

ANCHOR RETAIL PARK

BURNLEY, BB11 1BX



WELL-SECURED, FULLY-LET RETAIL PARK INVESTMENT WITH AN EXCELLENT TENANT LINE-UP & RESILIENT OCCUPATIONAL HISTORY

Investment Highlights

- Burnley is **one of Lancashire's largest towns** with a **dense catchment population** of around 125,000 located within a 10-minute drive of the property.
- **Purpose-built retail park totalling a GIA of 42,109 sq ft** across 5 retail warehouse units and a standalone restaurant.
- Located adjacent to Burnley Central station **in the town's dominant retail warehousing destination**.
- **Fully-let to a strong tenant line-up of national occupiers** in Iceland, Pets at Home, Halfords, Sports Direct, Dreams and Tim Hortons.
- Total **passing rent of £442,920 pa**, equating to a **low average rent of £10.52 per sq ft**.
- **Fully-rebased rents with 100% of the income either newly-let or regeared within the past 5 years**.
- Impressive occupational history with **each tenant trading on average c.24 years from the scheme**.
- **93% of the income has been regeared at least once** proving tenant trade from the scheme.
- **Well-secured income** with **100% of the rent secured to tenants rated by D&B as having a below average risk or better**.
- **WAULT of c.5.1 years to lease expiries** and c.3.5 years to breaks.
- **Open A1 Part Food** planning consent (now Class E).
- The majority of the **3.26 acre** site is held LLH (c.138 years UXT at peppercorn) with part held FH/VHF.



PROPOSAL

We are instructed to seek offers in the region of

£4,750,000

(Four Million, Seven Hundred and Fifty Thousand Pounds)

subject to contract and exclusive of VAT.

An acquisition at this level would reflect a **Net Initial Yield of 8.75%** assuming standard purchaser's costs of 6.58% and a low capital value of £113 psf.

Location

Burnley is one of the largest towns in Lancashire in the north west of England, located approximately 20 miles east of Preston, 21 miles north of Manchester and 39 miles west of Leeds. Other nearby surrounding towns include Blackburn, Accrington and Colne.



By road Burnley primarily benefits from its immediate access to the M65 motorway to the north of the town at Junctions 10 & 11. The M65 joins with the M61 and M6 to the west to provide travel towards Manchester and the wider UK respectively.

M65 (J11)	0.8 miles	5 minutes
M65 (J10)	1.5 miles	9 minutes
M61 (J9)	19 miles	24 minutes
M6 (J29)	21 miles	26 minutes



Burnley Central train station is located directly adjacent to the property and provides direct regular services to Manchester Victoria in a fastest journey of 48 minutes and to other North West destinations such as Blackburn and Preston.

Manchester Victoria	48 minutes
Blackburn	30 minutes
Preston	57 minutes



Manchester, Liverpool and Leeds-Bradford international airports are all located within a 1-hour drive of Burnley.



Map for indicative purposes only.

Local Economy

Once a key town at the heart of the UK's industrial revolution, Burnley's local economy has undergone significant transformation, driven by substantial investment and strategic initiatives, receiving £900m in public and private investment since 2010.

Retaining its manufacturing presence, Burnley today boasts a strong advanced manufacturing and engineering sector. Its North West location is at the centre of the wider regional aerospace and advanced engineering cluster, which is the largest in Europe and is home to major aerospace companies such as Velocity Composites and Paradigm Precision.

