



BURNS MALL

KILMARNOCK KA1 1LT

Dominant, Community Shopping Centre Investment Opportunity



Investment Summary

- + **Kilmarnock is the largest town in East Ayrshire** and serves as the administrative centre for the East Ayrshire Council.
- + Burns Mall is the **dominant retail offer** in Kilmarnock.
- + **Large inward investment** from East Ayrshire Council utilising £20m from UK Government's Levelling Up Fund with exciting projects identified.
- + The centre comprises approximately **179,804 sqft (16,704 m²) of retail accommodation**.
- + **Anchored by JD Sports, Home Bargains and New Look** with a number of popular national multiples present including Greggs, Boots, Shoe Zone, 3 Store, CEX and Farmfoods.
- + **Long leasehold** (circa 80.5 years unexpired)
- + **WAULT of 1.92 years** to expiry
- + Current **gross income of £877,914 pax** (including turnover rents).
- + **Affordable** annual rents
- + **Various asset management opportunities** to improve the NOI.



We are instructed to **seek offers in excess of £2,850,000 (Two Million Eight Hundred and Fifty Thousand Pounds)** subject to exchange of formal missives and exclusive of VAT for our client's long leasehold interest. A purchase at this level would reflect an attractive **net initial yield of 15%**, allowing for the usual purchaser's costs. **A low capital value of £15.85 psf.**

Location

Kilmarnock is located in south west Scotland within East Ayrshire, 22 miles south of Glasgow City Centre. Located 7 miles inland from the coast, Kilmarnock is the largest town in the county and serves as the administrative centre for the East Ayrshire Council. The town is neighboured by other large towns such as Ayr (17 miles southwest), Troon (9 miles southwest), and Irvine (8 miles west).



CAR

The town benefits from strong transport links throughout. Being a former market town, Kilmarnock lies on the intersection of three A roads, the A71 which runs from Edinburgh through to Irvine, A76 which links Kilmarnock to Dumfries and the A77 down the south west coast. The M77 lies north of the town which provides access to the M8 and Scotland's motorway network.



TRAIN

Kilmarnock train station lies in the centre of the town and Scotrail provides a regular service from Glasgow Central to Carlisle via Kilmarnock in a journey time of 45 mins. The rail service also connects Kilmarnock to Ayr, Troon and Prestwick.



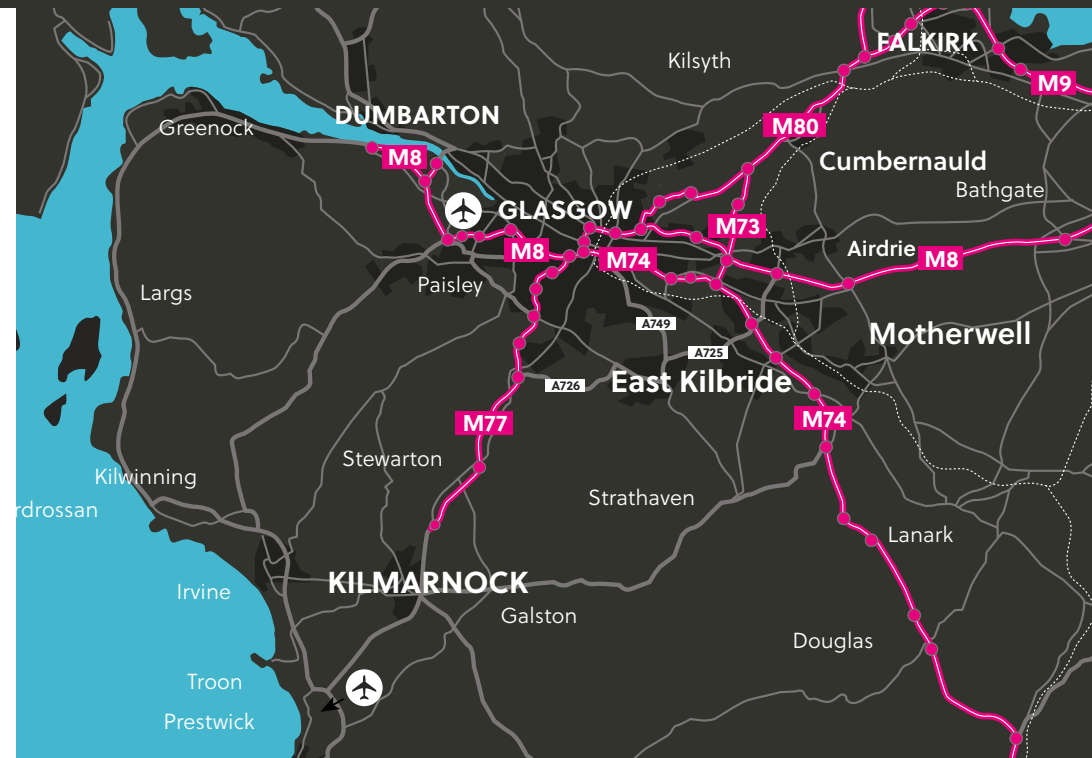
BUS

There are a range of bus routes serving Kilmarnock town centre with numerous bus stops within the town and the periphery. Services link Kilmarnock to Glasgow, Ayr, Irvine, Troon and the surrounding smaller towns and villages. The main bus station sits adjacent to Burns Mall.



