



green&partners

CALDY VALLEY ROAD | CHESTER | CH3 5QZ

CALDY VALLEY RETAIL PARK

WELL SECURED MULTI LET RETAIL WAREHOUSE INVESTMENT OPPORTUNITY

← J12 M53

A55
NORTH WALES
EXPRESSWAY

CALDY VALLEY RETAIL PARK

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SAINSBURY'S

CALDY
VALLEY ROAD

PETROL FILLING
STATION

PREMIER INN

BREWERS FAYRE

INVESTMENT SUMMARY

- A retail park comprising four well configured units adjacent to a substantial Sainsbury's foodstore and petrol filling station
- Strategically located on the south east side of Chester on the A41 city ring road with little immediate competition
- Affluent catchment population ranking 19th on PMA Affluence Indicator
- Weighted Average Unexpired Lease Term (WAULT) of 8.4 years
- Well secured to Halfords, Pets at Home, B&M and Rightway
- A total area of 35,081 sq ft (3,259 sq m)
- Car parking ratio of 1:171
- Total current rent of £424,638 per annum exclusive reflecting a low average rental of £12.10 psf
- Freehold
- Reversionary - next rent review August 2018
- Offers in the region of £6,125,000 (Six Million, One Hundred and Twenty Five Thousand Pounds), Subject to Contract & Exclusive of VAT reflecting a net initial yield of 6.50%, rising to an estimated reversionary yield of 6.74%, allowing for usual purchasers costs of 6.63%

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LOCATION

Chester is an attractive and affluent cathedral city located in the North West of England. It has rich history stemming from Roman times and it is currently the principle and commercial centre for Cheshire. It is located 19 miles (31km) south of Liverpool, 40 miles (60km) south west of Manchester and 76 miles (122km) north-west of Birmingham. The city is also in close proximity to North Wales providing access to popular mountain and seaside resorts.

Chester has excellent road communications with the M56 and M53 located within 4 miles (6km) of the northern edge of the city providing direct access to the M6 (Junction 9), linking conveniently to Manchester and Liverpool respectively. The A483 connects Chester to Wrexham and central Wales to the south west and the A55 Expressway skirts Chester's southern edge providing access to the North Wales coast and the ferry port of Holyhead.

DEMOGRAPHICS

Categorised as a 'Regional Centre' by PMA, Chester serves a very large and affluent primary catchment area of 810,000 people with a shopping population of 324,000. Its extensive catchment extends from Ellesmere Port in the north to Wrexham and Nantwich in the south. The city benefits from a diverse retail offer which attracts shoppers from outside its primary catchment area as well as spending from tourists and visitors.

Within a 10 minute drive time of the subject property there is a total population of 75,566 comprising 33,456 households. Within a drive time of 20 minutes, this catchment increases to 366,497 persons and draws from key centres such as Ellesmere Port, Deeside, Wrexham and Runcorn.

The catchment population is affluent, containing a significantly above average proportion of adults within the most affluent AB social group as well as social group C1 which is also over-represented. Car ownership is significantly above average with a particularly high proportion of 2 car households. Reflecting the demographic profile and spending habits of the catchment population, per capita retail spending levels are above the PROMIS average.



