




Prime Multi-Let Retail/Restaurant Investment

 5 & 6 Royal George Buildings, Market Place & 69-70 Church Street, Rugby, United Kingdom, CV21 3EA

FOR SALE  PRIVATE TREATY

£ 1,175,000 Subject to contract

Location



Rugby is a market town in Warwickshire and 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 47 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 would 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

- Multi-let retail / restaurant investment opportunity
- Prime town centre position
- Three of the four units let on new leases in 2023
- Vodafone waived their 2023 break option, demonstrating their commitment to this location
- Attractive WAULT of 8.6 years to expiry
- Re-based rents
- Option to exploit development potential in the future
- Freehold
- £1,175,000, subject to contract
- 8.7% 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 Church Street.

The property is in a 100% prime retailing pitch, directly opposite the main entrance to Rugby Central Shopping Centre. Nearby occupiers include Caffè Nero, WHSmith, Vision Express, Greggs and McDonalds.

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, EE, Ryman, New Look, Warren James and Clintons.

Description

Occupying a highly prominent position within the town centre, the property currently comprises a parade of four retail units arranged as follows:

- 69 Church Street (Vintage Barbers) comprises a ground floor retail unit with ancillary accommodation at first floor extending over the adjoining unit (70 Church Street). The tenant has been granted permission to convert the upper parts to residential use, subject to obtaining the necessary consents.
- 70 Church Street (Vodafone) comprises a retail unit on ground floor only.
- 5 Royal George Buildings (Karak Chaii) comprises a ground floor double-fronted retail/A3 unit with ancillary accommodation on first and second floor.

The unit has been newly fitted out by the tenant to a very high standard at a cost of c.£400,000.

- 6 Royal George Buildings (Dr Noodles) comprises a ground floor retail/A3 unit with ancillary accommodation on first and second floor. The unit has been newly fitted out by the tenant to a very high standard.

The property benefits from a rear yard area and 6 designated car parking spaces.

Accommodation

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

69 Church Street (Vintage Barbers)

Zone A	39.02 sq m	420 sq ft
Zone B	30.29 sq m	326 sq ft
Zone C	10.13 sq m	109 sq ft
Zone D	0.28 sq m	3 sq ft
Total Ground Floor	79.71 sq m	858 sq ft
ITZA		718
First Floor	129.13 sq m	1,390 sq ft
Total	208.84 sq m	2,248 sq ft

70 Church Street (Vodafone)

Zone A	31.77 sq m	342 sq ft
Zone B	21.46 sq m	231 sq ft
Zone C	0.84 sq m	9 sq ft
Total Ground Floor	54.07 sq m	582 sq ft
ITZA		460

5 Royal George Buildings (Karak Chaii)

Zone A	56.48 sq m	608 sq ft
Zone B	36.60 sq m	394 sq ft
Zone C	10.68 sq m	115 sq ft
Total Ground Floor	103.77 sq m	1,117 sq ft
ITZA		834
First Floor	60.94 sq m	656 sq ft
Second Floor	21.37 sq m	230 sq ft
Total	186.08 sq m	2,003 sq ft

6 Royal George Buildings (Dr Noodles)

Zone A	29.82 sq m	321 sq ft
Zone B	26.20 sq m	282 sq ft

Zone C	22.39 sq m	241 sq ft
Total Ground Floor	78.41 sq m	844 sq ft
ITZA		522
First Floor	22.76 sq m	245 sq ft
Second Floor	21.27 sq m	229 sq ft
Total	122.44 sq m	1,318 sq ft
TOTAL	571.43 SQ M	6,151 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 £195 + VAT.

Rateable Value

According to the Valuation Office website the rateable value for the property is as follows:

Address	Description	Rateable Value
69 Church Street	Shop & Premises	£21,250
70 Church Street	Shop & Premises	£12,000
5 Royal George Buildings	Shop & Premises	£23,000
6 Royal George Buildings	Shop & Premises	£14,500

The business rate multiplier is 49.9 pence per pound.

Planning & Future Development Potential

The property is situated within a Conservation area.

The property previously benefitted from planning permission for conversion of the upper parts and extension to form 12 flats.

Planning consent was granted on 29th March 2019 for “Conversion and extension of upper floors to twelve dwellings (8 x 1-bed, 3 x 2-bed & 1 x 3-bed) with associated works, including provision of ground floor door to front elevation.” In accordance with the consent, all apartments to be private with no requirement for affordable housing.

This consent has since lapsed, but precedent has been set. Therefore, potential exists to exploit this development potential in the future.

A copy of the planning consent and scheme drawings are available to download.

Tenure

Freehold.

Tenancies

The property is multi-let to four tenants, producing a total income of **£108,000 per annum**.

The property benefits from an attractive Weighted Unexpired Lease Term (WAULT) of 8.6 years to expiry.

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

69 Church Street

Let to **Mohammed Tahir Abdul Karim (t/a Vintage Barbers)** on a full repairing and insuring lease for a term of 10 years from 17th May 2023, expiring on 16th May 2033 at a passing rent of **£31,000 per annum**. The lease benefits from an upwards only rent review on 17th May 2028. A rent deposit of £18,600 (inclusive of VAT) is held by the landlord.

