BINHAMY RETAIL PARK
STRATTON ROAD, BUDE, CORNWALL, EX23 8BA
NEW RETAIL PARK FOR SALE
INVESTMENT SUMMARY

- New retail park of 43,300 sq ft which will serve an extensive and dedicated catchment in the North Cornwall/West Devon region.

- Binhamy Retail Park is situated on the principal route into Bude from the A39.

- The property adjoins a 50,590 sq ft Morrisons foodstore with a petrol filling station and a new 16,802 sq ft Lidl.

- The development comprises an attractive retail park which is well suited to current occupational requirements.

- Four of the five units have open A1 (part food) planning permission with the fifth having a wide bulky goods (including part food) planning permission.

- The park has been let to B&M, Poundworld, Peacocks, Subway and Card Factory at rents of £10.21 - £14.43 psf.

- The existing lettings provide a WAULT of [11.27 years] to lease expiry/break.

- Our client is seeking offers in excess of £7.291 million, subject to contract and exclusive of VAT, for the freehold interest in the property.

- A purchase at this level will show a Net Initial Yield of 6.5%, after allowing for purchaser’s costs of 6.8%.
LOCATION

Bude is Cornwall’s most northern town and has been a popular seaside resort since Victorian times. Famed for its wide sandy beach facing due west to the Atlantic Ocean, Bude generates impressive waves and has thus become something of a Mecca for British surfers. Indeed the UK’s first Surf Life Saving Club was formed in Bude in 1953 by a group of Australian surfers, who nicknamed the town ‘the Bondi of Britain’.

Bude is located upon the A39 Atlantic Highway, which leads north to Barnstaple and south to Newquay. The A3072 leads east from Bude to Holsworthy, and onwards towards Exeter.

As may be noted from the adjoining road map, Bude serves an extensive catchment with very little supermarket or retail warehouse competition in the surrounding towns. Accordingly, Bude draws shoppers from a very large geographic area, many of whom regularly visit the town’s foodstores.

EXPERIAN estimate that Bude has a catchment of 24,643 people, and a shopper population of 16,027.

The social profile of Bude’s catchment is broadly in line with the national average, with the exception of a notable over-representation within the group ‘Skilled Manual Workers’ (Bude 32.6%, UK 20.9%). Unemployment in Bude stood at just 1.0% in 2015, less than half that of the national average (2.1%). A full demographic profile of the town is available upon request.
SITUATION

The subject property is situated immediately to the south of the A3072, which is the principal access into the town from the A39.

Directly opposite the subject property is the town’s main foodstore, a 50,590 sq ft Morrisons with a petrol filling station. The subject property also adjoins a new 16,802 sq ft Lidl foodstore. The only other foodstore in Bude is a small 20,339 sq ft Sainsbury’s to the north west of the town.

In the areas to the west, south and east of the property, Bovis Homes are building some 400 new houses.

SITE

The site is level and extends to some 3.59 acres (1.45 ha).

Prior to the subject development the site was open farmland and our client commissioned a Phase II ground investigation report from Jubb Consulting Engineers dated December 2014, which concluded that ‘No chemical exceedances were identified and there are no contaminants of concern’. A copy of this report is available upon request and it may be assigned to the purchaser.
DESCRIPTION

The subject development comprises an attractive new retail park of five units totalling 43,300 sq ft, all facing on to a central customer car park. There is a separate rear service yard providing rear loading to all of the units.

As may be noted from the accompanying photographs, the units have been constructed to a high specification with glazed entrances and feature tenant signage.

The buildings are of steel portal frame construction with low level brick and blockwork and profiled metal cladding above. The roofs are of pitched metal profiled cladding with inset skylights. The units have glazed aluminium powder coated shop fronts.

The B&M unit has a garden centre of 6,132 sq ft. There are a total of 146 customer car parking spaces giving a generous parking ratio of 1:255 sq ft upon the ground floor GIA.

TENURE

Freehold.

PLANNING

The subject property was granted planning consent by virtue of two planning permissions, dated 22nd May 2015 and 4th April 2016. A further planning permission was granted on 15th January 2018 to subdivide Unit A.

