

FOR SALE - PROMINENT FOOD STORE INVESTMENT

598 LANARK ROAD, JUNIPER GREEN, EDINBURGH EH14 5EN

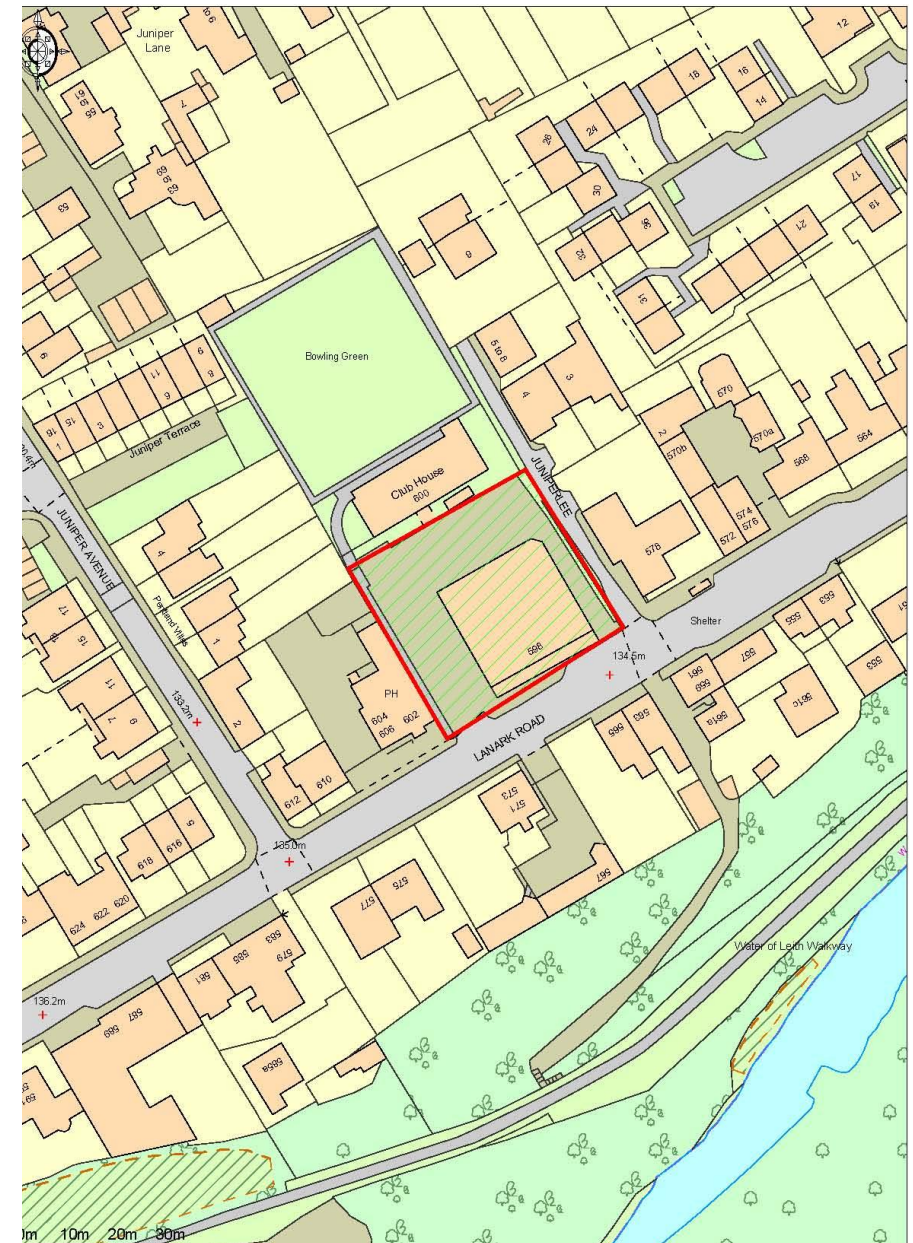


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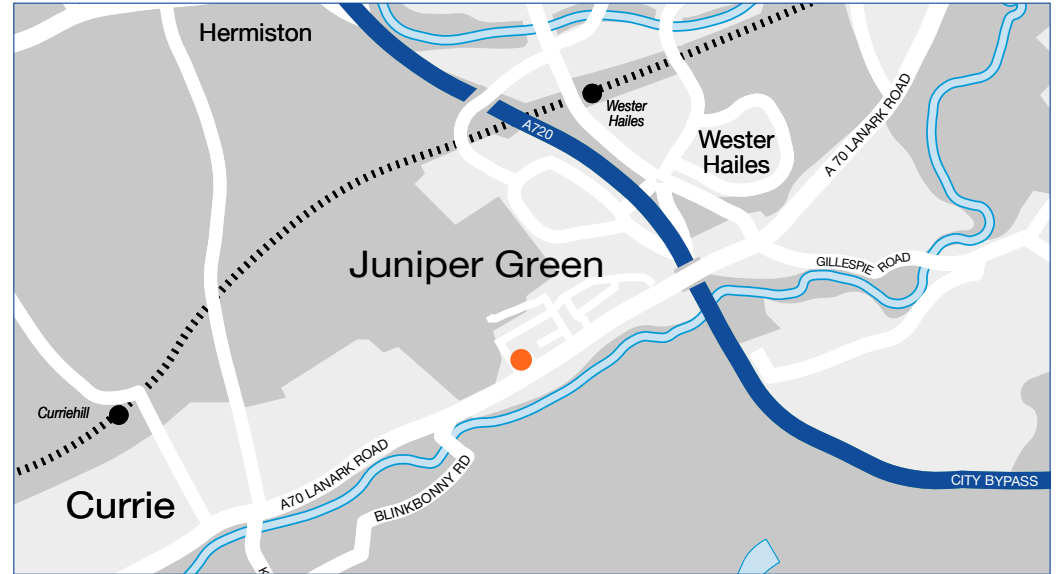
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Investment Summary

