

LEICESTER

ABBEY RETAIL PARK // ST MARGARETS WAY // LE4 0BT



PROMINENT, WELL SECURED, RETAIL WAREHOUSE INVESTMENT OPPORTUNITY

green&partners



Investment Summary

- Leicester is a substantial, thriving city located in the East Midlands, 43 miles (69km) north-east of Birmingham.
- Significant total population within the Leicester Primary Retail Market Area, estimated at 720,000.
- The site is prominently located within a popular and established retail warehousing cluster, fronting St Margaret's Way, less than 1.5 miles (2.4km) from Leicester city centre.
- The property comprises three modern retail warehouse units, extending to 53,867 sq ft (5,004.4 sq m).
- Fully let to Halfords Ltd, Carpetright Plc and CDS (Superstores International) Ltd (t/a The Range).
- The Range has signed an Agreement for Lease to expand into Carpetright Plc's unit on expiry of their lease in 2025, extending the Weighted Average Unexpired Lease Term to 8.15 years.
- Total current rental income of £812,868.32 per annum, reflecting a low overall average rent of £15.10 per sq ft.
- The site extends to 3.5 acres (3.21 acres on the main site and 0.27 acres on the Wolsey Street Car Park).
- This represents a low site coverage of 35%.
- The scheme benefits from 200 car parking spaces, an attractive ratio of c.1:269 sq ft.
- Open A1 Planning Consent.
- Freehold site, with strong potential for alternative use.

We are instructed to receive offers in excess of **£9,500,000 (Nine Million, Five Hundred Thousand Pounds)**, which reflects a **Net Initial Yield of 8%** assuming graduated purchasers costs. An acquisition at this level reflects a capital value of **£175 per square foot.**



Location

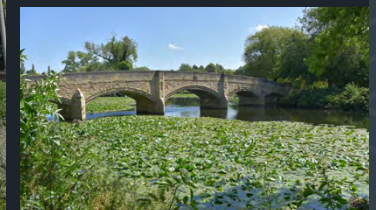
Leicester is the principal commercial centre in Leicestershire and lies on the River Soar, at the edge of the National Forest. The city is widely known as 'The Gateway to the Midlands'.



Leicester benefits from excellent road communications, being just 45 miles (72km) from Birmingham (M69 & M6), and 27 miles (43km) south of Nottingham (M1). London is directly accessed via the M1, with an approximate journey time of only 2 hours and 30 minutes.



The City's mainline railway station provides regular high speed train services to London St Pancras with a journey time of approximately 1 hour 10 minutes. Services to Birmingham New Street Station run frequently with a journey time of 55 minutes.



East Midlands Airport lies approximately 20 miles (32km) to the north-west of the city and facilitates 20 million passenger journeys a year as well as being an important cargo facility. Birmingham International Airport, one of the largest in the UK, is located some 37 miles (60km) south east of Leicester.

Leicester Demographics



Total population within the Leicester **Primary Retail Market Area is estimated at 720,000**, significantly above the Regional Centre average and ranking the city 11th out of 200 of Promis Centres.



Leicester is projected to see **significantly above average growth** in population over period 2021 – 2026.



Leicester ranks 12/200 (PROMIS) in terms of volume of total retail spend and is projected to see significantly above average percentage growth in the available pool of retail spend.



Circa **75%** of all households own **at least one car**.



PMA estimates **the consumer base of Leicester to be 1,048,000 ranking the town 9/200, above the PROMIS average**. The estimated consumer base reflects the modelled penetration of the town both within the Primary Retail Market Area and beyond.



50,000 students are enrolled at Leicester and De Montford Universities.



Major employers in the region include, Leicester County Council, HMRC, Leicester and DeMontford Universities, British Gas, National Grid, Santander, KPMG, Caterpillar, Jaguar Land Rover, Aggregate Industries and Barratt Developments.



There has been a **consistent fall in unemployment** and a **rise in average house prices** (Experian).



