



SECURE CONVENIENCE STORE INVESTMENT OPPORTUNITY

THE CO-OPERATIVE, 17 MARTIN HARDIE WAY,
TONBRIDGE TN10 4AE

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Investment Summary

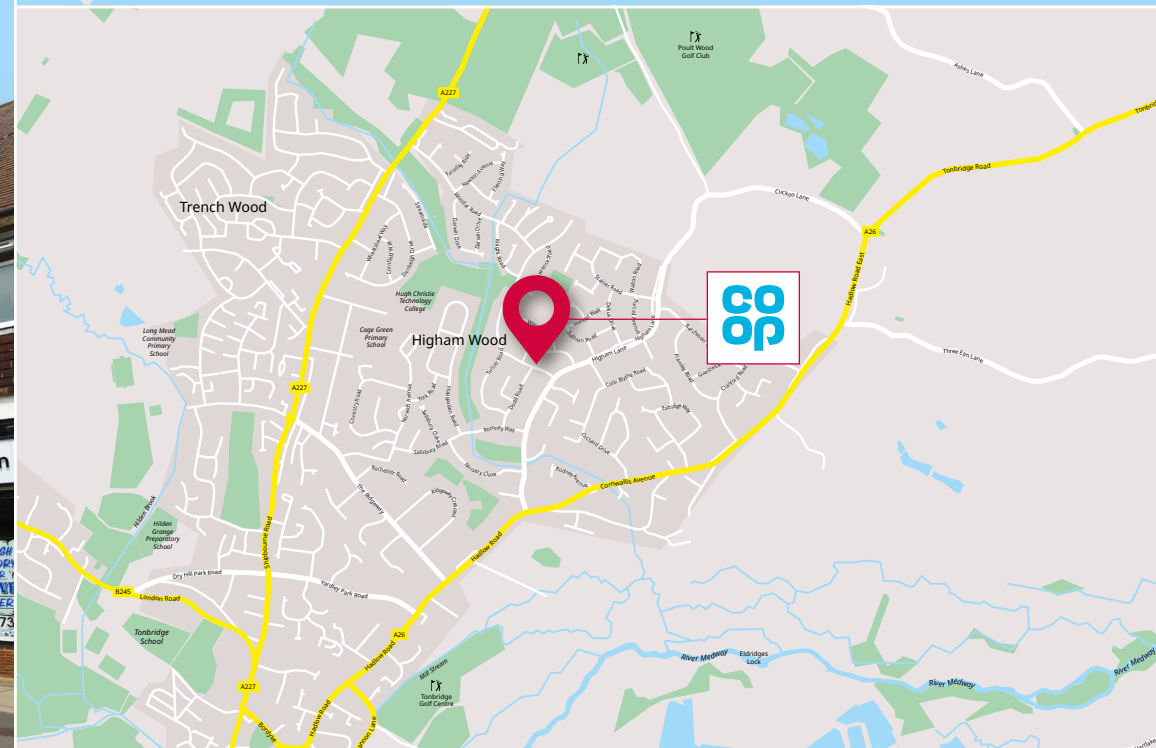
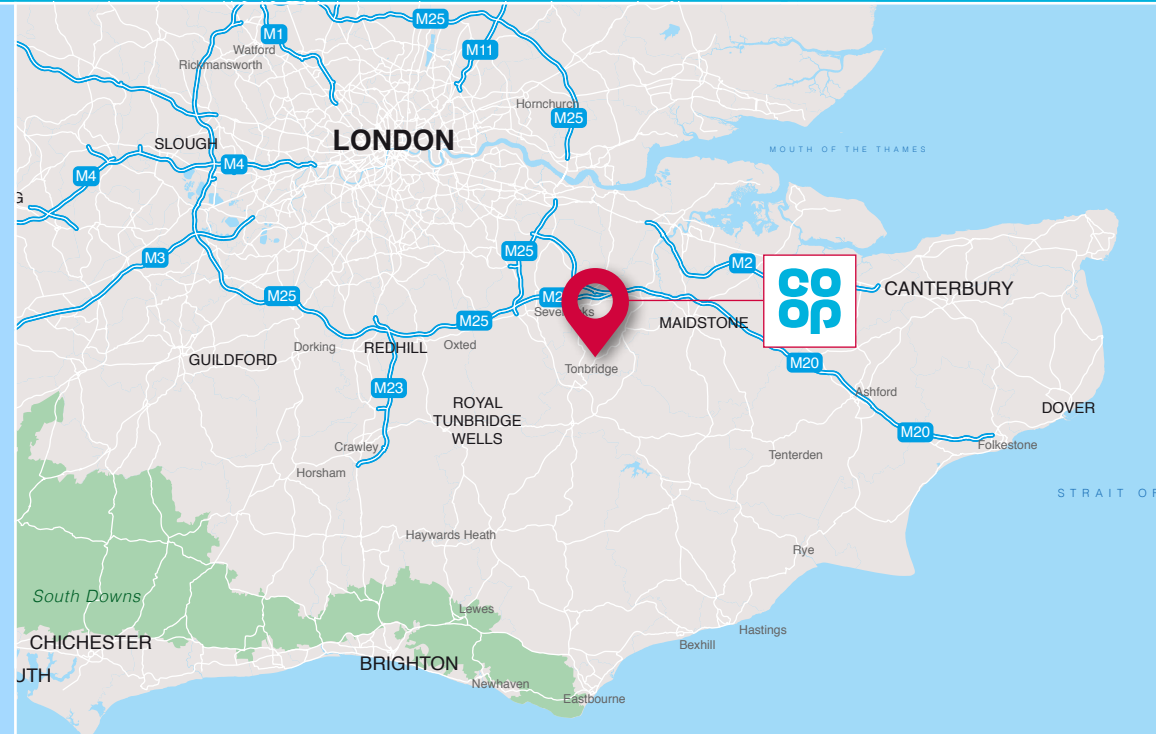
- **Secure convenience store investment opportunity**
- **Located in a densely populated town in the south east**
- **Converted/extended building** refitted in 2015 and scheduled for latest Co-op branding in 2020
- Provides a total of **3,324 sq ft**
- Freehold site of c. **0.126 acres** (0.051 hectares)
- **Sale and leaseback** to undoubted covenant of Co-operative Group Food Limited (D&B 5A1)
- **15 year FRI lease** without break from completion of sale
- Low initial rent of **£55,000 per annum** (£16.55 psf)
- **5 yearly upward only CPI reviews** (1-3% collar and cap)
- Offers in excess of **£982,000 (STC)**
- Representing a Net Initial Yield of **5.25%**
- Estimated reversionary yield of **6.08%** in the 5th anniversary and **7.05%** in 10th anniversary

