



ECCLESHALL RETAIL PARK | ST16 2RA

# STAFFORD

PROMINENT, WELL SECURED, 3 ACRE MIXED USE INVESTMENT OPPORTUNITY

# INVESTMENT SUMMARY

- **Eccleshall Retail Park** is located approximately 1 mile north of Stafford town centre, occupying an extremely prominent corner site, fronting both the A34 and A5013.
- The subject property comprises modern, purpose-built gym and car showroom premises together with detached 'drive thru' restaurant and car wash pod units.
- Excellent security of income with a **Weighted Average Unexpired Lease Term (WAULT)** of approximately **11.40 years to lease expiries**, with no tenant breaks.
- The asset is fully let on both open market and index linked leases to tenants including **Virgin Active Limited (sublet to Pure Gym), McDonald's Restaurants Limited, Bristol Street Group Limited** and **Anduff Car Wash Limited**.
- The property provides a **contracted rental income of £552,186 per annum**.
- **Freehold.**
- **3.09 acre site.**
- Asset management angles with opportunity to **regularize the Pure Gym lease** and potential to split or sell off part of the site.



We are instructed to receive offers in excess of **£6,900,000 (Six Million, Nine Hundred Thousand Pounds)**. Subject to Contract and Exclusive of VAT. An offer at this level reflects a low capital value of £140 per sq. ft and the following yield profiles assuming graduated purchasers costs:

Assuming Virgin Active Lease	<b>7.49%</b>
Assuming Pure Gym Underlease (April 2023 uplift)	<b>6.42%</b>





## SITUATION

Eccleshall Retail Park is located approximately 1 mile (3km) north of Stafford town centre, occupying an extremely prominent site with return frontages onto both Stone Road (connecting south to Grey Friars) / A34 and Eccleshall Road / A5013.

The surrounding area, along Gray Friars (A34) connecting to the town centre, provides a mix of retail warehouse, trade counter and residential uses. Notable occupiers include Dunelm, The Range, Halfords, Screwfix, Lidl, Wickes and Currys PC World. Further retail warehouse provision is located to the south of the town centre, predominantly on The Hough Retail Park and Queens Retail Park.

## LOCATION

Stafford is a market town in the West Midlands, located approximately 15 miles (24km) south of Stoke-on-Trent and 24 miles (37km) north-west of Birmingham.



### CAR

The town is located between junctions 13 and 14 on the M6 motorway, providing direct links to Manchester and Birmingham as well as the M1 motorway. The A34 and A518 provide links to the locality including Cannock, Walsall, Stoke-on-Trent, Newport and Telford.



### TRAIN

Stafford's railway station is situated just over 1 mile (3km) to the south west of the subject property. The station benefits from services on the Trent Valley, Birmingham Loop and West Coast Main Lines. There are frequent trains to London Euston with a fastest time of 1 hour 19 minutes. Stafford is set to benefit directly from HS2, meaning travel times between Stafford and London could be possible in less than an hour.



### PLANE

Birmingham Airport, which is the UK's 3rd busiest Airport outside of London, is located 42 miles (68km) to the south. The airport is predicted to expand exponentially over the next decade, through investment in excess of £500m over that period. It is estimated passenger numbers will increase to 18m per annum, up 42% from current levels. East Midlands Airport is located 4 miles (6km) east and Manchester Airport is located 50 miles (80km) north.



## DESCRIPTION

The property houses a number of uses, namely a car show room, gym, restaurant drive thru and car wash. The site benefits from excellent prominence and visibility being located on a roundabout at the junction of A5013 and A34.

The site is divisible and indeed separated by fencing, with the car showroom occupying the eastern side with a designated access from Stone Road (A34) and dedicated forecourt. The remainder of the site, which incorporates the gym, drive thru and car wash and dedicated customer parking, is accessed from Eccleshall Road (A5013).

# ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice 6th Edition, January 2018, on a Gross Internal Area (GIA) basis. Reliance of the report by PRE Chartered Surveyors is assignable to a purchaser:

Unit	Description	Ground Floor Area (Sq.Ft.)	Plant Area (Sq.M.)
<b>Gym</b>	Ground Floor (Gym)	14,895	1,383.8
	Mezzanine Floor (Gym)	9,576	889.7
	Mezzanine Floor (Plant)	1,465	136.2
	<b>Total</b>	<b>25,936</b>	<b>2,409.6</b>
<b>Bristol Street Motors (Car Show Room)</b>	Ground Floor	11,830	1,099.1
	First Floor (Offices)	5,977	555.3
	<b>Total</b>	<b>17,807</b>	<b>1,654.4</b>
<b>McDonalds</b>	Ground Floor	3,280	304.8
	<b>Total</b>	<b>3,280</b>	<b>304.8</b>
<b>Car Wash</b>	Ground Floor	1,940	180.3
	<b>Total</b>	<b>1,940</b>	<b>180.3</b>
<b>Total</b>		<b>48,963</b>	<b>4,549.1</b>

\* A floor area memorandum dated 30/06/2003 for for the Gym quotes the floor areas as being 14,849 sq ft at ground floor, 10,769 sq ft at mezzanine (gym) level and 1,408 sq ft at mezzanine (plant) level.