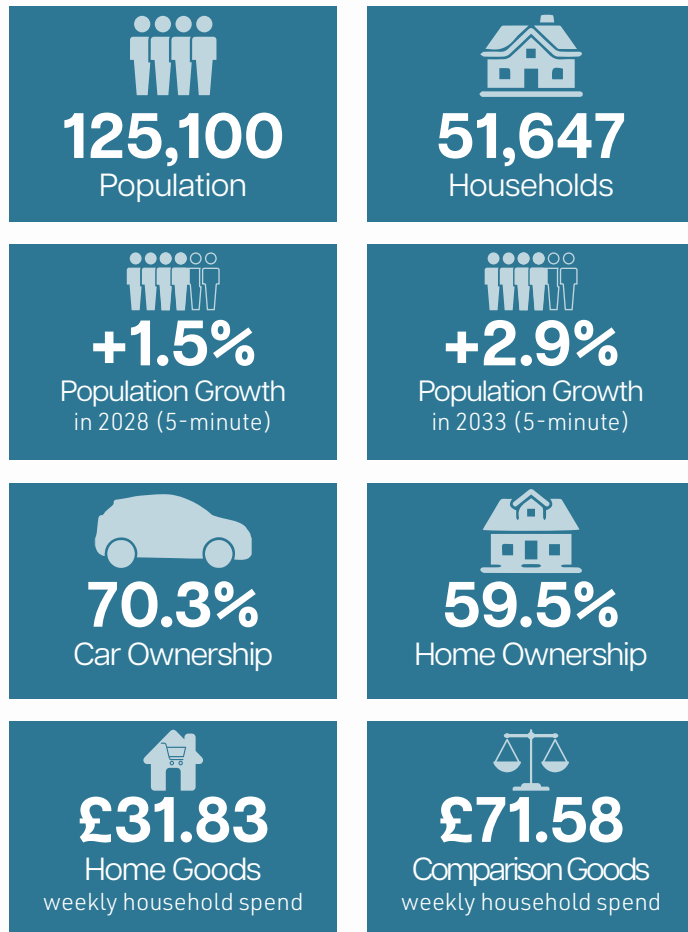
Additionally, due to its excellent connectivity Burnley is home to a number of established logistics parks, with Boohoo.com operating its 1.045m sq ft distribution centre in the town.

Catchment & Demographics

Burnley has an estimated 15,304 people located within a 5-minute drivetime, which extends significantly to 125,100 and 228,546 within a 10-minute and 15-minute drivetime respectively (Experian).

Burnley's employment rate was higher than across the North West as a whole in 2023. Of people aged 16 to 64 years living in Burnley, 76% were employed in 2023 which has increased by 4.7% from the previous year (ONS).

