

ALDI & HALFORDS

BIRMINGHAM, B36 0LB


STANTON WHITEMAN
WITH CURSON SOWERBY



DISCOUNT FOODSTORE AND RETAIL WAREHOUSE INVESTMENT FOR SALE



INVESTMENT SUMMARY

- Castle Bromwich is a large residential suburb of Birmingham.
- The property has a **very large catchment of 2.27 million within a 30-minute drive.**
- The catchment population is young in age.
- **Prominently located on the Chester Road adjacent to a Morrisons foodstore and PFS.**
- The property is a **modern retail warehouse development** of two retail units, totalling **25,721 sq ft**, which has recently been refurbished.
- It has a **Class E planning consent including the sale of food in part.**
- The property is **well let to Aldi and Halfords.**
- It has a **WAULT of over 5 years** to expiry.
- The scheme produces a passing rent of **£441,223 pa**, reflecting a very affordable **£17.15 psf overall.**
- The Aldi dominates its catchment.
- The Aldi lease has an RPI linked rent review due in November 2027, collared and capped at 1%/3% pac.
- The property offers **short-term asset management opportunities to enhance value.**
- Our client is seeking offers in excess of **£5.9 million (Five Million Nine Hundred Thousand Pounds)**, subject to contract and exclusive of VAT, for their freehold interest in the property. A purchase at this level would show an **initial yield of 7.00%**, net of purchaser's costs of 6.8%.



‘Aldi and Halfords are situated in a prominent position on the southern side of Chester Road within a very densely populated area’

LOCATION

Castle Bromwich is a large residential suburb of Birmingham, which is the UK's second largest City. Birmingham is exceptionally well connected. Castle Bromwich is located approximately 6 miles northeast of Birmingham city centre. It is bounded to the north by the River Tame and the M6 motorway and to the east by the M6 Motorway.

Castle Bromwich was originally settled by the Romans due to its natural ford across the River Tame. The suburb is now almost entirely developed as residential housing, integral to which are schools, foodstores and local shops. Chester Road is a former drover's road and was historically used as a route to move livestock across the country.

Castle Bromwich is surrounded by industry. Jaguar Landrover's Castle Vale factory is located some 2 miles to the northwest. Other major employers in Castle Vale include GKN, DHL, Kuehne Nagle, Amazon. Jaguar Landrover's Solihull plant, their largest manufacturing facility, is located 5 miles to the south. Some 4 miles to the northeast is Hams Hall Distribution Park which is 430 acres in size and which has its own freight terminal. Occupiers include BMW, DHL, Chubb, J Sainsbury's, Wincanton, NCF Living, Amazon and Jaguar Landrover.



BY ROAD: Castle Bromwich has excellent road communications. Junction 5 of the M6 motorway is 2 miles to the northwest and Junction 6 of the M42 motorway is 4 miles to the southeast allowing direct links to the national motorway network.

There are regular bus services from Castle Bromwich to Birmingham city centre with a journey time of 28 minutes.



BY RAIL: Birmingham has regular fast trains to London Euston (1 hour 48 minutes) and to Manchester Piccadilly (1 hour 27 minutes) and regular train services to locations throughout the West Midlands and beyond.



BY AIR: Four miles to the south is Birmingham International Airport, which handles 12.8 million passengers annually. The airport has regular flights to Europe, the Americas, the Middle East, Asia and the Caribbean. Adjacent to the airport is NEC Birmingham, the national exhibition centre, which has 18 interconnected exhibition halls covering 2 million square feet and 32 conference suites.





SITUATION

The Aldi and Halfords are situated in a prominent position on the southern side of Chester Road within a very densely populated area.

Immediately adjacent to the west of the property is a 55,000 sq ft Morrisons foodstore and 24-hour petrol filling station. On the opposite side of Chester Road is a 7,800 Farmfoods unit, adjacent to which is a parade of shops. To the east of the property is a builder's merchant, next to which is a KFC drive-thru.

The area within a mile's radius of the property is residential housing.