\*\* A floor area memorandum attached to the licence for alterations for Bristol Street Motors quotes the floor areas as being 11,922 sq ft at ground floor and 4,279 at first floor.



# TENANCY

Description	Tenant	Start Date	Expiry Date	Next Rent Review	Break Option	Passing Rent	Rent psf	Area (sq ft)	Comments
Gym	Virgin Active Limited (03448441)	30/05/2003	23/08/2036	14/04/2023		£286,811.00	£11.06	25,936.00	[1] Guaranteed by Virgin Active Holdings Limited (03613370). Reversionary lease in place dated 30/05/2028, expiring 23/08/2036. [2] Virgin Active Limited entered into a restructuring plan with its creditors in 2021. Virgin Active's obligations under the lease are essentially at an end, although the lease remains in place. [3] Pure Gym Limited (06690189) granted a sublease of the entire building on a term from 09/11/2015 until 20/08/2036 at the following stepped rents: from and including 14/04/2018: £188,883 pa; from and including 14/04/2023: £207,771 pa; from and including 14/04/2028: £228,548 pa;
Car Showroom	Bristol Street First Investments Limited (00251237)	06/02/2003	05/02/2028	14/04/2023		£150,000.00	£8.42	17,807.00	Guaranteed by Bristol Street Group Limited (03231395)
Restaurant	McDonalds Restaurants Limited (01002769)	14/04/2003	23/08/2036	14/04/2023		£85,081.08	£25.94	3,280.00	5 yearly RPI linked Rent Reviews. Reversionary lease in place dated 14/04/2028, expiring 23/08/2036.
Car Wash	Anduff Car Wash Limited (00974889)	30/05/2003	29/05/2028	30/05/2023		£30,292.00	£15.61	1,940.00	5 yearly RPI linked Rent Reviews, compounded annually with a collar and cap of 2.5%-5%.
Sub Station	Western Power Distribution (West Midlands) PLC)	10/04/2003	09/04/2102			£1.00			
<b>Total Rent (PAX)</b>						<b>£552,185.08</b>	<b>Total Area</b>	<b>48,963.00</b>	

# TENURE

Held Freehold under titles SF341444 and SF383206.



## SITE

The entire site comprises approximately 3.09 acres (1.25 ha).

## CURRENT INCOME PAX

£552,185.08 assuming Virgin Active Lease.

£473,145.08 assuming Pure Gym underlease (April 2023 uplift).

# COVENANT STATUS



## Pure Gym (Company No. 06690189)

Founded in 2008, the PureGym Group is one of the largest gym and fitness operators in Europe and provides high quality, low cost, flexible physical fitness facilities. The Group has approximately 1.6 million members across over 500 gyms and holds market leading positions across the UK, Denmark and Switzerland operating under the PureGym, Fitness World and Basefit brands respectively.

Financial Y/E	31/12/2020	31/12/2019	31/12/2018
Turnover	£142,400,000	£256,300,000	£226,086,000
Pre-Tax Profit (Loss)	-£60,100,000	£34,800,000	£44,972,000
Net Worth	£74,121,000	£122,240,000	£129,549,000



## Bristol Street First Investments (Company No. 00251237)

Bristol Street First Investments Ltd. offers automobile services. The Company's line of business includes sales and servicing of motor vehicles.

Financial Y/E	28/02/2021	28/02/2020	28/02/2019
Turnover	£672,131,000	£834,445,000	£883,180,000
Pre-Tax Profit (Loss)	£5,180,000	£1,605,000	£3,882,000
Net Worth	£47,025,000	£48,085,000	£45,188,000

## Bristol Street Group Limited (Company No. 03231395) as Guarantor. Part of Vertu Motors Plc

Financial Y/E	28/02/2021	29/02/2020	28/02/2019
Turnover	£2,547,700,000	£3,064,500,000	£2,982,000,000
Pre-Tax Profit (Loss)	£22,399,000	£7,317,000	£25,332,000
Net Worth	£275,940,000	£263,373,000	£276,643,000



## McDonald's Restaurants Ltd (Company No. 01002769)

McDonald's is a quick service restaurant company, serving over 37,000 restaurants serve 70 million people across the globe, every single day. In the UK & Ireland alone we serve 3.6 million customers at over 1,300 restaurants daily.

