

**VICTORIA AVENUE
AND CHAPEL ROW
BORROWASH, DE72 3HE**

**MULTI LET LONG INCOME
RETAIL PARADE ANCHORED
BY FOODSTORE**



INVESTMENT SUMMARY

- Located in the suburb of Borrowash, approximately 8 km (5 miles) east of Derby.
- Dominant retail offering on large island site.
- No national retailer foodstore competition within Borrowash.
- Prominent five unit retail development totalling 27,869 sq ft, anchored by a foodstore.
- Predominantly let to Somerfield Stores Ltd (trading as The Co-operative), with surety from The Co-operative Group Food Ltd.
- Remainder of the scheme let to Nationwide Building Society (trading as Derbyshire Building Society), Wilsons Pharmacy, Four Seasons and 3 Chefs.
- Total current income of £265,853 per annum reflecting a low average overall rent of £9.54 per sq ft.
- The Co-operative have in excess of 24 years unexpired with the investment providing an Average Weighted Unexpired Term Certain of approximately 21 years.
- Annual fixed increases of 2.25% to The Co-operative's lease, providing guaranteed income growth.
- Freehold interest.
- Seeking offers in excess of £3.6 million reflecting an attractive Net Initial Yield of 6.98%, assuming standard Purchaser's costs of 5.80%.

The running yield based upon The Co-operative's rental increases and no change to the remaining existing income is as follows:

2014	2015	2016	2017	2018	2023	2028	2033	2036
7.11%	7.24%	7.37%	7.50%	7.64%	8.38%	9.20%	10.12%	10.73%



LOCATION

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Borrowash is located within Erewash Borough Council in Derbyshire, approximately 8 km (5 miles) east of Derby, 16.1 km (10 miles) south west of Nottingham, 23.3 km (14.5 miles) north of Loughborough and 34.6 km (21.5 miles) south of Mansfield.

The A52 Brian Clough Way borders Borrowash to the north and provides the main arterial route between Derby and Junction 25 of the M1 Motorway, 8 km (5 miles) to the east. From the A52 the A6 leads south via the A511 to the A50, which joins with Junctions 24 and 24A of the M1 to the east, and the A38 north to south link between Derby and Lichfield to the west.

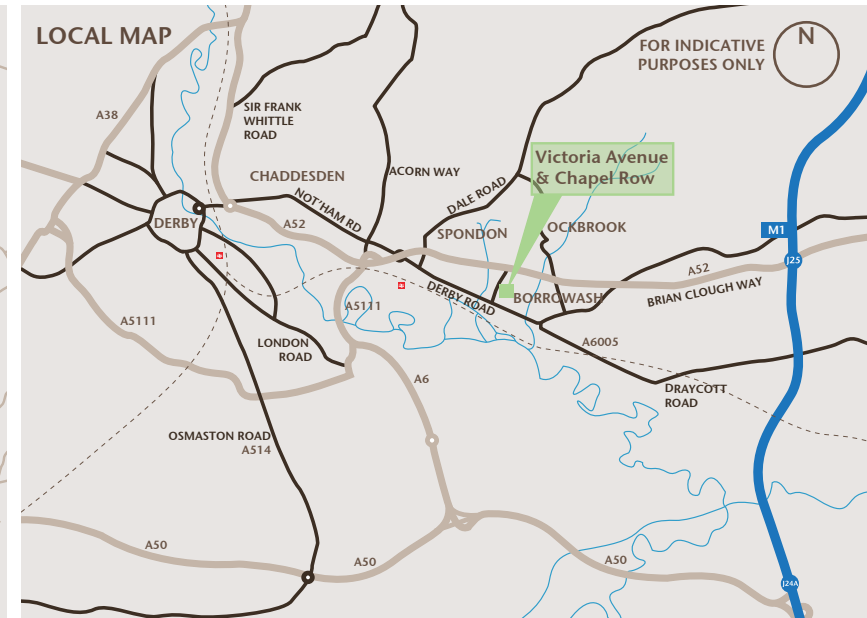
Borrowash is bounded to the south by the A6005 Nottingham Road, which links to the A52 2.4 km (1.5 miles) to the west, and directly into Nottingham town centre 17 km (10.5 miles) to the east.

The neighbouring suburb of Spondon is approximately 2.1 km (1.3 miles) to the west and provides links to the national rail network via East Midlands Trains. Frequent services run to Derby, Nottingham, Sheffield and Manchester among other major nearby regional centres.



