

M&S

next

Boots

T.K. maxx

MOUNTAIN
WAREHOUSE



Kingsley Village

CORNWALL TR9 6NA

CORNWALL'S PREMIER RETAIL PARK



STAUNTON WHITEMAN
WITH CURSON SOWERBY

Kingsley
Village

M&S

CLOTHING

FOOD

CAFÉ

CLICK &
COLLECT

HOME



Investment Summary

- Kingsley Village is Cornwall's premier retail park.
- The tenants report exceptional levels of trade.
- In the month of September 2021 there were 67,676 car visits to the retail park, the equivalent of 22% of all the cars in Cornwall.
- Let to M&S (46%), Next, Boots, TK Maxx, Mountain Warehouse and Starbucks at a total rent of £1,620,101 pa (net income £1,615,601 pa)
- 64,280 sq ft at ground floor, with upper floors of 61,033 sq ft.
- Car parking ratio of 1:186 sq ft.
- WAULT of 12.41 years (9.25 years to breaks).
- Opportunity to create additional floorspace.
- Offers in excess of £25,212,000 to show an initial yield of 6.0% after costs.



Location

Kingsley Village is a regional shopping park located in the heart of Cornwall.

The park is located immediately to the north of the A30 dual Carriageway, which is the principal arterial route through south west England.

As a result the park is highly accessible to both the local population and the 5 million annual visitors to Cornwall, many of whom pass the property en-route to their destinations.

All ways access to the A30 is provided by the two slip roads immediately to the east of the property.





Description

Kingsley Village is a purpose-built shopping park that was developed by Consolidated Property Group and completed in 2019. The units have been constructed to a very high specification with full height glazed frontages.

The property comprises 6 units in a single terrace that total 64,280 sq ft at ground floor level, with upper floors of 61,033 sq ft.

The Next and Starbucks units were built prior to CPG's ownership and completed in 2014.

Customer car parking is located to the front and side of the terrace and all of the units have separate rear service access.

The units have the following approximate floor areas:

Unit	Tenant	Floor	Area (Sq ft)
A	Next	Ground	9,039
		1st	6,638
		2nd	4,688
		Total	20,365
B	Starbucks	Ground	2,825
C	Mountain Warehouse	Ground	5,000
D/E	Boots	Ground	7,500
		1st	1,952
		Total	9,452
F	TK Maxx	Ground	10,000
		1st	10,000
		Total	20,000
G	M&S	Ground	29,916
		1st	24,469
		2nd	13,286
		Total	67,671
Total		Ground	64,280
		Upper	61,033
		Total	125,313

There are a total of 345 car parking spaces, giving a generous parking ratio of 1:186 sq ft.

