

T H E P R E C I N C T
C O V E N T R Y

A PRIME, DOMINANT, RETAIL INVESTMENT OPPORTUNITY IN THE HEART OF COVENTRY CITY CENTRE



COVENTRY |
Building Society



cardfactory



MOSS

COSTA
COFFEE



Foot Locker.

SKECHERS

INVESTMENT CONSIDERATIONS

A **prime, dominant** retail investment opportunity in the **heart of Coventry city centre**, which has benefitted from **transformational** wider investment

- ▶ The Precinct is a dominant, open-air retail destination extending to **90,842 sq ft (8,440 sq m)** and **anchored by a 10,622 sq ft JD Sports**
- ▶ Coventry is the **9th largest city in the UK** and benefits from the **largest FDI outside of London**
- ▶ Coventry benefits from an **excellent strategic position** at the hub of the **national motorway network with direct access to the M6, M69 and M40** motorways as well as train travel to **London Euston in under an hour** and Birmingham in 20 minutes
- ▶ The Precinct estate has been **transformed by Coventry City Council**, who have invested **£20m** to enhance the public realm and the attractiveness of the environment
- ▶ Excellent mix of national retailers including **JD Sports, Skechers, Holland & Barrett, Card Factory, Costa and Footlocker**
- ▶ Long Leasehold from Coventry City Council, expiring 2138 and therefore having approximately **113 years unexpired**
- ▶ Strong **WAULT** to expiry of 4.99 years
- ▶ **60%** of gross income is secured against the **top 10 tenants** in the scheme
- ▶ **85%** of gross income is secured against **national multiple retailers**
- ▶ The Precinct benefits from **architectural merit** and **listed building status** and is therefore not liable for empty business rates
- ▶ Total gross income of **£2,407,790** per annum
- ▶ Net operating income, after deductions of Landlord shortfalls and a non-recoverable contribution to marketing, of **£2,223,270 per annum**







City Village Student Accommodation

IQ Student Accommodation

West Orchards Shopping Centre

Coventry Cathedrals (Old and New)

Cathedral Lanes

Lower Precinct

Coventry City Centre Cultural Gateway (IKEA Block)

Coventry Market

The Wave Waterpark

Coventry Station

COVENTRY

The cathedral City of Coventry is located within the heart of the country, 90 miles (145 km) north of London and 15 miles (24 km) east of Birmingham. It is one of the major commercial centres within the West Midlands, as well as being a major retail destination.





CONNECTIVITY

Coventry benefits from excellent connectivity, with over 75% of England within a 2 hour drive, and is recognised as a top London commuter city with a travel time to London of less than 1 hour.



Road communications are strong given Coventry sits at the intersection of the UK motorway network. Motorways and major arterial routes accessed from Coventry include the M1, M5, M6, M69 and M40 connecting Coventry to other key destinations in the region such as Warwick, Birmingham, Rugby or Leamington Spa.

Coventry has an impressive rail network, running regular services between London Euston (less than 60 minutes) and Birmingham New Street, with services extended on to destinations such as Preston, Glasgow and Edinburgh, Blackpool and Wolverhampton. Coventry is the second busiest station in the West Midlands, after only Birmingham New Street. The train station is located just a 10-minute walk away from The Precinct. The Coventry Very Light Railway (CVLR), the first new line connecting the station to the city centre, is expected from 2025. A comprehensive transformation of the station was completed in 2022 costing circa £82m. The improvements include a new 629 space car park, footbridge, redesigned entrance, and significant enhancement to the public realm.

