

STOUR RETAIL PARK CANTERBURY

CT1 1AD

SOUTH EAST RETAIL PARK INVESTMENT





Investment Summary

- Canterbury City is located in the South East of England, within 61 miles of Central London.
- Connectivity is excellent, with access to key transport infrastructure via road and rail enhancing Canterbury's position within the London commuter belt.
- Prominently situated on the A28, approximately 1.5 miles northeast of Canterbury City Centre and easily accessible to the catchment and motorway network.
- The total catchment of in excess of 160,000 has an over-representation of the most affluent demographic groups ABC1.
- Stour Retail Park forms part of Canterbury's dominant retail warehouse destination.
- There are currently very low levels of retail warehouse vacancy in Canterbury and a number of operators without representation.
- The scheme extends to 81,649 sq ft across 5 units and a drive-thru and occupies a freehold site extending to 4.29 acres.
- Loyal occupier base that has traded from the site for over 10 years on average.
- The scheme is well let to a complimentary line-up including TK Maxx, Sports Direct, Home Bargains, Iceland, Matalan and McDonalds.
- The passing rent is £1,364,187 per annum equating to a very affordable £16.71 psf overall.
- We are instructed to seek offers in excess of **£17,030,000 (seventeen million and thirty thousand pounds)** subject to contract and exclusive of VAT. A purchase at this level shows a **net initial yield of 7.5%**, net of purchaser's cost of 6.8%.

CITY CENTRE ➔

STURRY ROAD PARK & RIDE
REOPENING APRIL 2024

home bargains

MATALAN

Iceland

SPORTS DIRECT.COM

T.K. MAXX

McDonald's

A28

EVERLAST
GYMS

STORAGE
KING

The Range
Home • Leisure • Garden

carpet
right.

currys

MAYBROOK RETAIL PARK

halfords

M&S

CANTERBURY CITY RETAIL PARK

ParkerTools

HONDA

RENAULT

STOUR RETAIL PARK, CANTERBURY, CT1 1AD

Location


Canterbury is a historic Cathedral City in north east Kent, which lies approximately 62 miles south east of Central London, 17 miles north west of Dover and 29 miles east of Maidstone.


The city is a major tourist destination with approximately 7.8 million tourists visiting each year contributing an estimated £523 million per annum to the local economy (*Visting Kent*).


It is one of the most visited UK cities due to its UNESCO World Heritage Site Status, Canterbury Cathedral, Canterbury Castle and St Augustine's Abbey.

Connectivity

Canterbury has excellent transport links.

 **By road**, the A2 connects the city to the port of Dover to the south east and to the M2 to the west. The A28 runs south west to Ashford and the M20, and north east to the Isle of Thanet and the seaside towns of Margate, Ramsgate and Broadstairs.

 **By rail**, the fastest train journey from Canterbury West to London St Pancreas station is 55 minutes. There are also direct trains from Canterbury East to London Victoria.

 **By air**, the closest international airport is London Gatwick, which is a 1 hour 12 minute drive of 65 miles to the west of the city.



‘Canterbury is a historic Cathedral City in north east Kent, which lies approximately 62 miles south east of Central London.’



Demographics

The Cathedral City of Canterbury has a population of approximately 160,000 people.

In the 10 minute drive time, 47% of the population are within the highest social grades ABC1, which is significantly higher than the national average. House prices and car ownership are both also above the UK average.

Consumer spend is estimated at £241 per annum within 15 minutes, rising to £502 per annum within 20 minutes, with the latter being above the UK average.

The subject property benefits from an extensive catchment population of 91,811 people within a 15 minute drive time increasing to 168,684 in 20 minutes.



■ 10 minutes: 51,769 ■ 15 minutes: 91,811 ■ 20 minutes: 168,684 For indicative purposes only.



Situation

The subject property occupies a prominent position approximately 1.5 miles north east of Canterbury City centre on a site fronting the Sturry Road (A28).

