

POOLE

POOLE TRADE PARK, INNOVATION CLOSE,
POOLE BH12 4FG



LEWIS ELLIS

RARE SOUTH COAST MULTI-LET TRADE COUNTER INVESTMENT OPPORTUNITY



ROWLEY
ALUMINIUM
WINDOWS, DOORS, CONSERVATORIES & BI FOLDING DOORS



Newglaze
WINDOWS | DOORS | CONSERVATORIES

TOOLSTATION

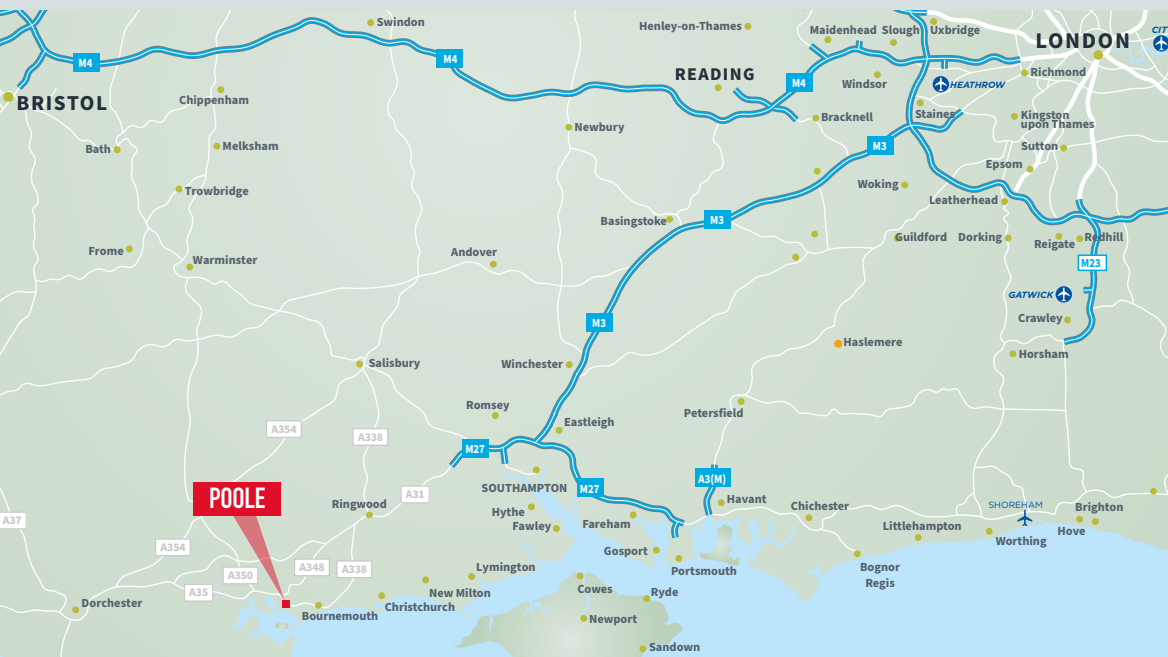


INVESTMENT CONSIDERATIONS

- The property is held **freehold**.
- Poole Trade Park comprises **10 modern trade counter units (built in 2007)** providing a **total GIA of 36,175 sq ft (3,360.77 sq m)** with individual unit sizes ranging from 2,964 sq ft (275.36 sq m) to 5,034 sq ft (467.67 sq m).
- **Multi let to eight tenants** generating a **total rental income of £424,509 per annum** which reflects a **low average rent of £11.73 per sq ft**.
- Attractive AWULT of **8.9 years to expiry and 5.5 years to break**.
- The site extends to **1.86 acres (0.75 hectares)** providing a **low site coverage of 45%**.
- **Strong tenant retention** with Tile Giant, Toolstation, Rowley Aluminium, MPH Merchant, Leafcutter Design and UK Plumbing Supplies **in occupation for in excess of 10 years**.
- **Strong income profile** with 61% of the income secured against **'lower than average risk of business failure'** covenants or better.
- Headline rents in Poole and are projected to continue on an upward trajectory, largely due to a lack of supply of quality industrial stock.
- **Average rental growth forecasts** in the south east currently stand at **5.3% per annum** over the next 5 years.
- The COVID-19 pandemic has highlighted how vital the trade and industrial sector is to end consumers and supply chains. Trade and industrial has remained resilient throughout the last 12 months, largely down to surges in e-commerce, food delivery services and home improvement.
- Poole is an **affluent, large and well connected** coastal town located approximately 5 miles (8 km) west of Bournemouth and 36 miles (58 km) south-west of Southampton.
- Poole Trade Park is located **3.1 miles (4.9 km) north of the town centre** and adjoins a major arterial route, Dorset Way (A3049). The property is **easily accessible via the Tower Park Roundabout**.

