

INVESTMENT FOR SALE: FOOD ANCHORED, DOMINANT RETAIL WAREHOUSE SCHEME

Flintshire

RETAIL PARK

Holywell Road,
Flint, North Wales

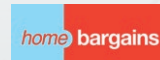
CH6 5GB



KEY TENANTS



Sainsbury's



KING
STREET
REAL ESTATE

INVESTMENT SUMMARY

- Prominent location in the heart of Flint with excellent frontage to the A548 which benefits from strong flows of c. 35,000 vehicles through the scheme weekly.
- A high quality, dominant, Class E retail park providing a modern convenience led scheme totaling 156,931 sq. ft. Anchored by a 25,000 sq. ft Sainsbury's.
- Total freehold site measures approximately 13 acres.
- The scheme benefits from a 460 space car park.
- Let to a strong tenant line up including Sainsbury's Supermarkets, the Food Warehouse, B&M Retail, Sports Direct and Greggs PLC.
- Weighted average unexpired lease term of 6.97 years to expiry and 6.15 years to break.
- Current passing rent of £1,409,582 per annum.
- Freehold title
- Opportunities to add significant value including increasing the average passing rent beyond £12 per sq ft and the letting of vacant units (A1a and A1b) which are sold without a Landlord guarantee.

*We are instructed to seek offers in excess of **£18,250,000 (Eighteen Million, Two Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects a net initial yield of 7.17% including purchaser's costs of 7.68% and a capital value of £116 per sq ft.*

The property benefits from a Class E (Open A1) planning consent with no food restrictions. Sainsbury's and B&M Retail currently account for 39% of the total headline income.



LOCATION

The subject property is located in Flint, a town in the historic county of Flintshire in North Wales.



Flint is the largest town in Flintshire, the most densely populated area of North Wales with a population of c.157,847 people (c.68,112 households), the principal settlements include Buckley, Connah's Quay, Flint, Holywell and Mold.

The town adjoins the River Dee and is located c.6 miles North of Mold, c.12 miles West of Chester and c.23 miles South of Liverpool. The Wirral can be seen across the River Dee and views to the South of the town include Pentre Halkyn Mountain.

Flint benefits from excellent road communications and is conveniently situated close to the A548 (a key coast road),

the A494 (a vital trunk road running between the M56 and the A470) and the A55 (the North Wales Expressway). The Welsh Government has proposed road improvement works to the A55, A494 and A548 Flintshire corridor, this will further improve connectivity to the town.

Flint railway station lies on the North Wales Coast Line, providing services between Manchester and Llandudno and services between London - Holyhead and Cardiff - Holyhead. The town is on National Cycle Route 5, cyclists can ride East to Chester along the banks of the River Dee or cycle West along the coast.



SITUATION

Flintshire Retail Park is prominently located in the heart of Flint, only a short walk from the traditional High Street where the majority of occupiers are either local or regional - the park is the principal retail location for the town.

Immediately adjacent to the scheme is the towns library and leisure centre, known as the Jade Jones Pavilion (named after the Olympic taekwondo gold medalist from Flint), this includes a swimming pool, fitness suite, ten pin bowling, indoor green bowling, a café area and multi-activity rooms. The pavilion drives significant footfall to the park.

Access and egress is easily facilitated via the busy A548 and the A5119 roads.

Flint Train Station is a 2 minute walk away. Pedestrian links also provide direct access ensuring strong pedestrian footfall from neighbouring residential areas and local bus routes.

Notable surrounding occupiers include McDonalds, Asda and Huws Gray.

*The property occupies a highly prominent location fronting the **A548 Holywell Road** and benefits from strong flows of **c.35,000 vehicles** through the scheme weekly.*



DESCRIPTION

A 156,931 sq ft open A1 retail park, on a site of approximately 13 acres, anchored by Sainsbury's who have recently renewed on a 10 year lease without break.

The property comprises 19 modern retail units of varying sizes. Internally, each of the units are fitted out in the tenant's latest corporate branding.

To enhance the Park various asset management initiatives were completed between 2020 and 2021, including the expansion of B&M Retail and the new build development of 4 units which are now let TJ Morris (sold off long leasehold), The Food Warehouse, Greggs and The Card Factory.

