



GARDEN CENTRE SUMMER MARKET SNAPSHOT

Q2 2024

WHAT DOES THE GARDEN CENTRE MARKET LOOK LIKE ACROSS THE UK?

TOM GLANVILL

Director Garden Centres

 *South*



The South garden centre market has been very encouraging to date in 2024, with regards to the volume of activity and transactions.


This has been mirrored across our other sectors including retail, hospitality, hotels, care and medical, which indicates returning investor confidence. Additionally, the volume of professional valuation work undertaken by our specialist valuers has risen markedly in recent years.

The sale of Peter Beales Roses in February is a wonderful feather in the cap for our team and is a great example of how our valuation and agency teams can work together to produce an exceptional outcome for our clients.

By the second week of May we hit the milestone of **100 viewings** across the range of garden centres that we are marketing, which resulted in **27 offers**. Many of these offers were at acceptable levels and we are set to see **14 garden centre transactions** complete in the coming months – a number of which will complete in early summer 2024.

ANDREW BIRNIE

Director Garden Centres

 *North*



In the North, buyers are currently outstripping the number of garden centres that have come to the market this year. Demand is predominantly being driven by a range of multi-site owners looking to expand by acquiring large sites with mixed use of retail, food/coffee shops and horticulture. However, we are also receiving a growing number of enquiries

from local buyers or existing garden centre employees who are looking for smaller sites to run their own business or make a lifestyle change. As such, it is more important than ever to consider an open marketing sales process to ensure your business is exposed to a wide pool of potential buyers.

MARK LAVERY

Associate Director Garden Centres

 *Scotland*



We have launched four sites to the market in Scotland since expanding the garden centre team north of the border, all of which have been driven by retirement, with one now under offer. Indeed, across the country, a large proportion of traditional garden centre operators are nearing the age of retirement, which is likely to drive more sites to the market in the coming months.

Buyer interest to date has been a mix of both corporate and smaller regional operators, whilst plot size will dictate whether a developer will be interested in the site for alternative use.

WHAT'S NEW TO THE MARKET?



