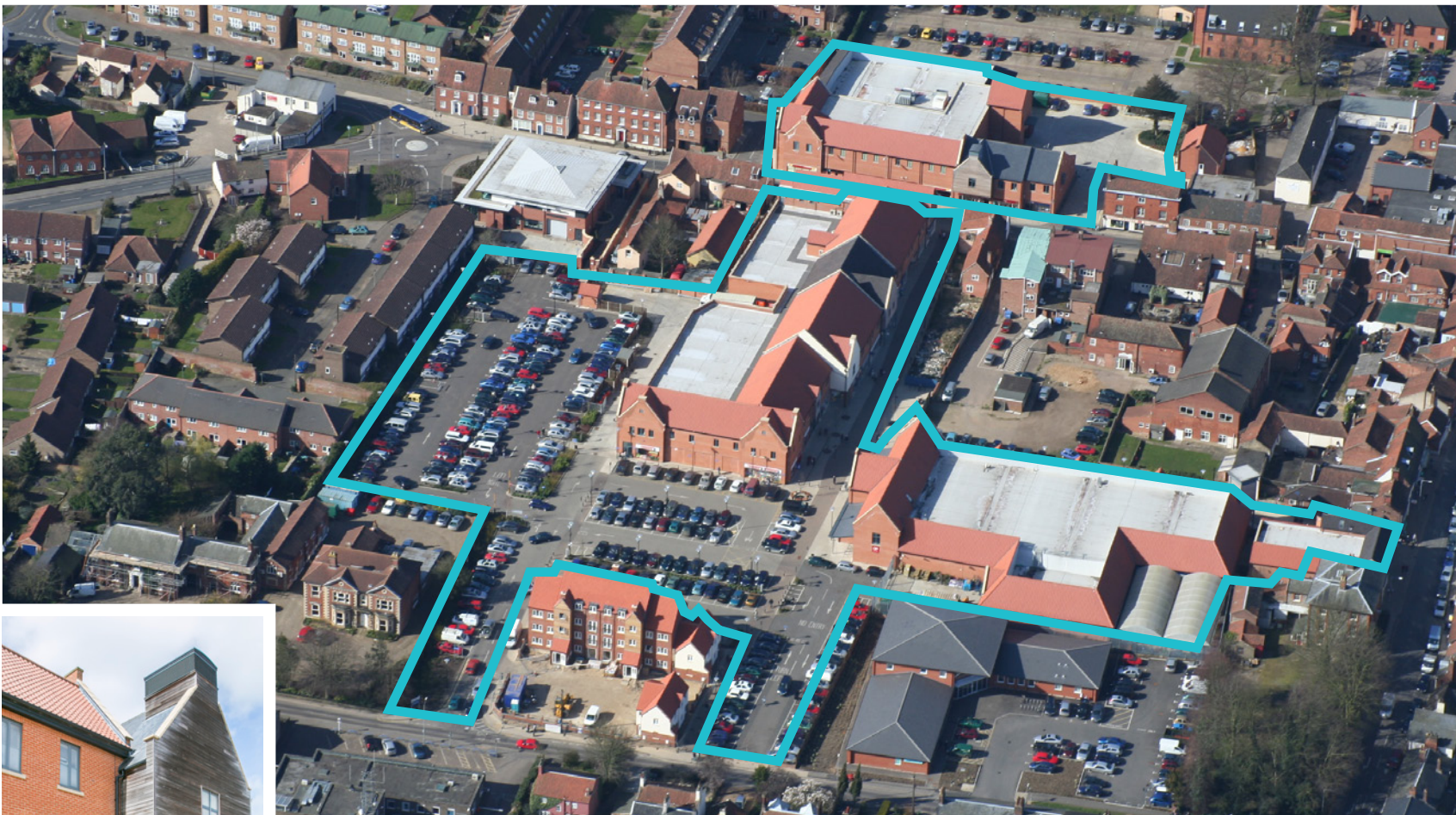




**GL Hearn**  
Part of Capita plc



# DEREHAM SHOPPING CENTRE

CHAPEL WALK & WRIGHT'S WALK, DEREHAM, NORFOLK, NR19 1TZ

**HIGH YIELDING** DOMINANT SHOPPING CENTRE INVESTMENT

# INVESTMENT SUMMARY

- Dereham is a very popular market town 15 miles west of Norwich, in the heart of Norfolk.
- Easy access to the A47, which links Dereham to Norwich and King's Lynn, with a catchment population of approximately 45,000 within a 15 minute drive time.
- Virtual Freehold – 250 years from 2004 from Breckland District Council.
- Well configured, flexible retail floor plates developed in 2005.
- 14 retail units ; 100% let; no Landlord shortfall.
- Additional land available for further retail and residential development.
- Anchor tenants (QD Stores, Wilko and Edinburgh Woollen Mill Group) account for 60% of the income.
- Total current income of £959,848 per annum.
- AWULT of 4 years.

Offers are invited for the leasehold interest in the region of **£9,500,000 (Nine Million, Five Hundred Thousand Pounds)**, subject to contract and exclusive of VAT. This reflects a **net initial yield of 9.47%** after allowing for purchaser's costs of 6.69%.



# DEREHAM

Dereham is a thriving market town located in the heart of Norfolk, within the boundary of Breckland District Council. It is located approximately 15 miles west of Norwich and 25 miles east of Kings Lynn, just north of the A47 in the east of England.

The town benefits from good road communications with the A47 providing links to Great Yarmouth to the east (via Norwich) and Peterborough to the west (via Kings Lynn). The town is within 35 minutes' drive of Norwich railway station which provides a direct service to London (Liverpool Street) within 1 hour 50 minutes.

Dereham is one of the main retail destinations in central Norfolk, hosting twice-weekly markets in the town (Tuesdays and Fridays) and is renowned for the Mid-Norfolk Heritage Railway tourist attraction. The town comprises an attractive arrangement of picturesque Georgian buildings accommodating a mixture of both national multiples and local independent occupiers with the benefit of ample free car parking.

The population within the boundary of Breckland District Council amounts to approximately 130,500 (2011 Census), whilst Dereham is easily accessed by surrounding towns and villages and benefits from a catchment population of 44,150, within a 15 minute drive time.







# SITUATION

Dereham Shopping Centre forms a significant part of the town centre and together with High Street and Market Place forms part of the central retail core. The shopping centre benefits from pedestrian access from High Street and Norwich Street and vehicular access from Commercial Road, which forms a one-way system around the scheme.

The property is also located next to community uses of a library and doctor's surgery and is a short distance from a popular Morrison's supermarket located on the east side of Commercial Road.

