

Prime Long Income Petrol Filling Station Investment

Bilston College Filling Station

137 Wellington Road, Bilston, Wolverhampton, West Midlands WV14 6RN



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“In excess of
19 years unexpired
to a **£1.25bn turnover**
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Investment Summary

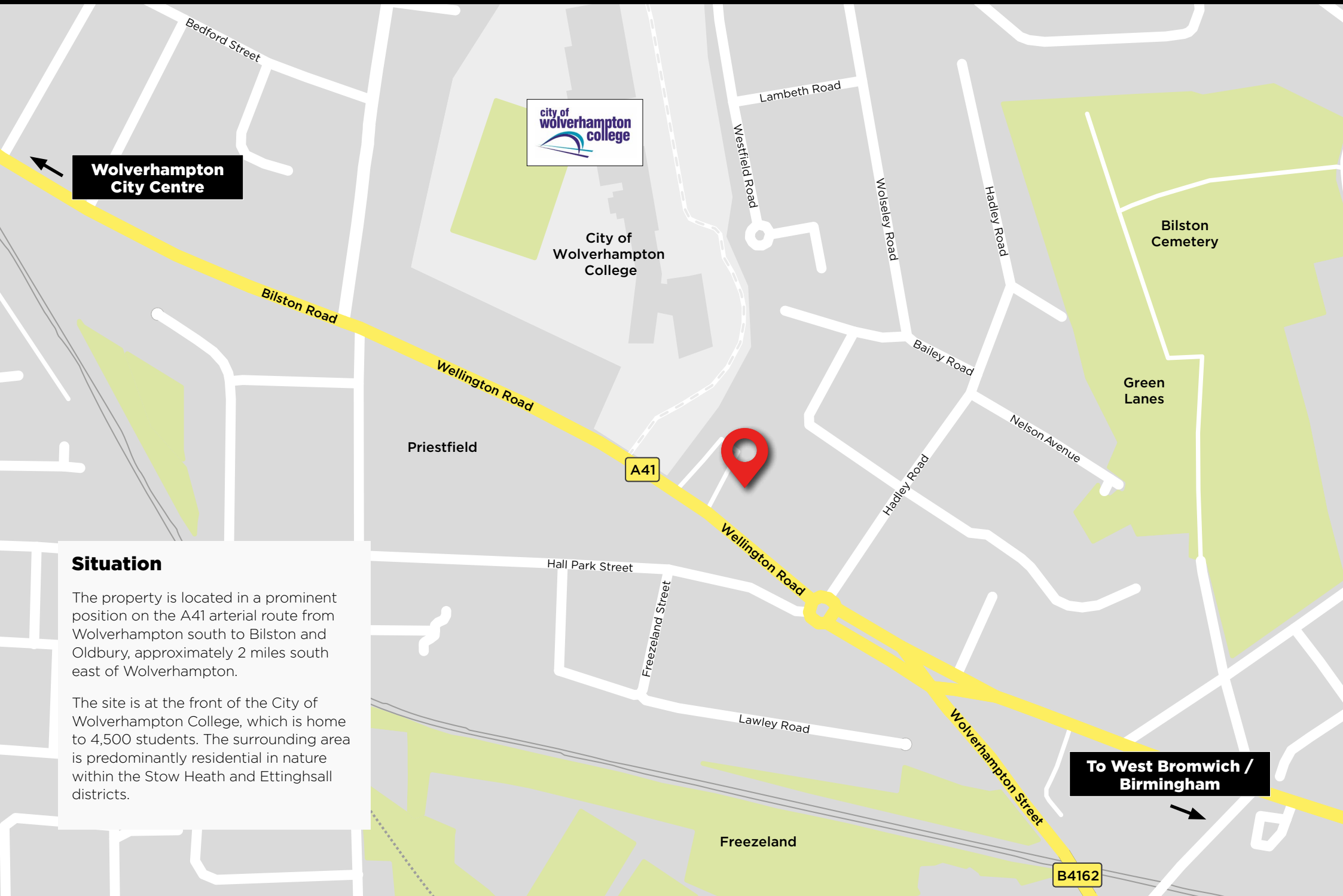
- **Prime petrol filling station investment**
- **Excellent location on the A41**
(Wolverhampton to Bilston) to the front of the City of Wolverhampton College (4,500 students)
- **Well-presented unit** with Morrisons branded store and Texaco fuel livery
- **4,703 sq ft** (inclusive of car wash) with 4 pump stations providing 24 nozzles
- Freehold site of **0.72 acres**
- **Adjacent to a very large sixth form college** and on an arterial route
- Let to **Rontec Properties (No.4) Limited**
- Parent guarantee from Rontec Roadside Retail Limited (**Dun & Bradstreet 5A2 rating**)
- Lease expiring 17th October 2038 (**19.2 years unexpired**)
- Current rent of **£111,843 per annum** (re-based from previous passing at **£163,345 per annum**)
- Uplift to **£114,079.86** in March 2021, then annually received 2% fixed uplifts to term end
- **Offers in excess of £2,000,000 (STC)**
- 5.25% NIY, 5.36% RY in March 2021, 7.51% RY in March 2038
- **Investment value** supported by vacant possession value

