

Sealand Road, Chester CH1 4QQ

# GREYHOUND

## • RETAIL PARK •

### PHASE II

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PRIME FOODSTORE ANCHORED RETAIL PARK INVESTMENT OPPORTUNITY

John Lewis at home

ASDA

halfords

dfs

pets at home

sofology

 CUSHMAN &  
WAKEFIELD



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**UNIQUE OPPORTUNITY** OFFERING  
A SCHEME WAULT IN EXCESS OF  
**11 YEARS AND 39.4%** OF INCOME  
SUBJECT TO FIXED INCREASES





# Investment Summary

The City of Chester is located in the north west of England and is the **principal commercial and retailing centre for Cheshire**. Excellent accessibility and transport links mean that over **15 million people, or a third of British industry, are within two hours drive** and the introduction of HS2 and the second Mersey crossing will only improve this further.

Fast establishing itself as an important **regional hub**, Chester has and is seeing huge investment around commerce and infrastructure within the city centre, underpinned by an **affluent and mobile primary catchment population in excess of 800,000 people** and with **spending power of more than of £3.7bn annually**.

Greyhound Retail Park Phase II forms the **dominant element of the 74,322 sq m (800,000 sq ft) regional retail offer at Sealand Road**, around 3.2 km (2 miles) to the west of the City Centre. The critical mass of retail and excellent accessibility of the location supports a strong trading profile for the retailers, whilst there are proposals for **significant residential development on sites adjacent**, in conjunction with improvements to the existing road network.

The developed part of the subject property extends to 16,369 sq m (176,198 sq ft) and comprises three distinct physical elements arranged around forecourt parking, with occupiers including **destination tenants such as Asda, John Lewis at Home, Sofology, DFS, Pets at Home, Halfords, Tapi and Wren Kitchens**.

Average **monthly cars to the scheme are in the order of 122,500** which equates to over **1.47m annually**.

Let to 12 occupational tenants providing a total contracted scheme income of **£4,219,471 pa**

- **WAULT in excess of 11.4 years to expiry and 11 years to breaks**
- **39.4% of income subject to 5 yearly fixed increases**
- 77% of income provided by tenants with a Very Low Risk Experian rating

Developed in phases since the early 1990s, over **63% of the scheme has seen extensive space refurbishment or redevelopment in the last 5 years**, supported by strong occupational demand. Today there is in excess of 9,290 sq m (100,000 sq ft) of mezzanine floorspace and parking for around 844 vehicles.

The scheme has an underlying **open A1 non food planning** consent whilst 5,842 sq m (62,881 sq ft) of net sales space **can be used for the sale of food**.

Greyhound Retail Park Phase II is held **Freehold on a total site area of 6.8 hectare (16.8 acres)**

In addition a **6.6 hectare (16.3 acres) area of undeveloped** Freehold land just to the west is included in the sale and represents an exciting **long term opportunity for residential development**.

Greyhound Retail Park Phase II,  
Sealand Road, Chester CH1 4QQ

Sat Nav coordinates: Latitude N53.197437 Longitude W2.915 668





## CAR COUNTERS REPORT OVER **1.4 MILLION VISITS** TO THE SCHEME ANNUALLY

Offers are sought in the region of

# £64,000,000

**(Sixty-four million pounds)** subject to contract and exclusive of VAT, for the Freehold interest in this property.

A purchase at this level, allowing for purchaser's costs of **6.78%**, would reflect the following yield profile:

<b>6.17%</b>	Initial Yield
<b>6.37%</b>	Reversionary Yield Sept 2019
<b>6.48%</b>	Reversionary Yield July 2021
<b>6.71%</b>	Reversionary Yield Sept 2024
<b>6.81%</b>	Reversionary Yield Sept 2029
<b>6.91%</b>	Reversionary Yield Sept 2034
<b>6.65%</b>	Nominal Equivalent Yield



# Regional Location

The cathedral city of Chester is located in north west England and is the principal commercial and retailing centre for Cheshire and the surrounding region.

- 31 km (19 miles) south of Liverpool
- 64 km (40 miles) south west of Manchester
- 325 km (202 miles) north west of London

## Communications

Chester benefits from excellent road communications with the A55 outer ring road providing direct access to junction 12 of the M53, 3 km (2 miles) to the north east. The A41, an arterial route which runs north to south along the eastern edge of the city, provides direct access to the M56 8 km (5 miles) to the north. These provide access to the M6 and wider national motorway network.

The new £10 million bus station, which is due for completion in June 2017, provides 156 bus movements per hour, 13 new bus stands and an improved public realm (£1.5 million) ensuring efficient integration within the city's transport infrastructure.



CGI of new bus station in Chester City Centre



Superb overall accessibility: **15 million people** and a third of British industry within two hours drive.

Planned **future investment** in the UK's transport network, such as the HS2 high speed rail link and the second Mersey crossing (due to open autumn 2017), will further strengthen Chester's connectivity.

Proximity to the M53 and M56 motorways ensures **convenient access** to both the regional and national motorway networks – particularly the M6 north-south corridor and the M62 east-west route.

As one of the busiest north west rail hubs, Chester is well served by the national railway network. The station saw a £10 million regeneration, including surrounding areas as part of the Chester Renaissance programme, which was completed in 2007.

- Northwich – 30 minutes
- Crewe – 20 minutes
- Wrexham – 15 minutes
- London Euston – 2 hours
- Liverpool – 45 minutes
- Manchester – 60 minutes

Manchester International Airport and Liverpool John Lennon Airport are both within around 40 minutes drive of Chester.





# Socio-Economic Profile

Chester’s total primary catchment population extends beyond the 30 minute drive time, capturing in excess of 810,000 people and ranking it at 15 of UK Promis Centres in the UK (April 2017).

This catchment is extremely affluent and mobile by comparison to much of the wider UK and offers high Household Expenditure levels.