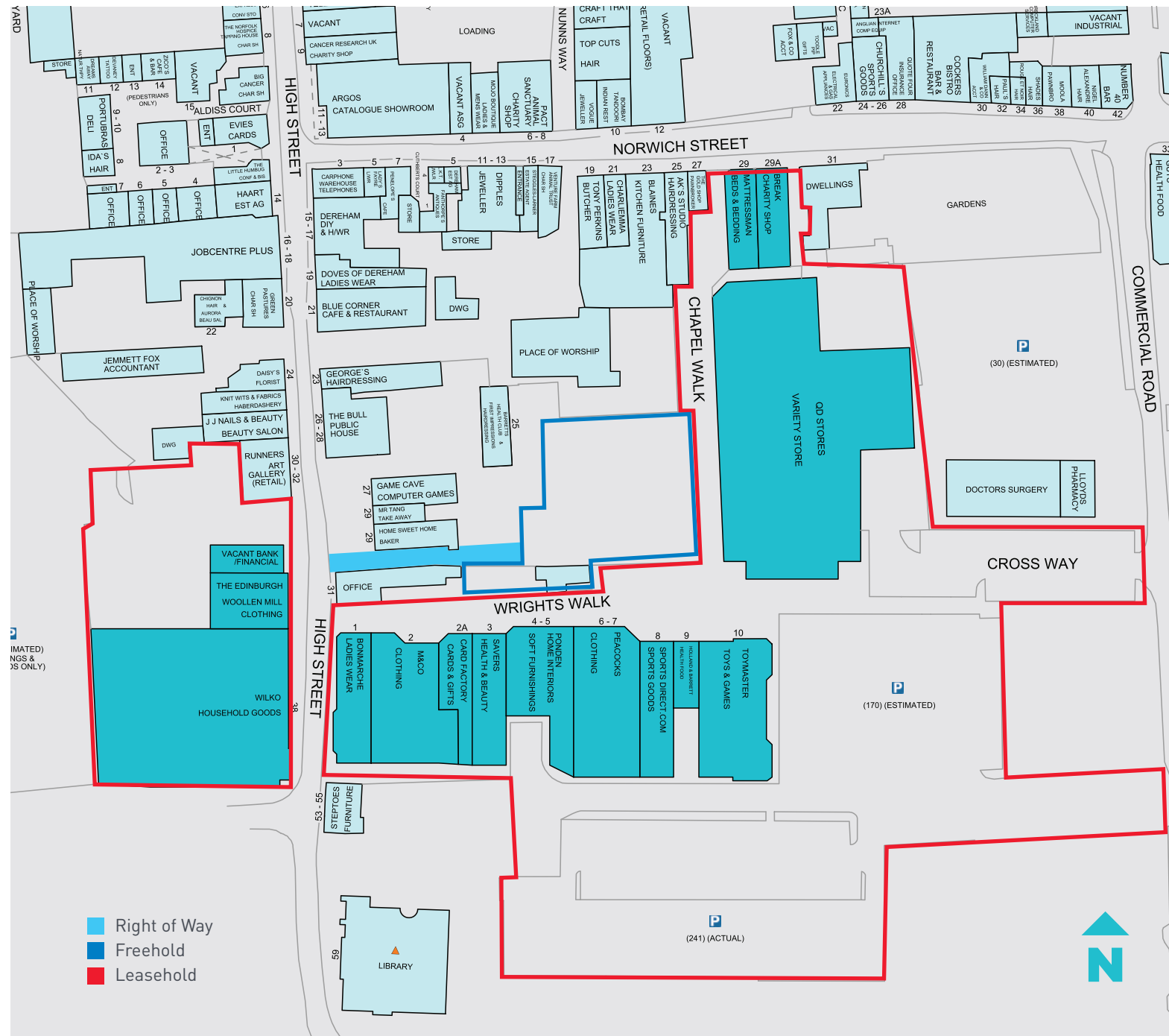


# RETAIL PROVISION

Following the completion of Dereham Shopping Centre in 2005, the retailing provision was significantly enhanced with the introduction of a host of national and regional retailers such as Wilko, QD Stores, Holland & Barrett, Savers, Sports Direct and Edinburgh Woollen Mill. This now represents the prime retail pitch in the town.

Prior to this, the traditional prime pitch within Dereham was located along High Street and Market Place, which runs through the centre of the town from north to south and mainly accommodates convenience and discount retailers including Co-Op, Shoe Zone, HSBC, Poundland and Greggs.

Nelson Place and Norwich Street provide attractive secondary retailing and have tenant representation from Superdrug, Costa, Argos, Iceland, New Look and Carphone Warehouse.



# DESCRIPTION

The subject property comprises 14 retail units predominantly arranged over ground and first floor levels totalling 97,590 sq ft together with the town's principal shopper's car park with 240 free (up to 3 hours) spaces.

The property was developed in 2005 to provide a new retail pedestrian 'loop' and to improve the parking provision for the centre of Dereham. The accommodation consists of regular open-plan trading platforms.

The scheme is split into two key retail elements divided by High Street. The east side of High Street consists of the property's main retail parade comprising 9 units fronting Wrights Walk, a large space unit occupied by QD Stores fronting Chapel Walk, and 2 units fronting Norwich Street. On the west side of High Street and adjacent to Wrights Walk there are 3 units, including Wilko variety store

In addition to the retail elements, the scheme contains two 2-bed flats let by way of assured shorthold tenancies.

