



Parc Pensarn Retail Park

Carmarthen SA31 2NF

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INVESTMENT HIGHLIGHTS

Parc Pensarn is **well located** in the Welsh market town of Carmarthen, 35 miles north of Swansea.

Carmarthen benefits from having a **wide catchment** area due to limited competition from any major retail centres; the 30 minute drive time extends to 184,724 people.

Easily accessible from the A484 in the prime retail pitch and is situated adjacent to a 60,000 sq ft Morrisons foodstore with petrol station.

Totals 20,503 sq ft arranged across the 3 units occupied by national retailers; Halfords, Poundstretcher and Laura Ashley.

The current income totals **£208,850 per annum** equating to a low average rent of £10.19 per sq ft. The income increases by 7.2% to **£223,850 per annum in September 2021** due to a fixed uplift in the Poundstretcher lease.

The retailers **trade well** here as evidenced by them all recently re-gearing their leases.

The park benefits from a bulky goods consent with relaxations in favour of Unit 1 (Poundstretcher).

Freehold.

We are instructed to seek offers in excess of **£2,300,000 (Two Million and Three Hundred Thousand Pounds)**, subject to contract and exclusive of VAT. This reflects an **attractive net initial yield of 8.50%** (assuming purchaser's costs of 6.86%). The yield increases to **9.15% in September 2021** by virtue of the fixed uplift within the Poundstretcher lease.



LOCATION & DEMOGRAPHICS

Carmarthen is a Welsh market town located in the county of Dyfed in South West Wales, approximately 35 miles north-west of Swansea, 30 miles east of Haverfordwest and 25 miles north-west of Llanelli.

The town benefits from good road communications, being situated adjacent to the A40 and A48 dual carriageway trunk roads, which makes the closest towns easily accessible. The A48 links to the M4 approximately 15 miles to the east. Carmarthen railway station offers a direct link to Swansea with a fastest journey time of 44 minutes; services to Cardiff Central take 1 hour and 32 minutes.

Carmarthen has a large catchment population of 107,000 people, significantly above the PMA small town average.

