



PRIME MARKET TOWN INVESTMENT 60-62 HIGHGATE KENDAL CUMBRIA LA9 4TF



## INVESTMENT HIGHLIGHTS

- ❑ Kendal is the main market town serving the South **Lake District** area
- ❑ The Lake District is a **UNESCO World Heritage** site
- ❑ Let to **Scope** who have **Shareholder Funds of £43m**
- ❑ **New 5 year Lease** at market rent
- ❑ Home of the world famous **Kendal Mint Cake**
- ❑ **Cumbria & the Lake District** received over **47 million visitors** in 2019

We are instructed to seek offers in excess of **£295,000** which reflects a net initial yield of **6.4%** after purchaser's costs of 3.24%.



## LOCATION

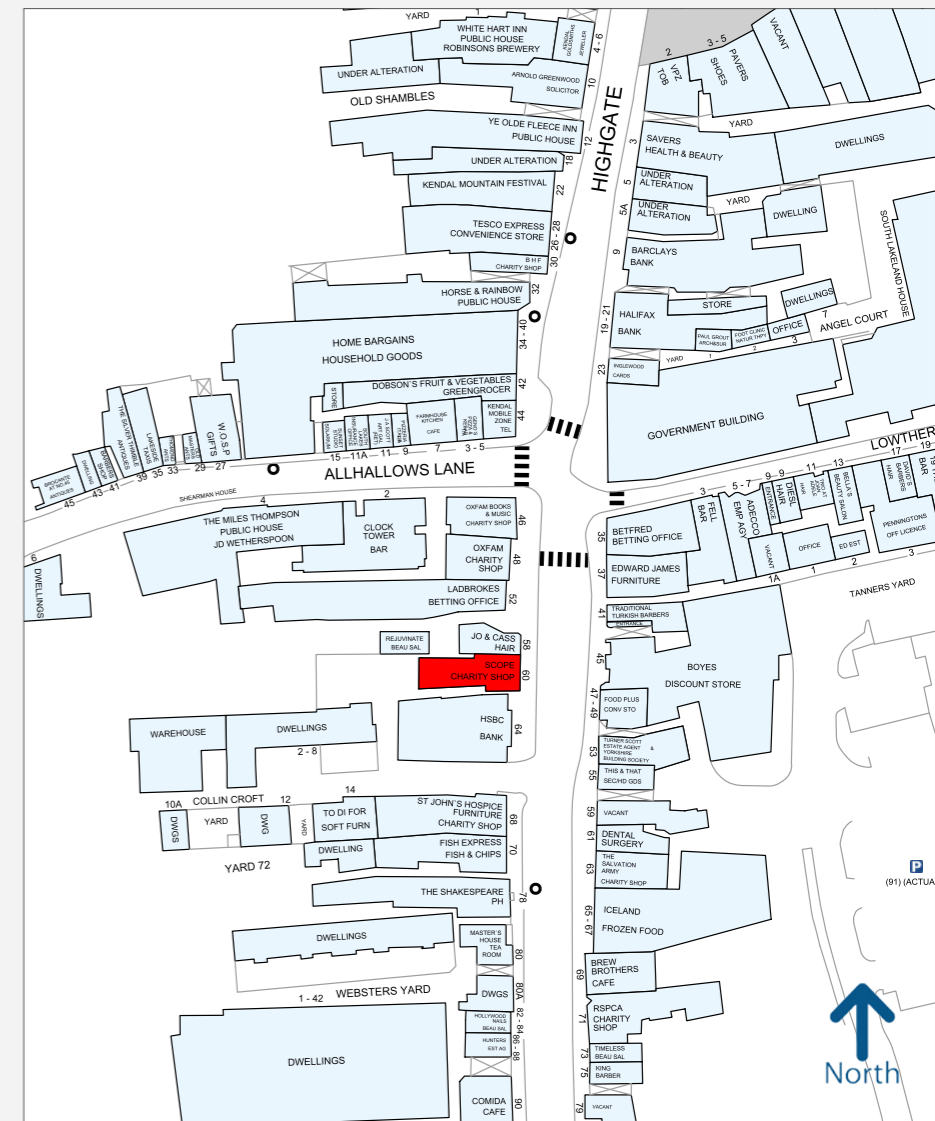
Kendal is an affluent market town situated in the South Lakeland District of Cumbria approximately 8 miles (13 Kilometres) south of Windermere and 19 miles (31 Kilometres) north of Lancaster. The town is situated 6 miles (10 Kilometres) west of the M6 motorway which links the North West of England to the rest of the country.

