

**34 JOHN STREET
PORTHCAWL
CF36 6BA**



**Prime Located small retail investment in
Porthcawl Town Centre**

INVESTMENT SUMMARY

- **Porthcawl** is an attractive seaside town located on the Heritage Coast.
- Situated in a **prime location** on the **pedestrianised John Street**.
- Other occupiers in close proximity include **Peacocks, Card Factory, Greggs and HBOS**.
- The investment comprises a **ground floor retail unit** with the upper floor sold off on long leasehold basis.
- Let to **Gower Enterprises Ltd** on a 5 year full repairing and insuring lease, subject to a Schedule of Condition, from 10th August 2018, expiring 9th August 2023, with a tenant break 10th August 2020.
- Gower Enterprises has a 1A1 96% Minimum Risk Credit Rating and a Net Worth of £1.32 Million.
- Rent - **£11,000 pa** rising to **£15,000 pa** in August 2019 and to **£17,000 pa** in August 2020.
- **Attractive Small Lot size**
- Seeking offers in the region of **£215,000** (Two Hundred and Fifteen Thousand Pounds) (exclusive of VAT) equating to a **Net Initial Yield of 5.24%**, rising to **6.83% in August 2019** and to **7.74% in August 2020**, after purchase costs of 2.1%.



PORTHCAWL

Porthcawl is a coastal resort and commuter town 25 miles west of Cardiff and 19 miles south east of Swansea.

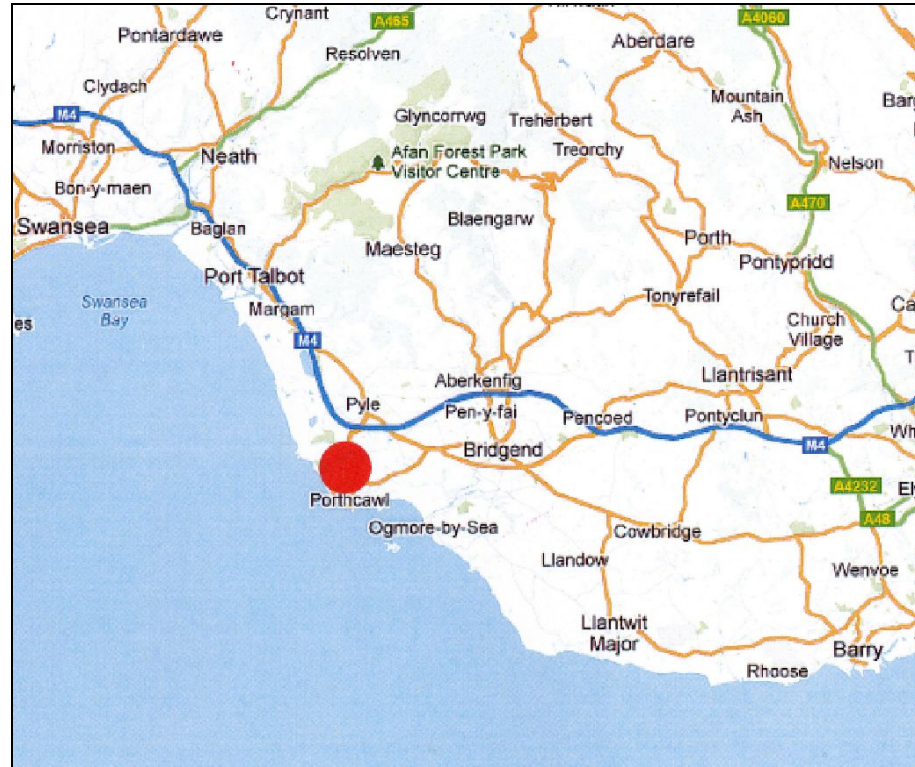
The resident population is 16,000, with over 1 million people living within 45 minutes' drive. Porthcawl's population is boosted by over 900,000 visitors a year.

Porthcawl benefits from being approximately 3.5 miles south of the M4 motorway, with Junction – 37 providing access to UK motorway network.

