

NEWS

Mothercare sells UK HQ as part of cost-cutting drive after CVA

By [Helen Crane](#) | Thu 10 January 2019



1 Comment

Struggling retailer Mothercare has sold its UK head office as part of the cost-cutting drive mandated in its CVA.



Mothercare's store closure programme is "ahead of schedule"

Source: Shutterstock/ jax10289

It sold the 100,000 sq ft office building and adjacent warehouse on Cherry Tree Road in Watford for close to £15m to an unidentified buyer and signed a 10-year lease under the sale-and-leaseback deal.

It was offered with an asking price of £13.5m.

The office is located on a 3.1-acre site in a predominantly residential area in the suburbs of the Hertfordshire town, and one source close to the deal said it had the potential to be converted into housing in the long term if Mothercare went under or vacated it.

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The art deco office building underwent a £6.1m internal refurbishment to update its technology and infrastructure, which was completed in early 2017.

Brasier Freeth acted for Mothercare on the sale.

In its latest set of results this week, Mothercare revealed that its UK sales fell by 11.4% in the 13 weeks to 5 January, while online sales fell by 16.3%. Its chief executive Mark Newton-Jones blamed this on the “challenging” UK retail market.

However, the retailer kept its profit guidance for the financial year unchanged, forecasting a pre-tax loss of about £13m for the full year to 24 March.

Store closure programme for 2019

The retailer agreed a CVA with its creditors in July 2018, under which it identified £19m of cost savings. It also raised £28m through a share issue.

Under the plans, Mothercare said it would shut 60 stores by summer this year, leaving 77 open, and seek rent reductions on a further 19.

This week, Newton-Jones said that the store closure programme was “ahead of schedule” and that only 79 stores would remain open by the end of March 2019.

The retailer has previously outlined plans to cut 200 jobs at its head office, although it said it would also create 50 new ones.



Mothercare has sold its Watford HQ in a sale-and-leaseback deal

Source: Mapio



Gardens



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