



118 HIGH STREET, NORTHALLERTON DL7 8PQ

PRIME RETAIL INVESTMENT

LET TO CORAL RACING LIMITED

Investment Summary

- Prime corner trading location at the junction of Zetland Street and High Street.
- Zetland Street is set to improve by the transformation of the former Northallerton Prison by Wykeland & Hambleton District Council to form Treadmills, a retail led redevelopment comprising a **21,000 sq ft** Lidl, a **6,000 sq ft** Iceland and further **1,330 sq ft** retail unit. The site will have the benefit of **130** car parking space. The scheme will open in the Summer of 2020.
- The property is let to Coral Racing Limited (Company No. 00541600) by way of a full repairing and insuring lease to expire on 23 June 2026 at a current rental of **£71,500** p.a.x. The lease contains a tenant only option to break on 23 June 2021 upon serving 6 months prior written notice.
- The first and second floor is unused and would lend itself to a residential conversion (subject to planning) with an easily created separate access off Zetland Street.
- The property has **not** been elected for VAT.
- An ideal SIPP purchase.
- Freehold.
- We are instructed to seek offers for our clients freehold interest in excess of **£600,000** subject to contract. A purchase at this level would reflect a net initial yield of **11.3%** after deducting purchasers costs of **5.05%**.

Location

Northallerton is an affluent North Yorkshire county and market town which forms part of the Hambleton District. It lies approximately **32 miles (52 km)** northwest of York, **60 miles (97 km)** south of Newcastle and **50 miles (80 km)** north of Leeds.

The town benefits from excellent road communications with the A1(M) **6 miles (10 km)** to the west and A19 **4 miles (6 km)** to the east.

Northallerton benefits from an excellent train service being on the East Coast Mainline with a fastest train journey time to London Kings Cross of **2 hours 22 mins** and York of **19 mins**.

The town has a population of **16,832** people with a wider catchment of **89,700** people. It provides the main retail offer for the region and is home to both Hambleton District Council and North Yorkshire County Council.





Demographics

Northallerton's strong demographic profile highlights the town's prosperity. **13.1%** of the population of Northallerton come from high income families, compared with a Great Britain average of **9.9%**. In addition, Northallerton has an unemployment rate of approximately **1%** compared with the National Average of **5.4%** (Source:- Acorn Group).

PROMIS Retail Report estimates that the weighted retail catchment for the town is approximately **34,000** persons.

Situation

The property occupies a prime corner trading location at the junctions of Zetland Street and High Street. Nearby multiple retailers include **The Works, Seasalt, Specsavers, Darlington Building Society, M&Co, Thomas the Baker, Costa, Holland & Barrett, O2, Greggs, EE, Betty's Café, WH Smith, Boyes Discount Store** and **British Heart Foundation**.

Zetland Street which links the High Street to the Treadmills scheme, is being made into a single carriageway with wider pavements to aid pedestrian flow.

Description

The property is arranged on basement, ground, first and second floors and was purpose built for use as a banking hall in the late 19th/early 20th Century.

The construction is a mix of solid brick and sandstone elevations, metal frame windows with brick arches above and a pitched, slate roof which slopes down to a brick parapet wall that is surmounted by sandstone coping stones.

The majority of the ground floor is used by Coral for a sales area with both customer and staff w.c.'s and a small kitchen area. The basement houses the boiler in a single room, whilst the first and second floors are unused by the current tenant.



Accommodation

The property is arranged on basement, ground, first and second floors with the following approximate areas and dimensions:-

Window frontage (High Street)	27'3"	8.3m
Splay frontage	7'3"	2.2m
Return frontage (Zetland Street)	48'0"	14.6m
Site depth	55'8"	16.9m
Ground floor sales	1,017 sq ft	94.5 sq m
Ground floor ancillary	86 sq ft	8.0 sq m
First floor ancillary	161 sq ft	15 sq m
Attic floor ancillary	517 sq ft	48 sq m
Ground floor ITZA	822 units	
Basement boiler room		



Tenure

The property is held freehold, subject to the tenancy listed below.

Tenancy

The entire property is let to Coral Racing Limited (Company No.00541600) by way of a 10 year full repairing and insuring lease from 24 June 2016, subject to an upward only rent review in 5th year at a current rental of **£71,500** (seventy one thousand five hundred pounds).

The lease contains a tenant only option to determine on 23 June 2021, subject to 6 months prior written notice.

Covenant Information

Coral is a chain of betting shops in the United Kingdom. The business was originally established by Joe Coral in 1926 and now operates over 1800 betting shops throughout the UK.

In November 2016, Gala Coral was acquired by Ladbrokes, which changed its name to Ladbrokes Coral. Coral and Ladbrokes shops continue to operate under their respective names. GVC Holdings acquired Ladbrokes Coral in March 2018.

We set out below the most recent financial information available for the tenant.

	Year End 31/12/2017 £000	Year End 31/12/2016 £000	Year End 26/09/2015 £000
Turnover	598,371	867,406	667,786
Pre-Tax Profit	7,642	91,174	92,367
Shareholders Funds	237,512	215,754	125,599

Source : Creditsafe

Asset Management Opportunity

The first and second floors are unused by the tenant and could easily be converted to residential use, subject to obtaining the appropriate consents/approval from the Local Authority.

It would be straightforward to create a separate entrance from the side street, Zetland Street, to provide access to the upper parts.

VAT

The property has **not** been elected for VAT purposes.

Anti Money Laundering Regulations

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

Proposal

We are instructed to seek offers of **£600,000** subject to contract, reflecting a net initial yield of **11.3%** after deducting purchasers costs of **5.05%**.

Further Information

For further information, or to arrange an inspection of the property, please contact Hugh Ockleston, Ockleston Bailey Tel: 01244 403445 Email: hugh@ocklestonbailey.co.uk or our joint agents Tom Booth of Peasgood Associates Tel: 07831 681236 Email: tom@peasgoodassociates.com or Jonathan Peasgood of Peasgood Associates Tel: 07831 505079 Email: jonathan@peasgoodassociates.com

Subject to Contract

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Date of Details: February 2020

