

Droitwich Spa


Yew Tree Village Local Centre



An opportunity to acquire a prime local centre
investment with a national foodstore anchor

MacLaren
& PARTNERS

Investment Property and Development Advisers



Average number of baskets of items bought between March-July 2020 rose 32% at local convenience stores

51% of shoppers said they were planning to continue shopping at their local convenience store

2 in 3 said their local corner store had everything they need

Retail Gazette



INVESTMENT SUMMARY

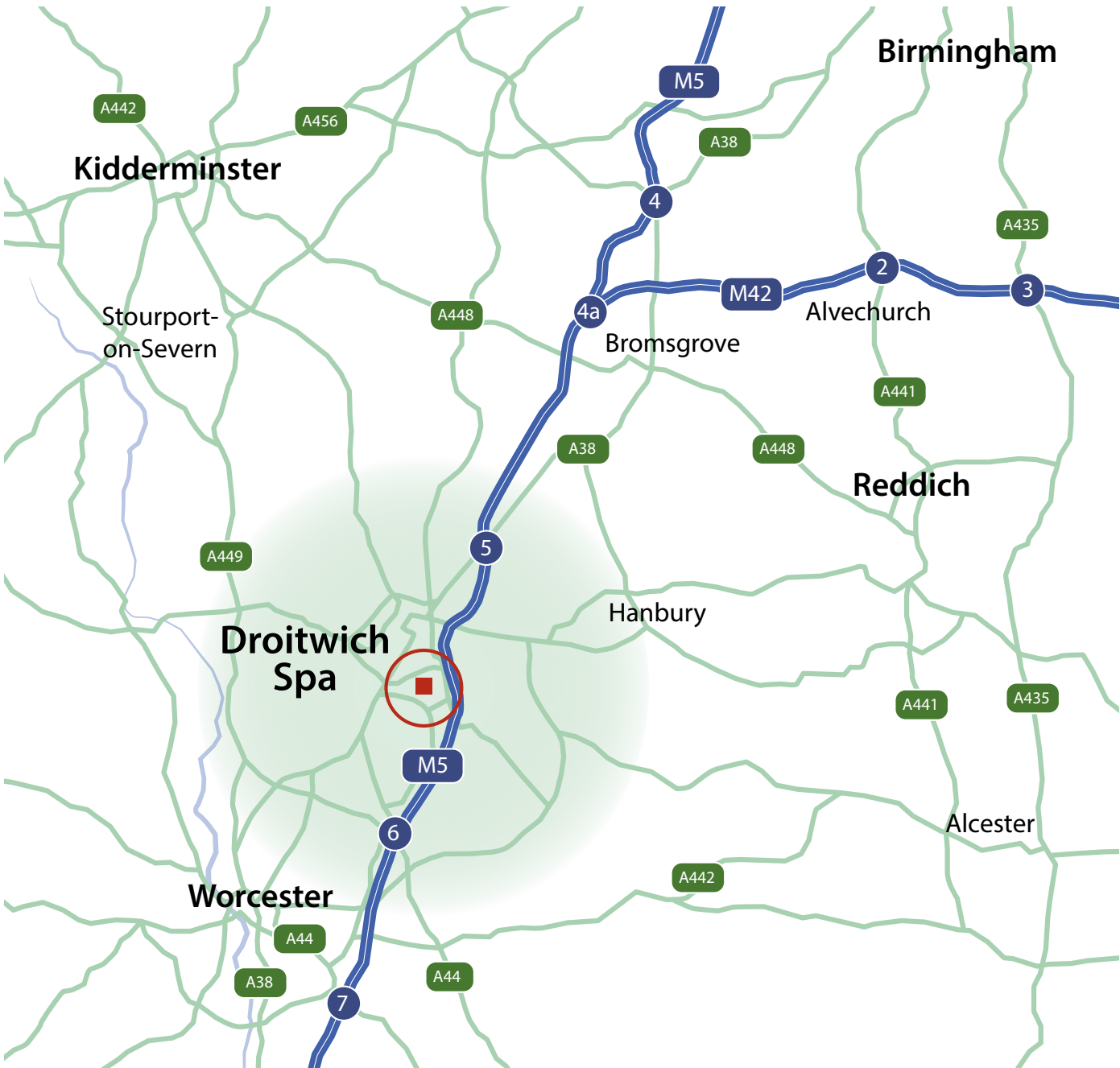
- **Prime new local centre development**
- **The Co-op foodstore anchor providing nearly 50% of the income**
- **Four new retail units of 1,000 sq ft each**
- **New day nursery up to 6,000 sq ft, can be made available**
- **The centre adjoins a new private care home**

DROITWICH SPA

Droitwich Spa is situated 6 miles north of Worcester and 30 miles south of Birmingham, with easy access in both directions thanks to the nearby M5 accessed at Junctions 5 and 6.

