

PRIME FREEHOLD INVESTMENT OPPORTUNITY

Applegreen Forecourt & Convenience Store

Slade End Service Station • 124 Bridge Street • Chatteris • Cambridgeshire • PE16 6QZ

Barber Wadlow

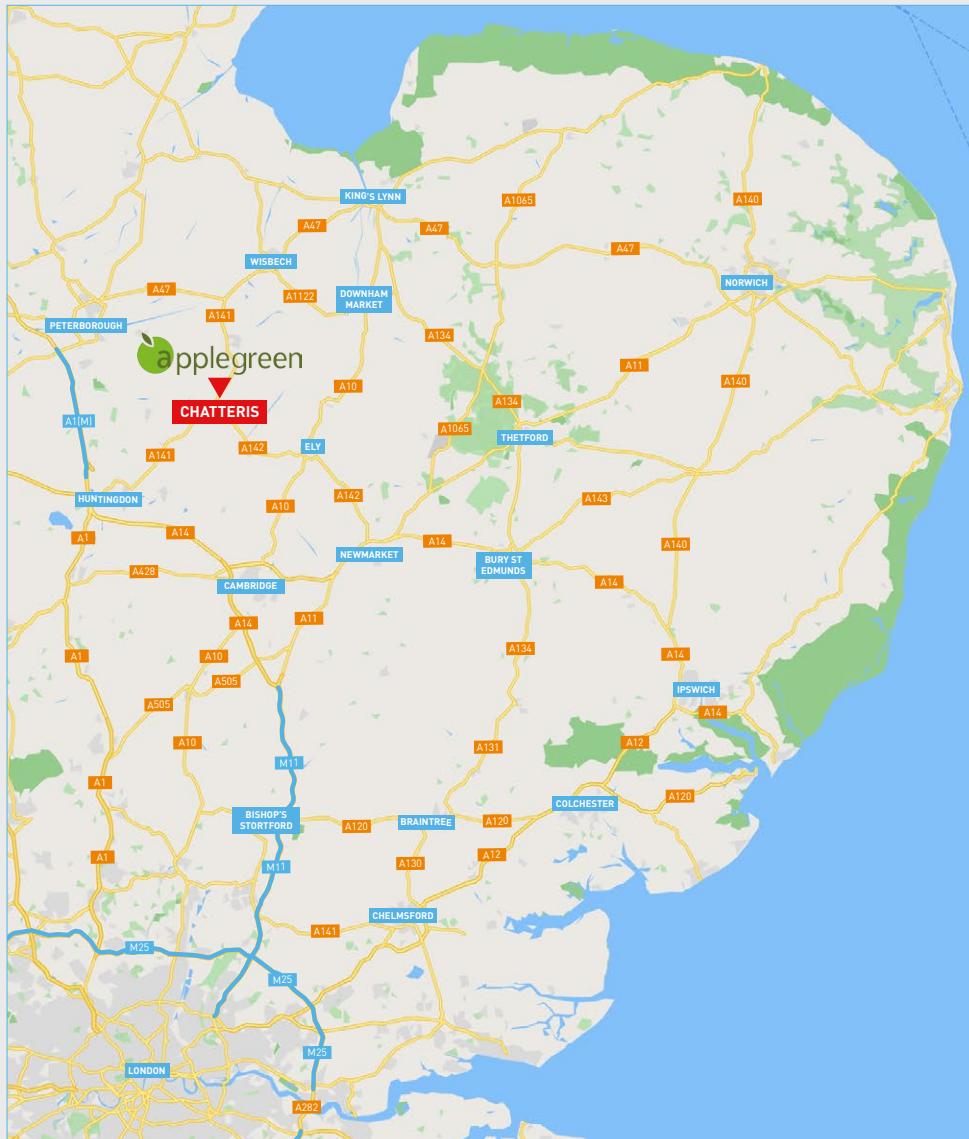
Fuel and Automotive Property Advisers



- Prime Applegreen forecourt and convenience store with Subway and Costa outlets
- 20-year lease to Petrogas Group UK Limited, guaranteed by Petrogas Group Limited
- Rent reviews every five years on upwards-only basis