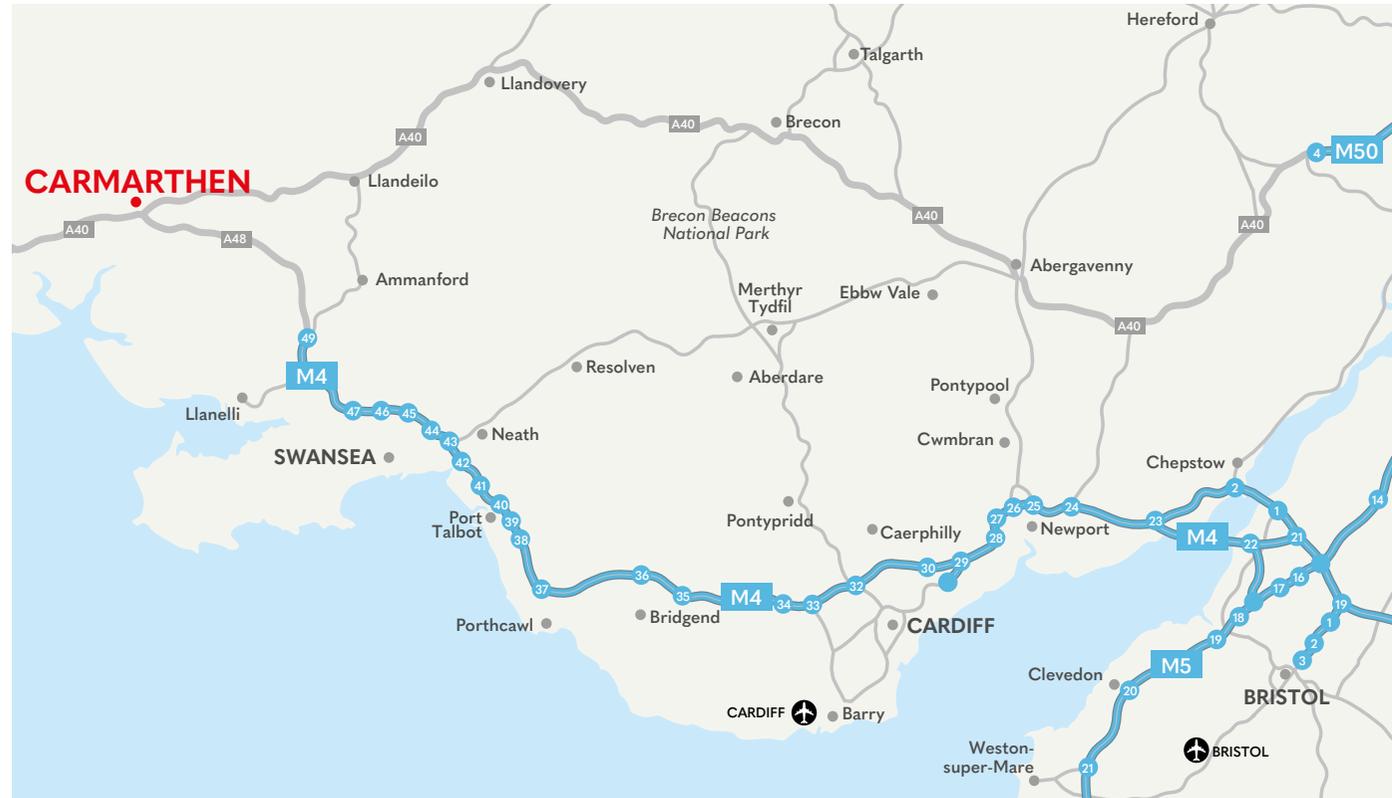
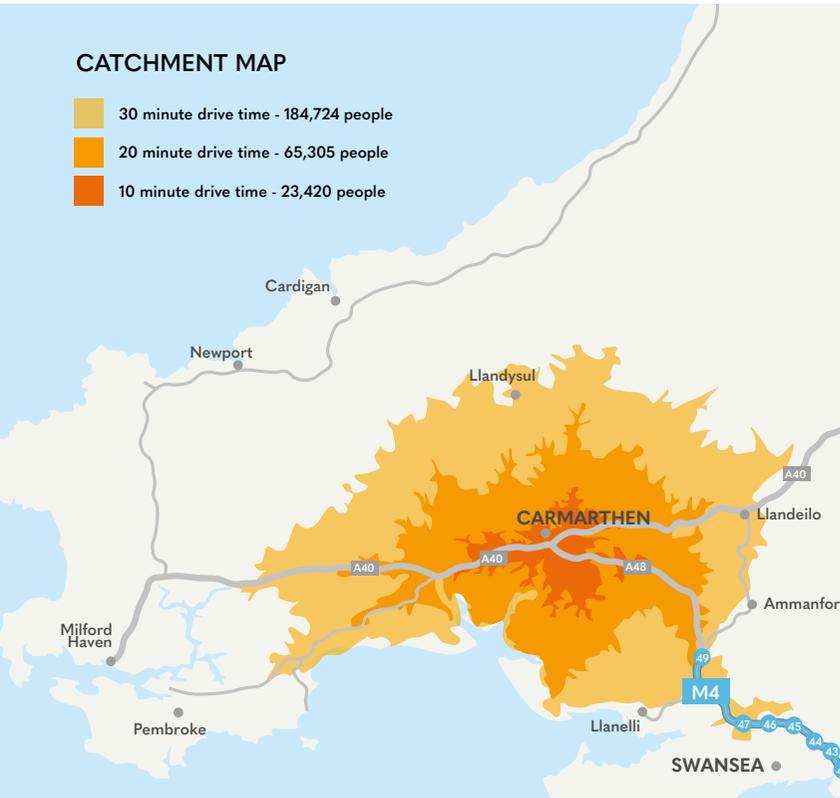
There are 23,420 people living within a 10 minute drive time of the subject property, extending to 65,305 people within a 20 minute drive time and 184,724 in 30 minutes. The catchment map is below. However, due to its distance from competing retail centres, coupled with its easy accessibility, the town has a wide catchment area which expands beyond the immediate catchment. As a result, the total retail expenditure in 2017 in Carmarthen was £560 million, significantly above the PMA small town average of £371 million.

