



## Modern Freehold Convenience Store Retail & Residential Investment

Tesco, Subway & 4 Residential Apartments, 67 Portland Road, Wyke Regis, Weymouth, Dorset DT4 9BE

  
ESTATE OFFICE  
PROPERTY CONSULTANTS



## EXECUTIVE SUMMARY

- **Modern Convenience Store Retail & Residential Investment.**
- Wyke Regis is a village on the south coast only 2 miles south west of Weymouth.
- The property is in a highly prominent position on Portland Road which runs through the middle of Wyke Regis.
- **The property was newly developed in 2018 and is far superior quality compared to local competition.**
- Comprises a convenience store and a retail unit with residential above totalling 7,520 sq ft plus 18 car parking spaces.
- **Freehold site of 0.4 acres.**
- The total current passing rent from the property is £133,600 pa.
  - **WAULT to expiry of 16.77 years (11.17 years term certain) on the commercial element.**
  - The total commercial income is £100,000 per annum (85% to Tesco Stores Limited & 15% to Subway Realty Limited).
  - The Tesco lease benefits from 5 yearly rent reviews linked to RPI (Collar & Cap 0%-3% pa).
  - 4 residential flats comprising 2 x 1 bedroom and 2 x 2 bedrooms totalling 2,396 sq ft which are let on AST's producing £33,600 pa.
- **The vendor is seeking offers in excess of £2,500,000 (Two million, five hundred thousand pounds), subject to contract.**
- A purchase at this level with the following apportionments reflects;
  - £1,850,000 for the commercial element equating to a blended Net Initial Yield of 5.09% (based on 5.0% Net Initial Yield for Tesco and 6.0% for Subway), and;
  - £650,000 for the residential element equating to £162,500 per flat.



## LOCATION / SITUATION

The property is located in Wyke Regis in south Dorset which is a village on the south coast only 2 miles (3.2 km) south west of Weymouth with a population of approximately 5,500.

Bournemouth is located approximately 38 miles (60 km) to the east, Yeovil is located approximately 29 miles (47 km) to the north and Exeter is located approximately 60 miles (100 km) to the west. More locally, Portland Harbour is located to the east, Chesil Beach to the west and the Isle of Portland to the South

The property occupies a highly prominent position fronting Portland Road in the centre of Wyke Regis, with the predominant surrounding use being residential together with a number of shops and other uses within the immediate vicinity including schools, nurseries and a church.

The development is of far superior quality compared to local competition with the convenience store and takeaway unit being ideally positioned to service the surrounding population of Wyke Regis, as well as Portland and tourists to the area.



## DESCRIPTION

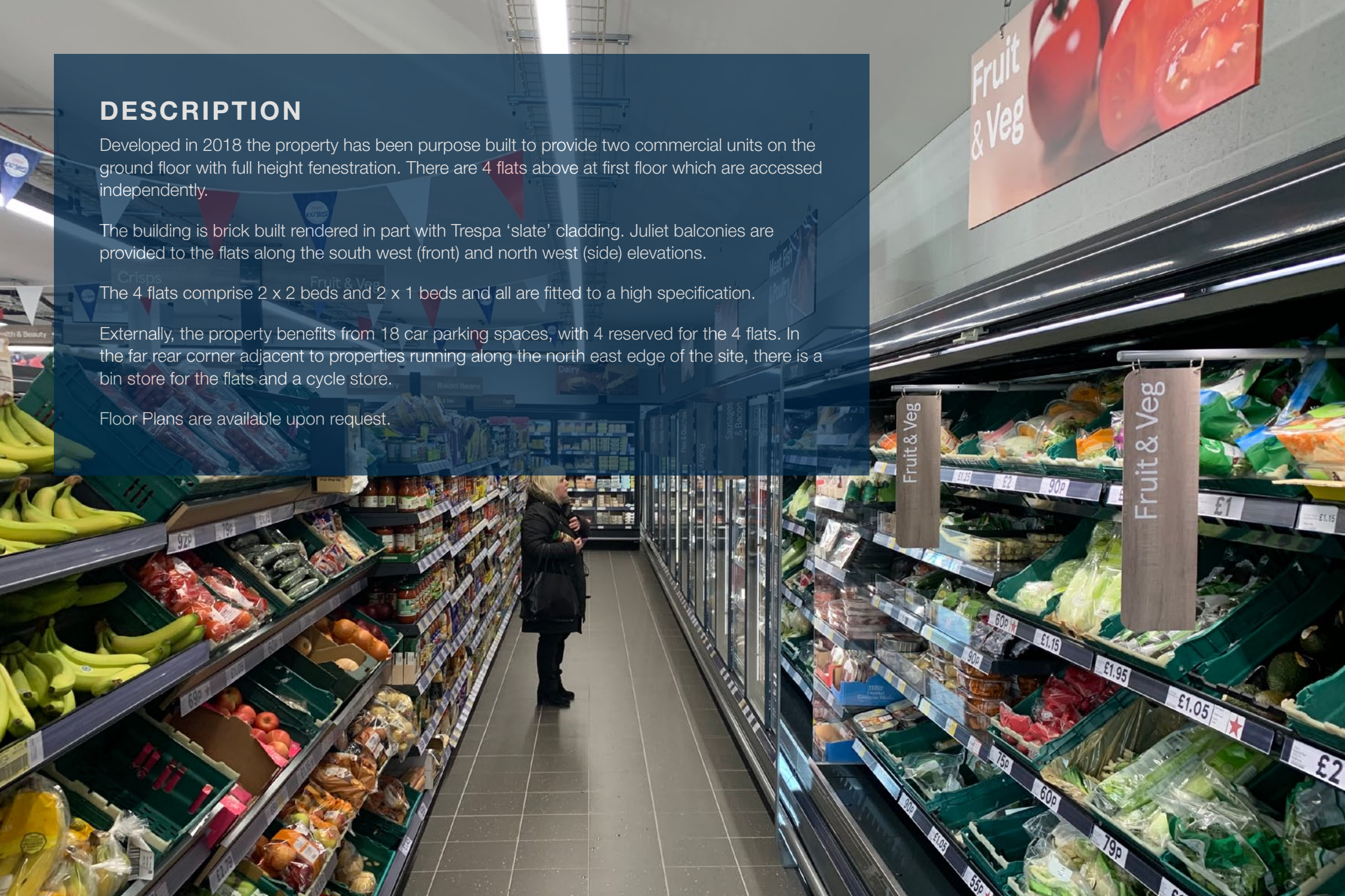
Developed in 2018 the property has been purpose built to provide two commercial units on the ground floor with full height fenestration. There are 4 flats above at first floor which are accessed independently.

