

GREYHOUND

RETAIL PARK PHASE II

Sealand Road, Chester, CH1 4QG



Prime supermarket anchored
retail warehouse investment



INVESTMENT HIGHLIGHTS

- ▶ The historic city of Chester is the county town of Cheshire, with a large and very affluent catchment.
- ▶ Greyhound Retail Park Phase II forms part of a regional shopping destination, in total providing over 841,000 sq ft of out of town retail accommodation. The park forms part of the UK's 9th largest retail warehouse cluster.
- ▶ Prime supermarket anchored scheme of 12 units totalling 176,198 sq ft, with 844 parking spaces (1:209 sq ft).
- ▶ Freehold site of 16.3 acres.
- ▶ Flexible Class E planning permission allowing the sale of both food and non-food goods.
- ▶ Fully let with an attractive line up of national multiple retailers.
- ▶ Total rent of £4,155,341 pa (£23.58 psf).
- ▶ WAULT of 8.6 years to earlier of tenant break or lease expiry.
- ▶ The property offers a number of asset management opportunities to enhance value.
- ▶ Tenants trade well from the scheme.
- ▶ There is strong occupier demand for representation on the scheme.
- ▶ Our client is seeking offers in excess of **£53,665,000 (fifty three million six hundred and sixty five thousand pounds)** for the benefit of their freehold interest in the property. A purchase at this level will show a **net initial yield of 7.25%** after allowing for purchaser's costs of 6.8% on the income of £4,155,341 pa (which assumes that the rent on the Asda unit is topped up to the fixed increase on 25th August 2024).



**Prime supermarket anchored
retail park of 12 units totalling
176,198 sq ft, with 844
parking spaces (1:209 sq ft).**

LOCATION

Chester is one of the oldest and most revered cities in the UK. Founded as a Roman Fort nearly two thousand years ago in 79 AD, Chester was the most important city in the north west for many years, and was the last major city to fall to the Norman Conquest.

Chester racecourse held its first meeting in February 1539, and is the oldest racecourse in the world. Indeed the colloquial term ‘gee-gees’ for horses dates back to the 16th century Mayor of Chester, Henry Gee, who decreed that horseracing must replace football on Shrove Tuesdays. Chester remains one of the country’s busiest and most popular racecourses, and is consistently one of the country’s top five courses for annual attendance.

Today, Chester is a thriving centre for retail and tourism. Its famous black and white Rows in the city centre (unique in Britain) and the city walls (the most complete in the country) attract over 8 million visitors each year.

Chester University is located on the southern side of the River Dee, opposite the city centre, and is the fifth oldest educational establishment in England.

Chester sits on the English/Welsh border, some 19 miles south of Liverpool, 40 miles south west of Manchester and 200 miles north west of London. The city has excellent communications.



Road:
The M53 and M56 link Chester directly to Liverpool, Manchester and the national motorway network.



Rail:
Chester has regular direct trains to Liverpool (44 minutes), Manchester (50 minutes) and London Euston (2 hours).



Air:
Manchester International Airport and Liverpool John Lennon are both within easy driving distance of Chester, being 44 minutes and 35 minutes respectively. Both airports provide numerous domestic and international flights.



SITUATION

Greyhound Retail Park Phase II is located one mile west of the city centre, just off the A458 Sealand Road dual carriageway, which is Chester's prime retail warehouse location.

In the immediate vicinity are Greyhound Retail Park Phase I, Deva Retail Park and Chester Retail Park, with Aldi, B&Q, Wickes, Stokers Furniture, Matalan and Tesco having units across Sealand Road.

