

NOVA SCOTIA RETAIL PARK

BOLTON ROAD BLACKBURN BB2 3QP



HIGH YIELDING RETAIL PARK INVESTMENT OPPORTUNITY



INVESTMENT SUMMARY

- High yielding, long let, retail warehouse park
- Blackburn has a resident population of 148,800
- **Freehold** investment opportunity
- The site benefits from a wide bulky planning consent
- The property, completed in 2004, extends to approximately **146,462 sq ft** (increasing to 166,462 sq ft including bulk store) and benefits from a low site coverage of 35%
- Let to three national occupiers including B&Q, Pets at Home and Poundstretcher, with a total passing rent of **£1,776,875 per annum (£12.13 per sq ft)** from 8th August 2019. Rising to circa **£1,866,875 per annum** on the re-letting of the Carpetright unit
- The average weighted unexpired term is 9.2 years on the let units.
- 84% of income is secured against B&Q, for a further 9.6 years
- A guide price of **£15,120,000**, exclusive of VAT which reflects a capital value of £91 per sq ft on total built area
- **Net Initial Yield of 11%**, assuming standard purchaser's costs and the Carpetright is non income producing rising to 11.5% on re-letting



THE MALL, BLACKBURN

THE PEEL LEISURE RETAIL PARK

vue MATALAN Pizza Hut
Dunelm mill Nando's

TOWNSMOOR RETAIL PARK

TKmaxx Argos
Sports Direct Carphone Warehouse

BLACKBURN

PLANET ICE, BLACKBURN ARENA

ASDA

NOVA SCOTIA RETAIL PARK

B&Q pets at home carpetright. pound stretcher

THE PEEL CENTRE

halfords mothercare
F&B t.m.



LOCATION

Blackburn, located in the County of Lancashire, is a major centre within North West England positioned approximately 34 miles to the north west of Manchester, 14 miles east of Preston and approximately 12 miles south west of Burnley.

The city is well connected by road with the M65 motorway running from the east of the town providing access via junctions 4, 5 and 6 and connecting with the M61 and M6, approximately 10 miles to the west of Blackburn.

There are rail connections by the Northern Rail network to Manchester and Preston and there are further west coast mainline connections in Preston.

Blackpool International Airport is the nearest airport being approximately 23 miles to the west of the town.



SITUATION

Nova Scotia Retail Park is situated less than 0.5 miles to the south of Blackburn town centre, in the heart of the town's primary retail warehouse area. The scheme is prominently situated on the junction of Russell Street and Bolton Road, immediately opposite the Townsmoor Retail Park, with The Peel Centre to the west of this.

Great Bolton Street (A666) and Bolton Road form the main arterial route connecting Blackburn to the M62 motorway, some 2.5 miles to the south of the scheme, which provides a direct link to junction 4 of the M6 motorway and surrounding population.

CATCHMENT & DEMOGRAPHICS

There is a population of 406,000 within a 20-minute drive-time of the site.

According to Households by Acorn Groups, 11% of the population categorise as Executive Wealth which is in line with the national average. Furthermore, 20% of the population categorise as Successful Suburbs, Steady Neighbourhoods and Comfortable Seniors, compared to a national average of 16%.

75% of the population has one car or van per household, which is above the national average of 74%.

