

Convenience Store and Residential Investment

Exminster, Exeter Devon



Vickery Holman
Property Consultants



TESCO Stores, Gerald's, Main Road, Exminster, Exeter EX6 8DB

Convenience Store and Residential Investment

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- Mixed Use Blue Chip Convenience Store and Residential Investment
- Affluent Exeter suburb Location
- Located in the heart of the village
- X3 parking spaces demises to Tesco on the ground floor
- Other occupiers in the location include East & West of Exe Estate Agents, Exminster Hair & Beauty, Exeter Leukaemia Fund (elf) charity shop, The Ginger Cat Deli and Care Gems
- Reversionary residential rents after refurbishment
- Regular bus service into Exeter
- Popular location with families
- Asset Management Opportunities over the residential upper levels
- X2 Garages (one let)

Proposal

We are instructed to seek offers in the region of £950,000 which reflects a NIY of 7.40% after an allowance for purchaser's costs of 5.69%. A purchase at this level reflects a reversionary yield of 8.52% after effective asset management of the property.

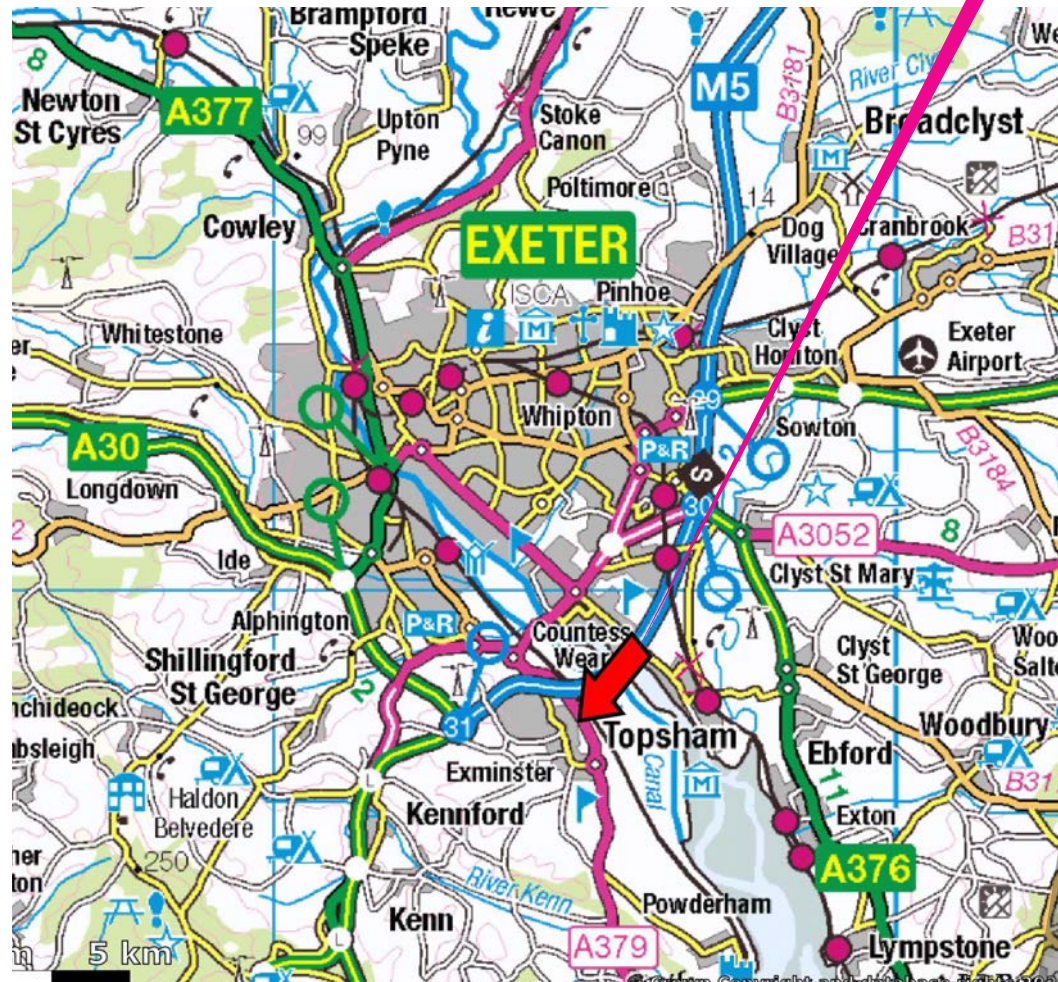


Location

Exminster is an affluent area just 4 miles south from Exeter. Positioned along the A379, the village offers great connectivity into Exeter, The M5 motorway and the South West region as a whole. The area has a strong community presence with local cafes, shops and recreational facilities such as golf. Exminster benefits from good accessibility into Exeter which offers extensive retail, leisure and employment opportunities while appreciating the more relaxed village lifestyle.

