

NEW BUILD CO-OP INVESTMENT FOR SALE

15 year unbroken term | Incorporating The Post Office



Entirely let to The Co-operative Group Food Ltd
Attractive & affluent Northumberland location
Unrivalled position with 50+ years trading history in Rothbury

OIE of
£2,500,000



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INVESTMENT HIGHLIGHTS

- Prominently situated in an affluent Northumberland town with a very strong resident and tourist trade
- Relocation from existing Coop store which has been in operation 50+ years.
- No other convenience store competition in Rothbury
- Newly developed unit (estimated completion in May 2023 with store opening TBC by Coop) extending to 645 sq m (6,944 sq ft) incorporating The Post Office
- Securely let entirely to a national covenant in The Co-operative Group Food Ltd
- 5 yearly, RPI linked rent reviews (collar and cap of 1% & 3% respectively)
- Term certain of 15 years
- Initial rent of £126,324 per annum
- Freehold

Rare opportunity to acquire one of the strongest, newly developed, securely let, long income convenience store investments

LOCATION

Rothbury is a picturesque market town situated in the heart of Northumberland National Park. The town is nestled in the Coquet Valley, surrounded by hills, forests, and the River Coquet.

The town itself has a rich history and boasts many charming, historic buildings, including the 12th century church of All Saints and the 18th century Pele Tower. Visitors to Rothbury can also enjoy a range of local amenities, including pubs, restaurants, and independent shops.

Rothbury is well-connected to the surrounding areas, with easy access to major road networks, including the A1 and A69. The town is also within easy reach of Newcastle, which is just 35 miles away.

Overall, Rothbury is an idyllic location, offering the perfect combination of rural charm and modern convenience.

Rothbury benefits from excellent transport links, making it easily accessible from all directions.

By road, the town is conveniently located just off the A697, providing quick and easy access

to the nearby towns of Alnwick, Morpeth, and Newcastle. The A697 also links up with the A1, which is the major north-south route connecting Scotland and England. Rothbury, with regular bus services running to nearby towns and villages, as well as the city of Newcastle.

The nearest train station is at Alnmouth, which is just 14 miles away and offers regular services to Newcastle, Edinburgh, and London.

For those travelling by air, Newcastle International Airport is approximately 30 miles from Rothbury, offering flights to a range of domestic and international destinations.

Overall, Rothbury's excellent transport links make it an easily accessible and convenient location for both residents and visitors alike.

SITUATION

The property is located on Town Foot, the prime retail pitch running through Rothbury alongside other thriving national and independent retailers including Boots, Lloyds Bank, Greenwell Bakery, Rothbury Fruit & Veg among others.

Rothbury also has a thriving tourist trade and is particularly popular with hikers and dog

walkers visiting the nearby historic buildings or walking the many forest and river routes. There are also a number of very popular pubs including The Queens Head, which is immediately opposite the property.

DESCRIPTION

Due to complete May 2023, the property comprises a detached retail unit, with 11m sales shopfront incorporated within the stone front elevation under a pitched slate roof.

On the ground floor the property is split into two sections, providing sales area finished with Co-op's latest fit out plus Post Office. The first floor will also provide storage and staff amenities alongside a bakery as well as freezer and chiller zones.

TENURE

We understand the property is held freehold with title number ND81043.

TENANCY

The property is pre-let to The Co-operative Group Food Ltd on a 15 year lease (without breaks) at a rent of £126,324 per annum with 5 yearly RPI linked rent reviews (collar & cap of 1% and 3% respectively).

ACCOMMODATION

We understand that the property provides the following Gross Internal Areas (GIA):

Floor	Description	Area	
		Sq m	Sq ft
Ground	Sales Area	482.8	5,197.3
First	Back of House	128.1	1,378.7
First	Staff	11.1	119.5
First	Office	7.7	83.4
First	Bakery	15.1	162.8
First	Acc WC	4.4	46.9
	Total	645	6,944

COVENANT STATUS

Co-operative Group Food Ltd (Company Number – IP26715R)

The Co-operative Group Food Ltd is a British consumer co-operative and subsidiary of Co-operative Group Ltd (Company Number – IP00525R), which was founded in 1863 and now has an annual turnover of £11.5 billion.

The business is a diverse retail business that includes food retail, electrical retail, financial services, insurance services, legal services and funeral care with 4.3 million active members.

The group is the UK's fifth biggest food retailer operating from more than 7,000 locations and employing over 65,000 people across the UK.

Year	Turnover	Pre-Tax Profit Loss	Shareholders' Funds
2020	£11,500,000,000	£127,000,000	£1,880,400,000
2019	£10,900,000,000	£24,000,000	£1,970,500,000



EPC

An Energy Performance Certificate will be provided on completion of the development, including the tenants fit out works. The draft EPC rating is A.

LEGAL COSTS

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

VAT

The property will be registered for VAT and, therefore, it is our understanding that VAT will be payable on the purchase price.

It is envisaged the sale will be dealt with by way of a Transfer of a Going Concern (TOGC).

AML 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

We are instructed to seek offers in excess of **£2,500,000** (Two Million, Five Hundred Thousand Pounds), subject to contract and exclusive of VAT. A purchase at this level reflects a **net initial yield of 4.75%** assuming purchasers costs of 6.38%.

We have also included below a projected running yield profile over the term of the lease, as follows:

Year	Rent (£pa)	Running Yield
0-5	£126,324	4.75%
5-10	£146,444	5.51%
10-15	£169,769	6.38%

We have applied a realistic RPI rate cap of 3% (The RPI inflation rate was 13.4% in January 2023, the same value as in December 2022. October 2022's figure of 14.2% was the RPI's highest level since December 1980) as an estimate of future rental growth and yield performance.

VIEWING

Strictly By appointment through George F White LLP.

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Conditions under which these particulars are issued

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