



**SECURE CONVENIENCE STORE
INVESTMENT OPPORTUNITY**

CO-OP CONVENIENCE STORE, 2 OLDFIELD ROAD,
STANNINGTON, SHEFFIELD S6 6DT





Investment Summary

- **Secure convenience store investment opportunity**
- **Well-presented, recently extended and refurbished unit**
- Despite the lease start date, the property was modernised, **extended and refurbished by Co-op and opened just 2.5 years ago**
- Provides a total of **4,453 sq ft**
- Freehold site of **c 0.33 acres**
- Let to **Co-operative Group Food Limited** on assignment from **Tesco Stores Limited**
- **20 year FRI lease** from 15 July 2014 expiring 14 July 2034
- **13.9 years to expiry** (TBO 3.9 years)
- Rent recently reviewed to **£63,275 per annum** (£14.20 psf)
- **5 yearly upward only RPI reviews** (1% & 4% collar and cap)
- Offers in excess of **£1,087,000 (STC)**
- Representing a Net Initial Yield of **5.50%** with further increases to **6.38%** in July 2024 and **7.39%** in July 2029, assuming
- RPI growth of **3% pa.**

Location

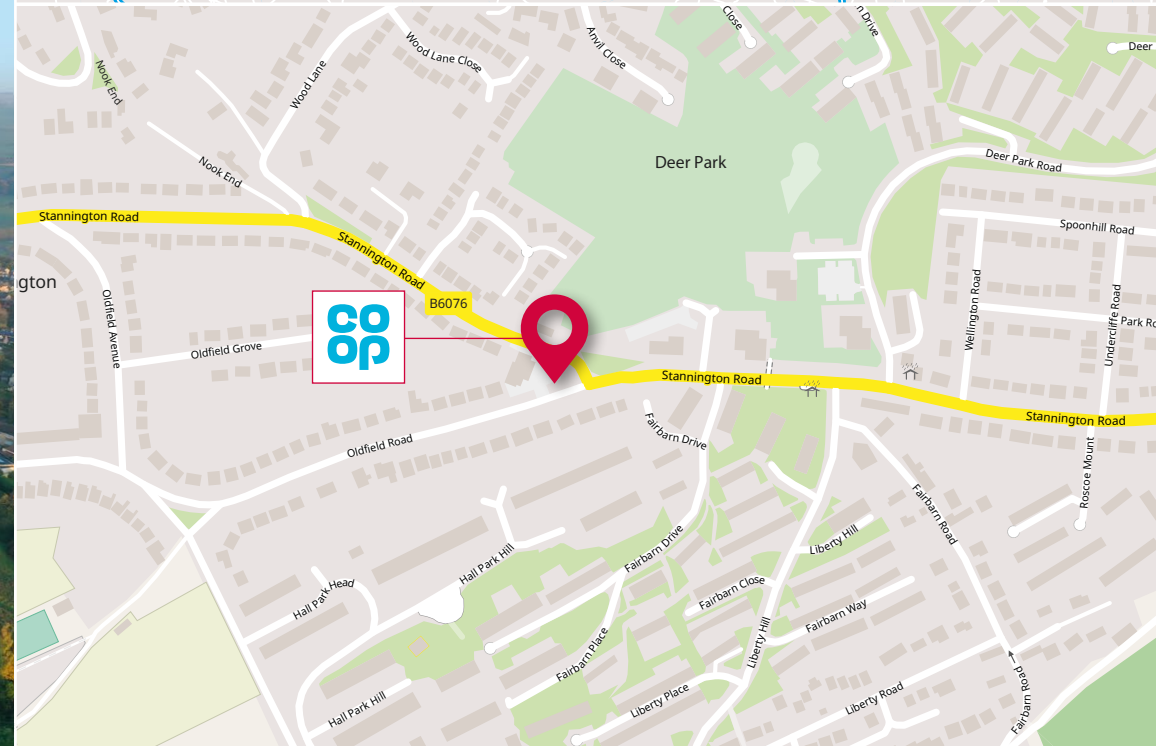
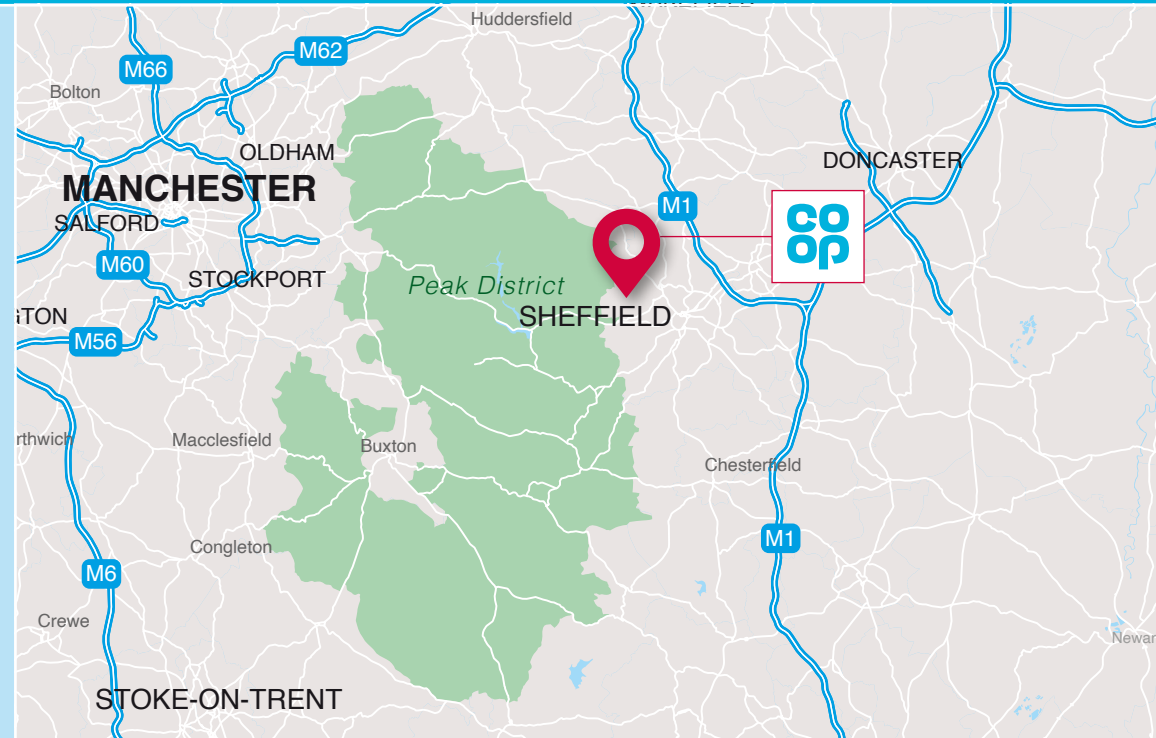
With a population of almost 520,000, Sheffield is the UK's 4th largest city and the dominant commercial and retail centre for South Yorkshire with a regional influence that increases to over 1.6 million people within the wider city region.

