

Shipston-on-Stour, Granville House, Bondgate House & Granville Court, High Street, CV36 4PP

Mixed-Use & Value Add Cotswold Investment Opportunity

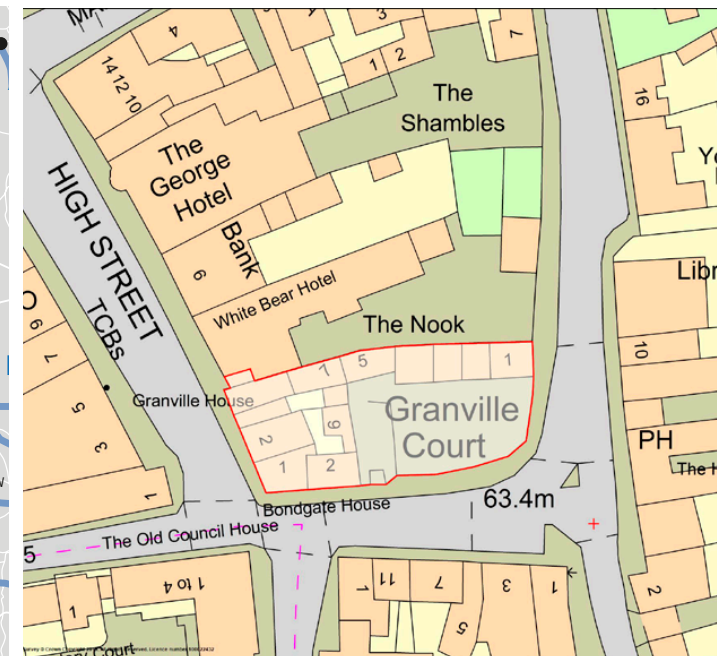


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INVESTMENT CONSIDERATIONS

- Affluent and attractive Cotswold town
- Prime trading position
- Fully let at sustainable rents
- Recent rental increase on new letting
- Short and long term asset management opportunities
- Future capital receipts to come from long let residential
- Future development potential of 0.21 acre site
- Offers in excess of **£1,335,000**
- A purchase at this level will show a net initial yield of **6.66%** after normal purchaser's costs



SHIPSTON-ON-STOUR

Shipston-on-Stour is an affluent and attractive market town in the northern part of the Cotswolds. The Warwickshire town has been consistently highlighted as being within the top 10 places to live in the Midlands and was recently voted as the happiest town in the UK (The Times).

Shipston-on-Stour lies approximately 40 miles south of Birmingham, 10 miles south of Stratford upon Avon, 30 miles north east of Cheltenham and 82 miles north west of London. The town has excellent road communications being located close to the A429 linking the town to the M40 at Warwick and to the A44 giving access to Oxford to the South and Worcester and Evesham to the north west.

Shipston-on-Stour is located within the Stratford Upon Avon District of Warwickshire. The resident population of the district is approximately 140,000 people which is expected to increase by approximately 12% over the next 20 years. The town has a higher than average proportion of people within the highest AB and C1 social

groups with 63% of the population in these categories compared to the UK average of 53.5%.

The town is located on the edge of the Cotswolds, an area of outstanding natural beauty. The Cotswolds enjoys over 38 million day trips per annum increasing the local economy by approximately £1 billion. The Cotswolds is one of the UK's most important tourist destinations for those seeking quiet enjoyment for recreation.

DEVELOPMENT IN SHIPSTON-ON-STOUR

Shipston-on-Stour is an expanding town. The Neighbourhood Plan encourages and supports sustainable development. There are currently approximately 170 new homes under development to the north west of the town centre. This will enhance the town's population and in turn should increase the weight of retail spend in the area.

RETAILING IN SHIPSTON-ON-STOUR

Shipston-on-Stour's main retailing area runs directly along High Street and onto Market Place.

The High Street benefits from a broad range of both local and national retailers from convenience stores including COOP and McColls, national occupiers including Lloyds Bank, Post Office and the British Red Cross. The town also benefits from numerous cafes, pubs, restaurants and bars giving the area a vibrant and busy feel.

