

PARC PLAZA

WATERTON ROAD BRIDGEND CF31 3XX

PRIME WELL SECURED RETAIL WAREHOUSE INVESTMENT



INVESTMENT SUMMARY

- Prominently situated in Bridgend's main retail warehouse location.
- Large and affluent catchment.
- Two modern units of 40,712 sq ft on ground floor.
- Both units incorporate mezzanine floors, Unit 1 is used for retail sales.
- Parking for 193 cars showing an excellent ratio 1:211 sq ft.
- Freehold.
- Let to Dunelm and Argos producing £484,320 pa.
- Average rent of £11.90 psf, rack rented.
- WAULT of 6.4 years to expiry, no breaks.
- Dunelm is 5A2 and Argos is 5A3 (D&B).
- **£5,670,000 – 8.0% IY, £139 psf capital value.**



LOCATION

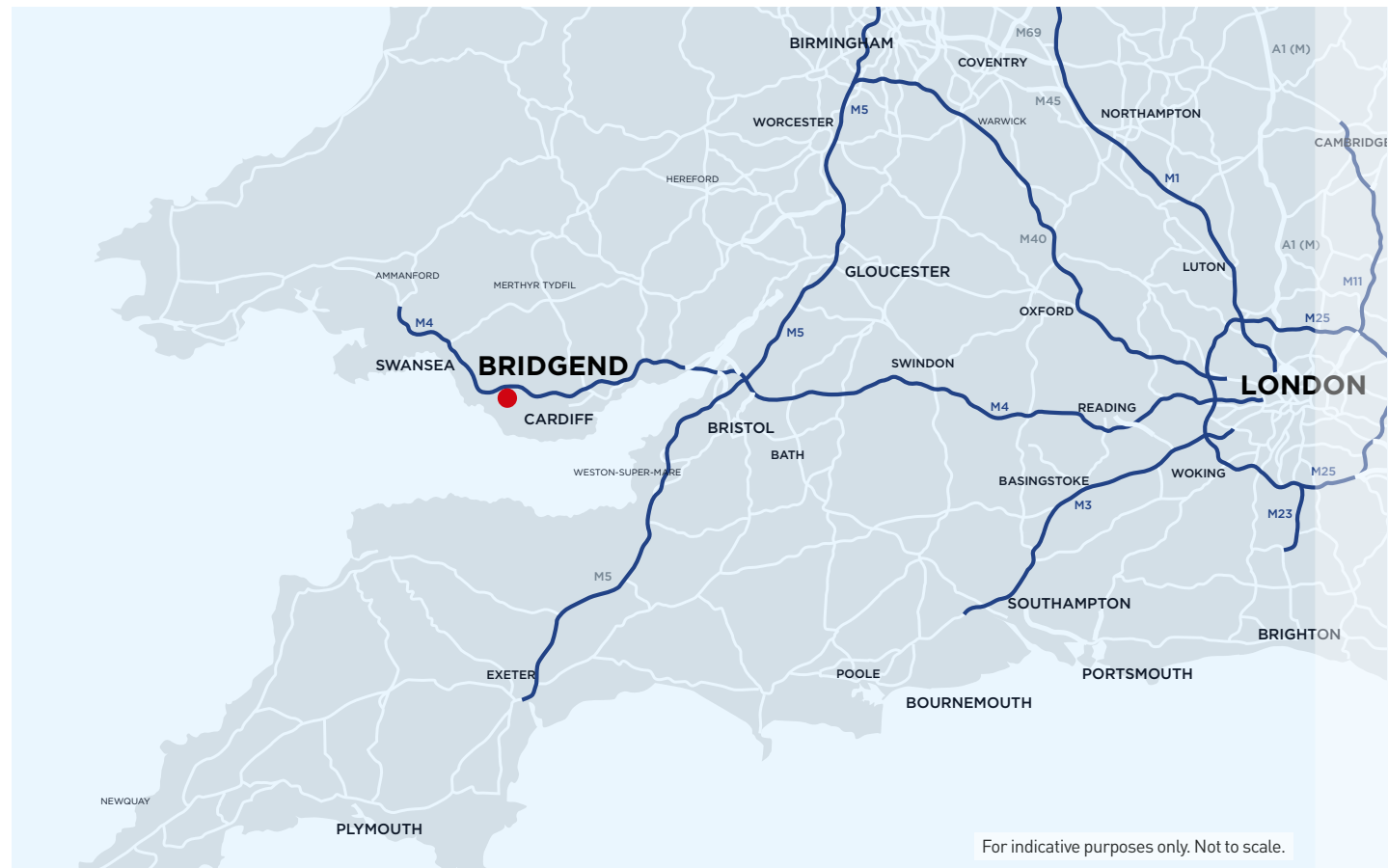
Bridgend is located in South Wales mid-way between the cities of Cardiff (20 miles east) and Swansea (20 miles west) and is a County Borough in its own right.