Financial Y/E	31/12/2020	31/12/2019	31/12/2018
Turnover	£970,266,000	£1,402,777,000	£1,514,374,000
Pre-Tax Profit (Loss)	-£23,350,000	£405,994,000	£406,278,000
Net Worth	£960,120,000	£1,014,114,000	£1,112,189,000



## Anduff Car Wash Ltd (Company No. 00974889)

Anduff Car Wash Limited is an active company incorporated on 17 March 1970 with the registered office located in High Wycombe, Buckinghamshire. Anduff Car Wash Limited has been running for 51 years.

Financial Y/E	31/12/2020	31/12/2019	31/12/2018
Turnover	£37,307,285	£46,353,063	£43,311,576
Pre-Tax Profit (Loss)	£22,535,146	£12,798,145	£20,919,374
Net Worth	£338,832,472	£313,921,645	£301,123,500





# INVESTMENT TRANSACTIONS

Location	Tenant	Size	WAULT (TBO)	Price / NIY	Date	Comments
<b>COVENTRY</b> <b>Peugeot &amp; Citroen</b>	Peugeot Motor Company Plc	20,327 sq ft	5.5 years	£5.1m, 5.4%	February 2022	1.74 acres. Tenant option to renew lease for a further 14.75 years. Rent reviewed 5 yrly CPI linked (2-4%). Marketed openly, quoting 6.75% NIY.
<b>SALE</b> <b>Peugeot &amp; Citroen</b>	Peugeot Motor Company Plc	26,032 sq ft	5.5 years	£5.75m, 5.25%	February 2022	1.91 acres. Lidl acquired the site. Tenant option to renew lease for a further 14.75 years. Rent reviewed 5 yrly CPI linked (2-4%). Marketed openly, quoting 6.75% NIY.
<b>RAYLEIGH</b> <b>Pelican Retail Park</b>	Wickes, McDonalds, Pure Gym, Pets at Home	50,205 sq ft	7 years (6.1 to break)	£15m, 6.5%	October 2021	CBRE Capital Advisors Acquired. Pure Gym linked to RPI (1-3%) remainder is Open Market.



### **WEIGHTED AVERAGE UNEXPIRED LEASE TERM (WAULT)**

An attractive weighted average unexpired lease term (WAULT) of 11.80 years to lease expiries.



### **SERVICE CHARGE**

An annual service charge is levied at the property. The current year expires on 31/03/2023 with a budget of £34,340. The budget does not include the Car Showroom, who are responsible for the day to day management of their site.



### **PLANNING**

The site has approved planning permissions for A3 restaurant, car wash, health club and car park & A5 hot takeaway. In 2001 planning application was submitted for a car dealership, car wash, drive thru restaurant, health club and car park (01/40630/FUL). In 2002 planning permission was approved for a drive thru restaurant.

# ASSET MANAGEMENT INITIATIVES

## THE GYM

- Regularise the Pure Gym lease. Virgin Active Limited entered into a restructuring plan with its creditors in 2021.
- Virgin Active's obligations under the lease are essentially at an end, although the lease remains in place.
- Pure Gym Limited (06690189) have a sublease of the entire building on a term from 09/11/2015 until 20/08/2036 at the following stepped rents:
  - from and including 14/04/2018: £188,883 pa;
  - from and including 14/04/2023: £207,771 pa;
  - from and including 14/04/2028: £228,548 pa;
  - from and including 14/04/2033: £251,403 pa.
- There is no direct relationship with Pure Gym at present.

## SPLIT THE SITE

Parts of the site could potentially be sold separately.

## FUTURE ALTERNATIVE USE OPTIONS

The property benefits from a robust and long income stream, but the site is prominent and strategically located and would lend itself to a number of favourable alternative uses subject to planning permissions and vacant possession.



## EPC'S

Gym – E122

Car Show Room – C72

McDonalds – D81

## ANTI MONEY LAUNDERING

To comply with anti-money laundering legislation, the successful purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

## VAT

The property is elected for VAT and it is anticipated that the transaction will be treated as a TOGC (Transfer of a Going Concern).



# PROPOSAL

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Assuming Virgin Active Lease **7.49%**

Assuming Pure Gym Underlease (April 2023 uplift) **6.42%**

## FURTHER INFORMATION

For further information, for access to the data room or to arrange an inspection please contact sole agents, Green & Partners as per the details below:

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