

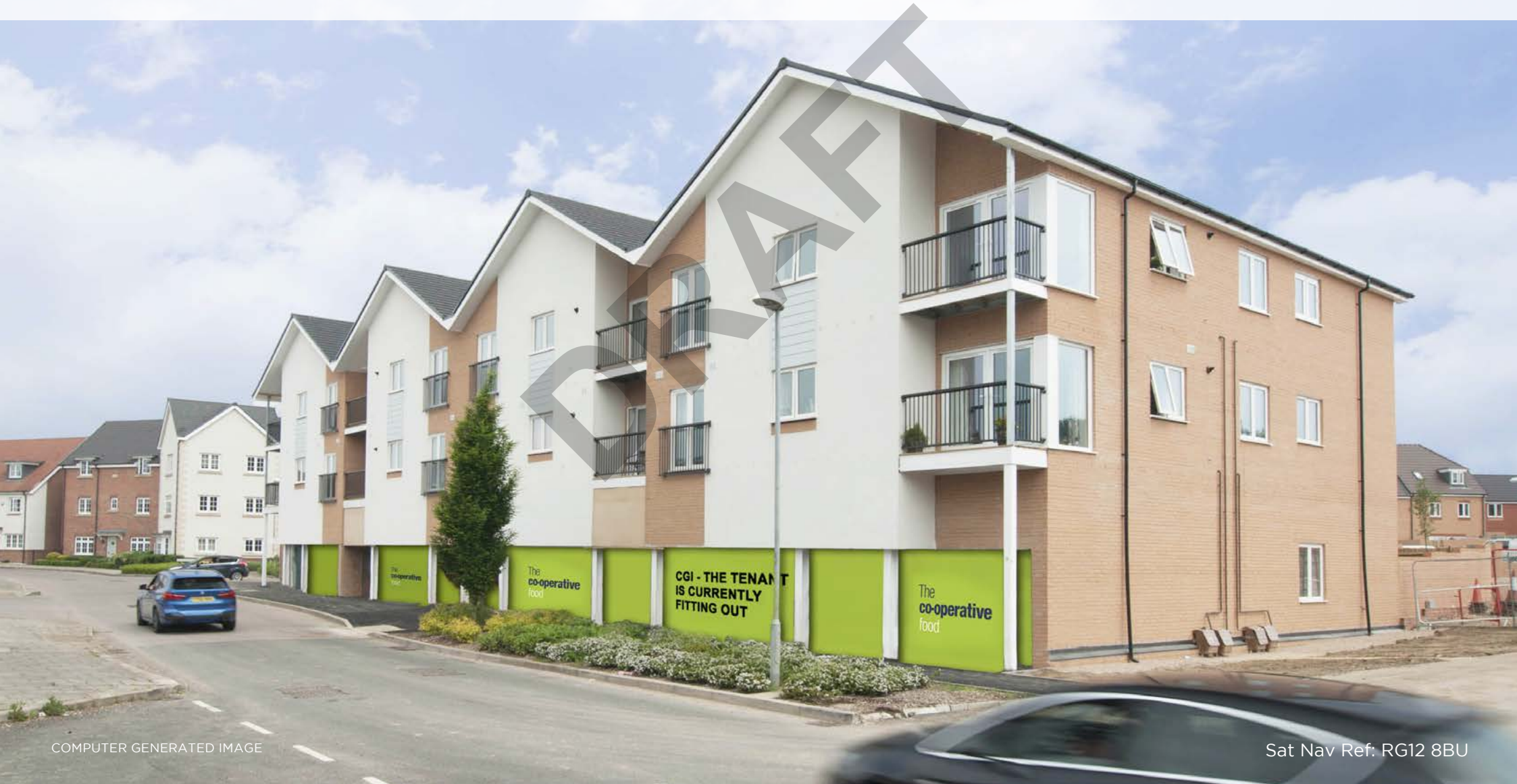
Convenience store investment

# BRACKNELL - CO-OP, SPARROWHAWK WAY

Let to Co-Operative Group Food Limited  
on a new 15 year lease with CPI linked rent reviews