The M4 is situated to the north of the town and runs east/west to Swansea, Cardiff and on to England and the national motorway network.

Bridgend is a stop on the Great Western Railway service running from London Paddington to Swansea, with a fastest journey time of 2 hours and 9 minutes.

Regular train services also run to both Cardiff Central (20 minute journey) and Swansea (33 minute journey).

Cardiff International Airport is just 16 miles to the south east of Bridgend, which has direct flights to Europe and the Middle East.





SITUATION

Parc Plaza is prominently located on a roundabout junction of the A48 Waterton Road and the A473, approximately a mile south east of Bridgend town centre. The A473 runs north to the town centre and east to Junction 35 of the M4 motorway. Together the A48 and the A473 comprise Bridgend's southern bypass.

Together with the adjacent schemes, the subject property forms a part of Bridgend's main out of town retail location. To the west of the property is a Wickes unit and to the north west is a Home Bargains, a Lidl, Bridgend Retail Park, where Halfords, Currys PC World, Next, B&M, ScS and Homebase occupy units and a 78,695 ft Tesco Extra which is open 24 hours a day.

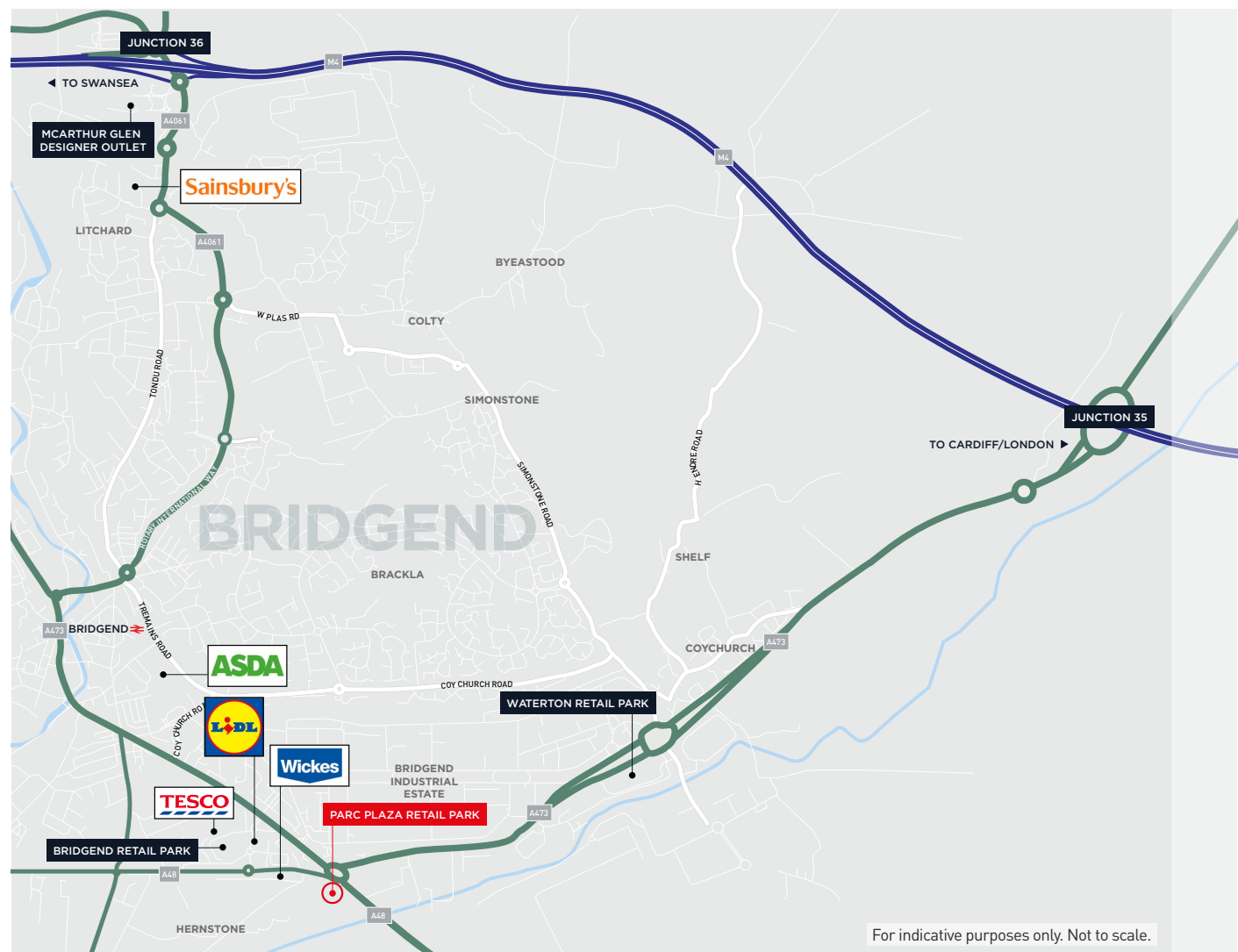
DEMOGRAPHICS

Bridgend has a relatively large and affluent catchment. A total of 55,041 people live within a 10-minute drive of the property, rising to 113,106 within 15 minutes (Store Point Geo).

The highest social grade AB is over represented in both the 5 and 10 minute drive time catchments. The 5 minute drive time catchment has 30% more AB's represented than the national average. Levels of car and home ownership are significantly higher than the national average in the 5, 10 and 15 minute drive times.

Levels of comparison and convenience goods spend are in line with the national average. The 15 minute drive time catchment has a total annual spend of £581 million on comparison goods, convenience goods and food and beverages.

A full demographic report is available upon request.





DESCRIPTION

The subject property comprises an attractive modern retail warehouse scheme of two in-line units, totalling 40,712 sq ft, constructed in 2009 for occupation by Dunelm and Argos.

Unit	Tenant	Ground Floor (Sq Ft)
Unit 1	Dunelm	25,600
Unit 2	Argos	15,112
Total		40,712

