

WICKES

GIPSY LANE
SWINDON, SN2 8DH

PRIME FREEHOLD
RETAIL WAREHOUSE
INVESTMENT



INVESTMENT SUMMARY

- A prime modern retail warehouse unit of 54,096 sq ft purpose built to Wickes' specification.
- Located in Swindon, an affluent southern town with a buoyant economy and a rapidly expanding population.
- Let to Wickes for a further 14.5 years.
- Wickes Building Supplies Limited is a 5A1 covenant.
- The passing rent of £899,589 per annum reflects £17.00 psf.
- Freehold.
- Wickes are trading extremely well from the store.
- Our client is seeking offers in excess of **£14,040,000 (fourteen million and forty thousand pounds)**, subject to contract and exclusive of VAT, for their freehold interest in the property.
- A purchase at this level would show an **attractive initial yield of 6.00%** net of purchase costs at 6.8%.



“ LET TO WICKES BUILDING SUPPLIES LTD
(A 5A1 COVENANT) FOR 14.5 YEARS ”

LOCATION

Swindon is an affluent town located in Wiltshire and is the county's administrative centre. The town is located immediately to the north of the M4 motorway, which can be accessed from Junctions 15 and 16 to the east and west of the town respectively. The M4 runs east to Reading and London and west to Bristol and South Wales. The A419 dual carriageway also runs north from Junction 15 of the M4 to Gloucester and Cheltenham.

Swindon is located 78 miles west of London, 35 miles west of Reading and 35 miles east of Bristol. The town is on the former Great Western Railway, so train services are excellent. The fastest journey time by rail to London Paddington is 1 hour and to Bristol is 24 minutes.

By air, Bristol Airport is located 42 miles southwest of Swindon with flights to both domestic and international destinations.



DEMOGRAPHICS

Swindon has a primary catchment population of 516,000 and a shopping population of 257,000 (PROMIS). As at the last Census in 2011, Swindon had an urban population of 209,156, an increase of 16% from the previous 2001 Census. Swindon's population is still increasing and is forecast to continue to rise significantly above the national rate for the foreseeable future.

The town's population is also relatively young and affluent and levels of per capita retail spending are significantly above the PROMIS average. The most affluent AB social grouping is significantly over-represented and the least affluent D and E social groupings are significantly under-represented.

Levels of car ownership in Swindon are significantly above average with a particularly high proportion of 2 car households. Home ownership is in line with average levels.



SITUATION

The property is situated in a very prominent position fronting the roundabout junction of the A4311 Cirencester Way and the B4143 Gipsy Lane, approximately 1 mile north east of the town centre. The A4311 is the main road running north from the town centre to the A419.

Diagonally opposite the property, across the roundabout, is a new Lidl foostore. Further to the east along the B4143 is a BMW plant which makes body panels for MINI. To the south west of the property on Great Western Way is a TK Maxx retail warehouse unit and to the south of the railway line is a 24 hour Tesco Extra foodstore, a Go Outdoors and a B&M retail warehouse unit.

The property is centrally located in Swindon and is easily accessible from all directions.

DESCRIPTION

The property was purpose built in 2007 for Wickes' occupation to be traded as their Wickes Extra format. It is a modern steel-framed construction under a single-span curved roof. The elevations and roof are clad in attractive composite panels.

The building is well laid out on site and occupies the north western element of it. The customer entrance is in the middle of the main frontage by way of a full height lobby. A separate trade entrance is positioned on the eastern flank wall of the unit. A project yard is situated at the rear of the unit.

