

# B&Q RONEO CORNER

## ROMFORD RM11 1PY

PRIME GREATER LONDON RETAIL WAREHOUSE INVESTMENT



## Investment Summary

- Prime London retail warehouse investment.
- Romford is a large, prosperous and fast growing town, with considerably enhanced links to Central London following the opening of the Elizabeth Line in 2022.
- The property is let to B&Q Ltd on a new 15 year lease without break.
- The income is very well secured to B&Q Ltd, who for the year ending 31st January 2024 had a turnover of £3.715 billion and a net worth of £2.559 billion. B&Q Ltd have a Dun & Bradstreet rating of 5A1.
- Purpose built retail warehouse of 102,250 sq ft, with the benefit of a large garden centre. There are 413 customer car parking spaces, giving a ratio of 1:248 sq ft.
- EPC rating of B49.
- B&Q trade very well from the store, as evidenced by their recent regear at £18.25 psf (£1,866,062 pa), with a capital contribution equal to just 9 months' rent free.
- The current value is underwritten by both residential and industrial alternative uses, with the opportunity to significantly enhance the value through medium term redevelopment.
- Our client is seeking offers in excess of £31.768 million subject to contract and exclusive of VAT, for the freehold interest in the property. A purchase at this level would show a yield of 5.50%, net of purchaser's costs of 6.8%.



**B&Q**

**TESCO**

**TESCO**  
*Extra*

**A124 Hornchurch Rd**

**A125**

For indicative purposes only.

# Location

Romford is a large town situated within Greater London and is the administrative centre of the London Borough of Havering. The town is one of London's key commercial centres, in part due to its excellent connections.



Romford is strategically located approximately 11 miles north east of the City of London, just to the west of Junction 29 of the M25.

The A12 Colchester Road is one of London's major arterial routes leading north east from the City to the North Circular, the M11, Chadwell Heath, Romford, the M25, Brentwood, Chelmsford, Colchester, Ipswich and the ports of Lowestoft and Great Yarmouth. The A127 runs east from Romford to Junction 29 of the M25 and then to Basildon, Rayleigh and Southend-on-Sea.



Since the opening of the Elizabeth Line to Romford in May 2022, London Liverpool Street can be reached in just 16 minutes, and Bond Street in 35 minutes, further enhancing Romford's attractiveness as a commuter town. In the year to March 2024 there were a total of 14.8 million passengers using Romford Station.



Romford also has excellent airport links. London City Airport is located just 8 miles/25 minutes' drivetime from Romford and Heathrow is now just a 56 minute journey via the Elizabeth Line.

**Romford is strategically located approximately 11 miles north east of the City of London, just to the west of Junction 29 of the M25.**



# Demographics

A total of 262,057 people live within the London Borough of Havering, the population having increased by 10.6% from 2011 to 2021. This increase was considerably greater than London (7.7%) and England (6.6%).

Havering has the highest proportion of households that own their homes across all the London Boroughs at 70.5%, and is well above the national average (London 46.8%, England 62.3%).

Havering also has higher than average levels of car ownership with 78.5% of households having one or more cars (London 57.9%, England 76.5%).

The average annual household income in Havering is £36,873, lower than the London average (£39,800), but significantly higher than the England average (33,582).

A total of 312,616 people live within a 10-minute drivetime of the property, with 987,214 people living within 20 minutes.