Currently plans are in place for the splitting of unit G into three units (G1/2/3). As per the Tenancy Schedule on p.7 Agreements for Lease are in solicitors hands and a planning application has been submitted. The estimated cost of splitting the units (to include new shopfronts) is £83,500. Further information is available upon request.

The scheme benefits from excellent car parking provision with 460 spaces, reflecting a ratio of 1:293.

TENURE

The property is owned freehold as delineated in blue on the adjacent plan. Note, the unit shown shaded in yellow has been sold off on a long leasehold basis and does not form part of the ownership.

Also note unit D2 does not form part of the freehold ownership (currently occupied by Farmfoods).



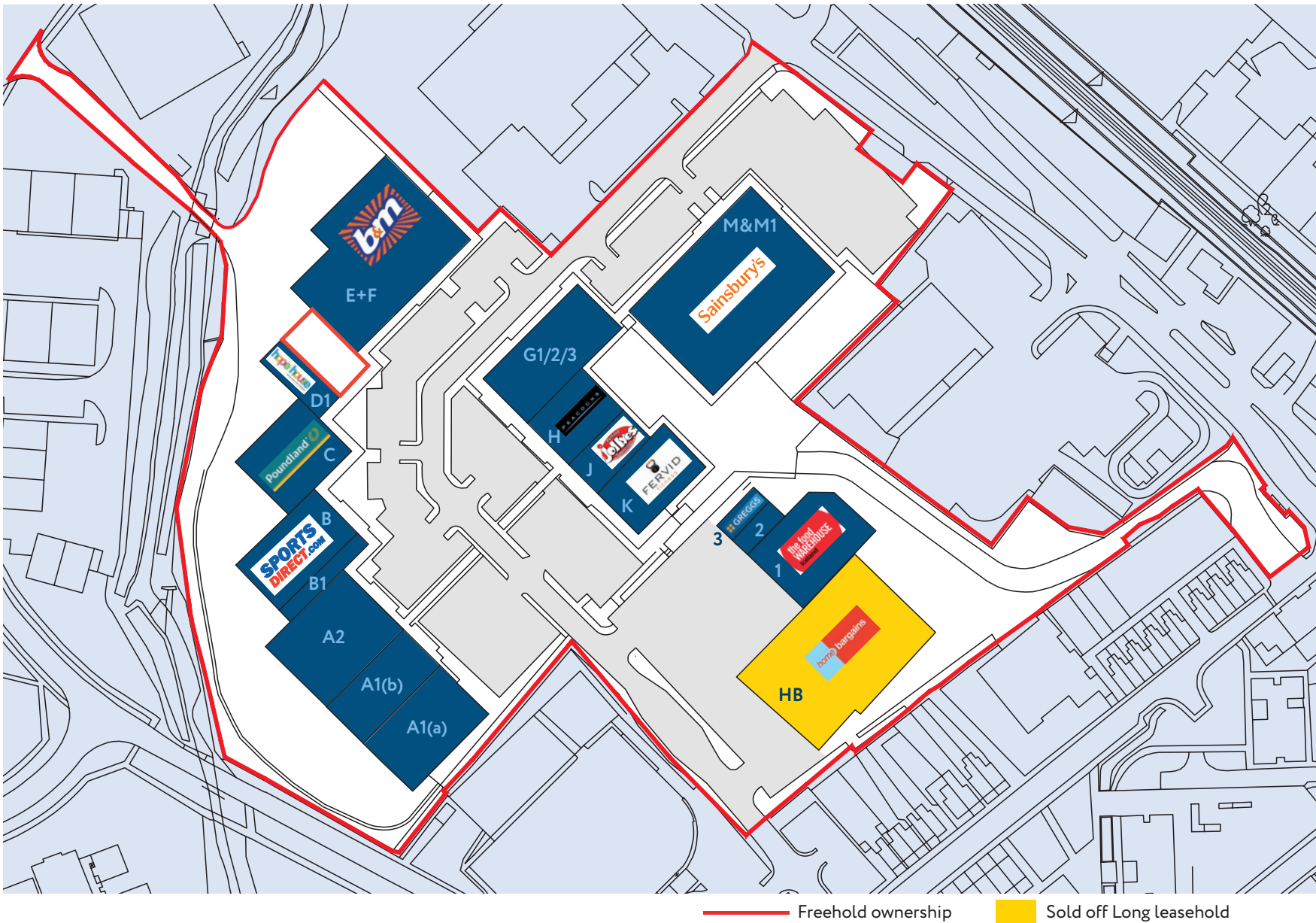
THE SITE

The scheme has a strong tenant line-up, which are appropriate for the local catchment, combining discount and convenience retailing with community use. The retail park has little in the way of local competition.

