

B&Q AND WICKES



9 & 11 LONGMAN ROAD
INVERNESS, IV1 1RY

ADJACENT SOLUS RETAIL
WAREHOUSE INVESTMENTS



INVESTMENT SUMMARY



- Prominently located 0.75 miles north of Inverness city centre on Longman Road, the main arterial link between the city and the A9
- Nearby occupiers include Halfords, Cotswold Outdoors, Esso, Arnold Clark, American Golf, Tiso, Harry Fairbairn BMW and Parcelforce.
- Large catchment population of 153,000, within a wider catchment of 304,000 persons. Limited leakage due to the lack of competing centres
- Inverness is the UK's most northern city, with a population of 65,000 projected to grow at 4-5% in the next 10 years. Key business in the city include Life Sciences, Tourism, Retail, Construction, Public Administration, IT Services and activities relating to Forestry, Agricultural, Fisheries and Renewables
- Bulky Goods DIY planning consent
- Combined total of 90,294 sq ft (61,810 sq ft for B&Q and 28,484 sq ft for Wickes)
- Combined site area of circa 8.13 acres (5.93 acres for B&Q/2.2 acres for Wickes)
- Strong tenant covenants of B&Q Limited and Wickes Building Supplies Limited both 5A1 rated by Dun & Bradstreet
- Heritable interest (the equivalent of English Freehold)
- Affordable rents of £12.50 per sq ft for B&Q and £10.81 per sq ft for Wickes
- Total passing rent of £1,080,750 per annum (B&Q: £772,750 per annum and Wickes: £308,000)
- Offers over **£11,600,000 (Eleven Million Six Hundred Thousand Pounds Sterling)** exclusive of VAT are invited, reflecting a **net initial yield of 8.73%**



LOCATION



Inverness is the UK's most northerly city and is the administrative centre for the Highlands & Islands. The city has a population of approximately 65,000 (source Census 2001) and a catchment population of circa 153,000 residents within the wider catchment 304,000. There is limited leakage due to the lack of nearby competing centres. 41% of the catchment is labelled as "comfortable community" (ACORN) which is double the Scottish average.

The city is located approximately 104 miles west of Aberdeen, 158 north west of Edinburgh and 169 miles north of Glasgow. Inverness is served by 3 trunk roads, the A9, the A82 and the A96 which connects it to Edinburgh and Glasgow to the south, Aberdeen to the east, Caithness to the north and Fort William to the west.

The city is well served by public transport and has direct rail links to Aberdeen, Edinburgh, Glasgow and Perth. It also benefits from an excellent bus network that connects to other towns and cities in the north of Scotland as well as further south.

Inverness Airport is located 9 miles to the east of the city centre and has regular flights to airports across the UK and Islands. British Airways and KLM operate daily flights to Heathrow and Amsterdam providing good domestic and international connectivity.



ECONOMY, TOURISM & EDUCATION



Inverness is developing as a centre of excellence for life sciences, commercialisation and research. The country's largest life sciences employer, LifeScan Scotland, is based in the city along with the prestigious Centre for Health Science. The renewable industry is also being attracted to Inverness with two of Scotland's leading wave and tidal companies, AWS Ocean Energy and MeyGen, now based in the city. The Centre symbolises the city's ambition to play an important role in the research and development of medical devices and bio technology.

Other private sector employers aside from LifeScan Scotland (who are part of Johnson & Johnson) are Scottish & Southern Energy, Global Energy Group (currently developing the NIGG Energy Park), Orion Group and Cap Gemini.

Other key business sectors include, retail, construction, public administration, IT services and commercial activity that relate to forestry, agriculture and fisheries which are intrinsic and important to the Highland economy.

Inverness is known as the Gateway to the Highlands and tourism is a key business sector. Tourism attracts approximately 1.6M people to the city each year with hotel occupancy rates from May through to October averaging about 90%. The sector supports around 13,500 jobs and generates circa £370M (£735M if you include the whole Highlands & Islands region) of revenue annually for the local economy.

At the Inverness Beechwood Campus, a 200,000 sq ft facility, costing £50M was opened in August 2015 for the University of the Highland & Islands. It houses over 6,500 full time and part time students, teaching National Certificates to Post Graduate Degrees.



CITY DEAL & CONNECTIVITY



The Scottish and UK Governments have confirmed and pledged a £315M commitment to Inverness and the wider Highlands area, to include improved transport links, digital connectivity and creating new skill academies.

The upgrading of 80 miles of single carriageway along the A9 between Perth and Inverness is underway and due to be complete by 2025. It will provide improved journey terms as well as resulting in economic growth associated with increased tourism and connectivity.

Also, part of the City Deal is improved access to and within communities, including at the nearby the A9/A82 Longman Road roundabout junction, where a £95m flyover is proposed.



