SOUTH EAST RETAIL INVESTMENT OPPORTUNITY

OPEN A1, PART FOOD CONSENT
Maidstone is projected to see significantly above average growth in population over the period 2015-20 - PMA

125,429 people within a 10 minute catchment
Investment Summary

- Maidstone is the affluent and growing County Town of Kent, ideally located 32 miles south-east of London.
- The Retail Park boasts an attractive mix of tenants including Dunelm, Home Bargains, Argos, Jollyes, Family Bargains and Dreams.
- The Retail Park is located on the arterial London Road connecting Maidstone town centre to the M20.
- Open A1 part food.
- Freehold
- AWULT of approximately 8.65 years to expiry.
- In total the investment will produce £1,388,169 per annum which equates to £18.43 per sq ft overall.
- Offers are invited at a price in order of £20,000,000 (Twenty Million Pounds).
- A purchase at this level would reflect a net initial yield of 6.56% rising to a minimum of 6.61% in 2018 after deducting purchaser’s costs of 5.80%.
**Location & Communications**

Maidstone is the County Town and administrative centre of Kent. The town is situated approximately 31 miles (50 km) south-east of Central London, 20 miles (32 km) east of Sevenoaks and 21 miles (33 km) north-west of Ashford.

Maidstone benefits from excellent transport communications being located on the M20 motorway, with easy access to the M25 to London and the South East. The town is an important commercial centre being located approximately 25 miles (40 km) from the Channel Tunnel ports and 20 miles (32 km) from Ashford International Eurostar Terminal.

Southend Airport is 22 miles (36 km) from the town, with international airports London City and Gatwick 40 miles (65 km) and 50 miles (80 km) respectively. By train, regular services run between Maidstone and London Victoria with a fastest journey time of 1 hour.

**Situation**

London Road Retail Park is located on the A20 London Road, which is the major through road connecting Maidstone to Junction 5 of the M20. The scheme is situated in a predominately residential area to the north-west of the town centre. It is approximately 0.8 miles from the main shopping area and 0.7 miles (15 minute walk) from Maidstone East station, which provides regular services to London Victoria.

Adjacent to the scheme is Maidstone Bowls Club, while opposite is a school and The Somerfield Hospital.

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**Catchment**

- 5 minute drive time population – 49,920
- 10 minute drive time population – 125,429
- 15 minute drive time population – 188,207

Maidstone is a well-established town and the administrative centre of Kent. The Park therefore benefits from a large catchment population with approximately 49,920 people within a 5 minute drive time according to CACI; this figure rises to 125,429 within 10 minutes and 188,207 within a 15 minute drive time.

Overall the Maidstone catchment population is moderately affluent with per capita retail spending levels being above the Promis average. According to CACI, within the primary catchment (5 minutes) there is a high proportion of adults (20 to 44 years old). Of this, people of a working age who are economically active is 9% higher than the UK average with those in full time employment 18% higher.

Within the 15 minute catchment households who own their home outright or with a mortgage are 11% and 17% higher than the UK average. Additionally car ownership is high within the catchment, with ownership of two, three and four cars significantly above the UK average at 31%, 38% and 56% respectively.

Annual expenditure across the catchment is above average in 21 out of 26 categories. Importantly for the subject property expenditure on Household Furniture, Equipment & Maintenance is approximately 9% higher than the UK average, whilst expenditure on Recreation & Culture is approximately 12% higher than the UK average.
Retail Warehouse Provision

Maidstone has become a strong retail destination within Kent with a dominant retail warehouse cluster surrounding the town centre. The area offers an estimated retail warehouse supply of 976,000 sq ft making it a prime retail destination for customers within the catchment.

Retail Warehousing in the area includes:

1. **South Aylesford Retail Park**
   - Owned by The Crown Estate
   - Size: 169,995 sq ft
   - Tenants: Homebase, Carpetright, Wren Living, Costa Coffee, Currys/PC World, Smyths Toys, Oak Furnitureland, M&S Simply Food, Halfords, Betta Living, Pets at Home and Harveys/Bensons
   - Rents range from £22.50 psf - £40.00 psf

2. **St Peter’s Wharf, Maidstone**
   - Owned by CBRE Global Investors
   - Size: 131,981 sq ft
   - Tenants: The Range, TK Maxx, Hobbycraft, Asda Living and Travelodge
   - Rents range from £22.00 psf - £31.00 psf
   - There is also a Wickes Extra unit, owned by Canada Life, adjacent to the scheme

3. **Hart Street Estate, Maidstone**
   - Owned by LaSalle Investment Management
   - Size: 40,600 sq ft
   - Tenants: HSS Hire, Motoring Accessories, DIY, Carpets, Tile Giant, Johnstone’s Decorating and Topps Tiles
   - Adjacent there is a 30,148 sq ft B&Q

4. **Next**
   - Owned by Charles Street Buildings Group
   - Size: 40,000 sq ft
   - Opened November 2014
**London Road Retail Park**

**Description**

London Road Retail Park consists of a steel frame construction with brick and steel cladding, which was constructed in the mid 1980s.

The six adjoining retail units provide a total of 75,312 sq ft of ground floor retail accommodation. Four units have mezzanine provision equating to 36,990 sq ft. Three mezzanines are utilised for trading and one is used for storage.

The site has ample customer car parking to the front and rear of the property. In total there are 299 spaces providing a ratio of 1:252 sq ft.

The total area of the site is approximately 5.61 acres (2.27 ha) which provides a site coverage of 30%.

**Tenure**

The site as outlined in red is held Freehold. Title documents are available on request.