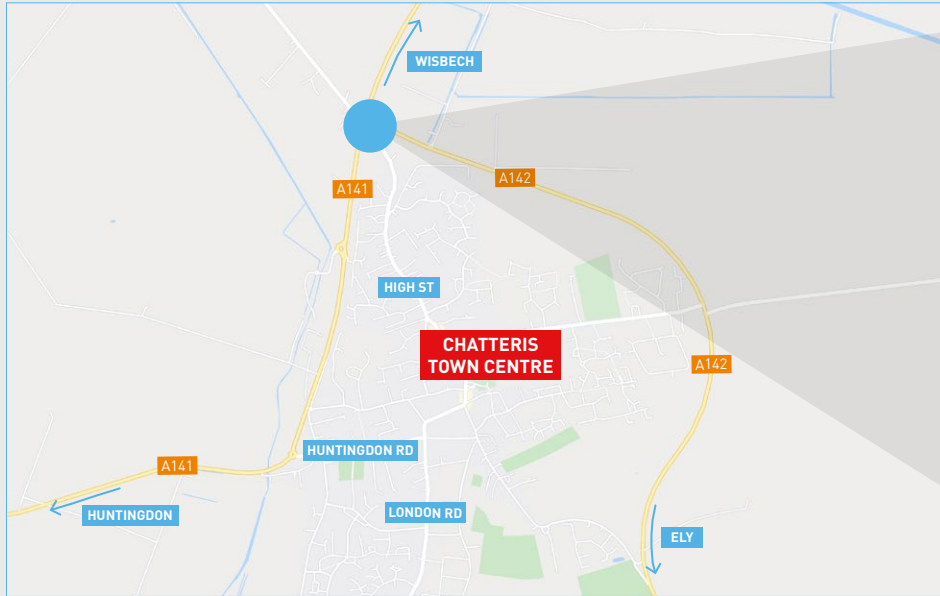
Investment Summary



- **Freehold, modern development** comprising **Applegreen** forecourt and convenience store, together with **Costa** and **Subway** outlets.
- **Strong trading pitch**, fronting the A142 and A141 roundabout junction into Chatteris.
- Opposite Aldi supermarket and substantial industrial and business park development.
- Let in its entirety to **Petrogas Group UK Limited** and guaranteed by **Petrogas Group Limited**, both subsidiaries of **Applegreen Plc**, a leading operator in the roadside retail sector.
- **20-year lease** from December 2011, expiring December 2031 (circa 11.75 years unexpired).
- **Rent: £130,000 per annum** with five-yearly, **upwards-only rent reviews to Open Market Rent**. Next rent review date: December 2021
- We are instructed to seek offers in excess of **£2,040,000** (Two Million and Forty Thousand Pounds). This price equates to a **Net Initial Yield of 6.00%** (based upon standard purchaser's costs of 6.29%).



Location & Situation



The property is situated on the roundabout junction of the A141 and A142, with frontage and access to Bridge Street, which forms the main route around the town. The site benefits from a high level of passing traffic with the A141 to the north of Chatteris having an annual average daily flow of 15,954 vehicles per day and the A142 with 11,055 vehicles per day [source: DfT 2018].

Chatteris has a population of 10,298 inhabitants [source: Census 2011] and is located approximately 25 miles north of Cambridge, 15 miles north east of Huntingdon, and 19 miles south east of Peterborough.

The property benefits from the additional draw of an Aldi supermarket on the opposite side of Bridge Street. Other adjoining development includes commercial and industrial buildings and a Travis Perkins outlet. Immediately adjacent to the property is a valeting and tyre and exhaust facility.

In respect of fuel retail competition, this is one of only two petrol filling stations serving Chatteris.

[Click here](#) for Google Map function.



Description

A petrol filling station that provides a comprehensive range of facilities, including an Applegreen-branded forecourt and c-store, with Subway and Costa outlets, on a site extending to 0.17 hectare (0.42 acre).

The forecourt comprises four fuel dispensers that are protected by a steel-framed, flat-topped illuminated canopy. The dispensers are linked to an underground, double-walled tank farm that was installed in 1994 and provides a total capacity of 133,198 litres.

The c-store is situated to the rear of the forecourt and provides two-storey accommodation extending to 341.46m² (3,675ft²), with a retail sales area of 204.9m² (2,205ft²) and first floor storage of 100.56m² (1,082ft²). The c-store provides a comprehensive retail offer including Costa and Subway outlets with seating area. There is an ATM 'hole in wall' machine positioned in the front elevation of the shop building and approximately 15 customer car parking spaces around the forecourt.

Tenure

The property is held freehold under title numbers CB125492, CB368239 and CB147284.



Tenancy

The property is let to Petrogas Group UK Limited (guaranteed by Petrogas Group Limited) for a term of 20 years from 02 December 2011 on a full repairing and insuring basis and expiring on 01 December 2031, providing a term certain of circa 11.75 years.

Passing rent is £130,000 per annum, which is subject to five-yearly upwards-only open market rent reviews, with the next rent review on 02 December 2021.

A copy of the lease will be made available upon request.