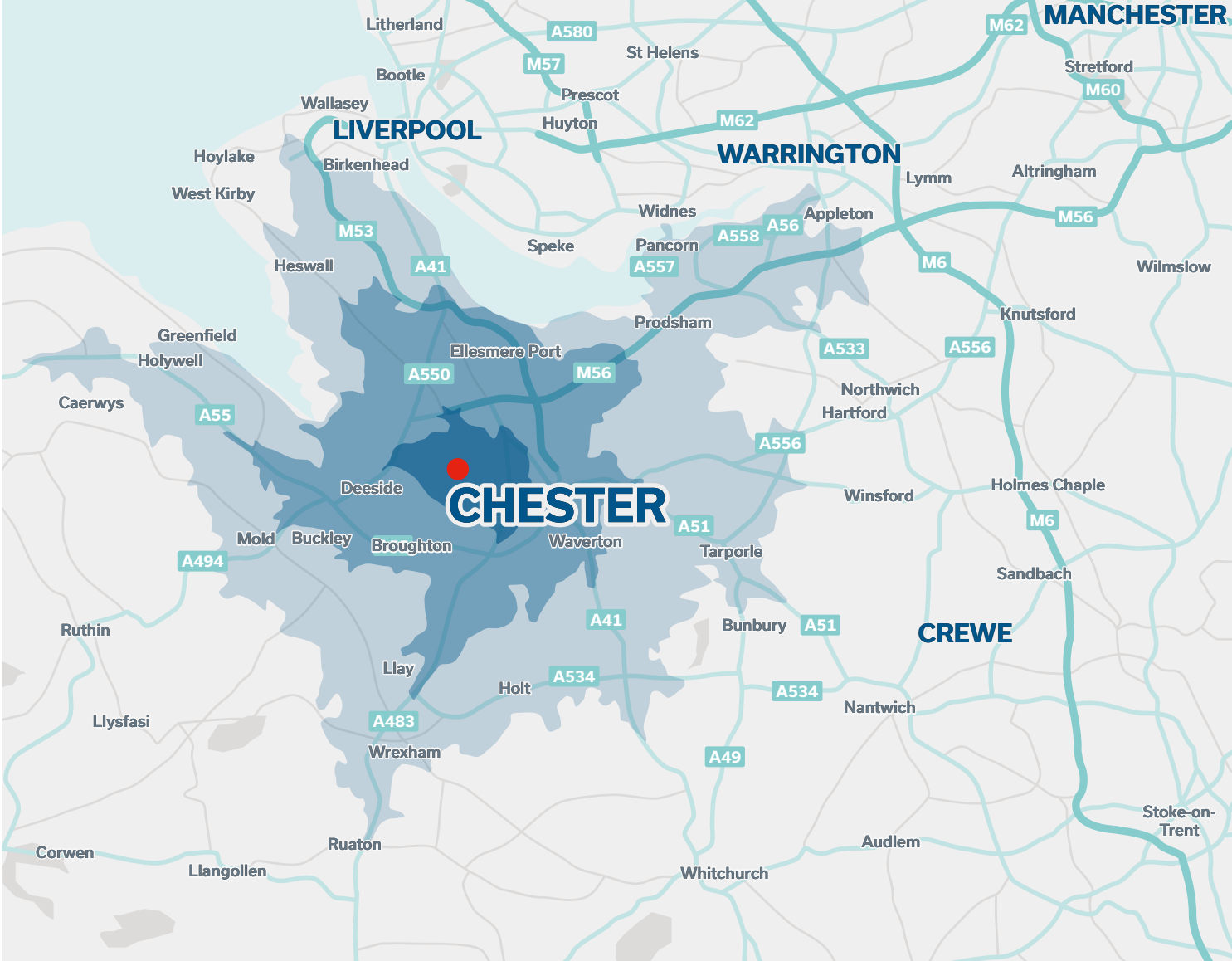
Levels of unemployment are significantly below the UK average (Promis). 55.2% of the catchment are in full time or part time employment vs a UK average of 53% (CACI).

We have highlighted elements of the **30 Minute Catchment Analysis** in the table below:

Acorn Type Description	% of Catchment	% UK Average
Affluent Achievers	30.5%	21.6%
Executive Wealth	15.3%	11.0%
Well off edge of Towners	2.2%	1.7%
Comfortable Communities	30.3%	26.8%
Steady neighbourhoods	10.8%	7.5%
2 cars or vans	29.1%	24.4%
3 cars or vans	6.1%	5.6%

‘THE CITY ATTRACTS **8 MILLION** VISITORS PER YEAR’

SOURCE: CHOOSECHESTER



## Annual Expenditure

CACI Ltd Drivetime	Catchment Population	Convenience Goods Spend	Comparison Goods Spend	Total
10 minute catchment	65,153 people	£168,492,000	£189,522,000	£358,014,000
20 minute catchment	256,802 people	£659,552,000	£750,003,000	£1,409,555,000
30 minute catchment	686,371 people	£1,754,144,000	£1,974,050,000	£3,728,194,000



# Chester's One City Plan

## 'Vibrant history, dynamic future'

The Chester Growth Partnership is overseeing the implementation of the 'One City Plan', a 15 year strategy to guide the future economic regeneration of Chester. Principally it will co-ordinate and drive the programme of public and private investment and development activity into Chester City Centre within the Cheshire West & Chester Local Development Framework.

Developed over an 18 month period, with extensive public consultation, the plan defines the *'overarching vision and direction of travel for the city, under which all projects should sit.... drawing together initiatives, projects and ideas.... and driven by prioritisation, implementation and delivery.'*

**[chester.westcheshiregrowth.co.uk/projects/one-city-plan/](https://chester.westcheshiregrowth.co.uk/projects/one-city-plan/)**

In the recent past Chester has seen major inward investment around infrastructure and communications and we have identified some further current large scale projects which will significantly strengthen the city's commercial profile further.

### CHESTER'S BRAND VISION:

'BRITAIN'S MOST VIBRANT HISTORIC CITY DRIVING **A DYNAMIC LEGACY** FOR FUTURE GENERATIONS'

City Place development Central Business Quarter



Chester  
Train Station

Carriage  
shed

One  
City Place

Future office  
development

200 unit  
residential  
development



BY 2028, CHESTER CITY CENTRE WILL SEE APPROXIMATELY **£460 MILLION IN INVESTMENT AND DEVELOPMENT PROJECTS** INCLUDING THE REDEVELOPMENT OR CREATION OF OVER 600,000 SQ FT OFFICE OR RETAIL ACCOMMODATION ALONE

### Muse Developments: £120m City Place Development Central Business Quarter

Working in partnership with Cheshire West, Cheshire Business Council, Network Rail and Arriva Trains Wales, Muse Developments have commenced work on a new Central Business District Scheme. The site is in close proximity to Chester Station and forms a vital part of Chester's One City Plan to drive its commercial offer and economic growth. By the 2028 the City Place project aims to deliver:

