

London

414 HOLLOWAY ROAD, N7 6QA

PRIME RETAIL
INVESTMENT
FOR SALE WITH
RESIDENTIAL
CONVERSION
POTENTIAL



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Investment Summary

- A prime retail unit in the busy north London suburb of Holloway.
- Advantageous rent review pattern.
- Highly reversionary.
- Potential to create 2 x two bed flats, (previously consented).
- Independent access to upper floors already exists.
- Offers in excess of £1,135,000.
- A purchase at this level shows a net initial yield of 5.5%, reversionary to 6.57% in August 2014, an equivalent yield of 6.4%.



Holloway

Holloway is a densely populated suburb 3 miles north of central London. It is located in the affluent London Borough of Islington with other nearby areas including Camden, Kentish Town, Tufnell Park and Finsbury Park.

Holloway Road is home to a number of educational establishments, the largest being the North Campus of the London Metropolitan University which has approximately 28,500 students.

The London Borough of Islington has a resident population of approximately 176,000. There is a higher than average proportion of the local population represented within the affluent AB and C1 demographic groups.

Situation

Holloway is a well established retail centre and is home to a large number of national multiple retailers.

The subject property is located in the prime part of Holloway Road between Boots and New Look. Other major retailers in this location include Marks & Spencer, Footlocker, Iceland, Waitrose, Costa, Argos and Sports Direct.

The Nags Head Shopping Centre is also located in this part of the street which is anchored by Morrisons and the James Selby department store.

Description

The property provides a well configured retail unit on ground floor with ancillary areas in the basement and three upper floors, and benefits from the following approximate dimensions and net internal floor areas:-

	Feet / Sq Feet	Metres / Sq Metres
Gross frontage	23 ft 9 in	7.24 m
Net frontage	17 ft 6 in	5.33 m
Shop depth (max)	56 ft 1 in	17.09 m
Ground floor Sales	1,105 sq ft	102.65 sq m
ITZA	651 units	
First floor Ancillary	685 sq ft	63.64 sq m
Second floor Ancillary	680 sq ft	63.17sq m
Third floor Ancillary	545 sq ft	50.63 sq m
Basement Ancillary	590 sq ft	54.72 sq m

There is a separate access from Holloway Road to the upper floors. Servicing is from the front.

Lease Terms

The property is let to Barratts Shoes Properties 5 Limited for a term of twelve years from the 10th August 2009 on fully repairing and insuring terms and has provision for upward only rent reviews in September 2014 and 2019. The passing rent is £66,000 per annum exclusive of rates. The tenant pays rent on a monthly basis.

Rental Value

The passing rent reflects approximately £90 Zone A which we believe to be highly reversionary based on the following evidence:-

	Occupier	Transaction	Zone A
436 Holloway Road	British Heart Foundation	Open Market Letting from April 2011	£109
434 Holloway Road	Footlocker	Lease Renewal from September 2011	£108

We suggest that a rental value in the region of £79,000 pa (£109 Zone A) should be achievable at rent review in 2014.

Covenant Information

The property is let to Barratts Shoes Properties 5 Limited, guaranteed by Barratts Priceless Limited. The company trades from approximately 485 locations comprising of 100 Barratts stores, 85 Priceless stores and 300 concessions.

Barratts Priceless Limited have posted the following results and are rated as "A – Very Low Risk" by Experian.