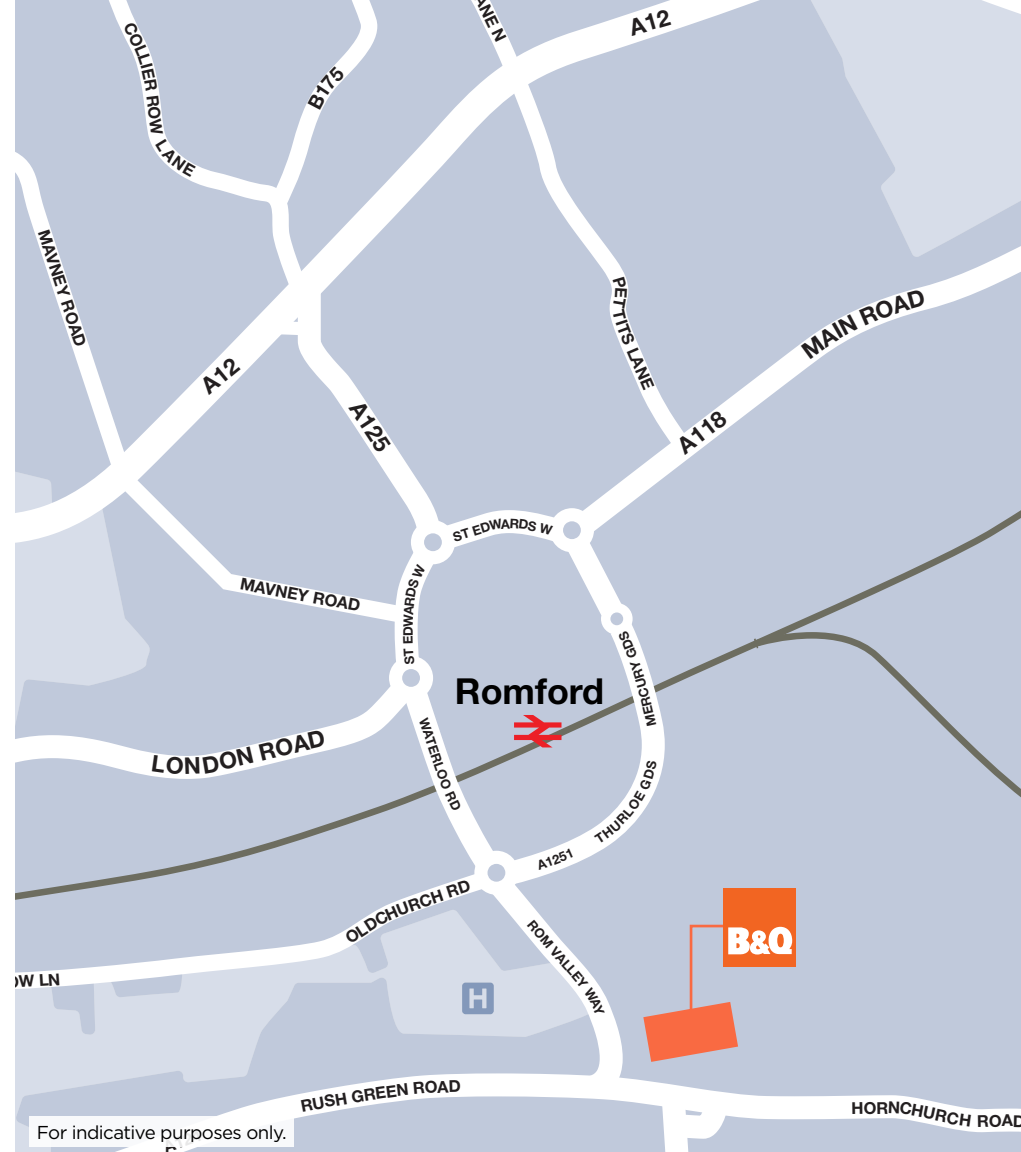
In summary, the property enjoys a large and affluent catchment, with very high levels of home ownership, which is of particular benefit to a home improvement retailer.

# Situation

The property is located immediately to the south of Romford town centre at the intersection of the A124 Hornchurch Road and the A125 Upper Rainham Road. Rom Valley Way leads north from this junction to the town centre and the A12.

The property adjoins a 75,000 sq ft Tesco Extra supermarket and petrol filling station, with the two stores effectively focussed upon a common car park.

**The population of Havering increased by 10.6% from 2011 to 2021 (London 7.7%, England 6.6%).**



# Description

The subject property comprises a purpose built retail warehouse that was constructed for B&Q and designed to their requirements.

The building is constructed around a steel portal frame supporting the roof and perimeter cladding, over a concrete ground-bearing power floated finished slab. The main roof is curved and finished with standing seam continuous aluminium sheets. The elevations are cavity masonry walls at low level, with microrib composite panels laid horizontally at mid and high levels.

The property totals 102,250 sq ft, with a garden centre of some 24,500 sq ft.

There are a total of 413 customer car parking spaces, giving an excellent car parking ratio of 1:248 sq ft.

In September 2024 Colliers undertook a building survey of the property. Their report concluded that there are no significant defects to the structure of the property. Furthermore, their report did not identify any landlord costs in respect of the repair/maintenance of the property. A copy of this report is available upon request.

B&Q have confirmed that following completion of their new lease the property will be programmed for general maintenance to both the building and the external areas, including a jet wash of the cladding.