The A28 is a key thoroughfare into the centre of Canterbury and connects directly to the M20 via junction 9 to the south west, the A2, Margate to the north east and also to Ramsgate and Broadstairs via the A299.

The property is very visible on the eastern side of Sturry Road opposite Canterbury Retail Park and Maybrook Retail Park. Together, all three retail parks form Canterbury's dominant retail warehousing destination. The majority of retailer requirements are focussed on this location.



Key Retail Destination

The property forms part of the dominant concentration of retail warehousing in Canterbury along the Sturry Road, opposite Canterbury City Retail Park (Privately Owned) and Maybrook Retail Park (Patrizia). Additionally, B&Q, B&M, Asda and Aldi all have units nearby, enhancing the location's status as a key retail destination.

To the south west of the city there is a smaller concentration of retail warehousing, including Riverside Retail Park (Mayfair Capital) and Wincheap Retail Park (CCLA), where Pets at Home, Dunelm and Carpetright are represented, amongst others.

The vacancy rate in Canterbury is low, following recent lettings, and currently sits significantly below the UK average of 5.4% (Source: Trevor Wood). There are a number of occupiers currently unrepresented in Canterbury, including several with requirements for units in excess of 20,000 sq ft.

The latest deal agreed on a 10,000 sq ft unit in Canterbury reflects a rent of £18.50 psf, details can be provided upon request.



‘The vacancy rate in Canterbury is significantly below the UK average.’

Description

Stour Retail Park is a modern purpose-built retail park, arranged as a single terrace of units, which was originally constructed in 1990. The main terrace of the scheme fronts the Sturry Road and a McDonalds drive-thru unit is situated in the north east corner of the site.

The retail warehouse terrace is of a steel portal frame construction with brick-built elevations. The retail warehouse units comfortably accommodate mezzanine flooring to allow both retail and storage uses at this level. Units 1 and 2B have trading mezzanine floors and Unit 3 has a storage mezzanine. The rooves are clad in profiled steel sheets. The fast-food drive-thru unit is built to a standard McDonald's design.

Customer car parking is laid out regularly to the front of all of the units. In total there is parking for 225 cars.

Customer access and egress to and from the scheme is at the northwestern corner of the site onto Stour Crescent, which immediately connects with the Sturry Road roundabout.

All of the retail warehouse units are serviced from a separate yard at the rear which is accessed from Stour Crescent.

