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CHARTERED SURVEYORS

# Retail Parade with Upper Parts and Redevelopment Potential STP, Available Freehold

48-54 High Street, Old Town, Stevenage, SG1





## Investment Summary

- Freehold investment and redevelopment opportunity.
- Eight retail units with residential/commercial upper parts all intact.
- Existing tenants includes Tesco, Pizza Hut, Boots and Dignity Funerals.
- Majority of property in same family ownership for approximately forty years.
- Total current income **£171,160 pa.**
- Opportunity for significant redevelopment to provide new residential, subject to planning.
- Offers sought **in excess of £3,250,000.**



## Location

Stevenage is an accessible Hertfordshire town, situated between Letchworth Garden City to the north and Welwyn Garden City to the south, adjoining junctions 7 & 8 of the A1(M), approximately 30 miles north of Central London.

The area was designated as a new town in August 1946 as part of the establishment of new towns around London following the Second World War. Shopping in Stevenage is split into two areas, the new town which was the first purpose built traffic-free shopping zone in Britain and the popular old town, within which the subject property is located.

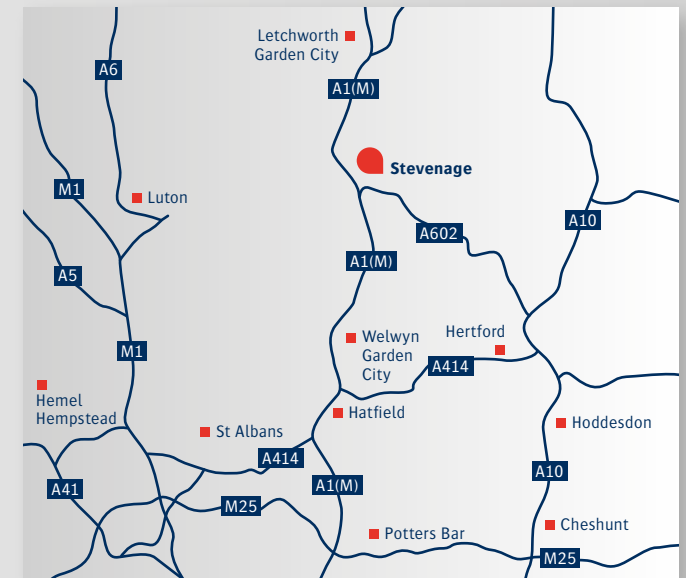
## Situation

The subject is situated within the historic old town on the High Street and forms part of a retail parade opposite Basils Road, approximately one mile north of the mainline railway station.

The parade fronts onto an access road just off and parallel to the High Street. There are 25 free car parking spaces to the front of the units, with further parking facilities within a 160 space pay and display car park to the rear of the nearby Waitrose superstore.

The rear of the properties are accessed via Primett Road, a cul-de-sac which terminates behind the subject parade.

Surrounding properties are predominantly retail, leisure and commercial, with few vacancies and a number of national covenants including Waitrose, Costa Coffee, Ladbrokes, JD Wetherspoons, Prezzo and Pizza Express.





# Description

The main block comprise a terrace of five retail units, with a mixture of commercial & residential uppers parts accessed from the rear. In addition, there is one separate semi-detached retail property to the High Street frontage and two further commercial units on Primett Road.

Most of the properties benefit from large rear yards.

The majority of the property has remained in the same ownership for the past 40 years, with the separate unit occupied by Boots being acquired around 17 years ago.

In more detail the accommodation comprises:

## 48-52 High Street

Three storey, semi-detached mixed use property believed to have been constructed in the 1930's, with shop units to the ground floor together with residential and offices above, built of solid brick under a pitched tile roof.

The ground floor accommodation is currently configured as one large central retail unit with single storey rear extension, together with two further shops on either side, thereby comprising five retail units in total.

There are four self-contained flats over first and second floors, plus office accommodation above the larger middle unit.

The flats each comprise kitchen and two reception rooms to first floor, second floor bathroom and three bedrooms. Two flats are included in shop leases, one is let on an AST and one is in need of refurbishment. The offices are void and will require refurbishment or conversion.

## 54 High Street

A semi-detached property developed in the early 1900's, of solid brick construction with a rear extension and pitched tile roof. The unit is currently occupied by Boots and comprises retail to ground floor together with first floor storage and rear yard.

## 1-3 Primett Road

A semi-detached, single storey brick built structure under a flat roof, currently split into two commercial units, one let and occupied by a hairdresser and the other occupied by the vendors.





## Site area

Our understanding of the site boundaries indicate a total site area of approximately 0.51 acres (0.21 hectare).

## Redevelopment Potential

During 2014 the vendor's entered into pre-application discussions with the Local Authority. The proposals were for the erection of a two-storey extension above the existing flat roof above the rear of Elmes Arcade and also the conversion of 1-3 Primett Road, to provide new residential accommodation.

The response from the Local Authority was generally positive and supportive of redevelopment, a copy of which can be provided upon request.

