

Well Secured, High Yielding Retail Investment



Argos | Back Lane | Newtown | SY16 2NH

£525,000

subject to contract

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BLOCKCHAIN

Track all marketing and execution activity for this property in the clicktopurchase Blockchain – only available at the Singer Vielle Network.

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Q: Why is this so important?

A: The ultimate in trust, accountability and transparency from the commencement of marketing to conclusion of a sale.

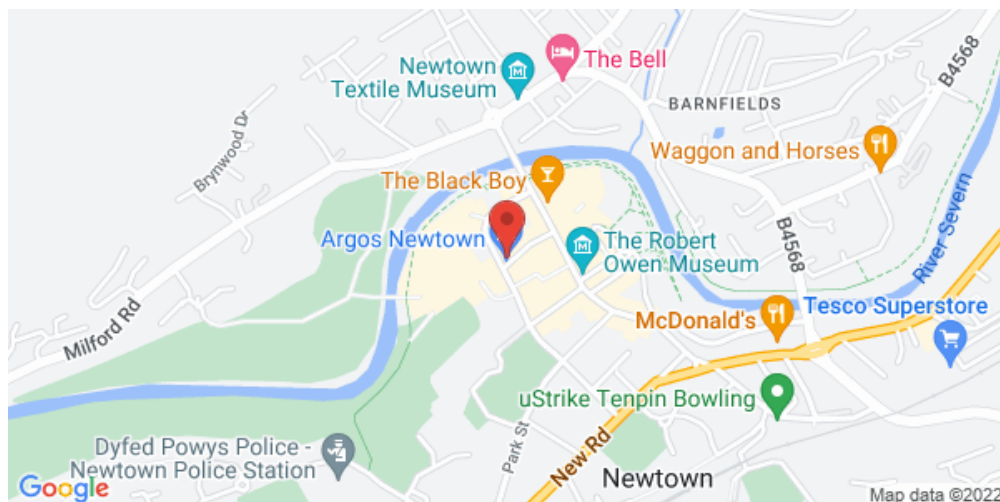
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SUMMARY

- Freehold commercial property investment
- Let to the secure covenant of Argos Limited (Net Assets £273m), owned by FTSE 100 company J Sainsbury plc
- New 5 year lease from December 2021
- Tenant has been in occupation since 2000
- Rent recently rebased on lease renewal by 44% reduction from previous rent, from £98,500 pa to £55,000 pa
- Situated in the heart of the town centre
- The only store in Newtown for either Argos or J Sainsbury Ltd
- £525,000, subject to contract
- 10.0% Net Initial Yield



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LOCATION

Newtown is the largest town in Powys and lies on the upper reaches of the River Sever in Mid Wales.

Newtown lies approximately 13 km (8 miles) from the Wales-England border, 120 km (75 miles) west of Birmingham, 89 km (55 miles) south of Chester and 50 km (31 miles) south-west of Shrewsbury. The town has good road communications being served by the A483 which links to Chester in the north and Swansea in the south, plus the A489 which in turn links with the A470. Newtown also benefits from a railway station connecting the town, via Shrewsbury, to Birmingham.

In addition to its many attractions, as the largest town in Central Wales, Newtown provides the ideal base to explore the surrounding countryside.



SITUATION

The subject property occupies a prominent position, situated on the corner of Back Lane and Wesley Street, in the heart of the town centre.

The town's Bus Terminal and its main car park are directly opposite, further increasing footfall in the area.

The property is directly opposite a new development of 26 one-bedroom flats.

The High Street and the Bear Lanes Shopping Centre are immediately to the south. Occupiers within the centre include WHSmith, Nationwide, Superdrug and New Look.

This is the only Argos in Newtown with the closest branch being in Oswestry, some 42 km (26 miles) away.

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ACCOMMODATION

The property has been measured by BKR Floor Plans and provides the following accommodation:

Gross Internal Area	942.94 sq m	10,150 sq ft
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Net Internal Area	907.17 sq m	9,765 sq ft
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The measured survey is available to download and will be re-addressed to a purchaser at a cost of £575 + VAT.

