

LEWIS ELLIS

CBRE



B&M

480 HELEN STREET, GOVAN,
GLASGOW, G51 3HF

SECURE LONG LET RETAIL WAREHOUSE INVESTMENT OPPORTUNITY



INVESTMENT SUMMARY

- **An opportunity** to acquire a high quality retail warehouse unit, **let on a long lease to B&M Retail Ltd.**
- **Located in Glasgow, the fourth largest city in the UK** with a retail catchment in excess of **2.2 million.**
- **Immediately adjacent** to a large, successful 150,000 sq ft Asda store, with circa 1,010 car spaces in total.
- Located within 100 metres of **Junction 24 of the M8** motorway.
- The property comprises Glasgow's largest B&M store, with a GIA of **34,320 sq ft.**
- **Let to a covenant rated by D&B as 5A1**, on a 10 year lease expiring on the 10th January 2031.
- The property generates a **total rental income of £330,000 pa**, which equates to only £9.61 psf.
- **B&M** opened their new store to the public on 15th April 2021, having **upsized by more than 100%**, from a unit directly to the rear on Helen Street.
- **Rent review on 11th January 2026** on an upwards only, open market basis.
- **Long leasehold tenure** with approximately 101 years unexpired at a fixed rent, if demanded, of **£5 pa.**

We are instructed to seek offers in excess of **£4,425,000 (Four Million, Four Hundred and Twenty Five Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level reflects an attractive **net initial yield of 7.00%**, after deduction of purchaser's costs of 6.54%, equating to a **capital value of £129 per sq ft.**



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LOCATION

Glasgow is Scotland's largest city and the fourth largest in the United Kingdom, with an urban area population of approximately 626,000 (ONS May 2020). It is situated approximately 45 miles west of Edinburgh, 150 miles north west of Newcastle Upon Tyne and 220 miles north of Manchester.

The city has a high quality provision of retail space and a shopping population in excess of 2.2m making it the top retailing destination in Scotland and second only to London in the UK.

There is over £4.85 billion of comparison goods spend available in the catchment area and the city features in the top 20 super league of major European shopping destinations by commercial expenditure, capitalising on over 2.3 million tourists visiting the city each year.

Glasgow has five universities and three super colleges and has a student population of approximately 135,000.



ROAD

The main motorway in Scotland, the M8, runs through the heart of Glasgow, linking with Edinburgh to the east and Glasgow International Airport to the west. The M8 provides access to the surrounding motorway network, to the north via the M80, to the south via the recently extended M74/M6 to England and to the west via the M77.



RAIL

Glasgow has the UK's largest suburban rail network outside London, benefitting from two main city centre stations, Glasgow Central and Glasgow Queen Street, which provide good connectivity to all the major Scottish and English cities. Edinburgh can be reached in approximately 50 minutes and London in approximately four hours.



AIR

Glasgow International Airport operates approximately 200 flights daily and is situated 15 minutes west of the city centre. It has 30 airlines serving approximately 110 destinations worldwide, including the US, Canada, the Caribbean, Europe, North Africa and the Gulf. London is within a one hour flight time of Glasgow.

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DEMOGRAPHICS



Glasgow is the fourth largest city in the UK and considered the powerhouse of the Scottish economy.



Glasgow has a growing population of 626,000 with an extended conurbation population of 2.3m accounting for approximately one third of Scotland's entire population.



As Scotland's economic engine, the economy of Glasgow generates £19.6 billion GVA (Gross Value Added) per annum.



The city is home to approximately 54,000 companies, supporting around 840,000 jobs (34% of Scotland's total jobs).



Overall, Glasgow has a high level of home ownership, standing at 62% of all households.



There are over 185,000 students, with 46% of the population educated to degree level, forming part of the hugely robust skills pipeline.

SITUATION

The B&M is situated in a highly convenient position on Helen Street in the Govan area of Glasgow, approximately 3.5 miles southwest of the city centre. Helen Street is accessed directly from Junction 24 of the M8 motorway, which is less than 100 metres from the subject property.

It is immediately adjacent to a top trading 150,000 sq ft Asda store and shares circa 1,010 car spaces in total.

Due to the trading success of the 'old' B&M store on a site directly to the rear on Helen Street, in January 2021 B&M relocated into the current unit of 34,320 sq ft more than 'doubling' their floor space. They have consequently created the largest B&M store in Glasgow.

The former B&M will now be occupied by Aldi, which together with the adjoining Asda store, creates a vibrant retail destination. The area is further enhanced by the presence of complementary occupiers McDonald's, Starbucks and KFC.

Ibrox Stadium, the largest football stadium in Scotland and home to Rangers football club, is located just 0.6 miles to the east.



SECURE LONG LET RETAIL WAREHOUSE INVESTMENT OPPORTUNITY



UNIVERSITY OF GLASGOW

JARVIE PLANT GROUP

GLASGOW SCIENCE CENTRE

GLASGOW CITY CENTRE

IBROX STADIUM RANGERS FC



HELEN STREET

POLICE BUILDING

M8 J24



ASDA PETROL STATION



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DESCRIPTION

The property comprises a newly fitted out prominent retail warehouse unit, extending to approximately 34,320 sq ft (GIA) over ground and mezzanine floors. The building was constructed in c.1997 and is of steel frame construction, below a pitched roof with profiled metal sheet cladding and part brick, part steel cladded façades.

B&M have incurred a significant amount of capital expenditure to incorporate their latest corporate style fitout both externally and internally.

The unit has the benefit of a shared communal car park with Asda providing circa 1,010 car spaces in total. There is a concrete and tarmac yard located to the rear of the property, which is accessed via a separate service road from Helen Street.