# PHASE 2 DEVELOPMENT OPPORTUNITY

On the previous page outlined in blue on the GOAD plan is an additional freehold site with planning permission for a 2-storey retail and residential development (3PL/2007/1446/F). This can be made available as part of the purchase of the centre. Further information is available on request.



CGI (indication only) – north of Wright's Walk

# TENANCY & ACCOMMODATION SCHEDULE

The shopping centre is let in accordance with the schedule of tenancies and accommodation below. The leases are drawn on effectively full repairing and insuring terms by means of a comprehensive service charge.

The service charge is run over four cost schedules. The total charge for the year ending December 2017 was £92,347.50, reflecting £0.85 per sq ft, with no shortfall.

The scheme is 100% let with an Average Weighted Unexpired Lease Term (AWULT) to expiry of 4 years.

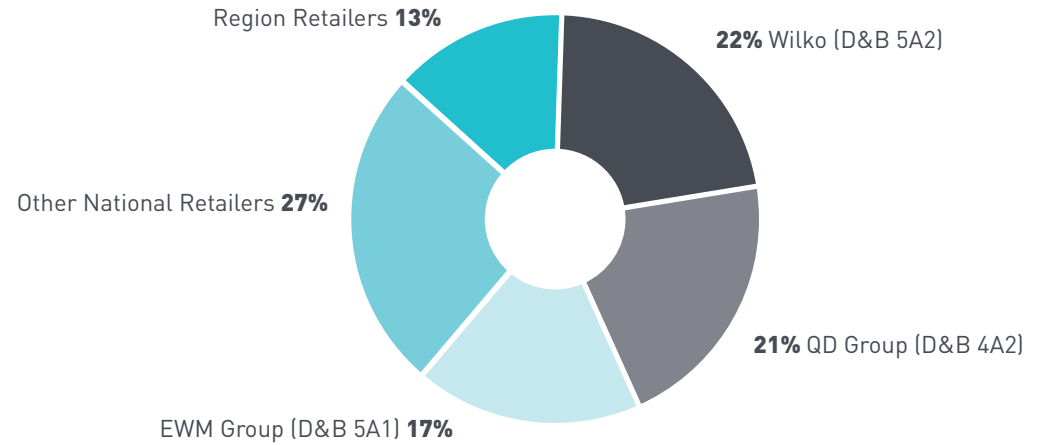
Address	Tenant	Lease Start	Review Date	Lease Expiry (Break)	Current Rent	Rate (ZA or psf)	Total NIA (Sq Ft)	Ground Floor (Sq Ft)	ITZA (Units)	First Floor (Sq Ft)	Comments
1 Wrights Walk	Bonmarche Limited	15/03/13	15/03/2018	14/03/23	£37,500	£39.62	3,026	1,947	850	1,079	Outstanding rent review not actioned. 5% additional for the return frontage on ground floor.
2 Wrights Walk	MacKays Stores Limited t/a M&Co Clothing	07/04/05	-	06/04/20	£64,000	£38.68	6,276	4,329	1,741	1,947	10% discount for quantum
2a Wrights Walk	Sportswift Limited t/a Card Factory	24/06/05	-	23/06/20	£34,500	£43.11	2,290	1,303	751	987	
3 Wrights Walk	Savers Heath & Beauty Limited	21/06/15	-	20/06/20	£37,500	£40.88	2,991	2,023	869	968	
4-7 Wrights Walk	Peacocks Stores Ltd (t/a Peacocks and Ponden Home Interiors)	05/04/12	-	04/04/20	£125,000	£39.60	12,682	8,134	3,486	4,548	Occupied by Ponden Homes and Peacocks. Parent company EWM Group Ltd. 15% discount for quantum.
8 Wrights Walk	Sportsdirect.com Retail Ltd	22/03/18	-	21/03/19	£35,000	£39.08	2,860	2,027	854	833	Outside the Act. Rolling 3-month mutual break option. Schedule of condition.
9 Wrights Walk	Holland & Barrett Retail Ltd	25/12/04	-	24/12/19	£20,000	£40.24	794	794	497		
10 Wrights Walk	Starlings of Sheringham Ltd t/a Toymasters	23/02/05	-	22/02/20	£87,500	£41.89	8,889	5,154	1,902	3,735	
2 Chapel Walk (LSU 1)	QD Market Towns Ltd t/a QD Stores	29/09/04	29/09/2019	28/09/24 (28/09/19)	£200,000	£7.63	25,446	22,914		2,532	Areas GIA. Plus garden centre of 3,796 sq ft assessed at 20% rate. Mutual break option - Sept 2019, subject to 9 months notice.
29 Norwich Street	Mattressman Limited	08/05/17	-	07/05/22 (08/05/20)	£20,000	£28.33	1,337	1,337	706		
29a Norwich Street	Break Charity Shop	17/11/08	-	16/11/2018	£12,000	£15.50	1,459	1,459	774		
36 High Street	William Hill Organisation Ltd (not in occupation)	07/03/05	-	06/03/20	£22,500	£34.36	1,614	977	623	637	
38 High Street	The Edinburgh Woollen Mill Ltd	15/02/05	-	14/02/20	£39,000	£30.82	3,316	1,929	1,196	1,387	
40 High Street (LSU 2)	Wilko Retail Limited	04/01/05	04/01/2005	03/01/25	£213,948	£8.69	24,610	16,588	-	8,022	Areas GIA.
<b>Retail Sub-Total</b>					<b>£948,448</b>		<b>97,590</b>	<b>70,915</b>		<b>26,675</b>	
51 High Street (Flat 1)	Mrs N Pop	01/05/14	-	30/11/14	£5,700						2 bed flat
1 Chapel Walk (Flat 11)	Mr & Mrs T Filip	27/09/13	-	24/03/14	£5,700						2 bed flat
<b>Overall Total</b>					<b>£959,848</b>						





