

FOR SALE retail warehouse investment opportunity



Dunelm

PELLON LANE, HALIFAX, HX1 5RA

**PELLON LANE
RETAIL PARK**

TOOLSTATION

farmfoods

Sue Ryder



**CROSSLEY
RETAIL PARK**

ALDI

halfords

pets
at home

home bargains

Iceland

Investment Summary

- Modern retail warehouse extending to **16,394 sq ft**
- Prominently located on Pellon Lane, adjacent to Halifax Retail Park
- High quality purpose built retail warehouse constructed in 2003
- Let to Dunelm (Soft Furnishings) Limited with **8.30 years unexpired**
- Dunelm (Soft Furnishings) Limited benefit from a **D&B rating of 5A1**
- The current passing rent is **£198,455 per annum** equating to **£12.11 per sq ft**
- Freehold
- We are instructed to seek offers in excess of **£2,490,000 (Two Million, Four Hundred and Ninety Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 7.50%** and a capital value of **£152 per sq ft** assuming purchaser's costs of 6.38%

**HALIFAX
RETAIL PARK**

£ pound
stretcher
every penny counts...

British Heart
Foundation

CarpetRIGHT

Dunelm



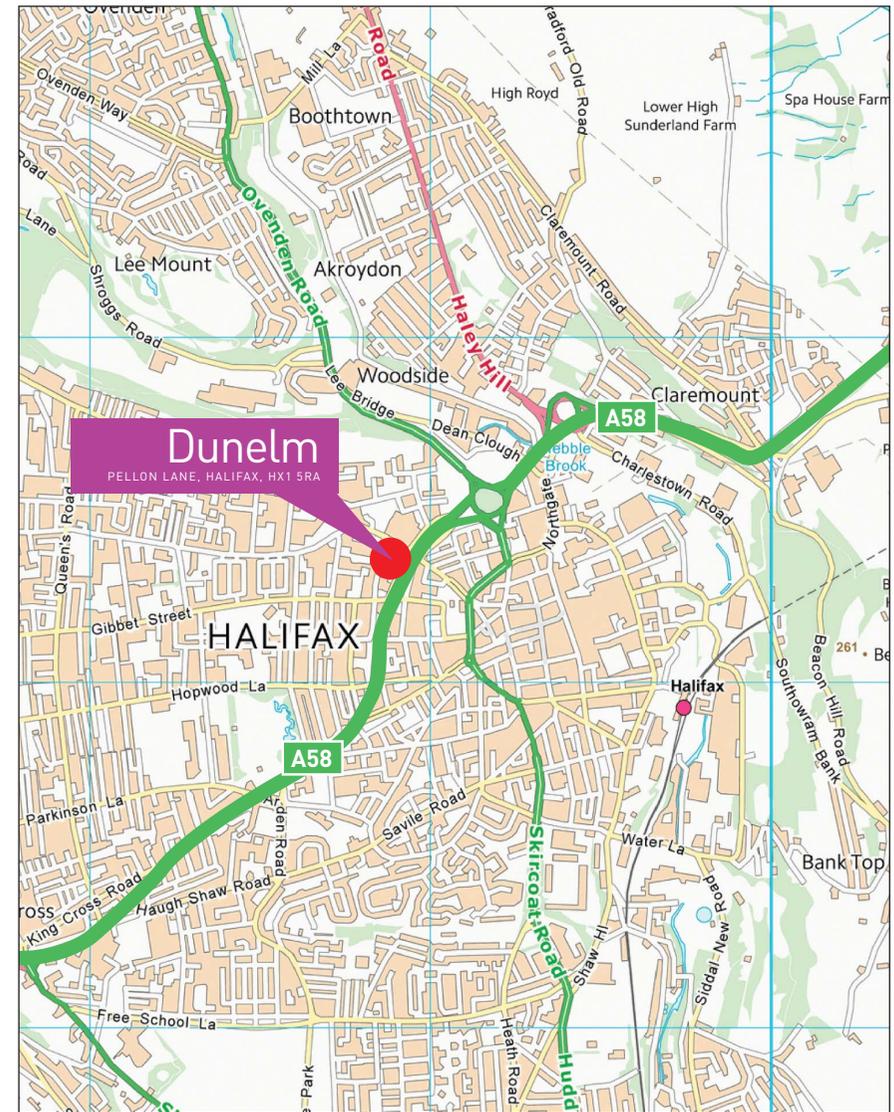
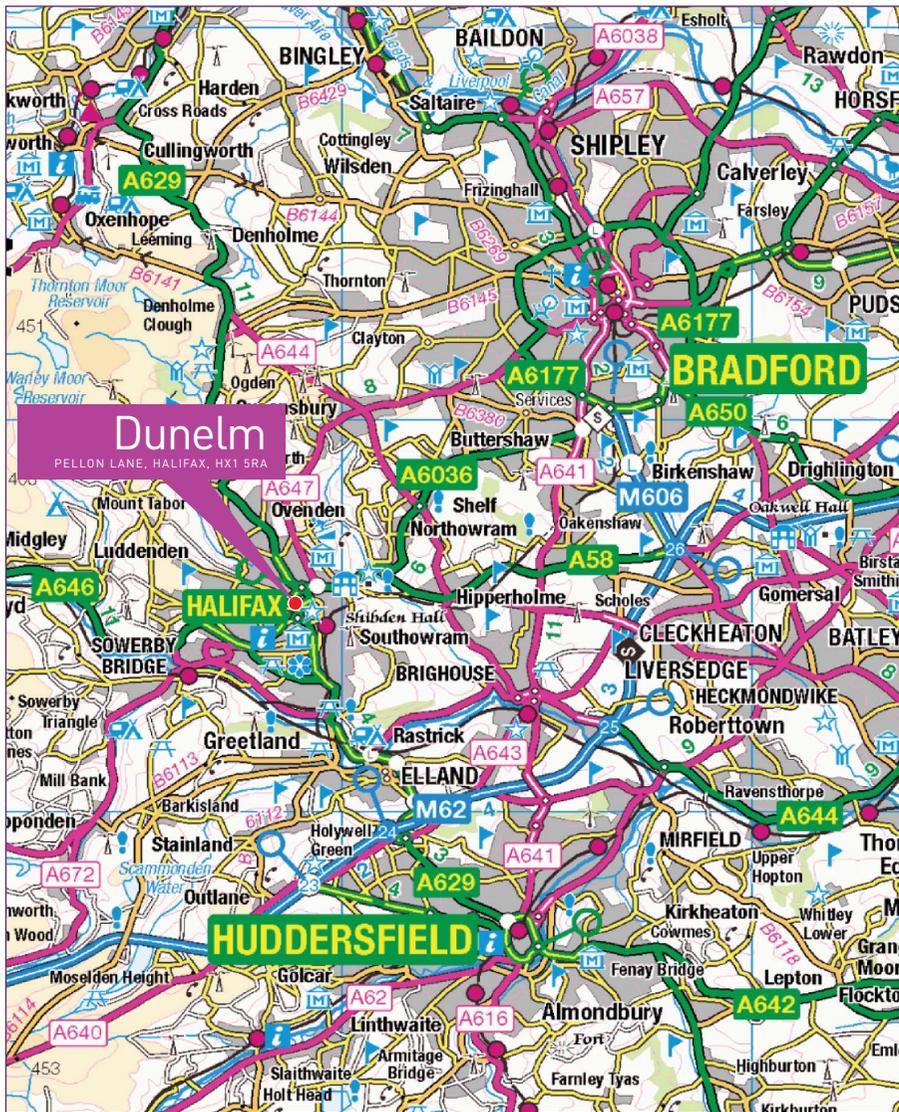
A58