KEY FACTS: 10-minute catchment

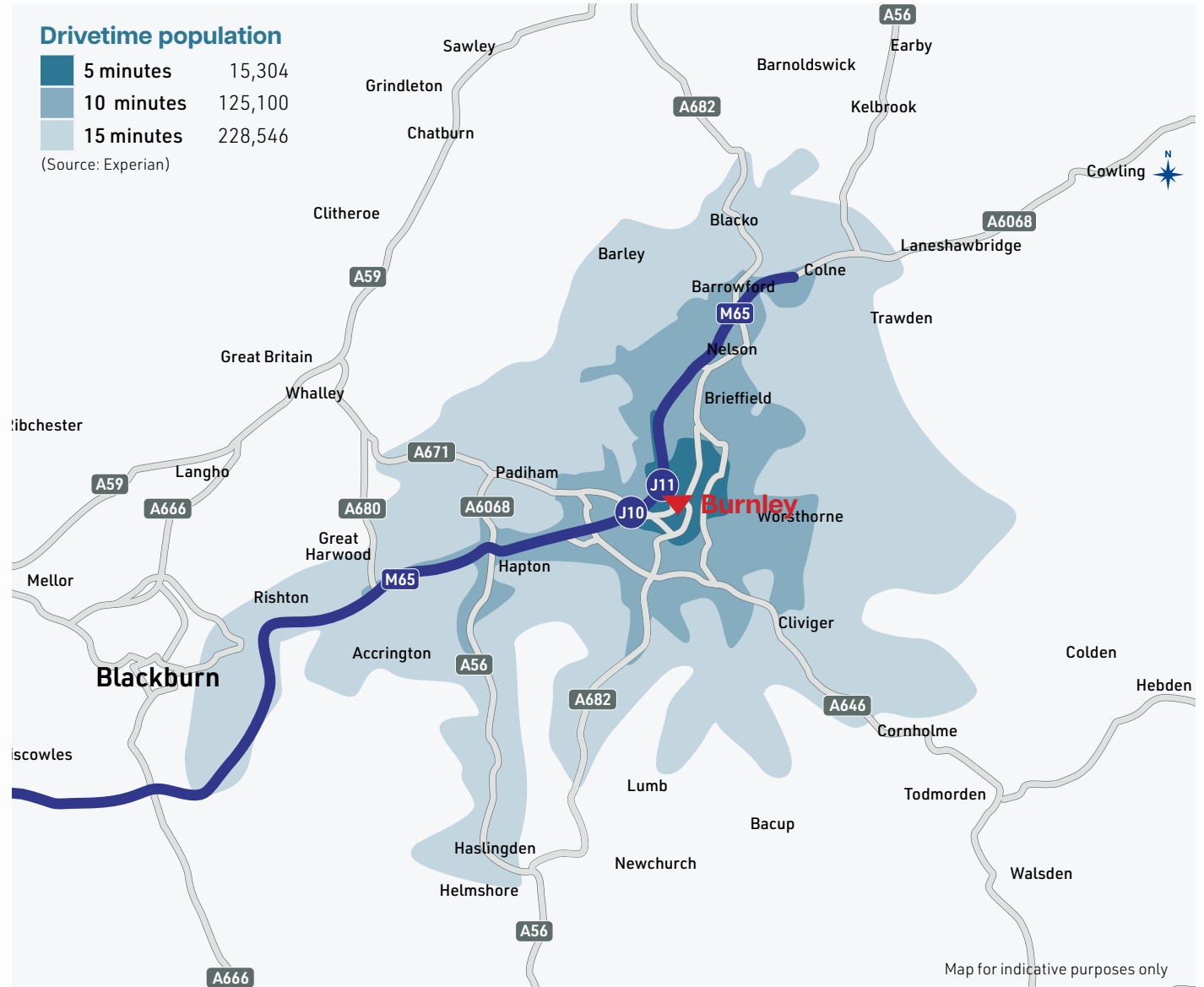


(Source: MBR, Census, Experian)

Drivetime population

5 minutes	15,304
10 minutes	125,100
15 minutes	228,546

(Source: Experian)



Map for indicative purposes only

“The property benefits from a dense catchment with around 125,000 people located within a 10-minute drive”

Retail Warehousing in Burnley

Burnley is relatively under-supplied given its dense catchment with total non-food retail warehouse provision of around 260,000 sq ft.

Burnley's out-of-town retail provision is primarily formed of the primary pitch being an area around Burnley Central station to the north of the town centre. This area includes three principal retail parks comprising the subject property, Prestige Retail Park and Princess Way Retail Park, together with a solus B&M and The Range to the west. Burnley's retail warehousing has a resilient occupational history with only a single current vacancy resulting in a low out-of-town vacancy rate of c.4.1%.



“Anchor Retail Park is located in Burnley’s primary retail warehousing pitch”

