

# YORK

FOSS ISLANDS ROAD, YO31 7UL

*Prominent Foodstore Investment  
with Fixed Rental Uplift in 2020.*

# waitrose

Waitrose

It might be the easiest to  
give the  
best  
attempt!

Colliers  
INTERNATIONAL





# INVESTMENT OPPORTUNITY



- Situated in the affluent City of York in an established out-of-town retailing destination.
- Accessible location on Foss Islands Road, the inner City ring road.
- Prominent modern foodstore comprising 35,266 sq ft (3,276 sq m) GIA, with 176 demised surface car parking spaces (1:200 sq ft).
- Let to the undoubted 5A1 covenant of Waitrose Limited on a 20-year FRI lease from 27th October 2010, expiring 26th October 2030.
- 12 years unexpired.
- Current passing rent of £636,992 per annum, reflecting £18.06 psf.
- Fixed rental uplift in 2020 to £720,698 per annum (reflecting £20.44 psf) and then an OMV rent review in 2025.
- Freehold.
- 1.18-acre site.

## PROPOSAL

Offers sought in excess of  
**£12,300,000**  
subject to contact and exclusive of VAT.

Net Initial Yield 4.85 %

Running Yield – October 2020 5.49 %

Yields are net of purchaser's costs of 6.71 %



“The only Waitrose in the affluent City of York”

