



THE
NORTHERN
TOWER



LIDL, NORTHERN TOWER RETAIL PARK, LONDON ROAD, RETFORD, DN22 6HG

Well Let Lidl Foodstore with RPI Linked Rent Reviews
Practical Completion in November 2020

INVESTMENT SUMMARY

- Newly completed foodstore extending to 20,872 sq ft with use of 120 car parking spaces
- Lidl have taken early access triggering lease term commencement. Practical completion due November 2020, with store opening to customers in January 2021
- Located on a major new retail park development in Retford, an established commercial centre and market town in Nottinghamshire
- Highly prominent trading position, being situated 0.50 miles south of Retford town centre, with prominence to the busy London Road (A638)
- Let to the strong covenant of Lidl Great Britain Ltd, 5A1 and minimum risk rated by D&B
- Lidl is one of Europe's leading food retailers, now operating over 800 stores in the UK
- New 25-year full repairing & insuring lease from 11 September 2020, with tenant break options at years 10, 15 and 20
- 5 yearly upwards only rent reviews linked to RPI (all items) with cap & collar of 1% - 2% pa
- Rent of £240,028 per annum, reflecting £11.50 per sq ft
- Virtual freehold (999 year long lease at a peppercorn rent)

PROPOSAL

We are instructed to seek offers in excess of **£4,300,000**, subject to contract and exclusive of VAT.

A purchase at this level reflects an **attractive Net Initial Yield of 5.24%**, assuming standard purchaser costs, with a minimum yield improvement to 5.51% in year 5, assuming the base case RPI uplifts of 1% pa.



Photos taken in October 2020 approaching practical completion and during Lidl fit out.



NORTHERN TOWER RETAIL PARK
LONDON ROAD • RETFORD • DN22 6HG

UP & BUILT WELL LET LIDL FOODSTORE
WITH RPI LINKED RENT REVIEWS

LOCATION

Retford is a bustling market town in Nottinghamshire with a population of 22,000 people (2011 census). It is strategically positioned in the East Midlands, 23 miles west of Lincoln and 31 miles north of Nottingham.

Retford benefits from excellent road communications, being positioned on the A1 dual carriageway for north-south connections and access to the national motorway network, with the A57 trunk route providing nearby east-west connections.

Retford Railway Station is an important junction on the national rail network, located on the East Coast Mainline between London and Edinburgh, and also being served by the Sheffield to Lincoln line. The fastest journey time to London Kings Cross is 93 minutes with services running approximately every two hours.

The area is well served by both the Robin Hood Airport and East Midlands Airport, they are located 14 miles north and 48 miles south-west respectively. Both airports offer frequent direct flights to a variety of European and long-haul destinations.



Photos taken in October 2020 approaching practical completion and during Lidl fit out.



NORTHERN TOWER RETAIL PARK
LONDON ROAD • RETFORD • DN22 6HG

UP & BUILT WELL LET LIDL FOODSTORE
WITH RPI LINKED RENT REVIEWS

SITUATION

The property is situated in a highly prominent trading position on the edge of Retford town centre, forming the majority of Phase 1 of the new Northern Tower Retail Park development, with prominence to London Road (A638). Northern Tower Retail Park is a new retail development anchored by Lidl being brought forward by Strawsons Property, which will provide over 50,000 sq ft of accommodation in 8 units when complete.

The scheme will provide both new build accommodation and units within a restored and preserved brick-built heritage asset known as Northern Tower. Northern Tower Retail Park is accessed at the junction of London Road and South Street approximately 0.5 miles south of Retford town centre, a 10 minute walk. Retford Railway Station is 0.5 miles to the west, also within a 10 minute walk. The surrounding area comprises a mix of residential, commercial, trade and amenity uses.



Photos taken in October 2020 approaching practical completion and during Lidl fit out.