Location

Tonbridge is a large and prosperous market town in Kent, 4 miles north of Royal Tunbridge Wells and 12 miles south west of Maidstone. The town has a resident population of c. 40,500, rising to 130,500 at a district level.

Higham is a densely populated residential suburb of Tonbridge with multiple schools including Cage Green Primary, Woodlands Primary and Hugh Christie School.

The town has a wealthy catchment and ranks within the top 25% of authorities for residents earnings, employment rate and GVA per head. Average house prices in Tonbridge are at £400,000, 73% above the national average.



WOODLANDS PRIMARY SCHOOL

CAGE GREEN PRIMARY SCHOOL

HUGH CHRISTIE SCHOOL



HIGHAM LANE

HIGHAM LANE

TO TONBRIDGE

TO ROYAL TUMBRIDGE WELLS



Situation

The property sits on a prominent position within a local retail parade with other occupiers including independent restaurants/takeaway, a McColls C-store, a beauty salon and optometrists. As such the parade provides the primary convenience shopping for the many residents in the local area, and save for the McColls opposite there is limited competition in the catchment.

The Co-op store sits at the end of the parade, with plentiful street parking provided.

Description & Accommodation

The property itself comprises a single storey retail terrace with brick elevations under a pitched tiled roof. The property has been extended in 2015 to provide more sales and storage space, and extends to a total of 3,324 sq ft (split between sales of 2,455 sq ft and back of house of 869 sq ft).

The property sits on a site of 0.126 acres (0.051 hectares) and includes a side entrance for deliveries. There is plentiful street parking provided to the front of the store.