Retail Warehousing in Leicester

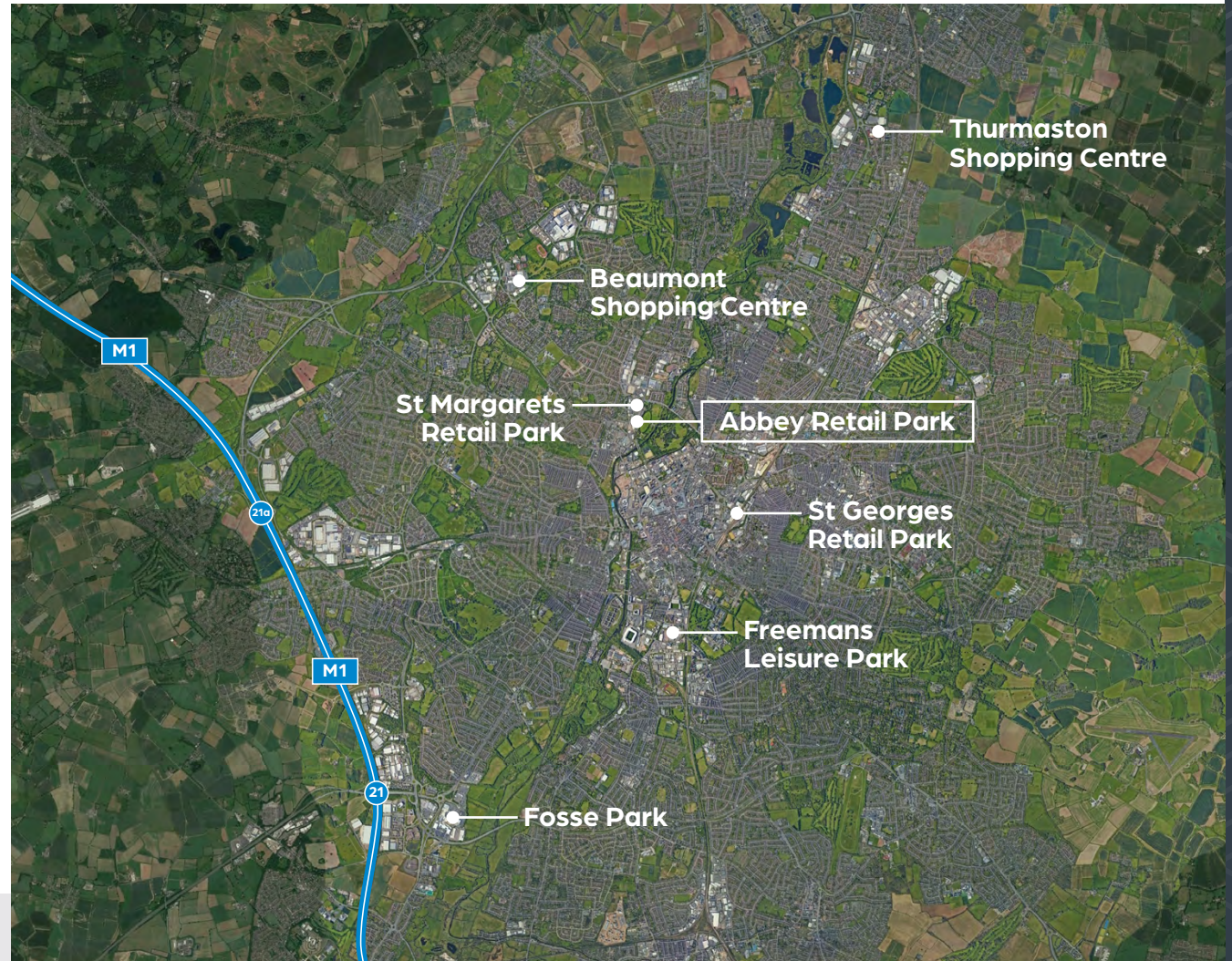
Total retail warehouse floorspace in Leicester area is 1,399,000 ranking the city 25th of the PROMIS centres.

