



PRIME RETAIL INVESTMENT

93-99 HIGH STREET, YARM
STOCKTON ON TEES TS15 9BB

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property investment dee



Investment Summary

- Freehold multi let retail and ground rent investment
- Located in the affluent market town of Yarm
- Excellently situated in a prime patch opposite Sainsbury's and Barclays Bank
- Comprising 4 ground floor units with the residential ground rents
- The retail element extends to net internal area of 4,637 sq ft
- The residential leases have only 68 years unexpired, providing the opportunity for the landlord to extend for a capital premium
- Fully let producing £176,120 per annum
- AWULT in excess of 10.5 years certain (6.5 years to break)
- Seeking offers in excess of **£2,350,000**, reflecting a NIY of **7.05%** having allowed for purchasers' costs



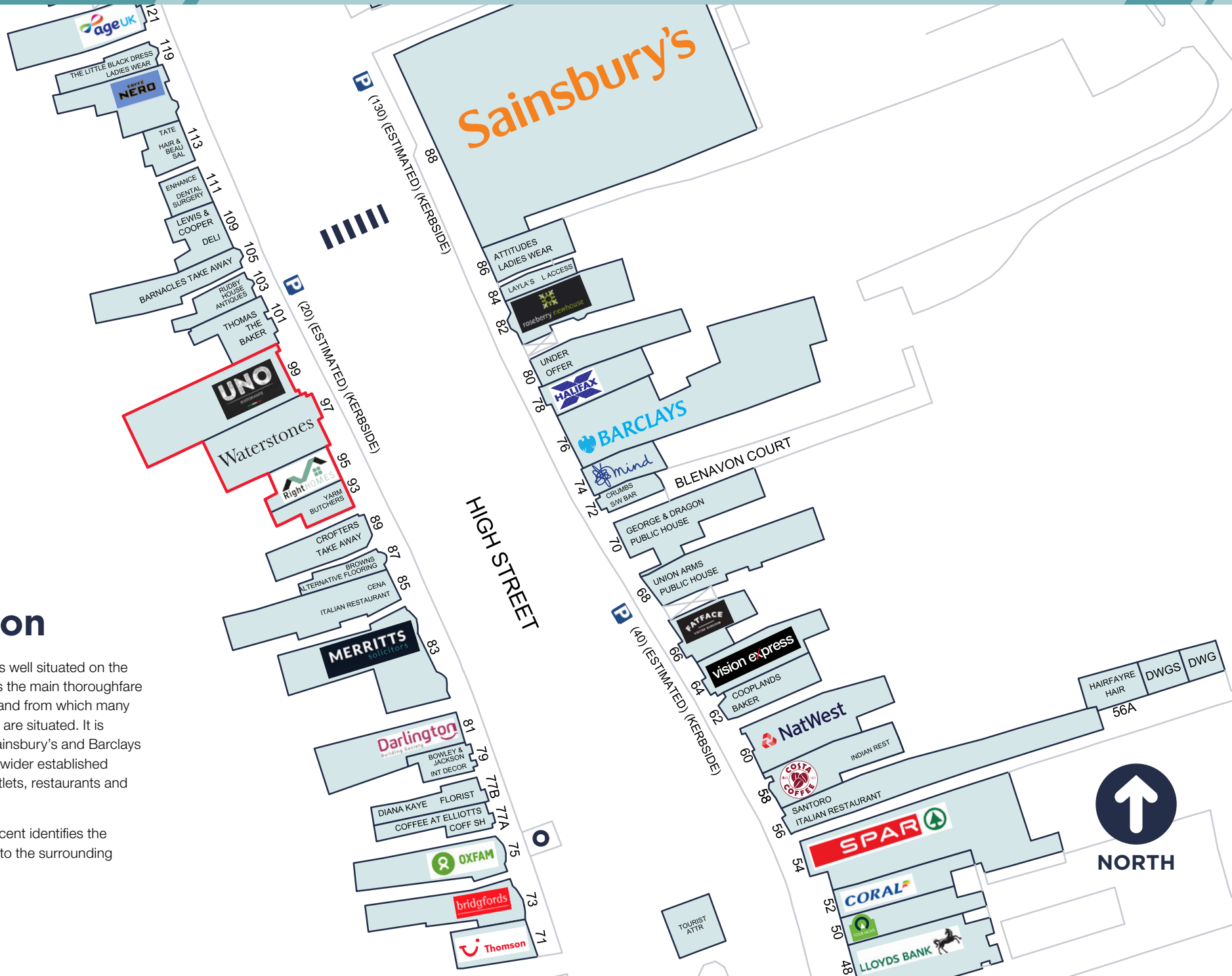
Location

Yarm is a busy and affluent Georgian market town situated 4 miles south of Stockton-on-Tees and 8 miles east of Darlington. It draws from an affluent residential population (9,750 people) within the immediate vicinity of the town as well as a much wider rural hinterland.

The town is an enclave of wealth and is the most desirable area to live in for the business community within the Stockton on Tees, Middlesbrough, Darlington area. Yarm School is the largest and most successful independent school in the area and is a huge driver of traffic to the town.

Road communications are via the A67 either south to the A19 (3 miles) or west to Durham Tees Valley Airport (4 miles) and Darlington beyond. The A135 leads to the A66 and Stockton to the North. Rail access is via Yarm Station and also Eaglescliffe railway station on the north side of the river Tees.





Situation

