

METEOR CENTRE RETAIL PARK

MANSFIELD ROAD, DERBY, DE21 4SY



PRIME RETAIL PARK INVESTMENT OPPORTUNITY



INVESTMENT SUMMARY

- ▶ The Meteor Centre Retail Park is a prime purpose-built scheme comprising **189,702 sq ft** of accommodation.
- ▶ The scheme forms the central element of Derby's main out of town retail and leisure destination.
- ▶ A 100,000 sq ft Morrison's supermarket is to the north of the park and a 10 screen ODEON multiplex cinema is to the south.
- ▶ A total of **247,723 people** live within a 15 minute drive of the park.
- ▶ The population of Derby is forecast to grow by 4.6% to 2031.
- ▶ The property is held **freehold**.
- ▶ There is parking for 850 cars showing an excellent ratio of 1:223 sq ft.
- ▶ The park occupies a large site of approximately **17.6 acres** (7.14 hectares).
- ▶ The scheme is well let to The Range, Wren, Oak Furnitureland, NCF, D&M, DFS, Jysk, Dreams, Topps Tiles, B&M, Pets at Home, Bensons for Beds, McDonald's, American Golf, KFC and Costa.
- ▶ The leases have a **WAULT of 6.5 years** to break and **7.4 years to expiry**.
- ▶ The scheme produces a rent of **£2,628,337 per annum** reflecting a **very affordable £13.86 psf overall**.
- ▶ The property has a **broad, flexible retail planning consent** allowing elements of food, clothing and footwear sales.
- ▶ The property is held within a Luxemburg domiciled SPV company, which is available to purchase.
- ▶ Our client is seeking offers in excess of **£28,950,000 (TWENTY EIGHT MILLION NINE HUNDRED AND FIFTY THOUSAND POUNDS)** subject to contract and exclusive of VAT, for their freehold interest in the property. A purchase at this price would show a **yield of 8.5%**, net of purchaser's costs of 6.8%, and a very modest **£153 per sq ft capital value**.



“ The Meteor Centre Retail Park is a prime purpose-built scheme comprising 189,703 sq ft of accommodation. ”



LOCATION

The city of Derby is the traditional county town after which Derbyshire is named. It is the most central city in England, located on the River Derwent to the south of the Peak District National Park. The city is located approximately 15 miles west of Nottingham, 40 miles north of Birmingham, 32 miles south of Sheffield and 130 miles north of London.

The city has excellent road connections. The A52 dual carriageway runs direct from Derby city centre to Junction 25 of the M1 motorway some 8 miles to the east and then on to Nottingham city centre. The A38 runs south west from Derby and connects with Burton upon Trent and then the M6 toll road which is some 37 miles away.

By rail, Derby is on the Midland Mainline Railway with a fastest journey time of 1 hour 27 minutes to London St Pancras.

East Midlands International Airport is a 20 minute drive from Derby city centre, which is located 14 miles to the south. East Midlands International Airport is second only to London Heathrow in terms of the volume of freight it handles every year.

Historically the city's economy developed significantly during the industrial revolution. It was a centre for the textile industry and later for the manufacture of train locomotives and rolling-stock for the domestic and international markets. Rolls Royce have a very significant manufacturing presence in Derby making and maintaining aero engines.

Toyota also have a large manufacturing plant to the south west of the city where they make the Corolla for the European market. Other major employers in Derby include Eco-Bat Technologies, Bloor Investments, Greencore, Bowmer & Kirkland and Bombardier.

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SITUATION

Meteor Centre Retail Park is situated on a large and prominent site on the western side of the A608 and the A61, approximately 2 miles north of Derby city centre. The A61 runs north/south and forms the city's eastern ring-road. It connects with the city centre, the A52 and the A38.

Meteor Centre Retail Park forms the central element of Derby's largest out of town retail and leisure location. Immediately to the south of the park is a 10 screen Odeon multiplex cinema and to the north is a Currys/PC World unit and a 100,000 sq ft Morrisons foodstore and petrol filling station. There is also a regular park and ride bus service to Derby city centre.

Access to the Meteor Centre Retail Park is direct from the A61 via a roundabout junction at the northern end of the scheme and direct from the A608 via another roundabout junction at the southern end of the scheme.

Further to the south and west of the scheme are a mix of car showroom, trade counter and light industrial developments.

DEMOGRAPHICS

The Meteor Centre Retail Park has a total population of 247,723 (105,851 households) within a 15 minute drive time (StorePointGeo).

Its affluence is in line with the GB average, both in terms of home and car ownership. It has an annual retail spend of £967 million.

Derby's population grew by over 3.5% between 2011 and 2019 and is forecast to grow by a further 4.6% to 272,700 by 2031.