Units A1 and A2 (Card Factory/Subway) have open A1 planning permission (including food).

Unit B (Peacocks) has open A1 (non food) planning permission.

Unit C (Poundworld) has an open A1 planning permission which allows up to 15% of the floorspace to be used for the sale of food.

Unit D (B&M) has a wide bulky goods planning permission which also allows up to 15% of the floorspace to be used for the sale of food.

Copies of the above planning permissions are available upon request.
TENANCIES

The subject property has been let to B&M, Poundworld, Peacocks, Subway and Card Factory in accordance with the following tenancy schedule.

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Area (Sq Ft)</th>
<th>Rent (Per Sq Ft)</th>
<th>Rent (PA)</th>
<th>Lease Term</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>B&amp;M</td>
<td>23,201</td>
<td>£13.43</td>
<td>£311,688</td>
<td>15 years from 3 Jan 2017</td>
<td>15 year lease (without break), subject to 5 yearly rent reviews to OMV, capped at 112% (2.4% pac). Garden centre rent reviewed to RPI (uncapped). 14 month rent free period (no capital contribution).</td>
</tr>
<tr>
<td></td>
<td>6,132 (garden centre)</td>
<td>£1.22</td>
<td>£7,481</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poundworld</td>
<td>5,024</td>
<td>£13.44</td>
<td>£67,500</td>
<td>10 years from 3 Jan 2017</td>
<td>10 year lease (without break), subject to 5 yearly rent review to OMV, capped at £80,000 pa (3.5% pac). 18 month rent free period. £19,000 payment for amenity block and flooring works.</td>
</tr>
<tr>
<td>Peacocks</td>
<td>5,025</td>
<td>£14.43</td>
<td>£72,500</td>
<td>10 years from 30 Jan 2017</td>
<td>10 year lease (with a 5 year tenant’s break option), subject to a 5 year rent review to OMV. 9 month rent free period. £15,000 payment for amenity block works.</td>
</tr>
<tr>
<td>Subway</td>
<td>1,959</td>
<td>£10.21</td>
<td>£20,000</td>
<td>15 years from 1 May 2018</td>
<td>15 year lease (with 6 and 11 year tenant’s break options). In addition Subway may buy out the lease at any time upon the payment of £40,000 (2 year’s rent). 5 yearly rent reviews to RPI (0-3% PAC). 12 months rent free period.</td>
</tr>
<tr>
<td>Card Factory</td>
<td>1,959</td>
<td>£13.78</td>
<td>£27,000</td>
<td>5 years from 1 May 2018</td>
<td>5 year lease. 9 month rent free period.</td>
</tr>
<tr>
<td>Total</td>
<td>43,300 (incl. garden centre)</td>
<td></td>
<td>£506,169</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INCOME SECURITY

All of the lettings at Bude Retail Park are to national multiple retailers who are household names.

The income from the existing lettings has a weighted average unexpired lease term (WAULT) of [11.27 years], to the earlier of lease expiry/break.

A summary of the most recent financial information upon the tenants is set out in the table opposite.