- 46,451 sq m (500,000 sq ft) of state-of-the art office space in ten buildings creating around 3,500 jobs
- The 3 hectare (7.5 acre) site will also include 200 homes, restaurants, leisure facilities and a 192 space car park for the station, office occupiers and residents
- The first office building, One City Place, was completed in February 2016 providing 6,503 sq m (70,000 sq ft) of grade A space over 6 floors
- It is linked to the station by the Grade II listed 'Carriage Shed', a new public space which is used as a waiting area and event space for passengers and visitors
- The 192 space car park has been completed together with a new Waitrose store which is now open and trading

[www.cityplacechester.co.uk](http://www.cityplacechester.co.uk)

### Cheshire West & Chester Council (in conjunction with Rivington Land): £300m Chester Northgate

Chester Northgate comprises a new shopping, leisure and residential project that will transform the north west quarter of the existing Forum Shopping Centre. Planning was granted in September 2016 for the development of open shopping streets, parades and plazas over a 5.8 hectare (14.3 acre) site which will integrate seamlessly with the surrounds, delivering the following by 2021:

- 9,290 sq ft (100,000 sq ft) House of Fraser department store
- 6 screen Picturehouse cinema
- Around 70 stores, café and restaurant units
- A new, reinvigorated town hall
- 70 new homes
- Relocation of the Crowne Plaza Hotel & Spa to a new 167 bed and 600 person conference facility
- Parking for 800 vehicles including the city's largest individual car park
- Over 1,000 new jobs

[www.chesternorthgate.com](http://www.chesternorthgate.com)

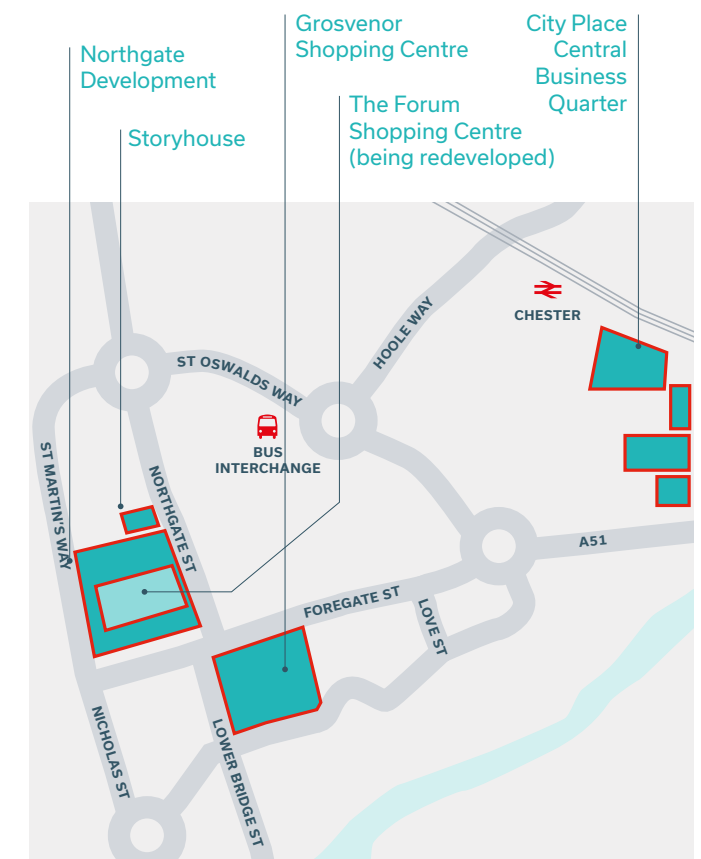
'IT IS ANTICIPATED THAT CHESTER NORTHGATE ALONE WILL CREATE AN **ADDITIONAL £37M** OF ANNUAL SPEND IN THE ECONOMY'

REF: ECONOMICS OCT 2013

### £37 million RE:NEW Project – 'Storyhouse' Cultural Centre

The UK's largest regional arts project, has seen the redevelopment of the former Odeon building (dating back to 1936). Led by the Cheshire West and Chester Council, Arts Council England, and principal sponsor MBNA the new facility provides two flexible theatre spaces, a boutique 1 screen independent cinema, a 21st century library and destination cafe bars.

[www.renewchester.co.uk](http://www.renewchester.co.uk)





'THERE IS CURRENTLY **0% VACANCY** ACROSS THE RETAIL PARKS AT SEALAND ROAD'

## Situation: Sealand Road Retail

Sealand Road is located only 3.2 km (2 miles) to the west of Chester City Centre and as the 9th largest retail warehouse cluster in the UK (Trevor Wood Associates 2017) offering over 74,322 sq m (800,000 sq ft) of floorspace, is established as a regional shopping destination.

The subject property arguably represents the prime component of this regional destination based on retail offer, income profile, critical mass and configuration. We have detailed the supporting parts of the provision below:

### Greyhound Retail Park Phase II

Subject Property: 16,309 sq m (176,198 sq ft) of retail floorspace comprising 12 units and parking for 844 vehicles.

### Greyhound Retail Park Phase I

Originally developed in 1987 the scheme comprises two linear terraces totalling 11,251 sq m (121,103 sq ft) of floorspace. Tenants include Next, Boots, Home Bargains, Subway, ScS, KFC, Oak Furnitureland, Carpetright, Argos and Dunelm and current passing rents range between £16.99 and £35.00 psf.



### Chester Retail Park

Chester Retail Park extends to around 13,935 sq m (150,000 sq ft) and includes occupiers such as B&M, Maplin, Poundland, TK Maxx, Mothercare, Hobbycraft, Outfit, Sports Direct, Toys R Us, Pizza Hut and McDonald's. It was originally developed in 1993 and today rents range between £21.00 and £28.00 psf.

### Deva Retail Park

Providing 7,617 sq m (82,000 sq ft) of retail floorspace in a linear terrace of 6 units, Deva Retail Park incorporates Curry's/ PC World, Magnet, Furniture Village, Pure Gym, Costa and Harveys. It was originally developed in 2002.