HALIFAX
TOWN CENTRE

A58

Dunelm

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Location

Halifax is a large town in West Yorkshire, prominently located between Leeds and Manchester with a population in excess of 90,000. The town is located approximately 18 miles from Leeds and 7 miles from Bradford. The A58 links Halifax to the M62 Motorway to the south east, connecting Leeds with Manchester.

By rail, Halifax provides direct services to Leeds in 36 minutes and Manchester Victoria in 50 minutes. Leeds Bradford Airport is situated 16 miles to the north east.

Situation

The property is situated in a prominent location on Pellon Way in Halifax, adjacent to Halifax Retail Park. The property is accessed via the A58 which is the main arterial route through Halifax. There are two bus stops adjacent to the property.

Nearby occupiers include Poundstretcher, British Heart Foundation (Furniture and Electrical), Carpetright (all on Halifax Retail Park), Screwfix and The Range.

Description

The property comprises a detached, purpose-built retail warehouse facility of approximately 16,394 sq ft with a mezzanine sales area installed by the tenant of approximately 13,500 sq ft. We understand the property was constructed in 2003.

The building is of modern steel portal frame construction underneath a pitched double skinned insulated roof containing translucent roof lights. The internal elevations are clad to the upper level and of brick/block construction to the lower level. The external face is clad to the upper level with brickwork below and parapet walls around the entrance projection. The entrance projection is a mono pitched structure with glazed, aluminium framed entrance and exit doors.

The ground floor level provides predominantly open plan sales area with staff toilets, break out area and locker room, along with a small office. The tenant installed mezzanine is accessed via a staircase or passenger lift from the ground floor, customer toilets are provided as part of the tenant fit out at first floor level. There is a café at mezzanine level trading as "Pausa" which is a brand controlled by Dunelm and present in a number of their retail stores nationwide.

