FREEHOLD LONG INCOME CONVENIENCE STORE ANCHORED MIXED USE INVESTMENT

CO-OP FOOD, MILL LANE, WHITBURN, SUNDERLAND SR6 7EL



PK3 AGENCY

INVESTMENT SUMMARY

- **Prominent convenience store anchored mixed use investment in attractive seaside village of Whitburn, Sunderland**
- Whitburn is a **desirable village** less than a mile from Seaburn and approximately 3 miles to the north of Sunderland
- Located prominently along **A183 Mill Lane** in the centre of the village
- The property comprises a **ground floor convenience store** and **three residential apartments** with loading / parking area to the rear
- Well configured ground floor convenience store providing **4,510 sq ft** (3,143 sq ft – GF sales floor area)
- Let to **Co-Op Group Food Limited** (net assets - £1.96bn)
- New FRI lease for a term of **15 years** wef 18th February 2021 expiring 17th February 2036 (9.5 years unexpired)
- Current rent of **£117,188 per annum** (£26 psf)
- Rent to be reviewed 5 yearly upwards only in line with CPI annually compounded (1-3% cap and collared)
- Loading / parking area to the rear provides a total of **9 spaces** (1 accessible) for the store and further parking for the residential apartments
- **Three residential apartments** recently developed to a high specification
- Residential apartments let on ASTs and provide an additional **£33,600 per annum**
- Communications mast which is let to **EE Limited** for a term of 10 years. The initial rent of **£2,800 per annum** is to be reviewed in line with CPI in November 2026 and three yearly thereafter
- Total rental income of **£153,588 per annum**
- **Freehold**

Offers over
£1,925,000 (STC)

Net initial yield
7.50%

Estimated reversionary yield*
8.44%
(2031)

* Assume CPI growth of 3% per annum

Whitburn is a desirable seaside village less than a mile from Seaburn and approximately 3 miles north of Sunderland and 14 miles east of Newcastle upon Tyne. The village has a resident population of 5,095 inhabitants (2021 census).