### Solus Units

- **B&Q Warehouse** – 9,167 sq m (98,683 sq ft)
- **Matalan** – 2,423 sq m (26,085 sq ft)
- **Staples** – 936 sq m (10,077 sq ft)
- **Wickes** – 2,420 sq m (26,059 sq ft)
- **Stokers Furniture** – 5,002 sq m (53,845 sq ft)
- **Tesco Foodstore** – 4,273 sq m (46,000 sq ft)
- **Aldi** – 929 sq m (10,000 sq ft)





Greyhound  
Retail Park  
Phase II

Deva  
Retail Park

Chester  
Retail Park

Greyhound  
Retail Park  
Phase I



- 1 Subject property
  - 2 Subject property (Future development site)
  - 3 Greyhound Retail Park Phase I
  - 4 Chester Retail Park
  - 5 Deva Retail Park
  - 6 Land at Clifton Drive
  - 7 Ogilvie Park Development
- Existing Roads
- Proposed Road





# Situation: Sealand Road Residential Development

The Sealand Road area has been at the centre of two major residential development proposals recently and in the medium to long term it seems likely that the construction of housing will happen here given levels of demand.

We have summarised available information below.

## Ogilvie Park Development (no.7)

Currently for consideration/Proposal for:

- 280 residential units comprising of 112 four bedroom houses, 28 two bedroom houses and 140 apartments
- A 5 hectare (12.4 acre) public park
- Communal and private gardens subsidized nursery school with ancillary playground

Additional elements of the scheme include sports pitches, changing facilities, a site manager's office, dedicated medical space for a locum GP, parking for 288 cars and 560 bicycles.

## Ogilvie Park Proposal Development Layout

### Key

- Residential units
- A Children's park
- B Fountains
- C Rose garden
- D Boating lake
- Trees



SEALAND ROAD

Plan is indicative only.

## Land at Clifton Drive (no.6)

Previous proposal for:

- 142 residential units

In addition, a major part of future development in the Sealand Road area will be the construction of an extension road linking Greyhound Park Road and Clifton Drive. There are a number of potential permutations and we have included these on the aerial plan adjacent.

Further information is available on request.





## Description

Greyhound Retail Park Phase II today comprises 2 linear terraces, a stand alone unit and an A3 pod. The scheme has been developed in phases since 1992, with Asda comprising the most recently constructed unit, in 2014. 63% of the floorspace has seen major refurbishment in the last 5 years, primarily linked to new lettings or regears which is testament to the strength of underlying occupational demand that it has enjoyed.

Greyhound Park Road acts as a spine road through the scheme providing easy customer and servicing access to three elements of the property. The entire property benefits from segregated rear servicing facilities and eaves heights which can comfortably accommodate mezzanine floors.

### Phase II Overview

**GIA: 16,369 sq m (176,198 sq ft)**

**12 units / occupational tenants**

**Eaves heights ranging between 5.50 m (18 ft) and 5.73 m (18.8 ft)**

**Mezzanine Space: 9,518 sq m (102,451 sq ft)**

**844 Car Parking Spaces**

**Site Area:**

- **Retail Park: 6.8 hectares (16.8 acres)**
- **Undeveloped land: 6.6 hectares (16.3 acres)**

**'A FLAGSHIP JOHN LEWIS AT HOME STORE OFFERING 59,267 SQ FT OVER TWO FLOORS'**



This plan is published for the convenience of identification only. Any site boundaries are indicative only and should be checked against Title Deeds.

### Terrace 1

#### Units 30-33

In 2013 the western end of the terrace was redeveloped to create the foodstore unit occupied by Asda – previously having been a cinema and bowling alley. The Asda store totals around 6,967 sq m (75,000 sq ft) over two floors and boasts a modern appearance with internal customer escalators and 'click & collect' facility.

#### Units 30-32

These three units comprise the eastern half of the terrace totalling 3,761 sq m (40,486 sq ft) at ground floor and providing around 1,135 sq m (12,218 sq ft) of mezzanine space (units 31 and 32).

The terrace benefits from clearly defined forecourt parking for 405 vehicles. This element of the total ownership extends to 3.2 hectares (7.9 acres).

### Terrace 2

#### Units 23-29

Extending to 4,787 sq m (51,529 sq ft), this west facing linear terrace was originally developed in the early 1990s but 3 of the units have seen frontage and external refurbishment in the last 2 years. 4 units within this terrace include mezzanine floors totalling c. 36,459 sq ft.

In addition there is a stand alone A3 unit extending to 466 sq m (5,020 sq ft) positioned at the southern end of the terrace.

This element of the wider ownership benefits from clearly defined forecourt parking for 177 vehicles and the natural boundaries means the individual site extends to 1.9 hectares (4.7 acres).





This plan is published for the convenience of identification only. Any site boundaries are indicative only and should be checked against Title Deeds.

### Stand alone

#### John Lewis at Home

In 2010 a first generation retail block was replaced with this purpose built c. 2,820 sq m (30,363 sq ft) stand alone unit for John Lewis at Home. Constructed to high specification, internally the unit offers escalators to the full cover first floor trading area in the order of 2,685 sq m (29,904 sq ft).

Forecourt parking, the majority to the western elevation, is available for 262 vehicles. This element of the wider ownership extends to around 1.7 hectares (4.2 acres).

### Additional land

Included as part of the sale of the retail park is a 6.6 hectares (16.3 acres) of undeveloped land to the west, which we have highlighted on the adjacent aerial/plan. We anticipate that this will offer genuine residential development opportunity in the longer term given the longstanding proposals to improve road links around Sealand Road and residential development at Ogilvie Park and land adjacent to Clifton Drive.

The Vendor has had recent proposals in relation to a sale of this plot in isolation.

'PHASE II CONFIGURATION OFFERS **FLEXIBILITY** TO SPLIT TO CREATE SMALLER COMPONENT PARTS'



'**63% OF FLOORS**PACE HAS SEEN REDEVELOPMENT OR REFURBISHMENT IN THE LAST 5 YEARS'



The scheme is fully let in accordance with the tenancy schedule below. All leases are on FRI terms and subject to 5 yearly upward only open market rent reviews unless specified otherwise.

