

PRIME HIGH STREET SUPERMARKET INVESTMENT

81-95

EAST MAIN STREET
BROXBURN
EH52 5EQ



Scotmid
coop



Sheridan
Property
Consultants



LOVED AND EXPERIENCED BY CUSTOMERS SINCE EARLY 1859

The subjects are let entirely to Scottish Midland Co-operative Society Limited

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1859

Scottish Midland Co-operative Society Ltd originated from an Edinburgh co-operative society established in 1859 and now has operations across Scotland, Northern Ireland and the North of England.



INVESTMENT SUMMARY

Scotmid
co-operative
6am - 10pm
7 days

the **Kitchen**

COSTA
EXPRESS

STEPHENS
TASTE THE TRADITION

- Rare opportunity to acquire a sought-after supermarket investment;
- Exceptional fixed rental uplift investment opportunity;
- Situated in the heart of Broxburn, one of the most affluent towns in West Lothian;
- Let to Scottish Midland Co-operative Society Ltd (5A1 Covenant);
- Extensively refurbished supermarket in 2016;
- Large customer car park to the rear for c.70 vehicles;
- Initial passing rent of £140,000 per annum (£10.95/sq ft);
- CPI linked rent reviews, capped and collared at 3%-1.5%
- We are instructed to seek offers in excess of £2,200,000 (TWO MILLION TWO HUNDRED THOUSAND POUNDS STERLING) exclusive of VAT. A purchase at this level reflects an attractive Net Initial Yield of 6.00%, assuming standard purchaser's costs of 5.86%



View from Main Street of store frontage

DESCRIPTION

The subjects comprise a large supermarket benefiting from an extensively glazed frontage. The supermarket is predominantly open plan floor space together with a butchers, bakery and cold store towards the rear at ground level, with staff facilities, WC's and office facilities at first floor.

Scotmid undertook an extensive redevelopment programme in 2016 following their relocation from alternative premises on 63 East Main Street, showing their undoubted commitment to the town. In addition

to the modern generous floor space, the subjects also benefit from a large customer car park with in excess of 70 car spaces to the immediate rear. The car park is accessed from Church Street to the east, which extends to a site area of approx. 0.77 acres. This is also the primary access for delivery vehicles with a large roller shutter loading bay along the western elevation of the subjects.

The subjects are fitted out in the corporate style of Scotmid Co-operative.

The subjects also benefit from a large customer car park with in excess of 70 car spaces to the immediate rear



LOCATION

The town of Broxburn is a popular commuter town located in the heart of West Lothian and is characterised by the remarkable Union Canal which runs through Broxburn to the heart of Edinburgh. This unique natural asset attracts a range of active pursuits, including walking, running, cycling and even sailing through picturesque Central Scotland.

The town boasts an unrivalled selection of independent food stores and boutiques, along with a fully-equipped leisure centre, local golf course, a nearby country park and several well-regarded eateries.

Broxburn benefits from excellent transport connections in the area, with easy access to local and regional destinations. The A899 & A89 are the primary A roads linking Broxburn with Glasgow to the West via Livingston and to Newbridge to the East providing a direct route into Edinburgh's City Centre. The M8 is 11 minutes away by car, and provides an alternate route to Glasgow and Edinburgh whilst Stirling is approximately 33 miles via the M9.

