



Blackpool

SHOPPING CENTRE & RETAIL PARK

CORK, IRELAND

PRIME RETAIL INVESTMENT OPPORTUNITY





INTRODUCTION

JLL and HWBC are delighted to present a unique opportunity to the market to acquire a large-scale retail scheme that is the dominant shopping and office centre in north Cork City. The combined Blackpool Shopping Centre and Retail Park offers an investor a stake in Ireland's second largest city of Cork. Blackpool is a long established and dominant suburban retail offer effectively fully occupied (98% weighted by value). The package contains two complementary assets providing an investor with the opportunity to purchase 27,846 sq m (299,739 sq ft) of retail space with the benefit of an additional 10,081 sq m (108,513 sq ft) of self-contained offices in a well-designed and integrated mixed use commercial development.

Blackpool is the only shopping centre north of the city offering a high concentration of international and nationally recognised retailers including; Dunnes Stores, New Look, Heatons, Next, Aldi, Woodie's DIY, amongst others. There are also a number of community services provided in the scheme including; council library, post office and state health board.



INVESTMENT HIGHLIGHTS

- Excellent location and dominant retail offer position in its catchment
- Destination retail hub with a purpose-built shopping centre and separate open use retail park with overhead modern offices
- Long established since year 2000 for the shopping centre and 2004 for the retail park
- Occupancy rate of 98%
- 1,650 free surface and multi-deck car parking spaces
- Strong income security and 6.10 year WAULT over the entire
- Attractive income yield with rental growth and asset management value add potential





Cork is Ireland's
2ND LARGEST CITY
 and the **Capital**
 of the South

The combined offering
dominates the
North Cork Catchment

€7.4m net operating
income with a WAULT
 of 6.10 years

Scale of combined offer will
 protect its inherent value
 into the future

Office tenants include
Blizzard Entertainment,
Diageo and **Teamwork.com**

Approximately
299,739 sq ft
 of retail space and
108,513 sq ft
 of self-contained
 office space,
 plus storage

Retail tenants
 include major
 international
 occupiers
 such as **Aldi,**
Next, Argos,
Boots and
McDonalds

TOP 10 TENANTS

Rank	Tenant	Rent
1	Blizzard Entertainment Irl Ltd	€758,040
2	New Look	€426,948
3	Woodie's DIY	€395,000
4	Heatons	€360,000
5	Aldi Stores (Ireland) Limited	€328,000
6	Argos Distributors Ireland Ltd	€303,868
7	Health Services Executive	€270,000
8	Sam McCauley	€245,000
9	Teamwork.com	€241,766
10	Next Group Plc	€227,025
TOTAL		€3,555,647

More than
112,000 people
 within the
 scheme's bespoke
 catchment
spending over
€900 m
per annum

More than
6.5m visitors
 per annum
 all benefiting
 from over
1,650 free
car spaces

SITUATION

Cork is Ireland's second largest city. Cork City and environs has a population of 125,622 split north and south of the River Lee, the city's natural dividing feature. The centre has a wider catchment of over 400,000 people.

Cork City is at the heart of industry in the South of Ireland with pharmaceuticals and I.T. its main employment bases. Multi-nationals such as Pfizer Inc. and Swiss company Novartis are large employers in the region. Cork is also the European headquarters of Apple Inc. where over 4,000 staff are involved in manufacturing, research and development and customer support.

Blackpool is centrally located within the north suburbs of Cork City. The N20 main Cork to Limerick road is part of the local road infrastructure. Blackpool is one of Cork City's most populous residential areas and has a mature demographic in an established village and neighbourhood dominated by the Blackpool Shopping Centre and Retail Park.



ACCESSIBILITY

Blackpool Shopping Centre and Retail Park are prominently situated at the junction of the N20 and North Ring Road which is just 1.4 km from the city centre. This, together with the local road infrastructure, provides high accessibility for shoppers and business people. The immediate area is predominantly higher density residential in nature with some light industry along the N20 main road. The village neighbourhood is dominated by the shopping centre and retail park which is also a strong local employer together with providing a convenience, fashion, and business destination for the suburb and wider environs.



BLACKPOOL SHOPPING CENTRE & RETAIL PARK ARE PROMINENTLY SITUATED AT THE JUNCTION OF THE N20 AND NORTH RING ROAD

LOCATION / COMPETITION

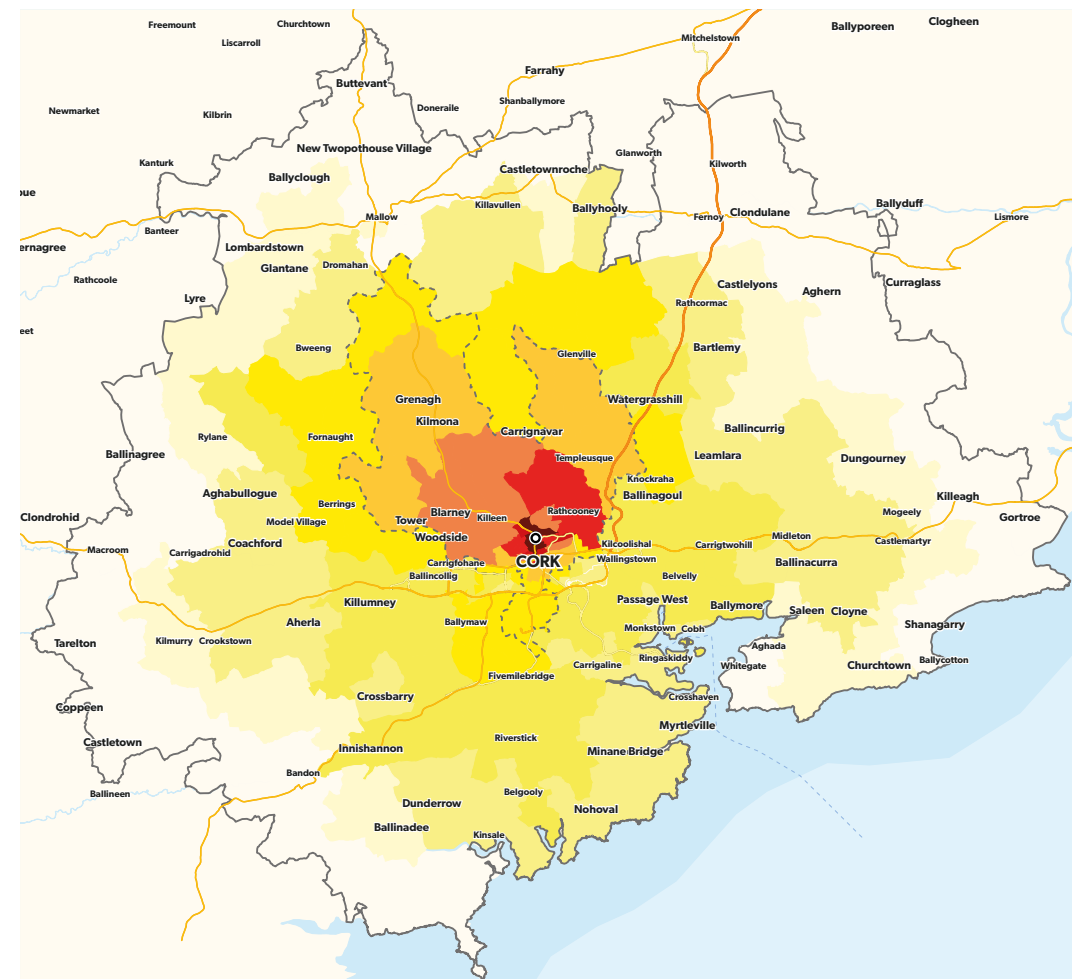
Blackpool Shopping Centre and Retail Park is one of the city's four "district centres" within the extensive Cork suburbs. Three are located to the south of the city; Mahon, Wilton and Douglas. Blackpool is the only district centre located north of the city. Blackpool is therefore long established as the dominant retail location for the entire population of north Cork City. In turn, the Blackpool area also accounts for 40% of the city's total population. Blackpool Retail Park has the added advantage of being the only largely open use retail park in this region.

