



Prime South East Retail Warehouse Investment
Longfield Road, Tunbridge Wells TN2 3HL

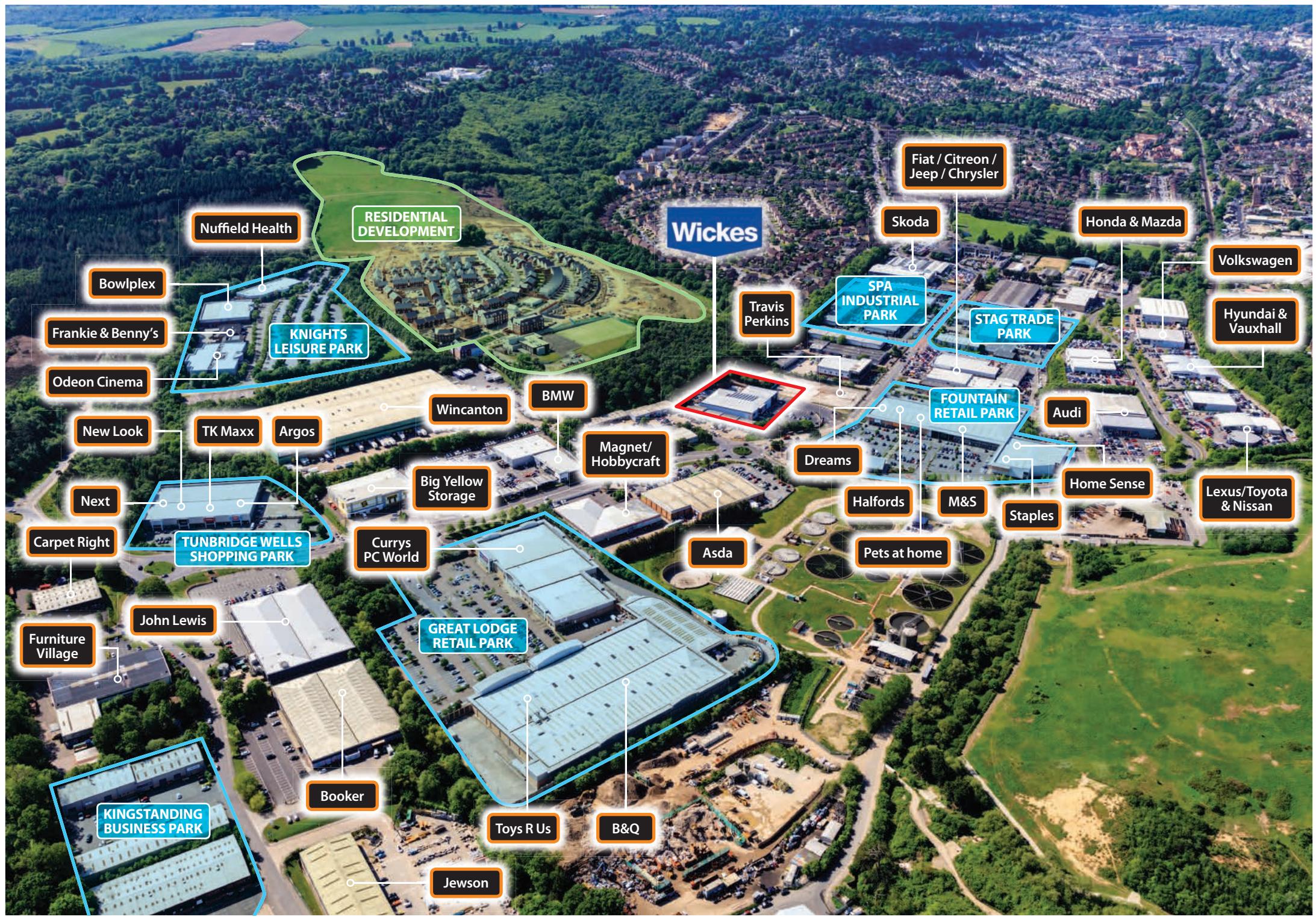
 **HSM**
Chartered Surveyors

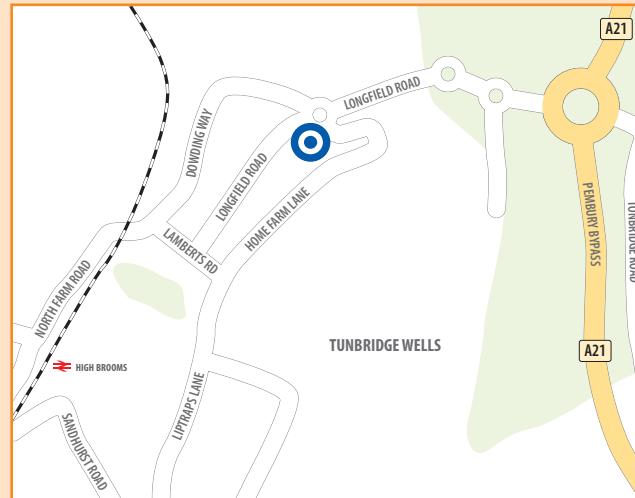
investment summary



- Two, recently constructed, **south east** retail warehouses.
- New letting to **Wickes** Building Supplies Ltd, a secure 5A1 covenant.
- Wickes occupying under a **20 year FRI lease**.
- Initial rent of **£397,800 pa** (**£18.19 psf** on rentalised area).
- Separate **10 year** lease to **Tapi Carpets £159,477 pa** i.e. at **£26.15 psf** (8.5 years unexpired).
- **WAULT of 16.7 years**
- Prime trading location, offering Wickes' and Tapi's latest trading formats.
- Aggregate **GIA of 31,520 sq ft** (2,928 sq m).
- Low aggregate initial rental of **£557,277 pa**.
- 5 yearly upward only rent reviews to Market Rent (Wickes review capped at 3% pa).
- Offers in excess of **£9,950,000**, exclusive of VAT.
- **Net Initial Yield of 5.25%**, after Purchaser's Costs of **6.69%**.







Location

The historic and affluent Kent 'spa town' of Royal Tunbridge Wells is located close to the East Sussex border, approximately 39 miles south east of London, 14 miles south west of Maidstone, 12 miles south of Sevenoaks and 31 miles north of Eastbourne. Tunbridge Wells' excellent transport links make it a popular commuter town and an established commercial centre, serving a wealthy catchment population.

The town has excellent road communications with the recently completed, A21 dual-carriageway providing direct links to Junction 5 of the M25, some 12 miles to the north, as well as access to London and the national motorway network. In addition, the A26 and A27 connect the town with the South Coast and such centres as Brighton, Eastbourne and Hastings.

Rail services are good with fast and frequent services of under an hour between Tunbridge Wells and a variety of stations in Central London. Gatwick International Airport, London's second largest airport, is located 23 miles to the west.

Situation

The property occupies a prominent and prime retailing position adjacent to the roundabout junction of Longfield Road and Dowding Way. This is at the heart of the principal OOT retailing and trade pitch for Tunbridge Wells and the surrounding area. The A21 is accessed 1 mile to the east via Longfield Rd whilst the town centre is c.3 miles to the south, via Dowding Way.

