

IMAGE SHOWS REFURBISHMENT
FOR NEW CO-OP STORE FRONTAGE
COMPLETION - 16TH OCTOBER 2018



GOLDEN CROSS PARADE

ASHINGDON ROAD, ROCHFORD
ESSEX SS4 1UB

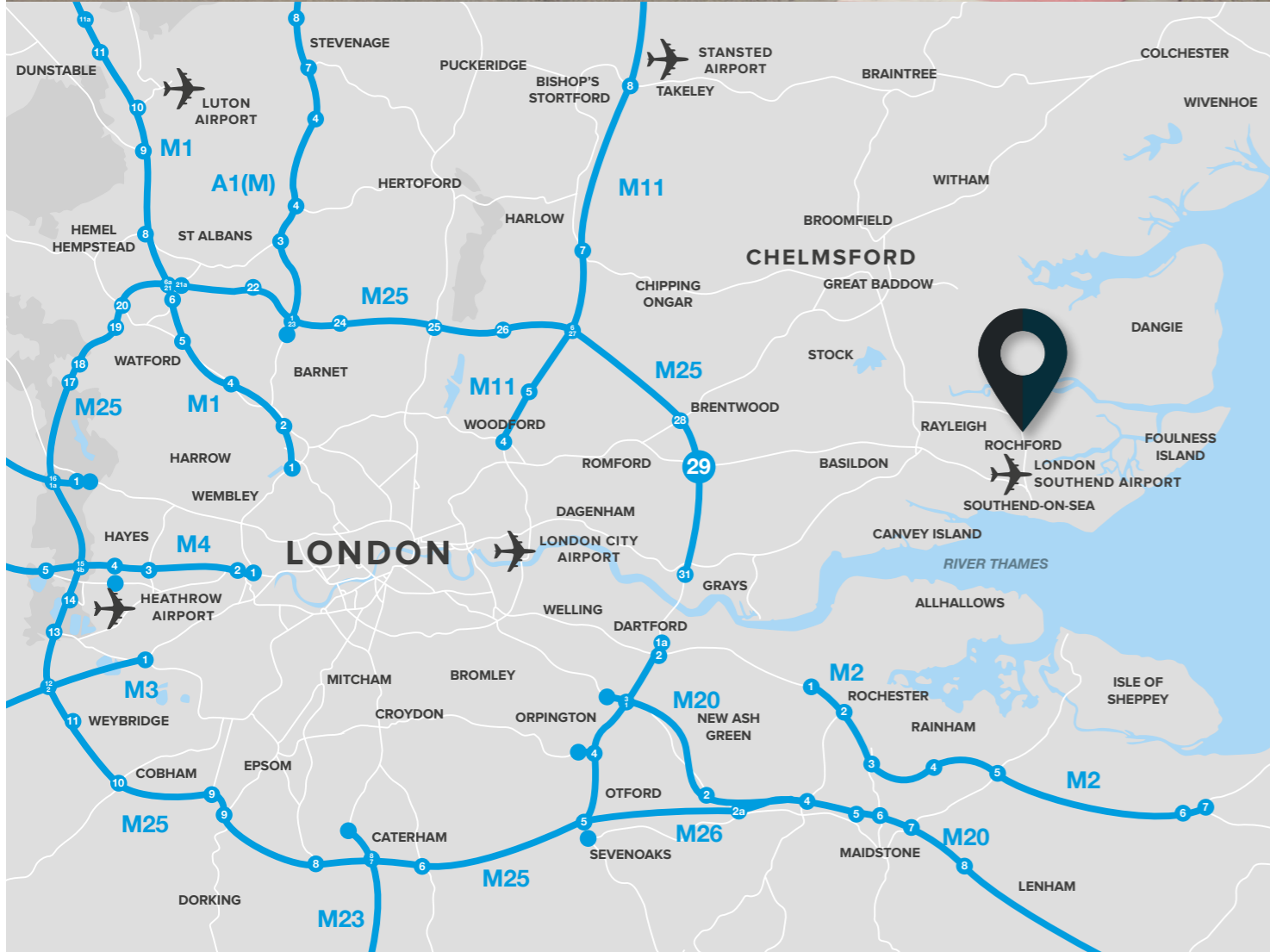
CO-OP ANCHORED RETAIL PARADE WITH RESIDENTIAL UPPERS SOUTH EAST

ENTER

INVESTMENT SUMMARY

- **Local shopping parade and residential investment** in the South East
- Situated in a **busy residential area close to Rochford Station**
- Busy commuter area **close to London and London Southend Airport**
- **21,781 sq ft** on a site of **1.01 acres (low site density of 32%)**
- Ground floor retail with apartments over 2 floors above
- **8,929 sq ft** of retail accommodation
- Retail comprises a supermarket (**5 unit shops combined**) and **12 unit shops**
- **12,852 sq ft** of residential accommodation within **17 duplex flats**
- Total income of **£228,350 per annum**
- **70%** of the total revenue derives from the commercial rents, **30%** from the residential rents
- **26%** of total income is secured against 5A1 covenant of **Co-operative Group Food Limited**
- **Co-operative Group Food Limited** is a D&B 5A1 rated covenant
- **Low base rents** with scope for significant reversion
- AWULT of **6.49 years** to expiry, **6.25 years** to break
- **Development potential** via a further light weight extension on the roof (STP)
- Quoting offers in excess of **£2,675,000 (STC)**
- **8.09% Net Initial Yield, 9.76% Reversionary Yield**





LOCATION

Rochford is a town in the Rochford district of Essex in the South East of England. It lies 43 miles from Central London and approximately 21 miles from Chelmsford. The town has a local population of 8,471 people (2011 census), increasing to 86,200 for the district.

The town benefits from good transport links to London, and is readily accessible by road, rail and air. The A127 continues westwards to the M25, and from there access to London and the rest of the south east. The A130 runs to the north and provides access to Chelmsford and Colchester.

Rochford railway station has direct trains to Southend Victoria (10 minutes) and London Liverpool Street Station (52 minutes), making the town popular for commuters.

London Southend Airport lies just 1.3 miles to the south of Rochford town centre, serving more than 1,000,000 customers a year to short haul European destinations. The airport saw a 37% growth in passenger numbers and Stobart have announced a further £40m investment over the next 4 years taking capacity to 5,000 flights per year by 2022.