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	John Lewis PLC	John Lewis at Home	30,363	28,904	15	18/07/2011	17/07/2026	18/07/2021	—	£626,085	£20.62	Fixed increase to £701,082 pa (£23.09 psf) in 2021. Tenants right to renew the lease up to 3 times for a term of 10 years each time.
23	The Restaurant Group (UK) Limited	Frankie & Benny's	5,020	—	10	10/05/2016	23/06/2025	24/06/2020	23/06/2020	£125,500	£25.00	
Land	The Restaurant Group (UK) Limited		—	—	9	10/05/2016	23/06/2025	N/A	23/06/2020	£5,000	—	Mutual rolling break (3 months notice) — relates to external seating area.
24	Wren Living Limited	Wren Kitchens	12,250	11,664	10	04/02/2016	03/02/2026	02/04/2021	—	£306,250	£25.00	
25	Pets at Home Limited	Pets at Home	5,154	—	10	24/03/2016	23/03/2026	24/03/2021	—	£136,581	£26.50	Tenant has recently secured consent to insert mezzanine floor and introduce vet facility.
26	Dreams Limited	Dreams	5,142	4,728	21	31/03/2005	06/12/2026	12/06/2021	—	£138,000	£26.84	Reversionary lease from 31.03.2025 to 06.12.2026 with an OMV rent review on 31.03.2025.
27	Halfords Limited	Halfords	8,559	5,905	15	23/07/2012	22/07/2027	23/07/2017	—	£210,450	£24.59	5 yearly OMV review pattern capped at 3% per annum compounded.
28	Tapi Carpets & Floors Limited	Tapi Carpets	5,165	—	10	31/10/2016	30/10/2026	31/10/2021	—	£139,455	£27.00	
29	H & H (Retail) Limited	Alan Ward Furnishers	15,259	14,162	10	24/03/2016	23/03/2026	24/03/2021	—	£381,475	£25.00	
30	DFS Furniture Company Limited	DFS	20,194	—	10	04/12/2012	03/12/2022	12/04/2017	—	£504,325	£24.97	Includes Dwell concession.
31	Listers (UK) Limited	Listers Interiors	7,540	5,367	10	28/09/2015	27/09/2025	28/09/2020	28/09/2020	£226,200	£30.00	
32	Sofology Limited	Sofology	12,752	6,851	15	19/06/2006	18/06/2021	19/06/2016	—	£382,560	£30.00	
33	Asda Stores Limited	Asda	48,800	24,870	25	26/08/2014	25/08/2039	26/08/2019	—	£1,037,590	£21.26	Fixed increase reflecting 2.5% pa compound in 2019 to £1,173,958 pa (£24.05 psf) and in 2024 to £1,328,225 pa (£27.22 psf). Subsequent rent reviews in 2029 and 2034 are calculated to OMV with a collar and cap of 1%-2.5%.
			176,198	102,451						£4,219,471		



## Income Profile

- Total current contracted rent – £4,219,471 pa
- Scheme WAULT to expiry – 11.4 years
- Scheme WAULT to break – 11 years
- Asda (25% of income) provides a term certain in excess of 20 years
- Non-food WAULT to expiry – 7.9 years
- Non-food WAULT to break – 7.3 years
- 39.4% Income subject to fixed increases

## Service charge

Full service charge information is available upon request but we have set out some summary figures below.

	2015/2016 Actual	2016/2017 Budget	2017/2018 Budget
<b>Total pa</b>	£78,469	£119,527	£114,631
<b>Per sq ft</b>	£0.45	£0.68	£0.65

- Budgets 2015-2016 and 2016-2017 contained £20,500 and £15,000 respectively for lighting works across the scheme. The 2017-2018 budget includes £10,000 to carry out relining works in some areas of the car park and service areas.
- We understand that the budget for 2019/2020 is not yet forecast to include any provision for car park relining works and therefore we foresee that this will be lower.

## Tenure

The entire property is held Freehold.

## EPC's

Energy Performance Certificates have been produced for all units, ranging between B and C.

Copies are available on request.





# Planning

## Permissions

The original premises were developed under open A1 non food (and part leisure) planning consents granted between March 1987 and April 1990, permitting 'non food retail warehousing' and 'retail warehousing, a fast food restaurant, ten pin bowling and multiscreen cinema' respectively.

Since those original permissions there have been a number of revisions or variations and we have summarised these below:

### Unit 3 – John Lewis at Home

The unit was originally constructed in March 1987 under permission Ref. 6/16198 stating 'non food retail warehousing' and was accompanied by a s. 52 Agreement identifying certain retail restrictions.

Mezzanine consent was granted in April 2010 with permitted bulky goods sales.

In February 2014 a Certificate of Lawful Development was granted confirming that the restrictions under the s. 52 Agreement had expired and ground floor area of unit 3 could be used for the sale of all goods within Class A1 including food.

### Units 24 – 33 – Asda

Consented under the April 1990 planning consent (Ref. 6/21039) permitting 'non food retail warehousing only and no food or drink shall be sold from these units except for snack bar, cafeteria or other refreshment facilities operated ancillary to and incidental to the primary use of the retail warehouse unit'.

In September 2013 consent was granted for:

'Demolition of unit 34 (formerly Cineworld), extension/alteration to unit 33 (formerly Tenpin) and alterations to units 30-32 creating a food unit with ancillary café and revised car parking facilities and access arrangements.'

## Mezzanines

Various consents have been granted across the scheme permitting mezzanine floors and these are available on request.

## Summary

As such the planning consents in place today permit the following:

### Unit 3 – John Lewis at Home

- **Open A1 including food** at ground floor level
- Bulky retail goods at mezzanine level (100 sq m of floorspace is permitted to sell all retail goods).

### Unit 23 – Frankie & Benny's

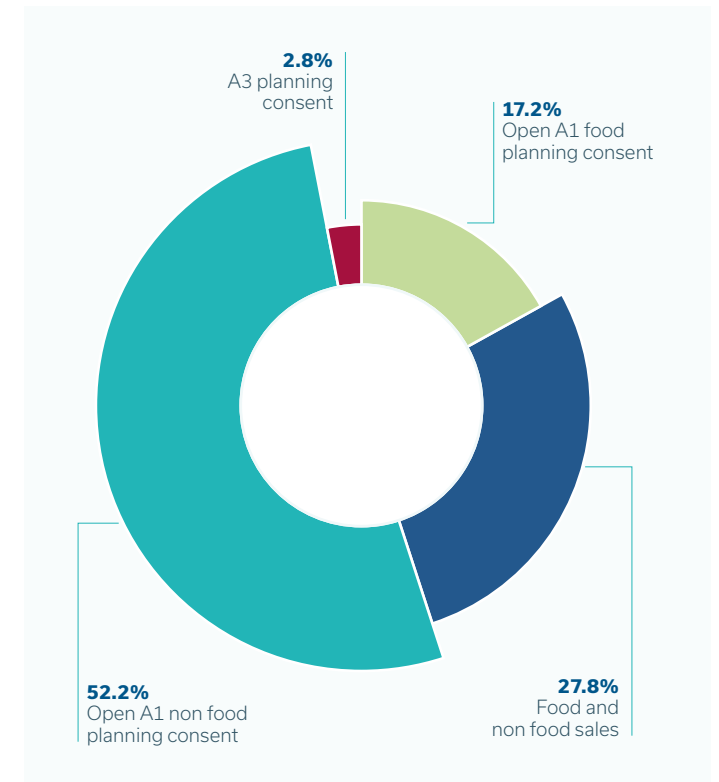
- **Class A3 restaurant purposes** (no restrictions on a change of use to Class A1 or A2 purposes).

