



CO OP

Open daily
7am - 10pm

Meal ideas
Instore bakery
Fruit & Vegetables
Wine & Beer
Free cash machine



**SECURE CONVENIENCE STORE
INVESTMENT OPPORTUNITY**

THE CO-OPERATIVE, CHEQUERS,
LODGE ROAD, BRISTOL BS15 1JA

christopher
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Investment Summary

- Secure convenience store investment opportunity
- Well-presented, **recently extended and refurbished** unit
- Provides a total of **5,802 sq ft**
- Freehold site of **c 0.53 acres**
- Let to **Co-operative Group Food Limited** (D&B 5A1) on assignment from **Tesco Stores Limited** (D&B 5A1)
- **20-year FRI lease** from 7th March 2014, expiring 6th March 2034 (14.1 years unexpired)
- Tenant break option on 7th March 2024 (6 months notice)
- Low rent of **£47,089 per annum** (£10.30 psf)
- 5 yearly upward only RPI reviews (0% & 4% collar and cap)
- Offers in excess of **£810,000 (STC)**
- **5.50%** Net Initial Yield
- Further increases to **6.39%** in March 2024 and **7.41%** on 11 November 2029 (*assuming 3% RPI growth)
- Low capital value of only **£140 psf**
- Purchase underwritten by residential conversion/site value