PLANE

Kilmarnock also benefits from being in close proximity to Glasgow Prestwick Airport which is situated just 14 miles south west and provides a number of international flights. In addition, Glasgow Airport is located 25 miles north of the town and provides further domestic and international flights.



Demographics & Local Economy

Kilmarnock is a historic and well-established former market town founded in the 16th century. The town is characterised by having a historic town centre and large amounts of industrial facilities within Kilmarnock and the outer edges of the town.

Kilmarnock has an estimated immediate population of 46,970 and a population of over 136,600 (over 60,500 households) within a 20-minute drive of Burns Mall. The average gross household income within this catchment is £35,303 which is slightly over the average for the UK.

A major employer in the area is the industrial distribution industry and manufacturing. This is due to the positioning of the town's connectivity to the west of Scotland and other major cities in Scotland.

Vodafone and Teleperformance occupy a large part of the nearby Rowallan Business Park, which is also home to Food Partners, a nationwide sandwich franchise which is another major employer in the area.

Additionally, Brodie Engineering operates two production factories for locomotives in the town centre. Kilmarnock is also home to the HALO Urban Regeneration, which is a digital learning centre providing 1,500 jobs and providing a conducive environment for digital, manufacturing and cyber businesses. HALO is set to provide £205 million of Gross Domestic Product to the Economy of Scotland.



**Population of over 136,600
within a 20-minute drive time**



**The administrative centre for
East Ayrshire Council**



**Average household income
above the UK average**

Inward Investment In Kilmarnock

Cultural Kilmarnock Project is an extensive project that involves an area to the east of the town centre and includes culturally significant buildings including the Palace Theatre, Grand Hall and the Dick Institute. The project was awarded £20m from the UK Government's Levelling Up Fund.

The design of a 'Cultural Park' that creates green corridors and active travel routes between these key heritage assets and the town centre will provide increased opportunities for outdoor performances and events. The project also includes major reimagining of the Palace Theatre and Grand Hall to create a regional concert hall and theatre with extensive improvements to the accessibility and energy efficiency. The Palace Theatre & Grand Hall will close in Jan 2024 to allow works to commence and we will provide updates throughout the project here.



Kilmarnock receives £20m from UK Government's Levelling Up Fund

One of 7 Scottish towns to be chosen

Galleon Centre

Several proposals are being considered for Kilmarnock's leisure centre including including a new gym and fitness suite, health suite and café, kids zone, meeting facilities and upgrades to pools, changing rooms, ice rink and bowling hall.

Multi Storey Car Park

Demolition of the car park is now expected to commence in spring 2024 and a design consultant has been appointed, with detailed designs for the site expected by June 2024.

The proposals for the site, following demolition of the multi-storey car park, included the creation of an EV charging and cycling hub with improved pedestrian links to the bus station and train station.

New Homes

Since 2010 East Ayrshire Council has delivered 585 homes within the County. In partnership with developers, in the last 12 months over 100 homes in Kilmarnock have been built. Works have commenced on 48 homes at Kennedy Drive, Kilmarnock as well as works well underway on assisted living development in Mauchline and a further 101 homes at Bridgehousehill Road, Kilmarnock.

The East Ayrshire Strategic Housing Investment Plan (SHIP) 2024-2029 was approved by Cabinet and it was agreed that almost £28m will be invested over the five year period. The SHIP aims to deliver up to 762 new, converted or acquired affordable homes through the Council's house building programme and RSL partners.

Town Centre Retailing

Kilmarnock dominates its catchment with the nearest competing centres being Irvine (16-minute drive), Ayr (30-minute drive), and Glasgow (35-minute drive). The local population relies heavily on Kilmarnock town centre to meet their convenience and comparison goods retail needs.

Kilmarnock's retail provision is concentrated within the town centre of which Burns Mall provides the dominant retail offer. The majority of the high street retail in the town is positioned parallel to the mall on King Street and Portland Street where national retailers are represented including Marks and Spencer's, Vodafone, EE, Boots, WH Smith, Savers and Specsavers.



