

# HOMEBASE, STEPHENSON WAY, FORMBY, LIVERPOOL L37 8EG

SECURE RETAIL WAREHOUSE INVESTMENT

**HOMEBASE**

**BUNNINGS**  
warehouse



On behalf of Nectar

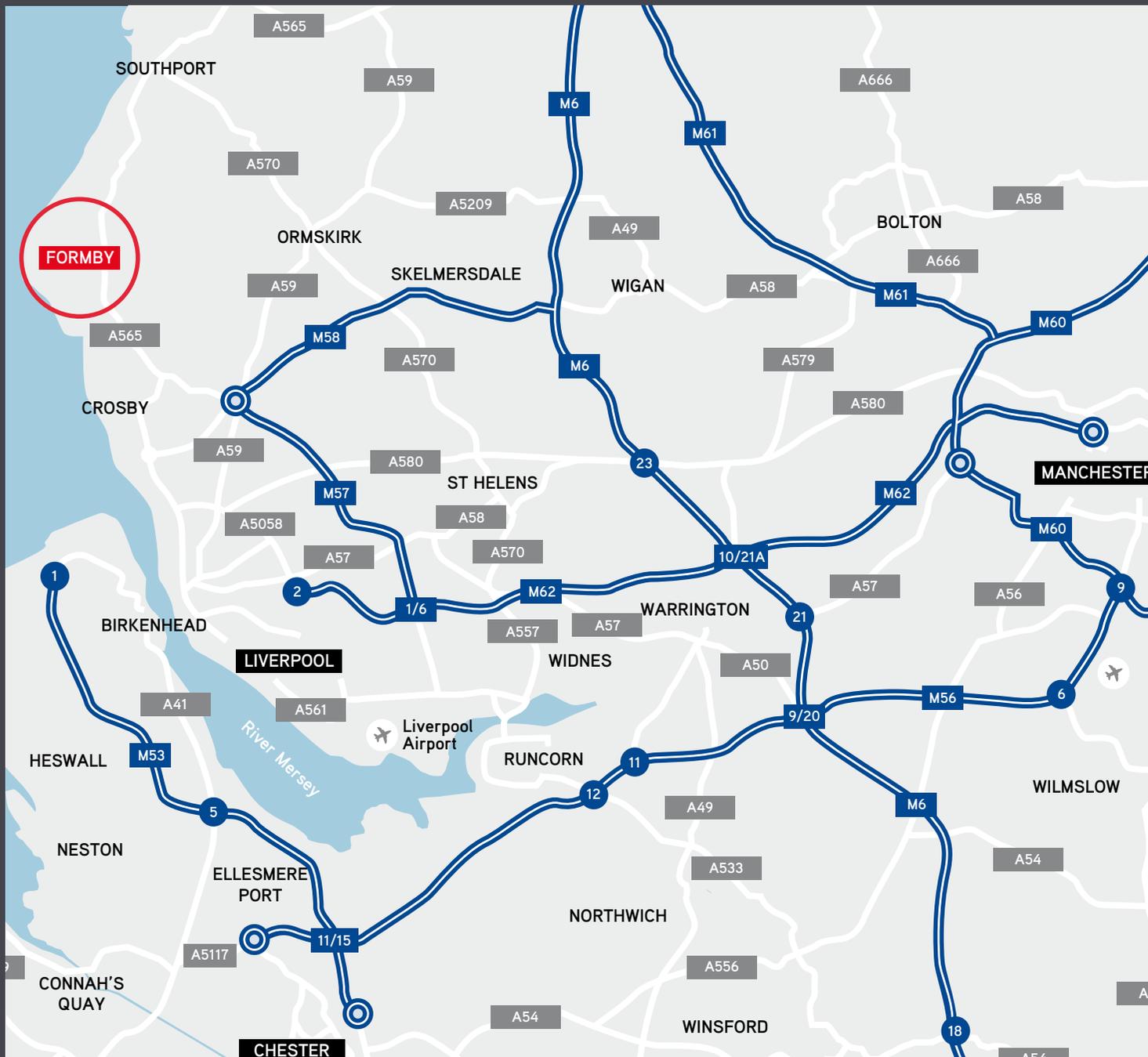


christopher  
property investment dee

# Investment Summary

- Prime retail warehouse investment opportunity in an affluent town
- Affluent catchment population
- Prominent site fronting an arterial road out of the town and at the front of the town's largest industrial estate
- Purpose built retail warehouse with separate external garden centre. The property extends to 29,178 sq ft gross internal area
- Dominant DIY store for its catchment area
- Excellent car parking ratio of 1:233 sq ft
- A large site of 2.15 acres providing a low site cover of approximately 32%
- Flexible 'wide bulky goods' planning permission
- Let to HHGL Limited (formerly Homebase Limited) for a further 8.5 years
- Current passing rent of £364,725 per annum (£12.50 psf)
- Short and medium term asset management/development opportunities
- Freehold
- Offers sought in excess of £4,900,000 (Subject to Contract)
- Attractive 7% Net Initial Yield