There is an additional strip of land adjacent to Leafy Lane highway which will form part of the sale. Further information available on request.
Planning
Open A1, Part Food. Further details available on request.

Tenancy
The scheme has an average weighted unexpired lease term of approximately 8.65 years to expiry (7.93 years to break).

<table>
<thead>
<tr>
<th>Unit / Demise</th>
<th>Tenant</th>
<th>Unit (sq ft)</th>
<th>Lease Start</th>
<th>Lease Expiry</th>
<th>Rent (pa)</th>
<th>Rent (psf)</th>
<th>Break Date</th>
<th>Rent Review</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit 1A</td>
<td>Jollyes</td>
<td>6,079</td>
<td>02/09/2013</td>
<td>01/09/2023</td>
<td>£119,040</td>
<td>£20.00</td>
<td>02/09/2018</td>
<td>02/09/2018</td>
<td>Tenant break subject to 6 month rental penalty. RPI collar and cap. 2% &amp; 5% per annum compounded</td>
</tr>
<tr>
<td>Unit 1B</td>
<td>99p Stores Ltd t/a Family Bargains</td>
<td>13,597</td>
<td>10/07/2012</td>
<td>09/07/2022</td>
<td>£251,193</td>
<td>£18.51</td>
<td>10/07/2017</td>
<td></td>
<td>Trading mezzanine</td>
</tr>
<tr>
<td>Unit 2</td>
<td>Argos Ltd</td>
<td>10,066</td>
<td>06/11/2006</td>
<td>05/11/2021</td>
<td>£253,575</td>
<td>£25.17</td>
<td>06/11/2016</td>
<td></td>
<td>Storage mezzanine</td>
</tr>
<tr>
<td>Unit 3</td>
<td>TJ Morris Ltd t/a Home Bargains</td>
<td>10,164</td>
<td>Feb 2016</td>
<td>Feb 2031</td>
<td>£200,260</td>
<td>£19.70</td>
<td>Feb 2026</td>
<td>Every 5th year</td>
<td>9 months rent free incentive to be topped up by the vendor. Open market review capped at 2% per annum compounded</td>
</tr>
<tr>
<td>Unit 4</td>
<td>Dunelm (Soft Furnishings) Ltd</td>
<td>28,484</td>
<td>12/03/2015</td>
<td>11/03/2025</td>
<td>£410,100</td>
<td>£13.68</td>
<td>12/03/2020</td>
<td></td>
<td>Trading mezzanine. Open market review capped at 2% per annum compounded. Dunelm took assignment of the unit from Wickes in 2005. It was renewed in 2015</td>
</tr>
<tr>
<td>Unit 5</td>
<td>Dreams Ltd</td>
<td>6,922</td>
<td>23/10/2009</td>
<td>22/10/2024</td>
<td>£154,000</td>
<td>£22.25</td>
<td>23/10/2019</td>
<td></td>
<td>Trading mezzanine</td>
</tr>
<tr>
<td>South Eastern Electricity sub station</td>
<td>The South Eastern Electricity Board</td>
<td>0</td>
<td>05/10/1989</td>
<td>04/10/2088</td>
<td>£0.00</td>
<td>£0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>75,312</td>
<td></td>
<td></td>
<td>£1,388,169</td>
<td>£18.43</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There are some ongoing asset management initiatives, further details available on request.

Tenants' Covenant Information

<table>
<thead>
<tr>
<th>Tenant</th>
<th>% Income</th>
<th>D&amp;B Rating</th>
<th>Year End</th>
<th>Turnover £000</th>
<th>Pre Tax Profit £000</th>
<th>Net Worth £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leonard F Jollye (Brookmans Park Ltd)</td>
<td>8.6</td>
<td>2A1</td>
<td>31 May 2015</td>
<td>62,635</td>
<td>5,389</td>
<td>1,645</td>
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<tr>
<td>99p Stores Ltd</td>
<td>18.1</td>
<td>3A3</td>
<td>01 Feb 2014</td>
<td>370,441</td>
<td>(734)</td>
<td>11,238</td>
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<tr>
<td>Argos Ltd</td>
<td>18.3</td>
<td>5A1</td>
<td>28 Feb 2015</td>
<td>3,919,176</td>
<td>97,416</td>
<td>1,202,554</td>
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<tr>
<td>TJ Morris Ltd</td>
<td>14.4</td>
<td>5A1</td>
<td>30 June 2015</td>
<td>1,472,432</td>
<td>147,121</td>
<td>547,987</td>
</tr>
<tr>
<td>Dunelm (Soft Furnishings) Ltd</td>
<td>29.5</td>
<td>5A1</td>
<td>04 July 2015</td>
<td>835,805</td>
<td>118,442</td>
<td>88,072</td>
</tr>
<tr>
<td>Dreams Ltd</td>
<td>11.1</td>
<td>N2</td>
<td>24 Dec 2014</td>
<td>193,575</td>
<td>378</td>
<td>(28,741)</td>
</tr>
</tbody>
</table>

Further information is available on request.

* Note Argos figures are pre any potential acquisition by Sainsbury's
Energy Performance Certificate
Copies of the EPCs are available upon request.

VAT
This property has been elected for VAT purposes and it is anticipated that the investment sale will be treated as a TOGC.

Proposal
We are instructed to seek offers in order of £20,000,000 (twenty million pounds) reflecting a net initial yield of 6.56% rising to a minimum of 6.61% in 2018 after deducting standard purchasers costs of 5.80%. The vendor will top up the unexpired rent free period in respect of the Home Bargains unit.

Further Information
For further information or to arrange an inspection, please contact:

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