# COVENANT STRENGTH

The income profile is strong, with 79% of the current income secured to tenants rated by Dun & Bradstreet as 'minimum risk of business failure' or 'below average risk of business failure', and 55% of the current income secured to tenants with a minimum D&B rating of 5A2.



## QD Market Towns Ltd

QD Stores are an independently owned chain of discount retail outlets employing 210 people across 25 locations in the UK, predominantly in the east of England.

QD Market Towns Limited is one of the ten subsidiary companies of QD Commercial Group Holdings Ltd, the latter having a tangible net worth of £33 million, turnover of £71 million and currently hold a **D&B rating of 4A2**

## Wilko Retail Ltd

Wilko Retail Ltd is a British high-street chain selling homewares and household goods, founded in 1930. They currently occupy 350 stores throughout the UK and have 21,243 employees. The most recent turnover figure reported was £1.5 Billion with a net worth of £142 million. **D&B rated the company as 5A2.**

## The Edinburgh Woollen Mill Ltd

Edinburgh Woollen Mill (EWM) is a retailer specialising in clothing, along with interests in homewares and a destination shop for tourists. EWM currently trade from 265 mainstream high street stores. EWM Group is now the holding company for Edinburgh Woollen Mill, Peacocks, Ponden Home, Jane Norman, Austin Reed brands and Jaeger, following their acquisition in 2017.

The company was granted a **D&B rating of 5A1**, with a recent turnover of £171 million and net worth of £159 million.

# TENURE

Leasehold from Breckland District Council for a term of 250 years from 21 April 2004 at a nominal rent of £1 per annum.

See attached GOAD plan and indicative outline of the leasehold interests in red.

# EPC

Energy Performance Certificates are available upon request.

# VAT

The property is elected for VAT.

# PROPOSAL

Offers are invited for the leasehold interest in the region of **£9,500,000 (Nine Million, Five Hundred Thousand Pounds)**, subject to contract and exclusive of VAT. This reflects a **net initial yield of 9.47%** after allowing for purchaser's costs of 6.69%.



# FURTHER INFORMATION

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