

FOUR POOLS RETAIL PARK

EVESHAM WR11 1DJ

PRIME FREEHOLD RETAIL WAREHOUSE INVESTMENT



INVESTMENT SUMMARY

- Evesham is an affluent town in the county of Worcestershire.
- The town benefits from a dedicated and loyal catchment with 92,172 people living within a 20 minute drive time, increasing to 260,821 within 30 minutes.
- The subject property is situated 2 miles south east of the town centre and prominently positioned fronting the A56 Evesham by-pass.
- The scheme and the surrounding complimentary retail offer combine to form the town's dominant retail location.
- Fully let to Halfords, Pets at Home, The Range, Countrywide Farmers and Frankie & Benny's.
- Current rent of £1,158,001 per annum, with rents between £14.33 psf and £17.15 psf on the retail warehouse units.
- Attractive WAULT of 9.6 years (9.0 years to breaks).
- Wide Bulky Goods planning permission prohibiting only the sale of food, shoes/clothes, toys, pharmaceuticals and jewellery.
- Freehold.

We are instructed to seek offers in excess of **£16,681,000 (Sixteen Million, Six Hundred and Eighty One Thousand Pounds)**, subject to contract and exclusive of VAT, which would reflect a **net initial yield of 6.50%** (assuming purchaser's costs of 6.8%).



“ FULLY LET TO HALFORDS, PETS AT HOME, THE RANGE, COUNTRYWIDE FARMERS AND FRANKIE & BENNY'S. ”

LOCATION

Evesham is situated in the county of Worcestershire, approximately 14 miles south west of Stratford-upon-Avon, 16 miles north east of Cheltenham and 17 miles south east of Worcester. The town is also 31 miles south of Birmingham and 100 miles north west of London.

The town benefits from good communication links, with Junctions 7 and 9 of the M5 motorway accessible to the north west via the A44 and south west via the A46, respectively. The A46 provides a direct link with Stratford-upon-Avon, whilst the A44 connects with Chipping Norton and Oxford, via the A34, to the south east.

Evesham Railway Station offers a direct service to London Paddington with a fastest journey time of 1 hour 45 minutes.