Blackpool is designated a District Centre under the Cork City Development Plan, 2015- 2021. The objective of the Development Plan is to support the vitality and viability of the existing Suburban District Centres. This is to ensure these centres provide an appropriate range of retail and non-retail functions to serve the needs of the community and their respective catchment areas.

Blackpool has been identified as an area that has the capacity to be served by sustainable public transport. Some 3.7 hectares immediately to the north of Blackpool Shopping Centre and Retail Park were rezoned from Mixed Use to District Centre within the North Blackpool LAP which was adopted in 2011. This reinforces Blackpool as a retail destination and demonstrates the City Council's commitment to support, protect and ongoing development of the District Centre.

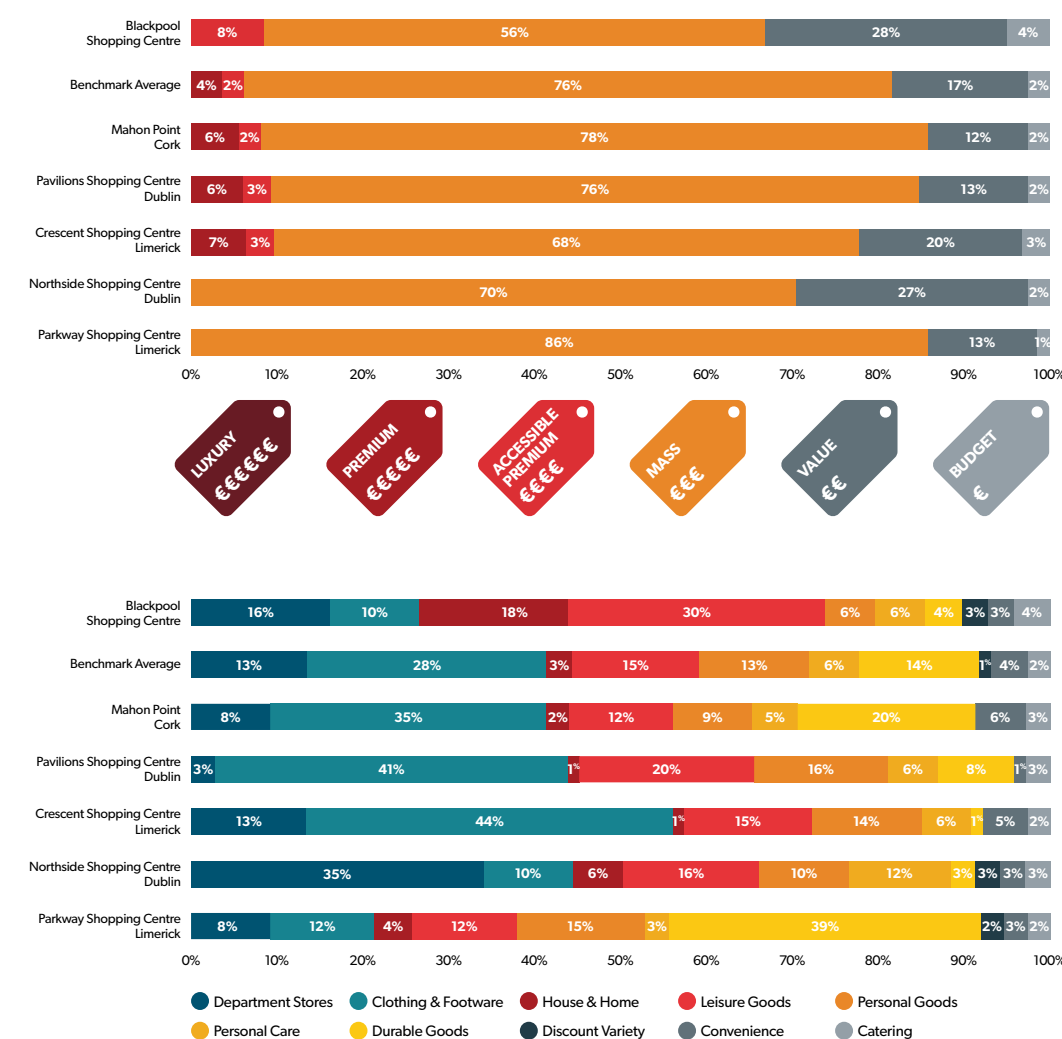
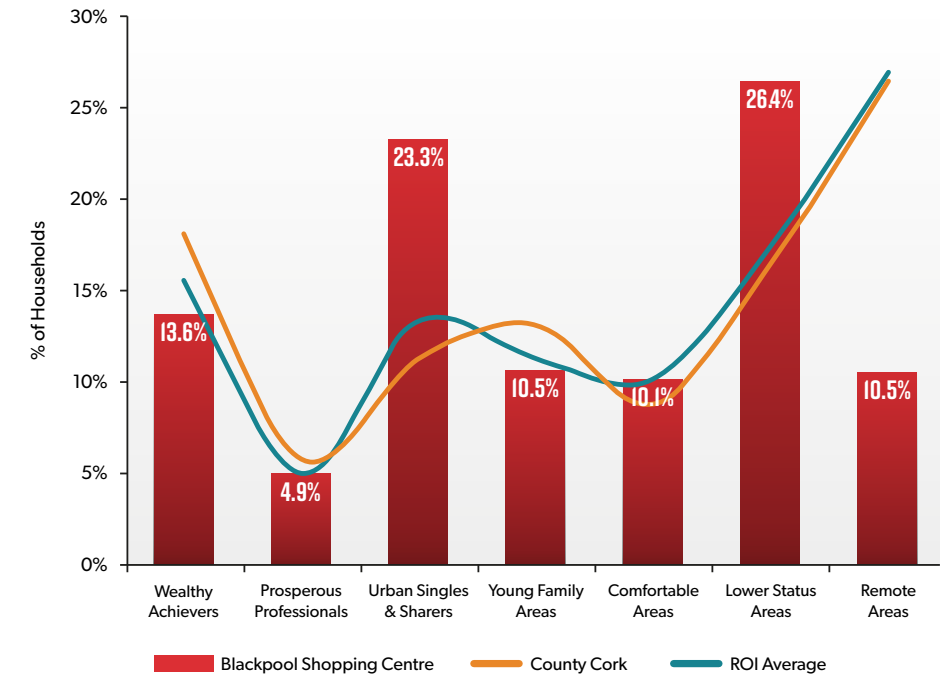
CATCHMENT AND DEMOGRAPHICS

Blackpool's catchment includes a wide geographic area to the north and north west of the city. The total catchment incorporates a population in excess of 400,000 people, and CACI calculate the available Comparison Goods spend as in excess of €900m. The Centre is ranked third in Cork after the City Centre and Mahon Point to the South. This is evidence of its trading strength and status in Cork.



