

JACKSON
CRISS

60/64 PARADE & 13 BEDFORD ST.

ROYAL LEAMINGTON SPA

PRIME RETAIL INVESTMENT WITH
RECONFIGURATION/DEVELOPMENT POTENTIAL



INVESTMENT SUMMARY

Significant reconfiguration/development potential.

Royal Leamington Spa is an affluent and popular Regency town dubbed 'Silicon Spa' being the hub for a sizeable cluster of UK & multinational video gaming and digital production companies.

Located in a 100% prime trading location on Parade, Leamington Spa's main shopping thoroughfare.

Outside of London, Royal Leamington Spa is amongst the top 10 regional centres of wealth and tourism in the UK.

50,721 sq ft (4,712 sq m) of accommodation.

Freehold.

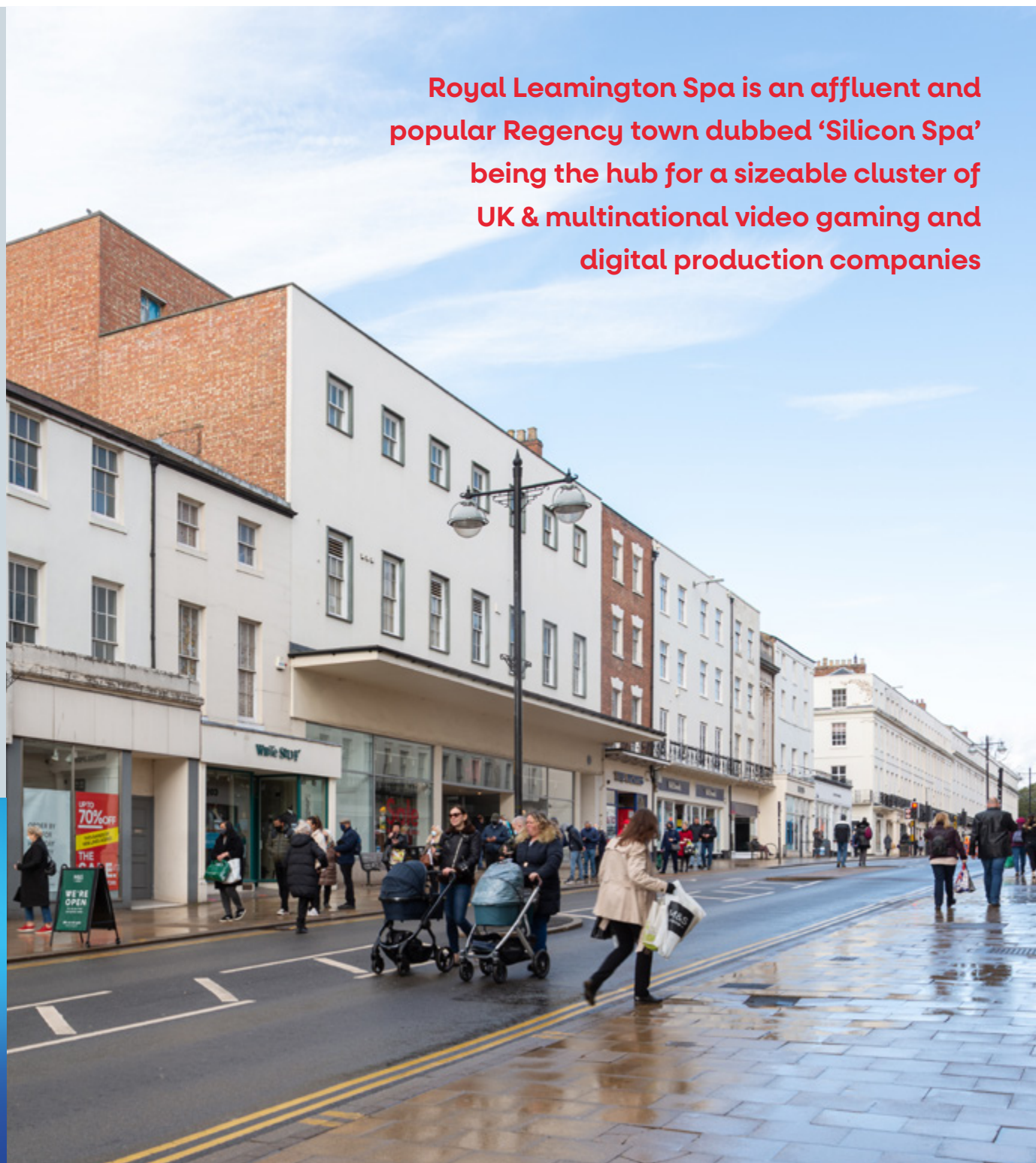
The property is fully let to H&M Hennes and Mauritz UK Limited at a current rent of £740,488 pa.

