

Rheims Way

CANTERBURY

CT1 2RL



Prime South East Foodstore Investment, Let to Aldi until 2032

forge

Investment Summary

- Canterbury is an historic **cathedral city and dominant student and tourist centre in the southeast of England.**
- The property is **situated on an extremely prominent site** on the south west fringe of the city centre.
- **1.04-acre site** with a purpose-built store of **13,211 sq ft (1,227 sq m) GIA.**
- The Property benefits from an unrestricted **Open A1 planning use.**
- Let to **Aldi Stores Limited** on a FRI lease for a term of 20 years, **expiring 22nd July 2032.**
- The rent of £304,820.59 per annum is subject to an **upwards only, RPI-linked rent review in 2027 (collared and capped at 0% - 3%).**
- Aldi undertook a **comprehensive refurbishment of the store in 2022** and recently **removed its 2027 break option**, demonstrating undoubted commitment to the location.
- **Aldi are the UK's fourth largest supermarket**, with over 1,000 stores and **sales of £17.9 billion.**
- Flexible site which **offers numerous high-value alternative use values, including: PBSA, BTR, Retirement Living or Hotel** (Subject to Planning).
- **Freehold.**



Proposal

Offers are sought in excess of:

£5,200,000

(Five Million, Two Hundred Thousands Pounds),
subject to contract and exclusive of VAT.

Allowing for purchaser's costs of 6.60%, a purchase at this level would reflect a **Net Initial Yield of 5.50%**, increasing to approximately **6.28% in 2027***.

* (Assuming OBR RPI forecasts).

Location

Canterbury is an historic cathedral city and dominant student and tourist centre located in Kent, in the southeast of England.

The city is approximately 61 miles southeast of Central London, 18 miles northwest of Dover, 15 miles north east of Ashford, and 28 miles east of Maidstone.

Canterbury is perhaps best known for its rich medieval history and cathedral, with parts of the city being granted world heritage status by UNESCO.

The city is home to three Higher Education Institutions (The University of Kent, Canterbury Christ Church University and University College for Creative Arts) with a total student population of approximately 44,400 students. The number of students in Canterbury has doubled in the last decade.



The city is well connected with access to the A28 which links to the M20 and A2/M2 providing swift routes to the M25 Orbital and into Central London respectively.



The city is served by two railway stations: Canterbury West and Canterbury East. These stations are serviced by Southeastern, Southwestern and Southern rail services. The stations collectively provide direct services to the following:

Dover	27 minutes
London St Pancras	55 minutes
London Victoria	1 hour 34 minutes
London Charing Cross	1 hour 42 minutes



Canterbury Cathedral

Castle Street Car Park

Canterbury City Centre

Canterbury Castle (under restoration)



Dane John Park

Canterbury College

Castle Wall

Canterbury Christ Church University

Canterbury East Station

RHEIMS WAY

A28

A28

SUBJECT PROPERTY

Bingley Court (173 Residential Units)

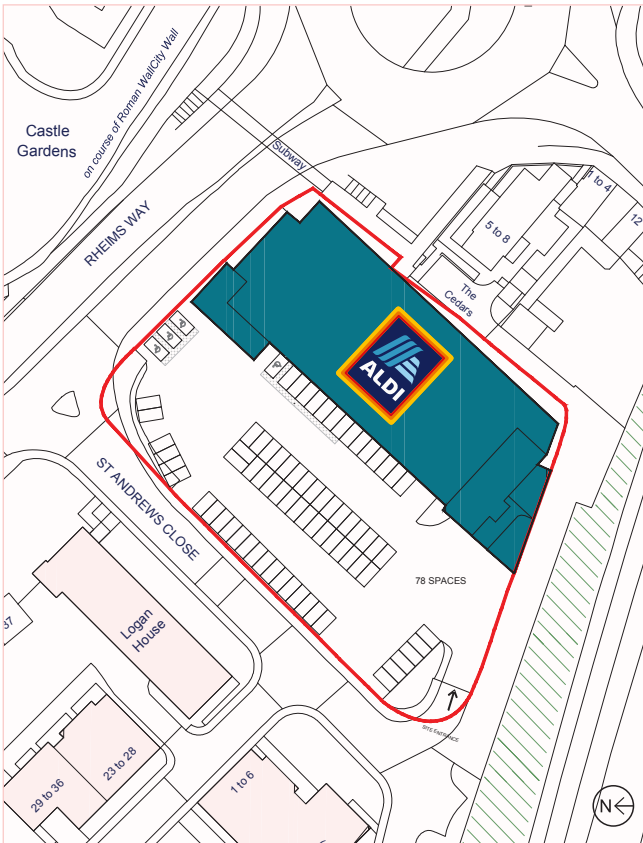
Logan House (Office)

Situation

The property is situated on an extremely prominent site at the roundabout junction connecting the A27 Rheims Way and the A28 Wincheap, in the busy south west fringe of the city centre (400 metres north east).

