



Waterfields Shopping Park

Waterfields Way, Watford WD17 2EU

PRIME SOUTH EAST RETAIL PARK INVESTMENT



Investment Summary

- // Rare opportunity to acquire one of the south east's **premier retail warehouse parks** in Watford
- // Highly successful and affluent town located in southwest Hertfordshire approximately **15 miles northwest of central London**
- // **Exceptionally accessible location** benefitting from excellent transport connections
- // 20 minute drive time population of approximately **874,000 people**
- // Prominent and visible location a short distance from the town centre **adjacent to a large & dominant Tesco Extra**
- // Purpose built dominant retail park providing approximately **75,000 sq ft**
- // Fully let to **Next, Home Bargains, Boots, Pure Gym** and **Smyths Toys**
- // All covenants are D&B '5A' rated
- // Attractive **WAULT of 7.3 years to expiry** and **6.3 to break**
- // Gross passing rent of **£1,880,771 per annum** equating to an affordable average rent of c. **£25.00 per sq ft**
- // **Geared long leasehold interest:** 124 years unexpired at a rent of 5% of income received by the head lessee
- // **Medium to long-term redevelopment potential;** zoned for residential in 2022 Local Plan



Offers are sought in excess of

£25,900,000

(Twenty Five Million Nine Hundred Thousand Pounds)

A purchase at this level would reflect a **Net Initial Yield of 6.35%** assuming purchaser's costs of acquisition at 6.76%

The property is held in a Guernsey based SPV which may be available to purchase, subject to negotiation.

next

home bargains

Boots

SMYTHS

PUREGYM

Location & Communications

Watford is a highly successful and affluent town located in southwest Hertfordshire approximately 15 miles northwest of central London and 7 miles south of both Hemel Hempstead and St Albans.



The town enjoys excellent **road communications** as the M25 is situated approximately 3 miles north of the town centre (Junction 19) and is equidistant to the M1 (Junction 5) to the east. The town also benefits from good quality 'A' roads providing access to towns such as Rickmansworth, St Albans and Hemel Hempstead.



Watford is also served by one of the principal **National Rail** north-south rail routes – the West Coast Main Line – which connects London to the Midlands, north-west England and Scotland. Watford Junction Rail Station provides a direct service to London Euston with the fastest journey time of approximately 15 minutes.



In addition, **London Underground** services are provided by the Metropolitan line at the outer north-western boundary of the Tube system providing access to central London under 40 minutes.



The nearest **airports** are either London Heathrow (13 miles), London Luton (15 miles) or London City Airport (22 miles).





CENTURY RETAIL PARK

VICARAGE ROAD STADIUM

WATFORD HIGH STREET
TRAIN STATION

ACCESS
ROAD

HARLEQUIN SHOPPING CENTRE

Waterfields Shopping Park



WATER LANE

Premier Inn

PFS

A411 WATERFIELDS WAY

Redline is for indicative purposes only.

Demographics

Watford is a major commercial and retail centre serving the affluent suburbs of North London and large areas of Hertfordshire

The town is ranked as one of the best places to live and work in the UK due to:

- // **Strong economy:** Global headquarters and thriving enterprises offer ample employment.
- // **Good living environment:** Excellent schools, cultural facilities, and independent stores.
- // **Excellent transport links:** Easy access to London for commuters.
- // **Green spaces:** Award-winning parks and recreational areas.

There are approximately 181,000 people living within 10 minutes of Waterfields Shopping Park increasing to over 874,000 within 20 minutes. Furthermore, Watford has experienced a dramatic increase in population growth with an increase of 13.2% over ten years in comparison with the UK average of 6.60% over the same period.

Population

181,346
10 MINUTE DRIVETIME

874,574
20 MINUTE DRIVETIME

Home Ownership

66.2%
10 MINUTE DRIVETIME

64.0%
20 MINUTE DRIVETIME
UK Average 63.46%

AC/C1 Social Group

62.3%
10 MINUTE DRIVETIME

64.3%
20 MINUTE DRIVETIME
UK Average 53.40%

(Experian 2025)



Map is not to scale and for indicative purposes only.