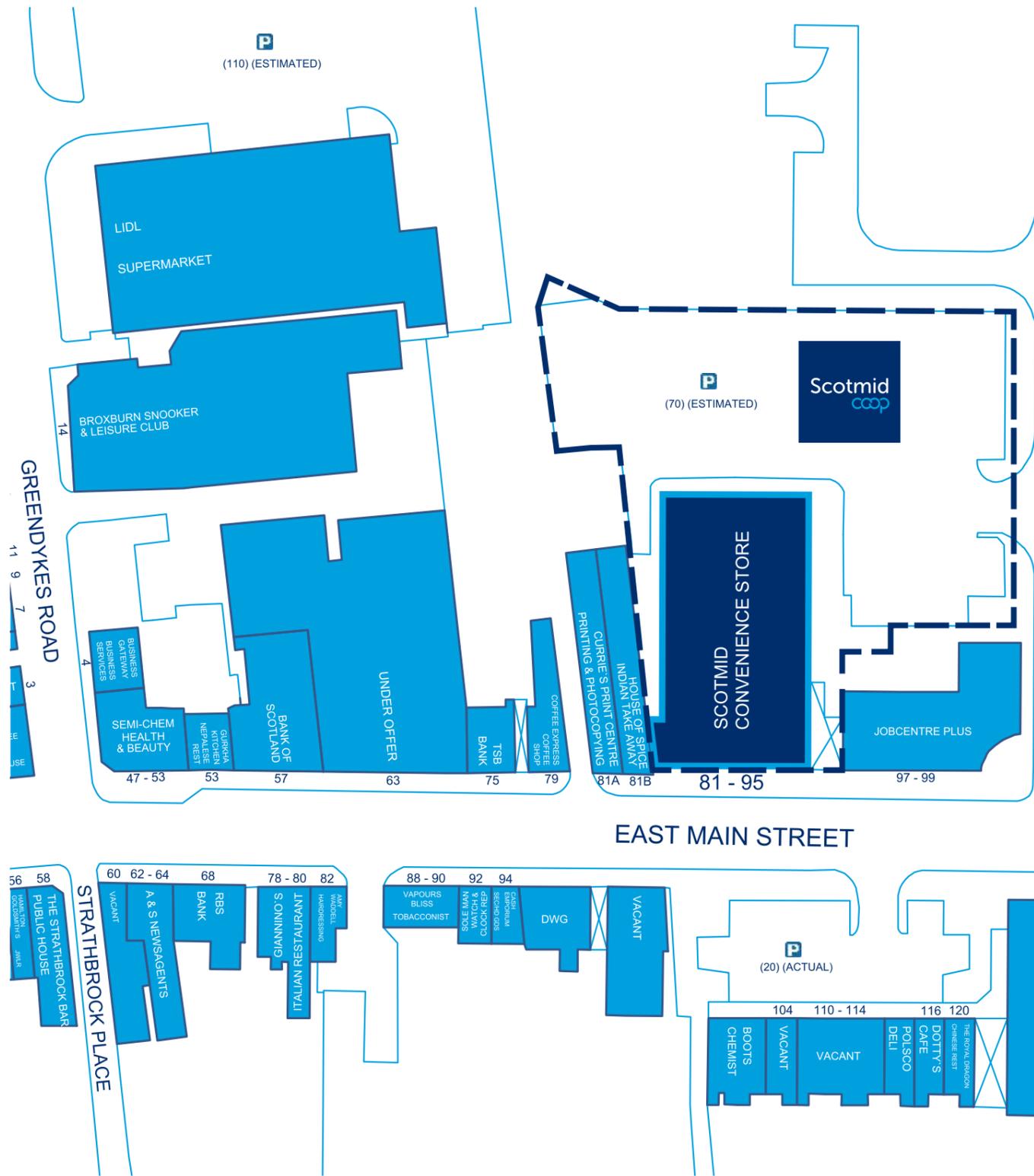
In addition to the fantastic road network, the area is served by excellent rail links with Uphall Train Station approximately 2 ½ miles to the south-west providing daily services to Edinburgh, Milngavie, Helensburgh Central and direct connections on to Glasgow Queen and Central Rail Stations.

Broxburn is currently undergoing an extensive residential development expansion with Bellway Homes currently on site for approximately 170 new homes at their Chandler's Way development which lies ½ mile to the east of the subjects.



TRAVEL DISTANCES





SITUATION

The subjects lie on the north side of East Main Street bound by the junctions of Church Street to the east and the B8020 Greendykes Road to the west, linking Broxburn to the town of Winchburgh and the M9 to the north.

The subjects comprise part of a parade of predominantly commercial retailers at ground floor level with a mix of office and residential occupiers comprising the upper floors.