GOLDEN CROSS
PARADE

CO-OP ANCHORED RETAIL PARADE
WITH RESIDENTIAL UPPERS



GOLDEN CROSS
PARADE

RECTORY ROAD

ASHINGDON ROAD

↙ TO ROCHFORD TOWN CENTRE

GOLDEN CROSS
PARADE

CO-OP ANCHORED RETAIL PARADE
WITH RESIDENTIAL UPPERS

SITUATION

The property is located to the North of the town, fronting the main thoroughfare, Ashington Road and with the access to the car park coming off Rectory Road to the south and Mansted Gardens to the north. The immediate area surrounding the property consists primarily of high density residential properties, with The King Edmund Secondary School located in close proximity.

There is also a small retail parade directly opposite the subject property, providing a local convenience centre for residents. This parade is occupied by hairdressers, a Coral Bookmakers, a kitchen showroom, an estate agents, veterinarian and physiotherapists.

The traditional retail high street of Rochford is located along West and North Street, which are to the south of the subject property. Retail in the town centre includes a strong core of independent retail and leisure operators, as well as national occupiers including Greggs, Upper Crust, Sainsbury's and Londis.



GOLDEN CROSS
PARADE

CO-OP ANCHORED RETAIL PARADE
WITH RESIDENTIAL UPPERS



DESCRIPTION

The property comprises purpose-built retail parades in a 'u' shaped configuration with residential apartments above arranged over ground and two upper floors. The property is of traditional concrete framed construction with brick and window fenestrations around an internal courtyard.

We estimate the building to have been constructed in the 1970's.

GOLDEN CROSS
P A R A D E



The internal courtyard contains a surface car park for approximately 20 vehicles dedicated to residents of the upper floor flats. Included in the demise is a further concrete surface car park to the front and sides of the building containing spaces for a further 20 vehicles.

Outside the demise, to the front of the property (Ashington Road), is a free to use Council owned car park for 11 vehicles and 5 recycling bins.

CO-OP ANCHORED RETAIL PARADE
WITH RESIDENTIAL UPPERS

TENANCY / ACCOMMODATION / EPC

The property is multi let in accordance with the tenancy schedule below. The ground floor units are let on FRI terms with the residential tenants occupying on a standard AST basis.

