

FOR SALE

Retail Parade with Residential Development Potential



38-50 Beam Street, Nantwich, Cheshire, CW5 5LJ

INVESTMENT SUMMARY

- Affluent Cheshire town
- Parade of 4 shops with first floor offices
- Shops let to major tenants for long terms
- Residential change of use potential on first floor
- **£1,050,000 - 8.4%** net yield
- No VAT
- Ideal SIPP Purchase



NANTWICH

Nantwich is a prosperous market town in Cheshire approximately 37 miles south of Manchester, 20 miles south east of Chester and 18 miles north west of Stoke.

The town benefits from excellent communication being situated at the junction of the A51, the A534 and the A500 providing direct access to Chester and to junction 16 of the M6 motorway.

Manchester International Airport and Liverpool John Lennon Airport are both within 45 minutes drive from the town centre.

Nantwich has a resident population of 17,424 and a total catchment population estimated at approximately 195,000.

LOCATION

The property is situated in a very prominent position on the south side of Beam Street close its junction with Market Street.

It lies within close proximity to Nantwich Bus Station, Nantwich Civic Hall and a 15,000 sq ft M & S Food Hall which opened in 2013.

It is also situated within close proximity to several of the town's main car parks.

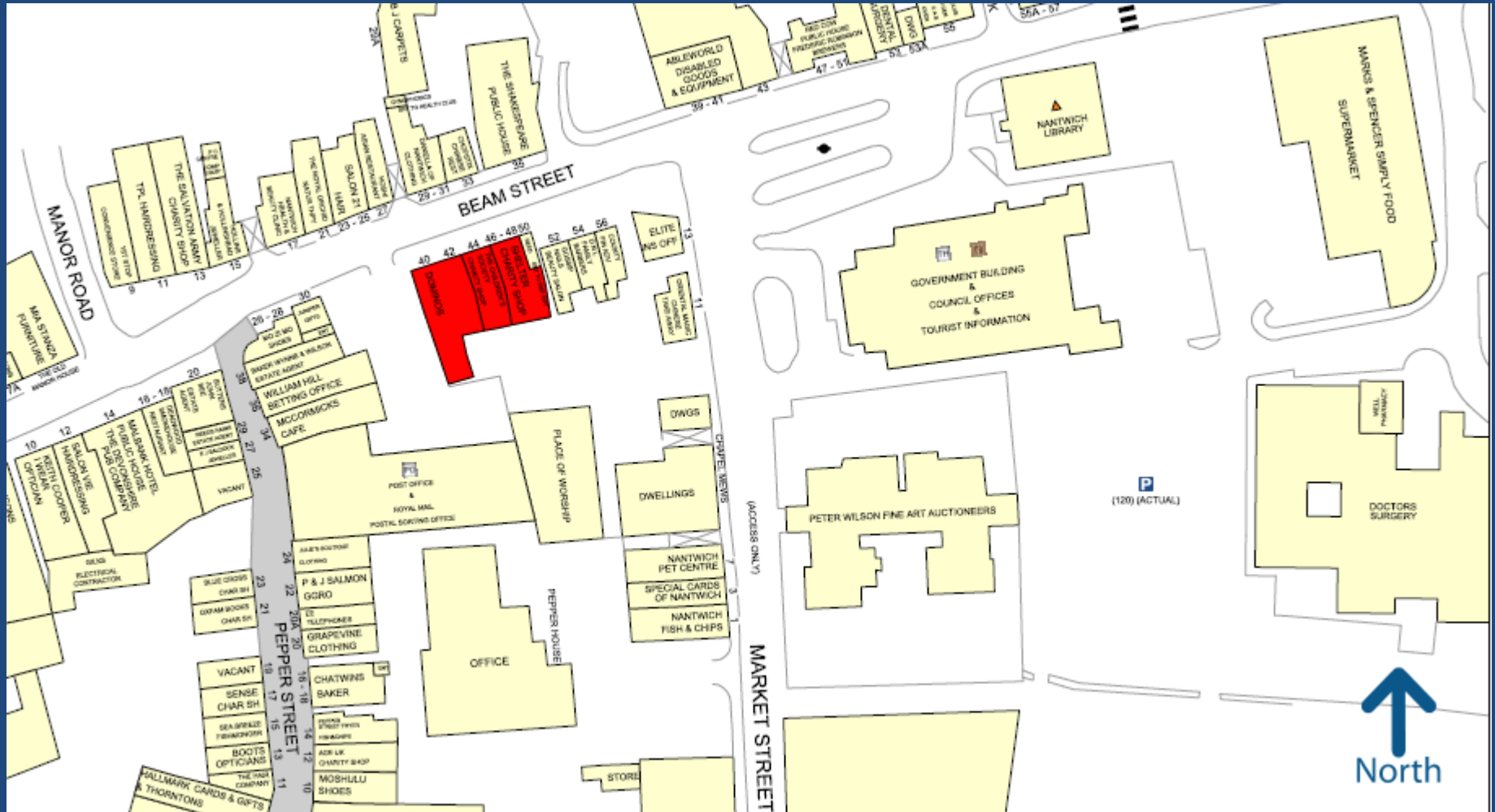
DESCRIPTION

The property comprises a two storey building of brick construction with a pitched tiled roof arranged to provide 4 (let as 3) ground floor shops together with separately let offices on the first floor having self contained entrance and access from Beam Street.

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

The property has rear loading and parking.

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ROWLEY HUGHES THOMPSON
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TENURE

The property is freehold

LEASES

The property is let on 5 leases to tenants including **D P Realty (Domino's), Shelter, and The Children's Society** as detailed in the Schedule of Accommodation and Tenancies at a total current rent of **£93,208 per annum**.

This figure includes an fixed uplift in respect of 38-40 Beam Street in July 2018, and the agreed reviewed rent payable in respect of 44 Beam Street which becomes payable on 3rd April 2019. The vendor will "top up" the current rents until they become due so the investment will be producing an income of £93,208 pa from completion.

Four of the leases are effectively on FR&I terms and one of the office suites is held on a Tenancy at Will.

TENANTS

The tenants have recently reported the following financial figures:-

DP Realty Limited

For the year ended 25.12.2016

Turnover	£22.48 million
Pre Tax Profit	£2.13 million
Net Assets	£3.36 million



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The Church of England Children's Society