ACCOMMODATION

We have measured the subjects in accordance with the RICS Code of Measuring Practice (Sixth Edition) and calculate the approximate gross internal areas as follows:

AREA/FLOOR	SIZE (SQM)	SIZE (SQFT)
Ground	1,038	11,173
First	150	1,615
TOTAL	1,188	12,788

COMPANY INFORMATION

The Scottish Midland Co-operative Society Limited is Scotland's largest independent co-operative and has been at the heart of Scottish communities since 1859. The group's retail business areas comprise convenience foodstores (187 branches) and a value health and beauty retailer t/a Semichem (90 branches). In addition the group has a funeral undertaking business (16 branches) and a substantial investment property portfolio. The food stores are the largest part in terms of both turnover and profitability and together with the investment property portfolio comprise the financial "backbone" of the group.

The company employ around 5,000 people in Scotland, Northern Ireland and the North of England.

STATEMENT DATE	TURNOVER	NET PROFIT	SHARE HOLDER FUNDS
28-01-2018	£373,712,000	£5,547,000	£99,556,000
28-01-2017	£376,169,000	£6,252,000	£91,531,000
30-01-2016	£370,620,000	£4,301,000	£91,473,000

Broxburn benefits from excellent transport connections in the area, with easy access to local and regional destinations.



TENANCY

The subjects are let entirely to Scottish Midland Co-operative Society Limited on a new 15 year lease incorporating a tenant only break option on the 10th anniversary, subject to six months written notice. The lease will be held on Full Repairing and Insuring terms, subject to a schedule of condition at a passing rent of £140,000 per annum, paid quarterly in advance. This equates to an overall rate of £10.95 per sqft.

The rent is to be reviewed on a 5 yearly basis in line with CPI, collared and capped at 1.5% and 3% per annum.

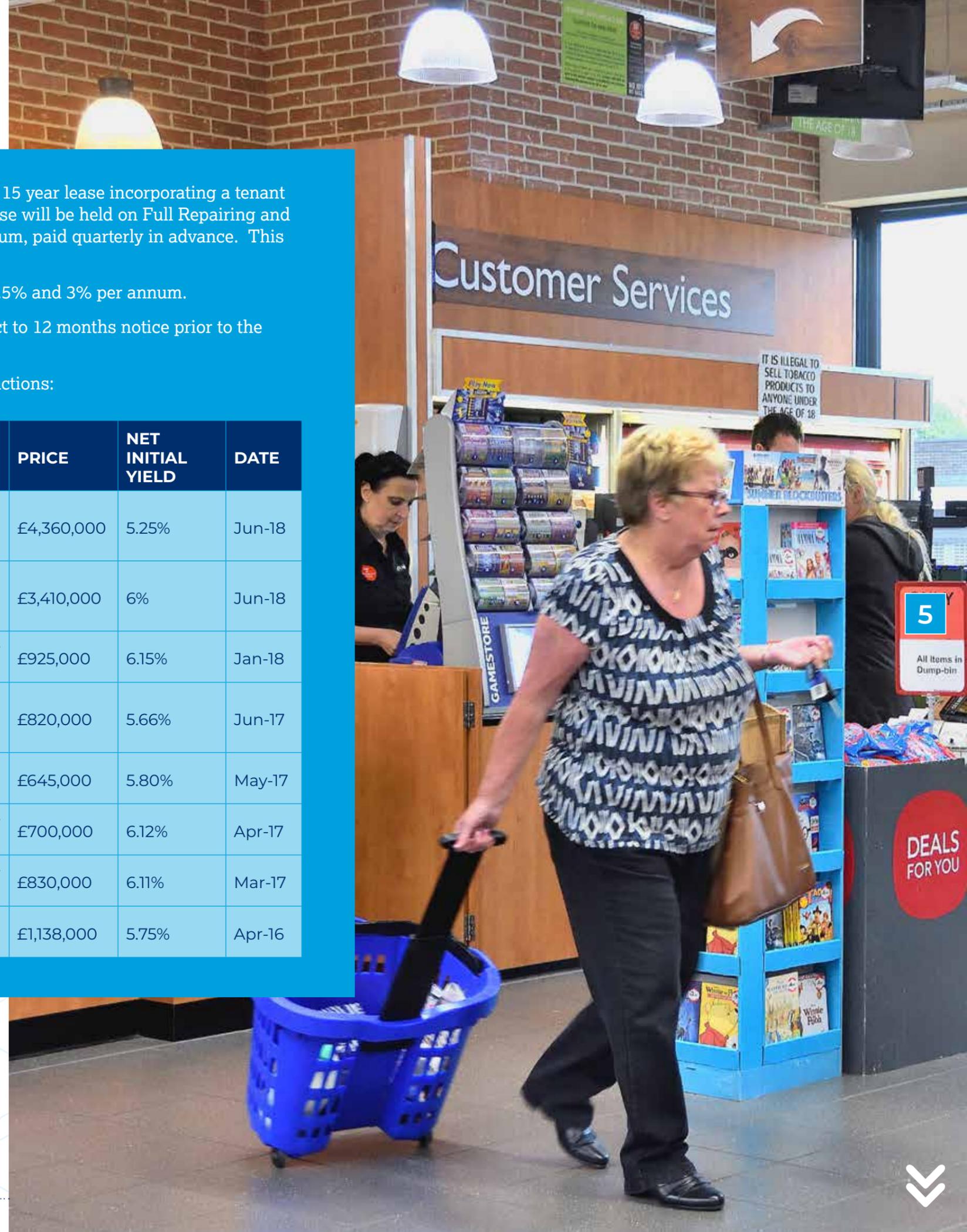
The tenant will have an option to extend on the same terms as the original lease, subject to 12 months notice prior to the expiry date.

