



SECURE CONVENIENCE STORE INVESTMENT OPPORTUNITY

THE CO-OPERATIVE, DRAYCOTT ROAD,
LONG EATON, DERBYSHIRE NG10 3FR

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Investment Summary

- Secure convenience store investment opportunity
- Prominent and central location in densely populated Derbyshire town
- Well-presented, recently extended and refurbished unit with the latest Co-operative branding
- Provides a total of **4,977 sq ft**
- Freehold site of c. **0.204 acres** (0.082 hectares)
- **Sale and leaseback** to undoubted covenant of Co-operative Group Food Limited (D&B 5A1)
- **15 year FRI lease** without break from completion of sale
- Low initial rent of **£55,000 per annum** (£11.00 psf)
- **5 yearly upward only CPI reviews** (1-3% collar and cap)
- Offers in excess of **£940,000 (STC)**
- Representing a Net Initial Yield of **5.48%**
- Estimated reversionary yield of **6.36%** in the 5th anniversary and **7.37%** in 10th anniversary

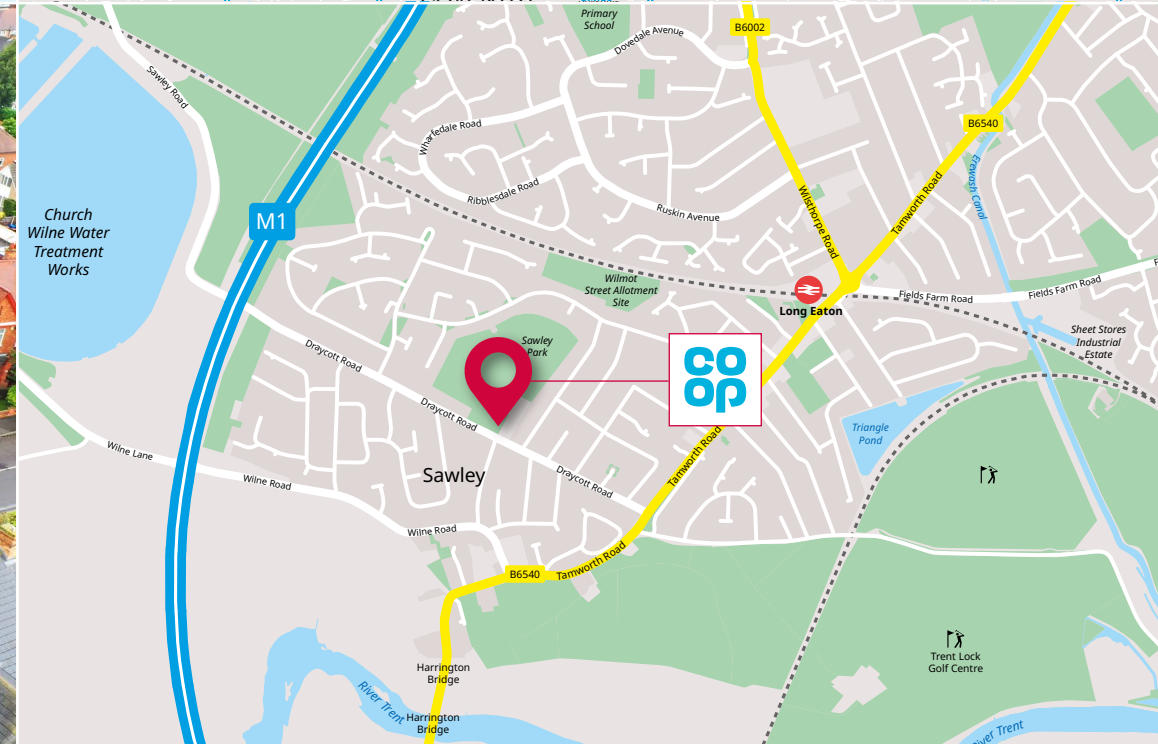
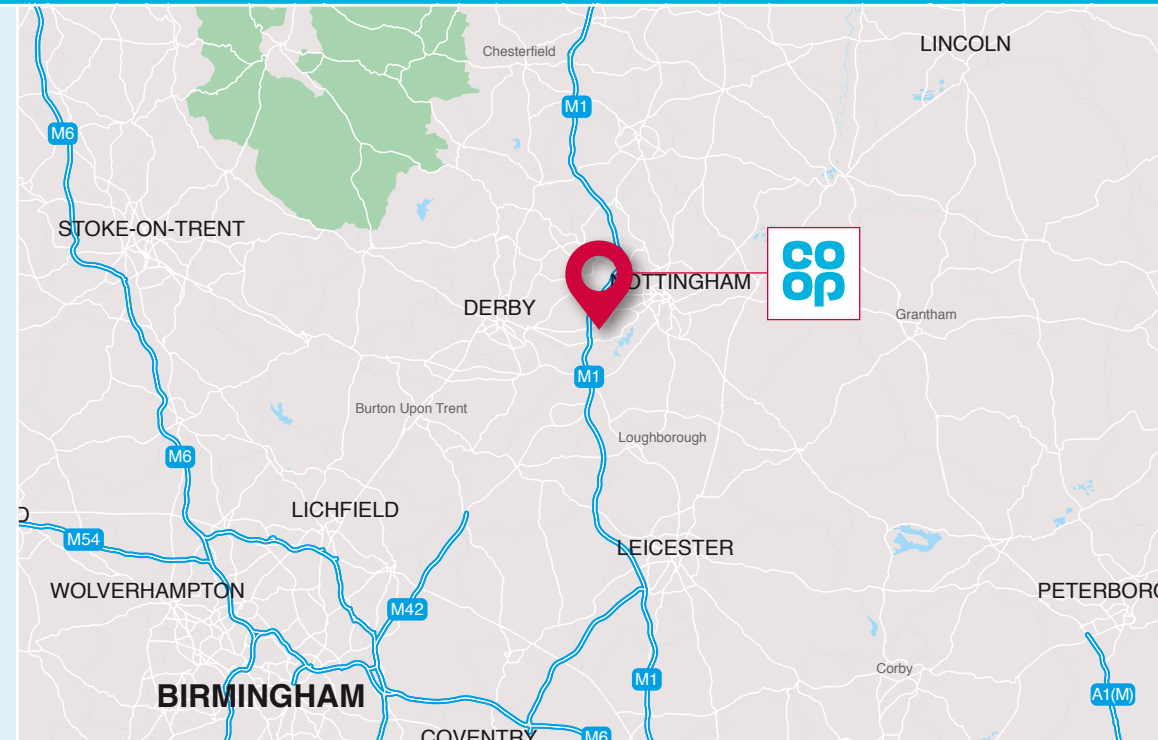


