



Four Pools Retail Park

Evesham

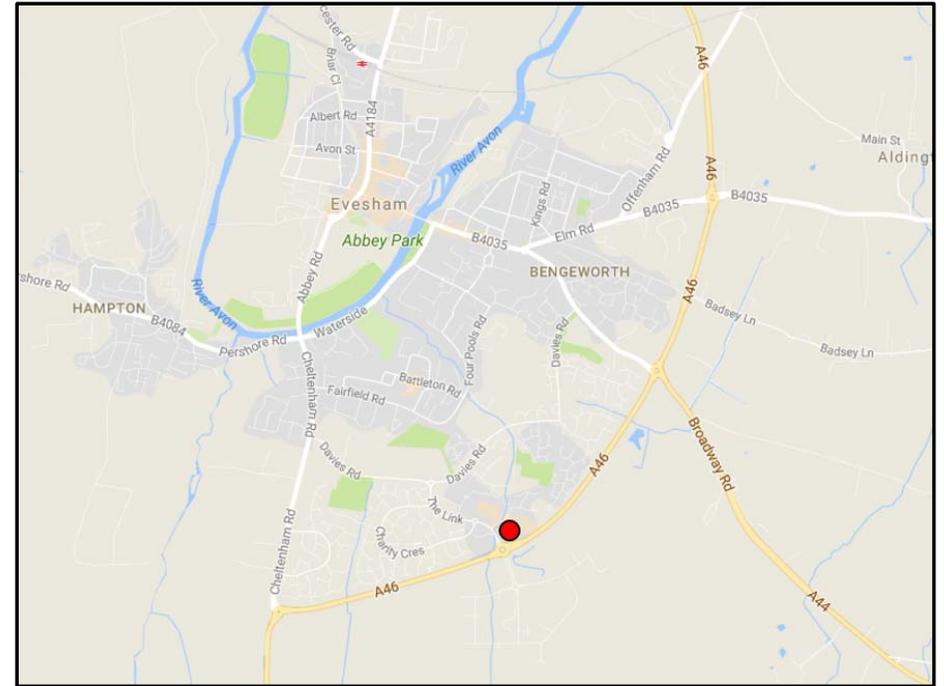
Four Pools Retail Park, Evesham

Investment Summary

- Evesham is an **affluent** market town in Worcestershire
- The property is **highly prominent**, situated at the gateway to the Four Pools district which dominates Evesham's retail and trade offer
- Totalling 75,646sq ft, the park is the **largest** and **most prominent** in the town
- **Wide Bulky Goods** planning permission prohibiting only the sale of food, shoes/clothes, toys, pharmaceuticals and jewellery
- Freehold
- Dominant scheme fully let to Halfords, Pets at Home, The Range, Pure Gym and Frankie & Benny's
- Current total rent £1,022,991pa, reflecting a **low** average rent of **£13.52psf**
- Weighted Average Unexpired Lease Term of **7.6 years** (7.1 years to breaks)
- The Pure Gym lease benefits from **RPI** linked reviews
- Terms have been agreed to split the Frankie & Benny's unit and let to two substantial national occupiers.
- Upon completion the income will increase to £1,125,491pa and the WAULT will improve to **8.2 years** (7.4 years to breaks)
- There is **nil** vacancy in the Evesham out of town retail market
- Seeking offers in the region of **£12,000,000** (Twelve Million Pounds), reflecting a Net Initial Yield of **8.0%** rising to **8.8%**, assuming standard purchaser's costs at the rate of 6.71%.



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Location

Evesham is a market town in Worcestershire 14 miles to the south west of Stratford upon Avon, 15 miles to the south east of Worcester and 16 miles to the north east of Cheltenham.

It is the largest town in Wychavon, after the City of Worcester and is highly accessible with the A46 which runs to the east of the town linking the M5 around 10 miles to the south west with the M40, around 21 miles (34 km) to the north east.

Situation

The property is prominently situated on the northern side of the A46 at its junction with The Link around 1.5 miles to the south of Evesham town centre.

The park occupies a Gateway site at the entrance to Four Pools which is the town's principal out of town retail and industrial/trade location.