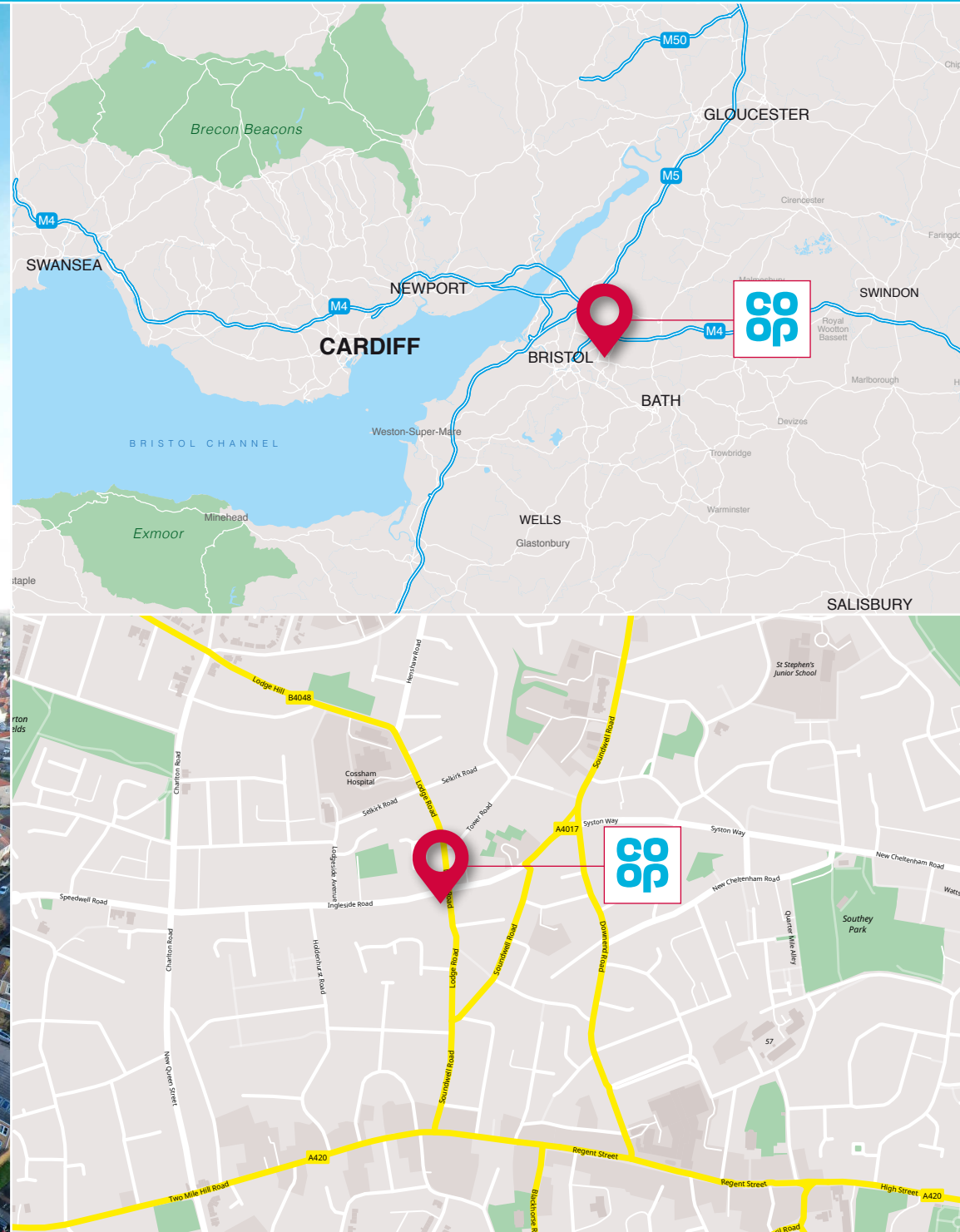


Location

Bristol is the largest city in the south west of England and is located approximately 120 miles west of London, 80 miles south of Birmingham, 78 miles north east of Exeter and 50 miles east of Cardiff.

The city benefits from very good strategic road links, being located at the intersection of the M4 and M5 motorways.

Bristol has two mainline railway stations; Temple Meads in the city centre, which provides a fastest journey time to London Paddington of 1 hour 40 minutes and Parkway, 5 miles to the north of the city centre, which provides a fastest journey time to London Paddington of 1 hour 20 minutes. The city also has an international airport, which is located 5 miles south of the city centre.



MORTIMER HOUSE
NURSING HOME



BRISTOL
CITY CENTRE

BRISTOL BRUNEL
ACADEMY

TO BRISTOL

INGLESIDE
ROAD

TO A420

LODGE ROAD
(B4048)

TO CROSSHAM HOSPITAL



Situation

The property is prominently positioned on the busy intersection of Lodge Road, and Ingleside Road in the middle of a densely populated residential suburb of Bristol.

The immediate vicinity includes several nursing homes and schools, and further down Ingleside roads is the Bristol Brunel Academy, with a student roll of over 1,000.

There is little convenience store competition in the area, with the closest competition being a Tesco express Petrol Station further to the north on Ingleside Road. As such the subject property is well located to provide for the local catchment.

Description & Accommodation

The property comprises a large convenience store converted from a former public house in 2017. The conversion and refurbishment included a full programme of both internal and external works, with a new latest format Co-op food c-store, a new car park and associated landscaping.

The property extends to a total of 5,802 sq ft over ground and first floors, with the first floor not currently being used. The property sits on a large site of 0.529 acres (0.03 hectares) which includes a delivery area to the rear and provides extensive parking for 16 vehicles.

The table below outlines the gross internal area for the property:

	Sq m	Sq Ft
Ground Floor Sales	274	2,950
Ground Floor BOH	105	1,130
First Floor	160	1,722
Total	539	5,802



Tenancy

The property is let on assignment to Co-operative Group Food Limited on a full repairing and insuring lease for a term of 20 years from 7th March 2014, expiring 6th March 2034 subject to a tenant's option to determine on 7th March 2024 (6 months' written notice).

The remarkably low passing rent of £47,089 per annum (£11.82 psf based only on the ground floor area), reflecting the development lease, is to be reviewed every 5 years in line with the retail price index (collared and capped at 0% & 4%), the next occurring on 7th March 2024.

The original tenant, Tesco Stores Limited, signed the lease in 2014, and shortly afterwards ceased expansion following their accounting scandal.

Tesco were under an obligation to complete the extensive tenants fit out works and would receive a premium of £150,000 from the Landlord (Enterprise Inns). The Co-operative took an assignment of the lease, undertook the extension, modernisation and fit out works and received the premium. The total cost of work was over £900,000.

Although not able to be rentalised until expiry, the works will fall back to the Landlord and the significant reversionary potential will be accessed in 2034. We believe the estimated rental value of the property is currently £65,000-£70,000 per annum.

