

For Sale - Ground Rent and Commercial Investment

On the instruction of LPA Receivers



**Edward
Symmons**

City Gate, Oldham Street, Liverpool L1 2SU

EXECUTIVE SUMMARY

Mixed residential ground rent and commercial investment producing a combined current gross rental income of £47,050 per annum, as follows.

- Ground Rent: £13,050 pa
- Unit 1 & 2: £20,000 pa
- Unit 3: Vacant
- Unit 4 & 5: £14,000 pa
- Unit 6: Under Offer

The property has an ERV of £82,550 per annum.

We are seeking offers of £600,000 for the benefit of the freehold interest. A purchase at this level would reflect a net initial yield of 7.42%, a net reversionary yield 13.01%, an equivalent yield of 12.22% and a true equivalent yield of 13.15%. These yields are net of purchasers costs of 5.7625%.

LOCATION

The property is located in Liverpool City Centre, a short distance from the A5038 Renshaw Street and in close proximity to Lime Street and Central Station. The property is bounded by Oldham Street, Oldham Place and Roscoe Street with surrounding uses being predominantly commercial and educational with pockets of residential. A number of sites in the surrounding area have planning consent for development including commercial, hotel and public realm improvements.

DESCRIPTION

The development provides two buildings, City Gate East and City Gate West, with a central courtyard accessed via secure gates from Oldham Street. The buildings are of steel frame construction with brick and block elevations incorporating aluminium framed windows all set beneath a flat roof. Constructed circa 2006 it provides 6 no. commercial units, 87 residential apartments and 52 car parking spaces on a rectangular site. The development is positioned on an incline which slopes from east to west.

City Gate East provides a rectangular six storey building with basement. The building provides four ground floor commercial units with residential accommodation above and car parking to the basement accessed via roller shutter doors from Roscoe Street and via the courtyard to the south elevation. City Gate West provides a seven storey L-shaped building fronting Oldham Street, Oldham Square and Oldham Place, with tarmaced car park to the east. It incorporates commercial units 1 and 2 to the ground floor with residential accommodation above.



ACCOMMODATION

In accordance with the RICS Code of Measuring Practice (6th Edition) the property provides the following internal areas:

Units 1 & 2 - Bernham

Restaurant	249.71 m ²	2,688 sq ft
Bar	57.10 m ²	615 sq ft
Ancillary	<u>263.52 m²</u>	<u>2,837 sq ft</u>
	570.33 m ²	6,139 sq ft

Unit 3 - Vacant

Office	28.34 m ²	305 sq ft
w/c	<u>2.69 m²</u>	<u>28 sq ft</u>
	31.03 m ²	334 sq ft

Units 4 & 5 - El Rincon

Cafe / Bar	76.41 m ²	822 sq ft
Dance Floor	96.02 m ²	1,033 sq ft
Ancillary	<u>52.45 m²</u>	<u>565 sq ft</u>
	155.88 m ²	1,678 sq ft

Unit 6 - Under Offer

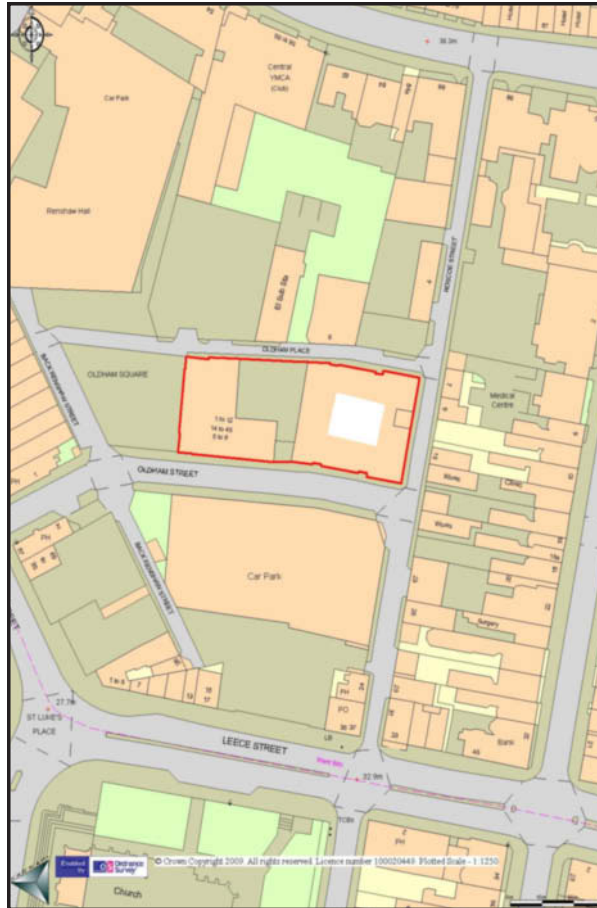
In shell condition	59.11 m ²	636 sq ft
--------------------	----------------------	-----------

Apartments

87 no.	5,859.20 m ²	63,068 sq ft
--------	-------------------------	--------------

The property also benefits from 52 no. car parking spaces.

We have calculated a site area of approximately 0.21 hectares (0.21 acres).



TENURE

We understand the property is held freehold.

TENANCIES

We understand the property is subject to the following tenancies.

All 87 apartments have been sold on 125 year leases subject to a ground rent of £150 per annum. This equates to a gross rental income of £13,050 per annum.

Units 1 and 2 Let to Shoo 390 Ltd from 5 November 2008 and expiring on 30 June 2027 on effective FRI terms. The lease has been assigned to Bernham Ltd and has been subject to a Deed of Variation to extend the term to 26 January 2035, vary the rent to £20,000 pa in year 1, £25,000 pa in year 2, £30,000 pa in year 3 and £35,000 pa in year 4 and implement a rent review on 26 January 2015 and every fifth anniversary thereof.

Units 4 and 5 Let on two separate leases to All Things Latin LLP, trading as El Rincon, from 21 June 2007 and 7 March 2008 with both expiring on 20 June 2027. Unit 3 is let at a rent of £13,000 per annum and Unit 4 is let at a rent of £15,000 per annum. Both leases are subject to a 50% rent concession until 1 June 2010. The leases are effective FRI and subject to rent reviews on 21 June 2010 and 21 June 2015.

Unit 6 Under offer to Street Legal Group Ltd, the managing agent for the apartments, on a 5 year lease at a stepped rent of £1,000 pa in year 1, £2,000 pa in year 2, £2,500 pa in year 3, £3,000 pa in year 4 and £4,000 pa in year 5.

