



WELL-SECURED, FULLY-LET SOUTH EAST RETAIL PARK INVESTMENT

Northern Avenue Retail Park

ANDOVER, SP10 4AU



CUSHMAN & WAKEFIELD

Investment Highlights

- Andover is a highly-affluent Hampshire town with comfortably above-average forecast population growth and household expenditure.
- Comprising a purpose-built retail park and adjacent drive-thru unit extending to a total GIA of 54,284 sq ft.
- Located in the heart of Andover's dominant retail warehousing destination.
- Fully-let to a desirable tenant line-up comprising Wickes, KFC and the Range (sub-let from Wickes) with a WAULT of c.6.5 years to lease expiries.
- Total passing rent of £849,025 pa at a low average rate of £15.64 psf.
- Reversionary potential on the KFC drive-thru unit at review in 2026.
- Low-risk income with 100% of the rent either directly secured-to or guaranteed by tenants rated '5A 1' by Dun & Bradstreet which represents a 'minimum' risk of business failure.
- Future-proofed MEEES credentials with all EPCs rated 'B-47' or better.
- Freehold site extending to c.9.79 acres.



Proposal

We are instructed to seek offers in the region of **£11,370,000 (Eleven Million, Three Hundred and Seventy Thousand Pounds)** subject to contract and exclusive of VAT. An acquisition at this level would reflect a **Net Initial Yield of 7.00%** assuming standard purchaser's costs of 6.71% and a **low capital value of £209 psf.**

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Map for indicative purposes only

Location

Andover is an affluent town located in Hampshire in the south-east of England. Andover is situated approximately 20 miles west of Basingstoke, 25 miles north of Southampton and 70 miles south-west of London. Other key nearby towns include Winchester to the south-east, Salisbury to the south-west and Newbury to the north.

Connectivity

By road, Andover benefits from the A303 which runs south of the town and provides access to the M3 (Junction 8) via the A34.



A303	2 miles	5 mins
A34	8 miles	11 mins
M3 (J8)	15 miles	18 mins
M4 (J13)	20 miles	30 mins

Andover station is located c.1 mile to the west of the property and provides regular direct rail services to key surrounding towns and London:



Basingstoke	17 mins
Salisbury	17 mins
Woking	37 mins
London Waterloo	1 hr 10 mins

“Andover is a strategically-located town benefitting from excellent road connections towards London, Southampton and Portsmouth via its A303/M3 network”



Local Economy

Andover is part of the Test Valley, an area which accounted for 70,400 jobs and an economy worth £3.4 billion in 2022. Andover has seen rapid growth in employment and is home to a number of major companies including Ocado, Twinings and Le Creuset. Andover is also home to the British Army's new headquarters, based at Marlborough Lines which employs over 2,000 personnel.

70,400
jobs in Test Valley

£3.4 bn
economy in 2022

Catchment & Demographics

“Andover has a highly-affluent catchment with consumer expenditure comfortably ahead of the UK average”

