



Co-operative Group Food Limited, Beresford Road, Seaton Sluice,
Northumberland, NE26 4DP

Long Income RPI Linked Freehold Convenience Store Investment



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LOCATION

The property is situated on a busy main road (A193) in Seaton Sluice between Whitley Bay (population of c. 36,000) and Blyth (population of c.37,000). Seaton Sluice is located on the Northumberland Coastline approximately 11 miles to the north east of Newcastle upon Tyne and 5 miles to the north of Tynemouth. The area is known locally as New Hartley, consisting of Seaton Sluice and Hartley, which have a population of approximately 5,000 people.

DESCRIPTION

The property consists of a purpose built, modern, single storey convenience store with 12 shared car parking spaces to the front & side with side loading. The store extends to 3,243 sq ft (301 sq metres) GIA and is laid out as a modern convenience store with storage to the rear.

TENANCY

The property is let to The Co-operative Group Food Limited for a term of 20 years from 17 April 2014 on full repairing and insuring terms, expiring 16 April 2034 at a rental of £45,500 per annum.

The rent increase is based on RPI with a collar of 1% and a cap of 4%. The RPI is calculated annually and the increase in rent is collected five yearly with the next rent review on 17 April 2019. There is a tenant break on 16 April 2029.



YIELD PROFILE

Based on the RPI increments between 2014 and 2018 and applying the maximum of 4% allowed under the lease in 2019, the rent will rise to £51,734 per annum from April 2019.

Applying the minimum of 1% allowed under the lease in 2019, the rent will rise to £50,241 per annum from April 2019. Based on the purchase

price and assuming RPI at 3%, the rent and yield profile are calculated as follows:

April 2019:	£51,236.70 pa	6.27%
April 2024:	£59,397.38 pa	7.27%
April 2029:	£68,857.84 pa	8.43%

The vendor will top the rent up to £51,236.70 on completion of the sale.



COVENANT

The property is let to the Co-operative Group Food Limited. The Co-op's main business is food retailing, although they are also involved with insurance, funeral and legal services. The Co-op Group currently trade from approximately 2,532 food stores (2017 Report) around the country and are planning an expansion of another 100 new convenience stores, having opened 100 in 2017, as part of a £160 million investment. It boasts £4.6m active members and 1,079 funeral homes.

Co-operative Group Food Limited

(Company No. IP026715)

Experian Credit Risk Score: "Below Average Risk"

Date of Latest Accounts: 02/01/2016

	02/01/2016	03/01/2015
Turnover	£6,475,500,000	£6,327,800,000
Pre-Tax Profit	-£429,600,000	£199,100,000
Total Current Assets	£1,072,300,000	£877,500,000

VAT

It is envisaged that the transaction will be concluded as a Transfer of a Going Concern.

Conditions under which these particulars are issued

All details in these particulars are given in good faith, but Johnson Tucker LLP for themselves and the Vendors/Lessors of this property for whom they act give notice that:-

1. These particulars do not and shall not constitute, in whole or in part, an offer or a contract or part thereof, and Johnson Tucker LLP have no authority to make or enter into any such offer or contract.
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The statement does not affect any potential liability under the Property Misdescriptions Act 1991.

LEGAL COSTS

Each party is to be responsible for their own costs incurred in the transaction.

EPC

The property has an EPC rating of B(49).

ANTI-MONEY LAUNDERING REGULATIONS

In accordance with anti-money laundering regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.



PROPOSAL

Offers in excess of **£775,000** are invited for the freehold interest of the property. A sale at this level reflects a net initial yield of **6.27%** allowing for purchasers costs of 5.40%

VIEWING

Strictly By appointment through Johnson Tucker LLP or our Joint Agent Magnus at McGillivrays Chartered Surveyors.

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