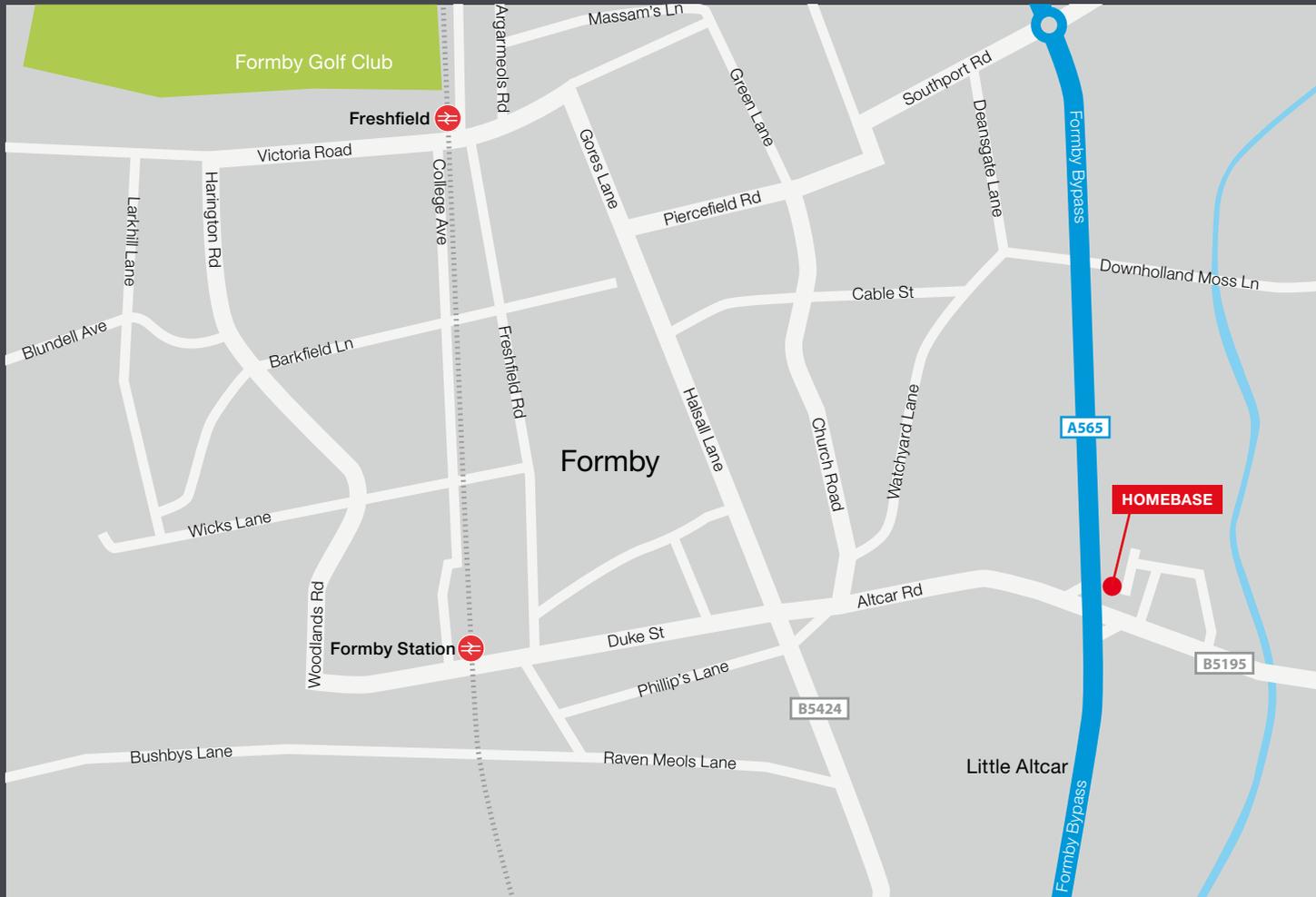


## Formby

Formby is an affluent commuter town located on an attractive coast line within the Metropolitan Borough of Sefton to the north west of the County of Merseyside. The town is located 7 miles south of Southport, 11 miles north of Liverpool and 7 miles west of Ormskirk. The town has a population of approximately 25,000 people and can boast an above average socio-economic profile and home-ownership.

Formby is a popular tourist destination during the summer months and is home to the championship golf course at Formby Hall, which is situated 2.5 miles from the subject property. Formby benefits from excellent road communications lying adjacent to the A565 (Formby By-pass) which links to Southport in the north and via the A5758 links to the M58 and M57 motorways 6 miles to the south east. The town's railway station provides a regular service to Liverpool and Southport. The nearest airport is Liverpool John Lennon Airport which is approximately 25 miles away.

