

# A PORTFOLIO OF ONE STOP CONVENIENCE STORES

4 RETAIL INVESTMENTS LOCATED IN EXCELLENT LOCATIONS AVAILABLE AS A PORTFOLIO OR INDIVIDUAL SALES



# MULTI-LET PORTFOLIO OF ONE STOP STORES WITH SECURE INCOME AND POTENTIAL TO ADD CONSIDERABLE VALUE

## PORTFOLIO HIGHLIGHTS

- Locations throughout the **North East and Cumbria**
- Newcastle upon Tyne, Birtley, Sunderland & Cockermouth**
- 4 shop units with 3 flats included**
- Range of **asset management opportunities**, to include, **re-gears, residential sales and break ups**
- Available as a **portfolio or individual sales**
- A portfolio **WAULT of 6.6 years**

We are instructed to seek offers of **£1,685,000** (One Million Six Hundred & Eighty Five Thousand Pounds), which reflects a **net initial yield of 6.05%** after purchaser's costs at 6.18% on a portfolio basis.

## PORTFOLIO SUMMARY

An opportunity to acquire a portfolio of 4 well let retail properties with 3 upper floor flats located on 1 High Street and 3 strong convenience locations across the North East and Cumbria. 100% of the Income is secured to One Stop Stores Limited, a wholly owned subsidiary of Tesco PLC. The average lot size per location is **£421,250** with an **average rent per property of £27,052pa**.

The portfolio provides a considerable number of asset management opportunities. The 3 flats are included within the leases and provide an opportunity to add considerable value through taking them back and selling or direct lets. The 3 convenience locations are off very low rents and are reversionary. Further value could be added though lease renewals, re-gears and re-letting opportunities.

Property	Tenant	Lease Start	Term	Lease End	Rent	Area	Rent per sq ft	Price	Yield	ERV	Comment
<b>36/38 Main Street, Cockermouth</b>	One Stop Stores Limited	01/11/2009	15 years	31/10/2024	£36,000	Ground Sales - 1,609 Ground anc - 225 ITZA - 936 1st - 1,533	£33.50 Zone A	£570,000	6.00%	£37,750	
<b>26 York Road, Birtley</b>	One Stop Stores Limited	18/01/2017	10 years	17/01/2027	£22,660	2,519	£7.32	£350,000	6.24%	£30,000	Includes flat, which is included within the lease. £6.56 per sq ft after deduction £4,200pa for flat. ERV based on letting the flat separately
<b>71/81 The Broadway, Grindon, Sunderland</b>	One Stop Stores Limited	29/11/1999	21 years	28/11/2020	£29,250	2,515	£7.81	£450,000	6.22%	£34,750	Includes 2 flats within the One Stop lease. £7.81 per sq ft after deducting £9,600pa for 2 flats. ERV based on letting the flat separately
<b>215 &amp; 219 Two Ball Lonnen, Fenham, Newcastle upon Tyne</b>	One Stop Stores Limited	03/08/2003	20 years	02/08/2023	£20,300	3,049	£6.66	£315,000	6.23%	£30,500	There are 2 flats above which are not included in the sale. They are let separately, but could be made available by separate negotiation
<b>Totals</b>					<b>£108,210</b>			<b>£1,685,000</b>	<b>6.05%</b>	<b>£133,000</b>	

## COVENANT

One Stop Stores Limited – One Stop is one of the country's leading convenience retail brands and is a wholly owned subsidiary of Tesco PLC. They trade from 850 stores around the country employing over 10,000 staff. One Stop Stores Limited has an annual turnover of just under £1bn and Shareholders funds of £294m. A summary of their last 3 years accounts is set out below:

	27th February 2016	28th February 2015	22nd February 2014
Turnover	£958,669,000	£924,591,000	£788,610,000
Pre-tax Profit	£15,031,000	£10,192,000	£21,331,000
Shareholders Funds	£294,517,000	£279,402,000	£265,091,000



# 36-38 MAIN STREET, COCKERMOUTH, CUMBRIA, CA13 9LQ

## LOCATION

The busy and picturesque market town of Cockermouth is located on the western edge of the Lake District National Park in Cumbria. The town is the birth place of the world famous poet William Wordsworth and is classed as the gateway to the Northern Lakes and Fells. Both the Wordsworth Museum and the Lake District provide for an excellent tourist population in addition to its 8,700 + residents. The Lake District attracts over 15 million visitors every year which adds in excess of £1billion to the local economy. The town is situated 42 Kilometres (26 miles) west of Carlisle, 13 Kilometres (8 miles) east of Workington and 22 Kilometres (14 miles) north of Keswick.

