

 **MONTAGU
EVANS**

**Fletcher
Morgan**

BRYNMAWR | SOUTH WALES | NP23 4PW

BRYNMAWR RETAIL PARK



home **bargains**



 **GREGGS**

MODERN, PROMINENT SUPERMARKET ANCHORED RETAIL WAREHOUSE INVESTMENT

PROPOSAL

We are instructed by our client to seek offers in excess of

£7,415,000

(Seven Million Four Hundred and Fifteen Thousand Pounds), subject to contract and exclusive of VAT for our client's freehold interest. A purchase at this level reflects an attractive **Net Initial Yield of 6.75%**, assuming standard purchaser's costs of 7.50%.

INVESTMENT HIGHLIGHTS

- Brynmawr is a prominent market town in Blaenau Gwent, South Wales. The town lies approximately **7 miles west of Abergavenny, 5 miles northeast of Ebbw Vale and 21 miles north of Cardiff.**
- Prominently situated fronting Blaina Road, immediately south of Brynmawr town centre and **in close proximity to the recently upgraded A465 Heads of the Valleys dual carriageway.**
- A catchment population in excess of **163,000 people within a 20 minute drive time.**
- Modern, purpose built out-of-town retail development extending to **42,062 sq ft GIA**, comprising two standalone retail units, a retail pod and drive-thru unit. The scheme was constructed in 2022.
- **178** dedicated surface car parking spaces, reflecting a parking ratio of **1: 236 sq ft GIA.**
- Fully let to an established discount and convenience-led lineup comprising **Lidl, Home Bargains, McDonald's and Greggs.**
- Total passing rent of **£569,076 per annum**, equating to a low and affordable average of **£13.61 per sq ft.** The current net operating income is **£537,848 per annum.**
- The weighted average unexpired lease term for the scheme is **13.8 years to expiry**, and **11.1 years** to break.
- 94% of the scheme's income is secured against covenants with **100A Creditsafe ratings**, reflecting a very low risk of business failure.
- **Freehold. 4.43 acres**, reflecting a low site coverage ratio of approximately 22%.

MODERN DISCOUNT AND SUPERMARKET LED RETAIL
WAREHOUSE DEVELOPMENT EXTENDING TO 42,062
SQ FT GIA WITH 178 CAR PARKING SPACES.





LOCATION

Brynmawr is a historic market town in South Wales, located approximately 7 miles west of Abergavenny and 21 miles north of Cardiff. Situated within the Heads of the Valleys region, the town serves a broad catchment extending across Blaenau Gwent including Ebbw Vale, Tredegar and Merthyr Tydfil. The town benefits from its location on the southern edge of the Brecon Beacons National Park, which attracts approximately four million visitors annually.