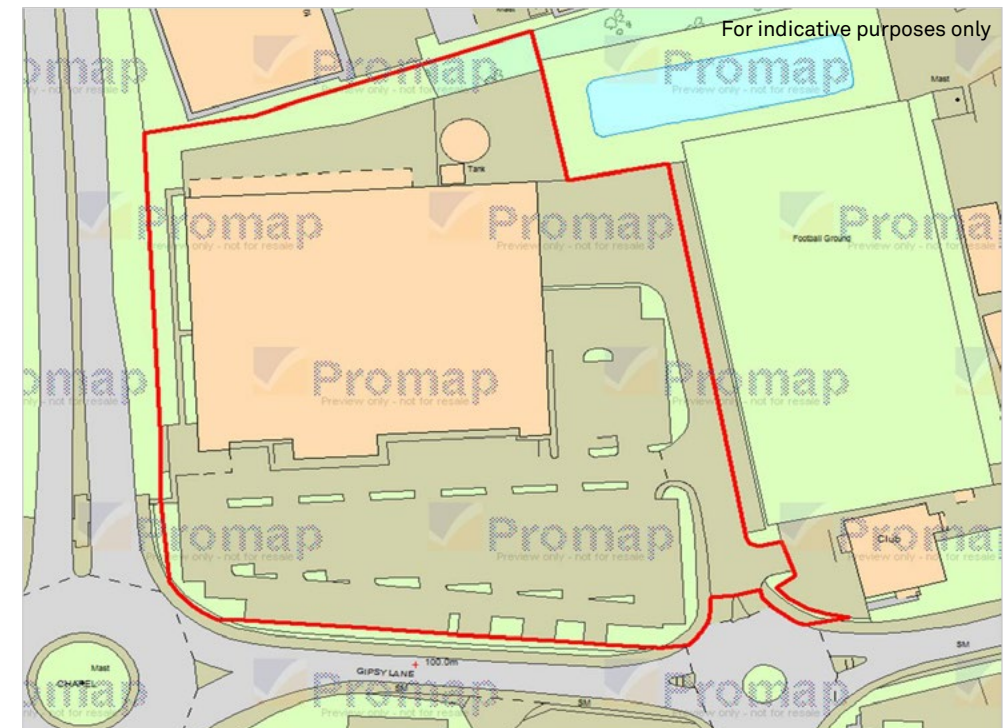
Customer access to the site is from a roundabout junction on Gipsy Lane located at its south eastern corner. A short spur road provides both customer and servicing access and also access to the adjacent football and social club.

The unit is serviced from a secure yard located to the rear and eastern side of the unit. A large sprinkler tank is situated in the rear yard.

In total the unit provides approximately 54,096 sq ft of accommodation on ground and first floors. However, the lease states an area of 52,917 sq ft.

Customer parking for 196 cars is regularly laid out in bays to the front and side of the unit providing a ratio of 1:270 sq ft.

**“ 18,157 CARS PASS THE
PROPERTY ON AVERAGE DAILY ”**





PLANNING

The property was granted a consent for the current development on 20th December 2005 (No S/04/1894), for the erection of a retail warehouse, with associated car parking, servicing and landscaping. Under this consent the property can be used for the retail sale (and ancillary storage) of DIY and home improvement goods and equipment including building, garden and associated products. There is a restriction against sub-dividing the unit and also against the construction of mezzanine floors without the consent of the Local Planning Authority.

A copy of the planning consent is available upon request.



SITE

The property occupies a regular, effectively square site of approximately 4.061 acres (1.643 hectares).

The property has a low site-cover of 30%.

TENURE

Freehold.





TENANCY

The property is let in its entirety to Wickes Building Supplies Ltd for a term of 25 years from 12 January 2007 on full repairing and insuring terms. There are therefore 14.5 years remaining unexpired on the lease term.

The current passing rent of £899,589 per annum reflects £17.00 psf based upon an area of 52,917 sq ft as stated in the lease. The rent is reviewed 5 yearly upwards only to Open Market Value. The January 2017 rent review is currently outstanding.

STORE PERFORMANCE

We understand that Wickes are trading extremely well from this store.

COVENANT INFORMATION

Wickes is one of the UK's leading DIY retailers. Their stores are designed to appeal to both DIY enthusiasts and tradesmen. Wickes is owned by Travis Perkins plc, a large builder's merchant, which has approximately 1,900 outlets and 24,000 employees. Wickes opened its first store in 1972 and now trades from approximately 220 stores throughout the UK. Wickes predominantly sells its own branded goods.

The subject property is let to Wickes Building Supplies Limited which is the operational company of the business and the company against which their property leases are secured.

Wickes Building Supplies Limited has a Dun & Bradstreet rating of 5A1, which represents a 'minimum risk of business failure'. A summary of the company's last three years' accounts is set out below:

Year Ending	Sales Turnover (000's)	Pre Tax Profit / Loss (000's)	Net Worth (000's)	D&B Rating
26/12/2015	£1,104,950	£60,133	£404,992	5A1
27/12/2014	£1,039,986	£68,731	£355,080	
28/12/2013	£972,038	£49,441	£298,859	



RETAIL WAREHOUSE PROVISION IN SWINDON

There are only three other DIY retail warehouse stores in Swindon; two Homebase units and a B&Q Warehouse. All are let off rents at or above that passing on the subject property. Details of these are outlined below:

Address	Area (SQ FT)	£ PSF
Homebase, Greenbridge Retail Park	31,564	£22.50
Homebase, Orbital Retail Park	40,004	£20.00
B&Q Warehouse, Great Western Way	108,294	£17.00

The plan below outlines the location of the retail warehousing and foodstore provision in Swindon.



EPC

A copy of the 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:

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