

24 Welsh Street  NP16 5LL

Chepstow

KLM
KLM RETAIL

reesdenton
Chartered Surveyors



LONG DATED INCOME INVESTMENT WITH LONG TERM DEVELOPMENT OPPORTUNITY IN AN ATTRACTIVE MARKET TOWN

INVESTMENT SUMMARY

- Prominent corner position with significant return footage onto Dell View with one of the town's principal carparks located to the rear
- Substantial property arranged over ground, first and second floors providing 18,128 sq ft
- Freehold
- Let to Wilko Retail Limited on FRI terms from 05/03/2014 until 04/03/2029 (approximately 9.5 years unexpired)
- Passing rent of £83,113 pa which reflects an affordable rent of £4.58 psf
- Medium / long term alternative uses subject to the necessary planning consents



We are instructed to seek offers in the region of **£1,050,000** (One Million and Fifty Thousand Pounds) subject to contract and exclusive of VAT. A purchase at this level reflects an **initial yield of 7.8%** and a capital value of approximately £58 psf, after allowing for purchaser's costs of 5.8%.



LOCATION & DEMOGRAPHICS

Chepstow is an affluent market town in Monmouthshire, strategically located on the border with Gloucestershire. It is located 16 miles east of Newport, 28 miles east-northeast of Cardiff, 18 miles northwest of Bristol and 110 miles west of London.

The town is well served by road and rail communications being situated approximately a 1 ½ north of junction 2 of the M48 which in turn links the M4 via the Severn Bridge. Chepstow lies on the main Gloucester to Cardiff railway line.

The total population within the Chepstow primary catchment area is 14,195. Since the 2001 census the population has risen 31% and the population is projected to see above average growth in population over the period 2019-24 (PROMIS).

The level of housing ownership in Monmouthshire is above the 63.4% national average. House prices have increased at an average of 5.5% in the last 12 months which is reflective of the growth of affluent commuters. Monmouthshire therefore benefits from an above-average representation of the most affluent AB social group and an under representation of the least affluent social group, D & E, in comparison to national averages.





SITUATION

The property is prominently situated on Welsh Street with a significant return frontage onto Dell View providing access to Welsh Street Car Park, the town's principal car park, providing 290 spaces.

High Street, the town's main thoroughfare, is south of the subject property which includes such retailers as **Peacocks**, **O₂**, **Boots** and **WHSmith** with a 20,000 sq ft **M&S Simply Food** located to the west.



DESCRIPTION

The property comprises a substantial three storey end of terrace property of brick elevations under a predominately flat roof. The ground floor provides open plan sales area with first floor ancillary. The second floor comprises self-contained offices accessed via Welsh Street.

The property is serviced to the rear from a loading bay via Dell View.

The property is not Listed but is located in a Conservation Area.



ACCOMMODATION

We set out below the floors areas of the property (GIA):

Floor	Use	Area sq ft
Ground	Retail	10,302
First	Ancillary	7,040
Second	Offices	786
Total		18,128

TENURE

Freehold.

TENANCY

The property is let to Wilko Retail Limited on a 15 year full repairing and insuring lease from 5th March 2014 at a passing rent of £83,113 per annum.

The second floor is let, by way of renewal, on full repairing and insuring terms to Kenneth Paine & Co for a term of 5 years at a passing rent of £3,500 per annum.

The total passing rent is £86,613.

The passing rent on the Wilko element reflects approximately £4.80 psf which we believe is sustainable given that the M&S Simply Food is passing off approximately £14 psf.





Prominent corner position with medium / long term alternative uses subject to the necessary planning consents

DEVELOPMENT POTENTIAL

Given the town centre location, return frontage and well configured floor plates we are of the opinion that the property would suit a number of alternative uses including residential, care home and others, subject to obtaining the necessary consents.

COVENANT INFORMATION

For more than 85 years Wilko has enjoyed success starting its first store at Old Charney, Leicester in 1930 and welcoming its first online customer in 2007. Today Wilko is a brand with over 14,000 Wilko products in over 400 stores having in excess of 200,000 products available on line . It remains family owned.

In the last financial year the company increased like for like sales by 3.7% opening 20 new stores.

In the past three years the company has reported the following figures in their annual accounts, Together with £45.6 million in cash and cash equivalents. Dunn & Bradstreet have assigned the company a credit rating of 5A1 - Low risk.

The loss attributed in 2018 was as a result of a requirement to revalue US\$ forward exchange contracts, which led to a notional loss of £39.9 million. This was a one off exceptional item.