The units are of a steel portal framed construction under a pitched roof. The roof and all elevations are finished with cladding panels. Both units have attractive entrance features which are glazed to half-height.

Unit 1 has a mezzanine floor used for retail sales which has just been extended by Dunelm and includes a café and unit 2 has a full-cover storage mezzanine floor.

Car parking is laid out regularly to the front of the units. There are approximately 193 car spaces, including 12 disabled and mother/child spaces, showing an excellent ratio of 1:211 sq ft.

Both units are serviced from a secure yard at the rear.

At the eastern end of the site is a terrace of four modern A3 units which are let to Costa, Subway, Greggs and Domino's. These units share the same access as the Dunelm and Argos units, but have their own designated parking. These units do not form part of our client's freehold interest.

SITE

The property comprises a regular rectangular site of 3.4 acres (1.38 hectares).



TENURE

Freehold.

PLANNING

Planning consent for the existing development was originally granted in November 2008 (App No P/08/320/FUL). This allowed the units to sell “DIY goods, home improvements and garden products; furniture; furnishings and floor coverings; electrical and gas products; motor vehicles, cycles, boats and caravans (including parts, products and servicing); bicycles, toys, shoes and bulky pet supplies”.

Subsequent to this, Unit 2 was granted consent “to be used by a catalogue showroom retailer for the sale of all non food goods within class A1 with the exception of clothing and footwear, books and newspapers, and pharmaceutical goods”. In addition, if Unit 2 is occupied by a catalogue showroom retailer, at least 50% of the gross floor area is to be used for storage.

As such the properties have a very flexible retail consent.



TENANCIES

Unit	Tenant	Areas (sq ft)	Rent (£pa)	Rent (£psf)	Lease Expiry	Next Review	Comments
Unit 1	Dunelm Soft Furnishings Ltd	25,600	£300,000	£11.72	15/10/2029	16/10/2024	Reviewed to OMV capped at 2.0% pac. 5 year reversionary lease completed 22/07/21. Tenant received 6 months' rent free.
Unit 2	Argos Ltd	15,112	£184,320	£12.20	31/05/2025	-	Rent payable monthly in advance.
Total		40,712	£484,320	£11.90			

The scheme has a WAULT of 6.4 years to expiry (there are no breaks). Both Dunelm and Argos traded through the Covid-19 pandemic, paid contracted rent throughout and are up to date on their rental payments.

