

B&Q & SPORTS DIRECT

UNITS A & B, HINDPOOL ROAD
BARROW-IN-FURNESS, LA14 2GN



**FREEHOLD PRIME RE-BASED RETAIL WAREHOUSE &
LEISURE INVESTMENT OPPORTUNITY**



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INVESTMENT HIGHLIGHTS

- Strategically located fronting Hindpool Road, in the established retail warehouse and leisure pitch for Barrow-in-Furness
- There are a number of other retail parks within the immediate vicinity providing the benefit of significant critical mass coupled with a lack of vacancy
- There is no direct DIY competition within 30 miles of the scheme and limited competition within the gym market
- Two modern units totalling 101,780 sq ft, constructed in 2008
- Excellent catchment with a population of 81,225 within a 20 minute drive time of the property
- 394 car parking spaces providing a ratio of 1:258 sq ft
- Fully let to B&Q Limited and Sports Direct on re-based terms from Q4 2021
- **Total rental income of £796,360 per annum** (£9.00 per sq ft assuming half rent on the Unit B mezzanine)
- **Secure income stream** with 100% of the income secured against 5A2 covenants, rated lower than average risk of failure
- Weighted average unexpired lease term of 9.7 years to expiry (8.0 years to break)
- Freehold
- Our client is seeking offers in excess of **£10,300,000 (Ten Million Three Hundred Thousand Pounds)** subject to contract and exclusive of VAT.
- A purchase at this level reflects a **7.25% Net Initial Yield** after purchaser's costs of 6.70%.



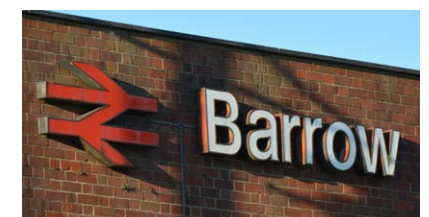
LOCATION

Barrow-in-Furness is located on the west coast of Cumbria, approximately 128 km (80 miles) south of Carlisle, 72 km (45 miles) west of Lancaster, 56 km (35 miles) south west of Kendal, and 112 km (70 miles) north of Manchester.

The town is the second largest urban area in Cumbria and sits on the edge of the Lake District National Park.

The town is linked to the M6 (Junction 36) via the A590 trunk road, with the M6 motorway located approximately 53 km (33 miles) to the north east of the town.

The town benefits from extremely low levels of competition from a retail perspective, with the two closest retail centres being Lancaster (43 miles) and Preston (64 miles).



BARROW



LOCAL ECONOMY

- Home to world renowned companies such as Kimberley-Clark and BAE Systems.
- Barrow's coastline forms part of Britain's Energy Coast, which has one of the highest concentrations of wind farms in the world.



EDUCATION

- In association with the University of Cumbria, Furness College represents the town's first dedicated centre for Higher Education. A £47m investment Campus completed in recent years.
- The College has over 5,000 students studying degrees and other higher engineering courses and work in partnership with BAE to train apprentices for their shipyard.



TOURISM

- Tourism plays a major role, being located only 20 minutes from the Lake District.
- The town represents the Lake Districts premier shopping destination with national occupier representation from Next, Dunelm and Boots.



