

146/148
COMMERCIAL ROAD
PORTSMOUTH
PO1 1EX

HIGH YIELDING CITY CENTRE INVESTMENT WITH SUBSTANTIAL
UNDER UTILISED ANCILLARY SPACE AND UPPER PARTS





INVESTMENT SUMMARY

- Located in Portsmouth, the south coast's main commercial and retailing centre.
- Situated in a 100% prime position on the eastern side of the pedestrianised Commercial Road directly opposite Primark and the Cascades Shopping Centre.
- Over 97% of the income is secured to Vodafone Ltd and Costa Ltd, producing £343,000 per annum.
- Costa and Vodafone have continued to pay rent throughout the pandemic.
- Freehold.
- Substantial ancillary space and upper parts currently underutilised by the tenants.
- Ground floor ancillary space and upper parts may be suitable for alternative use subject to necessary consents.
- Offers in excess of **£2,700,000 (TWO MILLION AND SEVEN HUNDRED THOUSAND POUNDS)** subject to contract and exclusive of VAT.
- A purchase at this level reflects a **net initial yield of 11.93%** after allowance for purchasers costs of 6.41%.



LOCATION

Portsmouth is a major commercial and retailing centre for the south coast and is home to the Royal Navy. The city is located 74 miles (119 km) south west of London, 30 miles (48 km) south east of Winchester and 22 miles 35 km east of Southampton.

Road communications in Portsmouth are excellent with the M275 running through the city centre and linking directly to the M27 / A27 which forms the main coastal route with Southampton and Bournemouth to the west and Brighton in the East. In addition the A27 links to the A3 (M) providing access to the M25 and London in the north. Rail links in Portsmouth are also strong with Portsmouth Railway Station providing regular direct trains to London Waterloo with an approximate journey time of 1 hour 30 mins.



DEMOGRAPHICS & LOCAL ECONOMY

The total population within the Portsmouth primary catchment area is 303,000 and the city has an estimated shopping population of 133,000. The city is the most densely populated in the United Kingdom, ahead of London, with 15,336 people per square mile. The student population has also increased in recent years and there are currently approximately 22,000 students in the city.

Tourism is an important part of Portsmouth's economy; Visit Britain estimates that on average, some 660,000 trips are taken each year to Portsmouth. The annual value of these trips was £39 million. Major tourist attractions include HMS Victory, the Mary Rose and the Emirates Spinnaker Tower.

Over the next 20 years Portsmouth is set to receive £1 billion of investment from both the public and private sectors, bringing 16,000 new jobs and 5,000 new homes, under the banner of 'Shaping Portsmouth'.

In late 2020 it was announced that Commercial Road is set to receive £3.9M from the government's Future High Streets fund. The cash will go towards changing property use, improving public spaces, and making it easier for new businesses to open.

Portsmouth University has recently announced plans to invest £400M over 10 years into their campus in Portsmouth City Centre to include construction of new landmark buildings, refurbishing existing facilities and creating new public spaces.

The first phase of this plan is underway with the construction of a new sports centre, a new academic building and a brand new student hub.



RETAILING IN PORTSMOUTH

Portsmouth retail accommodation comprises an estimated 960,000 sq ft, which is below the average for a centre of this size. Commercial Road is the prime pitch within the city, supported by the Cascades Shopping Centre.

The city centre benefits from a broad retail offer with a host of large format stores, which include Boots, TK Maxx, Argos and Primark. Fashion multiples with representation include H&M and River Island in addition to other key retailers such as EE, Holland & Barratt, Schuh, Sports Direct and WH Smith.