The building is brick built rendered in part with Trespa 'slate' cladding. Juliet balconies are provided to the flats along the south west (front) and north west (side) elevations.

The 4 flats comprise 2 x 2 beds and 2 x 1 beds and all are fitted to a high specification.

Externally, the property benefits from 18 car parking spaces, with 4 reserved for the 4 flats. In the far rear corner adjacent to properties running along the north east edge of the site, there is a bin store for the flats and a cycle store.

Floor Plans are available upon request.



# ACCOMMODATION

We are advised the property provides the following accommodation (GIA);

Unit	Sq Ft	Sq M
Commercial Unit 1 Tesco Stores Limited	4,101	381.0
Commercial Unit 2 Subway Realty Limited	1,023	95.0
Residential - Flat 1	530	49.2
Residential - Flat 2	519	48.2
Residential - Flat 3	634	58.9
Residential - Flat 4	713	66.2
<b>Total</b>	<b>7,520</b>	<b>698.6</b>

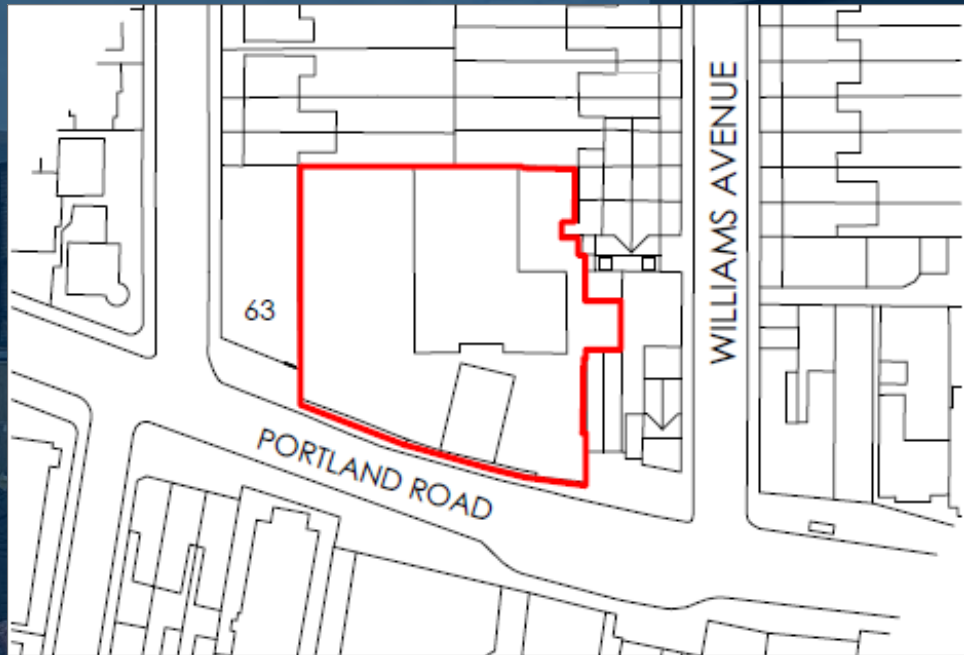


# TENURE

Freehold.