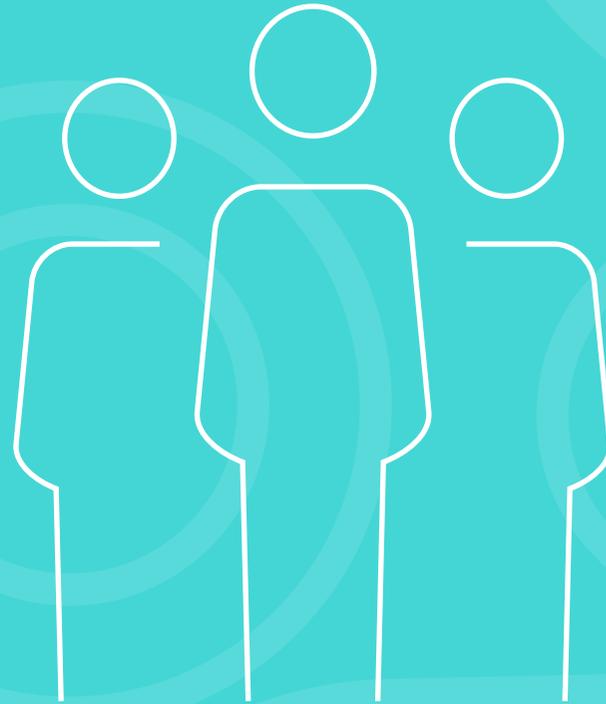


The closest major international airport to Coventry is Birmingham, which is located 8 miles (13 km) to the north, with direct links to over 150 locations. 2024/2025 saw a record year of passenger numbers for Birmingham Airport, with more than 13 million passing through the transport hub.



CATCHMENT & DEMOGRAPHICS

As the 9th largest city in the UK and a key hub in the midlands, Coventry benefits from an extensive catchment. The University of Warwick is ranked 9th in the UK (Guardian University Guide 2024), with an international academic presence in Design, Health and Digital Media.

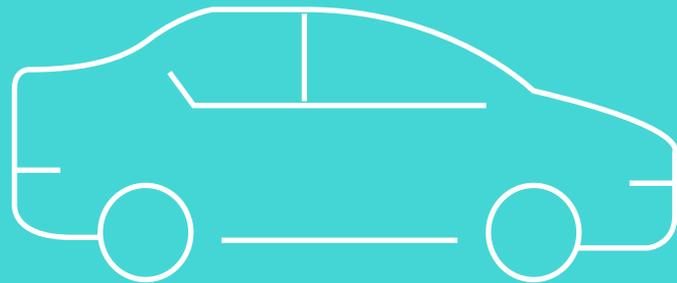


262,229

Population within a 10-minute drivetime catchment

663,744

Population within a 20-minute drivetime catchment



Within a 20-minute drivetime catchment of Coventry

35%

of the catchment are classified as Upper-Middle and Upper Affluence.



£692M

Total annual retail & leisure expenditure within a 10-minute drivetime catchment

£1.92BN

Total annual retail & leisure expenditure within a 20-minute drivetime catchment



Source: Experian (2025)

RETAILING IN COVENTRY

Coventry city centre has benefitted from recent extensive upgrades, which have significantly improved both the retailing environment and public realm. The regeneration of The Precinct's spaces have included works such as water features, new lighting, new paving stones and enhanced greenery. Coventry city has pioneered a number of firsts, most specifically the first fully pedestrianised town centre.

Retail and leisure provision in Coventry is split broadly across three shopping centres (Lower Precinct, Cathedral Lanes and West Orchards). Lower Precinct comprises the primary covered shopping centre, focussing on fashion operators such as River Island, Superdrug, H&M and New Look. West Orchards comprises the secondary, value-orientated pitch and Cathedral Lanes accommodates leisure operators. The prime retail pitch is accommodated at The Precinct. Coventry city centre attracts major international retailers, with key anchors across the city including Marks & Spencer, Primark and Frasers, as well as Footlocker and JD Sports, who are included within the ownership of The Precinct.



LOCAL DEVELOPMENT & INVESTMENT

Coventry is a vibrant, ambitious city in the heart of the Midlands, known for its rich heritage, diverse culture, and high quality of life.

The city is home to globally renowned commercial innovators including Jaguar Land Rover, Octopus Energy, E.ON, Amtico Flooring and over 10,000 active businesses (Coventry City Council). Over the past decade, the city centre has experienced exponential growth, attracting the highest level of foreign direct investment outside of London.

The city was recently ranked the 8th best city to live, work and do business by PWC. It was also recently identified by The Guardian as **'one of the five standout UK cities for jobs and business'**.

