



DAVID BAROUKH ASSOCIATES

54/56 Union Street & 53/55 High Street,
Aldershot, Hampshire



FREEHOLD RETAIL & LEISURE INVESTMENT FOR SALE

Location

Aldershot is a major town and commercial centre within the Blackwater Valley, south of the M3 corridor. The town is located approximately 40 miles (64 kms) south-west of Central London and 20 miles (32 kms) south-west of Heathrow Airport. The town has a district population of 82,500.

Aldershot benefits from excellent communications being situated approximately 5 miles (8 kms) south of Junction 4 of the M3 motorway via the A331, situated east of the town centre. The A31, situated approximately 3 miles (5 kms) south of the town, provides access to Farnham to the south-west and Guildford to the east.

Aldershot benefits from a mainline rail station which provides a regular service to London Waterloo with the fastest journey time being approximately 42 minutes.

Situation

The property is situated fronting both Union Street and High Street. 54/56 Union Street occupies a prime position adjoining Next and Woolworths, close to the entrance of the Wellington Shopping Centre. Union Street is the principal retail area within the town and benefits from being pedestrianised. Retailers close by include Marks & Spencer, Clinton Cards, Dorothy Perkins and C&J Clark.

53/55 High Street runs parallel with Union Street situated west of the junction with Wellington Street and Court Road, directly opposite the Gala Bingo Hall.

Description

The property comprises two separate buildings with two retail units on Union Street, two retail units on High Street and three upper floors. The upper floors are partly used as ancillary storage for the Union Street retail units, although the majority is currently occupied by a snooker club and accessed by an entrance on High Street.

54/56 Union Street was built in the 1960's and is of steel frame construction while 53/55 High Street comprises an attractive Victorian building benefiting from decorative brickwork and has a pitched timber framed roof.

Accommodation

Please see the Tenancy & Accommodation Schedule on reverse.

Tenure

Freehold

Tenancies

As set out in the enclosed schedule, the current passing rent totals £184,000 per annum. The rent review on the snooker club for June 2002 is outstanding, currently equating to only £27.34 per sq m (£2.54 per sq ft) overall. The rent increased from £27,000 per annum to £35,000 per annum for the 1997 rent review (awaiting documentation).

The passing rent on Units 1 & 2, 54/56 Union Street, equates to £589.43 per sq m (£54.76 per sq ft) in terms of Zone A, applying £32.29 per sq m (£3.00 per sq ft) on first floor accommodation and £21.53 per sq m (£2.00 per sq ft) on second and third floors.

The passing rent on 53 & 55 High Street, equates to £213.34 per sq m (£19.82 per sq ft) and £229.92 per sq m (£21.36 per sq ft) respectively, in terms of Zone A, applying £32.29 per sq m (£3.00 per sq ft) on the basement accommodation of 53 High Street.

Covenants

Redcastle Ltd (previously Burton Group Properties Ltd), trading as Top Shop and Evans.

Kennet & Avon Convenience Stores Limited, trading as Alldays. The tenant is a wholly owned subsidiary of Alldays Plc, recently acquired by Co-Operative Group.

Ritz Video Film Hire Ltd, trading as Blockbuster Video.

Leisure Asset Management Limited (previously London Image Amusements Ltd). The tenant is seeking assignment to Georgica MK Limited with a surety from parent company, Georgica Plc.

Price

The Freehold interest can be acquired for a price **£2,260,000 (Two Million, Two Hundred and Sixty Thousand Pounds)**, subject to contract, reflecting a net initial yield of **7.7%**, assuming costs at 5.7625%.

Value Added Tax

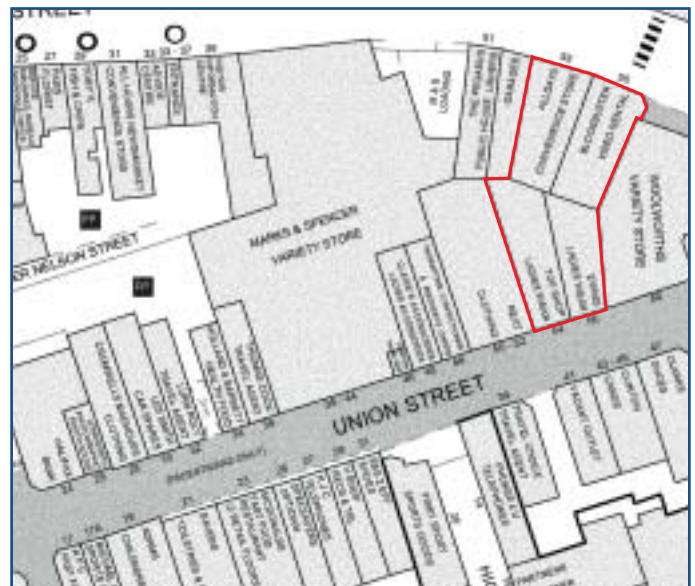
The property has been registered for VAT. It is anticipated that the sale will be treated as a Transfer of a Going Concern (TOGC).