Foodstore provision in Kilmarnock is varied with large and mid-sized supermarkets located within the town centre, the largest of which is a 90,000 sq ft Tesco Extra, located just south of Burns Mall. The town also hosts Marks and Spencer's, Farmfoods, Iceland, Lidl and ALDI as well as Morrisons and Asda on the periphery of the town.

There are two retail park's located toward the south of Kilmarnock town centre, Queens Retail Park and Glencairn Retail Park. National retailers represented in this out of town pitch include TK Maxx, Food Warehouse, B&M, Dunelm, B&Q, Smyths Toys, Asda and SCS.

Description

Burns Mall is the only covered shopping centre in Kilmarnock, centrally located at the heart of the town centre. The scheme provides the principal retail offer in Kilmarnock and comprises approximately 179,804 sqft (16,704 m²).

NEW LOOK

home bargains

Poundland®

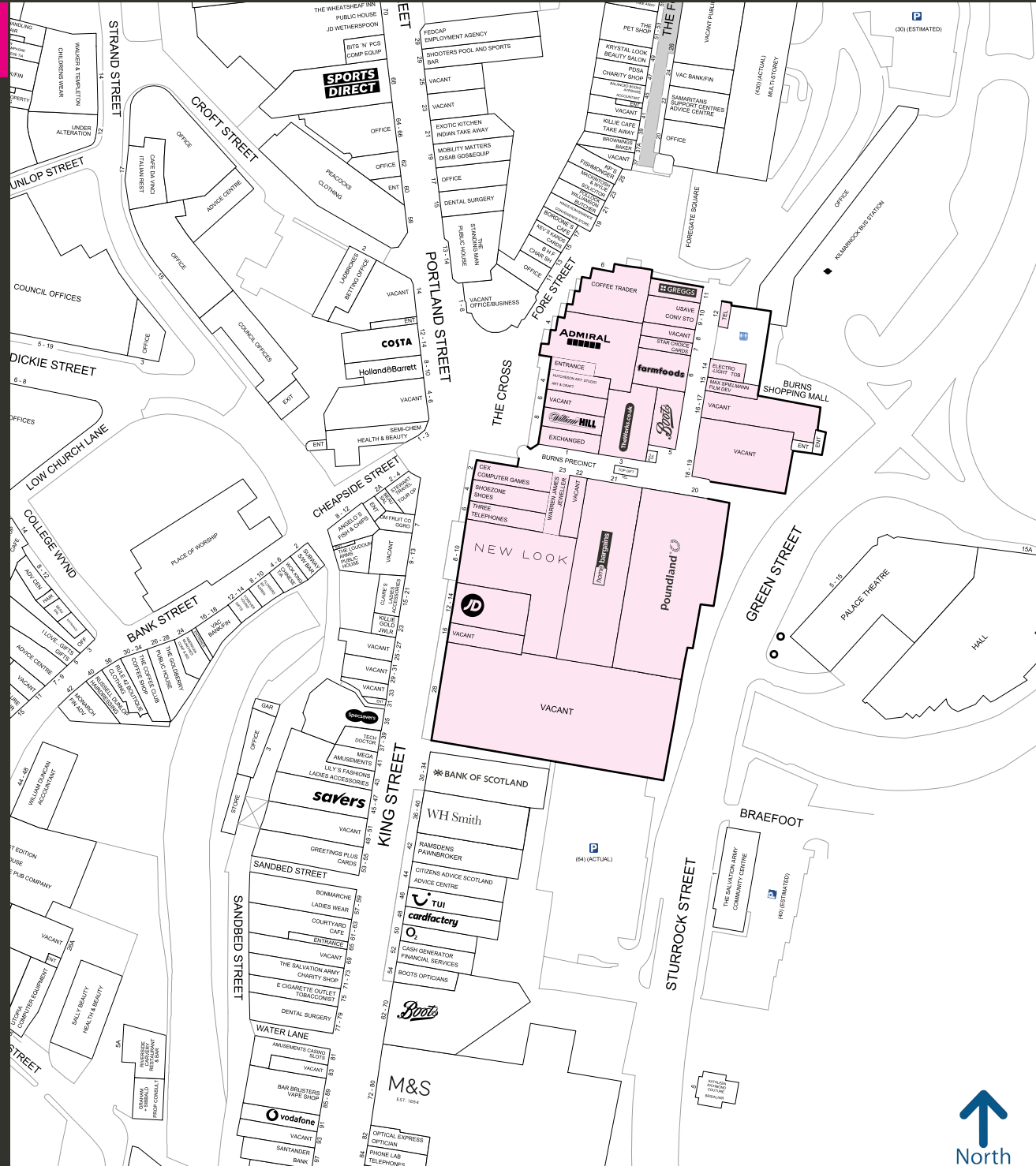


farmfoods

Boots

TheWorks.co.uk

GREGGS



Tenancies

Burns Mall is anchored by **JD Sports, New Look, Poundland and Home Bargains** with other notable national multiple tenants including **Greggs, Shoe Zone, CEX, 3 Store, William Hill, Boots, Farmfoods and Warren James**. (See separate attached Schedule of Accommodation and Tenancies)