INCOME SECURITY

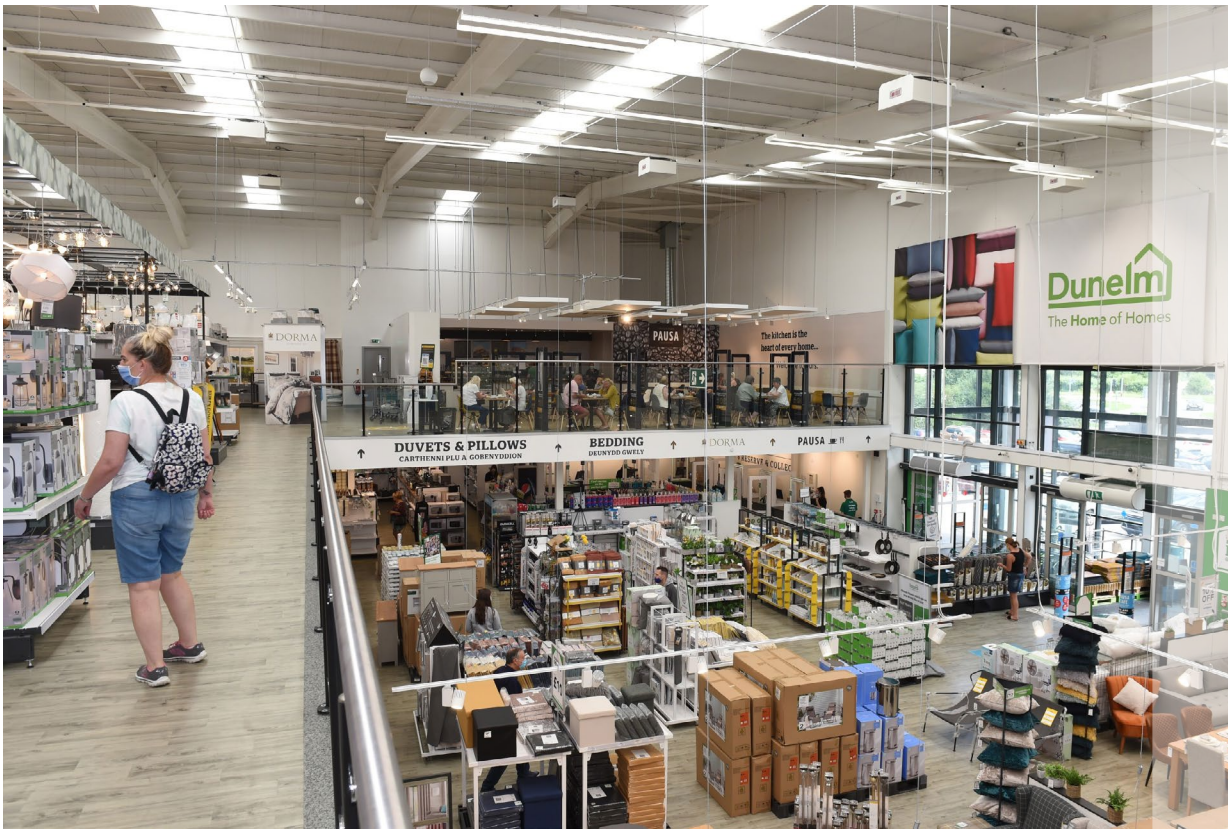
Both units are let to national multiple retailers and the income is very well secured, with a WAULT of 6.4 years to expiry (there are no breaks).

Dunelm is one of the UK's leading home furnishings retailers and has a portfolio of 161 stores across the UK and Ireland. Dunelm have just released improved forecast profits for 2022, which they now expect to be in excess of £105 million and are going to pay a special dividend.

Argos is an online and in-store catalogue retailer. Argos Limited was bought by J Sainsbury Plc in 2016 and is a wholly owned subsidiary of it. The company employs 30,000 people and is the UK's third most visited retail website with over 1 billion visits every year.

Argos use their store at Parc Plaza as a hub for internet deliveries.

Tenant	D&B Rating	Year Ending	Sales Turnover (£'000s)	Pre Tax Profit (£'000s)	Net Assets (£'000s)
Dunelm Soft Furnishings Ltd	5A2	27/06/20	£1,057,900	£114,000	£486,900
Argos Ltd	5A3	03/07/20	£4,201,625	(£141,736)	£1,143,917



OUT OF TOWN RETAIL IN BRIDGEND AND RENTAL LEVELS

Parc Plaza, together with the nearby Wickes, McDonald's, Home Bargains / Pets at Home, Lidl, Bridgend Retail Park and Tesco Extra, combine to form the focus for out of town retail in Bridgend.