COMMERCIAL INCOME SCHEDULE

KEY Retail Green - Residential Blue - Retail and Residential Combined

Unit	EPC	54 Act	Tenant	Area	Lease Start	Term	Lease Expiry	Current Rent	Rent PSF	ERV	ERV (PSF)	Comments
Block A												
1	C-66	No	Cem Pasha	425 sq ft	25/07/2018	2	24/07/2020	£7,000	£16.47	£7,000	£15.00	Renewal recently agreed 2 year term at £7,000 per annum.
2	-	Yes	Mr TE & Mrs LT Burrage	415 sq ft	08/04/2013	12	07/04/2025	£15,000	£36.14	£6,225	£15.00	Rent review agreed at £15,000 per annum in April 2018. Lease end 2025.
3	D-82	Yes	Andrew Keith Hall & Nicola Sharon Hall	413 sq ft	16/06/2010	10	15/06/2020	£6,750	£16.34	£6,195	£15.00	Lease end 2020.
Block B												
4-8	-	Yes	Co-operative Group Food Limited	3,846 sq ft	01/11/2018	15	01/11/2033	£60,000	£15.60	£59,996	£15.60	Renewal lease of Co-op store. Lease to be granted on completion.
9	C-62	Yes	Rajubhai patel	440 sq ft	31/05/2018	15	30/05/2033	£13,000	£29.55	£15,400	£35.00	Recently agreed regear.
10	C-71	Yes	Chemicrest Limited	491 sq ft	25/12/2000	20	24/12/2020	£13,750	£28.00	£18,000	£36.66	Lease end 2020. Regear agreed at £18,000 per annum with expiry in December 2033, yet to complete.
Block C												
11	-	No	Oi Phan Law	418 sq ft	24/06/2013	10	23/06/2023	£13,000	£31.10	£6,270	£15.00	June 2018 review being negotiated. Tenant break on 24/12/2020.
12	D-88	Yes	AMS Beauty Limited	418 sq ft	09/11/2007	3	08/11/2010	£6,750	£16.15	£6,270	£15.00	Renewal in negotiation.
13	C-73	Yes	Golden Crust Bakery Limited	420 sq ft	09/07/2018	10	08/07/2028	£6,000	£14.29	£6,300	£15.00	Tenant of Unit 5 relocating to Unit 13. 10 year term. Tenant break at year 3. Given 3 years rent free. Rent to be topped up by the vendor.
14	D-96	No	Scott Jay Page	413 sq ft	01/05/2017	5	30/04/2022	£6,800	£16.46	£6,195	£15.00	Renewal agreed 5 years from May 2017 at average rent of £6,800 per annum.
15	D-99	Yes	Vacant	392 sq ft	-	-	-	£0	£0.00	£5,880	£15.00	Under offer. Lease agreed.
16	D-97	Yes	Sharon Everitt	398 sq ft	18/10/2018	3	17/10/2021	£5,000	£12.56	£5,970	£15.00	New 3 year lease in legals. £5,000 pa.
17	D-80	Yes	Vacant	440 sq ft	02/10/2018	1	29/07/2019	£6,000	£13.64	£6,600	£15.00	Food Occupying at present. Rental guarantee offered by the vendor. Available once extension works are complete.
Total / Average				8,929 sq ft	-	-	-	£159,050	£17.81	£156,301	£17.51	

* Assumed starting date following relocation.

SERVICE CHARGE

Maintenance is undertaken via a Service Charge:

Year Ending 24th March 2017 **£14,214**

Year Ending 24th March 2018 **£24,451**

The Co-Operative Group Food Limited's lease will have a cap on service charge at £3 psf.