The unit was previously occupied by Betfred at a rent of £47,000 per annum. Hence, the rent has been rebased.

The tenant has been granted permission to convert the upper parts to residential use, subject to them obtaining the necessary consents.

70 Church Street

Let to **Vodafone Limited** on a full repairing and insuring lease for a term of 10 years from 1st April 2018, expiring on 31st March 2028 at a passing rent of **£24,000 per annum**.

The tenant had a break option on 1st April 2023 which was not exercised. The rent has been rebased from a previous rent of £37,000 per annum.

5 Royal George Buildings

Let to **Karak Chaii Rugby Limited** on a full repairing and insuring lease for a term of 15 years from 15th September 2023, expiring on 14th September 2038. There is a tenant break option on 15th September 2031, subject to six months' notice. The passing rent is **£33,000 per annum** and the lease benefits from 5 yearly upward only rent reviews. A rent deposit of £9,900 (inclusive of VAT) is held by the landlord.

The tenant benefits from a twelve-month rent-free period expiring on 14th 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.

6 Royal George Buildings

Let to **Desi Fuzion Limited (t/a Dr Noodles)** on a full repairing and insuring lease, subject to a Schedule of Condition, for a term of 5 years from 22nd December 2023, expiring on 21st December 2028. The passing rent is **£20,000 per annum** and the lease benefits from an upwards only rent review on 22nd December 2026. A rent deposit of £6,000 (inclusive of VAT) is held by the landlord.

Covenants

Vodafone Limited (Co. No. 01471587) has reported the following figures:

	31st March 2023	31st March 2017
Revenue	£5,810.6 million	£5,543.2 million
Pre-Tax Profits (Loss)	(£0.8 million)	(£346 million)
Shareholders' Funds	£6,286.2 million	£6,450.5 million

Vodafone is one of the world's largest telecommunications companies providing mobile and fixed services to over 330 million customers in 15 countries. For further information see www.vodafone.com.

Karak Chaii is a stylish desi café known for its namesake chai-style tea and desi street food offerings. After travelling through the Indian sub-continent and throughout the middle east, the company's founders, with over 15 years' experience in food, set up their first store in Birmingham. With the success of this store, they opened their second site in Handsworth just 18 months later. Shortly after came their first franchise in Slough. Karak Chaii now has 18 stores with a further 50 national and international sites set to open over the next few years. The company was winner of the Chaii Restaurant Of The Year 2020-2022 at the Prestige Awards. For further information visit www.karakchaii.co.uk.

As additional security, a rent deposit of £9,900 (inclusive of VAT) is held by the landlord.

Dr Noodles – Inspired by unique flavours of the East, Dr Noodles Noodle Bar offers a healthy alternative to the modern diet with a simple concept – to serve up fresh Asian cuisine that is high in nutrients, full of flavour and low in fat. In addition to the subject property there are stores in St Andrews, Dundee, Perth, Stirling and Edinburgh. For further information visit www.drnoodles.co.uk.

As additional security, a rent deposit of £6,000 (inclusive of 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 **£1,175,000** (One Million, One Hundred and Seventy-Five Thousand Pounds), subject to contract, reflecting a net initial yield of **8.7%**.

Please note that a purchaser will be re-charged the costs of the measured survey (£195 + VAT) and searches (£1,224.41) which are provided in the data room.

Please note that a purchaser will be charged a Transaction Fee of £10,000 plus VAT.

Investment Considerations

1. An opportunity to acquire a multi-let retail/restaurant investment;
2. The property occupies a prime retailing pitch in the heart of the town centre;
3. Three of the four units have been let on new leases from 2023;
4. The units have been fitted out to a high standard by the tenants;
5. Vodafone did not exercise their 2023 break option, demonstrating their commitment to this location;
6. Re-based rents;
7. Repurposing potential via future development of the upper parts;
8. A purchase at the asking price reflects an attractive net initial yield;

Contacts

Singer Vielle



Singer Vielle

[+44 \(0\) 207 935 7200](tel:+442079357200)

Singer
Vielle



Dale Henry

[+44 \(0\) 203 701 1356](tel:+442037011356)

dale@singervielle.co.uk



Neil Singer

[+44 \(0\) 207 935 7200](tel:+442079357200)

neil@singervielle.co.uk



Louanne Malan

[+44 \(0\) 203 701 1386](tel:+442037011386)

louanne@singervielle.co.uk

Vendor's Solicitor Firm



Spencer West LLP

[+44 \(0\) 207 925 8080](tel:+442079258080)



Jaymini Ghelani

[+44 \(0\) 207 925 8080](tel:+442079258080)

Jaymini.Ghelani@spencer-west.com

SPENCER ^{*}WEST

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

Disclaimer

This disclaimer applies to www.singervielle.com (the “**Site**”) which is owned by Singer Vielle Limited (“**Singer Vielle**”) and operated under licence by Singer Vielle 2 LLP.

All Properties are listed subject to contract and the prices shown are exclusive of VAT if applicable.