Well Secured Retail Warehouse Investment Opportunity

MATALAN
Blackfriars Road, King's Lynn, PE30 1QB

SUBJECT PROPERTY
College of West Anglia

Hardwick Retail Park
Pierpoint Retail Park
Campbells Meadow Retail Park
Tesco & Dobbies

Sainsbury's
B&Q

SUBJECT PROPERTY
MATALAN

College of West Anglia

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Blackfriars Road, King's Lynn, PE30 1QB

SUBJECT PROPERTY
MATALAN

Bus Station

College of West Anglia

SUBJECT PROPERTY
MATALAN

Vancouver Quarter
INVESTMENT CONSIDERATIONS

• Purpose built unit comprising 3,157.85 sq m (33,992 sq ft)
• Prominently located in King’s Lynn town centre, adjacent to the railway station and Morrison’s foodstore
• Let to the D&B rated 5A1 covenant of Matalan Retail Limited
• Unexpired lease term of 9.7 years
• Current rent of £378,500 per annum equating to £11.13 per sq ft

Offers sought in excess of £4,180,000 (Four Million One Hundred and Eighty Thousand Pounds) subject to contract and exclusive of VAT. This reflects an attractive net initial yield of 8.5%, after allowing for purchaser’s costs of 6.55%.
LOCATION

The town of King’s Lynn is situated in Norfolk approximately 40 miles (64 km) north of Cambridge, 42 miles (72 km) north west of Norwich and 37 miles (56 km) north east of Peterborough. The town benefits from good road communications, being alongside the A47, which links the town to both Norwich and Peterborough and the A10, which is the main road to Cambridge.

London is approximately 105 miles (169 km) to the south and can be accessed via the A1(M) and the M11 motorway. A rail service from King’s Lynn to Kings Cross London also operates on an hourly basis with a journey time of approximately 1 hour 37 minutes.

SITUATION

The subject property is located a short distance to the east of the town centre, next to the train station and immediately adjacent to a Morrisons foodstore and Petrol Filling Station. Other occupiers within the immediate vicinity include Halfords Autocentre and Tile Giant.

Fronting Blackfriars Road the car park is accessed off Coburg Street with a secondary entrance from Littleport Terrace. A separate service road on the south side of the site provides access to the service yard to the rear of the property.
DESCRIPTION

Built in 2002 the property comprises a modern style detached retail warehouse of portal frame construction with brick elevations and pitched profiled sheet covered roof behind parapet walls.

Internally the property has been fitted out to provide large open plan sales area with storage, loading and staff amenities to the rear.

The leasehold interest extends to the envelope of the building with use of the car park (see Tenure).

CATCHMENT AND DEMOGRAPHICS

King’s Lynn has a population of 175,267 (Experian) within a 30 minute drive time of which 84,364 are economically active. The town has benefited from a significant amount of regeneration in recent years, including the extension and refurbishment of the main shopping centre in the town, the Vancouver Centre. King’s Lynn is projected to see above average growth in population over the period 2017-21.

King’s Lynn has an extremely large catchment population by virtue of there being limited competing centres for a considerable distance in all directions. The closest major retail centres are Norwich, 42 miles to the east, Peterborough 37 miles to the west and Cambridge 40 miles to the south.
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**MA TALAN**

Blackfriars Road, King’s Lynn, PE30 1QB

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**ACCOMMODATION**

<table>
<thead>
<tr>
<th>Use</th>
<th>Area (GIA)</th>
<th>sq m</th>
<th>sq ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,737.85</td>
<td>29,471</td>
<td></td>
</tr>
<tr>
<td>Store/amenity</td>
<td>420.00</td>
<td>4,521</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3,157.85</strong></td>
<td><strong>33,992</strong></td>
<td></td>
</tr>
</tbody>
</table>

There is a mezzanine to the rear of the sales area, providing storage and staff facilities of 360.74 sq m (3,883 sq ft) which is to be disregarded for rent review purposes.

**TENANCY**

The property is let to Matalan Retail Limited for a term of 25 years from 1 June 2002 to and including 31 May 2027. The rent is £378,500 per annum, reflecting £11.13 per sq ft.

The lease is guaranteed by Matalan Limited. There is a further open market review on 1st June 2022 assuming a hypothetical lease term of 15 years.

**TENURE**

The property is held on a 125 year ground lease from 6th December 2013 subject to a peppercorn rent. The ground lease contains a right of ‘first offer’ giving the landlord the right to purchase the leasehold interest.

The title boundary is edged red and the common area within the wider estate, for which the tenant will contribute a proportion of the service charge, is edged in blue.