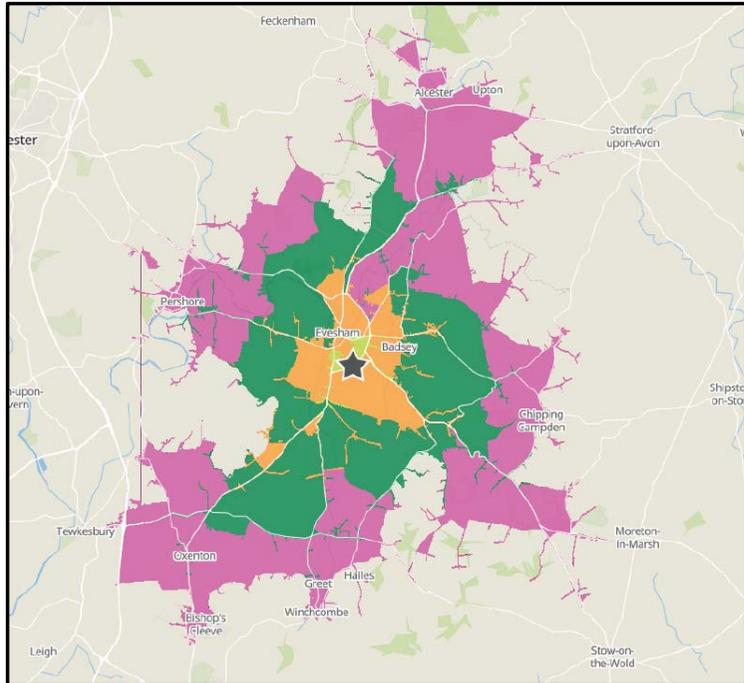
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Catchment & Demographics

118,148 people live within a 20 minute drive of the Retail Park.

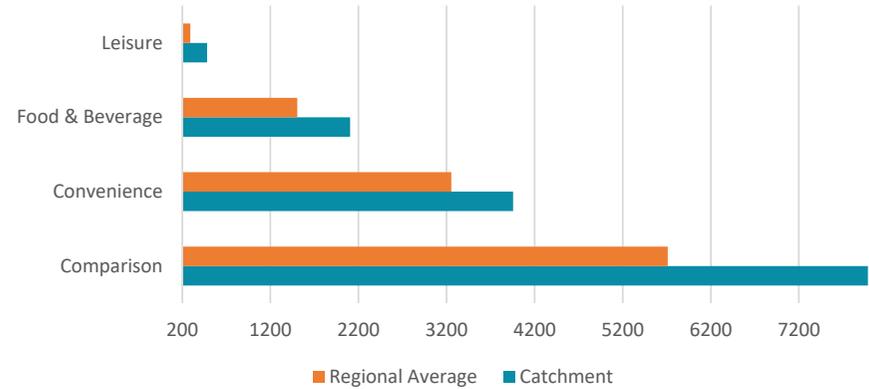
This catchment is highly affluent with a 31% over-representation of Social Grade AB and consumer spend 35% above the regional average.

The catchment is also highly mobile with a 54% over-representation of 3 vehicles and a 33% of 2 or more vehicles.