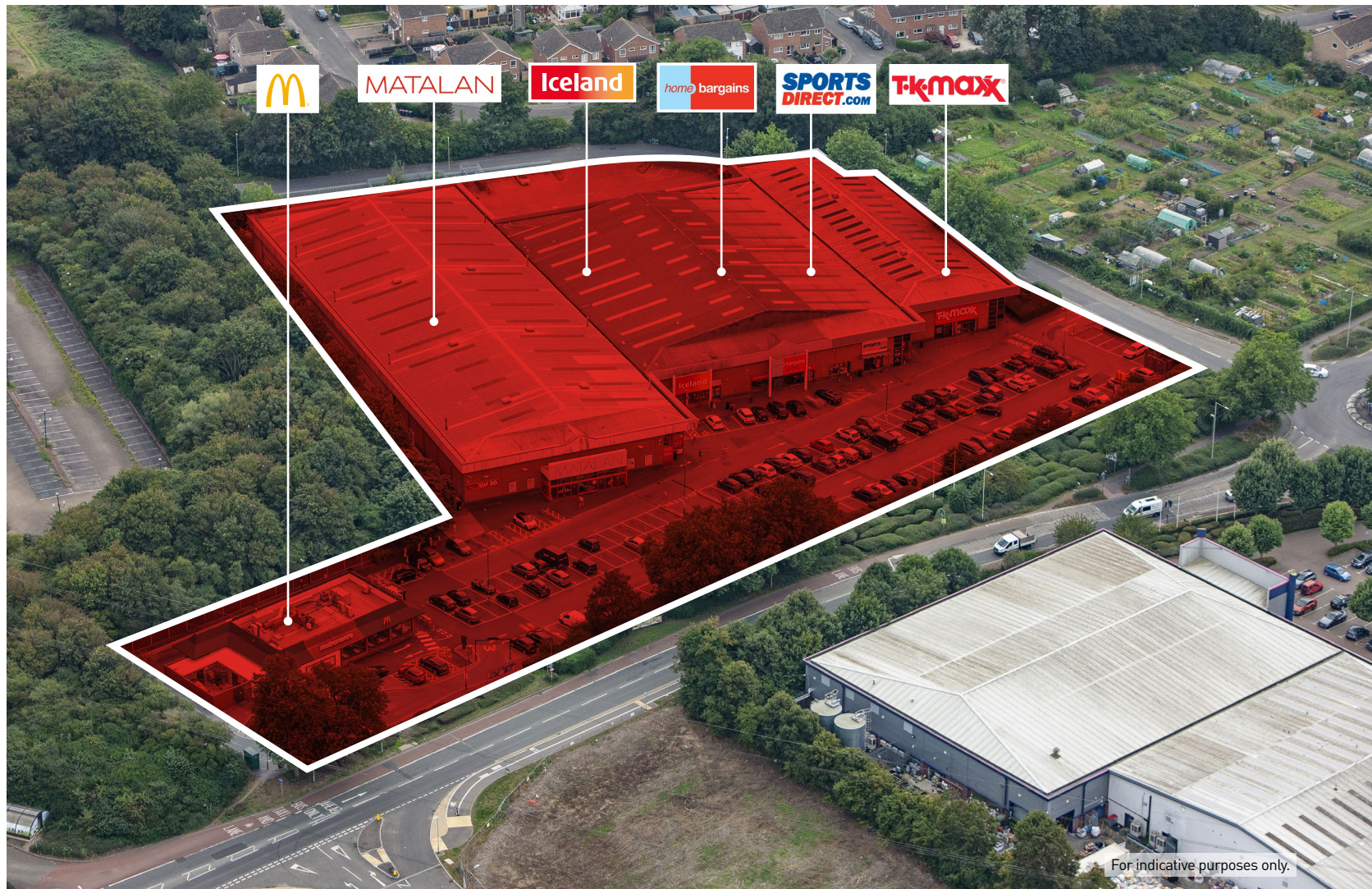
Site

The property occupies a site of approximately 4.29 acres (1.74 hectares). with a frontage to the Sturry Road.

Tenure

Freehold.

‘Stour Retail Park forms part of Canterbury’s dominant retail warehouse destination.’



Tenancies

Stour Retail Park is well let in accordance with the tenancy schedule below;

Unit	Tenant	Trading as	Area (sq ft)	Lease Start	Lease Expiry	Rent (pa)	Rent (psf)	Comments
Unit 1	TJX UK	TK Maxx	12,096	25/12/2022	24/12/2027	£185,000	£15.29	Reversionary lease 25/12/22 - 24/12/27.
Unit 2A	TJ Morris Ltd	Home Bargains	9,888	15/10/2012	14/10/2027	£170,500	£17.24	Rent review increase capped at £185,691 pa.
Unit 2B	Sports Direct.com Retail Ltd	Sports Direct	10,026	24/03/2020	23/03/2025	£220,572	£22.00	-
Unit 2C	Iceland Foods Ltd	Iceland	9,845	04/11/2010	03/11/2025	£167,365	£17.00	5-year reversionary lease effective 03/11/2020.
Unit 3	Matalan Retail Ltd	Matalan	37,197	20/08/2012	28/09/2027	£520,750	£14.00	Rent review increase capped at £666,604 pa.
Unit 4	McDonalds Restaurants Ltd	McDonalds	2,597	25/03/2017	24/03/2032	£100,000	£38.51	-
Total			80,649			£1,364,187	£16.71	



Planning

The property has a Class E planning consent.

Planning consent for the scheme was originally granted on 16th February 1989 (No J2210/A/88/097801/P3). Condition 5 of this consent states that "the premises shall not be used for the sale of food other than confectionary".