All the facilities of the city of Worcester are just six miles south via Droitwich Road (A38) and nearby schools in the area include Meadows, St Peters & Hadzor & Oddingley Pre-School.

| | |
|---|------------|
| Worcester | 6.2 miles |
| Reddich | 12 miles |
| Kidderminster | 12.8 miles |
| Birmingham City Centre | 30 miles |
| Gloucester | 32 miles |
| Hereford | 35 miles |
| Approximate distances from the Local Centre | |



YEW TREE VILLAGE

Yew Tree Village is part of a 70-acre new residential housing development located approximately three miles to the south of Droitwich Spa town centre, providing 765 new homes.

National house builders Persimmon, Taylor Wimpey and Redrow have been developing new homes, which commenced in 2016.

A new local retail centre will be built at the heart of the housing development with access via Pulley Lane from the Worcester Road (B4090).



| | |
|---|-----------|
| Droitwich Town Centre | 2.8 miles |
| Droitwich Spa Station | 2.9 miles |
| M5 South (Junction 6) | 3.7 miles |
| M5 North (Junction 5) | 4.4 miles |
| Approximate distances from the Local Centre | |

DESCRIPTION

The local centre provides retail and nursery facilities to a wider catchment of Droitwich Spa, which has a population of 24,000 all within a 10 km radius of the centre.

The scheme is being constructed by Henry Davidson Developments, an established specialist Local Centre developer (www.hddl.co.uk) providing a convenience store and four new retail units which will be available to lease.

In addition to the retail units, a new day nursery extending up to circa 6,000 sq ft on two floors with dedicated demised parking can be made available. Design and layout for the nursery is flexible at this stage and can be tailored to specific operators requirements.

The retail units available offer a uniform in line terrace adjoining a convenience food store of 4,000 sq ft to be occupied by The Co-operative. Shared parking for 40 vehicles is provided within the centre.

The new development will be surrounded by new housing.

This plan is indicative only and may have varied during construction.





ACCOMMODATION

The property will comprise the following approximate floor areas:

| | Sq M | Sq Ft |
|------------------|---------------|--------------|
| C-Store | 371.61 | 4,000 |
| Retail Unit 1 | 92.90 | 1,000 |
| Retail Unit 2 | 92.90 | 1,000 |
| Retail Unit 3 | 92.90 | 1,000 |
| Retail Unit 4 | 92.90 | 1,000 |
| Total | 743.22 | 8,000 |
| New Day Nursery* | 557.41 | 6,000 |

*NEW DAY NURSERY

The new Day Nursery plot does not form part of this transaction however HDD would be prepared to discuss options.

PROPOSAL

PROPOSED INCOME

| Unit | Sq ft | Rent psf | Rent (PA) | Term | R/R | Tenant | Comment |
|----------|-------|----------|-----------------|----------|--------------|---------------|---|
| C Store | 4,000 | £18.00 | £72,000 | 20 years | 5-yearly OMV | Co-op | AFL exchanged with Kenmare Estates Limited. 9 months rent free |
| Retail 1 | 1,000 | £20.00 | £20,000 | - | - | Void | Marketing |
| Retail 2 | 1,000 | £20.00 | £20,000 | - | - | Void | Marketing |
| Retail 3 | 1,000 | £20.00 | £20,000 | - | - | To be advised | Under Offer |
| Retail 4 | 1,000 | £20.00 | £20,000 | - | - | Void | Marketing |
| | | | £152,000 | | | | |

- A **forward funding** of this opportunity is sought on the basis of a **land purchase and WIP cost of £350,000**, with a further two interim payments to be made, and a final balancing payment at practical completion.
- Upon this traditional funding structure and a rent role on the completed scheme of **£152,000 per annum** the maximum commitment to the investor is **£2,175,000 (TWO MILLION, ONE HUNDRED AND SEVENTY FIVE THOUSANDS POUNDS)**, which reflects a net initial yield of **6.57%** after purchase costs of 6.33%.
- Consideration will be given to proposals offering a 50:50 share of the the SDLT saving available.

| | | |
|------------------------|--|--|
| Land Payment 1 and WIP | Upon Planning Consent becoming unconditional | £1,300,000 split to be agreed. |
| Payment 2 | 3 Months post-unconditional Planning | |
| Payment 3 | Balancing payment at Practical Completion | |
| Payment 4 | Top up for lettings as they occur | £525,000 to be released incrementally as void units are Let. |



TIMING

- Planning Mid March 2021
- End of judicial review period End of April 2021
- Start on site May 2021
- Practical Completion November/December 2021.



TENURE

Freehold.

ENERGY PERFORMANCE

Energy Performance Asset Rating: TBC.

VAT

All figures quoted are exclusive of Value Added Tax which will be charged at the prevailing rate.

ANTI MONEY LAUNDERING

The successful purchaser will be required to submit information to comply with anti-money laundering regulations.

CONTACT

For further information please contact

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