



# SECURE CONVENIENCE STORE INVESTMENT OPPORTUNITY

2 BRIDLE PATH, WOODCOTE, SOUTH OXFORDSHIRE RG8 0SE

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## Investment Summary

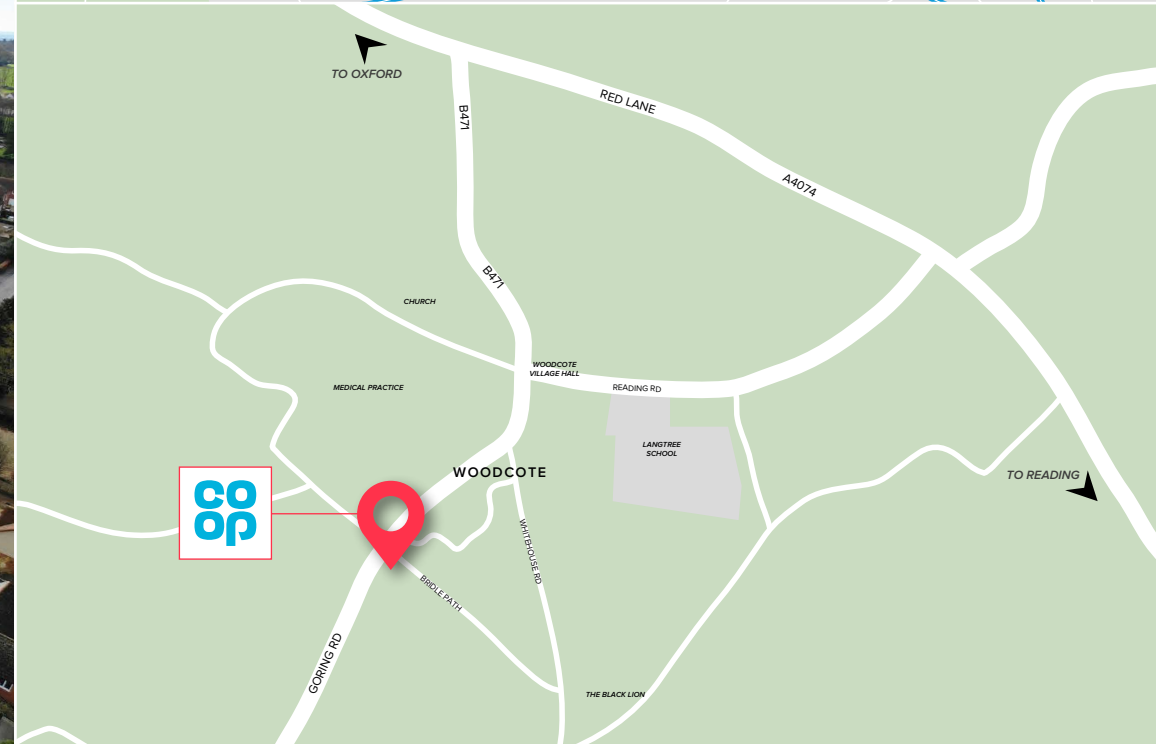
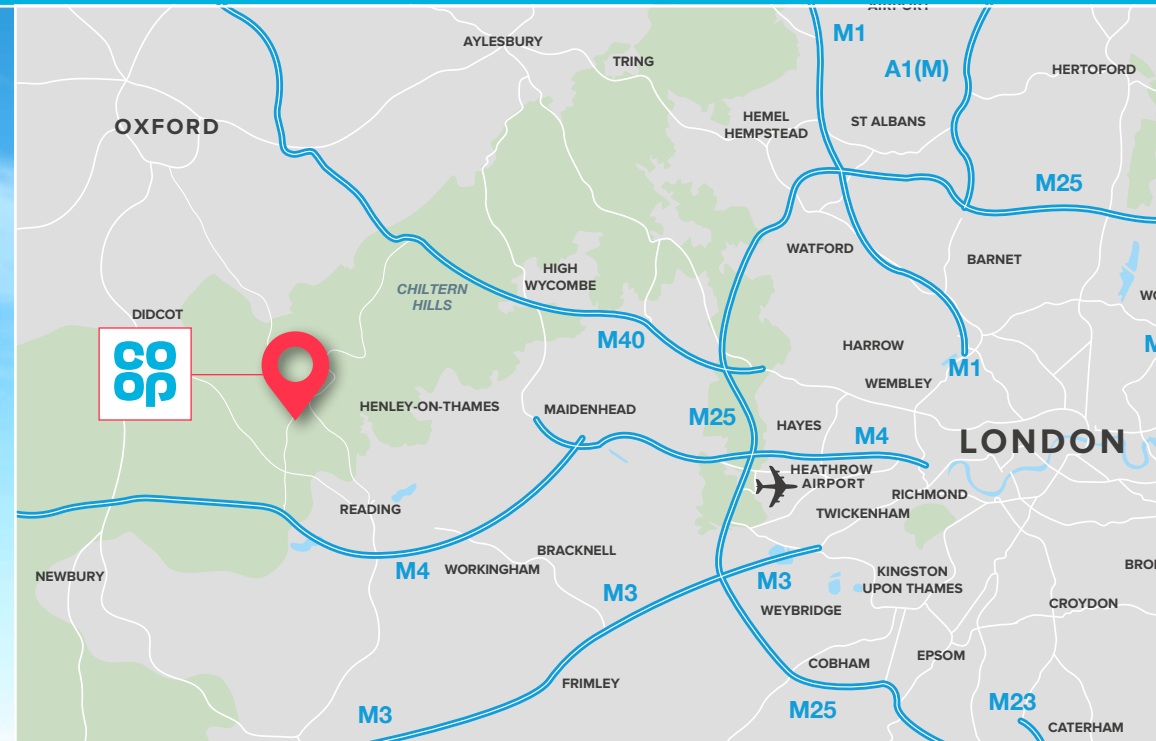
- Recently extended neighbourhood convenience store in wealthy South East town
- Prominently situated on the town's high street
- Primary food/convenience shopping for the local catchment
- Total gross internal area of **5,273 sq ft**
- Sale and leaseback to the Co-operative Group Food Limited on a new **15-year full repairing** and insuring lease without breaks from completion of the sale.
- Initial rent of **£75,000 per annum** (£14.22 psf)
- 5 yearly rent reviews in line with CPI (collared and capped at 1-3%)
- **Freehold**
- Offers in excess of **£1,335,000** (STC)
- Representing a **Net Initial Yield of 5.25%**
- Estimated **reversionary yield of 6.09%** in the 5th anniversary