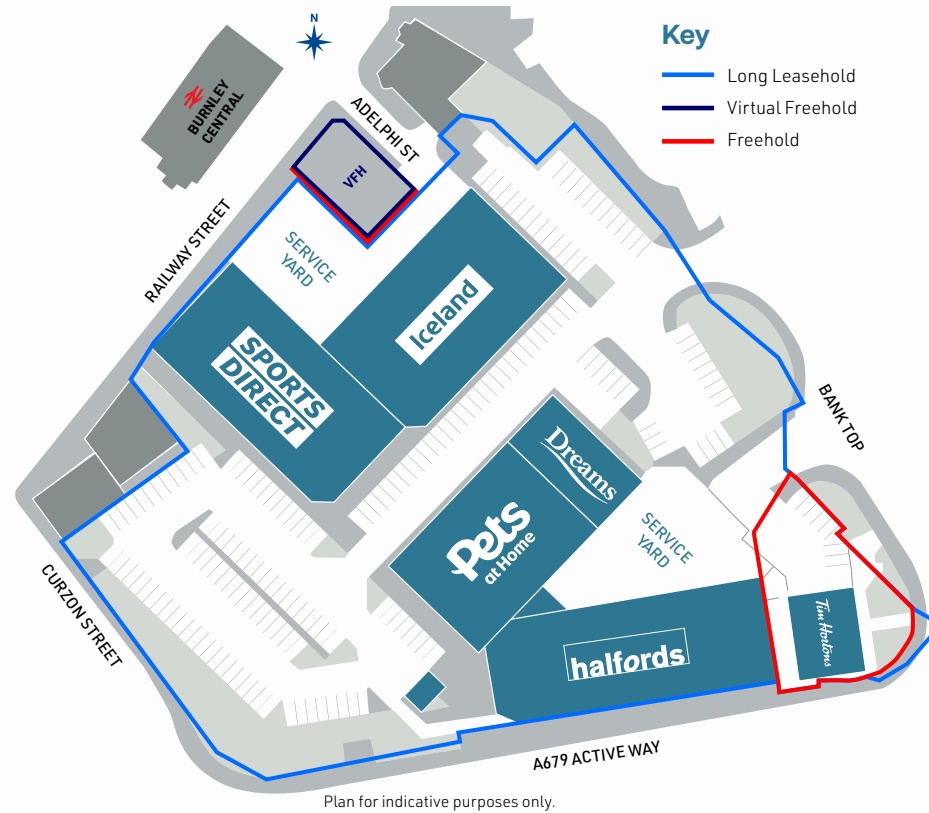


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Description

Developed in 1987, the property comprises a purpose-built retail park, primarily configured in two terraces, one L-shaped and one V-shaped extending to a GIA of 40,031 sq ft across 5 units. A standalone 2,078 sq ft restaurant was later constructed in 2004 at the south east of the site.

Customer parking to the front of the units provides c.147 spaces at a ratio of 1:286 sq ft. The scheme is accessed via a single customer entry point into the site from Bank Top roundabout off the A679 Active Way. There are two shared service yard areas to the rear of the main terraces with their own dedicated accesses from Railway Street and Bank Top respectively.



Tenure

The site is held part Freehold / part Long Leasehold (LLH). The majority of the site (outlined in light blue on the plan adjacent) is held LLH on various titles at a peppercorn rent from Burnley Council expiring on the 17th December 2162 and therefore provides c.138 years unexpired.

The part of site containing the standalone Tim Hortons unit is held Freehold and outlined in Red on the plan adjacent. There is a further Freehold sliver and small parcel of vacant land to the north of the site held Virtual Freehold with c.833 years unexpired (bordered dark blue).

Site

The site extends to approximately 3.26 acres / 1.32 hectares.



Situation

Anchor Retail Park is situated in the heart of Burnley, immediately adjacent to Burnley Central station and to the north of the town centre and Pioneer Place Shopping Centre. The scheme occupies a highly-prominent, elevated position off the A679 Active Way dual-carriageway.

The park is located at the centre of Burnley's dominant out-of-town retailing destination. A standalone Aldi foodstore is adjacent to the west whilst the complementary Sainsbury's-anchored Prestige Retail Park is immediately to the east and is home to Curry's and JD Gyms. Asda-anchored Princess Way Retail Park is further to the north beyond Burnley Central station with occupiers including Poundland, George and Frankie & Lola's soft play.



Map for indicative purposes only



“Located in the heart of Burnley, Anchor Retail Park is the town’s primary scheme”



ASDA

Princess Way Retail Park

Burnley Central

Sainsbury's

Prestige Retail Park

Burnley College

PRINCESS WAY

RAILWAY LINE

CANNING STREET

147 spaces

Anchor Retail Park

A679 ACTIVE WAY

ALDI

Pioneer Place Shopping Centre

Tenancies

The property is fully-let to a well-secured tenant line-up of established national multiple retailers producing a total current gross income of £442,920 per annum.