The main road serves as the primary throughfare through Exminster featuring a mix of independent business and essential services. The location's visibility and accessibility make it an ideal spot for retailers to provide services for the community whilst being surrounded by residential properties ensuring a steady flow of local customers.

Exminster's appeal is enhanced by the natural surroundings nearby to the countryside and the Exe Estuary, which are popular for outdoor activities and dog walkers. The village has strong transport links with regular bus routes into Exeter.



Description

The property comprises a Mixed-Use, terraced convenience store and 6 Self-Contained flats. Located prominently on the main road in Exminster an affluent area popular with families. There is parking at front of the building and access to the rear where two garages are located. The ground floor is a good sized retail premises occupied by Tesco, operating as a convenience store with a strong local customer base. The store includes a main sales area, rear storage, w/c and office facilities for staff.

Above the ground floor retail unit are six self-contained residential flats of varying size offering flexible accommodation suited to a range of tenants. The building benefits from good visibility along a key residential area in Exminster with GP practice, school, bus stop and a quality retail offering all in close proximity. The combination of a national retailer on the ground floor with residential units above make this a well balanced and attractive investment opportunity.



Accommodation

Vickery Holman have inspected the property and all areas are approximate and measured in accordance with the RICS Property Measurement (2nd Edition) on a Gross and Net Internal Basis:

Residential

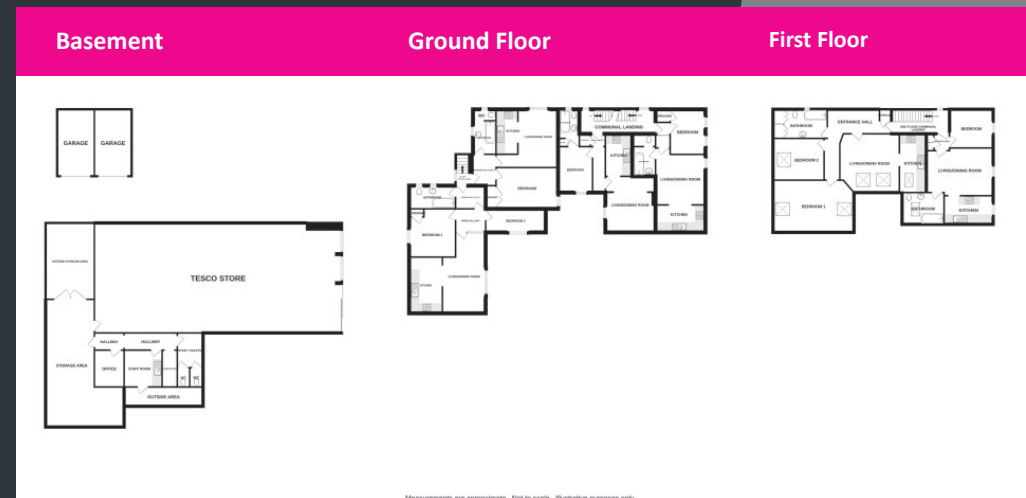
| Description | Sq m | Sq ft | Notes |
|-------------------|---------------|--------------|-------|
| Flat 1 | 60.08 | 647 | GIA |
| Flat 2 | 29.20 | 314 | |
| Flat 3 | 38.63 | 416 | |
| Flat 4 | 37.14 | 400 | |
| Flat 5 | 35.42 | 381 | |
| Flat 6 | 70.90 | 763 | |
| Communal Areas | 37.06 | 399 | |
| Garage 1 | 11.43 | 123 | |
| Garage 2 | 11.43 | 123 | |
| TOTAL AREA | 331.29 | 3,566 | |

Ground Floor Commercial

| Description | Sq m | Sq ft | Notes |
|-------------------|---------------|--------------|-------|
| Main Store | 149.96 | 1,614 | NIA |
| Cleaning Storage | 3.07 | 33 | |
| Staff Room | 7.02 | 76 | |
| Office | 8.82 | 95 | |
| Rear Store | 40.66 | 438 | |
| TOTAL AREA | 209.54 | 2,256 | |

