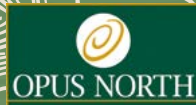




Green Oaks

Shopping Centre **Widnes** WA8 6UD

Town centre dominant, supermarket-anchored
investment opportunity



Town centre dominant, supermarket-anchored
investment opportunity





Widnes Vikings Rugby Club

Halton Borough Council

Riverside College

Widnes Shopping Park

Morrisons

Widnes Market

DW Fitness Club

Tan House Lane Development

A557

Outline for indicative purposes only





Investment Considerations

- > Town-centre dominant community shopping centre located in Widnes, Cheshire, in the north west of England.
- > Widnes lies within Halton Borough, 7 miles (11 km) south-west of Warrington and 12 miles (19 km) south-east of Liverpool.
- > Anchored by TJ Hughes, who recently re-gearred their lease, committing to the scheme for a further 10 years, and adjacent to an 81,000 sq ft (7,525 sq m) Morrisons supermarket (outside ownership).
- > Green Oaks is the town's only covered scheme, extending to 95,545 sq ft (8,876 sq m) and comprising 18 retail units, 9 kiosks and a crèche.
- > Complementary to the Morrisons supermarket, Green Oaks Shopping Centre benefits from a strong community and convenience tenant line-up with other national multiple retailers including Halifax, EE, Argos, Vision Express, Pandora and Holland & Barrett.
- > Large population of 521,227 within the 20-minute drivetime catchment with total consumer retail expenditure of £2.59 billion per annum (source: Savills Research).
- > The scheme benefits from adjacency to and part ownership of Widnes town centre's principal car park, providing 1,100 free spaces.
- > Strong income profile with a Weighted Averaged Unexpired Lease Term of 4.92 years to expiries and 3.48 years to breaks.
- > 42% of income is secured on leases with more than 5 years unexpired.
- > 86% of income is secured against national multiple retailers.
- > 98% let by ERV with robust occupational performance. 9 lettings and renewals completed since the start of 2018, and further lettings and renewals advancing, emphasising occupier demand in the scheme.
- > Affordable rental tone of up to £45 per sq ft Zone A.
- > Held long leasehold from Wm Morrison Gpl Limited on a lease expiring 20 December 2133 (114 years unexpired) at a peppercorn rent.
- > Net passing rent of £1,021,799 per annum.
- > Estimated rental value of £1,178,857 per annum.
- > We are instructed by our client to seek offers in excess of **£8,700,000** (Eight million Seven Hundred Thousand Pounds), exclusive of VAT. This reflects an attractive net initial yield of **11.00%**, assuming full purchaser's costs.

Location & Communications

Widnes is a thriving industrial town located in Cheshire on the northern bank of the River Mersey in the north west of England. It is situated 12 miles (19 km) to the south east of Liverpool and 7 miles (11 km) to the south west of Warrington.

Widnes is well placed for transportation links. The M62 arterial trans-Pennine motorway linking Liverpool to Hull is accessed at Junction 7, 4 miles (6.5 km) due north of the town centre.

The M6 motorway which links Liverpool to Birmingham in the south and the Scottish borders in the north is accessed at Junction 9, 14 miles (22 km) south east of the centre via the M56 motorway. Having opened in October 2017, the new Mersey Gateway bridge between Widnes and Runcorn is located 1 mile (1.6 km) south of Widnes and is set to create a major strategic transport route linking the Liverpool city-region and the north west to the rest of the country.



