

Units 1-3, 18-28 Victoria Lane HUDDERSFIELD, HD1 2QF

Investment Sale



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INVESTMENT SUMMARY

- Huddersfield is a major regional retail centre with a catchment population in excess of 300,000 people within 10km (6.25 miles) of the town centre
- Pedestrianised retail pitch in the heart of Huddersfield opposite The Piazza Shopping Centre
- Three modern regular configured retail units let to Argos, Oakham Clothing and Internacionale
- Total current income £290,550 pax rising to £298,050 pax in September 2012
- Lease expiries September 2022, February 2016 and September 2012
- 49% of income secured on covenant of Argos until September 2022
- £3,300,000 subject to contract and exclusive of VAT. Net initial yield 8.32%, yield September 2012 8.54% and true equivalent yield 8.98% net of purchasers costs at 5.8%



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HUDDERSFIELD

Huddersfield is a significant retail and commercial centre within West Yorkshire. The town is located 304 km (190 miles) north of London, 34 km (20 miles) south west of Leeds, 26 km (16 miles) south west of Bradford and 47 km (29 miles) east of Manchester. The town centre is 3km (2 miles) south of junction 24 of the M62.

Huddersfield has direct rail links to Leeds, Manchester and Sheffield. Fastest journey time to London Kings Cross is 2 hours 45 minutes

The resident population is 146,000 (2001 census) with 306,000 and 1,060,000 people living within 10km (6.25 miles) and 20 km (12.5 miles) respectively of the town centre. Major employers include Huddersfield Royal Infirmary, David Brown Engineering, Syngenta, Cummins Turbo Technologies, Sellers and the University of Huddersfield. Approximately 23,000 students attend the University of Huddersfield.

SITUATION

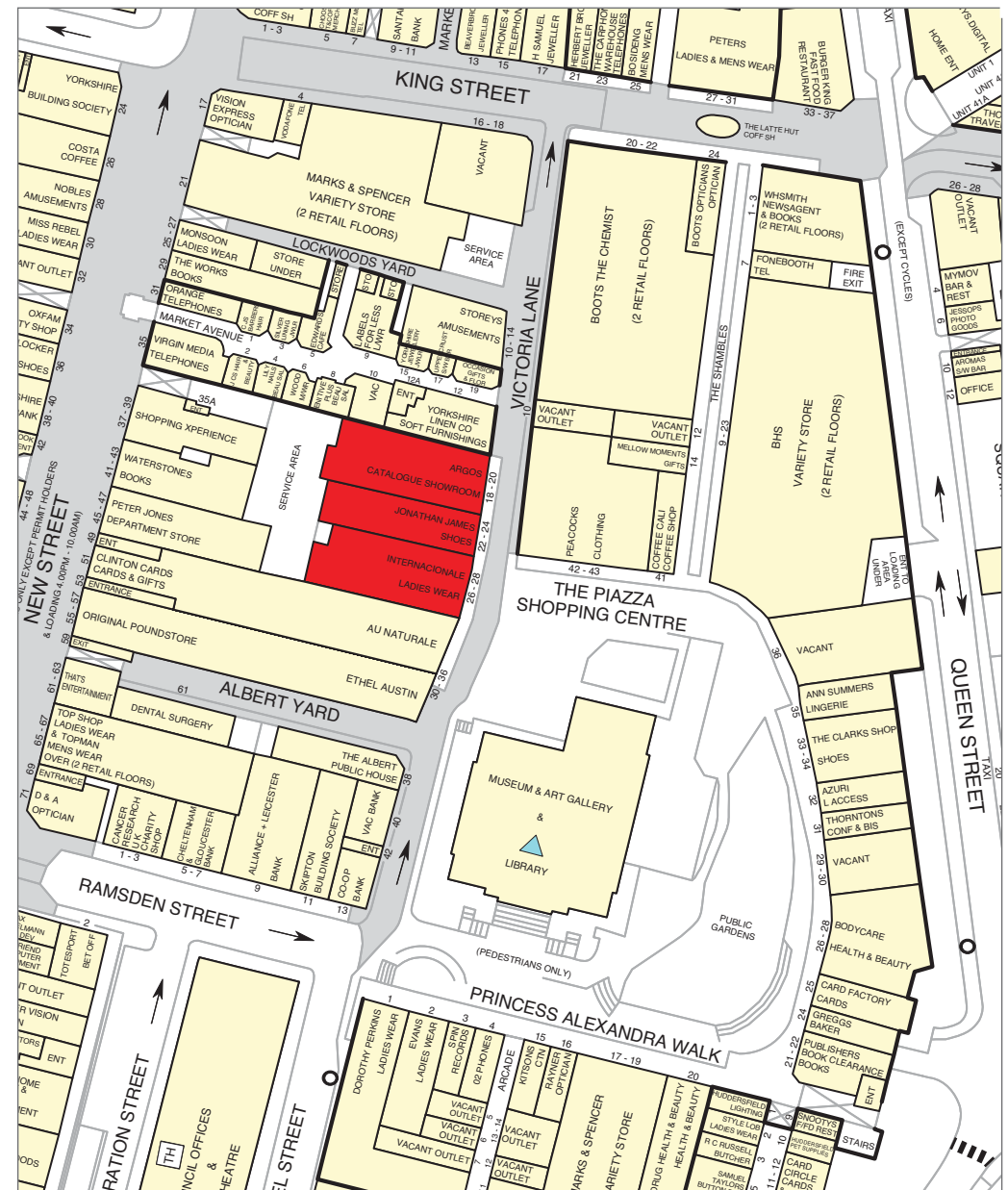
The property is situated on the pedestrianised Victoria Lane facing The Piazza Shopping Centre owned by Threadneedle. Victoria Lane links into the pedestrianised King Street which leads to the Kingsgate Centre. Nearby retailers include Marks & Spencer, Boots, British Home Stores, Ethel Austin, Au Naturelle, Peacocks, Superdrug, Dorothy Perkins and Evans. Queensgate Market (the town's covered market) is within 100 metres to the south. Car parking is available at Alfred Street 150 metres to the south (576 spaces) and Kingsgate 250 metres to the north (650 spaces).