In order to accommodate this population growth, further significant housing development is planned, both in Derby city centre and the surrounding area. Derby's master plan to 2028 allows up to a further 11,000 homes to be built (1,571 per year), which is more than double the average of 696 which have been built every year since 2012.

“ The scheme forms the central element of Derby's main out of town retail and leisure destination. ”



For indicative purposes only. Not to scale.

DESCRIPTION

The Meteor Centre Retail Park is a prime purpose-built retail warehouse scheme comprising thirteen in-line retail units, together with a small stand-alone retail unit and three drive-thru A3 pods.

The main terrace of eleven units runs along the western edge of the site and is anchored at both ends by large units let to The Range and B&M. Two drive-thru A3 pods are located in the south eastern corner of the site, which are let to KFC and Costa. At the northern end of the main terrace is a small stand-alone retail unit.

A second smaller terrace of two units, let to Pets at Home and Bensons, is situated at the north eastern end of the scheme, together with an Aldi which is sold off on a long lease. Another drive-thru A3 pod is situated adjacent to the Pets at Home unit at the northern end of the scheme.

In total the scheme provides 189,702 sq ft of accommodation.

The units are of an attractive modern design and present well. They are of a steel portal frame construction under pitched roofs.

Customer parking is laid out regularly to the front of all units. In total there is parking for 850 cars which shows an excellent ratio of 1:223 sq ft. There are two rapid electric car charging points situated to the front of the B&M unit.

All of the retail warehouse units are serviced from dedicated yards at the rear which are accessed separately to the customer car parks.

SITE

The Meteor Centre Retail Park occupies a large site of approximately 17.6 acres (7.14 hectares).

TENURE

Freehold.



For indicative purposes only. Not to scale.





PLANNING

The Meteor Centre Retail Park has a broad and flexible planning consent permitting the sale of a wide range of goods including elements of food, clothing and footwear.

Consent for the development of the retail park was originally granted in 1986, which restricted the use of the scheme to the sale of bulky goods. This original consent has been varied, both on a scheme-wide and unit-by-unit basis.

In 1999 permission was granted to broaden the list of goods that could be sold by stating specifically what could not be sold. A further consent was granted in November 2011 relating to the entire scheme which permits the construction of a new foodstore on Unit 1, which is currently let to The Range, and the erection of three new retail units in the car park. This consent was not implemented, however, the achievement of food use was significant.

Further unit-specific contents have been achieved for Units 1, 2, 3, 4, 6, 7 and 11 allowing, amongst other uses, the following goods to be sold; food, clothing, footwear, office supplies and travel agency.

The Local Authority has clearly taken a very supportive approach to the scheme to ensure its viability and success into the future.

A detailed planning report is available upon request.



TENANCIES

The Meteor Centre Retail Park is extremely well let on long leases to good covenants. Upon completion of the D&M lease regear, the park will have a WAULT of 6.5 years to break and 7.4 years to lease expiry. The park produces a current passing rent of £2,628,337 per annum, which reflects a low rent of £13.86 psf overall.

Eight lease re-gears and new lettings have been achieved in the last three years, which prove the rental tone for the park and demonstrate both its success and the strength of the location generally.

The schedule below sets out the tenancy details:

UNIT	TENANT	TRADING AS	AREA (SQ FT)	ANNUAL RENT	RENT (£PSF)	LEASE FROM	TERM (YRS)	LEASE EXPIRY	BREAK	COMMENT
1	CDS (Superstores International) Limited	The Range	41,277	£355,736	£8.62	23/09/13	20	22/09/33	-	-
2A	Wren Kitchens Limited	Wren Living	14,993	£209,895	£14.00	03/07/18	10	02/07/28	-	-
2B	Oak Furniture Land Group Limited	Oak Furniture Land	10,080	£156,250	£15.50	19/12/20	10	28/09/30	29/09/25	-
3A	NCF Furnishings Limited	NCF Furnishings	10,087	£160,000	£15.86	26/02/15	15	25/02/30	-	Half rent of £80,000 payable until 06/01/2022
3B	Arm Furniture Limited	D&M Furniture	7,600	£114,000	£15.00	TBC 2021	4	TBC 2025	-	Current lease being surrendered and new lease inside LTA being granted for a four year term at a rent of £114,000 pa. Tenant receiving 5 months' rent free.
3C	DFS Trading Limited	DFS	19,903	£268,691	£13.50	25/07/05	18	24/03/23	-	-
4A	Jysk Limited (Guarantor Jysk Holding A/S)	Jysk	6,427	£115,120	£17.91	26/10/18	10	25/10/28	26/10/24	2 month rent free if break not exercised. 4 month rent penalty if break exercised. Area includes 477 sq ft for a service corridor, rentalised at 50%.
4B	Dreams Limited	Dreams	5,476	£109,520	£20.00	24/09/18	10	23/09/28	24/09/24	6 month rent penalty if break exercised.
5	Multi-Tile Limited	Topps Tiles	5,907	£112,700	£19.08	25/03/88	35	24/03/23	-	-
6	B&M Retail Limited	B&M	20,078	£300,000	£14.94	06/10/14	15	05/10/29	-	-
6A	Vacant	Vacant	19,810	£240,000	£12.12	-	-	-	-	2 year rent rates and service charge guarantee.
7	Aldi Stores Limited	Aldi	-	-	-	09/05/17	250	08/05/2267	-	Sold off on a long lease.
8A	Pets at Home Limited	Pets at Home	10,076	£167,765	£16.65	25/03/20	10	24/03/30	-	-
8B	Bensons for Beds Retail Limited	Bensons for Beds	5,038	£85,660	£17.00	18/12/20	10	17/12/30	31/01/26	Rent payable at 50% until 17/12/22. 6 month rent penalty if break exercised.
Drive-Thru	McDonald's Real Estate LLP	McDonald's	2,501	£77,500	£30.99	29/09/94	42	24/03/36	-	Reversionary lease in place commencing 25/03/23.
11	American Golf (Trading) Limited	American Golf	4,177	£83,500	£19.99	15/09/11	18	11/07/29	-	50% rent payable until 11/07/21.
Drive-Thru	Kentucky Fried Chicken (GB) Limited	KFC	4,460	-	-	25/12/89	99	24/12/88	-	Sold off on a long lease.
Drive-Thru	Costa Limited	Costa	1,812	£72,000	£39.74	04/06/18	15	03/06/33	-	-
TOTAL			189,702	£2,628,337	£13.86					



INCOME SECURITY

The park is currently let to seventeen attractive household tenants. Details of their latest accounts and Dun & Bradstreet ratings are summarised in the table below.

UNIT	TENANT	D&B RATING	RISK OF BUSINESS FAILURE	YEAR ENDING	TURNOVER (£000'S)	PRE TAX PROFIT (£000'S)	NET WORTH (£000'S)
1	CDS (Superstores International) Limited	5A2	Low Moderate	02/02/20	1,001,000	385,481	270,646
2A	Wren Kitchens Limited	5A1	Low Moderate	12/31/19	612,661	299,483	100,164
2B	Oak Furniture Land Group Limited	NB2	Low Moderate	-	-	-	-
3A	NCF Furnishings Limited	2A	Moderate	03/31/20	14,017	6,721	3,707
3B	Arm Furniture Limited	2C	Low Moderate	31/07/20	-	-	114
3C	DFS Trading Limited	5A2	Low Moderate	30/06/19	647,400	33,100	184,100
4A	Jysk Limited	2A	Low Moderate	31/08/20	22,604	10,473	5,094
4B	Dreams Limited	2A3	Moderate	24/12/19	321,286	35,339	3,770
5	Multi-Tile Limited	5A1	Low Moderate	26/09/20	-	9,110	202,567
6	B&M Retail Limited	5A2	Low Moderate	28/03/20	3,148,500	1,054,192	806,847
8A	Pets at Home Limited	5A2	Lower Than Average	26/03/20	937,580	466,206	791,868
8B	Bensons for Beds Retail Limited	02	Low Moderate	-	-	-	-
Drive-Thru	McDonald's Real Estate LLP	5A2	Lower Than Average	31/12/19	105,941	450,840	117,291
11	American Golf (Trading) Limited	N3	Higher Than Average	26/01/20	141,626	49,930	-4,746
Drive-Thru	Kentucky Fried Chicken (GB) Limited	-	-	-	-	-	-
Drive-Thru	Costa Limited	5A2	Lower Than Average	31/12/19	880,587	5,336	440,304



RETAIL WAREHOUSING IN DERBY

The Meteor Centre Retail Park is the largest and dominant retail warehouse scheme in Derby. It is where the majority of the discount and homeware retailers have sought representation, partly due to the size of the offer and partly to the low rents.