Unexpired term of 3 years.

PROPOSAL

We are instructed to seek offers in excess of **£4,250,000 (Four Million Two Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT which reflects a net initial yield of 16.33%, after allowing for standard purchaser's costs. The sale price would reflect a capital value of c.£84 per sq ft.

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LOCATION OVERVIEW

Royal Leamington Spa is an attractive and affluent Regency town located in the county of Warwickshire approximately 2 miles (3.2km) east of Warwick, 8 miles (13km) south of Coventry and 18 miles (29km) south east of Birmingham. It is the largest town and principal employment centre in the district of Warwick.



M40 Junction 13
5 miles

M40 Junction 14
4 miles



Birmingham
29 minutes

Marylebone
71 minutes



Birmingham Airport
45 minutes

Due to its strategic location, Leamington Spa benefits from excellent road links with direct access to the M40. Junction 13 is situated within 5 miles (8km) providing routes to London and the south and Junction 14 is 4 miles (6.4km) west, providing access to the M42 and the north. The A46 is 4 miles (6.4km) distant and the M45, some 11 miles (17.6km), providing links to major towns across the Midlands.

Royal Leamington Spa railway station (Chiltern Main Line) is also very well connected, with a regular direct service to London Marylebone in 71 minutes and Birmingham Moor Street and Snow Hill in 29 minutes.

Birmingham International Airport is situated 19 miles (30.6km) north west of the town centre and provides national and international flights to over 150 destinations. The airport is accessible via the A452/A45 with a journey time of approximately 45 minutes or via a direct train service in 23 minutes.



RETAILING IN ROYAL LEAMINGTON SPA

Royal Leamington Spa boasts an excellent retail provision with approximately 1.16 million sq ft of accommodation. The town has a wide range of retailers and a strong independent provision for both fashion and speciality shopping. The town has an above average quality of retail provision relative to the size and affluence of its population.



The prime retailing pitch is focused around Parade which is an attractive boulevard of Regency architecture and is where the subject property is located. Retailers in occupation on Parade include M&S, White Stuff, Oliver Bonas and Superdrug. Other shopping streets include Warwick Street and Regent Street, both of which intersect Parade, and Bedford Street and Park Street, which run parallel to Parade.

There are two managed shopping centres in Leamington Spa which complement the high street provision. Royal Priors is the town's principal scheme and offers 130,000 sq ft of retail accommodation. The scheme is anchored by Wilko and additional retailers include Sports Direct, New Look, Hobbs and Superdry. Regent Court is the leisure focused, open air scheme to the south of Regent Street. The scheme provides 70,000 sq ft of primarily A3 accommodation with current tenants including Côte, Turtle Bay, Wagamama, YO! Sushi and Nando's.

M&S	OLIVER BONAS	極度乾燥(しなさい) Superdry.	McDonald's	MINT VELVET
CÔTE BRASSERIE	HOBBS	WH Smith	Boots	CREW CLOTHING COMPANY



DEMOGRAPHIC PROFILE

With an estimated town population of circa 50,000 and an estimated Primary Retail Market Area population of 165,000 (end 2019), Royal Leamington Spa's catchment is one of the most affluent in the UK (PROMIS).