EPC

| Address | Expiry Date | Rating | Band |
|---|-----------------|--------|------|
| Flat 1 Gerald's, Exminster, Exeter, EX6 8DB | 06 May 2029 | 45 | E |
| Flat 2 Gerald's, Exminster, Exeter, EX6 8DB | 20 January 2030 | 71 | C |
| Flat 3 Gerald's, Exminster, Exeter, EX6 8DB | 20 January 2030 | 70 | C |
| Flat 4, Gerald's, Exminster Exeter, EX6 8DB | 19 May 2034 | 71 | C |
| Flat 5, Gerald's, Exminster Exeter, EX6 8DB | 19 May 2034 | 77 | C |
| Flat 6 Gerald's, Exminster, Exeter, EX6 8DB | 23 July 2029 | 78 | C |
| Tesco Stores, Main Road, Exminster, EX6 8DB | 23 May 2034 | 62 | C |



Accommodation

| Address | Beds | Rent PCM | Passing Rent PA | ERV once refurbished | Comment |
|---|-------|----------|-------------------|--------------------------|---|
| Tesco Stores Limited (00519500) | n/a | | £22,750 | £22,750 pa = Rack Rented | 10 year lease dated 20th December 2021 Tenants Option to Break and Rent Review dated 20th December 2026 Keep the premises in good and substantial repair. Effective FRI subject to 50% share of Service Charge |
| Flat 1 Gerald's, Exminster, Exeter, EX6 8DB | 1 bed | £625 | £7,500 | £895pcm = £10,740pa | AST |
| Flat 2 Gerald's, Exminster, Exeter, EX6 8DB | 2 bed | £750 | £9,000 | £825pcm = £9,900pa | AST |
| Flat 3 Gerald's, Exminster, Exeter, EX6 8DB | 1 bed | £750 | £9,000 | £795pcm = £9,540pa | AST |
| Flat 4, Gerald's, Exminster, Exeter, EX6 8DB | 1 bed | £725 | £8,700 | £795pcm = £9,540pa | AST |
| Flat 5, Gerald's, Exeter, Exminster, EX6 8DB | 1 bed | £570 | £6,840 | £795pcm = £9,540pa | AST |
| Flat 6 Gerald's, Exminster, Exeter, EX6 8DB | 2 bed | £775 | £9,300 | £925pcm = £11,100pa | AST |
| 1 Garage | n/a | £100 | £1,200 | £100 pcm = £1,200pa | |
| 1 Garage | n/a | Vacant | £0 | £100pcm = £1,200pa | AST |
| | | | £74,290 pa | £85,510pa | |

Covenant

Tesco Stores Limited (00519500) – Experian score of 100 (Very Low Risk)

| Date of Accounts | Feb 2022 | Feb 2023 | Feb 2024 |
|-----------------------|-----------------|-----------------|-----------------|
| Profit & Loss Account | | | |
| Turnover | £44,793,000,000 | £47,481,000,000 | £49,247,000,000 |
| Pre-Tax Profit | £1,260,000,000 | £565,000,000 | £1,469,000,000 |

Tesco is a grocery market leader in the UK with a 28.4% market share and ninth largest globally measured by revenues. As of April 2023 there were 1,998 Tesco Express stores in the UK with a total of approx. 5,344,000 sq ft throughout its neighbourhood convenience shops. The 'Express' stores are located in busy city-centre districts, shopping precincts and residential locations with the concept focused on higher margin products alongside everyday essentials.

Proposal

We are instructed to seek offers in the region of £950,000 which reflects a NIY of 7.40% after an allowance for purchaser's costs of 5.69%. A purchase at this level reflects a reversionary yield of 8.52% after asset management of the property in respect of the residential element.

Services

We understand that mains electricity, water and private drainage are connected to the property however these services have not been tested by the agents. Interested parties should make their own enquiries.

Money Laundering

Under the Money Laundering Regulations 2017, Vickery Holman and East & West of Exe will require any purchaser to provide proof of identity and address prior to exchange.

Legal Fees

Each party to be responsible for their own legal fees in relation to this transaction.

VAT

We are advised VAT is not applicable as property being sold as a Transfer of Going Concern (TOGC).

Appointed agents

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