



CO-OPERATIVE FOOD

57 SUTTON ROAD
SOUTHEND-ON-SEA
SS2 5PB

VIRTUAL FREEHOLD CONVENIENCE STORE LET
TO CO-OPERATIVE FOOD GROUP LTD FOR A
FURTHER 14.5 YEARS WITH CPI LINKED INCREASES

INVESTMENT SUMMARY

- Southend-on-Sea is one of Essex's key commercial centres as well as a popular and well renowned seaside town
- Ground floor convenience retail store totalling 4,950 sq.ft
- Situated in a densely populated residential area close to Southend-on-Sea town centre
- Virtual Freehold
- Single let on FRI terms to Co Operative Group Food Ltd for a term of 15 years from 1st December 2020 until 30th November 2035, without break
- Unexpired term of 14.5 years
- Current passing rent of £95,000 p.a. (£19.19 per sq.ft)
- 5 yearly rent reviews linked to CPI with a cap and collar at 1% and 3%, annually compounded
- Offers sought in excess of **£1,627,000 (One Million Six Hundred and Twenty Seven Thousand Pounds)** Subject to Contract and exclusive of VAT
- A purchase at this price reflects a **Net Initial Yield of 5.50%**, assuming purchasers' costs of 6.15%



LOCATION

Southend-on-Sea is strategically located on the Thames Estuary within the County of Essex, bordered by Thorpe Bay to the east and Leigh on Sea to the west. Located approximately 35 miles to the east of Central London, 17 miles to the south east of Chelmsford, and 10 miles to the east of Basildon, Southend-on-Sea is well established as one of Essex's principal retailing and commercial towns and a popular commuter town for London. The coastal town benefits from excellent transport links, a number of schools and colleges as well as an extensive array of retail and leisure amenities.

Southend-on-Sea has excellent road communications served by the A127 (Southend Arterial Road) and A13, both of which afford direct access to the M25 (30 minutes' drive time), which in turn provides access to the national motorway network.

Southend-on-Sea benefits from two national rail stations, Southend Central and Southend Victoria, which provide regular fast trains to London Liverpool Street Station and London Fenchurch Street Station. Journey times to both destinations are approximately 50-60 minutes. Southend Victoria Station is 0.4 miles to the west, and Southend Central Station is 0.5 miles to the south.

London Southend Airport is located on the northern outskirts of the town, approximately 3.5 miles (15-minute drive) from the town centre and provides both domestic and international flights, with a large number of the scheduled flights being operated by either EasyJet or Ryanair.

Southend-on-Sea has become a popular commuter town for London commuters over the past five years due to house prices and rail fare affordability. The seaside town also welcomes over 6.5 million visitors annually and tourism is one of the main driving forces behind the town's economy supporting in excess of 7,000 jobs and £380m contribution to the local economy. The leisure offering is predominantly located along the sea front. Southend Pier is the world's longest pleasure pier and is at the centre of the town's attractions.