## Planning

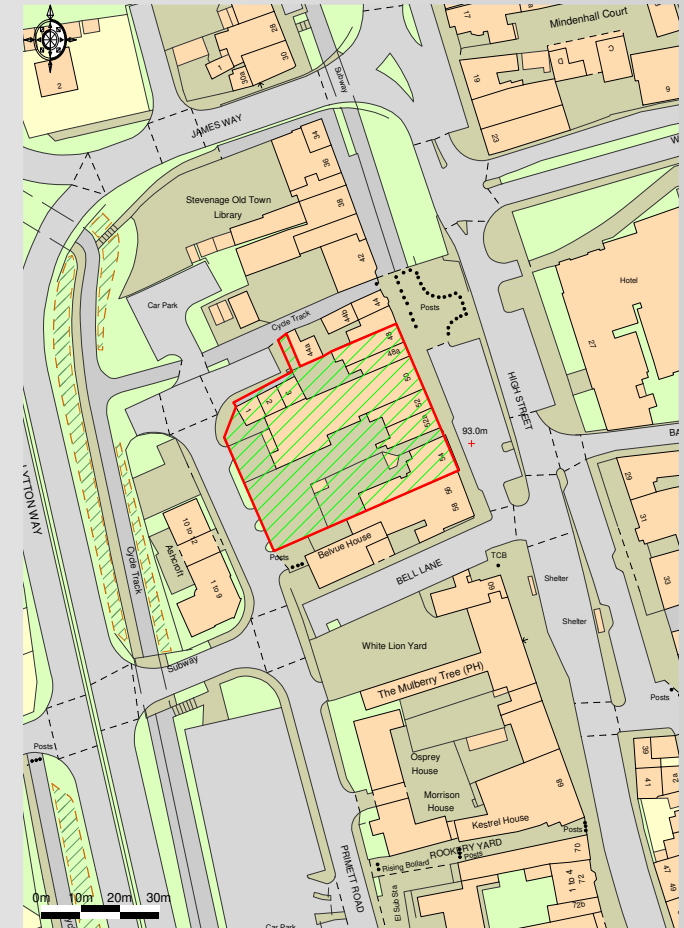
The site falls within the defined boundaries of the Old Town Conservation Area.

Notably, Primett Road to the rear has seen significant recent development, including planning permission to convert an adjacent c. 6,000 sq ft office building "Belvue House" to hotel use. Also McCarthy and Stone have recently undertaken redevelopment of a former BP petrol station with the erection of a five storey building comprising 43, two bed retirement apartments.

The Old Town High Street 'Conservation Area Management Plan' states that:

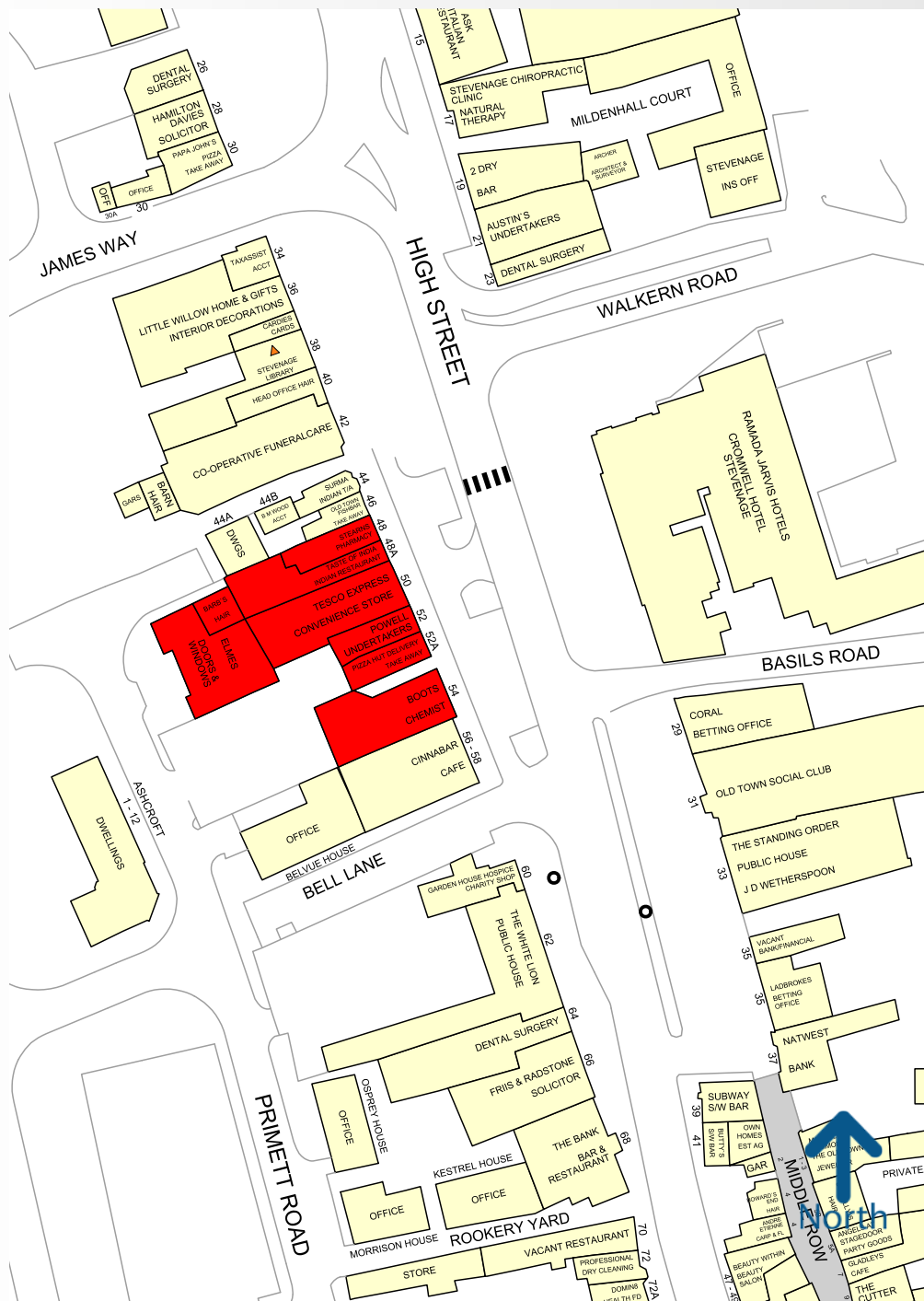
"potential development to Elmes Arcade provides the opportunity to preserve or enhance the character of the area",

