

TESCO SUPERMARKET: FORWARD FUNDING OPPORTUNITY



LONG INCOME
INVESTMENT
TO TESCO



20-YEAR
TERM
CERTAIN



26,900 SQFT
2500 SQ M
SUPERMARKET

BRIDGE ROAD/PERTH ROAD, PITLOCHRY, PH16 5LY

OFFERS OVER £8,040,000
(6% NET INITIAL YIELD)



 **Sheridan Keane**

 **WEST RANGA**
DEVELOPMENTS




PLAY VIDEO

CGIs are for illustrative purposes only



EXECUTIVE SUMMARY

 Sheridan Keane



Long Income
Supermarket Forward
Funding Opportunity



Pitlochry is the
largest town
in Highland Perthshire



Prominent and
accessible location
on Perth Road



Site extends to
approximately
3.31 acres (1.339 ha)



First and only
supermarket in
strong Scottish Town



Anticipated Practical
Completion of May 2025



Let to Tesco
Stores Limited
(5A2 D&B Credit Rating)



20-year lease with
5 yearly CPI rent reviews,
cap & collar at 3% - 1%



Anticipated Rent of
£490,925 (£18.25/sqft)

Offers over £8,040,000 (**EIGHT MILLION AND FORTY THOUSAND POUNDS STERLING**) exclusive of VAT are invited. A purchase at this level represents a 6% Net Initial Yield on the specific assumption that LBTT is incurred on the site price only and that this cost is treated as a development cost with purchaser's costs assumed at 1.80%.

OUR LOCATION



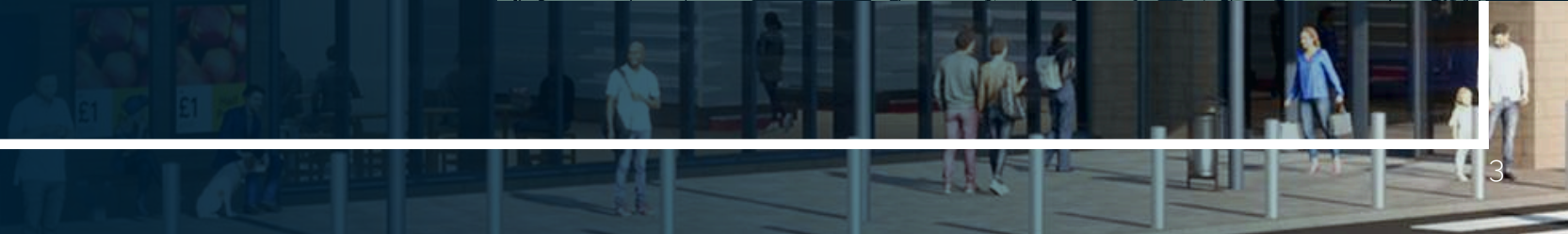
Pitlochry is a town in the county of Perthshire, which lies on the River Tummel, and is a popular tourist hub for the central highlands. The town has a catchment of 300,000 people living within a 30-mile radius which is significantly boosted by all year-round tourism. Due to its central location, both The Cairngorms National Park and The Grampian Mountain Range are in close proximity.



The mainline railway passes through the town connecting to Inverness to the north and Edinburgh and Glasgow to the south. The A9 trunk road (Perth to Inverness) connects the town with Inverness to the north and Perth, Dundee, Edinburgh and Glasgow to the south. The A9 is currently being dualled, with completion anticipated in 2025, significantly reducing drive times to and from the town on completion.



Pitlochry has a mix of national and local retailers, with Tesco due to become the only supermarket.





DEMOGRAPHICS

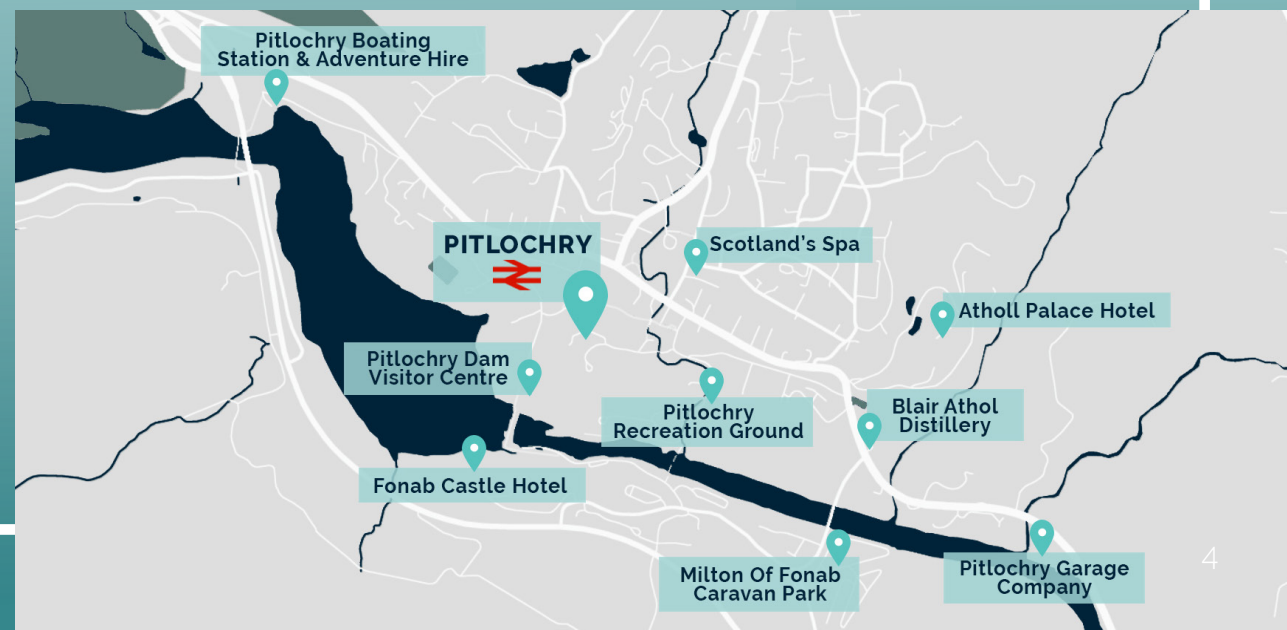
Catchment has a total convenience expenditure of £184,000 per week and a total comparison expenditure of £290,000 per week.