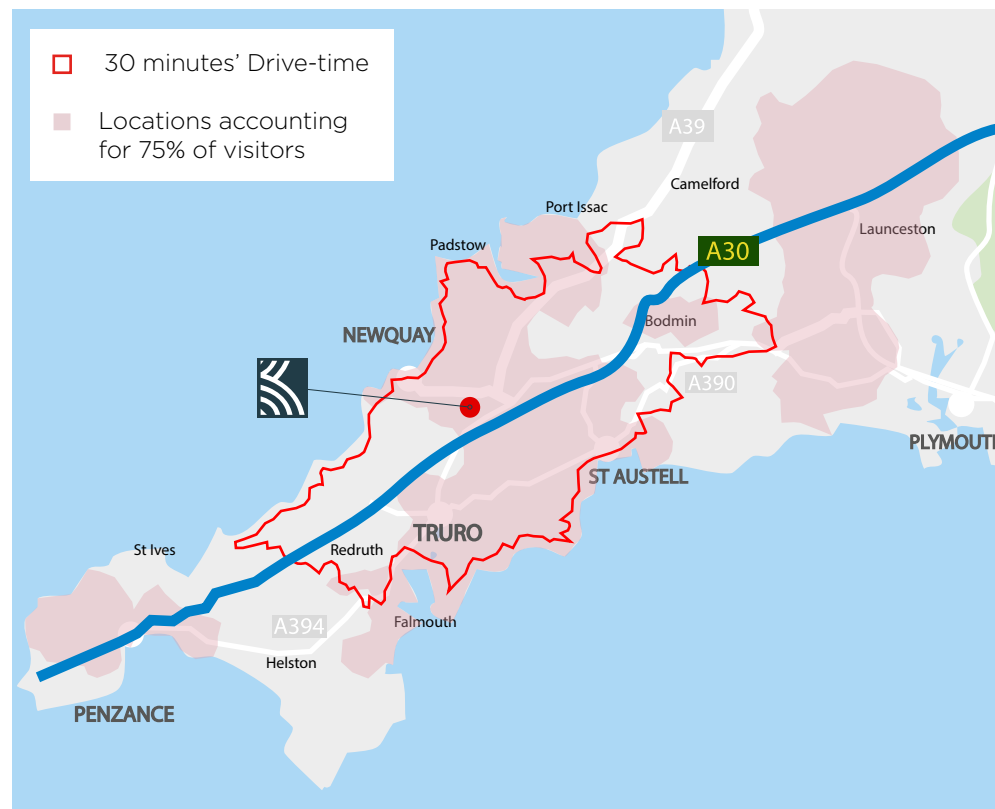
Demographics

A total of 291,000 people live within a 30 minute drive-time of Kingsley Village. However, mobile phone data shows that shoppers at Kingsley Village come from much further afield. Indeed 75% of the shoppers live in areas that are up to 60 minutes from the property, from Penzance in the west, to Launceston in the east.

In the month of September 2021 there were 67,676 car visits to the retail park, this being the equivalent of 22% of all the cars owned in Cornwall.

Within the 30 minute drive-time the affluence of the population is broadly in line with the national average, but with car and home ownership being notably greater. Some 83% of the local residents own one or more cars (GB 73%) and 68% own their homes (GB 63%).

A full demographic report is available upon request.







Site

The site extends to some 6.4 acres (2.6 ha).

Terra Firma carried out a Geo-environmental survey of the property in November 2015 which concluded that 'All substances tested for were found to be below their respective soil threshold levels. Therefore the site is considered to be uncontaminated'. A copy of this report is available upon request.

Planning

Kingsley village has the benefit of open A1 planning permission (now Class E), including the sale of food from up to 10,000 sq ft within the M&S unit.

The terrace from M&S to Mountain Warehouse was granted planning permission on 10th March 2016 for the 'Development and extension of existing retail facilities, associated access, car parking and ancillary works' (PA15/04129). This consent was varied on 10th November 2016 to allow greater flexibility in unit sizes (PA16/08067).

Prior to that on 18th February 2014 permission was granted for the 'Extension and alterations to building to raise height of roof and introduce two mezzanine floors along with associated alterations to elevations to allow use as a Next store' (PA13/08667). Permission for the refurbishment of the Starbucks unit and the provision of external seating was granted on 26th July 2013 (PA13/03794).

Copies of the above planning permissions are available upon request.

Tenure

Freehold.



For indicative purposes only. Not to scale.



Tenancies

Kingsley Village Shopping Park is exceptionally well let to six leading retailers, with a WAULT of 12.41 years (9.25 years to breaks).

Unit	Tenant Name	Ground Floor Area (sq ft)	Upper Floor Area (sq ft)	Ground Floor Rent (psf)	Passing Rent (£ pa)	Lease Term	Expiry Date (Break Date)	Next Review	Comments
A	Next Holdings Limited	9,039	11,326	£19.62	£177,351	10 years from 22 Sept 2014	21 Sept 2024	-	Service charge cap of 1.36 psf (increasing annually with CPI). Current service charge budget £1.16 psf.
B	Cobra Coffee South West Limited Guarantor - Southern Co-Operative Limited (t/a Starbucks)	2,825	-	£19.12	£54,000	10 years from 2 June 2014	01 June 2024	-	The tenant has the option to take a new 10 year lease from expiry. The tenant does not pay a service charge.
C	Mountain Warehouse Limited	5,000	-	£30.00	£150,000	10 years from 13 May 2019	12 May 2029	13 May 2024	The tenant's break clause effective 13 May 2024 was removed in exchange for 6 weeks' rent free.
D/E	Boots UK Limited	7,500	1,952	£28.50	£213,750	10 years from 10 May 2019	09 May 2029	10 May 2024	-
F	TJX UK (t/a TK Maxx)	10,000	10,000	£27.50	£275,000	15 years from 10 June 2019	09 June 2034 (TBO 10 June 2029)	10 June 2024	Service charge cap of £2.09 psf (increasing annually with RPI). Current service charge budget £1.16 psf.
G	Marks and Spencer PLC	29,916	37,755	£25.07	£750,000	20 years from 19 June 2019	18 June 2039 (TBO 19 June 2034)	19 June 2024	Rent review capped at 2.5% pac.
Total Rent		64,280	61,033	£25.20	£1,620,101				
Service Charge Shortfall					£4,500				
Total Net Income					£1,615,601				