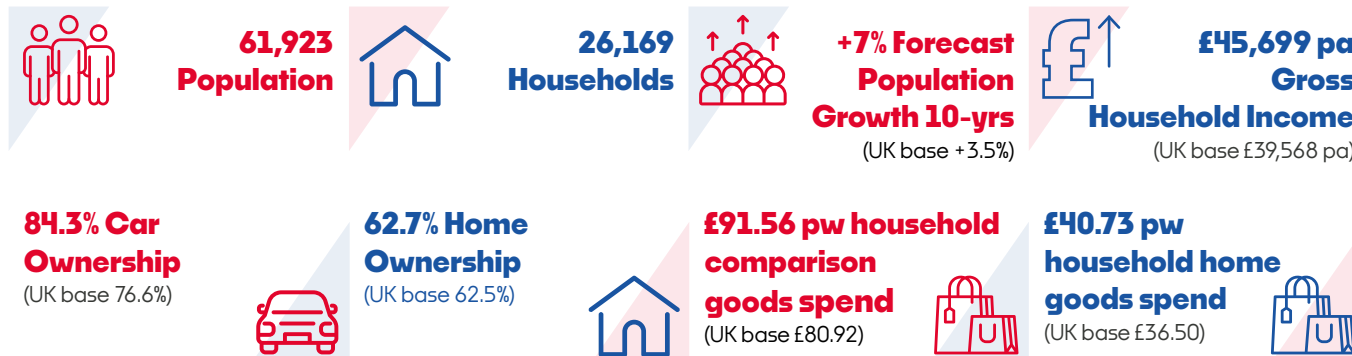


The property has an estimated immediate catchment population of 40,953 located within a 5-minute drive time, which extends to 61,923 people and 79,028 people within a 10-minute and 15-minute drivetime respectively (Experian). Furthermore, Andover’s population is forecast to see significant growth across these catchments, averaging 4.5% and 7% over the next 5 and 10 years respectively which is around double that of the UK average in the same period (+2.3% and +3.5%).

Andover’s catchment is also highly affluent, with consumer spending ahead of the UK average, particularly within the retail sectors present at the subject property. Average gross household income of £45,699 pa for the 10-minute catchment population is also c.15% above the UK average.

Test Valley has some of the highest house-building rates with 5,500+ dwellings delivered between 2017-2022, ranking the council 62nd of 294 local authorities in England. House-building in the local area is not set to slow down with the Draft Test Valley Local Plan 2040 setting out the need to deliver 550 homes a year to meet the growing population needs, including 57% in the north of the borough around Andover.

We have set out below key 10-minute drivetime catchment metrics for the subject property:



(SOURCE: Census, Experian, MBR)

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Description

Developed in 2006, the subject property comprises a purpose-built retail warehouse divided into two units and extending to a GIA of 51,965 sq ft, together with an adjacent, standalone 2,319 sq ft single-lane drive-thru unit located in the north of the site.

The units are in good condition and internally the stores are fitted-out with the tenants' usual corporate liveries. The main retail unit has been sub-divided into two parts and Wickes' unit incorporates an ultramodern kitchen & bathroom showroom area, Click & Collect facilities, and ancillary staff accommodation located at first floor level. The Range have sub-let c.19,200 sq ft from Wickes and their unit includes a c.10,710 sq ft tenant trading mezzanine.

Customer parking to the front and rear of the units provides c.226 spaces at a low ratio of 1:240 sq ft (including 9 disabled bays and 6 dedicated van parking spaces). Customer entry to the scheme is via a single, dedicated access road off the Enham Arch roundabout.

Externally, a builders yard and garden centre is located to the northern side of the Wickes unit, adjacent to a shared segregated service yard serving both Wickes and The Range units, accessed adjacent to the KFC drive-thru.

Accommodation

The property extends to a total landlord's GIA of approximately 54,284 sq ft and floor areas are summarised accordingly below. A measured survey is available on request.

Description	Sq Ft (GIA)	Sq M (GIA)
Unit 1 Ground	1,998	185.6
Unit 1 1F	49,968	4,642.1
Unit 1 Total (Wickes)*	51,965	4,827.7
Drive-Thru (KFC)**	2,319	215.4
Total GIA	54,284	5,043.1

* c.19,200 sq ft at ground + 10,710 sq ft tenant mezz. has been sub-let to The Range.

** The lease-stated area for rent review is 2,475 sq ft.



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Situation

Northern Avenue Retail Park is situated approximately 1 mile to the north of Andover town centre in Andover's dominant Enham Arch Roundabout retail warehousing location.

The A3057 Northern Avenue serves as Andover's inner ring road around the town centre and the property occupies a prominent position off the A3057 at its intersection with the Enham Arch Roundabout.

Enham Arch Retail Park, anchored by tenants including B&M, Next and Pets at Home is adjacent to the north whilst a c.34,000 sq ft Sainsbury's supermarket is located to the south of the property. Other occupiers in the wider Enham Arch commercial cluster to the east includes Tesco, Curry's and TK Maxx. The site is bounded to the north by the London-Andover railway line and the wider area to the west of the property is primarily residential.