ACCOMMODATION

The property is arranged over ground and mezzanine floors, providing the following approximate areas:

Area	sq m	sq ft
Sales	2,716.66	29,242
Warehouse	286.93	3,089
Amenity	97.10	1,045
Total Ground Floor Area	3,100.69	33,376
Mezzanine	87.72	944
Total Area	3,118.42	34,320

PLANNING

An extended planning use was granted on 29th January 2019 allowing B&M to offer their full range of produce under planning decision notice 18/02951/FUL which permits the sale of Bulky Goods, Non-Bulky Goods (up to a maximum of 920 sq. m or 35% of the total sales area) and Food (up to a maximum of 395 sq. m or 15% of the sales area).

Full details are available upon request.

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TENANCY

The property, illustrated edge blue on the attached plan, is let to B&M Retail Limited (the main trading company) on a sub-lease for a term of 10 years from 11th January 2021, without break, offering an attractive unexpired term of 9.57 years.

The property provides a total net rental income of £330,000 pa, equating to a £9.61 per sq ft on a total ground floor and mezzanine area of 34,320 sq ft.

There is a 16 month rent free period, with rent commencement on the 11th May 2022. The vendor will top up the rent until this date.

There is an open market review on the fifth anniversary of the term, being 11th January 2026, which is capped at a maximum uplift of 12% (£369,600 p.a).

The sublease is held on a full repairing and insuring basis, but subject to a photographic schedule of condition. The tenant has however fitted out the unit to an excellent standard of condition and repair.

TENURE

The property is held long leasehold from Asda Stores Limited for a term of 125 years from 2nd June 1997, expiring 1st June 2122 (currently c.101 years unexpired) at a fixed rent of £5 per annum (which has never been demanded).

CAR PARKING

In practice the extensive car park is shared with the adjoining Asda store, however, B&M benefits from protected car parking rights. The area immediately in front of their store remains in the ownership of Asda who have covenanted to maintain a minimum number of 150 spaces in the land edged red and not to build any structures thereon.

SITE AREA

The site extends to approximately 1.09 acres (0.44 ha).





COVENANT INFORMATION

B&M Retail Limited (Company Number: 01357507)

B&M Retail Limited are a FTSE 100 company and have a D&B rating of 5A1 which reflects a 'minimum risk of business failure.'

B&M were formed in 1978 and is one of the UK's leading variety retailers. The company employs over 28,000 people and is estimated to have over 3 million shoppers per week. In the UK B&M operate over 600 stores as well as over 275 Heron Foods convenience stores, predominately located in the North of England.

The company has benefited from a surge in sales during the various lockdown periods throughout 2020 and early 2021, managing to keep most of their stores open whilst many of their competitors had to close due to them being classed as an "essential retailer". It has also benefited from having shops in retail parks away from town centres, which have been busier than high streets and shopping centres.

The retailer reported group pre-tax profits of £525.4m, up from £252m the year before, thanks to strong trading during lockdowns. After seeing revenues last year increase by almost 26%, B&M is planning to open 43 more stores across the UK in 2021.

The company has recorded the following recent accounts:

	28 March 2020 £000	30 March 2019 £000	31 March 2018 £000
Sales Turnover	£3,148,497	£2,801,499	£2,629,145
Pre-Tax Profit (Loss)	£262,360	£273,406	£236,006
Current Net Assets (Liabilities)	£574,051	£651,831	£521,784
Tangible Net Worth	£806,847	£754,389	£600,542

INVESTMENT COMPARABLES

DATE	ADDRESS	AREA (sq ft)	RENT (psf)	RENT REVIEW	UNEXPIRED TERM (Break)	PRICE	NIY	CV PSF
Under Offer	B&M, Crieff	22,000	£14.00	OMV capped at 12%	15 years	£4.45m	6.50%	£202
Apr-21	B&M, Brecon Enterprise Park, Brecon	25,028	£12.61	OMV capped at 12%	13.6 years	£4.30m	6.80%	£172
Apr-21	B&M, Savins Mill Way, Leeds	32,292	£13.50	OMV capped at 12%	15 years	£7.08m	5.75%	£219
Apr-21	B&M, Wingate Road, Luton	25,780	£8.73	OMV	5 years	£4.00m	5.25%	£155
Apr-21	The Range and M&S, Renfrew Road Retail Park, Paisley	60,000	£13.83	OMV	17 years (15 years)	£12.96m	6.00%	£216
Apr-21	The Range, Milton Link, Edinburgh	98,569	£8.81	1% pa uplifts	12.6 years	£13.15m	6.26%	£133
Mar-21	Aldi, KFC, Starbucks & Greggs, Gowan, Glasgow	22,820	£18.61	Various	16 years	£8.075m	4.93%	£354
Feb-21	B&M, Cheshire Street, Market Drayton	21,193	£12.98	OMV capped at 12%	15 years	£4.00m	6.50%	£189
Oct-20	B&M, Riverside Drive, Bedford	36,140	£10.00	OMV capped at 12%	13.4 years	£6.40m	5.30%	£177
Sep-20	B&M, Times Retail Park, Heywood	33,173	£12.50	OMV capped at 12%	20 years	£6.08m	6.50%	£183

VAT

The property has been elected for VAT purposes. It is anticipated however that the investment sale will be treated as a Transfer of a Going Concern (TOGC).

EPC

A copy of the EPC is available on request.

ENVIRONMENTAL

A phase 1 environmental report has been prepared showing low to moderate risk. A copy of the report is available on request.





PROPOSAL

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CONTACTS

Should you require further information or wish to view the property, please contact either:

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