INVESTMENT AGENCY

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Prime Industrial Investment For Sale

Income Producing Booker Cash & Carry Warehouse

Booker Cash & Carry

Staffs Moor Industrial Estate, Lichfield Road
Tamworth, Staffordshire, B79 7TS

35,258 SQ FT (3,275.59 SQ M) on 1.64 acres (0.66 ha)

Investment Summary

- 5.36% Net Initial Yield
- 25 Year Lease from Feb 2005
- Highly Reputable Covenant
- Gross Income £151,124 pa
- Guaranteed rental uplifts*
- Situated on a 1.64 acre (0.66 ha) site
- Low Capital Value of only £75 per sq ft

BOOKER

LOCATION

The historical market town of Tamworth, with a catchment population in excess of 76,000, is situated approximately 12 miles east of Walsall, 13 miles north-east of Birmingham, and 24 miles west of Leeds. The town benefits from excellent road communications being approximately 5 miles west of Junction 10 of the M42 motorway, via the major A5 trunk road, which in turn provides easy access to the M6, M69, M40 and M1 motorways.

SAT NAV: B79 7TA

SITUATION

The property is located on the Staffs Moor Industrial Estate on Lichfield Road, approximately 1 mile to the west of Tamworth town centre, on the north side of Apollo, one of the main roads running through the estate. Nearby occupiers include Hyundai, Percy Lane Products and Scolmore International.

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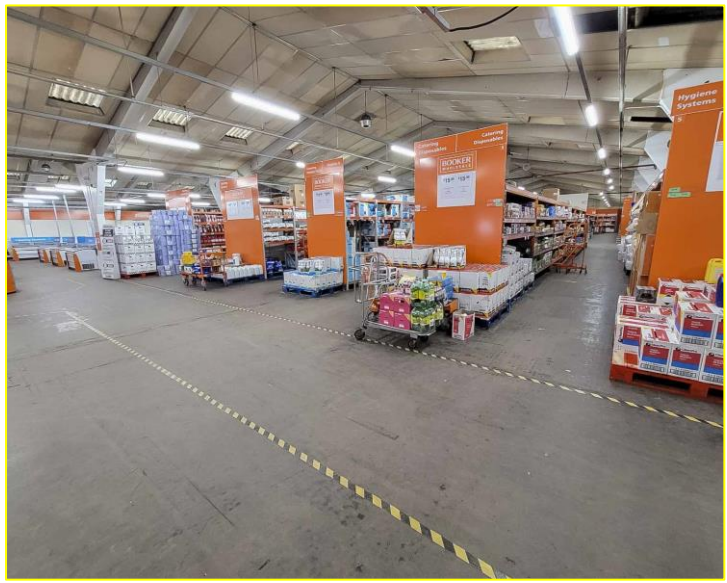
Blue Chip Commercial Investment

DESCRIPTON

The property, a substantial cash and carry warehouse building, comprises warehouse accommodation on the ground floor and canopied loading area with a roller shutter door to the rear. In addition, the property benefits from car parking for some 38 cars and an approximate site area of 0.66 hectares (1.64 acres).



35,258 SQ FT (3,275.59 SQ M)

Accommodation

AREAS	SQ FT	SQ M
Warehouse	35,258	3,275.59
Site Area	**1.64 acres**	**0.66 hectares**

All measurements are approximate. Interested parties are advised to carry out their own surveys.

TENANCY

Let to Giant Booker Ltd (Company No 00065519) formerly Booker PLC and guaranteed by Giant Bidco Ltd (Company No 05310162) for a term of 25 years from 28th February 2005 until 2030 on a full repairing and insuring lease. There is a tenant only option to determine the lease on 28th February 2025. The parent company of Booker Group PLC is Tesco PLC.

Current annual rental of £151,124 pa (£4.29 psf). *Assuming the tenant does not exercise their break option in 2025, this ensures a minimum rental uplift on 28th February 2025 to Higher of £170,983 (4.85 psf) per annum or OMV.

The rent is reviewed on a 5 yearly basis to the greater of either the Open Market Rental Value or the current rent reserved per annum with compounded increases of 2.5% per annum. Therefore, minimum rental increases are as follows: 28th February 2025 - £170,983 pa exclusive subject to the tenant not exercising their break option.

TENURE

The property is held as a complete Freehold.

EPC

Energy Rating B-49

Property Ref: 29041

COVENANT PROFILE

Booker PLC is a leading food wholesaler and distributor in the United Kingdom, operating a network of over 180 cash-and-carry warehouses that serve retailers and caterers rather than end consumers.

Booker's food wholesaling business is one of the largest in the U.K., supplying more than 400,000 independent grocers, CTNs, convenience stores, and caterers. Its national network of cash and carry branches now includes many that have extensive specialist departments dedicated to the needs of caterers.

The Booker Group was acquired by Tesco in 2017 in a deal worth £3.7 billion, combining Britain's biggest retailer with the country's largest wholesaler. The amalgamation is expected to further grow the Booker business and expand its significant market share.

Giant Booker Ltd has reported the following financial information for the last three years:

	30 Mar 2018	24 Feb 2019	01 Mar 2020
Turnover	£10,500,000	£11,500,000	£10,700,000
Pre-Tax Profit	£5,800,000	£4,600,000	£30,500,000
Total Net Worth	£238,600,000	£243,400,000	£273,800,000

(Source: Experian)

PROPOSAL

We are instructed to seek offers in the region of **£2,650,000 (Two Million Six Hundred & Fifty Thousand Pounds),** subject to contract and exclusive of VAT, reflecting a net initial yield of 5.36% with a minimum Reversionary Yield of 6.06% in 2025 (subject to tenant break option not being exercised), after allowing for purchaser's costs of 6.40%.

A purchase at this level equates to a low capital value of just £75 per sq ft.

VAT

The property has been elected for VAT purposes and it is anticipated that the sale will be treated as a transfer of a going concern (TOGC), subject to applicable tax rules.

LEGAL COSTS

Each party to bear their own legal costs.

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For further information or to arrange a viewing, please contact:

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