POSTCODE
DE72 3HE

For specific map location
use the QR code below



SITUATION

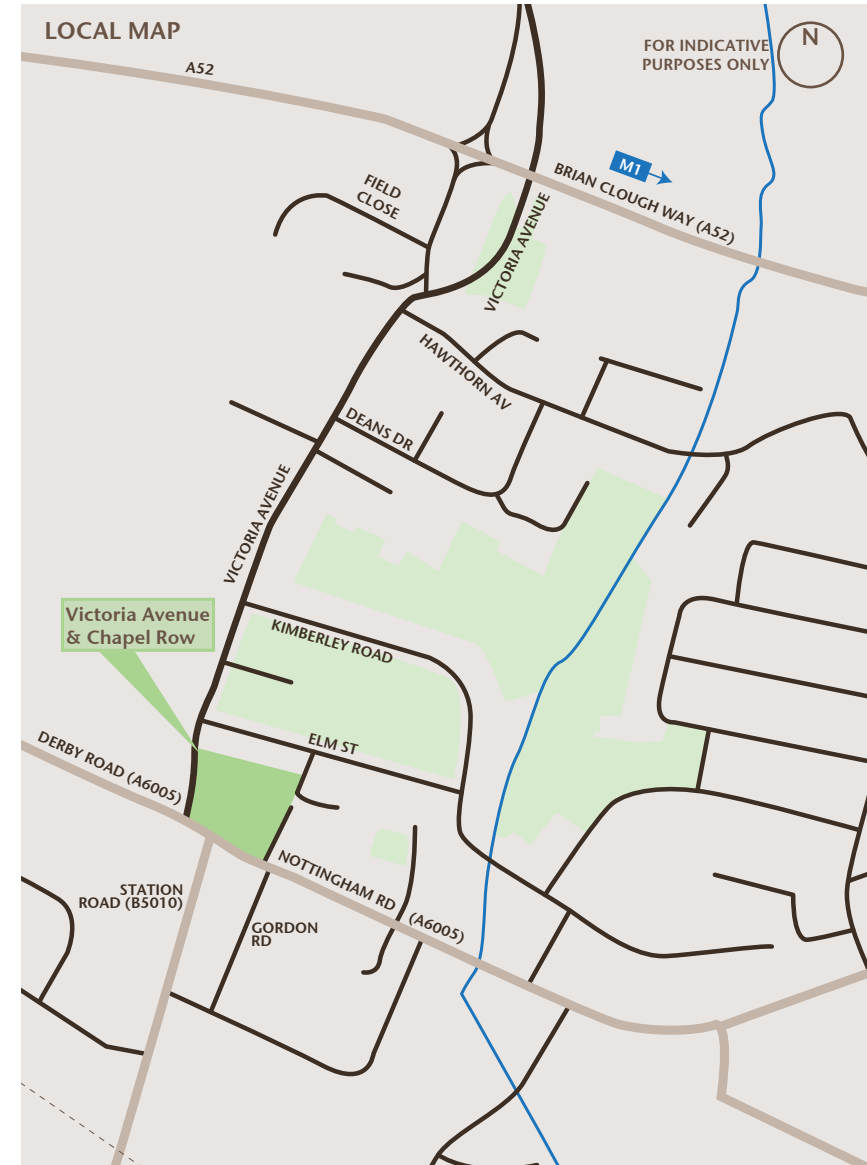
SITUATION

The investment occupies an imposing site bounded by the A6005 Nottingham Road to the south, between its junctions with Victoria Avenue and Chapel Row. From Victoria Avenue direct access to the A52 is less than 1 km (0.6 miles) to the north.

Situated in a predominantly residential area, the subject property comprises the dominant retail development within Borrowash and main food store, while various retail premises face the site to the east, west and south along Chapel Row, Victoria Avenue and Nottingham Road respectively.

Four entrances serve the premises with those at Victoria Avenue and its junction with the A6005 fronting the retail units. Additional entrances are situated off the A6005 and Chapel Row to the side and rear respectively.

The nearest competing foodstores are approximately 3.2 km (2 miles) to the west in Spondon, and are operated by The Co-operative.

