



co
op

RESIDENTIAL
DEVELOPMENT POTENTIAL


LOCAL SHOPPING PARADE
ANCHORED BY CO-OP FOOD
WITH DEVELOPMENT POTENTIAL

RYEDALE COURT SHOPPING CENTRE, THE VILLAGE, HAXBY, YORK YO32 3SA

PK3
AGENCY

INVESTMENT SUMMARY

- Located within a densely populated affluent suburb of York
- Local shopping parade providing primary convenience offering for the town and surrounding areas
- Total gross internal area of **25,700 sq ft** (2,387 sq m)
- **41% of the commercial income is secured** against the 5A1 covenant of Co-operative Group Food Limited and Funeral Services Limited
- **Strong local retail line up** including Co-op Food, Co-op Funeralcare, Johnsons Dry Cleaners and Costa Coffee
- **Most local tenants have been in occupation over 10 years** and most through multiple lease renewals
- **Co-Op to transfer into 'right size unit' of 4,687 sq ft to align with core strategy.** The remaining space to be left in shell condition.
- Co-op providing a lease on the whole unit until works complete
- Total rental income of **£214,690 per annum**
- AWULT of **10.03 years** to expiry and **8.48 years** to break.
- **Freehold**

 Offers in excess of **£2,840,000 (STC)**

 Representing a Net Initial Yield of **7.04%**

 Estimated Reversionary Yield of **7.80%** (Assuming 3% CPI)