Offers sought in excess of **£8,845,000 (Eight Million, Eight Hundred and Forty Five Thousand Pounds)** subject to contract and exclusive of VAT.

This reflects a **net initial yield of 4.50%**, after deduction of purchase costs of 6.68%, equating to a capital value of **£245 per sq ft**.



LOCATION

Poole is a large coastal town in the county of Dorset, located approximately 5 miles (8 km) west of Bournemouth, 36 miles (58 km) south-west of Southampton and 107 miles (172 km) south-west of London.

Poole, together with Bournemouth, Christchurch, Ferndown and Wimborne, forms one of the most affluent conurbations on the south coast with a combined population in excess of 400,000.

Poole has a strong and diverse economy and has benefited from a large influx of wealthy retirees. Tourism, worth approximately £220m annually, supports around 5,000 jobs locally. The town also has a vibrant manufacturing sector with a particular strength in marine technologies. Sunseeker (the largest luxury yacht maker in the UK) employ 2,500 people. Poole is a desirable place to live and average houses prices are around £370,000, well above the UK average of around £230,000.

ROAD

Poole is a well connected town on the South Coast of England and benefits from strong transport links. The A35, one of the main arterial roads along the South Coast, links Poole to major cities including Southampton in the east and Exeter in the west.

Bournemouth is located approximately 5.7 miles (9.1 km) to the west (via the A35) and the A31, via the A348, provides access to Southampton and the wider national motorway network (M27/M3) approximately 31 miles (49.8 km) to the north east.

Town/City	Distance (Miles)	Distance (Km)
Bournemouth	5.7	9.2
Southampton	37	59.5
Portsmouth	56	90.1
London	112	180.2

RAIL

There is a direct rail service operated by SW Railway from Poole railway station to London Waterloo with a fastest journey time of approximately 2 hours. Southampton Central can be reached in 49 minutes.

AIR

Bournemouth and Southampton international airports are located approximately 8 miles (12 km) and 36 miles (58 km) to the north-east respectively.

SEA

Poole Harbour is one of the largest natural harbours in the world and is a major cargo port. In 2006 the harbour was deepened to a depth of 7.5m to accommodate modern ferries and vessels. In 2017, the port underwent a £10 million expansion programme to enable the handling of larger cargo and cruise ships. Poole Harbour also provides ferry services to continental Europe and the Channel Islands.

SITUATION

Poole Trade Park is located 3.1 miles (4.9 km) north of the town centre and adjoins a major arterial route, Dorset Way (A3049). The property is easily accessible from Dorset Way via the Tower Park Roundabout.

Parkstone Rail Station is located 2 miles (3.2 km) to the south via Ringwod Road and provides direct access to London Waterloo.

There is a strong cluster of nearby trade counter occupiers including Brewers Decorating, Screwfix, Rexel, YESS Electrical, Johnstons Decorating, The Timber Group, Sally Salon and Crown Decorating Service. Furthermore, the location is considered one of the prime commercial locations in Poole with notable occupiers nearby including Ford, Volkswagen, a Tesco Extra foodstore.

Tower Park leisure Complex and Tower Retail Park (directly opposite the subject property) generate strong levels of footfall and vehicle movements locally. Occupiers include B&M, Home Bargains, Food Warehouse, Costa and McDonalds.

In March 2019 Chancerygate developed Horizon Park on an adjoining 3.7 acre site totalling 86,000 sq ft (11 units ranging from 1,658 sq ft - 24,830 sq ft). By Oct 2020, all units were leased or sold off. Occupiers include Titan Storage Solutions, The Silver Crane Co. and independent book retailer Bookends.

HOUSING TARGETS

The Bournemouth, Christchurch and Poole Local Plan is currently being prepared with adoption scheduled for December 2022 and will supersede the existing Poole Local Plan. Across the BCP area there are 81 strategic sites planned which will deliver 13,180 dwellings. In Poole specifically, there are 5,000 new homes planned on existing brownfield sites.





DESCRIPTION

Poole Trade Park comprises 10 modern trade counter units built in 2007 arranged as two terraces on a self contained site.

The estate provides a total GIA of 36,175 sq ft (3,360.77 sq m) with individual unit sizes ranging from 2,964 sq ft (275.36 sq m) to 5,034 sq ft (467.67 sq m).

The buildings are of steel portal frame construction with part brick/part metal clad elevations and profile sheet roofing with translucent roof lights.

