



C E L T I C S P R I N G S
B U S I N E S S P A R K

Press release: Friday, September 25, 2009

Pragmatic funding and perfect location is the right mix for Greggs at new retail scheme

LEADING bakery and convenience food business Greggs believe they have secured the ideal location to further grow their business in South Wales.

Greggs have taken the first unit at Celtic Springs Retail Quarter a £1.3m, three unit scheme being built at the £100, 45-acre Celtic Springs Business Park.

Alongside the A48, adjacent to Junction 28 of the M4 and within walking distance for some 5,000 workers, the retail scheme presented an ideal opportunity for Greggs.

High visibility of the site, ideal location and the known, underlying demand from existing workforce for services provided by the retail scheme was a powerful persuader for Greggs to take the first of the three units at Celtic Springs.

Joint venture development partners AWG Property and Cyncoed Property got the speculative retail development off the ground at Celtic Springs Business Park, Newport, on the basis of a significant equity input.

Greggs recently announced increased profits year on year despite the challenging ongoing economic conditions and has heralded expansion plans targeting business locations business locations

AWG Operations Director Iain Logue said: "Recognising the secure income element, resulting from Gregg's pre-let, we were able to secure bank debt. With speculative development valuations very hard to gauge in the current market we were keen to link our borrowings to income rather than valuation.

"We have supreme confidence in the quality of this scheme at Celtic Springs to such an extent that we decided to proceed with this development with just 30% of the available space pre let. In today's market, with severe constraints on funding, this is rare indeed.

Logue added: "It's up to developers to be as creative as possible in these testing times. In the very recent past this kind of development could have easily attracted 80% debt from the bank. Not any more. If you want to do speculative development and you believe in your scheme you may have to face up to this level of equity."

David Herbert, of Cyncoed Property Ltd, said: "There are some 5,000 employees within walking distance of the scheme which in itself makes Celtic Springs Retail Quarter a very attractive proposition.

"The preferred rental mix will include a convenience store alongside Greggs and also a coffee shop or bistro although we remain open to offers from other potential operators. We are extremely excited by this scheme which is the only partly speculative, privately-funded development for commercial or retail to commence this summer in the area."

Greggs have been keen to secure a shop in or near Celtic Springs for several years, Retail Operations Manager, Russell Gower said: "It's an ideal spot for us due to its accessibility and ample parking. The new Celtic Springs Greggs will be highly visible to passing traffic on the busy dual carriageway nearby and there will be great potential to create customers out of the many business occupants at Celtic Springs."

Flexible space is available to let from 1,000 sq ft to 4,000 sq ft. And there are some 20 parking spaces and a bicycle bay on the site which is highly visible along the main A48 Newport to Cardiff link road.

The retail development scheme is being supported by Cardiff office of the Swedish bank Handelsbanken.

Celtic Springs Business Park, is home to HM Prison Service, at Phoenix House, Wales & West Utilities, EADS, Nucleus Healthcare, St John's on the Hill Children's Nursery, The Dragon Fly Pub and the Express by Holiday Inn.

The speculative built, 35,000 sq ft, CS3000 office building which is now ready for occupation on the park, continues to generate keen interest.

Knight Frank and Hutchings and Thomas, who acted for the developer and Cooke and Arkwright for Greggs, are all retained as lettings agents for the remainder of the Celtic Springs Retail Quarter scheme.

For more details contact joint marketing agents Robert Carew-Chaston, of Hutchings and Thomas on 01633 214444, Matthew Phillips, of Knight Frank, on 029 2049 2492 or Huw Thomas, of Cooke & Arkwright on 029 2034 6312.

Picture caption: Icing on the cake: Russell Gower(centre), from Greggs, hands tound cakes at Celtic Springs Retail Quarter to Iain Logue, (left), of AWG Property and David Herbert (right) of Cyncoed Property Limited, while (l to r) David Jones, of Hutchings and Thomas, Matt Phillips, of Knight Frank and Huw Thomas, of Cooke & Arkwright, await their turn.

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