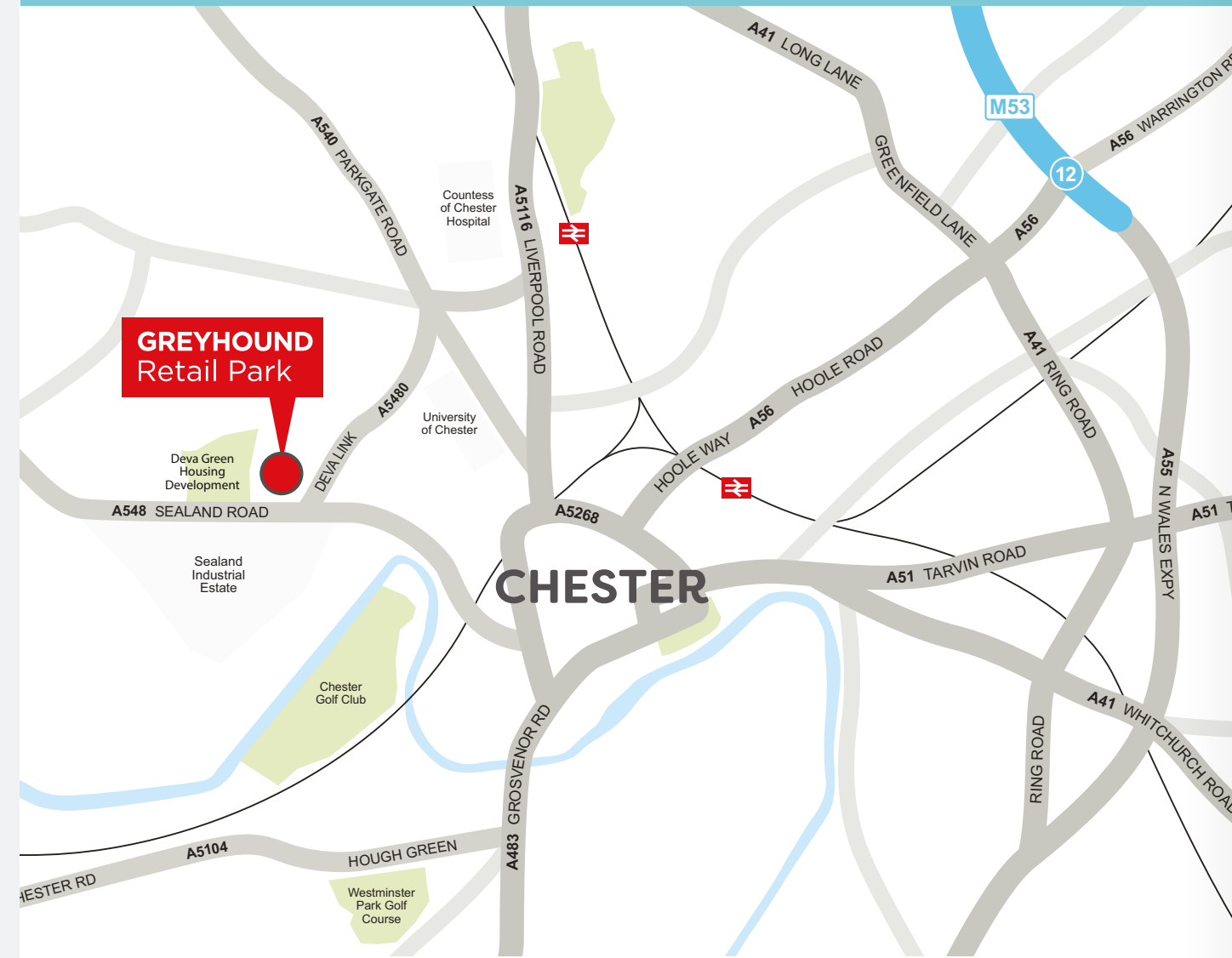
In total there is over 841,000 sq ft of retail warehousing focused on this part of Sealand Road, making it the 9th largest retail warehouse cluster in the UK.

The very large provision of retail warehousing at Sealand Road not only attracts shoppers from Chester itself, but also draws customers from significantly further afield.

Immediately to the south west of the property, Anwyl Homes are developing a new scheme of 142 two, three and four bedroom houses on the former university playing fields. The first houses have been built/sold and the whole development is due for completion within two years.

To the west of this, across Clifton Drive, a planning application has been submitted for a further 150 homes. (Application Number 20/02712/OUT).

