

NEIGHBOURHOOD RETAIL INVESTMENT FOR SALE

Secure tenant mix of Co-op,
Montane, Cooplands & Osprey

Units 1-3 Essendene Retail Park,
Newbiggin Road, Ashington,
Northumberland, NE63 0XE



INVESTMENT SUMMARY

- Located in Ashington, Northumberland with existing **population of 28,000** (c2021) and wider **County population of 319,000** (c2021)
- Within a **densely populated residential location**, close to nearby schools, Ashington town centre, leisure centre, football club and Wansbeck General Hospital
- The property comprises a new build retail parade with **45 car parking spaces**, of which 8 are under offer to **Osprey Charging Network**
- The building is prominently positioned on a busy main road alongside a **new build housing estate of 259 units** developed by Bellway
- The property is split into three units and entirely let to undoubted covenants of **Co-op, Montane, Cooplunds** and under offer to **Osprey Charging Network**
- Total income of **£142,360** per annum
- WAULT of 8.95 years to breaks and 12.26 years to lease ends
- Index linked rent reviews on over **62% of the income**
- Over 47% of the annual income is from Co-operative Group Food Limited with lease expiry in 2036 (without breaks)

We are instructed to seek offers in excess of **£2,250,000** (exclusive of VAT), reflecting a net initial yield of 5.95% and a reversionary yield of 6.40%* assuming standard purchasers costs of 6.33%.



NEIGHBOURHOOD
RETAIL
INVESTMENT



Katy Blair. 07811 034 739
Dickon Wood. 07966 023 924



DELTA CAPITAL
PROPERTY INVESTMENT

Daniel Capobasso.
07968618948



LOCATION

Northumberland is a county in North East England, bordering Scotland, with a **population of just over 319,000 people**.

Northumberland is known for its beautiful countryside, including the Northumberland National Park, as well as its historic castles and villages. The county is also home to a number of beaches, including Bamburgh Beach and Embleton Beach, as well as picturesque villages, such as Seahouses, Amble, and Morpeth.

Ashington is a popular commuter town in Northumberland, located just a short drive from Newcastle upon Tyne.



Easy access to the A1 and A19 road networks



Newcastle International Airport is located 15 miles away



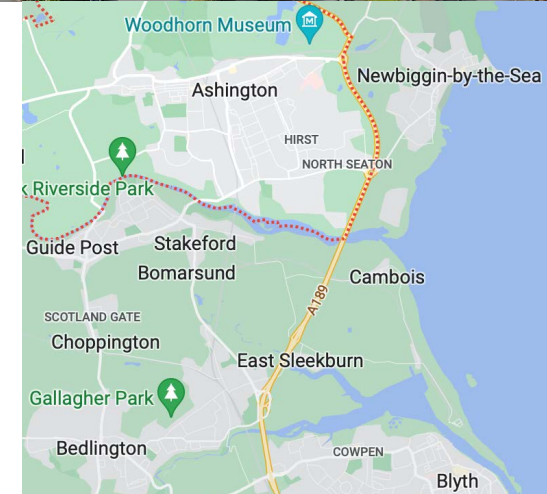
Newcastle Central Station is approximately 20 miles south in Newcastle City Centre

The property is located south of Ashington Town Centre, close to a number of amenities, including shops, restaurants, and green open spaces. The property is also within walking distance of the town centre, Ashington Leisure Centre and Bus Station, providing ease of access to Newcastle city centre and other cities in the UK



There are a number of landmarks nearby, including the Jack Charlton Statue, Woodhorn Colliery, and Hunkleton Stone. The Queen Elizabeth II Country Park is also within easy reach.

Ashington has a strong range of schools, catering for children of all ages including Ashington Academy, comprehensive school as well as a number of primary schools, including Ashington Hirst First School, and Newbiggin Middle School. Wansbeck General Hospital and Ashington Community Football Club are also nearby.



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SITUATION

The property is prominently positioned on Newbiggin Road in an area known locally as North Seaton, situated south of Ashington Town Centre within a densely populated residential location. The property is immediately to the north of a new build housing development of 259 homes, constructed by Bellway.

Bellway new development of 259 homes

James Knott Primary School is 0.7 miles to the west of the property. Less than 1 mile to the west there is also a retail warehouse scheme comprising B&M, Carpetright as well as trade counter units such as Screwfix, Tool Station and Wolseley in addition to several car dealers, including a Vauxhall dealership.