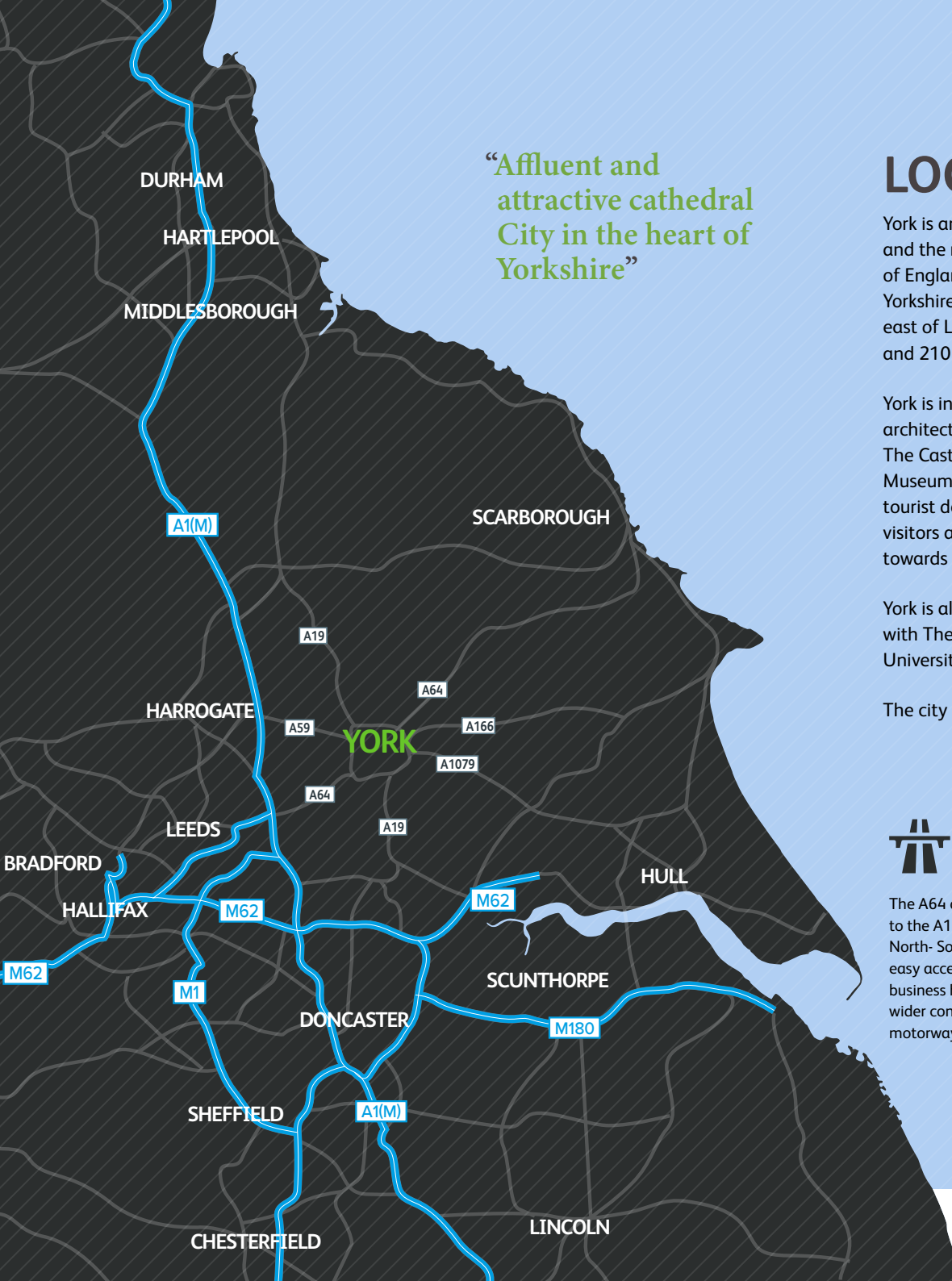
# Waitrose

Waitrose

Parking  
2 hours  
maximum stay  
Monday to Friday  
10am to 6pm  
Saturday 10am to 5pm  
Sunday 11am to 4pm







“Affluent and attractive cathedral City in the heart of Yorkshire”

## LOCATION

York is an attractive, affluent cathedral City and the regional commercial hub in the north of England. The City is located in the heart of Yorkshire, approximately 25 miles (40 km) north east of Leeds, 21 miles (34 km) east of Harrogate and 210 miles (338 km) north of London.

York is internationally renowned for its historic architecture and attractions, such as: York Minster, The Castle Museum and the National Railway Museum. As such, it is one of the UK’s most popular tourist destinations, attracting over 6.9 million visitors a year, producing an estimated £564 million towards the local economy in 2017 (Visit York).

York is also home to a significant student population with The University of York and York St John University accommodating over 22,000 students.

The city benefits from excellent transport connections:



The A64 dual carriageway link to the A1(M), the UK’s main North- South artery, providing easy access to a range of business hubs across the UK and wider connection to the national motorway network.



York is a key hub on the UK’s rail network. The station is situated on the East Coast Mainline providing regular direct services to London Kings Cross (1 hr 50 minutes), Leeds (23 minutes), Newcastle (56 minutes), Manchester and Edinburgh.



