

# INVESTMENT FOR SALE

Beacon Hill Road, Newark, NG24 2JG

Principally Let to:



A Prominent Neighbourhood Convenience Scheme Anchored  
by Co-operative Group Food for a Further 14 Years



## Investment Summary

- A new build neighbourhood convenience parade anchored by Co-operative Group Food in the historic market town of Newark-on-Trent
- 3 units arranged over ground floor with a total area of approx. 7,000 sq ft GIA and 34 self-contained car parking spaces
- Prominently situated on the corner of Beacon Hill Road and Magdelene View in a densely populated neighbourhood
- The property is principally let to Co-operative Group Food Limited (unit 1) who account for 64% of the advertised total annual income. The unit is let on a 15 year lease with a lease commencement date of 23rd March 2019. Passing rent of £62,000 per annum with CPI rent reviews (collar of 1% and cap of 3%), compounded annually and payable 5 yearly
- Unit 2 is under offer to an A5 (hot-food takeaway) operator with terms agreed for a 10 year lease (break at year 5) paying £15,000 per annum
- Unit 3 is vacant and will be sold with a 12 month rent guarantee (£20,000 per annum)
- Seeking offers in excess of **£1,355,000 reflecting a NIY of 6.75%** assuming purchasers costs of 6.03%





## Situation

The property is prominently situated on the corner of Beacon Hill Road and Magdelene View in an area primarily characterised by residential dwellings. Beacon Hill Road is one of the main arterial roads into the town and provides direct access to the A1 (1 mile to the east of the subject property).

Immediately north, across Beacon Hill Road, is Beacon Hill Retail Park (Topps Tiles, The Range) and an IN 'n' OUT auto garage. To the rear is a large industrial estate which will provide further critical mass to support the subject Co-op and neighbourhood convenience parade.





