



Betts Way,
Crawley RH10 9GG

investment summary



- Newly constructed, **south east** solus retail warehouse.
- New letting to **Wickes** Building Supplies Ltd, a secure 5A1 covenant.
- Wickes to take a **20 year FRI lease**.
- Prime trading location and offering Wickes' latest trading format.
- Total **GIA of 27,400 sq ft** (2,545 sq m).
- Low commencing rent of **£500,000 pa (£22 psf** on rentalised area).
- 5 yearly upward only rent reviews to Market Rent (capped at 3% pa).
- Offers in excess of **£9,370,000**, exclusive of VAT.
- **Net Initial Yield of 5.00%**, after Purchaser's Costs of **6.75%**.





Next

Hobbycraft

Boots

TK Maxx

Argos

Harveys

B&M

Currys PC World

COUNTY OAK
RETAIL PARK

Carphone
Warehouse

M&S

ALDI

Smyths Toys

Kwik Fit

Costa

Halfords

ACORN
RETAIL PARK

Pets at Home

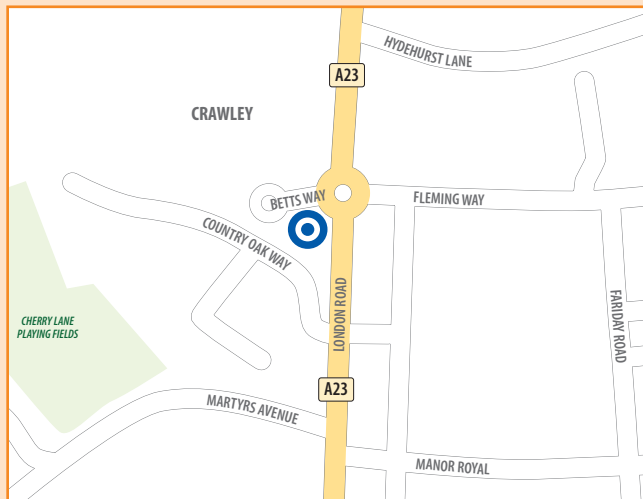
Wickes

Astral Towers

Crawley Car
Supermarket

Elekta

Thales



Location

Crawley is the county town of West Sussex, being located 32 miles south of Central London, 21 miles north of Brighton and 27 miles south-east of Guildford. The town benefits from excellent transportation links, being served by Jcts. 10 & 11 of the M23, which in turn links with the M25 (Jct.7). There is a fast and frequent rail service from Crawley, north to London Victoria and south to Brighton, with a fastest journey time of 30 mins from Gatwick to London. London Gatwick Airport is the second largest in Britain, catering for over 32 million passengers annually and situated approximately 4 miles to the north of Crawley town centre.

Situation

The property occupies a prime OOT retail position, sandwiched between the County Oak and Acorn Retail Parks, approximately 3 miles north of Crawley town centre and 1 mile south of Gatwick Airport. The site has a prominent frontage and immediate access on to the Fleming Way Roundabout, at the junction of the dual-carriageway A23 London Rd and Fleming Way. Global cancer specialist, Elekta, has taken a pre-let on a 131,000 sqft HQ and R&D facility, which is being constructed on the opposite side of London Rd.

The County Oak Retail Park is the dominant Open A1 scheme in Crawley and occupiers include Next, Halfords, Currys, Pets at Home and B&M. Recent lettings to Boots and TK Maxx reportedly achieved £35.50 psf. Tenants at the adjoining Acorn Retail Park are M&S Simply Food, Aldi and Smyths Toys.

Catchment and Demographics

Crawley has a resident population of 111,375 (2016 mid-year est.) which is forecast to increase to 122,400 (12%) by 2036. The town has a primary catchment population of c.510,000, which is above the Sub Regional Centre average and PROMIS rank the town 38th out of its Centres. The resident population within a 20mins drive time of Crawley is c. 256,000 and has an estimated non-grocery spend of c.£1.1bn.

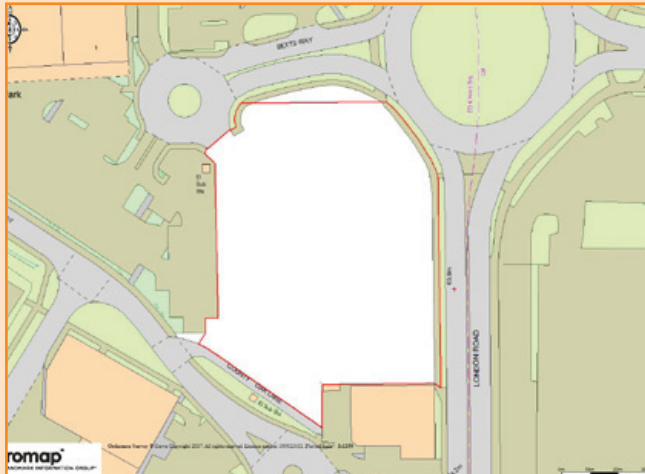
The town has an excellent demographic profile with the catchment population having a significantly higher proportion of adults of working age; household incomes 31% above the UK average and 59% of households within ABC1 social groupings (12% above UK average).

