

Prime Retail Investment

Asset Management Opportunities

Unit 37-39

City Arcade

Coventry

CV1 3HT

Douglas Stevens

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Hunters
Property Investment Ltd

Investment Summary

- High yielding city centre retail investment
- 5A1 tenant with 8 years left unexpired on an FRI lease
- 330 space car park directly above subleased to the Council
- Offers invited in excess of £2,955,000
- Net initial yield of approximately 8% assuming costs of 5.7625%



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Unit 37-39, City Arcade, Coventry, CV1 3HT



Location

Coventry is located in the West Midlands being some 17 miles south east of Birmingham and 85 miles north of London. The city is well connected being linked to the UK motorway network with access to the M1 via the M45, with the M6 being immediately to the north. Rail journey time to London Euston is approximately 60 minutes and only 20 minutes to Birmingham New Street.

Coventry City Council have published a master plan for the city centre from which they hope to transform the city over a period of 15 – 20 years. The master plan is schematic and

includes a number of aspirational buildings. The master plan has been developed following public consultation with the Jerde partnership, a firm of visionary architects who have offices in Dubai, Amsterdam, Hong Kong and Los Angeles. More information can be obtained from Coventry.gov.uk.

Situation

The subject property is located in City Arcade which is a covered arcade leading into Shelton Square and Market Way and then to the principal pitch in the town. The arcade is not enclosed.

The subject property is located in a secondary pitch with nearby occupiers including Iceland and Ikea. Notable retailers within Coventry include Debenhams, Marks & Spencer, Primark, BHS, Boots The Chemist, Next, New Look and River Island.

Description

The property is arranged on ground and first floors being L-shaped. A multi-storey car park having over 330 spaces is located above the subject property. There is good servicing for the property towards the rear of the Arcade and this serves both the surrounding unit shops and Argos. A goods lift is adjacent to the service area and two conveyors have been installed as part of the Argos shop fit to take stock to the first floor.

The layout of the accommodation is ideal for the tenant Argos, providing large storage area to support their retail operation.

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Accommodation

The property has the following net internal areas:

Gross Frontage	50 ft 9 ins	15.47 m
Net Frontage	49 ft 1 ins	14.96 m
Depth (from Greyfriars Walk)	163 ft 5 ins	49.82 m
Ground Floor	13,456 sq ft	1,272.28 sq m
First Floor	13,600 sq ft	1,262.97 sq m
TOTAL	27,056 sq ft	2,535.25 sq m



Tenure

The property is held on a valuable long leasehold interest comprising 150 year lease from 20 December 1993 at a peppercorn. The superior landlord is Coventry City Council. The car park situated above the subject property is leased back to the Council for a term of 150 years from 20 December 1993 (less 3 days) at a peppercorn.

Tenancy

The property was originally let to Argos Distributors Limited (now Argos Limited company number 01081551) on a 25 year lease from 22 August 1994 at a rental of £250,000 per annum, subject to 5 yearly upward only reviews. The property is let on full repairing and insuring terms with the tenant paying an additional service charge in respect of City Arcade.

Covenant Information – Argos Limited

	2010 (£000m)	2009 (£000m)	2008 (£000m)
Turnover	4,164,475	4,056,338	4,099,733
Net Worth (Experian)	1,130,407	1,048,416	1,381,659
Profit Before Tax	227,851	(194,437)	439,987

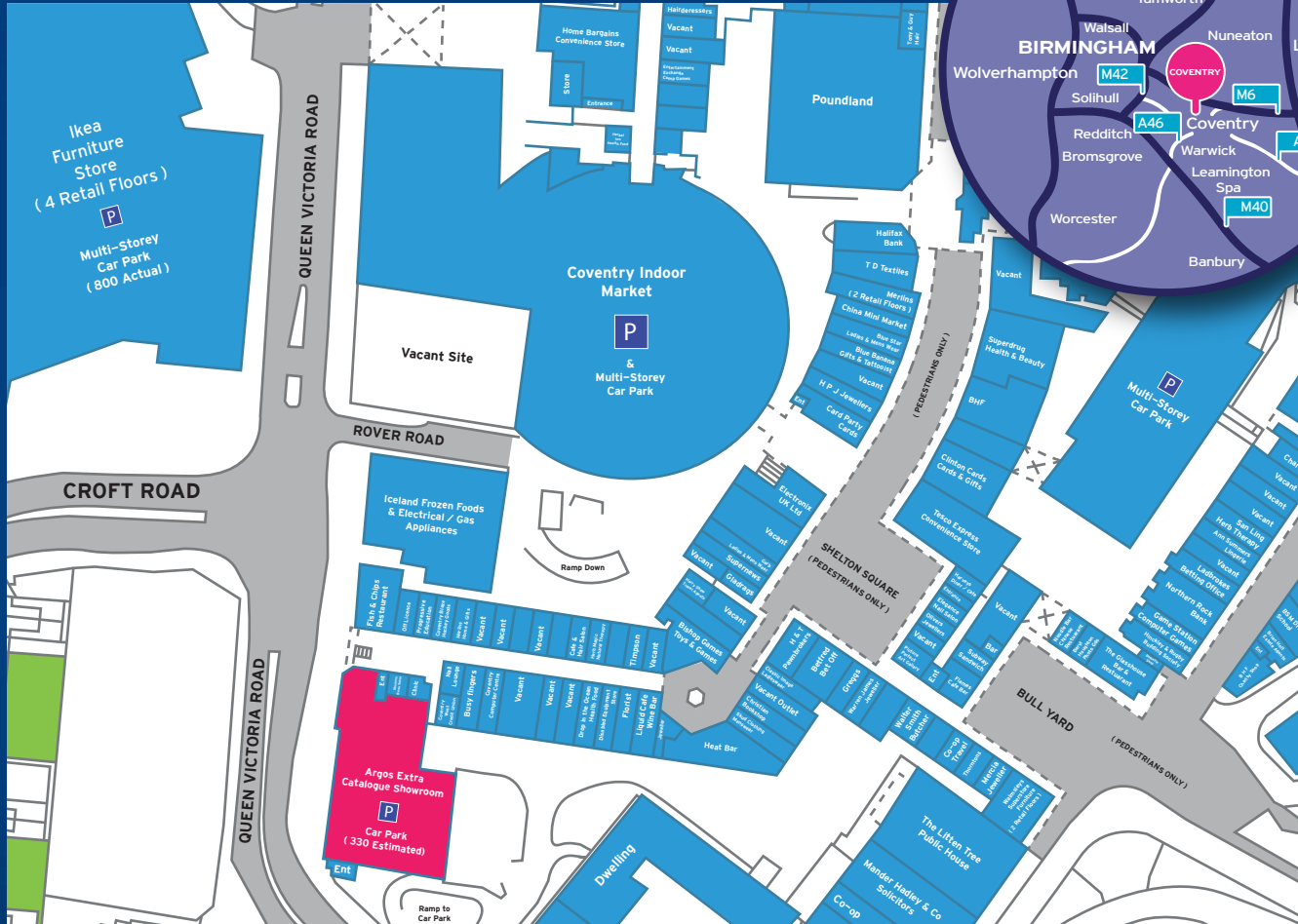
The company employs in excess of 30,000 people and has a D & B rating of 5A1.

Price

We are instructed to seek offers in excess of £2,950,000 for this investment subject to contract and exclusive of VAT, this reflects a net initial yield of approximately 8% after allowance of 5.7625% for purchasers costs.

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Design by TOPDOG www.topdog.uk.com



Further Info

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