Planning permission was granted in 2012 allowing Home Bargains (T.J.Morris Limited) to use up to 30% of Unit 2A for the sale of food.

A further planning permission was granted in 2013 relating to Unit 2C removing the Condition 5 restriction in the original consent against the sale of food.

Condition 5 of the 1989 consent states that subdivision into independent retail units of less than 929 sq m (10,000 sq ft) shall require the express permission of the Council.

The scheme therefore has a very good Class E retail planning consent which allows all goods bar food to be sold, with the exception of Units 2A and 2C which also benefit from food use.

Income Security

The majority of the income is secured against strong national retailer covenants.

All tenants have been in occupation for more than 10 years with several agreeing lease extensions and reversionary leases (TK Maxx, Sports Direct, Iceland Foods, McDonalds).

‘All tenants have been in occupation for more than 10 years.’

Tenant	Comapny No.	Filing Date	D&B Rating	Turnover	Pre-Tax Profit	Tangible Net Worth	Cash At Bank & In Hand
TJX UK (TK Maxx)	03094828	29/01/2022	5A 2	£3,309,000,000	£14,400,000	£554,500,000	£124,600,000
TJ Morris Ltd (Home Bargains)	01505036	30/06/2022	5A 2	£3,419,373,770	£293,162,275	£1,778,723,709	£287,539,926
SportsDirect.com Retail Ltd (Sports Direct)	03406347	24/04/2022	5A 2	£2,877,067,000	£309,794,000	£1,577,942,000	£91,832,000
Iceland Foods Ltd (Iceland)	01107406	25/03/2022	5A 3	£3,554,900,000	£36,900,000	£704,300,000	£151,500,000
Matalan Retail Ltd (Matalan)	02103564	26/02/2022	5A 4	£1,027,100,000	(£7,600,000)	£165,500,000	£125,000,000
McDonalds Restaurants Ltd (McDonalds)	01002769	31/12/2021	5A 2	£1,500,141,000	£163,295,000	£797,555,000	£75,310,000



VAT

The property has been elected for VAT purposes and it is expected that the sale will be treated as a Transfer of a Going Concern (TOGC).

EPC

Energy Performance Certificates are available in the data room.

Data Room

Dataroom access is available upon request.

Purchase Price

We are instructed to seek offers in excess of **£17,030,000 (seventeen million and thirty thousand pounds)**, subject to contract and exclusive of VAT, for the freehold interest in the property. A purchase at this level will show a **net initial yield of 7.5%** after allowing for purchaser's costs of 6.8%, and a capital value of £209 psf.



Further Information

Nick Staunton

nick@stauntonwhiteman.co.uk
07961 300 257

Hamish Whiteman

hamish@stauntonwhiteman.co.uk
07867 501 430

Staunton Whiteman LLP

9-10 Savile Row, London W1S 3PF

020 7287 2228



Rory Millar

rory.millar@hampsonwall.com
07889 775 738

Joe Wall

joe.wall@hampsonwall.com
07903 970 411

Hampson Wall

16-19 Eastcastle Street, London W1W 8DY

020 3880 8645

HampsonWall



MISREPRESENTATION ACT 1967 AND DECLARATION

Messrs Staunton Whiteman LLP and Hampson Wall, for themselves and for the vendors of this property whose agents they are, give notice that:

- the particulars are set out as a general outline only for the guidance of intending purchasers, and do not constitute, nor constitute part of, an offer or contract;
- all descriptions, dimensions, references to condition and necessary permission for use and occupation and other details are given in good faith and are believed to be correct, but any intending purchasers should not rely on them as statements or representations of fact and must satisfy themselves by inspection or otherwise as to the correctness of each of them;
- no person in the employment of Staunton Whiteman LLP and Hampson Wall has any authority to make or give any representation or warranty in relation to this property;
- In order to comply with anti-money laundering regulations, Staunton Whiteman LLP will require the identification of, and certain information upon, the successful bidder. In submitting an offer, bidders agree to provide such information when Heads of Terms have been agreed.