**DENSELY
POPULATED
RESIDENTIAL
LOCATION**



SCREWFIX



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DESCRIPTION

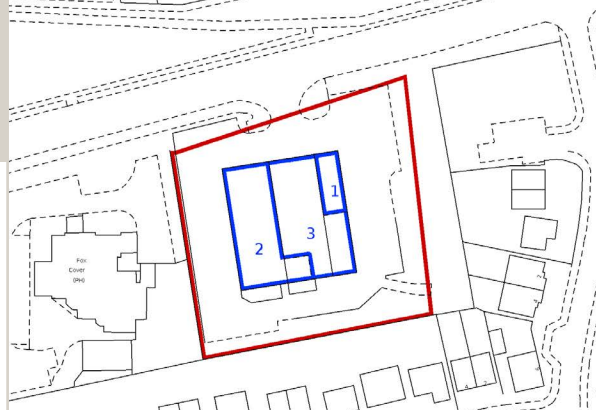
Constructed in 2021, the property comprises a single storey building with part brick, part profile sheet walls under a pitched profile sheet roof. The building has been split to provide three retail units with shop fronts, fronting Newbiggin Road and loading to the rear via communal access over the car park.

ACCOMMODATION

Unit Number	Tenant	Sq m	Sq ft	% of floor area
1	Cooplands	99	1062	10%
2	Montane	449	4833	46%
3	Co-op	428	4606	44%
Total		976	10,501	100%

There are 45 car parking spaces, 5 of which are disabled bays.

A further 8 bays are under offer to Osprey Charging Network.



SITE AREA

The property comprises a broadly rectangular site of 1.15 acres.



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TENANCY SCHEDULE

UNIT 1



Unit 1 is let to Cooplands & Son (Scarborough) Limited trading as Cooplands on a lease dated the 13th May 2021 for a term of 10 years from the 24th June 2021. The lease expires on the 23rd June 2031 and there is a tenant only option to break on the 24th June 2026 subject to six months' notice. There is also an upwards only rent review on the 24th June 2026. The rent is currently £18,360 per annum.

UNIT 2



Unit 2 is let two Montane Limited trading as Montane on at lease dated the 5th April 2022 for a term of 10 years commencing the 5th April 2022. The lease expires on the 4th April 2032 and there is a tenant option to break on the 5th April 2027 subject to six months' notice. There is also an upwards only rent review on the 5th April 2027. The current rent is £33,000 per annum which increases to £36,000 per annum on the 5th April 2024. The rent will be topped up to £36,000 on completion of the lease by way of a reduction to the purchase price.

UNIT 3



Unit 3 is let to Cooperative Group Food Limited trading as Co-op on an unbroken lease dated the 15th June 2021 for a term of 15 years commencing on the 18th March 2021. The lease ends on the 17th of March 2036 and there are no breaks. There is a rent review on 18th March 2026 and five yearly thereafter, which are RPI linked compounded each year with a 1% collar and 3% cap. The current passing rent is £68,000 per annum.

UNIT 4



Eight of the car parking spaces are under offer to Osprey Charging Network Limited for EV charging on a new 25 year lease with 15 year break. The lease is also subject to five yearly CPI linked rent reviews compounded annually with a 1% collar and a 3% cap. The current rent is £20,000 per annum, equivalent to £2,500 per space.

A tenancy schedule is summarised as follows:

Unit Number	Tenant	Start	End	Rent Review	Break	Rent	% of income
1	Cooplands	24/06/2021	23/06/2031	24/06/2026	26/06/2026	£18,360	12.89%
2	Montane	05/04/2022	04/04/2032	05/04/2027	05/04/2027	£36,000	25.29%
3	Co-op	18/03/2021	17/03/2036	18/03/2026	n/a	£68,000	47.77%
Car Park	Osprey	Under offer – 25 year lease with 15 year break with 5 yearly CPI linked rent reviews compounded annually with cap of 3% and collar of 1%				£20,000	14.05%
Total						£142,360	100%

WAULT of 8.95 years to breaks and 12.26 years to lease ends.



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YIELD PROFILE

According to the RPI index, the 12 month RPI increase between March 2021 and March 2022 was 8.95% & the 12 month RPI increase between March 2022 and March 2023 was 13.5%.

For the purpose of our analysis below, we have assumed RPI at 3%.