NORTHERN TOWER RETAIL PARK
LONDON ROAD • RETFORD • DN22 6HG

UP & BUILT WELL LET LIDL FOODSTORE
WITH RPI LINKED RENT REVIEWS

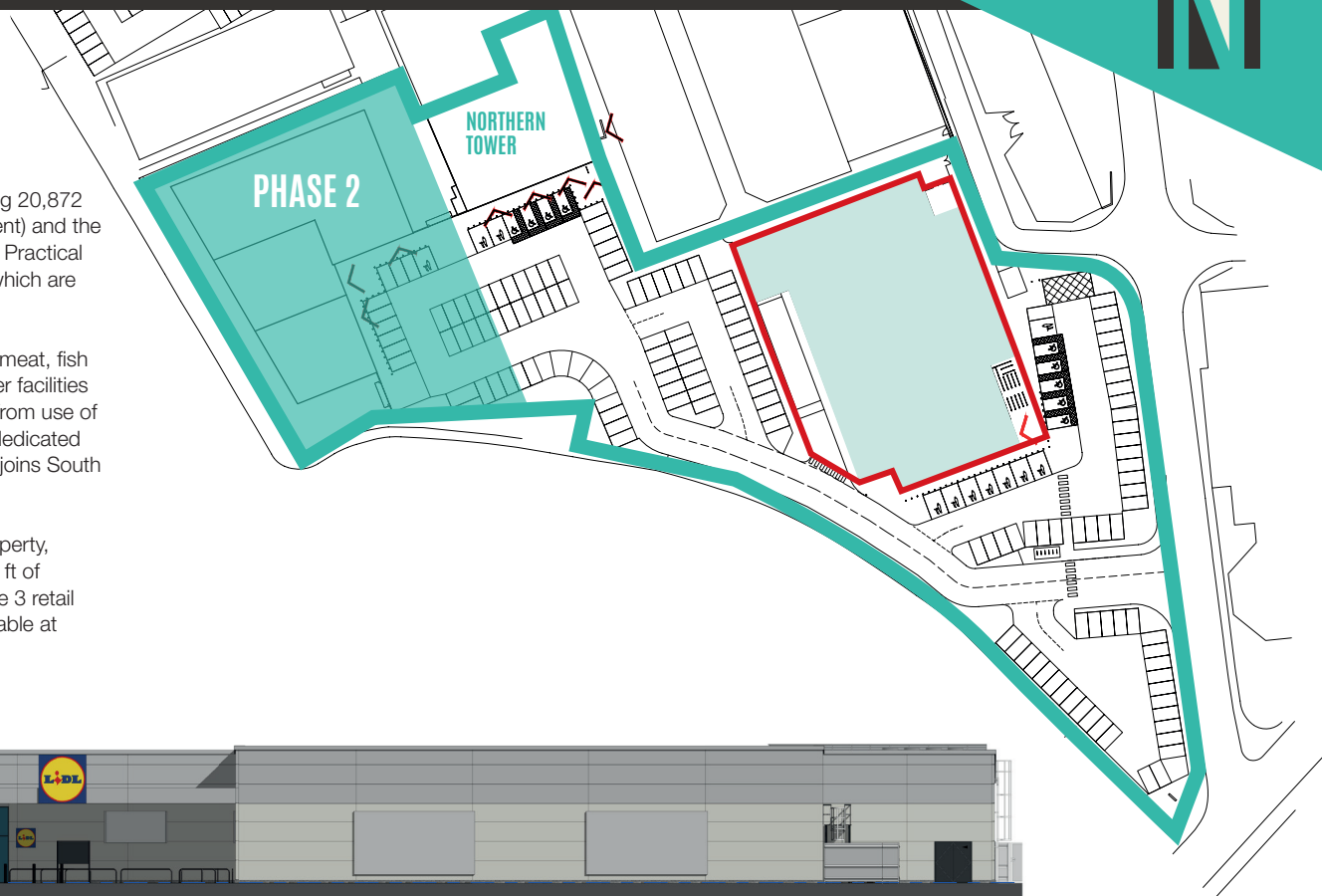
DESCRIPTION

The property consists of a highly prominent purpose-built single storey foodstore, providing 20,872 sq ft of accommodation. Lidl have taken early access (triggering lease term commencement) and the property is currently undergoing tenant fit out with a target opening date of January 2021. Practical completion of the property is due following completion of the associated highway works which are scheduled to finish in November 2020.

Internally the store will offer a typical open plan foodstore trading environment inclusive of meat, fish and cheese counters and bakery facility. Back of house areas will include chiller and freezer facilities together with ancillary offices, staff and welfare facilities. Externally the foodstore benefits from use of 120 car parking spaces (including 5 disabled and 8 parent and child spaces), along with dedicated loading facilities. Vehicle access is via the newly constructed retail park estate road which joins South Street and London Road at a newly created and improved junction.

