



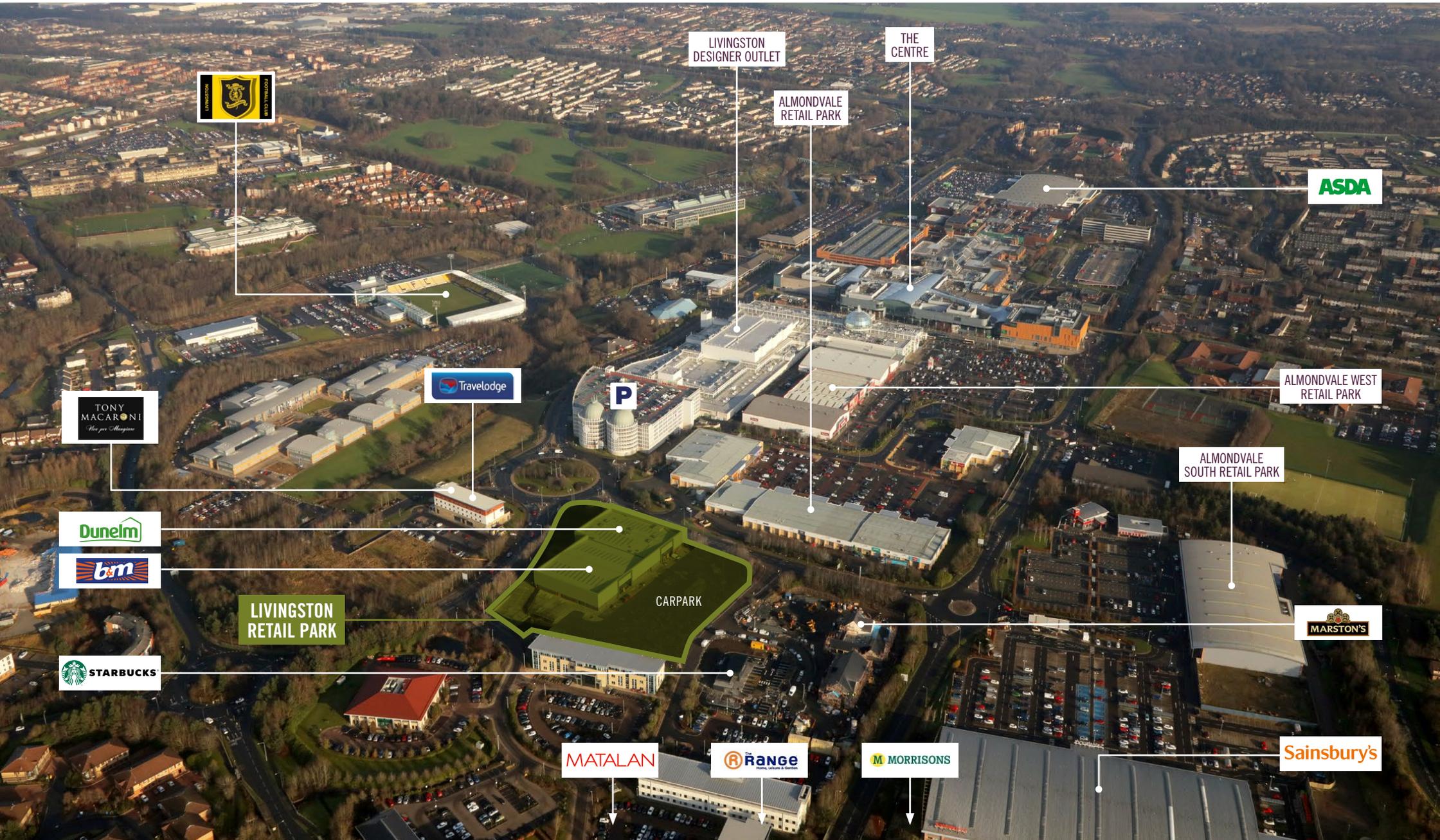
# LIVINGSTON RETAIL PARK

ALMONDVALE WAY, LIVINGSTON, EH54 6GA

NEW BUILD, PURPOSE BUILT, PRIME RETAIL WAREHOUSE INVESTMENT OPPORTUNITY.  
VERY SECURE LONG TERM INCOME – 15 YEAR FRI LEASES