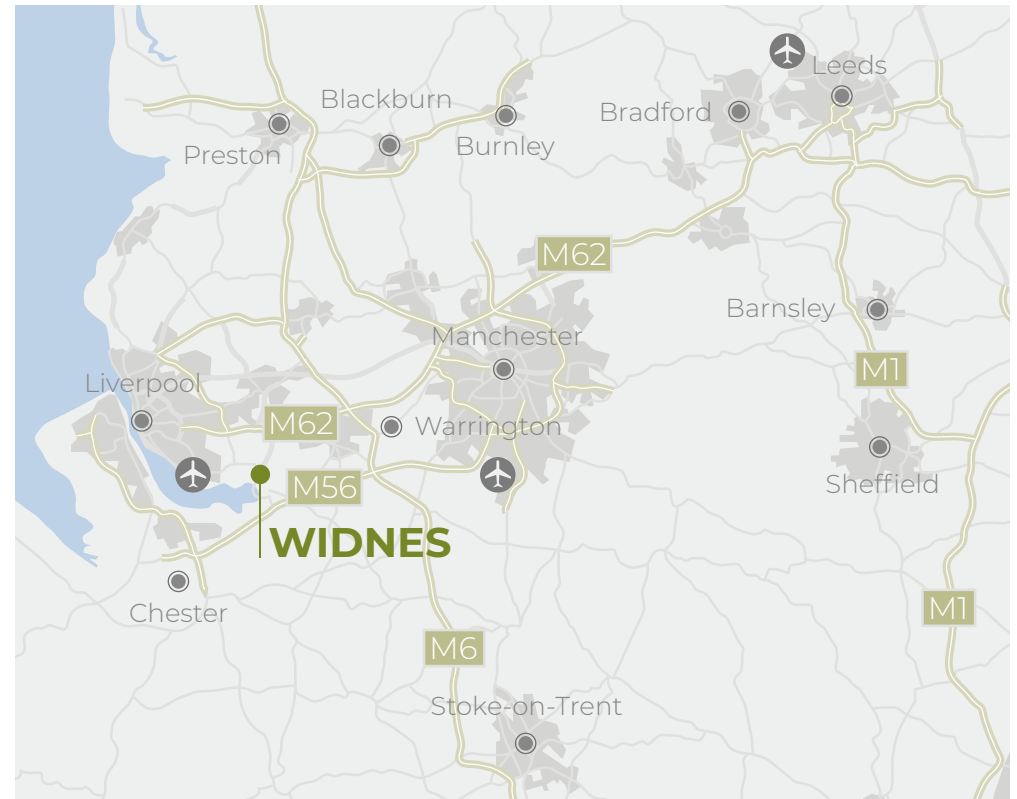
Widnes benefits from excellent road links. The town centre is easily accessible from the A557 and the A533. In addition, Widnes is ideally located within the M56 and M62 corridors, providing easy access to the region's motorway network.



Widnes bus services support frequent travel options to a number of nearby towns and cities, including Liverpool, Warrington, St Helens, and to Liverpool John Lennon Airport. There is a busy bus interchange outside the Green Oaks Shopping Centre, which hosts a number of bus services.



Widnes Railway Station is located approximately 1 mile (1.6 km) north of the town centre on Victoria Avenue, adjacent to Birchfield Road (B5419). Widnes station benefits from regular train services to Liverpool Lime Street (fastest journey time of 25 minutes) and Manchester Piccadilly (fastest journey time of 30 minutes). The station also provides links to a number of local destinations as well as regional centres, including direct links to Norwich via Sheffield and Nottingham.



Not to scale - for identification purposes only

Local Economy

Economic Overview

Widnes has historically been, and continues to be, an industrial focused town with one of its major industries being the manufacture of chemicals, which dates back to the early 19th Century. Although chemical manufacturers are still a major employer in Widnes, the industrial sector has seen major expansion and diversification over recent years.

A new rail/road freight handling and logistics park at Ditton (just to the west of the Widnes town centre), called 3MG (Mersey Multimodal Gateway) is currently undergoing the first phases of a multi-million pound expansion which will provide 3.5 million sq ft (325,161 sq m) of new warehousing, and in turn should create in the region of 5,000 new jobs. It will build upon the established assets of the location, such as Stobart

Park which is home to a new 520,000 sq ft (48,310 sq m) refrigerated warehouse for Tesco, to create a sustainable 21st Century freight park, a flagship for the region.

In 2017 Alstom opened a new £21 million industrial facility for train modernisation in Widnes, which is the UK's largest and most sophisticated of its kind, demonstrating the industry's commitment and willingness to invest in the area.

The new Mersey Gateway bridge, a six lane toll bridge over the River Mersey between the towns of Runcorn and Widnes was completed and opened in October 2017. The project is set to create a major strategic transport route linking the Liverpool city-region

and the north west to the rest of the country. An estimated 4,640 new jobs will be created through direct employment, regeneration activity and inward investment as a result of the project which will generate an estimated £61.9 million per year in Gross Value Added (GVA) by 2030.

In October 2017, Halton Housing completed a new development of 175 homes at Tan House Lane comprising a mixture of one, two, three and four bedroom apartments and homes. The site which previously comprised derelict industrial land is located on the eastern side of the A557, adjacent to Green Oaks Shopping Centre. A pedestrian bridge provides access to the centre from the northern end of the development.





