

Portfolio description – Principal sectors, in-town retail £2.3 billion

This portfolio includes shopping centres, department stores and high street shops in selected locations in major towns and cities.

British Land's share £2.3 billion	Major tenants:
Total value £3.0 billion	Argos
9 Shopping Centres	ASDA
362,842 sq m (3.9m sq ft)	Debenhams
39 Department Stores	House of Fraser
525,225 sq m (5.7m sq ft)	Marks & Spencer
67 High Street Shops	Miss Selfridge
11 Supermarkets	New Look
	Next
	Primark
	River Island
	Sainsbury's
	Somerfield
	TK Maxx
	Top Shop
	Woolworths
	Predominantly freehold
	Total rent passing £152m pa, British Land's share £115m pa
	Weighted average lease term including breaks 18.3 years, to expiry 19.6 years



Eastgate, Basildon

Shopping centres

Queensmere and Observatory Shopping Centres, Slough

Two adjacent single level freehold covered shopping centres providing the core retail offer for the town, acquired in October 2004. A 7,430 sq m (80,000 sq ft) Debenhams department store, fronting the High Street and owned by the Company, links into the Curzon Mall of the Queensmere shopping centre.

The Queensmere centre was built in 1970; extended in 1986 and 1999 and refurbished in 1996. The scheme comprises 92 retail units in total 38,300 sq m (412,500 sq ft) and benefits from 700 parking spaces and 5,830 sq m (62,765 sq ft) of office accommodation. In addition to Debenhams, major tenants include Woolworths, New Look, HMV, H&M and a Marks & Spencer store linking directly into the scheme (although not within the ownership).

The Observatory was built in two phases in 1989 and 1991. It comprises 43 retail units in 17,000 sq m (183,000 sq ft); a health and fitness club and 840 car parking spaces. Major tenants include Primark, TK Maxx, Top Shop and Argos.

The Peacocks, Woking

A long leasehold covered shopping mall of 35,860 sq m (386,000 sq ft) on three trading levels built around a central atrium. Completed in 1992, the scheme is the prime retail destination in the town. There is a direct link to the Rhoda McGaw Theatre and 6-screen cinema complex and parking for 2,500 cars.

Debenhams anchors the scheme at 12,728 sq m (137,000 sq ft). There are another 77 units including Marks & Spencer, River Island, Miss Selfridge, Next, Primark, TK Maxx, Woolworths and New Look. (Toys 'R' Us also link into the scheme although not in our ownership).

A 540 seat food court dominates the lower trading level with tenants including KFC, McDonald's, Spud U Like, Pizza Hut, Burger King and Aroma.

East Kilbride Shopping Centre, Scotland

The Scottish Retail Property Limited Partnership (a joint venture with Land Securities) owns and manages the six principal malls forming the East Kilbride shopping centre as an integrated shopping destination. It provides virtually all of the retail and leisure facilities in the town centre. The principal anchor is Debenhams with other anchors being Marks & Spencer, Sainsbury's and BHS. Further major multiple retailers include Zara, River Island, H&M, Next and Primark in the other 240 units. The overall investment, including the office tower, comprises over 130,000 sq m (1.4m sq ft).

Bon Accord and St Nicholas Centres, Aberdeen

The Scottish Retail Property Limited Partnership also owns these prime shopping malls in the principal retail centre for north-east Scotland. Combined they provide more than 80 retail units with leisure and office facilities. The Bon Accord is anchored by a John Lewis department store which is not in the ownership.

A strategic masterplan (the Bon Accord Quarter) has been developed with a view to combining the two centres and providing the retail heart of Aberdeen.

Planning consent has been obtained to develop a 5,016 sq m (54,000 sq ft) anchor store pre-let to Next Plc with construction commencing later in the year.

Eastgate Shopping Centre, Basildon

A freehold covered shopping mall that constitutes the major part of the town centre, Eastgate was built in two phases in 1980 and 1985 and refurbished in 1994. In addition to over 65,030 sq m (700,000 sq ft) of retail space, there are three blocks of offices totalling 11,800 sq m (127,000 sq ft), a 400 seat food court and 2,000 car parking spaces.

The centre is anchored by ASDA and Debenhams. Other major tenants include Primark, New Look, Next, HMV and TK Maxx.

We are members of the Basildon Renaissance Partnership, one of whose aims is the regeneration of the town centre under the auspices of the Government's Thames Gateway project.

St Stephen's, Hull

We have reached agreement with ING to forward purchase the freehold of St Stephen's Shopping Centre on practical completion, which is scheduled for mid 2007.

The finished scheme will include a Tesco superstore of 10,080 sq m (108,500 sq ft), a covered mall providing approximately 30,000 sq m (325,000 sq ft) of retail accommodation in 35 retail units and mall kiosks, plus leisure uses totalling 7,900 sq m (85,000 sq ft). In addition there will be a 128 bedroom, 3-star hotel above the main entrance to the shopping centre, and car parking for around 1,500 cars. Lettings have already been exchanged with H&M, Next, New Look, Oasis, Sportsworld, Orange, Gala and Tesco.

Department stores

We are investors in 39 department stores, 27 owned directly and 12 owned within the BL Fraser joint venture.

Of those owned directly, 24 are Debenhams stores subject to leaseback to Debenhams for a minimum of 23 years unexpired. In total these comprise 317,560 sq m (3,418,000 sq ft) and locations

include the flagship store in London's Oxford Street (34,070 sq m/366,700 sq ft); Market Street, Manchester (43,290 sq m/466,000 sq ft) and St Davids, Cardiff (13,010 sq m/140,000 sq ft). The total gross annual rent passing is approximately £30 million. The leases provide for minimum 2.5% per annum rental increases as well as the opportunity for five-yearly open market reviews from 2019 onwards.

The 12 stores within the BL Fraser joint venture comprise a total of approximately 152,400 sq m/1,640,000 sq ft in locations including Cardiff, Guildford and Leeds. All are let on leases to House of Fraser with approximately 33 years unexpired. The aggregate rent passing of approximately £14 million per annum is subject to open market review in 2009, when a minimum rent based on 3% per annum applies, and five-yearly thereafter.

Separately but on similar lease terms, the Company owns 100% the 46,450 sq m (500,000 sq ft) House of Fraser store in Corporation Street, Birmingham.

High street shops and in-town supermarkets

Some 67 high street shops, located in prime high street positions throughout the UK. The 11 supermarkets are mainly located in smaller, market towns and all except one are let to Somerfield.



Debenhams, Oxford Street