Location

Long Eaton is a large town in Derbyshire that lies 7 miles southwest of Nottingham and 8.5 miles southeast of Derby. The town has a population of c. 37,760, rising to 115,300 at a district level.

The town's catchment incorporates several surrounding areas including Sawley, New Sawley and Wilsthorpe Meadows. It is excellently located for transport links, with the M1 running along the town's western boundary, and Long Eaton railway station providing regular services on the Midland main line to Derby, Sheffield, Leicester, Nottingham, Birmingham and London.

As such, the town is popular with commuters with house prices rising 10% in the last year, and are up 15% from 2016 (source: Rightmove/Land Registry).





M1

M1

SAWLEY JUNIOR & INFANT SCHOOL

GO LONG
OP EATON

SAWLEY COMMUNITY CENTRE & MEDICAL CENTRE

DRAYCOTT ROAD

DRAYCOTT ROAD

Situation

The property itself is located in the Sawley area of Long Eaton, and forms part of a community hub that includes the community centre, the local park and Sawley Medical Centre.

Furthermore, both Sawley Junior School and Sawley Infant School are adjacent to the property, providing increased trade and footfall at school opening/closing times.

Description & Accommodation

The property comprises an extended and recently refurbished convenience store of traditional brick construction with a flat felt roof.

The property extends to a total of 4,977 sq ft with 2,972 sq ft of dedicated sales space, and 2,005 sq ft back of house. The property sits on a site of 0.204 acres (0.082 hectares) and includes a delivery yard to the rear.

Adjacent to the property is a council owned car park providing parking for c. 58 vehicles free of charge.

