



# OXFORD

SUPER PRIME LONG INCOME RETAIL WAREHOUSE & TRADE INVESTMENT







## INVESTMENT SUMMARY

- Prime retail warehouse and trade investment located in the world-renowned city of Oxford.
- A top 10% trading store with a sales turnover of around double the portfolio average (244 stores).
- Situated in a highly visible and prominent position on Botley Road, opposite Seacourt park & ride in arguably the best retail warehouse and trade location in Oxford.
- Very affluent population.
- Right-sized store with a total gross internal floor area of approximately 28,034 sq ft and 124 demised customer car parking spaces.
- A long and attractive term certain of approximately 18.6 years.
- Current passing rent of £697,702 pa (equating to £24.89 psf).
- Effective Open A1 (non-food) planning permission.
- Freehold.

Offers sought in excess of £11,890,000 (Eleven Million, Eight Hundred and Ninety Thousand Pounds), subject to contract and exclusive of VAT. A purchase at this level would reflect an attractive Net Initial Yield of 5.50%, assuming purchaser's costs calculated at 6.71%.





Oxford City Centre



Proposed Osney Mead Knowledge Park

Wickes

TOOLSTATION

Waitrose



Seacourt Park & Ride

BOTLEY ROAD

A420

COSTA

B&Q

SPORTS DIRECT

DEBENHAMS

DREAMS



Westway Place Development

A34 SOUTHERN BYPASS





## LOCATION

Oxford is an historic, world class university city and the premier retail, tourist and administrative centre in Oxfordshire. The city is located approximately 51 miles north-west of London and 57 miles south-east of Birmingham.



Road communications in Oxford are excellent with the city situated in close proximity to the A40 providing direct access to London and Birmingham via the M40. In addition, the A34 connects Oxford with the M40, M3 and M4 motorways.



Oxford has two railway stations and benefits from fast and frequent train services to London Paddington, London Marylebone and Birmingham New Street (and direct to other major cities including Manchester and Newcastle) with fastest journey times of 56 minutes and 65 minutes respectively.



The Oxford Tube provides a 24-hour coach service to London Victoria.



London Heathrow and Birmingham International airports are both within one hours drive of Oxford.







**>£7.3bn**

Oxford's contribution  
to the UK economy  
in 2018



**2nd**

highest average  
house price outside  
of London (£495,900\*)



**>7 million**

tourists per annum.  
In the UK top 10  
most visited cities



**>£830m**

tourism contribution in  
2018 to Oxford's economy



**>42,000**

full time students



**<1%**

unemployment

## DEMOGRAPHICS

Oxford is a world-class university city and is the administrative centre for Oxfordshire. The city comprises a population of around 154,600 and a primary retail market catchment of approximately 322,000.\*

Oxford is globally known as home to one of the world's leading universities; The University of Oxford was ranked 1st in The Times 2020 Higher Education rankings whilst Oxford Brookes is one of the UK's leading modern universities and is ranked 51st overall in the UK by The Complete University Guide 2020. The two universities have a combined total of 42,085 full time students, which contributes to Oxford's successful economy and thriving culture.

The City is home to around 4,730 businesses providing a total of 135,000 jobs to the local economy. Oxford has a large number of people employed in both universities and the public sector and also has significant jobs in the private sector including automotive production, publishing, tourism, hospitality as well as being a leader in the growing hi-tech and life sciences field fuelled by the highly-qualified workforce.

The population is highly affluent with 66% of Oxford's adult population in the most affluent ABC1 category.

Oxfordshire has ambitious plans for further growth with proposals for 100,000 new homes and 85,000 new jobs to be created by 2031.\*

The OX2 postcode that includes parts of Botley, Jericho and Summertown provides some of the most desirable and expensive locations to live in the UK attracted by the wealth of good schools, Victorian and Edwardian architecture and easy access into London and other regional cities via both of the city's railway stations.

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Ipsos MORI



\*PROMIS



## INWARD INVESTMENT



### WESTGATE SHOPPING CENTRE (CROWN ESTATE, LANDSEC)

Following a £440 million redevelopment, the city's largest shopping centre opened in 2017 comprising over 800,000 sq ft across 125 retail and leisure units. The scheme is anchored by John Lewis & Partners, Primark, Next and Curzon Cinemas. The scheme attracts around 15 million shoppers annually.



### EXPENS SITE (OXFORD CITY COUNCIL, NUFFIELD COLLEGE)

Work on this £200 million mixed-use scheme is due to start in 2020 following a shortlist of three development partners. The scheme will comprise over 500 new homes, 110,000 sq ft of office and business accommodation along with a hotel and open public realm.