Immediately opposite the property is the Fountains Retail Park, whose tenants include M&S, Halfords, Homesense and Pets at Home. Asda are opposite and other retailers represented along Longfield Rd include John Lewis At Home, B&Q, Toys R Us, Currys, TK Maxx, Next, New Look, Hobbycraft and Magnet. Dowding Way is a dominant car dealership location with Audi, Nissan, Volkswagen, Toyota, Lexus and Mazda all represented.

Travis Perkins acquired the adjacent 1.45 acre site and constructed an 18,000 sq ft trade counter unit with associated service yard and external storage, which opened in February 2018.

Catchment and Demographics

Tunbridge Wells had a 2016 Borough population of 117,100 (NOMIS); a primary catchment area population of 307,000 and an estimated shopping and leisure population of 186,000. The population within a 30 minute drive time is estimated at 406,000.

The town has one of the most affluent catchment populations in the UK, with 62.4% of the employed population being in managerial, professional or technical roles (UK: 45.5%). As a result, Tunbridge Wells' retail and leisure spending per capita is significantly above the national average and this aggregate spend is expected to increase over the next 5 years, in line with a predicted above average growth in catchment population.



Description

The property comprises a recently completed retail warehouse development, split into two adjoining units, with combined car parking for approximately 88 vehicles. To the rear of the Wickes unit is an external Outdoor Project Centre and to the rear of both units, a shared service yard secured by 4m high, gated fencing.



The specification includes the following:

- Steel portal frame – 7m to underside of haunch.
- Insulated profiled steel cladding to external elevations and roofs.
- Architectural detailing of timber cladding to front elevations.
- The roofs incorporate 15% roof lights, with photovoltaic cells to Unit 1.
- Internal block-work to 3.3m.
- 30 kN/m² floor loading to concrete floor slabs.
- First floor staff accommodation for Unit 1, including canteen, W.C's and administrative offices.
- Electrically operated roller shutter; sliding and security shutter doors to service bays and entrance lobbies.
- Occupier led fit-out, including trading mezzanine bathroom and kitchen showroom area to the Unit 1 and a full showroom fit out for Unit 2.