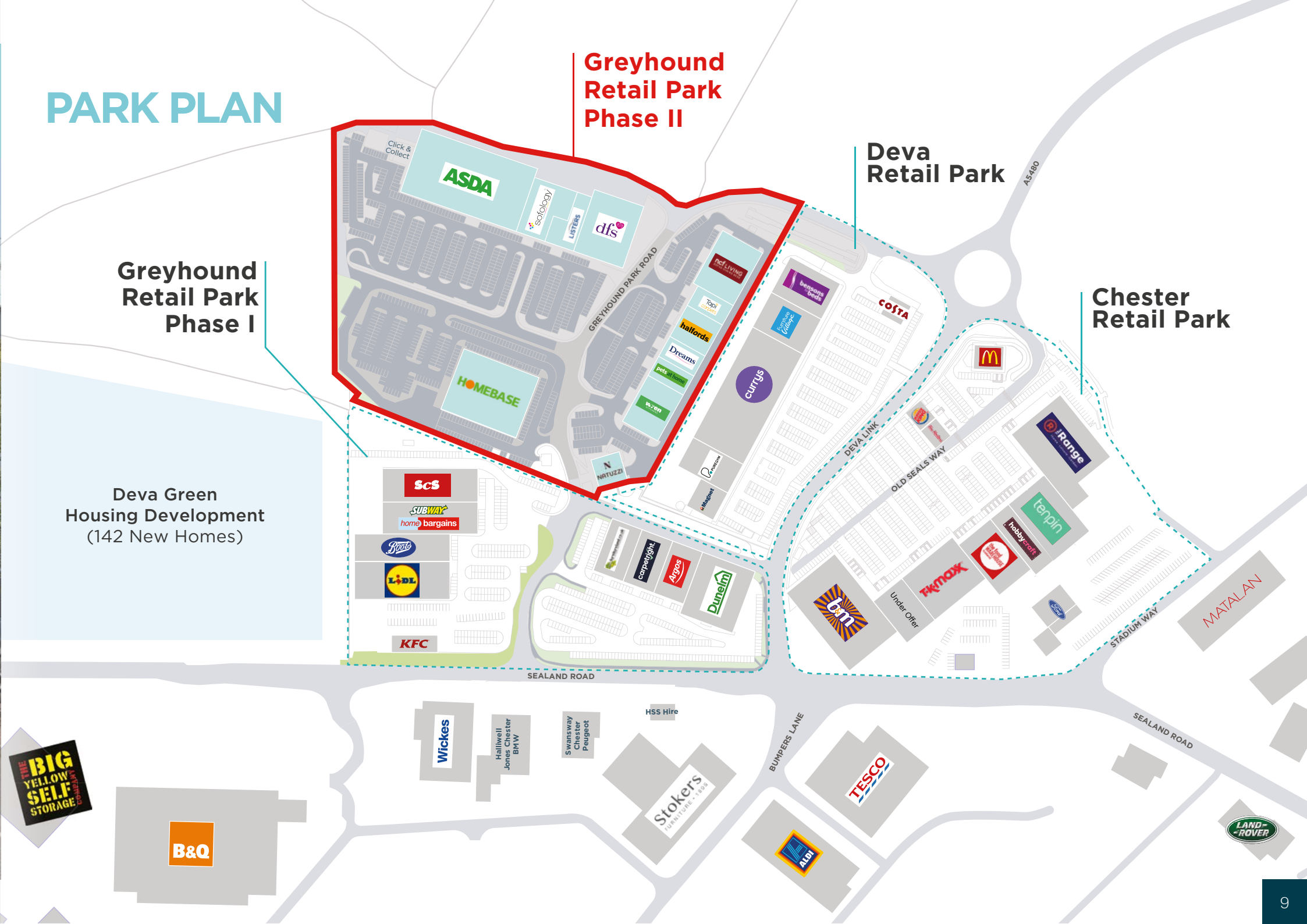
Phase II, Greyhound Retail Park is situated in the 9th largest retail warehouse location in the UK.



Greyhound Retail Park Phase II forms part of a regional shopping destination, in total providing over 841,000 sq ft of out of town retail accommodation.



PARK PLAN



DEMOGRAPHICS

Chester has a population of 87,507, with some 810,000 people living within a 30 minute drivetime of the subject property. This ranks Chester 15th of the UK Promis Centres.

Chester's catchment is both extremely affluent and mobile. Household expenditure is high and the level of unemployment is low.

According to CACI, Affluent Achievers account for 30.5% of the 30 minute catchment, which is 41% higher than the UK average. The Executive Wealth sub-category accounts for 50% of all Affluent Achievers and this sub-category is 39% higher than the national average.

The city has a strong and diverse economy which, in addition to retailing, leisure and tourism, encompasses financial standards, advanced engineering, manufacturing, professional services and pharmaceuticals.

Major employers in the city include Bank of America, Airbus, VK (who have the world's largest wing manufacturing plant), Essar, EA Technology and Bristol Meyers Squibb.



