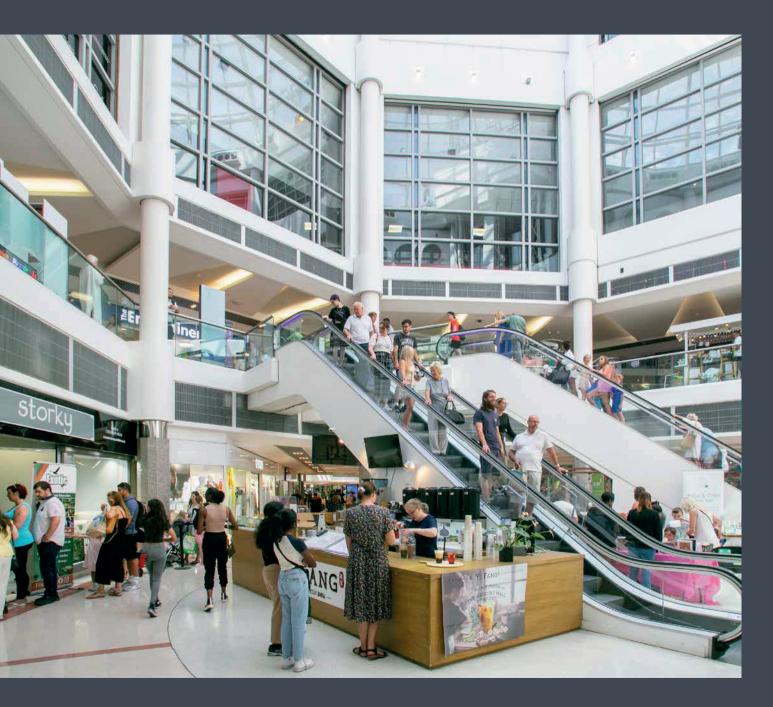
LSREF own the leasehold on a 125 year lease expiring 03/02/2127 at a peppercorn.



Lower Floor

Sainsburys own the 125 year headlease expiring on 28/09/2114 at a current rent of £1,041,670 pa. This is sublet to LSREF on a 25 year lease expiring on 11/12/2026 at a rent which is geared at 67.5% of the superior headlease reflecting £703,127 pa.

Both car park floors are then managed by APCOA Parking UK Limited at a current rent of £338,500 pa.



ADDITIONAL INFORMATION

Service charge

The 2022 Service Charge budget for the shopping centre totals $\pounds 2,060,422$ pa, equating to $\pounds 8.48$ psf.

Marketing Budget

The Landlord is contributing $\pm 28,000$ pa to the marketing budget.

Car Parking

Car Parking at The Mercury is operated by APCOA via a management agreement, with a contribution payment of £338,500 pa. The car park offers 998 spaces across the upper and lower decks. Parking charges are based on an hourly regime through the tariff below:

Time	Price		
0-2 Hrs	£1.20		
2-3 Hrs	£1.80 (Saturday £2.20)		
3-4 Hrs	£2.80		
4-5 Hrs	£4.00		
5-6 Hrs	£5.00		
6-8 Hrs	£6.50		
Over 8 Hrs	£10.00		
Sundays	Free		

Car parking rates are set by Havering Council and are identical across Romford car parks.

FURTHER INFORMATION

VAT The property is registered for VAT and is it proposed that the sale will be treated as Transfer of Going Concern

> Data Room Data room is available upon request

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