Overall provision per household is below the PROMIS average, in particular Child, Sports, Furniture, DIY and other bulky goods uses are under-represented.

Whilst there are seven retail parks in the wider Leicester area, there are only three parks within Leicester itself – St George's Retail Park, which is situated in the City Centre, Abbey Retail Park (subject property), situated on St Margaret's Way to the north of the city centre and St Margarets Retail Park situated adjacent to the aforementioned Abbey Retail Park.

St Georges Retail Park opened in 1990 and includes a range of retailers, some selling bulky goods like Home Bargains and Curry/ PC World as well as specialist retailers such as Pets at Home, Wren Kitchens and Tapi Carpets.

The majority of retail warehouse floor space within the Leicester area is situated at Fosse Park. Fosse Park West opened in 2021 providing an extra 270,000 sq ft of retail space and is anchored by Next, Sports Direct / Flannels and M&S. The new Food Court includes Itsu, Nando's, KFC and Greggs.



Fosse Park

c.688,000 sq ft

Tenants include:
Nike, M&S, Primark,
New Look, Itsu, TK Maxx,
Costa Coffee, Nando's,
JD Sports, WH Smith,
Currys and DFS.

Thurmaston Shopping Centre

c.111,000 sq ft

Tenants include:
Boots, M&S, Sports
Direct, Next and TK Maxx.

St Georges Retail Park

c.97,000 sq ft

Tenants include:
Aldi, Home Bargains,
Curry's, Dreams and
Ninja Warrior UK.

Beaumont Shopping Centre

c.149,000 sq ft

Tenants include:
Aldi, Boots, Tesco Extra,
Holland and Barrett
and Iceland.

Freemans Leisure Park

c.87,000 sq ft

Tenants include:
Odeon Luxe, Nandos
and Costa Coffee.

St Margarets Retail Park

c.105,000 sq ft

Tenants include:
Home Bargains,
Smyths Toys and B&Q.

Situation

The site is prominently located fronting on St. Margaret's Way (A6), 1.5 miles (2.4km) north of Leicester city centre.

The property is opposite Abbey Park and is flanked by St Margarets Retail Park to the north (B&Q, Smyths Toys and Home Bargains) and Evans Halshaw Used Car Centre to the south. Fosse Park is located 4 miles (6km) to the south.



St. Margaret's Retail Park



A6 St. Margaret's Way

Abbey Park

Leicester City Centre

Description

The scheme comprises three well configured, modern retail warehousing units fronting St. Margaret's Way. Carpetright and The Range form a semi-detached terrace to the eastern side of the site while Halford occupy a stand alone unit to the west. Both buildings are dissected by a road from St Margaret's Way, which provides access to a shared service yard and 200 customer car parking spaces (1:269 sq ft). Within the freehold title, there is an overflow car park, accessed from Wolsey Street.

The site extends to 3.5 acres (3.21 acres on the main site and 0.27 acres on the Wolsey Street Car Park). The site density is 35%.



The site is prominently located within a popular and established retail warehousing cluster, fronting St Margarets Way

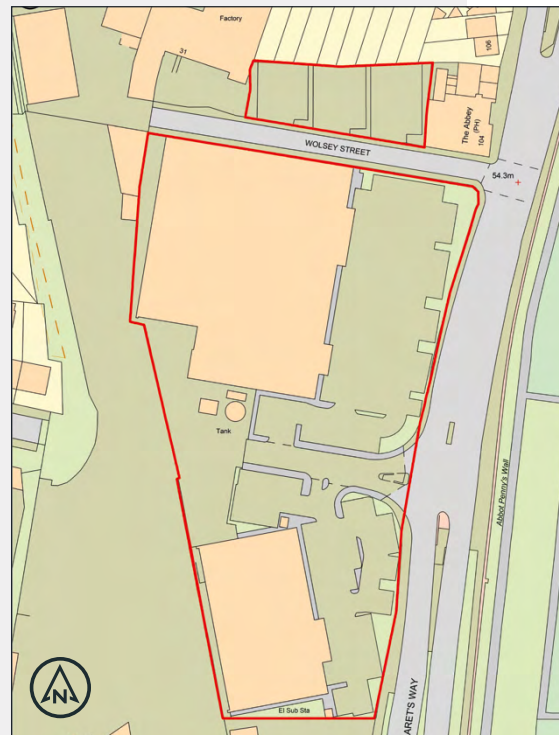




Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice 6th Edition, January 2018, on a Gross Internal Area (GIA) basis.