### Units 24 – 32

- **Open A1 non-food**
- There are no prescribed minimum unit sizes

### Unit 33 – Asda

- **Food and non-food sales** with restrictions on:
  - The gross internal floor area up to 7,005 sq m (75,401 sq ft)
  - The total net sales area up to 3,746 sq m (40,322 sq ft)
  - The mix of convenience goods up to 3,021 sq m (32,518 sq ft) and comparison goods up to 1,700 sq m (18,299 sq ft) within the net sales area



'THE UNDERLYING OPEN A1 PLANNING CONSENT OFFERS **MAXIMUM FLEXIBILITY** FOR FUTURE LETTINGS AND ASSET MANAGEMENT INITIATIVES'



# Asset Management Opportunities

Recent activity on the scheme with lease regears or extensions on the Frankie & Benny's, Pets at Home, Dreams and Alan Ward unit, new lettings to Asda, Tapi and the upsize of Wren Kitchens (to unit 24), are indicative of the consistent level of demand the scheme has enjoyed.

We have identified below further target initiatives going forward:

- Sofology (Unit 32) – the current lease expiry is the 18th June 2021. Indeed the 2016 review remains outstanding and arguably offers a good opportunity to approach the tenant around regearing the lease and potential external refurbishment.
- DFS (Unit 30) - the current lease expiry is the 3rd December 2022 and in the short to medium term this must be a target for lease regear and potential external refurbishment.
- Frankie & Benny's (Unit 23) – the lease, which was extended in 2016 with a small rent increase, incorporates a Tenant Option to Break as at 23rd June 2020 and should be a target for removal in the short to medium term.
- Listers Interiors (Unit 31) – the lease incorporates a Tenant Option to Break as at 28th September 2020 and should be a target for removal in the short to medium term.
- Potential development of a petrol filling station for Asda adjacent to their store as the tenant has approached the Vendor with a view to exploring this.
- Refurbishment of the remaining units (25, 26 & 27) within Terrace 2.

## Key

- Open A1 including food sales on the ground floor and bulky goods sales on the mezzanine.
- Open A1 non-food floor space.
- Food and non-food.
- A3 sale of food and drink for consumption on the premises (no restriction on permitted change of use to class A1 or A2).
- Delineates approximate mezzanine floor



Permitted Planning Uses



## Environmental

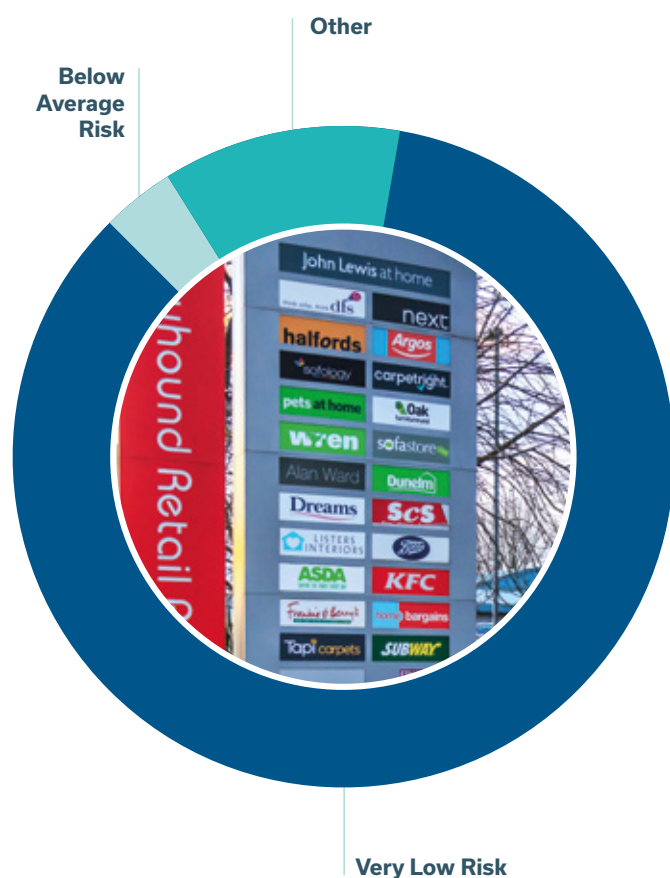
Phase I Environmental Reports dated March 2017 and undertaken by BWB Consulting Ltd conclude that **'the site is considered to pose a low risk to human health and controlled waters'**.

Further information is available upon request.



We have set out recent account information together Creditsafe ratings for the tenants

**77% OF THE INCOME** IS SECURED  
AGAINST COVENANTS RANKED  
WITH A '**VERY LOW RISK**' RATING.



Year to Date	Turnover	Pre Tax Profit	Net Worth	Creditsafe Rating
25/01/2014	£9,027,800,000	£126,100,000	£1,514,600,000	99 – Very Low Risk
31/01/2015	£9,701,000,000	£193,300,000	£1,182,700,000	
30/01/2016	£9,748,800,000	£288,400,000	£1,675,300,000	



Year to Date	Turnover	Pre Tax Profit	Net Worth	Creditsafe Rating
29/12/2013	£446,787,000	£64,724,000	£85,813,000	97 – Very Low Risk
28/12/2014	£483,722,000	£73,487,000	£98,199,000	
27/12/2015	£511,074,000	£69,353,000	£92,216,000	



Year to Date	Turnover	Pre Tax Profit	Net Worth	Creditsafe Rating
31/12/2013	£135,960,000	£-3,964,000	£-10,588,000	26 – Above Average Risk
31/12/2014	£197,102,000	£-2,785,000	£-13,137,000	
31/12/2015	£257,512,000	£7,432,000	£-2,169,000	



