



Lochmaben Golf Club

Kirk Loch

Investment Summary

- Located in the **popular tourist location** of Lochmaben – a small town with illustrious Royal history
- **Prominent roadside position** fronting the A709
- **Newly developed convenience store** which completed in October 2024
- **Undoubted income** – let to **Tesco** Stores Limited
- New **15 year lease** from 24 October 2024 without breaks at a rent of **£60,000 per annum**
- **Rent reviewed, 5 yearly, to RPI** (on a compounded basis), with a collar and cap of 1% & 3% respectively
- **EPC rating of B**
- Provides the main convenience retail offering for the area with no competition from other convenience store operators. **Strategic acquisition by Tesco** to sit between two larger stores of Lockerbie and Dumfries
- **2 EV chargers** on site – let to **Zapgo** on a **20 year lease** with a 15 year break option, at a rent of **£4,000 per annum**
- Total income of **£64,000 per annum**

We are instructed to seek offers in excess of **£1,150,000 (One Million, One Hundred and Fifty Thousand Pounds)**, subject to contract, reflecting a **net initial yield of 5.26%**, assuming standard purchaser's costs of 5.89%.

Assuming both the Tesco (RPI) and Zapgo (CPI) reviews are settled at 3%, the potential return for the next two index linked rent reviews would be as follows:

- Running yield (October 2029) **6.10%**
- Running yield (October 2034) **7.07%**

Lochmaben town is an area of historical significance.

Location

Lochmaben sits 4 miles west of Lockerbie and 8 miles east of Dumfries with the A709 being the main road west from the A74 (M) with its junction with Lockerbie.

Lochmaben Castle was the home of Robert the Bruce and Lochmaben was the birthplace of William Peterson, the co-founder of the Bank of England.

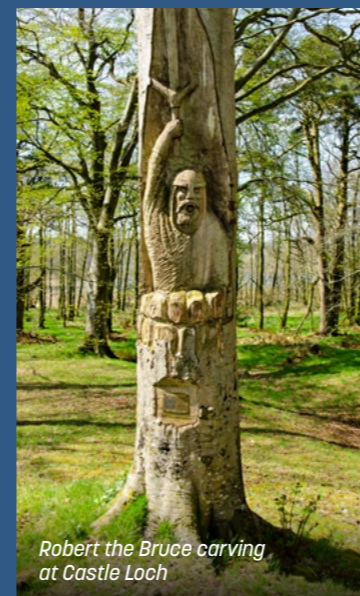
The areas natural beauty is a big attraction for tourists with the surrounding lochs (Kirk Loch, Castle Loch and Mill Loch) being popular for sailing and fishing.

Lochmaben is also on route to the Annandale Way (long distance walking trail) and close to Ae Forest and Mabie Forest.

Robert the Bruce statue in Lochmaben town centre



Lochmaben



Robert the Bruce carving at Castle Loch



Adyilic walking and cycle trails



Sunset over Lochmaben

Lochmaben

Lochmaben

town centre

Lochmaben Castle

Castle Loch

Annandale Sailing Club

Lochmaben Golf Club

A709 Bruce Street

Kirk Loch

Situation

The property benefits from a prominent roadside position on the south of Bruce Street (A709), the main road through Lochmaben, Lockerbie.

The southern boundary of the property opens up onto the picturesque Kirk Loch and Lochmaben Golf Club. Lochmaben is a densely populated residential location and there are **no competing retail offerings in the town.**

Site boundary for indicative purposes only.

Description

The property comprises a newly constructed, purpose-built convenience store.

The property is a detached, single storey building of steel frame construction beneath a pitched composite roof with a mixture of stone and clad elevations.

Internally, the ground floor provides retail accommodation, fitted out in the tenants corporate finish, and ancillary staff and store space all totalling 3,750 sq ft.

Externally the site benefits from:

- + 2 EV charging spaces
- + Pedestrian and vehicular access from Bruce Street
- + Parking spaces for 12 vehicles and 1 disabled bay.

Practical completion took place in October 2024.

A full suite of warranties will be available to the purchaser.

Accommodation

The property comprises a newly built convenience store extending to 3,750 sq ft. We have been provided with the 'as built' measured areas from our client, as follows:

Floor	Area (Sq ft)	Area (Sq m)
Ground Floor - Sales	2,480	230.40
Ground Floor - Ancillary	1,270	117.99
Total	3,750	348.39

A full suite of plans can be provided on request.

Tenure

Heritable Interest (Scottish equivalent of an English Freehold Title)





Tenancy

The property is let to Tesco Stores Limited (Company Number 00519500) on a full repairing and insuring lease for a term of 15 years from 24 October 2024, expiring on 23 October 2039.

The initial rent is £60,000 per annum. The lease benefits from five yearly upward only rent reviews calculated in line with the All Items Retail Prices Index (RPI), compounded annually, with a collar and cap of 1% and 3%, respectively. Tesco were awarded 4 months' rent free.

There are also 2 car charging spaces on site, let to Zapgo Limited (Company Number SC08679765). The rent is £4,000 per annum on a 20 year lease with a landlord break option at year 15.

Rent reviews are linked to Consumer Price Index (CPI) with a collar and cap of 1% and 5%, respectively. Zapgo's rent commencement is with effect from April 2025.

Based on assumed annual RPI / CPI growth of 3.0% over the duration of the lease the rent could increase to:

Year 6-10 **£74,194 per annum**

Year 11-15 **£86,011 per annum**

All rent free will be 'topped up' by the vendor on completion of the sale.

Covenant

Tesco Stores Ltd (Company Number 00519500) is a wholly owned subsidiary of Tesco Plc the largest grocery stores business in the UK with a market share of 27%. Tesco was established in 1919 and is a multinational grocery and merchandise retailer currently operating from approximately 3,712 stores throughout England, Scotland, Wales and Northern Ireland, employs c. 330,000 people globally and has an annual turnover of £65 billion.

Tesco Stores Ltd is the principal operating company for Tesco Plc. For the year ending 25th February 2023 the company reported the following figures:

For the year ending February 2023 Tesco Plc recently reported revenue growth to £65,762m from £61,344m the previous year, reflecting an increase of 7.2%.

For further information please visit their web site: www.tescopl.com.

Turnover	£47,481,000,000
Pre-tax Profit	£565,000,000
Shareholder's Funds	£4,385,000,000



Proposal

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VAT

The property is elected for VAT. We anticipate that the sale should be capable of being treated as a Transfer of Going Concern (TOGC).

EPC

The EPC Rating is a 'B'.
The EPC is available on request.

Anti-money Laundering

Under both HMRC and RICS guidance, as property agents we are obliged to undertake AML diligence for both the purchasers and vendors (our client) involved in a transaction. As such, personal and or detailed financial and corporate information might be required before any terms are agreed or any transaction can conclude.

Investment Considerations

1. An opportunity to acquire a new convenience store investment
2. Let to the undoubted covenant of Tesco Stores Limited
3. New 15 year lease completed in October 2024
4. The lease benefits from annually calculated 5 yearly upward only rent reviews geared to the All Items Retail Prices Index (RPI)
5. The property occupies a prominent roadside location in a densely populated residential suburb, providing the main retail provision for the immediate area
6. The property benefits from an EPC rating of 'B'
7. A purchase at the asking price reflects an attractive yield profile
8. Attractive lot size for a private investor



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