The town enjoys free car parking spaces along High Street and there is a local car park just to the north of the centre.

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LOCATION

The property is situated in a highly prominent location at the southern end of High Street along West Street and up Church Street.

DESCRIPTION

The property comprises an attractive group of Grade II listed buildings dominating a site at the southern end of High Street and along West Street. The properties have brick elevations under slate and tiled roofs.

Granville House is a three storey building fronting the High Street. It comprises two ground floor retail units and two flats on the first and second floors.

Bondgate House is a three storey building fronting High Street and West Street. It comprises two ground floor retail units and two flats over the first and second floors.

Granville Court is a part one part two storey building fronting the property's car park. It comprises 5 retail units over ground and

first floors and one residential unit 'The Nook' currently used as a holiday let.

The property benefits from its own dedicated car park with 10 spaces.

RETAIL

The whole property comprises nine shops offering a range of different sized units.

RESIDENTIAL & HOLIDAY LETS

The property contains 5 flats.

TENURE

The property is held freehold.

There is a small flying freehold to the north of Granville House over the White Bear public house.

SITE

The site extends 0.21 acres (0.085 hectares).

VAT

We understand that the property is elected for VAT.

It is expected that transaction can be treated as a TOGC.

EPC

Please find details on the HRH Website.

TOWN PLANNING

The property is Grade II listed.

The property sits within a conservation area.

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ACCOMMODATION AND TENANCIES

Granville House											
Units	Tenant	Floor	Beds	GIA (sq m)	GIA (sq ft)	Start	Expiry (Rent review)	Years to Expiry/ Break	Rent (pa)	Comments	
Unit 1	To Be - Number 1 2020 Limited (t/a Number 1)	Ground	-	42.27	455	01/03/2020	01/03/2029 (01/03/2022 & 2025)	9/3	£9,000	New letting & rent increased by £500 pa. TOB on 01/03/2022 & 2025. Outside the 1954 Act.	
Unit 2	Private Individual (t/a Arbour)	Ground	-	38.28	412	01/03/2017	29/02/2020	0.41	£8,000	Landlord to provide 12 months rental guarantee if the unit not let by expiry. Outside the 1954 Act.	
The Quarters	Private Individual	1st	3 Bed	72.74	783	12/03/2019	11/09/2019	N/A	£10,500	Rolling 2 month contract. Deposit held. Furniture included. Previously used as a holiday let producing c.£17,000 per annum.	
Flat 3	M F Kennelly	2nd	1 Bed	76.46	823	24/06/1986	23/06/2085 (24/06/2052)	65.72	£60	Rent increases to £90 at next review.	
Bondgate House											
Units	Tenant	Floor	Beds	GIA (sq m)	GIA (sq ft)	Start	Expiry (Rent review)	Years to Expiry/ Break	Rent (pa)	Comments	
Unit 1	British Red Cross	Ground	-	38.55	415	13/07/2012	12/07/2021	1.77	£6,500		
Unit 2	Private Individual (t/a Shipston Pizza & Kebab)	Ground	-	38.46	414	29/11/2019	28/11/2034 (29/11/2024 & 2029)	14.89	£6,200		
Flat 1	Private	1st	2 Bed	64.75	697	24/06/1986	23/06/2085 (24/06/2052)	65.72	£60	Rent increases to £90 at next review.	
Flat 2	Private	2nd	1 Bed	52.03	560	24/06/1986	23/06/2085 (24/06/2052)	65.72	£60	Rent increases to £90 at next review.	
Granville Court											
Units	Tenant	Floor	Beds	GIA (sq m)	GIA (sq ft)	Start	Expiry (Rent review)	Years to Expiry/ Break	Rent (pa)	Comments	
Units 1-2	Private Individual (t/a Shipston Bengal Cuisine)	Ground & 1st	-	97.27	1047	05/10/2001	04/10/2021	2.00	£12,900	Rent Deposit.	
Units 3-4	Shipston Care Limited	Ground & 1st	-	78.32	843	26/10/2017	25/10/2022	3.06	£9,600	Outside the 1954 Act.	
Unit 5	Private Individual (t/a The Cotswold Jeweller)	Ground & part 1st	-	37.07	399	03/06/2015	02/06/2020	0.67	£4,800	Outside the 1954 Act.	
Unit 6	The 3 Ewes Tea Room	Ground	-	55.00	592	01/11/2018	31/10/2023	4.08	£9,500	Outside the 1954 Act.	
Unit 7	Shipston Dry Cleaning Limited	Ground	-	30.38	327	30/08/2019	21/08/2024 (20/09/2022)	4.85/2.86	£4,000	Outside the 1954 Act. TOB on 22/08/2022 subject to six months prior written notice.	
The Nook	Midpark Retreats Limited (Holiday let)	1st	1 Bed	45.99	495	01/12/2017	30/11/2142	123.16	£13,070	Approximate rent per annum (can fluctuate). Holiday let managed by holidaycottages.co.uk	
									Total Rent	£94,250	

