

Co-Operative Supermarket Investment
Former HSBC Bank, East Street, Rhayader, Powys LD6 5DU



CGI for new signage





Investment Summary

- Prime town centre location
- Prominent frontage on to East Street (A44), a principal thoroughfare through the town
- 3,690 sq ft Gross Internal Area
- Let to Co-Operative Group Food Limited
- Covenant is rated by D&B as 5A1 and has an Experian Delphi Rating 100 (Low Risk)
- 15-year FRI lease without break from December 2017
- Rent of £46,000 per annum (only £12.47 psf)
- 5 yearly upward only rent reviews linked to CPI (collared and cap – 1% – 3%)
- Freehold
- Offers in excess of £725,000 (STC)
- Attractive Net Initial Yield of 6.02%



Rhayader

Rhayader is a small market town in mid Wales located in the Wye valley on the eastern side of the Cambrian Mountains in an area that is very popular with walkers and cyclists that visit in large numbers all year round.

The town has a resident population of just over 2,000 people whose principal employment sources are in either agriculture or tourism.

Rhayader is at the junction of the A44 and A470, two of mid-Wales's primary trunk roads which connect the town to the nearest major population centres of Abersytwyth (35 miles to the west) and Leominster (39 miles to the west).

Prior to the opening of this food store, the nearest convenience food shopping provision was in Llandrindod Wells (Tesco and Aldi stores), some 7 miles away.

5th largest food retailer in the UK operating across the whole country in over 2,800 local convenience and medium sized stores





Description

Built at the beginning of the 20th century, the building comprises a detached two storey former bank property that has been extended and converted for retail use during 2017. It is of steel framed construction with stone dressed brick elevations under a pitched, tiled roof which incorporates attic rooms at 2nd floor level although these are unused by the current tenant.

A service yard to the rear allows for deliveries to the store.





Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition). The property has the following approximate gross internal areas:

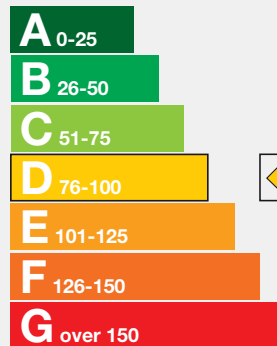
Co-Operative	Sq m	Sq ft
Ground Floor	222.1	2,606
First Floor	100.7	1,084
Total	342.8	3,690

The property occupies a site of approximately 0.079 acres (0.032 ha) which provides a site cover of approximately 56%.

15 years unexpired to 5A1 covenant

EPC

Energy Performance Certificate will be provided upon completion.