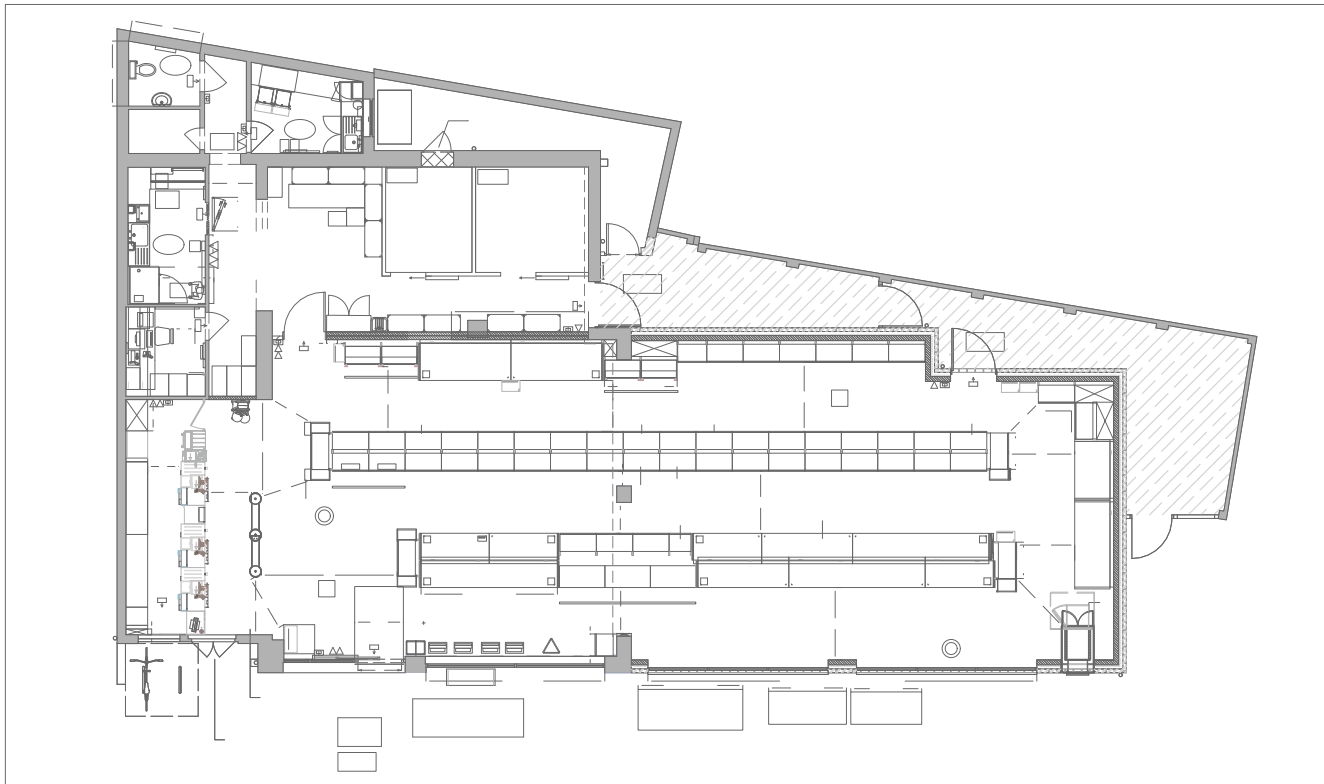
Tenancy

The property will be let from completion of the sale to the Co-operative Group Food Limited on a full repairing and insuring lease for a term of 15 years.

The initial rent of £55,000 per annum (£16.55 psf) is to be reviewed every 5 years in line with the consumer price index (capped and collared at 1%-3%).

Tenure

Freehold (Title number: TT55925).



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.

In the first half of 2018 the group opened 45 new stores and created 600 jobs, and with 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 January 2019	6th January 2018	31st December 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





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. The transaction will not be able to be dealt with as a TOGC.

EPC

The property has an energy performance rating of C-68. A copy of the certificate can be provided upon request.

Proposal

We are instructed to quote offers in excess of **£982,000** exclusive of VAT and subject to contract. A purchase at this level reflects a **5.25%** net initial yield and after deducting sale and leaseback purchase costs of 6.73%.

Year	£ Rent Per Annum	Running Yield
Initial Rent	£55,000	5.25%
Year 5	£63,760	6.08%
Year 10	£73,915	7.05%

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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