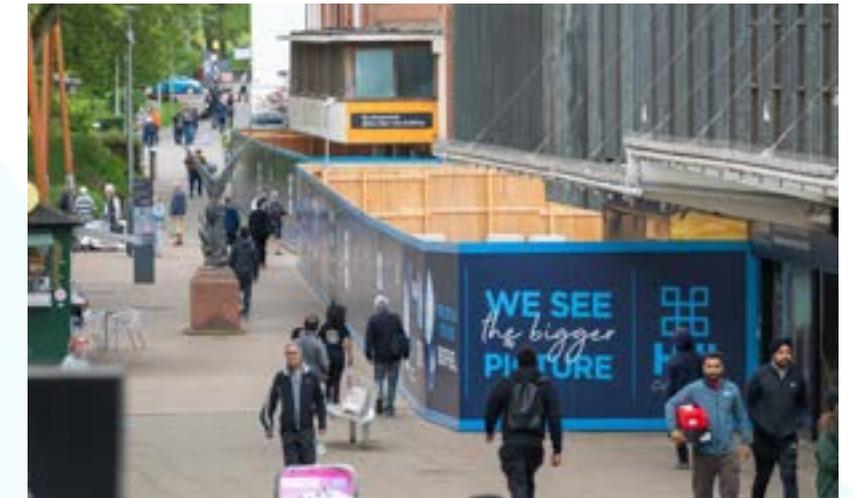
City Centre South (CCS) Regeneration

City Centre South is a £450 million regeneration project brought forward by Hill Group and Shearer Property Group, who are collaborating with the council and WMCA to deliver the regeneration. The transformational development will encompass an extensive 16 acre estate including Bull Yard, Shelton Square, City Arcade and Hertford Street. West Midlands

Combined Authority (WMCA) has provided £113 million in funding, which makes City Centre South one of the largest investment in a single regeneration scheme in the region. The project is set to transform one third of Coventry's City Core.

The development is expected to be complete by 2034, and is set to deliver:

- ▶ 1,575 new homes, including a mix of studio, one, two and three bedroom apartments
- ▶ 8,000 square metres of new commercial space, including a variety of retail, café and restaurant establishments
- ▶ A community health centre and a potential 150-room hotel in the second phase
- ▶ 17,000 square metres of public open space, including replicas of the iconic William Mitchell murals
- ▶ Significant cultural and heritage considerations





Friargate Business District

Coventry & Warwick Gigapark

The Coventry & Warwick Gigapark is one of three key sites within the UK Government's new West Midlands Investment Zone set to power the UK's electrified future. The four adjoining sites total 2.5 square kilometres and straddle the border between Coventry and Warwickshire, with the development providing direct access to a world-class ecosystem of advanced manufacturing and R&D. The Gigapark has the potential to create 6,000 jobs in battery production and EV supply chain and is a collaboration between Coventry City Council, Warwick District Council and Warwickshire County Council.

DHL E-Commerce Hub

In February 2025, DHL e-commerce opened a £230 million, 25,000 sq m state of the art facility located just south of Coventry airport and set to handle one million parcels per day. The hub is set to support the growth of domestic and international e-commerce for UK businesses and create up to 600 local jobs, bringing significant benefit to Coventry and the wider economy.

Friargate Business District

The Friargate Business District comprises a joint venture between Coventry City Council and the Cannon Kirk Group - an Irish property investment business with backing from Oaktree Capital Management. Occupying a strategically important site Friargate Business District is a transformational £700 million development located adjacent to the recently refurbished Coventry railway station. The scheme spans 36 acres (3.2m sq ft) and is set to create a vibrant, mixed-use international business hub. The development will include 2.35 million sq ft of Grade A office space, 400 new homes and an estimated 15,000 new jobs. One Friargate is already complete, accommodating tenants such as Coventry City Council, The Financial Ombudsman Service, Ofqual and Homes England.

Two Friargate comprises 135,000 sq ft over 12 storeys and accommodates the UK headquarters of Octopus Energy and SEGRO. The regionally acclaimed and award winning Hotel Indigo opened in early 2024, bringing a boutique 100 room hotel to the city to support the arrival of world class business tenants.

Spon End

In April 2025, Citizen Housing submitted a hybrid planning application relating to the first of a three phase redevelopment of the Spon End Estate - a former council estate situated to the west of Coventry City Centre. The submitted plans include an ambitious £120 million redevelopment programme which will see the construction of 750 new homes and c.60,000 sq ft of commercial and community space.

Coventry East

Proposals have been earmarked by West Midlands Rail for the development of a new railway station, with a 300-space multi storey and park and ride facility in Binley/Willenhall, east of Coventry City Centre. The station will facilitate trains along the Coventry-Rugby line and is proposed to be funded by the West Midlands combined Authority following their £1m funding from the Department of Transport.

Coventry Very Light Railway

In virtue of Coventry's forecasted population growth, Coventry City Council are spearheading an emerging mass transit solution to enhance urban

connectivity throughout the city. The Coventry Very Light Railway (CVLR) is a research and development project, using the latest automotive expertise from the region to develop an innovative railway design, and deliver an affordable light rail system across the city. The initial route is planned to run between Coventry Railway Station and the city centre.