### OXFORD PARKWAY RAILWAY STATION

Oxford Parkway, located to the north of Oxford, fully opened in 2016 and operates between the city, London Marylebone and Birmingham. Annual passenger numbers from Oxford Parkway are approaching 1 million.



### OXFORD RAILWAY STATION & TRANSPORT INTERCHANGE (OXFORD CITY COUNCIL, OXFORDSHIRE COUNTY COUNCIL, NETWORK RAIL)

There are plans for a £125 million redevelopment of Oxford train station and the surrounding areas to create a new transport interchange and a distinctive gateway to Oxford that will reflect Oxford's status as an internationally renowned city.



### OSNEY MEAD KNOWLEDGE PARK (OXFORD CITY COUNCIL, UNIVERSITY OF OXFORD)

This site comprises over 44 acres to the west of the city centre and has been earmarked for redevelopment by The University of Oxford to create a knowledge park with laboratories, offices and 600 affordable homes for graduates and university staff.



### WESTWAY PLACE (DORIC PROPERTIES, MACE DEVELOPMENTS)

Construction has started at this c.£85 million mixed-use scheme located c.0.25 miles to the west of the subject property. The scheme will comprise a 123-bed Premier Inn hotel, 261 student rooms, 140 residential units and ground floor retail including two foodstores.





## STRATEGIC SITUATION

The subject property provides arguably the best retail warehouse and trade location in the city occupying a highly prominent position on the south side of Botley Road (A420), the main arterial route from the A34 into the City centre from the west and the dominant retail warehouse and trade location in Oxford.

Immediately neighbouring the property is an established critical mass of retail warehouse and trade accommodation alongside a variety of others uses including residential and automotive. Nearby occupiers include Aldi, (to be) Home Bargains, Jewson, Currys/PC World Megastore, Pets at Home, Wren Kitchens, Screwfix, Waitrose and Johnson's Mazda/Hyundai car dealership.

Immediately to the north, on the opposite side of Botley Road, is Seacourt Park & Ride while Oxford railway station is located less than a mile east at Frideswide Square.



## RENTAL COMMENTARY

The subject property is a very strong trading store within the tenant's portfolio (top 10%) and as such represents an important strategic holding. This was highlighted when Wickes signed a 15-year reversionary lease in 2013 (commencing from 2023), in exchange for only 6 months' rent free.

The most recent and directly comparable rental evidence in the vicinity is an open market letting to B&Q at Seacourt Tower Retail Park on 35,341 sq ft together with a 10,000 sq ft garden centre. B&Q have recently signed an Agreement For Lease for a new 15-year lease (no break) at £23.31 per sq ft. The tenant received 12 months' rent free and the first review is to the higher of OMV (capped at 3%) or RPI (capped at 1.3% per annum compounded).

In our opinion the subject property occupies a stronger location than Seacourt with superior access and prominence and, therefore, the rent is underpinned by this new open market letting to B&Q.

## TENANT DEMAND

We are aware of a number of potential large space requirements for this location including, amongst others, Lidl, The Range, M&S Foodhall, Sofology, Selco Builders Warehouse, Big Yellow, Lok n' Store, Matalan, Smyths Toys, B&M and Barker & Stonehouse.

## RETAIL WAREHOUSE & TRADE PROVISION

Oxford's retail warehouse and trade counter provision is concentrated in two distinct areas of the City, with its dominant location along Botley Road.

An overview of the other schemes in Oxford are as follows:

### BOTLEY ROAD CLUSTER

- 352,579 sq ft GIA.
- Aldi, (to be) Home Bargains, Currys/PC World Megastore, Harveys, Pets at Home, Wren Kitchens, Screwfix, DFS, Carpetright, Dunelm, Hobbcraft, Halfords, Topps Tiles.
- Rental Tone £15.00 - £29.75 psf.
- Open A1 (non-food) & Bulky Goods.

### SEACOURT RETAIL PARK

- 80,268 sq ft GIA.
- B&Q, Decathlon, Sports Direct, Dreams, Costa Coffee.
- Rental Tone £22.50 - £27.50 psf.
- Open A1 (non-food).

### OXFORD SHOPPING PARK, COWLEY

- 55,058 sq ft GIA.
- Boots, Next, Sports Direct, M&S Food Hall, Burger King.
- Rental Tone £29.00 - £46.37 psf.
- Open A1 (non-food).

### HORSPATH DRIFTWAY, COWLEY

- 47,394 sq ft GIA.
- Homebase, Aldi, Costa.
- Rental Tone £22.50 - £26.00 psf.
- Open A1 (part food).

### TEMPLARS SHOPPING PARK, COWLEY

- 142,352 sq ft GIA.
- Sainsbury's, Asda Living, Matalan, TK Maxx, Pets at Home, Poundland, DW Sports, Pure Gym, Halfords, Shoe Zone, The Works, Carphone Warehouse, JD Sports.
- Rental Tone £19.50 - £36.00 psf.
- Open A1 (non-food).