The Blackpool Catchment demographic broadly reflects the ROI Average but with an attractive over representation of Urban Singles and Sharers reflecting the City location and proximity of employers such as the Apple European HQ at Hollyhill just 10 minutes drive away.

CACI rank Blackpool alongside The Pavilions in Swords and The Square Tallaght for Comparison Goods market potential.



There is scope to introduce more premium offers to the scheme and also grow the volume of clothing and footwear offers across the scheme. CACI research has identified under representation in these areas when compared to benchmark centres.

Estimated turnover at the Centre is between €85m and €94m based on CACI data, 56% of the offer is classified as mass market with a strong (28%) value and budget (4%) proposition. Based on their analysis CACI have identified particular scope for rental growth in the Leisure Goods, Personal Goods, Personal Care and Durable Goods segments.

A copy of the CACI report is provided in the data room.

BLACKPOOL SHOPPING CENTRE WAS DEVELOPED IN 2000 AND IS A DUNNES STORES ANCHORED CENTRE WITH 36 MALL UNITS AND 650 FREE CAR PARKING SPACES



BLACKPOOL SHOPPING CENTRE

Blackpool Shopping Centre was developed in year 2000 and is now established for 17 years. The Shopping Centre has a total area of 18,268 sq m (196,935 sq ft) divided into 8,413 sq m (90,554 sq ft) of mall retail and ancillary space, a 6,665 sq m (71,741 sq ft) anchor store and office space of 3,190 sq m (34,341 sq ft). It is a Dunnes Stores anchored centre with 36 mall units together with an extensive surface car park providing 650 free public spaces. The shopping centre is laid out as a traditional single linear mall, book-ended to the south by the Dunnes Anchor Store incorporating a large drapery, household and supermarket offer. There are 2 main mall entrances, one from the car park mid mall and the other at the northern end of the mall. Two self-contained buildings, Bowler House and the HSE building, are located outside the north mall entrance and contain further retail space with offices and library on the upper floors. A first floor / mezzanine unit of 816 sq m (8,782 sq ft) as part of the north mall entrance accommodates a destination electrical retailer with access via an escalator, lift and stairways.

The Shopping Centre offers an interesting “value add” asset management initiative. Plans for a new 1,858 sq m (20,000 sq ft) first floor retail store for TK Maxx have been agreed and commercial terms are being negotiated. When successfully delivered, this creates the benefit of a strong second fashion anchor for the centre and will be prominently located as part of the remodelled main entrance to the mall to include a new retail unit at the entrance for Costa. The local planning authority previously granted consent, since renewed, for an additional 975 sq m (10,500 sq ft) of retail space above Units 4-12 with associated vertical access (TP09/33757). This demonstrates the planners’ support for the provision of additional retail space (plans are available in the data room).

The north mall entrance also forms part of the natural pedestrian linkage between the shopping centre and the immediately adjoining retail park development. The two separate offers effectively trade as a single entity for their catchment.

The Dunnes anchor store is held on a 999-year lease (standard in Irish shopping centres) and has its own service yard on the eastern side of the centre as do the standard shop unit retailers. The mall units also have the benefit of extensive remote storage of 1,051 sq m (11,313 sq ft) situated at first floor level with service lift.

The current mall retailers include New Look, Art & Hobby, Holland & Barrett, Sam McCauley Pharmacy, Vero Moda, Gamestop, Carphone Warehouse, Euro General and Peter Mark amongst others. In the last 24 months, the centre has secured a range of new multiple retailers including Starbucks, Vodafone, The Works, Insomnia, and CEX as part of the centre’s ongoing asset management plan.



HSE Building

The HSE Building is adjacent to the northern mall entrance comprising a three storey building of 2,755 sq m (29,655 sq ft). It contains three ground floor retail units occupied by Bank of Ireland, McDonalds and Starbucks together with offices of 1,982 sq m (21,331 sq ft) let to Bank of Ireland and the Irish Health Service Executive (HSE), a major state body. Surface car parking is provided around its periphery.



Bowler House – Library Building

Bowler House is a smaller external block of 1,725 sq m (18,567 sq ft) which also adjoins the north mall entrance. The ground floor retail is occupied by Boyle Sports with a vacant 319 sq m (3,433 sq ft) unit to be let to the Permanent TSB, subject to planning permission for change of use for banking (planning application lodged). The upper floors of 1,209 sq m (13,010 sq ft) are entirely occupied by the local Blackpool Library (Cork City Council are the tenants).



**BLACKPOOL
SHOPPING CENTRE & RETAIL PARK
CORK, IRELAND**

HSE Building

Bowler House

Heron House
RETAIL PARK BUILDING

Blackpool Shopping Centre

Multi-Storey Car Park

RETAIL PARK BUILDING

The Atrium Building

River House

Cinema Building

RETAIL PARK BUILDING

Heron Gate Apartments

Park House

RETAIL PARK BUILDING

For Identification Purposes Only

BLACKPOOL RETAIL PARK

Blackpool Retail Park is the second part of the overall offer and is located immediately adjacent to the shopping centre. The Retail Park development comprises a modern mixed use commercial centre containing 14,601 sq m (157,165 sq ft) of retail accommodation, 6,891 sq m (71,172 sq ft) of vendor owned self-contained modern office space mostly over the retail, a 6-screen cinema multiplex, a block of 28 self-contained apartments and finally a substantial multi-deck public car park with 804 spaces and surface 230 car spaces fronting the retail units. The Retail Park was developed from 2004 onwards and is Cork City's only open-use retail park as part of its District Centre zoning.

The substantial total office space in the scheme also provides a captive audience for the retailers in addition to the wider catchment area.

Most of the office accommodation, the cinema and all of the apartments were originally sold to 3rd party owners on normal long leasehold interests with the retail element and car parking remaining in the direct ownership of the Vendor. The Vendor has full management control of the entire park.

The Retail Park is divided into 7 buildings summarised as follows:

Multi-Storey Car Park (Block A)

Block A is the effective anchor building for the Retail Park containing a 4,535 sq m (48,811 sq ft) unit let to Woodie's DIY store (plus a 687 sq m (7,401 sq ft) external garden centre) and a 1,142 sq m (12,289 sq ft) unit let to Aldi Supermarket. The block also contains on the upper floors a total of 804 car spaces (some reserved for the offices) and to the front there is a surface car park. This is a substantial total provision of approximately 1,000 car spaces. The multi-deck includes trolley friendly lifts serving all floors.



THE RETAIL PARK DEVELOPMENT COMPRISES 157,156 SQ FT OF RETAIL,
74,172 SQ FT OF MODERN OFFICE SPACE, A 6-SCREEN CINEMA,
28 SELF-CONTAINED APARTMENTS AND A
MULTI-DECK PUBLIC CAR PARK

Cinema Building (Block B)

The ground floor contains two retail units, one let to Argos Extra and the other to Poundland trading as Dealz extending to 941 sq m (10,127 sq ft) and 784.5 sq m (8,444 sq ft) respectively. There is also a ground floor corner entrance to the cinema which occupies most of the upper floors and is owned by way of a standard long leasehold interest by the operator.