**SPRINGFORD**  
SPECIALIST PROPERTY CONSULTANCY







## INVESTMENT SUMMARY

- » Livingston is a key retail destination, located 15 miles (25 km) west of Edinburgh and 30 miles (50 km) east of Glasgow.
- » Livingston's retail offering includes a 860,000 sq ft shopping centre, a 300,000 sq ft outlet centre and three principal retail parks.
- » Livingston Retail Park is prominently situated and forms part of a significant critical mass of retailing.
- » A modern retail park comprising 2 units totalling 43,000 sq ft. In addition there will be 18,000 sq ft of tenant mezzanine and a 5,000 sq ft garden centre.
- » 189 car parking spaces, providing a ratio of 1:228 sq ft, and 12 cycle spaces.
- » Unrestricted Open Class 1 planning consent.
- » Fully let to B&M Retail Limited and Dunelm (Soft Furnishing Limited) on new 15 year FRI leases.
- » Total income of £516,000 per annum.
- » Low base rent of £12 per sq ft offering strong rental growth prospects.
- » 100% Income secured to tenants deemed minimal risk of business failure (D&B ratings of 5A1 and 4A1).
- » Heritable interest (Scottish equivalent of English Freehold).
- » We are instructed to seek offers in excess of £7,500,000 subject to contract and exclusive of VAT.
- » A purchase at this price will reflect a net initial yield of 6.48% allowing for purchasers costs at 6.17%.

## LOCATION

Livingston is the third largest town in Scotland. It was the fourth post-war new town to be developed in Scotland, having been designated in 1962.

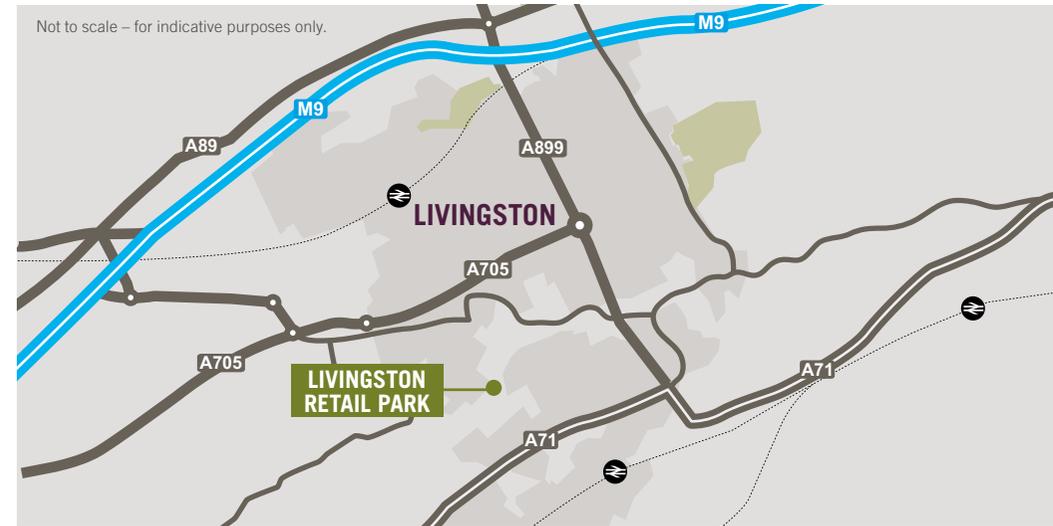
The town has a population of approximately 56,570 with a catchment extending to approximately 171,000 people within a 20 minute drive time. 60% of Scotland's population (some 3 million people and 54% of Scotland's businesses) are within one-hour travel time.

Livingston is located approximately 15 miles (25km) west of Edinburgh and 30 miles (50km) east of Glasgow, and is bordered by the towns of Broxburn to the north east and Bathgate to the north west.

