

27/31 THE SQUARE  
HESSLE, HU13 0AE

LONG INCOME FOOD STORE  
INVESTMENT OPPORTUNITY



**INVESTMENT  
SUMMARY**

LOCATION

SITUATION

DESCRIPTION

ACCOMMODATION  
& TENURE

TENANCY,  
COVENANT &  
COMPARABLES

PROPOSAL

FURTHER  
INFORMATION

**INVESTMENT SUMMARY**

- Located in the attractive town of Hessle, less than 8 km (5 miles) west of Hull.
- Situated in the prime retail pitch.
- National retailers in the immediate vicinity include Boots, Coral, Halifax and Oxfam.
- Prominent three storey property, totalling 21,615 sq ft, providing ground floor food store with ancillary accommodation above.
- Let to Somerfield Stores Ltd, (trading as The Co-operative) guaranteed by The Co-operative Group Food Ltd.
- Secure income stream with in excess of 25 years unexpired.
- Current rent passing of £339,877 per annum.
- Annual fixed increases of 2.25% providing guaranteed income growth.
- Freehold interest.
- Seeking offers in excess of £5.50 Million reflecting an attractive Net Initial Yield of 5.85%, assuming standard Purchaser's costs of 5.80% subject to contract and exclusive of VAT.

A purchase at £5.50 Million will provide the following attractive yield profile:

2013	2014	2015	2016	2017	2022	2027	2032	2036
5.97%	6.11%	6.24%	6.38%	6.53%	7.30%	8.15%	9.11%	9.96%



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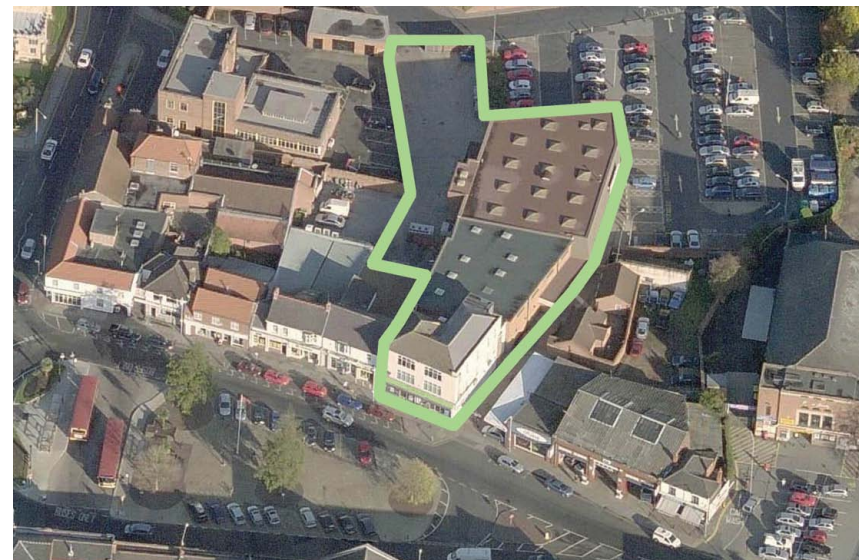
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## LOCATION

Hessle is an attractive town located adjacent to the Humber Bridge, approximately 8 km (5 miles) west of Hull and 17.5 km (11 miles) south of Beverley. Situated just off the A15, the only north to south link across the Humber Estuary, Hessle benefits from strong transport communications.

The A63 east to west arterial route is immediately south of the town, leading from Hull to the M62 Motorway approximately 16 km (10 miles) east, which in turn provides access to the M18 and M1 Motorways.

Hessle Railway Station provides frequent services to Hull city centre via the York to Selby line, with a fastest journey time of approximately 10 minutes.



POSTCODE  
HU13 0AE

For specific map location  
use the QR code below



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## SITUATION

The Property occupies an excellent trading position in Hessle's prime retail pitch on the northern part of The Square, the town's retail focus.

National retailers in the immediate vicinity include Boots, Coral, Halifax and Oxfam, in addition to various independent operators.

Residential and office premises surround The Square, with Hessle Railway Station situated less than 10 minutes walk to the south west.



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## DESCRIPTION

The detached three storey premises have been extended over time to provide a ground floor food store with ancillary accommodation on the upper levels.

Strong footfall is generated from the building's multiple entrances, with frontage to The Square, and a rear entrance opening on to the town's main public car park.

The Co-operative have recently undertaken a significant refurbishment and rebranding of the unit to provide a modern food store in their standard corporate style.

Benefitting from minimal in town competition, the Property comprises the sole major food store in Hessle.

The premises additionally benefit from a rear service yard accessed from Swinegate Street and the public car park.