Date of Accounts	28/01/2017	03/02/2018	02/002/2019
Turnover	£1,512,763,000	£1,619,577,000	£1,508,690,000
Pre-Tax Profit	£5,198,000	(£65,030,000)	£25,049,000
Net Worth	£142,450,000	£87,062,000	£90,601,000

Prominent corner position with significant return footage

VAT

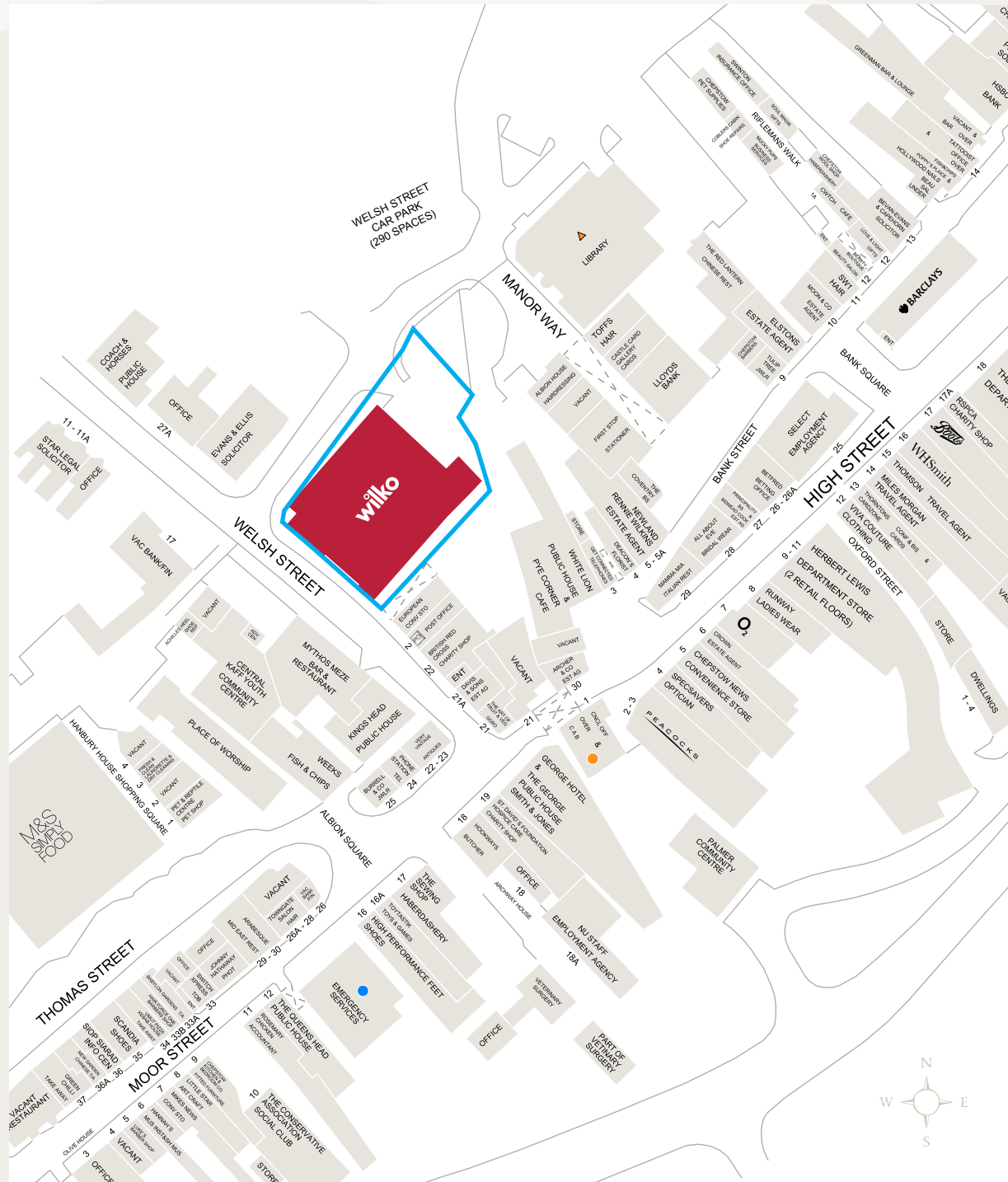
The property is elected for VAT.

EPC

An EPC is available upon request.

PRICING

We are instructed to seek offers in the region of **£1,050,000** (One Million and Fifty Thousand Pounds) subject to contract and exclusive of VAT. A purchase at this level reflects an **initial yield of 7.8%** and a capital value of approximately £58 psf, after allowing for purchaser's costs of 5.8%.





FURTHER INFORMATION

If you require any further information or wish to inspect the property then please do not hesitate to contact:



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