

Co-Operative Supermarket Investment
Longmoor Lane, Fazakerley, Liverpool L9 9HS





Investment Summary

- Situated in a densely populated residential area
- Excellent frontage on to Longmoor Lane (A506) linking to Junction 6 of M57 (1.5 miles)
- In close proximity to Fazakerley train station and the Aintree University Hospital with 4,500 employees
- 16,000 sq ft Gross Internal Area
- Large site extending to 1.3 acres with 60 car parking spaces and a low site cover of just 25%
- Let to Co-Operative Foodstores Limited (Guarantee – Co-Operative Group Limited)
- Covenant is rated by D&B as 5A1 and has an Experian Delphi Rating 100 (Low Risk)
- 13.6 years remaining on an FRI lease (Unbroken)
- Current rent of £231,599 per annum (£14.47 psf)
- 5 yearly upward fixed uplifts at 2.25% compound
- Freehold
- Offers in excess of **£3,600,000 (STC)**
- Attractive Net Initial Yield of **6.04%**



Fazakerley

Fazakerley is a suburb of North Liverpool with neighbouring districts including Aintree and Kirby. Fazakerley has a local population of 16,786 and a wider district population of over 600,000.

The property is situated prominently on the A506 Longmoor Lane which is accessed directly off Junction 6 of the M57 motorway 1.5 miles to the east. The property is within close proximity to both Fazakerley train station and the Aintree University Hospital with 4,500 employees and a dedicated occupational health centre providing support for over 20,000 NHS staff across the North West.

The immediate location is predominantly residential in character with a primary school adjoining.

The property is situated prominently on the A506 Longmoor Lane which is accessed directly off Junction 6 of the M57 motorway





13.6 years unexpired to 5A1 covenant

EPC

The EPC will be provided upon request.

Tenure

Freehold (Title number: MS343386).

Tenancy

The property is to be let to Co-Operative Foodstores Limited on a full repairing and insuring terms for a term of 25 years from 14th September 2006, expiring 13th September 2031. The lease is guaranteed by Co-Operative Group Limited.

The initial rent of £185,398 per annum was subject to fixed rent reviews every 5 years to 111.7677% of the previous rent (reflecting a compounded increase of 2.25% per annum). The current rent payable is £231,599 per annum (£14.47 psf) which is subject to further review on 14 September 2021 and 2026 to £258,853 per annum (£16.17 psf) and £289,314 per annum (£18.08 psf) respectively.

The investment therefore offers an unbroken term certain to expiry of 13.6 years

Description

The property comprises a single storey purpose built 1980's food store. It is of steel frame construction with brick elevations under a profiled metal clad pitched roof.

The property sits on a large rectangular site which provides a generous car parking area to the front for in excess of 60 vehicles.

Loading is provided to the side elevation.

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-Op	Sq m	Sq ft
Sales area	1,178	12,684
Ancillary	311	3,318
Total	1,489	16,002

The property occupies a site of approximately 0.52 hectares (1.3 acres) which provides a low site cover of approximately 25%.





Covenant Status

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.

The Co-operative Group 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

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

VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. It is anticipated that the sale will be dealt with as a TOGC.

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Proposal

We are seeking offers in excess of **£3,600,000** 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:	6.04%
Reversionary Yield (2021):	6.75%
Reversionary Yield (2026):	7.55%
Capital Value:	£225 psf

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

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