The developer will complete Phase 1 of the retail park at the same time as the subject property, inclusive of the refurbishment of the Northern Tower heritage asset providing c. 15,000 sq ft of accommodation over ground and two uppers floors. Phase 2 will follow later and comprise 3 retail warehouse units totalling c. 14,400 sq ft. Further information on the wider scheme is available at www.northerntower.co.uk.

The property was developed by Strawsons Property and constructed by main contractor Castlehouse Construction, who are also undertaking the tenant's internal fit out.



PLANNING

The development of The Northern Tower Retail Park was granted hybrid planning permission by Bassetlaw District Council under application number 16/00015/FUL. A further reserved matters application relating to Phase 1 was granted under application number 19/00983/RES.



NORTH ELEVATION



EAST ELEVATION



NORTHERN TOWER RETAIL PARK
LONDON ROAD • RETFORD • DN22 6HG

UP & BUILT WELL LET LIDL FOODSTORE
WITH RPI LINKED RENT REVIEWS

TENANCY

The property is let to Lidl Great Britain Ltd (registered number 02816429) on a 25-year full repairing and insuring lease from 11 September 2020, with tenant breaks in years 10, 15 and 20 on 6 months written notice. 6 months rent free was granted which will be covered by the vendor.

The current passing rent is £240,028 per annum, reflecting £11.50 per sq ft. Rent reviews are 5 yearly and upwards only linked to the increase in RPI (all items), with a cap & collar of 1% - 2% pa.

TENURE

The property will be sold with the benefit of a newly created virtual freehold interest. The long lease will be for 999 years at a peppercorn rent, with the freehold retained for estate management purposes.

COVENANT

Lidl is a leading global supermarket retailer, established in Germany in the 1930s and now operating from over 10,000 stores across Europe and the United States. Lidl opened its first UK store in 1994 and has grown consistently over the last 25 years now operating over 800 UK stores employing over 22,000 people. In mid-2020 Lidl's market share had grown to 5.80%, making it the seventh largest foodstore operator in the UK. Lidl have ambitious growth objectives and have pledged access to over £1bn with the aim of reaching over 1,000 UK stores by 2023.

Lidl have recently re-organised their corporate structure in the UK, transferring the principal operational activity from Lidl UK GMBH into Lidl Great Britain Ltd, which now forms the main legal operational entity. Lidl Great Britain Ltd has excellent covenant strength, with a Dun & Bradstreet rating of 5A1 providing a minimum risk of business failure. A summary of recent financial performance is as follows;



	Feb 2019	Feb 2018	Feb 2017
Sales Turnover	£553,809,000	£474,555,000	£418,630,000
Pre-Tax Profit	£19,039,000	£1,913,000	£77,000
Tangible Net Worth	£677,147,000	£2,243,000	£975,000



NORTHERN TOWER RETAIL PARK
LONDON ROAD • RETFORD • DN22 6HG

UP & BUILT WELL LET LIDL FOODSTORE
WITH RPI LINKED RENT REVIEWS

FURTHER INFORMATION

VAT

The property has been elected for VAT. It is envisaged the sale will be treated as Transfer of a Going Concern (TOGC).

Dataroom

Access to a data-room is available on request.

PROPOSAL

We are instructed to seek offers in excess of £4,300,000, subject to contract and exclusive of VAT.

A purchase at this level reflects an attractive Net Initial Yield of 5.24%, assuming standard purchaser costs, with a minimum yield improvement to 5.51% in year 5, assuming the base case RPI uplifts of 1% pa.

CONTACT



Ben Kelly

T: 0121 634 6527
M: 07809 198 910
E: ben.kelly@eu.jll.com

James Keeton

T: 01159 082 141
M: 07812 250 857
E: james.keeton@eu.jll.com

A DEVELOPMENT BY



www.strawsonsproperty.com

01757 630270 info@strawsonsproperty.com

Disclaimer – JLL for themselves and for the vendors or lessors of this property whose agents they are, give notice that:- a. the particulars are set out as a general outline only for guidance and do not constitute, nor constitute part of, an offer or contract; b. all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are believed to be correct, but any intending purchasers, tenants or third parties should not rely on them as statements or representations of fact but satisfy themselves that they are correct by inspection or otherwise; c. no person in the employment of JLL has any authority to make or give any representation or warranty whatever in relation to the property; d. Any images may be computer generated. Any photographs show only certain parts of the property as they appeared at the time they were taken. For properties in Scotland: e. This correspondence is expressly subject to completion of formal legal missives in accordance with Scots Law Copyright © Jones Lang LaSalle IP Inc October 2020. All rights reserved.