



# BARTON COURT

BATH

PROMINENT REBASED MIXED USE INVESTMENT FOR SALE



## INVESTMENT SUMMARY

- Mixed use block situated in a prominent location fronting New Bond Street and Upper Borough Walls.
- The property comprises approximately 35,265 sq ft (3,276 sqm) of retail floorspace and 18,809 sq ft (1,747 sqm) of office accommodation, as detailed in the tenancy schedule attached.
- Tenants include Anthropologie, White Stuff, Toni & Guy, Stone King LLP and ORX UK Limited.
- Income split 32% office and 68% retail.
- Significant proportion of the income is rebased.
- Tenure – Long leasehold with c.86 years remaining.
- Wault to expiry of 7.1 years and 5.9 years to break.
- Bath is the largest city in the unitary authority of Bath and North East Somerset and is a dominant retail/office centre with one of the UK's most affluent catchments.
- The city of Bath attracts approximately 6.28 million tourists per annum, given its renowned status as an historic destination.
- Bath is ranked 8th based on its PMA Non-Food Retail Score, 7th on the PMA Fashion Score and 6th on PMA's Café/Restaurant Score out of the 200 PROMIS Centres (Bath Promis, 2022).
- The city centre is designated by UNESCO as a World Heritage Site and is internationally renowned for its Roman-built baths and Georgian architecture.
- The total population within the Bath Primary Retail Market Area is estimated at 370,000 and is also projected to see significantly above average growth in population within its Retail Market Area over the next 5 years.
- Approximately 27,500 students are enrolled in Bath's two leading Universities.

## PROPOSAL

The vendor is seeking offers in excess of **£9,500,000 (Nine Million Five Hundred Thousand Pounds)** subject to contract which reflects an attractive net initial yield of 10.49% and a low capital value of c.£176 per sq ft.





## LOCATION

Bath is the largest city in the unitary authority of Bath and North East Somerset and is renowned as an attractive and historic destination in southwest England. The city centre is designated by UNESCO as a World Heritage Site and its Roman-built baths and architecture act as a magnet for the 6.28 million tourists the city welcomes each year, making it one of the ten English cities most visited by overseas tourists.

The city is situated 11 miles (18 km) southeast of Bristol, 58 miles (93 km) northwest of Bournemouth and 97 miles (156 km) west of London.



Bath benefits from an excellent road network being just 10 miles south of junction 18 of the M4 motorway providing easy access to London, Wales and Heathrow Airport. Additionally, 20 miles northwest is the M5 motorway that allows for access to the north, Devon and Cornwall.



Bath offers fantastic international connectivity, with Bristol Airport just 20 miles from Bath, which services over 100 destinations worldwide.



Bath Spa Railway station is conveniently located in the heart of the city centre, just a short walk from Bath's shops and attractions. The station provides services to Bristol (11 minutes), London (1 hour 20 minutes) and Southampton (1 hour 25 minutes).



# DEMOGRAPHICS

Bath has two universities, the University of Bath and Bath Spa University, with an estimated combined cohort of 27,500 students. Primary employers in the area include Rotrok, BuroHappold, the University of Bath, Bath Spa University and The Royal United Hospital Bath NHS Trust. Bath has a low unemployment rate of 3.1% compared to the 4.9% national average.



Bath has a primary catchment area of 370,000 people, ranking the city 30th of the PROMIS Centres. There is an estimated shopping population of 297,000 people and the city is also projected to see significantly above average growth in population within its Retail Market Area over the next 5 years. The catchment population for the city is one of the most affluent in the UK, with an above average representation of the most affluent AB social group, with 22% of households earning over £70,000 per annum compared to the 13.5% UK average.

Bath is one of the top performing urban areas outside of London for recent house price growth, with a significant proportion of buyers from London. The city is forecast to further outperform the national residential market with an average price growth of 29.4% over the next 5 years.



## RETAILING IN BATH

BATH IS RANKED 8TH BASED ON ITS PMA NON-FOOD RETAIL SCORE, 7TH ON THE PMA FASHION SCORE AND 6TH ON PMA'S CAFÉ/RESTAURANT SCORE OUT OF THE 200 PROMIS CENTRES.

