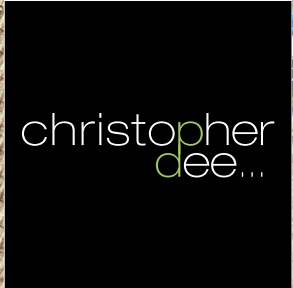




SECURE CONVENIENCE STORE INVESTMENT OPPORTUNITY

CO-OP CONVENIENCE STORE,
1 HOLBOROUGH ROAD, SNODLAND, KENT ME6 5DO



Investment Summary

- Secure convenience store investment opportunity
- Well-presented, recently extended and refurbished unit
- Co-op entered into the lease in 2014 with full planning risk, received permission in 2017 and opened in 2018
- Co-op closed their two other sites in the town amalgamating into this unit together with the Post Office
- Provides a total of 6,951 sq ft
- Freehold site of c 0.4 acres
- Let to Co-operative Group Food Limited with surety from Co-operative Group Limited
- 15 year FRI lease from 22 September 2014 expiring 21 September 2029 but with an option to renew for a further 15 years
- 9.6 years to expiry
- Low initial rent, £86,261 per annum, (£12.41 psf)
- 5 yearly upward only RPI reviews (1% & 4% collar and cap)
- Offers in excess of £1,550,000 (STC)
- Representing a Net Initial Yield of 5.24% with a further increase to 6.08% in September 2024 assuming RPI growth of 3% pa.



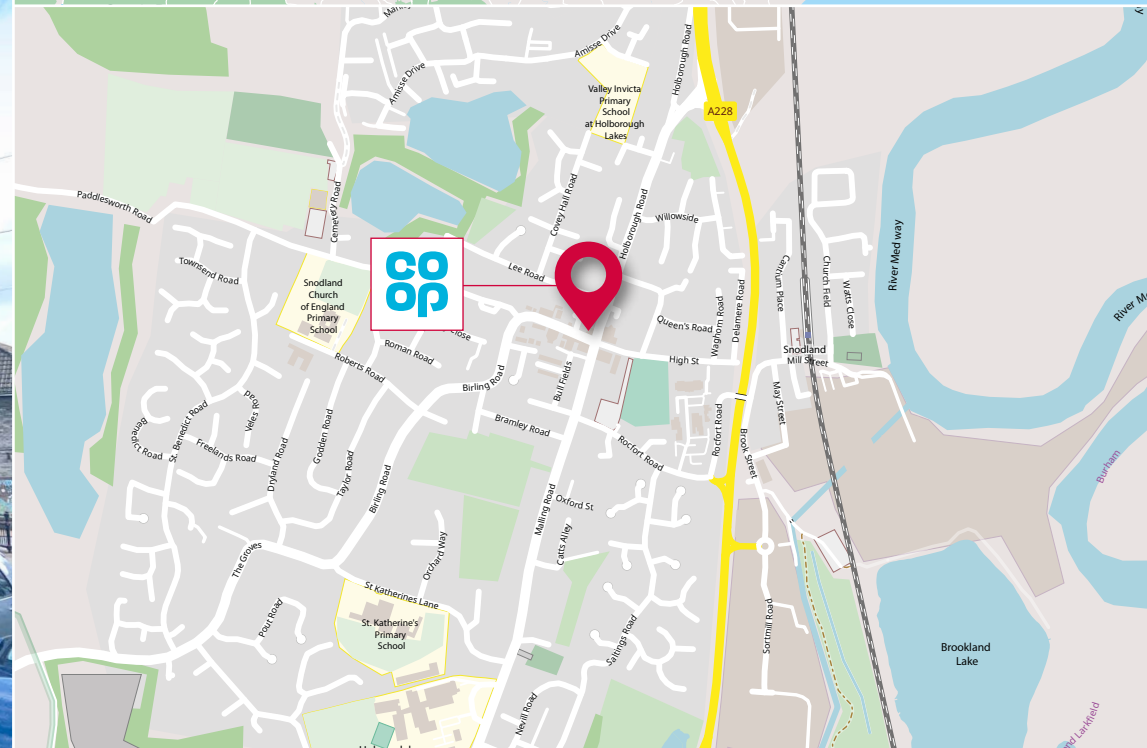
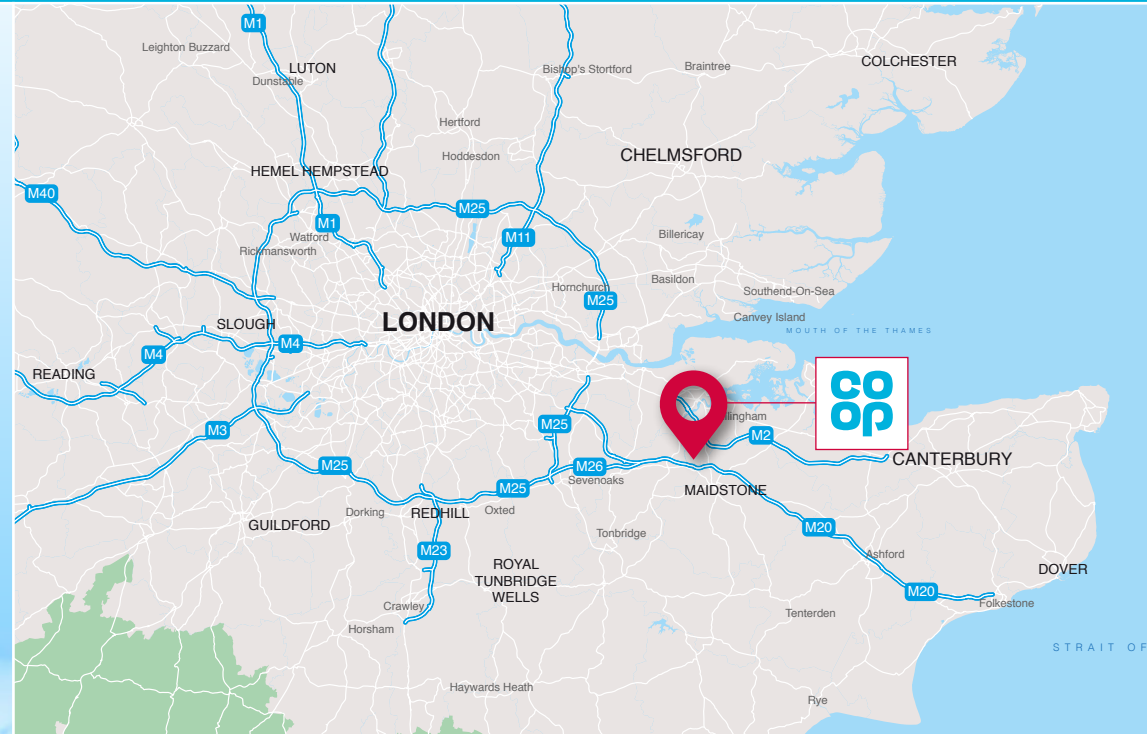
Location

