RETAIL WAREHOUSE INVESTMENT

GO OUTDOORS: LOCKS STREET, COATBRIDGE, ML5 3RT

IN EXCESS OF 10 YEARS UNEXPIRED
+ FIXED UPLIFTS IN RENT

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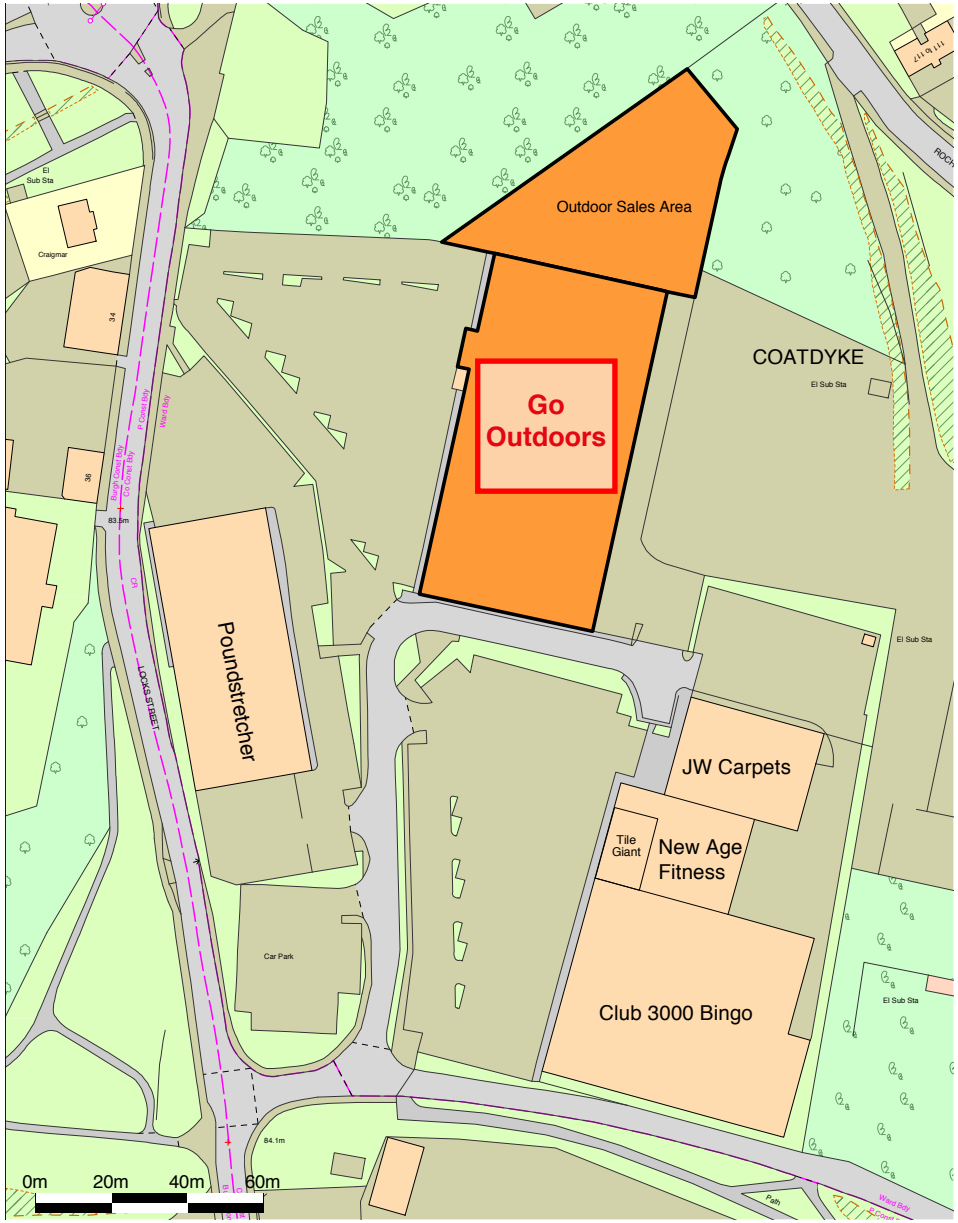
Investment Summary

