

RETAIL AND OFFICE INVESTMENT
KOBÉ HOUSE
18-30 CHARLES STREET
LEICESTER
LE1 3FG

INVESTMENT SUMMARY

LOCATION	The property is located on the edge of Leicester City Centre immediately opposite The Haymarket Shopping Centre.
DESCRIPTION	The property comprises a 1960's built retail and office building comprising 5 ground floor shops with offices arranged over 1 st and 2 nd floors with a small covered service yard to the rear.
TENANCIES	The property is multi-let and produces a present income of £113,485 pa.*
ERV	The property has an estimated rental value when fully let of £123,310 pa.
TENURE	The property is held freehold.
PROPOSAL	Our client is seeking offers in excess of £1.79m subject to contract and exclusive of VAT for the freehold interest which reflects a net initial yield of 6% a net reversionary yield of 6.51% and a true equivalent yield of 6.65% allowing for purchasers costs of 5.75%.



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LOCATION

Leicester is situated in the heart of the East Midlands 25 miles south of Nottingham, 20 miles south east of Derby and 130 miles due north of London.

The premises are situated on Charles Street one of the city's main thoroughfares running along the north east edge of Leicester City Centre and linking it onto the A6 London Road leading south east out of the city and the A46 Belgrave Gate the inner ring road to the north.

The property is situated close to the centre of the city immediately opposite The Haymarket Shopping Centre. Within quarter of a mile is the prime shopping area of Gallowtree Gate, The Haymarket Tower Shopping Centre and The Shires Shopping Centre.

Excellent transport links are provided by the M1, M69 and M6 with the East Midlands International Airport being located 25 minutes due north of Leicester. Midland mainline provides rail access to London with a fastest journey time of 1 hour 15 minutes.

DESCRIPTION

The property was built in the 1960's and comprises a concrete frame building having traditional brick elevations. The accommodation comprises 5 ground floor lock up shops with offices arranged over first and second floors beneath a flat asphalt roof. To the rear there is a small covered service yard providing loading and unloading for the shop tenants.

A central stairway from the front of the building provides access to the offices with male and female WC's on each floor. The offices are finished to a basic standard with suspended ceilings incorporating florescent strip lighting and heating provided by wall mounted electric dimplex heaters.

ACCOMMODATION

The property has the following net floor areas:-

Unit	Area Sq Ft	Area Sq M	ITZA
18 Charles Street	824	76.55	562
20 Charles Street	723	67.17	526
22 Charles Street	847	78.69	558
28 Charles Street	871	80.92	595
30 Charles Street	716	66.52	549
1 st Floor Offices Right-hand Suite	1,506	139.91	
1 st Floor Offices Left-hand Suite	2,554	237.27	
2 nd Floor Offices Right-hand Suite	1,682	156.26	
2 nd Floor Offices Left-hand Suite	2,501	232.35	
Total Net Area	12,224	1,135.64	

TENURE

The property is held freehold.

TENANCIES

The property is let in accordance with the attached tenancy schedule and produces a current net income of £113,485 pa exclusive, * and includes the rental agreed under the leases awaiting completion. Age Concern Trust Corporation has just renewed a lease for a further 10 years at £15,000, this is to complete imminently. Heart of England Training Ltd has agreed to take the entire second floor on a new 10 year lease at £16,735. They currently occupy the demise by way of a Tenancy at Will at a peppercorn rent, with completion of the lease to take place shortly.

The property has an estimated rental value of £123,310 pa based upon a Zone A rental of £30 for the lock up shops and £5 psf for the office accommodation. All leases are drafted on an effective full repairing and insuring basis and provide for recovery of landlords expenditure on the building including insurance via a service charge.

TENANTS COVENANTS

Company	Period	Turnover	Pretax Profit	Net Worth
Frontline Recruitment Ltd	31/12/2002	-	£167,000	£15,000
	31/12/2003	-	£120,000	£58,000
	31/12/2004	-	£28,000	£49,000
Heart of England Training Ltd	31/03/2005	-	-	£94,000
	31/03/2004	-	-	£164,000
	31/03/2003	-	-	£203,000

ASSET

MANAGEMENT

POTENTIAL

- Existing rents reversionary
- Upper parts potentially suitable for residential conversion subject to the necessary consents.
- Further development potential

PROPOSAL

Our client is seeking offers in excess of £1.79m subject to contract and exclusive of VAT for the freehold interest which reflects a net initial yield of 6% a net reversionary yield of 6.51% and a true equivalent yield of 6.65% allowing for purchasers costs of 5.75%.

VAT

The property is not elected for VAT purposes and therefore VAT will not be payable on the purchase price.