Heron House (Block C)

This block comprises a total of 2,008 sq m (21,614 sq ft) of retail space at ground and mezzanine levels with three upper floors of modern offices. All the office space was originally sold to third party investors under standard long leasehold interests. The ground floor is split into three retail units let and occupied by Boots, Maplin Electronics and Lifestyle Sports.



River House (Block E)

Comprises a 5 storey mixed use building with ground floor retail units and offices over 4 floors above. The offices in their entirety and also the ground level AIB branch were originally sold to third party owners under a long leasehold interest. The residual ground floor extending to 989 sq m (10,654 sq ft) comprises seven retail units including original tenants Fine Wines and DNG Condon. The asset management plan is to secure suitable food offerings to complement the Cinema and substantial office occupiers as well as the local catchment. Soba, a food retailer recently opened, while two small vacant units are being actively marketed.

Heron Gate Block

This block has a ground floor retail unit of 190.10 sq m (2,046 sq ft) with 28 self-contained apartments on the upper floors which are each held by third party occupiers via normal long leasehold interests. The ground floor retail unit was recently let to Roosters Piri Piri.

The free-standing Costa pod in the surface car park has 122.5 sq m (1,319 sq ft) with an outside seating area of 113.9 sq m (1,226 sq ft).

Park House (Block F)

Block F is a stand-alone 4 storey office building on the periphery of the Retail Park to the rear of the cinema block with a total of 2,457 sq m (26,451 sq ft). The office element of 1,281 sq m (15,951 sq ft) over 3 floors has recently been let in its entirety to Teamwork.com. The space was fitted out by the Vendors to office specification. The ground floor of 975 sq m (10,500 sq ft) is let to Dennehey's Gym, an established local operator.

The Atrium Building (Block D)

This block comprises a total of 2,554 sq m (27,491 sq ft) of retail and 5,685 sq m (61,204 sq ft) of modern vendor owned office space on the upper floors. The retail element is let and occupied by Heaton's and Next. These retail units front the internal park access road and the main public road which in turn divides the shopping centre and retail park into separate entities. This is a prominent block within the overall development. Heaton's occupy a store of 1,832 sq m (19,721 sq ft) while Next occupy an 844 sq m (9,079 sq ft) ground floor unit trading as Next at Home.

The office accommodation (built to third generation standards) is split over 5 upper levels with a feature atrium running through the centre of the building. Each floor is sub-divided into a range of office suites and accessed via a central core with two lifts serving all floors. Toilet facilities are within the demise of each suite, keeping service charge costs at a low level. Activision Blizzard (owners of Candy Crush Saga and Call of Duty computer game franchises) occupy most of the offices under various leases. They recently restructured 4 of their 5 leases to extend their occupation to 2022. Most of the office suites were originally sold to third party investors under a long leasehold interest. The Vendors have retained the following office suites and which form part of the sale:

Floor	Suite	Area Sq Ft	Occupier
1st	A	3,026	Diageo
1st	C	3,830	Vacant
2nd	G	2,045	Vacant
3rd	A,B,C	9,195	Blizzard Entertainment Inc.
3rd	D,H	13,545	Blizzard Entertainment Inc.
4th	B,C	5,688	Blizzard Entertainment Inc.
4th	F,G	3,113	Vacant
5th	A,B,C	8,446	Blizzard Entertainment Inc.
5th	D,E,F,G,H	12,315	Blizzard Entertainment Inc.
TOTAL		61,204	

THE ATRIUM BUILDING COMPRISES A TOTAL OF 27,491 SQ FT OF RETAIL AND 61,204 SQ FT OF MODERN VENDOR OWNED OFFICE SPACE ON THE UPPER FLOORS



HISTORIC FOOTFALL LEVELS

Retail Park Footfall

Year	Footfall Per Annum	Footfall Per Week
2012	3,149,806	60,573
2013	3,098,326	59,583
2014	3,153,253	60,640
2015	3,147,474	60,528
2016	3,500,875	67,325
2017	931,075	

Shopping Centre Footfall

Year	Footfall Per Annum	Footfall Per Week
2012	3,269,354	62,872
2013	3,430,385	65,969
2014	3,491,136	67,137
2015	3,454,345	66,430
2016	3,554,109	68,348
2017	1,018,860	



A DESTINATION RETAIL HUB WITH A PURPOSE BUILT SHOPPING CENTRE AND OPEN USE RETAIL PARK WITH OVERHEAD OFFICE SPACE



TENANCY SUMMARY & INCOME

The package has a current NOI of €7.39M per annum. The summary detail on the two components of the package are included in this section.

THE SHOPPING CENTRE

Blackpool Shopping Centre is let under the terms of 49 occupational tenancies across the mall, external units and offices. The major tenants by rent include New Look, Bank of Ireland, Euro Giant, Boyle Sports, McDonalds, Sam McCauley Pharmacy, Cork City Council and the HSE (Government health body).

The current Net Operating Income (NOI) is €3,649,258 per annum with 38% secured against multi-national brands.

The current WAULT is 5.58 years to earliest break / expiry. Assuming all current letting deals are completed the retail element of the centre will be 100% occupied.

The top 10 tenants, by rent, represent 55% of the total rent roll as follows:

	Tenant	Rent	Term Certain
1	New Look	€426,948	3.59
2	Health Service Executive	€270,000	8.08
3	Sam McCauley	€245,000	8.08
4	Euro Giant	€200,000	5.02
5	McDonalds	€190,461	8.08
6	Bank of Ireland	€179,697	8.08
7	Cummins Sport	€170,000	8.08
8	Cork City Council	€146,000	2.67
9	Boyle Sports Limited	€132,630	1.45
10	Bookstation	€115,000	3.88
		€2,075,736	5.83

OVER 38%
SECURED AGAINST
MULTI-NATIONAL BRANDS

INFORMATION ON TOP TENANTS

New Look Retailers (Ireland) Ltd t/a New Look

New Look occupy 6,333 sq ft within the mall, which is the largest mall unit (excluding Dunnes), as well as an additional 1,549 sq ft of storage space. They hold an upwards only lease from 01 January 2006 which expires on 31 December 2030 and there is a guarantee from New Look Retailers Limited at a current passing rent of €426,948 per annum. There is a tenant break option on 31 December 2020 subject to 6 months prior notice.

Health Service Executive (HSE)

The HSE occupy 15,696 sq ft of offices on the upper floors of one of the stand-alone buildings outside the north mall entrance to the shopping centre. They currently pay €270,000 per annum under a 24 year and 6 month upwards only lease from 01 January 2001.

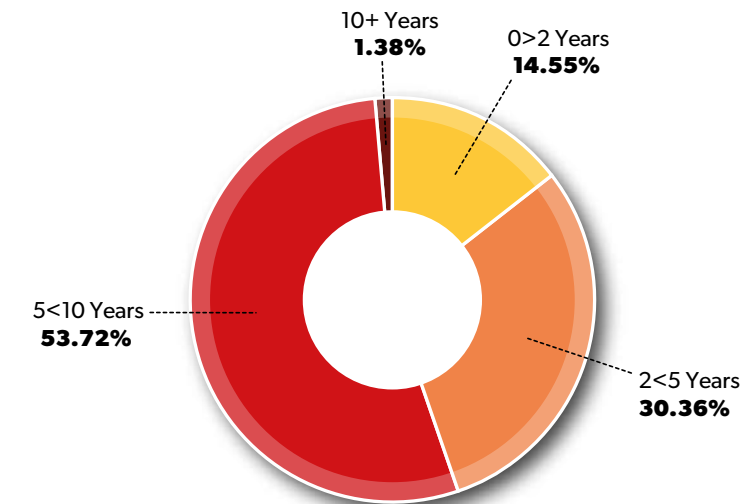
The lease expires on 30 June 2025, with no tenant break option, providing over 8 years secure income on this upwards only lease.