Wolverhampton

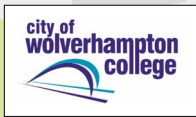
Wolverhampton is one of the principal centres within the West Midlands conurbation, being located approximately 15 miles northwest of Birmingham, 75 miles south of Manchester and 130 miles north of London. It affords excellent communication links being adjacent to junctions 9 & 10 of the M6 motorway and junctions 1 & 2 of the M54 motorway. This infrastructure is further enhanced by a main line railway station providing direct routes to London with a fastest journey time of approximately 1hr 45 mins.

With a population of around 250,000 people, Wolverhampton has seen considerable inward investment in recent years. Jaguar Land Rover opened their 1 million sq ft advanced engineering facility at i54 in 2014 and have announced additional investment of over £400m into the site. In the city centre, the £120m Wolverhampton Interchange has seen considerable investment around the transport hubs, while The University of Wolverhampton continues to expand and now enrolls around 23,000 students having invested £100m over the last decade with a pledge to commit a further £250m over the next 5 years.





Wolverhampton
City Centre



City of
Wolverhampton
College

Bilston
Cemetery

Green
Lanes

A41

B4162

Situation

The property is located in a prominent position on the A41 arterial route from Wolverhampton south to Bilston and Oldbury, approximately 2 miles south east of Wolverhampton.

The site is at the front of the City of Wolverhampton College, which is home to 4,500 students. The surrounding area is predominantly residential in nature within the Stow Heath and Ettingshall districts.

To West Bromwich /
Birmingham



Wolverhampton
City Centre

A41

←
Waterside
Industrial Estate



Bilston College
Filling Station

A41

To West Bromwich / Birmingham
↓

Description/Accommodation

The property occupies a prominent and highly visible corner site comprising a modern Morrisons convenience store and Texaco branded petrol filling station. The store was built in the mid-1990's of structural steel frame construction with brick elevations under a mansard/flat roof.

The spacious canopied forecourt has four pumps providing 24 nozzles trading between 0700 hrs and 2300 hrs. The forecourt provides 17 marked car parking spaces and a fully automatic car wash. The property benefits from an external ATM.

The property extends to 4,703 sq ft (inclusive of car wash) on a large site of 0.72 acres.



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Tenure

Freehold (Title Number: WM748342).

Tenancy

The property is fully let on an FRI lease to Rontec Properties (No.4) Limited, with a parent guarantee from Rontec Roadside Retail Limited, expiring 17th October 2038 (18.6 years unexpired).

The current rent of £111,843 per annum is subject to a fixed uplift in March 2021 to £114,079.86, then annually received 2% fixed uplifts to term end.

The rent was re-based from £163,345 per annum paid by Co-operative Group Limited under the old lease.

EPC

The property has a **B-39 rating**.

An EPC can be provided upon request



Covenant Status

Rontec Roadside Retail is one of the leading players in the UK forecourt industry, operating 240 forecourts, making it the ninth largest UK forecourt retailer, ahead of retailers including Esso and Co-Op.

The company was formed in June 2011 to acquire the assets of Total Oil UK and is led by Gerald Ronson, a highly experienced fuel retailer and founder of Heron Service Stations in 1966, and its successor, Snax 24.

Rontec has remained acquisitive: in 2014, it purchased 36 stores in South Wales and the South West of England from Esso. A year later, it purchased a further 25 stores from Esso and BP in the South East of England.

Rontec and Snax 24 then merged, combining the operations and assets of those companies to trade under the Rontec name. In 2016, Rontec acquired a package of 40 sites from the Co-op across England and Wales.