Demographics

Green Oaks Shopping Centre serves the everyday needs of its local catchment and is an integral part of the community retail provision, as well as the wider town centre. The scheme benefits from a large demographic, key statistics of which are as follows:

- > The scheme is supported by a substantial population of 83,598 people living within a 10-minute drivetime of the centre, increasing to 521,227 within a 20-minute drivetime catchment (source: Savills Research).
- > Total consumer retail expenditure within the 10-minute drivetime catchment is substantial, equating to £443 million per annum and increasing to £2.59 billion in the 20-minute drivetime catchment (source: Savills Research).
- > Comparison retail expenditure equates to £278 million per annum within the 10-minute drivetime catchment and increasing to £1.62 billion in the 20-minute drivetime (source: Savills Research).
- > Within the 10-minute catchment, over 75% of households have access to a car, underpinning the importance of the 1,100 free car parking spaces provided by Green Oaks Shopping Centre, the principal car park in the town (source: Savills Research).

Retailing in Widnes

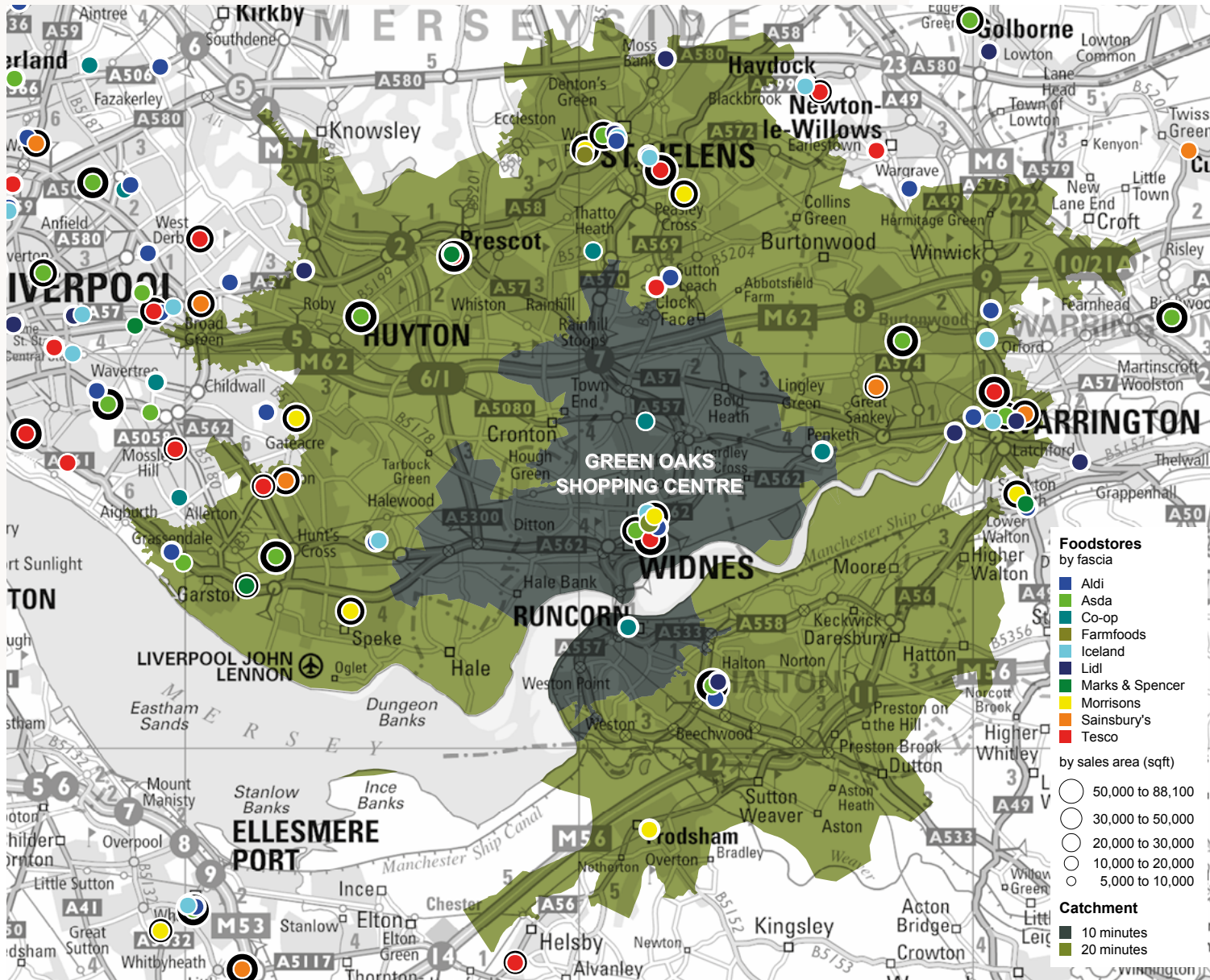
Widnes is a vibrant market town with a comprehensive retail provision, well-suited to the needs of the demographic. The prime pitch is focused around the town's only covered shopping centre, Green Oaks Shopping Centre. The shopping centre is anchored by TJ Hughes and has a strong community and convenience-led tenant line-up, including Holland & Barrett, Vision Express, Crawshaws Butcher, Three, Pandora, Ryman and Vision Express.