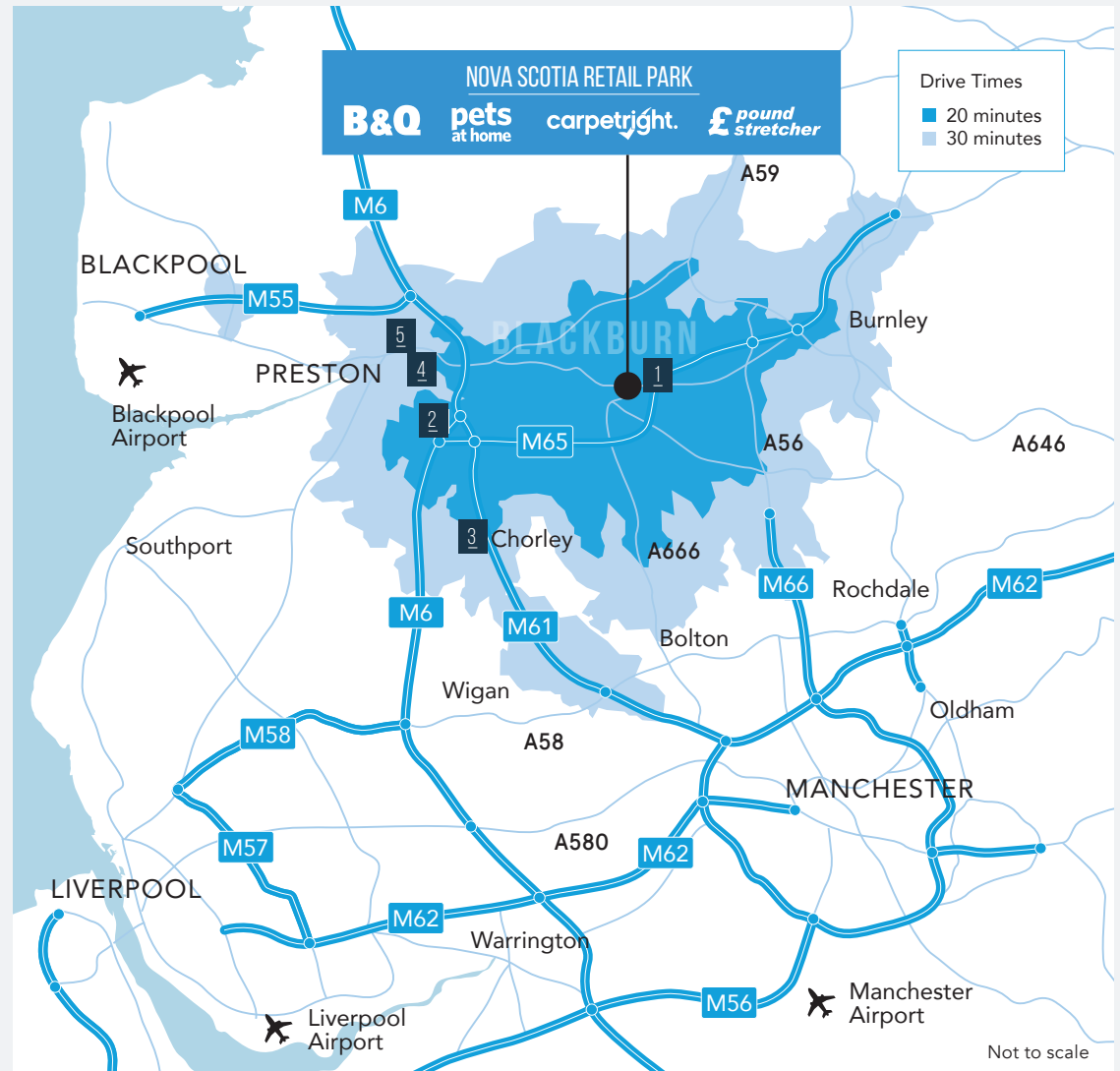
Within a 20-minute drive time:

- 1 The Range, Blackburn (12-minute drive)
- 2 B&Q, Bamber Bridge (19-minute drive)

Within a 30-minute drive time:

- 3 Wickes, Chorley (26-minute drive)
- 4 The Range, Preston (26-minute drive)
- 5 Wickes, Preston (35-minute drive)

**THE SUBJECT PROPERTY IS
THE ONLY MAINLINE DIY OFFER
IN THE CORE CATCHMENT**





DESCRIPTION

The subject property was completed in 2004 and comprises four retail warehouse units totalling 13,607 sq m (146,462 sq ft) arranged in a linear terrace with servicing to the rear and dedicated customer parking to the front. The scheme is anchored by a 10,219 sq m (110,000 sq ft) B&Q Warehouse, together with a garden centre and bulk store of approximately 4,756 sq m (51,199 sq ft). The other three retail units are occupied by Pets At Home, Storeys Carpets and Poundstretcher and provide a total of 3,387 sq m (36,462 sq ft).

The units are of steel portal frame construction with a clear internal eaves height of 7.3m (23.96 ft) with concrete slab flooring and part brick and part profile cladding to the elevations. The units are built to a specification capable of accepting a mezzanine level.

There is a parking area to the north of the site with circa 556 car parking spaces. This represents a car parking ratio of 1:263 sq ft. There is serviced access for the south of the property from Highfield Road.