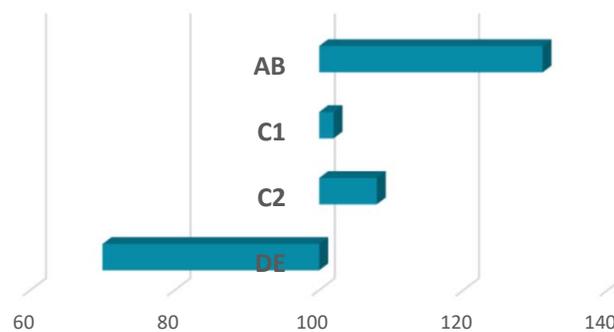


5, 10, 15 and 20 minute catchment

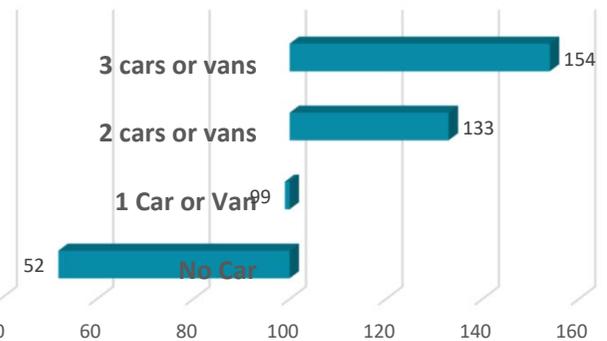
Catchment Spend vs Regional Average



Catchment Social Grade vs Regional Average



Car Ownership vs Regional Average



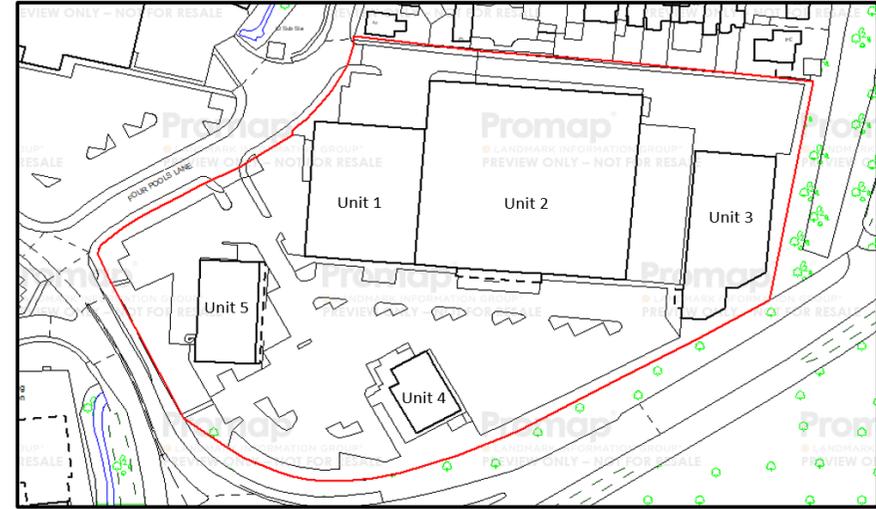
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Description

The subject property comprises a purpose built retail park comprising four retail warehouse units and a restaurant totalling 75,646 sq ft on a site of approximately 5.29 acres, giving a low site cover of 33%. There are 222 car parking spaces providing a ratio of 1:340sq ft.

All of the retail warehouses are of portal frame construction with profile steel clad roofs, a combination of cavity brick and blockwork and profile steel clad walls and solid concrete floor slabs with power floated surfaces. The restaurant is of frame construction under a pitched tiled roof with brick infill and double glazed windows.

Unit 1 (Halfords) is divided with a retail store facing the centre of the park and their Auto-Centre fronting Four Pools Lane.



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Asset Management

The restaurant unit is currently let to Frankie & Benny's. It is currently vacant, following their CVA, the tenant is only responsible for rates. The Landlord has the ability to call for a surrender at any time.

Terms have been agreed for the landlord to obtain planning and split the unit to provide two units for two national occupiers. Further details upon request.

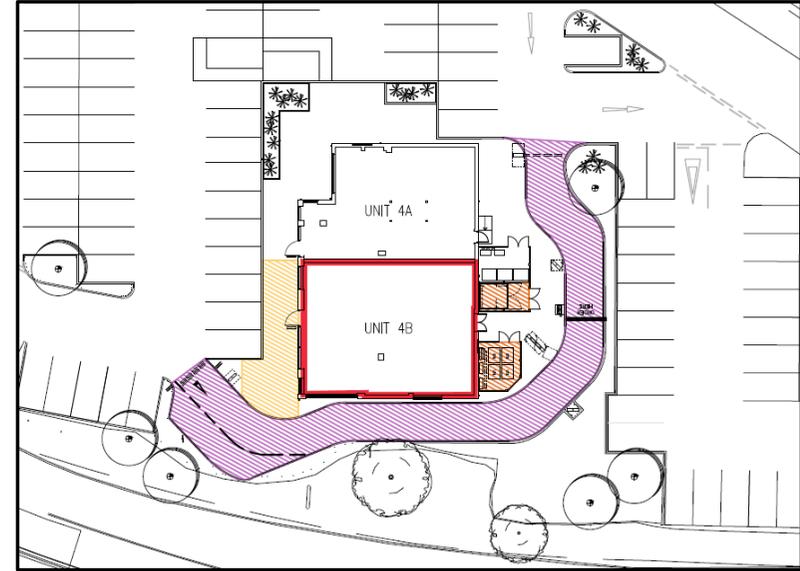
Planning

Planning permission was originally granted on 1 September 1988 for the development of 'non-food retail warehousing and restaurant with associated car parking'. The Section 52 Agreement dated 30th March 1998 prohibits the sale of food, shoes, clothes, toys, pharmaceuticals, jewellery and alcohol from the site. The sale of food from the restaurant unit was allowed in a deed dated 6 October 1988. The Pets at Home unit was granted a separate consent dated 13 June 2008.

