

PRIME SUPER LONG INCOME FOODSTORE INVESTMENT



**TESCO** *extra*

JUBILEE WAY SOUTH / MANSFIELD / NG18 3RT



SECURED ON AN OCCUPATIONAL LEASE TO  
TESCO STORES LIMITED FOR A FURTHER 84 YEARS

## INVESTMENT SUMMARY



We are instructed to seek offers in excess of **£16,500,000 (Sixteen Million Five Hundred Thousand Pounds)** for our client's Freehold interest. A purchase at this level reflects an attractive **Net Initial Yield of 3.75%**, assuming usual purchaser's costs.

- Opportunity to acquire a **prime freehold foodstore investment with petrol filling station** and complimentary 'district centre' uses.
- Let to **Tesco Stores Limited** on an FRI lease for a term of **99 years** from 20th December 2007 expiring on 19th December 2106.
- Offering **secure income for a further 84.4 years**.
- **Dominant store within its immediate catchment** that benefits from prominent accessibility on to A6191 and A617.
- Situated to the south east of Mansfield Town Centre benefitting from a **substantial catchment population of 263,277**.
- **Current passing rent of £660,000 per annum**, equating to a **very low £7.02 per sq ft**, with the rent calculated at 35% of the Open Market Rental Value.
- **Upwards only 5 yearly rent reviews** with the next review on 5th August 2025.
- A **multi-channel foodstore**, which provides a hub for **online delivery and 'Click & Collect'** functionality.

## LOCATION & DEMOGRAPHICS

Mansfield, with a population of 107,400 (ONS), is strategically positioned amongst the major population hubs of the East Midlands.

The City of Nottingham is situated approximately 15 miles to the south; Derby, 23 miles to the south-west; and Sheffield, 24 miles to the north-west.



Mansfield benefits from excellent road communications, with easy access to Junctions 28 and 29 of the M1 motorway, both situated approximately 7 miles to the west of the town and accessed via the A38 and A617 respectively.



Mansfield railway station is situated immediately to the south of the town centre and provides direct services to Nottingham and onwards to London St Pancras.



East Midlands International Airport is the closest airport to Mansfield, situated approximately 25 miles south-west of the town, with regular domestic and international scheduled flights.



The property benefits from a substantial catchment population of 263,277 (CACI). The primary catchment population is forecast to increase by 4.4% to 51,669 by 2026. Of the primary catchment population, 60% are of working age (16-59 years), above the GB average of 58.7%. Over 70% of the primary catchment population is classed as "economically active" (CACI) with the most significant demographic group, "Comfortable Communities" (28%), complementing Tesco's core mass-market, value-based offer.

## SITUATION

The subject property is situated approximately 2 miles south east of Mansfield Town Centre in a highly accessible and visible location on Jubilee Way South, close to the A6191 that forms one of the key arterial routes in and out of the town.

The property is situated close to the A617, providing direct access east to Newark and west to Chesterfield. To the south of the property, along Southwell Road West are a host of complimentary commercial occupiers including roadside drive-thru's, car dealerships and light industrial property. Whilst to the west, continuing towards Mansfield Town Centre, are many modern housing estates for whom the subject property would be their primary shop.



## FOODSTORE PROVISION

The subject property is well established as the dominant foodstore in its primary catchment and effectively performs as a district centre for the Oak Tree area.

The subject property is the dominant store for the eastern side of the town. Set out below is the other 'Big 4' provision in Mansfield:-



## DESCRIPTION



The subject property comprises a modern and substantial supermarket that functions as the dominant food store provision within the local catchment.

Having been purpose built for Tesco in 1982, the property was comprehensively refurbished in 2007 and subsequently extended in 2011. The property comprises a food store arranged over ground floor and a trading mezzanine and also includes three adjoining, complimentary retail units, occupied by Argos, Indigo Sun and Barnardo's on sub leases from Tesco Stores Limited. YoSushi and the public house (t/a Cuckoo Birch) also have sub-lease agreements with Tesco, whilst Holland & Barret, Timpson, a pharmacist and Gould Barbers have in-store concessions or kiosks agreements.