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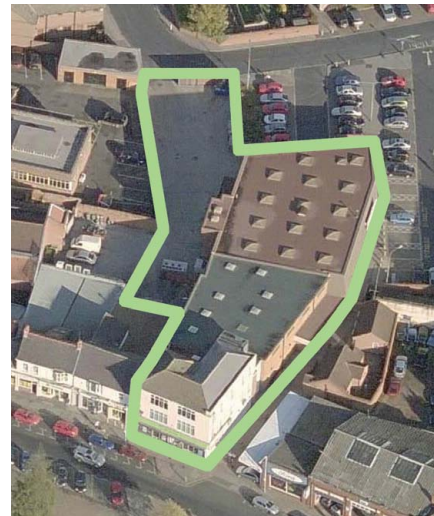
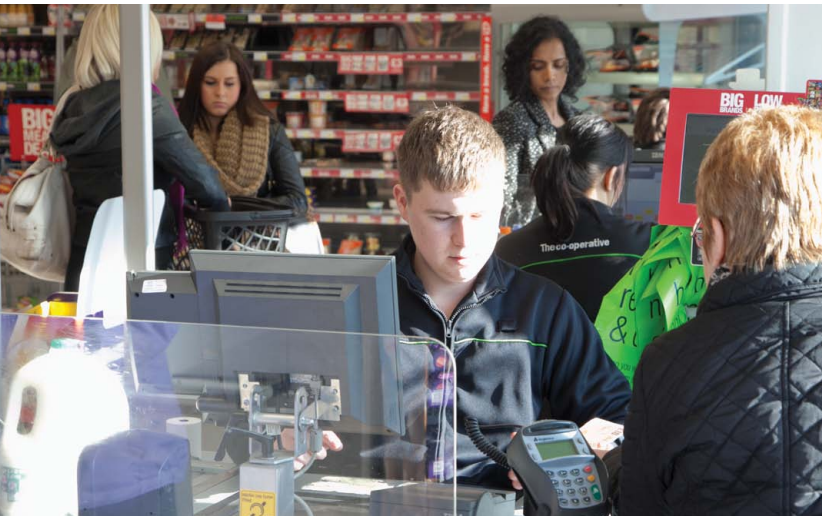
## ACCOMMODATION

We have been advised of the following Gross Internal Areas for the Property:

FLOOR	ACCOMMODATION	Sq M	Sq Ft
GROUND	Sales	912.64	9,824
FIRST	Storage & Ancillary	890.36	9,584
SECOND	Ancillary	205.10	2,208
TOTALS		2,008.10	21,615

## TENURE

Freehold.



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#### TENANCY

- Let on an overriding lease on Full Repairing and Insuring terms to Somerfield Stores Ltd (trading as The Co-operative), guaranteed by The Co-operative Group Food Ltd.
- Let for 30 years from 3 April 2007, providing a long unexpired term of in excess of 25 years.
- Current rent passing of £339,877 per annum, reflecting a vendor top up to the April 2012 level.
- The rent is subject to annual fixed increases of 2.25% providing guaranteed income growth.

#### COVENANT

Somerfield Stores Ltd was acquired by The Co-operative Group in March 2009, creating the UK's fifth largest food retailer. The Co-operative currently operate from approximately 3,000 food stores with expansion plans for a further 300 units within the next three years.

The Co-operative Group is the UK's largest consumer co-operative with in excess of six million members, 4,900 retail units and over 123,000 employees. The Group additionally provides services in the Travel, Financial Services, Healthcare, Funeral Care, Legal Services, Motors and Online Electricals sectors.

#### SOMERFIELD STORES LTD

Three years summary accounts are provided below:

	02 JANUARY 2010 (000'S)	02 MAY 2009 (000'S)	26 APRIL 2008 (000'S)
TURNOVER	£2,299,900	£4,349,500	£4,207,600
TANGIBLE NET WORTH	£642,700	£461,300	£616,000

#### THE CO-OPERATIVE GROUP FOOD LTD

Two years summary accounts are provided below:

	01 JANUARY 2011 (000'S)	02 JANUARY 2010 (000'S)
TURNOVER	£5,402,348	£1,098,460
PRE TAX PROFIT	£507,249	£66,652
TANGIBLE NET WORTH	£1,154,339	£84,603

Further information is available at [www.co-operative.coop](http://www.co-operative.coop).