Coventry Strategic Energy Partnership

The Coventry Strategic Energy Partnership is a 15-year joint venture between Coventry City Council and E.ON, aiming to deliver innovative decarbonisation solutions and build a greener, healthier city. Through nine focused programmes, including solar energy, building decarbonisation, EV charging, and community benefit, the partnership will implement sustainable infrastructure projects that support Coventry's net zero ambitions and deliver long-term social, economic, and environmental value.

The city's rail network has seen significant investment over recent years. The city's main station has recently undergone an £82m refurbishment in anticipation of the improved links to the region following the opening of HS2 to Birmingham in 2029.



Coventry & Warwick Gigapark CGI



9TH

largest city in the UK

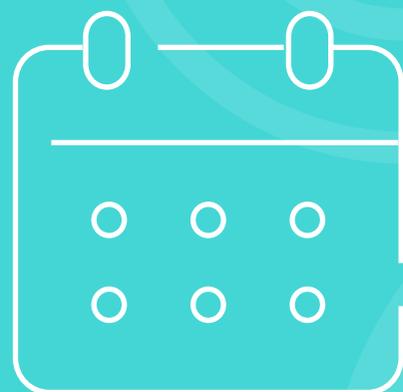


60%

of income secured
against top 10 tenants

4.99

years WAULT to expiry



90,842

sq ft of retail and ancillary accommodation



PRIME

retail pitch in Coventry



LIMITED

vacancy with strong income returns



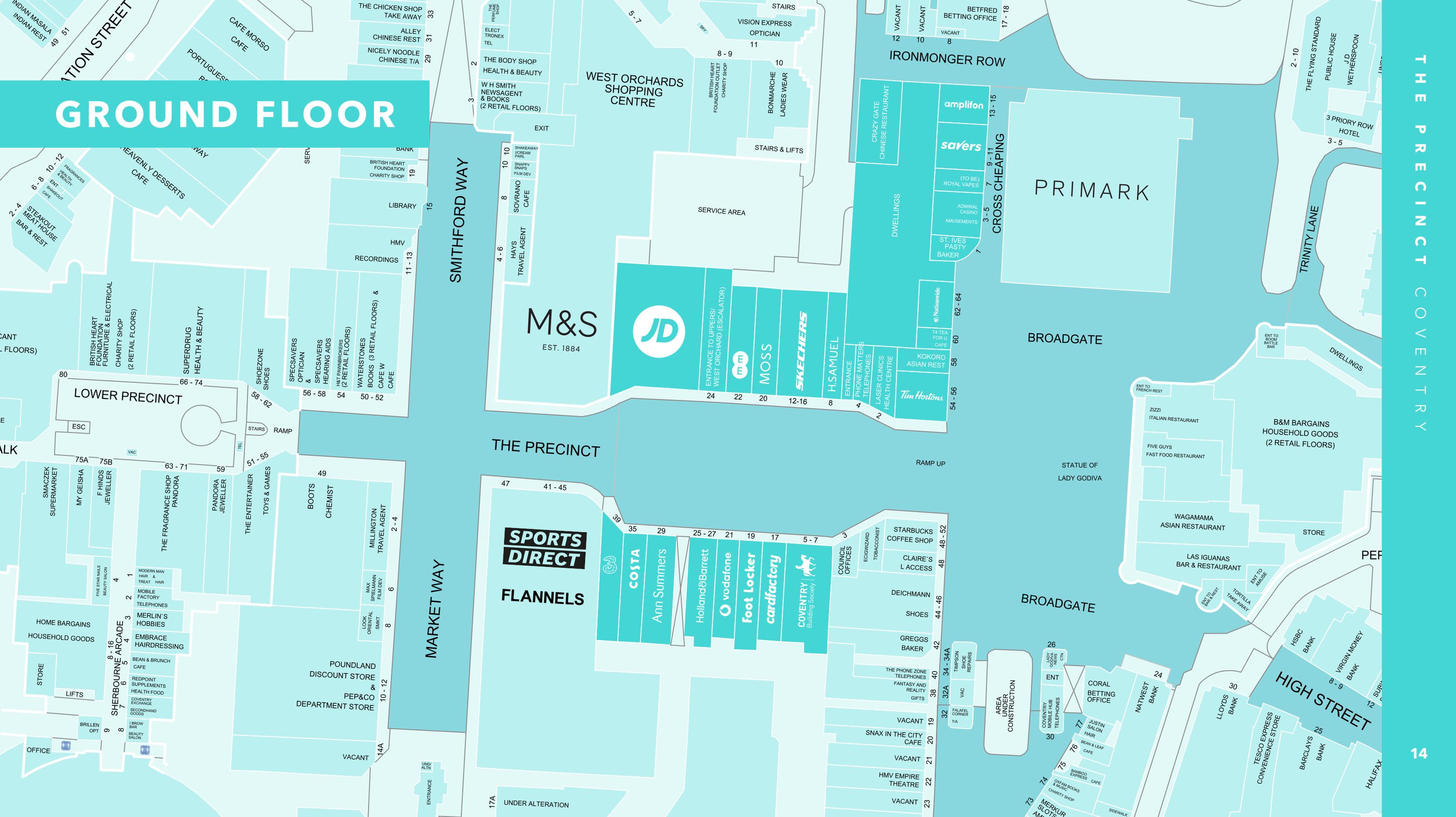
THE PRECINCT

The Precinct provides **90,842 sq ft (8,440 sq m) of retail and ancillary accommodation**. Mercia Lodge, which sits above retail parade on the north side, is let to English Rose Estates and comprises approximately 32,000 sq ft.

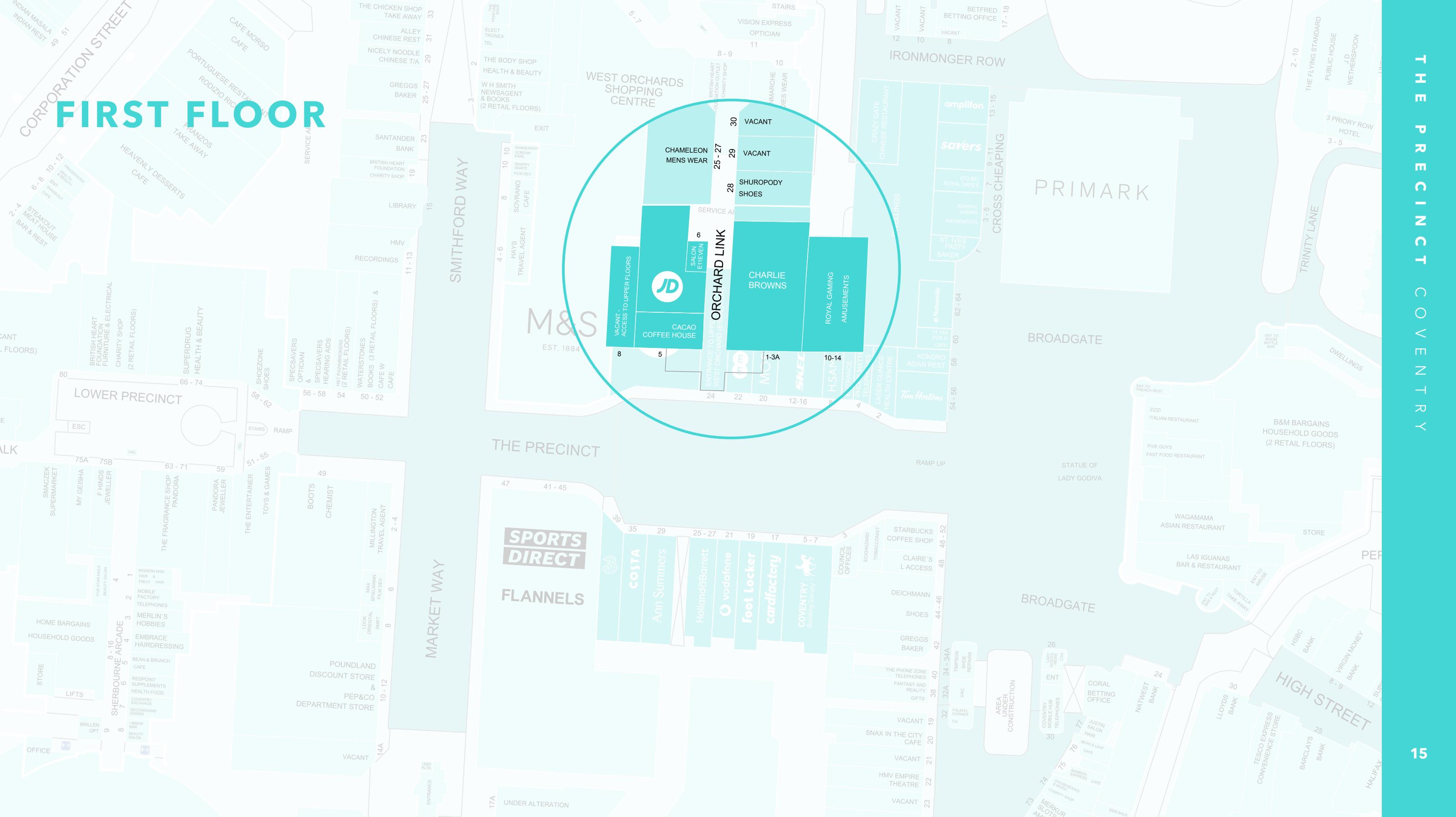
The parade is the prime pitch in Coventry, and comprises both sides of The Precinct, culminating in 18 units as well as 4 units with frontage to Broadgate, 5 units with frontage to Cross Cheaping and 4 units with frontage to Orchard Link which provides access to the West Orchards Shopping Centre at first floor level. Mercia Lodge benefits from a main entrance onto Broadgate.



