

# Morrisons Supermarket – 9.0%



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Station Road | Oswestry | Shropshire | SY11 1RA

**£4,250,000**

subject to contract



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## SUMMARY

- Freehold town centre supermarket
- Let to WM Morrison Supermarkets Plc
- Highly secure income – Pre-Tax Profits £380m
- In excess of 6 years unexpired lease term
- Potential future redevelopment opportunity, subject to planning
- £4,250,000, subject to contract
- 9.0% Net Initial Yield



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## LOCATION

Oswestry is an attractive market town in the north of Shropshire located close to the English-Welsh Border. The town is approximately 290 km (180 miles) north-west of London, 105 km (65 miles) north-west of Birmingham and 40 km (25 miles) south of Chester.

The town benefits from good road communications being at the junction of the A5, A483 and A595. The A5 provides direct access to Shrewsbury approximately 29 km (18 miles) to the south-east and in turn the M54 Motorway. Liverpool John Lennon Airport is approximately 80 km (50 miles) to the north.

## SITUATION

The property occupies a prominent position at the junction of Station Road, Oswald Road and Beatrice Street. Oswestry town centre is less than 0.8 km (0.5 miles) to the south-west. The property is situated immediately adjacent an Aldi supermarket and Oswestry Bus Station. The surrounding area comprises a blend of commercial and residential use.



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## DESCRIPTION

The property comprises a detached purpose built supermarket arranged over ground and first floor levels occupying a prominent triangular site. The building is of steel frame and brick construction beneath a pitched roof.

The property has been fitted out by the tenant in their usual corporate style. The main ground floor retail area is open plan, plus there are ancillary storage areas. The first floor provides staff accommodation.

Car access to the site is from the one way system via Oswald Road and there is separate access on the other side of the site via Beatrice Street. Delivery vehicles have separate entrance from Oswald Road to the rear of the store.

The property benefits from a secure and dedicated service yard with direct access from Oswald Road.

The adjoining car park is not demised to the tenant but Morrison's and their customers have rights to park vehicles within the car park, which is run on a pay & display basis by Oswestry Borough Council providing around 117 surface spaces plus 8 disables spaces.



## ACCOMMODATION

The property has been measured by BKR Floor Plans and provides the following Gross Internal Areas:

Ground Floor	Sales	1,468.75 sq m	15,810 sq ft
Ground Floor	Storage/Ancillary	741.62 sq m	7,983 sq ft
First Floor	Storage/Ancillary	495.99 sq m	5,339 sq ft
<b>Total</b>		<b>2,706.36 sq m</b>	<b>29,132 sq ft</b>

A set of floor plans is available to download and the measured survey report will be assigned to a purchaser at a cost of £499 + VAT.



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## SITE

The property occupies a site area of approximately 0.78 acres (0.32 hectares).

## TENURE

Freehold.

The adjoining car park is owned by Oswestry Council who must keep it in good and substantial repair. The Council also covenants to keep the car park as a short stay public car park for so long as the subject property is used as a supermarket or any other retail shopping use.

## TENANCY

The entire property is let to WM Morrison Supermarket PLC on a full repairing and insuring lease for a term of 35 years from 23rd April 1990, expiring on 22nd April 2025 (in excess of 6 years unexpired lease term).

The current passing rent is £406,850 per annum (£150.03 per sq m / £13.97 per sq ft). The lease benefits from an upwards only rent review on 23rd April 2019 and 23rd April 2024.



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## COVENANT

WM Morrison Supermarkets PLC (Co No. 00358949) has reported the following figures:

	4th February 2018	4th February 2017
Revenue	£17,262,000,000	£16,317,000,000
Pre-Tax Profits	£380,000,000	£325,000,000
Net Assets	£4,545,000,000	£4,063,000,000

**Morrisons has released its preliminary results for the year ending 3rd February 2019 which report underlying pre-tax profits of £406 million, an 8.6 percent year-on-year uplift. Like-for-like sales increased by 4.8 percent and total revenue for the year was up 2.7 percent to £17.7 billion.**

Founded in 1899, Morrisons is the fourth largest chain of supermarkets in the United Kingdom with a market share of 10.3% (October 2018). According to the 2018 accounts the company had 491 supermarkets, 18 manufacturing sites and 9 distribution centres, with 105,000 employees and 11 million customer transactions every week. For further information see [www.morrisons-corporate.com](http://www.morrisons-corporate.com).



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## VAT

The property has been registered for VAT. It is anticipated that the sale will be treated as a Transfer of Going Concern (TOGC), provided the purchaser is registered for VAT and elects to waive exemption for VAT in respect of the property.

## PROPOSAL

We are instructed to seek offers in the region of **£4,250,000** (Four Million, Two Hundred and Fifty Thousand Pounds), subject to contract, reflecting a net initial yield of **9.0%**, assuming standard purchaser's costs of 6.55%.

Please note that a purchaser will be re-charged the costs of surveys and searches which are provided in the data room.

## INVESTMENT CONSIDERATIONS

1. An opportunity to acquire a freehold supermarket investment;
2. The property is let to the highly secure covenant of WM Morrison Supermarkets PLC (Net Assets £4,545m);
3. In excess of 6 years unexpired lease term;
4. The property occupies a prominent position in an attractive market town;
5. The property may lend itself to future redevelopment, subject to obtaining the necessary consents;
6. A purchase at the asking price will provide an investor with an attractive net initial yield of 9.0%;

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## CONTACT US

**Singer Vielle** +44 (0) 207 935 7200

Dale Henry [dale@singervielle.co.uk](mailto:dale@singervielle.co.uk) +44 (0) 203 701 1356

Neil Singer [neil@singervielle.co.uk](mailto:neil@singervielle.co.uk) +44 (0) 203 478 9120

Daniel Elia [daniel@singervielle.co.uk](mailto:daniel@singervielle.co.uk) +44 (0) 203 701 1353

## VENDORS SOLICITOR

**Veale Wasbrough Vizards LLP** +44 (0) 121 227 3709

Adrian Watson [awatson@vwv.co.uk](mailto:awatson@vwv.co.uk)



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## **SUBJECT TO CONTRACT & EXCLUSIVE OF VAT**

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### **Finance Act 1989**

Unless otherwise stated, all prices and rents are quoted exclusive of VAT.

### **Property Misdescriptions Act 1991**

These details are believed to be correct at the time of compilation, but may be subject to subsequent amendment.

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