PRIMARY
CATCHMENT
OF **810,000**



SHOPPING
POPULATION
OF **324,000**



76,000 WITHIN
10 MIN DRIVE
OF SITE



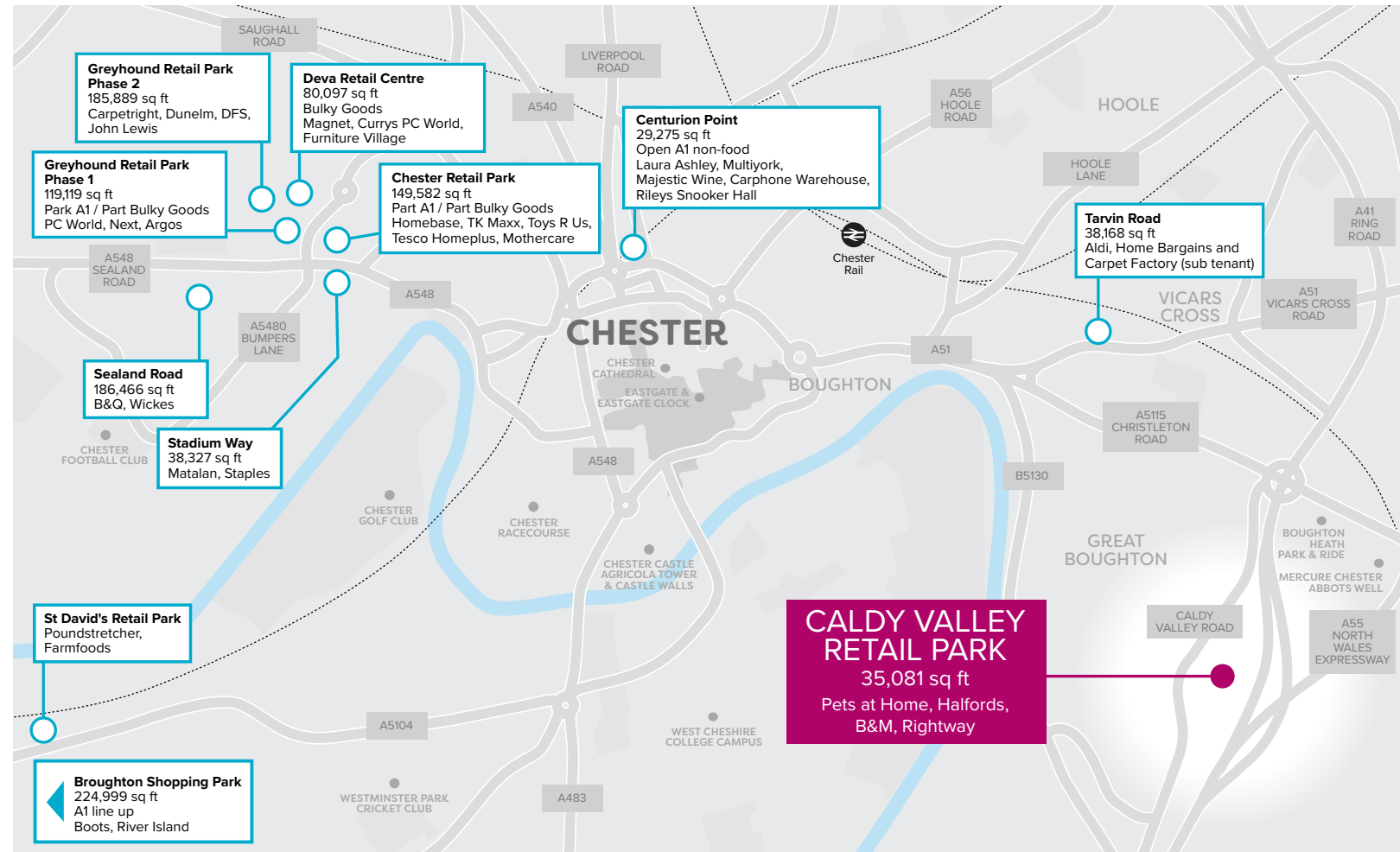
CATCHMENT
POPULATION
IS **AFFLUENT**

OUT OF TOWN RETAIL PROVISION

Retail warehouse supply in Chester is estimated at 2,539,000 sq ft (235,881 sq m). The majority of the retail warehousing provision is concentrated to the west of the city centre consisting of three retail parks.

Greyhound Retail Park is the largest within the catchment and is located approximately one mile west of the Chester City Centre. Most of its occupiers are traditionally bulky goods operators with the notable exceptions of John Lewis, Asda, Boots, Argos and Next. Chester Retail Park offers a selection of discount stores such as Maplin, Hobbycraft, Poundland and Mothercare, Sports Direct, TK Maxx and Outfit. Restaurants serving the retail park are McDonalds and Pizza Hut. Deva Retail Centre is a bulky goods retail park with tenants such as Currys/PC World Megastore, Harveys, Furniture Village and Magnet.