Livingston benefits from excellent communications. The town is accessed via Junctions 3 and 3a of the newly upgraded M8 motorway, which links Edinburgh in the east with Glasgow in the west. Livingston is further connected to the national motorway and trunk road network by the A899 which links to the A71 to the south and A89 to the west.

Livingston is serviced by three railway stations – Livingston North, Livingston South and Uphall – providing passengers with regular local and national services and linking to Edinburgh and Glasgow.

Livingston is approximately 10 miles (15km) west of Edinburgh International Airport which provides regular domestic services to London and the main UK airports as well as scheduled flights to over 100 destinations worldwide.



## SITUATION

Accessed from Almondvale Place, Livingston Retail Park is located within Livingston town centre, adjoining the main retail offering. The park is situated on the west side of Almondvale Place, an underpass providing direct pedestrian access to Almondvale Retail Park. To the north of the subject property is a Travelodge hotel and Tony Macaroni restaurant and to the south a Marston's pub and drive through Starbucks. Livingston Retail Park is north of Almondvale South Retail Park and at the entrance to Almondvale Business Park.

The retail park forms part of a significant retail offering within the town centre, which currently exceeds 1.9 million sq ft, and includes The Centre – one of Scotland's largest regional centres extending to circa 860,000 sq ft and offering over 155 shops and restaurants, Livingston Designer Outlet (300,000 sq ft) – Scotland's larger designer outlet offering over 80 shops, a cinema and restaurants, Almondvale West Retail (Park 119,000 sq ft), Almondvale Retail Park (111,000 sq ft), Almondvale South Retail Park (151,000 sq ft), and Morrisons (85,000 sq ft).

Benefitting from excellent communications, the park is easily accessible by car and bus. There is ample car parking provision on site and nearby, and the town centre is accessible from the two main Livingston railway stations.

The surrounding area to the south is primarily residential dwellings, with West Lothian College and Livingston Football club's Almondvale stadium located to the north of the town centre. To the north west of the primary retailing location there are a number of business parks offering office and light industrial accommodation. Houston industrial estate is located to the north east of the town centre.

## CATCHMENT & DEMOGRAPHICS

Livingston's economy has reacted positively to constant change over the last thirty years, moving from one that was dominated by manufacturing, to strong growth in service sectors including retail and wholesale distribution. This diverse economy is reflected in the fact that no single business sector now accounts for over a quarter of the city's employment.

Livingston is Scotland's fastest growing retail centre and is now the fifth largest retail centre in Scotland. The percentage of young people going into further or higher education has increased steadily over the last 5 years. Livingston's population is currently estimated to be 56,570 with around 171,000 people living within a 20-minute drive.

The town's demographic profile is mixed, with significant proportions of all affluent household types relative to the national average. Livingston has a wide retail pitch and subsequently a considerable pool of retail goods expenditure within the catchment with a spending capacity of £611m on retail goods.

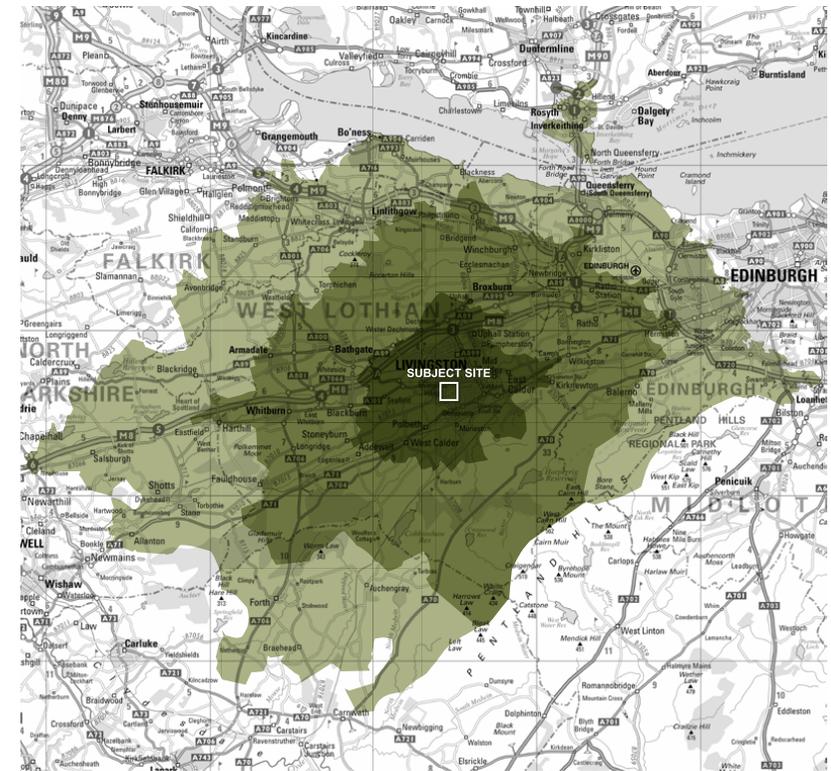
West Lothian has a population of approximately 178,550 and is the youngest and fastest growing in Scotland. Levels of employment and economic activity are high; 78% of West Lothian's working age population are economically active, higher than the Scottish average.