Having been part of an earlier scheme that pre-dated CPG's redevelopment, the Next and Starbucks leases are drawn on Internal Repairing and Insuring terms. In addition the Starbucks lease does not provide for the payment of a service charge. It is anticipated that these matters will be regularised at the lease renewals in 2024, failing which enhanced rents will be payable to reflect the benefit to the tenants.

The service charge shortfall of £4,500 pa is comprised of Starbuck's proportion of £3,600 pa and shortfalls of £500 pa and £400 pa under the M&S Next leases. A copy of the service charge budget for the year ending 23 June 2022 is available upon request.





Income Security

The property is very well let to six attractive tenants, all of whom are household names. We set out below a summary of the most recent accounts for each of the tenants, together with their Dun & Bradstreet Ratings.

The property has a WAULT of 12.41 years to expiry (9.25 years to break).

Tenant	% of Income	D&B Rating	D&B Risk Indicator	Year Ending	Sales Turnover (£'000s)	Pre Tax Profit (£'000s)	Net Worth (£'000s)
Next Holdings Limited	10.9%	5A2	Low-Moderate risk	25-Jan-20	£211,400	£122,100	£856,700
				26-Jan-19	£215,300	£758,500	£946,700
				27-Jan-18	£215,400	£792,700	£781,300
Cobra Coffee South West Limited (Starbucks)	3.3%	N4	Moderate-High risk	29-Nov-20	£5,871,035	(£1,272,604)	(£2,643,926)
				01-Dec-19	£9,379,191	(£89,863)	(£1,481,856)
				02-Dec-18	£9,197,652	(£380,092)	(£1,437,368)
Southern Co-Operative Limited	Guarantor	5A2	Low-Moderate risk	31-Jan-21	£458,635	£4,496	£92,376
				26-Jan-20	£434,996	£1,103	£90,838
				27-Jan-19	£450,851	£42	£105,504
Mountain Warehouse Limited	9.3%	5A2	Low-Moderate risk	01-Mar-20	£294,956	£12,031	£113,074
				24-Feb-19	£255,044	£24,030	£102,234
				25-Feb-18	£225,910	£20,810	£80,270
Boots UK Limited	13.2%	5A2	Low-Moderate risk	31-Aug-20	£5,948,000	(£287,000)	£446,000
				31-Aug-19	£6,667,000	£217,000	£1,107,000
				31-Aug-18	£6,790,000	£398,000	£875,000
TJX UK (TK Maxx)	17.0%	5A1	Low-Moderate risk	01-Feb-20	£3,483,600	£104,000	£775,200
				02-Feb-19	£3,157,800	£120,500	£723,700
				03-Feb-18	£2,968,600	£87,100	£645,600
Marks and Spencer PLC	46.3%	5A2	Low-Moderate risk	27-Mar-21	£9,155,700	(£266,800)	£3,980,900
				28-Mar-20	£10,181,900	£60,200	£5,294,400
				30-Mar-19	£10,377,300	£108,700	£4,754,300



Development Opportunity

There is an opportunity to extend the Starbucks unit to encompass the open area to the front of the building (subject to planning/agreement with the tenants).

Next are keen to upsize their store at both ground and first floor levels, and Starbucks would like a reconfigured unit. The adjoining configuration shows an additional 2,660 sq ft for Next at ground and 4,760 sq ft at first floor, with a new 2,000 sq ft unit for Starbucks.