Also within Chester, is St David's Retail Park located in Saltney, to the south west of the city centre; this small development accommodates Poundstretcher Extra, Able World and Farmfoods. A cluster of three small stores is situated on Tarvin Road; these are occupied by Aldi, Home Bargains and The Carpet Factory.



SITUATION

Caldy Valley Retail Park occupies a prominent, highly accessible position to the south east of Chester city centre. It is strategically located adjacent to the A41 ring road and close to its junction with the A55 North Wales Expressway.

The park is located approximately 3 miles (5 km) from the city centre and lies directly adjacent to a 72,500 sq ft (6,735 sq m) Sainsbury's food store and petrol filling station (not within the ownership) and close to a Premier Inn and Brewers Fayre restaurant. The immediate surrounding areas are predominantly residential.



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DESCRIPTION

The property comprises a modern well configured retail park of approximately 35,081 sq ft (3,259 sq m), arranged in a terrace of four units. The property benefits from 206 car parking spaces, providing a car parking ratio of 1:171 sq ft.

The park was developed in 1996 incorporating one terrace with the main vehicular entrance to the north of the park and servicing to the rear. The units offer modern flexible accommodation. Both Halfords and Rightway have mezzanine floors which are tenant's improvements and not rentalised at rent review.

The site area is approximately 2.91 acres.



Rightway



Halfords



Pets at Home

TENURE

The property is held freehold.

PLANNING

Cheshire West & Chester Council granted a planning permission in March 1995 for the erection of 4 retail units with a restriction on the sale of clothing, food, shoes and fashion accessories.

However we believe that the local planning authority would be receptive to the relaxation of a change of use (open A1, non-food with limitations) as evidenced by the planning history of the property set out below.

- **Unit 1** - Consent given to use part of the premises as a pet care and treatment centre 'Companion Care Facility' - March 2013
- **Unit 2** - Consent given to install a 3,745 sq ft (348 sq m) mezzanine. Permission restricted to the sale of bulky goods, auto products, bicycles and bike products and preventing sale of food, clothing footwear and fashion - April 1996
- **Unit 4** - Consent given to sell food, drink and confectionary up to 807 sq ft (75 sq m) and non-fashion clothing of up to 269 sq ft (25 sq m) - July 2013



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TENANCY SCHEDULE

Unit	Tenant	Approx Area* (sq ft)	Lease Start	Lease End	Unexpired Term (Expiry)	Current Rent (PA)	Rent (psf)	ERV (OMV)	ERV Rate	Rent Reviews	TBO	Comments
1	Pets at Home Ltd	10,036	25/12/1995	24/12/2025	8.36	£125,000	£12.46	£125,000	£12.46	25/12/2020	N/A	5 year reversionary lease has been agreed from 25/12/2020. Rent free from 16/02/2017.
2	Halfords Ltd	7,571	25/12/1995	24/12/2025	8.36	£94,638	£12.50	£94,638	£12.50	25/12/2020	N/A	5 year reversionary lease has been agreed from 25/12/2020. Rent free from 29/09/2017 to 27/02/2018 allowing for an offset against back rent.
3	Rightway Ltd	7,500	25/11/2013	24/11/2028	11.28	£100,000	£13.33	£93,750	£12.50	25/11/2018 25/11/2023	24/11/2024	
4	B&M Retail Ltd	9,974	05/08/2013	04/08/2023	5.97	£105,000	£10.53	£127,169	£12.75	05/08/2018	N/A	Rent at review is to the lower of OMV or capped at the percentage increase in the RPI index over the 5 year period. The tenants service charge contribution is capped at £14,193 pa, increasing by RPI annually.
TOTALS		35,081			8.4	£424,638		£440,557				

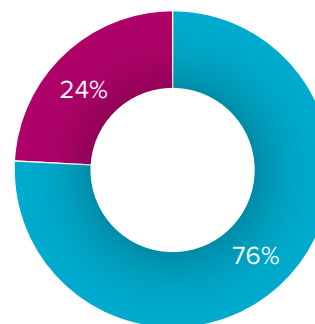
* Halfords and Rightway have mezzanine floors.