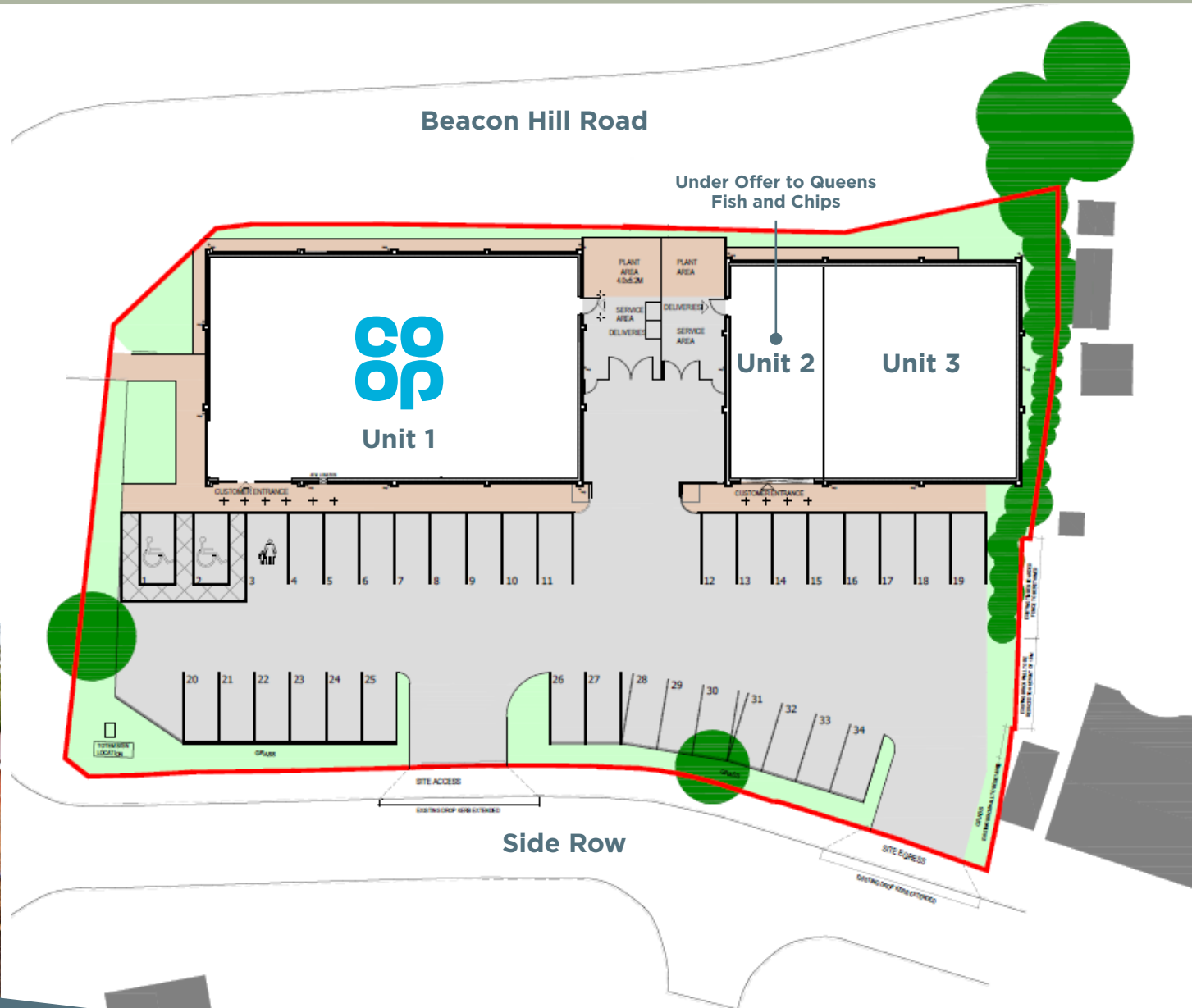
## Description

Built in 2019 the properties consist of two purpose built retail blocks, one of which is occupied by the Co-op (Unit 1). The other block is split into 2 units (Units 2 and 3), of which Unit 2 is under offer to an A5 operator. Unit 3 is currently vacant.

The construction of both properties is via a steel frame with brick and glazed elevations, under a pitched tile roof. There is a shared plant and servicing area in between Unit 1 and Units 2/3.

There is a self-contained car park providing spaces for 34 vehicles.

The Co-op is open 7 days a week, 7am to 10pm.



## Accommodation

The units are arranged over ground floor only and benefit from the following approximate Gross Internal Areas (taken from architects drawings):

Unit 1 (Co-op)	4,000 sq ft
Unit 2 (under offer to Queen Fish & Chips)	1,000 sq ft
Unit 3 (vacant)	2,000 sq ft
Total site area	0.61 acres

## Tenure

Freehold.



## Tenancy

A total rent of £97,000 per annum. Split as follows:

### Unit 1:

Let to Co-operative Group Food Limited on a 15 year lease with a lease commencement date of 23rd March 2019. Passing rent of £62,000 per annum (£15.50 per sq ft) with CPI rent reviews (collar of 1% and cap of 3%), compounded annually and payable 5 yearly. The lease is drawn on a fully repairing and insuring basis.

### Unit 2:

Under offer to Queens Fish and Chips (t/a Queens Fish and Chips) a A5 hot food takeaway. Terms agreed for a 10 year lease paying £15,000 per annum (£15 per sq ft). There is a tenant break option and rent review to open market value at the end of year 5. 12 months rent free (landlord to top-up). The landlord will hold a 4 month rent deposit. The lease will be drawn on a fully repairing and insuring basis.

The landlord has put in a planning application to obtain A5 (hot-food takeaway). The landlord has also agreed to fit a new shopfront to the unit (works to be completed prior to the sale of the investment).

### Unit 3:

Vacant and will be sold with a 12 month rent guarantee totalling £20,000 per annum (£10 per sq ft).

## Covenant Information



**Co-operative Group Food Ltd** (Company Number: 26715R) is a wholly owned subsidiary of 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.

Co-operative Group Food is the UK's 5th largest food retailer with 2,582 local, convenience and medium sized stores employing over 69,000 people.

A summary of Co-operative Group Food Limited's latest 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
Turnover	£1,970,500,000	£1,875,100,000	£1,805,400,000

The Experian, Delphi rating is 100 out of 100 reflecting very low risk.

## QUEEN FISH & CHIPS

**Queens Fish and Chips** are a family run business and have been trading for 25 years. They currently trade from 9 locations through the Midlands and South West and Wales. They are looking to continue their expansion and target units within similar busy catchments to Newark.

## Terms

### VAT

The property is elected for VAT although it is anticipated that the sale will be treated as a Transfer of a Going Concern (TOGC).

### EPC

Available upon request.

### Anti Money Laundering Regulations

In accordance with Anti-Money Laundering Regulations, evidence of identity and source of funding will be required from the successful purchaser prior to instructing solicitors.

### Proposal

We are instructed to seek offers in excess of **£1,355,000 ex VAT**, subject to contract. Based on purchaser's costs of 6.03%, this reflects a net initial yield of **6.75%**.

Subject to Contract – March 2020

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