Retail Expertise



## INVESTMENT SUMMARY

- Prime convenience store in the rapidly growing south east town of Bracknell.
- Prominent new build development situated opposite a community centre and school.
- Let to Co-Operative Group Food Limited on a new 15 year lease without breaks.
- Five yearly rent reviews to CPI with a collar of 1% pac and cap of 3% pac.
- The property benefits from a NHBC Commercial Guarantee.
- Commencing rent of £94,000 per annum equating to £16.64 per sq ft.
- Quoting **£1.69 million**, a NIY of 5.25%.






COMPUTER GENERATED IMAGE

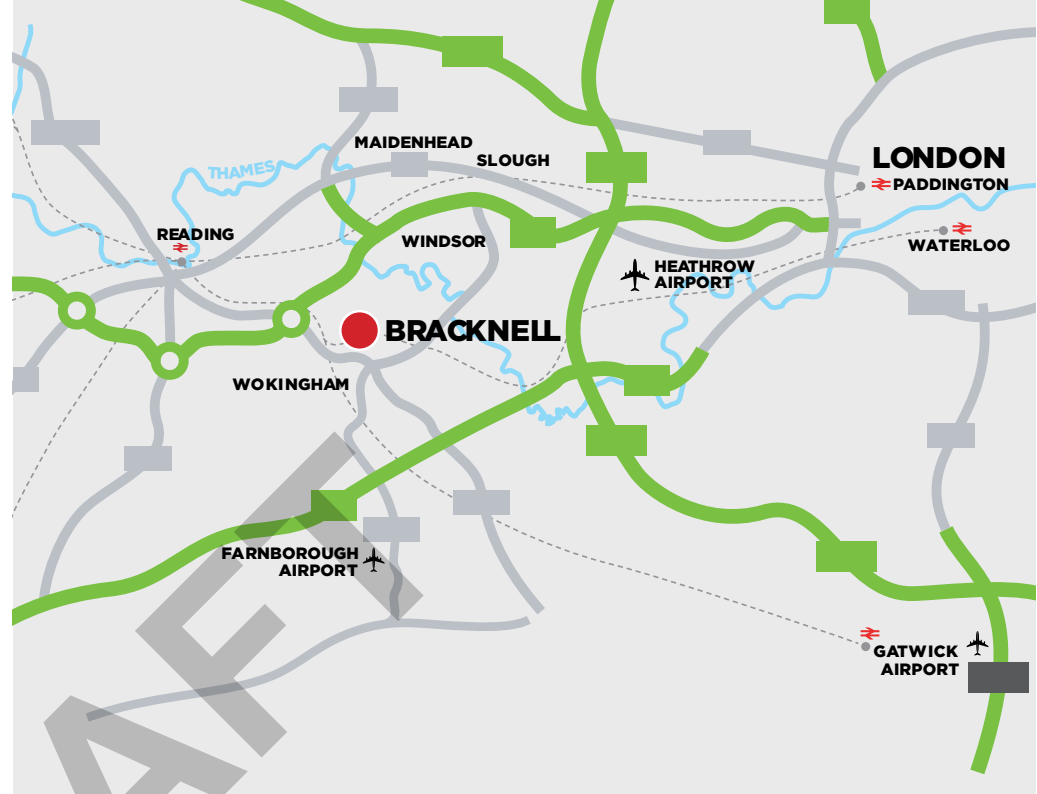
# Prime convenience store in the rapidly growing south east town of Bracknell