The West Lothian economy is largely made up of 7 key sectors:

- » Biotechnology and Life Sciences
- » Logistics and Distribution
- » Food and Drink
- » Electronics and Software
- » Retail
- » Engineering
- » Construction

Almost 70% of West Lothian's workforce is employed in these sectors, the largest proportion (12.3%) being employed within the retail sector. The remainder are employed in the public sector and smaller industries with major public sector employers being West Lothian Council and NHS Lothian.

Manufacturing companies dominate the top ten private sector employers with strong representation from retail, service and distribution companies. Of the top ten private sector employers in West Lothian, eight are located in Livingston including Sky Television, Tesco, Mitsubishi Electric and Johnson & Johnson Medical.



CATCHMENT (DRIVETIME)

10 MINUTES

20 MINUTES

30 MINUTES

# 171,000

PEOPLE LIVING WITHIN A  
20 MINUTE DRIVE  
(74,000 WITHIN 10 MINUTES)

# £611M

SPENDING CAPACITY  
ON RETAIL GOODS  
WITHIN THE CATCHMENT

# 40%

RESIDENTS AGED

# 16-44

ABOVE THE SCOTLAND AVERAGE  
AND IN LINE WITH THE UK AVERAGE

# 75%

POPULATION WITHIN  
WEST LOTHIAN THAT  
ARE IN EMPLOYMENT

# 78%

POPULATION WITHIN  
WEST LOTHIAN THAT ARE  
ECONOMICALLY ACTIVE



## RETAILING IN LIVINGSTON

LIVINGSTON IS THE DOMINANT CENTRE SERVING WEST LOTHIAN AND OFFERS ONE OF THE LARGEST SHOPPING AND LEISURE PROVISIONS IN SCOTLAND INCLUDING THE CENTRE AND LIVINGSTON DESIGNER OUTLET, THREE PRINCIPAL RETAIL PARKS AND SEVERAL STANDALONE RETAIL WAREHOUSE UNITS.

### 1. THE CENTRE AND LIVINGSTON DESIGNER OUTLET (OWNERS: HINES AND LASALLE IM)

The Centre is a large regional shopping centre extending to circa 860,000 sq ft and containing over 155 shops and restaurants. Retailers include Primark, Debenhams, M&S, H&M, River Island, Wagamama, Ask and Republic. The Centre attracts an average footfall of over 1,200,000 shoppers a month and has more than 2,100 car parking spaces across two dedicated car parks.

Livingston Designer Outlet is Scotland's largest designer outlet; comprising over 80 shops, an 8 screen Vue cinema and numerous bars and restaurants. The centre is anchored by M&S Outlet, Next Clearance and Gap Outlet with other tenants including Nike, Tommy Hilfiger, Lacoste and Adidas / Reebok.