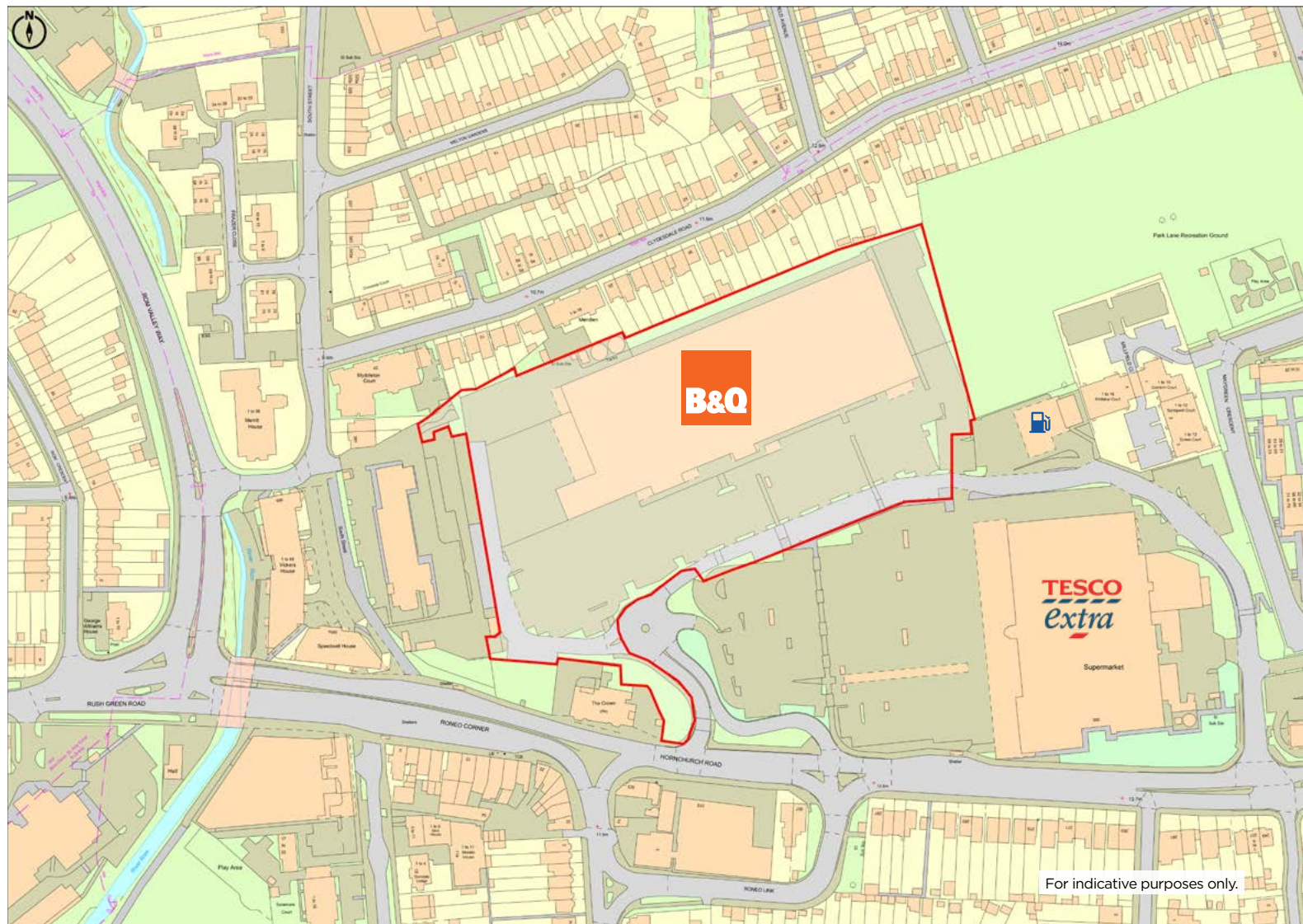
# Site

The site totals 7.7 acres (3.1 ha).

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

In September 2024 Colliers carried out an environmental investigation upon the property, that concluded that the site is '**Low Risk**'. A copy of this report is available upon request.

The property is in Flood Zone 1, with a '**Very Low Risk of Flooding**' (less than 0.1% in each year).



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# Tenure

Freehold.

Should the property cease to be used for retail, Tesco have the right to park up to 100 cars upon the site. Likewise, should the Tesco cease to be used for retail, the owner of the subject property has the right to park up to 89 cars on the Tesco site. Further details are available upon request.

# Planning

The property was granted planning permission on 8th February 2001 for Class A1 retail warehousing, that now falls within Use Class E.

The permission allows for the sale of a wide range of items including DIY goods, furniture, furnishings, carpets, floor coverings, motor accessories, cycles, gas and electrical goods, pets, office equipment, footwear and sports goods. The ancillary sale of snack food and drinks is also permitted.