CATCHMENT AND DEMOGRAPHICS

The property benefits from a very large catchment. It has a population of 160,900 within a 10-minute drive-time rising to 2,269,300 within a 30-minute drive-time.

Overall, this catchment population is relatively young in age. In the 10-minute drive-time, those under the age of 24 are significantly over represented (18.2% above the UK average) and those over the age of 45 are significantly under represented (13.8% below the UK average).

The 10, 20 and 30-minute catchments have a Relevant Tenant Spend that is 30.3% above that if the UK average. This means that the catchment spends significantly more money than the UK average on the goods being sold by Aldi and Halfords.

Overall spending on both comparison and convenience retail goods is directly in line with the UK average (Place Informatics).





TENURE

The property is held freehold.

SITE

The property occupies a regular site of 1.75 acres.

The property is low risk with regard to both environmental and flood risk. An up to date report is available upon request.



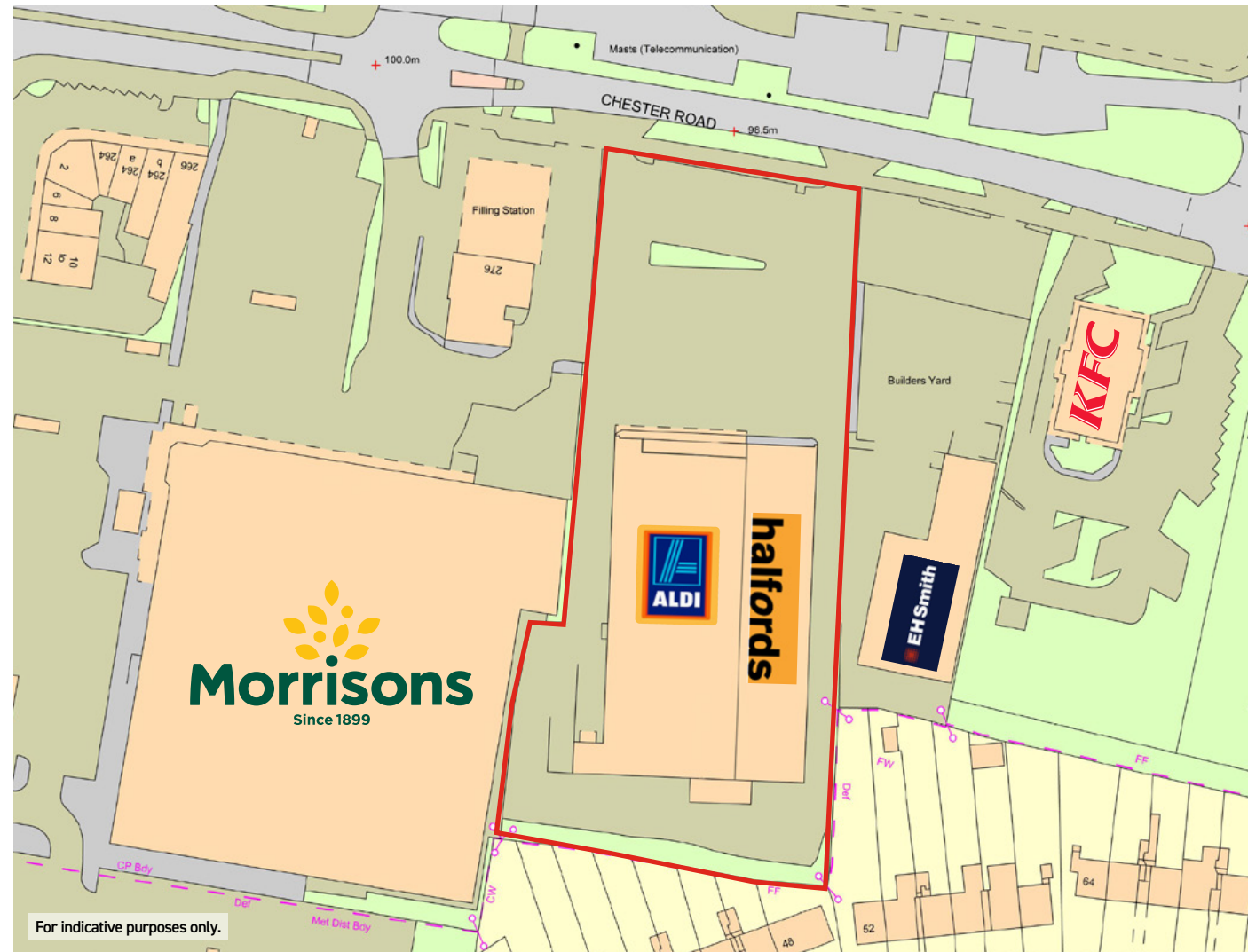
DESCRIPTION

The Aldi and Halfords units are a modern retail warehouse development comprising a terrace of two units. The scheme totals 25,721 sq ft, being made up of a 17,916 sq ft Aldi unit and a 7,805 sq ft Halfords unit. The scheme is accessed directly from Chester Road from both directions.

The units are modern in design and are of a steel portal framed construction with brick-built elevations under pitched roofs. The units present well and are in very good condition for their age. The roofs have recently been overclad and the car-parking and white-lining has been renewed.

The units are serviced from the rear via a dedicated service yard. There is a dock-leveller to the side of the Aldi unit. To the rear of the Aldi unit is a large chiller-unit inside a secure metal cage.