### RETAIL PARKS

#### 2. ALMONDVALE WEST RETAIL PARK (OWNER: HINES)

The original phase of Livingston's principal retail park development, Almondvale West Retail Park is located adjacent to the Designer Outlet. Accessed from Almondvale Road, it comprises a retail terrace extending to approximately 119,000 sq ft over 6 units. The park is anchored by TK Maxx with the other units let to Poundstretcher, Harry Cory and Poundworld. Almondvale West Retail Park has an Open Class 1 (non food) consent and rents range from £16.00 per sq ft on the 30,000 sq ft TK Maxx unit to £22.00 per sq ft on the 12,000 sq ft units.

#### 3. ALMONDVALE RETAIL PARK (OWNER: TH REAL ESTATE)

The second phase of development, directly west of Almondvale West Retail Park and sharing access from Almondvale Road, Almondvale Retail Park comprises a

retail terrace extending to approximately 111,000 sq ft over 11 units. The park is anchored by Currys/PC World with the other units let to Harveys / Bensons, TAPI, SCS, Pets at Home and Argos.

Directly east of the subjects, Almondvale Retail Park has an Open Class 1 (non food) consent and rents range from £18.67 per sq ft on the 4,560 sq ft Maplin unit to £22.29 per sq ft on the 8,317 sq ft Halfords unit.

#### 4. ALMONDVALE SOUTH RETAIL PARK (OWNER: LAND SECURITIES)

Located to the south of Almondvale Road, opposite Almondvale Retail Park and accessed from the Retail Park Roundabout, Almondvale South Retail Park extends to 151,000 sq ft and comprises 6 units. The park is anchored by a 90,000 sq ft Sainsbury food store with three retail warehouse units let to Home Bargains, Sports Direct and Toys R Us. There are two fast food pod units let to Frankie and Benny's and KFC providing a further 8,500 sq ft of accommodation.

The retail park has an Open Class 1 consent and rents range from £15.00 per sq ft for the 30,000 sq ft Toys R Us store to £20.00 per sq ft on the 10,000 sq ft Home Bargains store.

#### 5. STANDALONE RETAIL WAREHOUSING

In addition to the three principal retail parks, at Dedridge North there is an 85,000 sq ft Morrisons food store. The 102,500 sq ft ex-B&Q superstore (Owner: Royal London AM) is being sub-divided and re-let and The Range has committed to taking a 40,800 sq ft unit at £14.80 psf and we understand that Matalan has agreed to take the adjoining 30,000 sq ft unit. Dedridge North is accessed from the Alderstone Road roundabout a short distance south west of the subject property.



## DESCRIPTION

THE PROPERTY COMPRISES TWO NEWLY DEVELOPED STEEL PORTAL FRAME RETAIL UNITS IN A TERRACE PROMINENTLY SITUATED ON ALMONDVALE WAY AT COLLEGE ROUNDABOUT.

The terrace provides 43,000 sq ft ground floor accommodation with planning for an additional 18,000 sq ft of tenant's mezzanine floor space. There is an additional 5,000 sq ft external area which will be used as a garden centre and a service yard to the rear of the property.

Primary vehicular access to the park is from Almondvale Place to the west of the retail park. An underpass provides direct pedestrian access to and from Almondvale West Retail Park, which is directly to the east. To the north of the Livingston Retail Park is a Travelodge hotel and Tony Macaroni restaurant and to the south a Marston's pub and drive through Starbucks.

The landscaped site also accommodates 189 car parking spaces, a ratio of 1:228 sq ft, including 12 disabled bays and a total of 12 cycle spaces.