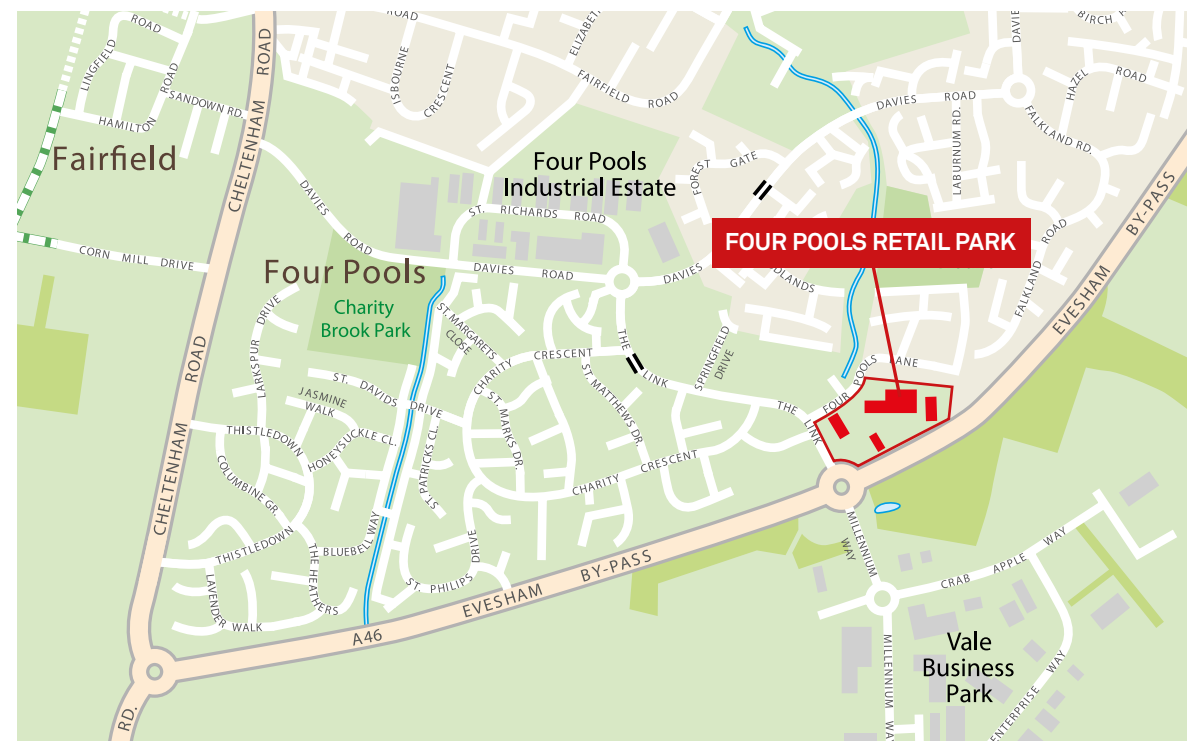
SITUATION

Four Pools Retail Park is situated in a very prominent position fronting the A46, which is the main by-pass running to the east of the town. The park has excellent frontage to this road and all of the units are visible therefrom.

The scheme also has frontage to The Link, which leads from the A46 into the town centre.

Immediately to the west the property adjoins B&Q, Currys/PC World, Carpetright and a Morrisons foodstore, all of which also front The Link. These is also a McDonald's immediately across The Link. Together these units form the principal concentration of out of town retail in Evesham, totalling some 190,000 sq ft.

Across the A46 is the Vale Business Park, which is the town's main office/industrial hub.



DESCRIPTION

The property comprises a purpose built retail warehouse park comprising four retail units and a restaurant. The scheme totals 75,646 sq ft of accommodation, of which 72,385 sq ft is retail and 3,261 sq ft is A3. Three of the retail units comprise a south facing terrace with a solus retail unit located at the western end of the site. An A3 restaurant unit is positioned at the southern edge of the site close to the A46.

The retail warehouse units are of a steel framed construction under pitched roofs. The retail warehouse terrace has brick elevations and roofs constructed with composite cladding panels. The solus retail warehouse unit is clad with composite panels and the A3 restaurant unit is brick built with pitched tiled roofs.

Customer access to the scheme is from Four Pools Lane at the western end of the site.

The main retail warehouse terrace is serviced from a rear yard which has a dedicated access from Four Pools Lane.

Customer parking is laid out regularly to the front of the retail warehouse terrace and the side of the solus retail warehouse unit. A total of 215 spaces are provided showing an overall ratio of 1:352 sq ft.



EPC

A copy of the EPC is available upon request.



“ LOYAL CATCHMENT WITH
92,172 PEOPLE LIVING WITHIN
A 20 MINUTE DRIVE TIME ”

CATCHMENT AND DEMOGRAPHICS

Evesham is an affluent town in the county of Worcestershire. CACI calculate that 92,172 people live within a 20 minute drive-time of Four Pools Retail Park and this increases to 260,821 people within 30 minutes of the scheme.

CACI also provide that within the 20 minute drive time catchment there are a significantly higher than average number of people classified in the ‘AB’ and ‘C2’ social grades. ‘AB’ includes people who work in higher managerial, administrative and professional occupations whilst ‘C2’ are skilled manual workers.

The average annual salary in the 20 minute drive time catchment is £40,307, 7.6% above the base (GB) average.

Social Grade

Year Ending	Description	Comparison to Base (GB) Average
AB	Higher and intermediate managerial / professional	+12%
C1	Supervisory, clerical, managerial / professional	-5%
C2	Skilled manual workers	+16%
DE	Semi-skilled / unskilled / unemployed	-18%

Household Income Profile

<p>£</p> <p>£40k to £60k pa 12% above average Catchment = 20.2% Average = 18.1%</p>	<p>£</p> <p>£60k to £80k pa 16% above average Catchment = 10.1% Average = 8.7%</p>	<p>£</p> <p>£80k to £100k pa 14% above average Catchment = 5.0% Average = 4.4%</p>	<p>£</p> <p>£100k+ pa 9% above average Catchment = 5.0% Average = 4.6%</p>
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Acorn Category Profile

The catchment population contains a high number of people in the affluent Acorn ‘sub categories’ stated below and we believe Four Pools Retail Park provides an attractive retailer line up that caters for people across these demographic categories.