Rheims Way forms the main ring-road around Canterbury city centre while the A28 Wincheap is a key arterial route between the city centre and the A2 dual carriageway.

Canterbury East train station is located immediately east of the subject property (200 metres east).



For indicative purposes only.



Description

The store comprises a purpose-built foodstore unit totalling 13,211 sq ft (1,227 sq m).

Included within the demise is a 78-space car park, providing a generous ratio of 1:169 sq ft.

The Tenant undertook a comprehensive refurbishment of the store in 2022, which is documented by way of a Licence for Alterations.

Further information available upon request.

Planning

The Property benefits from an unrestricted Open A1 planning use.



Site

1.04 acre (0.42 hectares).



Tenure

Freehold (Title Number: K512633).

Tenancy

The Subject Property is let to Aldi Stores Limited on a full repairing and insuring (FRI) lease for a term of 20 years from 23rd July 2012, expiring 22nd July 2032.

The current passing rent of £304,820.59 per annum is subject to an RPI-linked rent review on 23rd July 2027 (collared and capped).

The original lease contained a tenant option to determine in the fifteenth year of the term (July 2027), however the break has been removed in return for a 6 months rent free incentive (spread across five quarterly instalments). This incentive will be topped-up at sale.

The lease is contracted inside the Landlord & Tenant Act, 1954.

Covenant

Aldi is the UK's fourth largest supermarket, with over 1,000 stores and sales of £17.9 billion (up by £2.4 billion Y-o-Y).

By 2027 Aldi is expected to be the UK's third largest grocer, overtaking Asda (Source: Kantar).

Whilst two thirds of British households now shop with the store sporadically, Aldi is also the second most popular UK supermarket among households for doing a full weekly shop, which demonstrates how Britons are increasingly turning to the discounter for all their grocery needs.



The company displays a CreditSafe rating of A-100, the highest possible rating.

Below is a summary of the companies most recently published annual accounts:

	YE Dec-23 (000's)	YE Dec-22 (000's)	YE Sep-2021 (000's)
Turnover	£17,887,909	£15,473,348	£13,645,779
Pre-Tax Profit	£536,720	£152,611	£35,736
Shareholders Funds	£3,580,748	£3,232,363	£3,041,337



Turnover of £17.9 billion
(up by £2.4 billion Y-o-Y)



Aldi sales are growing at the
fastest rate of any supermarket*



Expected to be the UK's
third largest grocer by 2027



Over 1,000 UK stores
(and rising, as part of a £550m
expansion programme)

*Source: Latest data from Kantar

Development and Alternative Use Options

The flexible site offers numerous development and alternative use options.

Expand Current Floorplate

In its current configuration, the site displays a low site cover of 29%, and an overly a generous parking ratio of 1:169 sq ft.

We are of the view that the site offers the opportunity and flexibility to expand the store footprint by approximately 3,500 sq ft - 4,000 sq ft, whilst retaining a market standard parking ratio (STPP).



For indicative purposes only. Further information available upon request.

Student Underwrite





As the host to three Higher Education Institutions (The University of Kent, Canterbury Christ Church University and University College for Creative Arts) with a total of 44,400 students, the city displays a student-to-bed ratio of circa 3.9:1 (national average 2.1:1) – with a critically limited supply of new student beds in the pipeline.

We are of the opinion that the site provides one of the most strategic sites on the city fringe and lends itself extremely well to the provision of student accommodation (STPP).

Pre-app due diligence has been undertaken and has been well received by the LPA. Several potential schemes have been explored, including an option that accommodates the current commercial space, but also incorporates a new 120-unit PBSA and Residential scheme. Further information available upon request.



Potential extension site. For indicative purposes only.

 <p>The three Higher Education Institutions have a total of 44,400 students</p>	 <p>Canterbury has a critically limited supply of new student beds in the pipeline</p>
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BTR/ Retirement / Hotel Underwrite

Further underwrite options include BTR, Hotel and Retirement Living.

A number of potential schemes have been explored, including a 122 unit retirement living scheme and a BTR scheme respectively.

Further information available upon request.

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*(Assuming OBR RPI forecasts).

Energy Performance Certificate

An EPC is available upon request.

VAT

The property has been elected for VAT and we
anticipate that the transaction will be treated as a
transfer of a going concern (TOGC).

Anti Money Laundering

In order to comply with anti-money laundering
legislation, the successful purchaser will be required to
provide certain identification documents. The required
documents will be confirmed to and requested from the
successful purchaser at the relevant time.

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Further Information

JOE BAIO

Mobile: 07515 889 649

Email: joe@forge-cp.com

JONATHAN MILLS

Mobile: 07795 333 195

Email: jonathan@forge-cp.com