- Let to the strong brand and financial covenant of Go Outdoors Ltd, part of JD Sports Fashion plc
- FRI lease until 1st February 2030, over 10 years unexpired
- Go Outdoors have been in occupation since 2007 and renewed their lease on a long term basis in 2015. The tenant has completed a refurbishment of the store, including complete roof replacement, within the last 12 months
- The property extends to 45,175 sqft on a site of 3.71 acres
- Passing off a low base rent of £307,000 per annum (£6.80 psf) with fixed uplifts to £347,342 in February 2020 and to £392,985 in 2025. The vendor will top up the rent to £347,342 per annum (£7.69 psf) from the date of sale, to match the fixed uplift due in 2020
- Offers in excess of **£4,000,000**
- Net initial yield of **8.15%** off the topped up rent with a reversion to **9.2%** in 2025



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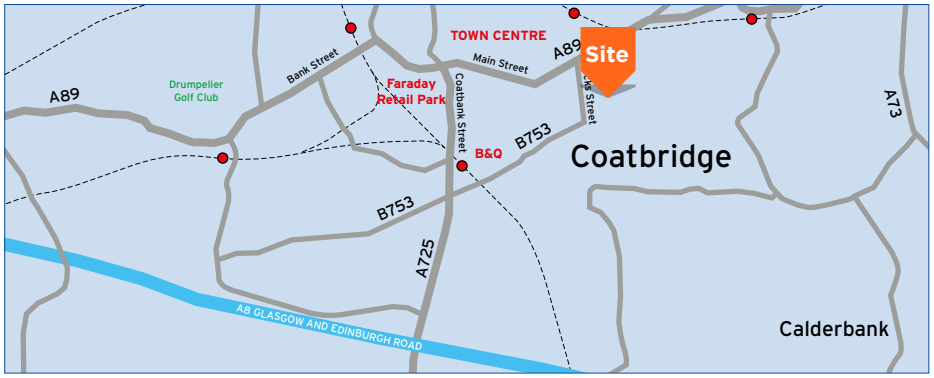


Location

Coatbridge is situated within North Lanarkshire and lies approximately 9 miles east of Glasgow city centre. The town has a resident population of circa 44,000 and a catchment of approximately 570,000 within a 20 minute drive time.

The subjects are located adjacent to Coatdyke Retail Park, to the east of Locks Street and west of Rochsolloch Road. The site occupies a prominent position on the south side of the A89 trunk road which links Coatbridge, Airdrie and Glasgow and is situated in close proximity to Coatbridge town centre, Faraday Retail Park and a B&Q Warehouse.

Coatdyke Retail Park is a strong secondary retail location and is fully occupied by Poundstretcher, Tile Giant, J&W Carpets, New Age Fitness and Club 3000 Bingo.

Description

Purpose built, standalone retail warehouse originally built for B&Q. Steel portal frame construction, clad with a combination of brickwork and profile sheet metal cladding. The tenant has completed a full recladding of the roof and general refurbishment of the store within the last 12 months.

We calculate the land and property extend to the following approximate areas:

Site Area:	3.71 acres	1.5 hectares
Gross Internal Area:	45,175 sq ft	4,198 sq m

There are a total of 200 car parking spaces arranged to the front of the store with additional car parking provided close by within the wider retail park.

Tenure

Heritable (Scottish Equivalent of Freehold). Indicative only site boundary shown on adjacent plan.