There are excellent transport connections with the A595 leading to Carlisle and the M6 in the north and the A66 leading to Keswick and the M6 to the south.

## SITUATION

The property is situated on prime position on Main Street in the heart of the busy retail pitch. Nearby occupiers include Barclays, Lloyds Bank, Greggs and Boots the Chemist as well as a number of pubs and eateries.

## DESCRIPTION

The property comprises a two storey mid-terraced building arranged over ground and first floors. The property is of traditional build with an attractive rendered façade under a pitched slate roof. At ground floor the unit provides a large open plan retail unit with rear loading and small ancillary area. The upper floors provide large ancillary space to include stores, staff and office facilities.

## TENURE

Freehold.

## ACCOMMODATION

Unit	Area	Sq m	Sq ft
Retail	Ground Floor	149.5	1,609
	ITZA	87.0	936
	Ground floor Stores	20.9	225
	First Floor	142.4	1,533

## TENANCY

The entire property is let to One Stop Stores Limited on a 15 year FRI lease dating from 30th July 2010 at a current rent of £36,000pa.

## EPC RATING

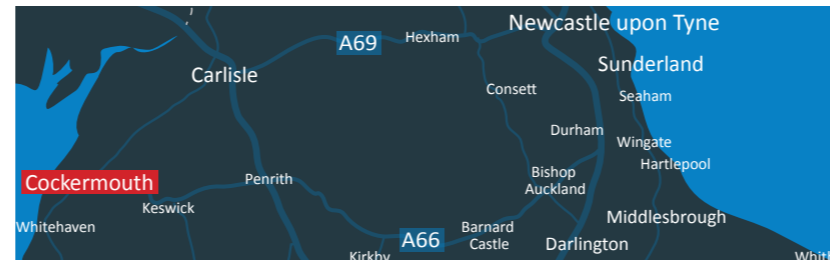
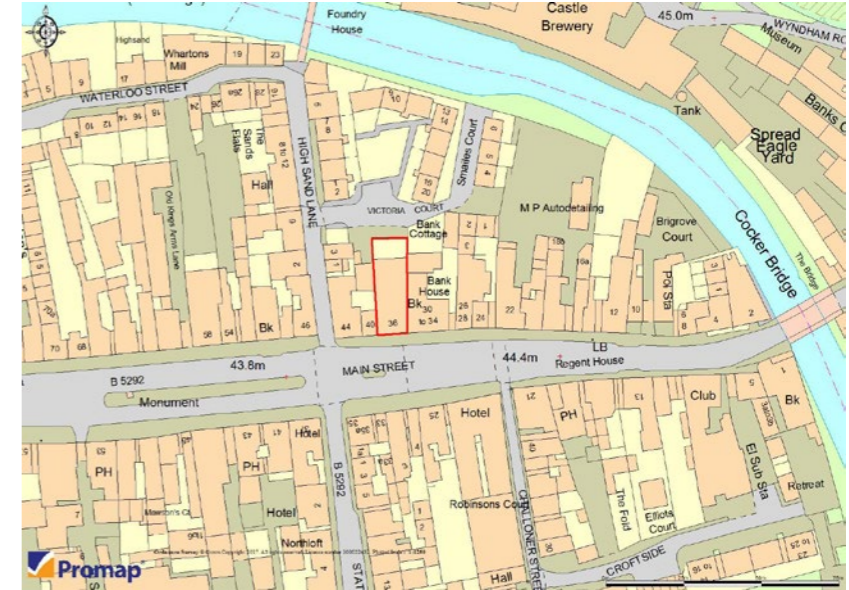
C-68.

## ASSET MANAGEMENT

Whilst the property is securely let to One Stop Stores Limited for a further 6.5 years the property would appeal to a number of retailers. Cockermouth is an improving retailer destination and would suit one of the higher end clothing or coffee chains currently acquiring space in strong market towns. The upper floors could also be converted to residential to fit in with the street profile and properties to the rear.