Sheffield is home to two leading universities (c. 63,000 students) and a wide range of national corporate occupiers, including HSBC, Aviva, Capita Group, Boeing and Sky TV along with a substantial regional and central government workforce.

Situation

Stannington is a predominantly residential district on the north western side of the Sheffield conurbation approximately 3 miles from the city centre.

The property occupies a prominent triangular corner site at the junction of Oldfield Road and Stannington Road with the site having access/egress to both roads.





TO PEAK DISTRICT NATIONAL PARK

GO STANNINGTON

OLDFIELD ROAD



STANNINGTON ROAD

TO SHEFFIELD

Description & Accommodation

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

The property extends to a total of 4,453 sq ft and provides ground floor sales space of 2,470 sq ft with delivery, ambient and refrigerated stock areas, and staff room/WC to the rear. The first floor is used for ambient storage and other back-of-house purposes.

The property sits on a site of 0.33 acres (0.13 hectares) which includes a delivery yard as part of the car park to the side and front that provides spaces for 15 vehicles.

Tenancy

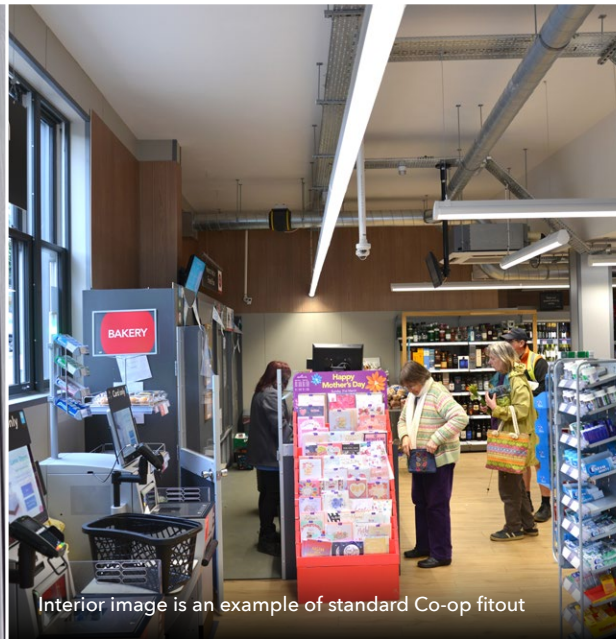
The property is let to Co-operative Group Food Ltd by way of assignment of a full repairing and insuring lease to Tesco Stores Limited for a term of 20 years from 15 July 2014, expiring 14 July 2034.