The lack of a current supermarket means the local population is having to travel long distances for their weekly shop.

This area benefits from tourists - who spend an additional £5.37 million/per annum - and affluent achievers, comfortable/well off people who make up 83% of catchment area.

A CACI report can be sent to interested parties.

Perth	35 minutes
Dundee	60 minutes
Edinburgh	85 minutes
Glasgow	90 minutes
Inverness	95 minutes
Aberdeen	120 minutes





DESCRIPTION

On Practical Completion the supermarket will extend to approximately 26,900 sq ft on a Gross Internal basis at ground floor only. The net sales area will extend to approximately 15,036 sq ft.

There will be 177 customer car parking spaces across the front of the store, reflecting a parking ratio of 1:147 sqft.

The property will benefit from a central customer access point to the immediate front of the supermarket with a service yard along the western elevation.

Internally, the store is broadly rectangular in shape and will be fitted out in Tesco's standard corporate specification.



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SITE PLAN & PLANNING

The site is located to the south of Pitlochry town centre, close to the junction of the A924 Perth Road and Bridge Road. There is direct access to the A9 trunk road which is 1 mile to the south of the site. Extending to approximately 3.31 acres (1.339 hectares) the site is regularly shaped and is a level development site.

The site benefits from a detailed planning consent for Retail Development (Class 1 Supermarket) and associated landscape treatment and engineering works. The site's planning reference number is 10/00666/FLM. The proposed supermarket extends to approximately 26,900 sq ft (2,499.09 sq m). Perth and Kinross Council Planning Department have confirmed the consent has been implemented. Full planning documents are available on the dataroom.



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COVENANT INFORMATION

Tesco are the third-largest retailer in the world when measured by gross revenues and ninth largest in the world measured by revenue.

In the UK, Tesco operate 2,819 retail stores as of January 2023 of which 219 stores (8%) can be found in Scotland.

	27-02-2023 (In Thousands)	27-02-2022 (In Thousands)	27-02-2021 (In Thousands)
Turnover	£47,481,000	£44,793,000	£42,219,000
Net Profit	£341,000	£1,096,000	£1,018,000
Shareholder Funds	£4,385,000	£8,220,000	£4,972,000

TENANCY



The property will be let to Tesco Stores Limited and the lease start date will start from the anticipated completion in May 2025 for a period of 20 years at a current passing rent of £490,925 per annum (£18.25/sqft) excluding VAT, payable in advance on a target GIA of 26,900 sq ft. The lease is held on Full Repairing & Insuring terms.

The tenant shall be granted a rent-free period equivalent to 4 months rent from the Date of Entry. The rent shall be subject to 5 yearly upwards only rent reviews linked to the Consumer Prices Index (CPI) which shall be compounded annually with a cap and collar of 1 -3% per annum.

The tenant shall be responsible for any Local Authority rates applicable to the completed development. The landlord shall insure the property and recover the annual insurance premium from the Tenant.

THE DEVELOPER



West Ranga Property Group are one of the most active property development companies in the UK.

They are widely considered best-in-class at delivering complex design & build solutions for a range of major occupiers and across all recognised sectors having completed successful developments within the Industrial & Logistics, Retail, Motor Trade, Leisure and Office sectors.

The company's current development pipeline has a Gross Development Value (GDV) of in excess of £400M.

Further information can be provided on request.





TENURE

The subject properties are held on a heritable title (Scottish equivalent of English Freehold).

EPC

Target EPC rating of B.

DATAROOM

There is a dataroom set up for all parties that register a formal note of interest with the sole selling agents.

AML

To comply with the current anti-money laundering regulations the agents acting on both sides of any qualifying transaction are required to undertake appropriate due diligence in advance of the transaction, including identifying and verifying all relevant parties and establishing the source(s) and legitimacy of funding. Both parties will be required to disclose all relevant information prior to conclusion of missives to enable the agents to meet their respective obligations under the Regulations.

PROPOSAL

Offers Over **£8,040,000 (EIGHT MILLION AND FORTY THOUSAND POUNDS STERLING)** exclusive of VAT are invited. A purchase at this level represents a 6% Net Initial Yield on the specific assumption that LBTT is incurred on the site price only and that this cost is treated as a development cost with purchaser's costs assumed at 1.80%.

VAT

The property is elected for VAT and it is anticipated VAT will be payable on the transaction.

LEGAL COSTS

Each party will be responsible for their own legal costs incurred in connection with the transaction.





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VIEWING & FURTHER INFORMATION



Please contact the sole selling agents:

Stewart Sheridan
07740 940898
stewart@sheridankeane.co.uk

Graeme Millar
07523 512804
graeme@sheridankeane.co.uk

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