

DFS LONDON ROAD, MAIDSTONE, ME16 0LP



INVESTMENT SUMMARY

- The DFS in Maidstone is a prime purpose-built retail warehouse of **20,460 sq ft** in a strong south east location.
- Located half a mile south of **Junction 5 of the M20** motorway and South Aylesford Retail Park.
- Situated on a prominent site fronting the A20, adjacent to one of two park-and-ride car parks in Maidstone and a Premier Inn.
- A very affluent and rapidly expanding **catchment population of 179,329** with an **annual spend of £1.208 billion** on comparison goods, convenience goods and food/beverages.
- The property is held **freehold**.
- Let in its entirety to **DFS Trading Limited at £958,230 per annum** for a further **8.75 years** on FRI terms.
- DFS Trading Limited has a D&B Rating of 5A2 and the highest Creditsafe score of 100, which is **very low risk**.
- DFS have recently announced excellent interim results of increased turnover, increased profitability and reduced levels of bank debt. **DFS have also reinstated their dividend and their shares are now trading at a record high of £3.07.**
- DFS trade very well from the property and have owned it in the past.
- Our client is seeking offers in excess of **£8,970,000 (EIGHT MILLION NINE HUNDRED AND SEVENTY 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 10%** net of purchaser's costs of 6.8%.

“ A prime purpose-built retail warehouse of 20,460 sq ft in a strong south east location. ”



LOCATION

Maidstone is the county town of Kent and is its largest town. The River Medway runs through the town and flows north to the towns of Rochester, Chatham and Gillingham and into the Thames Estuary. Maidstone is approximately 32 miles south east of London.

The town has excellent road connections. Junctions 5, 6 and 7 of the M20 motorway are all 2 miles north of the town centre, which connect to the M25 motorway to the west and Folkestone, the Channel Tunnel and the port of Dover to the east.

The A229 runs north/south through the town and connects north to the M2 motorway, the M25 motorway and then the Dartford Crossing.

By rail Maidstone is on the South Eastern network with a fastest journey time from Maidstone East to London Victoria of 1 hour 7 minutes.

London Gatwick Airport is 31 miles to the west of the town and is easily accessible by both road and rail.

Maidstone's early economy was built around agriculture, Kent being renowned as the garden of England. Agricultural produce was brought to the town and then transported away by boat on the River Medway. More latterly the town was known for brewing and paper manufacturing. The town's economy is now focussed on light industry and services and has the largest retail and office offer in Kent.

“ Located half a mile south of Junction 5 of the M20 motorway.”



SITUATION

The DFS is situated on a prominent site on the southern side of the A20 London Road, approximately 2 miles north west of Maidstone town centre. Immediately to the south of the property is a park-and-ride car park which serves the western side of the town.

Junction 5 of the M20 motorway is half a mile to the north of the DFS and South Aylesford Retail Park is half a mile to the west. South Aylesford Retail Park is owned by The Crown Estate and occupiers include Homebase, Currys/PC World, Smyths Toys, Sofology, Natuzzi, Wren, Costa and M&S Foodhall.

The area between the town centre and the DFS on the western side of the River Medway is almost entirely developed as residential housing.

Access to the DFS is from Beaver Road which connects in both directions to the A20 London Road via a traffic light junction.

“ Situated on a prominent site fronting the A20, adjacent to one of two Park-and-Ride car parks in Maidstone and a Premier Inn. ”



South Aylesford Retail Park

DEMOGRAPHICS

The DFS has a total population of 179,329 (74,109 households) within a 15 minute drive time (StorePointGeo).

