

# Prominent Multi-let Retail Parade



790-794 Borough Road, Birkenhead, CH42 9JG

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## Investment Summary

- Opportunity to acquire a modern, fully let retail parade in a busy residential suburb
- Adjacent to Prenton Park, the home of Tranmere Rovers Football Club
- The tenant line up is well suited to the demographics of the local market
- National tenants including Iceland Foods, Tesco and William Hill
- Total passing rent of £133,000 per annum with reversionary income due to RPI linked reviews in the Tesco lease
- Over 90% of the income secured against 5A1 covenants
- Freehold
- AWULT in excess of 13.7 years (8.75 years to break)
- Quoting **£1,700,000 (One Million and Seven Hundred Thousand Pounds)**, reflecting a NIY of 7.4% having allowed for purchaser's costs

National tenants including Iceland Foods, Tesco and William Hill



## Birkenhead

Birkenhead is located on the Wirral Peninsula on the west side of the River Mersey, 2 miles west of Liverpool City Centre via the Queensway tunnel.

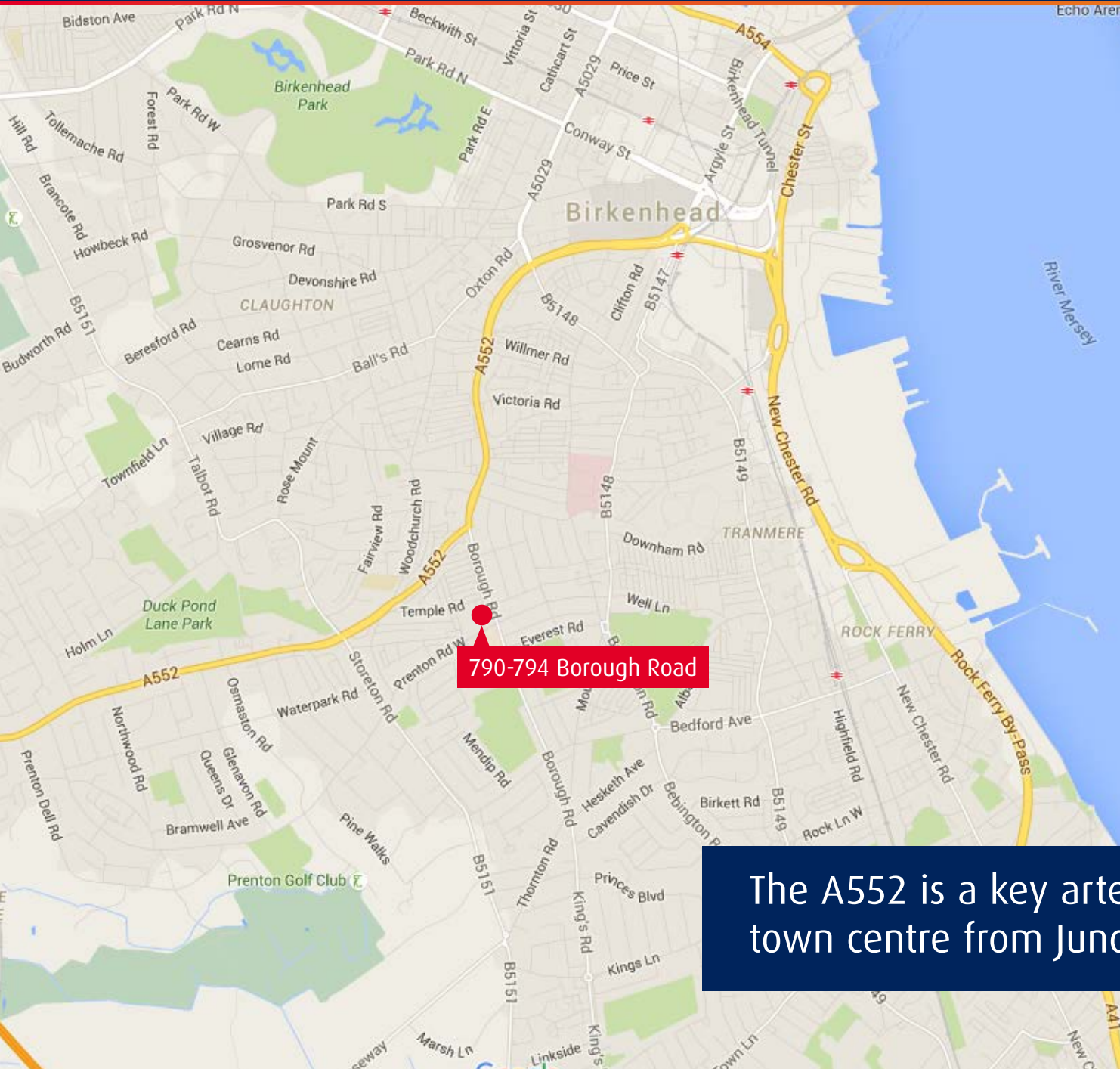
The town is 31 miles to the west of Manchester with Chester 20 miles to the south. Junction 3 of the M53 Motorway provides direct access to the town which runs from the nearby M56, which in turn provides access to the M62 Motorway and the wider region.

