



WATERGLADE RETAIL PARK

CLACTON-ON-SEA, CO15 1HX

PRIME DOMINANT SOUTH EAST RETAIL PARK WITH FIXED INCREASES,
ANCHORED BY A MAJOR SUPERMARKET





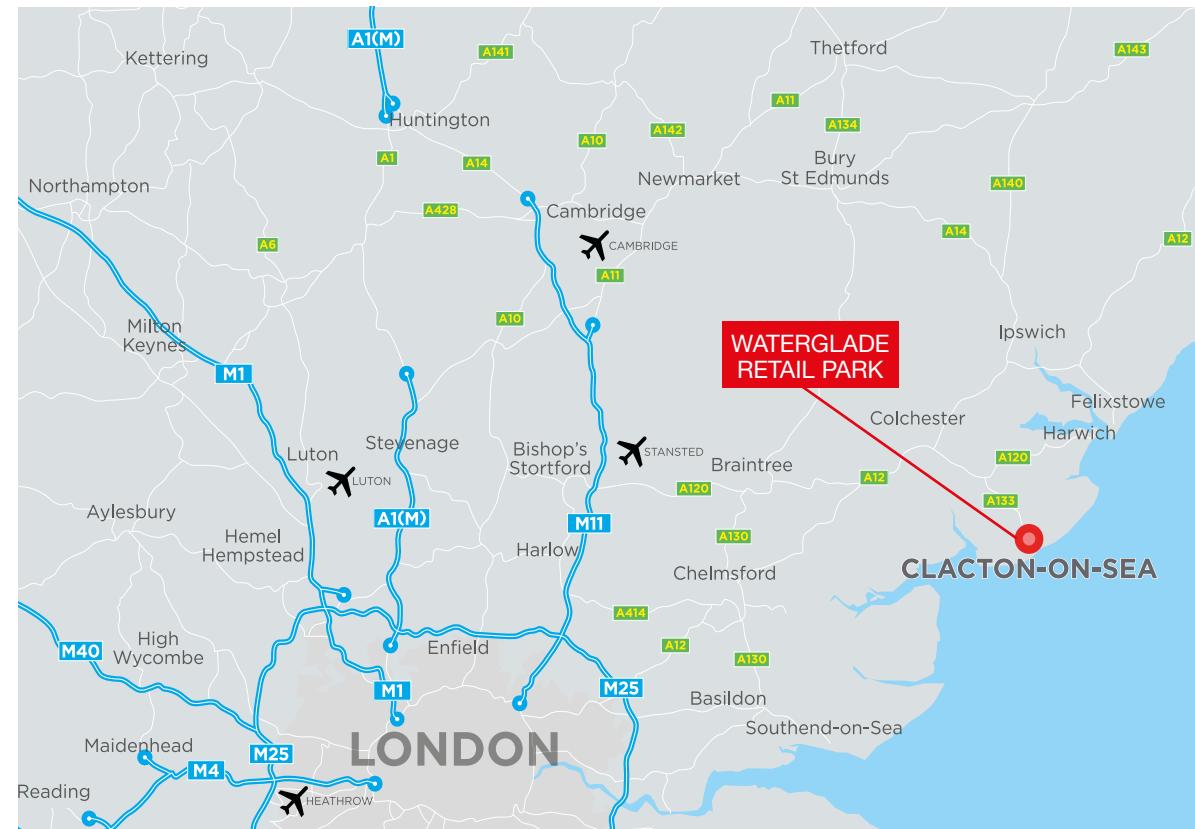
INVESTMENT SUMMARY

- Waterglade Retail Park is a prominent, multi-let retail park comprising a terrace of five units.
- Situated adjacent to a 43,600 sq ft Morrison's Supermarket which forms part of the scheme with a total of 534 parking spaces.
- Approximately 73,664 sq ft (6,843.55 sq m) benefiting from **open A1 use to include food**.
- **Let to national retailers to include: Iceland, Halfords, Next and B&M with a low average passing rent of £15.50 psf.**
- AWULT to expiry of 5.89 years.
- Current income of £1,143,337 pa rising to £1,215,138 pa following fixed increases in 2022 and 2025.
- Offers in excess of **£11,900,000 (ELEVEN MILLION NINE HUNDRED THOUSAND POUNDS)** subject to contract and exclusive of VAT.
- **Net initial yield of 9%** after allowance for purchaser's costs of 6.71% and a low capital value of £161 per sq ft.

LOCATION

Clacton-on-Sea is a popular seaside resort town in the south east of England located 16 miles (25 km) south east of Colchester, 41 miles (65 km) east of Chelmsford and 57 miles (91 km) north east of London.

