



co  
op

# Lower Clapton

21-23 CHATSWORTH ROAD, HOMERTON, LONDON E5 0LH

Long Let Index Linked,  
Co-op Convenience Store  
Investment

  
Clifton



# INVESTMENT SUMMARY

- Long let, Indexed linked convenience food store located in Homerton, Lower Clapton;
- Newly refurbished with latest Co-op corporate branding;
- Virtual freehold;
- Well configured 3,864 sq ft (359 sq m) store arranged over ground floor and basement;
- 100% let to undoubted Co-operative Group Food Limited covenant;
- Approximately 11 years unexpired without break at £80,000 per annum (£21 per sq ft);
- Five yearly rent reviews to CPI compounded annually (collared and capped at 1-3%) with guaranteed rental uplift in October 2023.

THE VENDOR  
IS SEEKING OFFERS  
IN EXCESS OF  
**£1,400,000**

(One Million Four Hundred Thousand Pounds), exclusive of VAT and subject to contract. A purchase at this level would reflect a **net initial yield of 5.39%** with an anticipated reversion to **6.04%** in October 2023, assuming purchaser's costs of 6.05%.

VIEW VIDEO 



THE BOROUGH HAS A NUMBER OF GREEN SPACES INCLUDING HACKNEY DOWNS, HACKNEY MARSHES, LEA VALLEY PARK AND VICTORIA PARK.



 BOROUGH RESIDENTS  
280,000+

LOWER CLAPTON IS CHARACTERISED BY A SOCIALLY DIVERSE AND VIBRANTLY MULTICULTURAL COMMUNITY.

AS OF 2019, THE IMMEDIATE AREA HAD A POPULATION OF 14,658 PEOPLE WITH THE WIDER BOROUGH, HOME TO OVER 280,000 RESIDENTS.

# LOCATION

Lower Clapton is located in northeast London and is within the London Borough of Hackney. The area is bounded by Hackney Central to the west, Hackney Wick to the east and Leyton and South Hackney to the south.



THE A12, A10 AND A406 LINK HACKNEY TOWARDS ESSEX IN THE EAST, ENFIELD AND CHESHUNT TO THE NORTH AND WEMBLEY TO THE WEST. THE A10 ALSO LINKS THE AREA TO THE M25 AND THE NATIONAL MOTORWAY NETWORK.



In terms of transport, Lower Clapton is served by the London Overground network, with westbound trains to Richmond and Clapham Junction via Dalston Junction, and eastbound trains to Stratford (National Rail, Elizabeth, Central, Jubilee & DLR lines). Homerton is also served by a number of bus routes.

Travel times from Homerton & Hackney Central Overground Stations ▼

HIGHBURY & ISLINGTON  
9 MIN

STRATFORD  
10 MIN

KING'S CROSS ST PANCRAS  
20 MIN

EUSTON  
24 MIN

BANK  
30 MIN



## SITUATION

The property occupies a prominent location on the western side of Chatsworth Road between Dunlace Road and Clifden Road. Forming part of a wider parade, the unit is neighboured by a range of independent retail, leisure and service operators.

## DESCRIPTION

The property comprises a Co-op convenience store beneath residential apartments, which do not form part of the ownership. The unit is arranged over ground and basement providing a total area of approximately 3,864 sq ft (359 sq m).

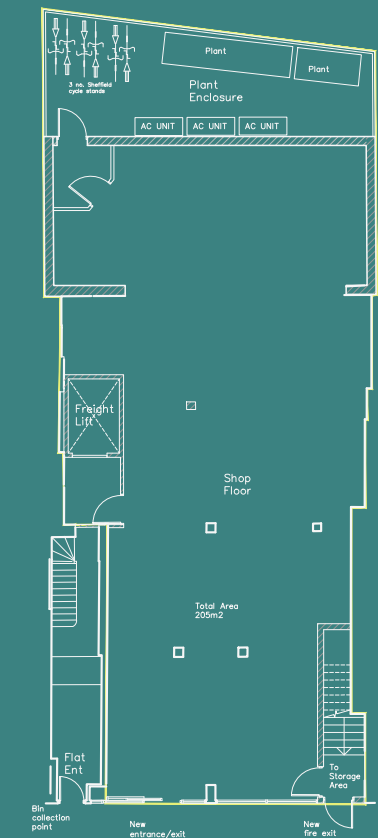
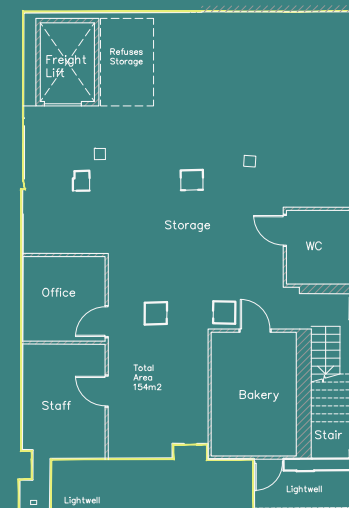
THE ACCOMMODATION IS ARRANGED AS FOLLOWS:

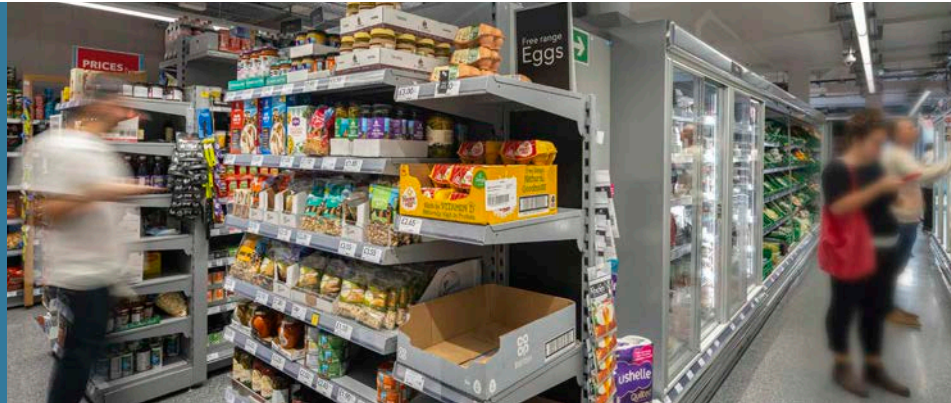
Floor	Area (sq ft)	Area (sq m)
Ground	2,207	205
Basement	1,657	154
<b>Total</b>	<b>3,864</b>	<b>359</b>



### GROUND AND BASEMENT FLOORPLANS ▶

*Plans not to scale and for indicative purposes only*





## TENANCY

The property is let to Co-Operative Group Food Limited (company registration number 26715R) on a 15 year lease from 31st October 2018, without break at a current rent of £80,000 per annum.

The rent is subject to 5 yearly CPI linked rent reviews, compounded annually and subject to a cap and collar of 1-3%.

The next rent review is 31 October 2023 where the rent is estimated to increase to £89,616 per annum on current forecasts.

## TENURE

The property is available by way of a new virtual freehold interest for a term of 999 years at a peppercorn rent.

## EPC

**B-39**

Full details available upon request.

## PLANNING

The property is not listed and does not sit within a conservation area.

The permitted user clause allows for a range of alternative uses (subject to planning) which offers a purchaser long term flexibility.

## COVENANT

Co-Operative Group Food Limited (company number 26715R) is a wholly owned subsidiary of The Co-operative Group Limited which was established in 1844 and now operates 4,500 outlets with almost 90,000 employees.

Co-operative Group Food is the UK's largest food retailer with almost 2,800 local, convenience and medium sized stores employing more than 69,000 people.

Co-operative Group Food Limited benefits from the highest Experian credit rating of 100, indicating very low risk of default. Highlights from their latest accounts are summarised as follows:



£8 BN



£1.5 BN



6.5%

YEAR ENDING	1 JAN 2022 (In Thousands)	2 JAN 2021 (In Thousands)	4 JAN 2020 (In Thousands)
Turnover	£8,003,200	£8,081,300	£7,507,900
Pre-Tax Profit	£4,800	£180,100	£204,000
Net Worth	£1,472,500	£1,418,000	£1,422,800



# INVESTMENT COMPARABLES

The convenience store market continues to perform strongly with investors attracted to long unexpired lease terms, index linked review structures, strong occupational demand and ESG credentials.

## RECENT TRANSACTIONAL SALE EVIDENCE INCLUDES:

DATE	ADDRESS	TENANT	TERM (YEARS)	PRICE	YIELD
Oct-22	39/41 Grays Inn Road, London SW1	Co-op	8	£4,590,000	4.65%
Jul-22	Lydney Road, Bream	Co-op	14	£2,075,000	3.94%
Jul-22	317-318 Upper Steet London	Sainsbury's	7	£3,450,000	5.25%
Mar-22	Stafford Street, Telford	Co-op	14	£1,068,000	4.87%
Jan-22	24-26 Bridge Street,	Tesco	8	£2,900,000	5.67%
Oct-21	2 Morden Road, Wimbledon	Tesco	11	£2,000,000	4.48%
Aug-21	1 Shenley Road, Borehamwood	Sainsbury's	9	£1,935,000	4.98%
Aug-21	Newbury Road, Hermitage, Berkshire	Co-op	15	£1,500,000	4.96%
Apr-21	London road, Norbury, London	Co-op	15	£1,945,000	4.50%
Mar-21	Whitton Road, Twickenham	Tesco	15	£2,400,000	4.51%
Sep-20	Warwick Road, Banbury	Sainsbury's	21	£1,760,000	4.81%
Jun-20	Green Lane, High Wycombe	Co-op	14	£1,030,000	5.32%
Jul-20	Cassilis Road, London E14	Co-op	10	£2,000,000	5.30%
Jun-20	Loampit Vale, Lewisham	Sainsbury's	10	£1,750,000	5.10%
Jan-20	Martin Way, Morden SM4	Sainsbury's	10	£1,375,000	5.41%
Jan-20	Lordship Lane, London N17	Sainsbury's	8	£1,285,000	5.05%



# INVESTMENT RATIONALE

- Newly developed food store let to an undoubted covenant
- Modern building with bespoke tenant fit out
- Sought after asset class
- Buoyant investment and occupier demand
- Unexpired lease term of approximately 11 years without break
- Index linked CPI reviews (1% & 3%)
- Guaranteed reversion in October 2023

## VAT

The property has been elected for VAT and is assumed the sale will be conducted via a Transfer of a Going Concern (TOGC).

## AML

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.

# PROPOSAL

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## CONTACT

For further information or to arrange an inspection, please contact:-

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JANUARY 2023