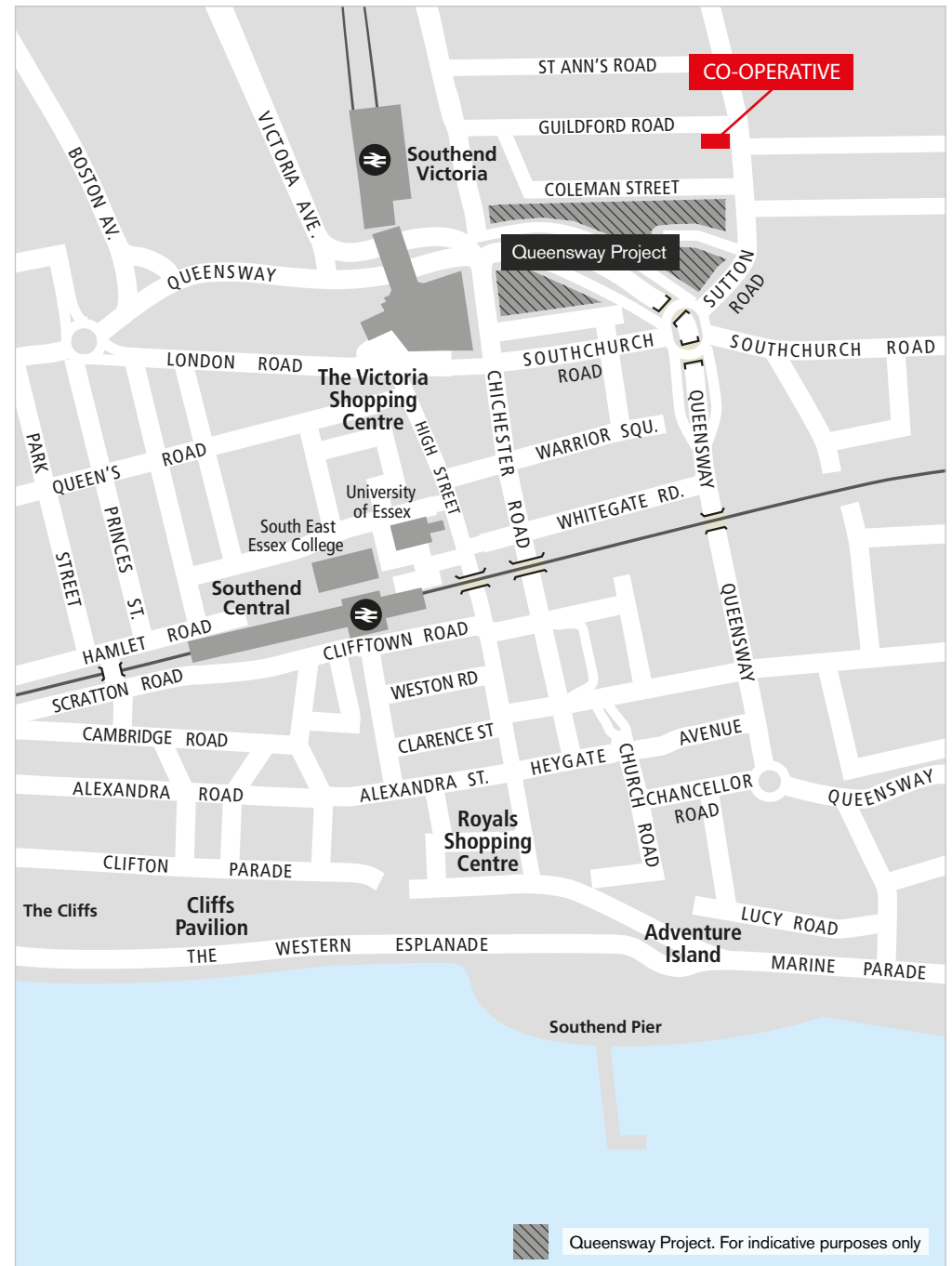


SITUATION

The property is situated on a prominent corner position at the junction of Sutton Road and Guildford Road, within close proximity to Southend-on-Sea town centre. The surrounding area is predominantly residential in character with a mix of other commercial uses which serve the nearby local residents.

The property is conveniently placed with easy access to public transport as well as the town's pedestrianised streets which offer a wide range of amenities, all of which are within walking distance. Southend Victoria station is the closest train station and is within a 7-minute walk to the west of the property. Southend Central train station is within a 15-minute walk to the south.

The property is also located within a short walk to Victoria Shopping Centre, The Royal's Shopping Centre, University of Essex Southend Campus, Southend Pier and numerous leisure amenities at Jubilee Beach.



DESCRIPTION

The property comprises a convenience retail unit on part ground floor within a period style mixed use three storey building.

The ground floor convenience store unit comprises open plan retail accommodation with ancillary storage areas and benefits from the right to use 15 designated car parking spaces as well as a dedicated loading bay in the car park. The remainder of the main building over part ground and the upper floors will be used for self-storage purposes, which will be excluded from the sale.



SOUTHEND-ON-SEA REGENERATION

Southend-on-Sea is strategically located within the Thames Gateway South Essex area for regeneration. One of the most significant of the regeneration drive is the Queensway Project site, which is an area that sits directly adjacent to the subject property. The £500 million development is set to deliver up to 1,760 new homes in buildings up to 18 storeys and up to 10,000 sq. m of commercial floorspace.

The regeneration of the Queensway Estate will be carried out by Southend-on-Sea Borough Council and its joint venture partner Swan Housing Association. The project will transform the Queensway area, providing high quality housing for residents of all tenures, together with commercial units and high quality and attractive public realm. With Queensway located directly next to the subject property, this will undoubtedly be of huge benefit to the unit. The construction works for the project are due to commence by 2022.



