



PORTLETHEN RETAIL PARK

MUIREND ROAD | ABERDEEN | AB12 4XP

FOR SALE

- PRIME RETAIL PARK INVESTMENT OPPORTUNITY
- OFFERS IN EXCESS OF £18,150,000 (7.00% NIY)

EXECUTIVE SUMMARY



WELL-ESTABLISHED

Prime, well-established food anchored retail park.



PRIME LOCATION

Prime location to the North West of Portlethen town, situated 7 miles south of Aberdeen on one of the main arterial routes to and from the city.



PRIME OPPORTUNITY

Prime, Class 1A retail park serving a catchment population of 500,000 people.



4 UNITS

107,072 sq ft of retail warehouse space spread across 4 units.



COVENANTS

Let to undoubted covenants of Aldi, Home Bargains, Matalan and B&M.



TENANTS

Exceptionally strong tenant performance reported.



WAULT EXPIRY

WAULT of 7.50 years to expiry.



WAULT BREAK

WAULT of 6.50 years to break.



INCOME

Total current rental income of £1,355,578 per annum.



PROPOSAL

We are instructed to seek offers in excess of **£18,150,000 (EIGHTEEN MILLION ONE HUNDRED AND FIFTY THOUSAND POUNDS STERLING)** exclusive of VAT. A purchase at this level would show an attractive net initial yield of 7.00% after allowing for purchasers' costs of 6.74% including LBTT (Land Building and Transactions Tax).





ABERDEEN

Aberdeen is Scotland's third largest city and the administrative centre for the north-east of Scotland. The city is also considered the oil capital of Europe, being the major centre for North Sea oil related activities. The population of Aberdeen city is approximately 223,000 people with a wider catchment population of approximately 445,000 people.

Aberdeen is one of the most prosperous cities in the UK and is consistently rated highly for its quality of life, given its status as a global centre of excellence in both the oil and renewable industry sectors. Aberdeen has 4% of Scotland's total population and this is projected to increase to in excess of 271,000 people by 2035, an increase of 20%. It is also home to 28 of Scotland's top 100 companies and has average earnings that are 21% above the Scottish national average.