BAE

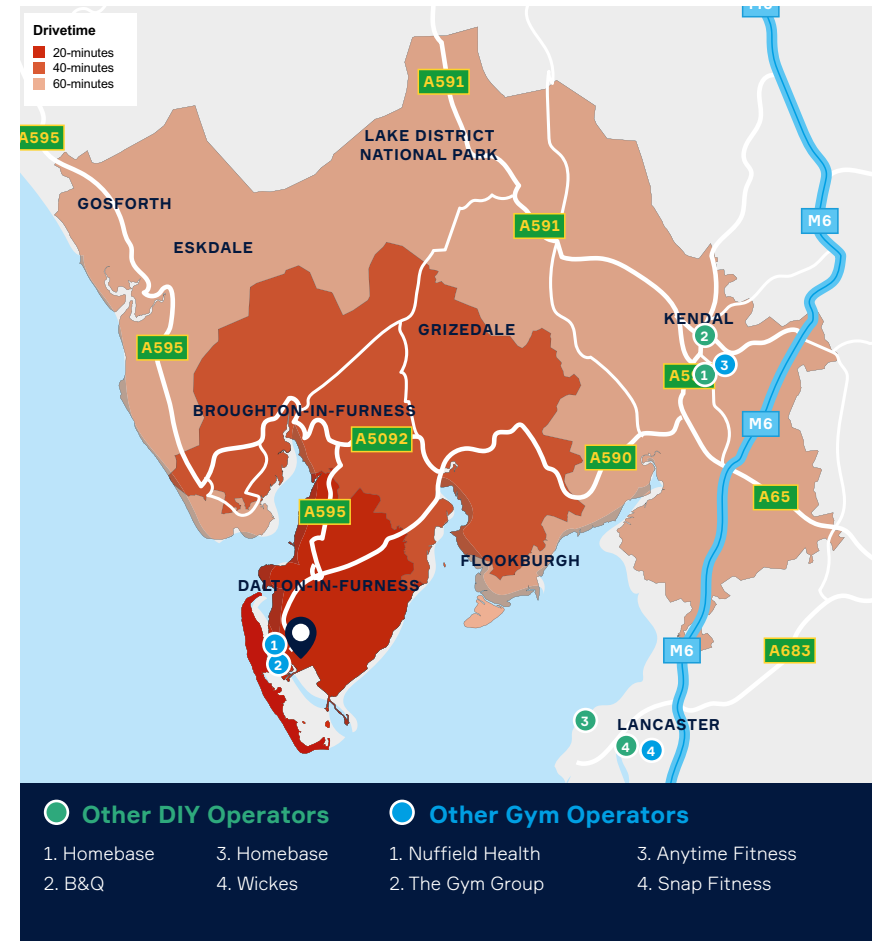
- BAE operate their Maritime division in Barrow, employing approximately 9,000 people in the design and production of submarines.
- The shipyard represents one of a few capable of producing nuclear submarines and is part way through a £300m refurbishment following the implementation of the Successor nuclear submarine programme.
- The facility plays a crucial role in the £41bn project that was described by the Defence Secretary as "Britain's biggest military project since the Second World War".
- BAE have also been recently awarded an £85m contract to deliver a replacement Astute Class submarine for the Royal Navy.
- These projects are creating jobs and providing opportunities for smaller businesses to work in the resultant supply chains.

SITUATION

The property is prominently located fronting Hindpool Road which forms part of the main thoroughfare from the town centre leading to the M6 motorway.

The property benefits from an excellent out of town retail pitch along Hindpool Road, which is the principal retail warehousing and leisure destination for the town. The critical mass of the location is significantly enhanced by the proximity of a Tesco Extra foodstore, which is situated to the rear of the subject property adjoining Cornerhouse Retail Park.

Barrow railway station is situated less than 1 mile from the subject, providing direct rail services to Manchester (2 hours 4 minutes), Carlisle (2 hours 30 minutes), and Lancaster (55 minutes). Rail services to London Euston are available via Lancaster, with a journey time of approximately 4 hours.



COMPETITION

DIY PROVISION

The subject B&Q store holds a dominant DIY position in Barrow-in-Furness following the closure of the Homebase unit at Cornerhouse Retail Park in 2015. ScrewFix and Toolstation are the only other DIY operators within the town and they are situated a short distance to the North West of the property along Phoenix Road. Within the wider catchment, Homebase have a store in Kendal (35 miles) and Wickes have a store in Lancaster (48 miles). The nearest B&Q is located in Kendal.

HEALTH & FITNESS

There is minimal competition from recognised operators within Barrow with the only other national health and fitness operator being Nuffield Health on Hollywood Retail Park. The subject gym provides superior facilities to that of its competition at a mid-tier price point. Other competition is either independent, lacking swimming and health facilities, or public sector operated.