Chester has a large and extremely affluent catchment.



DESCRIPTION

Phase II of Greyhound Retail Park comprises a prime, supermarket anchored, scheme of 12 units totalling 176,198 sq ft on the ground floor.

The units are laid out in a horseshoe arrangement focussed on Greyhound Park Road, which joins with Deva Link and provides a circular thoroughfare connecting all of the retail parks with the Sealand Road dual carriageway.

Both of the retail terraces and the stand alone Homebase unit front the large central customer car park. In total there are 844 spaces, giving a generous parking ratio of 1:209 sq ft.

All of the units have rear servicing and the layout of the terraces offers the flexibility for units to be readily subdivided or amalgamated to suit individual tenant requirements.

SITE

The property comprises a regular, level, site of some 16.3 acres (6.6ha).



Our client has commissioned a Flood Risk Assessment report which confirms that the site has a low risk of flooding. A copy of this report is available upon request and is assignable to a purchaser.

TENURE

Freehold.

PLANNING

The property has the benefit of a flexible Class E planning permission (formerly A1), permitting the sale of both food and non-food goods.

The table below sets out the specific consents granted for the various units.

Unit	Permission	Comment
3	Open A1 (including food)	Open A1 including food at ground floor level. Bulky goods at mezzanine level plus 100 sq m (1,076 sq ft) of all retail goods.
23	Class A3	Now Class E.
24-32	Open A1 (non food)	No minimum unit size.
33	Open A1 (including food with restrictions)	Restrictions: Maximum GIA of 7,005 sq m (75,401 sq ft). Maximum net sales area of 3,746 sq m (40,322 sq ft). Maximum convenience goods sales area of 3,021 sq m (32,518 sq ft). Maximum comparison goods sale area of 1,700 sq m (18,299 sq ft).

Copies of the various planning permissions are available upon request.

Flexible Class E planning permission permitting the sale of both food and non-food goods.



TENANCIES

The property is very well let to 12 tenants, all of whom are national multiple retailers, producing an income of £4,155,341 pa. The leases are drafted on fully repairing and insuring terms, with a service charge payable for the maintenance of the common parts.

The weighted average unexpired lease term (WAULT) is 8.6 years to break and 9.0 years to expiry.

Unit	Tenant	Trading Fascia	GIA (sq ft)	Mezz. (sq ft)	Term (Yrs)	Lease Start	Lease Expiry	Next RR Date	TOB	Passing Rent (£ pa)	Passing Rent (£ psf)	Comments
3	HHGL Ltd	Homebase	30,363	28,904	15	25/03/2022	24/03/2037	25/03/2027	-	£500,000	£16.47	New letting to Homebase on a 15 year unbroken lease. Rent reviewed to OMV.
23	North West Ltd	Natuzzi	5,020	-	10	08/09/2020	07/09/2030	01/06/2025	-	£142,500	£28.39	Rent reviewed to OMV capped at 3% pac. Service charge capped at £0.75 psf which rises in line with RPI.
24	Wren Living Ltd	Wren Kitchens	12,250	11,664	10	04/02/2016	03/02/2026	-	-	£306,250	£25.00	-
25	Pets at Home Ltd	Pets at Home	5,154	-	10	24/03/2016	23/03/2026	-	-	£136,581	£26.50	-
26	Dreams Ltd	Dreams	5,142	4,728	21	31/03/2005	06/12/2026	-	-	£138,000	£26.84	-
27	Halfords Ltd	Halfords	8,559	5,905	15	23/07/2012	22/07/2027	23/07/2022	-	£210,450	£24.59	-
28	Tapi Carpets & Floors Ltd	Tapi Carpets	5,165	-	10	31/10/2016	30/10/2026	-	-	£139,455	£27.00	-
29	NCF Furnihings Ltd	NCF	15,259	14,162	10	31/10/2022	30/10/2032	31/10/2027	31/10/2027	£300,000	£19.66	Tenant to recieve 9 months' rent free if tenant only break is not exercised. Rent reviews to OMV capped at 3% pac.
30	DFS Furniture Company Ltd	DFS	20,194	-	10	04/12/2012	30/06/2029	30/06/2024	-	£403,880	£20.00	Frontage enhanced at regear.
31	Listers (UK) Ltd	Listers Interiors	7,540	5,367	10	28/09/2015	30/06/2029	30/06/2024	-	£226,200	£30.00	-
32	Sofaworks Ltd	Sofology	12,752	6,851	15	19/06/2006	30/06/2029	30/06/2024	-	£318,800	£25.00	Frontage enhanced at regear.
Land	The Restaurant Group (UK) Ltd	-	-	-	9	10/05/2016	23/06/2025	N/A	-	£5,000	-	-
33/34	Asda Stores Ltd	Asda	48,800	24,870	25	26/08/2014	25/08/2039	26/08/2019	-	£1,328,225	£27.21	The current passing rent of £1,173,958 is subject to a fixed review to £1,328,225 on 25/08/2024. The vendor will top the rent up to the 25/08/2024 review date. The 2029 and 2034 reviews are to OMV collared at 1% and capped at 2.5% pac.
Total			176,198	102,451						£4,155,341	£23.58	