Planning consent was granted on 15th November for the change of use of Unit 3 from retail (Class A1) to a flexible retail (Class A1) and/or health and fitness centre (Class D2).

No planning application has been submitted in respect of the proposed split of the restaurant unit.

We are of the opinion that the property has the benefit of a Wide Bulky Goods planning consent



Four Pools Retail Park, Evesham

Tenancies & Accommodation

The retail park is let to 5 national operators, producing a current total income of £1,022,991pa as set out below. The income has an attractive weighted average unexpired lease term (WAULT) of 7.6 years to expiry, and 7.1 years to breaks.

Unit	Tenant	Sq Ft	Lease Start	Expiry (Break)	WAULT (Term Certain)	Rent £ pa (£ psf)	Comments
1	Halfords Limited	15,034	24-Jun-14	23-Jun-24	3.6	225,889 (15.03)	
2	CDS (Superstores International) Limited t/a The Range	40,040	24-Jun-14	23-Jun-29	8.6	592,102 (14.79)	
3	Pure Gym Limited	11,164	01-Oct-20	30-Sep-35 (01-Oct-30)	14.9 (9.9)	100,000 (8.96)	LL contribution of £8,160 + VAT payable 5 business days after tenant's fit out works. 12 months rent free, to be topped up by vendor. Service charge capped at £0.78psf plus RPI. Reviewed 5 yearly to RPI 1% / 3%pac Site due to open to public 18 January 2021
4	The Restaurant Group (UK) Ltd	3,261	12-Sep-07	-	-	-	Under the terms of CVA tenant pays Rates only. The Landlord can call for a surrender at any time. Heads of Terms have been agreed with two major national operators to take a split of the unit
5	Pets at Home Limited	6,147	18-May-09	17-May-24	3.5	105,000 (17.08)	
Total		75,646			7.6 (7.1)	1,022,991 (13.52)	
						Less Service Charge Shortfall in respect of Unit 4	(2,432.35)
							1,020,479

Service Charge

The service charge forecast for the year ending 31st March 2020 was £48,621 (£0.64psf). The budget for the year ending 31st March 2021 is £56,435 (£0.75psf).

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Covenants

The tenants at Four Pools Retail Park are all established, substantial covenants who are highly profitable as illustrated below:-

Unit	Tenant	% income	Financial Year	Turnover	Pre-Tax Profit	Net Assets	Comments
1	Halfords Ltd	20%	03/04/2020	£919,500,000	£23,700,000	£809,600,000	Founded in 1892 Halfords is the UK's leading retailer of motoring, cycling and leisure products and services. Through Halfords Autocentres it is also one of UK's leading independent operators in vehicle, servicing, maintaining and repairs. The company is listed on the London Stock Exchange with a market cap of £456m
			29/03/2019	£937,500,000	£54,300,000	£825,400,000	
			30/03/2018	£930,800,000	£74,500,000	£780,100,000	
2	CDS (Superstores International) Limited t/a The Range	53%	02/03/2019	£945,033,000	£71,161,000	£237,176,000	Founded in 1989 by Chris Dawson, The Range is now the fastest growing retailer in the UK. With over 150 stores nationwide, they stock more than 65,000 products across 16 departments, from Homewares and Furniture to DIY and Art Supplies. The Ranges' ethos is to present mid-price home, leisure and garden products at affordable prices.
			28/01/2018	£869,139,000	£53,516,000	£179,560,000	
			29/01/2017	£763,853,000	£68,258,000	£144,727,000	
3	Pure Gym Ltd	9%	31/12/2019	£197,998,000	£23,394,000	£26,292,000	Established in 2009, Pure Gym is now the UK's largest gym with over 1 million members and over 260 gyms and the second largest in Europe with 1.7 million members at over 500 sites. The company was acquired by Leonard Green & Partners in 2017 for £600m
			31/12/2018	£226,086,000	£44,972,000	£48,561,000	
			31/12/2017	£256,269,000	£34,841,000	£38,695,000	
5	Pets at Home	9%	26/03/2020	£1,058,800,000	£85,900,000	£931,000,000	Founded in Chester, Pets at Home are now the UK's largest specialist Pet retailer with 453 stores and 316 grooming stations. They are a FTSE250 company with a market cap of £1.99bn
			28/03/2019	£961,000,000	£49,600,000	£903,000,000	
			29/03/2018	£804,848,000	£53,922,000	£729,418,000	