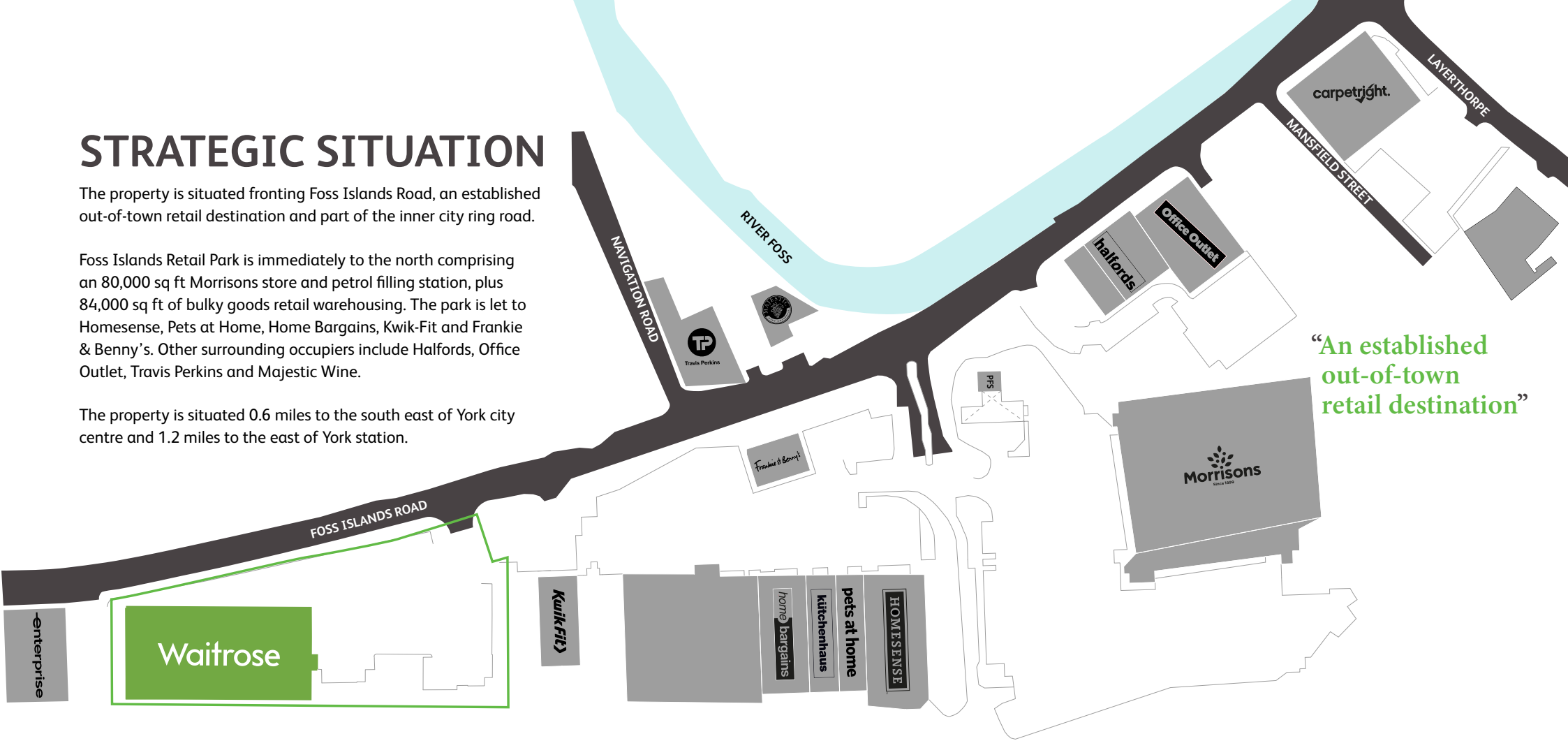
Leeds Bradford International Airport is situated 31 miles (50 km) to the south-west providing access to over 75 destinations.

# STRATEGIC SITUATION

The property is situated fronting Foss Islands Road, an established out-of-town retail destination and part of the inner city ring road.

Foss Islands Retail Park is immediately to the north comprising an 80,000 sq ft Morrisons store and petrol filling station, plus 84,000 sq ft of bulky goods retail warehousing. The park is let to Homesense, Pets at Home, Home Bargains, Kwik-Fit and Frankie & Benny's. Other surrounding occupiers include Halfords, Office Outlet, Travis Perkins and Majestic Wine.

The property is situated 0.6 miles to the south east of York city centre and 1.2 miles to the east of York station.



**“An established out-of-town retail destination”**



# CATCHMENT & DEMOGRAPHICS

York boasts a large, affluent catchment population of 488,000, with 61.2% categorised within the most affluent social groups (AB and C1).

Total retail expenditure was estimated at £1.64 billion in 2017 and is forecast to grow at 6.3% per annum between 2017 – 2022.

York has one of the lowest unemployment rates in the UK (0.2%) and benefits from a highly skilled workforce. The City is known for being one of the most resilient and fastest growing economies in the north of England, contributing £5 billion towards the national economy and supporting 115,000 jobs. Major employers include the Ministry of Defence, Aviva, Hiscox Insurance, DWP and CPP Group. In addition, York is world leading in industrial biotech and agri-food research, with York Science Park currently home to more than 100 companies.



