

# For Sale

1 & 2 Eastern Avenue, **Gloucester GL4 3BU**



Retail Warehouse Investment Opportunity

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# Investment Summary

- Freehold, retail warehouse investment
- Situated on the A38 Eastern Avenue in Gloucester's core retail warehouse location
- Let to the strong covenants of DSG Retail Ltd and Magnet Ltd
- 2 retail warehouse units comprising 22,663 sq ft in total
- Passing rent £373,100pa
- AWULT 8.7 years to expiry and 7.1 years to break
- Offers in the region of **£4,150,000** reflecting a net initial yield of **8.5%** assuming normal purchaser's costs at 5.8%.



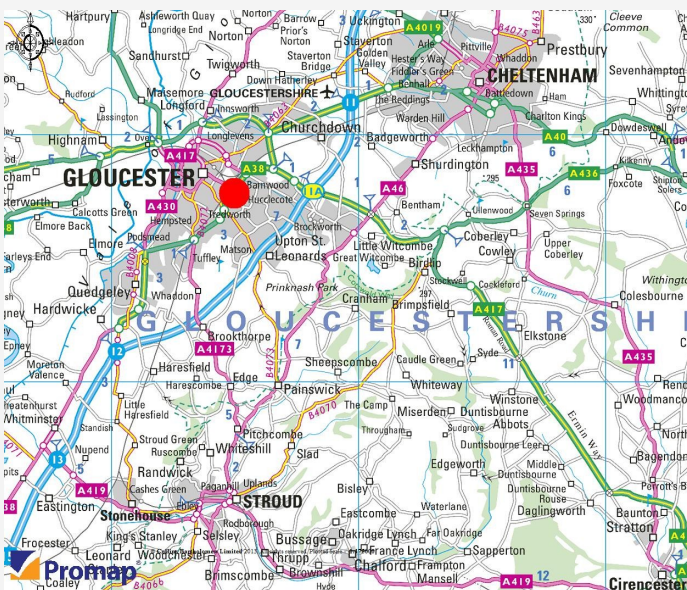
# Location and Situation

## Location

Gloucester is the commercial and administrative centre of the County supporting a residential population of 110,000. The city is located 10 miles east of Cheltenham, 35 miles north east of Bristol, 55 miles south of Birmingham and 100 miles west of London.

Gloucester has excellent road communications with junctions 11, 11A and 12 of the M5 Motorway approximately 5 miles to the south and east of the City. The A40 connects Gloucester with Oxford and London to the east and South Wales to the west.

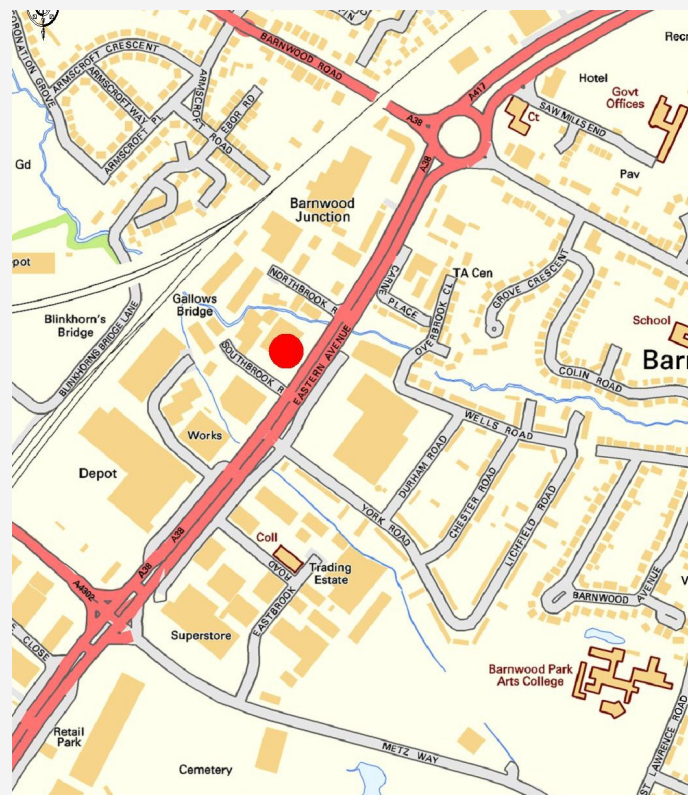
Gloucester benefits from good rail communications links with regular services to London Paddington (quickest journey time of approximately 1 hour 50 minutes).



## Catchment and Demographics

Gloucester has an estimated urban area population of 136,203 persons (2001 census) with 402,425 people within a 20 minute drive time.

Gloucester is an affluent city and benefits from thriving tourism with some 1.7 million visitors annually spending over £100m. Class groupings AB and C1 account for 52% of the urban population, indicating a high degree of local spending power. Home ownership (75.4%) and the number of households with 1 car (45.9%) are also above average when compared with the UK averages.



## Situation

The property is prominently situated on the western side of Eastern Avenue at the junction with Southbrook Road. Eastern Avenue (A38) links with the A417 Northern By-Pass which provides access to the M5. The property is located 2 miles to the east of Gloucester City Centre.

## Description

The property comprises two self-contained purpose built retail warehouse units. The buildings, constructed in 1999, are of steel portal frame construction with brick and plastic coated profiled sheet elevations and a pitched roof with profiled metal cladding incorporating translucent panels.