Guarantor: Rontec Roadside Retail's top company is Rontec Roadside Retail Limited (company registration no. 9129964), which was formerly known as Rontec Group Limited and has a strong financial status, as demonstrated in the following table.

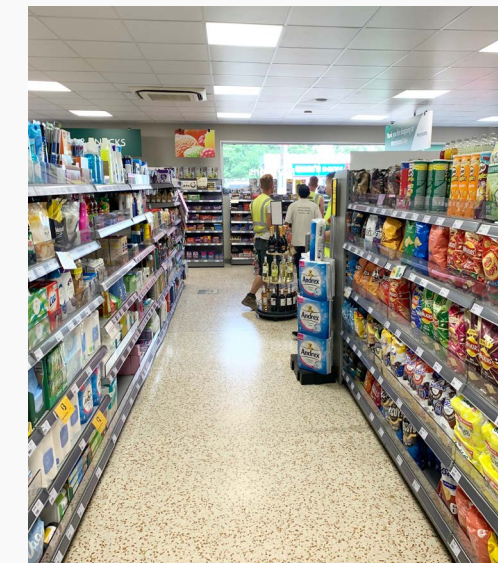
Rontec Properties (No.4) Limited reported the following figures in their latest accounts:

Date	30/09/2018	30/09/2017	30/09/2016
Turnover	£3,931,000	£3,757,000	£72,000
Pre-Tax Profit	(£1,858,000)	£8,547,000	£594,000
Net Worth	£4,499,000	£6,716,000	£462,000

Rontec Roadside Retail Limited reported the following figures in their latest accounts:

Date	30/09/2018	30/09/2017	30/09/2016
Turnover	£1,251,371,000	£1,229,857,000	£998,988,000
Pre-Tax Profit	£27,345,000	£27,883,000	£22,585,000
Net Worth	£497,128,000	£403,648,000	£355,889,000

Further information is available at www.rontec.com



Latest Transactions

Date	Property	Tenant	Unexpired Term	Review	Price	NIY
May 2019	Boulevard Service Station, Worthing	Co-operative Group Food Limited	20 years	5 yearly RPI (1%-3%)	£3,040,000	5.19%
May 2019	Westway Service Station, Bournemouth	Co-operative Group Food Limited	20 years	5 yearly RPI (1%-3%)	£4,060,000	4.66%
November 2018	Caledonian Road, London	Co-operative Group Food Limited	15.7 years	2% per annum receivable	£4,165,000	3.74%
November 2018	Bow Road Services, London	Co-operative Group Food Limited	15.7 years	2% per annum receivable	£6,075,000	3.74%
June 2018	Hectors Way, Newbury	Sainsbury's Supermarkets Limited	11.25 years	5 yearly RPI (2%-4%). Note next review March 2019 not topped up.	£3,320,000	4.95%
July 2018	Barton, Lacey	AF Blakemore & Son	20 years	5 yearly RPI (1%-3%)	£3,250,000	5.05%
March 2018	Clayton Services, Newcastle-under-Lyme	Rontec Group Plc	18.5 years	2% per annum receivable	£2,560,000	5.50%
August 2018	Horley	Sainsbury's Supermarkets Limited	14.5 years	5 yearly RPI (2%-4%)	£4,900,000	4.37%
December 2018	Portsmouth, Cosham	Rontec	14.25 years	2% per annum receivable	£2,700,000	5.22%
February 2018	Dudley Port	Rontec	19.25 years	2% per annum, 5 yearly received	£3,500,000	5.35%
December 2017	Hengrove Way, Bristol	Rontec Roadside Retail Limited	20 years	2% per annum receivable	£3,910,000	4.85%