Bath is one of the UK's top retail destinations with an estimated retail floorspace of 1.43 million sq ft and it's consumer base is ranked 26th of the PROMIS Centres.

The city ranks 29th of the PROMIS Centres based on the volume of the total retail spend available within the Primary Retail Market Area and is forecast to see significantly above average growth in retail spending over the next 5 years.

The principal shopping streets of Milsom Street, Union Street, Stall Street and Southgate form a north-south axis running parallel to the River Avon.

The area comprising Northgate Street, High Street, Pultney Bridge, Bridge Street, New Bond Street and Upper Borough Walls have continued to strengthen in recent years with the Waitrose store, fashion and F&B operators all helping to drive footfall.

The SouthGate shopping centre provides 420,000 sq ft of retail and leisure space, anchoring the southern end of the retail pitch and is home to a mixture of premium and more traditional high street occupiers.



## SITUATION

The subject property occupies a prominent corner position, with frontages to New Bond Street and Upper Borough Walls, situated in close proximity to the prime retail thoroughfares of Union Street and Old Bond Street. Upper Borough Walls leads from Northgate Street to Union Street and beyond and runs perpendicular to the main retail Shopping spine of Bath.

Nearby retailers include Waitrose, TK Maxx, Soho Coffee Shop, Crew Clothing, Joules, and The White Company.





## OFFICE MARKET IN BATH

Bath has a relatively small office market and over recent years; it has averaged around 90,000 sq ft per annum of take-up: 2021: showed 90,003 sq ft 2020: showed 76,798 sq ft. Much of the local office market has been dominated by a large volume of Georgian buildings which proliferate the city centre and have been home to many professional practices and other businesses for the past decades. Bath & North East Somerset Council even operated a moratorium on new office developments in the 1990's which today means there are remarkably few open plan offices within the city.

Rental growth has been strong in recent years and the deal recently agreed in the subject block to Stone King, at c.£25.50 per sq ft, now represents one of the higher value deals done in Bath in this sector of the market. Top Grade A office rents are now at c.£35 psf



## DESCRIPTION

The property comprises a mixed use corner block with retail frontages to Upper Borough Walls and New Bond Street. The ownership benefits from courtyard access from Upper Borough Walls to a raised first floor retail/restaurant area, which also provides an alternative access point from the upper floor offices. The self-contained offices are accessed via a glazed entrance from Upper Borough Walls and are arranged over 2nd and 3rd floors. There are 2 communal cores, the courtyard side, and the main Upper Borough Walls entrance. The offices benefit from 2 passenger lifts to each communal core and air conditioning.

We understand that the ownership is partially listed, with 2-6 Upper Borough Walls, 1 Upper Borough Walls and 1-9 New Bond Street all being Grade II listed.

**Use the link for a virtual tour of the property:**





# ACCOMMODATION

The property comprises approximately 54,074 sq ft (5,024 sqm) of floorspace as detailed in the tenancy schedule attached.





## TENURE

The property is held long leasehold from the Bath & North East Somerset Council, for a term of 125 years from 17th January 1983, leaving just under 86 years unexpired.

The annual rent payable under the headlease for each relevant year is to be the greater of £36,200 pa or 18.1% of the net rental income certified for the relevant year.

We understand that the head lease rent payable is currently £293,514 pa and as such, that will be the minimum rent payable moving forward, given the upwards only rent review. We understand that the rent is paid by equal half yearly instalments.

## TENANCIES

The property is currently let to 19 tenants as detailed in the tenancy schedule attached, producing a current gross rent of £1,372,826 pa, which nets down to £1,062,917 pa after deduction of the landlord shortfalls and head rent payable. This income assumes that the letting on 6/7 New Bond Street completes.

The Wault to expiry is 7.1 years and 5.9 years to break.

## SERVICE CHARGE

The service budget for the year ended 23rd June 2023 is £223,075 pa. Further information is available on request.