The property has a WAULT of 8.6 years to break and 9.0 years to expiry.



INCOME SECURITY

The property is very well let to an attractive line-up of national multiple retailers. A summary of the latest financial information upon the tenant companies is set out below.

Tenant	% of Income	D&B Rating	Business Risk	Year Ending	Sales Turnover (£'000s)	Pre-tax Profit (£'000s)	Tangible Net Worth (£'000s)
Asda Stores Ltd	32%	5A 3	Moderate	31.12.2022	£24,461,700	(£224,400)	£3,297,500
				31.12.2021	£23,473,900	£302,500	£4,138,100
				31.12.2020	£22,743,700	(£33,600)	£3,927,600
HHGL Ltd	12%	N 4	High	01.01.2023	£701,179	(£85,225)	(£542,684)
				26.12.2021	£788,219	£55,645	(£460,028)
				27.12.2020	£738,145	£43,570	(£488,539)
DFS Furniture Company Ltd	10%	5A 1	Low	25.06.2023	£2,500	(£600)	£35,900
				26.06.2022	£3,000	(£300)	£31,900
				27.06.2021	£3,200	(£6,000)	£32,200
Sofology Ltd	8%	N 2	Low - Moderate	25.06.2023	£230,400	£10,200	(£600)
				26.06.2022	£242,900	£7,000	(£4,700)
				27.06.2021	£214,585	£13,314	(£15,080)
Wren Kitchens Ltd	7%	5A 1	Low	31.12.2022	£1,065,289	£112,247	£261,335
				31.12.2021	£916,487	£100,586	£207,581
				31.12.2020	£703,119	£75,313	£159,738
NCF Furnishings Ltd	7%	2A 4	Moderate - High	31.03.2022	£27,260	£541	£4,236
				31.03.2021	£14,000	£252	£3,869
				31.03.2020	£14,017	£307	£3,707
Halfords Ltd	5%	5A 2	Low - Moderate	31.03.2023	£932,300	£54,100	£440,200
				01.04.2022	£948,500	£91,500	£402,600
				02.04.2021	£977,600	£47,600	£801,600
Listers (UK) Ltd	5%	1A 2	Low - Moderate	31.03.2023			£1,303
				31.03.2022	-	-	£1,345
				31.03.2021			£1,296
Pets at Home Ltd	3%	5A 2	Low - Moderate	30.03.2023	£1,278,705	£77,667	£957,106
				31.03.2022	£1,206,929	£92,064	£896,420
				25.03.2021	£1,018,897	£51,015	£826,660
Dreams Ltd	3%	4A 1	Low	24.12.2022	£387,000	£50,094	£31,120
				24.12.2021	£358,463	£48,479	£21,021
				24.12.2020	£302,150	£46,863	£43,006
Tapi Carpets & Floors Ltd	3%	2A 3	Low - moderate	31.12.2022	£158,330	(£1,522)	£3,334
				25.12.2021	£137,435	£5,433	£5,608
				26.12.2020	£99,808	(£5,261)	£150
NI North West Ltd	3%	G 2	Moderate	-	-	-	-

OUT OF TOWN RETAIL IN CHESTER

The out of town retail offer in Chester is focussed upon Sealand Road, to the west of the city centre. There is over 841,000 sq ft of retail warehouse accommodation in this location, which is the 9th largest concentration of retail warehousing in the UK. As such this is a truly regional destination.