Tenure

The asset is held long leasehold for 130 years from 11th February 1974 expiring on 31st October 2104 (circa 80.58 years unexpired). The heritable interest in the centre is owned by East Ayrshire Council (the Local Authority).

Head Rent

The basic ground rent is £35,500 per annum (payable half yearly) and there is an additional sum payable each year, calculated as a share of the net rental income. The additional sum is comprised of the amount that the gross rental income exceeds the permitted deductions per the specific terms of the ground lease.

The head rent payable for the latest head rent period is £35,500 pa.



Accommodation

Burns Mall comprises approximately **179,804 sqft (16,704 m²)** arranged within 31 retail units and as set out in the attached separate Schedule of Tenancies & Accommodation.

Car Parking

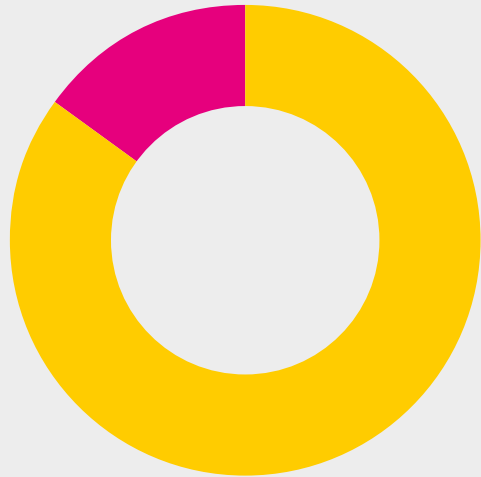
There are three external car parks around the centre that provide Burns Mall with excellent parking facilities. These lie at East George Street Car Park, Foregate South Car Park and Sturrock Street Car Park. In addition to the three car parks surrounding the centre, there are a number of car parks located a short walk from Burns Mall.

Site Area

1.06 hectares (2.61 acres)

Income & Income Analysis

Income Profile



● 85% National ● 15% Local

Summary of Income

Current Gross Contracted Income (Excluding Turnover Top Ups)	£843,768
Current Gross Contracted Income (Including Turnover Top Ups)	£877,914
Current Landlord Annual Shortfalls (Inclusive of. S/C Caps)	£384,741
Landlord Marketing Contribution	£3,913
Less Head Rent	£35,500
NOI	£453,760

Turnover Rents

In 2023/2024 the scheme produced £34,146 of income via turnover top up provisions. The main contributors include New Look and JD Sports.

Landlord Shortfalls

Landlord shortfalls currently total £385,206 as per the attached Schedule of Tenancies & Accommodation.

Service Charge

The current service charge budget for the period 01/04/2024 to 31/03/2025 is £521,142 (taking into account deduction of £47,321 on 18-28 King Street). This equates to £4.07 psf overall based on a weighted service charge area of 128,197 sq ft.

Commercialisation

The commercialisation within Burns Mall accounts for £37,163 pax of gross income.

Footfall

In the last 12 months to March 2024 c.3,500,000 persons visited Burns Mall, Kilmarnock. Footfall pre-Covid in 2019 was c.4,000,000. Recent footfall figures suggest that the scheme is regaining this lost footfall.

Planning

Burns Mall is not listed and sits outside of Kilmarnock's Conservation Area.

Arrears

A current arrears report can be provided on request.

Asset management opportunities



- Engage with council to extend the Long Leasehold interest.
- Seek to improve general tenant mix.
- Undertake a pro-active asset management strategy to negotiate imminent and future lease renewals and re-gears to secure and improve the scheme's income profile and longevity.
- Improve commercialisation offer.
- Work in partnership with proactive council to explore alternative uses for former BHS, 18-28 King Street, to improve the town centre retail and leisure provision. Any initiative will lead to a significant improvement to the centre's NOI.





EPC's

Energy Performance Certificates (EPC's) are available within the data room.

VAT

The property is registered for VAT, and it is proposed that the sale will be treated as a Transfer of a Going Concern (TOGC).

Data Room

Additional information including leases and EPCs are available in the data room. Details for access are available upon request.

Proposal

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Further Information

For further information, access to the data site or to arrange an inspection, please contact:

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