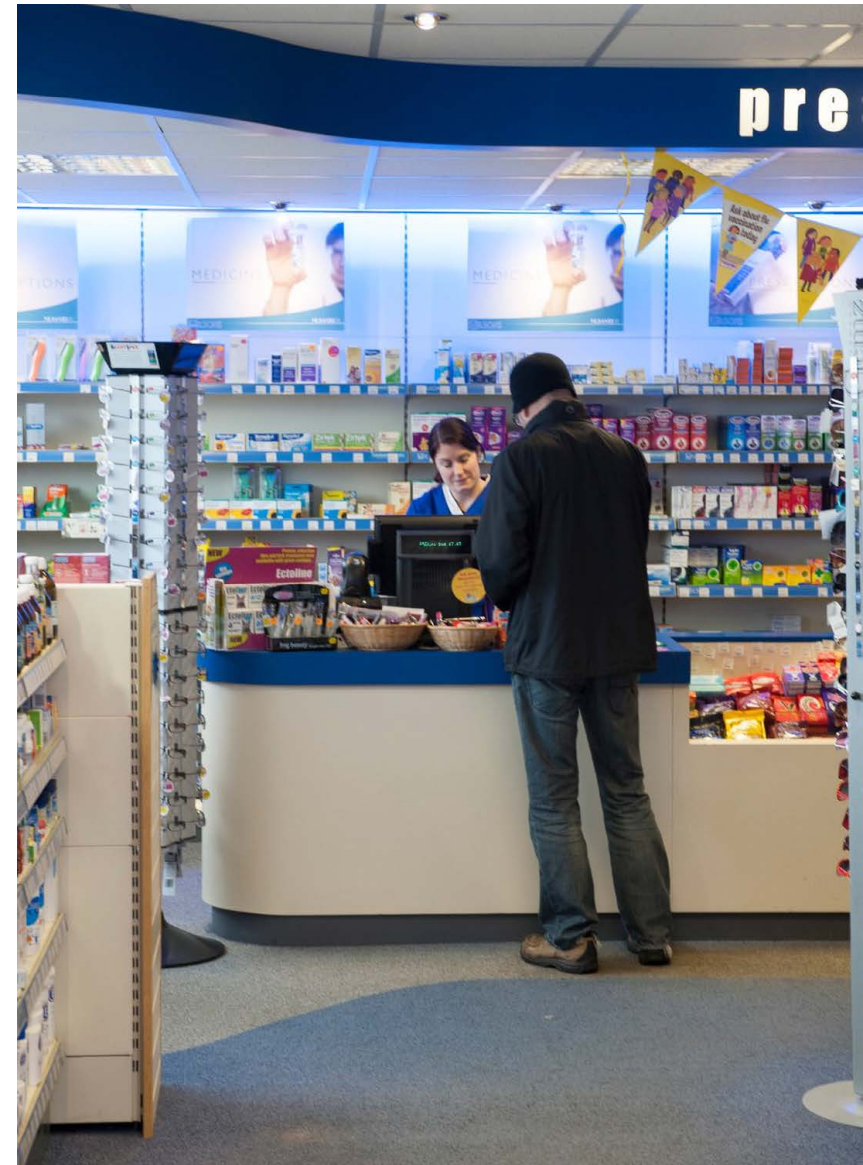


DESCRIPTION

DESCRIPTION

The investment comprises a five unit retail parade situated in the centre of a mixed use island site for which The Co-operative occupy the anchor unit. Two retail units are located either side of the foodstore, all of which front Victoria Avenue. The subject premises comprise the majority of the island site.

The premises benefit from 130 on site parking spaces providing an excellent ratio of 1:214 sq ft.



ACCOMMODATION
& TENURE

ACCOMMODATION

We have been advised of the following Gross Internal Areas:

UNIT	ACCOMMODATION	Sq M	Sq Ft
FOODSTORE	Sales	1,222.70	13,161
	Staff/Storage	736.91	7,932
UNIT 1 VICTORIA AVENUE	Retail	247.96	2,669
UNIT 3 VICTORIA AVENUE	Takeaway	125.88	1,355
UNIT 2 CHAPEL ROW	Takeaway	124.68	1,342
UNIT 4 CHAPEL ROW	Building Society	130.99	1,410
TOTALS		2,589.12	27,869

TENURE

The premises are held freehold over two separate titles DY39782 and DY383266, respectively shown outlined blue and red and jointly totalling 2.02 acres.

FOR INDICATIVE PURPOSES ONLY



TENANCY

TENANCY

The units are let in accordance with the below tenancy schedule providing an Average Weighted Unexpired Term Certain of approximately 21 years:

UNIT	TENANT (SURETY)	TRADING AS	AREA (Sq Ft)	LEASE START	LEASE EXPIRY	BREAK DATE	RENT REVIEW	RENT (£Pa)	RENT (£Psf)	COMMENTS
FOOD STORE	Somerfield Stores Ltd (Co-operative Group Food Ltd)	The Co-operative	21,093	03-Apr-07	02-Apr-37	-	03-Apr-14	£213,603 ¹	£10.13	Annual fixed rent increases of 2.25%.
UNIT 1 VICTORIA AVENUE	Bj Wilson Ltd	Wilson's Pharmacy	2,669	24-Oct-08	23-Oct-23	24-Oct-13 24-Oct-18	24-Oct-13	£20,000	£7.49	Break options subject to nine months notice.
UNIT 3 VICTORIA AVENUE	Ansir Mahmood	3 Chefs	1,355	07-Jun-12	06-Jun-32	-	07-Jun-17	£15,000	£11.07	Recently fitted out. £3,750 rent deposit.
UNIT 2 CHAPEL ROW	Gordon Tak Shing Yeung	Four Seasons	1,342	25-Mar-01	24-Mar-19	-	25-Mar-16	£9,000	£6.71	Internal repairing and insuring lease.
UNIT 4 CHAPEL ROW	Nationwide Building Society	Derbyshire Building Society	1,410	20-Oct-94	19-Oct-19	-	20-Oct-14	£8,250	£5.85	2009 review outstanding.
TOTALS			27,869					£265,853	£9.54	