Unit	Tenant	GIA (sq ft)	Lease Start	Lease Expiry	Next Rent Review	TOB	Passing Rent (£ pa)	Passing Rent (£ psf)	% of Income	Comments	
1	Halfords Limited t/a Halfords	9,998	01/07/2023	30/06/2028	-	-	£100,600	£10.06	23%	In occupation since 1987. New 5 year lease from 2023 at around the previous previous passing rent. Inside the 1954 Act. Monthly rents. No S/C Cap.	
2	Pets at Home Limited t/a Pets at Home	7,340	19/10/2019	18/10/2029	-	-	£73,640	£10.03	17%	In occupation since 2009. 10 year reversionary lease (with year 5 TOB) from previous lease expiry. Rent rebased from £88,368 pa (£12 psf). 2024 break option removed via deed of variation for 6 months' RF (taken in 2023). 2024 OMVR removed via deed, with the rent fixed for the remainder of the term. Schedule of condition. Inside the 1954 Act. Monthly rents via side letter. No S/C cap.	
3	Sportdirect.com Retail Limited t/a Sports Direct	10,059	29/09/2022	28/09/2032	29/09/2027	29/09/2027	£100,000	£9.94	23%	In occupation since 2007. New 10 year lease (with year 5 TOB). Rent rebased from £199,740 pa (£20 psf). 9 months' RF if 2027 break isn't exercised. Year 5 upwards only OMVR capped at £115,000 pa. Monthly rents. Inside the Act. No S/C cap. Unit contains a c.7,029 sq ft tenant mezz.	
4	Iceland Foods Limited t/a Iceland	9,984	24/06/2023	23/06/2028	-	-	£100,080	£10.02	23%	In occupation since 1988. New 5 year lease at passing rent. Tenant in 1/2 rent paying £50,040 pa until 23/12/2024 (vendor to top-up the rent to the full level should the sale complete prior). Inside the Act. Monthly rents. No S/C cap.	
5	Dreams Limited t/a Dreams	2,650	01/12/2020	30/11/2025	-	-	£33,000	£12.45	7%	In occupation since Dec 2015. 5 year regear lease from 2020 (2023 TOB not exercised). Rent rebased from £50,000 pa / £18.87 psf Schedule of condition. Monthly rents. Inside the Act. Current S/C cap £5,099.95 reviewed annually to RPI (uncapped) - current S/C shortfall of £5,486.38 owing to one-off car park fabric repairs in the latest budget to YE 2025. No further shortfalls are therefore anticipated in future S/C years. Heads of Terms have been agreed to regear Dreams' lease at passing rent from expiry - further details are available on request.	
6	TH UK & Ireland Limited t/a Tim Hortons	2,078	26/08/2022	25/08/2032	26/08/2027	26/08/2027	£35,600	£17.13	8%	Former Carphone Warehouse. New 10 year lease (with year 5 TOB on 6 months' notice). £8,900 penalty if break is exercised. Upwards only OMVR. Inside the Act. No S/C cap.	
		42,109					£442,920	£10.52			

Fully-Let

to all national occupiers

Strong occupational history

92% of the income has been regear at least once

£10.52 psf

Low and affordable average passing rent

**WAULT
c.5.1 years**

c.3.5 to Breaks

Rebased Rents

100% of the income been newly-let or regear in the past 5 years.