There are no restrictions upon the subdivision of the unit and no minimum unit size.

A copy of the planning permission may be seen [here](#).

# Tenancy

The property is let to B&Q Ltd for a term of 15 years (without break) from 28th March 2025, at a rent of £1,866,062 pa (£18.25 psf).

The lease is drafted on full repairing and insuring terms with 5-yearly upwards only rent reviews to Open Market Value.

A copy of the lease to B&Q Ltd is available upon request.



# Income Security

The property is let to B&Q Ltd for 15 years without break. The income is exceptionally well secured.

B&Q was formed in 1969 when Richard Block and David Quale opened their first store in a disused cinema in Southampton. Since then the company has grown to be the UK's largest home improvement retailer with over 300 B&Q stores serving over 20 million people annually.

The recent collapse of their main rival, Homebase, has further strengthened B&Q's dominance within the DIY sector, and B&Q are currently acquiring 8 of the former Homebase stores.

B&Q Ltd, B&Q's operating company, is a wholly owned subsidiary of Kingfisher PLC, a FTSE 100 company that operates in 8 European countries with a total of 1,900 stores.

B&Q Ltd have a Dun & Bradstreet Rating of 5A1, and we set out below a summary of their most recent accounts:

COMPANY	YEAR ENDING	SALES TURNOVER (000's)	PRE-TAX PROFIT (LOSS) (000's)	NET WORTH (000's)
B&Q Ltd	31/01/2024	£3,715,600	£168,700	£2,558,800
	31/01/2023	£3,709,500	£139,800	£2,464,500
	31/01/2022	£4,050,600	£300,300	£2,525,000

# Retail Warehousing in Romford

The subject property forms part of a long-established retail warehouse pitch to the south of Romford town centre. In addition to the adjoining Tesco Extra supermarket, Rom Valley Way Retail Park is located just 350 yards to the north west, where occupiers include Aldi, Pets at Home, B&M, One Beyond and Pizza Hut. The park is owned by Mitheridge Capital.

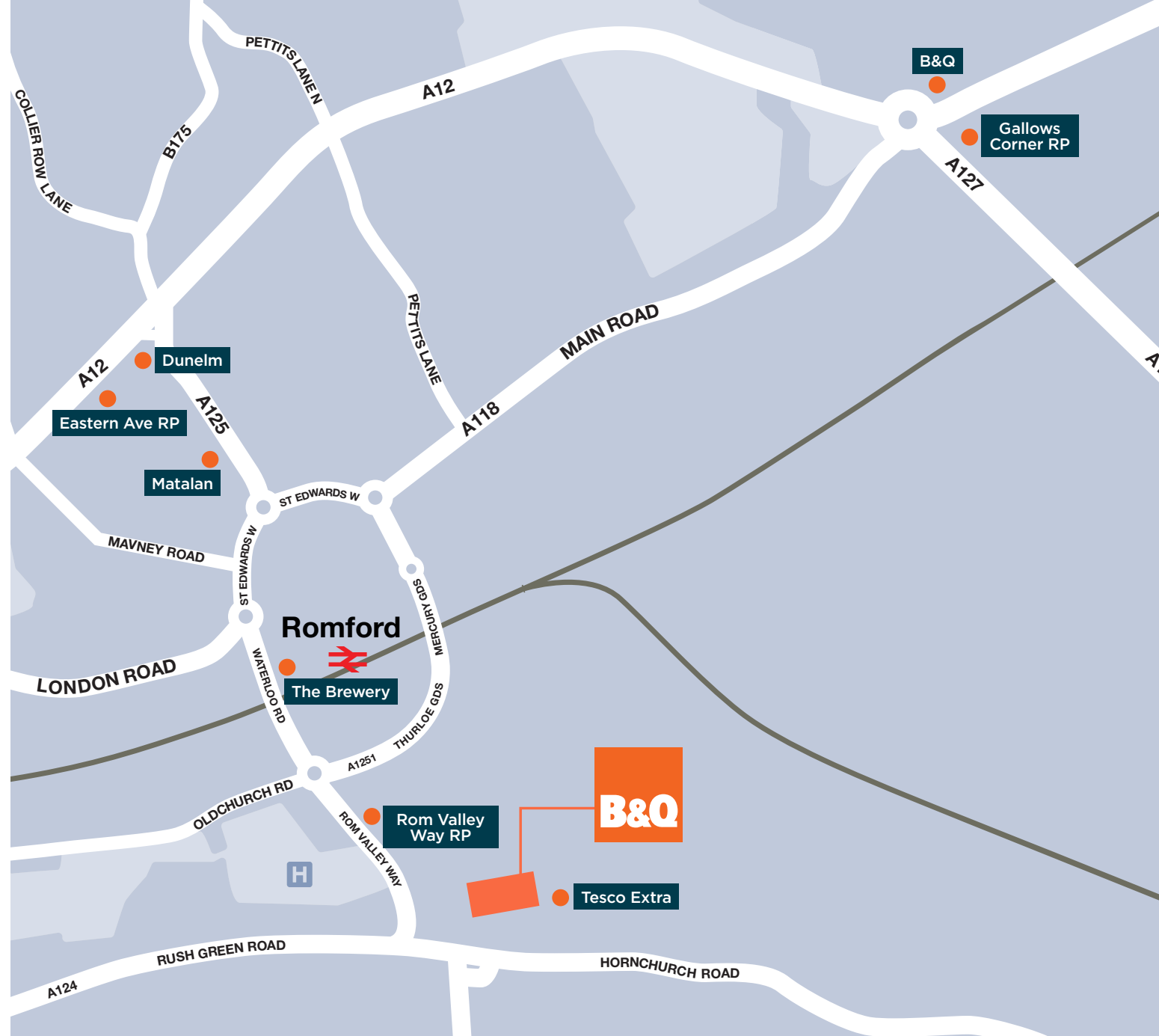
To the north of Rom Valley Way Retail Park is the former Homebase that is being sold by Legal & General for residential development.