The site is generally regular in shape and extends to approximately 4.44 hectare (10.97 acres), representing a low site coverage of approximately 35%.

ACCOMMODATION

The park comprises the following accommodation:

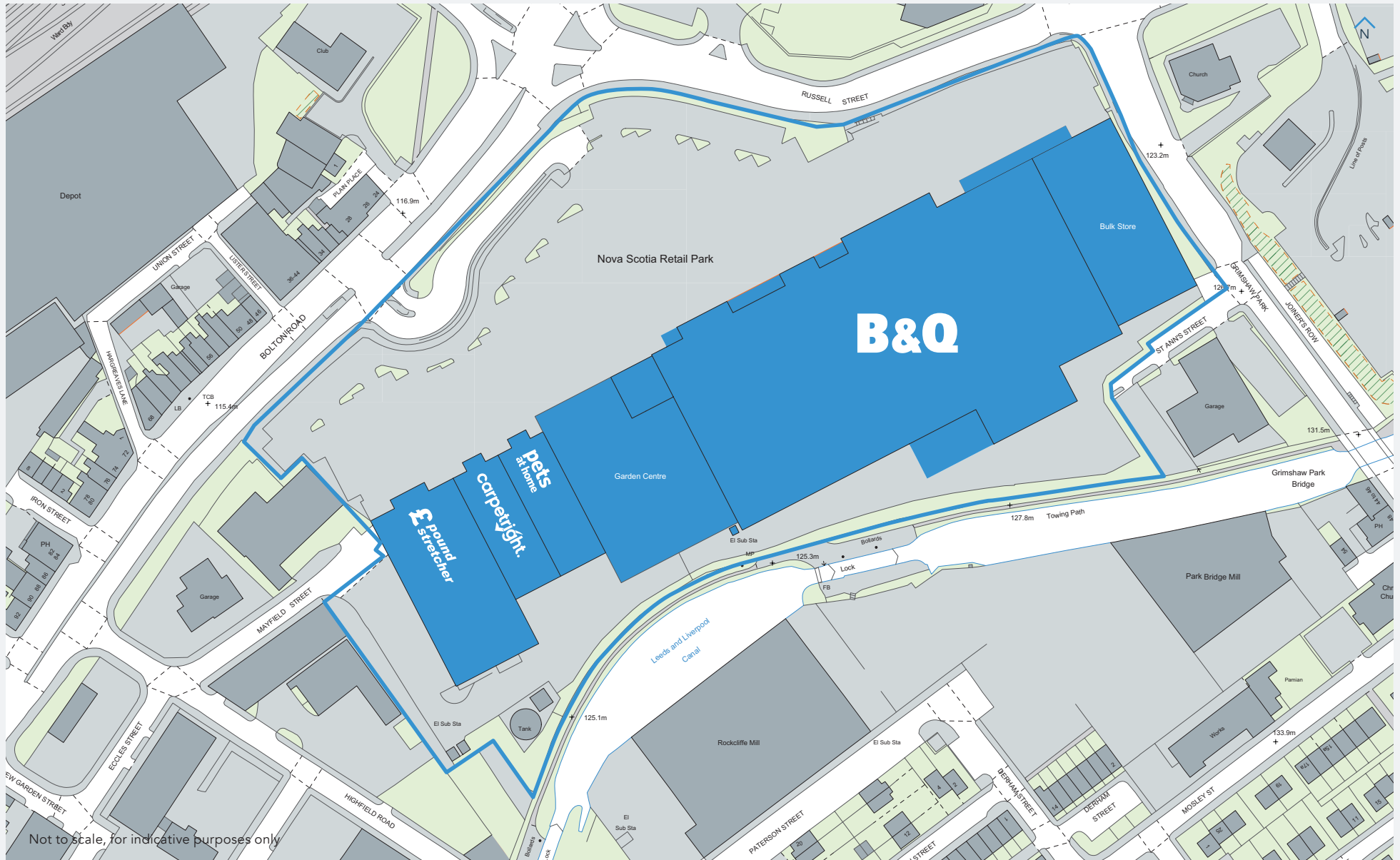
Unit	Tenant	sq ft (GIA)	sq m (GIA)
Unit 1	B&Q Plc	110,000*	10,219*
Unit 2	Pets at Home Limited	7,564	703
Unit 3	Storey Carpets Limited, trading as Carpetright	8,898**	826**
Unit 4	Poundstretcher Limited	20,000	1,859
Total		146,462	13,607

* Excludes bulk store and garden centre which total approximately 4,756 sq m (51,199 sq ft).