36+ Years

Halfords and Iceland have traded from the scheme

c.24 Years

average length each tenant has been on the scheme by income

100%

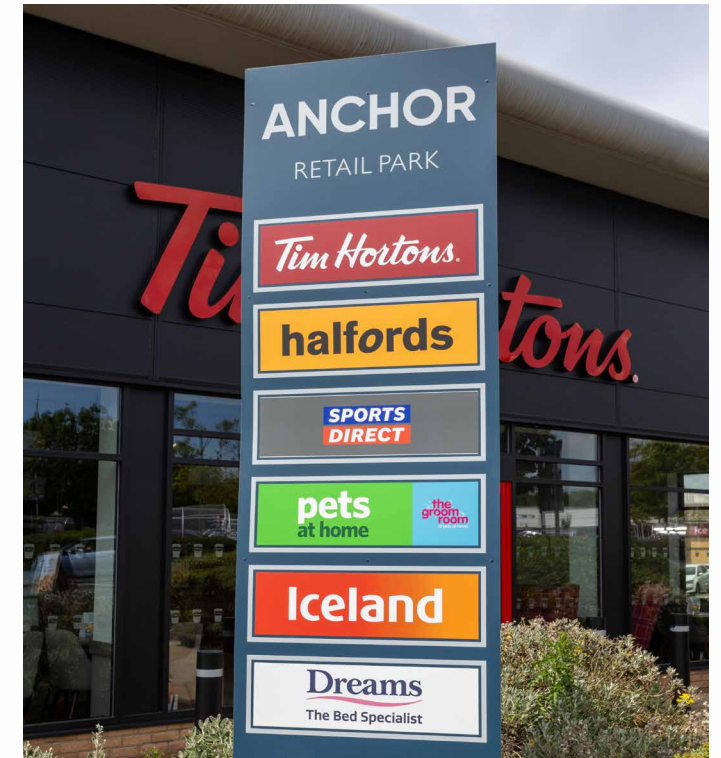
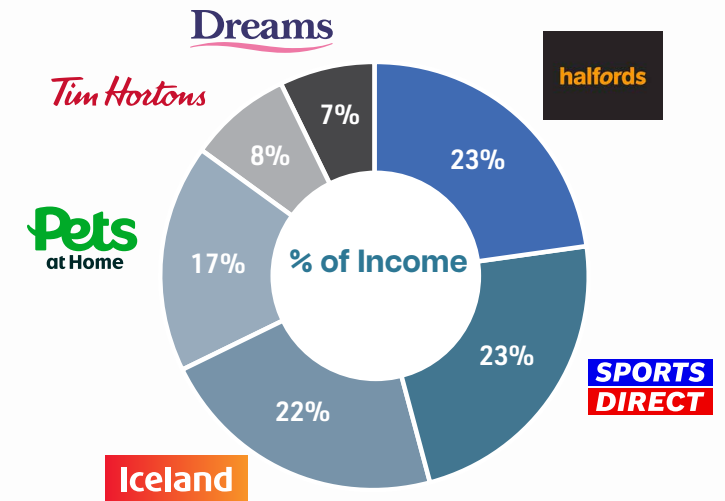
of income secured to tenants with a Below Average Risk or better (D&B)

“Anchor Retail Park has an excellent occupational track record, being 100% let to a strong and complementary tenant line-up on fully-rebased rents”

Well-Secured National Covenants

The income is well-secured to a strong tenant line-up with 100% of the rent secured to national covenants which are all rated by Dun & Bradstreet as having a 'below average' risk of business failure or better. The latest financial accounts for each tenant are listed below.