KEY TENANTS:



Unit	Tenant	Area (Sq ft)
A1(a)	Vacant	9,072
A1(b)	Vacant	5,871
A2	The Factory Shop Group Limited	10,007
B1	Mr & Mrs P Johnson t/a Temptations	1,754
B	Sportsdirect.com Retail Limited	8,195
C	Poundland Limited	8,000
D1	Hope House Children’s Hospice	3,030
E & F	B&M Retail Ltd	21,079
G1	Under Offer (British Heart Foundation)	7,500
G2	Under Offer (DP Realty Limited t/a Domino’s Pizza)	1,400
G3	Under Offer (The E-Cig Store Limited)	650
H	Peacocks Stores Limited	5,376
J	Leonard F Jollye (Bookmans Park) t/a Jollyes Pet Foods	4,574
K	Fervid Fitness Limited	5,708
M & M1	Sainsbury’s Supermarkets Limited	24,991
HB	T J Morris Limited	25,000
1	Iceland Foods Limited (t/a Food Warehouse)	11,177
2	Sportswift Limited (t/a Card Factory)	1,574
3	Greggs plc	1,585



TENANCY SCHEDULE

Assuming completion of the units under offer, the property will show AWULT of 6.97 years and 6.15 years to break.

Currently plans are in place for the splitting of unit G into three units (G1/2/3). In respect of the units under offer, Agreements for Lease are in solicitors hands and a planning application has been submitted. The estimated cost of splitting the units (to include new shopfronts) is £83,500. Further information is available upon request.

The property is let as follows:

Demise	Tenant	Area sq ft	Lease Start	Lease Expiry	Next Review	Break	Contracted Rent £pa	Rent £psft	Comments
A1(a)	Vacant	9,072							Empty Rates (payable) - £18,973
A1(b)	Vacant	5,871							Empty Rates (payable) - £10,778
A2	The Factory Shop Group Limited	10,007	4/9/2008	3/9/2018			£100,000	£9.99	Holding Over. Occupying on a concessionary rent post CVA (£45,000 pa)
B1	Mr & Mrs P Johnson t/a Temptations	1,754	25/11/2005	24/11/2025			£23,500	£13.40	
B	Sportsdirect.com Retail Limited	8,195	23/9/2019	22/9/2029	23/9/2024		£95,000	£11.59	Rent review capped at £107,483 pa. S/c cap of £16,390 pa
C	Poundland Limited	8,000	31/3/2015	30/3/2025			£113,000	£14.13	
D1	Hope House Children’s Hospice	3,030	29/11/2020	28/11/2025			£36,504	£12.05	
E & F	B&M Retail Ltd	21,079	19/4/2021	18/4/2031	19/4/2026		£210,795	£10.00	S/C cap of £21,079 for the first 3 years rising to £23,609 pa. Rent Review capped at £233,982 per annum
G1	Under Offer (British Heart Foundation)	7,938	5 yr			Year 3	£80,000	£10.08	U/o at £80,000 pa, 5 year lease
G2	Under Offer (DP Realty Limited t/a Domino’s Pizza)	1,400	20yr			Year 10	£24,500	£17.50	U/o at £24,500 pa, 20 year lease, tenant break option at Y10, 6 months rent free (Landlord to top-up)
G3	Under Offer (The E-Cig Store Limited)	600	10yr			Year 5	£15,000	£25.00	U/o at £15,000 pa, 5 year lease, 3 months rent free (Landlord to top-up)
H	Peacocks Stores Limited	5,376	1/4/2021	31/3/2026		31/03/2024	£55,000	£10.23	
J	Leonard F Jollye (Bookmans Park) t/a Jollyes Pet Foods	4,574	4/5/2022	3/5/2027			£58,700	£12.83	
K	Fervid Fitness Limited	5,708	19/11/2021	18/11/2036	19/11/2026 & 19/11/2031	19/11/2026 & 19/11/2031	£57,000	£9.99	Y1 – £22,898pa, Y2 - £34,347pa, Y3- £45,797 pa, Y4 - £53,600 pa, Y5 - £57,000 pa (Landlord to top-up to Y5 rent)
M & M1	Sainsbury’s Supermarkets Limited	24,991	18/2/2021	17/2/2031	18/2/2026		£342,500	£13.70	
HB	T J Morris Limited	25,000	4/6/2018	3/6/3017					Long leasehold interest sold off
1	Iceland Foods Limited (t/a Food Warehouse)	11,177	24/4/2020	23/4/2030	24/4/2025		£140,000	£12.53	
2	Sportswift Limited (t/a Card Factory)	1,574	19/4/2021	18/4/2026			£26,583	£16.89	S/C cap of £2,280pa
3	Greggs plc	1,585	9/10/2020	8/10/2030	8/10/2025		£27,000	£17.03	Half rent untill 08/10/2022 (vendor to top-up). Rent review higher of OMV or £27,000 pa
Mobile Catering	Paul Lyone & Shelley Jones		9/6/2015	8/6/2016			£4,500		Holding over
TOTAL		156,543					£1,409,582		