Tenant	April 2024	March 2026	2028	March 2031	2033
Cooplands	£18,360	£18,360	£18,360	£18,360	£18,360
Montane	£36,000	£36,000	£36,000	£36,000	£36,000
Co-op	£68,000	£78,830	£78,830	£91,386	£91,386
Osprey	£20,000	£20,000	£23,185	£23,185	£26,878
TOTAL	£142,360	£153,190	£156,375	£168,931	£172,624
NIY	5.95%	6.40%	6.54%	7.06%	7.22%





The Co-operative Group is a British retail and wholesale cooperative. It is the largest consumer co-operative in the world, with over 4.6 million members and 4,000 stores in the UK. The Co-op is a financially strong company, with a turnover of £8 billion in 2022. It has a good reputation for customer service and ethical business practices.

The tenant has reported the following trading figures:

Co-operative Group Food Limited	1st January 2022	2nd January 2021	4th January 2020
Turnover	£8,003,200,000	£8,081,300,000	£7,507,900,000
Pre-tax Profits	£4,800,000	£180,100,000	£204,000,000
Shareholders Funds	£1,996,400,000	£1,921,300,000	£1,880,400,000



Montane is a British outdoor clothing and equipment retailer. It was founded in 1985 and has over 50 stores in the UK. Montane is a financially strong company, with a turnover of £20 million in 2021. It is known for its high-quality products and its commitment to sustainability.

The tenant has reported the following trading figures:

Montane Limited	31st January 2022	31st January 2021	30th September 2019
Turnover	£21,168,026	£17,441,120	£14,235,832
Pre-tax Profits	£905,751	£384,940	£1,293,739
Net Assets	£5,223,799	£3,519,253	£4,204,951



Cooplands is a British bakery and food retailer. It was founded in 1869 and has over 100 stores in the North East of England. It is known for its fresh, locally-sourced products and its friendly customer service. Cooplands was recently acquired by EG Foodservice Limited, which will allow the Group to utilise the wider EG Group in order to accelerate growth.

The tenant has reported the following trading figures:

Coopland & Son (Scarborough) Limited	31st March 2022	31st March 2021	31st March 2020
Revenue	£68,112,442	£52,119,350	£53,400,337
Pre-tax Profits	(£770,726)	£1,351,034	£815,565
Shareholders Funds	£13,330,821	£14,170,285	£13,860,747



Osprey Charging Network Limited is a leading electric vehicle (EV) charging network operator in the United Kingdom. Osprey operates a network of over 600 rapid and ultra-rapid EV chargers across the UK, making it one of the largest and fastest-growing EV charging networks in the country. Osprey's chargers are open-access, meaning that any EV driver can use them, regardless of their make or model of vehicle.

Osprey is committed to sustainability, and all of its chargers are powered by 100% renewable electricity. The company is also working to make its charging network more accessible, and is installing chargers at accessible locations and retrofitting older sites to meet new accessibility standards.

In 2021, the company raised £65 million in investment to fund its expansion, and it has built a network of over 600 rapid and ultra-rapid EV chargers across the UK.

SERVICE CHARGE

The annual service charge is currently £10,300 per year (only £0.98 per sq ft) and is fully recoverable from the tenants.

VAT

The property is elected to VAT and it is therefore envisaged that the sale will be treated as a TOGC.

ENERGY PERFORMANCE CERTIFICATE

Unit 1 - C Unit 2 - C Unit 3 - C

PROPOSAL

£2,250,000

We are instructed to seek offers in excess of £2,250,000 (exclusive of VAT), reflecting a net initial yield of 5.95% and a reversionary yield of 6.40%* assuming standard purchasers costs of 6.33%.

*Based on assumed inflation figures highlighted in 'Yield Profile' section

CONTACT

Daniel Capobasso

Tel. 07968618948

email. dc@deltacap.co.uk



Katy Blair

Tel. 07811 034 739

email. katy.blair@knightfrank.com

Dickon Wood

Tel. 07966 023 924

email. dickon.wood@knightfrank.com



There are no unclaimed Capital Allowances available with the property.

To comply with our legal responsibilities for Anti-Money Laundering, it is necessary to check all parties involved in this transaction. It is the responsibility for parties on both sides to provide information necessary to complete these checks before the deal is completed. We will therefore require the following information:

- Corporate structure and ownership details of purchasers
- Identification and verification of ultimate beneficial purchasers
- Satisfactory proof of the source of funds for the purchasers

These particulars shall not form part of any offer or contract and the seller makes no representations or warranties, express or implied, as to the condition of the property or the accuracy of any information provided in relation to the property. Any prospective purchaser is not to rely on any representation made in these particulars and must satisfy themselves as to the accuracy by their own investigation before entering into any contract.