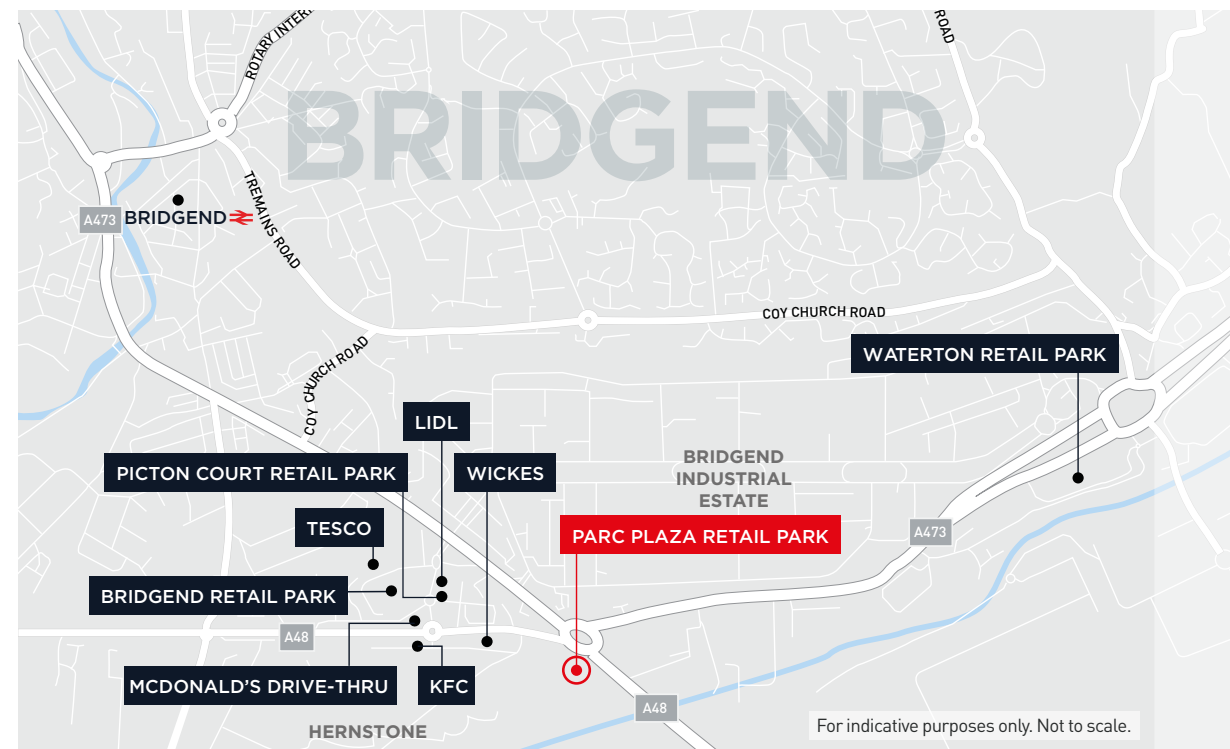
A mile to the east on the A473 Western Road is Waterton Retail Park where B&Q, Dreams, Sports Direct, Carpetright, Pets at Home and The Range are represented.

The McArthur Glen Designer Outlet is located to the north of the town at Junction 36 of the M4, which focuses on fashion and designer brands.

Rents on the Bridgend Retail Park for 10,000 sq ft units are between £17.50 psf and £18.50 psf with Next paying £25.00 psf for their unit of 7,635 sq ft. Wickes are paying £12.53 psf on their 26,124 sq ft unit adjacent to Parc Plaza. The latest letting on Waterton Retail Park, in September 2020, was to Pets at Home for a 7,375 sq ft unit at a rent reflecting £16.96 psf.

By comparison, the passing rents on Parc Plaza of £11.72 psf to Dunelm and £12.20 psf to Argos look modest and in our opinion are rack-rented. They offer a solid base for future rental growth.

We are aware of a number of retailer requirements for Bridgend.





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 (EPC's) are available on request.

PURCHASE PRICE

Our client is seeking offers in excess of **£5,670,000 (Five million six hundred and seventy thousand pounds)** subject to contract and exclusive of VAT for their freehold interest in the property. A purchase at this level will show a **net initial yield of 8.0%** after allowing for purchase costs of 6.8% and a very modest **£139 psf capital value**.



FURTHER INFORMATION

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