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ASSET MANAGEMENT OPPORTUNITIES

Short Term

- Consider formalising and charging for the car parking spaces.
- Look to slowly increase the shop rents as lease events occur as per the recent rental increase at unit 1 Granville House.
- Liaise with retail tenants to increase lease terms.
- Continue with aesthetic works to the buildings to improve tenant satisfaction and demand.
- One of the flats (The Nook) is currently let as a holiday let and managed by holidaycottages.co.uk. The other flat (The Quarters) has previously been used as a holiday let and produced an income of approximately £17,600 per annum. This is now currently let on an AST and produces £10,500 per annum. Should this be converted back to a holiday let, the income receivable should increase.

Medium/Long Term

- Negotiate with tenants to take space back and develop further residential accommodation.
- Three flats are let on long leases with circa 65 years unexpired. It is expected that in the future the tenants will wish to extend their lease term. To do this the tenant must pay the Landlord a capital sum. These capital receipts have been estimated at £17,000 - £19,000 per flat at the current time. This amount will increase as the lease lengths decrease.
- Purchase the long leasehold flats and rent on ASTs or via holiday lets to increase income.
- Further development of the site/ car park to provide further retail and residential accommodation.
- Potential to sell off the residential accommodation and holiday let.

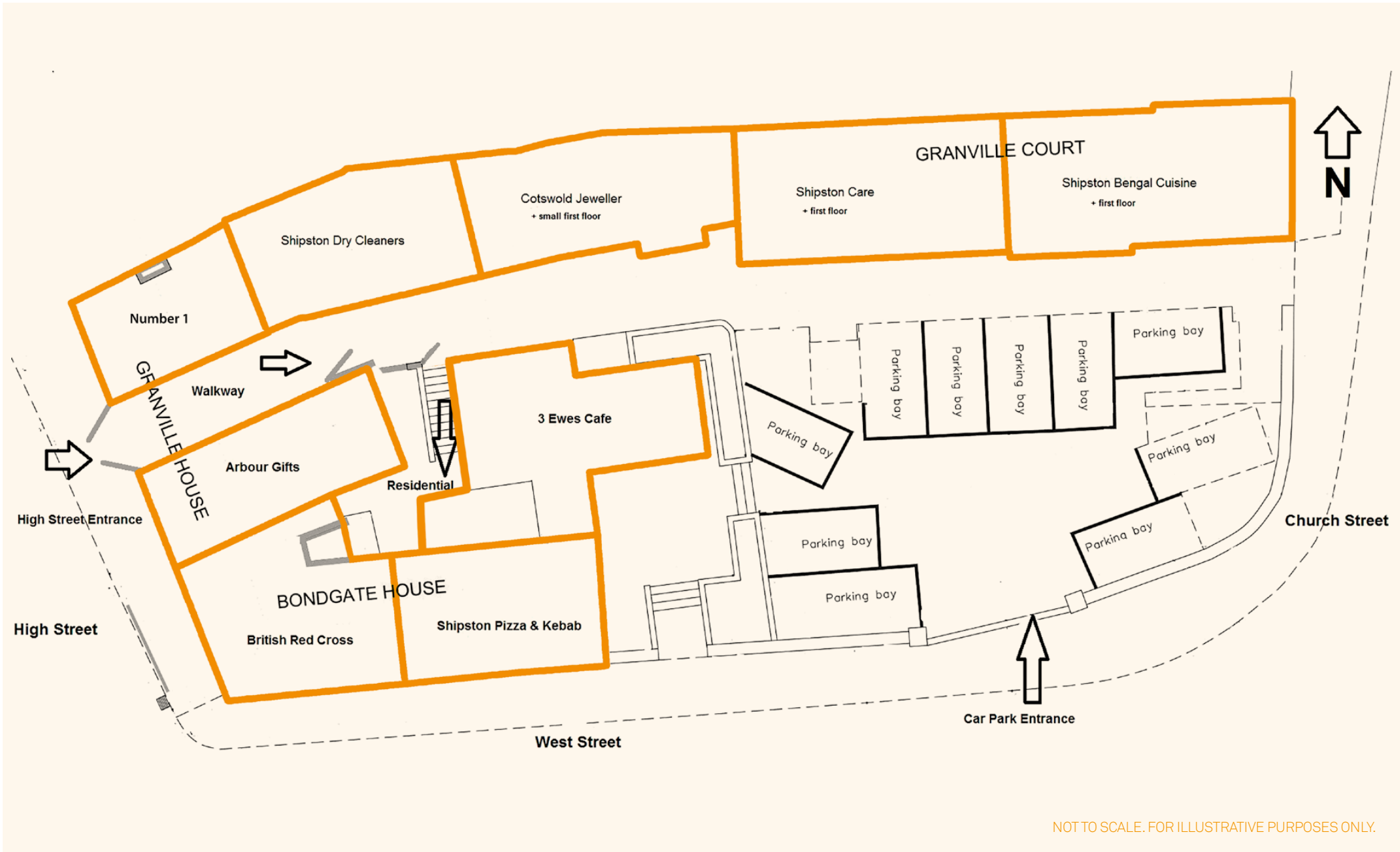


COVENANT INFORMATION

Tenant	Covenant
Number 1 2020 Limited (t/a Number 1)	A new local retailer.