SITUATION



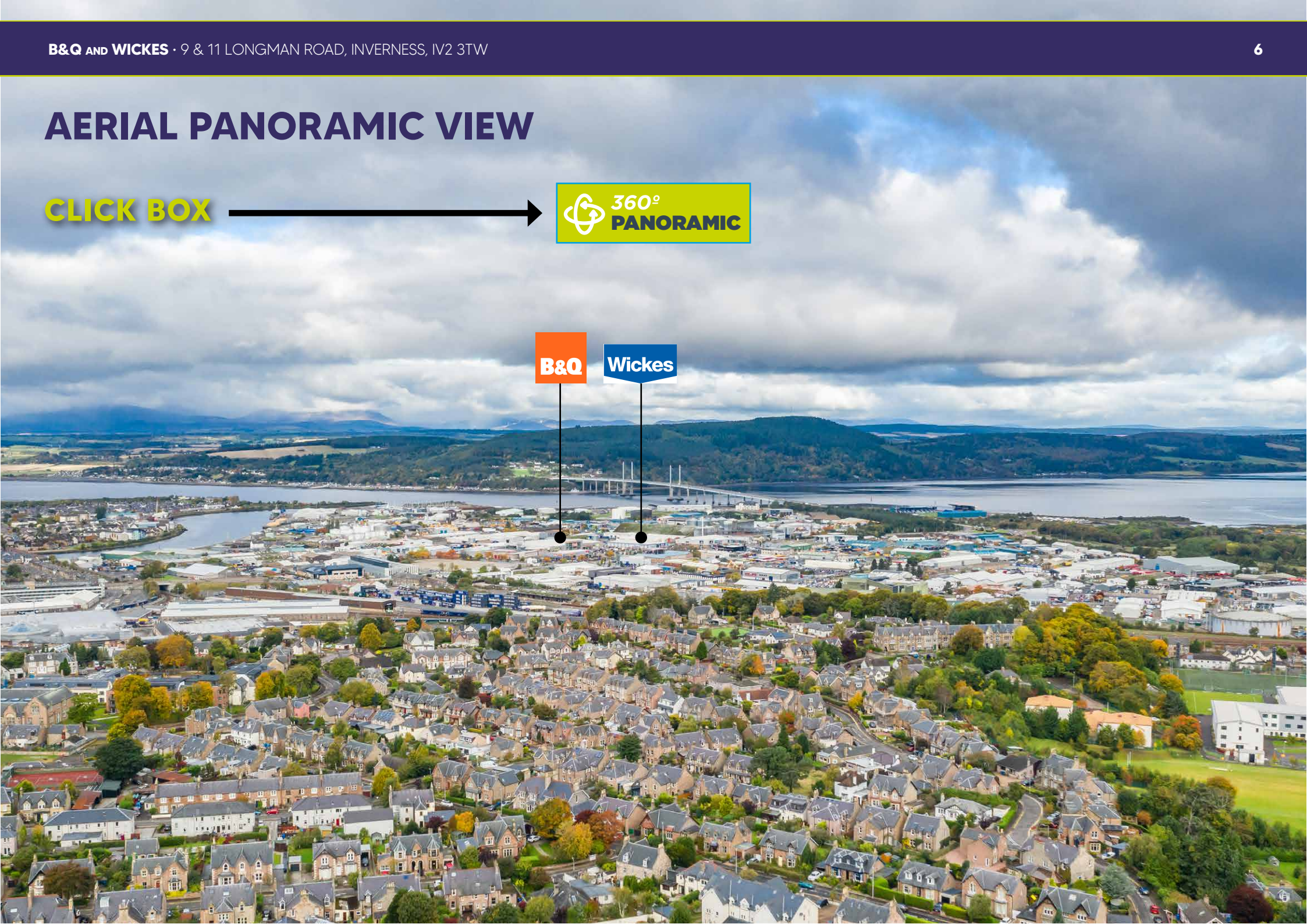
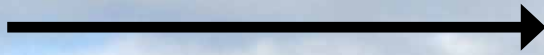
The units occupy very prominent positions on Longman Road at the junction with Henderson Road 3/4 mile north of the city centre. Circa 64,000 vehicles per day use Longman Road and it is the main arterial route from the centre to the A9, which runs north over the Kessock Bridge and south towards Perth.

The surrounding area comprises a mixture of commercial uses from trade counter to car hire, to car showrooms, as well as industrial units and retail warehousing. Nearby occupiers include Esso, Halfords, Cotswold Outdoors, Arnold Clark, American Golf, Harry Fairburn BMW, Tiso and Parcelforce.