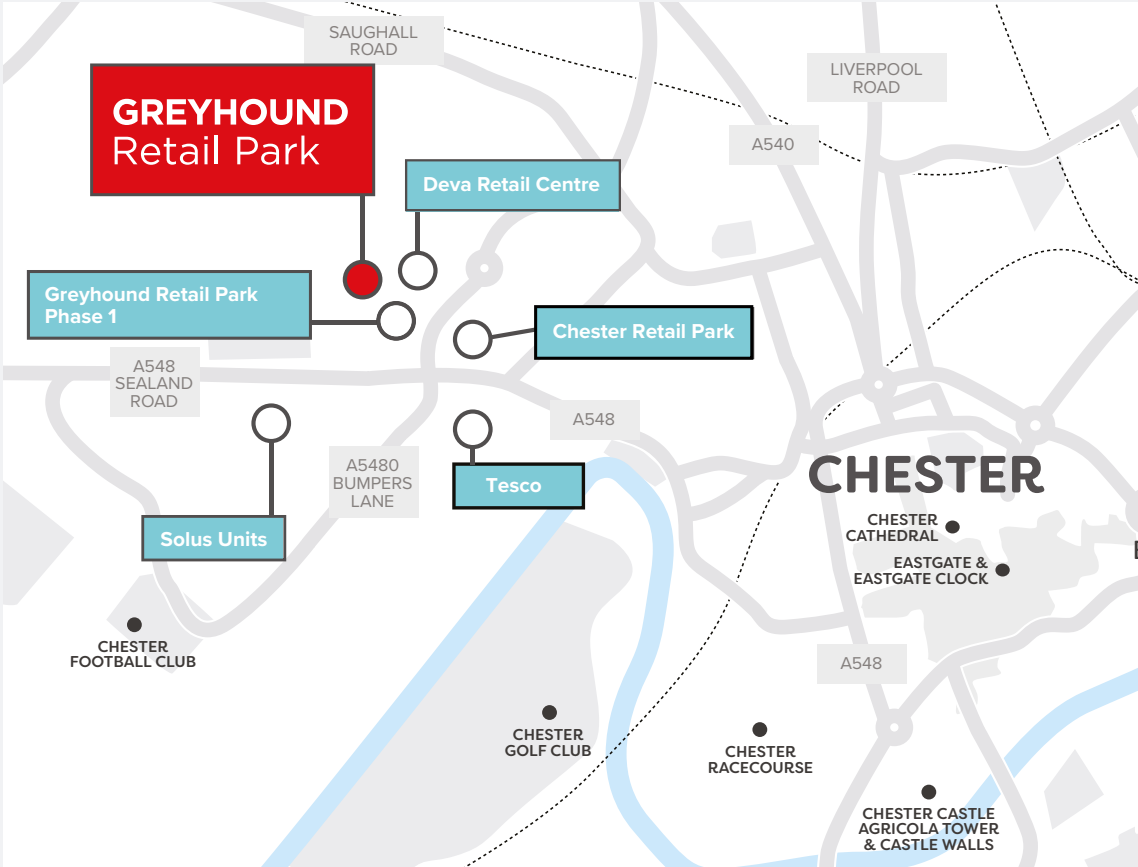
Greyhound Retail Park Phase I - Phase I of Greyhound Retail Park lies immediately to the south of the subject property and is owned by Aprirose. The scheme totals 122,954 sq ft and is let to ScS, Lidl, Oak Furnitureland, Boots, Dunelm, Carpetright, Home Bargains, Starbucks, Subway, KFC and Greggs. The highest passing rent is £25 psf on a 12,000 sq ft unit.

Greyhound Retail Park Phase II - The subject premises, extending to 176,198 sq ft.

Deva Retail Park - Deva Retail Park lies immediately to the east of the subject property and is owned by Colombia Threadneedle. The scheme totals 82,121 sq ft and is let to Currys, Pure Gym, Bensons, Furniture Village and Costa. The highest passing rent is £26.25 psf on a 12,500 sq ft unit.

Chester Retail Park - Chester Retail Park is the easternmost of the four schemes and is owned by Consolidated Property Group. The property is 149,746 sq ft and is let to TK Maxx, The Range, Poundland, Hobbycraft, Gifts, Tenpin, B&M Homestore, McDonald’s, Tim Hortons and The Food Warehouse. The highest passing rent is £26.57 psf on a 10,000 sq ft unit.

