

# NEWPORT ISLE OF WIGHT TOWNGATE RETAIL PARK

PRIME RETAIL WAREHOUSE INVESTMENT



# INVESTMENT SUMMARY

- The Isle of Wight is a renowned **tourist destination** welcoming over 2.6 million visitors a year contributing in excess of £275m to the local economy.
- The subject property is **situated in Newport, the administrative centre of the Isle of Wight**.
- **Towngate Retail Park is highly prominent** and sits within the main retail warehouse cluster on the island. It is also a **short walk away from Newport town centre**.
- Let to established national retailers; **Halfords, Snap Fitness and Benson For Beds**.
- The property totals **20,093 sq ft** producing a net rental income of **£224,920 pa**, reflecting a low average rent of **£11.65 psf**.
- **WAULT** of **c.5.9 years** to expiry and **4.1 years** to break options.
- **Freehold**



Photos on front cover, above and on page 8 are CGIs and show how Unit 1 will look on Benson occupation (currently fitting out).



PLAY VIDEO 

**WE ARE INSTRUCTED TO SEEK OFFERS IN EXCESS OF £2,560,000 (TWO MILLION FIVE HUNDRED AND SIXTY THOUSAND POUNDS)**

SUBJECT TO CONTRACT AND EXCLUSIVE OF VAT. THIS REFLECTS A **NET INITIAL YIELD OF 8.25%** AFTER ALLOWING FOR THE USUAL PURCHASERS COSTS.

# LOCATION

THE ISLE OF WIGHT IS LOCATED OFF THE SOUTH COAST OF ENGLAND AND IS CONNECTED TO THE MAINLAND VIA A NUMBER OF PASSENGER AND VEHICLE FERRY ROUTES, AS WELL AS HOVERCRAFT SERVICES.

## SITUATED

5 miles (8km) south of the Mainland

6 miles (10km) south-west of Portsmouth

7 miles (11 km) south of Southampton

80 miles (130 km) south-west of London



## FERRIES/CATAMARAN

The Isle of Wight is well served by a number of transport routes, with regular ferry services operating from Portsmouth (45 minutes), Southampton (55 minutes) and Lymington (30 minutes). There are also frequent hovercraft and catamaran services to and from Portsmouth and Southampton to Ryde and Cowes with an average journey time of 25 minutes.