Year to Date	Turnover	Pre Tax Profit	Net Worth	Creditsafe Rating
27/03/2014	£633,429,000	£83,858,000	£462,445,000	100 – Very Low Risk
26/03/2015	£689,697,000	£79,920,000	£517,138,000	
31/03/2016	£739,726,000	£81,843,000	£598,310,000	

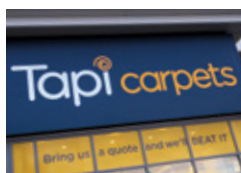


Year to Date	Turnover	Pre Tax Profit	Net Worth	Creditsafe Rating
21/12/2013	£151,260,000	-£9,509,000	-£29,382,000	14 – Maximum Risk
24/12/2014	£193,575,000	£378,000	-£28,741,000	
31/12/2015	£225,865,000	£13,493,000	-£16,225,000	



Year to Date	Turnover	Pre Tax Profit	Net Worth	Creditsafe Rating
28/03/2014	£803,100,000	£86,200,000	£548,000,000	100 – Very Low Risk
03/04/2015	£872,700,000	£92,600,000	£622,300,000	
01/04/2016	£866,100,000	£86,200,000	£655,900,000	





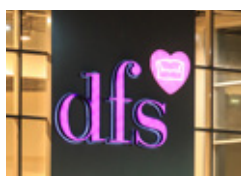
### Tapi Carpets & Floors Limited

Year to Date	Turnover	Pre Tax Profit	Net Worth	Creditsafe Rating
02/01/2016	-	-	£1,252,000	74 – Below Average Risk
N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	



### H & H (Retail) Limited

Year to Date	Turnover	Pre Tax Profit	Net Worth	Creditsafe Rating
31/03/2014	£11,946,000	£52,000	£454,000	96 – Very Low Risk
31/03/2015	£11,911,000	£44,000	£494,000	
31/03/2016	£14,269,000	£293,000	£728,000	



### DFS Furniture Company Limited

Year to Date	Turnover	Pre Tax Profit	Net Worth	Creditsafe Rating
27/07/2013	£2,200,000	£80,200,000	£36,400,000	99 – Very Low Risk
02/08/2014	£2,200,000	£40,100,000	£41,600,000	
01/08/2015	£2,500,000	£80,100,000	£41,000,000	



### Listers (UK) Limited

Year to Date	Turnover	Pre Tax Profit	Net Worth	Creditsafe Rating
31/03/2014	N/A	N/A	£882,535	84 – Very Low Risk
31/03/2015	N/A	N/A	£786,433	
31/03/2016	N/A	N/A	£737,443	



### Sofaworks Limited

Year to Date	Turnover	Pre Tax Profit	Net Worth	Creditsafe Rating
31/12/2015	£142,860,000	£385,000	£5,726,000	N/A



### Asda Stores Limited

Year to Date	Turnover	Pre Tax Profit	Net Worth	Creditsafe Rating
31/12/2013	£23,299,400,000	£605,100,000	£5,349,000,000	100 – Very Low Risk
31/12/2014	£23,156,700,000	£609,900,000	£5,596,800,000	
30/12/2015	£22,066,000,000	£633,300,000	£5,332,000,000	





# Chester Regional Retail Attraction

Sealand Road forms a key part of Chester's Regional Retail offer, the other two main components being the provision at Cheshire Oaks to the north and the Broughton Centre to the south west. Across these three out of town locations there is around 160,163 sq m (1.724m sq ft) of retail floorspace.

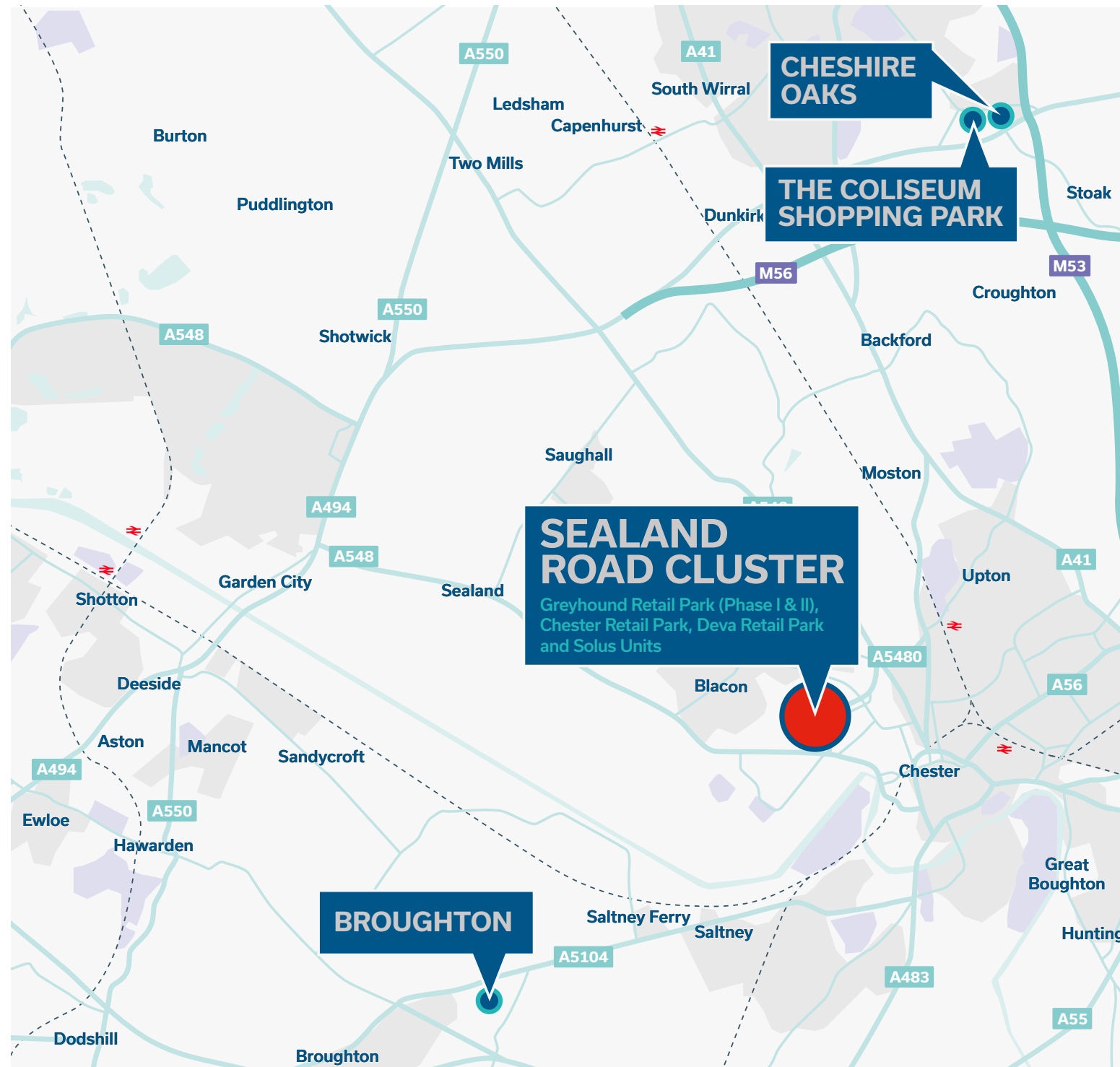
We have summarised those offers at Cheshire Oaks and Broughton below and would highlight that importantly they provide little or no bulky goods/Lifestyle offer, instead focussed primarily around A1 and particularly fashion sales.