Birkenhead rail station is situated to the centre of the town and provides regular services to Liverpool in just 10 minutes. From Liverpool, direct train services are available to London with a journey time of 2 hours and 15 minutes.

Liverpool John Lennon Airport is 12 miles to the south east and offers domestic and international flights across Europe.

The key retailing provision in the town is The Pyramids Shopping Centre, a purpose built shopping environment, hosting over 50 retailers including anchor stores such as NEXT and Marks & Spencer as well as a brand new food court 'The Conservatory' - home to Subway, BB's Coffee and Muffins and Burger King. The centre welcomes approximately 300,000 visitors a week.





## Situation

The parade is situated in the residential surrounds of Tranmere and Prenton and has excellent frontage onto Borough Road, which in turn leads onto the A552, a key arterial route into Birkenhead town centre from Junction 3 of the M53 Motorway just ½ km to the west.

Tranmere Rovers Football Club is only a few minutes walk to the south with on street parking available to the front of the property and the surrounding areas.

Directly opposite the parade is a bus stop which serves the local area.

The A552 is a key arterial route into Birkenhead town centre from Junction 3 of the M53 Motorway







## Description

The property comprises a modern, single storey retail parade with excellent frontage onto Borough Road. The elevations are of brick construction overlaid with steel panels with full height glazed windows. Customer parking is provided directly to the front of the property on Borough Road, alongside a designated loading area. In addition, the roof is capable of providing additional car parking for a further 11 spaces with access to this being from Temple Road to the side. Further overflow car parking is available on many of the side streets if required.

## Tenure

The property is held freehold under title number MS12003.

## Tenancy

The property currently produces a total income of £133,000 per annum from 4 units, as per the following schedule:

	Tenant	Size (sq ft)	Lease start	Review date	Lease end (Break date)	Rent (£psf)	Comments
Unit 1a	Tanin Limited	1,070	26/08/2011	26/08/2016	25/08/2021	£12,500 (£11.68)	Open market rent review provisions
Unit 1b	William Hill Organisation Limited	1,070	27/09/2012	27/09/2017	26/09/2032 (27/09/2017)	£12,000 (£11.21)	Open market rent review provisions. Tenant break option at the 5th/10th/15th anniversary of the lease
Unit 1c - Unit 3	Iceland Foods Limited	6,163	17/03/2014	17/03/2019	16/03/2029	£60,000 (£9.74)	Open market rent review provisions
Unit 4	Tesco Stores Limited	4,000	06/08/2012	06/08/2017	05/08/2032 (06/08/2022)	£48,500 (£12.13)	RPI linked rent review provisions (1%-4% cap and collar). Tenant break option at the 10th and 15th anniversary of the lease
Total		12,303				£133,000	

**AWULT to expiry is in excess of 13.7 years (AWULTC in excess of 8.7 years)**

## Covenant Status

Over 90% of the income is secure being derived from national brands.



**Tesco Stores Ltd** (36% of income) is one of the UK's largest food retailers dominating the high street with an estimated market share of over 30%. Their closest competitor is Asda at 17%. In the UK Tesco operate approximately 3,500 stores and employ over 310,000 people across their 'Extra' to 'Express' formats.

	Feb-15	Feb-14	Feb-13
Sales Turnover	£42,278,000,000	£42,547,000,000	£42,662,000,000
Profit/(Loss) Before Taxes	(£3,727,000,000)	£1,696,000,000	£921,000,000
Shareholder Funds	£21,000,000	£3,169,000,000	£3,255,000,000

**Iceland** (45% of income) is one of the country's leading supermarket groups specialising in frozen food. The company was founded in 1970 and has grown into a business with over 860 stores across the UK and was recently awarded the title of Best Online Store in recent surveys, putting it ahead of Waitrose, Ocado, Morrisons, Tesco and Sainsbury's.

	Mar-15	Mar-14	Mar-13
Sales Turnover	£2,682,021,000	£2,699,261,000	£2,604,669,000
Profit/(Loss) Before Taxes	£58,794,000	£161,459,000	£188,146,000
Shareholder Funds	£709,630,000	£656,381,000	£516,857,000



**William Hill Organization Ltd** (10% of income) is the UK's largest bookmaker, representing around 25% of the market and employing over 16,000 through their 2,300 betting offices.

	Dec-15	Dec-14	Dec-13
Sales Turnover	£873,900,000	£895,200,000	£890,180,000
Profit/(Loss) Before Taxes	£246,400,000	£284,200,000	£212,269,000
Shareholder Funds	£206,900,000	£146,500,000	£101,396,000



**Tanin Limited t/a Captain Tony's** (9% of income) are a local fast food operator.

## VAT

We understand the property has been elected for VAT and it is envisaged that the transaction will be structured as a transfer of a going concern (TOGC).

## EPC

The units are individually assessed with EPC ratings ranging from **D(86) to E(102)**. Full copies are available upon request.



# Proposal

We are instructed to seek offers at **£1,700,000 (One Million and Seven Hundred Thousand Pounds)** for our client's freehold interest. A purchase at this level reflects a **7.4% net initial yield**, after deducting purchaser's costs.



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

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