## ACCOMMODATION

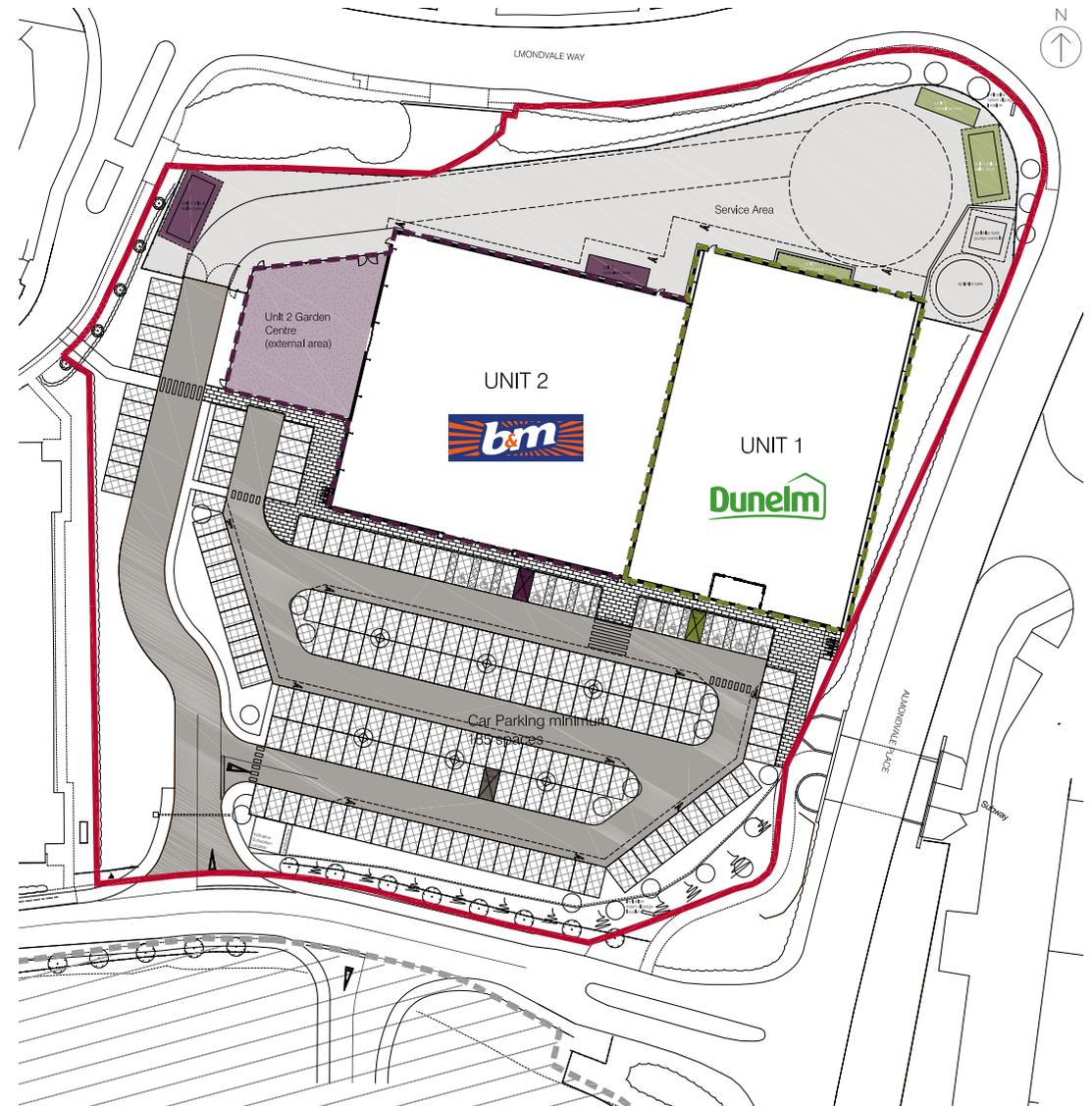
The property has been measured by Plowman Craven in accordance with the RICS Property Measurement, 1st Edition (incorporating IPMS), their report is on request.

The measured areas are as follows:

Unit	Gross Internal Area (sq ft)	Gross Internal Area (sq m)
1 - Dunelm (Soft Furnishings Limited)	20,007	1,858.7
2 - B&M Retail Limited	23,095	2,145.6
<b>TOTAL</b>	<b>43,102</b>	<b>4,004.3</b>

## SITE

The total site area is 3.8 acres (1.55 hectares) which equates to site cover of approximately 26%.



Not to scale – for indicative purposes only.



