



### Investment Summary

- The property occupies a good trading location in the central retailing area of Bishop's Stortford.
- A modern, well configured retail unit with a large yard and parking area to the rear.
- Entirely let to Tesco Stores Ltd until December 2023.
- The passing rent of £140,055.56 pa is subject to an upward only, uncapped RPI based rent review in December 2018.
- Offers in excess of £2,100,000 to show a net initial yield of 6.3% forecast to rise to 7.15% in 2018.

### **FREEHOLD RETAIL INVESTMENT**

**TESCO, 32/32A SOUTH STREET, BISHOP'S STORTFORD, CM23 3AZ**

## TESCO, 32/32A SOUTH STREET, BISHOP'S STORTFORD, CM23 3AZ

### Location:

Bishop's Stortford is an affluent east Hertfordshire town located 33 miles north of London and 35 miles south of Cambridge.

The town has excellent road communications being situated adjacent to Junction 8 of the M11 motorway which leads directly to Junction 27 of the M25, approximately 15 miles to the south. The town also has a regular rail service to London Liverpool Street with an approximate journey time of 37 minutes.

Due to these excellent communications, Bishop's Stortford is established as a popular commuter town with an urban area population of approximately 37,800 and a population within five miles of the centre of approximately 74,200. The town is forecast to see significant population growth of 3.9% between 2012 and 2017.

Stansted Airport, the UK's fourth busiest airport, is four miles to the north east and a major source of employment in the area.

### Situation:

The property is situated on South Street which together with Potter Street forms the prime trading location in the town. The property is located approximately 50 yards south of Marks & Spencer and other surrounding retailers include Clinton Cards, Burtons/Dorothy Perkins, O2, Savers and 99p Stores.

Further retailing is provided within the Jackson Square shopping centre which was extended in 2007 and is anchored by Next, New Look and Sainsbury's.

### Description:

The property comprises a modern, well configured retail unit arranged on ground and first floors, together with extensive car parking to the rear.

The property trades as Tesco Express who have created a small sub-let unit at ground floor, trading as Salvation Army. The Tesco store benefits from a goods handling area at mezzanine level which opens directly onto the rear parking area, allowing rear loading, with a goods lift serving both floors.

The rear car park has approximately 18 marked spaces and the entirety is demised to the tenant with third party rights over this area.

The total site area is approximately 0.39 acres.

### Accommodation:

The property provides the following dimensions and net internal areas:-

Gross Frontage	48ft 3ins	14.72 m
Net Frontage	44ft 0ins	13.42 m
Shop Depth	103ft 9ins	103.71 m
Ground Floor Sales	4,732 sq ft	439.61 sq m
ITZA	1801	
Ground Floor Stock	518 sq ft	48.1 sq m
Mezzanine Goods Handling	241 sq ft	22.4 sq m
First Floor Ancillary	2,730 sq ft	253.61 sq m

**Tenure:** Freehold

**Tenancy:** The entire property is let to **Tesco Stores Limited** for a term of 15 years from 18 December 2008 on full repairing and insuring terms at a rent of **£140,055.56 pa (£70.55 psf Zone A)**. This rent is subject to a further upward only rent review in December 2018 on the basis of the **uncapped** increase in the Retail Price Index over the preceding five year period.

On the basis that RPI five year swaps are currently trading at approximately 2.55% we forecast the passing rent to rise to approximately **£158,847 pa** at rent review in 2018.

The sublet unit is let to Salvation Army Trading Company Limited for a term expiring on 14 October 2023. This sublease is excluded from the provisions of Sections 24-28 of The Landlord and Tenant Act 1954

**Covenant:** Tesco Stores Limited are a subsidiary of Tesco Plc, a FTSE 100 company and the UK's largest supermarket retailer who trade from over 3,400 stores and employ approximately 310,000 people.

For the year ending 22 February 2014, Tesco Stores Ltd reported a turnover of £42.547 billion and a pre-tax profit of £1.696 billion. The company's net worth was £3.038 billion.

**VAT:** The property is elected for VAT and it is envisaged that the sale will be treated as a TOGC.

**EPC:** The property has an EPC rating of D78.

**Price:** We are instructed to seek offers in excess of **£2,100,000**, subject to contract and exclusive of VAT, which reflects a net initial yield of **6.3%** rising to an estimated **7.15%** upon review in December 2018.

**Further Information:** For further information or to make arrangements for a viewing please contact:-

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**SUBJECT TO CONTRACT  
& EXCLUSIVE OF VAT**

Date: March 2015

**DISCLAIMER**

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