The Stevenage 'Local Development Framework Old Town Area Action Plan' also identifies the site as a development opportunity with the potential to deliver new residential dwellings.



# Accommodation & Tenancy Schedule

UNIT	TENANT	COMMERCIAL FLOOR AREA (sq ft)	LEASE START	PERIOD Y/M	LEASE EXPIRY	BREAKS	RENT pa	REV. FRQ	NEXT REVIEW	COMMENT
48 (shop)	Michael Franklin (Chemist) Ltd	763	15/3/2011	15/1	16/3/2026		£16,500	3	15/3/2017	The landlord currently holds £7,500 rent deposit.
48a (shop) & 48c (flat)	Mr & Mrs A Kamali	990	24/8/2015	15/0	23/8/2030		£10,500	3	24/8/2016	Shop and flat held on one lease. Flat used as commercial kitchen & stores.
50 (shop)	Tesco Stores Ltd	4,302	1/2/2010	15/0	31/1/2025		£57,720	5 (rpi)	1/2/2020	
52 (shop)	Dignity Funerals Ltd	622	30/11/2009	10/0	29/11/2019		£16,500	5		
52a (shop) & 52c (flat)	Acca Ltd t/as Pizza Hut	562	15/12/2014	20/0	14/12/2034	15/11/2024	£20,000	5	15/12/2018	Shop and flat held on one lease. Flat sub-let on AST.
48b (flat)	Void							N/A		Flat in need of refurbishment.
50 ff & sf (void offices)	Void	1,311						5		
1 & 2 Primett Road (shops)	Elmes Windows Ltd	616		2/0			£5,000	N/A		Leaseback to Sellers to be documented as part of sale. Short term without security of tenure.
3 Primett Road (shop)	Barbara Ann Ougham	331	25/3/2011	3/0	24/3/2014		£5,450	N/A		Tenant holding over.
54 (shop & uppers)	Boots UK Ltd	2,719	12/11/2013	5/0	11/11/2018		£28,750	5		
52b (flat)	Assured Shorthold Tenancy		6/11/2014	0/6	5/5/2015		£10,740	N/A		
<b>TOTAL</b>		<b>12,216</b>					<b>£171,160</b>			



## Tenant Information

### Michael Franklin (Chemist) Ltd

Incorporated in 1962, for the year end June 2015 the company reported a turnover of £9,000,000 and pre-tax profit of £528,000.

### Tesco Stores Ltd

Tesco is the UK's largest retailer with over 3,500 UK stores. It is the second largest retailer globally by revenue.

For the year ending February 2015 the company reported a turnover of £42 billion and pre-tax loss of £3.5 billion.

### Dignity Funerals Ltd

Dignity Funerals Limited is a subsidiary of Dignity plc, the leading provider of pre-paid funeral plans in the UK. It is a constituent of the FTSE 250 Index.

For the year ending December 2015 Dignity Funerals Ltd reported a turnover of £266 million and pre-tax profits of £88 million.

### Acca Ltd t/a Pizza Hut

Acca Ltd are understood to operate a number of Pizza Hut and Costa Coffee franchises. The company has been trading since 2002 and for the year end March 2015 the company reported cash of £786,000 and a net worth of £1,000,000.

### Boots UK Ltd

Boots is the UK's leading pharmacy-led health and beauty retailer with over 2,500 stores.

For the year end March 2014 Boots UK Ltd report a turnover of £6.34 billion and pre-tax profits of £507 million.

## Price

Offers are sought in excess of £3,250,000 on an unconditional basis for our clients' Freehold interest.

## Contact

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