

8-10 WEST PARK

HARROGATE

For Sale





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HARROGATE

We are instructed to seek offers in excess of £2,750,000, STC and exclusive of VAT, reflecting a net initial yield of 7.48%, assuming the usual purchaser's costs.

Investment Summary

Prominent roadside location in renowned spa town

Customer car parking front and rear

Popular destination with a mix of boutique brands, delicatessens and cafes

Freehold

Total passing rent of £219,000 per annum

Commercial WAULT of 5.79 years

Asset management and rear residential development opportunities (STP)

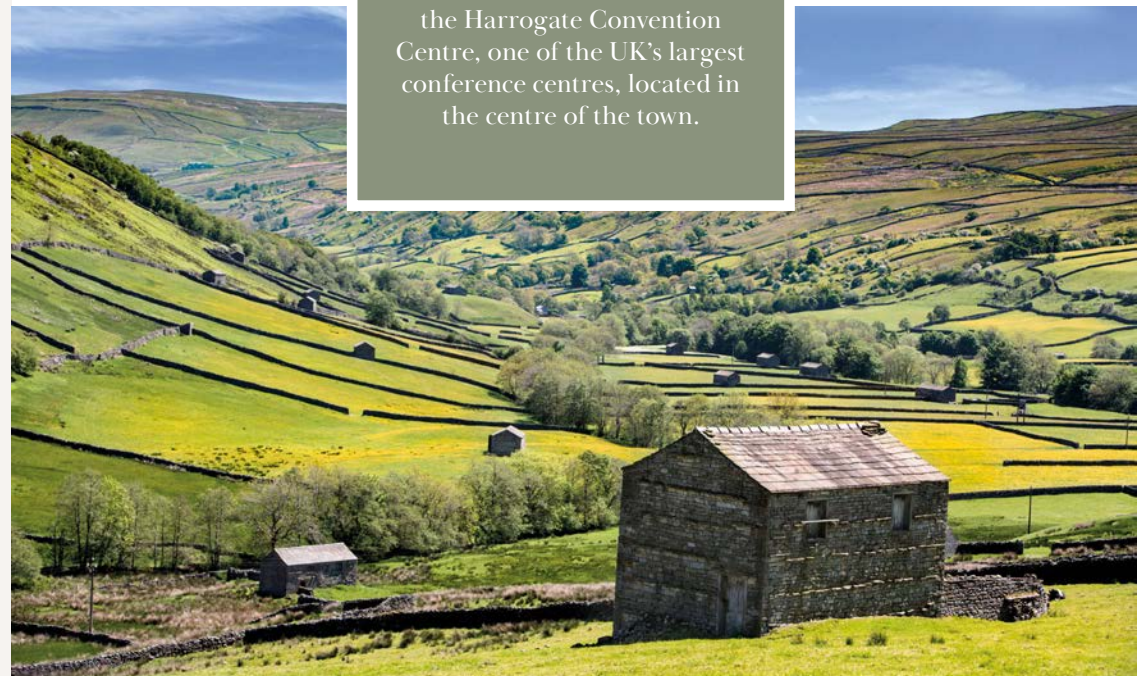


Location

The highly affluent spa town of Harrogate sits 16 miles north of Leeds, 21 miles west of York and 13 miles south east of the beautiful Yorkshire Dales National Park.

The town benefits from good road communications with the A61, A658 and A661 connecting the town to Leeds. The A61 continues north towards to Ripon, while the A658 connects onto Bradford. The A1(M) is 8 miles to the east.

The town has a mainline railway station with London North Eastern Railway operating a direct, 2 hour and 50-minute service, from Harrogate to London King's Cross. Leeds Bradford Airport is 16 miles to the south west and services a wide number of European and international destinations.



Harrogate is an attractive, historic town and is popular with day trippers and tourists from the UK and overseas.

Its visitor attractions include its Victorian spa and the RHS Harlow Carr gardens. It attracts a significant amount of business travellers with the Harrogate Convention Centre, one of the UK's largest conference centres, located in the centre of the town.





Shopping in Harrogate



Demographics

Harrogate was named "the best place to live in the UK" by Rightmove from 2012 to 2015 and was runner up for the same award in 2019.

Harrogate has a population of around 75,000 residents with a much larger shopping catchment of 160,000. By 2035, Harrogate's population is expected to increase by around 6%. Some 7.5 million tourists and day trippers visited the town in 2019. The town has an affluent population with more than 60% of residents in the highest A, B and C1 socio-economic groups. Harrogate is a popular residential location of choice for people working in Leeds, the UK's fastest growing city and the second largest centre for financial and legal services after London.