Green Oaks Shopping Centre occupies a highly prominent site in the town's retail core, also forming a thoroughfare between the Morrisons supermarket and the pedestrianised Albert Road, the town's historic prime pitch. Albert Road has a primarily convenience-led offer including Boots, B&M Bargains, Yorkshire Bank and Clarks. Whilst Green Oaks is the prime managed and dominant shopping centre in the town, it is supported by the Albert Square Shopping Centre. Albert Square is an open-air, 1970s scheme providing around 85,000 sq ft (7,897 sq m) of accommodation across approximately 35 units. Key tenants in Albert Square include Iceland, Santander and WH Smith.

Widnes Market, spread across an open-air market square and covered market hall, is situated adjacent to the Green Oaks Shopping Centre and provides a further complementary offer to Green Oaks and Albert Road. The market hosts a range of local businesses selling a diverse array of produce. The market hall is open five days per week 9am and 5pm whilst the outdoor market is open four days per week between 9am and 3pm.

Lying to the south of Green Oaks Shopping Centre is Widnes Shopping Park which provides a further 230,000 sq ft (21,368 sq m) of retail accommodation. The shopping park provides a fashion-led 'big box' offer anchored by Marks & Spencer. Other tenants include Wilko, Next and New Look.





Foodstore Provision

Although not included within the scheme's ownership, Green Oaks Shopping Centre benefits from an 81,000 sq ft (7,525 sq m) Morrisons foodstore directly adjoining the centre. This is one of the largest and most dominant foodstores not just in the town centre but also in the 10-minute drivetime catchment.

The Morrisons at Green Oaks Shopping Centre is the only Morrisons store within the 10-minute drivetime catchment. There is also limited competition from other brands within this catchment, with the majority of Widnes' foodstore provision located within the wider 20-minute catchment area.



Catchment Map with Foodstore Provision (source: Savills Research)

Description

Green Oaks Shopping Centre was constructed, in the most part, during the mid-1990s and comprises a predominantly two storey, covered shopping centre anchored by TJ Hughes and Morrisons which is outside of the ownership.

The property is arranged as 27 units and kiosks with a crèche at first floor level. Accommodation extends to 95,545 sq ft (8,876 sq m) over two floors with tenants primarily trading at ground floor with ancillary accommodation above. Further to the Morrisons and TJ Hughes, the scheme has a highly complementary convenience led tenant line-up with other notable retailers including Argos, EE, Three, Vision Express, Carphone Warehouse, and Holland & Barrett.

The majority of the accommodation (23 units and kiosks) is situated within the main covered mall, which runs broadly west to east, linking the Albert Road retail pitch with Morrisons and the car parks to the east. Additionally the property includes a 10,895 sq ft (1,012 sq m) property at 36 Albert Road, comprising offices occupied by Halton Borough Council, a Halifax bank and three small retail units.