#### INVESTMENT COMPARABLES

Recent transactions for similar food stores are highlighted below:

TOWN	OPERATOR	UNEXPIRED TERM	RENT (£ PSF)	ANNUAL RENT UPLIFTS	PRICE	YIELD	DATE
UPPINGHAM	The Co-operative	23 Years	£20.31	2.25%	£3.18m	5.00%	Nov '11
BIDEFORD	The Co-operative	23 Years	£13.51	RPI Collar 2% Cap 4%	£2.46m	5.00%	Nov '11
GLASGOW	The Co-operative	23 Years	£10.41	RPI	£3.85m	4.75%	Mar '11
TRANENT	The Co-operative	23 Years	£8.35	RPI Collar 2% Cap 4%	£3.38m	4.75%	Dec '10

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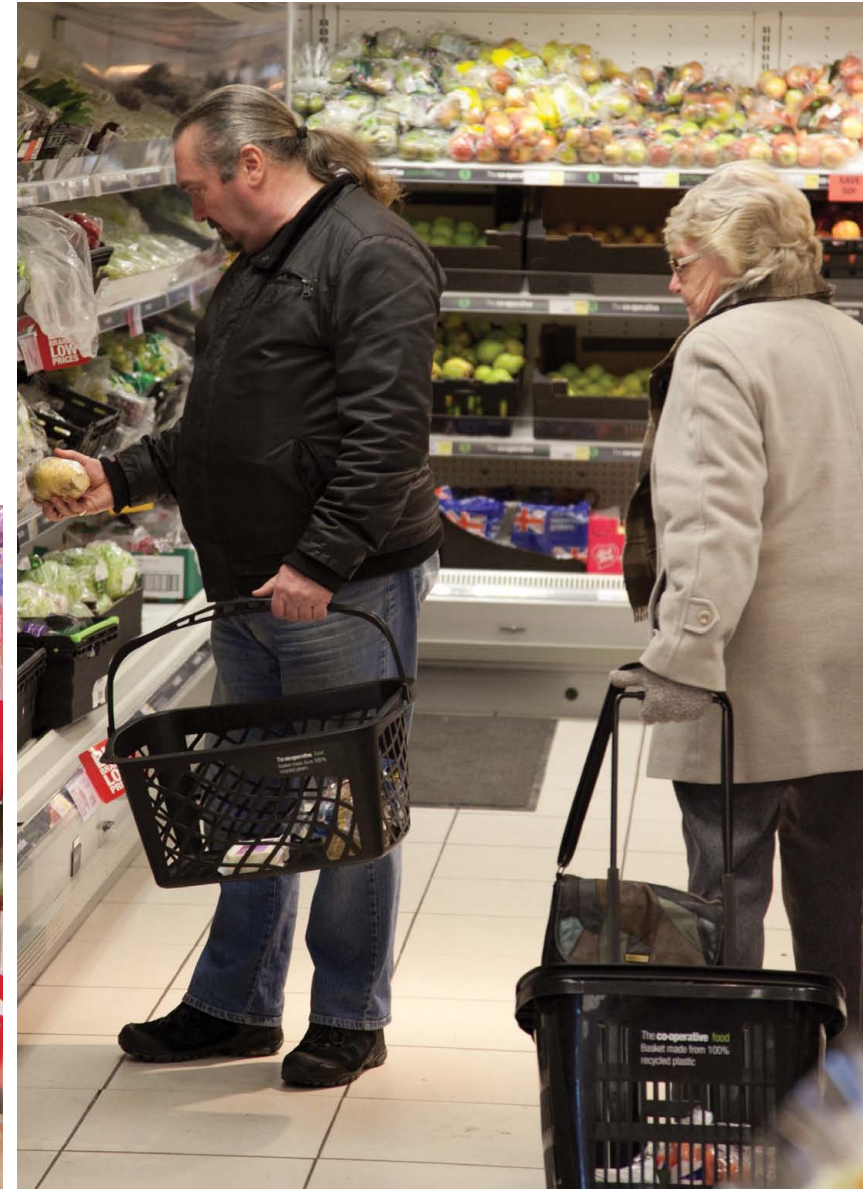
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### PROPOSAL

Seeking offers in excess of £5.50 Million (Five Million, Five Hundred Thousand Pounds), reflecting an attractive Net Initial Yield of 5.85%, assuming standard Purchaser's costs of 5.80% subject to contract and exclusive of VAT.

### VALUE ADDED TAX

The Property is elected for VAT purposes. It is envisaged that the sale will be treated as a Transfer Of a Going Concern.





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For further information please contact:

SIMEON COHEN  
020 7631 2242  
simeon@dbaprop.co.uk

DAVID BAROUKH  
020 7631 2244  
david@dbaprop.co.uk

GRANT BEASLEY  
020 7631 2245  
grant@dbaprop.co.uk

DAVID BAROUKH ASSOCIATES  
6A Wimpole Street  
London W1G 8AL

www.dbaprop.co.uk  
Tel 020 7323 1010  
Fax 020 7323 6600



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