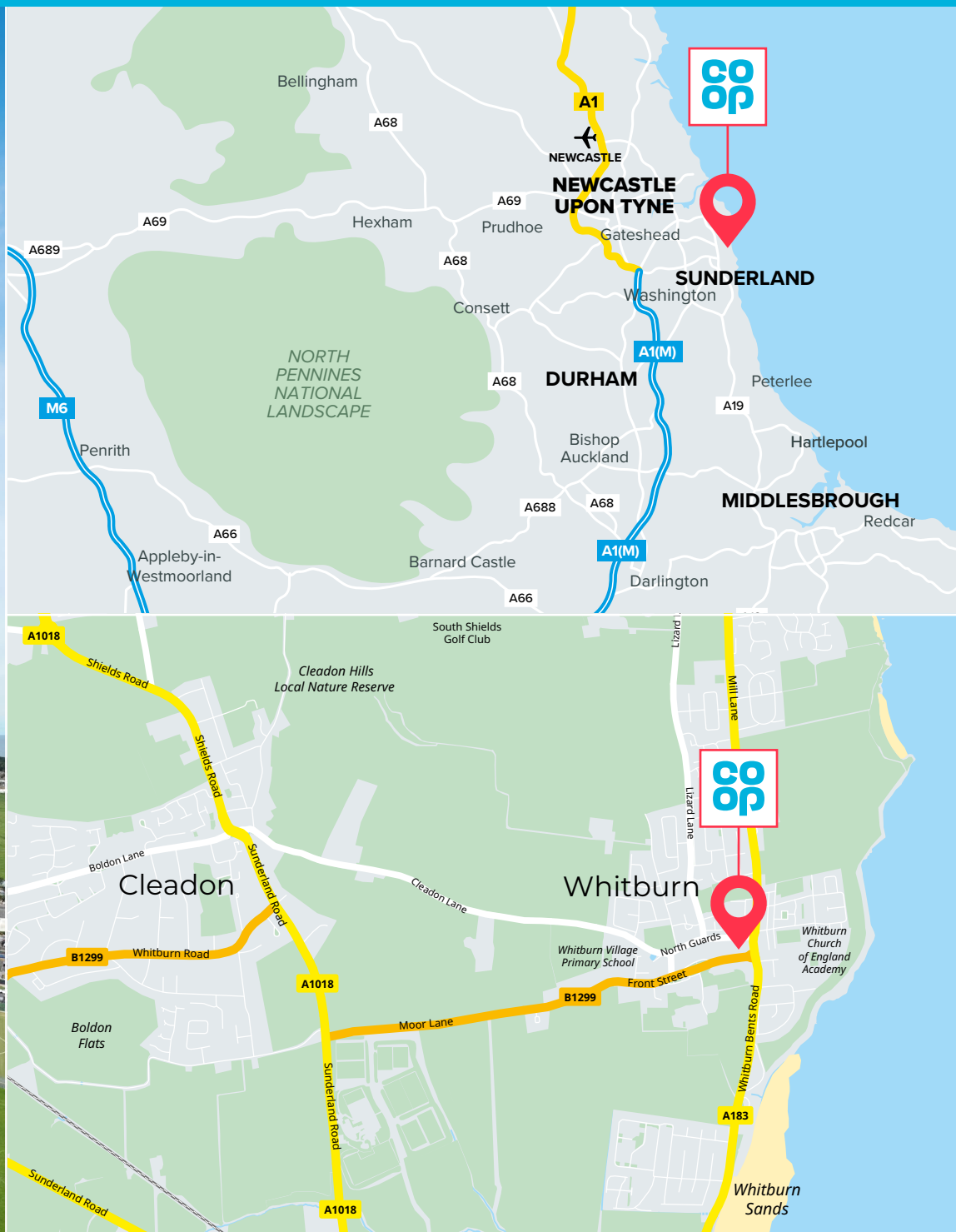
Whitburn is an affluent village with an average house price of £310,933, 37% above the regional average.

The village is well connected approx. 5 miles from the A19 which provides connections across the Tyne and Wear region and to the A1 Motorway, approx. 10 miles distant.

The region has the benefit of the Tyne and Wear Metro, an overground and underground rail network across the region serving a total of 60 stations and connecting Newcastle, Gateshead, North Tyneside and Sunderland. East Boldon and Seaburn are the closest stations and operate services every 12 minutes.

Whitburn Coastal Park to the north of the village is a designated Local Nature Reserve and managed by the National Trust.







SITUATION

The property occupies a prominent location with frontage along A183 Mill Lane in a densely populated area in the centre of the village.

Whitburn benefits from a good level of amenity and nearby occupiers feature independent and national occupiers including café / restaurants, a post office, a community library as well as others.

The property is located approximately 1 mile from the popular Whitburn Beach and Coastal Park.

DESCRIPTION & ACCOMMODATION

The property comprises an attractive two storey period building dating back to 1840 and is considered a Locally Significant Heritage Asset by South Tyneside Council.