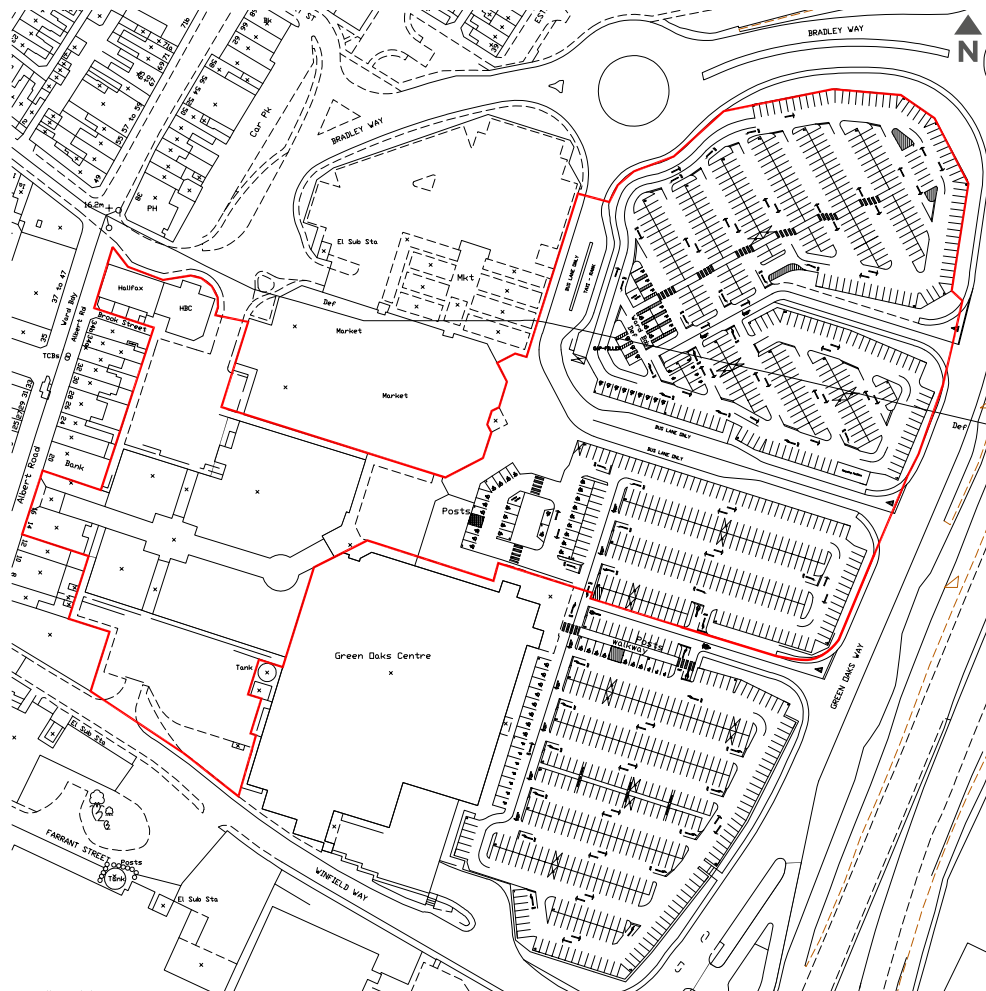
Green Oaks Shopping Centre benefits from approximately 1,100 free car parking spaces, servicing the scheme, foodstore and neighbouring Widnes markets.



The Property and Statutory Aspects

Tenure

The property is held long leasehold from Wm Morrison Gpl Limited on a term expiring 20 December 2133 (115 years unexpired) at a peppercorn rent.



Title Plan (outline for indicative purposes only)

Tenancies

The scheme is let on 32 tenancies with only one vacant unit. The majority of tenants are secured on effective FRI leases with fully-recoverable business rates, service charge and insurance provisions. A full breakdown of tenancies and areas is available in the tenancy schedule in the marketing data room but the tenancy position can be summarised as follows:

- > The scheme's current gross income is £1,049,857 per annum.
- > Total annual shortfalls of £28,058 per annum, including a landlord's contribution to marketing of £13,750 per annum.
- > The current net income is therefore £1,021,799 per annum.
- > The estimated rental value is £1,178,857 per annum.



Service Charge

The current annual service charge budget for the year to 31 March 2020 for Green Oaks Shopping Centre is £395,168, equating to only £2.77 per sq ft overall. Morrisons currently contribute £130,827 per annum to the service charge.

Occupational Costs

Rents have been rebased in the scheme to broadly £45 per sq ft ITZA. Rateable values have also fallen as a result of the 2017 rates revaluation, in some cases, by in the region of 40%. Combined with a low service charge, retail accommodation in the scheme is therefore affordable, providing a sustainable base for strong retailer performance.