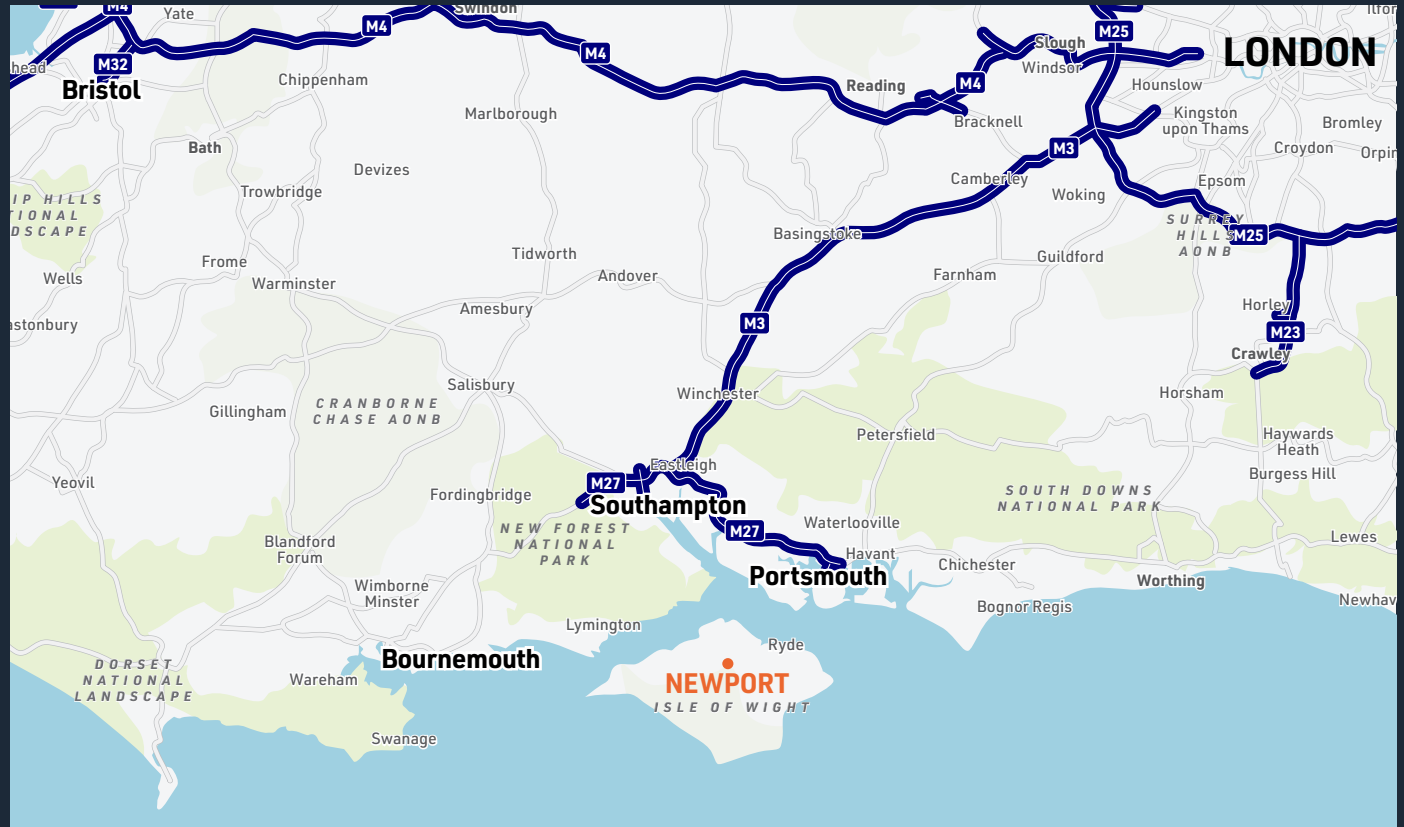
## AIR

The Isle of Wight has two airports, Sandown and Bembridge both of which cater for private flights. There are also direct helicopter services from many London based aerodromes and airports with an average journey time of 35 minutes.



## RAIL

Rail services to the coast operate from London Waterloo to Portsmouth Harbour railway station and Southampton Central station, with an approximate travel time of 1 hour 20 minutes.



# DEMOGRAPHICS & TOURISM

THE ISLAND RETAINS A VERY LOYAL CATCHMENT GIVEN ITS NATURAL GEOGRAPHY.

139,011

ISLE OF WIGHT  
POPULATION  
2024

155,221

ISLE OF WIGHT  
POPULATION  
FORECAST GROWTH BY 2027  
11.5% INCREASE

15.3%

'MATURE MONEY'  
CLASSIFICATION OF  
NEWPORT'S CATCHMENT  
UK average of 9% (CACI)

£275m

ISLE OF WIGHT  
TOURISM SPEND  
BOOSTING THE  
LOCAL ECONOMY

2.6m

ISLE OF WIGHT  
VISITORS PER ANNUM  
A HIGHLY POPULAR  
HOLIDAY DESTINATION



## COMPARABLE POPULATIONS

Other towns and cities in the UK with a comparable population include:

Town/City	Population
Cambridge	145,000
York	141,000
Colchester	130,000
Exeter	126,000
Cheltenham	116,000

Major attractions include:



OSBORNE HOUSE



(Compiled by ONS after 2021 UK Census)

# RETAILING ON THE IOW

NEWPORT IS AT THE HEART OF THE ISLE OF WIGHT AND IS THE ADMINISTRATIVE CENTRE FOR THE ISLAND. IT IS THE KEY COMPARISON RETAIL DESTINATION FOR THE ISLAND.

Retailers represented within the town centre include Sports Direct, B&M, TK Maxx, Costa, Boots and Next.

Retail Warehousing is also concentrated around the outskirts of Newport, capitalising on its central location as can be seen from the map.