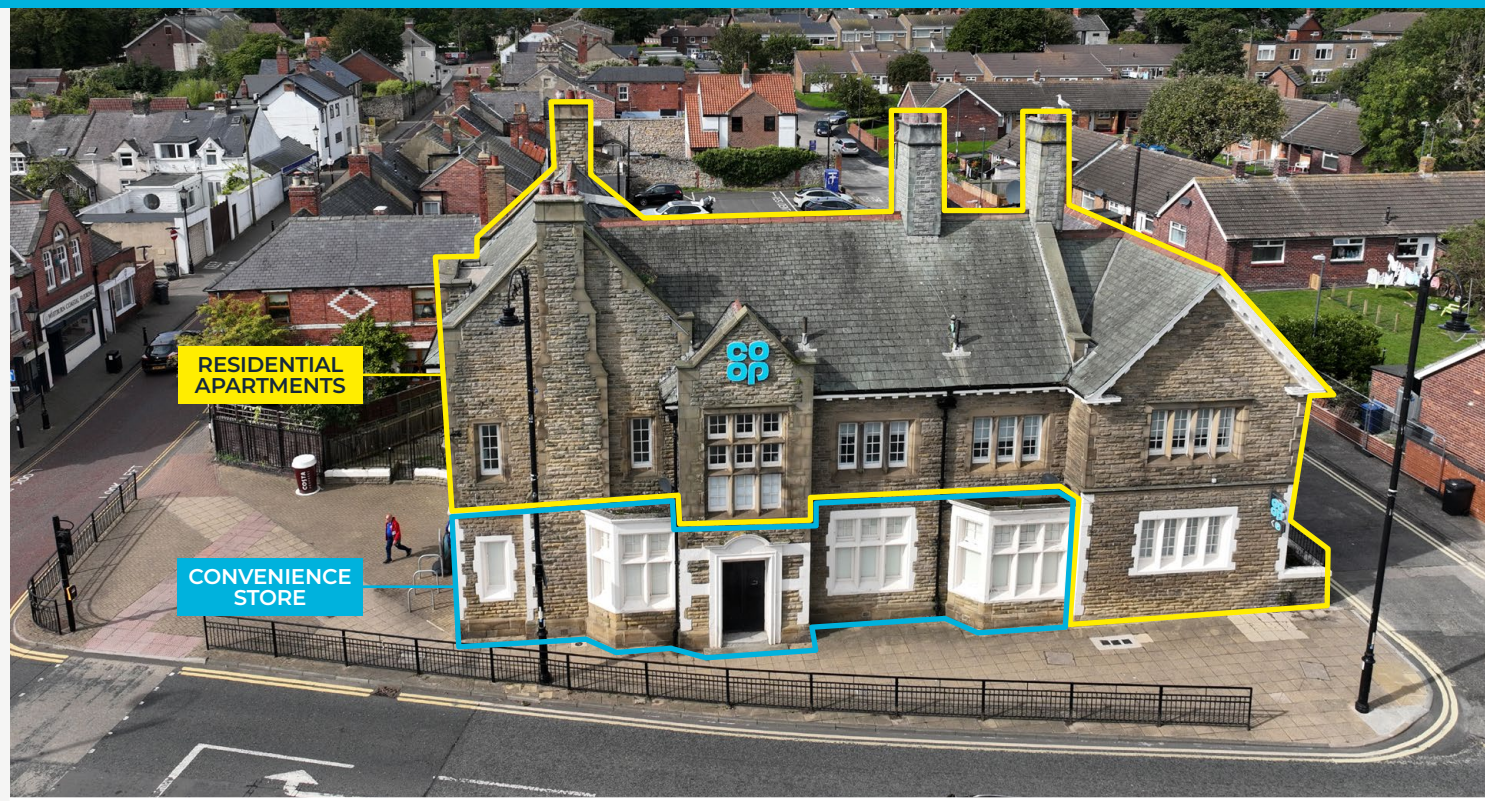
The property has been recently redeveloped to provide a ground floor convenience store and three residential apartments.

Internally, the convenience store has been fitted to the company's corporate style and the residential apartments have been developed to a high specification.

Externally to the rear, there is a store loading area and parking provision for a total of 9 vehicles (1 accessible) for the store.

There is further parking provision for 9 vehicles of the demise of the store within the Freehold ownership, 4 of which are allocated for the residential apartments.

The property has a total site area of 0.3 acres.