FURTHER INFORMATION

To request further information or to arrange an internal inspection of the property please contact:-

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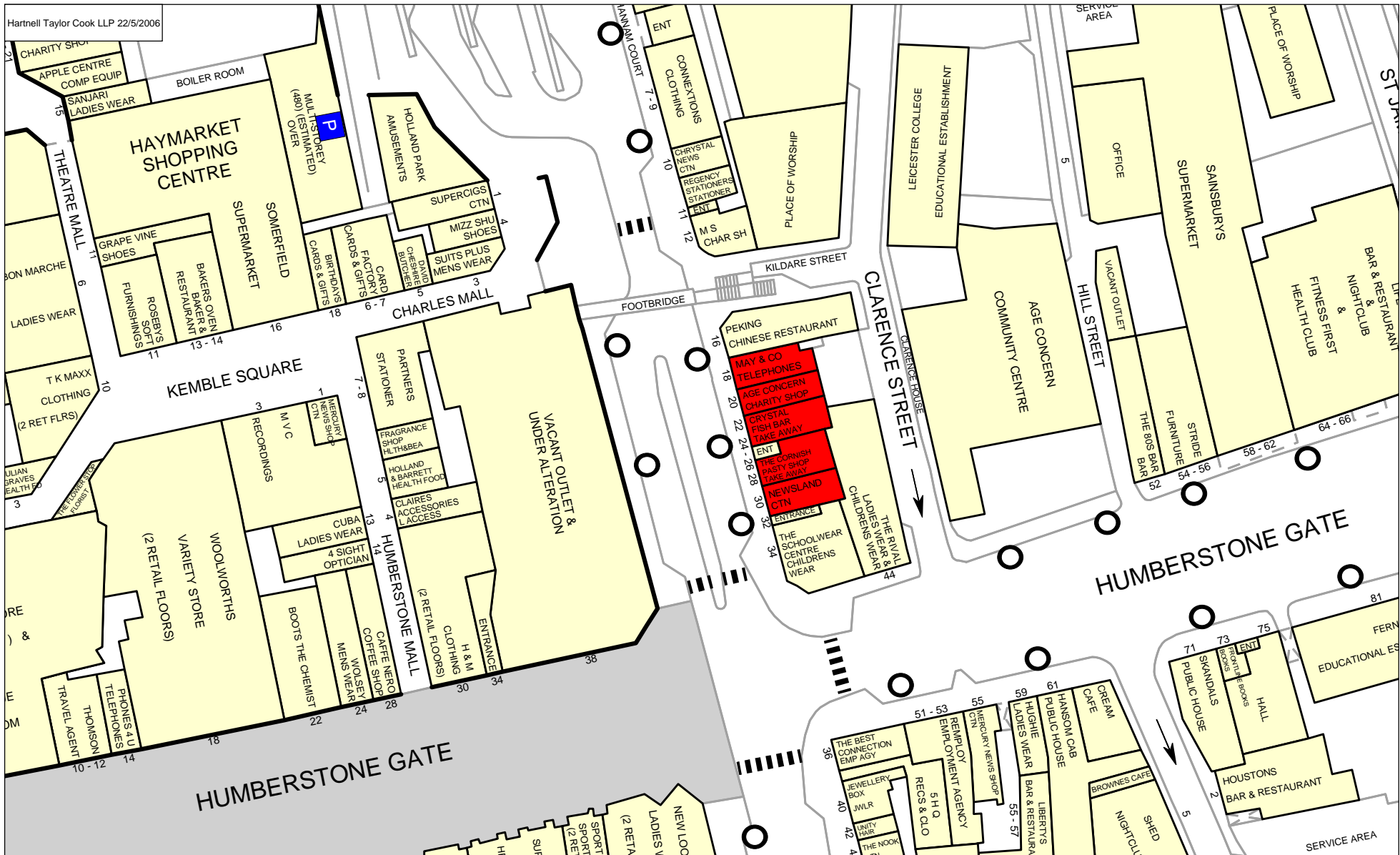
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SUBJECT TO CONTRACT & EXCLUSIVE OF VAT