Description	Area (sq ft)	Area (sq m)
Unit A1 (The Range)	26,027	2,418.0
Unit A2 (Carpetright)	12,340	1,146.4
Unit B (Halfords)	15,500	1,440.0
TOTAL	53,867	5,004.4



Site

The entire site comprises approximately 3.5 acres (3.21 acres on the main site and 0.27 acres on the Wolsey Street Car Park). The current site coverage is 35%.

Tenure

Held Freehold under title LT125492.

Tenancy Schedule

Unit	Tenant	Start Date	Expiry Date	Unexpired Term	Area (sq ft)	Rent PAX	Rent psf	Comments
Unit A2	Carpentry Plc t/a Carpentry	06/01/2003	31/05/2025	11.8*	12,340	£185,100	£15.00	Agreement for Lease in place with The Range to expand into this unit on expiry of the Carpentry Lease (subject to vacant possession). The store was a Category A store when Carpentry CVA'd. Their lease is outside of the 1954 act.
Unit A1	CDS (Superstores International) Ltd t/a The Range	22/04/2010	21/04/2025	11.8*	26,027	£395,918	£15.21	Agreement for Lease signed with The Range to take Unit A1 & A2. Lease extension to 23/06/2035 at a combined rental of £460,404pa (£12 psf). The tenant is to receive 12 months rent free from completion of the lease and a capital contribution of £266,015.
Unit B	Halfords Ltd t/a Halfords	25/03/2000	24/03/2025	1.2	15,500	£232,500	£15.00	Inside the act. The tenant benefits from a service charge cap. The current landlord shortfall is £649.68 pa.
Total					53,867	£813,518		
Total (Less Landlord Shortfalls)						£812,868.32		
*Weighted Average Unexpired Lease Term (Expiry) Assuming The Range lease extension and upsize in 2025.				8.15				

Current Net Income PAX

£812,868.32 pax

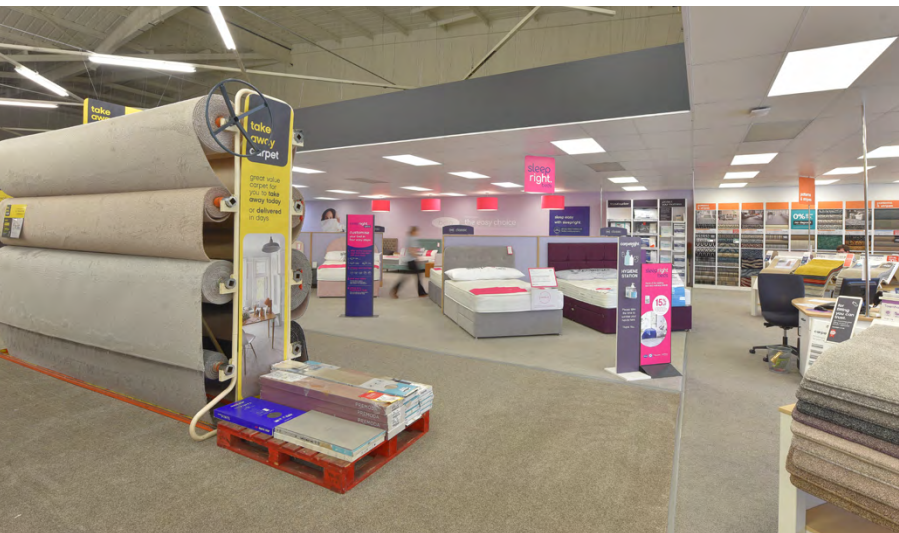
Planning

The property has the benefit of an Open A1 (non-food) planning consent.