PLANNING


Planning permission was granted in June 1993, with a further permission granted for new units/Assocaited car parking in October 2017. The property benefits from a Class E (Open A1) planning consent with no food restrictions.

SERVICE CHARGE

There is a service charge payable which currently amounts to £1.07 per sq ft.

COVENANT ANALYSIS

The scheme is anchored by national retailers Sainsburys, B&M Retail, Greggs and Sports Direct who have the strongest D&B Credit Rating of 5A1/5A2 and detail an Overall Business Risk of Low-Moderate.

SAINSBURY'S SUPERMARKETS LTD (COMPANY NO. 03261722)  Subsidiary of J Sainsbury PLC Sainsbury's is the second largest chain of supermarkets in the UK, with a 15.0% market share of the supermarket sector (as at June 2022). The company occupies c.23.2 million sq ft of retail space in the UK across 600 supermarkets and 800 convenience stores and employs over 161,400 employees. The covenant is one of the strongest in the retailing sector with a Dun & Bradstreet rating of 5A2.		05/03/2022	06/03/2021	07/03/2020
	Turnover	£33.355bn	£29.048bn	£28.993bn
	Profit (Loss)/Before Tax	£854m	£356m	£586m
B&M RETAIL LIMITED (COMPANY NO. 01357507)  B&M is the UK's market leading value retailer with over 681 stores nationwide, this includes the opening of 25 new stores in 2021. The B&M Group acquired Heron Foods in 2017 and entered the value convenience market. The Group has been one of the fastest growing retailers in the UK over recent years. The company became a member of the FTSE 100 in 2020. B&M has a strong financial track record and has a Dun & Bradstreet rating of 5A2.		27/03/2021	28/03/2020	30/03/2019
	Turnover	£4.085bn	£3.148bn	£2.801bn
	Profit (Loss)/Before Tax	£531m	£262m	£273m
ICELAND FOODS LIMITED (COMPANY NO. 01107406)  Iceland are a British food retailer focussing on frozen goods, convenience and good value. Established in 1970, the company now operates from over 900 stores in the UK and across Europe, employing approximately 25,000 people. The Food Warehouse brand was founded in 2014 and was created to be Iceland's "big brother" with the concept of being a large bulk-buying destination. It is a relatively new brand with 150 stores nationwide. The company has a Dun & Bradstreet rating of 5A3.		26/03/2021	27/03/2020	29/03/2019
	Turnover	£3.715bn	£3.191bn	£3.022bn
	Profit (Loss)/Before Tax	£73m	£1.4m	£31m
GREGGS PLC (COMPANY NO. 00502851)  Greggs is the UK's leading bakery food-on-the-go retailer with over 1,800 shops nationwide and serving over six million customers a week. The company was founded in 1939 and was listed on the London Stock Exchange in 1984, it is a constituent of the FTSE 250 Index with a market cap of £2.22bn. The covenant is one of the strongest in the retailing sector with a Dun & Bradstreet rating of 5A1.		02/01/2021	28/12/2019	29/12/2018
	Turnover	£811m	£1.167bn	£1.029bn
	Profit (Loss)/Before Tax	(£13m)	£108m	£82m
SPORTSDIRECT.COM RETAIL LIMITED (COMPANY NO. 03406347)  SportsDirect is the UK's largest athleisure retailer, owned by the Fraser Group. The company operates from 600 stores in the UK and 950 stores worldwide. The company was founded in 1982, was listed on the London Stock Exchange in 2007 and is now a FTSE 250 company with an annual revenue of £3.6 billion. The company has a strong financial track record and has a Dun & Bradstreet rating of 5A2.		25/04/2021	26/04/2020	28/04/2019
	Turnover	£1.897bn	£2.160bn	£2.250bn
	Profit (Loss)/Before Tax	£278m	£212m	£345m