TENANCY SCHEDULE
KOBE HOUSE, 18-30 CHARLES STREET, LEICESTER, LE1 3FG

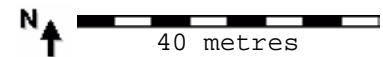
Unit	Tenant	Lease Start	Next Review	Expiry Date	Current Rent	ERV	Comments
18 Charles Street	YM Gure	20 th May 2002	20 th May 2007	19 th May 2012	£15,000	£16,300	
20 Charles Street	Age Concern Trust Corporation	11 th April 1995	-	30 th June 2006	£12,500 (£15,000)	£15,800	New 10 year lease agreed. Tenant break at end of year 5. Initial rent £15,000 pa. This is with solicitors ready for completion.
22 Charles Street	M Nas Esq	11 th Sept 2002	11 th Sept 2007	10 th Sept 2012	£16,000	£16,800	
28 Charles Street	Umit Acar Esq	8 th March 2002	8 th March 2007	7 th March 2012	£15,750	£17,200	
30 Charles Street	Mr & Mrs Modhwadia	25 th December 1990		24 th Dec 2010	£16,000	£16,000	Tenant has requested 10 year extension.
1 st Floor Offices Right-hand Suite	Frontline Recruitment Ltd	31 st October 2002	-	15 th September 2006	£7,500	£7,500	New 10 year lease agreed. Lease is subject to a mutual break at end of year 3 & 6. Service charge capped at current level plus increase in Retail Prices Index.
1 st Floor Offices Left-hand Suite	Heart of England Training Ltd	2 nd July 2005	2 nd July 2010	1 st July 2015	£11,500	£12,800	Tenant only break at end of year 5.
2 nd Floor Offices Right-hand Suite Left-hand Suite	Heart of England Training Ltd				(£16,735)	£20,910	New lease agreed for 10 years @ £16,735 pa, rent review in year 5 with a mutual break clause. Currently occupying on a Tenancy at Will at a peppercorn. Lease to be signed imminently.
Totals					£113,485*	£123,310	*includes leases that are in the process of completing



