



FREEHOLD CONVENIENCE STORE INVESTMENT

TESCO EXPRESS

ROSSMORE ROAD WEST | LITTLE SUTTON | WIRRAL | CH66 1JG

**mason
owen**

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INVESTMENT SUMMARY

- Well located convenience store in a densely populated residential area
- Ideal SIPP opportunity
- Let to Tesco Stores Ltd
- VAT elected
- Passing Rent £51,495 per annum
- Seeking offers in excess of £775,000 subject to contract and exclusive of VAT
- Net Initial Yield 6.30% after costs at 5.45%
- Potential Reversionary Yield 7.22% in 2020.

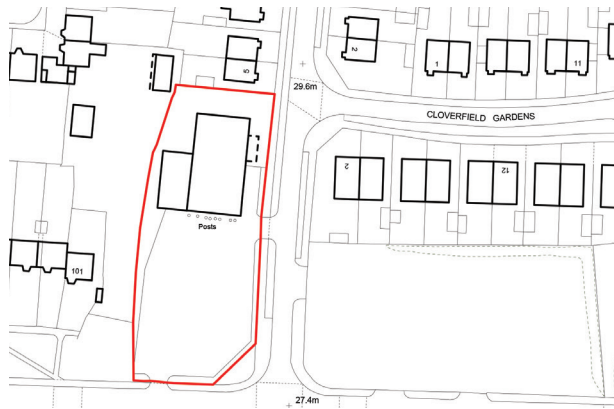


LOCATION

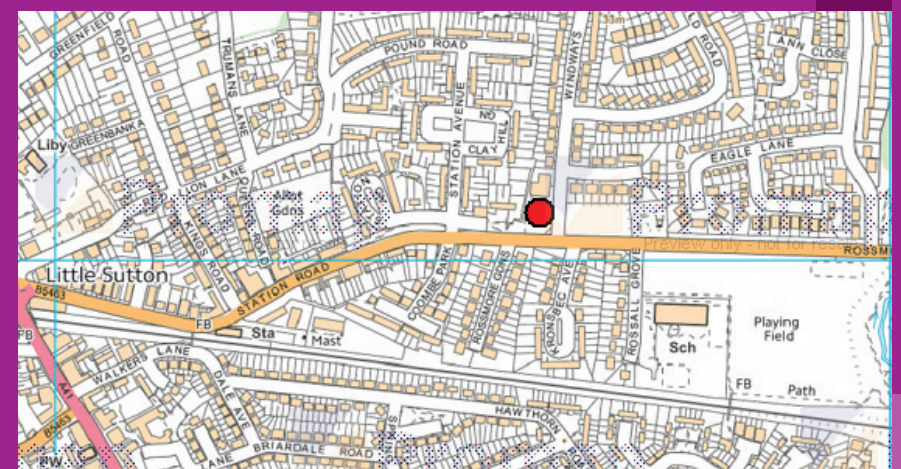
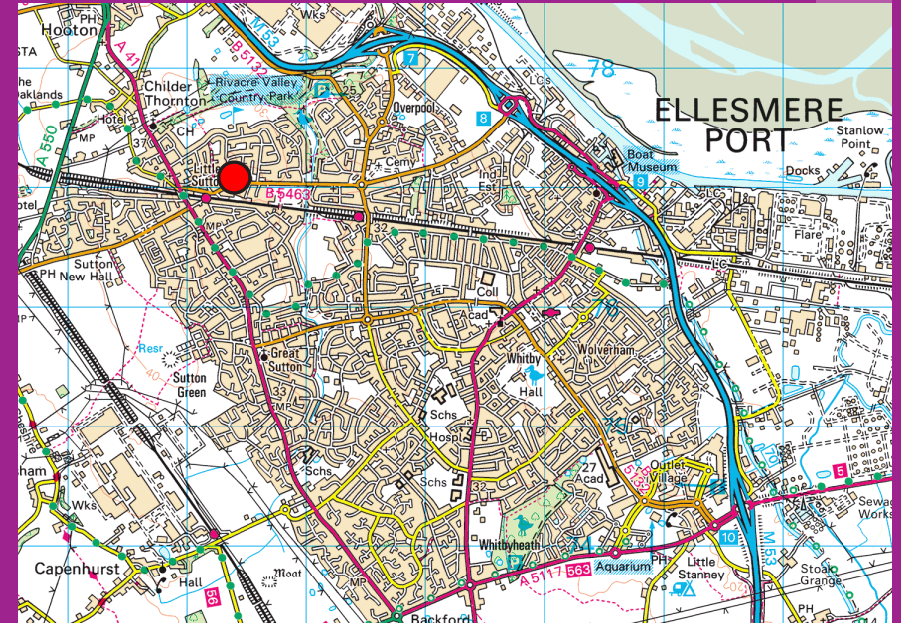
The property is located in Little Sutton a village in North West Cheshire located 5 miles north of Chester on the Wirral peninsular. Experian indicates a catchment population within 5 minutes drive time of the subject property of 16,444 people. The three highest Mosaic groups within this catchment are Suburban Stability 22.76%, Prestige Positions 13.38% and Aspiring Homemakers 12.30%.