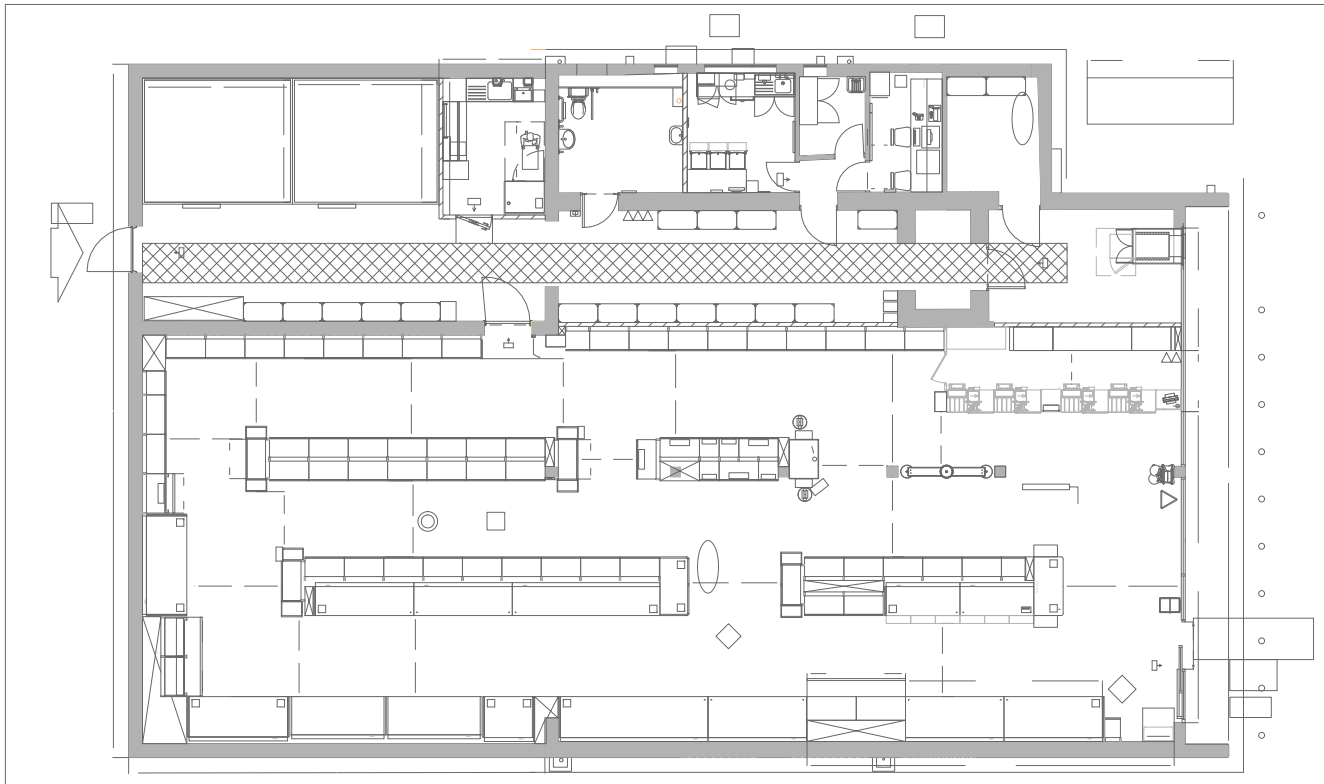
Tenancy

The property will be let from completion of the sale to the Co-operative Group Food Limited on a full repairing and insuring lease for a term of 15 years.

The initial rent of £55,000 per annum (£11.00 psf) is to be reviewed every 5 years in line with the consumer price index (capped and collared at 1%-3%).

Tenure

Freehold (Title number: DY263916).



Covenant Status



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 January 2019	6th January 2018	31st December 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



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.

EPC

The property has an energy performance rating of C-63. A copy of the certificate can be provided upon request.



Proposal

We are instructed to quote offers in excess of **£940,000** exclusive of VAT and subject to contract. A purchase at this level reflects a **5.48%** net initial yield and after deducting sale and leaseback purchase costs of 6.68%.

Year	£ Rent Per Annum	Running Yield
Initial Rent	£55,000	5.48%
Year 5	£63,760	6.36%
Year 10	£73,915	7.37%

We have applied an average CPI 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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