

# 8-17 HIGH STREET GOSPORT PO12 1BX



**freehold, high yielding, high street investment opportunity**



### Investment Considerations

- A prominent holding on a busy **pedestrianised pitch** opposite the town hall
- Circa **30,000 sq ft** comprising **10 retail units, two flats** and **two floors of offices**
- Total site of 0.85 acres
- Well secured to a number of national multiple retailers including **Poundstretcher, Store Twenty One, Bonmarché** and **Betfred**
- **Potential to redevelop vacant upper floors**
- **Freehold**
- Average weighted un-expired lease term (**AWULT**) in excess of **4 years**
- Seeking offers in excess of **£2,410,000** (Subject to contract and exclusive of VAT)
- Attractive **10% net initial yield**



### Gosport

Gosport is a Borough town located on the south coast of England approximately 8km (5 miles) south of Fareham, 27km (17 miles) south east of Southampton and 144km (90miles) south west of London. The town has a population of approximately 80,000 people and lies on a peninsula on the western side of Portsmouth Harbour which is linked via pedestrian ferry that runs all day and takes 3 minutes. The town benefits from good transport communications and is accessed via the A32 trunk road and M27 (Junction 11) providing access to the south coast region and the rest of the motorway network.

There are 144,096 people living within a 20 minute drive time of Gosport and the town centre falls within Portsmouth's primary retail catchment which has a total population of 500,000 and an estimated shopping population of 245,000.

### Local Economy

The Royal Navy maintains a presence in Gosport at HMS Sultan, the Defence School of Marine Engineering (DSMarE) and the Royal Naval Air Engineering and Survival School (RNAESS). The Sultan site occupies 179 acres (0.72 km<sup>2</sup>) of land and is the largest of the Royal Navy's training establishments, housing around 3,000 service and civilian personnel when working at full capacity.

There are three marinas in Gosport with over 1400 berths which provide access to the 27 km (17 miles) of waterfront on Portsmouth Harbour and The Solent. The town has many maritime tourist attractions including its strong military history – notably the Royal Navy Submarine Museum which is home to the Royal Navy's first submarine (Holland 1) and HMS Alliance. Other attractions include Explosion, a modern interactive museum on naval firepower, Fort Brockhurst and Gosport Aviation Heritage Museum.

The town has 20 infant/junior schools, 7 primary schools, 3 secondary schools, a college and a sixth form college.





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### Retailing in Gosport

The retail offer in Gosport is concentrated on the pedestrianised High Street on which the subject property is located. The west end of the High Street consists of occupiers such as **Morrisons**, **Halfords**, **Pampurred Pets** and **Iceland**. **Asda** and **Waitrose** are also represented nearby. The prime pedestrianised section of the High Street consists of a selection of the usual national multiples such as **Store Twenty One**, **Bonmarché**, **Argos**, **Natwest**, **Lloyds**, **Brighthouse**, **Santander**, **Costa**, **Peacocks**, **Dorothy Perkins** and **Boots**. A market is run twice a week on Tuesdays and Saturdays.

A number of pay and display car parks are situated in close proximity to the High Street providing approximately 134 car parking spaces at a charge of 70p per hour.

### Situation

The subject property is located on the prime pedestrianised section of the High Street opposite the Town Hall, within close proximity to **Morrisons**, **Halfords**, **Argos** and **Iceland**. The holding is accessed via Clarence Road South and North Cross Street.

### Description

The property comprises 10 retail units, 2 flats, a pool hall and two vacant floors, previously used as offices. The site spans circa 0.85 acres. The retail units vary in size and are predominantly arranged over ground floor. A large service yard can be found to the rear, where the flats are also accessed. Two council run, pay and display car parks are situated opposite, with a capacity of approximately 84 spaces.

### Accommodation

The property provides a total approximate net internal floor area of circa 30,000 sq ft (2,722 sq m) as set out in the Tenancy Schedule.



## Tenure

### Freehold.

Southern Electricity Board is granted rights to use maintain repair renew inspect relay and remove cables on a small strip of land to the rear of the service yard, utilised as a highway (highlighted in blue on title plan).



## Tenancies

The subject property benefits from a host of national multiples including **Store Twenty One**, **Poundstretcher** and **Betfred** as well as a number of well-established local retailers.

The leases are predominantly drawn on institutional terms with outgoings recovered through a comprehensive service charge.