The current rent of £63,275 per annum is to be reviewed every 5 years in line with the retail price index (collared and capped at 1% & 4%), the next occurring on 15 July 2024 where the rent will rise to c. £73,354 per annum (£17.20 psf) assuming RPI growth of 3% per annum.

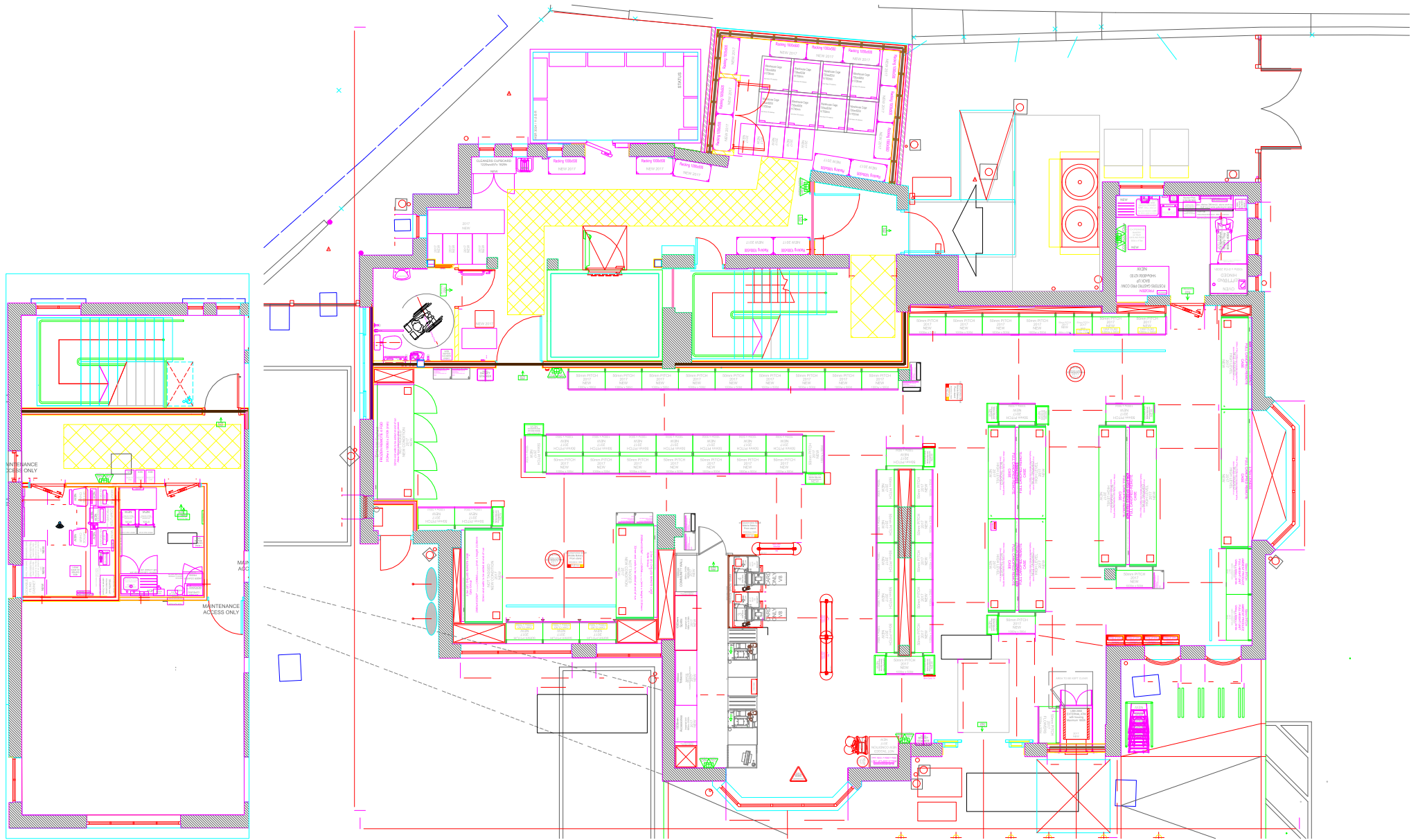
The tenant has the option to determine the lease on 15th July 2024, giving 6 months written notice.

Tenure

The property is held Freehold as outlined in red below (Title number: SKY158687).



Interior image is an example of standard Co-op fitout



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.