RETAIL WAREHOUSING PROVISION

Scheme	Area (sq ft)	Main Tenants
Hindpool Retail Park	60,000	Poundland, Bensons for Beds, The Range, Next, DFS
Cornerhouse Park	71,000	B&M Home Store, Halfords, The Gym Group, Pets at Home
Hollywood Park	124,000	Aldi, Dunelm, Nuffield Health, Currys, TK Maxx, Vue Cinema
Walney Road Retail Park	29,000	Home Bargains, Argos, Matalan

DESCRIPTION

A modern development comprising a retail warehouse unit and leisure unit constructed in 2008.

Unit A comprises a retail warehouse unit of approximately 4,843 sq m (52,129 sq ft), a mezzanine of approximately 143 sq m (1,536 sq ft), and enclosed builder's yard area of approximately 743 sq m (7,998 sq ft).

Unit B comprises a leisure unit with ground floor accommodation of approximately 2,287 sq m (24,616 sq ft), and a mezzanine level providing approximately 2,183 sq m (23,499 sq ft) of retail and ancillary accommodation. The ground floor has been fitted out to provide a fully equipped gymnasium, 20 metre swimming pool, hot tubs and spa facilities, exercise studios, changing facilities, reception and café. The mezzanine provides a retail sales area and also fitness studios and is accessed via an escalator, stairs or lift from the ground floor.

Customer parking is predominantly situated to the front of the units accessed off Hindpool Road via Cornmill Crossing, providing 370 car spaces to the front and an additional 24 spaces to the rear. This provides an overall ratio of 1:258 sq ft.

Servicing to both units is provided via a dedicated service road to the rear, accessed from Cornmill Crossing.



ACCOMMODATION & TENANCIES

The property is let in accordance with the schedule of accommodation and tenancies set out below.

Unit	Tenant	GIA (Sq ft)	Lease Start	Rent Review	Lease End (Break)	Rent	Comments
Unit A	B&Q Limited	Ground: 52,129 Mezzanine: 1,536	29/09/2021	29/09/2026	28/09/2031	£521,360 £10.00*	The unit benefits from an additional builders yard of approximately 743 sq m (7,998 sq ft) and a garden centre of approximately 1,115 sq m (12,000 sq ft). The tenant is currently in a period of rent free expiring 28 March 22. Landlord to top up to headline rent. Upward only rent review to Open Market Rent, capped at £575,623.57. There is a service charge cap of £19,000 pa subject to annual increases in line with RPI.
Unit B	SportsDirect.com Retail Ltd t/a Everlast Fitness Club	Ground: 24,616 Mezzanine: 23,499	20/10/2021	20/10/2026	19/10/2031 (19/10/2026)	£275,000 £7.56**	Rent review to be the higher of passing rent or 107.5% of the Open Market Rent, capped at £303,622 pa. The mezzanine floor area is to be excluded for the purpose of the rent review. There is no reinstatement obligation on the tenant to remove the mezzanine at expiry. The lease is subject to a Schedule of Condition. Tenant currently in a period of half rent, expiring 19 October 2024. Landlord to top up to headline rent. The tenant will benefit from a further 6 month rent free period if the break option is not exercised. There is a service charge cap of £10,000 pa subject to annual increases in line with RPI.
TOTAL		101,780				£796,360 £9.00***	

*Assuming nil rent on Unit A mezzanine

**Assuming half rent on Unit B mezzanine

***Assuming nil rent on Unit A mezzanine and half rent on Unit B mezzanine

A DOMINANT SCHEME LACKING DIRECT LOCAL COMPETITION





COVENANT

B&Q LIMITED

B&Q Limited (Company Number 00973387) was established in 1969 and are the leading UK DIY retailer. The business has over 300 stores and 27,000 employees and are well established nationwide. B&Q forms part of Kingfisher plc who are an international home improvement company with 1,100 stores across 10 European countries. Kingfisher plc have a tangible net worth in excess of £3.8bn, and a turnover in excess of £12bn.