The units benefit from the following institutional specification:-

- Full height level access electronically operated loading doors
- Hardstanding loading area to the front of each unit
- Dedicated staff / customer car parking bays
- Minimum eaves height of 7.1 metres

Internally the tenants have constructed mezzanine floors, trade counters, display areas and other alterations within the buildings in order to suit their individual requirements.

The site extends to 1.86 acres (0.75 hectares) providing a low site coverage of 45%.

ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and comprises the following gross internal floor (GIA) areas:

UNIT	TENANT	AREA (Sq ft)	AREA (Sq m)
1	Tile Giant	5,034	467.67
2	Newglaze Windows	4,057	376.91
3	Rowley Aluminium	2,998	278.52
4	MPH Merchant	3,024	280.94
5	MPH Merchant	2,964	275.36
6	Leafcutter Design	2,998	278.52
7	UK Plumbing Supplies	3,033	281.78
8	UK Plumbing Supplies	3,012	279.82
9	Williams Trade Supplies	4,490	417.14
10	Toolstation	4,565	424.10
TOTAL		36,175	3,360.77

TENANCY DETAILS

The property is let to eight tenants in accordance with the tenancy schedule below generating a total rental income of £424,509 per annum which reflects a low average rent of £11.73 per sq ft. The property benefits from an AWULT of 8.9 years to expiry and 5.5 years to break.

The estate enjoys strong tenant retention with Tile Giant, Toolstation, Rowley Aluminium, MPH Merchant, Leafcutter Design and UK Plumbing Supplies in occupation for in excess of 10 years. This demonstrates the quality of the location and low availability of industrial/trade counter stock in Poole.

UNIT	TENANT	AREA (Sq ft)	AREA (Sq m)	LEASE START	NEXT RENT REVIEW	LEASE EXPIRY	BREAK OPTION	RENT (pa)	Rent (psf)	SCHEDULE OF CONDITION	OUTSIDE L&T 1954 ACT	COMMENTS
1	Tile Giant Ltd	5,034	467.67	24/09/2022	-	04/11/2027	-	£61,667	£12.25	No	No	Engrossments circulating for new reversionary lease commencing 24/09/2022. Current rent is £53,867 per annum. 3 months rent free from 04/11/2022. Vendor to top up to £61,667 per annum.
2	Newglaze Windows Ltd	4,057	376.91	09/05/2016	-	08/05/2026	-	£44,627	£11.00	No	Yes	
3	Rowley Aluminium Ltd	2,998	278.52	22/05/2020	22/05/2025	21/05/2030	21/05/2025	£35,976	£12.00	No	Yes	Rent deposit of £5,000 plus VAT. Passing rent is £31,479 per annum. Rent increases to £35,976 per annum from and including 22/05/2023 up to and including 21/05/2025, the rent is then subject to rent review. Vendor to top up the rent to £35,976 per annum.
4	MPH Merchant (South Coast) Ltd.	3,024	280.94	30/01/2019	30/01/2024	29/01/2034	29/01/2029	£36,288	£12.00	No	No	
5	MPH Merchant (South Coast) Ltd.	2,964	275.36	30/01/2019	30/01/2024	29/01/2034	29/01/2029	£35,568	£12.00	No	No	
6	Leafcutter Design Ltd	2,998	278.52	13/11/2007	13/11/2027	12/11/2037	12/11/2029	£35,976	£12.00	No	No	Reversionary lease commences 13/11/2022. Current rent is £33,033 per annum. Vendor to top up to £35,976 per annum. 3 months rent free commencing 13/11/2022 to be topped up by vendor.
7	UK Plumbing Supplies Ltd	3,033	281.78	13/05/2022	13/05/2027	12/05/2037	13/05/2032	£37,154	£12.25	No	No	
8	UK Plumbing Supplies Ltd	3,012	279.82	13/05/2022	13/05/2027	12/05/2037	13/05/2032	£36,900	£12.25	No	No	10 months' rent free to be topped up by vendor.
9	Williams Trade Supplies Ltd	4,490	417.14	30/09/2020	30/09/2025	29/09/2030	29/09/2025	£50,512	£11.25	Yes	No	Rent free from 30/09/25 to 29/03/26.
10	Toolstation Ltd	4,565	424.10	31/03/2008	-	30/03/2023	-	£49,841	£10.92	No	No	
Total		36,175	3,360.77					£424,509	£11.73			

TENURE

The property is held freehold.

COVENANT INFORMATION

The estate benefits from a diverse income stream with a mix of largely national trade multiples and regional business. 61% of the income is secured to strong covenants with a 'lower than average risk of failure' or better.