# TENANCY SCHEDULE

UNIT / DESCRIPTION	TENANT	TYPE	TOTAL AREA (SQ FT)	ACCOMMODATION (SQ FT)	RENT PAX	LEASE START	LEASE EXPIRY	RENT REVIEW	NEXT TENANT BREAK	SERVICE CHARGE SHORTFALL	COMMENTS
1 Upper Borough Walls (B/G/1st Fl)	Mascolo Group Limited T/A Toni & Guy	Retail	1,364	Ground 454 Ground ITZA 416.5 Basement 385 First Floor Sales 525 <b>Total 1,364</b>	£49,500	29/09/2018	28/09/2028	29/09/2023	28/09/2023		Tenant break penalty of £12,375. Inside the 1954 Act.
2 Upper Borough Walls (pt Bmt/Gr)	Brad Abrahams Limited T/A Optometry	Retail	1,131	Ground 310 Ground ITZA 310 Basement 379 First Floor Sales 442 <b>Total 1,131</b>	£39,000	08/03/2019	07/03/2034	08/03/2024 & 08/03/2029			Inside the 1954 Act.
3 Upper Borough Walls (B,G & 1st)	Cascara Bath Ltd	Retail	612	Ground 169 Ground ITZA 169 Basement 288 First Floor Sales 155 <b>Total 612</b>	£22,000	24/09/2018	23/09/2028	24/09/2023	23/09/2023		Rent paid monthly - personal concession excluded from the 1954 Act.
4 Upper Borough Walls	Holly Pope T/A Diva Nails	Retail	476	Ground 170 Ground ITZA 170 Basement 150 First Floor Sales 156 <b>Total 476</b>	£15,000	29/03/2022	28/03/2027				Inside the 1954 Act. Rent paid monthly - personal concession.
5 Upper Borough Walls	Daniel McCabe & Susan Greenwood (Partnership) T/A Magalleria	Retail	827	Ground 426 Ground ITZA 365 Basement 401 <b>Total 827</b>	£16,500	10/09/2021	09/09/2031	10/09/2026	10/09/2024		A further break on 10/09/2027. Rent reduced to £1.00 (if demanded) in the event of a Covid-19 or Sars-Cov-2 lockdown preventing the tenant from trading.
6 Upper Borough Walls (B'mnt/Grd)	Abigail Ewles T/A Vintage Abs	Retail	941	Ground 482 Ground ITZA 395 Basement 459 <b>Total 941</b>	£20,000	22/07/2022	21/07/2027		22/07/2025		Excluded from the 1954 Act. Rent deposit.
7 Upper Borough Walls/1 Barton Ct	Jazznote Limited T/A Zucci	Retail	1,270	Ground 369 Ground ITZA 343 Basement 541 First Floor Sales 360 <b>Total 1,270</b>	£40,000	25/03/2017	24/03/2027	25/03/2022			Inside the 1954 Act. Rent paid monthly - personal concession.
8 Upper Borough Walls/4 Barton Ct	The Whole Bagel Ltd	Retail	1,223	Ground 301 Ground ITZA 292 Basement 447 First Floor Sales 475 <b>Total 1,223</b>	£40,500	08/12/2017	07/12/2027	07/12/2022	07/12/2022		Tenant has separate external seating area on a licence agreement, determinable on 3 months notice. Lease inside the 1954 Act. The tenant has served a break notice and terms are agreed for a new 5 year lease at a rent of £28,000 pa, inside the 1954 Act with 6 months rent free.
2 Barton Court	Robert Tang & Suet Yi Pak T/A Bonghy Bo	Restaurant (Courtyard Level)	1,415	Ground <b>Total 1,415</b>	£20,000	29/09/2003	27/09/2033	28/09/2033			Tenant has separate external seating area on a licence agreement, determinable on 3 months notice. Rent reduced by 50% from 01/04/2021 to 30/03/2023 as a personal concession. 10 year reversionary lease agreed at £20,000 pa from 28/09/2023. Rent Review on 28/09/2023 and 28/09/2028.