The top Mosaic group, accounting for 22.47 % of the 10 minute drive time population is 'Country Living', described as 'well-off owners in rural locations enjoying the benefits of country life'.

Employment in the private sector services accounts for 43% of total employment in Carmarthen and the public sector; 23.5%. In December 2018, the local claimant count was 1.8% of the population compared to the national claimant count of 2.4% for the same period.

CATCHMENT MAP

- 30 minute drive time - 184,724 people
- 20 minute drive time - 65,305 people
- 10 minute drive time - 23,420 people



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RETAIL WAREHOUSING IN CARMARTHEN

Carmarthen benefits from having a wide catchment population to draw upon due to its distance from any major competing retail towns. Retail warehousing is also fairly limited within the town. Along with the subject property, the main park in the town is Pensarn Retail Park, overlooked by the A40. This is let to Matalan, Sports Direct, Pets at Home,

Carpetright, Harveys and Bensons. Opposite this are Charlies Home and Garden Centre, an Aldi and Home Bargains. Also, on this side of the A40 is a 2 unit scheme occupied by The Range and Currys PC World. Slightly further down the A40, out of the main retail warehouse pitch, is a standalone B&Q.

SITUATION

Parc Pensarn Retail Park is situated on the A484 and is accessed via a roundabout junction shared with a 60,000 sq ft Morrisons with petrol filling station, located adjacent to the scheme. The subject property is situated approximately one mile to the south of the town centre.

Along with Morrisons, the subject property also benefits from various food retailers located in the vicinity, including KFC, McDonald's and Domino's. These retailers, along with Morrisons in particular, increase footfall to the location.

DESCRIPTION

Parc Pensarn Retail Park provides a well-established scheme totalling 20,503 sq ft, arranged across 3 units. Halfords occupy a 7,078 sq ft standalone unit, located opposite a terrace of 2 units let to Laura Ashley in 3,121 sq ft, and Poundstretcher in 10,304 sq ft.

The units are of steel portal framework, with brick and profile clad external elevations. The tenants' signage is displayed clearly above the entrance features and internally the units are fitted out to the various tenant specifications. The Halfords and Poundstretcher units both benefit from having trading mezzanine floors installed. The Poundstretcher unit also incorporates their Pet Hut fascia.

The accommodation is flexible and allows for subdivision and amalgamation of units in the future, subject to planning. The variety of unit sizes also suit a wide range of retailers, allowing for future asset management.

