



- **Let To Co-op Group Food Ltd Guaranteed by Tesco Stores Ltd**
- **Just Under 10 Years Unexpired Term With RPI Linked Reviews**
- **£1,180,000 6.10% Net Initial Yield and 7% Reversionary Yield**

35 Watkin Lane,
Lostock Hall,
Preston,
PR5 5RE

Summary

- Located in a densely populated residential area fronting onto the busy main road through Lostock Hall, Preston
- Undoubted income – let to Co-operative Food Group Ltd with a Guarantee from Tesco Stores Limited
- Let on a 20 year lease offering just under 10 years unexpired. Break option not served in March 2025 showing the tenants commitment to the location
- Total income of £75,113 per annum exclusive
- Rent reviewed to RPI with a collar and cap of 1% & 4% respectively. RPI at 3% would produce circa £87,000 per annum at the next review in March 2030
- Offers are invited in excess of £1,180,000 subject to contract and exclusive of VAT. A purchase at this level would show a net initial yield of 6.10 % and a reversion to 7% in March 2030 based on total purchasers cost of 5.91%.



Location

Lostock Hall is a popular commuting village located in the South Ribble Borough of Lancashire it s approximately 4 miles from Preston City Centre, 10 miles West from Blackburn, 24 miles East from Blackpool and 32 miles North West from Manchester.

The property is around 300m from Lostock Hall railway station on the East Lancashire Line with services to Blackpool, York and Leeds.

The location also benefits from direct access to both the M6 and M65 via following the A58 East to Junctions 29 and 1 respectively.

Situation

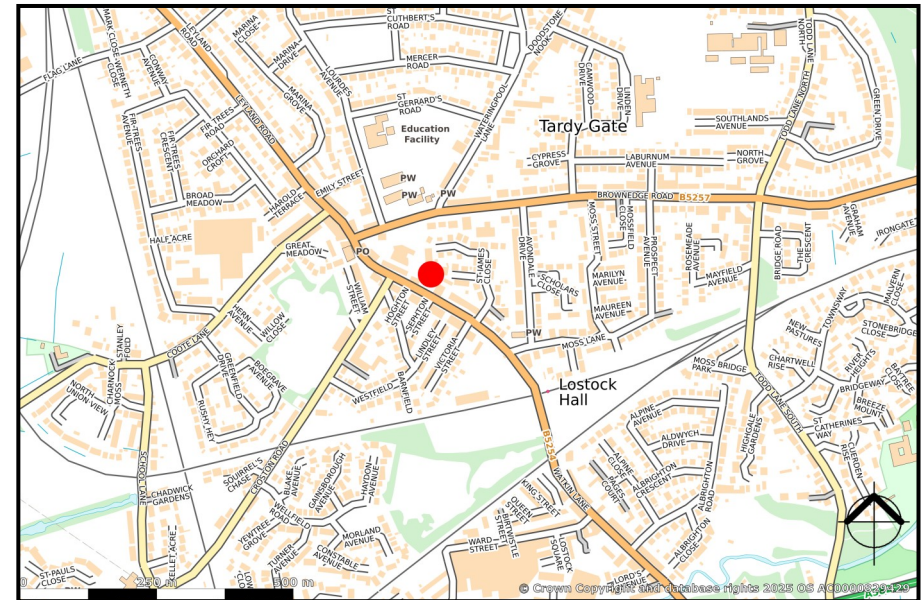
The property is situated on the main route through Lostock Hall, Watkin Lane (B5254) adjacent to the Library, with other retail users opposite.

Lostock Hall is strategically well located for the transport network and is a popular location for commuters. Professional Occupations account for over 20% of local residents. Lostock Hall forms part of the South Ribble Borough which has a catchment population of around 110,000 people.

Description

The property consists of a detached purpose built convenience store across ground and first floor with brick elevations beneath a pitched tiled and flat roof.

The store is on a site of 0.3 Acres (0.12 Hectares) with a car park providing 10 parking spaces (1 accessible).



Accommodation

We have been provided with following Gross Internal Area:

Floor	Area (Sq Ft)	Area (Sq M)
Ground floor	3175	295.00
First floor ancillary	785	73.00
Total	3,960	368.86

There are 10 on-site parking spaces with total site area of 0.3 Acres (0.12 Hectares).



Tenancy

The property is let to Co-operative Group Food Limited with a guarantee from Tesco Stores Ltd on a Full Repairing and Insuring lease for a term of 20 years from 20 March 2015 expiring on 19 March 2035.

The passing rent is £75,113 per annum. The lease benefits from five yearly upward only rent reviews calculated in line with the All Items Retail Prices Index (RPI), compounded annually, with a collar and cap of 1% and 4%, respectively. The tenant had a break option with effect from 20 March 2025 which they didn't serve showing their commitment to the store and location.

The next rent review is on the 20 March 2030. The average RPI figure between June 2020 and May 2025 is 5.3%. Based on an assumed annual RPI growth of 3% compounded the rent would increase to in the region of £87,000 per annum which would show a reversionary yield of circa 7%.

Covenant Status



Co-operative Group Food Limited (Company Number: 26715R) is a wholly owned subsidiary of The Co-operative Group Limited which is owned by over 4 million UK consumers.

The Co-op runs 2,600 food stores and more than 800 funeral homes, while also supplying products to over 5,100 additional outlets, including those operated by independent co-operative societies — through its wholesale division, Nisa Retail Limited. With a workforce of over 63,000, the Co-op generates an annual turnover of £11.5bn.

For the year ending 6th January 2024 the company reported the following figures:

Co-operative Group Food Ltd	6th January 2024	31st December 2022	1st January 2022
Turnover (£000's)	8,495,800	8,003,200	8,081,300
Pre Tax Profits (£000's)	8,300	4,800	180,100
Net Assets (£000's)	1,873,900	1,852,700	1,966,400



Tesco Stores Ltd (Company Number 00519500) is a wholly owned subsidiary of Tesco Plc the largest grocery stores business in the UK with a market share of 27%.

Tesco was established in 1919 and is a multinational grocery and merchandise reailer currently operating from approximately 3,712 stores throughout England, Scotland, Wales and Northern Ireland. The company employ c. 330,000 people globally and have an annual turnover of £65 billion. Tesco Stores Ltd is the principal operating company for Tesco Plc.

For the year ending 24th February 2024 the company reported the following figures:

Tesco Stores Ltd	24th February 2024	25 February 2023	26 February 2022
Turnover (£000's)	49,247	47,481	44,793
Pre-Tax Profit (£000's)	1,469	565	1,260
Net Assets (£000's)	4,402	4,385	8,220



Energy Performance Certificate

The energy performance certificate information is available on request.

VAT

The property is elected for however, is anticipated that the sale will be structured as a Transfer of a Going Concern (TOGC) in which case VAT won't be payable.

AML

The purchaser will need to satisfy the Anti Money Laundering policies of the sales agent and the Vendor client. This is usually two forms of identification and confirmation of the source of funding from the successful purchaser

Proposal

Offers are invited in excess of **£1,180,000** subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of **6.10%** reverting to circa **7%** (March 2030) assuming RPI of 3% per annum. This is based on total purchasers cost of 5.91%. Subject To Contract

Contact & further information

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Tenure

Freehold: Title Number - LA602263

