

Go Outdoors, Bank Top Road, Blackburn BB2 1TQ

Let to Excellent Covenant Go Outdoors Limited (recently acquired by JD Sports Limited)
Long Income Investment with Fixed Rental Increases

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Investment Summary

- Well located single let retail warehouse investment extending to approximately 35,000 sq ft [3,251.60 Sq M]
- Freehold
- 3.28 acre site with low site cover of 25%
- New 20 year lease from January 2010 to Go Outdoors Limited
- 12.5 years unexpired lease term
- Two further significant **fixed rental increases** in years 10 and 15 to **2.5% pa** compound
- Excellent covenant with a 3AI Dun & Bradstreet rating. Parent company with a 5AI Rating
- Low passing rent of sub-£10.00 per sq ft
- Planning consent for non-food retail, DIY and garden products
- Seeking offers in excess **£4,130,000** reflecting a net initial yield of **7.50%** rising to **8.49%** in 2020 and **9.60%** in 2025 assuming usual purchasers costs of 6.55%.

Location

Blackburn is a large town situated on the southern edge of the Ribble Valley in Lancashire. The town is approximately 9 miles east of Preston and 21 miles north-west of Manchester city centre. According to the UK 2001 Census, Blackburn has a population of approximately 105,000 people.

Blackburn is well connected by road with the M65 motorway running from the east of the town providing access to the town via J4, 5 and 6 and connecting with the M61 and M6, approximately 10 miles to the west of Blackburn.

Blackburn is connected by train by the Northern Rail network to Manchester and Preston and has further west coast mainline connections in Preston.

Blackpool International Airport is the nearest airport being approximately 23 miles to the west of the town.





Situation

The property is situated on Bank Top Road on the A647 which is a major arterial road approximately 0.5 miles to the west of the town centre which joins up with J3 of the M65 motorway approximately 5 miles to the west of the property.

Description

The property comprises a modern detached retail warehouse of steel frame construction with a pitched profile metal sheet roof. Internally, the building provides open plan accommodation and has been fitted out with the standard Go Outdoors corporate fit out, incorporating a full height glazed entrance to the front of the property.

The property was significantly refurbished prior to the tenant taking occupation.

Accommodation

The property has been measured on a GIA basis and has a ground floor trading area of 35,129 sq ft, first floor offices of approximately 1,662 sq ft, giving a total gross internal area of 36,791 sq ft.

Tenure

The property is held freehold.

Tenancy

The entire property is let to Go Outdoors Limited on a new 20 year lease from 13th January 2010. The current rent passing is £330,235 per annum and there are two further fixed increases on the 10th and 15th anniversaries of the term, rising to £373,631 and £422,729 per annum respectively.

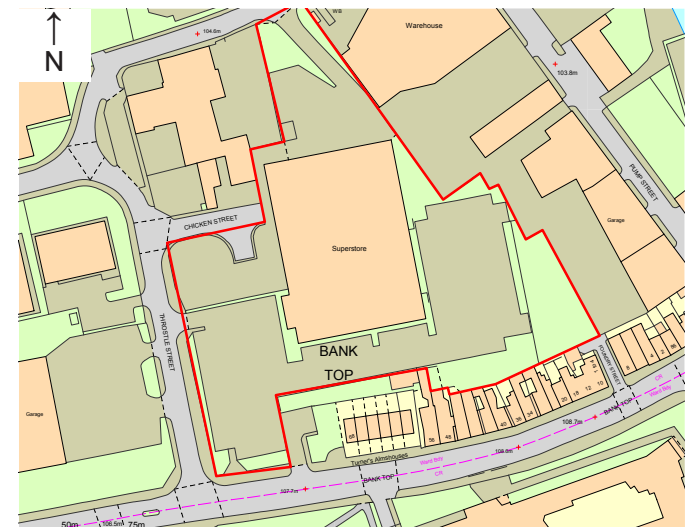
The current rent of £330,235 per annum reflects a rent of £9.40 per sq ft on the gross internal trading area of the property. This will rise to circa £10.64 psf in year 10 and £12.03 psf in year 15.

The lease therefore has circa 12.5 years unexpired without break.

The lease is drafted on a full repairing and insuring basis and that the tenants are obliged to keep the premises in good and substantial repair and condition.

Planning

The property has a planning consent for non-food retail, DIY and garden products, with some restrictions.



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Tenant Covenant

Go Outdoors is the UK's largest specialist retailer of camping equipment, tents, outdoor clothing and footwear. The company was first established in 1969 and from one store in Sheffield known as 'CCC', the store's founder John Graham has now built a network of 58 stores throughout the United Kingdom.

In November 2016, Go Outdoors was acquired by JD Sports for £112.3 million and unconditional approval was granted by the Competition & Markets Authority in May 2017. JD Sports already own outdoor market retailers Blacks, Millets and Tiso and their acquisition of Go Outdoors is thought to strengthen their outdoor offer, particularly out-of-town.

The subject property is the only Go Outdoors store within a 15 miles radius, with their next closest store being in Wigan, some 22 miles by road to the south.

Go Outdoors Limited [Co.No. 3513318] has a Dun & Bradstreet rating of 3A1 which represents a minimum risk of business failure. A summary of the last three years of accounts for the tenant are set out below:

	Fiscal Non consolidated GBP 31 Jan 2016 (000's)	Fiscal Non consolidated GBP 31 Jan 2015 (000's)	Fiscal Non consolidated GBP 31 Jan 2014 (000's)
Sales Turnover	202,157	181,406	172,090
Profit / [Loss] Before Taxes	4,933	3,088	1,507
Tangible Net Worth	9,017	6,147	4,531
Net Current Assets [Liabilities]	[10,312]	[3,029]	1,777

JD Sports Limited [Co. No. 1888425] has a Dun & Bradstreet rating of 5A1 which represents a minimum risk of business failure. A summary of their last three years of accounts are set out below:

	Fiscal Non consolidated GBP 31 Jan 2016 (000's)	Fiscal Non consolidated GBP 31 Jan 2015 (000's)	Fiscal Non consolidated GBP 31 Jan 2014 (000's)
Sales Turnover	2,378,694	1,821,652	1,522,253
Profit / [Loss] Before Taxes	238,368	131,631	90,496
Tangible Net Worth	361,348	308,809	195,414
Net Current Assets [Liabilities]	179,013	162,541	73,511





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EPC

EPC rating D 78. Full EPC available on request.

VAT

The property has been elected for VAT. It is intended that the sale will be treated as a Transfer of a Going Concern [TOGC].

Proposal

We have been instructed to seek offer in excess of **£4,130,000 (Four Million One Hundred and Thirty Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level reflects a net initial yield of **7.50%** rising to **8.49%** in 2020 and **9.60%** in 2025 assuming usual purchasers costs of 6.55%.

Contact

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