## Location

Woodcote is a wealthy suburban town in South Oxfordshire, lying approximately 7 miles north of Reading and 18.5 miles south of Oxford.

Sitting in the Chiltern Hills, access to the M4 is provided through Reading, which connects the town with London to the East, and Bristol to the West.

Woodcote has a wealthy population of c. 2,700, with a weekly household income 36% above the national average. The desirability of the town as a place to live is reflected in the house prices for the area which at an average of £513,037 is more than twice the national average.



READING



BRIDLE PATH

TO M4 MOTORWAY

GORING ROAD

TO OXFORD



## Situation

The property is situated on a prominent corner site on the main through road for the town. The only other convenience retail competition comes from a small Londis store to the North of the town, and so the Co-op provides the primary retail offering for residents.

The surrounding area is primarily residential dwellings, with many people using the town as a base for one of the many popular walking paths in the Chilterns.

## Description & Accommodation

The property comprises a 5,273 sq ft convenience store, converted from a detached residential dwelling with a purpose-built extension. The property includes a service yard and tarmacadam car park for 12 vehicles to the front of the store.

The property is of traditional brick construction with a pitched tiled roof, with the exception of the purpose built extension which is under a flat roof.

The building sits on a site of 0.25 acres (0.101 hectares).

## Tenancy

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

The initial rent of £75,000 per annum is to be reviewed every 5 years in line with the consumer price index (capped and collared at 1%–3%).

## Tenure

Freehold.



## Covenant Status



Co-operative Group Food Ltd (Company Number: 26715R) is a wholly owned subsidiary of The Co-operative Group Ltd 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.

The company has been undertaking a rationalisation of its stores over the last 24 months with the disposal of a number of its larger stores and smaller stores (McColls disposal) with the focus on retaining and expanding the convenience stores within its estate. The company opened over 100 new convenience stores in 2016 at a cost of £70m.

A summary of Co-operative Group Food Limited's accounts is set out below:

| Co-operative Group Food Limited | 6th January 2018 | 31st December 2016 |
|---------------------------------|------------------|--------------------|
| Turnover                        | £7,159,600,000   | £6,933,400,000     |
| Pre Tax Profits                 | £195,400,000     | £154,200,000       |
| Shareholder Funds               | £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. It is anticipated that the sale will be dealt with as a TOGC.

## EPC

An Energy Performance Certificate can be provided upon request.

## Proposal

We are instructed to quote offers in excess of **£1,335,000** 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 **7.01%**.

| Year         | £ Rent Per Annum | Running Yield |
|--------------|------------------|---------------|
| Initial Rent | <b>£75,000</b>   | <b>5.25%</b>  |
| Year 5       | <b>£86,946</b>   | <b>6.09%</b>  |
| Year 10      | <b>£100,794</b>  | <b>7.06%</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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