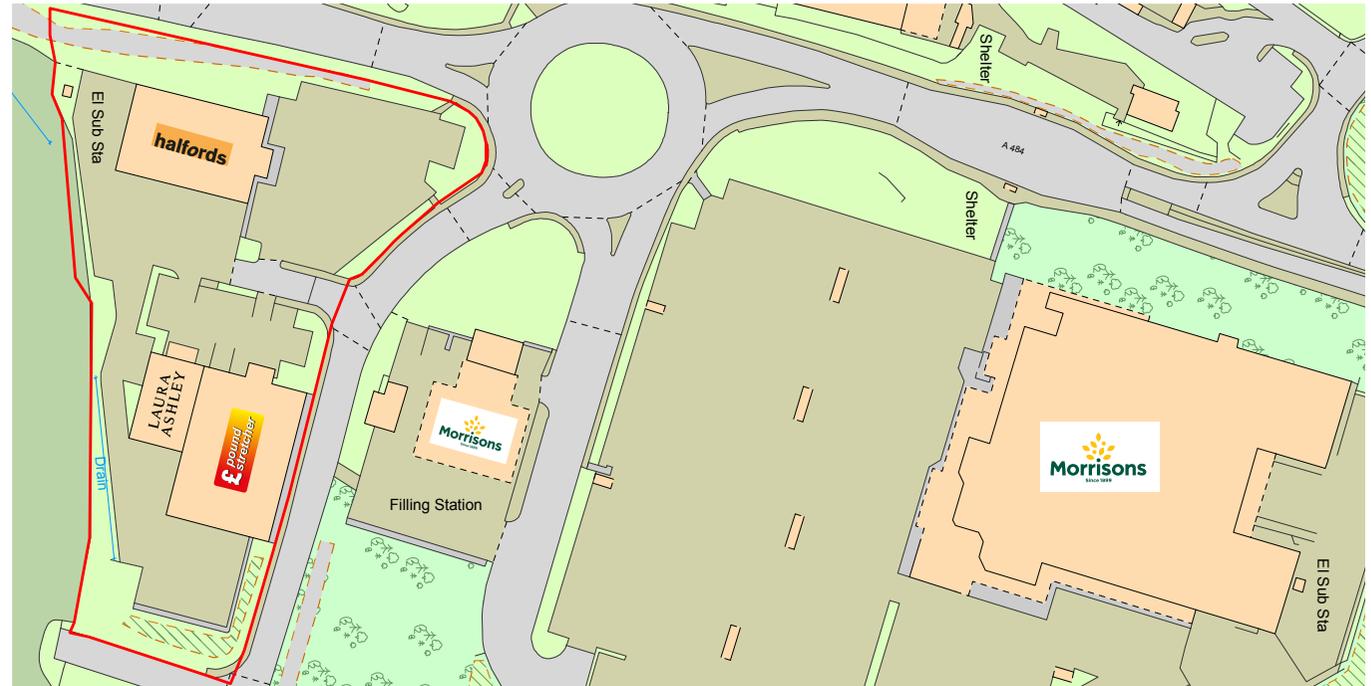
Car parking is located to the front of the individual units and provides a total of 84 spaces equating to an attractive ratio of 1:244 sq ft. Servicing is to the rear of the Halfords unit and the opposite terrace and is accessed via the car park.

The total site area is 2.602 acres (1.053 hectares) equating to a low site cover of 18%.

TENURE

The site is held freehold as delineated below in red.

There is a restriction in favour of Morrisons preventing the subject property being used for anything other than A1, A2 or B1 uses (or B2/B8 with Morrisons' consent which may not be unreasonably withheld). The property is also prevented from being used for the sale of food, intoxicating liquor or as a petrol filling station, retail pharmacy, dry cleaners, restaurant, cafeteria or snack bar.



TENANCY

The park provides an average income weighted unexpired lease term of 6.9 years to expiry and 4.9 years to break. The rents are low across the scheme averaging just £10.19 per sq ft.

Unit	Tenant	Area (sq ft)	Lease Start	Lease Length (years)	Lease Expiry	Break Clause	Next Rent Review	Rent (per annum)	Rent (per sq ft)	Comments
1	Poundstretcher Ltd	10,304	29-Sep-2018	5	28-Sep-2023	28-Sep-2020	29-Sep-2021	£70,000	£6.79	Landlord rolling break from 28-Sep-2020 subject to 9 months' notice. Rent lease outside the 1954 Act Security of Tenure provisions increases to £85,000 on 29-Sep-2021.
2	Halfords Ltd	7,078	08-Sep-2016	10	07-Sep-2026	-	08-Sep-2021	£97,350	£13.75	
3	Laura Ashley Ltd	3,121	29-Sep-2018	10	28-Sep-2028	28-Sep-2023	29-Sep-2023	£41,500	£13.30	If the tenants break is not exercised the reviewed rent for years 6-10 will be reduced by £4,841.60 per annum.
Total		20,503						£208,850	£10.19	

RENTAL TONE

Rents in the town average around £13-14 per sq ft for 7,500-10,000 sq ft units, albeit Matalan pay £13 per sq ft on their 35,000 sq ft unit and Currys PC World pay £13.26 per sq ft on their 15,275 sq ft unit.