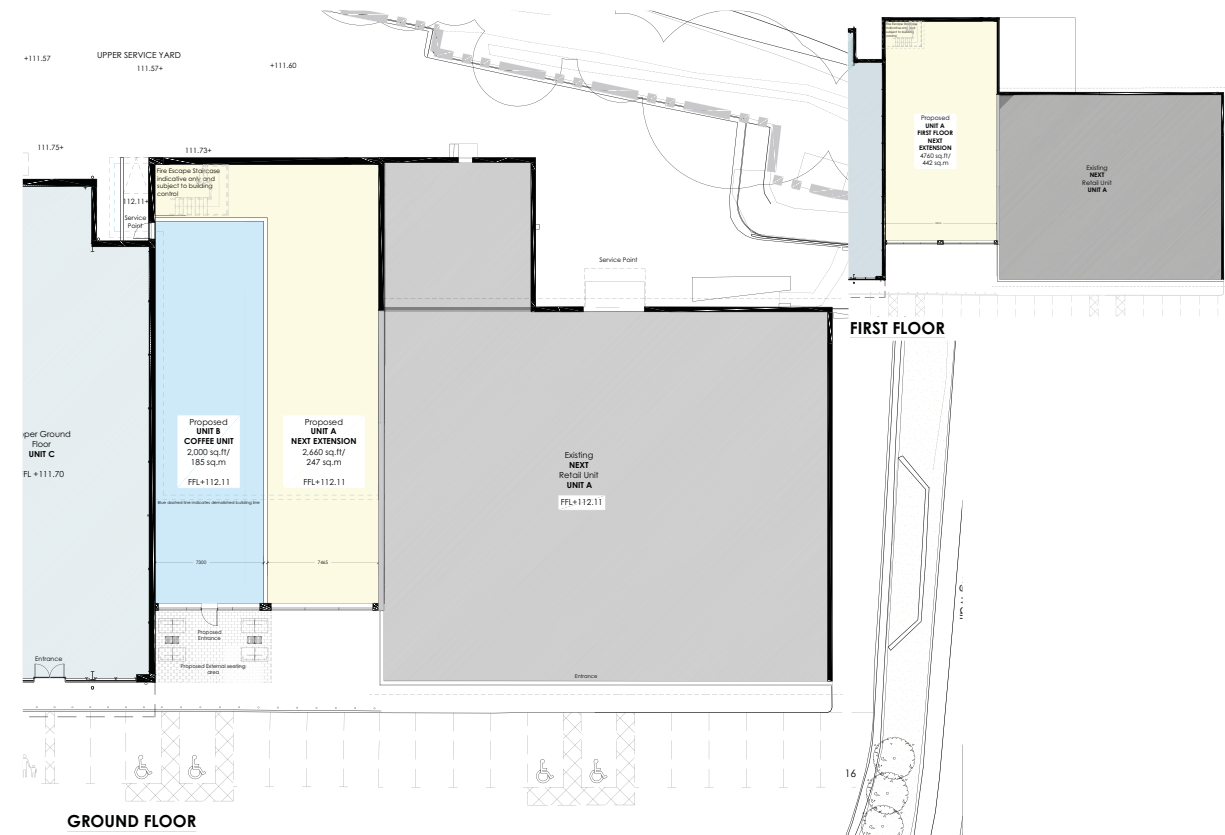
Alternatively, there have been discussions to relocate Starbucks to a new stand-alone site to the west of the park, thus giving the opportunity to provide a new unit/units of 5,500 sq ft at ground floor by bringing the frontage in line with the existing Next/Mountain Warehouse units. Full details and alternative layout plans are available upon request.

Digital Signage

Our client has an agreement with a leading operator to provide digital signage upon the park. Heads of Terms have been agreed for a new seven year lease at a fixed rent of £12,500 pa. The operator will fund the hardware and installation costs. Full details are available upon request.

Electric Vehicle Charging

Our client is close to finalising an agreement with Tesla Motors Ltd to provide electric vehicle charging upon the park. A rent of £17,859 pa has been agreed for a new 10 year lease, subject to annual CPI uplifts. Tesla will fund the hardware and installation costs. Full details are available upon request.





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

Copies of the Energy Performance Certificates are available upon request.



Purchase Price

Our client is seeking offers in excess of **£25,212,000 (twenty five million two hundred and twelve thousand pounds)** subject to contract and exclusive of VAT, for their freehold interest in the property. A purchase at this level would show an **initial yield of 6.0%** on the net income of £1,615,601 pa, after allowing for purchaser's costs of 6.8%.



Further Information

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Brochure by Adrian Gates: 07710 316 991