Acorn Category	Sub Category	Number of People	Number
Affluent Achievers	Executive Wealth	20,009	+69%
	Mature Money	16,840	+94%
Comfortable Communities	Countryside Communities	11,105	+105%
	Comfortable Seniors	4,226	+74%
Financially Stretched	Striving Families	10,186	-34%

Catchment Expenditure Versus CACI Average

- Total Comparison Goods Expenditure **+5%**
- Tools & Equipment for House & Garden **+28%**
- Household Textiles **+14%**
- Pet Food & Pet Care **+12%**
- Household Cleaning **+11%**
- Household repair maintenance & decoration **+8%**
- Recreational durables **+37%**
- Recreational items (plants, toys, etc) **+6%**

Home and Car Ownership

- Home ownership is **12%** above the CACI base UK average
- Social rented is **22%** below the CACI base UK average
- Car Ownership is **30%** above the base UK average

Summary

Evesham has a large and affluent catchment and we believe that Four Pools Retail Park provides an attractive retailer line-up that caters well for shoppers across these demographic categories.

OUT OF TOWN RETAILING IN EVESHAM

Four Pools Retail Park

Four Pools is the largest retail park in Evesham at 76,436 sq ft and by virtue of its position on the A46 by-pass, it is the most prominent.

Surrounding Retail Warehouse Cluster off the A46

Four Pools Retail Park forms part of a larger retail cluster that combines to provide customers with a complimentary retail mix. The neighbouring retail includes; a 46,500 sq ft B&Q, a 12,000 sq ft Currys/PC World and an 8,000 sq ft Carpetright owned by Aberdeen Asset Management. There is also a 45,000 sq ft Morrisons foodstore and a McDonald's restaurant.

This retail warehouse cluster provides around 190,000 sq ft, giving a large critical mass and forms the dominant retail offer in Evesham. The cluster caters for the immediate densely populated residential area and the wider catchment.

There is also a proposal for a new retail warehouse development to the North of the Morrisons foodstore.

Evesham Shopping Park

Situated approximately 1 mile north of the town centre is Evesham Shopping Park which is a 42,381 sq ft retail warehouse terrace providing 5 units let to Next, Boots, M&S Foodhall, Poundstretcher and Argos. The park has an Open A1 (part-food) planning consent and is owned by LaSalle Investment Management.

Within close proximity to the park is a newly constructed 25,000 sq ft B&M Homestore, owned by the retailer, and a 75,000 sq ft Tesco foodstore.





TENURE

The property is held freehold.

PLANNING

Planning permission was originally granted on 1 September 1988 for the development of 'non-food retail warehousing and restaurant with associated car parking'. The Section 52 Agreement dated 30th March 1998 prohibits the sale of food, shoes, clothes, toys, pharmaceuticals, jewellery and alcohol from the site. The sale of food from the restaurant unit was allowed in a deed dated 6 October 1988.

The Pets at Home unit was granted a separate consent dated 13 June 2008.

We are of the opinion that the property has the benefit of a broad bulky goods planning consent.

TENANCIES

Four Pools Retail Park is well let to 5 national operators, all of whom are household names, producing a total income of £1,158,001 pa as set out below.

The income has an attractive weighted average unexpired lease term (WAULT) of 9.6 years to expiry, and 9.0 years to breaks.



