

GARDEN CENTRE MARKET UPDATE





With the arrival of spring, we saw the largest uplift in activity in the garden centre market in recent years (excluding Wyevale). Many of the larger groups continued their growth and we saw a flurry of sites changing hands. Our team had an extremely busy April with three garden centres going under offer and many new sites coming to the market.

Perhaps one of the most interesting developments has been the large rise in bids from buyers with no garden centre experience, a topic that I will explore later in this newsletter. We will also explore the hot topic of Electric Vehicle Charging with comments from our Managing Director of Retail and leading petrol station advisor, Steve Rodell.



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NEW TO THE MARKET



Merriments Garden Centre & RHS Garden
Etchingam, East Sussex

- Available on a new lease
- 6.62 acre site with renowned RHS garden, plant nursery, café and retail store



Flitvale Garden Centre
Bedford, Bedfordshire

- Freehold £3.25m
- YE 2021 – T/O £2,409,407



Lincs Aquatics
East Riding of Yorkshire

- Freehold £850,000
- New Lease £52,000 per annum
- Closed former Aquatics Centre on 3.4 acre plot



Confidential Garden Centre
South-East England

- Freehold £5,000,000
- Total site c.8 acres with a YE 21 ANP £649,743



Sturmer Nurseries
Haverhill, Suffolk

- Freehold £2,000,000
- 2.76 acre site with retail store and popular tea room

SALES AGREED IN APRIL/MAY 2022



Milbrook Garden Centre Monmouth

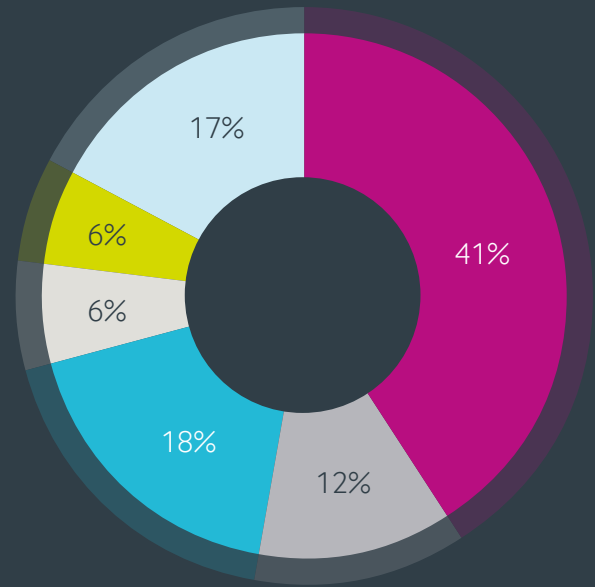
- Offers from 8 parties received
- Deal agreed on the basis of a swift legal process



Confidential sale of freehold Garden Centre Northamptonshire

- Multiple interested parties with an offer accepted within two weeks of instruction to market
- The site has huge scope to increase turnover and secure additional concession income

WHO IS BIDDING FOR GARDEN CENTRES?



		
Garden Centre Operator	Neighbouring Land Owner	Developer
		
Other Hospitality Business Owner	Professional Seeking Career Change	Entrepreneur with no experience in sector

Analysis taken from offers received in 2022 by Christie & Co on garden centres that we are marketing.

So what is driving the interest in Garden Centres?

WE SEE A FEW CLEAR TRENDS EMERGING;

The positive performance of garden centres during the pandemic bringing new investors to the sector

Out of town shopping model more popular with decline of highstreets

Rising land values drawing buyers who can trade the business in the short to medium term and unlock further value through change of use in the longer term

Lifestyle buyers attracted by profits and green credentials of garden centres

People with complementary businesses who can run the centre but add value bolting on other businesses.

YOU CAN'T HELP BUT NOTICE THE GROWING NUMBER OF MEDIA HEADLINES SURROUNDING THE LOOMING 2030 BAN ON THE SALE OF ICE (INTERNAL COMBUSTION ENGINE) CARS AS THE GOVERNMENT PUSHES AHEAD ON ITS "ROAD TO ZERO" TARGET (CARBON EMISSIONS).

THE SHIFT TOWARDS ELECTRIC VEHICLES (EV) PRESENTS A SIGNIFICANT OPPORTUNITY FOR GARDEN CENTRE OPERATORS. BUT HOW?

Many garden centres are well positioned to benefit from the EV providers currently jostling for a position in this emerging market.

Think about it. Your customer base is probably of the demographic most likely to buy an EV right now. The charging network is still developing and only around 60% of the population can in theory charge their EV at home or on a drive. Those that have EVs need to continually seek out charging locations. This is likely to be at purpose built facilities (new EV charging stations), charging points created at places of work, hotels, restaurants, gyms business parks and supermarkets – places where people dwell. Why not garden centres?

The EV charging network is crying out for new locations – especially for superfast chargers (350KW/hr) to quickly charge the new breed of EVs with longer ranges. Such chargers are most suited to locations where there is a plentiful supply of power – i.e. near a substation.

It becomes prohibitively expensive to install such equipment more than 2km from one. The alternative is to harvest solar energy and store it in batteries housed in shipping containers. There are other solutions which are too lengthy to discuss here.

Garden Centre customers probably spend quite a long time at your location, so there is an opportunity to investigate and maybe offer charging services. You may even capture drivers on a long journey using a charging app that directs them to your facility. Think of charging, hot food and drink plus toilets – and maybe an impulse purchase or two!

The cost of installation is likely to be nil to you as the garden centre owner / operator. The EV charging service providers will happily pay to install and maintain equipment as part of an agreement that can also include a profit share of any resulting income.

You may need to give up a few parking spaces or a small piece of land to accommodate the facility but otherwise we can see no downside.

If you'd like to investigate installation of Electric Vehicle Charging, let us put you in touch with market leading providers to give you a free assessment. This could actually enhance the value of your business in more ways than one.

Contact Tom Glanvill or Steve Rodell to explore this further.



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