## TENANCY

The two units are fully let on an aggregate rent of £516,000 per annum, which equates to an average rent of £12.00 per sq ft, based on a total floor area of 43,000 sq ft. The letting profile provides income security for an weighted average unexpired lease term (WAULT) of 15 years to expiry. The units are let to the following tenants on full repairing and insuring terms:

Unit	Tenant	Ground Floor Area (sq ft)	Lease Start	Lease Expiry	Current Rent (£ per annum)	Current Rent (£ psf)	Comments
1	Dunelm (Soft Furnishings Limited)	20,000	May 2017 (anticipated)	May 2032 (anticipated)	£240,000	£12.00	5 yearly upwards only open market rent reviews with capped at 10.4% (c. 2% compound) Tenant option to extend by 10 years (no less than 9 months written notice) s/c cap (£0.50 psf for first 5 years then subject to annual RPI increases)
2	B&M Retail Limited	23,000	May 2017 (anticipated)	May 2032 (anticipated)	£276,000	£12.00	5 yearly upwards only open market rent reviews with cap of 2.5% compound s/c cap (£1.00 psf subject to annual RPI increases) 5,000 sq ft garden centre
<b>TOTAL</b>		<b>43,000</b>			<b>£516,000</b>		

The vendor will top up rent free periods.

## TENANT COVENANT INFORMATION

The property benefits from income all secured against financially robust occupiers and that are deemed “Minimum Risk” D&B rated covenants.



### B&M RETAIL LIMITED – 5A 1

B&M Retail Limited was founded in 1978 and successfully listed on the stock market in 2014. B&M is now one of the leading variety retailers in the UK. It trades from over 500 stores, with a pipeline of 50 new stores, and employ some 20,000 people.

The retailer benefits from a 5A1 covenant, as rated by Dun & Bradstreet. We set out below a summary of their most recent company accounts:

Accounts Summary	Fiscal Non Consolidate GBP (000's)		
	26 March 2016	26 March 2015	26 March 2014
Sales/Turnover	£1,902,557	£1,526,181	£1,509,132
Profit / (Loss) Before Taxes	£168,121	£151,063	£123,398
Tangible Net Worth	£440,372	£333,599	£281,228

