

RETAIL INVESTMENT FOR SALE

home bargains

86/90 GRAHAM STREET
AIRDRIE, ML6 6DB



Reith
Lambert
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INVESTMENT SUMMARY

OFFERS OVER £2,550,000

REFLECTING A NET INITIAL YIELD OF 7.01%

(after deducting purchaser's costs of 6.35%)

- Let to TJ Morris Ltd (t/a Home Bargains) until 06/01/2028 – 8.75 years unexpired (no breaks)
- Undoubted covenant of TJ Morris Ltd reported a net worth of £911,755,756 in 2018
- Prime location on town's main pedestrianised shopping street with free parking nearby
- Adjacent to a major NHS Health Centre, servicing 4,500 daily visitors
- Rent of £190,000 pa reflects a low rate of £9.80 psf
- Heritable interest (Scottish equivalent of English Freehold)



LOCATION

Airdrie is an established commuter town located approximately 10 miles east of Glasgow and 30 miles west of Edinburgh. The town has a population of approximately 36,500 people with 80,000 people living within a 10-minute drive. The town draws extensively from the wider North Lanarkshire catchment with 428,000 people within a 20-minute drive. Airdrie benefits from easy access to the M8 motorway, which provides access to central Scotland via the wider motorway network. The M8 has recently undergone a substantial upgrade as part of the M8, M73 and M74 motorways improvements project. Airdrie train station is located within the town centre, only a few minutes' walk from the property. Airdrie is currently seeing considerable population growth with new housing developments emerging in recent years, most notably in Chapelhall, Rochsoles and Glenmavis.

SITUATION

The property occupies a prime location on Graham Street, the main pedestrianised retailing street in the town. Surrounding occupiers include Costa, Boots, Greggs, Iceland, Peacocks, WH Smith, Superdrug, Card Factory and Poundland. The upper floors occupied by Airdrie Community Health Centre servicing 4,500 daily visitors. Airdrie Retail Park is located immediately to the south of the subjects and form the main retail warehousing offering in the town. Tenants include Tesco, McDonalds and Argos. A 50,000 sq ft Morrisons and Aldi are also within short walking distance.

DESCRIPTION

The property forms part of a £27,000,000 mixed use development completed in June 2012. It includes the Airdrie Community Health Centre, a state-of-the-art health centre for NHS Lanarkshire. Home Bargains occupy the majority of the ground floor along with part of the basement. The health centre is owned by the Scottish Government. Plans are available on request.

The unit has extensive glazed frontage onto Graham Street. The front of the unit is used for sales with rear for storage, WC and staff accommodation. A basement area is utilised for storage and deliveries to the service entrance.

The property extends to the following Gross Internal Areas;

Ground	17,006 sq ft	1,579.86 sq m
Basement	2,387 sq ft	221.75 sq m
Total	19,393 sq ft	1801.61 sq m



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TJ MORRIS LIMITED T/A HOME BARGAINS

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Airdrie Train
Station



Airdrie Retail
Park

home bargains

Airdrie Sheriff
Court





TENANCY & COVENANT

The property is let to TJ Morris Ltd t/a Home Bargains on a 15 year Full Repairing and Insuring lease from 07/01/2013 until 06/01/2028. The annual rent of £190,000 pa (£9.80 psf) is subject a rent review on 07/01/2023. The rent review mechanism is upwards only to the lower of the open market rent and £231,608 pa. The rent can not fall below the current passing rent of £190,000 pa.

The passing rent of £190,000 pa reflects £9.80 psf which compares favourably to the nearby Airdrie Retail Park where rents are passing between £11.18 – £14.96 psf.

TJ Morris limited (SC 01505036) is the largest independent grocer in the country and is one of the largest privately-owned companies in the UK. It trades from 481 stores employing more than 17,000 staff. TJ Morris Limited have an Experian credit score of 100/100 indicating very low risk of failure.

	June 2018	June 2017	June 2016
Net Worth	£911,755,756	£747,814,458	£614,799,646
Pre-tax Profit	£202,700,562	£168,226,007	£136,993,560
Turnover	£2,143,267,097	£1,869,198,381	£1,602,864,617



SERVICE CHARGE

The property forms part of a larger building for which it has a share of communal charges. The current service charge apportionment for the subject property is £12,274. There is a service charge cap which increases annually in line with RPI. The 2018-2019 cap is £13,432. The service charge based on the current budget is therefore fully recoverable. Further details are available upon request.

EPC

A copy can be made available on request.

VAT

The property has been elected for VAT and VAT will be payable on the purchase price. We anticipate the transaction can be treated as a TOGC (Transfer of a Going Concern).

TENURE

Heritable (Scottish equivalent of English Freehold).

PROPOSAL

Offers in excess of **£2,550,000** reflecting a Net Initial Yield of **7.01%** assuming standards purchaser's costs of 6.35%.

CONTACT

For further information or to arrange an inspection please contact the selling agents:

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