



## Highly Secure Halifax Bank Investment

 Halifax | 1 Commerce Way, Garden Square Shopping Centre, Letchworth Garden City, United Kingdom, SG6 3DL

FOR SALE  PRIVATE TREATY

£ 385,000 Subject to contract

### Location



Letchworth is an affluent town in North Hertfordshire, situated within the London commuter belt. The town is approximately 62 km (39 miles) north of London, 11 km (7 miles) north of Stevenage, 21 km (13 miles) north-east of Luton and 47 km (29 miles) south-west of Cambridge.

The town benefits from excellent road communications, being situated adjacent to the A1(M) which provides a direct link to the M25 Motorway (South Mimms) approximately 40 km (25 miles) to the south. The A505 provides east-west communications to Cambridge and Luton. In addition, the town is connected to the national rail network with a fastest journey time to London King's Cross and Cambridge of 36 minutes and 28 minutes respectively. London Luton Airport is approximately 21 km (13 miles) to the south-west.

Letchworth is the world's first Garden City and popular with commuters given its proximity to London and Cambridge.

## Summary

- Affluent location within the London commuter belt
- Undoubted income – let to Bank of Scotland PLC (T/A Halifax)
- Tenant has signed a new lease from January 2024
- Tenant has been in occupation since 2009
- Highly prominent position at entrance to Garden Square Shopping Centre
- £385,000, subject to contract
- 10.0% Net Initial Yield

## Situation

The property is situated in the heart of the town centre occupying a highly prominent position on Commerce Way, at the entrance to Garden Square Shopping Centre (see redevelopment below).

Letchworth train station is a couple of minutes' walk to the north-west.

With two principal malls, Commerce Way and Central Approach linked by a central square, Garden Square Shopping Centre forms part of the main pedestrian thoroughfare for Letchworth. The Centre comprises 175,000 sq ft of retail and leisure accommodation, along with a 400-space car park. Retailers include Starbucks (adjacent), Boots, Iceland, Home Bargains, New Look, Specsavers, Superdrug, WHSmith, EE and Poundland.

## Garden Square Redevelopment

The first phase of a redevelopment of Garden Square Shopping Centre was completed in 2020.

Including a complete redevelopment of Commerce House, the demolition and rebuilding of 23-25 Leys Avenue and a new build on Leys Square, adjacent to WHSmith, the development now provides 46 high quality one and two bedroom apartments with two new retail units at ground floor (including the subject property) benefitting from extensive return frontages onto the newly created public space at the entrance to Garden Square.

Consultation is underway on the next phase of the development which will provide a further c.200 residential property with retail at ground floor.

## Description

The property is arranged over ground and first floor and comprises a double fronted retail unit. Internally, the accommodation is mostly open-plan and has been fitted out by the tenant as a banking hall in their usual corporate style. The first floor provides office/ancillary accommodation.

## Accommodation

The property has been measured by BKR Floor Plans and provides the following net internal floor areas:

Net Frontage	11.81 m	38'9"
Gross Frontage	12.65 m	41'6"
Zone A	72.00 sq m	775 sq ft
Zone B	67.26 sq m	724 sq ft
Zone C	21.92 sq m	236 sq ft
ITZA		1,196
Total Ground Floor	161.18 sq m	1,735 sq ft
First Floor	70.23 sq m	756 sq ft
<b>Total</b>	<b>231.41 sq m</b>	<b>2,491 sq ft</b>

A set floor plan is available to download, and the measured survey report will be re-addressed to a purchaser at a cost of £545 + VAT.

## Tenure

Long leasehold interest expiring on 28th December 2187 (approximately 164 years unexpired) at a peppercorn rent.

## Tenancy

The property is let to Bank of Scotland PLC (T/A Halifax) on a full repairing and insuring lease for a term of 5 years from 30th January 2024, expiring on 29th January 2029. There is a tenant break clause on the 30th January 2027, subject to six months' notice.

The current passing rent is **£40,400 per annum**. The tenant has been granted a rent-free period of six months from 25th March 2024 until 24th September 2024. The vendor will "top-up" the income by way of an appropriate adjustment on the completion sum in order that a purchaser does not suffer an income shortfall.

The tenant has been in occupation since 2009, and renewed their lease in January 2024, demonstrating their commitment to this location.

## Service Charge

The service charge payable by the tenant is £7,532.95 per annum. Copies of the service charge accounts and budget are provided in the data room.

## Covenant

Bank of Scotland PLC (Co. No. SC327000) has reported the following figures:

	31st December 2023	31st December 2022
Revenue	£3,391,000,000	£4,931,000,000
Pre-Tax Profits (Loss)	£351,000,000	£1,137,000,000
Total Assets	£332,430,000,000	£320,241,000,000

The Bank of Scotland was established in 1695 and is the oldest bank in Scotland. The Banks' main activities including management of savings, current banking accounts, credit accounts, insurance, loans and mortgages, investment, and retirement policies. The Bank enjoys a ranking in the 5 best banks in the United Kingdom and is part of the Lloyds Banking Group.

For more information on the Bank of Scotland, please see [www.bankofscotland.co.uk](http://www.bankofscotland.co.uk).

## VAT

The property has been registered for VAT. It is anticipated that the sale will be treated as a Transfer of a Going Concern (TOGC).

## Proposal

We are instructed to seek a figure of **£385,000**, (Three Hundred and Eighty-Five Thousand Pounds) subject to contract, reflecting a net initial yield of **10.0%** assuming purchaser's costs of 4.07%.

Please note that a purchaser will be re-charged the costs of the measured survey (£545 +VAT) and searches (£1,172.72) which are provided in the data room.

Please note that a purchaser will be charged a Transaction Fee of 1.0% of the Purchase Price plus VAT.

## Investment Considerations

1. The property is located in an affluent location within the London commuter belt;
2. Undoubted income – let to Bank of Scotland PLC;
3. The tenant has committed to a new 5-year lease from 30th January 2024;
4. The tenant has been in occupation since 2009;
5. The property occupies a prominent position at the entrance to the Garden Square Shopping Centre;
6. Attractive lot size to an investor;
7. Attractive net initial yield.

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