Covenant Information

Petrogas Group UK Limited (Tenant) and Petrogas Group Limited (Guarantor) are wholly-owned by Applegreen Plc, one of the leading players in the roadside retail sector, operating petrol filling stations and motorway service areas in the Republic of Ireland (193 sites), United Kingdom (158 sites) and the USA (121 sites) and has 10,700 employees.

Applegreen is the No. 1 motorway service area operator in Ireland and No. 2 in the UK following its acquisition in August 2018 of a majority stake in Welcome Break.

The group offers a distinctive convenience retail offering, which includes a "low fuel prices, always" price promise to drive footfall to stores. The group operates a number of franchise brands within its stores, including Costa Coffee, Subway, Starbucks, Greggs and Waitrose, amongst others.

Petrogas Group UK Limited owns and operates the Group's UK petrol station network, whilst Petrogas Group Limited owns and operates a significant proportion of the company's Irish business.

According to the Company Registration Office (Irish equivalent of Companies House), Applegreen Plc is not obliged to file accounts for Irish subsidiaries. In any event, we have been advised by Applegreen that the plc entity guarantees the liabilities of Petrogas Group Limited.

Petrogas Group UK Limited:

	31/12/2018 [£,000]	31/12/2017 [£,000]	31/12/2016 [£,000]
Turnover	606,438	441,866	336,586
Operating Profit	293	2,522	2,677
Net Worth	3,212	2,583	5,031

Applegreen Plc:

	31/12/2018 [£,000]	31/12/2017 [£,000]	31/12/2016 [£,000]
Turnover	2,012,558	1,428,116	1,177,642
(Loss)/Profit Before Tax	15,539	21,967	19,514
Net Worth	281,195	181,309	115,011

Environmental

In accordance with the lease, the tenant indemnifies the landlord against environmental liability during the term. Copies of environmental reports are available on request.

EPC

D80 (certificate and recommendation report available upon request).

VAT & Capital Allowances

It is understood that the property has been elected for VAT. In any event, the transaction can be treated as a TOGC, therefore VAT will not be chargeable.



Proposal

We are instructed to seek offers in excess of **£2,040,000** (Two Million and Forty Thousand Pounds). This price equates to a Net Initial Yield of **6.00%** off the passing rent of £130,000 per annum.

This assumes the deduction of standard purchaser's costs of 6.29% subject to contract and exclusive of VAT.



Latest Transactions

Rental Comparables:

Market demand for petrol filling stations remains strong, offering rental growth prospects as identified in the letting transactions below.

Petrol Station	Tenant	Rent	Transaction Type	Date
Co-Op, Necton, Norfolk	Co-Op Group Ltd	£195,000	New letting	Q3 2019
Rontec, Telford, Shropshire	Rontec Roadside Retail Ltd	£250,000	New letting	Q3 2019
Applegreen, Braintree, Essex	Petrogas Group UK Ltd	£170,000	New letting	Mar 2019
BP/M&S, Ely, Cambridgeshire	BP Oil UK Ltd	£245,000	Rent review	Oct 2017
BP/M&S, Littleport, Cambridgeshire	BP Oil UK Ltd	£150,000	Rent review	Oct 2017
Applegreen, Spalding, Lincolnshire	Petrogas Group UK Ltd	£230,000	New letting	July 2017

Investment Comparables:

The forecourt sector continues to appeal to a wide range of investors due to the high quality assets being developed, which benefit from long term leases that offer rental growth prospects and tenants with a strong financial status.

Property	Tenant	Term Certain	NIY	Date
Applegreen Bristol	Co-Op Group (sub-let to Petrogas)	8 years	5.70%	Jan 2020
Applegreen Merthyr Tydfil	Co-Op Group (sub-let to Petrogas)	8 years	6.00%	Jan 2020
Co-Op, Hillingdon	Co-Op Group	15 years	4.50%	Jan 2020
BP/M&S, Guildford	BP Oil UK Ltd	10 years	4.10%	Oct 2019
Co-Op Ilkeston	Co-Op Group	13 years	5.55%	Feb 2019
Sainsbury's Horley	Sainsbury's	15 years	4.37%	Dec 2018
Esso/Morrisons, Cosham	Rontec	15 years	5.22%	Sept 2018
Applegreen, Crawley	Petrogas Group UK Ltd	15.5 years	5.24%	Jan 2018
Spar, Chesterfield	AF Blakemore & Son	20 years	5.24%	Sept 2018

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Further Information

If you require further information on this property, please do not hesitate to contact:

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Barber Wadlow

Fuel and Automotive Property Advisers

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Subject to Contract . AGW/2020/0002/840 . February 2020

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