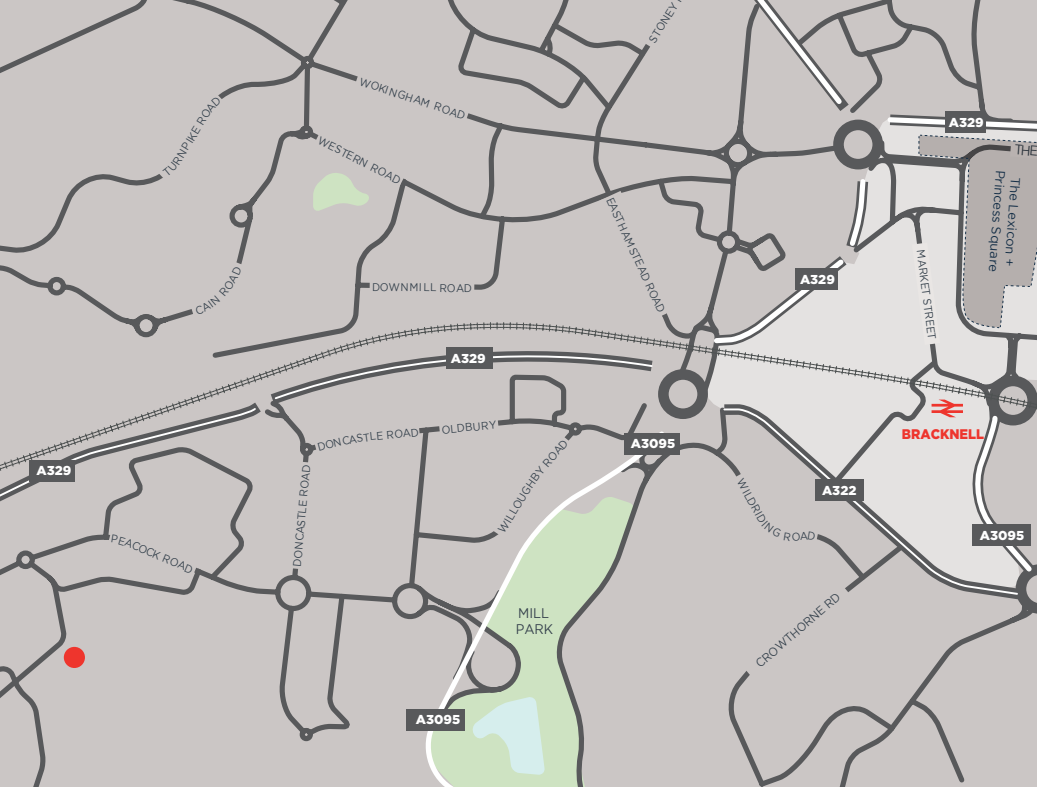
## LOCATION

Bracknell is a major commercial centre located in the Thames Valley, approximately 40 miles west of central London, 18 miles north west of Guildford and 12 miles east of Reading.

-  The town benefits from excellent road links being located between the M4 and M3 motorways. Junction 10 of the M4 is four miles to the north and is connected by the A329M. Junction 23 of the M3 is four miles to the south and is connected by the A322.
-  Bracknell railway station provides a direct service to London Waterloo with a journey time of 60 minutes and Reading, which has a journey time of 20 minutes. Reading Station provides a regular Intercity service to London Paddington, with a journey time of 26 minutes.
-  Heathrow airport is located 17 miles east of Bracknell and Gatwick airport is 45 miles to the south east.

Due to its strategic location over 3,000 businesses have operations in Bracknell including: Panasonic, Fujitsu, Dell, Hewlett Packard, Microsoft, Johnson & Johnson, 3M and Honda. In addition, Waitrose has its headquarters and main distribution centre in the town.





## Prominent new build development situated opposite a community centre and school

### SITUATION

The property is located in the heart of Jennett's Park, a modern suburb located 1.5 miles south west of Bracknell town centre.

This area has seen substantial development since 2007 with 1,300 new homes being built and planning permission in place for at least 200 more.

The property is located opposite a community centre and primary school, both of which opened in 2011. In addition, planning permission has recently been granted for a Busy Bees Nursery adjacent to these two buildings.

### DESCRIPTION

The property comprises a prominent retail unit on the ground floor of a modern three storey retail and residential development. It is situated in a prominent position with its main frontage on Sparrowhawk Road and an additional frontage on Falcon Way.