There is a car park to the front of the building with 55 marked spaces, accessed from Bedford Street North to the west of the building. There is a loading area to the rear of the property which is also accessed from Bedford Street North.

Additionally, the property benefits from an air conditioning system, fire and intruder alarm system and CCTV.



Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (6th edition) and provides the following gross internal floor area:

DESCRIPTION	SIZE (SQ M)	SIZE (SQ FT)
Ground Floor	16,394	1,523
Mezzanine	13,500 *	1,254
Total	29,894	2,777

*The mezzanine was constructed by the tenant.

Site

The site area extends to approximately 0.84 acres, providing a site cover of approximately 42%.

Tenure

The property is held freehold.

Tenancy

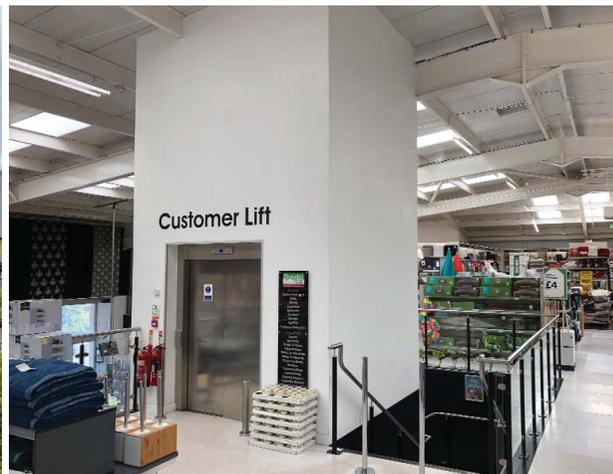
The property is let to Dunelm (Soft Furnishings) Ltd on a 15 year lease from 10/09/2012 which expires on 09/09/2027, providing an unexpired lease term of approximately 8.30 years. The passing rent is £198,455 per annum (£12.11 per sq ft). The next upwards only rent review is on 10/09/2022 and the lease is inside the Landlord & Tenant Act, 1954.

For the purposes of the rent review, the floor area is agreed at 15,567 sq ft.

A full copy of the lease can be provided upon request.

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Covenant

Dunelm was established over 39 years ago and is now one of the UK's leading home furnishing retailers, with 170 stores across the UK employing in excess of 6,500 members of full time staff.

The recent accounts are summarised below:

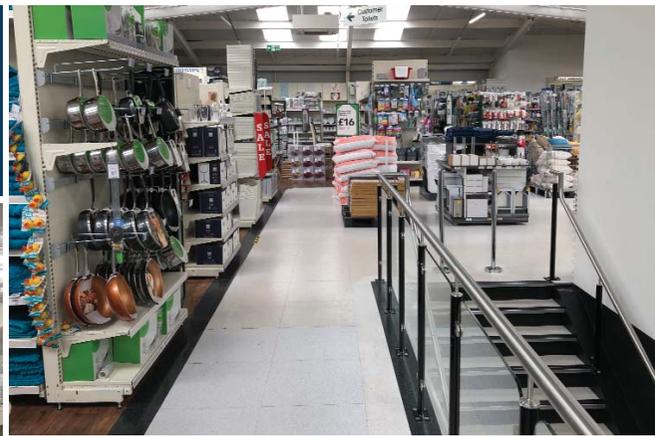
Dunelm (Soft Furnishings) Limited	Financial Year Ending		
	30/06/18	01/07/17	02/07/16
Turnover	£1,050,100,000	£901,100,000	£880,900,000
Profit After Tax	£72,200,000	£72,600,000	£101,700,000
Net Worth	£121,100,000	£46,400,000	£32,200,000
Net Assets	£149,700,000	£73,900,000	£50,800,000

Investment Comparables

Date	Property	Tenant(s) (Area sq ft)	Term Certain	Rent psf	Price	Net Initial Yield
January 2019	Glebe Road, Scunthorpe	Wickes (20,797 sq ft)	c. 8 yrs	£202,000 (£9.71 psf)	£2.7m	7.0%
May 2018	Dudley Road, Scunthorpe	Go Outdoors Ltd (33,530 sq ft)	10 yrs	£165,000 (£4.92 psf)	£2.39m	6.5%
April 2018	Ormskirk Road, Aintree	Wren Kitchens Ltd (17,187 sq ft)	10 yrs	£365,000 (£21.24 psf)	£5.35m	6.39%
March 2018	Phoenix Retail Park, 1-3, Wolverhampton	JD Sports and Iceland (c. 40,000 sq ft)	10 yrs	£475,000 (c. £11.88 psf)	£6.50m	7.2%

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EPC

The property has an Energy Performance Certificate (EPC) Rating of C (56). A copy of the EPC is available on request.

VAT

The property is elected for VAT and it is therefore anticipated that the transaction will be treated as a Transfer of a Going Concern (TOGC).

Proposal

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Further Information

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

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