Cardiff International Airport is located approximately 23 miles to the west and provides scheduled flights to numerous UK and European cities

DEMOGRAPHIC AND ECONOMIC PROFILE

The town has a resident population of 16,000 - but with over 1 million people living within 45 minutes drive and a large tourism base - this population is



LOCATION

Porthcawl is the premier resort on the Glamorgan Heritage Coastline in South Wales. Its sandy Blue Flag beaches, attractive coastline and tourist facilities, together with the burgeoning water sports industry makes it a very popular destination for holidaymakers and day boosted significantly throughout the year. trippers.

The town also sits in one of the most attractive parts of the newly formed - Wales Coastal Path.

In addition, the town is home to the world famous Royal Porthcawl Golf Club – but also has two other 18 hole golf courses including Pyle & Kenfig Golf Club and Grove Golf Club. Which again all generate footfall to the town.

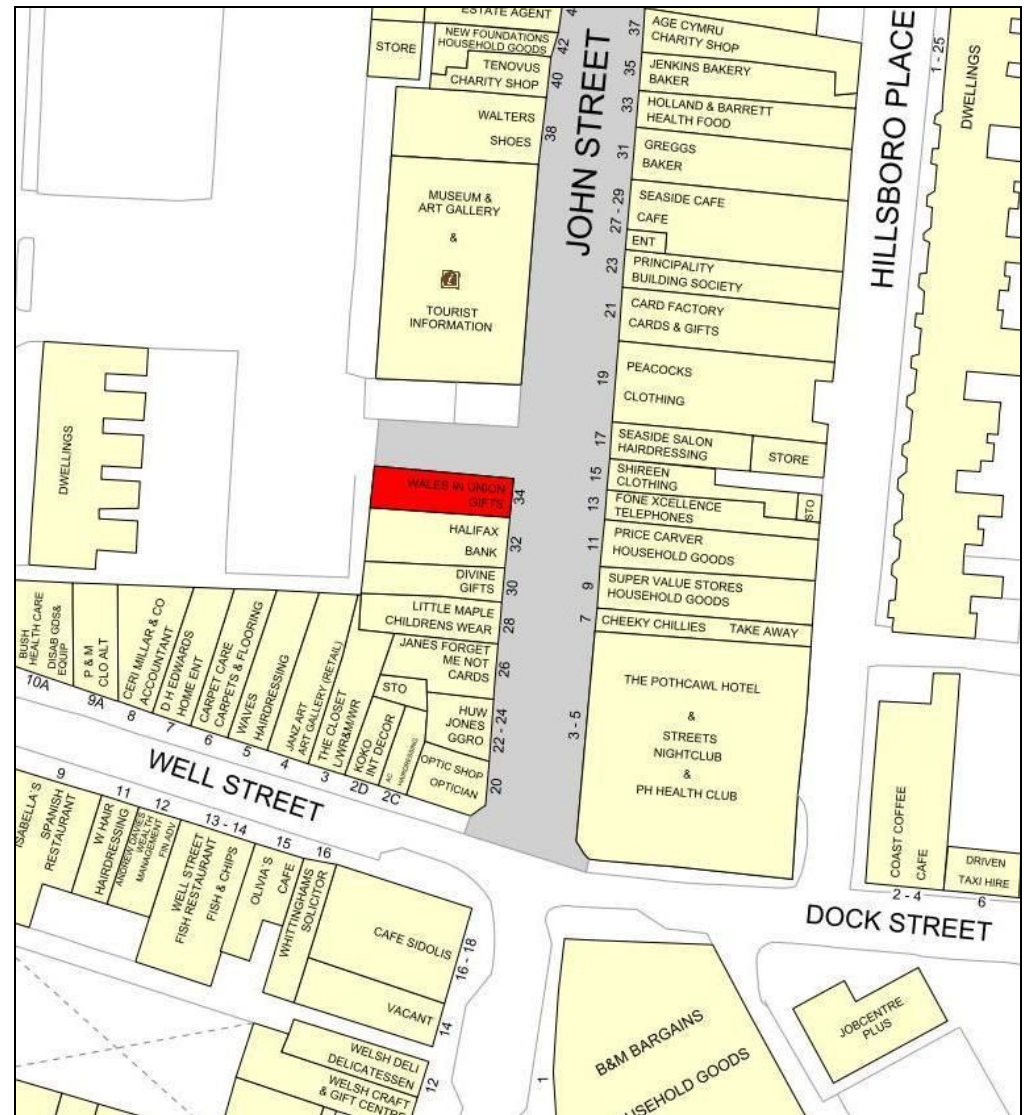
Other major attractions include the Edwardian Grand Pavilion, which is an Art Deco Grade II Listed Building on the waterfront, attracting over 77,500 visitors last year through a busy programme of performances.