The retail unit provides approximately 5,649 sq ft of accommodation as well as four designated parking spaces. It also benefits from rear servicing.

## TENURE

The interest sold will be a 999 year lease at a peppercorn rent.

## TENANCY

The property is let to Co-Operative Group Food Limited on a new 15 year effective FRI lease.

The commencing rent is £94,000 per annum and this is subject to five yearly rent reviews which are linked to CPI with a collar of 1% per annum compounded and a cap of 3% per annum compounded. The tenant has a personal option to extend the lease for a term of 15 years.

Part of the demise will be sub-let to a local estate agent. This will comprise circa 926 sq ft and will be let on a co-terminus sub-lease (less 7 days) excluded from Sections 24-28 of the 1954 Landlord and Tenant Act at £30,000 pa.

## COVENANT

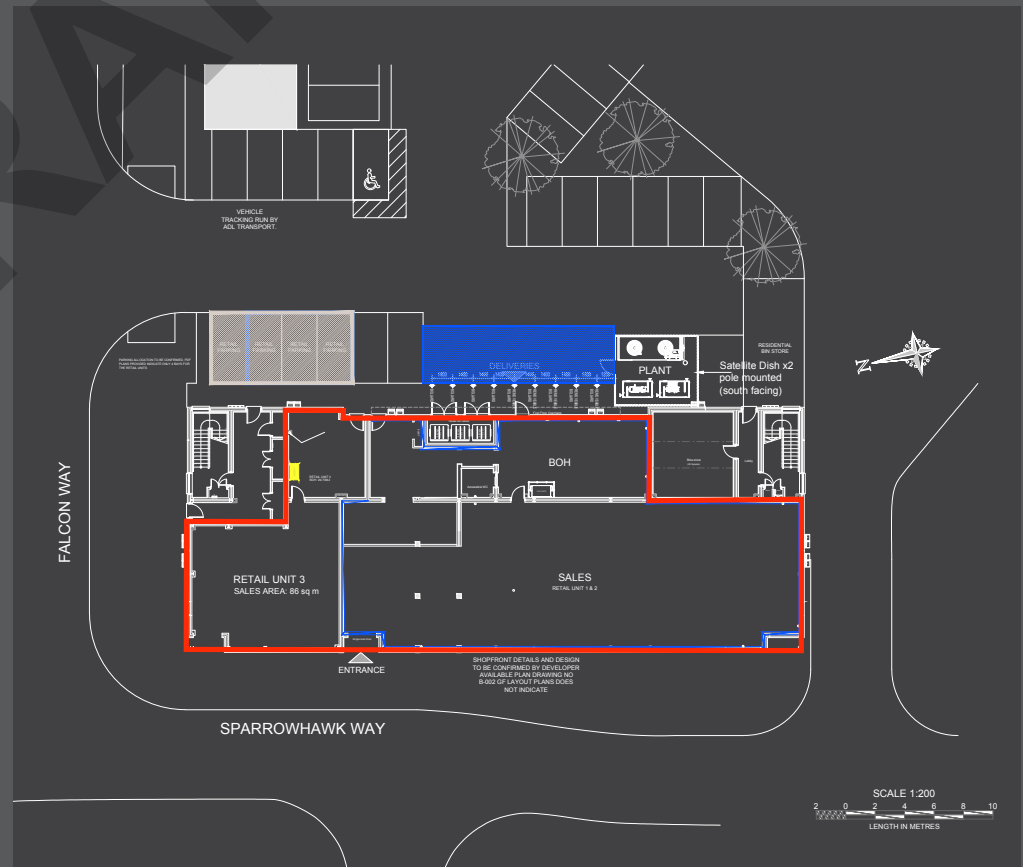
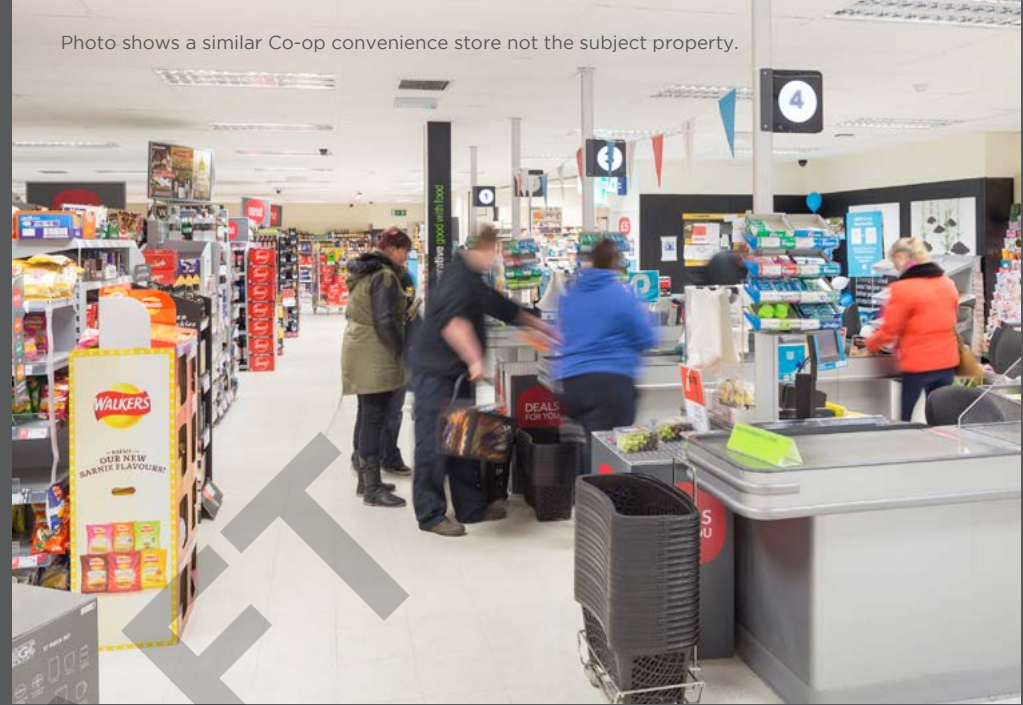
**Co-Operative Group Food Limited** (Company No. 26715R) is a wholly owned subsidiary of the Co-Operative Group Limited which was established in 1844. The company currently operates from more than 4,500 outlets and has an annual turnover of £10.50 billion.

