

FOCUS

DOMINION WAY, NUNEATON, CV10 0AD

Freehold Retail Warehouse Investment





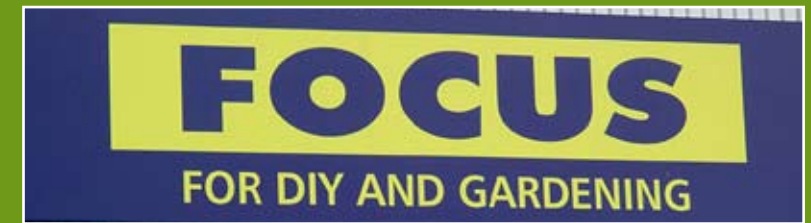
FOCUS
FOR DIY AND GARDENING

Wickes
showroom

Countdown
Warehouse

FOCUS

DOMINION WAY, NUNEATON, CV10 0AD



EXECUTIVE SUMMARY

- **Prominent** location in affluent Warwickshire town
- Retail warehouse comprising 2,859 sq m (30,775 sf)
- **Freehold**
- **Bulky goods** planning consent
- Let to Focus DIY Ltd for **in excess of 20 years unexpired**
- Low passing rent that equates to **£110.2 psm (£10.85 psf)**
- **Fixed uplift** in September 2010 to £132.2 psm (£12.28 psf)
- Our clients are seeking offers, subject to contract, in the region of **£4.55 million** which will show a purchaser a net initial yield of 6.94% rising to **7.85%** in September 2010

INVESTMENT ATTRIBUTES

- Low base rent
- Strong covenant
- Long unexpired lease term

OPPORTUNITIES

- Explore widening planning consent



LOCATION

Nuneaton is a busy Warwickshire town which benefits from good road and rail communications being located close to the M6 and M69 motorways as well as the busy A5. The town is located approximately 39 km (24 miles) east of Birmingham, 14 km (9 miles) north of Coventry and 31 km (19 miles) west of Leicester. Nuneaton is on the main London to Liverpool Intercity railway line. The average journey time to London (Euston) is approximately 1 hour 12 minutes.

Birmingham International Airport is located approximately 27 km (17 miles) south west of Nuneaton.

SITUATION

The subject property is prominently located on the eastern side of Weddington Road (A444) approximately 800 metres (½ mile) north of Nuneaton town centre. The A444 is the principal route leading north from the town to the A5.

The property is situated within a mixed commercial and residential area, with access and egress directly off Weddington Road.

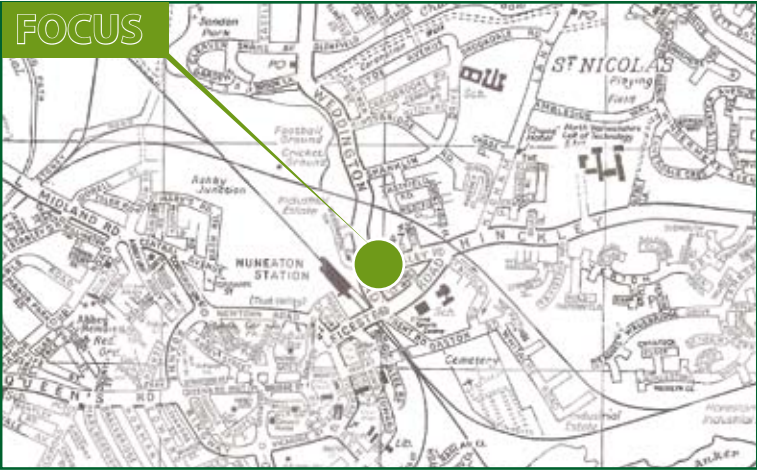
DEMOGRAPHICS

Within a 20 minute drivetime of the property there is a resident population of 305,211 people (Savills GIS Research, Aug 2007).

The demographic profile of the catchment indicates a relatively affluent and mobile population in line with the GB average and may be summarised as follows:

	Catchment	GB
Economically active	63.20%	60.38%
Full time or part time employees	56.61%	52.24%
Home ownership	76.20%	68.29%
Own 2 or more cars/vans	25.29%	23.07%

Source: Savills GIS Research, Aug 2007)



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NUNEATON'S OUT OF TOWN RETAIL

The subject property's current rent of £10.85 per sq ft is low in comparison to other retail warehouse units in Nuneaton. There is limited provision of retail warehouse accommodation in Nuneaton, with no other DIY operators in the town.

Outlined below are details of the key schemes.

Bond Street Development

This three unit development is the only purpose built retail park in Nuneaton and is located close to an ASDA foodstore. The scheme consists of approximately 47,000 sq ft of retail warehouse accommodation let to Carpetright, Currys and MFI. The current rents passing on the scheme are £12.50 per sq ft although reviews are outstanding from June 2007. The scheme has an Open A1 planning consent.

Station Retail Park

This collection of four units is located on the eastern edge of Nuneaton town centre and was developed in 1996. It currently provides approximately 38,000 sq ft of retail warehouse accommodation let to Dunelm Millshop, Netto, Blockbuster and Poundstretcher. The Dunelm unit of 16,065 sq ft is let off £9.00 per sq ft following their review in November 2004.