The company is rated 5A2 by Dun and Bradstreet, reflecting lower than average risk of business failure. A summary of their financial performance over the last two years can be seen in the table below:

	YEAR ENDING 31 JAN 2021 (000'S)	YEAR ENDING 31 JAN 2020 (000'S)
Sales Turnover	£3,594,500	£3,180,900
Profit Before Taxes	£211,100	£140,100
Tangible Net Worth	£2,260,800	£2,059,000

B&Q are taking steps to ensure their products and business meet the highest sustainability standards possible. In 2020 92% of all wood and paper within their retail products were responsibly sourced, and as of 2021 their carbon reduction targets were revised and 91% of stores were fitted with LED lighting to improve their energy performance.

SPORTSDIRECT.COM RETAIL LIMITED

Sports Direct.com Retail Limited (Company Number 03406347) is rated 5A2 by Dun and Bradstreet, reflecting lower than average risk of business failure. Unit B is being traded as an Everlast Fitness Club. Everlast Fitness have 55+ clubs across the UK, with Sports Direct Fitness operating a further 14+ clubs across the country. The business has reported the following financial results:

	YEAR ENDING 25 APR 2021 (000'S)	YEAR ENDING 26 APR 2020 (000'S)
Sales Turnover	£1,897,160	£2,160,287
Profit Before Taxes	£27,846	£212,862
Tangible Net Worth	£1,330,888	£1,496,455



**100% OF THE INCOME
IS SECURED AGAINST
5A2 COVENANTS**

300

**B&Q HAS OVER
300 STORES
ACROSS THE UK**

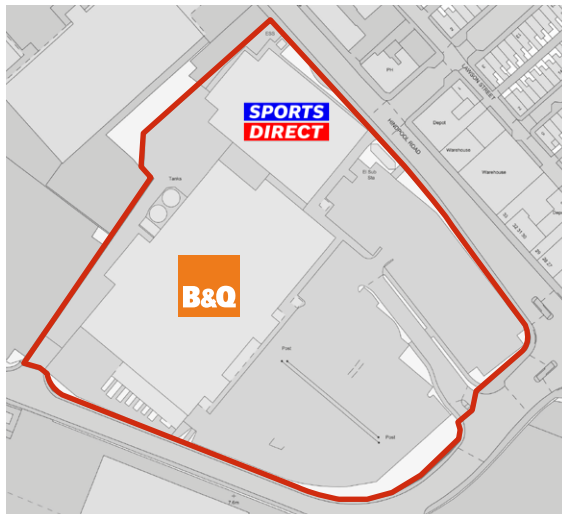
SITE

The site comprises a level site which has principal frontage to Hindpool Road, and is accessed via Cornmill Crossing.

The site totals approximately 6.36 acres (2.58 hectares).

TENURE

Freehold.



NOTE:- Site Plan reproduced from the Ordnance Survey Map with the permission of the Controller of H.M. Stationery Office. © Crown copyright licence number 100024244 Savills (UK) Ltd.



TOWN PLANNING

Planning consent was received from the Borough of Barrow-in-Furness on 28 February 2007 for the “erection of a DIY retail warehouse incorporating garden centre and builder’s yard, and leisure club incorporating retail floor space at mezzanine level, together with associated car parking and landscaping and highway infrastructure works to Hindpool Road”.

Condition 2 to the planning permission restricts the sale of goods from the DIY unit to home improvement & DIY goods, electrical goods, furniture, carpets, soft furnishings, gas appliances and motor parts.

Condition 3 to the planning permission restricts any retailing from the leisure club to be limited to a maximum floor area of 15,005 sq ft and shall be restricted to the sale of sports goods and health and fitness equipment and accessories only.

A copy of the Planning Consent is available upon request.

EPC

Unit	Rating
A	B33
B	B39

SERVICE CHARGE

The tenants are responsible for the repair and maintenance of the common parts by way of an additional service charge payment. Further details are available upon request.

VAT

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

AML

In accordance with Anti Money Laundering Regulations the purchaser will be required to satisfy the relevant checks prior to exchange of contracts.

DATAROOM

A dataroom is available upon request.

PROPOSAL

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CONTACT

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