

HIGH YIELDING INVESTMENT OPPORTUNITY WITH DEVELOPMENT POTENTIAL



# 188-196 HIGH STREET & 16 PROMENADE CHELTENHAM



## INVESTMENT SUMMARY

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- Cheltenham is an attractive Regency Spa town in Gloucestershire, which boasts a large and affluent catchment.
- Situated on the town's principal retail thoroughfare, adjacent to Promenade, which runs perpendicular to the High Street.
- The property comprises a modern building of concrete construction, providing three retail units, there is also a further unit fronting Promenade that has been sold off on a long leasehold basis.
- Fully let to the national covenants of WH Smith, Vision Express and Lush.
- WAULT of 3.8 years to expiry with no breaks.
- Potential to convert the upper floors to other uses, subject to vacant possession and planning permission.
- Freehold.

Net Income: **£724,500 per annum**

Offers in excess of: **£6,780,000** (subject to contract)

Net Initial Yield: **10.00%**



## LOCATION

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Cheltenham is an attractive Regency Spa town in Gloucestershire that is recognised as being the 'Gateway to the Cotswolds'.  
The town is located 40 miles northeast of Bristol, 40 miles southeast of Birmingham and 88 miles west of London.



Cheltenham benefits from excellent transport links with the A40 running through the town centre, which connects to the M40 east and provides access into London. Junctions 10 and 11 of the M5 motorway are approximately 3.5 miles north west and west of the town centre respectively, providing direct access to Birmingham and beyond.



Cheltenham Spa train station provides direct services to London Paddington, with a journey time of approximately 2 hours. Regular services also operate to Bristol, Birmingham, Manchester and Glasgow.



London Heathrow Airport is located 84 miles south east of Cheltenham. It is the second busiest airport in the world by international passenger traffic, offering services to 185 destinations in 84 countries.



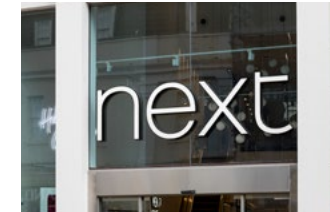
## DEMOGRAPHICS

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Cheltenham has a core catchment population of 158,561 and a shopping population totalling 127,396, indicating that the town benefits from a loyal catchment. The catchment population increases to 231,839 within a 20-minute drive.

Cheltenham's Acorn Group classification shows that 37% of the population are amongst the most affluent Acorn groups of Executive Wealth, Mature Money and Lavish Lifestyles, against the national average of 21%. Furthermore, the population is expected to see above average growth, estimated at 0.66% pa, over the period 2019-2024, versus the Retail Promis average of 0.47% pa.

Cheltenham attracts a vast number of tourists due to the numerous town centre tourist attractions, and of course the renowned annual Cheltenham Festival. Last year, the number of visitors to Cheltenham grew to 1.9 million, an increase of 7% on the previous year. Tourism was estimated to have boosted the local economy by over £162 million in 2019.



## RETAILING IN CHELTENHAM

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The prime retail pitch in Cheltenham is centred on the High Street, together with Promenade which runs perpendicular from it. High Street is largely representative of mass market retailing, including H&M, Topshop, M&S, Boots and Primark. This is complimented by Promenade, where there is significant representation from aspirational retailers reflecting the demographic profile of the town, including Reiss, Fat Face, The White Company and Hobbs.

Cheltenham has a quality retail offering and has recently welcomed a new full-line John Lewis store, delivered through a £23 million redevelopment of the former Beechwood Shopping Centre. John Lewis is located 0.1 mile south of the property and has added 115,000 sq ft of retail, dramatically enhancing Cheltenham's retail offering and considerably strengthening the eastern pitch.





## DESCRIPTION

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The property comprises a modern building of concrete construction, providing three retail units. 190-194 High Street is arranged to provide sales accommodation at ground floor and part first floors, with the remaining first floor, second floor and basement used as ancillary accommodation. Both 188 and 196 High Street are arranged to provide sales accommodation at ground floor with basement used as ancillary.

