Wickes, Springkerse Retail Park, Stirling, FK7 7TL

Investment Summary

**Stirling** is the retail and administrative centre for the Stirlingshire region, with a catchment population of **221,000 people**.

The city is in the **heart of Scotland**, with excellent communication links to Glasgow and Edinburgh.

Springkerse Retail Park is the **only ‘bulky’ retail park** for the substantial catchment, with a strong and attractive tenant line-up including **B&Q, PC World, Halfords and Morrisons**.

**Absolute Ownership** (Scottish Equivalent of English Freehold).

The property provides a **standalone retail warehouse** extending to 28,446 sq. ft. (2,642.7 sqm) with 130 car parking spaces.

Fully let to the strong covenant of **Wickes Building Supplies Ltd**, with an unexpired lease term of c.6 years unexpired.

Offers are sought in the region of **£4,950,000** (Four Million, Nine Hundred and Fifty Thousand Pounds Sterling), reflecting a **net initial yield of 7.75%**, after allowing for purchaser’s costs of 5.80%.
Stirling is the main administrative and financial centre for Stirlingshire and draws on a significant catchment which is readily accessible through the city’s strong communication links. The city is situated in the heart of Scotland at Junctions 6 and 10 of the M9 and within close proximity to the M80. There are excellent rail links to the surrounding area and direct services to Perth, Glasgow Queen Street and Edinburgh Waverley Stations.

The city’s catchment includes a number of notable towns, with Dunblane approximately 6 miles (10 km) to the south, Alloa is 8 miles (13 km) to the east, Falkirk is 14 miles (22 km) south east and Cumbernauld is 14 miles (22 km) to the south west. The city is also a popular commuter location due to its close proximity and easy access to Glasgow (26 miles, 42 km) and Edinburgh (36 miles, 58 km). It is often referred to as the gateway to the Highlands.

Stirling’s strategic and accessible location, along with the exceptional quality of life, has helped to attract new residents, business and visitors. The city boasts a very strong commercial base with further education, local government and financial services making up the main employment sectors. Major employers in the city include HSBC, Maxxium UK, Gladedale Homes (Bett), Xaffinity, Robertson Group and Cascade Technologies. The University of Stirling boasts approximately 12,300 students and employs over 1,400 staff.

Stirling has a population of approximately 91,260 people (2013), with a primary retail catchment population of 221,000 (Source: PMA). The Stirling Council area (which includes Dunblane, Bannockburn and Bridge of Allan) saw an increase in population of 0.3% in 2013. A significant increase in households is planned and the population is projected to increase by 16.3% to 105,860 people in 2037. This population growth is significantly ahead of of the 8.8% projected increase in Scotland for the same period.

The subject property is situated on Springkerse Retail Park, between junctions of the A905 and A91, approximately 1 mile south east of Stirling city centre.
Wickes, Springkerse Retail Park, Stirling, FK7 7TL
Tenancy

The property is let to Wickes Building Supplies Limited on an FRI lease for 25 years expiring on 24 March 2021, with an unexpired term of c.6 years unexpired. The passing rent is £406,125 per annum, equating to £14.28 per sq. ft. The rent is subject to upward only rent reviews, with the next review due on 25 March 2016.

Description

The property provides a standalone retail warehouse, with a secure service yard to the rear. There are 130 car parking spaces in front of the unit, 4 of those being for disabled use, providing a ratio of 1 car parking space to 218 sq. ft. The first floor is at the front of the unit and is used as offices/canteen.

The unit is situated on a site that extends to 1.56 ha (3.85 acres) and has a low site coverage of 16%.

Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and the approximate gross internal areas are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>sq m</th>
<th>sq ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground Floor</td>
<td>2,509.45</td>
<td>27,011</td>
</tr>
<tr>
<td>Mezzanine</td>
<td>133.32</td>
<td>1,435</td>
</tr>
<tr>
<td>Total</td>
<td>2,642.77</td>
<td>28,446</td>
</tr>
</tbody>
</table>

Tenure

Absolute Ownership (Scottish Equivalent of English Freehold).

Tenancy

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Wickes began in the USA in the 1950s and have had a presence in the UK since 1972, when they opened their first store in Manchester. Wickes now have more than 200 stores across the UK offering a wide range of branded and own brand DIY products to the trade and public.

They are considered a “Very Low Risk” by Experian, who rate them with a Delphi score of 100. The most up to date financial information is as follows:

<table>
<thead>
<tr>
<th>(£000s)</th>
<th>31/01/2011</th>
<th>29/01/2012</th>
<th>28/01/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover/Sales</td>
<td>980,450,000</td>
<td>976,136,000</td>
<td>972,038,000</td>
</tr>
<tr>
<td>Pre-Tax Profit</td>
<td>40,375,000</td>
<td>55,550,000</td>
<td>49,441,000</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>576,554,000</td>
<td>611,982,000</td>
<td>729,672,000</td>
</tr>
<tr>
<td>Total Net Worth</td>
<td>230,250,000</td>
<td>273,471,000</td>
<td>298,859,000</td>
</tr>
</tbody>
</table>

The property is covered by the outline planning consent for “Springkerse ‘Non-food’ Retail Park” which provides consent for the sale of DIY or other household goods. Further information available on request.
Out of Town Retail Warehouse Provision

Stirling Council have restricted the out of town provision in order to protect the town centre and the existing retail hierarchy. Springkerse Retail Park and Burghmuir Retail Park are the principal retail warehouse destinations in Stirling, with there only being limited provision out with that.

Springkerse Retail Park provides 264,000 sq. ft. of non-food, DIY and Household retailing. The park has been developed in two phases and is controlled by two respective landlords. There is also a Morrisons supermarket, which is owner occupied.

Burghmuir Retail Park, located on the edge of the city centre, was developed in 2012 and provides a 58,300 sq. ft. ‘Open Class 1’ park. The park is anchored by Waitrose (36,910 sq. ft.), Maplin and TK Maxx.

VAT

The property has been elected for VAT and therefore VAT will be payable on the purchase price. However it is anticipated that the sale will be treated as a Transfer Of a Going Concern (TOGC).

EPC

The EPC rating for the property is D and the CO2 emission is 58. A full EPC is available on request.
Offers are sought in the region of £4,950,000 (Four Million, Nine Hundred and Fifty Thousand Pounds Sterling), subject to contract and exclusive of VAT for the Absolute Ownership (Scottish Equivalent to English Freehold) of the interest in this property. A purchase at this level would show an initial yield of 7.75% based on purchaser’s costs of 5.80%.

For further information please contact:

Sarah Stewart
T: 0131 226 8736
E: sarah.stewart@eur.cushwake.com

Stephen Bibby
T: 0131 226 8738
E: stephen.bibby@eur.cushwake.com

Cushman & Wakefield LLP
The Auction House
63A George Street
Edinburgh EH2 2JG

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