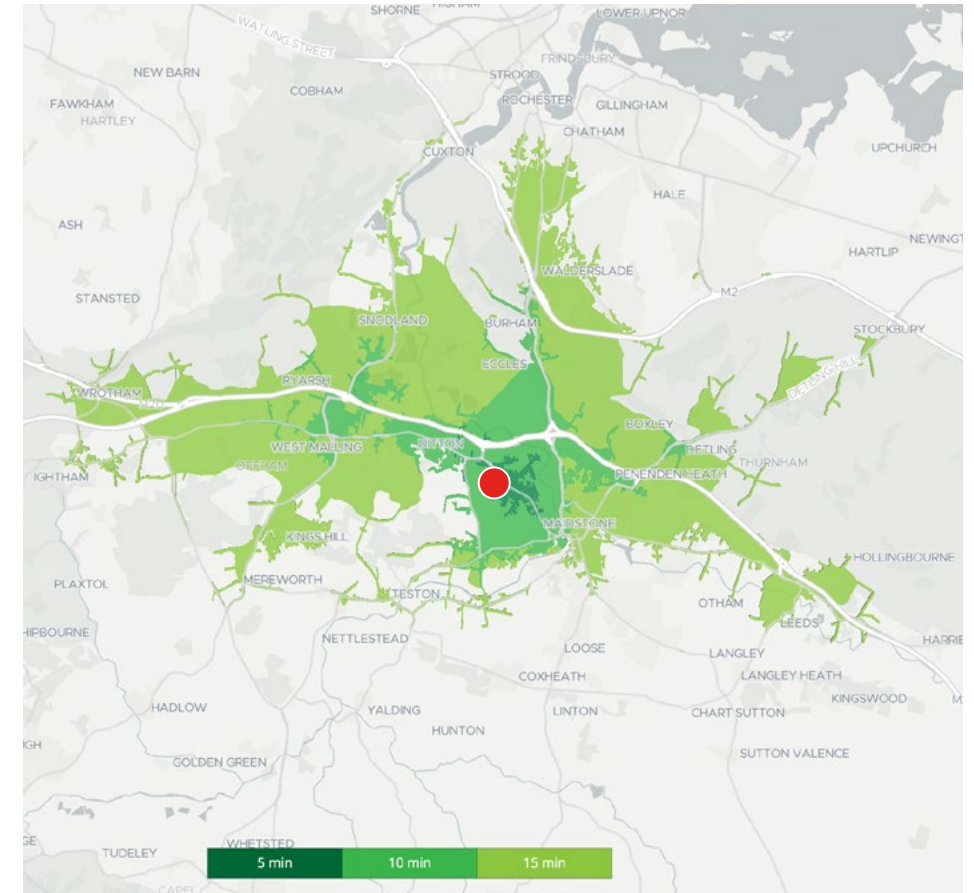
This population is very affluent. Ownership of 3 or more cars is 41% above the GB average. Home ownership is 12% above the GB average. The age of this population is in line with the GB average.

The highest social grades of AB and C1 are over represented by 7% and 9% respectively and the lowest grades of D and E are 22% underrepresented by the comparison to the GB average.

This population has an annual spend of £1.208 billion on comparison goods, convenience goods and food/beverages.

The population of Kent is forecast to grow by 7.6% to 2028 which is significantly higher than both National (5.0%) and South East (4.4%) forecasts. Maidstone's population is forecast to grow by an even higher rate of 10% to 2028, an increase of 17,100 people (Kent County Council). In order to accommodate this rapidly growing population, significant new housing development is occurring. In the three years to 2020, 3,787 new homes were built in Maidstone, 46% above the Government's house-building targets.

Persimmon Homes, Redrow, Taylor Wimpey, Crest Nicholson, Croudace Homes and Weston Homes are all building new housing on multiple-sites around the town.



“ A very affluent and rapidly expanding catchment population of 179,329 with an annual spend of £1.208 billion on comparison goods, convenience goods and food/beverages. ”



DESCRIPTION

The DFS unit is a prime modern retail warehouse of 20,460 sq ft, which was purpose-built for DFS.

The retail warehouse unit sits towards the back of the site, with customer car parking regularly laid out to the front. There is parking for 76 customer cars, including 3 disabled spaces, showing a ratio of 1:269 sq ft.

The unit is of an attractive modern design with brick elevations and a pitched clad roof. There is a covered entrance feature to the front of the unit.

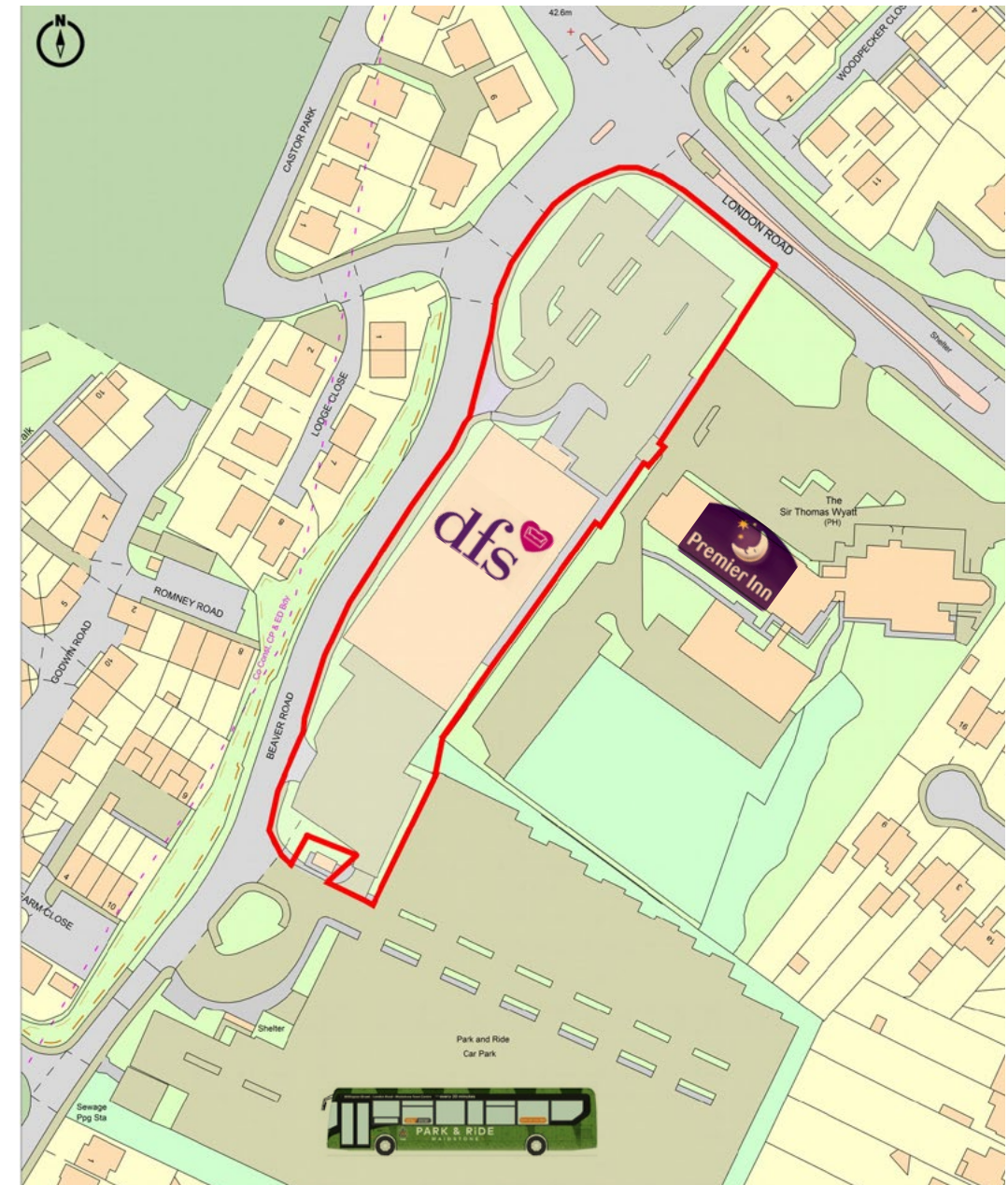
The unit is serviced from the rear via a secure yard. There are three roller-shutter doors at the back of the unit.