## WAKES RETAIL PARK

**Tenants:** Currys, Pets at Home, The Food Warehouse.  
**Rents:** £12.50 psf - £15.00 psf

## COPPINS BRIDGE LEISURE PARK

**Tenants:** CineWorld, Pizza Hut, KFC, The Gym Group  
**Rents:** £11.00 psf - £20.00 psf

## OTHER RETAIL

### DUNELM

£18.31 psf

### B&Q

£17.40 psf

### SAINSBURY'S

(Owner Occupied)

### M&S

£10.32 psf

### MATALAN

£14.75 psf

### LIDL

(Owner Occupied)

### MORRISON'S

(Owner Occupied)

### ASDA

(Owner Occupied)



# SITUATION

PLAY VIDEO 

**TOWNGATE RETAIL PARK OCCUPIES A HIGHLY PROMINENT POSITION SITUATED WITHIN THE MAIN RETAIL WAREHOUSING CLUSTER IN NEWPORT. IT IS ALSO JUST A 5 MINUTE WALK NORTH OF THE TOWN CENTRE.**

It is situated just off the A3020, the main arterial road connecting Newport to Cowes, situated 5 miles to the north. The A3020 links into the A3054 leading west to Yarmouth and Freshwater and east to Fishbourne and Ryde.

The property benefits from being opposite one of the main bus stops in and out of Newport town centre generating additional footfall.

Retailers in the immediate vicinity include Sainsbury's to the west, Lidl to the east and Wakes Retail Park and B&Q to the north.

Marks & Spencer, Asda, Morrisons and Coppins Bridge are all situated to the south of Newport town centre.



# DESCRIPTION

THE PROPERTY COMPRISES A MODERN RETAIL WAREHOUSE SCHEME ARRANGED AS A SINGLE TERRACE AND SPLIT INTO THREE SEPARATE RETAIL UNITS.

The property is of steel portal frame construction and sits beneath a butterfly roof. There is a glazed canopy that runs the length of the property fronting the car park, offering customers shelter in inclement weather. Above the canopy level is retailer signage.

There is adequate clearance to trade mezzanine levels within the property. This is demonstrated by Halfords, who are trading a half cover mezzanine and Snap Fitness, who trade a full cover mezzanine level.

To the front and return frontage of the terrace is **customer parking for 90 vehicles**.

The property totals **20,093 sq ft** and sits on a total **site area of c. 1.40 acres**.



# TENURE

The property is held Freehold under title no: IW45917



# SERVICE CHARGE

The budgeted service charge rate for the year ending September 2025 equates to £2.12 psf based on the measured areas.

Both Halfords and Bensons for Beds have service charge caps that on the current budget for the current service charge year are anticipated to result in a shortfall of approximately £9,254.

# TENANCY SCHEDULE

halfords

bensons  
for beds

snap fitness 24/7

The property is let in accordance with the tenancy schedule set out below:

Unit	Tenant	Size (Sq Ft)	Lease Start	Lease Expiry	Break Option	Rent (pa)	Rent (psf)	Comments
Unit 1	Bensonsforbedsretail Ltd t/a <b>Bensons For Beds</b>	7,922	25/06/2024	24/06/2029	25/06/2027	£79,250	£10.00	3 month rental penalty on 3rd year break option. Rent free 8 months. Any outstanding incentive to be topped up by the vendor. Base service charge cap of £13,071 pa rising annually in line with CPI, capped at 5%.
Unit 1a	KMP Fitness (Newport) Limited t/a <b>Snap Fitness</b>	3,280	30/04/2019	29/04/2034	30/04/2029	£52,907	£16.13	Fixed Rental Uplift to £59,859 pa at final rent review in April 2029.
Unit 2	Halfords Limited t/a <b>Halfords</b>	8,891	25/03/2020	24/03/2030	N/A	£102,017	£11.47	Reversionary lease signed and effective from current lease expiry, 25/03/2025 for an additional 5 year term. Base service charge cap of £13,336.50 pa. Under the reversionary lease, the base service charge cap will be £14,637.15 pa, rising annually in line with CPI, capped at 3%
<b>Total</b>		<b>20,093</b>				<b>£234,174</b>	<b>£11.65</b>	

Wault to Expiry: 5.9 years

Service Charge Cap Shortfall for  
Current Budget Year (to Sept-25) £9,254

Wault to Break Options: 4.1 years

Net Income (£ pa) £224,920



# COVENANT

## halfords

### HALFORDS

Halfords is the UK's leading provider of motoring and cycling products and services. The company was founded in Leicester in 1892 and rebranded as Halfords in 1965. Halfords now have approximately 379 stores across the UK and Ireland, making it one of the largest non-food retailers in the UK. Through its Autocentres, it is also one of the UK's leading independent operators in vehicle servicing, maintenance, and repairs.

Halfords Ltd is a wholly owned subsidiary of Halfords Group plc, which is listed on the London Stock Exchange. Halfords Limited have a D&B Rating of 5A2 (Low Risk).