The town has a significantly above average proportion of adults categorised within the most affluent AB social group at 35% compared to the UK average of just 21%. Spending levels are high accordingly with the town ranking 27th out of 200 in the UK in terms of forecast growth in retail expenditure (2018-2023).

In addition, retail expenditure within the town is boosted by a large number of Warwick University students and tourists who visit popular attractions including the Royal Pump Rooms Art Gallery and Museum, Jephson Gardens as well as nearby Warwick Castle.

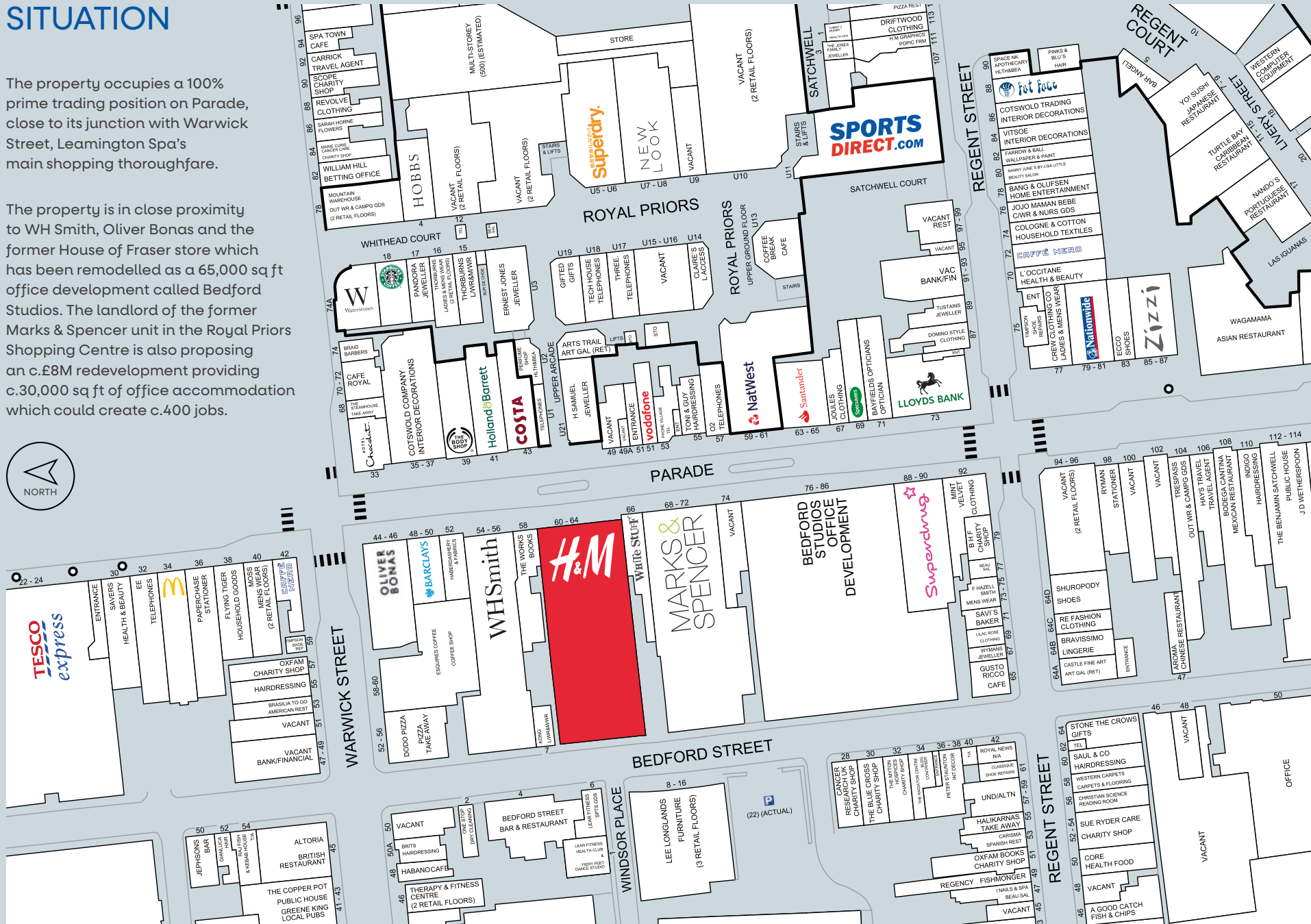
As well as being home to global organisations such as National Grid, Kantar Millward Brown and Wolseley, Leamington also boasts one of the strongest clusters of video gaming companies in the UK. There are 15 games businesses operating out of the town centre earning it the name 'Silicon Spa'. Facebook's owner Meta has taken c.40,000 sq ft on Precision Park and Sumo Group has pre-let c.44,000 sq ft at Bedford Studios (former House of Fraser store).