- Prominent and busy location in the Edinburgh suburb of Juniper Green.
- Property extends to 6,169 sqft GIA on a site of 0.43 acres
- Let to Iceland Foods Limited until 27/02/2030 subject to a break option in 2025
- Heritable interest
- Current rent of £83,000 p.a. (£14.23 per sq ft) with guaranteed minimum uplifts to £86,409 in 2020 and £97,764 in 2025
- Strong redevelopment potential in the long term, subject to securing planning consent
- Offers in excess of **£1,525,000** (One Million Five Hundred and Twenty Five Thousand Pounds Sterling), reflecting a Net Initial Yield of **5.34%**, assuming standard purchaser's costs and LBTT and that the vendor "tops up" the rental income to £86,409 from date of sale, until the next rent review



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Location

Located to the west of Edinburgh, Juniper Green is considered an attractive and affluent suburb of the city. The area is well served by the A70 Lanark Road which forms an arterial route to the city centre via Slateford and Kingsknowe and further west, through Juniper Green to Currie and Balerno. The immediate Juniper Green area has a local population of 4,000 and is designated a Conservation Area. The catchment population within a 5 minute drive time increases to 9,900.

The property occupies a central location within Juniper Green, on the northern side of Lanark Road between its junctions with Juniperlee to the east and Juniper Avenue to the west. The level site is roughly square in shape.

Description

The subject property is a purpose built, standalone, single storey supermarket premises built in the 1980's on a site extending to 0.43 acres/0.16 hectares.

The structure would appear to be of steel frame construction with elevations formed in facing brick, the exception being the Lanark Road frontage which is partly glazed and incorporates the tenant's corporate fascia and a canopy. The roof is formed in 3 double pitched and hipped sections, each with a slate finish.

The remainder of the site comprises a tarmac surfaced yard area used for loading purposes and also providing 24 marked customer car parking spaces. Access is taken directly off Lanark Road.

NB - there is a right of way running along the western boundary from Lanark Road to the bowling club to the rear of the site.

Internally the property is arranged to provide retail sales accommodation along with ancillary storage, plant, office and staff areas including WCs. The property has a Net Internal Area of 5,834 sqft and a Gross Internal Area of 6,169 sqft.

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Tenancy Information

The entire property is leased to Iceland Foods Limited from 28 February 2005 until 27 February 2030. Iceland had been in long term occupation of the property prior to the current lease commencement.

There is a tenant's right to exercise a lease break option as at 28 February 2025, subject to a minimum 12 months written notice.

The occupational lease is drafted on a Full Repairing and Insuring basis subject to 5 yearly upwards only rent reviews. NB - the lease allows the tenant the option to self-insure which Iceland have chosen to implement.

The current passing rent of £83,000 per annum (£14.23 per sqft) was determined after 3rd party Arbitration of the 2015 review. Rent reviews are to the greater of Open Market Rental Value or guaranteed minimum uplifts to £86,409 in 2020 and £97,764 in 2025. The vendor will top up the rent to the 2020 guaranteed minimum.

Tenant Covenant Strength

Iceland Foods Limited is a British supermarket chain based in Wales, with emphasis on the sale of frozen foods, including prepared meals and vegetables. They also sell non-frozen grocery items such as meat, dairy, and dry goods.

Trading from over 900 stores in the UK, the business reported a turnover of £2.97bn in the year to 30 March 2018. Post Tax Profits were £24.5m with Net Assets of £795m.



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Energy Performance Certificates (EPCs)

The property has a current EPC rating of F. Copies of the EPC and recommendations are available on request.

Tenure

Heritable

VAT

The property has been elected for VAT purposes and VAT is charged on the rent. VAT is payable over and above the purchase price, however, we envisage that any sale will be conducted by way of a Transfer of a Going Concern (TOGC).

Proposal

We are instructed to seek offers in excess of **£1,525,000** (One Million Five Hundred and Twenty Five Thousand Pounds Sterling) subject to conclusion of missives and exclusive of VAT. This reflects a net initial yield of **5.34%** assuming standard purchaser's costs and LBTT and the vendor 'topping up' the passing rent from the date of sale to £86,409 per annum, until the next rent review in February 2020.

Further Information

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Requirements of Writing (Scotland) Act 1995

These particulars are not intended to, nor shall form part of any legally enforceable contract and any contract shall only be entered into by way of an exchange of correspondence between solicitors.

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