Tenant	GIA (sq ft)	Lease Start Date	Expiry Date	Next Rent Review	Current Rent (per annum)	Current Rent (per sq ft)	Comments
Halfords Limited	15,034	24-Jun-14	23-Jun-24	24-Jun-19	£225,889	£15.03	The 2019 rent review is capped at £255,571 pa.
CDS (Superstores International) Limited t/a The Range	40,040	24-Jun-14	23-Jun-29	22-Jun-19	£592,102	£14.79	-
Countrywide Farmers Plc.	11,164	07-Sep-06	06-Sep-21	-	£160,010	£14.33	-
The Restaurant Group (UK) Limited	3,261	12-Sep-07	11-Sep-32	12-Sep-17	£75,000	£23.00	Tenant's break option on 12/09/2022.
Pets At Home Limited	6,147	18-May-09	17-May-24	18-May-19	£105,000	£17.08	Rent review area assumed as 6,124 sq ft.
Total	75,646				£1,158,001		



COVENANT INFORMATION

Pets at Home Ltd Pets at Home is the UK's leading pet supplies retailer with more than 370 stores and 6,000 employees. Their most recent accounts are as follows:

Year Ending	Sales Turnover (000's)	Pre Tax Profit / Loss (000's)	Net Worth (000's)	D&B Rating
31/03/2016	£739,726,000	£81,843,000	£598,310,000	5A1
26/03/2015	£598,310,000	£79,920,000	£517,138,000	

The Restaurant Group (UK) Limited The Restaurant Group is a British chain of public houses and restaurants including Frankie & Benny's, Chiquito, Coast to Coast and Garfunkel's.

Year Ending	Sales Turnover (000's)	Pre Tax Profit / Loss (000's)	Net Worth (000's)	D&B Rating
27/12/2015	£511,074,000	£69,353,000	£96,216,000	5A1
28/12/2014	£483,722,000	£73,487,000	£98,199,000	

Countrywide Farmers plc Countrywide Farmers is the leading supplier of products and services to the rural community. Countrywide Country Stores offer equestrian clothing and equipment, farmer, smallholder and pet supplies. They also offer a wide range of country clothing.

Year Ending	Sales Turnover (000's)	Pre Tax Profit / Loss (000's)	Net Worth (000's)	D&B Rating
30/11/2016	£134,262,000	-£10,008,000	£5,377,000	2A2
30/11/2015	£320,291,000	£4,107,000	£25,978,000	



CDS (Superstores International) Limited The Range was founded by entrepreneur Chris Dawson in 1989 and now trades from over 100 superstores nationwide. The Range sells more than 65,000 products across 16 departments including DIY, Homewares, Furniture, Lighting, Arts & Crafts and Garden equipment.

Year Ending	Sales Turnover (000's)	Pre Tax Profit / Loss (000's)	Net Worth (000's)	D&B Rating
31/01/2016	£674,203,000	£57,032,000	£190,245,000	5A1
25/01/2015	£565,064,000	£57,299,000	£166,972,000	

Halfords Ltd Halfords is the UK's leading cycling and motoring retailer operating from more than 420 retail stores and employing approximately 9,000 people. Halfords estimate that they have approximately 20% to 25% share of the UK's cycle market.

Year Ending	Sales Turnover (000's)	Pre Tax Profit / Loss (000's)	Net Worth (000's)	D&B Rating
01/04/2016	£866,100,000	£86,200,000	£655,900,000	5A1
03/04/2015	£872,700,000	£92,600,000	£622,300,000	

RENTAL COMMENTARY

The current levels of rent passing on Four Pools Retail Park sit well by comparison to the passing rents of the adjacent B&Q, Currys/PC World and Carpetright units.

The 46,500 sq ft B&Q is let at £14.50 psf, the 12,000 sq ft Currys/PC World at £16.00 psf and the 8,000 sq ft Carpetright at £15.25 psf.

At the 42,381 sq ft Evesham Shopping Park, rents of £18.50 - £25.00 psf have been achieved.

We are aware that a new scheme is proposed on a site located to the north of the Morrisons supermarket where pre-lets have been documented reflecting £19.00 psf on 10,000 sq ft units, subject to planning. Should consent for this proposed scheme be achieved, these new lettings will prove a significant reversion for the passing rents on Four Pools Retail Park.

PURCHASE PRICE

Our client is seeking offers in excess of **£16,681,000 (sixteen million six hundred and eighty one 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 6.5%** net of purchaser's costs of 6.8%.

The property is held in a Jersey based SPV and further details are available upon request.

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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