RETAIL WAREHOUSE INVESTMENT MARKET

The resilience of the Retail Warehouse sector and the quick post pandemic recovery has resulted in high activity levels in the sector. Transactional appetite is at its highest level for five years. Rents are growing from their rebased levels and lease lengths are increasing. Parks which are food anchored , discount led , offering the consumer high levels of convenience are in demand.

Some recent transactions include :

Date	Scheme Name	Town	Tenants	Region	Area (sq ft)	Average Rent (psf)	WAULT (break)	Tenure	Price £m	NIY	Purchaser
	Bridgend Retail Park	Bridgend	Homebase, SCS, B&M, Next, Currys, Halfords	South Wales	84,000	£18.00	6.4 (5.1)	FH	£23,000,000	6.00%	Realty
Mar-22	Hough Retail Park	Stafford	B&Q, Argos, Home Bargains, Starbucks	North East	103,777	£14.50	5.40	FH	£18,000,000	7.82%	Savills IM
Feb-22	Heeley Retail Park	Sheffield	DSG, Poundland, Food Warehouse, Boots, Matalan	North East	77,012	£14.50	5.4 (5.2)	FH	£15,400,000	6.80%	Wesleyan
Feb-22	Cross Hands Retail Park	Cross Hands	Lidl, B&M, Food Warehouse, Pets at Home	Wales	92,060	£15.00		FH	£18,300,000	6.75%	Realty
Dec-21	Clifton Moor Retail Park Phase 1	York	DFS, Oak Furnitureland, Jysk, Bensons, Pets at Home, Wilko	North East	122,988	£21.52	5.7 (5.2)	FH	£32,000,000	7.75%	Melford Capital
Dec-21	Meole Brace Retail Park	Shrewsbury	M&S, Next, Currys, TK Maxx, Pets at Home, Halfords, Superdrug, Argos	West Midlands	155,966	£22.45	6.3	FH	£42,150,000	7.78%	Melford Capital
Dec-21	Plas Coch Retail Park	Wrexham	Range, Argos	Wales	94,000		10.9	FH	£6,625,000	7.44%	Waypoint
Dec-21	The Avenue Retail Park	Cardiff	M&S Food, B&M, Home Bargains	Wales	119,550	£12.60	6.50	FH	£18,300,000	7.65%	Savills IM
Nov-21	Marina Quay Retail Park	Rhyl	Aldi, The Range, B&M, Farmfoods, Greggs, Costa.	Wales	102,316	£11.23	13.9 (12.1)	FH	£17,700,000	6.00%	First World Hybrid Real Estate PLC

ASSET MANAGEMENT OPPORTUNITIES

- Whilst various asset management initiatives have taken place in recent years, the Park provides additional opportunities to add value:
- Improve the rental tone from the low average headline rent of £12 per sq ft
 - Explore the separate sale of Sainsbury’s who occupy 24,991 sq ft with a lease expiry in 2031
 - Possible creation of a second food anchor in the vacant units A1(a), A1(b) which are being sold without a landlord rental guarantee
 - Provision of EV charging points to increase income and improve the park’s ESG credentials
 - Further subdivision of space to create additional high street type units
 - Increase the F&B and the general leisure provision to increase dwell time and improve tenant mix
 - Development of pod units in the car park
 - Make use of the Class E (open A1), and increase the provision of food occupiers on the Park



FURTHER INFORMATION

VAT

We anticipate that the transaction will be dealt with as a Transfer of a Going Concern.

EPCs

Available upon request.

Anti-Money Laundering Regulations

In accordance with Anti-Money Laundering Regulations, evidence of identity and source of funding will be required from the successful purchaser prior to instructing solicitors.

PROPOSAL

We are instructed to seek offers in excess of **£18,250,000 (Eighteen Million, Two Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level reflects a **net initial yield of 7.17%** including **purchaser's costs of 7.68%** and a **capital value of £116 per sq ft**.



CONTACT

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