

CHELTENHAM

20/22 PROMENADE, GL50 1LR

WELL SECURED, SOUTH WEST
HIGH STREET RETAIL
INVESTMENT OPPORTUNITY





INVESTMENT SUMMARY

- Cheltenham is an affluent Regency Spa town located in the south west of England.
- The property is situated in a prime retailing location.
- Attractive Grade II listed building.
- **Freehold**
- Let to the secure covenant of **Coventry Building Society**, the **UK's 2nd largest building society**.
- Total current income of **£92,000 pax**.
- Offers in excess of **£1,650,000**, subject to contract and exclusive of VAT.
- A purchase at this level would reflect a **Net Initial Yield of 5.25%**, allowing for purchasers costs of 6.16%.

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LOCATION

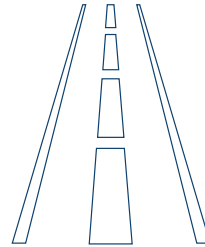
The Regency Spa town of Cheltenham is a strong retail and tourist destination and regarded as the 'Gateway to the Cotswolds'. The town is situated approximately 100 miles west of London, 40 miles north of Bristol and 9 miles east of Gloucester. Cheltenham serves an extensive primary catchment area and dominates the retail provision in the region.

The town benefits from excellent transport links. By road, junctions 10 and 11 of the M5 motorway, lie circa 3.5 miles north west and west of the town centre, providing direct access to Birmingham, Bristol and the rest of the UK's motorway network. By rail, Cheltenham Spa train station provides regular services to London Paddington, with a journey time of circa 2 hours. Regular services also operate to Bristol, Birmingham, Manchester, Newcastle and Glasgow.

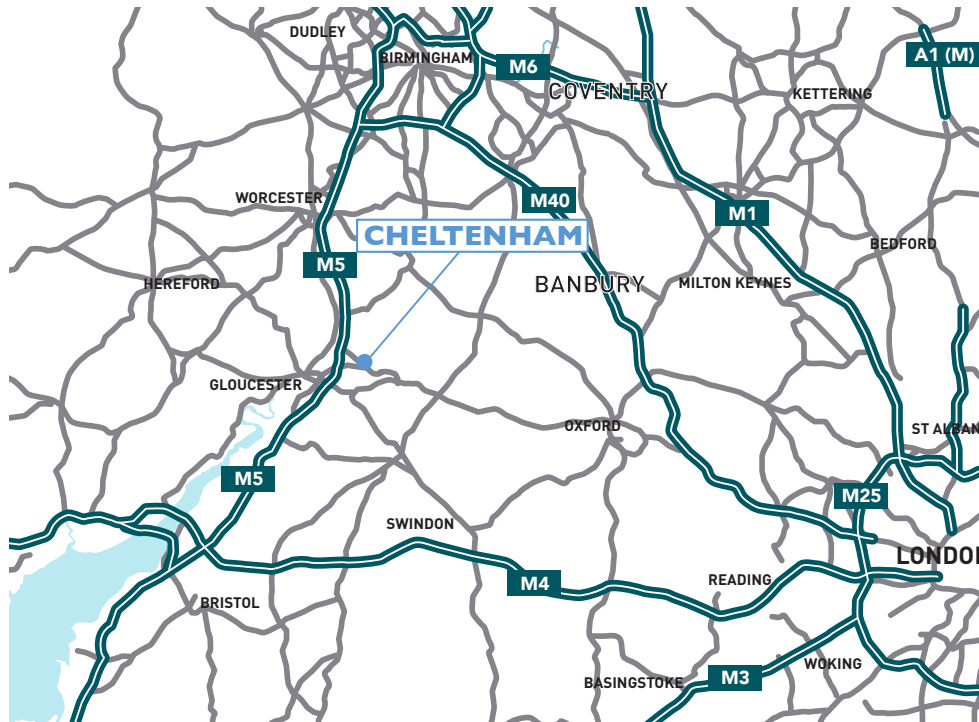
100 miles
NW London

40 miles
N Bristol

9 miles
E Gloucester



CHELTEMHAM



DEMOGRAPHICS

Cheltenham benefits from an affluent and loyal local catchment population of circa 388,000 people and a shopping population of 248,000 people. The town ranks equal 32nd on The Venuescore UK Shopping Rankings which places it on a par with Guildford, London's Covent Garden and Stratford (Westfield). Tourism (especially the renowned Cheltenham Festival) swells these numbers with the County Council estimating over 460,000 staying visitors and 5.6m day trippers visiting each year contributing over £235m to the local economy and sustaining over 8,000 jobs (2011 GCC Data).