The property itself is well situated on the High Street which is the main thoroughfare through the village and from which many of the local retailers are situated. It is directly opposite Sainsbury's and Barclays Bank and amidst a wider established network of retail outlets, restaurants and tourist attractions.

The goad plan adjacent identifies the property in relation to the surrounding occupiers.

Description

The property comprises 4 ground floor unit shops beneath 2 floors of residential accommodation above which has been converted to 6 flats each sold off on a long leasehold basis.

The property is of a traditional construction with brick elevations and pitched slate roof. Windows are an attractive sash style with stone detail surrounds.

Car parking is provided off the main road to the front of the units. The total site area of the property extends to 0.367 acres (0.148 hectares).



Low vacancy along the High Street highlights the strength of retail spend and reinforcing the excellent continuity of income on offer

Tenancy Schedule

The property produces a total passing rent of £176,120 per annum as per the tenancy schedule below: -

Unit	Tenant	Areas (sq ft)	Start Date	Expiry (Break)	Next rent review	Rent (psf)	Comments
Unit 1, 93 High Street, Yarm	Callum Murray	462	15/01/2014	14/01/2022	15/01/2019	£18,000 (£38.96 psf)	
Unit 2, 95 High Street, Yarm	Right Homes North East Ltd	527	29/09/2015	28/09/2020	25/03/2018	£28,470 (£54.00 psf)	
Unit 3, 97 High Street, Yarm	Waterstones Booksellers Ltd	1,463	06/08/2016	05/08/2026	06/08/2021	£57,000 (£38.96 psf)	12 month rent free to be topped up by vendor.
Unit 4, 99 High Street, Yarm	Uno Momento (Yarm) Ltd	2,185	18/07/2016	17/07/2031 (18/07/2021) (18/07/2026)	18/07/2021	£72,500 (£33.18 psf)	3 month rent free to be topped up by vendor. 12 month rent deposit.
6 upper floor flats			01/08/1985		01/08/2084	£150	Fixed ground rent at £25 per annum per apartment.
Total		4,637 sq ft				£176,120	

