



Prime Town Centre Retail Investment

 16-17 Market Place, Rugby, United Kingdom, CV21 3DU

FOR SALE  PRIVATE TREATY

£ 436,000 Asking price

Location



Rugby is a bustling market town in Warwickshire and the second largest town in England. Rugby is located between Coventry, Leicester and Northampton at the crossroads of the motorway network where the M1, M6, M69, A5 and A14 join, making it a first-class location for distribution.

The town is connected to the national railway network with a fastest journey time to London Euston of just 52 minutes, making it a popular commuter town.

Rugby is a town steeped in history, being the birthplace of the jet engine and Rugby School famously being the birthplace of the game of rugby.

In January 2023 it was announced that Rugby town centre's regeneration strategy is to get a £5 million boost with the funding to be used to deliver improvements to the town centre physical environment and enhanced town centre CCTV coverage.

Summary

- Prime retail investment
- 16 Market Place – new letting for a term of 15 years from September 2023
- 17 Market Place – lease renewal from September 2023
- Freehold
- £436,000, subject to contract
- 9.0% Net Initial Yield

Situation

The property occupies a highly prominent position in the heart of the town centre on the pedestrianised Market Place, at its junction with Chapel Street.

The property is in a prime retailing pitch, close to the main entrance to Rugby Central Shopping Centre. Nearby occupiers include Caffè Nero, Greggs, WH Smith, Specsavers, Savers, Card Factory and Vision Express.

The Rugby Central Shopping Centre provides a total of 19,509 sq m (210,000 sq ft) of retail space over four levels, plus a 535 space multi-storey car park. With over 50 stores, retailers including Vision Express, Superdrug, Boots, EE, Iceland, New Look, Warren James and Clintons.

Description

16 Market Place benefits from return frontage onto Market Place and Chapel Street, comprising a newly fitted out coffee shop/café/sandwich bar over ground and first floors.

The second floor forms part of the tenant's demise but is decommissioned, with ladder access only.

17 Market Place comprises a retail unit on ground floor with ancillary accommodation on first and second floors.

Accommodation

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

16 Market Place – Molino**Coffee**

Net Frontage	6.96 m	22'10"
Gross Frontage	8.46 m	27'9"
Zone A	46.73 sq m	503 sq ft
Zone B	35.58 sq m	383 sq ft
Zone C	0.46 sq m	5 sq ft
ITZA		696
Storage	19.70 sq m	212 sq ft
Total Ground Floor	102.47 sq m	1,103 sq ft
First Floor	106.47 sq m	1,146 sq ft
Total	208.93 sq m	2,249 sq ft

*Second floor – decomissioned
(not measured)

17 Market Place – Flawless**Vape Shop**

Net Frontage	3.76 m	12'4"
Gross Frontage	3.99 m	13'1"
Zone A	24.34 sq m	262 sq ft
Zone B	10.78 sq m	116 sq ft
ITZA		320
Storage	31.68 sq m	341 sq ft
Total Ground Floor	66.80 sq m	719 sq ft
First Floor	31.96 sq m	344 sq ft
Second Floor	34.75 sq m	374 sq ft
Total	133.50 sq m	1,437 sq ft

A set of floor plans is available to download and the measured survey report will be re-addressed to a purchaser at a cost of £745 + VAT.

Tenure

Freehold.

There is a flying freehold towards the rear of 16 Market Place, whereby the title extends over a small section of the adjacent property (48 Chapel Street). Please refer to the data room for further information.

Tenancies

Tenancies

16 Market Place

Let to **Sabri Alaybeyi (t/a Molino Coffee)** on a full repairing and insuring lease, for a term of 15 years from 5th September 2023, expiring on 4th September 2038. There is a tenant's break option on 5th September 2028, subject to six months' notice.

The passing rent is **£25,000 per annum**. The lease benefits from 5 yearly upwards only rent reviews to open market rental value. The tenant benefits from a rent free period expiring on 4th March 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.

A rent deposit of £8,250 + VAT is held by the Landlord. This deposit will be released at any time after five years in the event that the tenant can produce audited accounts showing three continuous years when the net profit exceeds the rent by a multiplier of at least 3 times the rent passing.

17 Market Place

Let to **Flawless Vape Shop Limited** on a full repairing and insuring lease, subject to a Schedule of Condition, for a term of 5 years from 15th September 2023, expiring on 14th September 2028. There is a tenant's break option on 15th September 2026, subject to six months' notice. The lease is outside 1954 Act protection.

The passing rent is **£16,000 per annum**. The tenant benefits from a rent free period expiring on 24th December 2023. 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 2019 and entered into a new lease in September 2023, demonstrating their desire to remain in the property. The previous rent was £16,000 per annum exclusive.

Therefore, an investor will benefit from a total income of **£41,000 per annum**.

Both of these lettings equate to approximately £30 psf Zone A net. This is in line with other open market transactions that have occurred in the immediate vicinity and we believe fairly reflects the current OMRV.

Covenant

For the year ending 30th November 2022, Flawless Vape Shop Limited (Co. No. 10411202) reported Shareholders' Funds of £629,991.

Flawless Vape Shop is the UK's leading distributor of vape, vaping hardware, accessories, starter kits, tanks and E-liquids, with stores in Leicester, Loughborough, Rugby, Hamilton and Beaumont Leys. For further information visit www.flawlessvapeshop.co.uk.

With regards to 16 Market Place (Sabri Alaybeyi), a rent deposit of £8,250 plus VAT is held by the Landlord.

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 **£436,000 (Four Hundred and Thirty Six Thousand Pounds)**, subject to contract, reflecting a net initial yield of **9.0%**, assuming standard purchaser's costs of 4.39%.

Please note that a purchaser will be re-charged the costs of the measured survey (£745 + VAT) and searches (£913.17) 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 freehold retail investment;
2. The property occupies a prime retailing pitch within the heart of the town centre;
3. 16 Market Place is let on a new 15 year lease from September 2023;
4. 17 Market Place is let on a renewed lease from September 2023, demonstrating the tenant's commitment to the property;
5. Significant upper parts providing future repurposing potential, subject to planning;
6. A purchase at the asking price reflects an attractive net initial yield;
7. Attractive lot size to an investor.

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See website for full details : <https://singervielle.com>

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