The long leasehold interest extends to the envelope of the building although under the terms of the lease the tenant has the use of the ‘car parking area within the Estate which may be varied by the Landlord’. In any event the long leaseholder has the benefit of a Protected Parking Area which can be altered, however may not be reduced below 155 car parking spaces.
RETAIL WAREHOUSING IN KING’S LYNN

In the last 5 years King’s Lynn has seen the arrival or recommitment to the town of Sainsbury’s (80,000 sq ft), Tesco (replacement 80,000 sq ft store), Dobbies (50,000 sq ft), Subway, Carphone Warehouse, Travelodge, Majestic Wine, Topps Tiles, Euro Car Parts, Formula One and Tool Station.

Kings Lynn comprises approximately 669,000 sq ft of retail warehousing accommodation spread principally over the following parks:

ST NICHOLAS RETAIL PARK
St Nicholas Retail Park is the newest of the retail warehouse parks in King’s Lynn and lies just north of the town centre, comprising 58,352 sq ft of accommodation.

Tenants include Sue Ryder, Farmfoods, Wickes, Dominos and Lituanica Retail Limited.

The permitted use is predominantly open A1 with the exception of the Wickes unit which is restricted to use as a ‘DIY store and garden centre’. There are also two takeaway A5 units.

There is a Home Bargains immediately adjacent to the north of the site.

HARDWICK RETAIL PARK
This is the principle retail park in King’s Lynn totalling 111,310 sq ft of accommodation. Tenants include Argos, Carpetright, Mothercare, Currys PC World, AHF, Jollies, Frankie & Bennys, Boots, Pizza Hut, The Range, Costa, Subway and Sofas Dining Beds. The park has a bulky goods planning consent with open A1 non-food in respect of the former Focus unit.

Adjacent to the park is a 24 hour Tesco superstore.

PIERPOINT RETAIL PARK
Open A1 retail park comprising 71,090 sq ft. Tenants include B&M, Next, Tapi Carpets and Barlays.

CAMPBELLS MEADOW RETAIL PARK
The park comprises 53,425 sq ft with a bulky goods planning consent. Tenants include Maplin, Pets at Home, Halfords, McDonalds, and Benson for Beds.

B&Q and KFC
This is a purpose built development comprising a 46,800 sq ft unit let to B&Q (with a 15,000 sq ft garden centre) and a KFC food unit.
COVENANT

MATALAN RETAIL LIMITED (02103564)
D&B Rated 5A1

<table>
<thead>
<tr>
<th></th>
<th>28 Feb 2015</th>
<th>28 Feb 2016</th>
<th>28 Feb 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>£1,094,000,000</td>
<td>£1,060,500,000</td>
<td>£1,036,100,000</td>
</tr>
<tr>
<td>Pre Tax Profit</td>
<td>£20,300,000</td>
<td>£20,300,000</td>
<td>£10,300,000</td>
</tr>
<tr>
<td>Total Net Worth</td>
<td>£300,100,000</td>
<td>£317,800,000</td>
<td>£317,900,000</td>
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Matalan Limited (1579910) are guarantors and as at 25/02/17 had a total net worth of £96.78m.

PLANNING

Planning permission was granted in June 2001 (ref 2/01/0943/F) for Class A1 non-food retail use.
Further planning information available on request.

SERVICE CHARGE

The service charge budget for the year to 30/11/17 is £37,152 with an apportionment of £12,728 to the unit.

VAT

The property is elected for VAT, it is assumed the transaction will be treated as a Transfer of a Going Concern (TOGC).

EPC

An Energy Performance Certificate has been undertaken for the property as a whole and a rating of B43 has been confirmed. A full copy of the certificate is available upon request.
MISREPRESENTATION ACT:
1. Allsop LLP on its own behalf and on behalf of the vendor/lessor of this property whose agent Allsop LLP is, gives notice that: (a) these particulars do not constitute in whole or in part an offer or contract for sale or lease; (b) none of the statements contained in these particulars as to the property are to be relied on as statements or representations of fact; and (c) the vendor/lessor does not make or give, and neither Allsop LLP nor any of its members or any person in its employment has any authority to make or give, any representation or warranty whatsoever in relation to the property. The only representations, warranties, undertakings and contractual obligations to be given or undertaken by the vendor/lessor are those contained and expressly referred to in the written contract for sale or agreement for lease between the vendor/lessor and a purchaser or tenant. 2. Prospective purchasers or tenants are strongly advised to: (a) satisfy themselves as to the correctness of each statement contained in these particulars; (b) inspect the property and the neighbouring area; (c) ensure that any items expressed to be included are available and in working order; (d) arrange a full structural (and where appropriate environmental) survey of the property; and (e) carry out all necessary searches and enquiries.

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Standard Life Investments

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