

FOR SALE

Prime Town Centre Retail Investment with Residential
Development Potential



35-39 High Street and 1 Mill Street, Stone, Staffordshire, ST15 8AD

INVESTMENT SUMMARY

- Affluent Staffordshire Town
- Modern building in prime pedestrianised location.
- Comprises three shops with self contained offices over.
- Shops let to major tenants for long terms.
- Residential change of use potential on first and second floors.
- **£665,000 – 8.55%** net yield
- No VAT
- Ideal SIPP purchase



STONE

Stone is a historic Staffordshire market town situated approximately 7 miles north of Stafford and 7 miles to the south of Stoke on Trent.

The town benefits from excellent communications with Junctions 14 and 15 of the M6 Motorway both being within 5 miles of the town centre. Two trunk roads go through the town – the A34 linking Birmingham to Manchester, and the A51 linking Lichfield to Chester. Additionally Stone Railway Station is on the West Coast Mainline providing services to London Euston via Stafford and to Crewe and the North via Stoke on Trent.

Stone has a resident population of 16,385 with a wide retail catchment area given its predominantly rural surroundings.

LOCATION

The property is situated in prime pitch within the pedestrianised High Street and also benefits from a return frontage to Mill Street. Multiple retailers in the immediate vicinity include Superdrug, Boots, Clintons, W H Smith, Card Factory and Heron Foods.

The property is also situated close to a large Morrisons Supermarket which is located on the opposite side of Christchurch Way.

DESCRIPTION

The property comprises a modern part two storey and part three storey building of brick construction with a pitched tiled roof arranged to provide 3 ground floor shops, together with separately let offices on the first and second floors having a self contained entrance and access from Mill Street.

The accommodation is more particularly detailed in the Schedule of Accommodation and Tenancies.

The property has the benefit of rear loading and parking.

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Goad Extract



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TENURE

The property is freehold

LEASES

The property is let on 5 leases to tenants including Francesco Group, British Heart Foundation and Salvation Army as detailed in the schedule of accommodation and tenancies at a total current rent of **£59,860 pa**.

The leases are effectively on FR&I terms by means of a service charge.

TENANTS

The principal tenants have recently reported the following financial figures.

Francesco Group (Holdings) Limited

For the year ended 31.12.2016

Turnover	£5,463,225
Pre Tax Profit	£503,737
Net Assets	£533,183

British Heart Foundation

For year ended 31.03.2017

Total Net Income	£120.6 million
Total Funds	£78.7 million



Salvation Army Trading Company Limited

For year ended 31.03.2017

Turnover	£47.048 million
Pre Tax Profit	£1,343,339
Net Assets	£17.129 million



RESIDENTIAL DEVELOPMENT POTENTIAL

The first and second floor offices are let on two leases – one holding over, and the other expiring in September 2018.

Both of the tenants have been in occupation for a long period of time, but this accommodation does present the opportunity for a residential conversion in the near future if desired.

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Property	Tenant	Accommodation	Lease Term	Break Clause	Rent	Rent Reviews	Repairs	Comments
35 High Street	British Heart Foundation	GF Sales 812 sq ft (75.44 sq m) ITZA 482 sq ft (44.78 sq m) F/F Ancill 782 sq ft (72.65 sq m)	10 years from 25.12.2014	25.12.2019	£17,500 pa	25.12.2019 Upward only	Effectively FR & I	
37 High Street	Salvation Army Trading Company Limited	GF Sales 775 sq ft (71.99 sq m) ITZA 483 sq ft (44.87 sq m) F/F Ancill 337 sq ft (31.31 sq m)	10 years from 31.01.2013	-	£14,000 pa	-	Effectively FR & I	The tenants have been granted a rent free period of 6 months in exchange for removing a break option. Any rent free period remaining at completion of the sale will be "topped up" by the vendor.
39 High Street	Francesco Group (Holdings) Limited	GF Sales 742 sq ft (68.93 sq m) ITZA 492 sq ft (45.71 sq m) F/F Ancill 370 sq ft (34.37 sq m)	10 years from 01.10.2017	-	£15,000 pa	01.10.2022 Upward only	Effectively FR & I	
1 Mill Street – First Floor	Andrew James Plant	F/F Offices 389 sq ft 36.1 sq m	3 Years from 04.06.2010	-	£3,160 pa	-	Effectively FR & I	Tenant holding over
1 Mill Street - Second Floor	Drac Logistics Limited Guaranteed by Allan Donaldson and Thomas Alexander Hays	S/F Offices 1,140 sq ft (105.9 sq m)	3 years from 24.09.2015	-	£10,200 pa	-	Effectively FR & I	Tenant has expressed a wish to renew at the end of the current lease for another 3 years at £10,200 pa for two years and £11,000 pa for the third year.
				TOTAL	£59,860 PA			

EPC

An EPC is available upon request.

VAT

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

PRICE

Our clients are seeking a price of **£665,000** for their freehold interest reflecting a net initial yield of **8.55%** after allowing for purchasing costs of 5.22%.

INFORMATION

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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