Sam McCauley Chemists (Blackpool) Ltd t/a Sam McCauley Chemists

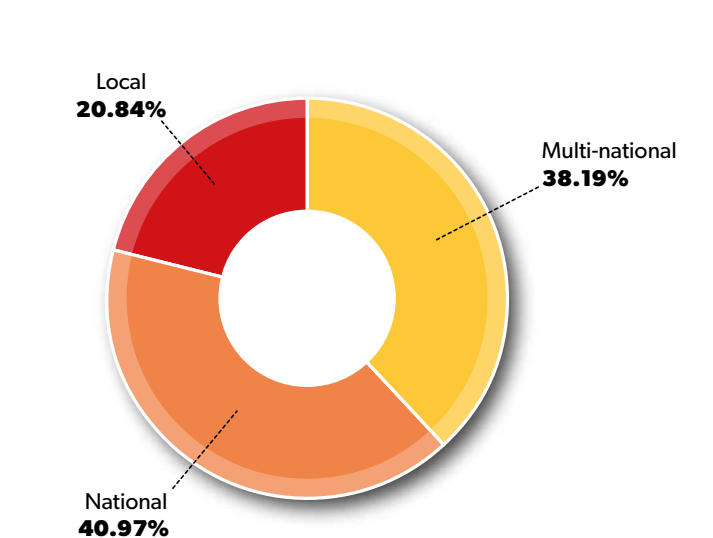
Sam McCauley Chemists is a well-established national retailer. The group currently operates 28 stores nationally, with a strong presence in Carlow, Cavan, Cork, Dublin, Kerry, Kilkenny, Tipperary, Waterford, Wexford and Wicklow.

The tenant occupies a large ground floor mall unit with internal access to the first floor under a 25 year upwards only lease from 01 July 2000 at a current passing rent of €245,000 per annum. There is a guarantee in place from Sam McCauley Chemists Limited and with no break option there is over 8 years secure income on this upwards only lease.

Income by Lease Expiry



Rent by Covenant Type



BLACKPOOL RETAIL PARK

Blackpool Retail Park is let under the terms of 19 occupational tenancies. The major tenants include Activision Blizzard, Woodie's DIY, Boots, Next and Argos.

The current Net Operating Income (NOI) is €3,738,695 per annum with 63% secured against multi-national brands.

The current WAULT is 6.63 years to earliest break / expiry. There are 3 small retail units vacant in the Retail Park and which when let represent a minor 2.7% of the total rent roll.

The top 10 tenants, by rent, represent 86.75% of the total rent roll as follows:

	Tenant	Rent	Term Certain
1	Blizzard Entertainment Irl Ltd	€758,040	5.33
2	Woodie's DIY	€395,000	12.34
3	Heatons	€360,000	1.08
4	Aldi Stores (Ireland) Limited	€328,000	4.25
5	Argos Distributors Ireland Ltd	€303,868	2.33
6	Digital Crew Ltd	€241,766	8.59
7	Next Group Plc	€227,025	1.79
8	Boots Retail (Ireland) Limited	€215,000	3.84
9	Maplin Electronics Limited	€207,584	12.51
10	Poundland Plc	€205,000	8.28
		€3,241,283	5.86

OVER 63%
SECURED AGAINST
MULTI-NATIONAL
BRANDS

INFORMATION ON TOP TENANTS

Heiton Group Plc t/a Woodie's DIY

Heiton Group Public Plc accepted a new lease on the property following the conclusion of the examinership process in 2012. This became effective from the 3rd September 2012. The current lease rent is €395,000 per annum from 30th September 2014 and would now be considered reversionary. The tenant has no break options in their lease with an expiry date of 29th September 2029.

Blizzard Entertainment Ireland Ltd

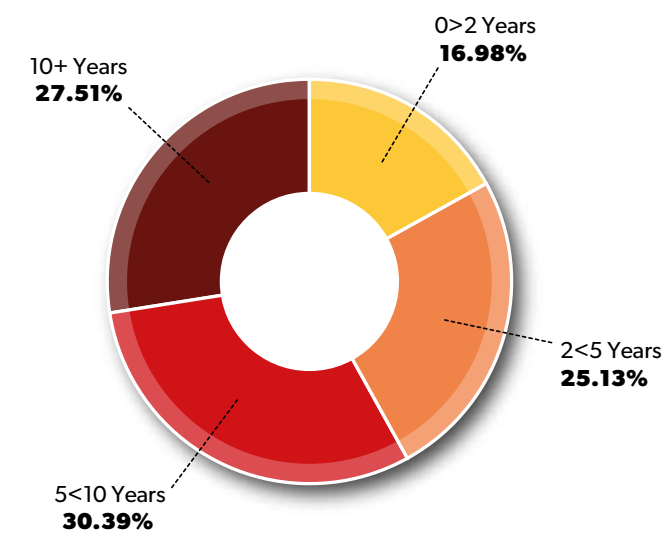
Blizzard occupy 52,210 sq ft of office accommodation within the Atrium Building (Block D). They occupy the space under 5 separate lease agreements with a cumulative rent of €758,040 per annum.

4 of the 5 leases have been re-gearred to remove break options in 2017 and securing a term certain to a break option in 2022 where a 3 month break penalty would apply if activated. In recent years the tenant has undertaken significant fitout upgrades to the office, gym and canteen.

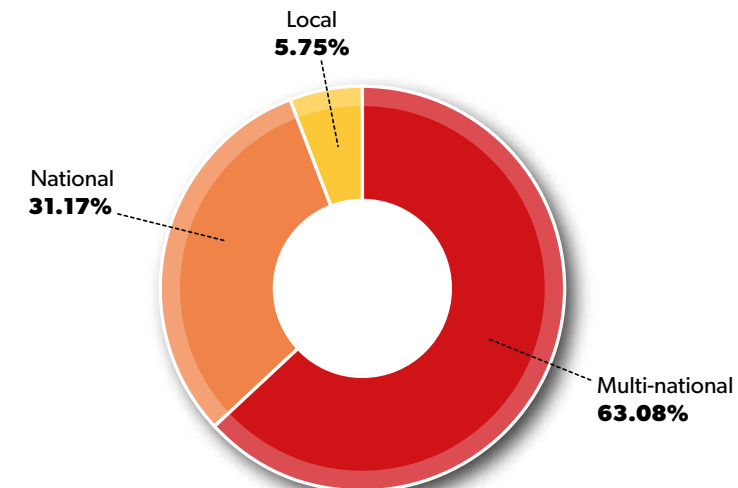
Maplin Electronics Ltd

Maplin Electronics occupy the unit under 25 year upwards only lease from 2004, meaning 12.5 years secure income. Maplin Electronics is a retailer of electronic goods in the UK and Ireland. There are approximately 218 Maplin Electronics stores in the UK and Ireland.