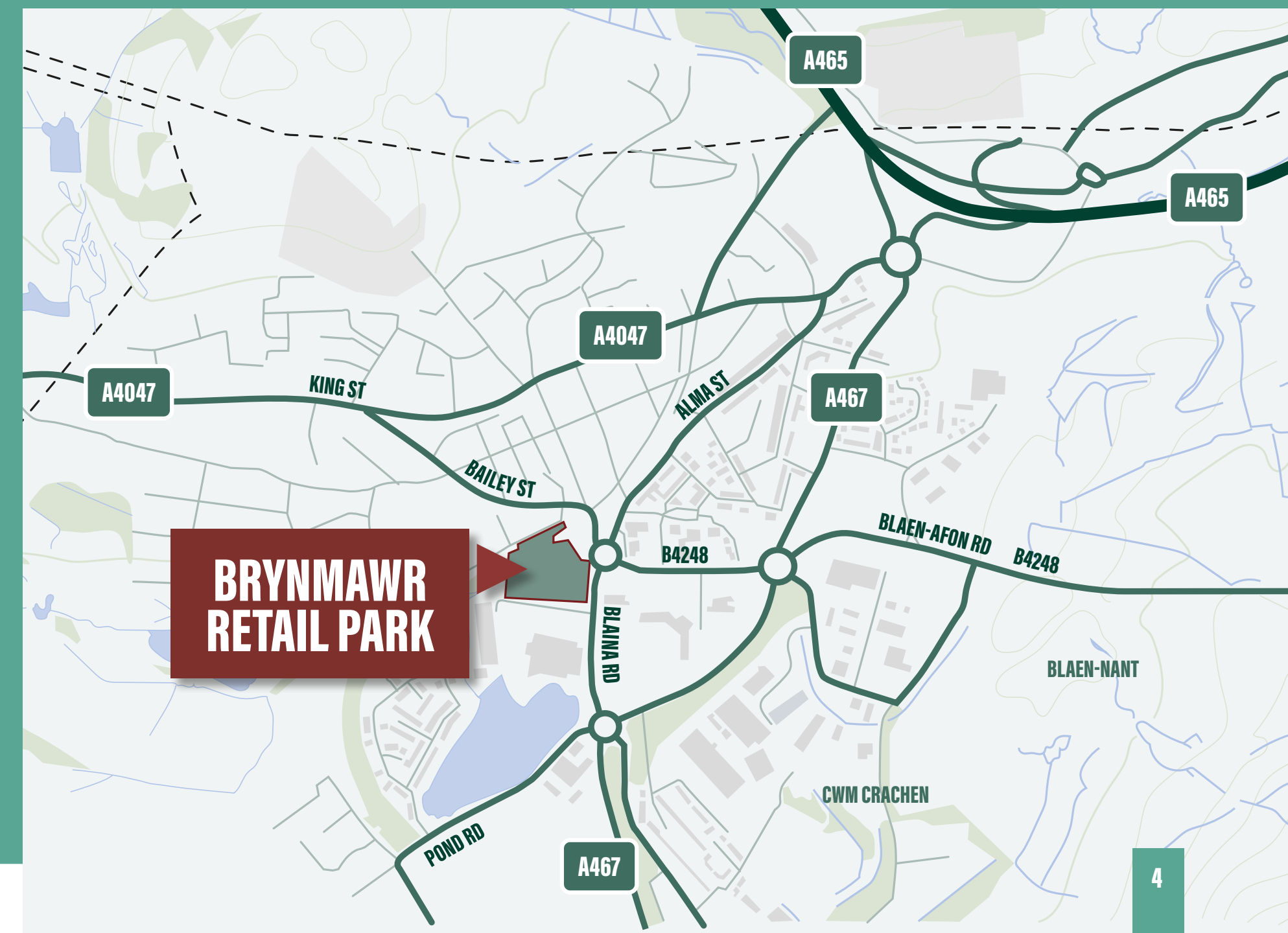
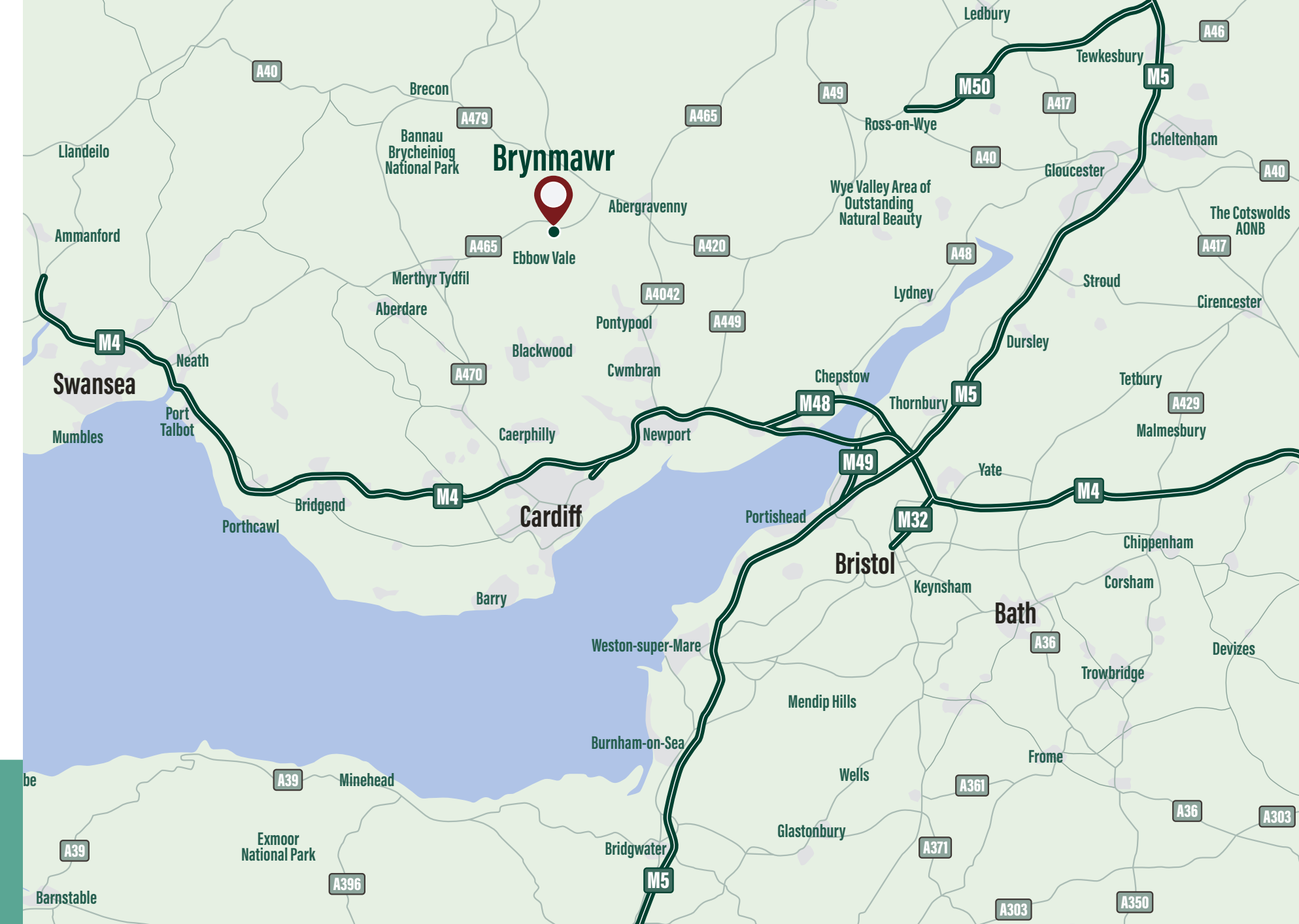
Brynmawr is situated on the A465 Heads of the Valleys Road, the principal east-west route serving the South Wales Valleys. The town lies approximately **15 miles north of the M4 motorway**, providing convenient access to Cardiff, Newport, Bristol and the wider South Wales region.



