

CHELtenham

118 / 120 High Street GL50 1EQ

Prime Retail Investment

With residential refurbishment
opportunity

Opposite new John Lewis Store

Offers in excess of £2.85m



JOHNSON FELLOWS



INVESTMENT SUMMARY

- Freehold
- Ground floor & basement let to Costa Ltd expiring February 2032
- Rent -£125,000 pa
- Vacant upper parts for residential refurbishment & conversion.
- Offers sought in excess of £2,850,000



LOCATION

The Regency spa town at Cheltenham lies at the foot of the Cotswold Hills and within 3 miles of M5 Junction 11. The town is famed for its racecourse, various annual festivals, as well as being a strong business centre with affluent population and an influx of tourists too.

118/120 High Street is situated in the core of the town centre, fronting onto the pedestrianised High Street almost directly opposite the new **John Lewis** department store which opened October 2018. **Next** have just opened an expanded 25,000 sq ft store too, showing great confidence in retailing in the town

DESCRIPTION

An attractive Grade II Listed Building comprising ground floor retail and basement occupied by Costa Ltd, together with 3 self-contained upper floors with separate entrance directly from High Street.

The 2nd & 3rd floors comprise 3 existing residential apartments, whilst the 1st floor comprises former offices with planning consent to convert to 2 residential apartments.

ACCOMMODATION

The property provides the following approximate net internal areas:-

Ground floor sales	144 sq m	1,550 sq ft
Ground floor ancillary	54 sq m	585 sq ft
Basement ancillary	65 sq m	700 sq ft

1st Floor:

Former bank offices with high ceilings and excellent natural light from tall windows. Planning consent to provide 2 x 2 bed apartments – approx. 750 sq ft & 865 sq ft.

2nd Floor:

Vacant – 1x 2 bed flat and 1x 1 bed flat -approx. 765 sq ft and 650 sq ft)

3rd Floor:

Vacant 7 room apartment -approx. 1,175 sq ft -potential to divide to form 2 x 2 bed apartments.



INVESTMENT RATIONALE

- Prime retail location in an attractive regional centre.
- John Lewis Department store opened opposite October 2018 further boosting this location
- Let to undoubted covenant of Costa Ltd (Ground & basement).
- Upper parts for residential refurbishment and part conversion– potential to sell on long lease/s, let on ASTs, serviced lettings etc.

PLANNING

Planning and Listed Building Consents were granted 25th May 2018 for change of use at 1st floor from bank A2 use to residential C3 use to create 2 x 2 bedroom apartments. (Cheltenham Borough Council – Application No. 18/00020/COU and 18/0020/LBC.)

The ground floor & basement benefits from mixed A1/A3 planning consent.

FREEHOLD

Tenancy – ground floor & basement is let to Costa Ltd at passing rent of £125,000pa on effective FRI basis for a term of 15 years from 3rd February 2017, expiring February 2032 subject to 5 yearly upward only rent reviews. Tenant Break Option in February 2027 on no less than 6 months' notice.

-1st / 2nd / 3rd floors with vacant possession

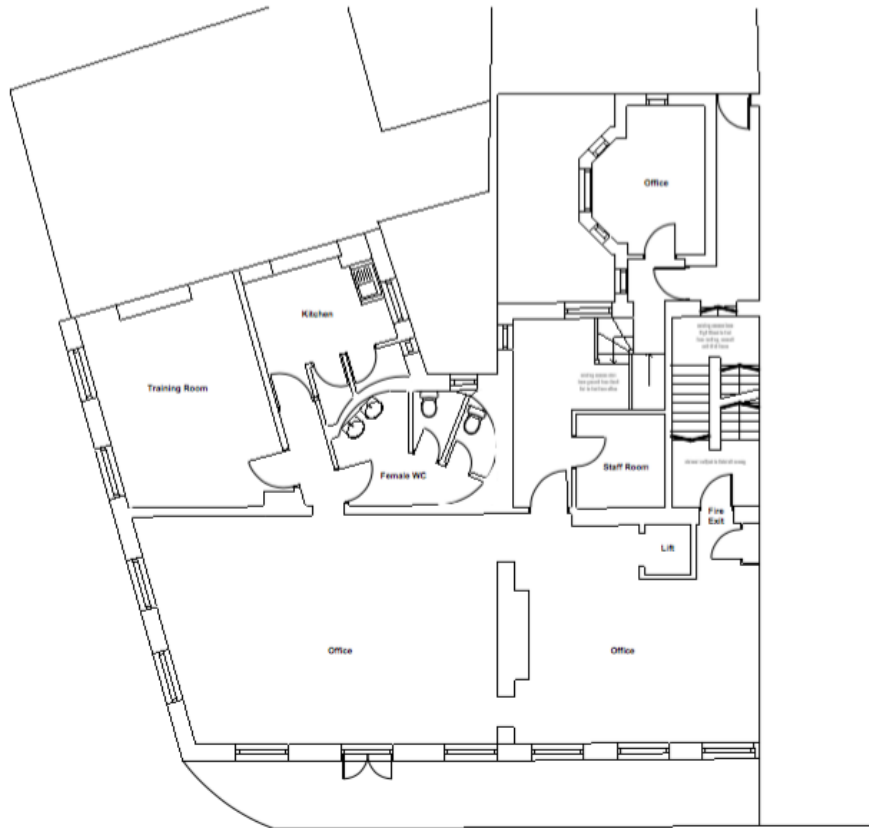
COVENANT STATUS

Accounts for Costa Ltd for year ended March 2018 show turnover £951m and Pre-tax profits £74.1m. In August 2018 Costa Ltd announced a sale of the company to Coca Cola for £3.9bn.

INVESTMENT EVIDENCE

- 124 High Street let to Flight Centre on 10 year term sold September 2016 at c 4.95%
- 211 High Street let to Caffè Nero with 7 years unexpired and 2 years to break sold September 2018 at c.4.8 %





Existing First Floor Plan



Proposed First Floor Plan

CHELTENHAM - 118 / 120 High Street

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Residential Refurbishment Opportunity



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PROPOSAL

We are instructed to invite offers in excess of **£2,850,000** for the benefit of the freehold interest subject to the lease on ground floor & basement to Costa Ltd ,but with vacant possession of the self-contained upper floors.

As an indication, valuation of the income from Costa Ltd at 5% would be at £2.35m net.

VAT

The freehold is currently not subject to payment of VAT.
All figures quoted are exclusive of VAT.

EPC

Ground floor/ basement - Rating A.
Other floors -available on request.

FURTHER INFORMATION

For further information, plans or to arrange inspection please contact joint agents:-



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