Town Planning

No part of the property is listed. Furthermore, no part of the property falls within Conservation Area.



Income Analysis

Income Expiry Profile

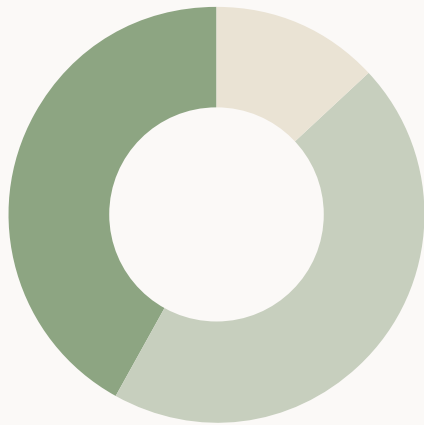
The scheme has a Weighted Average Unexpired Lease Term of 4.92 years to expiry. 42% of income is secured on leases with more than five years unexpired.

Assuming activation of all breaks, the Weighted Average Unexpired Lease Term Certain falls only slightly to 3.48 years.

Covenant Strength

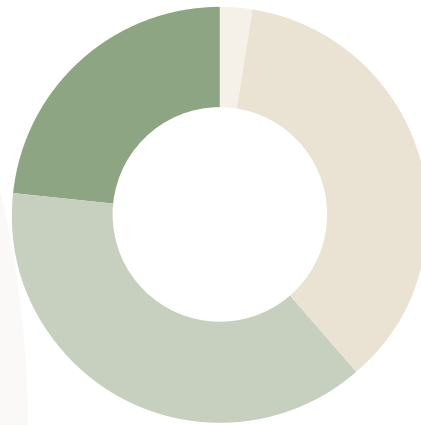
More than 86% of income secured against national multiple retailers.

Income Expiry Profile (No Breaks)



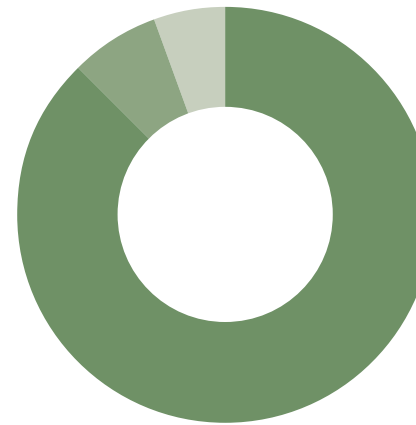
	Holding Over	0.15%
	0 yrs to 2 yrs	12.92%
	2 yrs to 5 yrs	45.06%
	5 yrs to 10 yrs	41.87%
	10 yrs +	0.00%




Income Expiry Profile (Breaks)



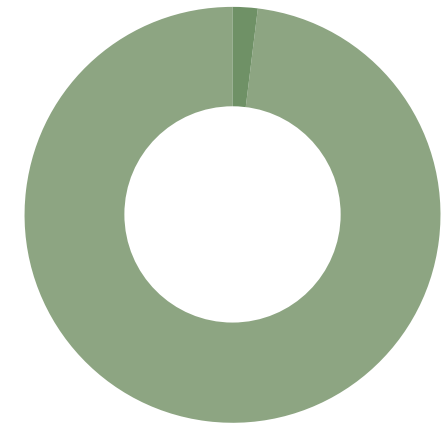
	Holding Over	2.63%
	0 yrs to 2 yrs	36.24%
	2 yrs to 5 yrs	37.91%
	5 yrs to 10 yrs	23.22%
	10 yrs +	0.00%