TENURE

Freehold.

SITE

The DFS occupies a broadly rectangular site of approximately 1.83 acres (0.74 hectares).



For indicative purposes only. Not to scale.





PLANNING

Planning consent for development of the unit was originally granted on 25th March 1998 (HA/97/1724). It was built for occupation by DFS and the consent allows for the sale of carpets, bulky furniture and DIY (including gardening) goods only. There is a restriction against the subdivision of the unit.

TENANCY

The property is let for a further 8.75 years, on a single lease to DFS on FRI terms as follows;

TENANT	AREA (SQ FT)	ANNUAL RENT	RENT (£PSF)	LEASE FROM	TERM (YRS)	LEASE EXPIRY
DFS Trading Limited	20,460	£958,230	£46.83	24/03/05	25	23/03/2030

It was originally owned by DFS Properties Limited and was held for their own occupation. In 2005 it was sold by way of a sale-and-leaseback by DFS off an initial rent of £700,000 per annum, showing £34.21 psf. This rent was subject to annual fixed increases of 3% for the first ten years of the term.

The level of the rent and the fixed reviews are reflective of the strength of the location, how well DFS trade from this unit and their commitment to it.



INCOME SECURITY

DFS Trading Limited is the main operating company of DFS Furniture Plc, the shares of which are listed on the London Stock Exchange. DFS are the leading retailer of furniture in the UK.

On 9th March 2021 DFS announced extremely positive interim results. Despite the COVID-19 pandemic, DFS' revenue in the six months' to 27 December 2020 (£572.6m) was 17.3% higher than for the same period to 29 December 2019 (£488m). Underlying pre-tax profits were £76.5m (27/12/2020) compared to £16.6m (29/12/19). Furthermore, net bank debt reduced by £109.6m to £38.2m. DFS claim to have increased their market share by 2% in this period and their "order bank" was £16.5m higher than at the prior year equivalent date. All of this is reflective of a very successful business. DFS Furniture Plc have also reinstated their dividend and their shares are now trading at a record high of £3.07.

The Sofology business was acquired by DFS in 2017 to further enhance their retail offer.

DFS Trading Limited has the highest Creditsafe score of 100, which is very low risk.

Details of DFS Trading Limited's last 3 years' accounts and their D&B rating are outlined in the schedule below:

TENANT	D&B RATING	RISK OF BUSINESS FAILURE	YEAR ENDING	TURNOVER (£000'S)	PRE TAX PROFIT (£000'S)	NET WORTH (£000'S)
DFS Trading Limited	5A2	Low Moderate	30/06/19	£647,400	£33,100	£184,100
			28/07/18	£685,700	£45,600	£155,500
			29/07/17	£707,500	£59,500	£110,400



Let in its entirety to DFS Trading Limited at £958,230 per annum for a further 8.75 years.

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).

EPC

The property has an EPC Rating of B. A copy of the Energy Performance Certificate (EPC) is available upon request.

PURCHASE PRICE

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FURTHER INFORMATION

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

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