<table>
<thead>
<tr>
<th>Tenant</th>
<th>D&amp;B Rating</th>
<th>Risk of Business Failure</th>
<th>Year Ending</th>
<th>Sales Turnover (£’000s)</th>
<th>Pre Tax Profit (Loss) (£’000s)</th>
<th>Net Worth (£’000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B&amp;M Retail Ltd</td>
<td>5A1</td>
<td>Minimum</td>
<td>25-Mar-17</td>
<td>£2,252,265</td>
<td>£198,006</td>
<td>£498,412</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>26-Mar-16</td>
<td>£1,902,557</td>
<td>£168,121</td>
<td>£440,372</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>28-Mar-15</td>
<td>£1,526,181</td>
<td>£116,800</td>
<td>£333,599</td>
</tr>
<tr>
<td>Poundworld Retail Ltd</td>
<td>3A2</td>
<td>Lower Than Average</td>
<td>31-Mar-16</td>
<td>£462,689</td>
<td>(5,405)</td>
<td>£7,048</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>31-Mar-15</td>
<td>£422,304</td>
<td>£13,726</td>
<td>£22,197</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>31-Mar-14</td>
<td>£345,259</td>
<td>£5,002</td>
<td>£11,498</td>
</tr>
<tr>
<td>Peacocks Stores Ltd</td>
<td>5A1</td>
<td>Minimum</td>
<td>27-Feb-16</td>
<td>£369,711</td>
<td>£67,879</td>
<td>£141,072</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>28-Feb-15</td>
<td>£351,680</td>
<td>£67,042</td>
<td>£133,220</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>01-Mar-14</td>
<td>£324,874</td>
<td>£58,471</td>
<td>£90,545</td>
</tr>
<tr>
<td>Subway Realty Ltd</td>
<td>2A2</td>
<td>Lower Than Average</td>
<td>31-Dec-16</td>
<td>£33,266</td>
<td>£1,386</td>
<td>£2,934</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>31-Dec-15</td>
<td>£31,963</td>
<td>£1,668</td>
<td>£1,827</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>31-Dec-14</td>
<td>£28,614</td>
<td>£1,946</td>
<td>£656</td>
</tr>
<tr>
<td>Sportswift Ltd</td>
<td>5A1</td>
<td>Minimum</td>
<td>31-Jan-17</td>
<td>£379,540</td>
<td>£81,718</td>
<td>£62,010</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>31-Jan-16</td>
<td>£362,226</td>
<td>£82,210</td>
<td>£80,967</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>31-Jan-15</td>
<td>£336,676</td>
<td>£62,320</td>
<td>£58,862</td>
</tr>
</tbody>
</table>
OUT OF TOWN RETAIL AROUND BUDE

As outlined earlier the 50,590 sq ft Morrisons opposite the subject premises is the dominant foodstore in the area which, together with the Lidl (16,802 sq ft) and subject property, comprise the largest concentration of out of town retail in the North Cornwall/ West Devon region.

There are no other retail warehouses in Bude nor in the surrounding towns. Indeed the nearest retail parks are located in Launceston (18 miles) and Barnstaple (31 miles). Accordingly, the subject premises will draw upon an extensive and dedicated catchment.

With regard to foodstores, apart from the Morrisons/Lidl adjoining the subject premises, the only other provision in Bude is a small Sainsbury’s of 20,339 sq ft to the north west of the town. In the surrounding towns the nearest foodstores are the Waitrose at Holsworthy (9 miles), the Tesco at Launceston (18 miles) and the Asda at Bideford (23 miles).

THE DEVELOPER

The subject property was developed by Catesby Property Group plc, who acquired the site as part of a 57 acre holding. The surrounding land was granted planning permission for housing in July 2011 and was sold to Bovis Homes, who commenced its development in 2013.

Catesby was established in 1996 and has an extensive track record in the development of both commercial and residential property.

In February 2015 Catesby was acquired by Urban&Civic plc. Urban&Civic currently either own or have stewardship over 4,000 acres of land across the country, which will deliver more than 6 million sq ft of business space and 20,000 new homes.

Full details of both Catesby and Urban&Civic may be found at their respective websites, www.catesby-property.co.uk and www.urbanandcivic.com.

PURCHASE PRICE

Our client is seeking offers in excess of £7,291 million (seven million two hundred and ninety one thousand pounds), subject to contract and exclusive of VAT, for the freehold interest in the property.

A purchase at this level will show a Net Initial Yield of 6.5%, after allowing for purchaser’s costs of 6.8%.
MISREPRESENTATION ACT 1967 AND DECLARATION

Messrs Staunton Whiteman LLP for themselves and for the vendors of this property whose agents they are, give notice that:
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ii) all descriptions, dimensions, references to condition and necessary permission for use and occupation and other details are given in good faith and are believed to be correct, but any intending purchasers should not rely on them as statements or representations of fact and must satisfy themselves by inspection or otherwise as to the correctness of each of them;
iii) no person in the employment of Staunton Whiteman LLP has any authority to make or give any representation or warranty in relation to this property.

FURTHER INFORMATION

Should you require any further information on the property or wish to arrange an inspection, please do not hesitate to contact:

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