Solus Units - In addition to the above retail parks, there are a number of solus retail units to the south of Sealand Road including Tesco (46,000 sq ft), B&Q (129,870 sq ft), Wickes (24,588 sq ft), Stokers Furniture (53,845 sq ft), Matalan (26,085 sq ft) and Aldi (10,000 sq ft).



Greyhound Retail Park Phase 1



Deva Retail Park



Chester Retail Park



Tesco Sealand Road



Due to its regional draw, the tenants at Greyhound Retail Park and the adjoining schemes trade very well.

ASSET MANAGEMENT

Due to its regional draw, the tenants at Greyhound Retail Park and the adjoining schemes generally trade very well, which is reflected in the strong tenant demand, very low vacancy rate and high number of tenants seeking to renew/regear their leases in order to maintain representation. Recent transactions upon the subject property have included the following, many of which occurred during, or immediately after, the Covid 19 pandemic:

- | | |
|--------------------------------|---------------------------|
| ▶ 2019 – DFS lease regear | ▶ 2020 – Natuzzi letting |
| ▶ 2019 – Sofology lease regear | ▶ 2022 – Homebase letting |
| ▶ 2019 – Listers lease regear | ▶ 2022 – NCF letting |

On Phase I of Greyhound Retail Park Boots took a 7 year lease extension in 2022 and ScS renewed their lease for a further 10 years (without break).

There are a number of immediate asset management opportunities for the property, outline details of which are set out below:

- 1. Lease regears.** Wren Living, Pets at Home, Dreams and Tapi all have lease expiries in 2026, with Halfords in 2027. All of these tenants trade well from the park, and we believe that all would take a lease extension for at least a further 5 years.
- 2. Development of pods.** Due to the large car park there is the potential to develop pods in this space. A formal offer has recently been received from an F&B operator for a drive-thru unit.
- 3. Electric vehicle charging.** With the exception of four BP Pulse chargers behind the Asda foodstore, there are currently no EV chargers on the park, nor upon the adjoining schemes. As such there is scope to provide additional EV chargers upon the site.
- 4. Digital signage.** There is no digital signage upon the park and we anticipate demand from such operators, particularly for sites fronting Greyhound Park Road.
- 5. Petrol filling station.** There have been ongoing discussions with Asda in respect of the provision of a petrol filling station. Further negotiations in this regard could be linked to a regear of Asda's main foodstore lease.

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'S

Copies of the EPC certificates are available upon request.

SERVICE CHARGE

The 2024 service charge budget is £150,206 pa which represents a low and affordable rate of £0.85 per sq ft.

AML

A successful bidder will be required to satisfy all AML requirements upon agreement of Heads of Terms.



PURCHASE PRICE

£53,665,000
7.25% Net Initial Yield

Our client is seeking offers in excess of **£53,665,000 (fifty three million six hundred and sixty five thousand pounds)** for the benefit of their freehold interest in the property. A purchase at this level will show a **net initial yield of 7.25%** after allowing for purchaser's costs of 6.8% on an income of £4,155,341 pa (which assumes that the rent on the Asda unit is topped up to the fixed increase on 25th August 2024).



FURTHER INFORMATION



Hamish Whiteman
hamish@stauntonwhiteman.co.uk
 020 7287 2228
 07867 501 430

Nick Staunton
nick@stauntonwhiteman.co.uk
 020 7287 2228
 07961 300 257

Staunton Whiteman LLP
 9/10 Savile Row
 London W1S 3PF
stauntonwhiteman.co.uk



MISREPRESENTATION ACT 1967 AND DECLARATION

Messrs Staunton Whiteman LLP, for themselves and for the vendors of this property whose agents they are, give notice that:

- the particulars are set out as a general outline only for the guidance of intending purchasers, and do not constitute, nor constitute part of, an offer or contract;
- all descriptions, dimensions, references to condition and necessary permission for use and occupation and other details are given in good faith and are believed to be correct, but any intending purchasers should not rely on them as statements or representations of fact and must satisfy themselves by inspection or otherwise as to the correctness of each of them;
- no person in the employment of Staunton Whiteman LLP has any authority to make or give any representation or warranty in relation to this property.
- In order to comply with anti-money laundering regulations, Staunton Whiteman LLP will require the identification of, and certain information upon, the successful bidder. In submitting an offer, bidders agree to provide such information when Heads of Terms have been agreed.