CURRENT INCOME PAX

The property produces an income of **£424,638 per annum exclusive.**

SERVICE CHARGE

A service charge operates on the park. The current budget period runs to 30th June 2018 and totals £49,040 pa which is fully recoverable. B&M have a service charge cap linked to RPI (£14,193 pa). There are no landlord shortfalls. Further details available on request.



INCOME PROFILE BY COVENANT

■ National ■ Regional



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TENANT COVENANT STRENGTH

Tenant	Financial Year End	Turnover	Profit (Loss)	Net Worth	D&B Rating	Comments
Pets at Home Ltd (1822577)	26 Mar 2015	£689,697,000	£79,920,000	£517,138,000	5A 1	Pets at Home is the United Kingdom's largest pet supplies retailer, with more than 370 stores (16 opened this year) and 6,000 employees. The Plc is listed on the London Stock Exchange and has reported a revenue rise of 5% in 2017.
Halfords Ltd (103161)	1 April 2016	£866,100,000	£86,000,000	£655,900,000	5A 1	Halfords is a British retailer of car parts, car enhancement, camping and touring equipment and bicycles operating in the United Kingdom and Ireland from circa 460 stores, employing 10,000 people. The Halfords Autocentre brand also provide MOT, service and repairs in the United Kingdom operating from 313 sites. Halfords Group is listed on the London Stock Exchange. Preliminary Like for Like revenues of year ending April 2017 are up 2.7%.
Rightway Ltd (4519604)	31 Mar 2016	N/A	N/A	£999,697	1A 2	Rightway Ltd are a long established hardware, gardening and DIY retailer based in North Wales, the Welsh Borders, Cheshire and the Wirral. Originally two separate companies Rightway purchased W. Bevans & Sons in 2008 and now operate as one customer facing business under the two brand names. They currently operate from 20 stores.
B&M Retail Ltd (1357507)	26 Mar 2016	£1,902,557,000	£168,121,000	£440,372,000	5A 1	B&M is one of the United Kingdoms leading variety retailers operating from over 540 stores, employing over 22,000 people. The group which is listed on the London Stock Exchange recently added 251 sites to its portfolio through the acquisition of Heron Foods in August 2017 for a reported £152m.

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EPC RATING

Unit	Tenant	EPC Rating
Unit 1	Pets at Home Ltd	E-115
Unit 2	Halfords	B-43
Unit 3	Rightway	B-44
Unit 4	B&M Retail	D-100

ASSET MANAGEMENT OPPORTUNITIES

- An opportunity to erect a further unit or 'pod' in the car park subject to planning permission. Initial exploration discussions with a national multiple tenant have been held, but no terms have been agreed yet.
- Look to crystallise a rental uplift on Unit 4 (B&M) in August 2018.
- We believe the rental tone is low in comparison to the retail warehouse provision elsewhere in Chester. While two rent reviews have recently been agreed, we believe there is further scope for rental growth in the short to medium term.

VAT

The property has been elected for VAT which will therefore be chargeable on the sale price unless the transaction can be treated as a Transfer of Going Concern (TOGC).

PROPOSAL

Our client is seeking offers in excess of **£6,125,000 (Six Million, One Hundred and Twenty Five Thousand Pounds)**, subject to contract and exclusive of VAT, reflecting a **Net Initial Yield of 6.50%**, rising to an estimated reversionary yield of 6.74%, allowing assuming purchasers costs of 6.65%. Subject to contract and exclusive of VAT.

CONTACTS

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