**STRONG LOCAL
RETAIL LINE UP
INCLUDING CO-OP
FOOD, JOHNSONS
DRY CLEANERS AND
COSTA COFFEE**

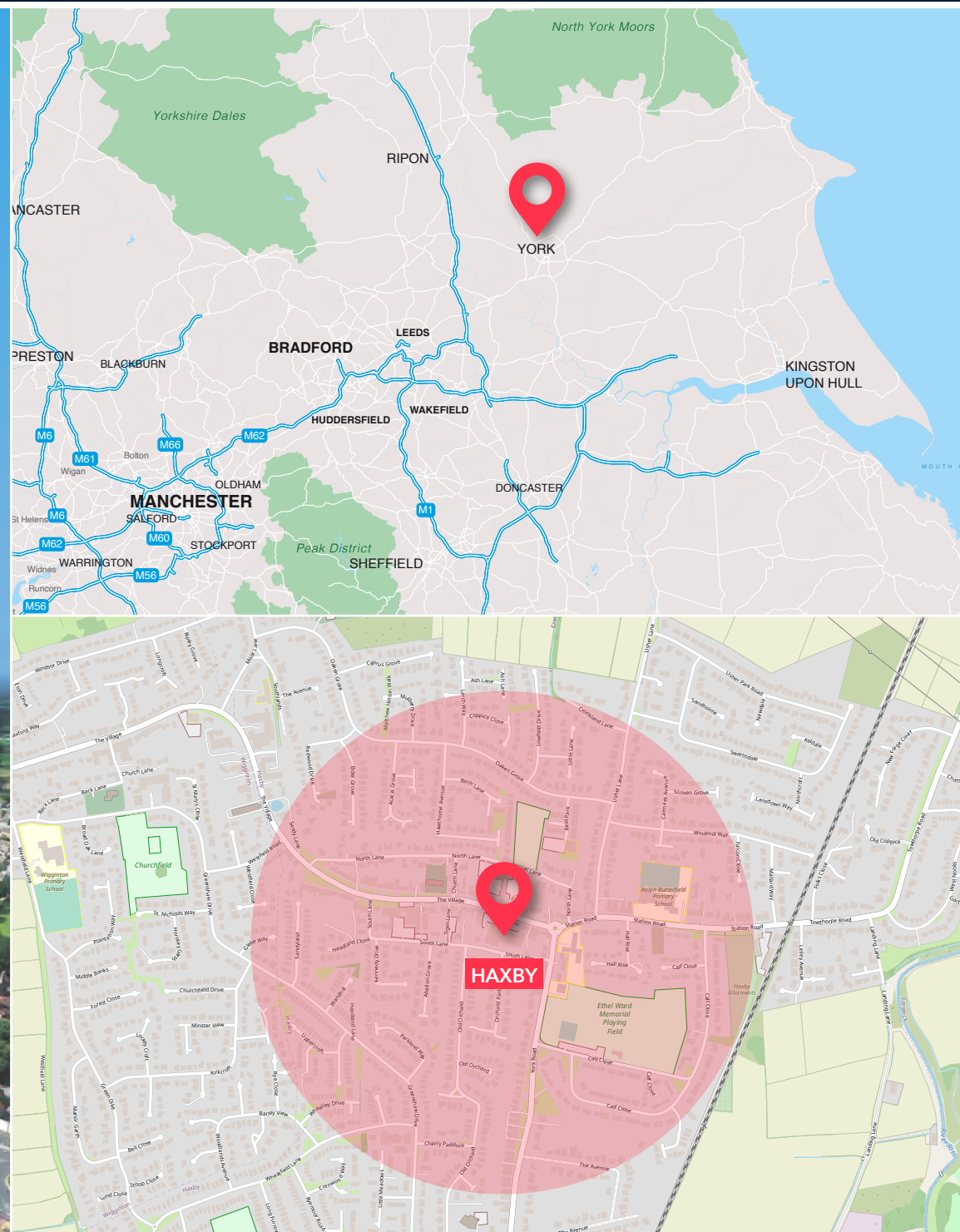
LOCATION

Haxby is a town and civil parish in North Yorkshire, 5 miles north of York and 3 miles south of Strensall.

Haxby is bordered on the east by the River Foss, and to the west by the village of Wigginton, whose expansion has caused the two settlements to form a continuous urban environment. To the south is the garden village of New Earswick and the York Outer Ring Road (A1237) with the open farmland to the north as far as the villages of Sutton-on-the-Forest and Strensall.

The town has a population of 8,754, which thanks to its proximity to York City Centre increases to 173,498 within a 5-mile radius. Haxby primarily consists of densely packed residential accommodation, and acts as a commuter town for those working in York city centre or in the successful industrial/retail areas in Clifton Moor and Huntingdon just 3 miles south. The average house price in Haxby is £319,022, compared with £265,941 for the wider area of North Yorkshire.

The towns primary retail core is situated around the subject property along The Village Road. For larger and more diverse retail offerings, residents tend to visit Clifton Moor Retail Park or the larger Monks Cross/Vangarde Shopping Park in Huntingdon.



SITUATION

Ryedale Court Shopping Centre is situated in the busiest pitch on The Village, the town's main high street, and is the primary convenience retail provision for the surrounding areas.

In terms of competition for convenience food shopping, the primary competitor is a Sainsbury's Local store in the Haxby Shopping Centre. There is also a small Martin's convenience store and post office adjacent to the subject property, and two Londis shops further afield in the town.

The larger Asda, Aldi, Sainsbury's and Tesco Supermarkets in Huntington and Clifton Moor are not in direct competition with the Co-op's more local offering.



**RYEDALE COURT
IS SITUATED IN THE
BUSIEST PITCH ON
THE VILLAGE**



HAXBY SHOPPING CENTRE

RYEDALE COURT
SHOPPING CENTRE

HAXBY
TOWN COUNCIL

COMMUNITY CENTRE

THE VILLAGE

THE VILLAGE

DESCRIPTION

The property comprises a purpose built late 1980s two-storey retail parade of traditional brick construction under pitched tiled and flat roofs.

The property provides a canopied ground floor retail parade and first floor ancillary accommodation with pedestrian access provided off the car park adjoining the high street.

A car park with separate egress for entrance/exit provides for approximately 59 vehicles, with staff parking and access for deliveries/services provided to the rear. Both are accessed directly off The Village high street.

The Co-Op will transfer into 'right size unit' of 4,687 sq ft to align with core strategy, fitted out with the latest corporate format and branding.

The remaining end of terrace space will be provided to the vendor in shell condition as described overleaf in the tenancy section.

CAPITAL ALLOWANCES

There are no unclaimed capital allowances available with the property.



TENANCY AND ACCOMMODATION

The property is multi let in accordance with the tenancy schedule below.

The Co-operatives as landlords are currently in occupation of Unit 9 & 10 described in the schedule below. On completion of the sale they will take a leaseback for 15 years with 5 yearly CPI reviews (capped and collared at 1%-3%) for £70,000 per annum across both units and the vacant uppers.

Included in the lease is a tenant option to surrender Unit 10 and the vacant uppers once works have completed to return it in a shell condition. Should these works and the surrender not complete within 12 months of the lease term, the rent will increase by £30,000 per annum pro rata until such time as the works / surrender have completed.