**107,071**  
PEOPLE  
(within a 10-minute drivetime)



**22,000**  
STUDENTS  
(University of York and York St John University)



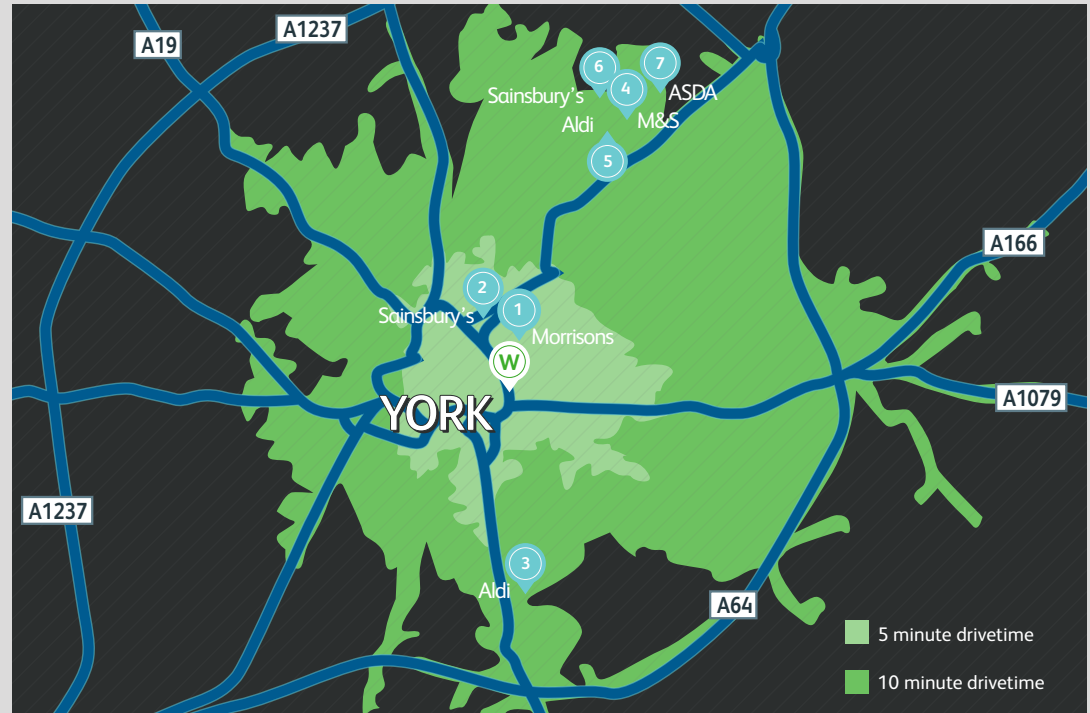
**1.2%**  
UNEMPLOYMENT  
(2.2% UK Average)



**61.2%**  
AFFLUENCE  
(AB C1 social groups)

Drive Time	Population	Households
5 minutes	37,261	15,829
10 minutes	107,071	44,854
15 minutes	178,143	75,419

# FOODSTORE COMPETITION



The property occupies a dominant position and is the only Waitrose in the city of York. The next closest Waitrose store is in Harrogate (21 miles to the west).

There are two competing food stores within the 5-minute drive time (>10,000 sq ft):

- 1 **Morrisons**, Foss Islands Road, York, YO31 7UL
- 2 **Sainsbury's**, Foss Bank, York, YO31 7JB

There are a further 5 competing stores within the 5–10-minute drive time:

- 3 **Aldi**, Fulford Road, York, YO10 4PA
- 4 **M&S**, Monks Cross Drive, Huntington, York, YO32 9AE
- 5 **Aldi**, Kathryn Avenue, Huntington, York, YO32 9JS
- 6 **Sainsbury's**, Jockey Lane, Huntington, York, YO32 9LG
- 7 **Asda**, Monks Cross, Huntington, York, YO32 9LF



# DESCRIPTION

The property comprises 35,266 sq ft of modern retail accommodation arranged over ground floor, with glazed front and side elevations. Internally, the store offers a meat and fish counter, delicatessen, bakery and café, as well as ancillary offices, staff and distribution areas.

The store benefits from 176 surface car parking spaces (including 11 disabled and 6 parent & child spaces), which provides a generous car parking ratio of 1:200 sq ft. In addition, there are two electric car charging points and bicycle storage.

Customer access is via a junction off Foss Islands Road and servicing is to the rear of the property.