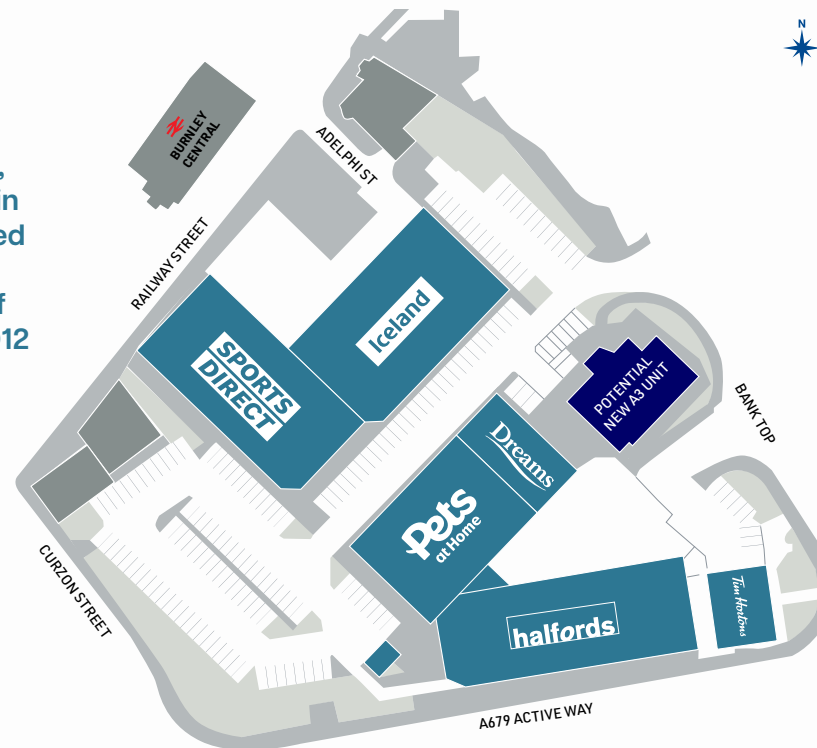
Covenant	Year Ending	Sales turnover (000s)	Pre-Tax Profit / (Loss) (000s)	Tangible Net Worth (000s)	D&B Rating
Halfords Limited (00103161)	31/03/2023	£932,300	£54,100	£440,200	5A2 Below average risk
	01/04/2022	£948,500	£91,500	£402,600	
	02/04/2021	£977,600	£47,600	£801,600	
Sportsdirect.com Retail Limited (03406347)	30/04/2023	£3,126,311	£412,975	£1,775,128	5A1 Minimum risk
	25/04/2022	£2,877,067	£309,794	£1,577,942	
	25/04/2021	£1,897,160	£27,846	£1,330,888	
Iceland Foods Limited (1107406)	29/03/2024	£4,118,000	£15,600	£695,900	5A2 Below average risk
	24/03/2023	£3,864,900	(£16,200)	£684,700	
	25/03/2022	£3,554,900	(£4,100)	£703,300	
Pets at Home Limited (01822577)	30/03/2023	£1,278,705	£77,667	£957,106	5A2 Below average risk
	31/03/2022	£1,206,929	£92,064	£896,420	
	25/03/2021	£1,018,897	£51,015	£826,660	
TH UK & Ireland Ltd (10303138)	31/12/2022	£87,948	(£15,170)	£51,663	5A2 Below average risk
	31/12/2021	£46,042	(£3,054)	£32,099	
	31/12/2020	£19,353	(£1,907)	£14,984	
Dreams Limited (08428347)	24/12/2022	£387,000	£50,094	£31,120	4A2 Below average risk
	24/12/2021	£358,463	£48,479	£21,021	
	24/12/2020	£302,150	£46,863	£43,006	



Planning

We understand the scheme originally received planning consent in 1986 for a retail development with A1 non-food use, with the restaurant unit later developed in 2004. The scheme's consent was widened in 1990 to permit the sale of frozen/chilled foods in Unit 4 and a Certificate of Lawfulness was granted in November 2012 to prove the use of Unit 2 as an ancillary pet care and treatment facility. As such we consider the scheme today has an Open A1 Part Food planning consent (now Class E).

Historically, consent was also granted in May 2007 (APP/2007/0211) to develop a further 310 sqm (3,337 sq ft) restaurant unit at the east of the site as approximately drawn on the plan adjacent. Whilst since-lapsed this provides strong precedent for an excellent future asset-management opportunity to increase the floorspace with an additional unit.



Plan for indicative purposes only



Asset Management

The scheme presents various asset management opportunities to regear tenant leases, extend the overall WAULT and deliver additional floorspace.

Short-term AM opportunities include:

- Progressing the regear of Dreams' lease (Unit 5) ahead of lease expiry in November 2025. Dreams are committed to the scheme and Heads of Terms have been agreed to extend the lease at passing rent - further details are available on request.
- Removal of Sports Direct's break option in September 2027 (Unit 3).

Medium/long-term AM opportunities include:

- Delivering an additional restaurant unit to the west of the site as per the historically consented application adjacent.
- Value realization in acquiring Burnley Council's FH interest.

Further Information

EPC

Copies of the EPCs are available on request.

Flooding

The property is located in Flood Zone 1 and is deemed to have a Low Probability of flooding (Environment Agency).

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.

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.

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