Snodland is a commuter town (population 10,200) in northern Kent that lies in between Rochester and Maidstone some 27 miles south east of central London. It sits on the A228 which connects the town to the M20 (junction 4, 2 miles to the south) and the M2 (junction 2, 4 miles to the north) motorways and thereafter to the M25 or the Channel Ports.

Kent is a wealthy and desirable county. According to the latest figures, net disposal income in Kent is 64% higher than the national average, and Snodlands average house price of £308,753 compares favourably to the national average of £234,742.

Situation

The property occupies a prominent position at the intersection of the High Street and Holborough Road at the commercial centre of the town.



SMURFIT
PAPER MILL

MID KENT
BUSINESS PARK

SNODLAND
STATION

TO MAIDSTONE

A228

GO SNODLAND

TO M2

HIGH STREET

MALLING ROAD

HOLBOROUGH ROAD



Description & Accommodation

The property comprises a detached convenience store converted from a former public house, which was extensively refurbished and extended in 2014, with brick elevations under a pitched tiled roof.

The property extends to a total of 6,951 sq ft and provides ground floor sales space of 4,623 sq ft with delivery, ambient and refrigerated stock areas, and staff room/WC to the rear. Further back of house space is provided at first floor.

The property sits on a site of 0.4 acres (0.16 hectares) which includes a delivery yard as part of the car park to the rear that provides spaces for 17 vehicles.