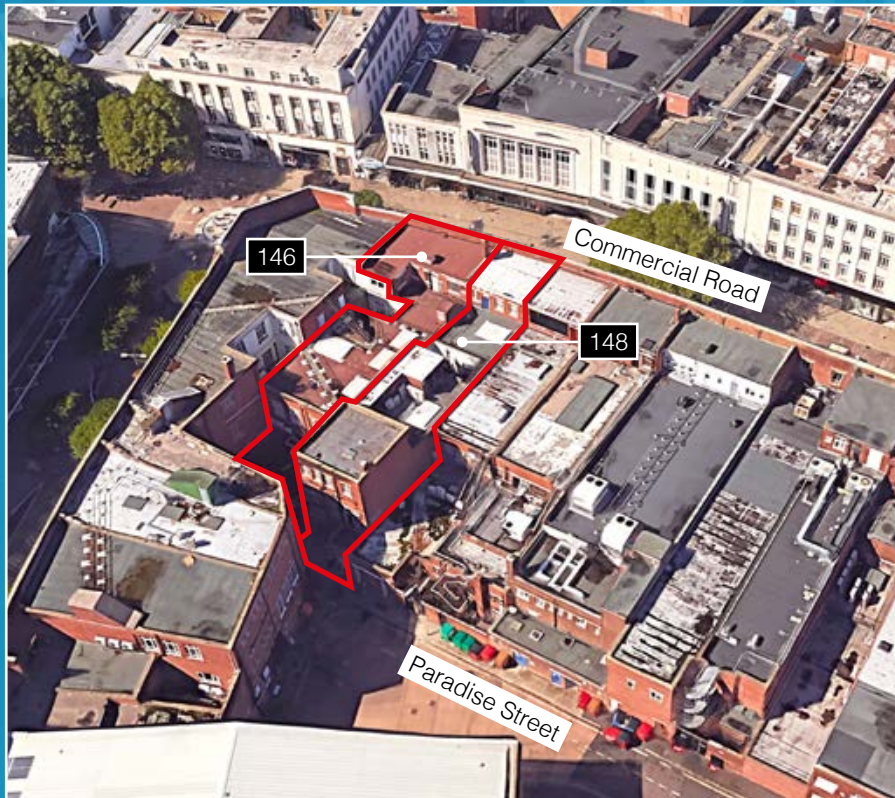
Plans have been approved for a new road into Portsmouth city centre which would unlock the Northern Quarter development land. The £60 million road project will divert the main arterial route into the city, diverting traffic from the M275 through new junctions. The new vision forecasts 2,600 homes built around the former Tricorn Centre site between Princess Royal Road and the Cascades Shopping Centre. Work is expected to start between July and September next year and construction will take two years.



SITUATION

The subject property is situated in a prime position on the eastern side of the pedestrianised Commercial Road directly opposite Primark and the Cascades Shopping Centre. Nearby occupiers include: Primark, H&M, Lloyds Bank, Boots, EE, Burger King, WHSmith, Superdrug, Natwest, Waterstones, Sports Direct, TK Maxx and a Tesco Superstore.





For identification purposes only



DESCRIPTION

The subject property comprises two mixed use units providing retail on ground and ancillary and office and residential on the upper parts, as described below:

146 Commercial Road

The retail element of 146 Commercial Road is let to Vodafone and is built up over ground, first and second floor accommodation. The ground floor is fitted out as a phone shop providing a sales area with an entrance fronting onto Commercial Road. The remainder of the ground floor is utilised as ancillary space by Vodafone. There is a small yard area to the rear with a separate entrance into the ancillary space accessed via Paradise Street.

146 Commercial Road also benefits from separate office and residential accommodation on the first and second floors, accessed via a separate entrance fronting onto Commercial Road. The first floor is fitted out as office accommodation while the second floor provides access to a roof terrace and a vacant three bedroom flat.

148 Commercial Road

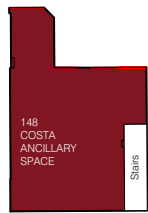
The retail element of 148 Commercial Road is let to Costa and is built up over ground, first and second floor accommodation. The ground floor is fitted out to Costa's standard fit out specification, providing a substantial sales and sitting area fronting onto Commercial Road. The remainder of the ground floor is used as kitchen and ancillary space. The first floor accommodation is utilised as further ancillary space by Costa. There is a small yard area to the rear with an entrance into the ancillary space accessed via Paradise Street.

148 Commercial Road also benefits from separate office accommodation providing space over part 1st and part 2nd floors. Access to the office space is provided via a separate entrance fronting onto Commercial Road.

