

# Well Let Retail Warehouse Investment





## Investment Summary

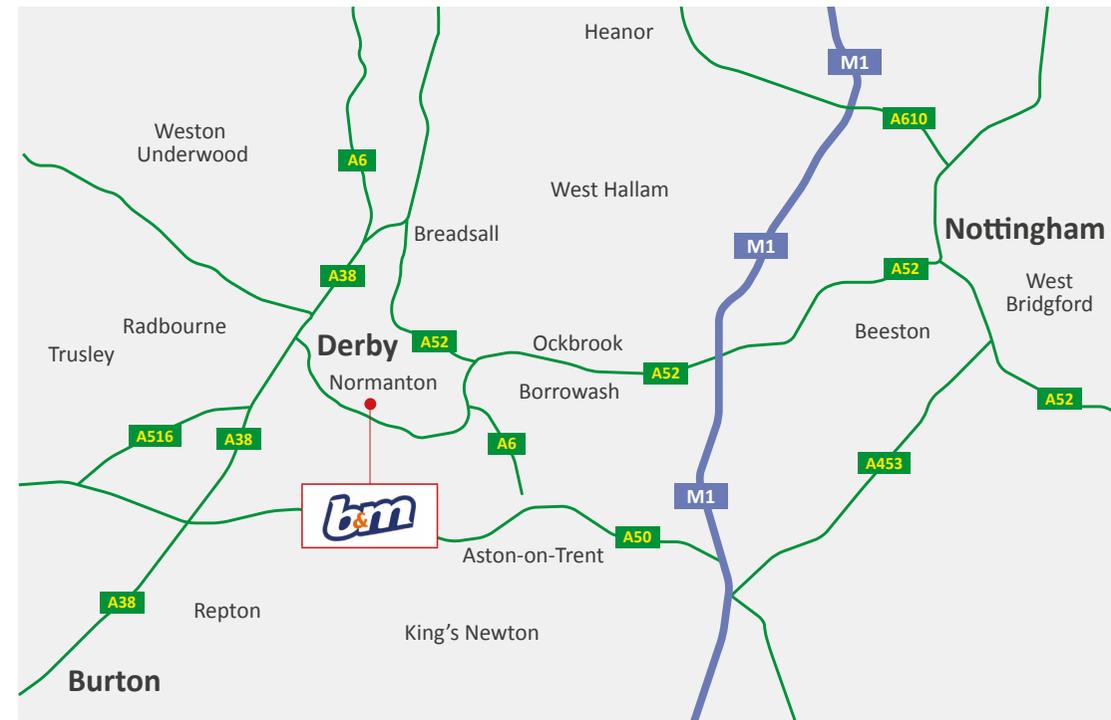
- Well-let retail warehouse investment
- 19,204 sq ft former Somerfield supermarket
- Large site of 0.60 acres (49% site cover)
- Sits on a prominent location within a busy and vibrant local retail area
- Entire property let to B&M Retail Limited (Undoubted D&B 5A1 covenant)
- 10-year FRI lease from 21st June 2018, expiring 20th June 2028 (10 years unexpired)
- Low initial rent of £100,000 per annum (£5.21 psf)
- Fixed uplift to £115,000 per annum (£5.99 psf) at expiry of 5th year
- Offers in excess of £1,570,000 (STC)
- Attractive Net Initial Yield of 6.00%, Reversionary Yield of 6.90%
- Low capital value of just £86 psf

## Location

The property is located in Derby, a City and Unitary Authority Area in Derbyshire that lies on the banks of the River Derwent. The population of Derby was recorded in the latest census as 248,700, with the wider metropolitan area (which includes the nearby city of Nottingham) taking this figure to 1,543,000.

Derby has a history of strong job creation in the manufacturing sector, with the world's first electrically operated factory emerging from the city. Today, Derby is a centre for advanced transport manufacturing, home to the world's second largest aero-engine manufacturer, Rolls-Royce, and Derby Litchurch Lane Works, for many years the UK's only train manufacturer. Toyota Manufacturing UK's automobile headquarters is south west of the city at Burnaston.

Normanton is an inner city suburb and ward of the city of Derby, and is situated approximately 2 miles south of the city centre.



## Situation

The property itself sits to the south of the city centre in a primarily residential area known as Normanton and occupies a highly prominent position at the town centre roundabout between Stenson Road and Derby Lane. The immediate location is a busy and vibrant retail centre with a convenience and leisure led offering. Nearby occupiers include Specsavers, William Hill, a local pharmacy and a local post office/convenience store among others.

Stenson Road provides direct access to the A5111 dual carriageway which leads to a connection with the motorway network via the M1. The nearby (0.7 miles) Peartree train station is just one stop from Derby Station, with regular services between the two.

## Demographics – Normanton



Stenson Road roundabout had an estimated **27,010 vehicles** passing every day in 2016