Convenience Store	Area (Sq Ft)	Area (Sq M)
Ground Floor Sales	3,143	292.0
Ground Floor Ancillary	1,367	127.0
TOTAL	**4,510**	**419.0**

Residential Apartments	Area (Sq Ft)	Area (Sq M)
Apartment 1 (First Floor)	753	69.9
Apartment 2 (First Floor)	786	73.0
Apartment 3 (Ground Floor Duplex)	807	75.0
TOTAL	**2,346**	**217.9**





TENANCY

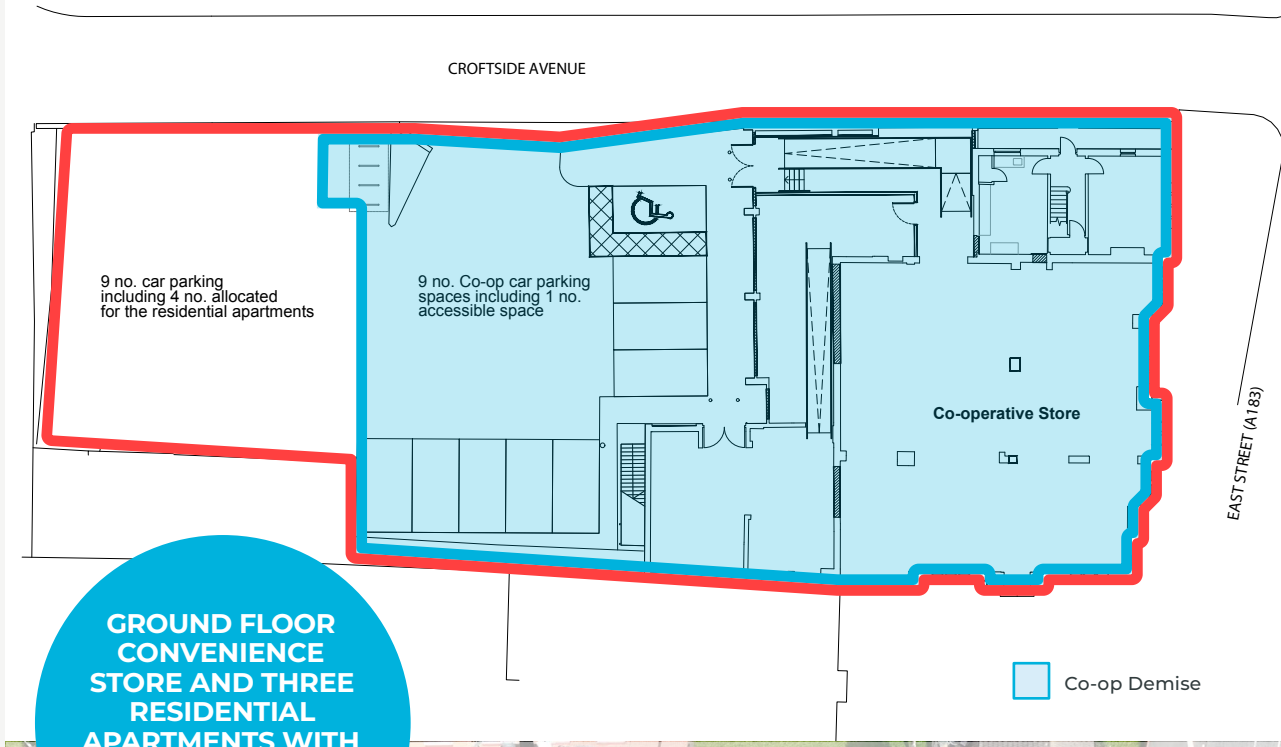
Convenience Store	
Tenant	Co-operative Group Food Limited
Lease Commencement	18th February 2021
Lease Expiry	17th February 2036
Repair	Fully repairing and insuring
Rent Reviews	5 yearly
Rent Review Mechanism	CPI annually compounded (1-3% cap and collar)
Rent (per annum)	£117,188
Rent (psf)	£25.98
LTA Act 1954	Inside

Residential Apartments	
Tenant	Private individuals
Apartments	Three (Apartments 1 and 2 – First Floor; Apartment 3 – Ground Floor Duplex)
Tenancy Type	Assured periodic tenancies (formerly ASTs)
Tenancy Commencement	Apartment 1: 20th August 2025 Apartment 2: 15th December 2025 Apartment 3: 29th May 2026
Rent (per annum)	Apartment 1: £10,500 (753 sq ft) Apartment 2: £10,500 (786 sq ft) Apartment 3: £12,600 (807 sq ft)
Total Rent (per annum)	£33,600
Rent Review Mechanism	Annual increase by notice to market rent (Housing Act 1988, s.13)