- |  |  |   |
|--|--|---|
| 1. Aldi and (to be) Home Bargains (TJ Morris)          | 5. B&Q, Decathlon, Sports Direct and Dreams (British Airways Pension Fund) | 8. Homebase, Aldi and Costa (Colliers Capital)                          |
| 2. Botley Road Retail Park (British Land)              | 6. Templars Shopping Park (PGIM Real Estate)                               | 9. Oxford Trade Centre (CBRE Global Investors)                          |
| 3. DFS and Carpetright (West Midlands Pension Fund)    | 7. Oxford Shopping Park (LaSalle Investment Management)                    | 10. Horspath Trade & Industrial Estate (CBRE Global Investors & others) |
| 4. Dunelm, Halfords and Hobbcraft (Shell Pension Fund) |  |   |





DESCRIPTION

The subject property comprises a purpose built solus retail warehouse and trade unit extending to approximately 28,034 sq ft. The unit is of steel portal frame construction with an attractive part brick, part steel clad facade with a brick and glazed return frontage to Botley Road. There is a garden centre to the rear of the property and outdoor project centre at the southern elevation. Access

and egress is two-way directly off Botley Road and there are approximately 124 customer car parking spaces providing a ratio of 1:226 sq ft of GIFA. There are an additional 264 car parking spaces outside of the demise servicing the wider retail park with no restrictions on use. Servicing is via a dedicated service yard to the southern elevation with a shared access through the adjoining properties rear service yard.

The unit is fitted out internally to Wickes usual trading format and in addition incorporates 'Tool Station' in approximately 15% of the ground floor area.

We understand Home Bargains has purchased the adjacent former Toys R Us unit for their own occupation which will also incorporate the doubling in size of the existing Aldi unit to c20,000 sq ft.

ACCOMMODATION

The property comprises the following approximate gross internal floor area:

	Sq Ft	Sq M
Ground Floor	25,697	2,387
First Floor	1,327	123
Lobby	1,010	94
TOTAL	28,034	2,604





Botley Road Retail Park



## SITE

The site area extends to approximately 2.202 acres (0.891 ha). The site cover is therefore approximately 29%.

## TENURE

The property is held Freehold under Title number ON157483.

## PLANNING

The property benefits from an effective Open A1 (non-food) planning permission.

## TENANCY

The property is let to Wickes Building Supplies Limited by way of a 5-year reversionary lease that will expire on 23rd June 2023.

In September 2013, Wickes signed a 15 year reversionary lease that is set to commence on 24th June 2023 expiring on 23rd June 2038. Upon commencement of the reversionary lease the passing rent and subsequent rent reviews will be to the higher of the current passing rent or open market rental value.

The property therefore has a long and attractive term certain of approximately 18.6 years.



Botley Road Retail Park



Botley Road Retail Park





TENANT COVENANT

Wickes Building Supplies Limited (Reg. No: 1840419) has an Experian Rating of ‘Very Low Risk’ and a Score of 100 out of 100.

Wickes Building Supplies Ltd is a wholly owned subsidiary of Travis Perkins Plc and currently trades from around 244 stores. It is the UK’s fastest growing DIY retailer with a market leading multi-channel offer that also encompasses the Tool Station trade business.

Wickes has recently reported strong like-for-like sales growth of 9.7% in Q3 2019, whilst the Tool Station division continues grow at an impressive rate with like-for-like sales growth of 15.4% over the same period.

A summary of their last three years reported accounts is set out below:

Wickes Building Supplied Limited	Year End 30 Dec 2017 £’s	Year End 31 Dec 2016 £’s	Year End 26 Dec 2015 £’s
Sales Turnover	1,236,400,000	1,213,269,000	1,104,950,000
Profit Before Tax	56,000,000	65,403,000	60,133,000
Tangible Net Worth	239,900,000	304,109,000	404,992,000

ALTERNATIVE USES

The site benefits from strong underlying residual fundamentals and, in our opinion, would lend itself to a range of alternative uses (subject to planning).





#### EPC

EPC Rating of C – 51.

#### VAT

The property is elected for VAT and we would expect a transaction to be treated as a TOGC.

#### PROPOSAL

Offers sought in excess of **£11,890,000 (Eleven Million, Eight Hundred and Ninety Thousand Pounds)**, subject to contract and exclusive of VAT. A purchase at this level would reflect an attractive **Net Initial Yield of 5.50%**, assuming purchaser's costs calculated at 6.71%.

#### FURTHER INFORMATION

For further information, please contact either of the following:-

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