Surrounding Residential Development

To further facilitate the ongoing growth of the town, there are a number of exciting new residential developments within Watford that will build on the town's success and excellent transport connections. The Local Plan adopted in October 2022 provides for 13,328 new homes over the plan period.



Development Name	Location	Units (Total)	Completion Status	Notes
South Oahey Central	Carpenders Park, WD19	659	Ongoing (Phased Completion)	Includes new homes, retail, commercial space and a new station square.
Watford Riverwell	Thomas Sawyer Way, WD18	1,400	Ongoing (Phased Completion)	Large-scale urban regeneration project between Watford Borough Council and Kier Property
Cortland Cassiobury	Ascot Road, WD18	489	Completed	Build-to-rent scheme with a 25-storey tower and four blocks of apartments.
The Exchange, Watford	Union Court, WD24	1,200	Ongoing	Studios, 1, 2 & 3 bedroom apartments with amenities including a gym, cinema room and landscaped gardens.
Coleridge Way	Borehamwood, WD6	18	Autumn 2025	Development of 18 two-bedroom houses, 15 three-bedroom houses and 2 four-bedroom houses.
Foxgrove Path	South Oxhey, WD19	53	Not specified	Comprises 8 one-bedroom flats, 28 two-bedroom houses, 15 three-bedroom houses and 2 four-bedroom houses.
The Meriden	Meriden Estate, WD17	131	Ongoing	Regeneration project to replace outdated homes with modern housing.

Key employers in the area

Watford is also home to a diverse range of major employers across various sectors, contributing to its status as a thriving business hub and reflecting on the town's diverse economic landscape, encompassing sectors such as film and media, healthcare, retail, construction, hospitality, professional services, and consumer electronics.



Regional or UK headquarters include:



Situation

Waterfields Shopping Park enjoys a prime and prominent position a short distance from Watford town centre, at the heart of the town's retail warehouse provision. The park is immediately adjacent to a large & dominant Tesco Extra—one of the UK's biggest—both easily accessed via the A411 Waterfields Way.

The A411, which forms part of the Watford Ring Road, is a dual carriageway that keeps traffic moving efficiently around the town centre and provides seamless connections across Watford. The road links to the A4008, offering swift access to the M1 at Junction 5 (1.7 miles northeast) and southbound to Harrow. Junction 19 of the M25 is just 3.5 miles away.

The Harlequin Shopping Centre—Hertfordshire's largest—is 200 metres northwest, putting major retail and leisure destinations within easy reach and the town's other retail warehouse supply is also located nearby.

Watford High Street train station (London Overground) is approximately 5 minutes walk from Waterfields Shopping Park and provides a direct link to Central London (Euston) in under 45 minutes.



Watford's Retail Warehouse Provision

Retail warehouse supply for Watford is estimated at approximately 425,000 sq ft and is largely concentrated around the subject property. The principal concentration of out of town retail accommodation serving the town's catchment is described below:

WATERFIELDS SHOPPING PARK, WD17 2BD

(Subject Property)

COLNE VALLEY RETAIL PARK, WD17 2JZ

- 0.5 miles east of the subject property totalling 93,00 sq ft
- Owned by Schroders
- Key tenants: DFS, Dreams, ScS, Tapi, Fabb Furniture & Natuzzi
- Terms recently agreed with Wren on 6,500 sq ft at £32.00 per sq ft

THE ARCHES RETAIL PARK, WD17 2JJ

- 1 miles south of the subject property totalling 124,970 sq ft
- Owned by ICG
- Key tenants: B & Q and The Range
- Costa occupy a unit of 2,200 sq ft paying a rent reflecting £84.09 per sq ft
- Average Rent for the scheme is £25.49 per sq ft

CENTURY RETAIL PARK, WD17 2SF

- 1.4 miles south of the subject property totalling 112,400 sq ft
- Owned by Royal London
- Key tenants: Pets At Home, Aldi, Furniture Village, Homesense, Currys, Hobbycraft, Halfords & T K Maxx
- Average rent for the scheme is £26.00 per sq ft



Redline is for indicative purposes only.