** Excludes entrance lobby of 21 sq m (225 sq ft).



SITE PLAN



TITLE & TENURE

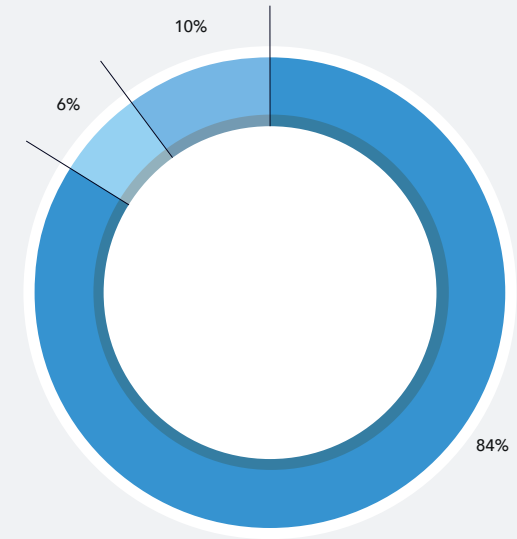
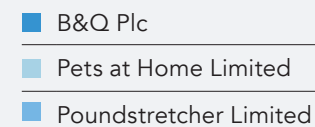
The property is part Freehold and part virtual Freehold. The Long Leasehold elements are held on a lease of 999 years from 16th July 2003 at a peppercorn rent (983 years unexpired).

TENANCY

The building is let to three national occupiers including B&Q, Pets at Home and Poundstretcher. There is a WAULT of 9.2 years, with the longest lease expiry in August 2029. B&Q represents 84% of the income and is let for a further 9.6 years.

There are 5-yearly, upward only rent reviews on each tenant and there are upcoming rent reviews in 2019 for B&Q and Pets at Home.

INCOME PROFILE



Unit	Tenant	GIA (sq ft)	Lease Start	Term (years)	Lease Expiry	Next Rent Review	Rent (pa)	Rent (psf)	Comments
Unit 1	B&Q Limited	110,000	09/08/2004	25	08/08/2029	09/08/2019	£1,485,000	£13.50	Bulk store of 51,199 sq ft and garden centre not rentalised.
Unit 2	Pets at Home Limited	7,564	09/08/2004	20	08/08/2024	09/08/2019	£121,875	£16.11	
Unit 3	Storey Carpets Limited - trading as Carpetright (assumed to be vacant)	8,898	09/08/2004	15	08/08/2019		Assumed £0	£0	Carpetright holding over. Short-term extension agreed an in solicitor's hands, covering all costs and paying £44,500 per annum. There is the option for either party to terminate the agreement with 6 weeks' notice.
Unit 4	Poundstretcher Limited	20,000	04/12/2013	15	03/12/2028		£170,000	£8.50	
8 Car Parking Spaces	Zohar Ali Ghafoor	-	26/05/2017	10	25/05/2018		£1	-	Holding over, with new lease being agree for 3 year term with monthly mutual breaks.
Electricity Sub Station	Electricity North West Limited	-	20/09/2004	125	19/09/2129		£1	-	
		146,462					£1,776,875	£12.13	

COVENANT INFORMATION

The covenant status of the tenants are summarised below:

B&Q

Year to Date	Turnover	Pre-Tax Profit	Net Worth
31/01/2019	£3,287,300,000	£154,400,000	£4,937,200,000
31/01/2018	£3,386,000,000	£205,000,000	£4,754,800,000
31/01/2017	£3,582,800,000	£229,100,000	£4,647,200,000

B&Q Limited (Company no: 00973387) has a Dun & Bradstreet rating of 5 A1 representing the minimal risk of business failure.