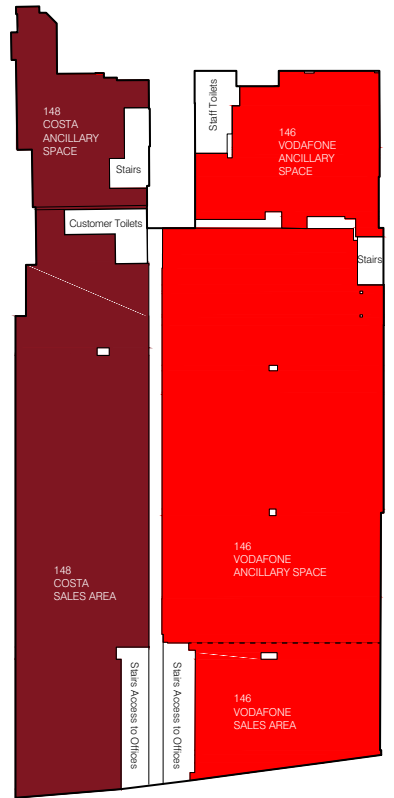
EXISTING FLOOR PLANS

KEY

- Costa
- Vodafone
- Offices
- Residential

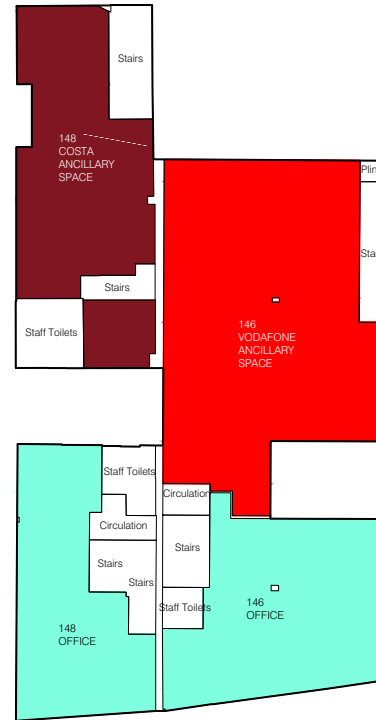


Lower Ground Floor



Ground Floor

COMMERCIAL ROAD



First Floor



Second Floor

TENURE

Freehold.

TENANCY & ACCOMMODATION

The property is multi let in accordance with the tenancy and accommodation schedule below producing a current income of £343,000 per annum.

Address	Tenant	Floor	Area (Sq m)**	Area (Sq ft)**	Lease Start	Lease End	Rent (£pa)	EPC Rating
146 Commercial Road	Vodafone Ltd	Ground floor sales	292	3,143	22/10/2014	21/10/2024	£200,000	D
		Ground floor ITZA	118	1,272				
		Lower Ground Ancillary	52	561				
		Ground Floor Ancillary	63	683				
		First Floor Ancillary	166	1,789				
146 Commercial Road	Staff 2000 Ltd*	First Floor Offices	91	982	24/12/2018	*	£8,000	F
146 Commercial Road	Vacant	2nd Floor Residential	74	793			£0	E
148 Commercial Road	Costa Ltd	Ground floor sales	186	2,002	05/11/2012	04/11/2022	£135,000	D
		Ground floor ITZA	70	755				
		Ground Floor Ancillary	43	463				
		First Floor Ancillary	96	1,030				
		Second Floor Ancillary***	-	-				
148 Commercial Road	Vacant	First floor offices	71	769			£0	G
148 Commercial Road	Vacant	Second floor offices	90	971			£0	E
Total			1,225	13,186			£343,000	

* Tenancy at Will. Tenant has been in occupation since 2012.

** Areas measured by Plowman Craven.

*** Area not inspected and measurements not available.

COVENANT INFORMATION



Vodafone

Vodafone is a British multinational telecommunications company operating services in regions of Asia, Africa, Europe and Oceania. Vodafone has a primary listing on the London Stock Exchange and is a constituent of the FTSE 100 index.

For the year ending 31/03/2020 Vodafone Limited reported a turnover of £5.65Bn and pre tax loss of £351.5M. For the same period the company reported a net worth of £3.74Bn.



Costa

Costa Coffee are one of the most popular and established coffee brands in Europe with over 2,400 UK locations and 3,401 stores in 32 overseas markets. In 2019 Costa Coffee was sold to the Coca-Cola Company in a deal worth £3.9bn.

For the year ending 31/12/2019 Costa Limited reported a turnover of £880.58M and pre tax profits of £5.33M. For the same period the company reported a net worth of £440.30M



VAT

The property has been elected for VAT purposes and it is anticipated that the sale will be treated as a transfer of going concern (TOGC).

PROPOSAL

Offers in excess of **£2,700,000 (TWO MILLION AND SEVEN HUNDRED THOUSAND POUNDS)** subject to contract and exclusive of VAT. A purchase at this level reflects a **net initial yield of 11.93%** after allowance for purchasers costs of 6.41%.



FURTHER INFORMATION

Should you wish to view the property or require any further information please contact the sole agents.

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SUBJECT TO CONTRACT AND EXCLUSIVE OF VAT

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12. These details were prepared as of APRIL 2021.

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