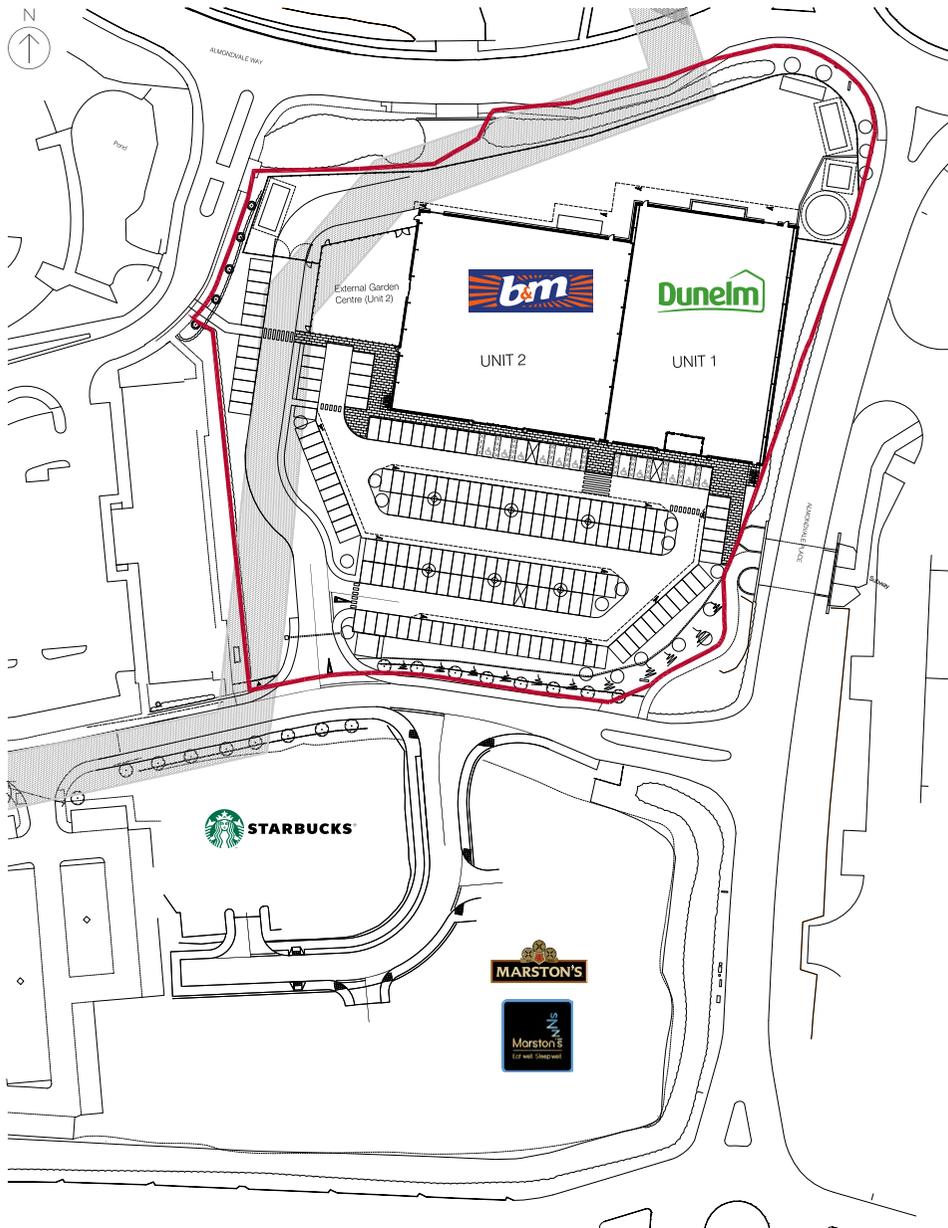


### DUNELM (SOFT FURNISHINGS LIMITED) – 4A 1

Dunelm was established over 30 years ago by Bill and Jean Adderley, and the company still remains partially owned and run by the family today. Dunelm is now one of the UK's leading home furnishing retailers, with over 130 stores across the UK employing in excess of 4,500 members of staff.

The retailer benefits from a 4A1 covenant, as rated by Dun & Bradstreet. We set out below a summary of their most recent company accounts:

Accounts Summary	Fiscal Non Consolidate GBP (000's)		
	02 July 2016	02 July 2015	02 July 2014
Sales/Turnover	£880,900	£835,805	£730,152
Profit / (Loss) Before Taxes	£127,400	£118,442	£114,471
Tangible Net Worth	£32,200	£88,072	£31,018



 Indicative Site Boundary  
Not to scale – for indicative purposes only.

## RENTAL GROWTH AND RUNNING YIELDS (ASSUMING RENTAL UPLIFT TO CAP)

	Unit 1	Unit 2	Total	Running Yield
Lease Start Date (May 2017)	£240,000	£276,000	£516,000	6.48%
Rent Review 1 (May 2022)	£264,960	£312,269	£577,229	7.25%
Rent Review 2 (May 2027)	£292,516	£353,304	£645,820	8.11%

### TENURE

Heritable (Scottish equivalent to English Freehold).

### CAPITAL ALLOWANCES

Further information can be made available on request.

### EPC RATINGS

The property has the following EPC ratings B:

- » Unit 1 (7) – B29
- » Unit 2 (8) – B30

A copy of the EPC certificates are available on request.

### COLLATERAL WARRANTIES

Collateral warranties will be provided by the main contractor, the design consultants and all sub-contractors involved in the major work packages within the development.

### VAT

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

### PLANNING

Planning permission (LIVE/0673/FUL/15) was granted in December 2015 for:

Class 1 retail development (with ancillary café and garden centre) with associated access, car parking, landscaping and engineering works.

The use of the premises is unrestricted Open Class 1 retail.



## PROPOSAL

Our client is seeking offers in excess of **£7,500,000 (Seven Million Five Hundred Thousand Pounds)** subject to contract and exclusive of VAT. Assuming purchase costs of 6.17%, a purchase at this price will reflect a net initial yield of **6.48%**.

## CONTACTS

For further information and access to the data room please contact:



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Henry Boot Developments.

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