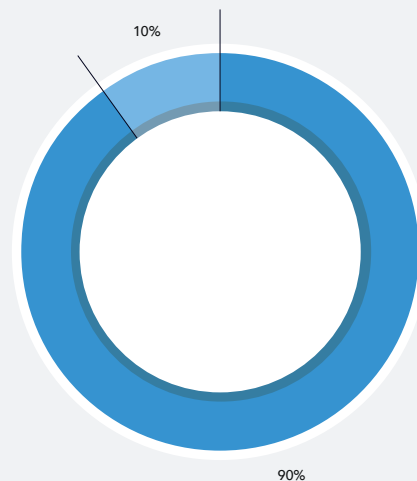
£ pound stretcher

Year to Date	Turnover	Pre-Tax Profit	Net Worth
31/03/2018	£387,442,689	£2,070,416	£21,574,962
31/03/2017	£397,380,415	£2,730,262	£19,911,546
31/03/2016	£429,538,926	£2,405,347	£17,836,284

Poundstretcher Limited (Company no: 00553014) has a Dun & Bradstreet rating of 4A3, representing a High Risk of business failure.

Dun & Bradstreet Rating by Income

- 5 A1/A2
- 4 A3



pets at home

Year to Date	Turnover	Pre-Tax Profit	Net Worth
28/03/2019	£854,641,000	£62,735,000	£740,869,000
29/03/2018	£804,848,000	£53,922,000	£690,294,000
30/03/2017	£752,374,000	£67,557,000	£650,186,000

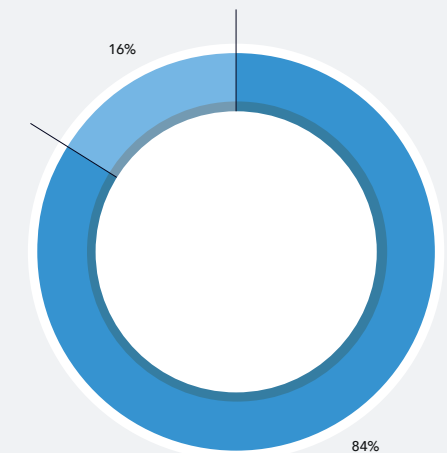
Pets at Home (Company no: 01822577) has a Dun & Bradstreet rating of 5 A2, representing a lower than average risk of business failure.

carpetright.

Storeys Carpets Limited is wholly owned by Carpetright and was not part of the Carpetright CVA. Carpetright has a Dun & Bradstreet rating of 4A4.

% Income

- 9 + Years
- 5-9 Years



RETAIL WAREHOUSE PROVISION IN BLACKBURN

Blackburn has a total provision of approximately 650,000 sq ft of retail warehousing. The majority is located at or near to, the subject property, The Peel Centre and Townsmoor Retail Park, which are all located to the edge of the town centre, as well as at Hyndburn Retail Park, which is to the east of the town. Retail warehousing in the immediate catchment area includes the following:



1 The Peel Centre, Lower Audley Street (Grimshaw Retail Park)

- 114,096 sq ft
- Located to the east of the subject, adjacent to the Asda Blackburn Superstore
- Open A1 Non Food with certain exceptions
- Rent ranges from £10.00 - £20.00 psf
- Occupiers include Halfords, Mothercare, Ice Rink, Maplin (closed), B&M, Frankie & Benny's and Steakout

2 The Peel Leisure & Retail Park

- 163,917 sq ft (55,147 sq ft retail warehousing and 108,770 sq ft leisure)
- Located on Lower Audley Street
- Open A1 Non Food with certain exceptions
- Occupiers include Dunelm, Matalan, Pizza Hut, Vue Cinemas, Tenpin and Nandos
- Rents on the A1 retail units range from £12.04 - £13.75

3 Townsmoor Retail Park

- 59,310 sq ft
- Located directly to the north of the subject
- Open A1 Non Food
- Highest rent £26.50 psf
- Occupiers include Next, TK Maxx, Argos, Boots, Carphone Warehouse, The Unlimited Company and Cancer Research

4 Hyndburn Retail Park

- 247,629 sq ft
- Located off J6 of the M65 motorway on the A6119 Whitebirk Drive
- Bulky Goods with certain exceptions
- Highest rent £15.75 psf
- Occupiers include Aldi, B&M, Currys, Costa, Dreams, Harveys, ONit, PC World, SMYTHS Toys, Sofology and SCS

INVESTMENT MARKET COMMENTARY

Investment Deals Completed

We are of the opinion the ERV of comparable retail accommodation ranges between £8.50 to £12.00 per sq ft. Further details are available upon request.