Income by Lease Expiry



Rent by Covenant Type



SERVICE CHARGES & MANAGEMENT BLACKPOOL SHOPPING CENTRE

Service Charge

The service charge regime is managed by HWBC through Blackpool Management Limited (Company Registration no. 324786), a fully audited and compliant Irish Registered Company. It is anticipated that the management company will be transferred to the incoming purchaser for a nominal sum.

Budget and Detail

The shopping centre service charge budget to 31st March 2018 is €1,143,000 net of VAT.

Year	Budget	Audits (Net of Vat)
31st March 2014	€1,118,600	€1,113,335
31st March 2015	€1,109,275	€1,080,334
31st March 2016	€1,109,500	€1,154,470
31st March 2017	€1,146,000	WIP
31st March 2018	€1,143,000	N/A

The shopping centre service charge budget encompasses the external blocks fronting the shopping centre and occupied by the Southern Health Board, City Library, Boyle Sports, McDonalds and Bank of Ireland amongst others. Service charge weighting discounts from the mall service charge (approximately €8.52 psf for 2017/2018) apply on the following basis:

Unit Type	Weighting
Shopping Centre Mall	100%
Shopping Centre Stores	25%
External Retail Units	75%
External Offices/Library	25%

The anchor unit Dunnes Stores extends to over 70,000 sq ft however for the purpose of service charge the unit has a defined area, as per the long lease, of 52,014 sq ft for the purpose of calculation.



Exclusions

All tenants contribute to service charge however a number of temporary inclusive rental deals are in existence. Please refer to the tenancy schedules provided in the data room.

Sinking Fund

The service charge budget makes provision for approximately €50,000 per annum in a reserve fund to cover expenditure incurred on fixed asset replacement.

Centre Management Fees

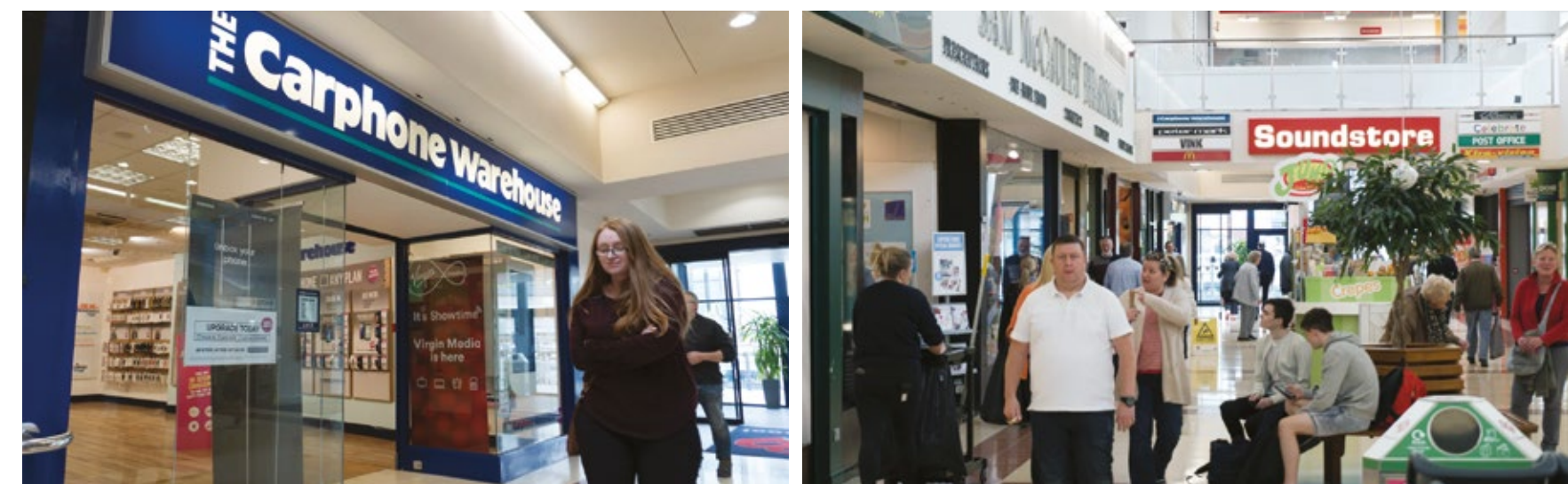
HWBC is responsible for the day to day running of Blackpool Management Limited, the service charge operator. Management fee is a fixed at €105,000 pa.

Marketing / Promotion Budget

The marketing and promotion budget of the centre is €70,000 for the year ending 31st March 2018. This portion of the budget includes various on-site events, radio/press opportunities, Christmas Decorations etc. All costs are recovered through the service charge budget. There is a Landlord marketing contribution of €15,000 per annum.

Insurance

The 2016/2017 insurance cost for Blackpool Shopping Centre is €28,999.73, provided by Chubb. The policy is standard for the nature of the asset and provides for a 48 month indemnity period with rent cover etc.





SERVICE CHARGES & MANAGEMENT BLACKPOOL RETAIL PARK

Service Charge

The service charge regime is managed by HWBC through Blackpool Park Management Limited (Company Registration no. 383148), a fully audited and compliant Irish Registered Company.

Blackpool Retail Park accommodates retail, office and residential tenants and as such is subject to a range of budgetary costs. The Service charge regime is sub-divided to the following categories and budgets:

Budget Type	Approx Rate	Comment
Blackpool Retail Park Budget	€2.62 psf	Payable by all commercial demises in the park
Specific Building Budget	€0.30 psf	Specific to each block in park
Office Budget	€1.93 to €2.40 psf	Specific to block C, D and E offices

Budget and Detail

Blackpool Park Budget

The park service charge budget to 31st March 2018 is €599,500 which includes a reserve fund allocation of €10,000. This budget is responsible for the common areas of the park to include the surface car park, multi-storey etc. The apportionment for 2017/2018 equates to approximately €2.62 psf for the deemed service charge area of the park. This cost is absorbed by all retail and office tenants within the park.

Specific Building Budget

In addition to the overall park budget there is an additional building budget which covers contribution to a reserve fund for the building and management fees.

Building Name	Budget
Block F	€8,250
Block E2	€18,831
Block E1	€2,530
Block E1 – AIB Only	€843
Block D	€52,614
Block C	€21,339
Block B	€12,426
Block A	€21,346

On a pro-rata basis, the above budgets equate to €0.30 psf of the deemed service charge area.

Specific Office Budget

The office budgets provide for day to day repairs and maintenance of common areas to include light and heat, cleaning, water rates, management fees as well as a contribution to a reserve fund.

Office Block	Budget	Psf
Block E2	€66,000	€1.40
Block D	€126,500	€1.16
Block C	€35,600	€0.90

Exclusions

All tenants contribute to their due proportion of service charge, rates and insurance.

Sinking Fund

The park service charge budget makes provision for €10,000 per annum in a reserve fund to cover expenditure incurred on fixed asset replacement. Each of the separate building and office budgets also make provision for reserve funds for the specific buildings / common areas.