Customer parking is regularly laid out to the front of the units and there are 84 spaces in total, 72 standard bays, 7 disabled and 5 mother-and-child, showing a ratio of 1:306 sq ft.



TENANCIES

The current overall passing rent of £441,223 per annum reflects a modest and affordable £17.15 psf overall.

The Aldi unit is let on two co-terminus leases drawn on identical terms.

The Aldi lease has the benefit of one further RPI linked increase at the November 2027 rent review.

Halfords are no longer in occupation of their unit having vacated prior to the roof overclad. Halfords continue to pay the rent and fulfil all of their obligations as required under the terms of their lease. Their unit has been completely stripped out and is ready for a new tenant to take occupation.

Our client has been approached by a number of tenants interested in taking occupation of this unit. Most recent interest has come from a gym operator. Further details are available upon request.



The property is let to Aldi and Halfords on FRI leases in accordance with the following schedule.

Unit	Tenant	Area (Sq Ft)	Lease Start	Next Review	Lease End	Rent PA (£)	Rent (Per Sq Ft)	Comment
Unit 1	Aldi Stores Limited	12,980	30/11/2017	30/11/2027	29/11/2032	£220,732	£17.01	5 yearly upwards only RPI linked rent reviews, subject to a collar and cap of 1% and 3% compounded annually.
Unit 1a	Aldi Stores Limited	4,936	30/11/2017	30/11/2027	29/11/2032	£83,898	£17.00	5 yearly upwards only RPI linked rent reviews, subject to a collar and cap of 1% and 3% compounded annually.
Unit 2 (part)	Halfords Limited	7,805	17/07/2017	-	16/07/2027	£136,593	£17.50	Halfords not in occupation.
Total		25,721				£441,223	£17.15	

PLANNING

The property has the benefit of a Class E planning consent, which includes the sale of food from the Aldi unit.

