

# SECURE CONVENIENCE STORE INVESTMENT OPPORTUNITY

TESCO, SILVERDALE ROAD, EARLEY, READING, BERKSHIRE RG6 7NG



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## INVESTMENT SUMMARY

- **Secure convenience store investment opportunity**
- Well presented, **recently converted and refurbished** c-store
- Provides a total of **3,929 sq ft**
- **Excellent location** adjacent to two large schools and the nearby University of Reading campus
- Freehold site of **c 0.54 acres**
- Let to **Tesco Stores Limited**
- **20 year FRI lease** from 8 August 2014 subject to TOB on 7 August 2029
- **14.8 years** to expiry, 9.8 years to break
- Initial rent of **£84,814 per annum** (£21.59 psf)
- 5 yearly upward only RPI reviews (0% & 4% collar and cap)
- Offers in excess of **£1,450,000 (STC)**
- Representing a Net Initial Yield of **5.51%**
- Estimated reversionary yield of **6.39%** in August 2024 and **7.41%** RY in August 2029



## LOCATION

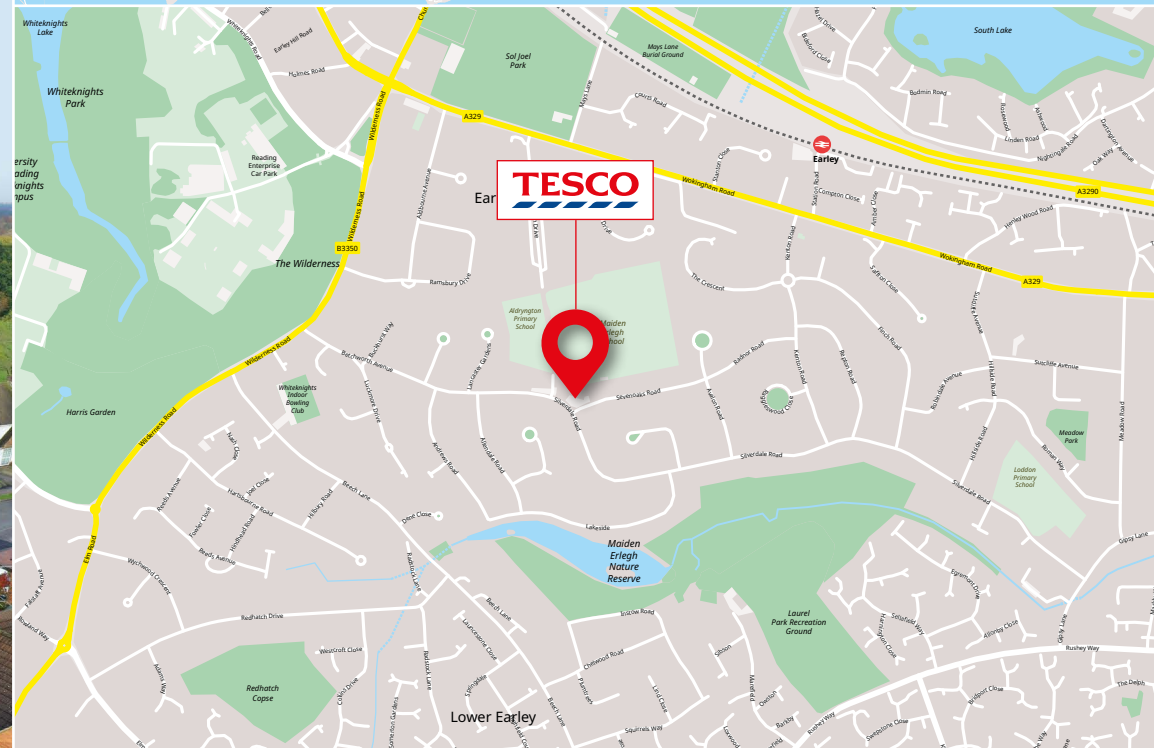
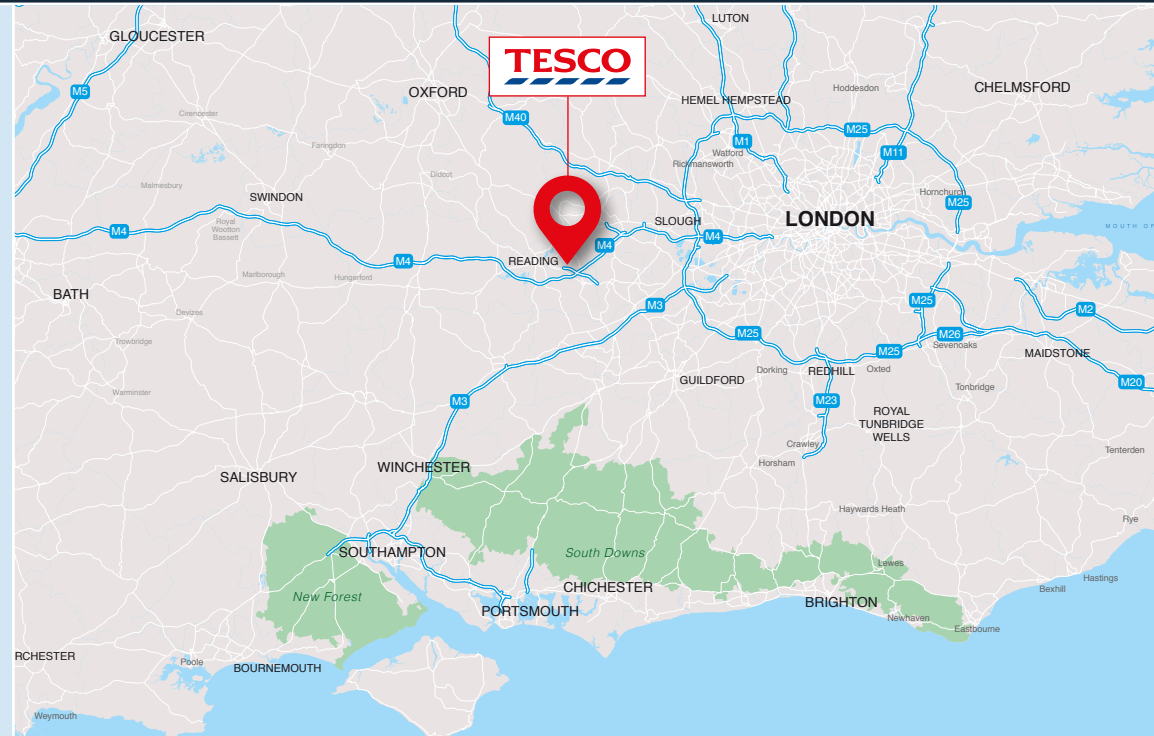
Reading is a popular regional retailing destination and a major commercial and administrative centre for the Thames Valley Region. The town is strategically located 41 miles (66km) west of Central London, 25 miles (41km) south east of Oxford and 80 miles (130km) east of Bristol.