Plan for indicative purposes only

Andover Retail Warehousing & Competition

Andover is relatively undersupplied with a low level of out-of-town retail warehouse accommodation. Andover contains a total non-food retail warehouse supply of c.180,000 sq ft which is almost entirely located in the Enham Arch Roundabout cluster, which comprises the subject property and the nearby complementary schemes of Enham Arch Retail Park and Churchill Retail Park. The only out-of-town vacancy in Andover is a result of the recently vacated former Carpetright unit on Churchill Retail Park.

The subject Wickes benefits from being the only DIY store in Andover, with the nearest DIY competition located over 20 minutes' drive away in Winchester. As such, we have estimated the exclusive catchment population for Wickes Andover, being the population for which Wickes is the nearest DIY store to drive to, to be c.125,000 (StorepointGeo).

"Enham Arch Roundabout is Andover's dominant retail warehouse destination"

"Wickes is the only DIY store in Andover"

Andover Station 

Andover Town Centre

A3057







Sainsbury's Argos

A3057 Northern Avenue





Subject Property

Churchill Retail Park




Enham Arch Roundabout

Enham Arch Retail Park

A343 Newbury Road

Tesco Petrol Station

A3093 Churchill Way














Northern Avenue Retail Park

ANDOVER, SP10 4AU

 London - 1 hr 10 mins



Tenancies

The property is fully-let in accordance with the schedule below and produces a **total current income of £849,025 per annum with a WAULT of c.6.5 years without breaks.**

Unit	Tenant	Trading as	GIA (sq ft)	Term (years)	Lease Start	Lease Expiry	UXT	Next Review	Passing Rent (£ pa)	Passing Rent (£ psf)	Comments
1	Wickes Building Supplies Ltd	Wickes	51,965	25	25/03/2006	24/03/2031	6.5	25/03/2021	£767,025	£14.76	5 yearly OMVRs. 2021 RR is O/S. No S/C cap. Wickes have sub-leased part of Unit 1 to The Range since 2006 (see sub-lease schedule below).
2 (Drive-Thru)	Clokken Ltd	KFC	2,319	25	21/04/2006	20/04/2031	6.5	21/04/2026	£82,000	£35.36	Lease assigned to Clokken Ltd in May 2024. AGA from Pollo Ltd and GAGA from Kentucky Fried Chicken (Great Britain) Ltd. 2021 RRM settled at an uplift to £82k pa / £35.36 psf (increased from £80k pa). No S/C cap. 5 yearly OMVRs. Lease-stated area for review 2,475 sq ft.
Total			54,284						£849,025		

Sub-Leases

1 (Sub-let)	CDS (Superstores International) Ltd	The Range	19,200	25	18/08/2006	24/03/2031	6.5	25/03/2026	£288,000	£15.00	10,710 sq ft tenant mezz. Sub-let from Wickes.
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Site

The overall site extends to approximately **9.79 acres / 3.96 hectares.**

The separated c.2.73 acre western part of the site (shaded blue on the adjacent plan) has been sold off LLH to Test Valley Borough Council for 999 years from 16/02/2005 at a peppercorn rent.

There is also a substation and gas pressure reduction site towards the south of the site let to Southern Electric Power Distribution Plc and SSE Pipelines Ltd respectively on 99-year leases at a peppercorn rent. Further details are available on request.

Tenure

Freehold as delineated in red on the adjacent plan.

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Well-secured Income

91% of the income is well-secured against the excellent Wickes covenant with the remainder let to KFC franchisee Clokken Ltd and ultimately guaranteed by the main UK KFC entity to provide further surety. The Range, rated 5A 2 by Dun & Bradstreet, has been occupying their unit on a sub-lease from Wickes since 2006 and is one of the UK's leading multi-channel retailers with over 200 stores nationwide.