¹ Rent topped up to April 2013 fixed increase level.



MAIN COVENANTS

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 2,800 foodstores.

The Co-operative Group is the UK's largest consumer co-operative with in excess of six million members, 4,800 retail units and over 106,000 employees. The Group additionally provides services in the Travel, Financial Services, Healthcare, Funeral Care, Legal Services, Motors and Online Electricals sectors.

SOMERFIELD STORES LTD (TENANT)

The most recent available 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 (SURETY)

The most recent available 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.co.uk.

NATIONWIDE BUILDING SOCIETY

Nationwide is the UK's second largest savings provider and world's largest building society. With approximately 15 million members Nationwide is one of the top three mortgage lenders in the UK. Other financial services offered include provision of current accounts, credit cards, ISAs and personal loans.

Three years summary accounts are provided below:

	04 APRIL 2011 (000'S)	04 APRIL 2010 (000'S)	04 APRIL 2009 (000'S)
TURNOVER	£5,212,000	-	-
PRE TAX PROFIT	£317,000	£341,000	£212,000
TANGIBLE NET WORTH	£5,725,000	£5,363,000	£4,083,000

Further information is available at www.nationwide.co.uk.



INVESTMENT
COMPARABLES

INVESTMENT COMPARABLES

Recent transactions for food store investments are highlighted below:

TOWN	OPERATOR	UNEXPIRED TERM	RENT (£ PSF)	RENT UPLIFTS	PRICE	YIELD	DATE
HESSLE	The Co-operative	24.5 Years	£15.72	Annual at 2.25%	£4.94m	6.50%	Nov 2012
PORTFOLIO BARTON & CLEETHORPES	The Co-operative	10.3 Years	Barton £12.34 Cleethorpes £11.40	5 yearly to higher of OMRV or uncapped RPI	£2.90m	5.40%	Sep 2012
GORTON, MANCHESTER	Aldi	19.5 Years	£11.69	5 yearly to higher of OMRV or uncapped RPI	£3.18m	5.68%	Sep 2012
CAVERSHAM	The Co-operative	15 Years	£15.30	RPI 1% collar and 4% cap	£0.98m	5.50%	Feb 2012



PROPOSAL

Seeking offers in excess of £3.6 Million (Three Million, Six Hundred Thousand Pounds) reflecting an attractive Net Initial Yield of 6.98%, assuming standard Purchaser’s costs of 5.80% subject to contract and exclusive of VAT.

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2014	2015	2016	2017	2018	2023	2028	2033	2036
7.11%	7.24%	7.37%	7.50%	7.64%	8.38%	9.20%	10.12%	10.73%

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.





For further information please contact:

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EPC
The EPC ratings and scores are as follows:

UNIT	RATING	SCORE
FOODSTORE	D	87
UNIT 1	D	96
UNIT 2	C	73
UNIT 3	E	118
UNIT 4	G	156

Further information upon request

MISREPRESENTATION CLAUSE

David Baroukh Associates LLP for themselves, their Associated Companies, their employees and for the vendors or lessors of the properties whose agents they are give notice that:- 1. All particulars or properties provided are given as a general outline only for the guidance of intending purchaser, lessee or tenant, and do not constitute, nor constitute part of, an offer or contract. 2. Whilst all particulars of properties given including but not limited to descriptions, dimensions, references to condition and necessary permissions for use and occupation and maps are believed to be correct and are given in good faith, they are however given without responsibility on the part of David Baroukh Associates their Associated Companies, their employees and or the vendors or lessors as the case may be. 3. None of the statements contained in any particulars is to be relied upon as a statement or representation of fact. 4. Any intending purchaser or lessee or tenant should not rely on any particulars provided by us and must satisfy themselves by inspection or otherwise as to the correctness of each statement made in such particulars. 5. The vendor or lessor (as the case may be) do not make or give and neither David Baroukh Associates LLP, their Associated Companies or any person in their employment have any authority to make or give any representation or warranty whatever in relation to any properties. **FEBRUARY 2013**