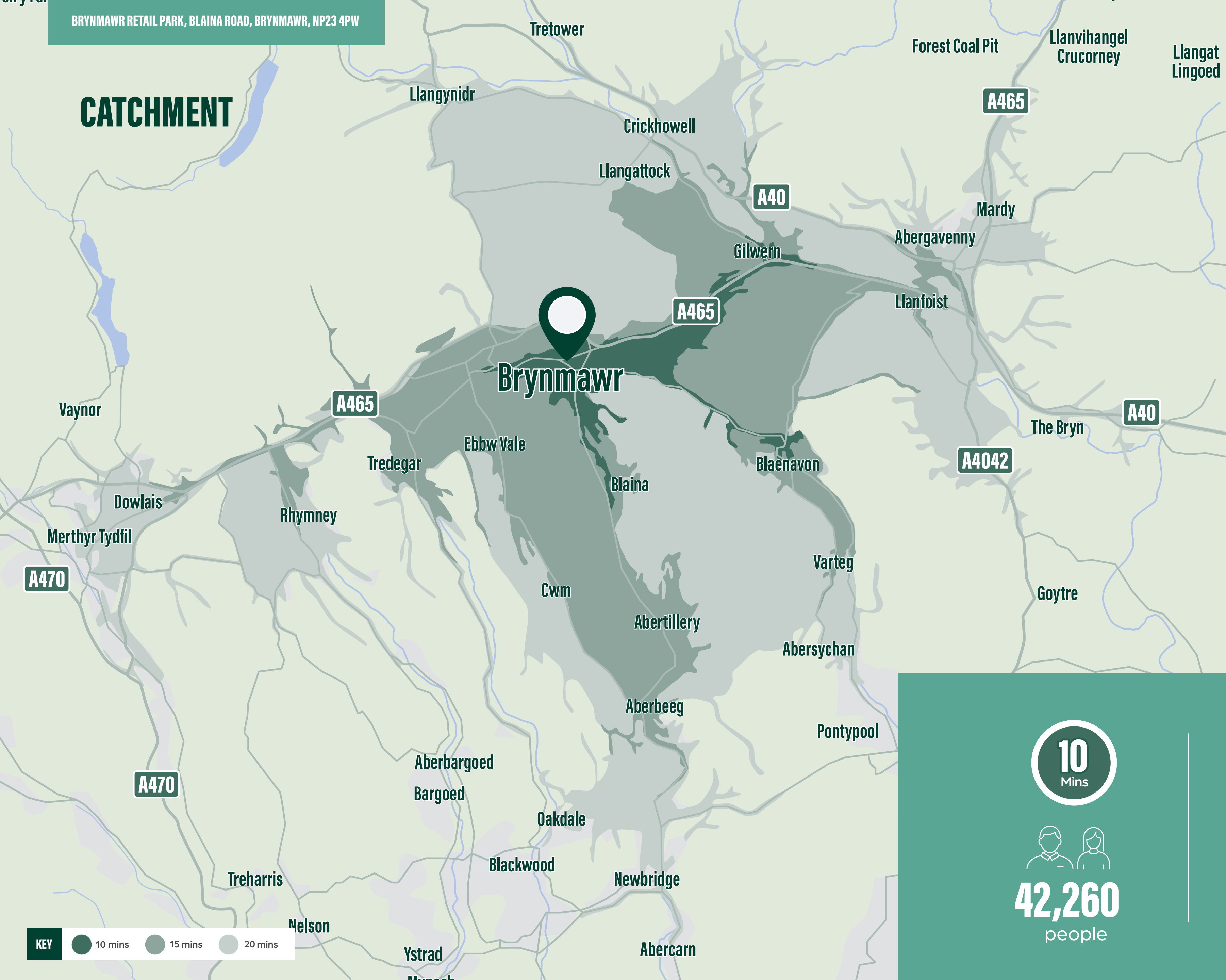
The nearest mainline rail station is Ebbw Vale Town railway station, approximately a **12-minute drive from Brynmawr**. The station offers direct services to Cardiff and Newport, providing convenient access to South Wales' principal commercial and administrative centres.