Over 2019 the group opened 100 new stores and created over 1,300 jobs, and following 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

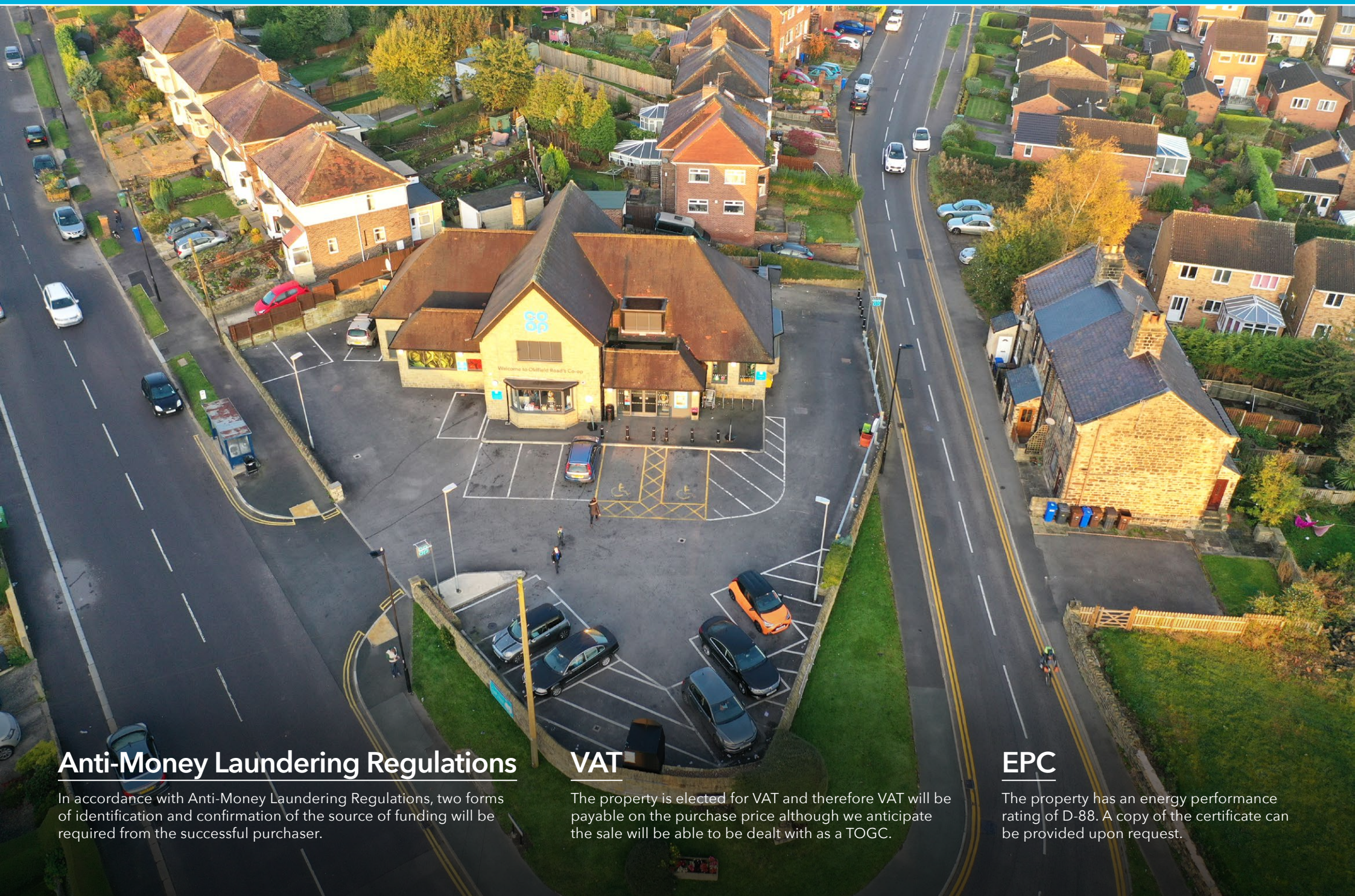


By virtue of privity of contract, the purchaser will enjoy the additional security of recourse to Tesco Stores Limited.

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.

Tesco Stores Limited has reported the following financial results:

Tesco Stores Limited	23rd Feb 2019	24th Feb 2018	25th Feb 2017
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	£5,263,000,000	£4,568,000,000	£1,265,000,000



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

The property has an energy performance rating of D-88. A copy of the certificate can be provided upon request.

Proposal

We are instructed to quote offers in excess of **£1,087,000** exclusive of VAT and subject to contract. A purchase at this level reflects a **5.50%** net initial yield after deducting standard purchase costs.

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

Year	£ Rent Per Annum	Running Yield
July 2024	£73,354	6.38%
July 2029	£85,037	7.39%

Further Information

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

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