Road Communications in Clacton-on-Sea are excellent with the A133 running from Clacton-on-Sea to Colchester and the A12. The A12 runs north to Ipswich and south to the M25 and London, connecting Clacton-on-Sea to the national motorway network. Rail links are also strong with Clacton-on-Sea Station providing regular services to London Liverpool Street Station with an approximate journey time of 1 hour 26 minutes.



SITUATION

Waterglade Retail Park is situated on the western side of Old Road ¼ mile to the west of Clacton-on-Sea town centre. The eastern end of the retail park is anchored by a Morrison's Supermarket. There is a dedicated spur road from Old Road providing access to the retail park and the supermarket.

The site situated just north of the subject property is currently being developed to provide a trade and leisure park. The park is due to start construction in 2021 with lettings agreed to: Subway, Tool Station, Starbucks, Ableworld, Bedworld and P1 Speedyfit.



DEMOGRAPHICS

Approximately 63,972 people live within a 15 minute drive time of Waterglade Retail Park. Levels of home ownership in this 15 minute catchment are exceptionally high at 44.6% compared to 30.6% nationally. These statistics reflect the catchment's bias towards older age groups.

The C2 demographic which is defined as 'skilled manual workers' is significantly overweight at 27.5% within 15 minutes' drive time catchment compared to 21.1% nationally. The 15 minute drive time catchment has a total comparison spend of £140 million per annum.

DESCRIPTION

The subject property is a purpose built retail warehouse scheme of approximately 73,664 sq ft, arranged over five self-contained adjoining units. Each unit is of steel framed construction with clad in composite panels on the elevations. An awning runs along the front of the units with the exception of the Next unit which is glazed to three quarter height.

Each unit varies in size between 9,000 – 31,000 sq ft and forms a continuous terrace with principle access for each unit fronting the access road to the park.

Access to the retail park is provided from a spur road off Old Road which runs along the top of the customer car park. This access road is used by customers for both the retail park and the Morrisons supermarket. There is a service area to the rear of the park which can be accessed via Old Road or the customer car park.

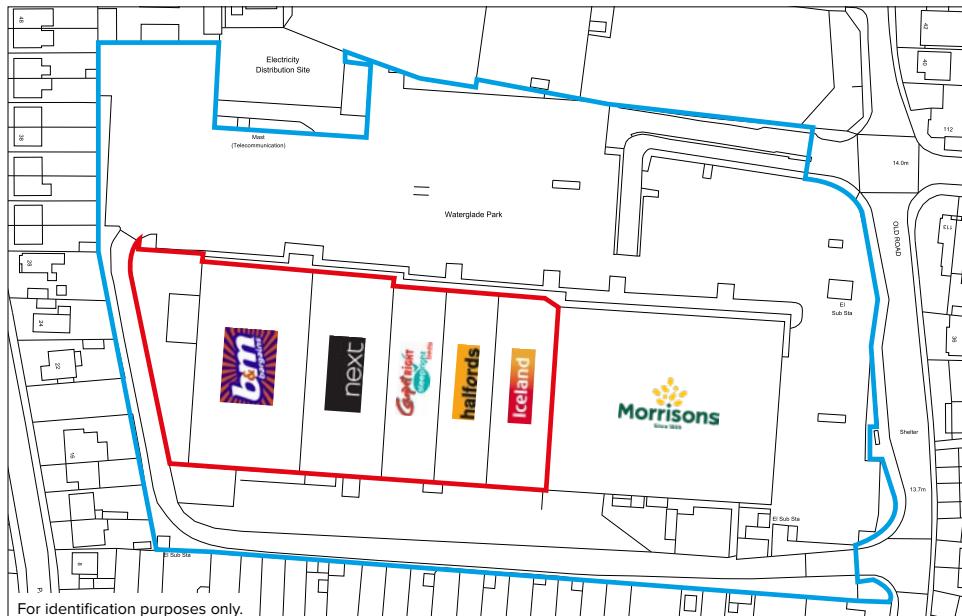
Customer car parking is located to the front of all the units including the adjoining supermarket, providing approximately 534 parking spaces showing an excellent car parking ratio of 1:220 sq ft.

The property provides a site area of 8.56 acres (3.465 hectares).

TENURE

The freehold interest in the land of Waterglade Retail Park is held through a management company which controls the car park and service road. Our client's 'SPV' has a 62.6% shareholding and the Morrisons a 37.4% shareholding.