Investment Considerations

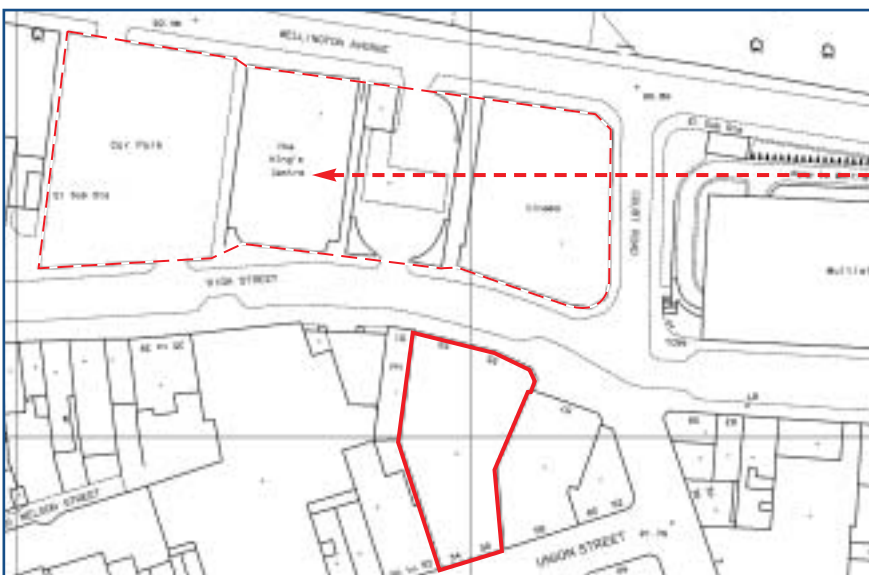
- 1 An opportunity to acquire a mixed use multi-tenanted block within Aldershot town centre, benefiting from two prime retail units.
- 2 The investment is predominantly let to well known tenants with lease expiries ranging from June 2009 to September 2013.
- 3 The purchase price reflects a high net initial yield of 7.7% with an opportunity to immediately increase by agreeing the outstanding rent review of the snooker club, currently let at £27.34 per sq m (£2.54 per sq ft).
- 4 The purchase price reflects an overall capital value equating to £943.32 per sq m (£92.68 per sq ft).
- 5 At the purchasing yield of 7.7% net this reflects a capital value of £375.53 per sq m (£34.89 per sq ft) on the snooker club, a substantial discount to residential values which we have been advised are up to £2152.80 per sq m (£200.00 per sq ft).
- 6 There may be an opportunity to redevelop the snooker club accommodation to residential, subject to obtaining various consents, although we have been advised by Rushmoor Local Authority that general policy is to encourage town centre residential. We understand that planning consent has recently been obtained on Union Street to redevelop an existing unit to incorporate 34 apartments (information can be provided upon request).
- 7 The enclosed Ordnance Survey plan outlines a site opposite 53/55 High Street which Rushmoor Borough Council are promoting for sustainable development. The Council have undertaken a report (SPG) to give further guidance of the site which is already set out in the adopted Rushmoor Local Plan. The report has recommended a mixed-use scheme. In our opinion, a development of the site will substantially improve this section of the High Street.



Aldershot



All maps are for identification purposes only.



PROPOSED REDEVELOPMENT OF EXISTING BINGO HALL/CINEMA, PETROL FILLING STATION, THE KINGS CENTRE & CAR PARK

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54/56 Union Street & 53/55 High Street, Aldershot, Hampshire - Schedule of Tenancies & Accommodation

Unit	Tenant	Accommodation	Passing Rent p.a.	Lease Expiry	Rent Review	Comments	
54/56 Union Street	Redcastle Limited (t/a Top Shop & Evans)	Ground Floor	4,261 sq ft	395.8 sq m	£107,250	23.06.2009	
		ITZA	1,807 sq ft	167.9 sq m	(£54,76 ITZA)	(approximately)	
		First Floor	1,280 sq ft	118.9 sq m		6.25 years unexpired)	
		Second Floor	1,425 sq ft	132.4 sq m			
		Third Floor	800 sq ft	74.3 sq m			
		TOTAL	7,766 sq ft	721.4 sq m			
53 High Street	Kennet & Avon Convenience Stores Ltd (t/a Alldays)	Ground Floor	1,684 sq ft	156.4 sq m	£21,250	28.09.2013	Outstanding rent review
		ITZA	1,072 sq ft	99.6 sq m	(£19.82 ITZA)	(approximately)	
		TOTAL	1,684 sq ft	156.4 sq m		10.5 years unexpired)	
55 High Street	Ritz Video Film Hire Limited (t/a Blockbuster Video)	Ground Floor	1,380 sq ft	128.2 sq m	£20,500	23.06.2012	
		Basement	1,205 sq ft	111.9 sq m	(£21.36 ITZA)	(approximately)	
		ITZA	847 sq ft	78.7 sq m		9.25 years unexpired)	
		TOTAL	2,585 sq ft	240.1 sq m			
Part 1st, part 2nd & 3rd Floor, 53/55 High Street	Leisure Asset Management Limited (t/a Breaks Snooker Centre)	First Floor (part)	4,470 sq ft	415.3 sq m	£35,000	23.06.2012	Outstanding rent review
		Second Floor (part)	3,090 sq ft	287.1 sq m		(approximately)	
		Third Floor	6,195 sq ft	575.5 sq m		9.25 years unexpired)	
		TOTAL	13,755 sq ft	1277.9 sq m			
TOTAL		25,790 sq ft	2395.8 sq m	£184,000			

Misrepresentation Clause

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