Private Individual (t/a Arbour)	Arbour is a local Cotswold retailer selling unique and attractive gifts.
British Red Cross	The British Red Cross are a UK charity that helps people in Crisis across the globe. They trade from over 300 charity shops across the UK.
Private Individual (t/a Shipston Pizza & Kebab)	Shipston Pizza and Kebab is a local takeaway. They have been in occupation for over 10 years.
Private Individual (t/a Shipston Bengal Cuisine)	Shipston Bengal Cuisine is a local Indian restaurant. They have been in occupation since 2001.
Shipston Care Limited	Shipston Care Limited is a domiciliary care agency. They have recently increased the size of their unit here and have been in occupation since 2013.
Private Individual (t/a The Cotswold Jeweller)	The Cotswold Jeweller is a local jeweller who has been in occupation since 2005.
The 3 Ewes Tea Room	A local tea and coffee shop frequented by both locals and tourists.
Shipston Dry Cleaning Limited	A local dry cleaners.

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NOT TO SCALE. FOR ILLUSTRATIVE PURPOSES ONLY.

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PROPOSAL

Offers in excess of **£1,335,000 (One million, three hundred and thirty five thousand pounds)** are sought for the freehold interest.

A purchase at this level will reflect a **net initial yield of 6.66%** after allowing for normal purchaser's costs.

CONTACTS

To view copies of the leases, information on title, the EPCs and other information please visit our website,

<http://www.hrhretail.com/property/shipston>

To register interest and to carry out an internal inspection please contact:



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