INCOME SECURITY

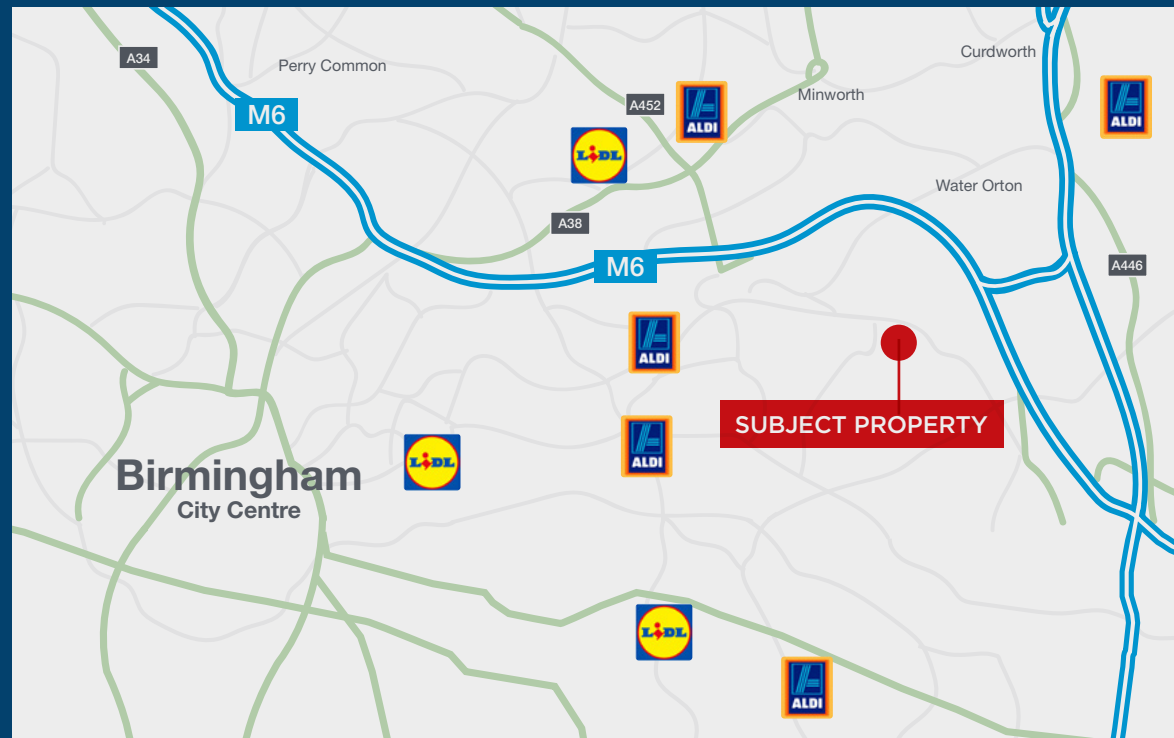
The income from the scheme is secured against two very strong covenants, details of which are as follows:

Tenant	D&B Score	Year Ending	Sales Turnover (£'000s)	Pre-Tax Profit (£'000s)	Tangible Net Worth (£'000s)
Aldi Stores Limited	5A 2	31/12/2024	18,124,879	416,228	3,589,498
		31/12/2023	17,887,909	536,720	3,574,873
		31/12/2022	15,473,348	152,611	3,221,280
Halfords Limited	5A 2	28/03/2025	950,000	30,200	314,600
		29/03/2024	950,600	40,500	484,100
		31/03/2023	932,300	54,100	440,200

DISCOUNT FOODSTORE PROVISION

The Aldi is the only discount foodstore of consequence within its 10-minute drive-time catchment, so is the dominant discount foodstore.

The plan below shows the nearest Aldi and Lidl stores, all of which are between a 10 and 20-minute drive away.



ASSET MANAGEMENT

The property offers a buyer the opportunity to enhance its value in a number of ways in the short-term;

- Re-engage with Aldi and renegotiate a new lease over the entire property. This could either include a surrender of the Halfords lease for a premium or it could commence on expiry of the Halfords lease in November 2027.
- Surrender the Halfords lease for a premium and relet the unit.
- Relet the Halfords unit upon lease expiry.

EPC

Up to date EPCs are available upon request.

VAT

We understand that the property is elected for VAT and as such it is anticipated that the sale will be treated as a TOGC.

PURCHASE PRICE

Our client is seeking offers in excess of **£5.9 million (Five Million Nine Hundred Thousand Pounds)**, subject to contract and exclusive of VAT, for their freehold interest in the property.

A purchase at this level would show an **initial yield of 7.00%**, net of purchaser's costs of 6.8%.



FURTHER INFORMATION

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

Hamish Whiteman

hamish@stauntonwhiteman.co.uk
07867 501430

Nick Staunton

nick@stauntonwhiteman.co.uk
07961 300257



Staunton Whiteman LLP

9-10 Savile Row
London W1S 3PF

020 7287 2228

www.stauntonwhiteman.co.uk



ANTI MONEY LAUNDERING REGULATIONS

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.

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.