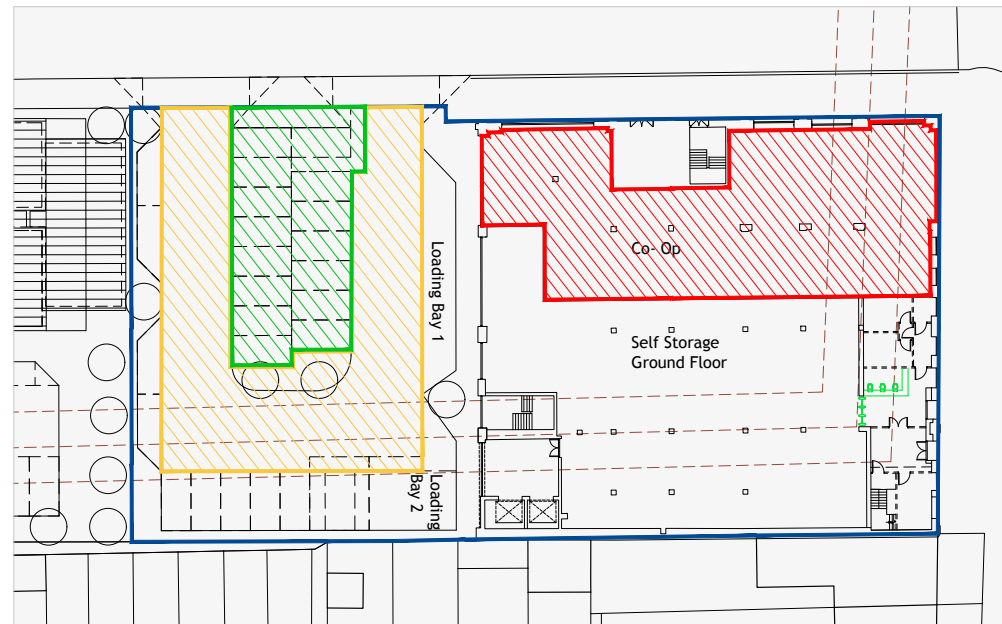
ACCOMMODATION

The property provides the following Net Internal Areas (NIA);

Unit	Sq M	Sq. Ft
Ground floor	459.90	4,950
Total	459.90	4,950

TENURE

Virtual Freehold by virtue of a 999 year lease at a peppercorn rent.



- Estate
- Co-Operative Store Demise
- Shared Car Parking Access and Loading Bay
- Co-Operative Dedicated Parking Spaces

TENANCY

The property is single let on Full Repairing and Insuring (FRI) terms to Co-Operative Group Food Ltd for a term of 15 years from 1st December 2020 and expiring on the 30th November 2035, without break. Therefore providing 14.5 years unexpired.

The property currently produces a passing rent of £95,000 per annum (£19.19 per sq.ft).

The rent is subject to five yearly reviews linked to CPI with a cap and collar of 1% and 3% respectively, compounded annually. The next review is on 1st December 2025.

The tenant benefits from the right to use 15 designated car parking spaces as well as a dedicated loading bay in the car park.

The tenant has the option to renew their lease for 15 years commencing on the date after the expiry of the contractual term. Further information available upon request.



COVENANT STATUS



Co-Operative Group Food Ltd (Company Number: 26715R)

Co-operative Group Food Limited is a wholly owned subsidiary of The Co-operative Group Limited which was established in 1844 and now operates 4,500 outlets with almost 90,000 employees and has an annual turnover of £11.50 billion. The Co-operative Group Food Ltd trade from 2,700 food stores and have long been an ethical retailer and the first major company to champion Fairtrade and 1% of own brand sales are donated to local causes.

The Co-op Group recently posted a total sales increase of £1bn from the previous year, while its food sales grew 3.5% to £7.8bn for the year to 2 January 2021.

The role of the retailer is increasingly shifting to meet consumer demand for ease, choice and added services, delivering compelling convenience for communities. Research shows, 70% of adults have relied on their local convenience store where they can shop quickly, easily and safely, with shoppers popping to their local store more than three times each week on average.

Further information can be found at <https://www.coop.co.uk>

Summarised accounts:

Year to Date	Turnover	Pre-Tax Profit	Shareholders' Funds
04/01/2020	£7,507,900,000	£204,000,000	£1,880,400,000
05/01/2019	£7,185,200,000	£208,800,000	£1,981,600,000



INVESTMENT COMPARABLES

Date	Address	Size (Sq Ft)	WAULT to Expiry (to break)	Tenant	Price (£)	Yield (%)
Nov-20	Co-Op Millbrook Park Mill Hill, NW7	4,300	15 years	Co-Operative	£2,474,000	4.75%
Nov-20	Co-Op Norbury SW16	3,953	15 years	Co-Operative Group Food Ltd	£1,935,000	4.50%
Sep-20	Co-Op Spring Road Southampton	4,251	15 years	Co-Operative	£1,520,000	5.40%
Jul-20	Co-Op Cassilis Road London, E14	3,900	10 years	Co-Operative	£2,000,000	5.30%
Jun-20	Co-Op Green Lane High Wycombe	4,057	14 years	Co-Operative	£1,030,000	5.32%



EPC

The property has an EPC Rating of A (19).

VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. We would anticipate the sale to be dealt with by way of Transfer of a Going Concern (TOGC).

PROPOSAL

Offers sought in excess of **£1,627,000 (One Million Six Hundred and Twenty Seven Thousand Pounds)** Subject to Contract and exclusive of VAT.

A purchase at this price reflects a **Net Initial Yield of 5.50%**, assuming standard purchaser's costs of 6.15%.

CONTACT

Strictly via sole agents.

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