GROUND FLOOR



FIRST FLOOR



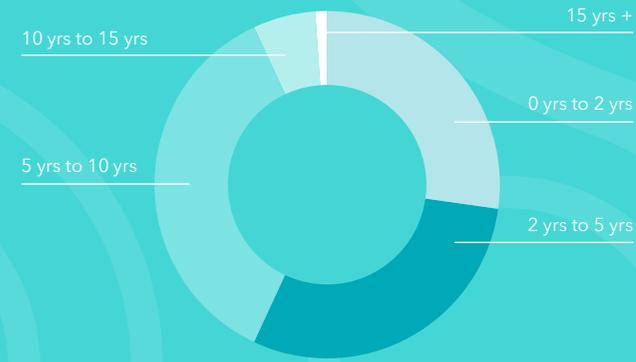


INCOME ANALYSIS

The Precinct has an attractive and robust income profile, with **51% of net operating income secured against leases with greater than 5 years to expiry**, and an overall **WAULT to expiry of 4.99 years**.

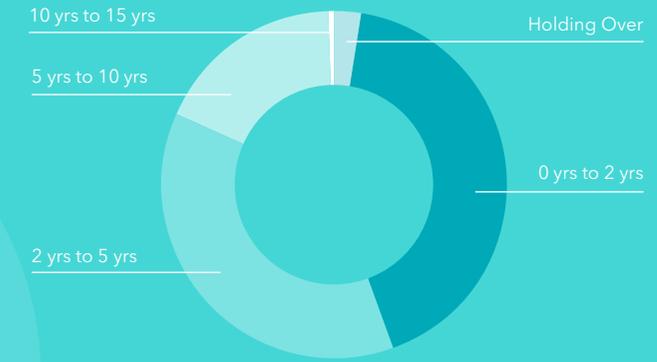
Over 60% of net operating income at The Precinct is secured against entities classified by Income Analytics as having a Low Risk profile.

Top Tenants	Proportion of Total Gross Rent	Unexpired Term
SKECHERS	5.81%	8.22
Holland&Barrett	5.19%	5.78
cardfactory	4.15%	5.25
COSTA	4.15%	4.58
COVENTRY Building Society 	3.92%	6.97
	3.85%	5.06



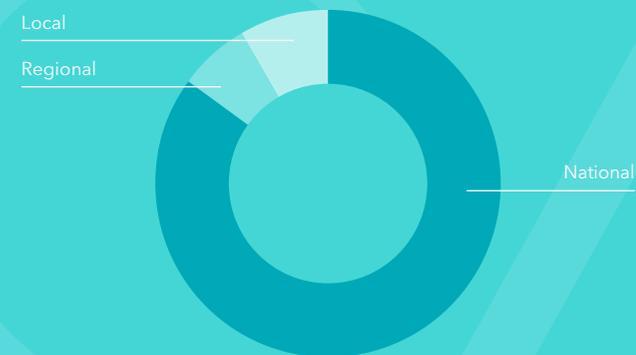
Income Expiry Profile (No Breaks)

0 yrs to 2 yrs	£648,000	26.91%
2 yrs to 5 yrs	£739,390	30.71%
5 yrs to 10 yrs	£861,800	35.79%
10 yrs to 15 yrs	£135,000	5.61%
15 yrs +	£23,600	0.98%
Weighted Average Unexpired Term	4.99 years	



Income Expiry Profile (Breaks)

Holding Over	£60,000	2.49%
0 yrs to 2 yrs	£999,000	41.49%
2 yrs to 5 yrs	£915,890	38.04%
5 yrs to 10 yrs	£422,300	17.54%
15 yrs +	£10,600	0.44%
Weighted Average Unexpired Term	3.04 years	