Harrogate is a popular shopping destination for residents and tourists alike with its broad multiple offer being complemented by a diverse selection of independent boutiques and galleries. Its prime circuit is arranged around three main streets; James Street, Cambridge Street and Oxford Street. Its covered shopping centre, the Victoria Centre, houses mostly national brands including Next, Sports Direct, HMV, TK Maxx and WHSmith.

A more upmarket offer is to be found along James Street and Parliament Street where brands including L'Occitane, Joules, Space NK, Hotel Chocolat, Jo Malone, Brora, The White Company and Sweaty Betty can be found.

Harrogate also benefits from a diverse food and beverage offer with brands such as Yo Sushi, Nando's, Banyan and The Ivy as well as the famous Bettys Tea Rooms, a major tourist destination. Odeon and Everyman Cinemas are also represented.





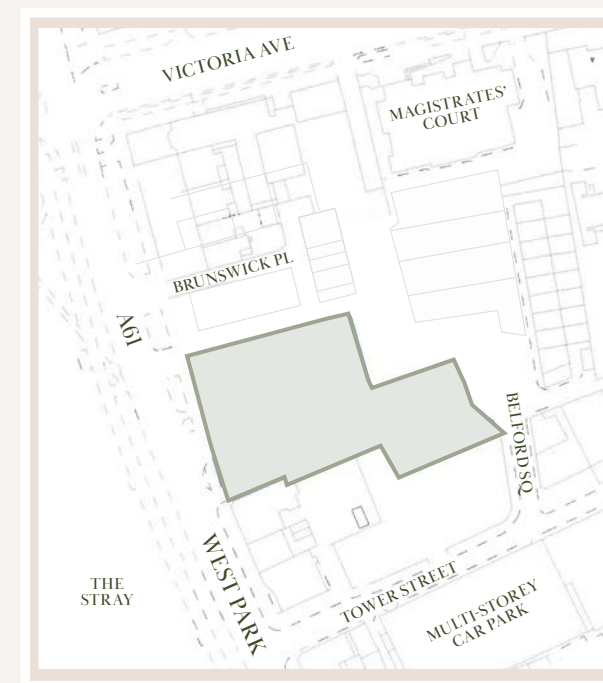
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Description

The property comprises a mixed use commercial and residential asset substantially redeveloped in 2009. The commercial element comprises the ground floor portion of a handsome, four storey, sandstone building, typical of the period architecture to be found throughout the town. The accommodation is arranged as three retail units with extensive frontages onto West Park.

The upper floors contain fourteen flats which have been sold off on long leaseholds. Servicing for the shops is from the rear, via Belford Square, and from the front, off West Park. West Park is a major arterial route and the availability of free parking is of considerable benefit to the retail tenants here.



Situation

The subject property is situated on West Park (the A61), which is the main road into Harrogate from Leeds.

The town centre is around a four minute walk away. The commercial frontage is characterised by a collection of mostly affluent boutiques, including Lynx Menswear, Moda in Pelle, Orvis and Weetons, as well as the popular Coach & Horses pub and West Park Hotel. The property has the considerable benefit of being set back from the main road, with customer parking to the front.



FREE PARKING

4min 
TOWN CENTRE

Plan not to scale. For indicative purposes only.

Tenancy & Accommodation

The commercial accommodation totals 16,450 sq ft and is let to three tenants. The income is 100% multiple with a WAULT of approximately 5.8 years. All three leases are held on standard, institutional, effectively fully repairing and insuring terms.

The upper parts comprise fourteen flats that have all been sold on long leaseholds providing an annual ground rent income of £1,500 per annum.



UNIT	TENANT	FLOOR AREA (sq ft)	LEASE START	TERM (years)	LEASE END	RENT REVIEW	BREAK	RENT (per sq ft)	RENT	COMMENTS
COMMERCIAL										
Unit 1 8 West Park	Specialized Concept Store (Harrogate) Ltd t/a Specialized	3,500	03/02/2015	10	02/02/2025	02/03/2020		£17.14	£60,000	Have remained open throughout most of the pandemic in line with government guidance.
Unit 2 8 West Park	Oka Direct Limited t/a OKA	4,500	20/12/2019	10	19/12/2029	20/12/2024		£13.89	£62,500	
Unit 3 8/10 West Park	Outdoor & Cycle Concepts Ltd t/a Cotswold Outdoor	8,450	31/10/2019	10	31/10/2029	01/11/2024	31/10/2024	£11.24	£95,000	Large single storey extension to the rear with a mezzanine trading and storage area (not measured) which is a tenant's improvement.
COMMERCIAL TOTAL		16,450							£217,500	
Residential ground rents									£1,500	14 flats have been sold on long leaseholds. 8 of the flats have less than 80-year unexpired terms offering the potential for extension premiums.
TOTAL RENT									£219,000	



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Covenant



Specialized Concept Store (Harrogate) Ltd is the retail arm of Specialized Bicycles, a market leading American bicycle manufacturer. The brand's concept stores provide a unique bicycle shopping experience for customers to browse, trial and purchase Specialized bikes, equipment and services.