The footprints of the buildings are in turn held on four 999 year head-leases which were granted in 1988 by the management company at peppercorn rents.



ACCOMMODATION & TENANCY

The subject property is multi let in accordance with the tenancy and accommodation schedule below producing a total income of £1,143,337 per annum.

Tenant	Demise	Area (Sq m)	Area (Sq ft)	Lease Start	Lease Expiry	Rent Up To Date	Rent (PSA)	Rent (PSF)	ERV (PSF)	Comments
Bejam Group Ltd (T/A Iceland)	Unit 2	874.58	9,414	28/02/2005	27/02/2030	Up to date	£165,106	£18.30	£15.00	Fixed increase to £186,802 pa 28/02/25. Removed break clause in 2024 for rent concession to £100,000 up to Feb 2021.
Halfords Ltd	Unit 3A	846.43	9,111	24/06/2001	23/06/2021	Up to date	£169,747	£18.63	£15.00	We understand there has been discussions regarding a new lease based on a 5 year term.
Carpetright Ltd	Unit 3B	1,245.45	13,406	20/04/2007	19/04/2027	Up to date	£314,584	£23.47	£15.00	Fixed increase to £364,689 at 20/04/22. Cat A store in previous CVA. Three quarters rent outstanding with 50% rents for this period agreed.
Next Holdings Ltd	Unit 4A	974.45	10,489	20/12/2000	19/12/2023	Up to date	£120,000	£11.44	£15.00	Next previously sub tenant of B&M at £124,000.
B&M Retail Ltd	Unit 4	2,902.64	31,244	20/12/2000	19/06/2028	Up to date	£373,900	£11.97	£15.00	Reversionary lease granted on 20/12/2020.
Total		6,843.55	73,664				£1,143,337		£1,104,960	

PLANNING

Planning consent for Waterglade Retail Park was originally granted in January 1987 (reference 10/1676/86). Under this consent the buildings can be used for retail purposes only as defined by Class One of the Town and Country Planning (use classes) Order 1972.

The retail park therefore has the most flexible open A1 planning consent which includes the sale of food.



COVENANT INFORMATION



B&M Retail Ltd.

B&M was funded in 1978 and is now one of the leading variety retailers in the UK, employing 28,000 staff in over 600 stores. B&M is listed on the London Stock Exchange and is a constituent of the FTSE 100 index.

For the year ending 30/03/2019 B&M Retail Ltd reported a turnover of £2.80Bn and pre-tax profits of £273.40M. For the same period the company reported a net worth of £754.38M.



Halfords Ltd

Halfords are the leading retailer of automotive & cycling products and in car servicing & repairs. Halfords Group account for 20% market share for cap products and related fittings, a market worth circa £3Bn. They employ over 10,000 people across their 460+ stores and 300 auto centres. Halfords offer exceptional accessibility across the UK, 90% of the UK is situated no more than 20 minutes from either a Halfords store or auto centre.

For the year ending 03/04/20 Halfords Ltd reported a turnover of £919.5M and pre-tax profits of £23.7M. For the same period the company reported a net worth of £786.3M.



Next Holdings Ltd

Next is a British multinational clothing, footwear and home products retailer and the largest clothing retailer by sales in the UK. The company has over 500 stores in the UK and over 200 across Europe, Asia and the Middle East. Next is listed on the London Stock Exchange and is a constituent of the FTSE 100 index.

For the year ending 26/01/2019 Next Holdings Ltd reported a turnover of £215.3M and pre-tax profits of £758M. For the same period the company reported a net worth of £946.7M.



Iceland (Bejam Group Ltd)

Iceland is one of the UK's largest supermarket chains employing over 23,000 people and operating out of over 1000 locations across the UK. The supermarket specialize in the sale of frozen foods including prepared meals and vegetables.



Carpetright Ltd

Carpetright is one of the UK's largest retailers of floor coverings and beds operating out of over 350 stores in locations across the UK.

In 2018 Carpetright undertook a CVA in order to structure the business. The store on Waterglade Retail Park was classed as a "Category A" proving how well they trade from this location.



VAT

Value added tax will be applicable to the sale of this property and it is anticipated the sale will be treated as a TOGC.

PROPOSAL

Seeking offers in excess of **£11,900,000**
(ELEVEN MILLION NINE HUNDRED THOUSAND POUNDS) subject to contract and exclusive of VAT. A purchase at this level will reflect a **net initial yield of 9%** after allowance for purchaser's costs of 6.71% and a low overall capital value psf of £161.

FURTHER INFORMATION

Should you wish to view the property or require any further information please contact the sole agents.

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