Capital Allowances

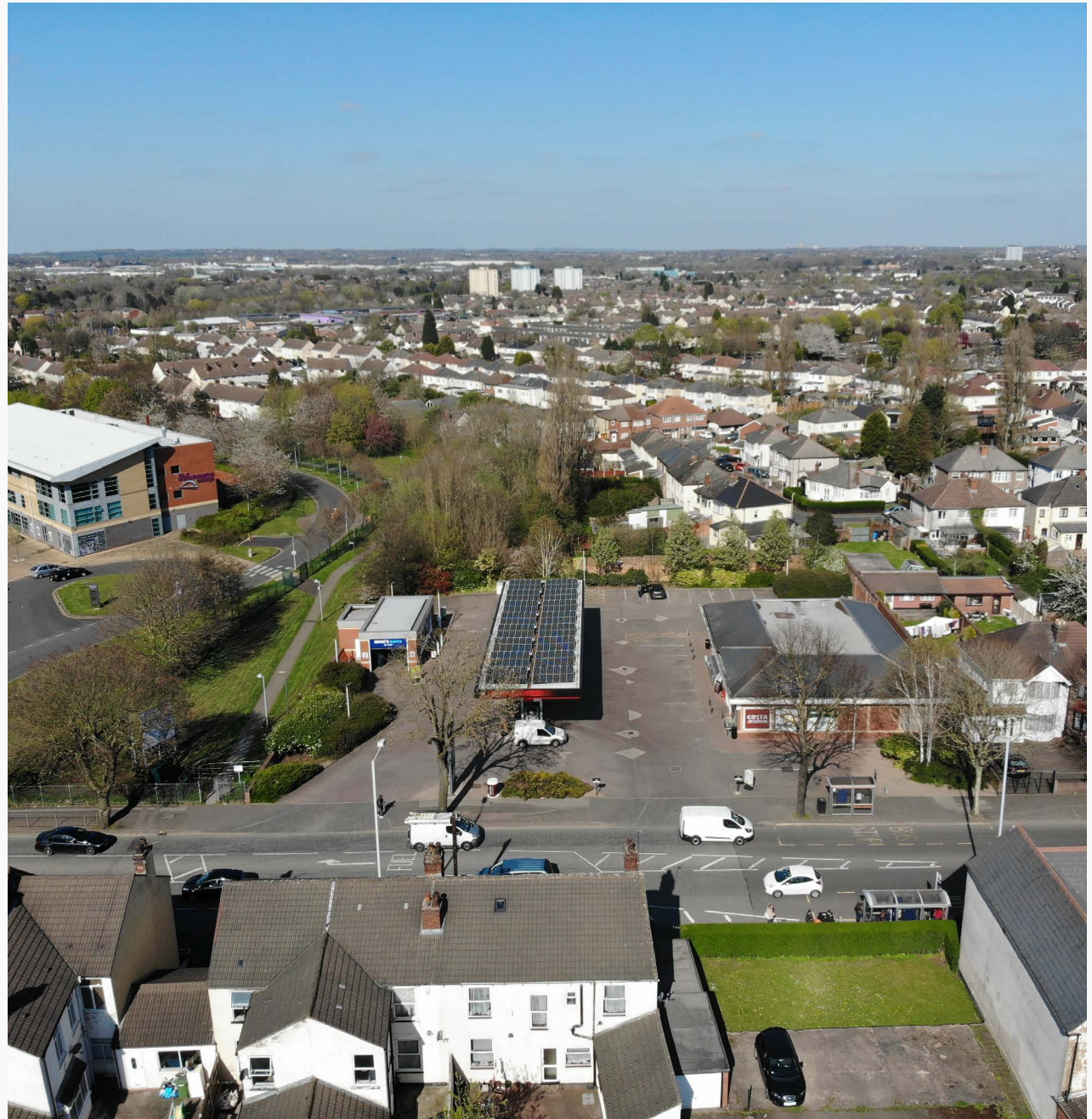
The Vendor will retain any unclaimed Capital Allowances.

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.

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.



Proposal

We are seeking offers in excess of **£2,000,000** 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 (6.28%)

Net Initial Yield	5.26%
Running Yield	
2021	5.37%
2022	5.47%
2023	5.58%
2024	5.70%
2025	5.81%
2026	5.93%
2027	6.04%
2028	6.17%
2029	6.29%

Running Yield Continued...	
2030	6.41%
2031	6.54%
2032	6.67%
2033	6.81%
2034	6.94%
2035	7.08%
2036	7.22%
2037	7.37%
2038	7.52%

Further Information

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

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Christopher Dee: 40 Peter Street, Manchester M2 5GP



On Behalf of Nectar Asset Management



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The reference to any mechanical or electrical equipment or other facilities at the property shall not constitute a representation (unless otherwise stated) as to its state or condition or that it is capable of fulfilling its intended function. Prospective tenants/purchasers should satisfy themselves as to the fitness of such equipment for their requirements. August 2019.