## Tenancy Schedule

Unit Description	Tenant Name	Area Analysis (sq ft)							Rent	Service Charge	Business Rates	Shortfalls	Start Date	Expiry Date	AWULT	Next or O/S Review	Comments
		GFS	Zonal Breakdown		ITZA	GF Anc	1st	2nd									
8 High Street	<b>Poundstretcher Limited</b> t/a Poundstretcher	5,557	ZA ZB ZC ZD ZR	923 1,000 1,000 1,000 1,564	2,024	571	2,098	-	£39,000	£5,577	£25,787	£548	29/09/1961	28/09/2024	9.71	-	No management fee to be charged.
9 High Street	<b>Fourth Place Limited</b> t/a Third Place	289	ZA ZB	232 58	261	196	-	-	£10,000	£370	£4,530	-	29/06/2005	28/06/2015	0.45	29/06/2010	The tenant paid a rent deposit of £2,500
10 High Street	<b>Sequence (UK) Ltd</b> t/a Fox & Sons	709	ZA ZB ZC	336 339 35	514	-	-	-	£16,000	£448	£7,592	-	25/12/2012	24/12/2017	2.94	-	
11 High Street	<b>Care and Mobility Centre Ltd</b> t/a Care & Mobility	529	ZA ZB	286 244	407	-	546	-	£13,000	£773	£6,748	-	22/07/2009	21/07/2019	4.52	22/07/2014	The tenant paid a rent deposit of £2,000
12 High Street	<b>Fareham College</b> t/a Salon 141	990	ZA ZB ZC ZD	225 256 275 234	451	-	-	-	£12,000	£786	£6,628	-	29/09/2014	28/09/2024	9.71	-	TBO in 29/09/2019
FF & SF Offices	<b>Rental Guarantee</b>	-	-	-	-	-	2,514	2,599	£28,500	£17,472	£10,438	-	29/09/2014	28/09/2015	1.00	-	Vacant unit. 12 month rates, rent and SC guarantee, or until let.
13 High Street	<b>Done Bros (Cash Betting) Ltd</b> t/a Betfred	1,262	ZA ZB ZC ZD	340 340 340 241	625	-	-	-	£17,000	£964	£9,520	-	27/10/2004	26/10/2019	4.78	27/10/2014	
14 High Street	<b>Bluestar Trade Ltd</b> t/a News Round	1,125	ZA ZB ZC ZD	347 347 347 85	617	183	-	-	£24,000	£959	£9,520	£4,086	29/09/2012	28/09/2022	7.71	29/09/2017	The tenant paid a rent deposit of £6,000. No management fee to be charged. Rent concession agreed at £20,000 pax until 24/06/2015.
15 High Street	<b>Bewise Ltd</b> t/a Store Twenty One	3,608	ZA ZB ZC ZD ZR	595 657 745 745 866	1,289	412	-	-	£26,031	£2,829	£18,075	£253	24/06/2009	23/06/2019	4.44	24/06/2014	No management fee to be charged.
17 High Street	<b>Bonmarche Ltd</b> t/a Bonmarché	2,712	ZA ZB ZC ZR	753 823 710 426	1,395	537	-	-	£40,000	£2,443	£25,546	£240	25/03/2012	24/03/2017	2.19	-	No management fee to be charged.
10b High Street (flat)	<b>Miss Lydia-Ane Kraus</b>	-	-	-	-	-	1,201	-	£6,600	£1,023		£1,023	28/09/2010	27/03/2011	3.81	-	Not inspected by G&P. 3 bedroom flat let on AST
FF 17 High Street	<b>David Randall</b> t/a Gosport Pool Arena	-	-	-	-	-	3,673	-	£10,000	£2,354	£6,748	-	14/01/2014	13/01/2019	4.00	-	The tenant paid a rent deposit of £2,500. TBO in 13/01/2016. Trades as a Pool Hall
9a & 10a High Street	<b>Mr S &amp; Mrs T Porter</b> t/a Cottage Loaf	527	ZA ZB	330 198	429	-	-	-	£19,400	£1,398	£6,266	-	29/09/2002	28/09/2017	2.70	-	Demise includes 3 bedroom flat on first floor. which we understand is sublet
	<b>Total Area</b>		31,838				Gross Current Rent		£261,531	£30,362	£144,431	£6,150		AWULT	4.48		
							Net Current Rent		£255,382								





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### Current Income & Rental Analysis

- The current gross contracted income is £261,531 pax
- The total net income, after landlord's shortfalls is £255,381.58 pax.

Rents peaked in Gosport at circa £45 - £50 Zone A on the High Street with the tone now circa £25 ZA (headline).

### Property Management & Service Charge

The property is currently managed by JLL. The service charge for the subject property is operated under a single schedule with the tenants having apportioned percentage contributions based on weighted gross lettable floor area occupied.

The current service charge year runs from 1st January 2015 – 31st December 2015 and the present budget amounts to £30,362, which devalues to approximately £0.86 per sq ft. The service charge for the previous year ending 31st December 2014 amounted to £31,195 which devalues to approximately £0.88 per sq ft. The reduction in service charge amounts to a 2.67% variance.

The vendor commits to provide a 12 month rent, rates and service charge guarantee on the vacant first floor & second floor office suite, or until let. We estimate other Landlord Shortfalls to amount to £6,149.42 pax.

Further details are available upon request.

### VAT

The property is not elected for VAT.

### EPC

Energy Performance Certificates are available on request.

***Busy local markets are held twice weekly on Tuesdays and Saturdays.***







### Asset Management Opportunities

- Potential to re-let or re-develop vacant first and second floors.
- Refurbish existing residential accommodation.
- Explore extending upper floors to cover the ground floor in its entirety.
- Explore the possibility of extending units to the rear into the service yard.
- Approach existing tenants to re-gear and renew their leases, improving the AWULT, while maintaining attractive income return.

### Proposal

We have been instructed to seek offers in excess of **£2,410,000 (Two Million, Four Hundred and Ten Thousand Pounds)**, subject to contract and exclusive of VAT for the freehold interest reflecting a **net initial yield of 10%** allowing for purchaser's costs of 5.8%.





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## Further Information

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