RESIDENTIAL INCOME SCHEDULE

KEY



Retail



Green - Residential

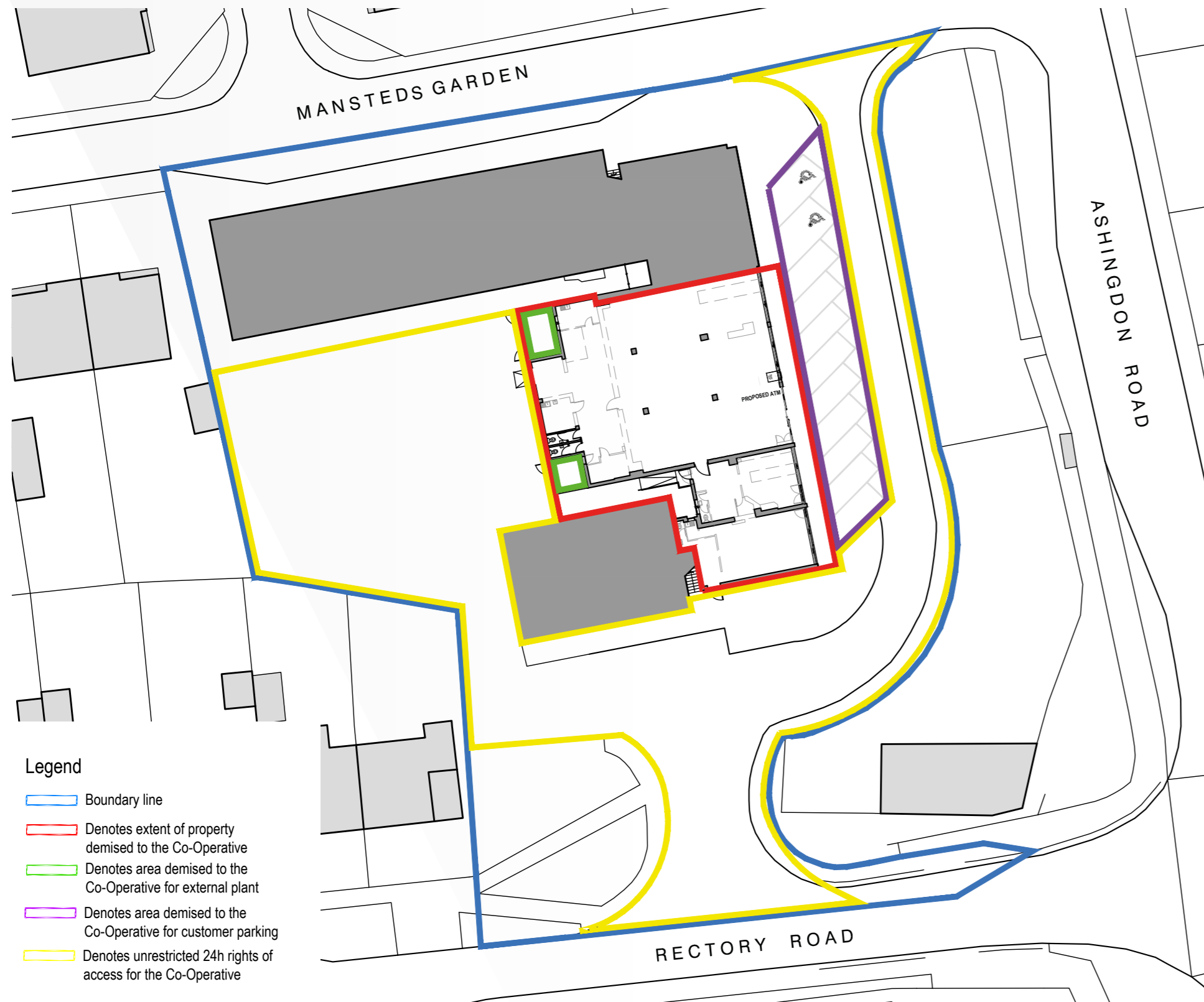


Blue - Retail and Residential Combined

Unit	EPC	54 Act	Tenant	Area	Lease Start	Term	Lease Expiry	Current Rent	Rent PSF	ERV	ERV (PSF)	Comments
Block A												
1a	D-61	-	Mr Richard Pruden, Mrs Hannah Pruden	721 sqft	06/05/2016	0.5	04/11/2016	£9,000	£12.48	£7,200	£9.98	-
2a	-	Yes	Mr TE & Mrs L T Burrage	721 sqft	08/04/2013	12	07/04/2025	Included in commercial above	-	£7,200	£9.98	Residential element of commercial lease. Assume £7,500 per annum in rent for residential portion.
3a	D-56	-	Vacant	796 sqft	-	-	-	-	-	£7,200	£9.05	-
Block B												
4a	D-62	-	Vacant	786 sqft	-	-	-	-	-	£7,200	£9.16	-
5a	-	-	Alan Stanley Davies & Mary Davies	872 sqft	12/07/2001	16.0	11/07/2017	£5,400	£6.19	£7,200	£8.26	Assume £5,400 per annum for residential portion. Confirmation of tenancy required from SH.
6a	F-34	-	Mrs S Lyons	797 sqft	08/10/1999	0.5	07/04/2000	£4,200	£5.27	£7,200	£9.04	-
7a	F-36	-	Mr Richard Pruden, Mrs Hannah Pruden	786 sqft	08/03/2013	1	06/09/2013	£7,380	£9.39	£7,200	£9.16	-
8a	F-30	-	Ms Sarah Rogers	797 sqft	15/05/2004	0.5	13/11/2004	£5,400	£6.78	£7,200	£9.04	-
9a	D-62	Yes	Rajubhai Patel	786 sqft	31/05/2018	15	30/05/2033	Included in commercial above	-	£7,200	£9.16	Residential element of commercial lease. Assume £5,400 per annum for residential portion.
10a	D-55	Yes	Chemicrest	721 sqft	25/12/2000	20.0	24/12/2020	Included in commercial above	-	£7,200	£9.99	Residential element of commercial lease. Assume £5,400 per annum for residential portion.
Block C												
11a	D-58	No	Oi Phan Law	700 sqft	24/06/2013	10	23/06/2023	Included in commercial above	-	£7,200	£10.29	Residential element of commercial lease. Assume £7,500 per annum in rent for residential portion.
12a	D-59	-	Mrs Cerise Myles	721 sqft	05/06/2017	0.5	04/12/2017	£9,000	£12.48	£7,200	£9.98	-
13a	E-48	-	Miss Sally Lawrence	721 sqft	08/02/2015	1	09/08/2015	£6,720	£9.32	£7,200	£9.98	-
14a	F-26	-	Vacant	700 sqft	-	-	-	-	-	£7,200	£10.29	-
15a	F-37	-	Miss Karen huttley	807 sqft	01/12/2008	1	01/06/2009	£7,800	£9.66	£7,200	£8.92	-
16a	E-42	-	Miss Fiona Smith	710 sqft	29/06/2012	0.5	28/12/2012	£7,200	£10.13	£7,200	£10.13	-
17a	D-64	-	Ms Emma Huckstepp	710 sqft	14/10/2010	1	14/04/2011	£7,200	£10.13	£7,200	£10.13	-
Total / Average				12,852 sqft	-			£69,300	£5.39	£122,400	£9.52	Total of £25,800 per annum assumed for residential portion of commercial/residential leases.
Total including assumed residential apportionment								£95,100				
Grand Total				21,781 sqft				£228,350	£10.48	£278,701	£12.80	

TENURE

The property is held freehold under title number EX413929.





COVENANT STATUS