The town is steeped in history with Kendal Castle and the world famous Kendal Mint Cake. The mint cake was first made famous as the worlds first energy bar when it was used by Sir Edmund Hilary to fuel his summit of Mount Everest in 1953.

In 2017 the Lake District was designated as a UNESCO World Heritage site.

## SITUATION

The property is situated in the prime location of Highgate close to the point in which it turns into Stricklandgate, close to the cross roads with Lowther Street and Allhallows Lane. Nearby occupiers include Iceland, HSBC, Tesco, Home Bargains, Yorkshire Building Society, Boyes Department Store, Ladbroskes and Oxfam.





## ECONOMY

Tourism is a huge part of the Cumbrian economy and Kendal is one of the main centres within the County. According to 'Cumbria Tourism', Cumbria and the Lake District received over 47 million visitors in 2019. This brought in £3bn to the local economy and provides employment for 37,766 full time jobs. In total the county has 64,940 tourist jobs. Tourism revenue increased 3.7% on the previous year and has increased every year since 2013.

Since becoming a UNESCO World Heritage Site in 2017, 28% of businesses have seen increased profits.

The Cumbria Tourism statistics are in line with the growth in the tourism market in the UK as a whole. According to Deloitte in a report commissioned by VisitBritain, since 2010 tourism has been the fastest growing sector in the UK. The UK is forecast to have a tourism industry worth £257 billion by 2025. The sector is predicted to grow at an annual rate of 3.8% through to 2025, significantly faster than the overall UK economy. It is expected that just under 10% of UK GDP will be derived from Tourism and supporting 3.8 million jobs by 2025.

Inbound tourism will continue to be the fastest growing tourist sector, with spend by international visitors forecast to grow by over 6% a year. The value of inbound tourism is expected to grow from £21bn in 2013 to £57bn by 2025.



## DESCRIPTION

The property consists of a Grade II listed mid-terraced retail premises of stone construction under a pitched slate roof. At ground floor level the property provides a traditional retail unit with glazed frontage. The upper floors provide a mix of office, staff facilities and storage space.

To the rear of the property there is parking for 3 cars. The rear of the property is accessed via a gated lane linking it to Highgate. The upper floors have the benefit of separate access.



## ASSET MANAGEMENT

Whilst the tenant has just renewed their lease the upper floors would lend themselves to residential conversion in the future. The parking to the rear together with the separate access to the upper floors would allow straight forward conversion of the upper parts.

With the boost in tourism and the strength of the local economy future conversion of the upper floors has the potential to add considerable value.

## TENURE

The property is freehold.

## ACCOMMODATION

The property has the following areas:

Area	Sq ft	M2
Ground	1,132	105.2
ITZA	638	59.27
Basement*	977	90.76
1st	1,033	95.9
2nd	422	39.2
Total	3,564	331.1

\*Basement is not full height.

## TENANCY

The property is let to Scope on an FRI lease for 5 years from 29th September 2021, at a current rent of £19,500pa. There is a tenant's option to break at the end of the third year.

## RENTAL COMMENTARY

We have devalued the rent to £26.67 per sq ft in terms of Zone A. In arriving at this, we have applied, £2 per sq ft to the first floor and £1 per sq ft to the 2nd floor space. We haven't applied any value to the basement space. In our opinion the rent is low and there is good potential for growth from this level based on some of the other rents achieve in the locality.

## COVENANT

Scope (Company No 00520866)

Creditsafe Score - 91/100

Creditsafe Rating – A – Very Low Risk

Scope was founded in 1952 and is the UK's leading charity supporting disabled people. A summary of their last three years accounts is set out below:

Year End	31/03/2021	31/03/2020	31/03/2019
Turnover	£34,121,000	£41,051,000	£54,554,000
Pre-Tax Profit	£552,000	£-4,327,000	£2,174,000
Shareholder Funds	£43,511,000	£42,655,000	£46,735,000

## PROPOSAL

We are instructed to seek offers in excess of **£295,000**, which reflects a net initial yield of **6.4%** after purchaser's costs of 3.24%.

## 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. April 2022.

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