Wickes

Wickes Building Supplies Ltd (01840419) – 91% of income

The income is secured against the well-established, national covenant of Wickes Building Supplies Ltd. Wickes is a multi-channel home improvement and DIY retailer serving both the public and trade channels. Founded in the USA in 1854, Wickes was the UK's first fixed-price builder's merchants when it opened its first UK store in Manchester in 1972, and has since grown its portfolio to over 230 stores across the country and employing over 8,100 colleagues.

Formerly part of the Travis Perkins group, Wickes was demerged in April 2021, with Wickes Group Plc launching on the London Stock Exchange. Wickes Group Plc currently has a market cap of c.£426m (September 2024).

Wickes Building Supplies Ltd has a Dun & Bradstreet rating of 5A 1 which represents a 'minimum' risk of business failure.

The latest accounts for Wickes Building Supplies Ltd are provided below:

Year Ending	30/12/2023 (£000s)	31/12/2022 (£000s)	31/12/2021 (£000s)
Sales Turnover	£1,553,800	£1,562,400	£1,534,900
Pre-Tax Profit (Loss)	£46,800	£43,500	£64,900
Tangible Net Worth	£189,400	£200,700	£205,300

KFC®

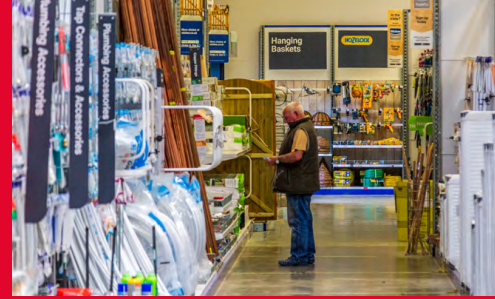
Clokken Ltd (15217100) guaranteed by Kentucky Fried Chicken (Great Britain) Ltd (00967403) – 9% of income

Clokken Ltd is a franchisee of KFC, the American fried chicken chain which is the world's second-largest restaurant group with over 30,000 locations globally in 150 countries as of April 2024.

Notably Clokken Ltd's lease is ultimately guaranteed by the franchisor Kentucky Fried Chicken (Great Britain) Ltd which has a Dun & Bradstreet rating of 5A 1 and represents a 'minimum' risk of business failure.

Clokken Ltd are a new entity with no financials available. The latest accounts for Kentucky Fried Chicken (Great Britain) Ltd are provided below:

Year Ending	25/12/2022 (£000s)	25/12/2021 (£000s)	25/12/2020 (£000s)
Sales Turnover	£284,274	£292,915	£207,573
Pre-Tax Profit (Loss)	£89,927	£103,180	£51,600
Tangible Net Worth	£330,478	£264,720	£428,431



Further Information

Asset Management

The UK drive-thru rental market has seen significant growth in recent years owing to strong occupier demand and expansion. The scheme provides an **excellent opportunity to capitalise on this reversionary rental upside** at KFC's upcoming rent review in 2026.

Planning

Class E. The main retail warehouse units are formerly of Open A1 Non Food use with a restriction on convenience retail. Food sales are permitted from the drive-thru unit. Further information is available on request.

Service Charge

The property has a **low overall service charge of £0.74 psf** in the latest budget with no current shortfalls or caps within the leases.

EPC

The property has **strong ESG credentials** and is future-proofed against planned MEES increases in 2027 with all EPCs rated 'B-47' or better. Copies of the EPCs are available on request.

Environmental

The site is deemed to have a **low overall risk of environmental liability** relating to ground contamination in its current use. Furthermore the scheme's built areas, car park and associated access are deemed to have a **low overall flood risk**.

Copies of RPS' Phase I Environmental survey and Flood Due Diligence report, both dated September 2024, are available on request.

Anti-Money Laundering

In order to discharge its legal obligations, including under applicable anti-money laundering regulations, C&W will require certain information of the successful bidder. In submitting a bid, you agree to provide such information when Heads of Terms are agreed.

VAT

We understand the property has been elected for VAT and it is anticipated that the transaction will be treated as a Transfer Of a Going Concern.

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