A summary of the company's most recent accounts is set out below:

#### Halfords Ltd

Date	Turnover	Net Profit	Net Assets
31/03/2023	£932,300,000	£44,700,000	£474,900,000
01/04/2022	£948,500,000	£68,100,000	£431,500,000

## bensons for beds

### BENSONS FOR BEDS

Bensons for Beds is one of the leading British bed retailers, selling a diverse range of beds, mattresses and bedroom furniture across its 170+ stores and online.

With over 70 years of retail and manufacturing experience to its name, Bensons understands the importance of creating the tailored sleep experience for customers, putting Sleep Wellness™ at the heart of everything it does.

In November 2019, the company was acquired by private equity firm Alteri Investors. More recently, Alteri have invested a further £25m into the business to drive the growth strategy.

#### Bensons for Beds Retail Ltd

Date	Turnover	Net Profit	Net Assets
30/09/2023	£257,466,000	-£21,599,000	-£32,800,000
24/09/2022	£239,410,000	-£31,166,000	-£29,476,000

## snap fitness<sup>24/7</sup>

### KMP FITNESS (NEWPORT) LIMITED T/A SNAP FITNESS

Snap Fitness launched in 2003 and has grown to operate over 98 gyms in the UK and over 1,000 gyms in 20-plus countries worldwide. Snap Fitness operate through a franchise model and are committed to being the best fitness franchise continually setting new benchmarks for innovation in the fitness and franchising markets.

Their clubs offer 24/7 access with popular monthly contracts. This has seen membership base grow by 14% year on year against an industry average of just 3.4%.

KMP Fitness (Newport) Limited are a subsidiary company of KMP Group, a private family office established in 1973 that manage a diverse portfolio of property, private equity and operational businesses (<https://kmpgroup.co.uk>).

KMP Group currently operate five Snap Fitness Gyms as a franchise partner with other locations including Dartford, High Wycombe, Herne Bay and Whitstable.

# ASSET MANAGEMENT

- Explore EV charging options with interest shown from established operators for between 10-15 spaces. An application for power has been submitted and an indicative offer of £30,000 pa received. Further detail on request.
- Negotiate to remove Benson's 2027 break option and Snap Fitness's 2029 break option to improve WAULT and income security.
- Explore alternative use potential subject to Vacant Possession.

## EPCs

**Unit 1** – Energy Performance Rating C

**Unit 1a** – Energy Performance Rating C

**Unit 2** – Energy Performance Rating C

All certificates available on request.

## VAT

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

# CONTACTS

For further information and viewing arrangements please contact:



4th Floor  
43 – 45 Dorset Street  
London  
W1U 7NA

**Tim Saull**

07762 319 364

tsaull@mcmullenre.com

**Graham Phillips**

07958 955 257

gphillips@mcmullenre.com



26 The Mall  
Carisbrooke Road  
Newport, Isle of Wight  
PO30 1BW

**Tony Scotcher**

07780 997 603

office@scotcherandco.co.uk

**WE ARE INSTRUCTED TO  
SEEK OFFERS IN EXCESS OF  
£2,560,000 (TWO MILLION  
FIVE HUNDRED AND SIXTY  
THOUSAND POUNDS)**

SUBJECT TO CONTRACT AND EXCLUSIVE OF VAT.  
THIS REFLECTS A **NET INITIAL YIELD OF 8.25%** AFTER  
ALLOWING FOR THE USUAL PURCHASERS COSTS.

#### MISREPRESENTATION NOTICE

McMullen Real Estate and Scotcher & Co for themselves and for the Vendors of the 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 and do not constitute, nor constitute part of, an offer or contract; ii. all descriptions, dimensions, references to condition and necessary permissions for use and occupation and other details are given in good faith and are believed to be correct, but any intending purchaser should not rely on them as statements or representations of fact and must satisfy themselves by inspection or otherwise as to the correctness of each of them; iii. no person in the employment of McMullen Real Estate and Scotcher & Co has any authority to make or give any representations or warranty whatever in relation to this property or the particulars, nor enter into any contract relating to the property on behalf of McMullen Real Estate and Scotcher & Co nor any contract on behalf of the vendors; and iv. no responsibility can be accepted for any expenses incurred by intending purchasers in inspecting properties which have been sold or withdrawn.  
January 2025. Designed and produced by Ben Parer. Tel 07702 123482.