The town has an above average proportion of adults of working age categorised within the most affluent AB social group as well as a particular under representation of D and E social groups, the least affluent. The service sector accounts for circa 75% of total employment in Cheltenham, with employers including Chelsea Building Society, Endsleigh Insurance and Zurich Financial Services.

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RETAILING IN CHELTENHAM

Total retail floor space within Cheltenham amounts to approximately 1.3 million sq ft. with the prime retail pitch centred on the High Street and Promenade. Over time the Promenade has evolved into the location of choice for many of the UK's top fashion retailers including Jack Wills, Jigsaw, Hobbs, The White Company, The Kooples, Phase Eight and LK Bennett. Consequently, the town ranks 29th on the basis of its PMA Retail Score and 26th on the Fashion Score.

Regent Arcade consists of 185,000 sq ft. and is anchored by House of Fraser and H&M. Topshop/Topman are in talks to relocate to the newly developed entrance of the scheme, which also houses H&M and River Island. Other tenants include Boots, EE, Schuh, Claire's, Ernest Jones, The Fragrance Shop and Ann Summers.

The High Street, and Cheltenham generally, will be further enhanced by the arrival of the new 115,000 sq ft. John Lewis department store on 11th October 2018 on the former Beechwood Shopping Centre site.



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SITUATION

The subject property occupies a prime location just off the pedestrianised section of Promenade. The other main retail and leisure provision is on High Street, Regent Arcade and The Brewery Quarter, all within a short walk of the property.

Key retailers in the immediate vicinity include Costa, T.M Lewin, Fat Face, Oliver Bonas, Hobbs, Hotter, Jigsaw, Primark, Caffè Nero and Starbucks.

DESCRIPTION

The premises form two self-contained units arranged on ground, basement, first and second floors and housed within a period building. The property is Grade II listed and forms part of the Cheltenham Central Conservation Area.

TENURE

Freehold.

ACCOMMODATION

The property provides the following accommodation.

22 Promenade	
GF Sales	623 sq ft
GF (ITZA)	500 units
Basement (Anc.)	347 sq ft
S/C 1st Floor (Offices)	523 sq ft
S/C 2nd Floor (Offices)	589 sq ft
20 Promenade	
GF Sales	80 sq ft
GF (ITZA)	80 units
Basement (Anc.)	105 sq ft
1st Floor (Anc.)	80 sq ft
2nd Floor (Anc.)	60 sq ft
Total	2,407 sq ft



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INCOME

Current annual income of £92,000 pax.

TENANCY

The entire property is let to Coventry Building Society on a 10 year Full Repairing and Insuring lease from 16th January 2017 expiring 15th January 2027. There is a tenant only break option on the 16th January 2022 and a rent review on the same date.

Coventry Building Society have sub-let part to Carron Mann Ltd t/a Promenade Antiques on a lease expiring 14th January 2027 at a sub-rent of £9,660 pax. The sub-rent is due to increase by 10.5% of any uplift in the head rent.

COVENANT STRENGTH

Coventry Building Society is the 2nd largest building society in the UK with current net assets of £1.787 billion. The bank reported a tangible net worth of £1.475 billion, sales turnover of £896 million and a profit before taxes over £200 million.

EPC

As the property is listed no EPC is applicable.

VAT

The property has been elected for VAT and any disposal will be by way of a Transfer of a Going Concern (TOGC).

PROPOSAL

We have been instructed to seek offers of **£1,650,000 (One Million Six Hundred and Fifty Thousand Pounds)**, Subject to Contract & Exclusive of VAT, which reflects a **net initial yield of 5.25%** allowing for purchaser's costs of 6.16%.

FURTHER INFORMATION

For further information or to arrange inspection please contact:

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MISREPRESENTATION: These particulars do not constitute an offer or contract. They are intended as a guide to prospective purchasers. All reasonable care has been taken in the preparation of these particulars but their accuracy is not guaranteed. The purchaser should satisfy himself and as to the correctness of these details. Neither the agents nor the vendors or lessors are to be or become under any liability or claim in respect of these particulars. These particulars are supplied on the understanding that all negotiations are conducted through this office. October 2018.

Adrian Gates Photography & Brochures 07710 316 991

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