## Cheshire Oaks – Ellesmere Port – CH65 9JJ

### Cheshire Oaks Designer Outlet

Described by manager MacArthur Glen as the 'UK's largest and most popular designer outlet', Cheshire Oaks Designer Outlet originally opened 1995 and today extends to 30,657 sq m (330,000 sq ft) with over 145 shops. Owned by TH Real Estate, it is underpinned by its elegant luxury quarter and elite brand mix with tenants including Boss, Mulberry, Burberry, Polo Ralph Lauren, Adidas, Bellstaff, All Saints, Armani, Bose, ProCook, L'Occitane and Le Creuset.

'CHESHIRE OAKS IS **45 MINUTES DRIVE** FROM MANCHESTER AND **35 MINUTES** FROM LIVERPOOL – THE OUTLET REPORTS IN EXCESS OF **8 MILLION VISITORS ANNUALLY!**







'GREYHOUND PHASE II IS **UNQUESTIONABLY THE PREFERRED TRADING LOCATION** FOR COMPARISON GOODS RETAILERS ON BOTH A RETAIL MIX AND AFFORDABILITY BASIS.'

### Coliseum Shopping Park

Having opened in 2000, today the park extends to approximately 14,400 sq m (155,000 sq ft) with key tenants including Debenhams, Boots, JD Sports, H&M, Outfit, River Island and New Look.

In addition there is a leisure phase comprising an 11 screen Cineworld, Prezzo, Frankie & Benny's, Nando's, Chiquito and Pizza Express restaurants.

Cheshire Oaks is also home to M&S in a newly developed 6,967 sq m (75,000 sq ft) ground floor unit with full cover mezzanine above and J Sainsburys in a c. 6,038 sq m (65,000 sq ft) store.

'COLISEUM SHOPPING PARK SEES **3.9 MILLION VISITORS PER YEAR**'

REF: COMPLETELY RETAIL

### Broughton – CH4 ODP

Located at Bretton, at the junction of the A5104 and B5125, approximately 5.8 km (3.6 miles) south west of Chester city centre, the Broughton Centre opened in 1999. The scheme, which comprises around 27,796 sq m (299,300 sq ft) of retail floorspace, has recently undergone extensive refurbishment and is anchored by 6,707 sq m (72,200 sq ft) Tesco Extra and 3,808 sq m (41,000 sq ft) Primark. Other occupiers include M&S, Sportsdirect, Boots, Next, Clarks, Nike, River Island, Toys R Us and Poundworld.

'OWNED BY THE HERCULES PROPERTY UNIT TRUST – BROUGHTON SEES AROUND **10 MILLION VISITORS PER YEAR**, WITH A DWELL TIME AVERAGING **79 MINUTES**.'

REF: COMPLETELY RETAIL

### Home Furnishing & Lifestyle Offer

The Cheshire Oaks and Broughton locations unquestionably boast exceptionally strong clothing and fashion offers however Sealand Road, and specifically **Greyhound Retail Park Phase II, has established itself as the bulky goods and lifestyle offer for the catchment.**

The presence of John Lewis at Home at Greyhound Phase II is a clear indicator as to the profile of the trading location. JLP have been very selective with their 'at Home' formats – with only 12 across the whole of the UK. Indeed Chester is the only location north of Tamworth in the midlands with a John Lewis at Home store.

We have explored the representation of a number of incumbent tenants elsewhere in the region and would note as follows:

**John Lewis** – closest stores at Liverpool (26 miles), Manchester (43 miles), Cheadle (39 miles) and Sheffield (78 miles). NB these are not 'at Home' formats.

**Wren Kitchens** – closest stores at Liverpool (15 miles), Warrington (24 miles), Manchester (48 miles) and Stoke (38 miles).

**DFS** – closest stores at Speke (28 miles), Warrington (24 miles), Liverpool (32 miles) and Shrewsbury (39 miles).

**Sofology** – closest stores at Speke (28 miles), Warrington (25 miles) and Crewe (27 miles).

**Tapi** – closest stores at Wallasey (21 miles), Shrewsbury (39 miles) and Telford (53 miles).

For the last 2 years the **average number of visitors by car** to Greyhound Phase II annually has been just over **1.47m** whilst CACI report **Comparison Goods spend** for the 30 minute catchment is in the order of **£1.974bn**. The attraction of Greyhound Phase II for comparison goods retailers is demonstrated by the **lack of vacancy in the area** and the **consistent levels of demand** which have **sustained rental levels and indeed supported minimal incentive packages** in recent times.



# Proposal

We are instructed to seek offers in the region of **£64,000,000 (Sixty four million pounds)**, subject to contract and exclusive of VAT.

An acquisition at this level would reflect a net initial yield of **6.17%** assuming purchaser's costs of 6.78%.

## Yield profile

<b>6.17%</b>	Initial Yield
<b>6.37%</b>	Reversionary Yield Sept 2019
<b>6.48%</b>	Reversionary Yield July 2021
<b>6.71%</b>	Reversionary Yield Sept 2024
<b>6.81%</b>	Reversionary Yield Sept 2029
<b>6.91%</b>	Reversionary Yield Sept 2034
<b>6.65%</b>	Nominal Equivalent Yield

## VAT

The property has been elected for VAT and it is anticipated that the transaction will be treated as the transfer of a going concern.



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May 2017 | Ref: 15302.001

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