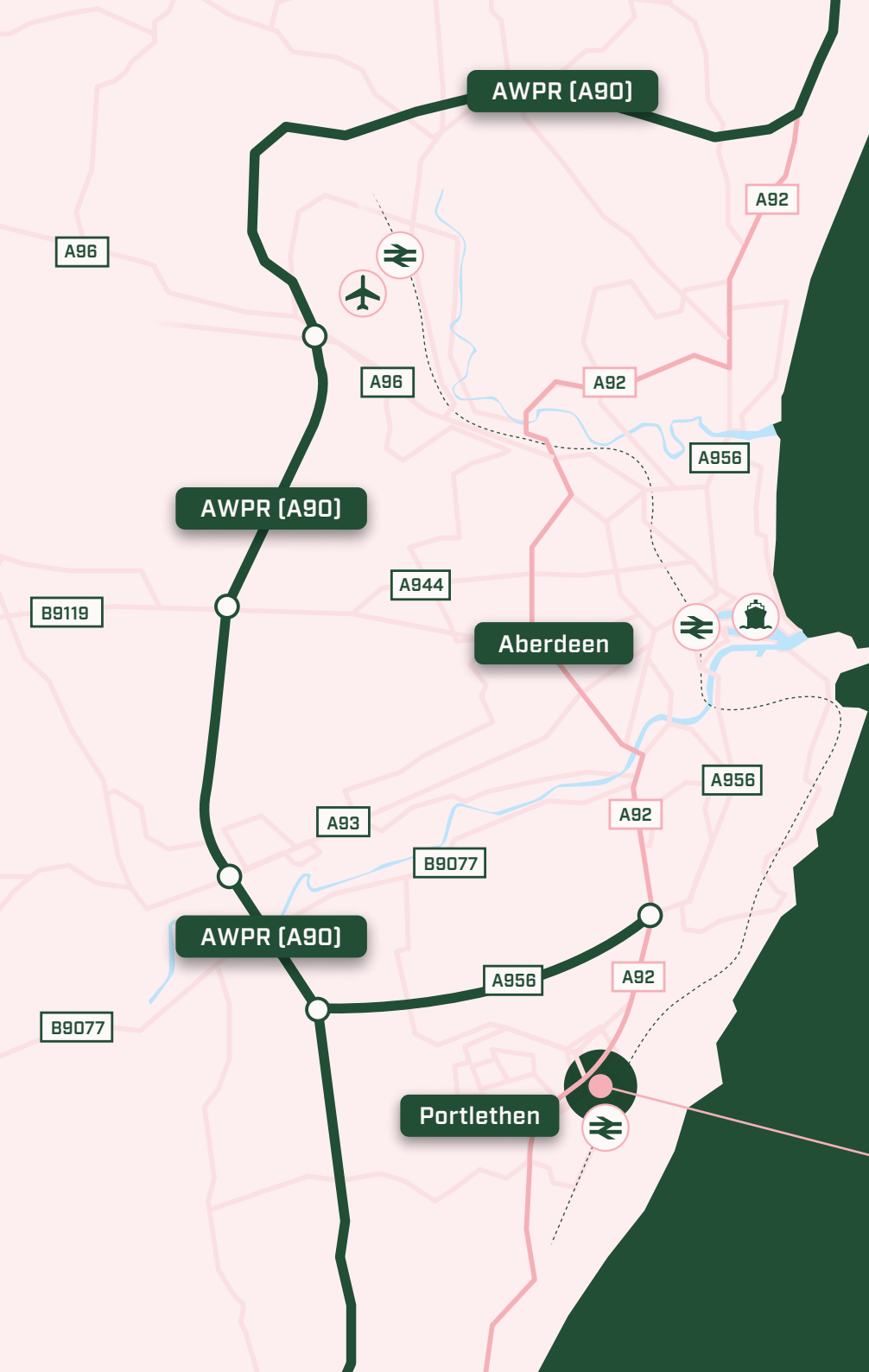
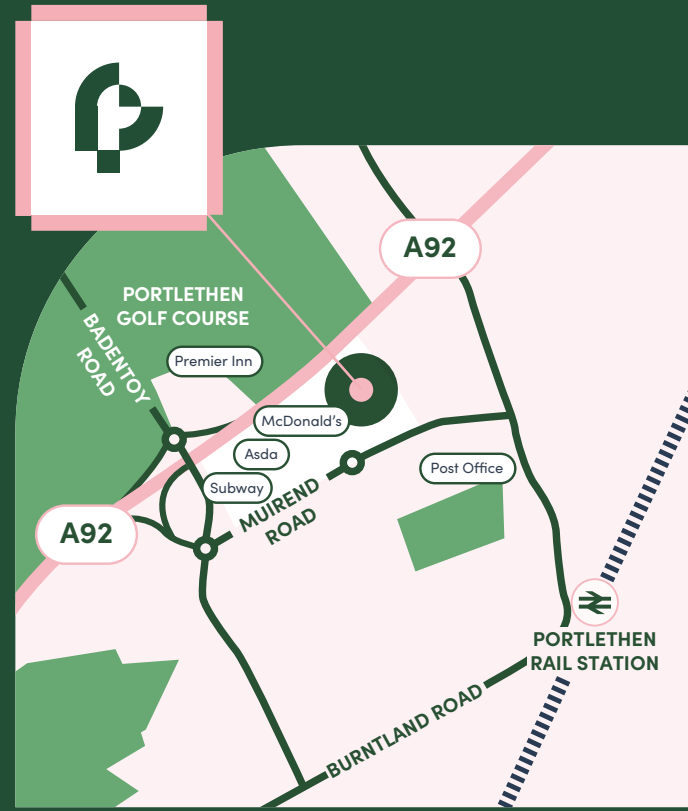
There are two universities in Aberdeen, these are the University of Aberdeen and Robert Gordon University with these two institutions being the two largest employers outside of the oil industry. Aberdeen is located approximately 105 miles to the north of Edinburgh, 100 miles to the east of Inverness and 145 miles north-east of Glasgow. Aberdeen has excellent communication links. By road, the A90/A92 links Aberdeen to the national motorway network, providing access to Glasgow and Edinburgh, whilst the A96 provides access to Inverness and the northwest of Scotland. The Aberdeen Western Peripheral Route (AWPR), which provides a new city by-pass, was fully opened in February 2019 which only further enhanced accessibility in and around the city.