The property occupies a site of 0.4 acres.

The site plan indicating our understanding of the boundaries is shown below.



# TENANCY

## Commercial

The ground floor is let to 2 tenants on FRI terms providing a Weighted Average Unexpired Lease Term (WAULT) of 16.77 years to expiry and 11.17 years term certain, as follows;

Unit	Lease Start	Lease Expiry	Term	Rent Per Annum	Rent Per Sq Ft	Rent Review	Break Option	Comments
Unit 1 - Tesco Stores Limited	15 October 2018	14 October 2038	20 years	£85,000	£20.73	5 yearly linked to RPI (0%-3% pa)	15 October 2033	FRI terms with service charge plus insurance. The tenant was granted only 3 months' rent free. Break option subject to 6 months' prior written notice.
Unit 2 - Subway Realty Limited	12 October 2018	11 October 2033	15 years	£15,000	£14.66	5 yearly to OMV	12 October 2024	FRI terms with service charge plus insurance. The tenant has 2 break options which fall on 12 October 2024 and 12 October 2029. Break options subject to 6 months' prior written notice.
<b>Total</b>				<b>£100,000</b>				

## Residential

The first floor residential flats are let to 4 tenants on Assured Shorthold Tenancy Agreements, as follows;

Unit	Bedrooms / Bath	Start	Expiry	Term	Rent Per Annum	Rent Per Month	Comments
Flat 1	1 bed / 1 bath	02 Sept 2019	02 Sept 2020	12 months	£7,200	£600	Holding Over
Flat 2	1 bed / 1 bath	09 May 2020	09 May 2021	12 months	£7,800	£650	
Flat 3	2 bed / 1 bath	29 August 2020	29 August 2021	12 months	£9,300	£775	
Flat 4	2 bed / 1 bath	03 June 2019	03 June 2020	12 months	£9,300	£775	Holding Over
<b>Total</b>					<b>£33,600</b>	<b>£2,800</b>	

\*The residential rents are gross of management costs.

## COVENANT INFORMATION



Tesco Stores Limited (Co. No. 0519500).

Tesco is the UK's largest supermarket with 27.3% market share (Sainsbury's are second with 15.8%).

Tesco have over 3,780 stores and over 340,000 staff in the UK and ROI.

The following is a summary of the accounts for Tesco Stores Limited for the last 3 years;

	29-Feb-20	23-Feb-19	24-Feb-18
Turnover	£42,951,000,000	£42,219,000,000	£41,367,000,000
Pre-Tax Profit	£1,151,000,000	£737,000,000	£417,000,000
Shareholder's Funds	£5,334,000,000	£4,526,000,000	£4,563,000,000



Subway Realty Limited (Co. No. 04174473).

The Subway brand is the world's largest submarine sandwich chain with more than 44,000 locations worldwide. Today there are over 2,400 Subway outlets across the United Kingdom.

The following is a summary of the accounts for Subway Realty Limited for the last 3 years;

	31-Dec-19	31-Dec-18	31-Dec-17
Turnover	£40,641,235	£35,107,808	£35,424,835
Pre-Tax Profit	£925,049	£1,530,929	£1,574,725
Shareholder's Funds	£325,198	£1,574,725	£4,337,408



## VAT

The property has been elected for VAT and therefore it is intended that the property will be sold as a 'Transfer of a Going Concern' (TOGC).

## EPC

The units have the following EPC Ratings:-  
A copy of all the EPC's are available upon request.

Unit	EPC Rating
Tesco Stores Limited	A 24
Subway Realty Limited	B 49
Residential - Flat 1	B 85
Residential - Flat 2	B 84
Residential - Flat 3	B 84
Residential - Flat 4	B 83

## RESIDENTIAL VALUES

We are advised the open market value of residential flats are as follows;

Flat	Price
Flat 1	£160,000
Flat 2	£165,000
Flat 3	£200,000
Flat 4	£190,000
<b>Total</b>	<b>£715,000</b>



# PROPOSAL

We are instructed to seek offers in excess of £2,500,000 (Two million, five hundred thousand pounds), subject to contract. A purchase at this level with the following apportionments reflects;

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- £650,000 for the residential element equating to £162,500 per flat.

## FURTHER INFORMATION

Further information is available on request.



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Weymouth - 67 Portland Road, Wyke Regis, DT4 9BE