KINGS HEATH

120-138 HIGH STREET
BIRMINGHAM
B14 7LG

HIGH YIELDING, FREEHOLD, HIGH STREET, INVESTMENT OPPORTUNITY
INVESTMENT SUMMARY

- Popular and busy residential suburb of Birmingham with excellent communications to the city centre.
- An established convenience-led retail centre with little to no leakage to competing centres.
- Concentrated high street sandwiched by Asda and Sainsbury’s. National retailers in the vicinity include JD Sports, Clarks, Costa, Boots, Poundland, NatWest, HSBC, Superdrug, EE, Bodycare and Vodafone.
- A purpose built dual frontage retail parade located in 100% prime pitch.
- Well-configured retail units providing good sales accommodation.
- Well secured to 7 adjoining national retailers including Wilko Retail Ltd, Scrivens Ltd, Burton/Dorothy Perkins Properties Limited, Lloyds Pharmacy Limited, Specsavers Optical Superstores Limited, Greggs Plc and Bonmarché Limited.
- Freehold.
- WAULT of 4.5 years to expiry and 4.25 years to break.
- Total net annual income of £445,860.

We are instructed to seek offers in excess of £5,200,000 (Five Million, Two Hundred Thousand Pounds), subject to contract and exclusive of VAT for the freehold interest reflecting a net initial yield of 8.04% allowing for graduated purchaser’s costs of 6.61% at this level.
Kings Heath is a popular residential suburb of Birmingham located approximately 4 miles (6km) south of the city centre, 25 miles (40km) north of Worcester and 20 miles (32km) west of Coventry. The town lies within 5 miles (8km) from Junction 3 of the M42, which in turn links to the M40 (Junction 3A), the M5 (Junction 4A) and the M6 (Junction 7A).

There is a regular train service to Birmingham New Street and from there onto London Euston, with an average journey time of approximately 105 minutes.

Birmingham International Airport is located approximately 9 miles (14km) to the East.

NOTE: For indicative purposes only.
RETAILING IN KINGS HEATH

Kings Heath is a large residential suburb forming part of southern section of the Birmingham conurbation. The area provides one of the strongest retail offers outside of Birmingham City Centre. The pitch is linear in nature and is concentrated on the High Street and Alcester Road, which together form the A435. The retail predominantly provides a convenience offer; as such there is little catchment leakage to other suburbs.

Prime pitch is situated between the junction of Drayton Road and Asda (a former Morrisons) at 99-107 High Street. The subject property occupies a 100% prime pitch with the benefit of a pedestrian crossing to the front of the subject premises. This acts as a natural link to the west side of the High Street and together with two bus stops located immediately to the south encourages footfall between the two ends of the High Street.

National retailers present on the High Street in Kings Heath are JD Sports, Clarks, Costa, Boots, Poundland, NatWest, HSBC, Superdrug, EE, Bodycare and Vodafone.
Subject property located on 100% prime pitch
DESCRIPTION

The **subject property** comprises a **purpose built retail development** situated on an **island site** at the corner of **High Street** and **Silver Street**.

The property is fully let to seven national retailers trading from well-configured retail units. The ground floors are fully fitted to the corporate style of the retailers and utilised as sales while the first floors are used as ancillary space with the exception of Specsavers who have customer consultancy rooms on the first floor.

Servicing is to the rear of the property where a **tenant car park** is also located. Vehicular access is via Silver Street.

ACCOMMODATION

The property provides a total approximate net internal floor area of 25,101 sq ft (2,332 sq m) as set out in the Schedule of Tenancies.
## TENANCY SCHEDULE