In terms of recent investment comparable evidence we are aware of the following transactions:

PROPERTY	TERM REMAINING	RENT	REVIEW	PRICE	NET INITIAL YIELD	DATE
Co-op, Town Green, Crieff	17 years	£254,518 (£15.90 psf)	Annual RPI uplifts collar and capped at 2-4%	£4,360,000	5.25%	Jun-18
Co-op, New Road, Callington	17 years	£218,255 (£15.90 psf)	Annual RPI uplifts collar and capped at 2-4%	£3,410,000	6%	Jun-18
Co-op, Newburgh	15 years	£60,000 (£14.62 psf)	5 yrly CPI linked collar and capped at 1-3%	£925,000	6.15%	Jan-18
Tesco, Hollyrood Road, Edinburgh	8 years (3 years to TBO)	£48,792 (£11.62 psf)	5 yrly RPI linkes Review capped at 4%	£820,000	5.66%	Jun-17
Iceland, Whitburn	13.5 years	£38,250 (£8.50 psf)	2.5% compounded anually	£645,000	5.80%	May-17
Co-op, Lenzie	12 years	£45,000 (£14.58 psf)	5 yrly RPI linked collar and capped at 1-4%	£700,000	6.12%	Apr-17
Co-op, Sauchiehall Street, Glasgow	15 years	£53,300 (£10.30 psf)	5 yrly RPI linked collar and capped at 1-4%	£830,000	6.11%	Mar-17
Sainsburys Local, Pollokshields	11.5 years	£69,000 (£15.34 psf)	5 yrly RPI linked capped at 3.5%	£1,138,000	5.75%	Apr-16

TENURE

The subject property is held on heritable title (Scottish equivalent to English freehold).





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EPC

The Energy Performance Rating of the property can be provided upon request.

VAT

Our clients have elected to waive exemption for VAT and accordingly VAT will be payable on the purchase price, although we anticipate the sale will be dealt with by way of a Transfer of Going Concern (TOGC).

LEGAL COSTS

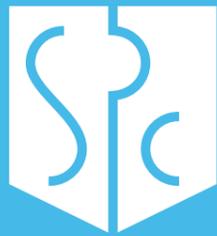
Each party will be responsible for their own legal costs incurred in connection with the transaction.

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VIEWING & FURTHER INFORMATION

Please contact the sole selling agents:



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