DESCRIPTION

The property comprises a purpose built ground floor retail unit which is predominantly open plan with ancillary storage and staff accommodation to the rear. There is a loading yard to the rear along with six staff car parking spaces.

Internally the unit has been fitted out to the typical corporate style of Argos.



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TENURE

Freehold.

TENANCY

The entire property is let on a full repairing and insuring lease to **Argos Limited** for a term of 5 years from 25th December 2021, expiring on 24th December 2026. The lease is subject to a tenant only break option on 25th December 2024, subject to not less than six months' notice.

The current passing rent is **£55,000 per annum** (£58.33 per sq m / £5.42 per sq ft overall).

We understand the tenant has been in occupation since 2000 (22 years) and entered into a lease renewal in 2021, demonstrating their desire to remain in the property. **The rent has been rebased from £98,500 per annum to £55,000 per annum.**

Following Sainsbury's acquisition of Argos many Argos stores have been integrated into Sainsbury's supermarkets. However, Sainsbury's does not have any stores in Newtown (either in-town or out-of-town) and the fact that the tenant has just renewed their lease indicates that the subject unit is highly regarded and there are no plans to integrate it.

All rent is paid and up to date, with no arrears.

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COVENANT

Argos Limited (Co. No. 01081551), has reported the following figures:

	6th March 2021	7th March 2020
Revenue	£4,676,925,000	£4,201,625,000
Pre-Tax Profits (Loss)	(£117,569,000)*	(£141,736,000)*
Net Assets	£272,512,000	£500,898,000

*Exceptional costs totalling £218.6 million (2020: £89.1m) were in respect of costs associated with the integration of Argos into the J Sainsbury Group, following acquisition.

Argos Limited is wholly owned by J Sainsbury's plc which is a FTSE 100 company and listed on the London Stock Exchange.

Established in 1973, Argos has an estimated 29 million store customers and over 1 billion online customers per year. The company offers 60,000 different products with a national network of over 1,000 stores and collection points. For further information please visit: www.about.sainsburys.co.uk/great-products-and-services/argos.

J Sainsbury's plc (Co No. 00185647) has reported the following figures:

	5th March 2022	16h March 2021
Revenue	£29,895 million	£29,048 million
Pre-Tax Profits	£854 million	(£164 million)
Net Assets	£8,423 million	£7,791 million



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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).

PROPOSAL

We are instructed to seek a figure of **£525,000** (Five Hundred and Twenty Five Thousand Pounds), subject to contract, reflecting a net initial yield of **10.0%**, assuming standard purchaser's costs of 4.80%.

Please note that a purchaser will be re-charged the costs of searches (£821.90) and measured survey (£575 + VAT) which are provided in the data room.

Please note that a purchaser will be charged a Transaction Fee of £5,000 plus VAT.

INVESTMENT CONSIDERATIONS

1. An opportunity to acquire a freehold commercial property investment in the heart of Newtown town centre;
2. New letting at a significantly re-based rent;
3. Let to the strong covenant of Argos Limited (Net Assets £273 million), owned by FTSE 100 company J Sainsbury plc;
4. Argos have been in occupation for 22 years and renewed their lease in December 2021, demonstrating their continued commitment to the property;
5. This is the only Argos in Newtown, with the closest branch being in Oswestry, some 42 km (26 miles) away;
6. A purchase at the asking price will provide an investor with an attractive net initial yield
7. Attractive lot size for an investor;

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Purchasers benefit from the trust, security and transparency provided by the platform. All activities, including the online contract execution, will form part of the electronic audit trail which is anchored in the clicktopurchase® Blockchain.

clicktopurchase® provides the opportunity for any investor, whether located UK or abroad, to uniquely purchase online with ease and certainty. To learn more about clicktopurchase®, [click here](#).

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SUBJECT TO CONTRACT & EXCLUSIVE OF VAT

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Finance Act 1989

Unless otherwise stated, all prices and rents are quoted exclusive of VAT.

Property Misdescriptions Act 1991

These details are believed to be correct at the time of compilation, but may be subject to subsequent amendment.

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