




## Prime, Mixed-Use Investment with Development / Value-Add Potential

 22 Week Street, Maidstone, United Kingdom, ME14 1RN

FOR SALE  PRIVATE TREATY

£ 650,000 Subject to contract

### Location



Maidstone is the administrative centre of Kent and the county's largest town, located approximately 32 miles (51.5 km) south east of London, 20 miles (32 km) north west of Ashford, 27 miles (43 km) west of Canterbury and 38 miles (61 km) north east of Crawley.

Maidstone benefits from excellent road communications being situated within 2 miles of Junctions 5, 6 and 7 of the M20 motorway. The M20 runs along the north of the town and connects to the M25 which in turn provides direct access to the wider motorway network.

The town is served by three railway stations, Maidstone East, Maidstone West and Maidstone Barracks. The town benefits from regular and direct journeys to London Victoria and London St Pancras with fastest journey times being approximately 1 hour.

London City Airport is located 37 miles (59 km) north-west of Maidstone and London Gatwick is located 41 miles (66 km) south west.

Maidstone has a large catchment population of approximately 330,000 persons and has a fast growing population, expected to exceed the UK average growth forecasts of 8% by 2025, ([www.maidstone.gov.uk](http://www.maidstone.gov.uk)).

## Summary

- South-East, mixed-use investment
- Prime town centre retailing pitch
- Retail unit let to established tenant on new lease from May 2024 at rebased rent
- Large residential maisonette on first and second floors, let on AST
- Car park at the rear let to NCP Commercial Services Ltd
- The property was comprehensively refurbished in 2017
- Grade II listed building (no empty rates payable)
- Add value and development potential – low site cover of 25%
- £650,000, subject to contract
- Implied attractive yield of 9.0% on the commercial element
- Value of £182,000 on the residential element – substantial discount to the vacant possession value
- Gross yield of 8.24% on residential element and overall blended yield of 9.0%

## Situation

The property occupies a prime retailing pitch on the pedestrianised Week Street.

Surrounding occupiers include Greggs, Specsavers, Lloyds Bank, The Works, Trespass, Card Factory and Shoe Zone.

The Fremlin Walk Shopping Centre is a couple of hundred yards to the north. Maidstone's primary shopping centre comprising approximately 350,000 sq ft (33,000 sq m) of retail and restaurant accommodation, Fremlin Walk benefits from over 50 shops and 760 car parking spaces with occupiers including H&M, JD Sports, River Island, Boots, FatFace, Waterstones, Superdry and HMV.

## **Description**

The property comprises a Grade II listed mixed-use building which was comprehensively refurbished in 2017, including a new roof.

The accommodation is arranged as follows:

### **Retail**

A retail unit on ground floor along with ancillary accommodation at basement level.

### **Residential**

Comprising a large residential maisonette totalling 168 sq m (1,804 sq ft), benefitting from self-contained access from the side of the property. The ground floor provides entrance, WC & shower room and walk in cupboard. The first floor is arranged to provide living space, dining room, kitchen and reception room, with two double bedrooms and bathroom on the second floor.

### **Rear Stores & Garage**

There is a storage area and garage to the rear totalling 56 sq m (603 sq ft) which is currently vacant.

### **Car Park**

Beyond the building is a large car park accessed via Wkye Manor Road, providing 17 car parking spaces.

15 of the spaces are let to NCP, one space is included with the maisonette and one space is available with vacant possession.

## Accommodation

The property has been measured by Trueplan and provides the following accommodation:

### Retail (NIA)

Ground Floor	63.6 sq m	684 sq ft
Basement	70.8 sq m	762 sq ft
<b>Retail Total</b>	<b>136.0 sq m</b>	<b>1,446 sq ft</b>

### Residential (GIA)

Ground Floor	21.5 sq m	231 sq ft
First Floor	94.3 sq m	1,015 sq ft
Second Floor	51.9 sq m	558 sq ft
<b>Residential Total</b>	<b>167.7 sq m</b>	<b>1,804 sq ft</b>

Garage / Stores	56.1 sq m	603 sq ft
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A copy of the measured survey is available to download.

## Rateable Value

According to the Valuation Office website the rateable value for the shop is £48,000. The business rates multiplier is 49.9 pence. However, listed property rates exemption applies so there are no rates currently payable.

## Tenure

Freehold.

## Tenancies

The property is multi-let to three tenants, producing a total net income of £58,400 per annum.