For year ended 31st March 2017

Total Net Income	£27.77 million
Total Funds	£25.67 million



Shelter

For year ended 31st March 2017

Total Net Income	£60.9 million
Total Funds	£25.7 million



Reed Learning Limited

For year ended 30th June 2016

Turnover	£14.76 million
Pre Tax Loss	£1.15 million
Net Assets	£2.63 million

Mozimo Limited – For year ended 31st March 2016

Mozimo submitted abbreviated accounts which showed net assets of £187,000

RESIDENTIAL DEVELOPMENT POTENTIAL

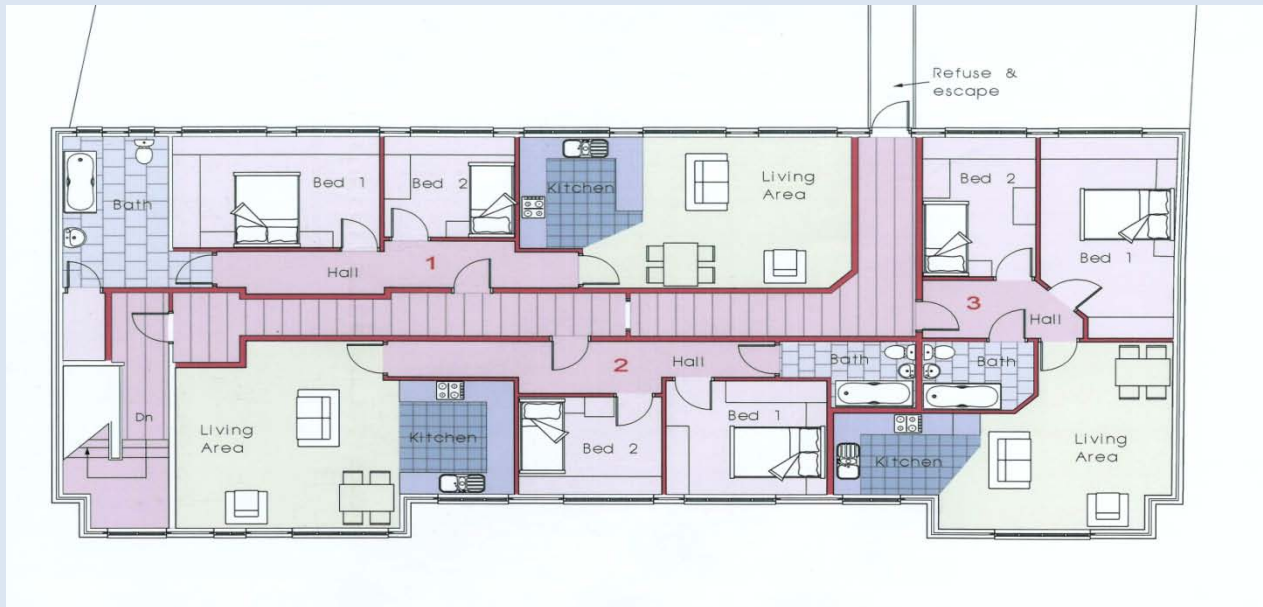
The first floor offices are let on two leases – one holding over and the other a Tenancy at Will.

Our clients have had a scheme prepared to convert the first floor accommodation into 3 x 2 bedroom apartments as shown on the plan.

Our clients have not submitted a planning application for this scheme.

The floor areas of the apartments under this proposal are:-

Apartment 1	808 sq ft	745 sq m
Apartment 2	732 sq ft	68 sq m
Apartment 3	689 sq ft	64 sq m



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Property	Tenant	Accommodation	Lease Term	Break Clause	Rent	Rent Reviews	Repairs	Comments
38/40 Beam Street	DP Realty Ltd	GF Sales 2,200 sq ft (204.38 sq m) ITZA 1,245 sq ft (115.66 sq m)	20 years from 15.07.2016	15.07.2026 – 14.07.2027	£35,000 pa	5 yearly upward only subject to a cap of 4% per annum.	Effectively FR & I	Limited Schedule of Condition. Rent is £33,000 pa until 15.07.2018 – vendor will “top up” the rent to £35,000 pa from completion. Tenant has option to take another 20 year lease from expiry.
42 Beam Street	Church of England Children’s Society	GF Sales 861 sq ft (79.99 sq m) ITZA 571 sq ft (53.05 sq m)	10 years from 01.10.2013	01.10.2018	£19,000 pa	01.10.2018	Effectively FR & I	
44 Beam Street	Shelter, The National Campaign for Homeless People Ltd	GF Sales 1,003 sq ft (93.18 sq m) ITZA 604 sq ft (56.11 sq m)	10 years from 25.03.2013	-	£20,000 pa	-	Effectively FR & I	Tenants had a break clause and rent review in March 2018. The break clause has been removed and the rent review has been agreed at £20,000 pa. Rent will not be paid until 03.04.2019 – vendor will top up this rent payment on completion.
First Floor Offices	Reed Learning Ltd	754 Sq ft (70.05 sq m)	5 years from 18.07.2003	-	£5,900 pa	-	Effectively FR & I	Tenant holding over.
First Floor Offices	Mozimo Ltd	1,346 sq ft (125.05 sq m)	From 08.11.2017	-	£13,308 pa	-	IR & I	Tenancy at Will.
				TOTAL	£93,208 pa			

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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 **£1,050,000** for their freehold interest reflecting a net initial yield of **8.4%** after allowing for purchasing costs of **5.68%**.

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

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**SUBJECT TO CONTACT AND EXCLUSIVE OF VAT
DATE PREPARED : NOVEMBER 2017**

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