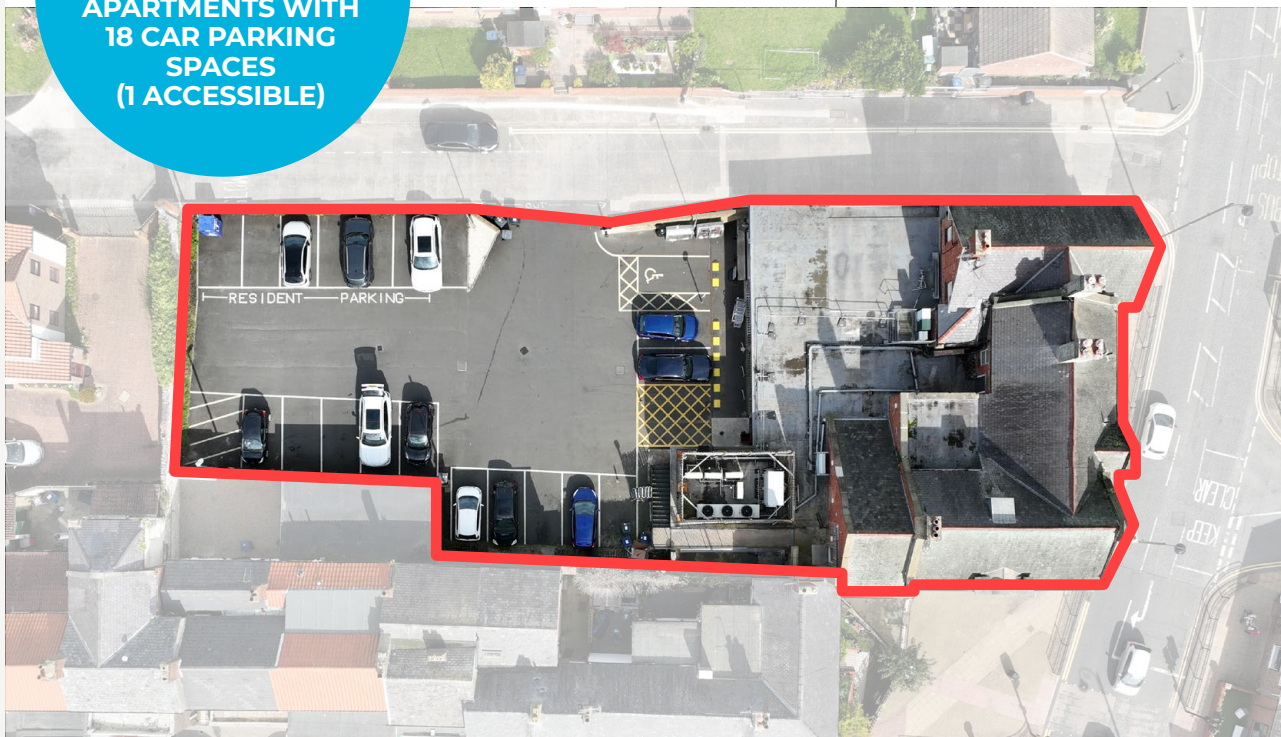
Telecommunications Mast	
Tenant	EE Limited & Hutchison 3G UK Limited
Lease Commencement	23rd November 2023
Lease Expiry	21st November 2033
Break Clause	23rd November 2026 (not exercised)
Rent Reviews	23rd November 2026
Rent Review Mechanism	CPI, 3 yearly, upwards only
Rent (per annum)	£2,800
LTA Act 1954	Outside (Electronic Communications Code applies)

TENURE

Freehold (title ref: TY278541 & TY288928)



GROUND FLOOR CONVENIENCE STORE AND THREE RESIDENTIAL APARTMENTS WITH 18 CAR PARKING SPACES (1 ACCESSIBLE)



COVENANT STATUS

Co-operative Group Food Limited (Registered Society 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 operates 2,600 food stores, over 800 funeral homes and provides products to over 5,100 other stores, including those run by independent co-operative societies and through its wholesale business, Nisa Retail Limited. Employing over 63,000 people, the Co-op has an annual turnover of £11.5bn.