Reading's primary retail catchment had a total population of 338,000 at the end of 2018. The town's affluence is reflected in the significantly above average proportion of the most affluent AB social group and an under-representation of the least affluent, C2 and DE categories.

## SITUATION

Early is a densely populated residential suburb of Reading, lying approximately 3 miles south east of the town centre. The property occupies a highly prominent corner position on Silverdale Road, a key trunk road for the area, alongside other complimentary neighbourhood retail shops which together form a local convenience hub.

Immediately to the rear of the site are two large primary/secondary schools, which along with the nearby University of Reading Campus (total enrolment of over 17,000 students) provide a significant boost to patronage around midday and school closing hours.







UNIVERSITY OF  
READING

READING

ALDRINGTON  
PRIMARY SCHOOL

MAIDEN ERLEGH  
SCHOOL

SILVERDALE  
COMMUNITY  
CENTRE

**TESCO**  
EARLEY, READING

TO READING

SILVERDALE ROAD

TO LOWER EARLEY



## DESCRIPTION & ACCOMMODATION

The property comprises a large 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 3,929 sq ft and provides ground floor sales space with delivery, ambient and refrigerated stock areas, and staff room/WC to the rear. The first floor is unused.

The property sits on a site of 0.54 acres (0.22 hectares) and includes a delivery area with the remainder providing car parking for 19 vehicles.

## TENURE

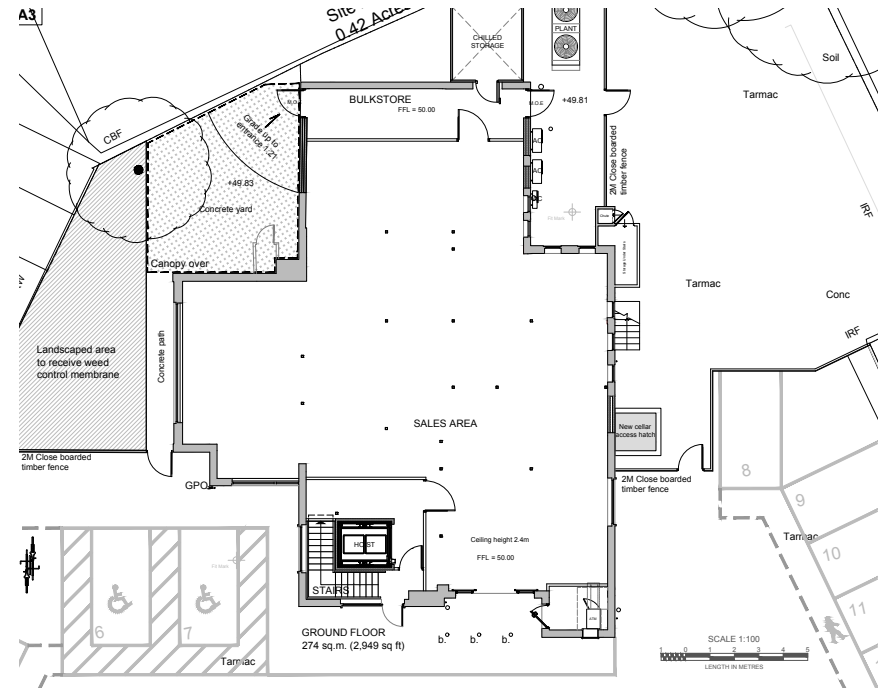
The property is held Freehold as outlined in red below (Title number: BK29966).