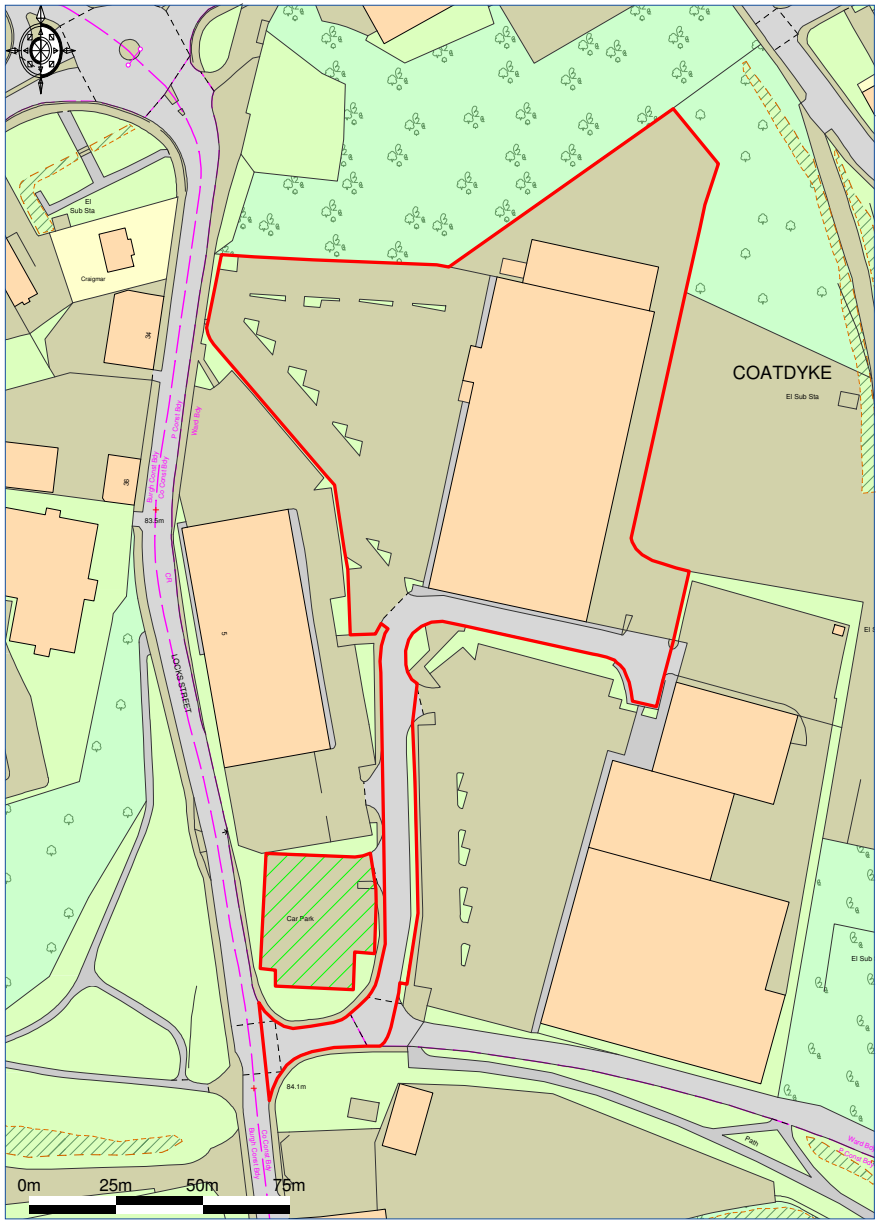
Tenancy

The Property is let by way of a 15 year modern, FRI lease to Go Outdoors Limited until 1st February 2030. The lease then runs year to year subject to a mutual break option on 6 months written notice.

The current passing rent is £307,000 per annum (£6.80 psf), payable quarterly in advance.

The rent is subject to fixed uplifts as at 1 February 2020 and 2025 where the rent increases to £347,342 (£7.69 psf) and £392,985 per annum (£8.70 psf) respectively. The vendor will "top up" the passing rent to £347,342 from the date of sale.

Go Outdoors have been in continuous occupation since 2007 and within the last 12 months have completed an extensive refurbishment of the property, at their own cost.



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Tenant Covenant

Go Outdoors Ltd, has been trading for over 40 years and retail from 64 stores throughout the UK. The company has 4 stores in Scotland. Coatbridge was the first and remains their largest store north of the border. The business employs over 2,300 people.

As at February 2018, Dun & Bradstreet reported a rating of 3A1 based on a turnover of £232M, profits before tax of £8.9M and a tangible net worth of £14.9M.

In 2016 the company was acquired by JD Sports for £112m.

EPC

The property currently has an EPC rating of "E". Further information can be provided to interested parties.

VAT

The property has been elected for the purposes of VAT but we understand that any sale will be conducted by way of a Transfer of a Going Concern (TOGC).

Proposal

We are instructed to seek offers in excess of **£4,000,000 (Four Million Pounds)** subject to conclusion of missives and exclusive of VAT. On the basis of the topped up rent, this reflects a net initial yield of **8.15%**, assuming standard purchaser's costs, with a reversion to **9.2%** in 2025.

Further Information

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