

PRIME HIGH STREET
INVESTMENT
STARBUCKS



5 GREENGATE STREET AND 1 & 3 MARTIN STREET STAFFORD ST16 2HN

INVESTMENT HIGHLIGHTS

- **Prime High Street** investment opportunity on pedestrianised Greengate Street
- **New 20 year lease** with a break at year 10
- **Re-based rent**
- **4 Flats** above let on AST's
- We are instructed to seek offers in excess of **£900,000** which reflects a net initial yield of **7.76%** and rising to **8%** in May 2021 after deduction of purchaser's costs of 5.63%



LOCATION

Stafford is the main market town within the County of Staffordshire. The town is situated approximately 29 miles (46 kilometres) north of Birmingham, 38 miles (61 kilometres) south of Manchester and 19 miles (30 kilometres) south of Stoke-On-Trent. Stafford has an affluent primary catchment population of approximately 157,000 people and approximately 395,000 people within 12 miles (20 kilometres) of the town centre.

Stafford benefits from excellent transport links with it's proximity to the M6 motorway which provides quick and efficient access to both the Midlands and the North West. There are regular rail services from Stafford Station to Birmingham New Street, with a fastest journey time of approximately 32 minutes and direct trains to London Euston with a fastest journey time of 1hr 17 minutes. Birmingham International Airport is situated 39 miles (63 kilometres) south east of the town.

SITUATION

The subject property is situated on the north side of prime pedestrianised Greengate Street close to the Market Square. Nearby retailers include Boots, Clintons, WH Smiths, Greggs, McDonalds, Pandora, HSBC, The Post Office, Thornton's, Carphone Warehouse, Savers and Tui.

The property has a return frontage onto Martin Street and lies on the prime pedestrianised route between Guildhall Shopping Centre and the Waterfront retail and leisure scheme.



DESCRIPTION

The property is a traditional ornate brick built end of terraced property under a pitched slate roof. It provides a regular shaped retail unit at ground floor with basement storage.

The two upper floors now provide 4 flats with access from Martin Street. The ground floor retail unit has a return frontage onto Martin Street. There is also an access door to the ground floor unit on Martin Street.



TENURE

The property is freehold.

ACCOMMODATION

Area	Sq ft	Sq m
Ground Floor	1,547	143.7
ITZA	919	85.4
Basement	839	77.91
1st floor Flat 1	604	56.12
1st Floor Flat 2	710	65.96
2nd Floor Flat 3	629	58.47
2nd Floor Flat 4	710	65.96

RENTAL COMMENTARY

We have devalued the re-based rent of £50,000per annum to a Zone A rate of £52.58per sq ft. in arriving at this we have applied £2per sq ft to the basement. This is in line with other rents on Greengate Street.

COVENANT

Starbucks opened it's first store in 1971 and has grown into one of the world's leading brands. It now operates out of 70 countries trading from 24,000 retail outlets. In 2017 the company had an annual Turnover of \$22.4bn. The UK business in moving towards a franchisee lead operation with an expansion in its franchise stores. In the last reported accounts it showed a net increase in franchise stores of 105.

1 Oak Limited is one of the main franchisee's in the Midlands and North West. They currently operate a number of Starbucks stores. 1 Oak Limited have a Creditsafe score of 56/100 and a B rating, which indicates 'LOW RISK'.

TENANCY

The property is let on the following terms:

Unit	Tenant	Rent Per annum	Start Date	End Date (Break)	Comment
5 Greengate Street	1 Oak Ltd t/a Starbucks	£50,000 *	29.05.18	28.05.38 (28.05.28)	The rent will increase to £52,500pa from 30.05.21
Flat 1	AST	£5,940	21.06.18	20.12.18	
Flat 2	AST	£5,940	17.11.14	11.12.18	
Flat 3	AST	£5,940	05.12.17	04.06.19	
Flat 4	AST	£5,940	05.10.18	04.10.19	
Total		£73,760			

* The tenant is currently benefiting from a period of half rent until 28.11.19. The vendor will top the rent up to £50,000per annum until this date on completion.

EPC

The property has an EPC rating of B-47.

PROPOSAL

We are instructed to seek offers in excess of **£900,000** which reflects a net initial yield of **7.76%** and rising to **8%** in May **2021** after deduction of purchaser's costs of 5.63%.

VAT

The property is elected for VAT and it is anticipated that the sale will be treated as a TOGC.



CONTACT



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Misrepresentation Act: These particulars shall not form part of any offer or contract and no guarantee is given as to the condition of the property or the accuracy of its description. An intending purchaser or tenant is not to rely on any representation made in these particulars and must satisfy himself as to their accuracy by his own investigation before entering into any contract. October 2018.

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