

# LONG INCOME SUPERMARKET INVESTMENT



14.25 YEAR UNBROKEN INCOME WITH 2.25% PA FIXED UPLIFTS

| WIGTON ROAD | CARLISLE | CA2 7EP |



## INVESTMENT HIGHLIGHTS

- **Secure long income** supermarket investment with **14.25 years remaining**
- **Undoubted covenant** of **Co-operative Group Food Limited** with Shareholders Funds 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**
- Rent **£256,130 pa**
- Sub-Let to B&M Bargains

Offers in excess of **£3,600,000**, which reflects a net initial yield of **6.68%** assuming purchasers costs of 6.51%. This will rise to 7.47% in 2021 and 8.34% in 2026.



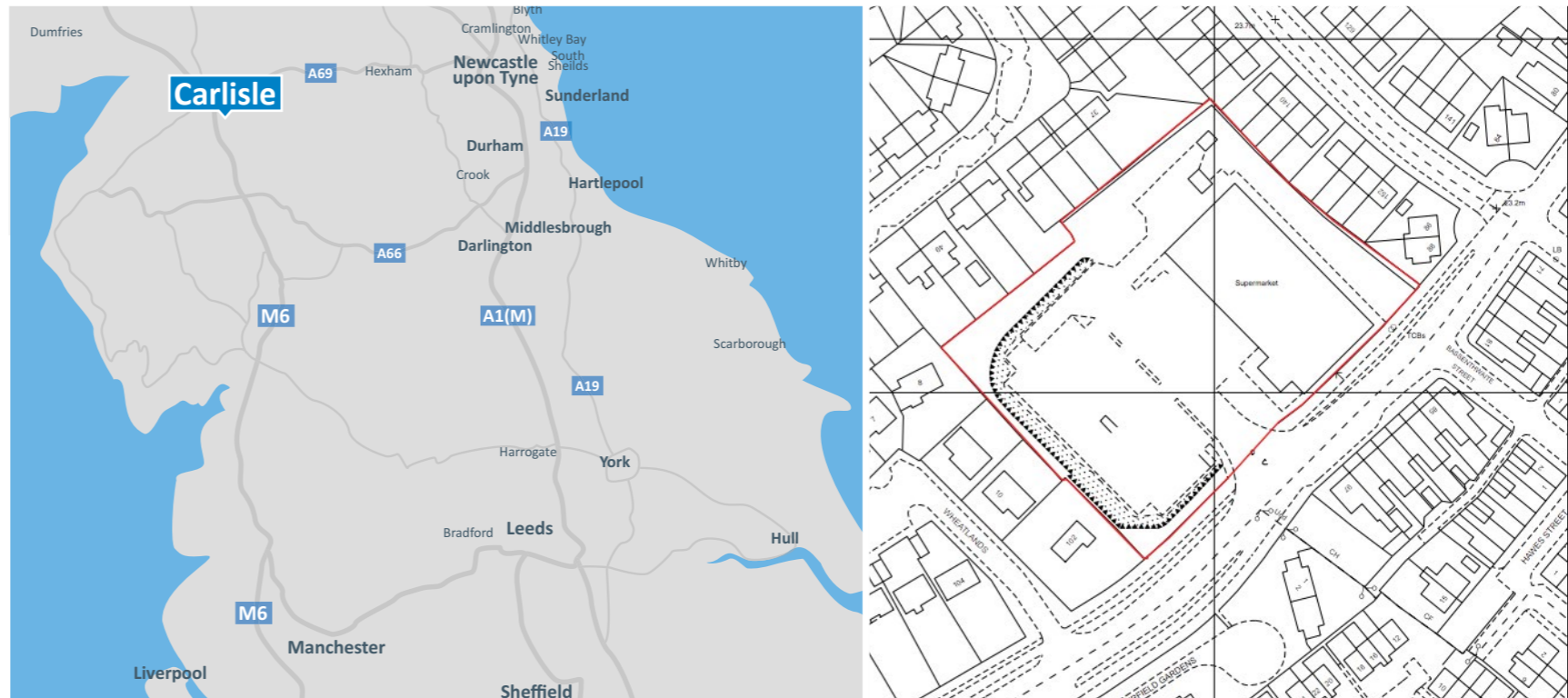


## LOCATION

The city of Carlisle is the regional and commercial centre for the border county of Cumbria. Carlisle had a population of 71,773 according to the 2001 Census and this is expected to have risen to 107,500 in 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) 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 bring a considerable flow of traffic to the site.

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

## 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.

## ACCOMMODATION

The property has the following floor areas:

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

## TENANCY

The property is **let in its entirety** to the **Co-operative Group Food Limited** for 25 years from 14th September 2006 giving a further **14.25 year unexpired**.

The current passing rent is **£256,130pa**. The lease incorporates **fixed rental uplifts of 2.25%pa compounded** 5 yearly. The following shows the rental levels at rent review throughout the remainder of the lease together with running yield:

Year	Rent pa	Running Yield
2021	£286,271	7.47%
2026	£319,959	8.34%

The tenant sublet the unit as part of a group deal on 7th March 2016 to **B&M Retail Limited** for a term of 10 years at a rent of £125,000 pa.

## TENANT'S COVENANT

The Co-operative Group Limited is the UK's largest mutual business and has been in existence for over 150 years. The tenant Co-operative Group Food Limited is a wholly owned subsidiary of Co-operative Group Limited. The Co-operative Group Limited posted the following financial figures:

	2016	2015	2014
Turnover	£9,472,000,000	£9,201,000,000	£9,291,000,000
Profit before Tax	£59,000,000	£81,000,000	£70,000,000
Shareholders Funds	£3,209,000,000	£2,937,000,000	£2,865,000,000

## PRICING

Offers in excess of **£3,600,000**, which reflects a net initial yield of **6.68%** assuming purchasers costs of 6.51%.

A purchase at this level will provide the following yield profile over the course of the existing lease:

Year	Rent pa	Running Yield
Current	£256,130	6.68%
2021	£286,271	7.47%
2026	£319,959	8.34%

## VAT

The property is elected for VAT and therefore we expect that the transaction can be treated under the TOGC regulations.

## EPC

C-60.

## FURTHER INFORMATION

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

**James Metcalf** e: [james@mhpi.co.uk](mailto:james@mhpi.co.uk)

**Simon Harland** e: [simon@mhpi.co.uk](mailto:simon@mhpi.co.uk)

t: **0191 255 7770**

MHPI Limited | 1st Floor West Wing | City Quadrant | Waterloo Square | Newcastle upon Tyne | NE1 4DP

Misrepresentation Act: These particulars shall not form part of any offer or contract and no guarantee is given as to the condition of the property or the accuracy of its description. An intending purchaser or tenant is not to rely on any representation made in these particulars and must satisfy himself as to their accuracy by his own investigation before entering into any contract. June 2017.



Designed & produced by [white button](#)