AERIAL PANORAMIC VIEW

CLICK BOX



DESCRIPTION

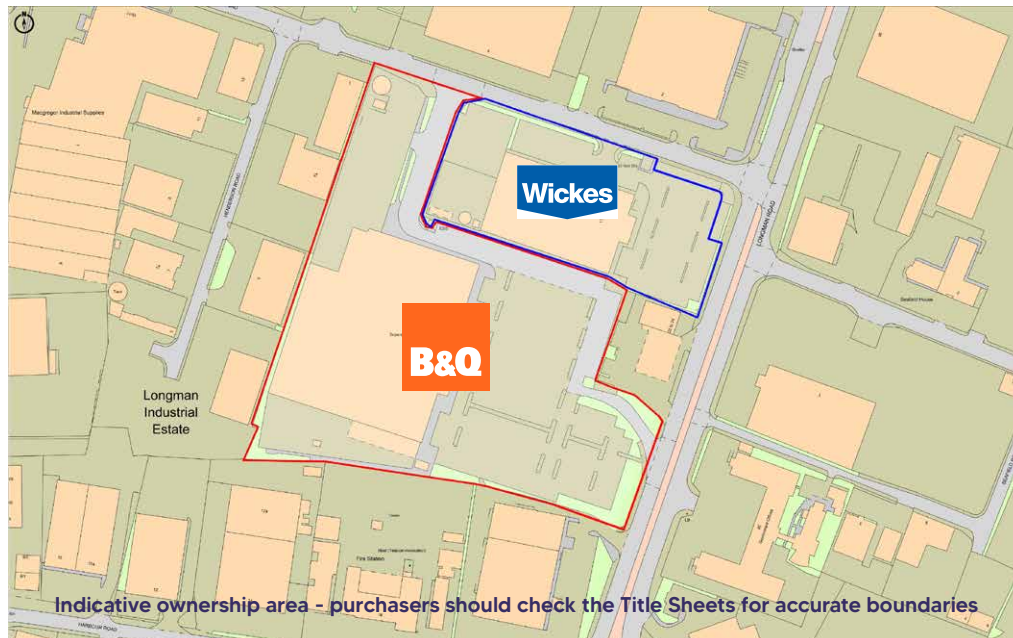


The B&Q unit was constructed by Macdonald Estates in 2006/07 and comprises a standalone B&Q store extending to 61,810 sq ft, with external garden centre and bulky goods areas extending to 15,000 sq ft and 8,450 sq ft respectively. There are 337 car parking spaces. The Wickes unit extends to 28,484 sq ft, is steel framed construction with brick dado and profiled metal cladding, with 134 car parking spaces.

SITE



The total combined site area is approximately 8.13 acres, with the B&Q site totalling 5.93 acres and Wickes site to 2.2 acres. Site coverage is approximately 25%.



TENANCY & ACCOMMODATION



The total combined passing rent for the solus units is £1,080,750 per annum, as per the tenancy schedule below. Both properties are let on full repairing and insuring terms and there are no service charge shortfalls.



TENANT	AREA (Sq Ft)	RENT (PA)	RENT (PSF)	LEASE START	LEASE EXPIRY	NEXT RENT REVIEW	COMMENTS
B&Q Limited	61,810	£772,750	£12.50	12/06/2007	11/06/2027	n/a	B&Q have regeared the lease to the current passing rent with the 2022 break option removed and no further rent reviews in return for 6 months' rent free and monthly rent payments. *
Wickes Building Supplies Limited	28,484	£308,000	£10.81	05/07/1999	23/06/2024	n/a	Wickes have been in occupation for over 20 years in this location. The 5th July 2019 rent review is outstanding with notice served at £370,000 per annum.
Totals	90,294	£1,080,750					

Scottish Hydro Electric Distribution PLC lease 25 sqm at 9 Longman Road for a substation at £1 per annum (if asked) from 07/06/2007 to 06/06/2047 with a tenant break option at 6 months notice if no longer required.
* A Side Letter personal to B&Q provides for limited rent deferment if they are required to close due to a Public Health Emergency. Any deferred rent is to be repaid over 6 months directly after lockdown release.

TENANT COVENANTS



B&Q Limited to Year End 31 January 2019 recorded a turnover of £3.287 billion and a pre-tax profit of £154.4 million. They have the highest rating possible from Dun & Bradstreet at 5A1, with a maximum credit recommendation of £24.75 million. They are part of Kingfisher plc, who are an international home improvement company, with 1,100 stores in ten countries across Europe. Kingfisher announced sales up 21.6% over the period from end April to 18 July, quoting exceptional demand and on-line sales growth of 200%, whilst stating they expect to see profits significantly ahead of the same period last year.

Wickes Building Supplies Ltd to Year End 28 December 2019 recorded a turnover of £1.292 billion and a pre-tax profit of £49.2 million. They are a wholly owned subsidiary of Travis Perkins plc and trade from around 230 stores. They have a 5A1 Dun & Bradstreet rating and a maximum credit recommendation of £18,562,500.





PLANNING

Both the B&Q and Wickes units benefit from planning where the properties shall only be used for the sale and storage of building materials, home improvements and DIY products.

TENURE

Heritable (the Scottish equivalent of English Freehold).

EPC RATING

B&Q has an EPC rating of D57 (English comparative B37).

Wickes has an EPC rating of E65 (English comparative B43).

The EPCs are based on the Scottish version of the Energy Performance of Buildings Directives with the English/Welsh equivalents also stated.

VAT

The properties have been elected for VAT and it is envisaged that any sale will be treated as a TOGC.

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PROPOSAL

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Further Information

For further information please contact:

Duart Keith
DDI: 0131 558 5144 | Mob: 07770 223 128
DKeith@eyco.co.uk

Gregor Martin
DDI: 0131 558 5136 | Mob: 07880 713 879
GMartin@eyco.co.uk

Requirements of Writing (Scotland) Act 1995

These particulars are not intended to, nor shall form part of any legally enforceable contract and any contract shall only be entered into by way of an exchange of correspondence between solicitors.

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