The Brewery in Romford town centre is a hybrid retail and leisure scheme that is anchored by a Sainsbury's supermarket and Vue cinema. Other large space occupiers include Nuffield Health, Namco, Kidspace, The Range, Smyths Toys, Boots and Poundland. The property was acquired by Schroders in January 2022 for £162m.

To the north of the town, fronting the A12, there is a cluster of retail warehousing at Gallows Corner, including Gallows Corner Retail Park that is owned by Royal London and let to Next, Dreams, Natuzzi, Halfords, Furniture Village, DFS and Pets at Home. Rents upon Gallows Corner Retail Park have reached £41.75 psf. Adjoining the park is a Tesco Extra and across the A12 there is a further B&Q of 72,315 sq ft that is owned by KFIM.

Further west, also fronting the A12, is Eastern Avenue Retail Park that is let to Currys, Wren and Home Bargains. This park was recently acquired by Royal London from Aberdeen for £26.85m, reflecting a yield of 5.50%.

It should be noted that much of the retail warehousing in the vicinity of the subject property has been earmarked for conversion to residential use, including The Brewery, Rom Valley Way Retail Park and the former Homebase. As a result, the supply of retail warehousing in the town is likely to decrease significantly, which will put upwards pressure upon rents.



The subject property forms part of a long-established retail warehouse pitch to the south of Romford town centre.

Eastern Avenue Retail Park

The Brewery

Romford Station 

Rom Valley Way Retail Park

A125 Rom Valley Way

**B&Q**

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# Alternative Use Value

In addition to retail warehousing, the site is very well suited to both residential and industrial/logistics use, underwriting the value of the investment.

## Residential

The subject property lies within a densely populated residential area and the site falls within the Romford Housing Zone & Strategic Development Area in the Havering Local Plan, where the Council will support the delivery of 6,000 new homes.

As may be seen from the adjoining plan, there are numerous sites in the immediate vicinity of the subject property that have either been approved for residential development or are at the pre-app stage.

The site is also adjacent to Galliard Homes' Papermill House development. This conversion of a former office building provided 115 new homes targeted at 1st time buyers.

Our client has commissioned a capacity study from POD Architects which concludes that the subject site could provide 821 homes, together with 24,750 sq ft of Class E accommodation, as shown on the drawing opposite.

A copy of the POD Capacity Study is available [here](#).



## Industrial/Logistics

The property also benefits from alternative use as an industrial or last mile logistics estate.

We estimate that up to 185,000 sq ft could be developed and let at rents of c.£24 psf. At a yield of 5.00% this would give a net development value of some £83m.





## EPC

The property has an EPC rating of B49.

## 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).

## Purchase Price

Our client is seeking offers in excess of **£31.768 million (Thirty One Million Seven Hundred and Sixty Eight Thousand Pounds)** subject to contract and exclusive of VAT, for the freehold interest in the property. A purchase at this level would show an **initial yield of 5.50%**, net of purchaser's costs of 6.8%.

# Further Information

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