The most recent deals in Carmarthen have been completed at the subject property with all 3 tenants having recently re-gearred. However, the low rent agreed on the Poundstretcher in return for landlord flexibility does look reversionary in context of the rest of the rents in Carmarthen.

PLANNING

Planning permission was granted in 1993 permitting the sale of non-food bulky goods. The consent was subsequently amended in 2013 to allow for Poundstretcher to trade. The planning consents are available on request.

ASSET MANAGEMENT OPPORTUNITIES

The scheme is currently fully let, however, there is a rolling landlord's break within the Poundstretcher lease from 28 September 2020, subject to 9 months' notice. As retail warehousing is fairly limited in the town, there are a number of occupiers who are not represented here. The unit is also sub-divisible, allowing 2 smaller units to be created and therefore giving the potential of enhancing the rental tone as well as the tenant mix. There is a lack of provision of discount food in the town, furniture and toy retailers. In addition alternative occupiers to retail could also be targeted including gym operators.

The scheme trades well for the various occupiers as evidenced by all the retailers recently re-gearing their leases. Halfords have been in occupation since 1993 and Laura Ashley since 2002 also demonstrating their commitment to the scheme. Poundstretcher were in occupation by way of an assignment since 2014 but have now taken a direct lease. There is the potential in the long term to re-gear the leases again closer to expiry, and remove the break in the Laura Ashley lease in September 2023, thereby improving the overall average lease length.



LAURA ASHLEY
HOME

TENANTS' COVENANTS

The scheme is well let to D&B rated A1 covenants, with 66.5% of income let to 5A1 covenants and 33.5% of the income to 4A1 covenants.



Halfords Limited

Halfords is the UK's leading retailer of motoring, cycling and leisure products and services. Through Halfords Autocentres, it is also one of the UK's leading independent operators in vehicle servicing, maintenance and repairs. The company has 452 stores across the UK and 315 autocentres. Halfords' current strategy is to focus on its core motoring and cycling categories, which strengthens its specialist credentials and will continue to set it apart from more general sports and leisure competitors. Its online business is also performing well; Halfords' click & collect service is proving especially popular, with 80% of online orders collected instore, which helps drive footfall.



Laura Ashley Limited

Laura Ashley was founded in 1953 and is an international lifestyle brand which specialises in retailing furniture, home accessories, decorating and fashion products, controlled by the MUI Group of Malaysia. The company operates from 160 stores across the UK totalling 662,000 sq ft. Laura Ashley is particularly excelling with its fashion business where recently like for like sales grew by 11.8% in the most recent trading update in February 2019. The company expects future growth to be generated not only in the UK, but in Asia where it is viewed as a British heritage brand.



Poundstretcher Limited

Poundstretcher is a chain of discount stores, established in 1981, and now owned by the Crown Crest Group who have wholly owned the business since 2009. The business has over 400 stores nationwide and employs over 6,000 people. Recently, the company have re-branded some stores under Bargain Buys to help fill the void that Poundworld left. The company aims to open a further 120 stores by April 2020 and to take their total number of stores to 800 two years later.

The most recent tenant accounts are as follows:

UNIT	TENANT	YEAR ENDING	SALES TURNOVER (000's)	PRE-TAX PROFIT / LOSS (000's)	NET WORTH (000's)	D&B RATING
1	Halfords Limited	30-03-2018	£930,800	£74,500	£765,900	5A1
		31-03-2017	£900,100	£78,400	£709,100	
2	Laura Ashley Limited	30-06-2017	£261,838	£23,471	£80,290	5A1
		30-06-2016	£384,974	£25,820	£117,935	
3	Poundstretcher Limited	31-03-2018	£387,443	£2,070	£21,575	4A1
		31-03-2017	£397,380	£2,731	£19,912	

EPC

The property has the following EPC ratings:

Unit 1 - B8 Unit 2 - B42 Unit 3 - C75

VAT

The property has been elected for VAT and therefore VAT is payable. However, we anticipate the transaction to be treated as a 'TOGC'.