## INDIVIDUAL PRICING

On an individual basis we are seeking offer of **£570,000**, which reflects a NIY of **6%**.



# 26-YORK ROAD, BIRTLEY, TYNE & WEAR, DH3 2DE

## LOCATION

Birtley is a suburban town within the Metropolitan Borough of Gateshead in Tyne & Wear. The town is situated 6 Kilometres (4 miles) south of Gateshead Town Centre and 11 Kilometres (7 miles) south of Newcastle city Centre. It lies 3 Kilometres (1.8 miles) north of Chester le Street Town Centre and 13 Kilometres (8.5 miles) north of Durham. The town has excellent transport links, being situated on the A1(M) traveling north/south, whilst Chester-Le-Street, Durham and Newcastle provide East Coast main line rail links.

## SITUATION

The property is situated fronting onto the A167 (Durham Road), which is a busy thoroughfare linking Birtley with Chester le Street. It is a densely populated residential area with a number of large business' in close proximity to include Dobbies Garden Centre, Tyre Spot, Maxwells DIY and Komatsu.

## DESCRIPTION

The property comprises a two storey building arranged over ground and one upper floor. The property is brick built under a pitched tile roof. To the rear and side elevation, the property has been extended to provide additional retail accommodation. The extension is single storey brick built under a flat felt roof. Internally the unit provides good quality open plan retail space. There is a flat at first floor. To the front there is customer parking. The property also has the benefit of a Post Office concession within the store.

## TENURE

Freehold.

## ACCOMMODATION

Unit	Area	Sq m	Sq ft
Retail	Ground Floor	234.0	2,519
Residential	1st Floor	N/A	N/A

## TENANCY

The property is let by way of an FRI lease from 18th January 2017 for a term of 10 years at a rent of £22,660pa.

## EPC RATING

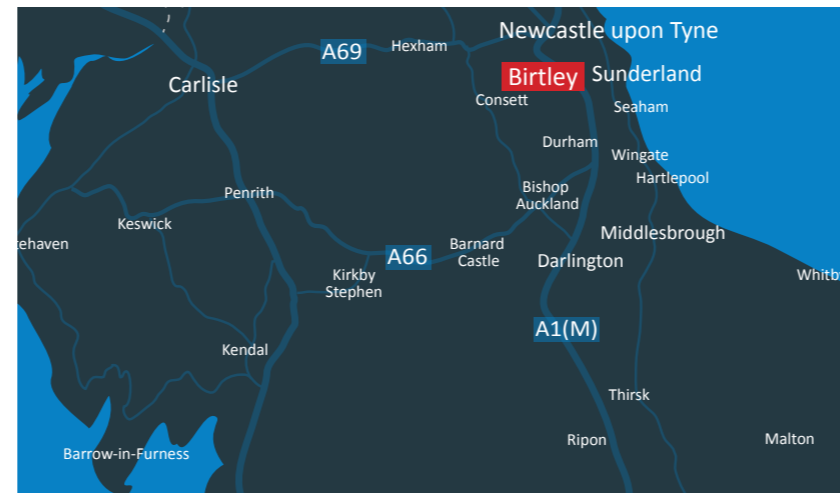
C-68.

## ASSET MANAGEMENT

Whilst the lease has just been renewed on this property there is a flat at first floor which is currently within the demise of the existing lease. Additional value could be added through either letting directly or selling off separately. The retail space breaks back to only £7.32per sq ft and therefore there is the scope to significantly increase the rent at review. There is evidence to support rents of £10per sq ft on these types of convenience stores. On this basis it would give an ERV of circa £30,000pa.

## INDIVIDUAL PRICING

On an individual basis we are seeking offers of **£350,000**, which reflects a NIY of **6.24%**.



## LOCATION

Sunderland is the largest city in the North East, with a population of 275,506 (2011 Census) and has a wider catchment of 420,268 (2011 Census). It is situated approximately 19 kilometres (12 miles) south east of Newcastle upon Tyne and 40 kilometres (25 miles) north of Middlesbrough. Sunderland benefits from excellent transport links to the wider region with the A19 and A1 running north and south. Grand central provides a fastest journey time by rail to London of 3 hours 20 minutes.