UNIT	TENANT	AREA	LEASE START	TERM	LEASE EXPIRY	RENT REVIEW	BREAK	CURRENT RENT	RENT (PSF)	ERV	ERV (PSF)	COMMENTS
1	Tamp 'N' Swirl Ltd (t/a Costa Coffee)	2,931 sqft	28/07/2020	10	27/07/2030	28/07/2024	28/01/2022	£18,000	£6.14	£22,000	£7.51	Recent renewal, long term tenant. Operate 11 Costa franchises across Yorkshire.
2	Private Individual	1,469 sqft	18/11/2021	10	18/11/2031	-	-	£19,000	£12.93	£19,101	£13.00	Newly agreed renewal. Assumed starting date is subject to change.
3	Coalton Ltd	1,455 sqft	13/11/2015	10	12/11/2025	-	-	£18,000	£12.37	£18,919	£13.00	Long term tenant. Hot food takeaway.
4	G R Wines Ltd (t/a Topsy Fox Drinks)	1,516 sqft	18/04/2017	10	17/04/2027	18/04/2022	18/04/2022	£18,000	£11.87	£19,708	£13.00	Boutique wine shop/off licence.
5	Johnson Cleaners (UK) Ltd	1,462 sqft	18/11/2021	5	18/11/2026	-	-	£17,640	£12.07	£19,003	£13.00	Newly agreed renewal. Assumed starting date.
6	Haxby Opticians Limited	1,526 sqft	25/06/2020	5	24/06/2025	-	-	£17,450	£11.44	£19,838	£13.00	Long term well established tenant.
7	Haci Kabanci	1,438 sqft	29/09/2019	15	28/09/2034	29/09/2024	-	£18,600	£12.93	£18,695	£13.00	OMRV review.
8	Co-operative Funeral Services Limited	1,502 sqft	18/11/2021	10	17/11/2031	18/11/2026	18/11/2026	£18,000	£11.98	£19,526	£13.00	Sale and leaseback with assumed start date. OMRV review.
9	Co-operative Group Food Limited	4,687 sqft	18/11/2021	15	17/11/2036	18/11/2026	-	£70,000	£14.93	£70,000	£14.93	Sale and leaseback with 5 yearly rent reviews linked to CPI (1%-3%). Assumed start date.
10	Co-operative Group Food Limited	3,037 sqft	18/11/2021	1	17/11/2022	-	See comments	-	-	See comments	-	To be included in the Co-op lease above with an option to surrender upon completion of works to put the unit in shell condition. Should the works/surrender not complete within 12 months, the rent will increase by £30k pro rata until works done / surrender enacted.
Vacant Uppers		4,677 sqft	18/11/2021	1	17/11/2022	-	See comments	-	-	See comments	-	
Total / Average		25,700 sqft	-	-	-	-	-	£214,690	£11.94	£226,789	£12.61	

AWULT TO EXPIRY: 10.03 YEARS **AWULT TO BREAKS: 8.48 YEARS**

COVENANT STATUS



Co-operative Group Food Limited (Company Number: 26715R): **32.6% of income**

Co-operative Group Food Limited is a wholly owned subsidiary of The Co-operative Group Limited and owned by over 4 million UK consumers.

The Co-op operates 2,600 food stores, over 1,000 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 summary of the company's latest accounts is provided below:

	4th January 2020	5th January 2019	6th January 2018
Turnover	£7,507,900,000	£7,185,200,000	£6,940,200
Profit before tax	£204,000,000	£207,900,000	£232,500,000
Total Net Worth	£1,880,400,000	£1,970,500,000	£1,875,100,000



Funeral Services Limited (Provident Society Number: 30808R) **8.4% of income**

Trading as Co-op Funeralcare, are part of the Co-operative Group headquartered in 1 Angel Square, Manchester. It operates over 1,000 funeral homes and is the largest funeral director in the United Kingdom, accounting for 16.5% of the "at need" funeral market during 2016.

A summary of Funeral Services Limited's recent accounts is set out below. It should be noted that the most recent accounts have incorporated significant accounting changes resulting from IFRS that have affected reporting of turnover and costs:

Funeral Services Limited	4th January 2020	5th January 2019	6th January 2018
Turnover	£262,636,000	£275,583,000	£285,168,000
Profit before tax	(£13,763,000)	£14,623,000	£43,601,000
Total Net Worth	£2,053,882,000	£1,942,812,000	£1,717,404,000

G R Wines Limited t/a Tipsy Fox Drinks (Company Number: 06689788): **8.4% of income**

G R Wines Limited were established in 2008 and are a specialist drinks retailer operating a boutique off licence/wine store from Ryedale.