A total of 26.1% of the rental total income is derived from the Co-Operative Group Food Limited with the remaining commercial and residential income derived from either private individuals or local business operators.

Co-operative Group Food Limited (Company Number: IP26715R) is a wholly owned subsidiary of The Co-operative Group Ltd which was established in 1844 and now operates over 7,000 outlets with over 70,000 employees and an annual turnover of £9.50 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.

The group have announced a £160m expansion plan in 2018, opening 100 new food stores and creating 1,600 more jobs.

A summary of their latest company accounts is provided below:

Co-Operative Group Limited	6th Jan 2018	6th Jan 2017
Turnover	£9,470,000,000	£9,472,000,000
Pre-tax Profits	£72,000,000	(£132,000,000)
Shareholder Funds	£3,088,000,000	£3,241,000,000

Experian Delphi Rating 100 (Very Low Risk)

Dun & Bradstreet Rating 5A1

Further information is available at www.co-operativefood.co.uk.

ASSET MANAGEMENT

The asset provides potential investors with a number of development and asset management opportunities.

There is the potential for an extension or addition of floors to fully utilise site area (subject to planning and consents). The residential portion is fully let and demand in the area is strong. The southern boundary to Rectory Road could be demolished and re-built with higher massing and underground parking.

The retail units are small and let to local tenants. The units could be merged and extended to the rear to provide an opportunity to let to multiple national retailers with larger size requirements (Subway, Dominos, KFC etc).

There is the opportunity of an onward sale of the residential apartments piecemeal or to an investor/registered provider at a premium.

DATAROOM

The vendor has prepared a pre-sale due diligence pack:
The following information is available:

- Architects Plans (PDF and CAD – Ground Floor Only)
- Leases
- Searches
- Title Plans & Registers
- EPCs
- CPSEs

INSPECTION TIMETABLE

The property is available for inspection on the following dates, subject to prior arrangement:

Wednesday 10th October – 9.30am - 2.00pm

Thursday 18th October – 12.30pm - 17.00pm

VAT

VAT will be payable on the purchase price. It is anticipated that the sale will be dealt with as a transfer of a going concern.

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.

PROPOSAL

We are seeking offers in excess of

£2,675,000

for our client's freehold interest subject to contract and exclusive of VAT.
A purchase at this level reflects the following:

 **8.09%**
Net initial yield

 **9.76%**
reversionary yield

 **£123**
Capital value psf.

FURTHER INFORMATION

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

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property investment

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