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Iceland



PROMINENT SINGLE LET SUPERMARKET INVESTMENT
Iceland Foods Limited, 40–42 Church Street, Port Glasgow, Inverclyde PA14 5JD

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Investment Summary

- Prominent single let supermarket investment
- Located in a well-situated commuter town close to Greenock
- 8,953 sq ft across ground and first floor
- Let to Iceland Foods Limited (D&B 5A1 – Shareholders’ Funds of £770,000,000)
- 25-year lease expiring 27th February 2030 (11.75 years unexpired)
- Tenant break option 28th February 2025 (6.75 years unexpired)
- Passing rent of £58,195 per annum
- 5 yearly fixed reviews in line with 2.5% per annum compounded
- Freehold
- Seeking offers of **£615,000**
- **9.05%** Net Initial Yield, and a Reversionary Yield of 10.20% in 2021 and 11.54% in 2026



Location

Port Glasgow is located on the southern bank of the River Clyde approximately 22 miles west of Glasgow city within the administrative area of Inverclyde. It sits on the A8 dual carriageway which turns into the M8 approximately 8 miles east of the town which connects to Paisley, Glasgow and Edinburgh and the wider motorway network.

The town is served by electrified trains on the Inverclyde Line which is serviced by First Scotrail. Services run directly from Glasgow Central (via Paisley). Glasgow Airport lies approximately 14 miles to the south east.

Demographics & Local Economy

The local economy has historically been based on Shipbuilding for over 200 years, but with the decline in this industry and the closure of all but one of the shipyards, Port Glasgow has seen its population reduce over the past 30 years from 20,000 to 15,400 (2011 Census). Port Glasgow now predominantly acts as a commuter town for Paisley and Glasgow.



Description

Constructed in the late 1970s of concrete frame the property comprises a purpose built two storey retail unit providing sales accommodation at ground floor with storage and staff amenity areas at first floor.

Serviced directly from Church Street, the property has virtually 100% coverage of its 0.12 acre site.

Accommodation

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

Floor	Use	Sq m	Sq ft
Ground	Retail	414.5	4,462
First	Ancillary	417.2	4,491
Total Floor Area		831.7	8,953



11.75 years unexpired to 5A1 covenant



Tenure

Freehold.

Tenancy

The entire property is let to Iceland Foods Limited for a term of 25 years from 28th February 2005, expiring 27th February 2030. The tenant has the option to determine the lease on the expiry of the 20th year (28th February 2025), giving no less than 12 months' written notice. Therefore, the investment provides 6.75 years unexpired to earliest break and 11.75 years to expiry.

The current rent of £58,195 per annum is subject to 5 yearly upward only rent reviews fixed to 2.5% per annum compounded. The rental uplifts are as follows:

£65,843 per annum – 28th February 2020

£74,495 per annum – 28th February 2025



EPC

EPC can be provided on request.

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.



Covenant Status

Iceland Foods Limited (Company Number: 1107406) is a British supermarket chain, with emphasis on the sale of frozen foods, including prepared meals and vegetables. They also sell non-frozen grocery items such as produce, meat, dairy, and dry goods. The company operates from over 870 stores in the UK with a further 40 owned or franchised across Europe and a global export business.

Please find below a summary of their most recent accounts:

Iceland Foods Limited	24 March 2017	25 March 2016	27 March 2015
Turnover	2,770,550,000	£2,658,332,000	£2,682,021,000
Pre-Tax Profit	£114,400,000	£111,100,000	£83,401,000
Net Assets	£770,000,000	£753,128,000	£709,615,000

Further information and a history of Iceland is provided on their www.iceland.co.uk



Iceland

The World's first supermarket
to ban plastic packaging

Proposal

We are seeking offers in the region of **£615,000** for our client's freehold interest. A purchase at this level reflects a **9.05%** Net Initial Yield, after the appropriate purchasers' costs.

An acquisition at this level reflect the following yield profile taking account of the fixed uplifts:

July 2021 – 10.20%

July 2026 – 11.54%

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

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