Description

Originally developed in 1999, Waterfields Shopping Park comprises a modern single terrace retail warehouse park providing 5 units totalling c.75,000 sq ft. The units, which are of steel portal frame construction with brick-clad elevations and glazed frontages, are laid out in a linear configuration with a surface car park in front of the units.

The Park is accessed from the A411 (Waterfields Way) via a bridge and shares access with the adjacent Tesco Extra food store. Goods access to the rear of the property is via a separate route from New Road. The goods and delivery area is surrounded by an external wall up to approximately 5m in height. New Road leads round to the side of the building and a small garage and shops is located on New Road adjacent to the goods and delivery area.

The scheme offers 328 car parking spaces (1:228 sq ft ratio).

Site area: 4.75 acres (1.9 ha), with 36% site coverage.



Tenure

Long leasehold. The main terms of the leasehold are:

- **Freeholder:** Watford Borough Council
- **Ground Rent** – peppercorn plus an additional rent of **five per cent (5%)** of the income **received** by the head lessee in respect of each quarter
- **Service Charge** – n/a
- **Rent Days** – Usual quarter days in advance in arrears
- **Review Date** – n/a
- **Term** – 150 years plus 6 months and 18 days
- **Term Commencement Date** – 11th March 1999
- **Term End Date** – 28th September 2149 (124 years unexpired)
- **Alterations** – the tenant is prohibited from erecting any new buildings or structures on the Property without providing details of such works and giving the landlord a reasonable period in which to make representations.
- **Alienation** – Part & whole permitted and is only subject to the landlords consent in the last ten years of the term. The lease provides that the tenant shall procure that the assignee prior to completion of any assignment covenant with Tesco to observe and perform the obligations of the Property owner contained in the Tesco Agreement.
- **User** – The Head Lease includes additional restrictions that prohibit any part of the property from being used for the principal retail or wholesale sale of food and drink before 29 January 2029. However, this restriction has been waived in favour of T J Morris t/a Home Bargains. Full details upon request.
- **Bridge and Access Road** – Access to the subject property is from Waterfields Way via private roads (which are not adopted), being the access road and the bridge. The headlease grants the property the necessary rights over these private roads and that the responsibility for maintenance and repair of the bridge sits with the head lessee. The access road from the highway to the roundabout which meets the bridge is Tesco's responsibility to maintain but the head lessee is obliged to contribute towards the cost of such maintenance. Full details upon request.

Planning

Waterfields Shopping Park can be used for all non-food retail sales and there is no restriction on the subdivision of the units.

Within the “Watford Local Plan 2021-3038”, which was adopted on 17th October 2022, the subject property is listed under HS21 Land at Waterfields Retail Park site as a site that “is considered suitable for residential development” with an “indicative yield” of 414 residential units.

Further details upon request



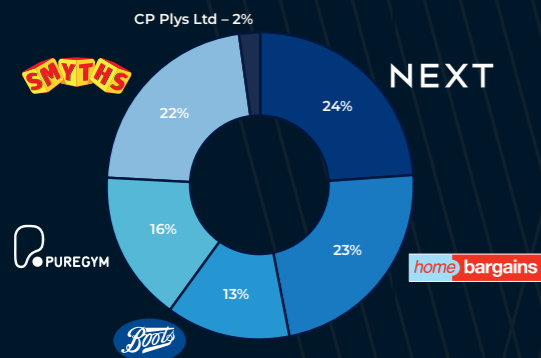
Plan is not to scale and for indicative purposes only.

Tenancies

The current WAULT is attractive 7.3 years to lease expiry and 6.3 years to the earlier of break or expiry.