The property benefits from a 16-pump petrol filling station, as well as a dedicated 'Click & Collect' collection hub in the car park as well as a 20 van online delivery yard.

The property fronts on to a large surface car park comprising approximately 697 car parking spaces. Customer access to the property is directly off Jubilee Way South which also provides access to the large dedicated service yard to the rear of the property.

## OMNI-CHANNEL FULFILMENT

The store fulfils multiple functions; supporting traditional trolley and shopping basket trips, associated district centre visits, as well as major online functions, home delivery and 'Click & Collect'.

This facility, along with the adjacent Tesco Petrol Filling Station, support the daily operation of approximately 20 online home delivery vans doing multiple daily drop-off's. The store is regionally significant, acting as the 'Click & Collect' training centre for the East Midlands region. To the south of the site, there is a separate and dedicated secure parking yard for 20 delivery vans.



## ACCOMMODATION

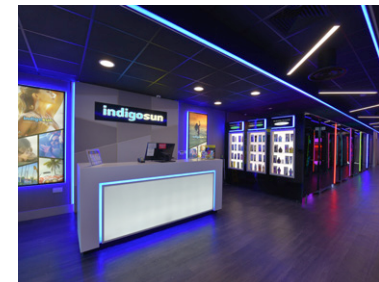


Having been extended in 2011 by the tenant, the store comprises the following approximate Gross Internal Area:-

Description	Sq m	Sq ft
Food Store	12,634.83	136,000
(Mezzanine)	3,112.25	33,500
<b>Total Area</b>	<b>15,747.08</b>	<b>169,500</b>

With regard to the Gross Internal Area of the property, the stated lease areas are as follows: -

Description	Sq m	Sq ft
Food Store	8,736.24	94,036
Retail Units	1,694.09	18,235
<b>Total Area</b>	<b>10,430.33</b>	<b>112,271</b>



## TENANCY

The property is let on FRI terms to Tesco Stores Limited for 99 years from 20 December 2007 at a current passing rent of £660,000 pa. There are 5 yearly upward only rent reviews based upon 35% of the Open Market Value. The 5th August 2020 rent review remains outstanding. Part of the site, outlined blue on the plan below, is let to NHS Property Services Limited for 99 years from 5th August 1978. The tenant pays nil rent and the landlord does not provide any services to the demise.

**84.4 YEARS**  
UNEXPIRED

## TENURE & SITE

The property is held Freehold under Title Number NT497988 and extends to approximately 12.617 acres.

**EXPERIAN**  
**CREDIT SCORE**  
**100**  
'Very Low Risk'

## TENANT COVENANT

Tesco are the largest food store operator in the UK, with a current market share of 27.3% (Kantar). Tesco remain the market leading UK grocery operator with over 3,801 stores in the UK and ROI, and employ over 310,000 people. The sector has enjoyed a period of exponential growth which has had a positive impact on Tesco with UK sales growing across all formats, channels and categories.

A summary of Tesco Stores Limited's latest three years accounts is as follows: -

	23 Feb 2019 £'000s	29 Feb 2020 £'000s	27 Feb 2021 £'000s
Turnover	£42,219,000	£42,951,000	£42,451,000
Gross Profit	£737,000	£1,151,000	£1,018,000
Net Worth	£5,167,000	£4,817,000	£4,972,000



### Tesco Q1 2022 Trading Update (UK & ROI)

  
SALES  
**£12.596 bn**

  
LFL ONE YEAR  
**UP 1.5%**

  
LFL THREE YEARS  
**UP 9.7%**

  
MARKET SHARE  
**+37 BPS**

“ While the market environment remains challenging, our laser focus on value, as well as the daily dedication and hard work of Tesco colleagues, has helped us to outperform the market. ”

Ken Murphy, Chief Executive

## PLANNING

The property benefits from an unrestricted Open A1 planning consent.

## AML

The successful bidder will be required to fulfil ours and the vendors' anti-money laundering requirements.

## CONTACT

For further information please contact either: -

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## EPC

The Tesco store has an Energy rating of C54. Further details are available on request.

## VAT

We are advised that the property is elected for VAT and therefore it is anticipated that the sale will be treated as a TOGC.

## PROPOSAL

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