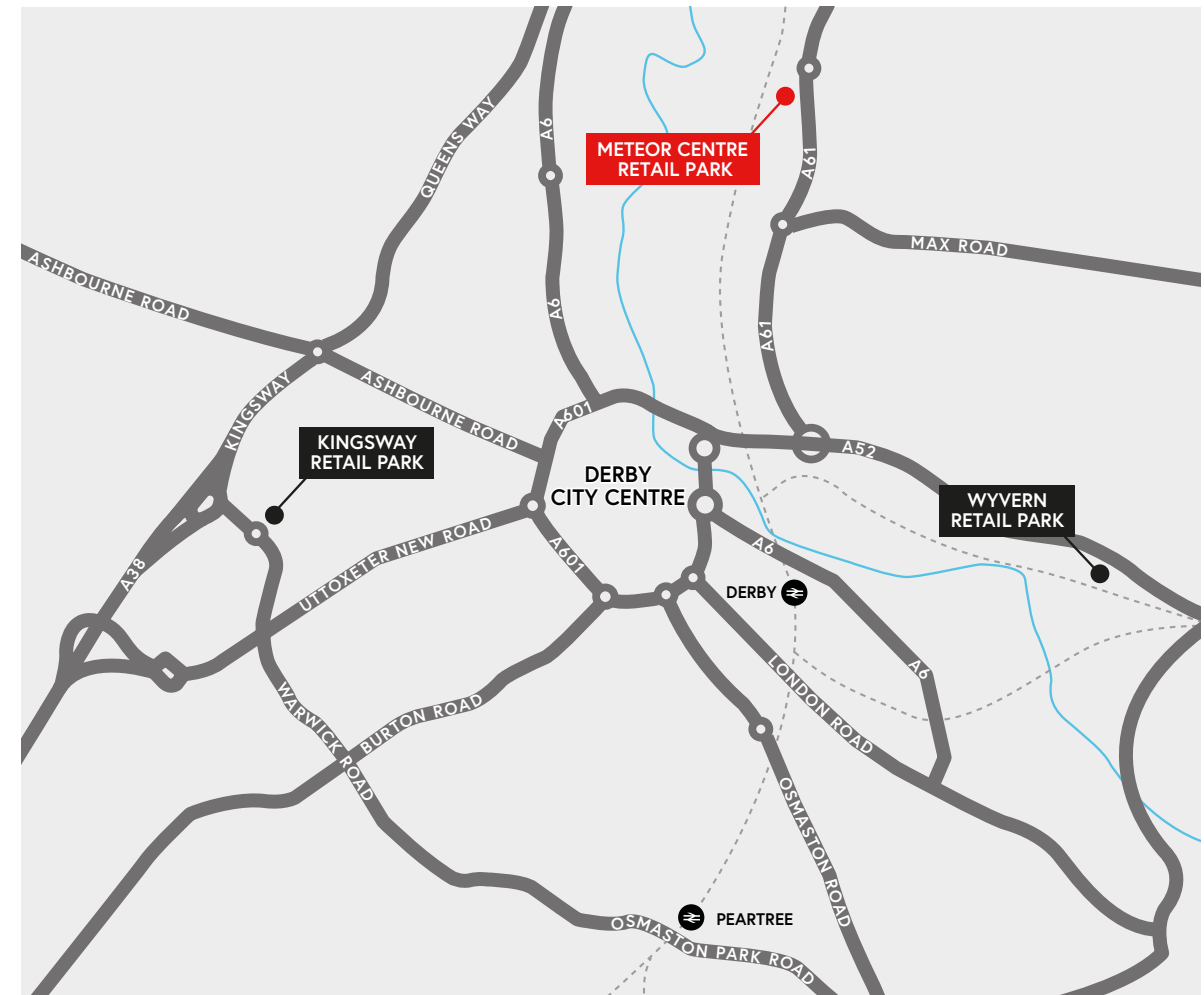
The overall rent at the Meteor Centre Retail Park reflects £13.86 psf. By comparison, rents at Wyvern Retail Park average £16.38 psf overall and at Kingsway Retail Park they average approximately £23.50 psf overall. The Meteor Centre Retail Park is affordable and offers a stable position for growth into the future.

Wyvern Retail Park

123,292 sq ft; Homebase, Next, Orange Theory, Home Bargains, Tapi, The Food Warehouse, Halfords, Carpetright, Costa. Highest rent is £19.50 psf. Average rent is £16.38 psf.

Kingsway Retail Park

147,500 sq ft; TK Maxx, Pets at Home, Next, Boots, M&S Foodhall, Smyths Toys. Highest rent is £30 psf. Average rent is £23.50 psf.





VAT

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

OWNERSHIP

The property is held within an SPV company, which is domiciled in Luxemburg, the share capital of which is available to purchase.

EPC

Copies of the Energy Performance Certificates (EPC's) are available upon request.

PURCHASE PRICE

Our client is seeking offers in excess of **£28,950,000 (TWENTY EIGHT MILLION NINE HUNDRED AND FIFTY THOUSAND POUNDS)** subject to contract and exclusive of VAT, for their freehold interest in the property. A purchase at this price would show a **yield of 8.5%**, net of purchaser's costs of 6.8%, and a very modest **£153 per sq ft capital value**.



FURTHER INFORMATION

Should you require any further information on the property or wish to arrange an inspection, please do not hesitate to contact:

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