SPECKLED HEN FARM SHOP

Guide price – £160,000 + stock



BURNISTON NURSERIES

Guide price – £595,000 + stock



SEFTON MEADOWS GARDEN CENTRE

Guide price – £1,600,000



MILLSTONE GARDEN CENTRE

Guide price - Offers over £850,000 + stock



STRAIGHT MILE NURSERY GARDENS

Guide price – £1,500,000



WEST SOMERSET GARDEN CENTRE

Guide price – £1,350,000



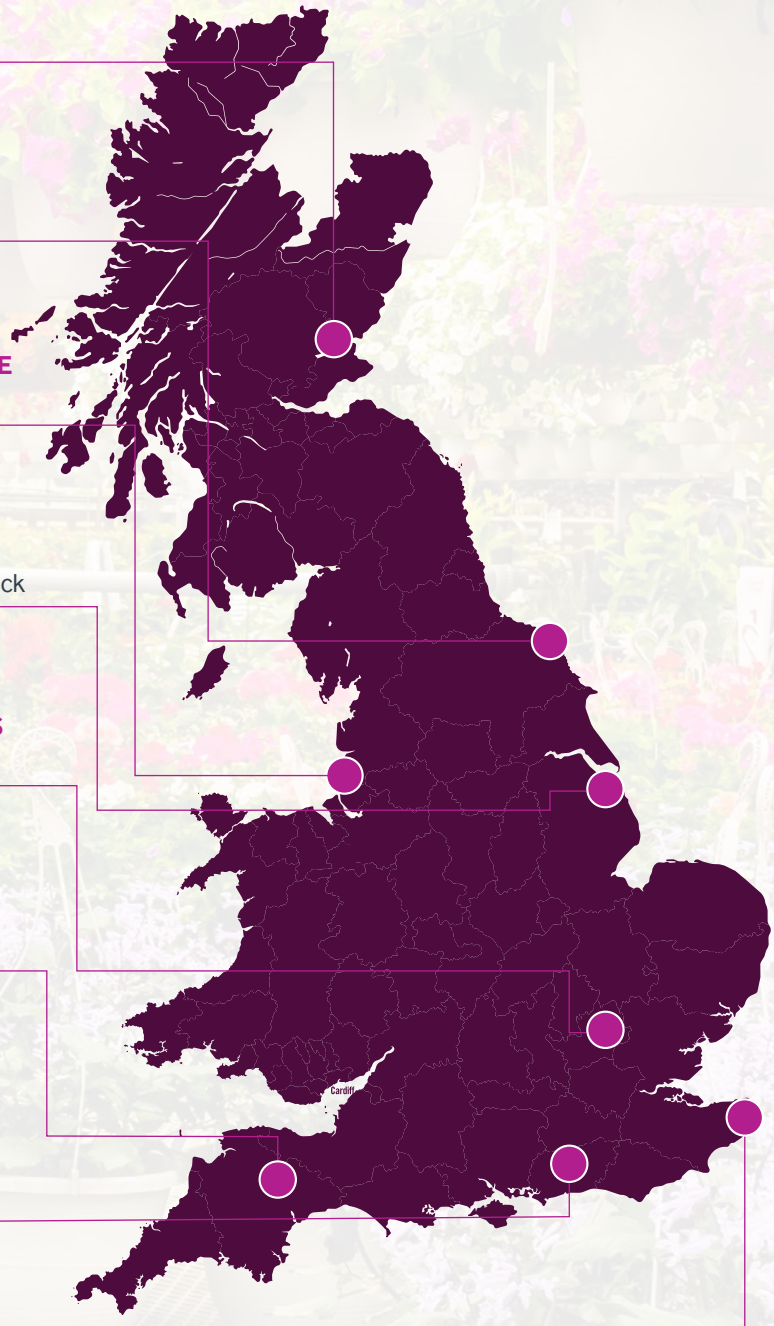
MERRY HARRIERS

Guide price - Freehold £4,000,000



PRESTON GARDEN CENTRE

Guide price – £1,450,000



CONFIDENTIAL OPPORTUNITIES

REF: 6411092

Guide price – £2,800,000

- Freehold Garden Centre in Yorkshire
- Site of over 9 acres
- Turnover over £2.5m

REF: 6811100

Guide price – £3,000,000

- Freehold Garden Centre in North Scotland
- Site of over 4.2 acres
- Turnover over £2.5m

REF: 6811101

Guide price - £2,000,000

- Freehold Garden Centre in East Lothian
- Family run business
- Award winning cafe

OUR RECENT ACTIVITY | RECENTLY SOLD



PETER BEALES ROSES AND GARDEN CENTRE, NORFOLK

Peter Beales Roses have been our long-standing clients, following various valuation instructions. We had a big decision to make on how to market the freehold garden centre, but also the online business and "brand and intellectual property" elements of this multi award-winning business. The chosen direction was to market the whole business and it certainly created huge levels of interest and multiple competing offers. It was sold to Bell Brothers, who were a great fit with their horticultural experience and desire to expand their retail business. It is a great result to see such a strong brand name live on.



HAWLEY GARDEN CENTRE & NURSERY, KENT

The centre was one of the largest independent garden centres in Kent and is one of the largest transactions in the industry so far in 2024 and a site that attracted a huge amount of interest from existing garden centre owners (we had four offers from garden centre groups) as well as a wide range of developers and buyers looking at alternative use options. Ultimately the business was sold to Castacrete, who intend to run the garden centre but also bring in their own landscape and paving range, along with a mini golf activity centre.



RIVERSIDE GARDEN CENTRE, HERTFORDSHIRE

As with Peter Beales, Riverside Garden Centre was a business with a very strong online business as well as a physical premises with excellent outdoor living, barbeque ranges and barbeque masterclass school. We were instructed to market this business on a semi confidential basis to our database of buyers and investors. We had a number of strong buyers come forward but ultimately sold the business to another outdoor living specialist.