SITUATION

Portlethen is located 7 miles south of Aberdeen on the A19 which is the main link between Aberdeen and Dundee. The Retail Park is prominently located to the north west of the town off the very busy A92, one of the main arterial routes to Aberdeen. The park provides the main shopping provision for the town and surrounding area and benefits from being anchored by a 65,000 sq ft ASDA supermarket with PFS and a 3,500 sq ft McDonald's drive-thru restaurant. Portlethen has a retail catchment residential population of 500,000 and a £19m comparison goods market.

There are 127,919 households within 30 minutes of the park and 73% of residents come from the top 3 most affluent Acorn categories. The park is easily accessible from the town centre and is situated only 0.6 miles from Portlethen Rail Station.



DESCRIPTION

Porthlethen Retail Park is comprised of 107,072 sqft of Open Class 1A retail warehouse accommodation arranged over 4 units constructed by way of a single storey, detached terrace comprising of profile metal, insulated clad panel elevations with partially elevated roofs together with glazed pedestrian entrance doors to the front and goods delivery doors to the rear.

Units 1a and 1b, formerly occupied by Homebase, has been split into two units following strong occupier demand from Aldi and Home Bargains respectively.

B&M recently extended their existing unit and constructed a garden centre towards the rear of the building for their occupational needs.

The retail park benefits from 530 car parking spaces, in addition to the adjacent owner-occupied Asda car park.



**OPEN CLASS
1 RETAIL
WAREHOUSE
ACCOMMODATION
ARRANGED OVER
4 UNITS**



TENANCY

UNIT	USE	TENANT	AREA (SQFT)	RENT (£/P.A.)	RATE (£/PSF)	% (INCOME)	REPAIR	LEASE START	NEXT RENT REVIEW	BREAK OPTION	LEASE EXPIRY	COMMENTS
1A	Retail	T.J.Morris Limited (t/a Home Bargains)	21,433	£231,000	£10.78	17.45%	FRI	24/01/2022	24/01/2027	-	23/01/2037	Upwards only review to the lower of OMRV or 2% pa compounded. S/C Cap at £25,544.62 per annum is subject to annual RPI increases.
1B	Retail	Aldi Stores Limited	21,413	£309,035	£14.43	20.94%	FRI	05/07/2021	05/07/2026	05/07/2031	04/07/2036	Upwards only rent review, RPI linked capped at 2.5% and collared at 1% compounded annually. The vendor will top up the passing rent of £277,199 to the projected rent of £309,035 at the 2026 rent review based on the RPI Index formula. This assumes a 1% collar on the RPI calculation for the 2025-2026 index year.
2 - 1	Retail	Matalan Retail Limited	40,991	£500,543	£12.21	37.81%	FRI	10/03/2004	-	-	09/03/2029	Matalan have sublet 10,000 sq ft to Argos on a sublease expiring 09/03/2029.
2 - 2	Retail	B&M Retail Limited	23,235	£310,500	£13.36	23.46%	FRI	23/01/2017	23/01/2027	-	22/01/2032	The 2022 rent review is outstanding. Upwards only reviews to OMRV, capped at 11% of the previous passing rent. S/C cap at £23,984.19.
External	Food Truck	Darren Robertson	-	£4,500	-	0.34%	-	14/07/2015	-	-	Rolling	Fast food van. Rolling licence to occupy. 3 month notice period for termination.
TOTALS			107,072	£1,355,578		100.00%						

SERVICE CHARGE

The current service charge budget until 31 December 2025 is £84,504 per annum, reflecting a rate of £0.79 per sqft.

Further information is contained within the dataroom.





