

FOR SALE

Retail, Residential and Office Investment



15-23 Pershore Road South, Cotteridge, Birmingham B30 3EE



INVESTMENT SUMMARY

- Busy main road position fronting A441 – a main arterial road from Birmingham City Centre to the south.
- Popular and busy suburban shopping centre.
- 2 minutes from Kings Norton Railway Station.
- Comprises a large shop, 5 apartments, offices and telecom aerials.
- Immediate potential to convert offices to residential.
- Imminent reversion on shop.
- Potential to reconfigure retail accommodation.
- Current rent £71,600 pa
- Freehold
- **£750,000 – 9.06%** net yield
- No VAT.



LOCATION

Cotteridge is a suburb of Birmingham and is situated approximately 4.5 miles south of Birmingham City Centre.

It is a busy and very popular local shopping centre with most of the shops fronting Pershore Road which is the A441 main arterial road leading from Birmingham City Centre to Kings Norton, Redditch and Junction 2 of the M42 Motorway to the south. The retail offer comprises a mixture of major national brands, local shops and restaurants. Major national multiples represented within Cotteridge include Greggs, Subway, Clintons, Savers, Heron Foods, Spa, Poundstretcher, Card Factory and Kings Pharmacy.

The main shopping area is also located 2 minutes walk from Kings Norton Station which provides rail services to Birmingham New Street and Redditch.

The property is situated in a very prominent position fronting Pershore Road South at its junction with Middleton Hall Road.

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DESCRIPTON

The property comprises a part single and part three storey building of brick construction with flat roofs. It is arranged to provide a large ground floor shop set back behind a forecourt providing parking for customers.

Above the shop there are two, 2 storey blocks – one at the front and one at the rear – which were originally constructed and occupied as offices. The rear block has recently been refurbished and converted to create 5 self contained apartments which have been let on AST's.

The front block is still used as offices. The second floor is let but the tenants have vacated. The first floor is still occupied with the tenants holding over, although a new lease has been agreed with them but not yet completed.

On the roof of the front block there are several mobile communications aerials.

At the rear of the property there are 4 garages – 2 of which are vacant.

There is a driveway at the side of the property providing loading to the ground floor shop and self contained access to the offices and apartments. This driveway is within the ownership of the property, and it is also used by a small industrial estate at the rear and by several other shops fronting Watford Road. Other users of the driveway contribute to its maintenance.

The accommodation is more particularly detailed in the schedule of accommodation and tenancies.

LEASES

The ground floor shop is let to St Mary's Hospice (Trading) Ltd on an effectively full repairing and insuring lease by means of service charge at a rent of £22,500 pa.

The first floor offices are let to Arcobaleno Consulting Engineers Ltd on an effectively full repairing and insuring lease by means of service charge at a rent of £5,400 pa.

The second floor offices are let to W & A Harris on an effectively full repairing and insuring lease at a rent of £4,000 pa. The tenants have vacated and served a break notice.

The telecommunications aerials are let to Arqiva Limited on a full repairing and insuring lease at a rent of £11,200 pa.

The 5 apartments are let on Assured Shorthold Tenancies at a total rent of £28,500 pa.

The total current income is therefore £71,600 pa.



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TENURE

The property is freehold.

PRINCIPAL TENANTS

Arqiva Limited – Arqiva is a leading UK Communications infrastructure company. It is the largest independent provider of telecom towers with circa 8,000 active cellular sites, and it is the sole provider of terrestrial television network access (Freeview), and is pre-eminent in national and local radio broadcasting. The company owns the critical national UK infrastructure that enables mobile network operators to meet their government mandated universal coverage obligations, and Arqiva's unique site locations and national footprint play a crucial role in supporting these coverage obligations.

For the year ended 30th June 2016 Arqiva Limited reported the following trading figures:-

Turnover	£589.1 million
Pre Tax Profit	£218.4 million
Net Assets	£1.301 billion

St Mary's Hospice (Trading) Ltd – St Mary's Hospice is a major Birmingham Hospice based in Selly Oak with 2 satellite clinics in Sparkbrook and Bartley Green caring for around 1,200 people every year. St. Mary's Hospice (Trading) Ltd runs its retail shops which contribute to its fund raising.