Date	Location	Area	WAULT	Rent pa (psf)	Tenant	Price	NIY	Purchaser
Sep-19	Louth, Belvoir Road	25,134	6.5	£301,484 (£12.00)	B&Q	£3,085,000	9.20%	Northern & Midland
Aug-19	Glastonbury, Wirral Park Road	27,007	6	£337,700 (£12.50)	B&Q	£4,405,000	7.19%	South Somerset Council
Jun-19	Newcastle-Upon-Tyne, Scotswood Road	90,675	15	£1,000,000 (£11.00)	B&Q	£11,500,000	8.10%	Overseas property trust
Jun-19	Southampton, Nursling Ind Estate	82,882	15.0	£1.04 million (£12.36)	B&Q	£13,700,000	7.00%	NFU Mutual Insurance RPI index linked rent review (0-3%)
May-19	B&Q, Wednesbury, Birmingham	102,348	15.0	£1,535,000 (£15.00)	B&Q	£53,320,000	c.6.75%	P: Palmer Capital 15 year lease with 5 yearly RPI uplifts compounded annually with a 0-3% collar
	B&Q, Culverhouse Cross, Cardiff	100,020	15.0	£1,200,000 (£12.00)	B&Q			
	B&Q, Washington, Tyne & Wear	103,786	15.0	£1,040,000 (£10.02)	B&Q			
Apr-19	B&Q, Weston Road, Crewe	104,400	10.8	£1,566,000 (£15.00)	B&Q	£18,920,000	7.75%	P: East Cheshire County Council Upwards only rent reviews every 5 years to OMV

RWH Investment Deals Completed

Date	Location	Area	WAULT	Rent pa (psf)	Tenant	Price	NIY	Purchaser
Jan-19	Worksop, Sandy Lane Retail Park	51,990	8.0	£688,483 (£13.24)	Currys/PC World, Antyime Fitness, Pets at Home, B&Q	£7,600,000	8.24%	M7 Real Estate
Nov-19	Gloucester, St Oswalds Retail Park	224,966	10.5	£4,899,642 (£21.48)	B&Q, DW Sports, Wren Kitchens, Mothercare, HomSense, Argos	£54,000,000	8.50%	Gloucester City Council

VAT

The property will be elected for VAT and the sale will be treated as a TOGC.

ENVIRONMENTAL

EPC

Unit	Tenant	EPC Rating
Unit 1	B&Q	B 36
Unit 2	Pets at Home	D 86
Unit 3	Carpetright	B 45
Unit 4	Poundstretcher	C 60

A copy of the Energy Performance Certificates is available on request.

The site is considered low risk in terms of land contamination.

The property is not situated within a Flood zone. A Flood Risk report and Environmental report prepared by Ramboll are available upon request.



PLANNING

The property was granted consent on November 26th 2002 for a DIY retail warehouse, bulk store and garden centre together with three adjoining units. The property has a non food bulky planning consent on the three units but Unit 1 was originally restricted to DIY, home improvement goods and associated products together with motor vehicle accessories. This has subsequently been widened.

Additionally there was a section 73 notice dated 5th October 2007 that varied the original consent that was not fully conditioned. Further details available upon request.

Units 2, 3 & 4 have a wider consent allowing units of 7,500 sq ft permitting any goods except:

- (i) The sale of food (other than confectionery, food and drink associated with or ancillary to the main operations)
- (ii) Clothing and shoes, fashion accessories including handbags and luggage, watches and jewelry
- (iii) Pharmaceutical and personal care products including perfumes, toiletries, spectacles and contact lenses
- (iv) Toys, books, music records and CD's, video tapes, DVD's and audio tapes other than ancillary to the main operations
- (v) China, fancy goods and giftware

PROPOSAL

Guide price of **£15,120,000** for the freehold interest, subject to contract and exclusive of VAT. This price reflects a **Net Initial Yield of 11%**, assuming standard Purchaser's Costs and £91 capital value per sq ft.

CONTACT

For further information or to arrange an inspection, please contact:

Marcus Wood

T +44 (0)207 087 5249

M +44 7979 245 430

marcus.wood@eu.jll.com

James Pentlow

T +44 (0)207 852 4773

M 07928 525 830

james.pentlow@eu.jll.com

Georgia Chamberlain

T +44 (0)203 147 1827

M 07801 667 670

georgia.chamberlain@eu.jll.com



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