Specialized Concept Store (Harrogate) Ltd has an Experian credit score of 59, indicating a 'below average risk'.



OKA Direct Limited is a home and furniture retailer in the United Kingdom. OKA have fourteen shops across the UK and were founded by Lady Astor (the mother of Samantha Cameron) in 1999. For the year ended December 2018, OKA Direct Limited reported a turnover of £26.3 million and a net worth of £9.7 million.

OKA Direct Limited has an Experian credit score of 60, indicating a 'below average risk'.



Outdoor and Cycle Concepts Ltd, which trades as Cotswold Outdoor, is a national outdoor and recreation retailer. The group also own Snow & Rock and Runners' Need. For the year ending December 2019, the group's turnover was £187.4 million.

Outdoor and Cycle Concepts Ltd has an Experian credit score of 35, indicating an 'above average risk'.

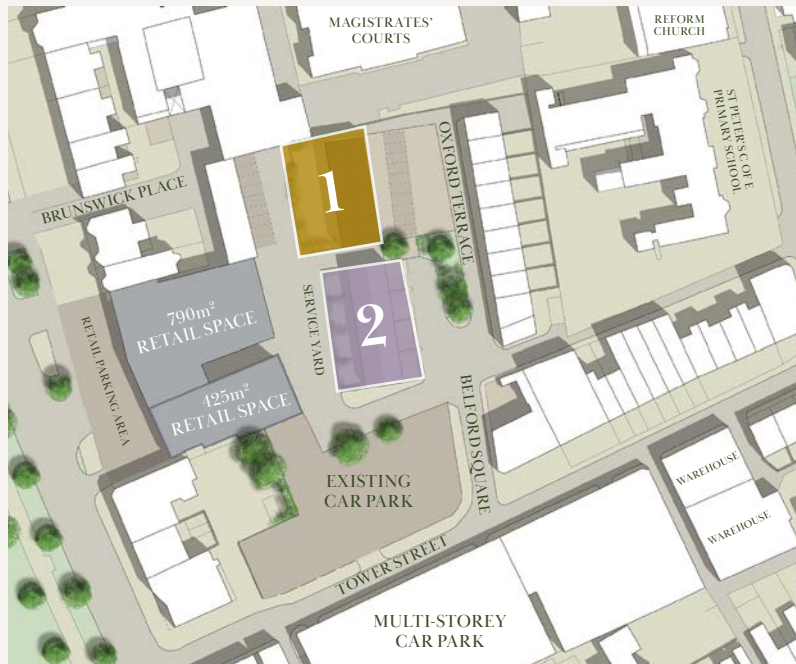
Asset Management & Development Opportunities

The vendor has previously developed a row of four townhouses to the rear of the property, fronting Oxford Terrace.

Cotswold Outdoor's unit has a large single storey extension to the rear. In the future, the opportunity could arise for the landlord to take back the rear part of their accommodation to create space for the construction of a new row of townhouses, mirroring those built previously on the site immediately adjacent.

With the new Class E classification, the reduced Cotswold unit (with the benefit of outside seating to the front) would lend itself well in this location to a bar or restaurant use.

Over their period of ownership, our clients have extended several of the residential leaseholds. Eight remain on relatively short unexpired terms (less than eighty years) and our clients estimate that they have a combined latent value for extension premiums of around £120,000.



Indicative architect's plan – not to scale.



1 Townhouses previously developed by the vendor.



2 Potential site for new townhouses in place of rear extension.

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Tenure

Freehold

Planning

The property is located within the Harrogate Town Centre Conservation Area and is not listed.

Under the revised Use classes Order (September 2020), the premises fall into the new Class E which permits changes of use between what are currently classes A1 (shops), A2 (professional services), A3 (restaurants), B1 (offices) and parts of D1 (including gyms), without a requirement for planning permission being granted.

VAT

The property has been elected for VAT and it is assumed the sale will be conducted via a Transfer of a Going Concern (TOGC).

EPC

EPCs are available upon request.

AML

Prospective purchasers will be required to fulfil the vendors' anti-money laundering requirements in accordance with the Money Laundering Regulations 2017.



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Proposal

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(Two Million, Seven Hundred and Fifty Thousand Pounds) exclusive of VAT and STC,
reflecting a net initial yield of 7.48%, assuming the usual purchaser's costs.

Contact

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arrange a viewing, please contact:



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