



TESCO

**SECURE CONVENIENCE STORE
INVESTMENT OPPORTUNITY**

TESCO, 83-85 WILTON ROAD, SALISBURY, WILTSHIRE SP2 7HW

christopher | 20
property investment | dee, ... | years
est. 1999



INVESTMENT SUMMARY

- Secure convenience store investment opportunity
- Well-presented, recently converted and refurbished unit
- Provides a total of 5,171 sq ft
- Freehold site of c 0.23 acres
- Let to Tesco Stores Limited
- 20 year FRI lease from 11 November 2014 with TOB on 11 November 2024
- 15 years to expiry, 5 years to break
- Low initial rent, expected to be **£50,800 per annum**, (£9.82 psf)
- 5 yearly upward only RPI reviews (0% & 4% collar and cap)
- Offers in excess of **£800,000 (STC)**
- Representing a Net Initial Yield of **6.02%** following imminent rent review
- Further increases to **6.98%** on 11 November 2024 and **8.09%** on 11 November 2029.

LOCATION

Salisbury is a cathedral city and the sole city within the county of Wiltshire. It is located approximately 37 km (23 miles) north west of Southampton, 63 km (39 miles) south east of Bath, 77 km (48 miles) south east of Bristol and 134 km (83 miles) south west of central London.

Salisbury has a resident population of 41,682 (2011 census) but draws from a much wider catchment due to the lack of nearby competing retail centres. Experian estimate the retail catchment population is 244,000 persons. The resident population is boosted significantly by tourism, particularly visiting the medieval cathedral and nearby Stonehenge, which is approximately 8 miles to the north west.

SITUATION

The property is situated fronting Wilton road, the primary A36 trunk road which runs west of Salisbury City Centre connecting directly with the train station. The road has a daily traffic flow of over 16,400 vehicles according to the DfT.

The neighbourhood is a densely populated residential area, with significant employment provided by the large Churchfields Industrial Estate just to the south of the subject property.





SALISBURY

SALISBURY CATHEDRAL

CHURCHFIELDS INDUSTRIAL ESTATE

SALISBURY STATION

TESCO
SALISBURY

TO SALISBURY

WILTON ROAD

SALISBURY LAW COURTS /
MANOR FIELDS SCHOOL

DESCRIPTION & ACCOMMODATION

The property comprises a large convenience store converted from a former public house, which was extensively refurbished and extended in 2018, with render elevations under a pitched tiled roof.

The property extends to a total of 5,171 sq ft and provides ground floor sales space with delivery, ambient and refrigerated stock areas, and staff room/WC to the rear. The basement and first floors are unused.

The property sits on a site of 0.23 acres (0.087 hectares) which includes a delivery yard a part of the car park to the side and rear that provides spaces for 13 vehicles.

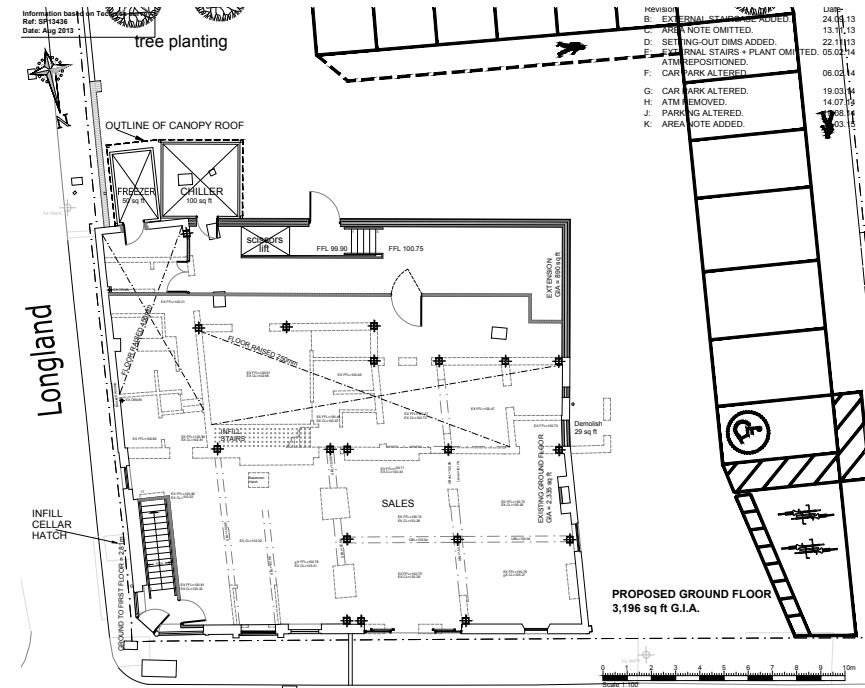
TENURE

The property is held Freehold as outlined in red below (Title number: WT179185).

TENANCY

The property is let to Tesco Stores Limited on a full repairing and insuring lease for a term of 20 years from 11 November 2014, expiring 10 November 2034 subject to a tenant's option to determine on 11 November 2024 on 6 months' notice.

The initial rent of £45,000 per annum is to be reviewed every 5 years in line with the retail price index (collared and capped at 0% & 4%), the next occurring on 11 November 2019 where it is expected the rent will rise to c£50,800 per annum (£9.82 psf).



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-88. A copy of the certificate can be provided upon request.

PROPOSAL

We are instructed to quote offers in excess of **£800,000** exclusive of VAT and subject to contract. A purchase at this level reflects a **6.02%** net initial yield after deducting standard purchase costs.

YEAR	£ RENT PER ANNUM	RUNNING YIELD
IMMINENT REVIEW	£50,800	6.02%
NOVEMBER 2024	£58,891	6.98%
NOVEMBER 2029	£68,270	8.09%

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

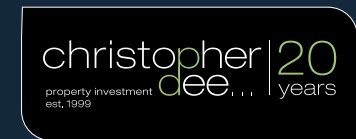
FURTHER INFORMATION

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

Daniel Campbell
Tel: 07741 593 968
Email: dc@christopherdee.co.uk

Mark Powell
Tel: 07825 077 724
Email: mp@christopherdee.co.uk

Christopher Dee
40 Peter Street
Manchester
M2 5GP



MISREP: The accuracy of any description, dimensions, references to condition, necessary permissions for use and occupation and other details contained here in is not guaranteed and is for general guidance only and prospective purchasers or tenants must not rely on them as statements of fact or representations and must satisfy themselves as to their accuracy. Christopher Dee nor any of its employees or representatives has any authority to make or give any representation or warranty or enter into any contract whatever in relation to the property. Rents quoted in these particulars may be subject to VAT in addition. 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. November 2019.