FOR SALE - TESCO EXPRESS LANCASTER



PRIME CONVENIENCE STORE INVESTMENT LET TO TESCO, ZEST ECO & IN POST, LONG DATED INCOME WITH CPI LINKED RENT REVIEWS

LANCASTER | Bowerham Road, LA1 4DT

INVESTMENT HIGHLIGHTS

- Prominent convenience store investment.
- Located on the busy Bowerham Road, adjacent to landmark Bowerham Hotel.
- Brand new convenience store extending to 4,370 ft² (406 m²) together with 19 car parking spaces.
- Let to the unrivalled covenant of Tesco Stores Ltd, comfortably the UK's largest supermarket chain (by market share) and Zest Eco and InPost (Lockers).
- Tesco Stores Ltd – Turnover £49.25bn (Feb 2024) per annum.
- New FRI leases on unbroken terms of 5 to 25 years.
- Initial combined rental of £121,500 per annum.
- Tesco Stores Ltd £110,000, Zest Eco £10,000 and InPost £1,500.
- Excellent income profile with the rents linked to CPI (Tesco income profile collared and capped at 1% and 4%).
- Rent commencement February 2026.



TENURE

Freehold.

TENANCIES

The property is to be let to Tesco Stores Limited, Zest Eco Limited and InPost UK Limited for terms outlined below on full repairing and insuring terms.

Occupier	Rent pa	Term Years	Rent Reviews	Rent Review Basis
Tesco Stores Ltd	£110,0000	15	5 yearly	cpi 1 and 4%
Zest Eco Ltd	£10,0000	25	annually	2% yearly compound uplift
InPost UK Ltd	£1,500	5	annually	cpi 1 and 3%
Total	**£121,5000**			

EPC

The property will be assessed on practical completion in February 2026.



Lancaster University



Lancaster City Centre

LOCATION

Lancaster is a well-connected and economically diverse city in North West England, offering strong fundamentals for commercial property investment. As the principal urban centre in north Lancashire, Lancaster benefits from excellent transport infrastructure, including direct access to the M6 motorway, a West Coast Main Line railway station with regular services to London, Manchester, and Glasgow, and close proximity to the Port of Heysham and regional airports.

The city is home to Lancaster University—one of the UK's leading research institutions creating a highly skilled local workforce and a steady demand for office, research, and innovation space. The presence of a growing student and graduate population continues to support a dynamic local economy, with strengths in digital industries, healthcare, education, and professional services.

Lancaster's compact and historic city centre supports a thriving mix of national retailers, independent businesses, and hospitality venues, making it a popular destination for both residents and visitors. Major regeneration projects, including the Canal Quarter development, signal continued investment in infrastructure, housing, and commercial capacity. With strong rental demand, a growing population, and a pro-investment local authority, Lancaster presents an attractive and stable environment for a wide range of commercial property ventures.





SITUATION

The Property is prominently situated on Bowerham Road in the sought-after south side of Lancaster, an attractive and well-connected area just a short distance from the historic city centre. Positioned in a predominantly residential neighbourhood with a strong sense of community, the property benefits from high visibility and regular footfall, making it ideal for convenience store uses

The location offers excellent accessibility, with Lancaster University just a short drive to the south and the University of Cumbria within walking distance, enhancing the area's appeal to students, visitors, and locals alike. Public transport links are strong, with frequent bus services along Bowerham Road and Lancaster Railway Station approximately 1.5 miles away, offering direct connections to Manchester, London, and the wider national rail network.

Local amenities are abundant, with shops, schools, cafes, and parks nearby, while the city centre's extensive retail, leisure, and cultural offerings are easily reached on foot or by car. The M6 motorway (Junction 33) is within easy reach, providing convenient access to Preston, the Lake District, and the wider North West region.


Lake Windermere



PROPERTY DESCRIPTION

The property will comprise a new build single storey convenience store extending in total to 4,370 sq ft (GIA). The building is of steel frame construction beneath a pitched tiled roof with painted brick elevations.

Externally the site extends to .35 acres and there is pedestrian access from Bowerham Road with vehicular access via Newsham Road, with parking spaces for 19 vehicles. The property was granted planning consent in April 2024 (ref: 23/03107/FUL).

Practical completion of the development is scheduled to take place in January 2026. A full suite of warranties will be available to the purchaser.

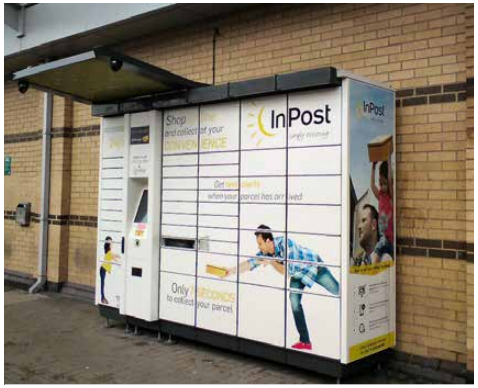
ACCOMMODATION

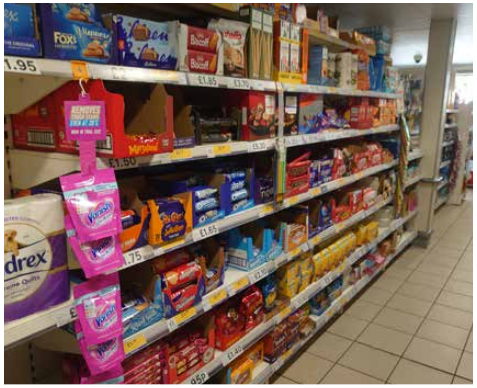
The property provides the following gross internal floor area:

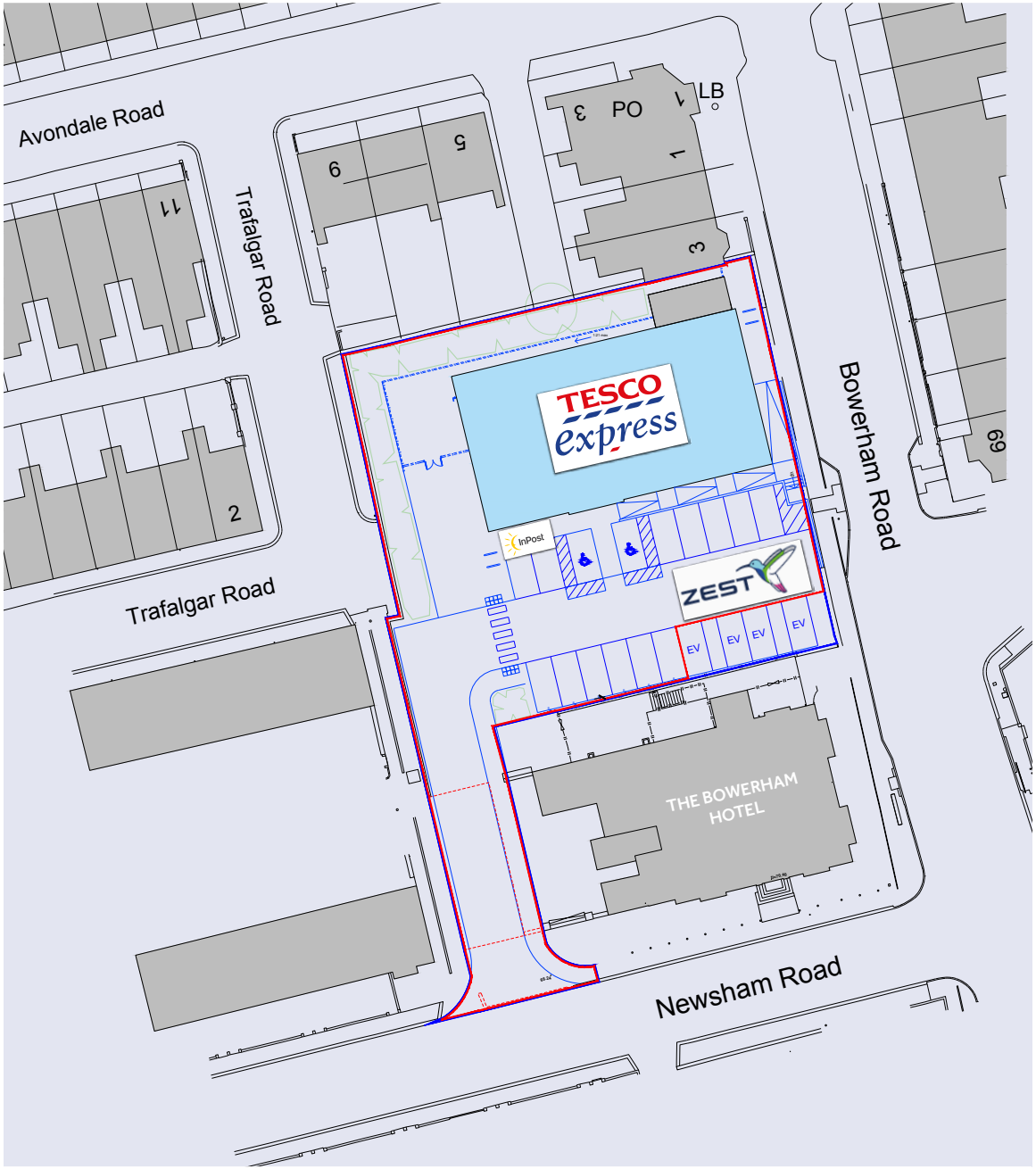
Ground Floor	4,370 ft²	409 m²
First Floor (Void)	1,120 ft²	104 m²
Total	**5,490 ft²**	**510 m²**

Car parking	19 spaces *

* Including 2 disabled and 4 E.V







TESCO 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 27.7%. A summary of the last three years reported accounts are as follows:

Year Ending	Feb - 2024 (£M)	Feb - 2023 (£M)	Feb - 2022 (£M)
Turnover	£49,247	£47,481	£44,793
Pre-tax profit	£1,469	£565	£1,260
Shareholder's Funds	£4,402	£4,385	£8,220



Typical Tesco Express



ZEST ECO LTD COVENANT

Zest is backed by the Government's Charging Infrstructure Investment Fund(CIIF), designed to catalyse the rollout of public access EV charging.

The CiiF currently stands at £420m with the UK Govt via UK Investment Bank being the primary investor, with contributions from leading global sustainability investors, including the Church Commissioners, Morgan Stanley Investment Management's Climate Input Fund and Willis Towers Watson.



INPOST UK LTD COVENANT

In Post Uk limited currently has 11,000 lockers across the UK which are typically located adjacent to convenience stores, supermarkets and petrol stations. In the last reported accounts turnover was up from £31,931,730 to £84,301,749 as at December 2023.

AML

In accordance with AML Regulations in the UK two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

VAT

The property is VAT registered therefore VAT will be payable on the purchase price unless the transaction is instead treated by way of a Transfer of a Going Concern (TOGC).

PROPOSAL

We are instructed to seek an offer of £ 2,283,500
(Two Million Two Hundred and Eighty Three Thousand Five Hundred Pounds) subject to contract and exclusive of VAT.

A purchase at this level would reflect an attractive Net Initial Yield of 5% after allowing for purchasers costs of 6.41%.

Running yield February 2031 6%

Running Yield Febrary 2036 7.3%



Further Information and Viewing

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