

PRIME RETAIL & RESIDENTIAL OPPORTUNITY INVESTMENT FOR SALE



20 & 22 BROOK STREET, ILKLEY, WEST YORKSHIRE, LS29 8DE

**CARTER
TOWLER**

Chartered Surveyors

**Photo for illustrative purpose only

Investment Summary

- Prime reversionary retail and residential investment opportunity.
- Located in the affluent market town of Ilkley in West Yorkshire.
- The property comprises two well configured terraced retail units and a **vacant 2-bedroom apartment**.
- The retail units total 5,877 sq ft including sales and storage areas and the apartment totals 598 sq ft.
- The retail element is leased to the strong financial covenants of **Greggs PLC** and **Savers Health & Beauty Ltd** producing a combined rent of **£89,500 per annum**.
- The leases provide a **WAULT of 9.20** years to expiry and **4.05** years to break.
- The two-bedroom apartment requires full redecoration. Assuming a capital expenditure of £25,000 we estimate that the apartment has a rental value of **£10,200 per annum**.
- We have been instructed to seek offers in excess of **£1,450,000** (One Million Four Hundred and Fifty Thousand Pounds), subject to contract.
- A purchase at this level will reflect a net initial yield of **5.82%**, assuming purchasers' costs of 6.08%.
- Once the apartment is refurbished and let, the property has a headline reversionary potential of approximately **6.48%**.



Ilkley Retail Market Commentary

Ilkley is an historic West Yorkshire spa town and is known as a tourist destination which in turn supports the local economy, retail and leisure sectors. The town is used as a base from which to explore the famous moor and countryside and to take part in a range of outdoor activities, such as hiking and cycling. Ilkley has a healthy and well established mix of independent and national shops, with a wide offering including fashion boutiques, gift shops, and outdoor equipment stores. The town also has a number of cafes, restaurants and pubs which are popular with visitors and locals alike. Due to its affluence and high number of visitors, Ilkley is considered a desirable location and is known for its high standard of living, which is reflected in the quality of the shops and services that it has to offer.

Description

The property comprises two prime located and well configured rectangular shaped retail units as well as a vacant two-bedroom apartment. Unit 22 provides accommodation over ground and first floor comprising sales area, rear storage and further storage and staff welfare accommodation at first floor level. Unit 20 provides accommodation at ground floor only with sales area to the front and storage and staff welfare facilities to the rear. Above Unit 20 is a vacant two-bedroom apartment which requires redecoration in order to make it lettable. The apartment is accessed via a courtyard to the rear just off Railway Road. The building is of traditional brick construction of with pitched slate roofs, together with an extension to the rear with flat roof.

Tenancies

Unit 20 is will be let to Greggs PLC on a new 10-year lease with a lease target start date of 7th August 2023. An agreement for lease is in place subject to landlords works which ae complete and awaiting sign off. The lease will be on an effective full repairing and insuring basis, with the tenant being directly responsible for all internal repairs and repairs to the shop front. The landlord will be responsible for any external repairs to the property and the tenant will reimburse the landlord on a proportionate basis as and when necessary. The initial rent is £40,000 per annum and is reviewed 5 yearly on an upward only basis to open market value. There is a tenant option to determine the lease at the end of the fifth year subject to 6 months prior written notice. The lease is contracted inside the security provisions of the Landlord and Tenant Act 1954.

Unit 22 is let to Savers Health & Beauty Limited on a 10-year lease from 7th February 2022 on an effective full repairing and insuring basis, with the tenant being directly responsible for all internal repairs and repairs to the shop front. The landlord will be responsible for any external repairs to the property and the tenant will reimburse the landlord on a proportionate basis as and when necessary. The initial rent is £49,500 per annum and is reviewed 5 yearly on an upward only basis to open market value. There is a tenant option to determine the lease at the end of the fifth year subject to 6 months prior written notice. The lease is contracted inside the security provisions of the Landlord and Tenant Act 1954.

The two-bedroom apartment is being sold with vacant possession.

Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition), and provides the following Gross Internal Areas:

22 Brook Street		
Sales Area	170.35 sq m	1,834 sq ft
Ground Floor Storage	38.97 sq m	419 sq ft
First Floor	141.87 sq m	1,527 sq ft
Total	351.19 sq m	3,780 sq ft

20 Brook Street		
Sales Area	100.45 sq m	1,081 sq ft
Ground Floor Storage	94.34 sq m	1,016 sq ft
Total	194.79 sq m	2,097 sq ft

2 Bedroom Apartment		
Floor Area	55.57 sq m	598 sq ft

Tenure

The property is held freehold under title number WYK583963.

Covenants



Greggs PLC is a British bakery chain. It specialises in savoury products such as bakes, sausage rolls, sandwiches and sweet items with over 2,300 stores throughout the UK and expanding. It is headquartered in Newcastle upon Tyne and is a constituent of the FTSE 250 Index.

Greggs PLC has an Experian score of 100 'Very Low Risk'.

The previous high level financial information is as follows:

Year	Dec 2021	Jan 2022	Dec 2022
Turnover	£811,300,000	£1,229,700,000	£1,5812,800
Pre-Tax Profit	(£13,700,000)	£145,600,000	£148,300,000
Net Worth	£306,000,000	£414,300,000	£432,500,000



Savers Health & Beauty Ltd (founded in 1988 as Savers Drugstores) is a discount chain of more than five hundred stores, owned by A.S. Watson (Health & Beauty UK) Ltd, which is part of the A.S. Watson Group who are the world's largest international health and beauty retailer also owning Superdrug in the UK. Savers is a value retailer selling a variety of health, beauty, household goods, medicines and fragrances.

Savers Health & Beauty has an Experian score of 100 'Very Low Risk'.

The previous high level financial information is as follows:

Year	Dec 2021	Jan 2022	Dec 2022
Turnover	£536,123,000	£567,199,000	£672,630,000
Pre-Tax Profit	£40,311,000	£40,352,000	£47,019,000
Net Worth	£50,121,000	£52,398,000	£55,058,000

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VAT

We understand the property has been elected for VAT and therefore anticipate the sale will be undertaken as a transfer of a going concern (TOGC).

ANTI MONEY LAUNDERING

The purchaser will need to satisfy both the vendor and Agent's Anti Money Laundering policies.

PROPOSAL

We are instructed to seek offers in excess of **£1,450,000 (One Million Four Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects an attractive Net Initial Yield of **5.82%** on the current contracted income, assuming purchaser's costs 6.08% and a headline reversionary yield of **6.48%** upon leasing the apartment.

EPC

Available upon request.

CONTACT

For further information or to arrange an inspection, please contact:

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