16 Promenade has been sold off on a long leasehold basis.

## SITUATION

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The property is situated on the High Street, the town's principal retail thoroughfare. The property is located just south of the intersection of the High Street and Promenade, which runs perpendicular.

Occupiers within the immediate vicinity include:



The Property's situation between the John Lewis store and The Promenade, where many aspirational retailers are located within the town, results in the property benefiting from very high levels of footfall.



## TENANCY

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Address	Tenant	Lease Start (Rent Review)	Lease Expiry	Area Description	Area (sq ft)	Rent (per annum)	Rent (Zone A)	Comments
190-194 High Street	W H Smith Retail Holdings Limited	26/08/2009 (25/08/2019)	25/08/2024	Ground Sales ITZA Basement Anc First Sales Second Anc Total NIA	5,086 1,950 3,045 7,288 2,742 18,161	£475,000	£177	The store benefits from a Post Office situated at first floor.
188 High Street	Vision Express (UK) Ltd	13/07/2015 (13/07/2020)	12/07/2025	Ground Sales ITZA Basement Anc Total NIA	1,921 806 956 2,877	£180,000	£206	
196 High Street	Lush Retail Limited	20/10/2010	19/10/2020	Ground Sales ITZA Basement Anc Total NIA	455 370 1,047 1,503	£69,500	£165	
16 Promenade	Swanston Holdings Plc (store currently trades as TM Lewin)	25/06/1951	24/06/2950			Peppercorn	-	This element has been sold off on a long leasehold basis.
<b>Total</b>					<b>22,541</b>	<b>£724,500</b>		



## COVENANT INFORMATION

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### WH SMITH PLC //// Company No: 05202036

WH Smith is a leading global retailer for news, books and convenience. The British retailer was established in 1792 and trades from over 600 high street stores.

WH Smith PLC have reported the following last three year's results and have a Creditsafe rating of 83/100 indicating a 'Very Low Risk' of business failure:

Year to Date	Turnover (000's)	Pre Tax Profit (000's)	Net Worth (000's)
31/08/2019	£1,397,000	£135,000	£10,000
31/08/2018	£1,262,000	£134,000	£140,000
31/08/2017	£1,234,000	£140,000	£120,000

### VISION EXPRESS (UK) LIMITED //// Company No: 02189907

Vision Express is a British company established in 1988, with 575 stores across the UK and Ireland. Following the acquisition of Tesco Opticians in 2017, Vision Express can also be found in Tesco Extra stores.

Virgin Express UK Limited have reported the following last three year's results and have a Creditsafe rating of 81/100 indicating a 'Very Low Risk' of business failure:

Year to Date	Turnover (000's)	Pre Tax Profit (000's)	Net Worth (000's)
31/12/2018	£324,319	(£16,533)	£15,736
31/12/2017	£261,954	(£1,153)	£22,858
31/12/2016	£255,734	£17,900	£47,269

### LUSH COSMETICS //// Company No: 04162033

Lush was founded in 1995 in Poole by trichologist Mark Constantine and beauty therapist Liz Weir. Lush trades from 900 stores worldwide, in 49 countries.

Lush Cosmetics Limited have reported the following last three year's results and have a Creditsafe rating of 85/100 indicating a 'Very Low Risk' of business failure:

Year to Date	Turnover (000's)	Pre Tax Profit (000's)	Net Worth (000's)
30/06/2019	£544,997	£13,734	£144,761
30/06/2018	£524,450	£23,423	£141,491
30/06/2017	£497,788	£73,482	£131,610





Indicative only.

## TENURE

Freehold.

## EPC

Energy Performance Certificates (EPCs) are available on request.

## VAT

This property has been elected for VAT purposes and it is expected that the investment sale will be treated as a TOGC.

CHELTENHAM

188-196 HIGH STREET  
& 16 PROMENADE

## PROPOSAL

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Offers sought in excess of **£6,780,000** (Six Million, Seven Hundred and Eighty Thousand Pounds), subject to contract and excluding VAT. A purchase at this level would reflect a **net initial yield of 10.00%**, assuming standard purchaser's costs.



## FURTHER INFORMATION

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