SITUATION

The property occupies a 100% prime trading position on Parade, close to its junction with Warwick Street, Leamington Spa's main shopping thoroughfare.

The property is in close proximity to WH Smith, Oliver Bonas and the former House of Fraser store which has been remodelled as a 65,000 sq ft office development called Bedford Studios. The landlord of the former Marks & Spencer unit in the Royal Priors Shopping Centre is also proposing an c.£8M redevelopment providing c.30,000 sq ft of office accommodation which could create c.400 jobs.





ACCOMMODATION

The property comprises the following approximate gross internal floor areas:

Ground Floor Sales	13,070 sq ft	1,214 sq m
Basement Ancillary	974 sq ft	90 sq m
First Floor Sales	12,841 sq ft	1,193 sq m
Second Floor	12,954 sq ft	1,203 sq m
Third Floor	10,882 sq ft	1,011 sq m
Total	50,721 sq ft	4,711 sq m

Tenure

The property is held freehold.

Tenancy

The entire property is let to H&M Hennes & Mauritz UK Limited (Co no: 01413450), on a lease to expire 24th March 2026, at a current rent of £740,488 pa.

DESCRIPTION

The subject property comprises a mid-terrace four storey property arranged over basement, ground and three upper floors. The tenant trades from the ground and first floor which is served by escalator and lift access.

The property fronts on to Parade, with rear servicing and access available via Bedford Street. The property was constructed in the 1960s and is situated in the Leamington Spa conservation area.



COVENANT

H & M Hennes & Mauritz AB or H&M Group is a multinational clothing company based in Sweden that focuses on fast-fashion clothing for men, women, teenagers and children. The group has around 4,664 stores situated in 75 markets globally. The most recent accounting information for H&MUK Limited for the last 3 years is summarised below:



	30 Nov 2020 (£)	30 Nov 2019 (£)	30 Nov 2018 (£)
Sales Turnover	712,471,000	1,066,977,000	1,054,860,000
Profit before Tax	-62,857,000	20,409,000	10,720,000
Net Worth	27,287,000	170,684,000	163,845,000

H&M group's net sales increased 12% in the 2021 financial year with earnings of 1.43 billion SEK after financial items

DEVELOPMENT / RECONFIGURATION POTENTIAL

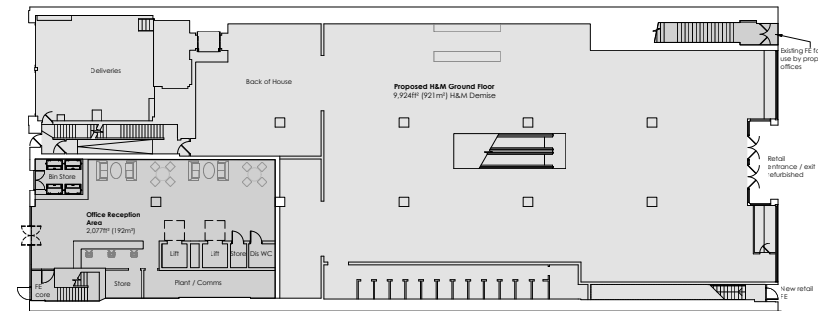
The property could lend itself to a variety of uses subject to planning. Following the conversion of the former House of Fraser to offices at 76/78 Parade, demand still exists for further office accommodation in the town.