SITUATION

The subject property is situated fronting Rossmore Road West (B5463) in what is a densely populated residential area. The B5463 runs west to east linking the A41 Chester Road with Junction 8 of the M53.



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DESCRIPTION

The subject property comprises a detached part two-storey and part single-storey building of brick construction with pitched tiled roof to the two-storey section and flat felt roof to the single-storey section. The property previously traded as a public house but was converted in 2011 to provide a Tesco Express Convenience Store and self-contained bookmakers. The subject property sits on a site of approximately 0.64 acres and provides 37 car park spaces.

ACCOMMODATION

The property has been measured in accordance with RICS Property Measurement 1st Edition.

Ground Floor Sales	276.1 ft ²	2,972 ft ²
Ground Floor Ancillary	94.4 m ²	1,016 ft ²
First Floor Ancillary (Void)	102 m ²	1,098 ft ²
Total	370.5 m ²	5,086 ft ²

TENURE

Freehold

TENANCY

Unit 1 - Sold off by way of a long leasehold for a term of 999 years from 21st May 2002 at a peppercorn rent to David Pluck Bookmakers.

Unit 2 - Let to Tesco Stores Ltd for a term of 20 years from 23rd August 2010 at a passing rent of £51,495 per annum. The lease is drawn on Full Repairing & Insuring terms with a provision for the rent to be reviewed every 5 years in an upward only direction linked to RPI compounded annually with a cap & collar at 4% & 1%. The lease contains a tenant's option to break at the end of the 15th year of the term.

Based on RPI predictions from the Office of Budget Responsibility the rent at the next review in 2020 will increase to £59,034 per annum.

TENANT'S COVENANT INFORMATION

Tesco is the third largest retailer in the world measured by profits and employs over 476,000 people. In the UK, Tesco operates over 3,500 stores and employs over 310,000 people.

Tesco continues to dominate the UK's grocery sector with the recent figures from Kantar Worldpanel for the 12 weeks ending 26 March 2017 showing Tesco with a current market share of 27.6%, significantly ahead of its rival Sainsburys, with a current market share of 16.1%.

For the last 3 years Tesco Stores Ltd has reported the below results:

	27 Feb 2016 (000's)	28 Feb 2015 (000's)	22 Feb 2014 (000's)
Turnover	£39,843,000	£42,278,000	£42,547,000
Pre-Tax Profit	£231,000	£3,727,000	£1,696,000
Tangible Net Worth	£1,077,000	£98,000	£3,038,000

EPC

Unit 1 Band C 64

Unit 2 Band C 62

VAT

The subject property is elected for VAT. Providing certain criteria are met, the transaction may be treated as a transfer of a going concern.

PRICE

We are instructed to seek offers in excess of **£775,000** subject to contract and exclusive of VAT. A purchase at this price will reflect a Net Initial Yield of 6.30% and a potential Reversionary Yield of 7.22% in 2020 after allowing for purchaser's costs of 5.45%.



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FURTHER INFORMATION

For an appointment to view please do not hesitate to contact:

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MISREPRESENTATION ACT 1967

Messrs. Mason Owen & Partners for themselves and for vendors or lessors of this property whose agents they are give notice that:

- 1) The particulars are set out as a general outline for the guidance of intended purchasers or lessees and do not constitute, nor constitute part of, an offer or contract.
- 2) All descriptions, dimensions, reference to condition and necessary permissions for use and occupation and other details, are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them.
- 3) No person in the employment of Messrs. Mason Owen & Partners has any authority to make or give any representation or warranty whatever in relation to this property.

FINANCE ACT 1989

Unless otherwise stated, all prices and rents are quoted exclusive of VAT.

PROPERTY MISDESCRIPTIONS ACT 1991

These details are believed to be correct at the time of completion but may be subject to subsequent amendment.

SUBJECT TO CONTRACT & EXCLUSIVE OF VAT