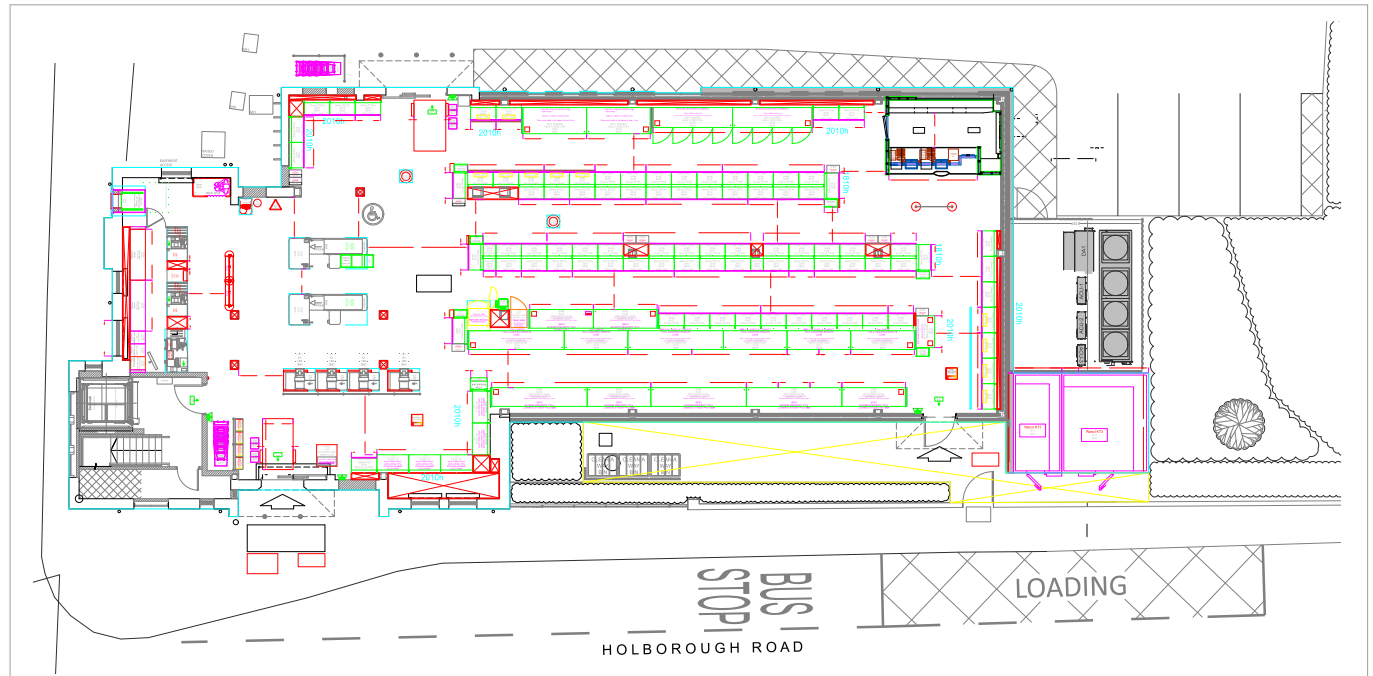
Tenancy

The property is let to Co-operative Group Food Ltd with surety from Co-operative Group Limited on a full repairing and insuring lease for a term of 15 years from 22 September 2014, expiring 21 September 2029. The lease contains an option to renew on expiry for a further 15 years.

The current rent of £86,261 per annum (£12.41 psf) is to be reviewed every 5 years in line with the retail price index (collared and capped at 1% & 4%), the next occurring on 22 September 2024.

Tenure

The property is held Freehold as outlined in red below (Title number: K299019).



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.

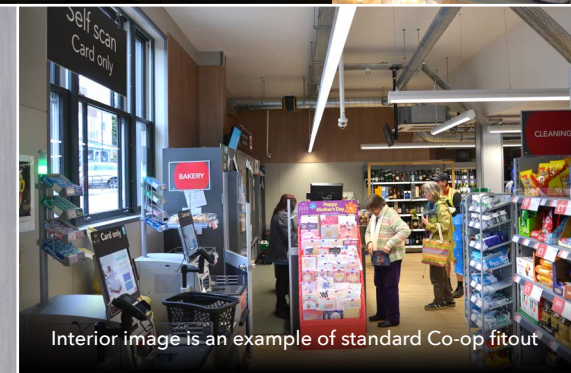
Co-operative Group Food is the UK's 5th largest food retailer with almost 2,800 local, convenience and medium sized stores employing over 69,000 people. Furthermore, existing arrangements with independent co-operative societies means they supply more than 7,700 stores.

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

A summary of Co-operative Group Limited accounts is set out below.

Co-operative Group Food Limited	5th Jan 2019	6th Jan 2018	31st Dec 2016
Turnover	£10,162,000	£8,943,090,000	£9,472,000,000
Pre Tax Profits	£93,000,000	£73,000,000	(£132,000,000)
Shareholder Funds	£3,069,000,000	£3,015,000,000	£3,241,000,000





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 although we anticipate the sale will be able to be dealt with as a TOGC.

EPC

A copy of the energy performance certificate can be provided upon request.

Proposal

We are instructed to quote offers in excess of **£1,550,000** exclusive of VAT and subject to contract. A purchase at this level reflects a **5.24%** net initial yield after deducting standard purchase costs.

Assuming an average RPI rate of **3% per annum** as an estimate of future rental growth we calculate the rent will rise to **£100,000 per annum** in September 2024, improving the running yield to **6.08%**.

Further Information

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



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