The airport boosts the local economy by employing over 23,000 staff directly and a further 20,000 jobs through related activities. Major employers from the aerospace and travel sector include Virgin Atlantic, British Airways, Thales, Tui Travel and The Civil Aviation Authority but there is also a wide range of international occupiers including Deloitte, KPMG, PwC, and Nestlé. As a result the town is now a key commercial centre between London and the South Coast, having experienced a prolonged period of economic growth and a considerable amount of residential development.



Description

The property comprises a recently completed single retail warehouse of innovative design, with car parking for approximately 57 vehicles. To the rear is an external Outdoor Project Centre and separate service yard, both secured by 4m fencing. Practical Completion of the development was achieved in June 2017 and the store opened for trade in July.



The specification includes the following:

- Steel portal frame – 7.6m to underside of haunch.
- Insulated profiled steel cladding to external elevations and roof.
- Innovative external design with full height curtain walling to customer entrance elevation.
- The roof incorporates 15% roof lights and photovoltaic cells.
- Internal block-work to 3.3m.
- 30 kN/m2 floor loading to concrete floor slab.
- First floor staff accommodation including canteen, W.C's and administrative offices.
- Electrically operated roller shutter; sliding and security shutter doors to service bays and entrance lobbies.
- Occupier led fit-out, including trading mezzanine bathroom and kitchen showroom area.
- Building designed to BREAM 'Excellent'.

Accommodation

Floor/Unit	Sq M GIA	Sq ft GIA
Ground Floor	1,961.03	21,297
First Floor Ancillary	133.33	1,435
Trading Mezzanine*	451.10	4,668
TOTAL	2,545.46	27,400

Total site area is approximately 1.91 acres (0.77 h.a.) with site coverage of 26%.

NB *The trading mezzanine is to be regarded as Tenant's Fit-out Works and will be disregarded at rent review or lease renewal.



Tenure

Freehold

Tenancy

Wickes Building Supplies Ltd will take a lease on the property for **20 years**, at an initial rental of **£500,000 pa (£22 psf)**. The lease will be in the Vendor's standard format and on FRI terms, incorporating five yearly upwards only rent reviews to Market Rent. Increases at each rent review will be capped at the equivalent of 3% pa i.e. a maximum increase of 15.93%.



Planning

Planning consent (CR/2016/0176/FUL) was granted on 20th July 2016 for a "Mixed use building Class (B8/ A1) including mezzanine, outdoor project centre and secure compound, access and servicing arrangements". Use of the ground floor and outdoor projects centre is restricted to the sale of DIY, home improvement and building materials/items whilst the mezzanine is as a showroom for the sale of kitchens and bathrooms.

Tenant's Covenant

Wickes Building Supplies Ltd (Reg. No:1840419) is a wholly owned subsidiary of Travis Perkins plc and trades from 243 stores. It is the UK's fastest growing DIY retailer and the market leading online DIY proposition. The new trading format stores are driving a strong uplift in sales and a 4.7% increase in sales was reported by the 'Consumer Division' of Travis Perkins for H1 2017. This builds on a 6.4% 'like-for-like' increase to Y/e Dec 2016.

The company has a 5A1 D&B Rating, representing a "minimum risk of business failure" and summaries from the available accounts for the three previous trading years are:

Last Accounts	Turnover	Pre-Tax Profit	Net Worth
31/12/2016	£1,213m	£65.4m	£316m
26/12/2015	£1,104m	£60.1m	£414m
27/12/2014	£1,039m	£68.8m	£355m

Travis Perkins plc is the UK's leading company in the builders' merchandising and home improvement markets, with 20 businesses trading from over 2,000 sites. It reported a 4.6% increase in Group turnover for Y/e 31st Dec 2016 to £6.22bn, pre-tax profits of £364.7m and Shareholder's Funds of £4.93bn. A 2.7% increase in Group sales was reported for H1 2017.



EPC

The property has been rated **A-14**. A copy of the Energy Performance Certificate is available on request.

VAT

The property will be elected for VAT and the sale will be treated as a TOGC.

Proposal

Seeking offers in excess of **£9,370,000** (Nine Million, Three Hundred and Seventy Thousand Pounds) for the freehold interest, subject to contract and exclusive of VAT. This price reflects a **Net Initial Yield of 5%**, assuming standard Purchaser's Costs and SDLT of 6.75%.



Contact

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

Brook Stotesbury
bs@hsmuk.com • DDI: 020 7318 1938

Paul Yeadon
cpy@hsmuk.com • DDI: 020 7318 1931

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Hoddell Stotesbury Morgan

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