Co-Op is the UK's fifth largest food retailer with almost 2,800 local, convenience and medium size stores employing over 69,000 people. They have been undertaking a rationalization of their stores over the past 24 months with the disposal of a number of its smaller stores, with the focus on retaining and expanding the convenience stores. The company has opened over 100 new convenience stores in the past two years. In addition they have recently announced a £160 million investment in the opening of 100 new food stores during 2018.

For the year ending 31st December 2016, Co-Operative Group Food Limited reported a turnover of £6.93 billion, a pre-tax profit of £158 million and net assets of £1.8 billion.

In the same period, Co-Operative Group Limited reported a turnover of £9.47 billion, a pre-tax profit of £132 million and shareholders' funds of £3.02 billion. The company has a Dun & Bradstreet rating of 5A1 and an Experian Delphi rating of 100/Very Low Risk.

Photo shows a similar Co-op convenience store not the subject property.



Let to Co-Operative Group Food Limited on a new 15 year lease without breaks



WEST ELEVATION



NORTH ELEVATION



SOUTH ELEVATION



EAST ELEVATION

## EFC

An EPC will be provided when available.

## VAT

We understand that the property is elected for VAT. It is anticipated that the sale will be treated as a transfer of a going concern (TOGC).





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## PROPOSAL

We are instructed to seek offers in excess of **£1,690,000** (One million, six hundred thousand pounds), subject to contract and exclusive of VAT. On acquisition at this level would reflect a **net initial yield of 5.25%** after purchaser's costs of 6.09%.

## FURTHER INFORMATION

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