



FOR SALE

FOODSTORE INVESTMENT : LET TO CO-OPERATIVE GROUP FOOD LTD
1 BARRY ROAD : CARNOUSTIE : DD7 7QJ



INVESTMENT SUMMARY:

- : Attractive newly built food store investment in Carnoustie town centre
- : Let to Co-operative Group Food Ltd for 15 years on full repairing and insuring terms
- : Initial rent £45,000 pa increasing 5 yearly by RPI between 1% and 4% pa
- : Offers over £650,000 reflecting 6.54% pa net initial yield

SMOLKA ^{LLP}
STRACHAN

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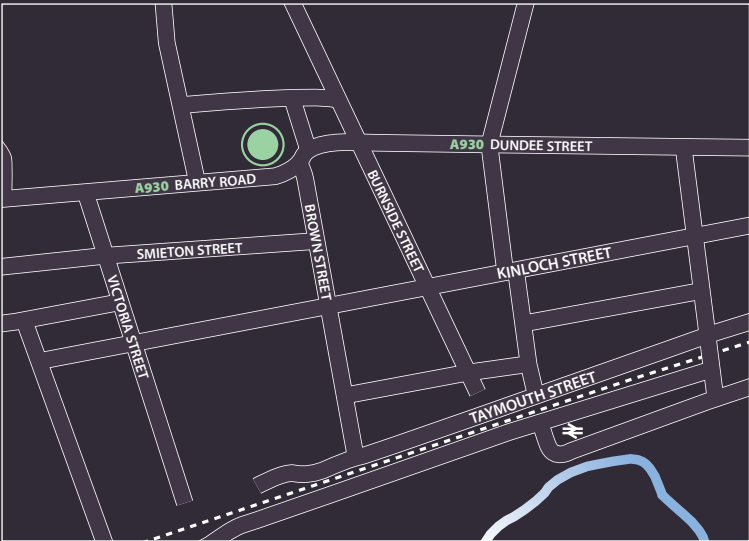
LOCATION

Carnoustie is 10 miles north east of Dundee and has a population of 10,500 and is perhaps best known for hosting the Open Golf Championship 3 times, most recently in 2007. The property is in a residential location in the middle of Carnoustie on Barry Road (A930) the main road through the town.



DESCRIPTION

The building was completed in December last year and comprises a convenience food store of steel framed construction with partly pitched and flat roof with sales and storage accommodation on ground floor extending to 313.36 sq m (3,373 sq ft) gross internal area with external air handling plant store and hard standing with 9 customer car parking spaces.



TENURE

The property is held under heritable title (Scottish equivalent of English freehold).

TENANCY

The property is leased to Co-operative Group Food Ltd on full repairing and insuring terms for 15 years from 28 October 2013 to 27 October 2028 at an initial rent of £45,000 per annum equating to £13.34 per sq ft and subject to 5 yearly upward only rent reviews linked to the Retail Price Index subject to a minimum of 1% pa and a maximum of 4% pa.

TENANT COVENANT

Co-operative Group Food Ltd is a wholly owned subsidiary of The Co-operative Group which was established in 1844 and now operates 4,500 outlets with almost 90,000 employees and annual turnover of £13.5 Billion. Co-operative Group Food Ltd is now the UK's 5th largest food retailer with almost 2,800 local, convenience and medium sized stores and 74,000 employees generating over £7.4 Billion in sales and profit of £288 Million in 2012.



SITE PLAN

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Co-operative Group Food Ltd

USE

The property benefits from open Class 1 Retail consent under the Town and Country Planning (Use Classes) (Scotland) Order 1997.

ENERGY PERFORMANCE CERTIFICATE

An EPC will be provided prior to completion of the sale.

PROPOSAL

We invite offers over £650,000 exclusive of VAT for our client's heritable interest in the property subject to the new lease. An acquisition at this level would provide the purchaser with an initial yield of 6.54% net of acquisition costs of 5.8%.

The table shows how the net investment yield would vary with potential RPI growth rates over the term of the lease:

| YEARS | MINIMUM 1% PA | MEDIAN 2.5% PA | MAXIMUM 4% PA |
|----------|---------------|----------------|---------------|
| 0 to 4 | 6.54% pa | 6.54% pa | 6.54% pa |
| 5 to 10 | 6.88% pa | 7.40% pa | 7.96% pa |
| 10 to 15 | 7.23% pa | 8.38% pa | 9.69% pa |

VAT

The property is elected for VAT purposes and the purchase price will be subject to VAT but may qualify under TOGC (Transfer of Going Concern) provisions.

CAPITAL ALLOWANCES

The vendor has claimed no capital allowances and will assign all available allowances to the purchaser.



LEGAL COSTS

Each party will bear their own legal costs and the purchaser will be liable for SDLT and registration dues on the purchase price.

VIEWING AND FURTHER INFORMATION

Please contact either:

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