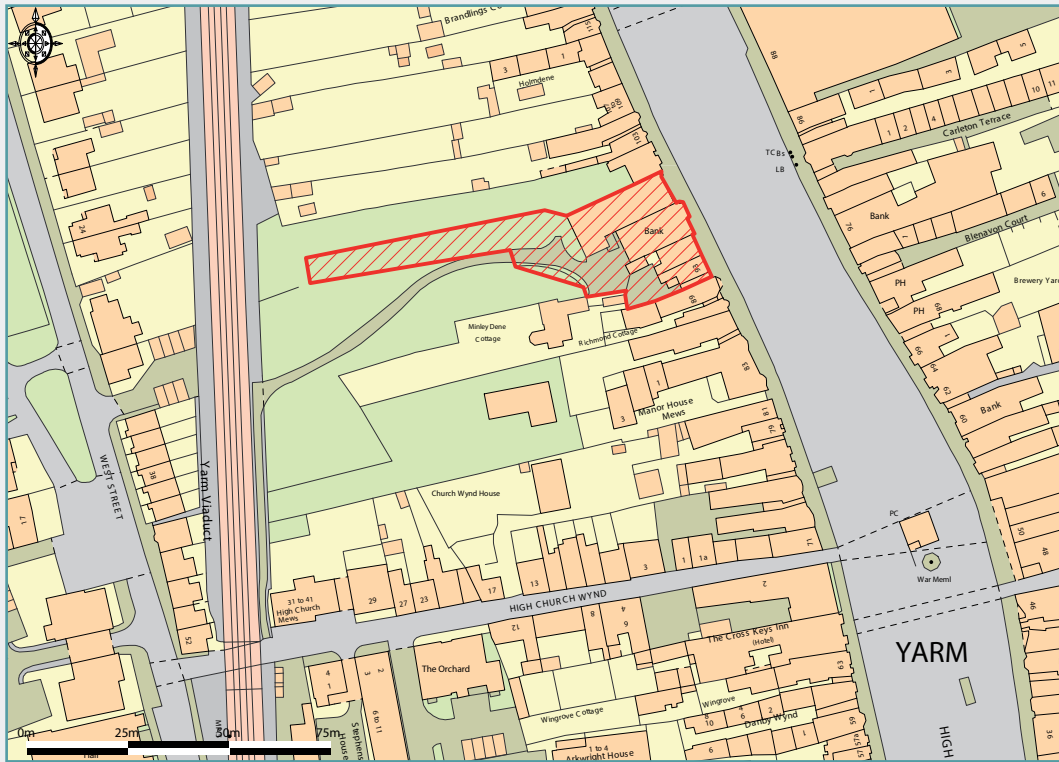
The property benefits from an AWULT in excess of 10.5 years (6.5 years to break)


Tenure

The property is held freehold and consists of the main building and gardens to the rear.

The 6 flats to the upper 2 floors have been sold off on a long leasehold basis with the benefit of a ground rent being paid to the freehold owner.

The total site area extends to 0.367 acres (0.148 ha) as per our understanding below:-



 Subject property totalling 0.367 acres (0.148ha)



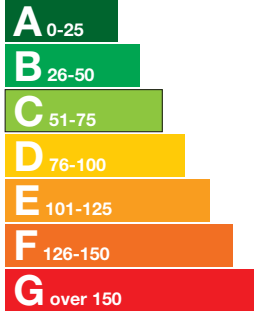
Leasehold Enfranchisement

The 6 upper floor residential units are held long leasehold by individual tenants until 1st August and 31st July 2084 at a fixed ground rent of £25 per annum (Total rent of £150 per annum). The leases therefore provide just over 68 years unexpired.

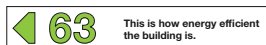
We understand the tenants have instructed a lawyer to represent them in an informal Lease Extension Process. Please note the tenants have not served Section 42 notices.

The Leasehold Extension Calculator (<http://www.lease-advice.org.uk/calculator/>) provides an indication of the possible value attributable to a lease extension. Further information can be provided on request.

EPC



EPC's available upon request, ranging from C (63) to E (120)



Section 5 Notices

We understand Section 5 notices are not required in this instance as the square footage (excluding common areas) of the residential element is less than 50% of the total building. The purchaser's solicitor is to verify the validity of the above.

VAT

We understand the property has been elected for VAT and it is envisaged that the transaction will be structured as a transfer of a going concern (TOGC).



Proposal

We are instructed to seek offers in excess of **£2,350,000 (Two Million Three Hundred and Fifty Thousand Pounds)** for our client's freehold interest.

A purchase at this level reflects a **7.05% net initial yield**, after deducting purchaser's costs.

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

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