Income Profile by Covenant

National	£2,016,190	85.01%
Regional	£158,000	6.66%
Local	£197,500	8.33%



Income by Use Type

Retail	£2,003,690	84.48%
Restaurant / F&B	£364,500	15.37%
Office	£3,500	0.15%



ASSET MANAGEMENT

Reletting of Vacant Units and Regears

The Precinct is exceptionally well-let, having benefitted from strong tenant demand and a successful business plan, however there is one vacant unit which offers the opportunity to capture reversion and drive the net operating income forward. Estimated rental value for this unit is £20,000 per annum, with current shortfalls of £13,399 - lease up of these units therefore offers the opportunity to increase net operating income by £33,399 per annum.

Securing tenants with shorter unexpired terms would further enhance the income profile, with targets including JD Sports and Three.

66 Broadgate (Mercia Lodge)

Mercia Lodge, a student accommodation block, is granted on a lease to English Rose Estates expiring 2138, with a current rent payable is £7,100 per annum. Investigation should be sought as to whether there is appetite for a regear of this lease, which could generate a capital receipt and / or enhanced income returns. Disposal of the upper parts to English Rose Estates should also be explored, which would allow them to expand the Mercia Lodge offering.

Acquisition of Freehold

The headlease is currently granted until 2087, with an option to extend for a further 51 years, therefore expiring 2138. The gearing is at 8.50% of net rents, less permitted deductions, which include 3% of gross rents received and any capital expenditure incurred on alterations, renewal, rebuilding, modernisation and improvement. Through engagement with Coventry City Council, there is a potential acquisition of the freehold or regear of the leasehold to a cleaner, less complex gearing structure.

Retail Rental and Tenant Demand

The scheme continues to perform strongly, with several existing tenants reporting exceptional trading results. Over the past two years, a number of new brands have taken occupancy, while several key operators have proactively extended their leases. Reversionary leases or renewals have been completed or agreed with prominent tenants including Footlocker, Amplifon, Card Factory, EE, Savers, H. Samuel, and Costa—underscoring the strength of demand from current occupiers. Wider tenant interest remains robust, with multiple national retailers actively seeking representation within the Precinct.

The occupancy rate, based on floor area, stands at approximately 98.43%, highlighting a significant demand-supply imbalance. This dynamic presents an opportunity for future owners to benefit from upward rental pressure over the coming five years.

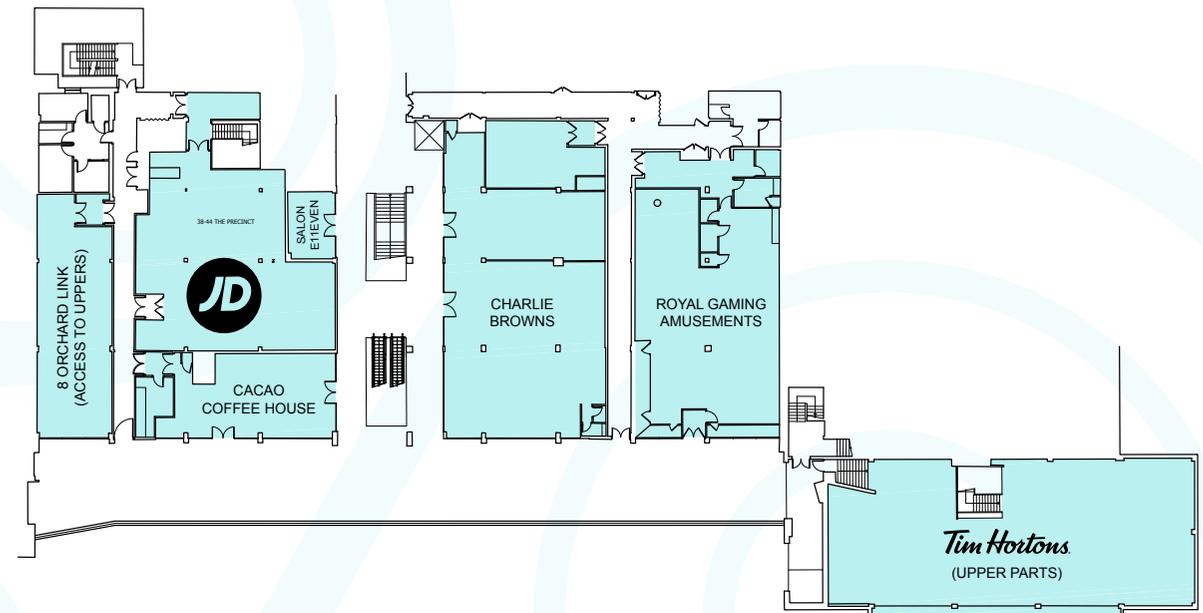
Rental values have remained resilient, with recent lease renewals setting a consistent tone between £125-£130 Zone A. This ensures a stable income stream and offers investors a solid platform for long-term rental growth. The scheme unquestionably represents the prime retail pitch in the city.