Sinking Funds	Annual Reserve Fund	Balance in Bank account as at 31.03.17
Blackpool Shopping Centre	€ 50,000	€ 244,952
Park Service Charge	€ 10,000	€ 182,379
Block E2 Offices	€ 9,000	€ 7,158
Block E1 Building	€ 2,300	€ 7,158
Block C Offices	€ 9,000	€ 78,549
Block D Offices	€ 25,000	€ 149,474
Block E2 Building	€ 17,119	€ 94,845
Block E1 - AIB only	€ 767	€ 767
Block C Building	€ 19,399	€ 185,394
Block B Building	€ 11,296	€ 118,133
Block A Building	€ 19,405	€ 200,340
Block d Building	€ 47,831	€ 427,270
Block F Building	€ 7,500	€ 1,875
Total	€ 228,617	€ 1,698,293

Management Fees

HWBC is responsible for the day to day running of Blackpool Management Limited, the service charge operator. Management fees are fixed fee based with the exception of the management fees on the building budget this is 10% of the reserve fund.

Park Service Charge	€55,000
Block E2 Offices	€5,000
Block C Offices	€5,000
Block D Offices	€11,500
Block C Building	€1,940

Marketing / Promotion budget

There is a promotion and marketing allowance of €6,000 within the park service charge budget. The Landlord makes a €2,000 contribution to marketing.





ASSET MANAGEMENT ACTIVITY BLACKPOOL SHOPPING CENTRE

- Poorly performing tenants have been managed out of the scheme and replaced with well recognised multiple brands. The Food and Beverage offer on the Mall has been significantly enhanced, common toilet and baby change facilities have also been refurbished.
- Within the main mall lettings have been agreed to multiple brands establishing a €40 sq ft tone of rental value for a single unit; recent lettings include CEX, Insomnia, The Works and Vodafone.
- Other current lettings in the pipeline include Permanent TSB (subject to Planning Permission) and Hassett's Bakery.
- The main mall is fully occupied.

Current Asset Management Activity

- Design work and feasibility studies undertaken for a potential TK Maxx first floor anchor store together with various discussions with them. Plans and specification are at an advanced stage. There is also strong interest from Costa in a ground floor external unit.
- Good interest has been received from Superdrug amongst others in a potential amalgamation of Units 7, 8 and 9, as relocations for existing occupiers are agreed.

BLACKPOOL RETAIL PARK

- Refurbishment and letting of Block F offices at €15 sq ft, this has set a new headline rent for offices in Blackpool. There is further interest in smaller suites at this level.
- Surrender and re-letting of previous Carpet Right unit to Poundland t/a Dealz.
- Re-gear of Blizzard leases to remove 2017 break options with Blizzard committed to 2022 at an overall rent of €15.26 sq ft.
- Letting of smaller units to food uses to leverage Cinema use, recent lettings include; Soba Noodles and Roosters Piri Piri.

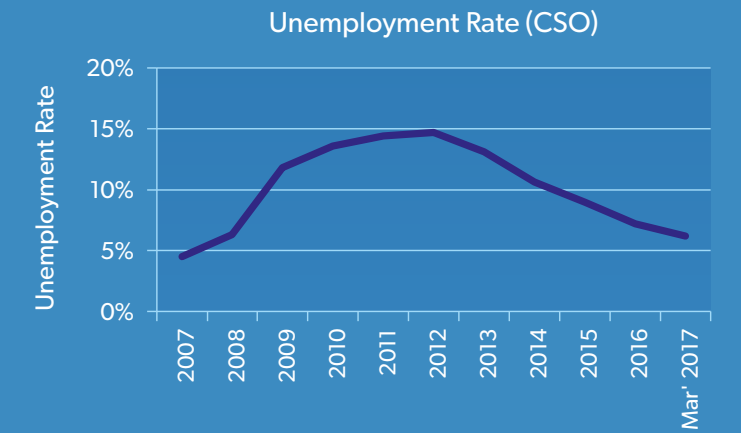
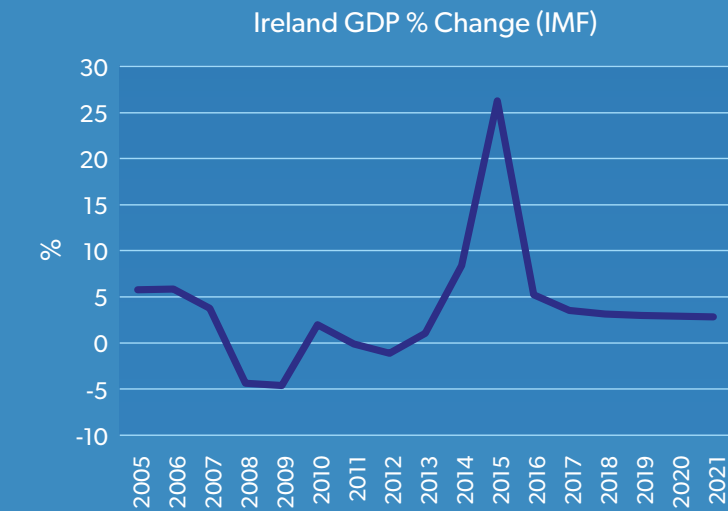
Current Asset Management Activity

- District Centre zoning allows 'open retail' lettings offering potential to churn bulky goods type retailers out of the Park.
- Exercise of landlord break option in Lifestyle Sports lease and re letting of Unit C3 at new market rent. Expressions of interest received indicating a level of €30 per sq ft.
- Possible re-gearing of leases with up-coming break options.
- Securing lettings for remaining smaller vacant office and retail units will also enhance income.
- Potential for further office development on the site.

Please note that all asset management activities are subject to contract, and future activities subject to negotiation, agreement, contract and in some instances, planning permission.

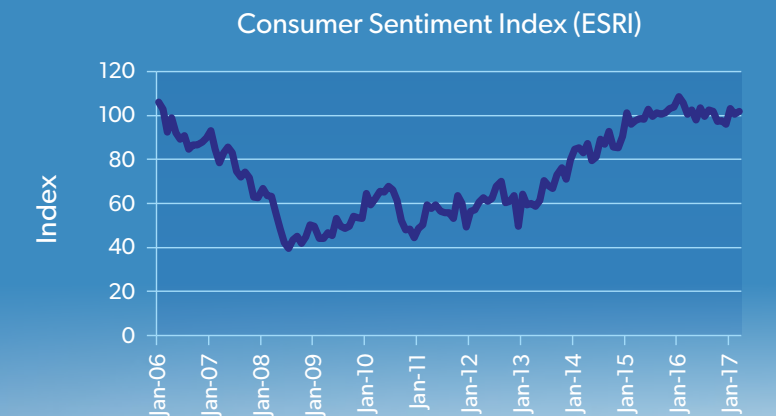
WHY INVEST IN IRELAND?

- Ireland was the fastest growing economy in Europe in 2014, 2015 and 2016 with GDP growth of 8.5%, 26.3% and 5.2% respectively (IMF). This 2015 GDP figure was an anomaly caused by one-off asset relocations and a change in contract manufacturing arrangements.
- The improvements to the economy are also positively impacting labour markets. Unemployment levels have decreased from 9.9% in March 2015 to 6.4% in March 2017 (CSO). The unemployment rate has steadily fallen from 15.2% in February 2012.



- Forecasts show continued strength and stability, with 3.5% in 2017 and an average of 3.1% growth per annum for the next 5 years (IMF).
- Export and import growth remain steady. The recovery of the economy has broadened from an export-driven rebound, to one with a strengthening domestic economy, and this is likely to be a main driver of future growth.