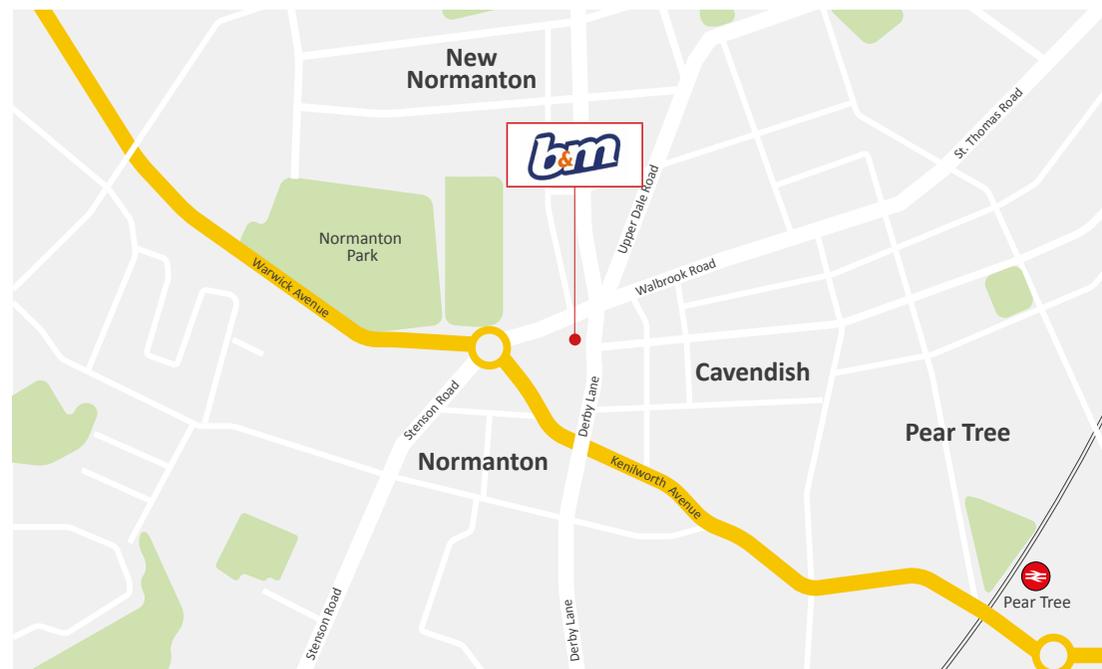
Normanton is one of Derby's fastest growing wards, with an **18.6% increase** between the two latest sets of census data



Normanton is the most **densely populated ward in Derby** according to latest figures



Proportion of **Normanton residents who work locally is significantly above the average** from surrounding wards



The immediate location is a **busy and vibrant retail centre** with a convenience and leisure led offering.





TO A38

TO DERBY CITY CENTRE

TO FORESTERS LEISURE PARK /  
PEARTREE TRAIN STATION



## Description

The property comprises a detached part single-storey and part two-storey former Somerfield supermarket of traditional brick construction under a flat felt roof. The main frontage of the building includes a full-length overhang canopy, and there is a small external storage building to the rear.

The property currently trades from the ground floor sales area only, with deliveries to the rear. The first floor is primarily used for storage, with some dividing walls providing management and security offices.

To the front of the property, and included within the freehold demise, is a sizeable concrete surface car park with space for approximately 20 vehicles, with a further 6 car parking spaces to the side of the property fronting Derby Lane. The two access points to the car park are located off Stenson Road and Derby Lane, and the property has it's own delivery yard secured by metal palisade fencing.

The property sits on a site of approximately 0.60 acres and provides a site coverage of 49%.

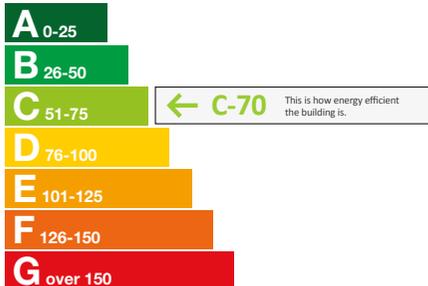


## Tenure

Freehold (Title Number: DY13184)

## EPC Rating

Energy Performance Certificates will be provided on request.



The property sits on a site of approximately **0.60 acres** and provides a site coverage of **49%**.

## Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and provides the following gross internal areas:

	Sq m	Sq ft
Ground Floor (Retail Sales) – GIA	1,233	13,272
External Storage Area	12.75	137
First Floor (Storage)	538	5,795
Total	1,784	19,204



## Tenancy

The property is let in its entirety to B&M Retail Limited (Company Number: 01357507) on a new 10-year full repairing and insuring lease with effect from 21st June 2018, expiring 20th June 2028 (10 years unexpired). The initial starting rent of £100,000 per annum (£5.21 psf) is subject to a fixed rental uplift to £115,000 per annum (£5.99 psf) at the end of the 5th year for the remainder of the term.

## Covenant

B & M Retail Limited (Company Number: 01357507), a subsidiary of B&M Value B&M European Retail Value S.A, is one of the leading full range discount retailers in the UK employing over 28,000 staff.

The business operates five hundred high street and out of town stores across the United Kingdom as of May 2018, as well as 49 stores under the Jawoll and HAFU brands in Germany.

Following a successful expansion strategy enacted over the last eight years, over three million customers now shop in a B&M each week and parent company revenues topped £2,430,700,000 in 2017 making the retail group a constituent of the FTSE 250 Index.

The latest accounts for B&M Retail Limited are summarised below:

Year Ending	25th March 2017	26th March 2016	28th March 2015
Turnover	£2,252,265,000	£1,902,557,000	£1,526,181,000
Pre-Tax Profit (Loss)	£198,006,000	£168,121,000	£151,063,000
Shareholders Funds	£502,675,000	£442,372,000	£334,138,000

The Company has a Creditsafe rating of 79 (very low risk) and an international score of A (very low risk).



## VAT

The property is elected for VAT. It is anticipated that the transaction will be undertaken as a Transfer of a Going Concern.

## Anti-Money Laundering Regulations

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

## Proposal

Our client is seeking offers in excess of **£1,570,000** for their freehold interest.

A purchase at this level reflects the following yield profile after deducting purchase costs:

£ **6.00% Net Initial Yield**

📈 **6.90% Reversionary Yield**

🏠 **£86 psf Low Capital Value**

## Further Information

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

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