The area highlighted in red forms the effective ownership.

## TENANCY

The property is let to Tesco Stores Limited on a full repairing and insuring lease for a term of 20 years from 8th August 2014, expiring 7th August 2034 subject to a tenant's option to determine on 7th August 2029 on 6 months' notice.

The current rent of £84,814 per annum (£21.59 psf) is to be reviewed every 5 years in line with the retail price index (collared and capped at 0% & 4%), the next being on 8th August 2024.





**COVENANT STATUS**



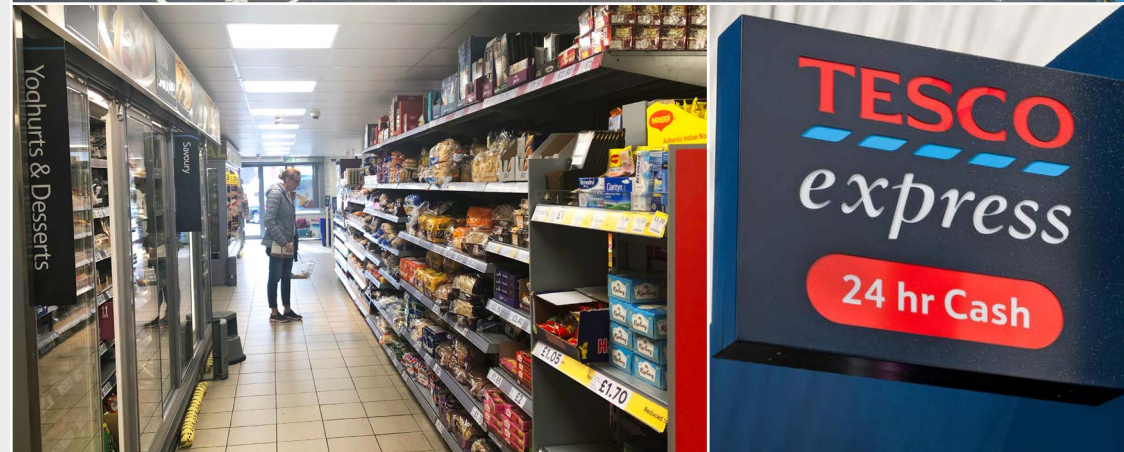
Tesco Stores Limited (Company Number: 519500) is a wholly owned subsidiary of Tesco PLC which was founded in 1919.

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's parent company, Tesco PLC, is listed on the London Stock Exchange and is a constituent of the FTSE 100 Index. It had a market capitalization of approximately £18.1 billion as of 22 April 2015, the 28th-largest of any company with a primary listing on the London Stock Exchange.

A summary of Tesco Stores Limited recent accounts is set out below.

TESCO STORES LIMITED	23 FEB 2019	24 FEB 2018	25 FEB 2017
TURNOVER	£42,219,000,000	£41,367,000,000	£40,134,000,000
PRE-TAX PROFIT	£737,000,000	£417,000,000	£266,000,000
SHAREHOLDER FUNDS	£5,623,000,000	£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. It is anticipated the transaction will be dealt with as a transfer of a going concern.

**EPC**

The property has an energy performance rating of D-76. A copy of the certificate can be provided upon request.

## PROPOSAL

We are instructed to quote offers in excess of **£1,450,000** exclusive of VAT and subject to contract. A purchase at this level reflects a **5.51%** net initial yield after deducting standard purchase costs.

YEAR	£ RENT PER ANNUM	RUNNING YIELD
INITIAL RENT	<b>£84,814</b>	<b>5.51%</b>
AUGUST 2024	<b>£98,323</b>	<b>6.39%</b>
AUGUST 2029	<b>£113,983</b>	<b>7.41%</b>

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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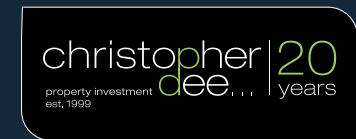
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