- Irish consumer sentiment has remained steady in the first 3 months of the year. The KBC Bank Ireland / ESRI consumer sentiment index increased to 101.9 from 96.2 in December 2016. This slight increase in sentiment only partly corrects the decline in sentiment towards the end of 2016.



RETAIL OUTLOOK AND PERFORMANCE

The retail market continues to perform steadily, with improved overall performance in the last number of years.

- Prime continues to perform the most steadily in terms of demand and market performance. Well-positioned secondary schemes with steady levels of footfall are performing well.
- Conversely for convenience stores, which had previously focused on larger-style stores, they are now in search of smaller units of approximately 15,000 sq ft. Occupiers in this category include M&S Simply Food, Aldi, Lidl and Iceland.
- Demand from restaurant occupiers is likely to continue to pick up pace, in particular within shopping centres. For schemes, incorporating a restaurant element and getting the food blend right, is an important differentiator in attracting customers out of their house, and is particularly valuable in increasing shopper dwell time.
- Prime shopping centres continue to perform well in terms of demand, activity and rents. Regional-sized schemes are performing the best. Most of the larger schemes are trading at between 95% to 100% occupancy.
- Retail rents have been stable for the last number of years, but we are forecasting future rental growth in prime schemes, caused by continued steady demand and limited availability of units. JLL rental forecasts for shopping centres are steady, with an average increase of 3.2% per annum for the next 3 years (Oxford Economics).
- Secondary schemes are performing steadily in areas where there is a clear retail hierarchy, good catchment population and a high level of footfall. Schemes that have a good anchor tenant, and also offer a leisure attraction such as restaurants or cinemas, are also performing most steadily.
- There are unfulfilled occupier requirements from a variety of domestic and international occupiers. Current target tenants for owners include: Superdrug, H&M Kids, Schuh Kids, Next, Superdry, Card Factory, The Works and Mint Velvet.



IRISH SHOPPING CENTRE INVESTMENT DEMAND

- Retail, and in particular shopping centres, was the dominant investment asset class in 2016, accounting for 50% of total year-end volumes. In total, €3.2 billion of retail assets have traded in the last 2 years.
- The top 3 retail transactions accounted for 78% of all retail investment volumes in the year.
- The supply of retail assets brought to the market have been met with strong demand from both domestic and overseas buyers, but in particular overseas buyers, who have been the most active in this sector.
- The table below sets out the top shopping centre investment transactions since in the current cycle:

Quarter & Year	Property	Sale Price	Income Yield	Purchaser	Vendor
Q1 2017	Merchant's Quay Shopping Centre, Cork	€13.7m	4.50%	Clarendon	Atrium Nominees
Q4 2016	Liffey Valley Shopping Centre	€632m	4.80%	BVK	HSBC / Hines / Grosvenor
Q4 2016	Lucan Shopping Centre, Lucan	€43.5m	5.51%	Savills IM	Starwood / Key Capital
Q2 2016	Blanchardstown Town Centre	€950m	4.90%	Blackstone	Green Property
Q2 2016	Globe Retail Park	€25.45m	6.68%	Friends First	Green REIT
Q2 2016	Childers Road Retail Park	€45.5m	5.90%	Irish Life	Harcourt Life
Q1 2016	Whitewater Shopping Centre	€180m	6.23%	DEKA	NAMA / Ballymore
Q1 2016	Golden Island Shopping Centre, Athlone, Co. Westmeath	€43.5m	6.82%	Credit Suisse	Tesco Ireland
Q4 2015	Wilton Shopping Centre, Cork	€76.6m	5.93%	York / Clarendon	NAMA
Q2 2015	National Portfolio (5 retail parks including Nutgrove Retail Park)	€177.27m	6.57%	Davidson Kempner	Bank of Ireland
2015	Frascati Shopping Centre, Blackrock, Co. Dublin	€68m	5.2%	Invesco	Private

- Shopping Centre yields have compressed significantly in the last 18 months. Recent deals show the relevant shopping centre yields are now sub 6%.
- All the prime regional-sized schemes have now traded so we expect a period of consolidation of activity in this sector, as new owners develop their asset management plans to take advantage of reasonably good occupier conditions. There is potential for extensions in all these schemes but otherwise there is no new supply.





ACTIVE CORK OFFICE MARKET

The new Cork city centre office developments are all let. The JCD Group 15,235 sq m (164,000 sq ft) office block, One Albert Quay was sold to Green REIT last year and included Tyco, PWC and Horton Works amongst its tenants, mostly as pre-lets prior to completion. Their new 6,782 sq m (73,000 sq ft) Capitol project on Grand Parade is under negotiation to sell with a €45m lot size. Its new office tenants include Facebook subsidiary Oculus VR, AlienVault and Huawei.

Navigation Square, also on Albert Quay, a 24,154 sq m (260,000 sq ft) office development by O'Callaghan Properties, will be starting on site with part pre-let currently under negotiation. Prime Cork CBD modern office rents are currently in the €26/28 psf range and expected to achieve €30 psf in the short term.

In the suburban office market, Mahon (south of the city) has been the most active with a 20,159 sq m (217,000 sq ft) office block completed in 2014 and sold to Irish Life Assurance Co. Tenants include EMC, Quest, FireEye etc. There is further office development planned for the location. Rent levels are in the €18/20 psf range. In Blackpool (north of the city), the shopping centre and retail park dominate the local office market. The latest letting of 1,751 sq m (18,848 sq ft) to Teamwork was at €15 psf and which is evidence of ongoing growth in rents in the location.

There is a clear rising rent trend in Cork modern offices in the established locations both CBD and the suburbs.



TITLE

There is a title summary provided in the dataroom.

Blackpool Shopping Centre

The Shopping Centre is held under a freehold title.

Blackpool Retail Park

The Retail Park is held under a freehold and long leasehold title.





LEVERAGE POTENTIAL

Blackpool is suitable for both full equity investors and leveraged buyers. The asset has existing modest debt over 50% with an Irish bank. The bank ideally wishes to provide a suitable debt facility to a new purchaser. We confirm the asset is being offered for sale on a debt free basis.

INVESTMENT PROPOSAL & SUMMARY

- The Blackpool investment sale is unique in that there are no comparable quality larger volume retail investment assets for sale in the Irish market.
- Blackpool represents stable and secure long established income producing assets.
- The two components together provide a substantial critical mass of retail trading space for their wide catchment area. The Retail Parks modern office element is a further attraction.
- Part of the Retail Park's base case attraction is the larger format stores in an inner city urban setting as opposed to a stand-alone park. The Shopping Centre provides traditional format retail space in a covered mall with a large food and department store anchor. Both offers are entirely complementary.
- Low rent bases across all parts of the asset providing rental growth opportunity.
- There are real "value add" asset management initiatives.
- Substantial free public car parking provision.
- For leveraged investors, a debt package, will be available which will provide attractive cash on cash returns.

The guide price is €117m subject to contract. A purchase at this level produces for a purchaser an attractive net income yield of 6.05% after allowance for normal acquisition costs of 4.46%.

Note: No contract shall exist or be deemed to exist until formal contracts have been executed and exchanged and a deposit paid.



FURTHER INFORMATION

A detailed Tenancy Schedule and additional documentation is available in the dedicated data room www.blackpool-shopping.com

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PROPERTY MISREPRESENTATION ACT

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Blackpool

SHOPPING CENTRE & RETAIL PARK

CORK, IRELAND