For the year ended 31st March 2017 St. Mary's Hospice (Trading) Ltd reported the following figures:-

Turnover	£915,813
Pre Tax Profit	£34,276
Net Assets	£238,698

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Property	Tenant	Accommodation	Lease Term	Break Clause	Rent	Rent Reviews	Repairs	Comments
15 Pershore Road South	St Mary's Hospice (Trading) Ltd	GF Sales - 2,939 sq ft ITZA - 1,257 sq ft Kitchen/Ancil - 292 sq ft Garage - 135 sq ft	10 Years from 14.02.2008	-	£22,500 pa	-	Effectively FR & I	Schedule of Condition.
17 Pershore Road South (F/F offices)	Arcobaleno Consulting Engineers Ltd	F/Floor Offices - 854 sq ft (79.34 sq m)	3 years from 01.07.2014	-	£5,400 pa	-	Effectively FR & I	Schedule of Condition. Tenant holding over. Terms agreed for new 3 year lease at £5,750 pa rising to £6,000 pa. Not yet completed.
19 Pershore Road South (S/F Offices)	WJ & AJ Harris	S/Floor offices - 858 sq ft Garage	5 years from 12.05.2015	12.05.2018	£4,000 pa	-	Effectively FR & I	Tenants have vacated and exercised their break option which is effective May 2018.
Roof of 17-19 Pershore Road South	Arqiva Ltd	Roof for telecom aerial installation.	04.02.2002 - 31.12.2021	L – on 24 months notice T – on 12 months notice	£11,200 pa	04.02.2020	-	Tenant option to take a further lease upon expiry. OM rent review.
Apartment 1 – 21/23 Pershore Road South	Alexander Pugh	F/F Apartment – 1 bedroom, kitchen/living, bathroom 560 sq ft	AST – 6 months from 23.06.2017	-	£5,940 pa	-	-	
Apartment 2 – 21/23 Pershore Road South	Mr Josiah Beck and Miss Rachel Dalhouse	F/F Apartment – 2 bedrooms, kitchen, living and bathroom 721 sq ft	AST – 6 months from 01.10.2017	-	£7,140 pa	-	-	
Apartment 3 – 21/23 Pershore Road South	Joshua Stephens	S/F Apartment – 1 bedroom, kitchen, living and bathroom. 581 sq ft	AST – 12 months from 09.06.2017	-	£5,940 pa	-	-	
Apartment 4 – 21/23 Pershore Road South	Joaquim Fernandez	S/F – studio with kitchen, bathroom. 344 sq ft	AST – 12 months from 09.06.2017	-	£4,740 pa	-	-	
Apartment 5 21/23 Pershore Road South	Toroy Ford	S/F – studio with kitchen, bathroom. 328 sq ft	AST – 12 months from 16.06.2017	-	£4,740 pa	-	-	
				TOTAL	£71,600 pa			

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ASSET MANAGEMENT POTENTIAL

This property offers several immediate asset management opportunities:-

Retail

The lease of the shop to St. Mary's Hospice (Trading) Limited expires in February 2018 and is highly reversionary.

The property comprises a large area totalling circa 3,366 sq ft which is not fully utilised by the Tenants.

The property is situated immediately next door to the Northwood Medical Centre which is a large GP Practice having more than 9,000 registered patients.

In the past we have received approaches from a major national pharmacy chain seeking to acquire all or part of the St. Mary's Hospice shop. The forthcoming lease expiry may well provide an opportunity to reconfigure the existing accommodation to provide new units for both parties.

Offices

The two storey block at the front of the property is let as offices. The tenants of the first floor are holding over with a new lease agreed but not yet signed, and the tenants of the second floor have vacated and served a notice to exercise their break option in May 2018.

It should thus be possible to obtain possession of both floors within a few months which would enable a purchaser to carry out a residential refurbishment/redevelopment similar to the two storey building at the rear of the property.

Mains services have recently been upgraded at the property to facilitate this residential development.

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Layout of existing apartments



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EPC

An EPC is available upon request.

VAT

The property is not elected for VAT, and therefore VAT will not be payable on the purchase price.

PRICE

Our clients are seeking a price of **£750,000** for their freehold interest reflecting a net initial yield of **9.06%** after allowing for purchasing costs of 5.4%.

For further information or to arrange a viewing please contact:-

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SUBJECT TO CONTACT AND EXCLUSIVE OF VAT
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