Options for the subject store could include the following:

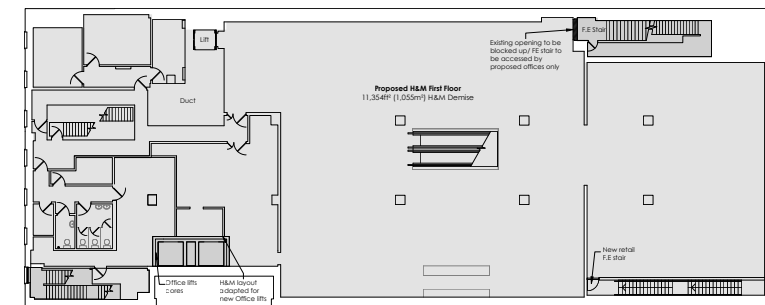
- Total office development/reconfiguration.
- Retail on the ground and/or first floor, with office or residential use on the upper floors.

H&M have indicated that they would like to stay in the ground, first and basement floors.

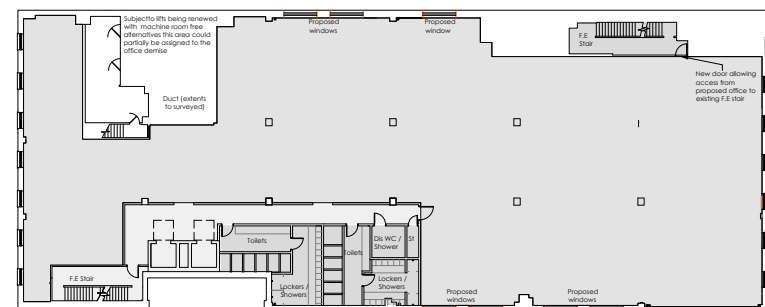
PROPOSED GROUND FLOOR



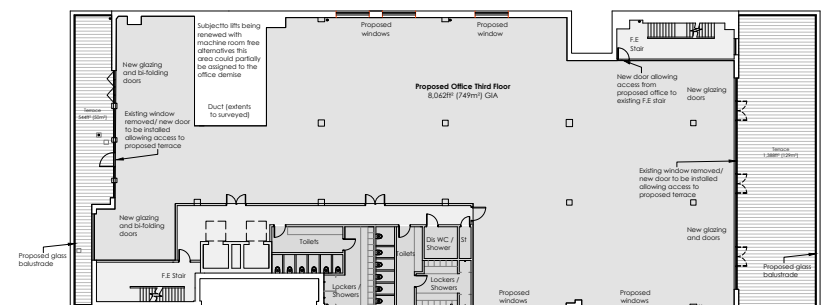
PROPOSED FIRST FLOOR



PROPOSED SECOND FLOOR



PROPOSED THIRD FLOOR



EPC

The property has an EPC rating of C. Further information can be provided on request.

VAT

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

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Recent comparable Investment sales in the town include the following:

34 Parade, Leamington Spa (McDonalds)

Freehold investment sold June 2022 for £1,500,000 (One Million Five Hundred Thousand Pounds) reflecting a net initial yield of 5.7% and a capital value of £266 per sqft. The property was let to McDonalds for a further 10 years.

54/56 Parade, Leamington Spa (WH Smith)

Freehold investment let to WH Smith on a lease until 2027, was sold in September 2021 for £2,495,000 (Two Million Four Hundred and Ninety Five Thousand Pounds) which reflects a net initial yield of 9.2% and a capital value of £149 per sq ft.



FOR FURTHER INFO. PLEASE CONTACT:

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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.

MESSRS: Jackson Criss for themselves and for the vendors or lessors of this property whose agents they are to give notice that: (i) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given in good faith and are believed to be correct but any intending purchasers or tenants should not rely on them as statements of representations of fact but satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) no person in the employment of Messrs. Jackson Criss has any authority to make or give any representation or warranty whatever in relation to this property. **104039 Mar 2023. Designed by tccommunications.co.uk**

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