Also nearby is Trecco Bay Holiday Park with 8,000 bed spaces, this further adds to the spend in the town

This vibrant combination has made Porthcawl a focus for a strong events programme - including the Celtic Festival in March, Jazz on the Beach in April, the Splash Up Surfing & Cycling competitions as well as the internationally renowned Porthcawl Elvis Festival.

The overall result of this activity is that the residential population of Porthcawl is boosted by over 900,000 visitors a year.

In 2011 the overall estimated expenditure by visitors to Porthcawl was £80.2M, £60M is estimated to be from holidaymakers, with £20 Million from day visitors. The £3.5M, 70 berth Marina has just been completed within the town.



SITUATION

The property is located in a prime pedestrianised position on John Street with other occupiers on the Street including Peacocks, HBOS, Greggs, Principality BS, Holland & Barrett, Card Factory, Jenkins the Baker, Costa, Specsavers and Poundland.

DESCRIPTION / ACCOMMODATION

The property affords the following dimensions and areas:-

Gross Frontage	6.74m	22ft 01 ins
Net Frontage	4.46m	14ft 08 ins
Average Internal Width	5.42m	17ft 09 ins
Built Depth	17.57m	57ft 08 ins
Ground Floor Sales	73.86 sqm	795 sqft
Rear Store	2.84 sqm	31 sqft
Kitchen / Ancillary	8.60 sqm	93 sqft

USER / PLANNING

The unit is currently used within class A1 of the Town and Country Planning Act.

TENANCY

Unit	Tenant / Guarantor	Rent PA PSF	Lease Terms
1 All G/Floor	Gower Enterprises Limited	£11,500 pa increasing to £15,000 pa on 10.08.2019 and £17,000 pa on 10.08.2020.	5 years from 10 th August 2018, expiring 9 th August 2023, The tenant has a break on 10 th August 2020, subject to 3 months written notice.

The lease is drawn on full repairing and insuring terms via a service charge and insurance rent, subject to a Schedule of Condition.

Both apartments are let on 125 year leases from February 2007 at peppercorn rents.

The tenant of the shop pays 50% of the service charge and insurance rent, with the apartments paying 25% each.



TENANT / COVENANT



Gower Enterprises Limited was established in 2008. They trade as E-Cigarette Direct.

They have a 1A1 96% Minimum Risk Dun & Bradstreet credit rating.

Gower Enterprises Limited's last 3 years accounts show strong growth, as summarised below:-

Year Ending	Net Worth	Current Assets
31.08.2017	£1,318,460	£1,124,222
31.08.2016	£1,287,768	£1,210,132
31.08.2015	£ 966,680	£873,820

TENURE

Freehold.

The Long Leaseholder of the flat contributes half the cost for repairing the property with the other half dealt with via the service charge from the ground floor tenant.

EPC

A copy of the Energy Performance Certificate is currently being commissioned and can be provided on request.

VAT

The property is elected for VAT. It is anticipated that the sale will be treated as a Transfer of a Going Concern (TOGC).

PROPOSAL

We have been instructed to seek a price of £215,000 (Two Hundred and Fifteen Thousand Pounds), subject to contract and exclusive of VAT.

Equating to a Net Initial Yield of 5.24%, rising to 6.83% in August 2019 and to 7.74% in August 2020, after purchase costs of 2.1%.

FOR FURTHER INFORMATION PLEASE CONTACT:



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