UNIT / DESCRIPTION	TENANT	TYPE	TOTAL AREA (SQ FT)	ACCOMMODATION (SQ FT)	RENT PAX	LEASE START	LEASE EXPIRY	RENT REVIEW	NEXT TENANT BREAK	SERVICE CHARGE SHORTFALL	COMMENTS
3 Barton Court (1st Floor)	Robert Tang & Suet Yi Pak T/A Bonghy Bo	Restaurant			£9,000	29/09/2003	27/09/2033				Rent reduced by 50% from 01/04/2021 to 30/03/2023 10 year reversionary lease agreed at £9,000 pa from 28/09/2023.
1-4 New Bond St (B/G/1st Flrs)	URBN UK Limited T/A Anthropologie	Retail	14,226	Ground 3,614 Ground ITZA 2,429 Basement 3,916 First Floor Sales 6,736 Total 14,226	£265,000	25/12/2013	24/12/2028	25/12/2023			Inside the 1954 Act.
5 New Bond Street	Seasalt Limited	Retail	1,675	Ground 813 Ground ITZA 565 Basement 862 Total 1,675	£80,000	25/12/2013	24/12/2028		24/12/2025		Rent reduced from £120,000 to £80,000 with effect from and including 24th March 2020. Tenant break from December 2025 with £80,000 break penalty. Rent drops to £75,000 pa on start of reversionary lease (25/12/2023).
6/7 New Bond Street	Under Offer to Sabre Retail Fashion Limited T/A Mint Velvet	Retail	4,229	Ground 2,095 Ground ITZA 1,312 Basement Sales/Anc. 2,134 Total 4,229	£150,000			Expiry of 5th year			10 year lease with a break at 5. 6 months at half rent & 12 months at half rent if they don't break. Inside the 1954 Act. Current service charge budgeted figure is £4,211.24. Assumed letting completes.
8&9 New Bond St (ptB/G/1st Flr)	White Stuff Limited	Retail	5,876	Ground 2,332 Ground ITZA 1,240 Basement 2,083 First Floor Sales 1,461 Total 5,876	£162,500	31/07/2015	30/07/2030	31/07/2025		£346	Monthly payment of yearly rent. Reversionary underlease from 31/07/2025 for 5 years at higher of passing rent and OMV (day 1 rent review). Yearly rent reduced from £325,000 pa to £162,500 pa with effect from 1st April 2021. Rent reduced to 25% if there is a Covid-19 or Sars-Cov-2 outbreak whereby the government enforces a closure preventing the tenant from trading. Inside the 1954 Act.
Part Second Floor	Stone King LLP	Office	9,399		*£239,675	29/09/2021	31/10/2031	29/09/2026		£16,049	Rent topped up to 13/11/2022. Service charge cap of £75,192 (ex VAT) subject to annual increase in line with RPI.
Part 3rd Floor (Area 3)	Stone King LLP	Office	2,019		*£51,485	07/02/2022	31/10/2031	29/09/2026			Rent stated topped up to 21/12/2023. Service charge cap of £20,190 (ex VAT) subject to annual increase in line with RPI.
Part 3rd Floor (Area 4)	Stone King LLP	Office	1,281		*£32,666	28/10/2021	31/10/2031	29/09/2026			Service charge cap of £12,180 (ex VAT) subject to annual increase in line with RPI.
Part 3rd Floor (Area 5)	Stone King LLP	Corridor				28/10/2021	31/10/2031				Peppercorn rent passing. Service charge cap of £2,300 (ex VAT) subject to annual increase in line with RPI.
Part 3rd Floor	ORX UK Limited	Office	6,110		£120,000	02/07/2015	01/07/2025				Increased to £120,000 in July 2020.
<b>TOTALS</b>			<b>54,074</b>		<b>£1,372,826</b>					<b>£16,395</b>	

<b>WAULT to Break</b>	<b>5.9 years</b>
<b>WAULT to Expiry</b>	<b>7.1 years</b>

<b>Gross Income</b>	<b>£1,372,826</b>
<b>Landlord Shortfalls</b>	<b>£16,395</b>
<b>Headlease Rent</b>	<b>£293,514</b>
<b>Net Operating Income</b>	<b>£1,062,917</b>

\* All Stone King leases benefit from a rent free period of 2 months at the expiry of the 5th year of the term which is a personal concession.