Halfords

Developed in 1989, this solus unit located on Newtown Road comprises 13,139 sq ft of retail warehouse accommodation. The unit is let to Halfords until June 2021 with a current rent passing of £131,390 which equates to £10.00 per sq ft. The June 2006 rent review is outstanding. The unit benefits from an Open A1 planning consent.

Pets at Home

This small solus unit located close to the Bond Street development opened in early 2006 and comprises 5,275 sq ft of retail warehouse accommodation. The unit is let to Pets at Home until June 2026 at a current rent passing of £89,675 which equates to £17.00 per sq ft. The unit benefits from an Open A1 (non-food) planning consent.



DESCRIPTION

The property comprises a purpose built retail warehouse constructed in 1985.

The property is of steel portal frame construction with brick built elevations. There is a secure compound and service yard to the eastern side of the property.

ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) to provide the following Gross Internal Area:

Description	Sq M	Sq Ft
Ground Floor	2,859	30,775

The unit benefits from first floor offices of approximately 97 sq m (1,045 sq ft).

SITE

The site is outlined in green on the Ordnance Survey extract and extends to approximately 0.82 hectares (2.03 acres). This provides a site coverage of approximately 35%.

CAR PARKING

There are a total of 101 car parking spaces providing a ratio of 1:28 m (1:305 sq ft).

TENURE

The site is held freehold.

PLANNING

On 27th November 1984 planning permission was granted for the:

“Erection of unit for retail sale of DIY, home improvement, builders merchants, garden and associated products.”

On the 8th November 1994 this permission was varied for the sale of the following goods in addition to the original planning consent:

“Furniture, carpets, DIY and garden products, white electrical goods, car maintenance products and car accessories”.

There is no express comment in the planning documents prohibiting any subdivision of the unit.

TENANCY INFORMATION

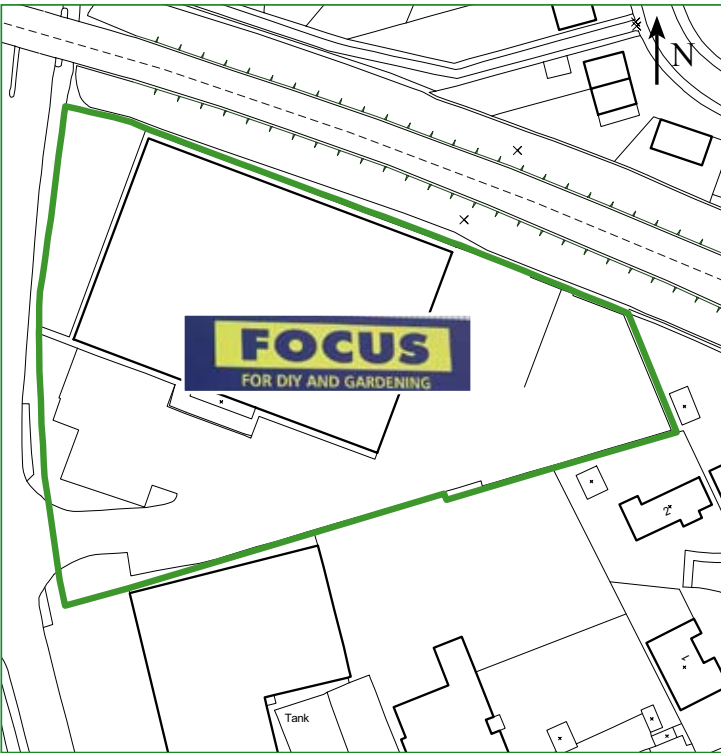
Demise	Tenant Name	Current Rent pa (psf)	Fixed uplift	Next Open Market Rent Review (Expiry)
Entire	FOCUS DIY Ltd	£334,045 (£10.85)	30-Sep-2010	30-Sep-15 (29-Sep-28)
TOTAL		£334,045	£377,941 (£12.28 pdf)	

* Fixed uplift. Next Open Market Rent Review is 30-Sept-15

TENANT’S COVENANT

Tenant	Account Year End	Turnover (£'000s)	Pre-tax Profit (£'000s)	Net Worth (£'000s)	D&B Rating
FOCUS DIY Ltd	29 Apr 07	237,787	(46,742)	95,554	5A1

(Source: Dun & Bradstreet August 2007)



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PROPOSAL

We are instructed to seek offers in the region of £4.55 million (Four Million Five Hundred and Fifty Five Thousand Pounds), subject to contract and exclusive of VAT.

This will show the purchaser the following yield profile net of purchaser's costs:

Net Initial yield	6.94%
Yield September 2010	7.85%

For any further information, please contact:

Jane Dempster

020 7409 8867

jdempster@savills.com

London

20 Grosvenor Hill

London,

W1K 3HQ

Hazel Butler

0161 277 7204

hbutler@savills.com

Manchester

Fountain Court

68 Fountain Street

Manchester, M2 2FE



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