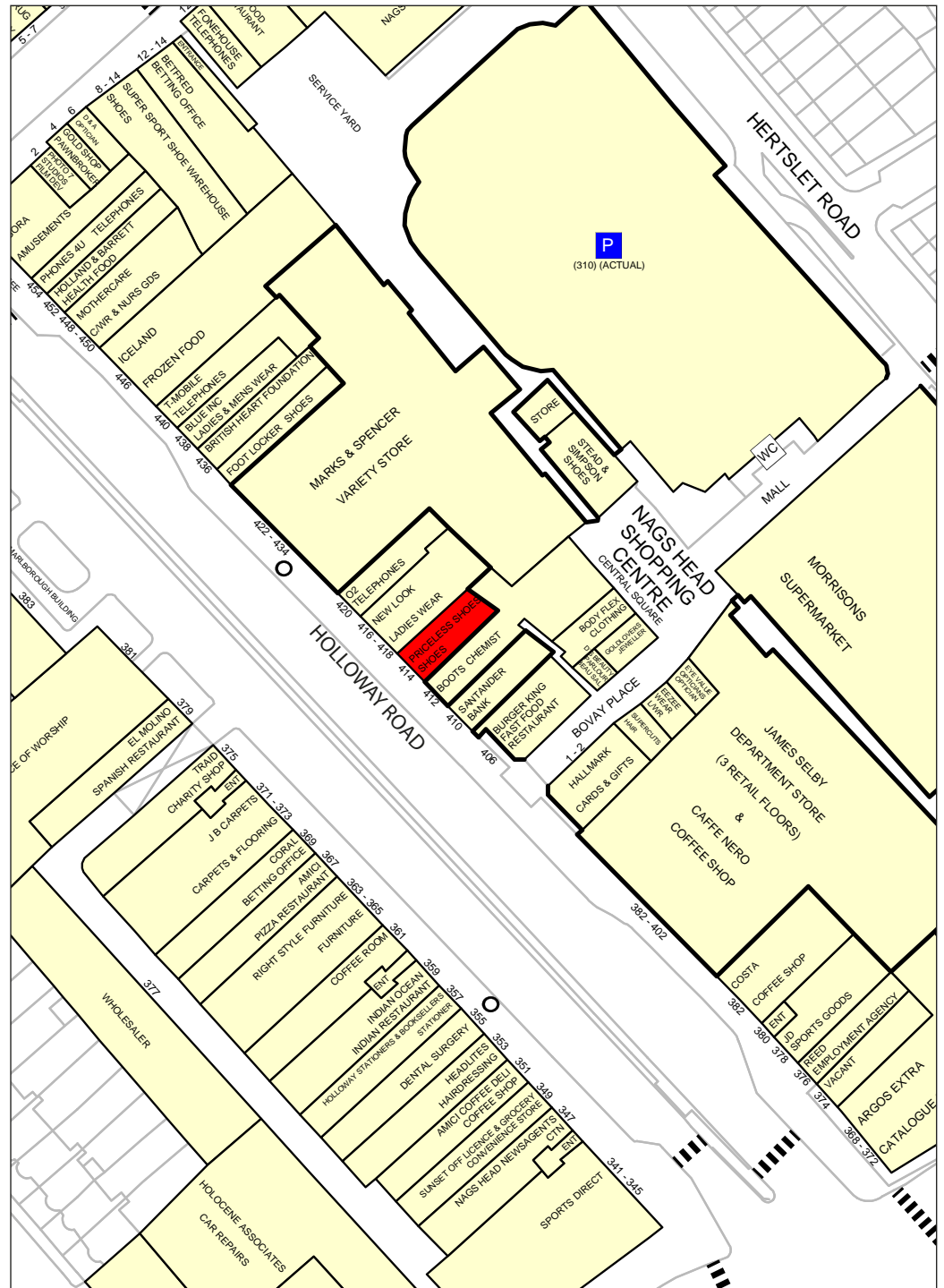
	To 31st July 2010
Turnover	£218,521,000
Pre Tax Profit	£6,132,000
Net Worth	£4,787,000

Asset Management Opportunity

Consent has previously been granted to convert the second and third floors into residential use. Each flat could comprise of 2 Bedrooms, Bathroom and a Living Room/Kitchen/Dining Room. We have been informed by a local estate agent that such flats would be highly desirable for letting and sale.

The upper parts benefit from a number of period features including the original fireplaces, ornate cornicing and staircases and substantial floor to ceiling heights. The roof provides an opportunity to create a roof terrace with views across to the Emirates Stadium.

Independent access from Holloway Road to the upper parts already exists.



Contacts

For further information including title information, the lease, other legal information, EPC or to carry out an internal inspection please do not hesitate to contact Harmer Ray Hoffbrand or refer to the website www.hrh.uk.com/investment-disposals.php?pn=Holloway-Road

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VAT

VAT will be charged upon the sale price. It is anticipated that the sale will be dealt with by way of TOGC.

Tenure

The property is held by way of freehold interest subject to and with the benefit of the lease to Barratts Shoes Properties 5 Limited guaranteed by Barratts Priceless Limited.

Proposal

Offers in excess of £1,135,000 (one million one hundred and thirty five thousand pounds) are sought for the freehold interest. A purchase at this level will reflect a yield of 5.5% after normal purchaser's costs, reversionary to 6.57% in September 2014 based on our ERV. This will show an equivalent yield of 6.4%.



DISCLAIMER NOTICE

Whilst every care is taken in the preparation of these particulars Harmer Ray Hoffbrand LLP, any joint agents involved and the vendor take no responsibility for any error, mis-statement or omission in these details. Measurements are approximate and for guidance only. These particulars do not constitute an offer or contract and members of the Agent's firm have no authority to make any representation or warranty in relation to the property. Particulars dated October 2011.

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Commercial Property Surveyors