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## NEW TESCO EXPRESS INVESTMENT OPPORTUNITY 1 RUSHEY GREEN, LEWISHAM, SE6 4AS



### Investment Summary

- New build development to provide a Tesco Express store – Practical Completion Summer 2011.
- Approximate Gross Internal Area of 3,943 sq ft (366.30 sq m).
- New 15 year lease to Tesco Stores Limited (No Tenant Break Clause).
- 999 years Long Leasehold.
- Initial rent to be £52,000 per annum, showing a very modest £13.19 psf.
- 5 yearly rent reviews geared to RPI with a 'collar and cap' of 1% and 4%.
- Undoubted covenant with a D&B of 5A1 with a latest reported net worth of £6.515 billion.
- Offers in excess of £900,000 reflecting a Net Initial Yield of 5.46% assuming costs of 5.8%.

## LOCATION

The London Borough of Lewisham is located approximately 6.2 miles south east of central London. The location benefits from excellent transport connections via road and rail. Lewisham Borough has a thriving catchment population of 249,000.

The property is situated on the A21 arterial road in close proximity to Lewisham Hospital, between Ladywell and Catford mainline rail stations. The property benefits from a prominent corner trading position.

## PROPERTY

The building comprises a modern mixed use development of retail and residential. The retail unit contains a ground floor convenience store, approximately 3,943 sq ft (366.30 sq m) G.I.A. The four story block also includes 26 residential flats. The flats will be sold off or managed separately from the retail component. The scheme is due for practical completion in Summer 2011.

## TENANCY

The retail unit is let to Tesco Stores Ltd on a new 15 year lease which benefits from no tenant break clause. The rent payable will be £52,000 (£13.19 per sq ft) per annum. The lease is subject to 5 yearly RPI geared rent reviews with a 'collar and cap' of 1% and 4%.

## TENURE

Long leasehold of 999 years at a peppercorn.

## COVENANT INFORMATION

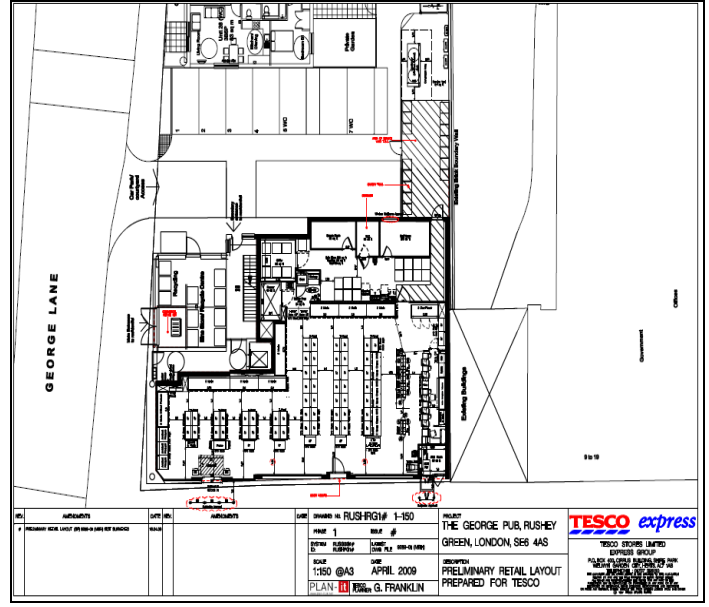
Tesco Stores Limited latest reported accounts for 02/2010 show a turnover of £38.742 billion, pre-tax profits of £1.764 billion and a net worth of £6.515 billion.

## VAT

The purchase of the property will be subject to VAT although it is anticipated the property will be treated as a transfer of going concern (TOGC).

## PROPOSAL

We are instructed to invite offers in excess of **£900,000** (Nine Hundred Thousand pounds only) for the benefit of our client's long leasehold interest. A purchase at this level would show a net initial yield of **5.46%** assuming costs of 5.8%



**SUBJECT TO CONTRACT  
MAY 2011**

## CONTACTS

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