Tenure

The property is held Freehold as outlined in red below (Title number: AV239001 & AV235142).



Example of standard Co-op fitout

Covenant Status



Tesco Stores Limited (Company Number: 519500) is a wholly owned subsidiary of Tesco PLC which was founded in 1919.

It has become the UK's largest retailer and the third largest grocery retailer in the world operating 7,000 outlets nationwide with almost 275,000 employees and an annual turnover of £42 billion. A summary of Tesco Stores Limited recent accounts is set out below.

Tesco Stores Limited	23 Feb 2019	6th Jan 2018	24 Feb 2018
Turnover	£42,219,000,000	£41,367,000,000	£40,134,000,000
Pre Tax Profits	£737,000,000	£417,000,000	£266,000,000
Shareholder Funds	£5,623,000,000	£4,568,000,000	£1,265,000,000

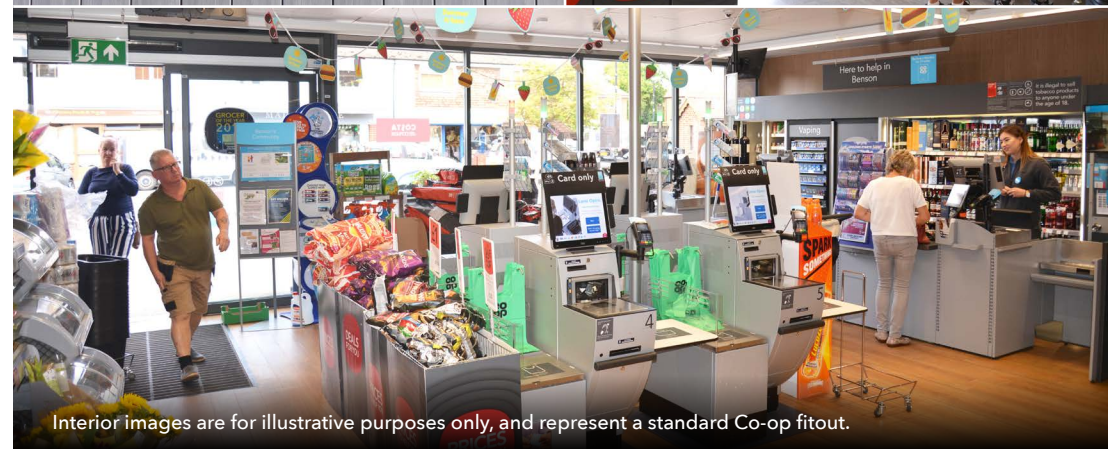


Co-operative Group Food Limited (Company Number: 26715R) is a wholly owned subsidiary of The Co-operative Group Limited which was established in 1844 and now operates 4,500 outlets with almost 90,000 employees and has an annual turnover of £10.50 billion.

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. Furthermore existing arrangements with independent co-operative societies means they supply more than 7,700 stores.

In the first half of 2018 the group opened 45 new stores and created 600 jobs, and with the acquisitions of Nisa and a 5-year deal to supply Costcutters, the company has seen significant recent growth. A summary of Co-operative Group Food Limited accounts is set out below:

Co-operative Group Food Limited	5th Jan 2019	6th Jan 2018	31st Dec 2016
Turnover	£7,185,200,000	£6,940,200,000	£6,933,400,000
Pre Tax Profits	£207,900,000	£232,500,000	£154,200,000
Shareholder Funds	£1,970,500,000	£1,875,100,000	£1,805,400,000





EPC

The property has an energy performance rating of C-55.
A copy of the certificate can be provided upon request.

Anti-Money Laundering Regulations

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. The transaction will not be able to be dealt with as a TOGC.

Proposal

We are instructed to quote offers in excess of **£810,000** exclusive of VAT and subject to contract.

A purchase at this level reflects a **5.50%** net initial yield after deducting standard purchase costs.

Year	£ Rent Per Annum	Running Yield
Current Passing Rent	£47,089	5.50%
March 2024	£54,589	6.39%
March 2029	£63,284	7.41%
Reversion to ERV	£70,000	8.19%

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

Further Information

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



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