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Rental Commentary

The total out of town retail accommodation in Evesham is estimated at c 250,000sq ft.

The vast majority is within the Four Pools area which accounts for c 184,000sq ft of total supply, other retailers in the area include B&Q, Currys/PC World, Aldi, TK Maxx and Home Bargains as well as Morrisons.

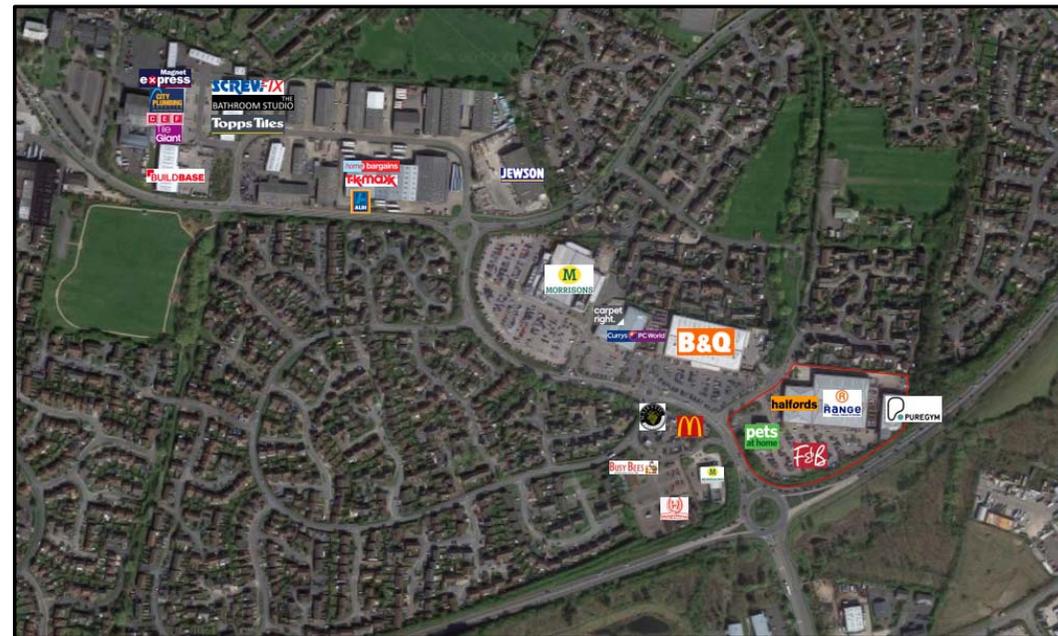
The area is also the preferred industrial/trade area for the town.

Four Pools Retail Park is the largest retail park in Evesham and being positioned at the entrance to Four Pools on the A46 by-pass is the most prominent.

Sinclair Retail Park to the west of the subject was completed in 2019 and comprises the town's most recent retail park. The park is let to Aldi, TK Maxx and Homebargains with rents of £19psf having been achieved.

The highest rents are set at Evesham Shopping Park on the northern edge of the town centre. The park comprises 42,000sq ft let to Next, Boots, M&S Food Hall, Poundstretcher and Argos at rents of between £18.42psf and £25psf.

The town has **nil vacancy**.



Out of Town Retail Offer in Four Pools

VAT

The property has been elected for VAT and it is anticipated that the transaction will take place by way of a TOGC.

EPCs

Details available on request

Proposal

Offers sought in the region of **£12,000,000** (Twelve Million Pounds), subject to contract and exclusive of VAT. A purchase at this level would show a net initial yield of **8.0%** rising to **8.8%** upon the letting of Unit 4, assuming standard purchaser's costs at the rate of 6.71%.

Further Information

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

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