There are 92 car parking spaces and the car park is shared between the two tenants.

The site comprises 0.69Ha (1.71 acres).



\*Red Line plan is for indicative purposes only.

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# Location and Situation

## Tenure

Freehold

## Accommodation and Tenancy Information

The two retail units have been measured in accordance with the RICS Code of Measuring Practice (Sixth Edition) and comprise the following gross internal floor areas:

	Tenant	Area (sq ft)	Start	Expiry	Break	Rent (pa)	Rent (psf)	Comments
Unit 1	DSG Retail Ltd t/a PC World	15,699	29/09/2001	28/09/2021	n/a	£257,100	£16.38	
Unit 2	Magnet Ltd	6,964	15/09/1999	09/09/2024	10/09/2019	£116,000	£16.65	Until 28 March 2014 tenant pays £58,000. Vendor is proposing to top up the rent.*
<b>Total</b>		<b>22,663</b>				<b>£373,100</b>		

\*A 10 year reversionary lease was agreed in exchange for two years at half rent.

## VAT

We understand the property is elected for VAT, however, anticipate the sale will be treated as a Transfer of a Going Concern (TOGC).

## EPC

The retail units have the following EPC ratings:

Unit 1: EPC Rating B

Unit 2: EPC Rating C



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# Retail Warehouse Provision

## Retail Warehouse Provision in Gloucester

According to PROMIS retail warehouse supply in Gloucester is estimated at 935,000 sq ft. A summary of the three main retail warehouse parks in Gloucester is provided below:

### St Oswalds Retail Park

This scheme is the largest retail park in the Cheltenham and Gloucester area. Situated to the north west of the city centre it provides approximately 220,000 sq ft of retail warehouse accommodation. The tenant line-up includes B&Q Warehouse, DW Fitness, Homebase, Mothercare and Wren.

### Peel Centre Retail Park

This retail and leisure park is situated to the south west of Gloucester City Centre on St Anne Way and extends to circa 165,000sq ft. The planning consent prevents the sale of food and fashion goods, allowing Toys R Us and Hobbycraft to trade from the park. Other occupiers include Gala Bingo, Rosebys, Dreams and Cineworld.



### Quedgeley Retail Park

Quedgeley Retail Park adjoins a Tesco foodstore and is located on the Bristol Road, 4 miles south of the City centre. Built in 2000 the park is arranged as a terrace of three retail warehouses and four shop units. Occupiers include Next, Matalan, Brantano, William Hill, and Dominos. The park benefits from open A1 planning and extends to 56,700 sq ft.



## Retail Warehouse Provision on Eastern Avenue

Eastern Avenue is an established location for out-of-town retail warehousing, comprising a variety of parks, clusters and solus units. The critical mass of Eastern Avenue is further enhanced by the presence of other national occupiers including Halfords, Staples, Lidl and McDonalds. A summary of the Eastern Avenue retail warehouse parks is provided below:

### Gloucester Retail Park

Gloucester Retail Park is opposite the subject property and is the largest retail warehouse park in the area, providing approximately 112,650 sq ft of retail accommodation. Tenants include The Range, B&M and AHF Furniture Stores.

### Eastern Avenue Retail Park

Eastern Avenue Retail Park is within close proximity to the subject property and is a modern terrace of 4 units and a restaurant extending to approximately 65,350 sq ft. The scheme is anchored by Currys and other occupiers include Harvey, Carpetright and Pizza Hut.



# Planning and Covenant

## Covenant

### DSG Retail Ltd

The company have a D&B rating of 5A 1

The holding company is Dixons Retail PLC, which is Europe's largest specialist electrical retailing and services company. DSG Retail Ltd have released the following accounts:

	28/04/2012 £ '000	30/04/2011 £ '000	01/05/2010 £ '000
Turnover	3,743,700	3,858,000	4,110,500
Pre-Tax Profit	53,700	18,400	-2,200
Net Worth	462,000	443,300	414,200

### Magnet Ltd

The company have a D&B rating of 4A 2.

Magnet is one of the UK's leading manufacturers and suppliers of joinery and kitchen products to trade and consumer markets. It is part of the Nobia Group, Europe's leading kitchen company, and employs 1,700 employees in the UK.

	31/12/2012 £ '000	31/12/2011 £ '000	31/12/2010 £ '000
Turnover	298,674	345,856	386,548
Pre-Tax Profit	-5,106	6,932	5,674
Net Worth	16,270	29,258	32,427



## Planning

Consent was received in 1998 for the erection of 2 non-food retail units (Class A1). The permitted use is for the sale of '... carpets, furnishings, electrical goods, pet and pet supplies, office equipment, DIY products for the maintenance and improvement of the home, garden and motor vehicle, and any goods ancillary to these permitted uses and for no other purpose without the prior permission of the City Council.'

A copy of the planning permission is available on request.



# Contact and Viewing Arrangements



## Proposal

We are seeking offers in the region of **£4,150,000** (Four Million One Hundred and Fifty Thousand Pounds) subject to contract and exclusive of VAT.

A purchase at this level would reflect a **net initial yield of 8.5%** assuming purchaser's costs at 5.8%.

## Viewing Arrangements

For further information or to arrange an inspection please contact the sole agents.

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**SUBJECT TO CONTRACT & EXCLUSIVE OF VAT**

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