Unit	Tenant	Trading As	Areas (sq ft)	Lease Start	Term (years)	Expiry Date	Unexpired Term (years)	Break Option	Next Rent Review	Current Rent (pa)	Current Rent (sq ft)	Inside The Act	EPC	Comments		
A	Next Holdings Limited	Next	21,953	29/09/2022	5	28/09/2027	1.91	-	-	£450,000	£20.50	No	C57	The base rent will be the higher of £450,000 per annum exclusive or 8% of the previous year's turnover payable quarterly in advance. A turnover rent will be payable annually in arrears based upon 8% of the net annual turnover should this exceed the base rent payable. Tenant did not exercise break (28/09/2025). Management cost cap set at 10% creating a shortfall of £3,536.46 pa.		
B & C	T J Morris Limited	Home Bargains	17,928	07/03/2025	15	06/03/2040	14.35	-	07/03/2030	£425,000	£23.71	Yes	A16	New letting. Reviews to the lower of 2% compounded or OMR upward only. Service charge cap of £20,000 pa. Current shortfall £30,000.		
D	Boots UK Limited	Boots	8,012	22/08/2025	5	21/08/2030	2.61	22/08/2028	-	£252,823	£31.56	Yes	B42	Lease recently extended. Previous rent was £256,384 (£32.00 per sq ft). Break on 6 months' notice. 3 months rent free if break is not exercised.		
E	Pure Gym Limited	Pure Gym	12,009	15/09/2023	15	14/09/2038	7.88	15/09/2033	15/09/2028	£300,000	£24.98	No	B35	Rent reviewed to RPI (1-3%).		
F	Smyths Toys UK Limited	Smyths	14,995	19/02/2015	15	18/02/2030	4.30	-	19/02/2025	£412,362	£27.50	Yes	B42	Tenant did not exercise break (26/02/2026).		
Car Park	CP Plus Ltd	Group Nexus	-	06/02/2024	3	05/02/2027	1.27	-	-	£40,586	-	-	-	Income derived from parking fines based on 5 year average.		
Totals			74,897									£1,880,771	£25.01			

Percentage of Total Income by Tenant



Less "head rent" (5%)	£94,039
Less shortfalls	£33,536
NET OPERATING INCOME	£1,753,196

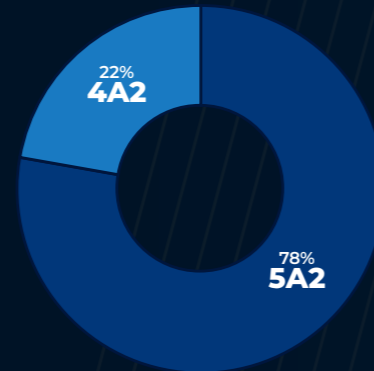


Income Profile & Security

Waterfields Shopping Park is fully let to an enviable tenant mix of “household names”, comprising the UK’s leading fashion, convenience, health & beauty, fitness & toy retailers.

All tenant covenants rated as “Lower than Average Risk” by Dun & Bradstreet as follows:

% of income graph



Tenant	% of Income	Year Ending	Sales Turnover (000's)	Profit (pre-tax) (000's)	Net Worth (000's)	D & B Rating
Next Holdings Limited	24%	25/01/2025	£183,713	£636,169	£892,492	5A2
		27/01/2024	£180,700	£512,706	£869,753	
T J Morris Limited	23%	30/06/2024	£4,209,503	£454,833	£1,126,926	5A2
		30/06/2023	£3,773,996	£332,360	£1,997,933	
Boots UK Limited	13%	31/08/2024	£7,313,000	£269,000	£200,000	5A2
		31/08/2023	£7,053,000	£60,000	£688,000	
Pure Gym Limited	16%	31/12/2024	£416,000	£78,500	£569,400	5A2
		31/12/2023	£368,500	£59,100	£404,300	
Smyths Toys UK Limited	22%	30/12/2023	£938,721	£18,401	£17,066	4A2
		30/12/2022	£910,789	£19,496	£18,663	

Rental Comment

All occupiers highlight the evolution of the park in line with the latest market trends and expectations of the modern shopper. Whilst Next, Boots & Smyths Toys have all had opportunities to exit the park, all have stayed, reflecting the positive trade profile and overall appeal of the park.