ALDI

Aldi have a Dun & Bradstreet credit rating of 5A2 and a tangible net worth of £3.57 billion.

	YEAR END 31-12-2023	YEAR END 31-12-2022	YEAR END 31-12-2021
TURNOVER	£17,887,000	£15,473,348	£13,645,779
TANGIBLE NET WORTH	£3,574,873	£3,221,280	£3,022,763
NET PROFIT	£399,405	£108,600	£5,066



HOME BARGAINS

Home Bargains have a Dun & Bradstreet credit rating of 5A2 and a tangible net worth of £1.126 billion.

	YEAR END 30-06-2024	YEAR END 30-06-2023	YEAR END 30-06-2022
TURNOVER	£4,209,503,251	£3,773,995,536	£3,419,373,770
TANGIBLE NET WORTH	£1,126,926,413	£1,997,933,159	£1,778,723,709
NET PROFIT	£336,141,263	£256,658,067	£239,247,572



B&M

B&M Retail have a Dun & Bradstreet credit rating of 5A1 and a tangible net worth of £614 million.

	YEAR END 30-03-2024	YEAR END 25-03-2023	YEAR END 26-03-2022
TURNOVER	£4,417,000,000	£4,073,000,000	£3,914,000,000
TANGIBLE NET WORTH	£614,000,000	£595,000,000	£617,000,000
NET PROFIT	£364,000,000	£354,000,000	£422,000,000

MATALAN

MATALAN

Matalan has recently gone through a major recapitalisation transaction which was completed on 26th January 2023. The transaction delivers a de-levered and sustainable balance sheet and a substantial injection of new capital which sets the company with a clear vision for a return to strong and sustained growth.

Some highlights of this restructure are below:

- Significant reduction in gross debt from £593million to £336 million
- Up to £100 million of new capital to support delivery of the strategy
- Financing for the next 4 years, with the earliest maturity in January 2027
- A flexible debt package which provides committed and undrawn funding

Matalan have a Dun & Bradstreet credit rating of N4

	YEAR END 24-02-2024	YEAR END 25-02-2023	YEAR END 26-02-2022
TURNOVER	£1,081,000	£1,153,400	£1,027,100
TANGIBLE NET WORTH	(£32,600)	£6,600	£165,500
NET PROFIT	(£36,700)	£(110,500)	(£4,000)



TENURE

The subject properties are held on a heritable title (Scottish equivalent of English Freehold).

DATAROOM

A dataroom has been setup and can be accessed through a formal note of interest to the sole selling agent.

EPC information is available on request.

VAT

Our clients have elected to waive exemption for VAT and accordingly VAT will be payable on the purchase price, although we anticipate the sale will be treated as a TOGC.

LEGAL COSTS

Each party will be responsible for their own legal costs incurred in connection with the transaction.

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AML To comply with the current anti-money laundering regulations the agents acting on both sides of any qualifying transaction are required to undertake appropriate due diligence in advance of the transaction, including identifying and verifying all relevant parties and establishing the source(s) and legitimacy of funding. Both parties will be required to disclose all relevant information prior to conclusion of missives to enable the agents to meet their respective obligations under the Regulations. To comply with the current anti-money laundering regulations the agents acting on both sides of any qualifying transaction are required to undertake appropriate due diligence in advance of the transaction, including identifying and verifying all relevant parties and establishing the source(s) and legitimacy of funding. Both parties will be required to disclose all relevant information prior to conclusion of missives to enable the agents to meet their respective obligations under the Regulations.



PORTLETHEN RETAIL PARK

Sheridan Keane Real Estate Investment for themselves and for the vendors or lessors of this property whose agents they are, give notice that: (i) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, reference to condition and necessary permission for use and occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them and are advised to do so; (iii) no person in the employment of Sheridan Keane Real Estate Investment have any authority to give representation or warranty whatever in relation to this property; (iv) all prices, rents and premiums quoted are exclusive of VAT at current rate; May 2025 Designed by thefifthhouse.co.uk

VIEWING & FURTHER INFORMATION

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Sheridan Keane
REAL ESTATE INVESTMENT



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