Unit	Tenant	D&B Rating	Year Ending	Turnover (000's)	Profit/ (Loss) (000's)	Net Current Assets/Liabilities (000's)
1	Tile Giant Limited*	O4	31.12.19	£48,571	£564	£2,531
2	Newglaze Windows Limited*	A1	31.12.20	-	-	£1,100
3	Rowley Aluminium Limited*	O2	-	-	-	-
4 & 5	MPH Merchant (South Coast) Limited*	1A2	31.08.21	-	-	£1,227
6	Leafcutter Design Limited*	D2	31.03.21	-	-	£79
7 & 8	UK Plumbing Supplies Limited**	N2	31.12.20	£203,784	(£3,962)	£62,370
9	Williams Trade Supplies Limited	4A2	30.11.20	£118,871	£6,044	£22,060
10	Toolstation Limited*	5A2	31.12.20	£563,138	£19,501	£23,883

*In occupation for in excess of 10 years.

**Parent company is Marlowe Holdings Limited (2020 turnover £2.275bn / pre tax profit £104m). Other companies owned by Marlowe Holdings include Edmundson Electrical and Plumbase.



OCCUPATIONAL MARKET COMMENTARY

Poole is considered a highly attractive market for trade counter occupiers given the large affluent residential catchment.

The Poole/Bournemouth industrial market has a total supply of approximately 7.5 million sq ft. The demand/supply dynamics are firmly in the landlords favour with very low levels of good quality industrial / trade counter stock available currently. This, twinned with the lack of development, continues to put upward pressure on headline rents.

Average rental growth forecasts on the south coast currently stand at 5.3% per annum over the next 5 years.

Poole Trade Park is well placed to take advantage of the strong occupational dynamics. There are numerous opportunities to drive the rents forward over the next 18 months following a very strong period of growth in the home improvements sector. Prime trade counter rents in Poole currently stand at £13.00 per sq ft.



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INVESTMENT MARKET COMMENTARY

Trade counter assets have proved highly resilient over the last 12 months with the pandemic accelerating consumer adoption of online commerce, food delivery and home improvements.

The low levels of supply, lack of development in recent years and strong rental growth prospects will continue to drive investor demand.

Opportunities to acquire quality industrial/trade counter assets are few and far between and when they do come to market they are highly sought after. There is a huge weight of money targeting the sector and yields have compressed further over the last six months with prime south east multi let trade counter assets now standing at sub 4.00%.

Listed below are a selection of recent market transactions demonstrating current pricing levels:

Location	Date	Area (sq ft)	Term Certain (Years)	Price	Yield (NIY)	Cap Val (psf)
Trade & Logistics City, Luton	Under Offer	123,664	6.3	c.£39m	c.3.10%	c.£315
Millennium Way, Park 2000, Leeds	Under Offer	58,701	4.3	c.£16.66m	c.3.25%	c.£284
Apex Park, Leighton Buzzard	Apr-22	58,551	4.5	£16.1m	3.28%	£275
Mark Way Industrial Estate, Swanley	Apr-22	69,344	5.56	£24.4m	3.13%	£352
City Business Park, Bristol	Jan-22	117,650	4.71	£30.1m	2.86%	£255
Trade City, Gravesend	Dec-21	35,408	6.8	£11.85m	3.63%	£335
Trade City, Maidenhead	Dec-21	53,923	8.8	£19.83m	3.70%	£368
Nuffield Trade Park, Oxford	Sep-21	88,117	3.4	£22.16m	3.44%	£251
Saracen Industrial Estate, Hemel Hempstead	Apr-21	44,360	4.4	£12.45m	3.79%	£281

SERVICE CHARGE

The service charge budget for the period ending 24th December 2022 is estimated at £49,504.36 per annum equating to £1.37 per sq ft. Further information is available in the dataroom.

VAT

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

ENERGY PERFORMANCE CERTIFICATE

The property has an EPC rating ranging between 37 (band B) and 98 (band D). Individual copies of the EPC's are available on the dataroom.





DATA ROOM

There is a dataroom for the property with key tenancy information, service charge schedules, title documents and the EPCs. Access to it can be obtained via Lewis Ellis.

PROPOSAL

Offers sought in excess of **£8,845,000 (Eight Million, Eight Hundred and Forty Five Thousand Pounds)** subject to contract and exclusive of VAT.

This reflects a **net initial yield of 4.50%**, after deduction of purchase costs of 6.68%, equating to a capital value of **£245 per sq ft**.

FURTHER INFORMATION

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

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