A copy of the latest set of accounts is provided below:

Co-operative Group Food Limited	4 January 2025	6 January 2024	31 December 2022
Turnover	£8,531,100,000	£8,495,800,000	£8,040,600,000
Pre Tax Profits	£257,400,000	£8,300,000	(£139,700,000)
Net Assets	£1,583,900,000	£1,873,900,000	£1,852,700,000

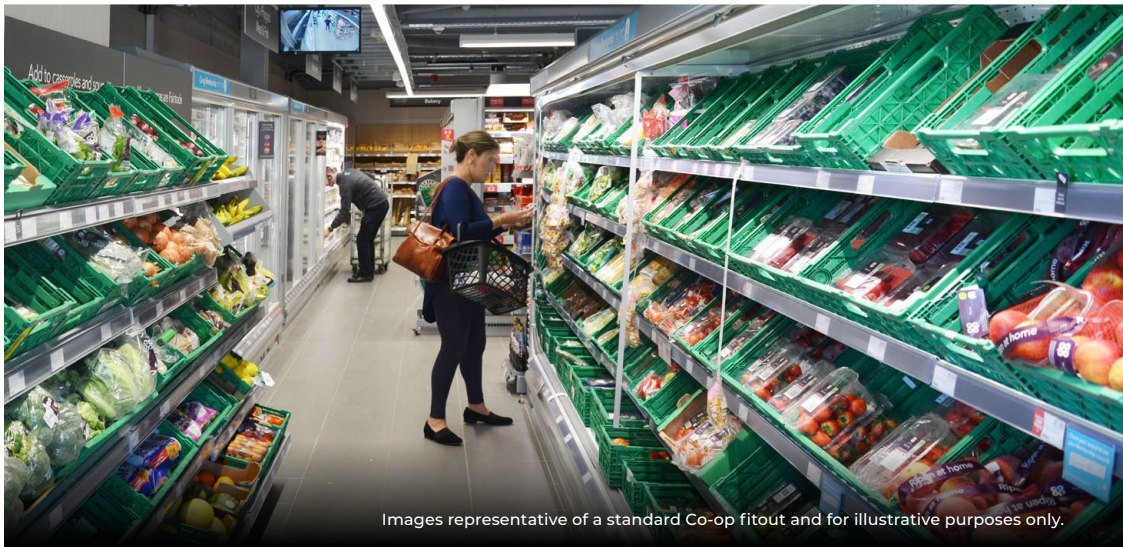


ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

The Co-operative Group are a true Co-operative, owned by their members and governed according to strong values and principals which are at the cornerstone of everything they do.

Their 2020 vision statement "Co-operating for a Fairer World" led to a number of social and environmental achievements and commitments, including:





Images representative of a standard Co-op fitout and for illustrative purposes only.

PROPOSAL

We are instructed to seek offers in excess of

£1,925,000 (STC)

(One Million, Nine Hundred and Twenty Five Thousand Pounds)

for our client's freehold interest, subject to contract, representing the following yield profile:

Net Initial Yield
7.50%

Estimated Reversionary Yield*
8.44% (2031)

*Reversionary yields assume CPI growth of 3% per annum

DATAROOM

Access to the dataroom can be provided on request. Information as follows:

- Title
- Lease
- Floorplans
- EPC
- Accounts

CAPITAL ALLOWANCES

There are no unclaimed Capital Allowances available with the property.

VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. The transaction will not be able to be dealt with as a TOGC.

ANTI-MONEY LAUNDERING REGULATIONS

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

FURTHER INFORMATION

For further information or to arrange an inspection, please contact:



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PK3 AGENCY

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