## COVENANT STRENGTH

A sample of the covenant strengths are indicated below, based on the top 5 rental streams, which represents c.78% of the total rental income:



**STONE KING LLP**  
(Company No. OC315280)

	30th Apr 2021	30th Apr 2020	30th Apr 2019
Turnover	20,757,032	21,009,396	19,796,807
Pre-tax Profit	5,384,656	5,233,805	5,033,089
Total Net Worth	5,518,457	3,992,685	4,037,418

Stone King is a market leading law firm that represent private and commercial clients across a wide range of legal sectors. The firm holds Investors in People (IIP) gold and are independently recognised as a leading law firm by both Chambers and the Legal 500.

Stone King LLP has an Experian rating of 94/100 deeming the company 'Very Low Risk'.



**ORX UK LIMITED**  
(Company No. 06848757)

	31st Dec 2020	31st Dec 2019	31st Dec 2018
Turnover	-	-	-
Pre-tax Profit	-	-	-
Total Net Worth	735,234	698,186	921,820

ORX is the largest operational risk management association in the financial sector. The firm works with more than 100 financial institutions across 20 countries, collaborating with over 2,000 operational risk experts.

ORX UK Limited has an Experian rating of 100/100 deeming the company 'Very Low Risk'.

## WHITE STUFF

**WHITE STUFF LIMITED**  
(Company No. 02319237)

	1st May 2021	2nd May 2020	27th Apr 2019
Turnover	91,600,000	129,279,000	142,131,000
Pre-tax Profit	(11,682,000)	(11,815,000)	(1,402,000)
Total Net Worth	6,683,000	15,463,000	29,295,000

White Stuff is a British lifestyle and fashion brand that specialises in women's, men's and kid's clothing, homeware and gifts. The company is international with over 120 stores in the UK and a presence in Germany as well as online.

White Stuff Limited has an Experian rating of 64/100 deeming the company 'Below Average Risk'.

## SEASALT

**SEASALT LIMITED**  
(Company No. 02259954)

	30th Jan 2021	1st Feb 2020	2nd Feb 2019
Turnover	69,770,210	75,371,688	65,657,314
Pre-tax Profit	2,427,655	628,495	3,037,146
Total Net Worth	13,415,803	11,053,787	10,885,777

Seasalt is a UK based clothing, footwear and accessories brand that offers both women's and men's ranges. The company is one of Cornwall's largest employers and has approximately 60 stores in the UK and Ireland.

Seasalt Limited has an Experian rating of 76/100 deeming the company 'Below Average Risk'.

## ANTHROPOLOGIE

**URBN UK LIMITED**  
(Company No. 03124253)

	31st Jan 2021	31st Jan 2020	31st Jan 2019
Turnover	222,521,000	230,507,000	220,302,038
Pre-tax Profit	(26,863,000)	(13,125,000)	1,083,132
Total Net Worth	97,393,000	112,808,000	99,080,588

URBN UK Limited t/a Anthropologie offers women's clothing brand that also offers shoes, accessories, home and furniture goods in addition to beauty and wellness products. URBN has a collection of brands in addition to Anthropologie that include Urban Outfitters, Free People, Menus & Venues, Nuuly, Terrain and BHLDN.

URBN UK Limited has an Experian rating of 89/100 deeming the company 'Low Risk'.

## VAT

We understand that the property is elected for VAT and therefore VAT will be payable on the purchase price. It is envisaged that the sale will be dealt with as a Transfer Of a Going Concern (TOGC).

## EPC

The EPC ratings for this property are available on request.



## PROPOSAL

We have been instructed to seek offers in excess of **£9,500,000 (Nine Million Five Hundred Thousand Pounds)**, subject to contract and exclusive of VAT for the benefit of our client's long leasehold interest in the subject property.

A purchase at this level would reflect a net initial yield of 10.49%, net of standard purchaser's costs.

The sale price reflects a low capital value of c.£176 per sq ft.

## IDENTITY CHECKS

In order to comply with anti-money laundering legislation, the successful purchaser will be required to provide certain identification checks. The required documents will be confirmed and requested from the successful purchaser at the relevant time.

## CONTACT

**FOR FURTHER INFORMATION,  
PLEASE CONTACT:**

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