<table>
<thead>
<tr>
<th>Address</th>
<th>Tenant</th>
<th>Description</th>
<th>Areas</th>
<th>Passing Rent (per annum)</th>
<th>Start Date</th>
<th>End Date</th>
<th>1954 Act</th>
<th>Rent Review</th>
<th>Lease Break Date</th>
<th>Service Charge</th>
<th>Insurance Premiums</th>
<th>RV 2017</th>
<th>Rates Payable (includes transitional rates relief)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>120-122 High Street</td>
<td>WILKO RETAIL LTD</td>
<td>Ground Floor ITZA</td>
<td>1,656</td>
<td>£135,000</td>
<td>04/01/2008</td>
<td>03/01/2023</td>
<td>Y</td>
<td>-</td>
<td>-</td>
<td>£2,056.19</td>
<td>£570.24</td>
<td>£67,500</td>
<td>£48,863</td>
<td>04/01/2018 Rent Review is outstanding. Ground Floor ITZA includes adjustments for return frontage and unit shape.</td>
</tr>
<tr>
<td>124 High Street</td>
<td>SCRIVENS LTD</td>
<td>Ground Floor ITZA</td>
<td>533</td>
<td>£25,000</td>
<td>23/02/2015</td>
<td>22/02/2020</td>
<td>Y</td>
<td>-</td>
<td>-</td>
<td>£1,076.55</td>
<td>£160.74</td>
<td>£20,500</td>
<td>£14,773</td>
<td>Break on 28/02/2018 was not exercised.</td>
</tr>
<tr>
<td>126 High Street</td>
<td>BURTON/ DOROTHY PERKINS PROPERTIES LIMITED</td>
<td>Ground Floor ITZA</td>
<td>1,159</td>
<td>£51,500</td>
<td>25/03/2017</td>
<td>24/03/2022</td>
<td>Y</td>
<td>-</td>
<td>25/03/2020</td>
<td>£2,335.95</td>
<td>£344.87</td>
<td>£42,500</td>
<td>£32,657</td>
<td>Tenant only break option on 25/03/2020 with 6 months notice and a penalty of £12,875 if break is exercised.</td>
</tr>
<tr>
<td>128/130 High Street</td>
<td>LLOYDS PHARMACY LIMITED</td>
<td>Ground Floor ITZA</td>
<td>1,444</td>
<td>£70,000</td>
<td>22/11/2014</td>
<td>21/11/2024</td>
<td>Y</td>
<td>22/11/2019</td>
<td>-</td>
<td>£2,196.98</td>
<td>£628.85</td>
<td>£57,500</td>
<td>£41,624</td>
<td></td>
</tr>
<tr>
<td>132 High Street</td>
<td>SPECSAVERS OPTICAL SUPERSTORES LIMITED</td>
<td>Ground Floor ITZA</td>
<td>581</td>
<td>£51,500</td>
<td>21/07/2008</td>
<td>20/07/2023</td>
<td>Y</td>
<td>21/07/2018</td>
<td>-</td>
<td>£1,048.16</td>
<td>£325.77</td>
<td>£21,250</td>
<td>£15,218</td>
<td></td>
</tr>
<tr>
<td>134 High Street</td>
<td>GREGGS PLC</td>
<td>Ground Floor ITZA</td>
<td>580</td>
<td>£32,500</td>
<td>09/11/2012</td>
<td>08/11/2022</td>
<td>Y</td>
<td>-</td>
<td>-</td>
<td>£1,161.03</td>
<td>£179.11</td>
<td>£21,500</td>
<td>£15,662</td>
<td>09/11/2017 Rent Review is outstanding.</td>
</tr>
<tr>
<td>136-138 High Street</td>
<td>BONMARCHE LIMITED</td>
<td>Ground Floor ITZA</td>
<td>1,516</td>
<td>£82,500</td>
<td>25/03/2017</td>
<td>24/03/2022</td>
<td>Y</td>
<td>-</td>
<td>-</td>
<td>£4,965.15</td>
<td>£685.61</td>
<td>£58,500</td>
<td>£42,970</td>
<td></td>
</tr>
<tr>
<td>Advertising Panels</td>
<td>WILKINSON HARDWARE STORED LIMITED</td>
<td>Ground Floor ITZA</td>
<td>1,156</td>
<td>£500</td>
<td>04/02/2008</td>
<td>-</td>
<td>Y</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>This licence is supplemental to the lease to Wilkinson Hardware Stores Limited. It can be determined with a 28 day notice served by the esther party and at lease expiry.</td>
</tr>
</tbody>
</table>

Total: 25,101 Sq Ft, £448,500, £14,840
## TENANT COVENANT

<table>
<thead>
<tr>
<th>Tenant</th>
<th>D&amp;B Rating</th>
<th>Date of Accounts</th>
<th>Sales/Turnover</th>
<th>Profit/Loss Before Taxes</th>
<th>Tangible Net Worth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilko Retail Ltd</td>
<td>SA 2</td>
<td>28/01/2017</td>
<td>£1,512,763,000</td>
<td>£5,198,000</td>
<td>£142,450,000</td>
</tr>
<tr>
<td>Scriven Ltd</td>
<td>N 1</td>
<td>30/10/2016</td>
<td>£36,335,515</td>
<td>£3,099,160</td>
<td>(£2,723,343)</td>
</tr>
<tr>
<td>Burton/Dorothy Perkins Properties Limited</td>
<td>N 3</td>
<td>27/08/2016</td>
<td>£10,971,000</td>
<td>£199,000</td>
<td>(£272,000)</td>
</tr>
<tr>
<td>Lloyds Pharmacy Limited</td>
<td>4A 1</td>
<td>31/03/2017</td>
<td>£2,152,130,000</td>
<td>(£148,824,000)</td>
<td>£17,300,000</td>
</tr>
<tr>
<td>Specsavers Optical Superstores Limited</td>
<td>SA 1</td>
<td>28/02/2017</td>
<td>£716,509,000</td>
<td>£32,772,000</td>
<td>£54,000,000</td>
</tr>
<tr>
<td>Greggs Plc</td>
<td>SA 1</td>
<td>30/12/2017</td>
<td>£960,005,000</td>
<td>£71,945,000</td>
<td>£289,753,000</td>
</tr>
<tr>
<td>Bonmarche Limited</td>
<td>4A 2</td>
<td>01/04/2017</td>
<td>£190,068,000</td>
<td>£5,719,000</td>
<td>£30,077,000</td>
</tr>
</tbody>
</table>
WEIGHTED AVERAGE UNEXPIRED LEASE TERM

The WAULT of the property is **4.5 years** to expiry and **4.25 years** to break.

INCOME PROFILE

- The current **gross contracted income** is **£448,500 per annum**.
- The **total net income**, after landlord shortfalls is **£445,860 per annum**.

The non-recoverable landlord cost amounts to **£2,640**. The figure comprises **£1,250** for management fees and **£1,390** for staff and facilities management costs, both figures being **50%** of the totals, which are covered by the landlord as per the service charge schedule.

PROPERTY MANAGEMENT & SERVICE CHARGE

The current service charge runs for the period of 1st April 2018 to 31st March 2019 and it amounts to **£14,840 per annum** exclusive. There are planned canopy works for the summer 2018 which will amount to **£3,500**. The full cost of these works are to be paid for through the service charge.

ENERGY PERFORMANCE CERTIFICATES

Energy Performance Certificates (EPC’s) and recommendation reports are available on request.

VAT

The property has been elected for VAT and any disposal will be by way of a Transfer of a Going Concern (TOGC).
PROPOSAL

We have been instructed to seek offers in excess of £5,200,000 (Five Million and Two Hundred Thousand Pounds), subject to contract and exclusive of VAT for the freehold interest reflecting a net initial yield of 8.04% allowing for purchaser’s costs of 6.61%.