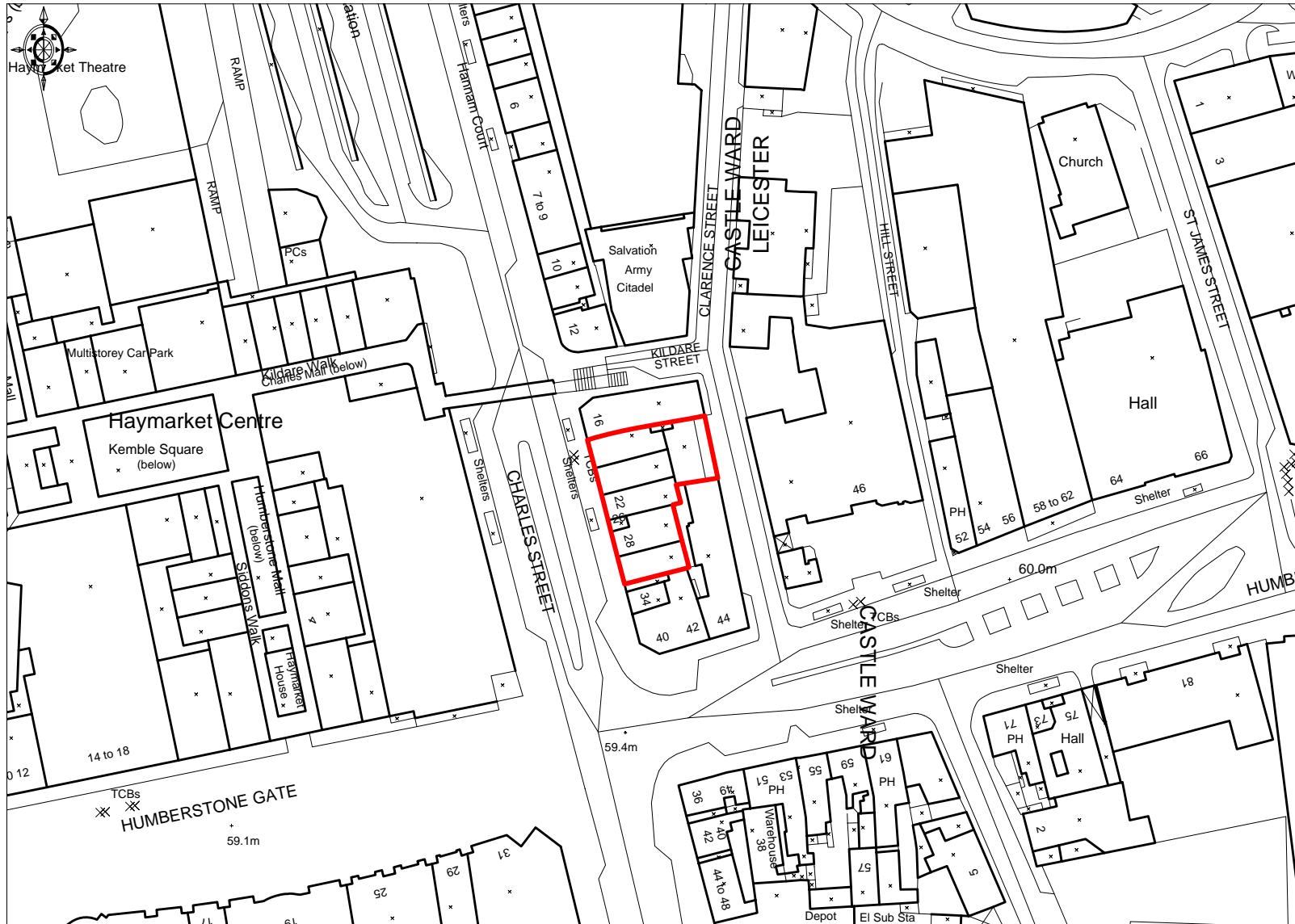
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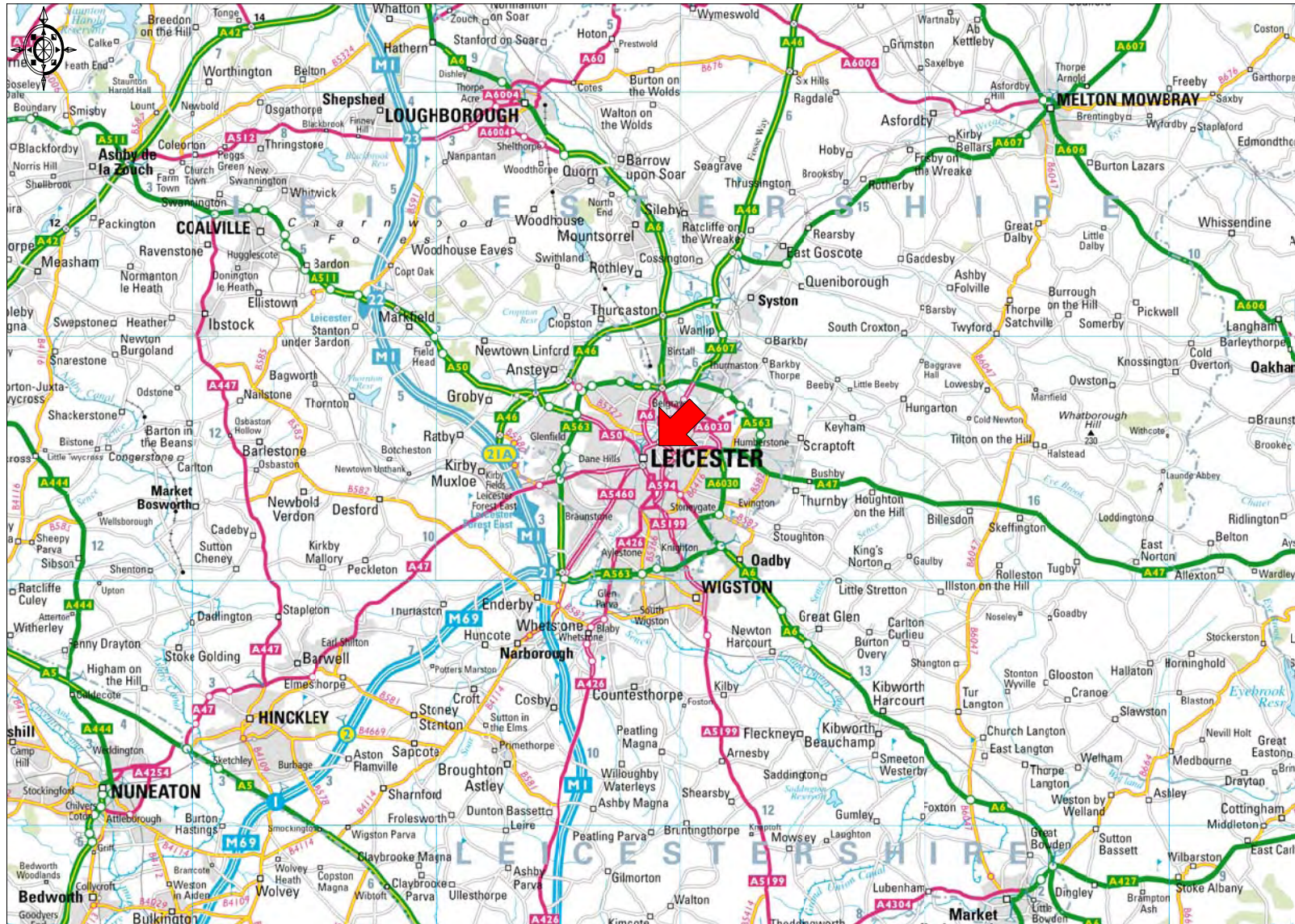
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Ordnance Survey

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MISREPRESENTATION ACT

Misrepresentation Act 1967 and Property Misdescriptions Act 1991

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