84 This is how energy efficient the building is.

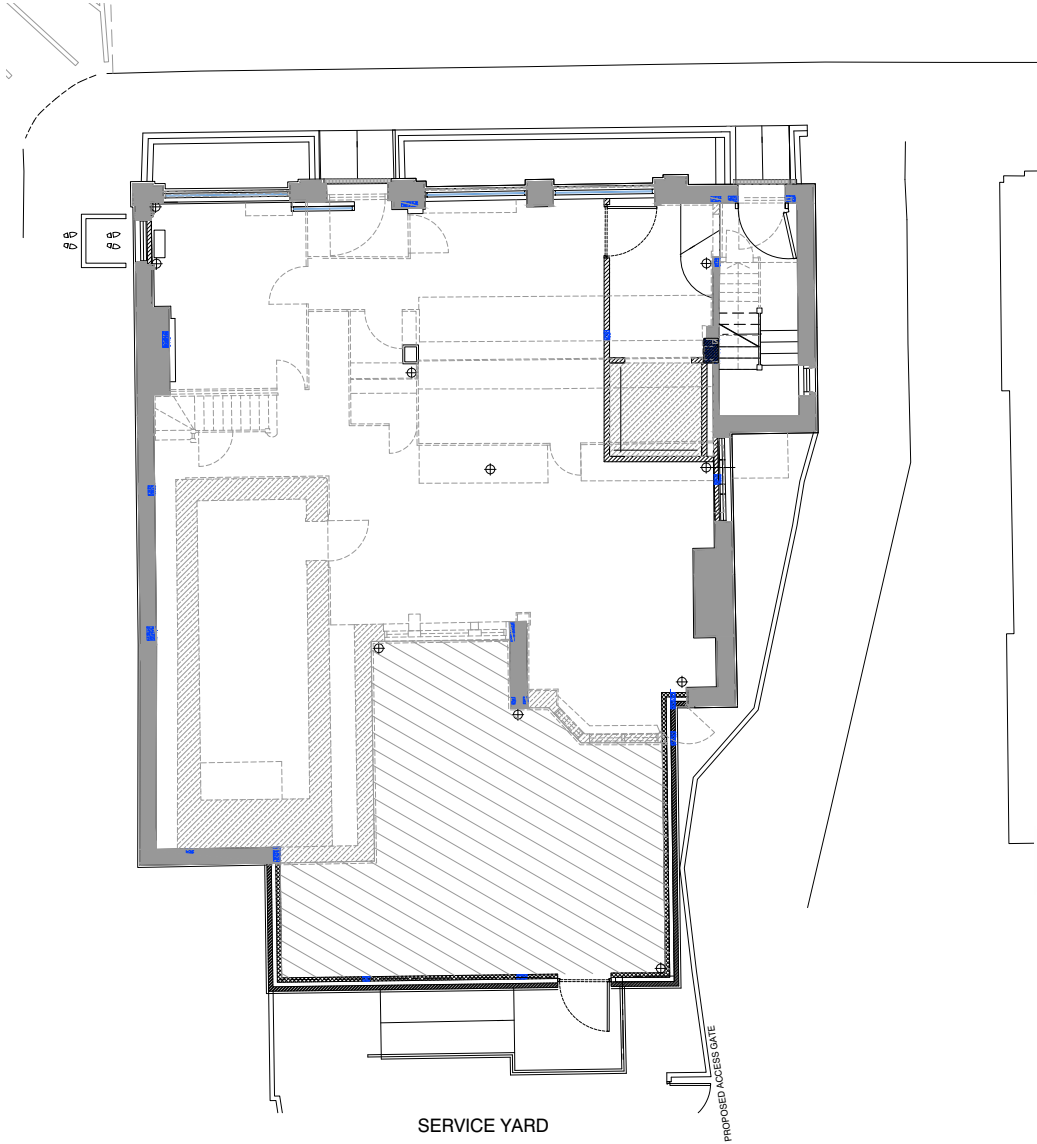
Tenure

Freehold

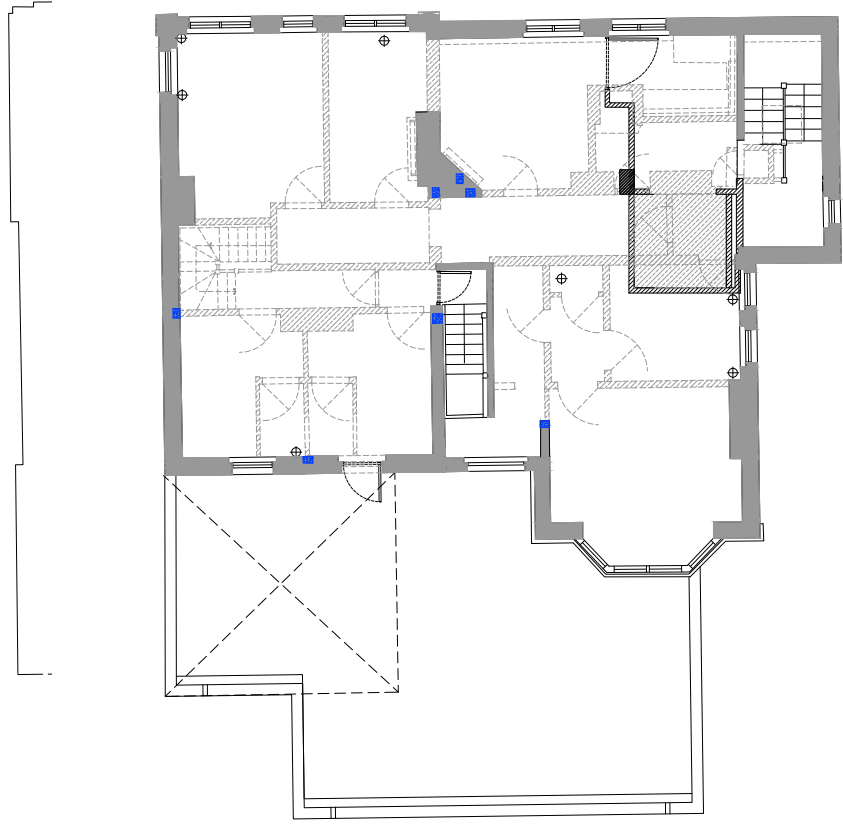
Tenancy

The property is let to Co-Operative Group Food Limited on a full repairing and insuring terms for a term of 15 years from December 2017. The initial rent of £46,000 per annum is subject to 5 yearly rental increases to CPI with a cap and collar of 1% and 3% applicable in any year.

PROPOSED GROUND FLOOR



PROPOSED FIRST FLOOR





“Jointly owned by over 7.9M individual members with over 4,500 retail outlets throughout the UK”

Covenant Status

Co-operative Group Food Limited (Company Number: 26715R) is a wholly owned subsidiary of The Co-operative Group Ltd which was established in 1844 and now operates 4,500 outlets with almost 90,000 employees and has an annual turnover of £10.50 billion.

Co-operative Group Food is the UK's 5th largest food retailer with almost 2,800 local, convenience and medium sized stores employing over 69,000 people. The company has been undertaking a rationalisation of its stores over the last 24 months with the disposal of a number of its larger stores and smaller stores (McColls disposal) with the focus on retaining and expanding the convenience stores within its estate. The company opened over a 100 new convenience stores in 2016 at a cost of £70m.

A summary of Co-operative Group Limited accounts is set out below.

Co-Operative Group Ltd	31/12/2016	31/12/2015
Turnover	£9,472,000,000	£9,201,000,000
Pre Tax Profits	£132,000,000	£23,000,000
Shareholder Fund	£3,029,000,000	£2,937,000,000

Experian Delphi Rating 100 (Very Low Risk)

Dun & Bradstreet Rating 5A1

Further information is available at www.co-operativefood.co.uk

VAT

VAT will be payable on the purchase price. It is anticipated that the sale will be dealt with as a transfer of a going concern.

PROPOSAL

We are seeking offers in excess of £725,000 for our client's freehold interest subject to contract and exclusive of VAT.

A purchase at this level reflects the following yield profile, after deducting purchase costs.

Net Initial Yield:	6.02%
Reversionary Yield (2022):	6.98%
Reversionary Yield (2027):	8.09%
Capital Value:	£196

* We have applied an average RPI rate of 3% as an estimate of future rental growth and yield performance.

For further information or to arrange an inspection, please contact:

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