Johnson Cleaners (UK) Ltd (Company Number: 02970609): **8.2% of income**

Johnson Cleaners are a market leading, high street dry cleaner. Originally formed in 1817, they operate from over 190 branches nationwide and over 170 drop off locations in Waitrose stores. They are an innovative business offering a range of services from laundry and ironing services, as well as curtain, duvet, and rug cleaning.

The company was acquired by Timpson Group PLC in January 2017 and continues to develop a business model that responds to the changing needs of the customers. The turnover figures from 2020 accounts can be attributed to the pandemic, where all branches were closed due to the lockdown.

A summary of the company's latest accounts is provided below:

	26th September 2020	28th September 2019	29th September 2018
Turnover	£19,659,000	£32,415,000	£34,304,000
Profit before tax	(£4,195,000)	(£1,455,000)	(£1,643,000)
Total Net Worth	(£12,421,000)	(£7,607,000)	(£6,229,000)



Tamp 'n' Swirl Ltd t/a Costa Coffee (Company Number: 05248886): **8.4% of income**

Tamp 'N' Swirl were established in 2005 and are a restaurant and café operator.

A summary of the company's latest accounts is provided below:

	31st March 2020	31st March 2019	31st March 2018
Net Assets	£854,591	£889,502	£1,197,566

Coalton Ltd (Company Number: 04275342): **8.9% of income**

Coalton Ltd were established in 2001 and trade in takeaways and mobile food stands.

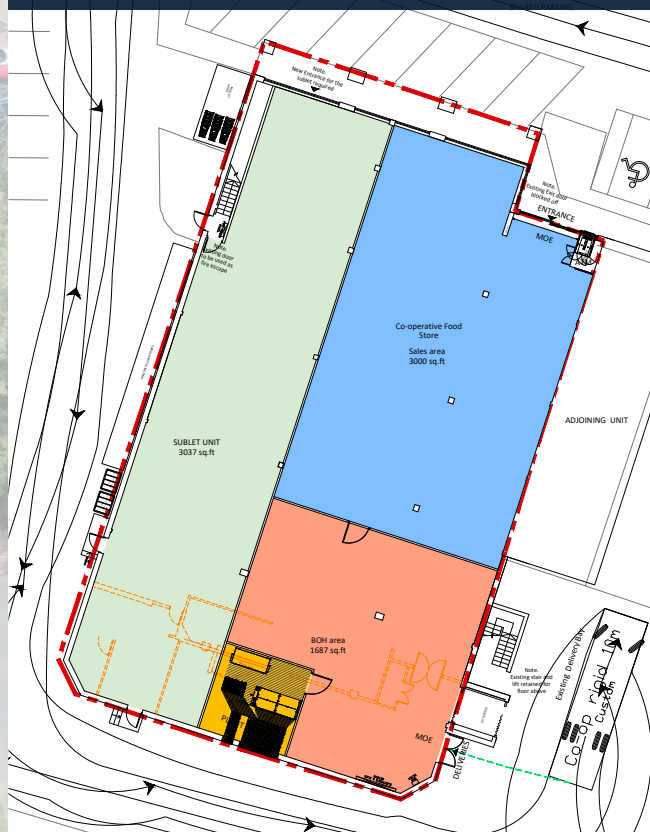


Haxby Opticians Limited (Company Number: 05970386): **8.1% of income**

Haxby Opticians Limited were established in 2006 and have gained a superb local reputation for providing thorough eye examinations in a friendly working environment.

The first floor space shown in green to the front and rear, currently occupied by the Co-op, will be provided with vacant possession in accordance with the surrender option described in tenancy schedule previously. There is the potential to extend this area through infill development using a lightweight structure on the roof of the c-store.

Separate access can be provided to the rear, providing a purchaser with the potential for adding value to the scheme through residential development (subject to planning).





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.

VAT

VAT will be payable on the purchase price. It is anticipated that the sale will not be dealt with as a transfer of a going concern.

TENURE

The property is held Freehold (title number: NYK191943) with a pedestrian right of way through the site.

EPC

Available on request.

PROPOSAL

We are seeking offers in excess of

£2,840,000

(Two Million, Eight Hundred and Forty Thousand Pounds)

for our client's freehold interest subject to contract and exclusive of VAT.

A purchase at this level reflects a net initial yield of 7.04%, and a capital value of £110 psf.

The price represents the following breakdown in value:



7.04% Net Initial Yield



7.80% Estimated Reversionary Yield



£110 psf Capital Value

FURTHER INFORMATION

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PK3

AGENCY

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