Income Profile By Covenant



	National	87.75%
	Regional	6.80%
	Local	5.45%

Vacancy By Floor Area

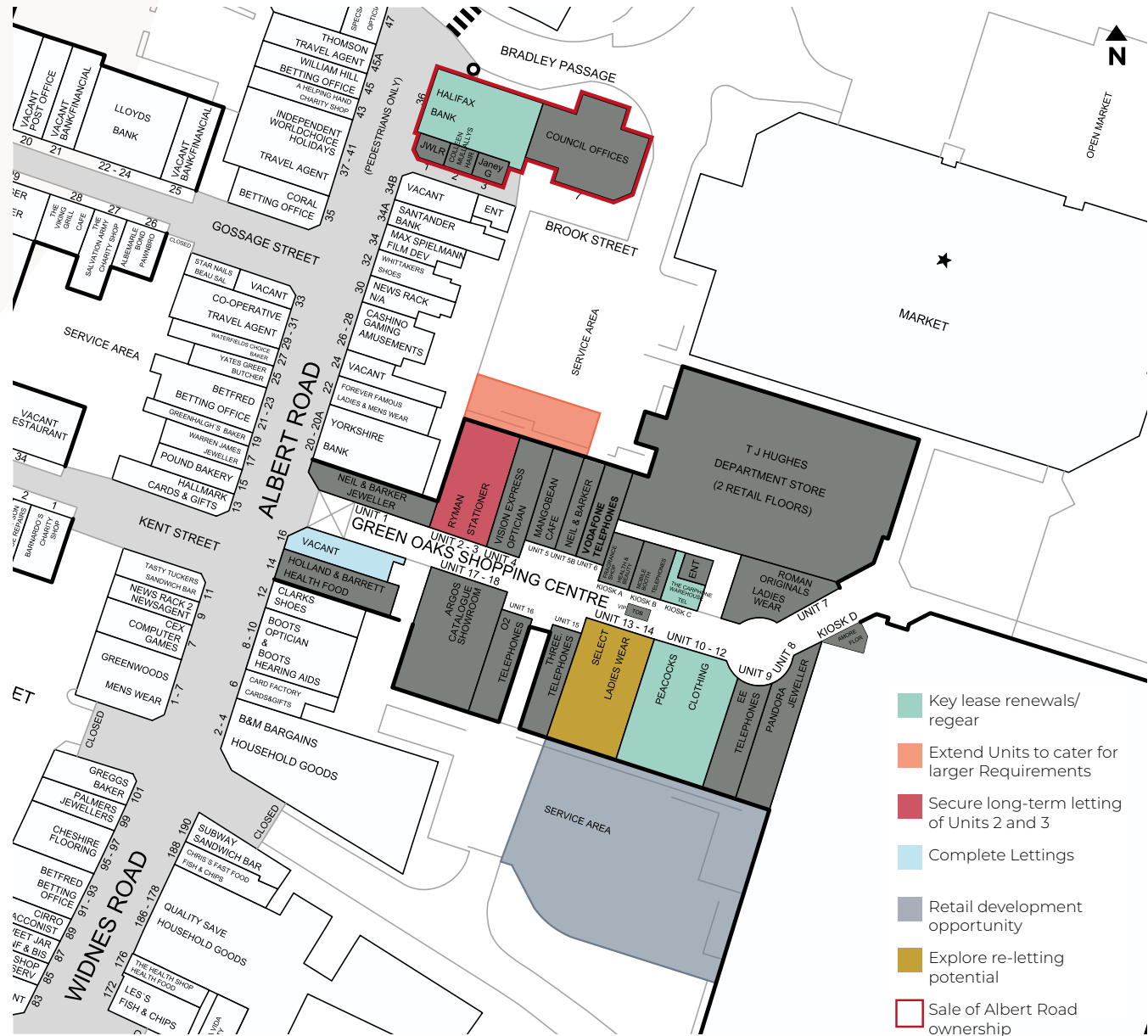


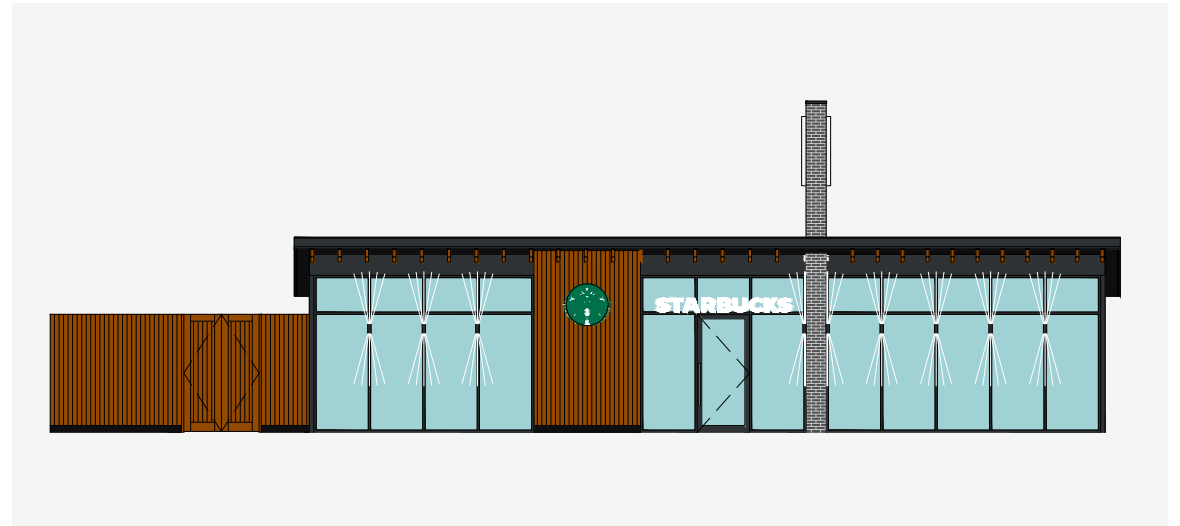
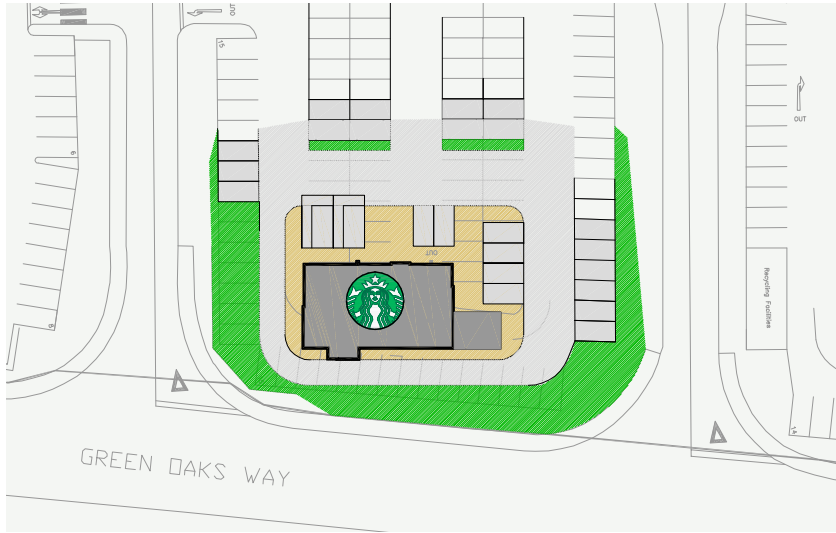
	Vacant	2.00%
	Occupied	98.00%

Asset Management

Green Oaks Shopping Centre already comprises a stable asset but also presents a number of viable asset management opportunities to improve the income stream and drive the asset forward.

- > The income profile is strong. However, it can be immediately improved by completing a letting on 16 Albert Road.
- > Ryman currently occupy Units 2 & 3 on a short-term lease with rolling breaks at a rent below market level. This tenant could be replaced by a different occupier, taking the space on a longer-term lease.
- > Target other lease renewals and re-gears with key tenants such as Peacocks, Carphone Warehouse, and Halifax, capitalising on the recent TJ Hughes re-gear to commit existing retailers to the scheme.
- > Explore the possibility of letting select to another to another tenant
- > Potential to extend Units 2 to 5 into the service area to accommodate larger requirements.
- > Extend Units 8 to 13 to create an additional 4,489 sq ft (417 sq m) of retail space (based on historic planning consent granted in 2013).
- > Consolidate the ownership and secure a capital receipt through the sell-off of 36 Albert Road, which comprises a modern standalone building, separate to the core shopping centre ownership.
- > Starbucks franchisee are in discussions to take an agreement for lease for a coffee pod on the existing car park. No planning or costings have been obtained. The operator has agreed to pay a rent of £60,000 per annum for the built pod.





Proposed Starbucks – Site Plan

Proposed Starbucks – Front Elevation



Disposal

VAT

The property is registered for VAT and it is proposed that the sale will be treated as a 'Transfer of a Going Concern'.

EPCs

Energy Performance Certificates (EPCs) for all units are available on the marketing data room.

Proposal

We are instructed by our client to seek offers in excess of **£8,700,000** (Eight Million Seven Hundred Thousand Pounds), exclusive of VAT. This reflects an attractive net initial yield of **11.00%**, assuming full purchaser's costs.

Website

For further information please visit the following website:

www.savills.co.uk/greenoakswidnes

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