The average rent on Waterfields Retail Park equates to £25.00 per sq ft and compares very favourably to similar south schemes as follows:

Address	Town	GIA (sq ft)	Trans / Date	Rent (psf)	Comments
Boots, Colney Fields Retail Park	London Colney	11,388	LR 01/09/24	£35.00	5 year lease renewal.
Next, Colney Fields Retail Park	London Colney	20,505	LR 01/06/24	£29.50	5 year lease renewal.
Superdrug, Ladymead Retail Park	Guildford	8,861	OML	£42.50	Ten year lease with a break in year 5. Break penalty of 4.5 months.
Next, Reading Gate Retail Park	Reading	10,000	OML 09/06/25	£38.00	Tenant option to break in year 7 subject to 6 month rent penalty.
Next, Tower Retail Park	Crayford	10,000	LR 30/07/25	£30.00	5 year lease renewal. Previous rent was £28.50 psf.
Halfords, County Oak Retail Park	Crawley	13,270	LR 01/10/23	£34.00	5 year lease renewal.
Hobbycraft, Lion Retail Park	Woking	8,016	LR 23/09/23	£27.45	8 year lease renewal.
Pets At Home, Kew Retail Park	Kew	10,010	OML 15/05/25	£33.50	New 15 year lease. Tenant break option at year 10.

Recently Completed Asset Management

Significant asset management initiatives have recently been completed as follows:



Home Bargains – New letting in 03/2025 on a new 15 year lease, with no break options, at a rent reflecting 23.71 psf. The tenant received 12 months’ rent free (to be covered by the vendor) and was responsible for carrying out the amalgamation works (estimated at 725,000). Tenant has reported very positive trade since opening.



Pure Gym – New letting in 09/2023 on a 15 year lease with a break at year 10, at a rent reflecting £25.00 psf. Tenant received 12 months’ rent free. Lease is outside the Act.



Boots – Tenant has been in occupation since 03/2003. Most recent lease renewal in 08/2025 (following a renewal in 2015) on a 5 year lease with a break at year 3 at a rent reflecting £31.56 psf. Tenant break on 6 months’ notice with 3 months’ rent free & 3 months’ rent free if break is not exercised.



Next – Tenant has been in occupation since 06/2002. Most recent lease renewal in 09/2022 (following a renewal in 2017) on a 5 year lease with a break at year 5 at a rent reflecting £20.50 psf. Tenant break in year 3 not exercised. Lease is outside the Act.



Smyths Toys – originally entered into a 15 year lease in 2015 with a tenant only break clause on 26/01/2026 on 6 months’ notice, which the tenant did not exercise.

Future Asset Management

As the subject property is listed in the adopted Local Plan as **suitable for residential development** with an “indicative yield” of 414 residential units, there is the potential opportunity to work with the freeholder (Watford Borough Council) to deliver this vision in the medium to longer term and/or explore the opportunity of acquiring the freehold or extending the long leasehold interest.

Whilst **Next** trade well from its subject unit and has been in occupation since 2002, its lease is outside of the Act, therefore offers the potential to explore alternative occupiers such as food retailers when this lease comes up for expiry (09/2027).



Further Information

VAT

The subject has been elected for the purpose of VAT and it is anticipated that the sale will be treated as a 'Transfer of a Going Concern'.

Environmental

Further details available upon request.

EPC

Energy Performance Certificates are available on request.

AML

The successful bidder will be required to satisfy all the Vendor's (and their agents) AML requirements.

Service charge

The current service charge budget for 2025 totals £190,532 per annum, reflecting £2.55 per sq ft.

There is one service charge cap in favour of T J Morris Ltd and a cap on management fees in favour of Next as outlined in the tenancy schedule, and in a normalised service charge year without exceptional items, there is no Landlord shortfall. Further information available on request.

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Offers are sought in excess of

£25,900,000

(Twenty Five Million Nine Hundred Thousand Pounds)

Assuming a Net Income of £1,753,196 per annum, a purchase at this level would reflect a **Net Initial Yield of 6.35%** assuming purchaser's costs of acquisition at 6.76%

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