Service Charge

A comprehensive service charge is operated at the property. The budget is consolidated annually (year ending 30th June 2024) and apportioned on a floor area basis. The latest budget is £69,708 pa. Halfords benefit from a service charge cap. The current landlord shortfall is £649.68 pa.





Covenant Status

CDS (Superstores International) Ltd (Company Number 02699203)



The Range was founded in 1989 and is currently one of the fastest growing retailers in the UK, operating from over 210 stores. The variety store stocks over 65,000 different products across 16 different departments including, Homewares, Garden, DIY and Art Supplies. A summary of the company's most recent accounts is set out below:

Date	Turnover	Net Profit	Net Assets
29/01/2023	£1,263,208,000	£23,426,000	£196,259,000

Carpetright Plc (Company Number 02294875)



Carpetright is one of the largest retailers of floor coverings and beds in the UK and has over 350 stores nationwide. A summary of the company's most recent accounts is set out below:

Date	Turnover	Net Profit	Total Current Assets
01/01/2022	£372,600,000	(£22,400,000)	£82,600,000

Halfords Ltd (Company Number 00103161)



Halfords is the UK's leading provider of motoring and cycling products and services. The company was founded in Leicester in 1892 and rebranded as Halfords in 1965. The company now has approximately 379 stores across the UK and Ireland, making it one of the largest non-food retailers in the UK. Through its Autocentres, it is also one of the UK's leading independent operators in vehicle servicing, maintenance, and repairs. Halfords Ltd is a wholly owned subsidiary of Halfords Group plc, which is listed on the London Stock Exchange. A summary of the company's most recent accounts is set out below:

Date	Turnover	Net Profit	Net Assets
31/03/2023	£932,300,000	£44,700,000	£474,900,000

The Range Upsize

An Agreement for Lease has been completed with the Range to expand into Unit A2 (Carpetright) on expiry of the Carpetright lease in May 2025. The new lease with The Range will run until June 2035, inside the landlord and tenant act. The tenant will receive 12 months rent free and a capital contribution of £266,015 towards amalgamation works. The Range will pay a combined rental of £460,404 pa for both Units.

A photograph of a large retail store named 'The Range Home, Leisure & Garden'. The store has a blue and white facade with a large sign above the entrance. To the left, there are signs for 'carpet right', 'carpets rugs', 'TEXTILES', 'HOUSEWARES', and 'FURNITURE'. To the right, there is a sign for 'ARTS & CRAFTS' featuring a paint palette and brushes. A 'Klarna' sign is visible on the right wall. In the foreground, there are stacks of bags and pallets of goods, and several people are walking around. A 'SALE' sign is visible near the entrance. The sky is blue with some clouds.

The **Range**[®]
Home, Leisure & Garden

EV Charging Points

The vendor has engaged with an electric vehicle charging operator. The local power network provider has confirmed there is capacity for 8 rapid chargers on the site.

Terms have been agreed with the operator (subject to contract) on a 20 year lease at a minimum rental of £4,000 per charging point (a potential minimum rental of £32,000 pa). Further information is available on request.

This provides a purchaser with a significant opportunity to immediately increase the Net Operating Income as well as improve the assets ESG credentials.

The benefit of these discussions shall be passed to a purchaser. For clarity a sale will not be conditional on completion of this agreement.



EPC's

The property has the following EPC Ratings:

Unit	EPC Rating	Valid Until
Unit A1 (The Range)	B41	08/06/2026
Unit A2 (Carpetright)	B36	08/06/2026
Unit B (Halfords)	B39	08/06/2026

Anti Money Laundering

To comply with anti-money laundering legislation, the successful purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

VAT

The property is elected for VAT and we would expect a transaction to be treated as a TOGC (Transfer of a Going Concern).

Proposal

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An acquisition at this level reflects **£175 per square foot.**

Further Information

For further information, for access to the data room or to arrange an inspection please contact sole agents, Green & Partners as per the details below:

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