Brynmawr benefits from convenient access to Cardiff Airport, located approximately **35 miles to the south**, offering a range of domestic and international services. In addition, Bristol Airport is situated approximately **45 miles southeast of the town**.



CATCHMENT



42,260
people



90,040
people



163,160
people



SITUATION

The property occupies a prominent and highly visible position fronting Blaina Road, immediately south of Brynmawr town centre. The site is in close proximity to A465, known as Heads of the Valleys, which is a major arterial route providing east-west connectivity across South Wales.

The park forms part of Brynmawr's only out-of-town retail cluster, sitting directly adjacent to Lakeside Retail Park and alongside occupiers including Asda, The Range, Halfords, Farmfoods and Pets at Home. Beyond the retail cluster and nearby industrial uses, the surrounding area is predominantly residential.

RETAIL WAREHOUSE COMPETITION

The property serves a catchment extending well beyond Brynmawr itself, drawing from a catchment across Blaenau Gwent and the wider Heads of the Valleys region, supported by excellent accessibility via the A465.

In respect of foodstore provision, competition within Brynmawr is limited, with only Lidl and Asda represented among the UK's major operators.



The key retail park competition within a **15 minute drive time** is as follows:

1

**Lakeside Retail Park,
Brynmawr, NP23 4SL**

Travel Time/Distance: 1 minute / 0.1 miles

Size: 100,114 sq ft GIA

Tenants:

Asda, The Range, Card Factory, Pets at Home, Poundland, Farmfoods, Halfords

2

**The Walk Retail Centre,
Ebbw Vale, NP23 6DL**

Travel Time/Distance: 10 minutes / 3.1 miles.

Size: 31,000 sq ft GIA

Tenants: Iceland, Puregym, Argos

DESCRIPTION

The property, which was developed in 2022, comprises four detached out-of-town retail units extending to 42,062 sq ft GIA. The scheme is configured as a supermarket and retail warehouse unit, together with a drive-thru restaurant and retail pod.

Unit 2 (Lidl) and Unit 3 (Home Bargains) are of steel portal frame construction, whilst Unit 1 (McDonald's) and Unit 4 (Greggs) are of traditional steel post and frame construction. The elevations to the units comprise a combination of composite panel, tile and brick slip, render and profiled sheet cladding. The Lidl and Home Bargains units benefit from a secure enclosed concrete service yard, with the Home Bargains unit also incorporating an external garden centre.

The units are arranged around a rectangular central surface car park providing 178 spaces, equating to a parking ratio of 1:236 sq ft GIA. The principal vehicular access is via Blaina Road.

PLANNING

The development was principally enabled by application C/2017/0019 dated 9 May 2017 together with a series of subsequent reserved matters approvals and variations to planning conditions, which provide for 3 retail units and a restaurant unit.

Further information available upon request.

TENURE

Freehold. The site extends to approximately 4.43 acres, reflecting a low site coverage ratio of approximately 22%. The property is subject to an overage deed in favour of Blaenau Gwent Borough Council. Further information on request.



TENANCIES

The scheme is fully let in accordance with the tenancy schedule below producing gross rental income of £569,576 per annum with a net operating income of £537,848 per annum after landlord shortfalls. The scheme provides long term, secure income with an attractive WAULT of 13.8 years to expiry and 11.1 years to breaks.

Unit	Tenant	Area (Sq Ft GIA)	Lease Start	Lease End	Break Date	Next Review	Rent (£pa)	Rent (£psf)	Comments
Unit 1	McDonald's Restaurants Limited	3,649	23-Mar-2022	22-Mar-2047	23-Mar-2042	23-Mar-2027	£90,000	£24.66	5 yearly upward only rent reviews to open market. Assumed floor area of 339 sq m (3,649 sq ft) and measured area of 4,055 sq ft. Exclusivity provisions prohibit lettings on the estate to quick service restaurants (with or without drive thru) whose principal business is the sale of ground beef or chicken products. Minimum of 150 shared car parking spaces, with no less than 22 spaces available for customer use out of hours. The current service charge cap is £11,171 pa, reviewed annually to RPI. 10% management fee cap. No budgeted shortfall.
Unit 2	Lidl Great Britain Limited	19,308	13-May-2022	12-May-2042	13-May-2037	13-May-2027	£222,076	£11.50	5 yearly upward only rent reviews to open market capped at 110.41% (equivalent to 2.0% pac). Exclusivity provisions prohibit lettings on the estate to Aldi (and associated companies). Fixed service charge cap of £14,782 pa. 10% management fee cap. The forecast shortfall for the current service charge year is £19,226.
Unit 3	T.J. Morris Limited	17,491	23-May-2022	22-May-2037	-	23-May-2027	£225,000	£12.86	5 yearly upward only rent reviews to open market capped at 110.408% (equivalent to 2.0% pac). Exclusivity provisions prohibit lettings to certain named competing value retailers. Minimum of 176 shared car parking spaces. The current service charge cap is £18,933 pa, increased by 2% annually. The forecast shortfall for the current service charge year is £12,502.
Unit 4	Greggs PLC	1,208	31-May-2022	30-May-2032	-	31-May-2027	£30,000	£24.83	5 yearly upward only rent review to open market.
Storage Container	Greggs PLC	-	tbc	30-May-2032	-	-	£2,500	-	In legals. A co-terminus lease of bare land for the installation of a storage container measuring 4.02m x 2.315m x 2.335m.
41,656							Gross Income	£569,576	
							Landlord shortfalls	-£31,728	
							Net Operating Income	£537,848	

There is an electricity substation lease to Western Power Distribution (South Wales) PLC for a term of 99 years commencing on 28 October 2019.