EGGS TO APPLES, EAST SUSSEX

Eggs to Apples was a great example of the modern brand of farm shop, a quality retail building on a main road position with a café and excellent retail offer with plants and a large range of fresh and luxury farm shop items. The property had consent to extend and was offered on a leasehold or freehold basis. After a short marketing period the owners were able to choose between the four interested parties and ultimately elected to sell the freehold to newcomers to the farm shop market.

OUR RECENT ACTIVITY | VALUATIONS

We have valued **a total of £392m** worth of garden centre property in the last six years, **an average of over £65m per year.**

NEIL COLLINS

Senior Finance Consultant
- Christie Finance



Lenders perceive garden centres as high-end retail assets, following the sectors significant growth during the pandemic. Initially, there was some scepticism as to whether this would hold post-pandemic however, sales have not reverted to pre-pandemic levels and have continued to increase. Whilst lenders favour experience in the sector when considering whether to provide debt, they will also consider applicants with experience in similar sectors.

Loans are typically secured by a first charge over business/property. However, in some cases a loan may be secured by way of a second charge additional security.

EXAMPLE 1

- Long established freehold garden centre
- Purchase price will be £8.0M
- Turnover c.£4.50M and EBITDA c. £1M
- Experienced operator
- 100% Finance due to additional security

The terms can range from 10-20 years depending on the lender and the deal itself, however, loans can also cover shorter term situations where a bridging loan or development finance may be more appropriate.

As experts in retail finance, Christie Finance has access to a wide market of lenders. Since the start of 2023 we have brokered 130 retail details ranging from small £40k facilities up to multi-million pound, multi-site deals.

EXAMPLE 2

- Purchase Price £1.1m
- 65% LTV
- 9% 5-year fixed
- 25-year term with 10 years interest only
- New sector operator

JOE CARDEN

Senior Finance Consultant
- Christie Finance



Lender appetite for garden centre businesses remains consistent, following the surge in consumer spending during the pandemic, which has led many sites to develop their offering and income streams. Garden Centres are now more than just a place to buy plants. Many sites are now enhancing the customers experience by adding cafés and restaurants, playgrounds for children and event spaces, as well as increasing product offerings. Additionally, there is a growing focus on sustainability, adopting up to date technology in the sales process and developing an online presence.

This development is driving an increasing number of businesses to seek unsecured loans to achieve their reinvestment and growth plans. Year to date below are two examples of recently funded deals in the garden centre market:

- Refurbishments - £200,000 for a site refit, to expand the seat coverings for a restaurant to triple its capacity, including a full refurbishment of the shop floor and storage areas.
- VAT Payments - £240,000 to facilitate a quarterly VAT bill. The operator has experienced some unexpected expenses which took up their cash reserves, which meant they were needing to use this facility to split their VAT over 3 months.

As well as the above, in the wider retail sector we have provided finance for a wide range of leasehold and freehold acquisitions, stock financing, equipment purchasing and corporation tax payments. The benefit of unsecured lending is a quick response from lenders (typically within a week), and the flexibility on loan amounts which can reach up to £500,000 value.

WHERE YOU'LL SEE US



GLEE

📍 NEC Birmingham
📅 10 – 12 September 2024
Stand 9J91



GARDEN CENTRE EXPO
London ExCel
16-17 October 2024

GARDEN CENTRE EXPO

📍 London Excel Centre
📅 15 – 16 October 2024
Stand B90

WANT TO STAY UP TO THE DATE WITH OUR LATEST ACTIVITY?



If you are not on our database and would like to be informed when a garden centre is brought to the market in your area, please scan this QR code to submit your details.

CONTACTS

Whether you're buying, selling, or seeking a valuation, get in touch with the experts:



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