Accommodation

| Unit 1 - Wickes Unit | Sq M GIA | Sq ft GIA |
|-----------------------|-----------------|---------------|
| Ground Floor | 1,906.1 | 20,517 |
| First Floor Ancillary | 125.45 | 1,350 |
| Trading Mezzanine* | 330.27 | 3,555 |
| TOTAL | 2,361.82 | 25,422 |

| Unit 2 -Tapi Carpets | Sq M GIA | Sq ft GIA |
|----------------------|----------|-----------|
| Ground Floor | 566.54 | 6,098 |

Total site area is approximately 2.57 acres (1.04 h.a.) with site coverage of 25%.

NB *The trading mezzanine is to be regarded as Tenant's Fit-out Works and will be disregarded at rent review or lease renewal.



Tenure

Freehold

Tenancy

Unit 1 - Wickes Building Supplies Ltd have taken a **20 year** lease on the property at an initial rental of **£397,800 pa (£18.19 psf on rentalised area)**. The lease is in the Vendor's standard format and on FRI terms, incorporating five yearly upwards only rent reviews to Market Rent. Increases at each rent review will be capped at the equivalent of 3% pa i.e. a maximum increase of 15.93%.

Unit 2 – Tapi Carpets & Floors Ltd occupy by way of a lease for **10 years** from 10th August 2016 (8.5 years unexpired) on FRI terms, at a current rental of £79,738.50 pa which rises to **£159,477pa (£26.15 psf)** on 23rd July 2018. The rent is subject to upward only review at the 5th year to Market Rent. The vendor will make up the shortfall in rental to July 2018.

Planning

Planning consent (14/500619/FULL) was granted on 27th April 2015 for two "Class A1 retail units including mezzanine and associated Outdoor Projects Centre and secure compound". The sale of goods within Unit 1 is restricted to: DIY, hardware and home improvement products; building and decorating materials, equipment and supplies; and gardening goods plus any goods ancillary to the main product ranges.

Unit 2 has a bulky comparison goods consent with the permitted sale of building and DIY products; garden products and plants, pets and pet supplies, furniture, carpets, floor coverings and household furnishings; electrical and gas products; vehicle accessories and parts, bicycles and cycle accessories; office supplies; computers and accessories; caravans, tents and camping and boating equipment.

Tenant's Covenant

Wickes Building Supplies Ltd (Reg. No:1840419) is a wholly owned subsidiary of Travis Perkins plc and trades from 244 stores. It is the UK's fastest growing DIY retailer and the market leading online DIY proposition. The new trading format stores continue to drive an uplift in divisional turnover and a 4.7% increase in sales was reported by the 'Consumer Division' of Travis Perkins for the Y/e Dec 2017. This builds on a 6.4% 'like-for-like' increase to Y/e Dec 2016.

The company has a 5A1 D&B Rating, representing a "minimum risk of business failure" and summaries from the available accounts for the three previous trading years are:

| Last Accounts | Turnover | Pre-Tax Profit | Net Worth |
|---------------|----------|----------------|-----------|
| 31/12/2016 | £1,213m | £65.4m | £316m |
| 26/12/2015 | £1,104m | £60.1m | £414m |
| 27/12/2014 | £1,039m | £68.8m | £355m |

Travis Perkins plc is the UK's leading company in the builders' merchanting and home improvement markets, with 20 businesses trading from over 2,000 sites. It reported a 3.5% increase in Group turnover for Y/e 31st Dec 2017 to £6.43bn, adjusted EBITA of £380m and Total Assets of £5.14bn.

Tapi Carpets & Floors Ltd (Reg. No:09247255) is a rapidly expanding flooring specialist, founded in 2014, with a 'Harris Carpets' heritage. The first store opened in May 2015 and the company was trading from 93 retail outlets across the UK by the end of 2017.

| Last Accounts | Turnover | Pre-Tax Loss | Net Worth |
|---------------|----------|--------------|-----------|
| 31/12/2016 | £30.29m | (£10.19m) | £8.26m |

Following the raising of additional equity in December 2017, the company had issued share capital of 24.52m £1 shares.



EPC

Unit 1 has been rated **A-11** and Unit 2 as **A-22**.
Copies of the Energy Performance Certificates
are available on request.

VAT

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

Proposal

Seeking offers in excess of **£9,950,000** (Nine
Million, Nine Hundred and Fifty Thousand Pounds)
for the freehold interest, subject to contract and
exclusive of VAT. This price reflects a **Net Initial
Yield of 5.25%**, assuming standard Purchaser's
Costs and SDLT of 6.69%.



DISCLAIMER

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Contact

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