Upper Parts Redevelopment - Residential / Student / Hotel

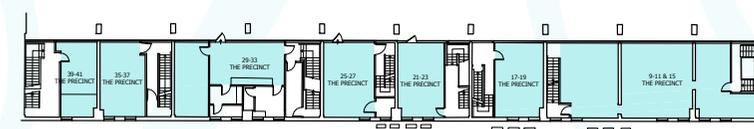
The upper parts of The Precinct present the opportunity to redevelop into alternative use, such as residential, student or hotel. The redevelopment has potential to contain 20 units across second and third floors, within the existing envelope of the building. Additional storeys could be accommodated to increase the quantum of units, subject to planning and further building investigation.

Access to the uppers can be accommodated through Mercia Lodge or alternatively through 8 Orchard Link which has been intentionally left vacant.

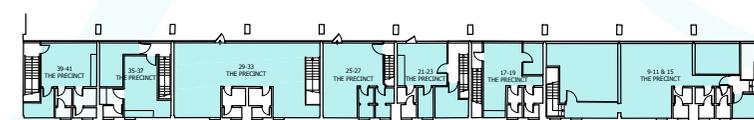
First Floor



Second Floor



Third Floor



PLANNING OVERVIEW

The Coventry Local Plan (2011-2031) governs planning policy across Coventry. The document outlines the strategic framework for development, land use and infrastructure across the city. Other documents which shape policy across Coventry include the City Centre Area Action Plan (CCAAP), which is adopted alongside the Local Plan and provides guidance on urban design, regeneration and transport. Supplementary Planning Documents (SPDs) provide guidance on specifics such as Affordable Housing, Tall Buildings Design Guide and Sustainable Urban Extension. The Coventry Local Plan is currently under review with a consultation which took place from January to March 2025.

Coventry benefits from a proactive local authority, demonstrated by the significant levels of inward investment and various transformational projects across the city.

SERVICE CHARGE

The Precinct has a sustainable service charge, with a budget for the current year (YE March 2026) of £676,250, which equates to £7.44 psf. The asset has benefitted from a proactive programme of management.

The full service charge budget and supplementary apportionment schedule can be found on the marketing datasite.

TITLE / TENURE

The Precinct is held long leasehold from Coventry City Council for a term of 99 years from 25th March 1988. There is an option to extend the lease for a further 51 years to 24th March 2138, therefore providing an unexpired term of 113 years. The long leasehold provides for assignment of part, therefore allowing for the potential to subdivide the asset into separate ownerships in the future.

The head rent is 8.50% of Net Income on an effectively 'side by side' basis. The exception is where base and turnover seals are granted where, on a case by case basis, the head rent may be calculated as 8.50% (less Permitted Deductions) of the Market Value agreed at the date of the last review with the consent of the Council as freeholder. Permitted Deductions include 3% of gross rents received and capital expenditure incurred on alterations, renewal, rebuilding, modernisation and improvement. Permitted Deductions effectively reduce the head rent payable.

Previous years' head rent is detailed below:

YE March 2022 - £80,061.81

YE March 2023 - £94,299.90

YE March 2024 - £97,091.39

The YE March 2025 is in the process of being audited.

A head rent of £169,275.72 has been adopted in the marketing tenancy schedule. A breakdown of the calculation to reach this figure can be found on the marketing datasite.



FURTHER INFORMATION

Surveys

Energy Performance Certificates (EPCs) are on the marketing data room. A warranted Vendor's measured survey and building Survey, prepared by Black Cat, will be made available and it is anticipated that the Purchaser will take full reliance on these surveys.

VAT

The property is registered for VAT and it is proposed that the sale will be structured as a 'Transfer of a Going Concern'.

Data Room

Further information on the asset and the opportunity is held on the secure marketing data room. Parties are invited to register for access at the following address:

<https://sites.savills.com/theprecinct/>



Proposal

We are instructed to seek offer in excess of **£23,140,000**, exclusive of VAT and subject to contract. This reflects a net initial yield of 9.00%.

KEY CONTACTS

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May 2025