




Prominent Residential Investment with Ground Floor Commercial

 **Burton House, 233-235 High Street, Bangor, United Kingdom, LL57 1PA**

FOR SALE  **PRIVATE TREATY**

£ 650,000 Subject to contract

Location



The Cathedral and University City of Bangor is located in North-West Wales, approximately 96 km (60 miles) west of Chester and 100 km (62 miles) north-west of Wrexham. The city is also within easy reach of Liverpool and Manchester.

The city benefits from good road communications, being served by the A5 and A55 which links with the M56 Motorway to the east. Bangor is also connected with to the national railway network with a fastest journey time to London Euston of 3 hours and 38 minutes.

Situated on the doorstep of the Snowdonia National Park and with beaches, areas of natural beauty and family attractions in close proximity Bangor is a popular tourist destination, particularly in the summer months.

Bangor University has over 10,000 students and contributes significantly to the local economy. It has been named Welsh University of the Year in the Daily Mail's University Guide 2024 and was ranked 44 in the UK in The Times & The Sunday Times Good University Guide 2024.

Summary

- Prominent corner position in Bangor city centre
- Significant Government investment at the nearby Menai Shopping Centre with the development of a Health and Wellbeing Hub (£30m investment).
- 8 residential apartments
- Shop let to strong covenant, Sense (Total Funds £50.76m)
- Freehold
- £650,000, subject to contract
- 9.44% True Net Initial Yield

Situation

The property occupies a prominent corner position on Waterloo Street in the heart of the city centre. The Deiniol Shopping Centre is positioned to the rear, and the Menai Shopping Centre close to the east of the property along the High Street.

Nearby occupiers include Clarks, Santander, Pandora and The Works.

Town Centre Developments:

A major boost to Bangor is underway with a planned new Health and Wellbeing Hub. A further development in the town centre reflects increased optimism in the location's growth prospects.

Description

The property comprises a high-quality residential development providing 8 studio apartments, all with their own bathrooms, above a retail unit. The residential area is self-contained with an entrance on Waterloo Street. It is of steel frame construction with brick infill walls, rendered elevations and a concrete roof overlaid with felt.

The Menai Shopping Centre – New £30m Bangor Health Hub:

The Menai Shopping Centre forms the central retail location in Bangor. Totalling some 130,000 sq ft, occupiers include JD Sports, Hays Travel, Three, The Factory Shop, Superdrug and Burger King.

The Menai Shopping Centre was previously anchored by a Debenhams department store. The store is to become a significant health and wellbeing hub with some £30m of investment having been approved by the Betsi Cadwaladr University Health Board and Gwynedd Council. Plans have been submitted to the Health Board and Welsh Government for formal approval. Contracts have been exchanged to sell a long leasehold interest to the Health Board for the Hub and it is anticipated that completion will occur during 2025 once Welsh Government approval has been granted.

The development will provide a significant boost to Bangor city centre with an increase anticipated in footfall within the city centre as a result. It is anticipated that the new Health Hub will open 2025/2026. Further details can be seen [here](#).

The sale of the former Debenhams unit includes passing the ownership of the town-centre multi-story car park to the Health Board.

Varcity Living Scheme:

Nearby at 290-294 High Street, Varcity Living Limited is undertaking a substantial redevelopment of the former Peacocks store to comprise commercial space on ground floor with residential accommodation on the upper floors. The project is part-funded by the UK Government through the UK Shared Prosperity Fund.

Accommodation

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

RETAIL UNIT

Net Frontage	8.69 m	28'6"
Gross Frontage	9.29 m	30'6"
Zone A	48.49 sq m	522 sq ft
Zone B	42.36 sq m	456 sq ft
Zone C	26.10 sq m	281 sq ft
ITZA		820
Total Ground Floor Net Internal	116.96 sq m	1,259 sq ft
Lower Ground Net Internal	91.41 sq m	984 sq ft
Total Net Internal Area	208.37 sq m	2,243 sq ft

RESIDENTIAL UNITS

Apartment 1	24.62	265
Apartment 2	22.85	246
Apartment 3	25.36	273
Apartment 4	25.27	272
Apartment 5	24.62	265
Apartment 6	22.85	246
Apartment 7	25.36	273
Apartment 8	24.25	261
Total Gross Internal Area	195.18	2,101

A set of floor plans and measurements is available to download; the measured survey report will be re-addressed to a purchaser at a cost of £495 + VAT.

Rateable Value

According to the Valuation Office website the rateable value for the retail unit is £20,250.

The business rates multiplier is 0.499.

Energy Performance Certificates (EPC's)

Please find the EPCs within the data room. The EPCs for the property are as follows:

Apartment 1	D
Apartment 2	C
Apartment 3	C
Apartment 4	D
Apartment 5	C
Apartment 6	C
Apartment 7	C
Apartment 8	D
Shop	C

Running Costs

There are various costs in operating the residential investment which are non-recoverable. Please refer to the "Burton House Budget" (available to download) which estimates the service charge cost to the landlord for 2024 is £6,025. This will increase slightly in 2025 to £6,214 as the management fee for the communal parts is due to increase from £1,311 to £1,500.

The current owners have appointed a managing agent in relation to residential accommodation. The current charge is 8.34% (+VAT) for the rent collected, £4,378 per annum.

The residential tenants pay directly water/electricity costs. The apartments are heated by electric radiators; there is no gas supply.

Tenure

The interest being sold is freehold.

Tenancies

The residential apartments are let at rents of £550 per month; one apartment is let at £525 per month. Hence, the gross annual residential income is **£52,500 per annum (note new letting being signed for apartment 2 at £550 per month)**.

The retail unit is let to **Sense, The National Deafblind and Rubella Association** on an effective full repairing and insuring lease from 19th October 2020 until 17th October 2027 at a current rent of **£22,500 per annum**. The lease provides for a break clause on 19th October 2025 subject to 6 months' notice; should the break be exercised, the tenant is to pay a penalty of one years' rent.

Hence, the total gross income is currently **£75,000 per annum**. After deduction of the non-recoverable costs, the net income is **£68,786 per annum**. Should a purchaser appoint a managing agent as opposed to self-manage the residential accommodation, the net income would be £64,408 per annum.

Residential Values

It is suggested that the residential apartments have a capital value in the order of £70,000 per unit, totalling £560,000 vacant possession.

Arrears

There are currently no arrears.

Covenant

The tenant, **Sense, The National Deafblind and Rubella Association** (registered charity number 289868) has reported the following figures;

	31st March 2023	31st March 2022
Total Income	£81,850,000	£86,527,000
Net Increase in Funds	£5,856,000	£5,335,000
Total Funds	£50,760,000	£45,425,000

VAT

The property is elected for VAT. We anticipate the sale should be capable of being treated as a Transfer of a Going Concern (TOGC).

Capital Allowances

Note that the capital allowances will be retained by the vendor.

Proposal

We are instructed to seek a figure of **£650,000** (Six Hundred and Fifty Thousand Pounds), subject to contract, reflecting a net initial yield of **9.44%** (assuming standard purchaser's costs of 4.92%).

Please note that a purchaser will be re-charged the costs of the searches £931.44 which are provided in the data room.

Please note that a purchaser will be charged a Transaction Fee of 1% of the Sale Price plus VAT.

Investment Considerations

1. An opportunity to acquire a prominent residential investment in Bangor town centre;
2. The location will benefit from significant inward investment as the new Health Hub opens;
3. The commercial element is let to a strong covenant;
4. The property is available at an attractive yield;
5. Attractive lot size to an investor.


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