The prime pitch is centred on the Kingsgate Centre and the pedestrianised section of King Street. The Kingsgate Centre opened in 2002 and totals circa 300,000 sq ft of retail accommodation with retailers including House of Fraser, Next, H&M, TK Maxx, HMV and New Look. Zone A rents are approximately £100 headline.

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DESCRIPTION

The property was completed in 1987 and comprises three well configured regular shaped retail units with storage and ancillary accommodation on two upper floors. The property has a service area to the rear with two communal goods lifts. The rear service yard is accessed via an underground service road from Queen Street to the east.



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ACCOMMODATION

The net internal areas are as follows:

	Unit 1		Unit 2		Unit 3	
	26/28 Victoria Lane		22/24 Victoria Lane		18/20 Victoria Lane	
	Sq m	Sq ft	Sq m	Sq ft	Sq m	Sq ft
Ground Floor	354.70	3,818	179.67	1,934	298.96	3,218
Ground Floor (ITZA)	(132.29)	(1,424)	(86.86)	(935)	(129.32)	(1,392)
First Floor	95.04	1,023	50.26	541	635.18	6,837
Second Floor					181.81	1,957
Total	449.74	4,841	229.93	2,475	1,115.95	12,012

The site extends to approximately 0.138 hectares (0.304 acres).

OCCUPATIONAL LEASES

The property is let in accordance with the tenancy schedule below. The total current passing rent is £290,550 pax with a fixed increase to £298,050 pax in September 2012.

Unit	Tenant	Total Area		Current Rent £pa pax	Start Date	Expiry Date	Rent Review	Notes
		Sq m	Sq ft					
1, 26/28 Victoria Lane	Internacionale Retail Ltd	449.74	4,841	£80,000	28/02/2011	27/02/2016		1, 2
2, 22/24 Victoria Lane	Oakham Clothing Ltd	229.93	2,475	68,050	29/09/1987	28/09/2012		3
3, 18/20 Victoria Lane	Argos Ltd	1,115.95	12,012	142,500	29/09/1987	28/09/2022	29/09/2012 29/09/2017	4, 5
		1,795.62	19,328	290,550				

Note 1: Commencing rent £40,000 pax, rising to £80,000 pax 28/08/2012. Vendor to "top up" rent to £80,000 pax from completion of sale.

Note 2: Schedule of Condition.