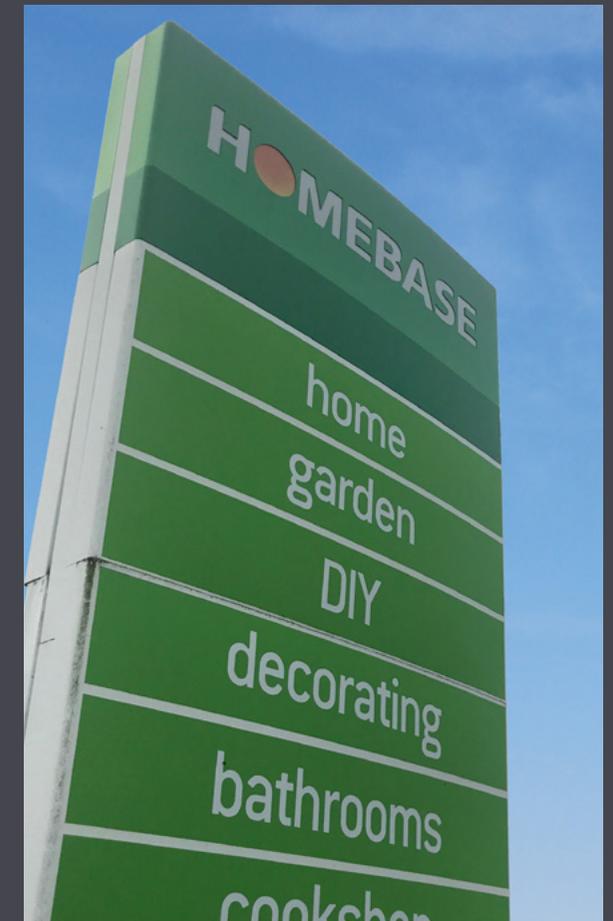
Southport – 7 miles  
 Ormskirk – 7 miles  
 Liverpool – 11 miles



## Situation

The property is situated on the west side of Stephenson Way, prominently fronting onto the busy A565 Formby Bypass, in a predominantly commercial area and is approximately 1 mile (1.6 km) south east of Formby Town Centre.

Stephenson Way links into Altcar Road via a roundabout, which also services an established Tesco Superstore, lying a short distance to the south of the subject property.





## Description

The property comprises a detached purpose built retail warehouse unit constructed in 1987. Internally the property is fitted out to the corporate trading style of the tenant with large sales area, trade and bulky goods area and a two-storey ancillary block providing customer WC's, stores and staff facilities and meeting rooms.

The customer car parking is situated to the front and left hand side of the store and there is also an external garden centre situated towards the rear of the property. Servicing is also segregated at the rear of the unit.

## Site

The property occupies a site of 2.15 acres (0.87 ha) with a low site coverage of approximately 32%.

## Accommodation

The property has a gross internal floor area of approximately 29,178 sq ft (2,710.68 sq m). The garden centre extends to approximately 4,630 sq ft (430 sq m).

Externally there are 125 customer car parking spaces providing a car parking ratio of 1:233 sq ft (1:22 per sq m).



## Tenure

The property is held Freehold (Title Number: MS206267).

## Tenancy

The subject property is let in its entirety to HHGL Limited (formerly Homebase Limited), for a term of 20 years from the 20th April 2006, expiring 19th April 2026 (8.5 years unexpired). The lease is drawn on full repairing and insuring terms with 5 yearly upward only rent reviews. The current passing rent of £364,725 per annum (£12.50 psf) is subject to one further review on 20th October 2021 (Note out of sync review).

## EPC

EPC certificate available on request.





## Covenant Status

Homebase is a British home improvement retailer and garden centre, with stores across the United Kingdom and Republic of Ireland.

Founded by Sainsbury's and GB-Inno-BM in 1979, the company was owned by Home Retail Group from October 2006 until it was sold to Wesfarmers in February 2016. Wesfarmers began to rebrand the business under its existing Bunnings Warehouse operation, beginning with the first store in February 2017. It intends to complete the process within five years of the acquisition.

HHGL Limited (Company Number: 533033 – formerly Homebase Limited) is regarded as a “Very Low Risk” in terms of business failure, with a 5A1 Dun & Bradstreet rating. Their latest set of accounts is summarised below:

| HHGL Limited   | 27 February 2016 | 28 February 2015 |
|----------------|------------------|------------------|
| Turnover       | £1,360,112,000   | £1,408,807,000   |
| Pre-Tax Profit | £43,299,000      | £16,769,000      |
| Net Assets     | £50,142,000      | £420,012,000     |

## VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. It is anticipated that the sale will be dealt with as a TOGC.

## Proposal

Our client is seeking offers in excess of **£4,900,000 (Four million nine hundred thousand pounds)** for their freehold interest. A purchase at this level reflects a **7% net initial yield**, after deducting purchase costs.

On behalf of Nectar



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

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November 2017.