## SITUATION

The property is situated in a densely populated residential area to the west of the City Centre on the A183 (The Broadway) one of the main arterial roads linking the City Centre with the A19..

## DESCRIPTION

The property provides a traditional brick built premises over ground and 1st floor under a pitched tile roof. The ground floor has been extended to the rear to provide large open plan retail space. The extension is of brick construction under a flat felt roof. The first floor provides 2 flats with separate access. The property also has the benefit of a Post Office concession within the store.

## TENURE

Freehold.

## ACCOMMODATION

Unit	Area	Sq m	Sq ft
Retail	Ground Floor	233.6	2,515
Residential	Flat 1	N/A	N/A
	Flat 2	N/A	N/A

## TENANCY

The property is let by way of a 21 year FRI lease from 29th November 1999, with a current rent of £29,250pa.

## EPC RATING

C-52.

## ASSET MANAGEMENT

There are 2 flats included within the demise at present. Considerable value could be released by taking back the flats and letting directly or selling off. There may also be sufficient eves height to carry out loft conversions within the residential. The retail space breaks back to only £7.81per sq ft and therefore there is the scope to significantly increase the rent at renewal. There is evidence to support rents of £10per sq ft on these types of convenience stores. On this basis it would give an ERV of circa £34,750pa.

## INDIVIDUAL PRICING

On an individual basis we are seeking offers of **£450,000**, which reflects a NIY of **6.22%**.



# 215 & 219 TWO BALL LONNEN, FENHAM, NEWCASTLE UPON TYNE, NE4 9RX

## LOCATION

The City of Newcastle upon Tyne is the regional and commercial capital of the North East. The population of the city is approximately 259,000, whilst the wider primary catchment area is 1,462,000 rating the city fourth of the PROMIS centres. Newcastle is approximately 451km (280 miles) north of London, 160 km (100 miles) north of Leeds and 175km (109 miles) south of Edinburgh.

The A1 (M) and A19 are the principal North/South routes. The A69 extends west towards Hexham and Carlisle, while the A1 is the main route to the north and Scotland. Newcastle Central Station is a major staging point on the East Coast Main Line and Cross Country Network. The shortest journey time to London is 2 hours 37 minutes. The city is served by Newcastle International Airport situated approximately 11 km (7 miles) north of the City Centre.

## SITUATION

The property is situated on Two Ball Lonnen, within a densely populated residential suburb situated 4 kilometres (2.5 miles) to the west of the City Centre. The property lies in a strong retail parade with other occupiers such as Greggs, Coral, Thompsons Opticians, Subway, Boots and William Hill along with a number of independent take-aways.

## DESCRIPTION

The property provides a large traditional built corner premises of brick construction under a pitched slate roof. The ground floor retail unit has been extended to provide large open plan retail accommodation. The first floor provides 2 flats which are not included in the sale. The property also has the benefit of a Post Office concession within the store.

The first floor provides 2 flats which are not included in the sale.

## TENURE

Freehold.

## ACCOMMODATION

Unit	Area	Sq m	Sq ft
Retail	Ground Floor	283.4	3,049

## TENANCY

The property is let by way of a 20 year FRI lease from 3rd August 2003 at a current rent of £20,300pa.

## EPC RATING

C-54.

## ASSET MANAGEMENT

There are 2 flats above which are let separately and not included in the sale. However these could be made available by separate negotiation should parties be interest in acquiring them as well. This would give a purchaser control of the larger site. The retail space breaks back to only £6.66per sq ft and therefore there is the scope to significantly increase the rent. There is evidence to support rents of £10per sq ft on these types of convenience stores. On this basis it would give an ERV of circa £30,500pa.

## INDIVIDUAL PRICING

On an individual basis we are seeking offer of **£315,000**, which reflects a NIY of **6.23%**.





### PROPOSAL

We are instructed to seek offers of **£1,685,000** (One Million Six Hundred & Eighty Five Thousand Pounds) for the portfolio, which reflects a **net initial yield** of **6.05%** after purchaser's costs at **6.18%** on a portfolio basis. Alternatively consideration will be given to selling the properties on an individual basis.

### VAT

We understand the properties are not elected for VAT purposes and therefore VAT is not applicable on the sale.

### CONTACT

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