Note 3: Guaranteed by Broughton Brothers Ltd and Superdrug Stores Plc.

Note 4: Reversionary Lease Ground, part 1st and 2nd Floors. Term 29/09/2012 to 28/09/2022 at £150,000 pax which amalgamates 3 existing leases as follows Unit 3 Ground, part 1st and part 2nd Floors Term 29/09/1987 to 28/09/2012 at £120,000 pax. Part 1st Floor Term 29/08/1997 to 28/09/2012 at £3,550 pax. Part 1st and part 2nd Floors Term 15/03/2010 to 28/09/2012 pax at £18,950 pax.

Note 5: Fixed increase 29/09/2012 to £150,000 pax.

TENURE

The property is held long leasehold under three separate leases for terms of 999 years from 25 March 1870, 25 March 1889 and 29 September 1911. The annual rents reserved are £60.25, £7.14 and £50.68 respectively.

Rights to use the underground service road are documented in a Deed dated 26 February 1986.

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RENTAL VALUE

The Zone A rents for each unit analyse as follows adopting rental values of £5 psf and £2 psf for the first and second floors respectively.

Unit 1 Internacionale £52.59 psf

Unit 2 Oakham Clothing £69.83 psf

Unit 3 Argos £75.00 psf

TENANT'S COVENANTS

Unit 1 - Internacionale Retail Ltd (Company Number 06571495)

Internacionale Retail Ltd was incorporated in April 2008. The most recent financial figures are:

	Year ending 25/07/2009 GBP 000's
Turnover	74,196
Pre tax Profit (Loss)	(8,663)
Net Worth	(6,163)

Unit 2 - Oakham Clothing Ltd (Company Number 04087155)

Trading as Jonathan James. The most recent financial figures are:

	Year ending 31/07/2009 GBP 000's	Year ending 31/07/2008 GBP 000's	Year ending 31/07/2007 GBP 000's
Turnover	10,235	2,484	2,878
Pre tax Profits (Loss)	(116)	(69)	47
Net Worth	41	324	405

Guarantor - Broughton Brothers Ltd (Company Number 02268304). The most recent financial figures are:

	Year ending 31/07/2009 GBP 000's	Year ending 31/07/2008 GBP 000's	Year ending 31/07/2007 GBP 000's
Turnover	21,609	25,650	28,315
Pre tax Profits (Loss)	(2)	(1,404)	393
Net Worth	2,091	2,288	3,934

Guarantor - Superdrug Stores Plc (Company Number 00807043). The most recent financial figures are:

	Year ending 27/12/2009 GBP 000's	Year ending 27/12/2008 GBP 000's	Year ending 27/12/2007 GBP 000's
Turnover	1,074,832	1,074,863	1,097,240
Pre tax Profits (Loss)	(234)	(7,396)	21,599
Net Worth	122,315	130,690	152,089

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Unit 3 - Argos Ltd (Company Number 01081551)

The most recent financial figures are:

	Year ending 27/02/2010 GBP 000's	Year ending 27/02/2009 GBP 000's	Year ending 27/02/2008 GBP 000's
Turnover	4,164,475	4,056,338	4,099,773
Pre tax Profits (Loss)	227,851	(194,437)	439,987
Net Worth	1,130,407	1,048,416	1,381,659

VAT

We understand that the property has not been elected for VAT.

Proposal

We are instructed to seek offers in the region of £3,300,000 subject to contract and exclusive of VAT, a net initial yield of 8.32%, a yield in September 2012 of 8.54% and a true equivalent yield of 8.98% after deduction of purchasers costs at 5.8%

Important Notice

1. Particulars: These particulars are not an offer or contract, nor part of one. You should not rely on any statements by Hague Nicholls in the particulars or by word of mouth or in writing ("information") as being factually accurate about the property, its condition or its value. Hague Nicholls has no authority to make any representation about the property and accordingly any information given is entirely without responsibility on the part of the agent(s), seller(s) or lessors(s).
2. Photographs etc: The photographs show only certain parts of the property as they appeared at the time they were taken. Any areas, measurements or distances given are approximate only.
3. Any buyer must satisfy themselves by inspection or otherwise as to the correctness of any information given.

Particulars prepared April 2011. Designed and produced by www.thedesignexchange.co.uk Tel: 01943 604500.



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