COVENANTS



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LIDL GREAT BRITAIN LIMITED

Lidl Great Britain is one of the leading discount food retailers, operating over 1,000 stores nationally and employing approximately 35,000 people. Earlier this year, the business announced plans to open more than 50 new stores in the next 12 months alongside committing over £600million to strengthen its store network and support regional growth.



35,000 Employees



1,000+ Stores



£11.7bn Turnover

Year Ending	Feb-25	Feb-24	Feb-23	Creditsafe Score
Sales/ Turnover (£000s)	£11,732,965	£10,874,647	£9,300,716	100 A
Pre-Tax Profit (£000s)	£156,838	£43,570	-£75,986	
Net Worth (£000s)	£2,013,672	£1,731,424	£1,389,045	



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T.J. MORRIS LIMITED

TJ Morris Limited, trading as Home Bargains, is a major UK value retailer with more than 600 stores nationwide. The business employs over 29,000 people and sells a broad range of health and beauty, food and household products. It is currently developing a major new £108 million automated distribution centre in Doncaster, scheduled to open in 2028.



29,000 Employees



600+ Stores



£4.5bn Turnover

Year Ending	Jun-25	Jun-24	Jun-23	Creditsafe Score
Sales/ Turnover (£000s)	£4,541,453	£4,209,503	£3,773,996	100 A
Pre-Tax Profit (£000s)	£504,595	£454,833	£332,360	
Net Worth (£000s)	£1,500,534	£1,126,926	£1,997,933	



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MCDONALD'S RESTAURANTS LIMITED

McDonald's is the world's leading quick-service restaurant operator, with more than 39,000 restaurants worldwide, including over 1,300 locations across the UK. McDonald's Restaurants Limited, a wholly owned subsidiary of McDonald's Corporation, employs more than 24,000 people nationwide. The company reported a strong financial performance in its most recent accounting period, with pre-tax profit increasing to £120.1 million, representing year-on-year growth of 81.0%.



24,375 Employees



1,300+ Restaurants



£1.82bn Turnover

Year Ending	Dec-24	Dec-23	Dec-22	Creditsafe Score
Sales/ Turnover (£000s)	£1,821,827	£1,835,618	£1,597,442	100 A
Pre-Tax Profit (£000s)	£120,082	£66,327	£170,875	
Net Worth (£000s)	£626,227	£641,745	£675,611	



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GREGGS PLC

Greggs is one of the UK's largest quick service operators, employing approximately 33,000 people across over 2,700 stores in the UK. The business has ambitions to grow to in excess of 3,000 stores with 121 new stores (net) opened within the past year. The business is listed on the London Stock Exchange with a current market capitalisation of £1.9 billion.



33,000 Employees



2,700+ Stores



£2.1bn Turnover

Year Ending	Dec-25	Dec-24	Dec-23	Creditsafe Score
Sales/ Turnover (£000s)	£2,151,200	£2,014,400	£1,809,600	65 B
Pre-Tax Profit (£000s)	£167,400	£203,900	£188,300	
Net Worth (£000s)	£582,200	£158,400	£216,000	



EPC

Unit	EPC Rating	Valid Until
Unit 1	A-15	21 January 2034
Unit 2	B-49	19 June 2032
Unit 3	B-38	19 June 2032
Unit 4	B-37	19 June 2032

SERVICE CHARGE

The forecast service charge expenditure for the year ending 31 March 2027 is £75,000, equating to a low £1.80 per sq ft. As a result of tenant service charge caps, there is a current forecast landlord shortfall of £31,728.

Further information is available upon request.

SURVEYS

Copies of the assignable Building Survey, Environmental Survey and Measured Survey are available upon request.

VAT

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

AML

The successful purchaser will be required to comply with our anti-money laundering requirements and those of the vendor.



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FURTHER INFORMATION



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