The property has a BREEAM Excellent rating.

The site area is 1.18 hectares (2.908 acres).

# ACCOMMODATION

We understand that the property benefits from the following floor areas:

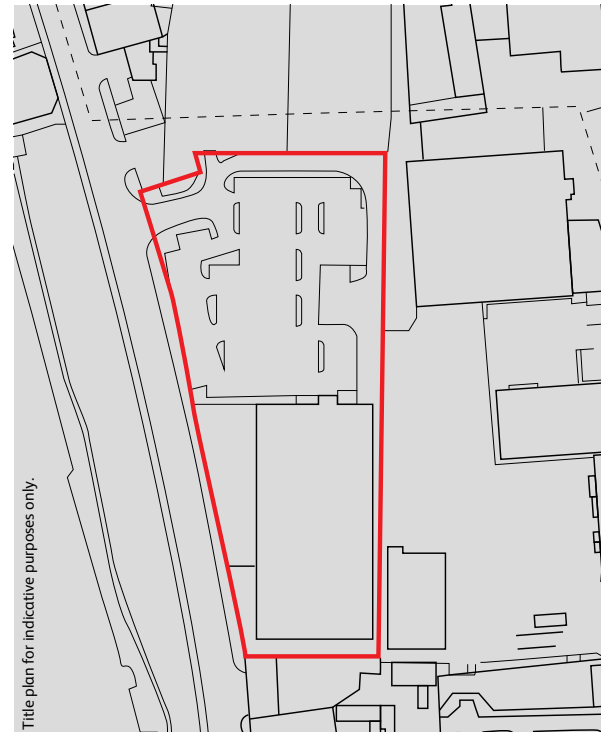
Floor	Use	GIA (sq ft)	GIA (sq m)
Ground	Sales/Ancillary	35,266	3,276
Ground	Lobby	368	34
Total		35,634	3,310

# PLANNING

The property benefits from an **Open A1 consent** allowing the sale of convenience goods (listed as food, alcoholic and non-alcoholic beverages, tobacco, pharmacy goods, newspapers and periodicals, cut flowers and plants, non-durable household goods and hosiery). Within the agreement there are a number of obligations which include the display of 'comparison goods' being limited to no more than 15% of the net floorspace (unless approved in writing by the council).

# TENURE

Freehold.



# TENANCY

The property is let to Waitrose Limited on a 20-year full repairing and insuring lease from 27th October 2010 (12 years unexpired). The current passing rent is £636,992 per annum, reflecting £18.06 psf which was set at the fixed uplift in 2015.

The lease is subject to a further fixed uplift in October 2020 to £720,698 per annum, reflecting £20.44 psf, followed by an upwards only open market rent review on 27th October 2025.

At lease expiry the tenant has the option to renew the lease for a further 15 years. If renewed, the rent reviews will be five yearly and to open market value.



# COVENANT INFORMATION

## Waitrose

**Waitrose Limited**  
Company Number: 00099405

Waitrose forms the food retail division of the John Lewis Partnership, Britain’s largest employee-owned retailer and one of the top ten UK retailers. Waitrose operates 350 branches across the UK, including 30 ‘Little Waitrose’ convenience stores, employing 91,000 employees.

The company has a Dun & Bradstreet rating of 5A1 representing a minimum risk of business failure and holds a 5.0% market share (as at 15/07/2018) making it the 8th largest grocery retailer in the UK.

A summary of the last three years’ accounts is set out below:

Year Ending	27/01/2018 £'000	28/01/2017 £'000	30/01/2016 £'000
Sales Turnover	6,226,100	6,121,300	5,966,600
Pre-Tax Profit	61,500	100,700	66,600
Net Worth	718,000	695,500	930,300

“The company has a Dun & Bradstreet rating of 5A1”





## VAT

The property has been elected for VAT purposes and as such it is expected that the investment sale will be treated as a Transfer of Going Concern (TOGC).

## ENVIRONMENTAL INFORMATION

Environmental information is available upon request.

## EPC

The property has an Energy Performance Rating of C (60).

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# FURTHER INFORMATION

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