PROPOSAL

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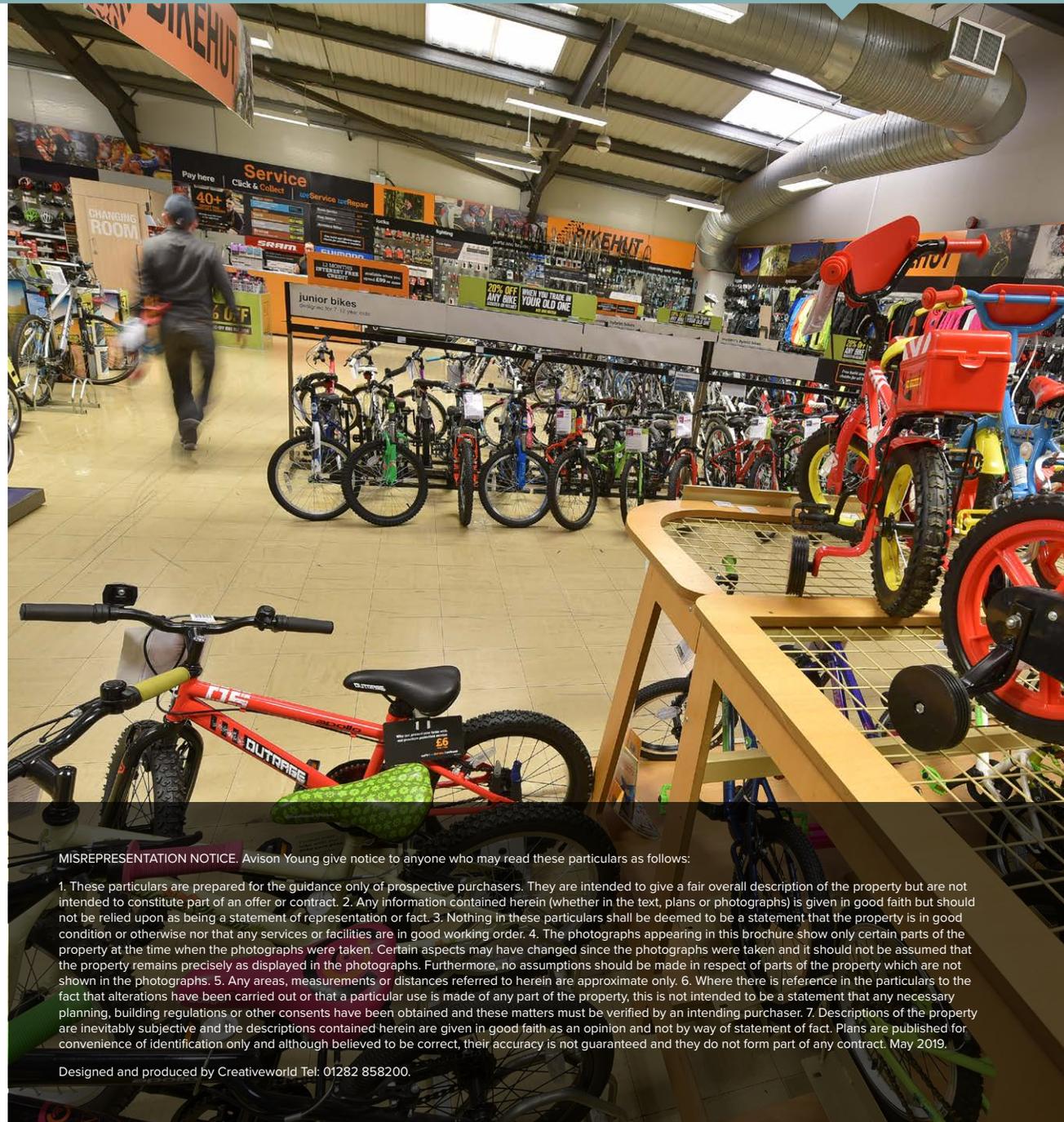
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