The income is split as follows:

Retail	51%
Residential	26%
Car Park	23%

Please refer to the summary below and the tenancy schedule which is available to download.

### Retail

The ground floor and basement are let to **Electronic Cigarettes Limited** (t/a Vape Shop), on a full repairing and insuring lease for a term of 10 years from 13th May 2024, expiring on 12th May 2034. There is a tenant's break option on 12th May 2029, subject to six months' notice. **The passing rent is £30,000 per annum.** The lease benefits from an upwards only rent review on 13th May 2029.

The tenant has been in occupation since 2019 and signed a new lease in May 2024, demonstrating their commitment to this location. The rent was previously £40,000 per annum so has been re-based.

### Residential

The first and second floor residential maisonette is let on an Assured Shorthold Tenancy (AST) for a term of 12 months from 29th June 2024, expiring on 28th June 2025 at a rent of £1,250 per calendar month (**£15,000 per annum**). One car parking space is included.

### Car Park

15 spaces within the rear car park are let to **NCP Commercial Services Limited** under a parking agreement for a term of 12 months from 1st November 2023. Thereafter, the agreement will be automatically extended on a month-to-month basis until terminated by either party.

The gross rent is £19,000 per annum. In accordance with the agreement the Landlord pays the rates. Therefore, after deduction of rates, the net income is **£13,400 per annum.**

NCP has expressed an interest in renewing their agreement. In addition, the Landlord has received an offer from another national car parking operator who have proposed a 4 year lease, subject to a break option at year 2, at an increased gross rent of £21,500 per annum.

Hence, an investor will benefit from a total income of **£58,400 per annum** increasing to £60,900 per annum if the new car parking proposal is accepted.

## Service Charge

In accordance with their occupational lease the retail tenant is required to contribute to the service charge. The service charge information is available to download.

Given that the property was comprehensively refurbished in 2017 and has been well maintained, expenditure has been minimal.

## Covenant

For the year ending 31st December 2023, Electronic Cigarettes Limited (t/a Vape Shop) reported Net Assets of £759,846.

Established in 2014, Vape Shop is an online and in-store outlet supplying quality vape products at everyday low prices. With 13 stores throughout the UK, Vape Shop is an official member of the UK Vaping Industry Association (UKVIA) which is the largest trade body in the UK representing the vaping sector. For further information visit [www.vapeshop.co.uk](http://www.vapeshop.co.uk).

NCP is the UK's number one car park operator, whose estate spans the whole of the United Kingdom with over 200,000 parking spaces in over 800 sites. NCP Commercial Services Limited's ultimate controlling party is Park24, a Japanese company operating across seven countries and listed on the Tokyo Stock Exchange.

## Development Potential

The property extends to approximately 0.19 acres and benefits from a low site cover of 25%.

As shown from the aerial photographs, there is a substantial car parking area at the rear totalling approximately 381 sq m (4,100 sq ft). The property offers potential for extension and development on this rear site, subject to obtaining the necessary planning consents.

In addition, the storage and garage areas to the rear of the building provide further development potential, subject to planning. A proposal for a residential scheme was previously submitted and is available to view in the data room.

## VAT

The property has been opted for tax and 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 **£650,000** (Six Hundred and Fifty Thousand Pounds), subject to contract, for the freehold interest.

Allocating an investment yield of **9.0%** to the retail accommodation and the car park equates to a value of £468,000, leaving a value of £182,000 in relation to the residential element.

The maisonette has been valued by local agents at a figure of £230,000, hence at the apportioned value of £182,000 it is at a substantial discount to the vacant possession value.

The overall blended yield is **9.0%** (gross).

Please note that a purchaser will be re-charged the cost of searches (£846.11) 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 + VAT.



## Investment Considerations

1. An opportunity to acquire a South East, mixed-use investment;
2. The property occupies a prime retailing pitch in the heart of Maidstone town centre;
3. Retail unit let to an established tenant who signed a new lease in May 2024, demonstrating their commitment to this location;
4. Large residential maisonette on first and second floors, let on an AST;
5. Large car park at the rear currently let to NCP (23% of the income);
6. Opportunities to enhance the value and extend the property onto the rear car parking area, subject to planning;
7. Grade II listed building, hence no empty rates payable;
8. The property was comprehensively refurbished in 2017;
9. Freehold;
10. A purchase at the asking price reflects an attractive yield;
11. Attractive lot size for an investor.


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