

# RETAIL INVESTMENT

## PROMINENT CO-OP SUPERMARKET





## INVESTMENT HIGHLIGHTS

- Secure long term supermarket investment with 16.75 years remaining
- Undoubted covenant of Co-operative Group Food Limited with Net Assets in excess of £1.7bn
- Well located on arterial route and close to city centre
- 5 yearly rent reviews with fixed increases of 2.25% per annum compounded every 5 years
- Potential asset management opportunities
- Offers in excess of £4,040,000, which reflects a NIY net initial yield of 6% and a reversionary yield of 7.5%.

The **co-operative** food



## LOCATION

The city of Carlisle is the regional and commercial centre for the border county of Cumbria. Carlisle has a population of 107,524 according to the 2011 Census. The city has an estimated shopping population 186,000 ranking the city at 69 of the PROMIS Centres. In addition to this Carlisle has an estimated primary catchment area of 377,000 people, ranking the city at 63 out of the PROMIS centres.

The city is very well connected and strategically located sitting on the West Coast rail line. The city lies 2 miles west of the M6 motorway, which is the main link road between Glasgow and the West of Scotland to Manchester and the North West of England. The city also lies at the Western end of the A69, the main link road between the North East and North West and links Carlisle to Newcastle upon Tyne.

Carlisle is the main retail destination in Cumbria, with very little competition. The nearest competition is from Newcastle upon Tyne which is 93 Kilometres (58 Miles) to the east, Dumfries, which is 54 Kilometres (34 miles) north west. In terms of local competition Penrith and Kendal provide the competition within Cumbria and are 32 Kilometres (20 miles) and 80 Kilometres (50 miles) away respectively.

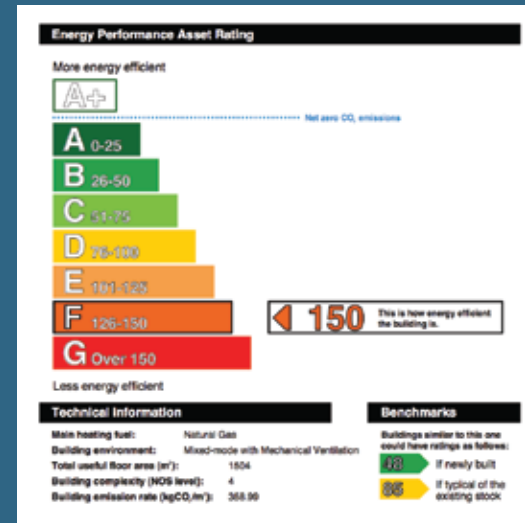
## SITUATION

The property is situated in a very prominent location on the A595 Wigton Road just to the west of Carlisle city centre. The immediate locality is predominantly residential, which is ideal for a supermarket. The A595 also provides one of the main arterial routes in and out of Carlisle bringing a considerable flow of traffic to the site.

There is a small amount of complimentary retail nearby to include Co-op Pharmacy and Coral Bookmakers.

## DESCRIPTION

The property provides a single story purpose built supermarket dating back to circa 1990. The property sits on a site of approximately 0.85 hectares (2.12 acres) and provides 89 car parking spaces.





## TENURE

Freehold.

## ASSET MANAGEMENT

There may be the opportunity to build additional retail pods on the car park. There have been positive discussions with various retailers and drive through occupiers about taking space on the site.

## TENANCY

The property is let in its entirety to the Co-operative Group Food Limited for 25 years from 14th September 2006.

The current passing rent is £229,163 per annum and benefits from fixed rental uplifts of 2.25% per annum compounded every 5 years. It is the vendor's intention to top up the rent to the 2016 review on completion, to £256,130pa. The following shows the rental levels at rent review throughout the remainder of the lease:

2016 - £256,130  
2021 - £286,271  
2026 - £319,959

## ACCOMMODATION

The property has the following floor areas:

Floor	Sq m	Sq ft
Ground Floor	1,550	16,684

## TENANT'S COVENANT

The Co-operative Group Limited is the UK's largest mutual business and has been in existence for over 150 years and has annual sales in excess of £15 billion per annum. Co-operative Group Food Limited is a wholly owned subsidiary of Co-operative Group Limited and the latest financial figures are summarised above:

Year End	5th January 2013 ('000's)	31st December 2011 ('000's)	1st January 2011 ('000's)
Turnover	£6,245,100	£6,051,000	£5,402,348
Profit	£182,500	£177,700	£515,214
Net Assets	£1,742,900	£1,660,200	£1,482,543

## PRICING

We have been instructed to market the property at offers in excess of £4,040,000. A purchase at this level would reflect a net initial yield of 6% and a reversionary yield of 7.5%, assuming purchasers costs of 5.8%.

The property will provide the following yield profile over the course of the existing lease:

14th September 2021 - 6.7%  
14th September 2026 - 7.5%

The property is held in an offshore SPV. There may be tax advantages when purchasing the Special Purpose Vehicle.

## SPV

MHPI Limited is not authorised and cannot advise in relation to any sale of shares or units and will act as agents in respect of a sale of the property interest only. We would recommend that you seek your own independent advice in relation to any sales of shares or units in other corporate structures and we are not responsible for any information or opinions provided in respect of any such sale.

## CONTACT

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