

The
CO-OPERATIVE
Way of life

**THE CO-OPERATIVE
CORPORATION STREET
COVENTRY, CV1 1GF**

A RARE OPPORTUNITY TO
PURCHASE A NEW, FULLY LET
& HIGH YIELDING COMMERCIAL
INVESTMENT IN THE HEART OF
COVENTRY CITY CENTRE.

MK2
REAL ESTATE



**AWARD WINNING
COMMERCIAL INVESTMENT**



INVESTMENT

INVESTMENT SUMMARY

- A multi-let mixed use property situated in the heart of Coventry fronting Corporation Street fully redeveloped in 2019.
- Prominent café, bars and restaurants in self-contained commercial units with external undercover seating.
- Let to four tenants on long leases with an AWULT of 10.9 years and a passing rent of £156,810 per annum.
- Basement accommodation available through separate negotiation providing a value add opportunity.
- Offers in excess of **£1,650,000 (One Million Six Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT reflecting a **net initial yield of 9%** and a **low capital value of £165 per sq ft** assuming purchasers' costs of 6.16%.

2021

UK CITY OF CULTURE

£211M

£211million – economic boost as a result of the Coventry City of Culture 2021 with an additional 2.5million visitors.

FASTEST

Fastest growing economic area and largest exporting area outside of London

2ND

Second largest city in the Midlands & 11th largest city in the UK

375,000

Population of 375,000



6M

6 million people live within 1 hour's drive

75%

75% of England is within a 2 hour drive

54,000

54,000 students over 2 world renowned Universities from over 140 countries

36.2

Average age of 36.2 years - the 5th youngest city in UK

71,000

People commute to Coventry every day

CONNECT

CONNECTIVITY

RAIL

Coventry Railway Station is 0.6 miles to the south of The Co-Operative.

Birmingham Airport is less than 10 minutes away via a direct train from Coventry railway station. Birmingham city centre is 20 minutes away and London Euston can be reached in 1 hour.

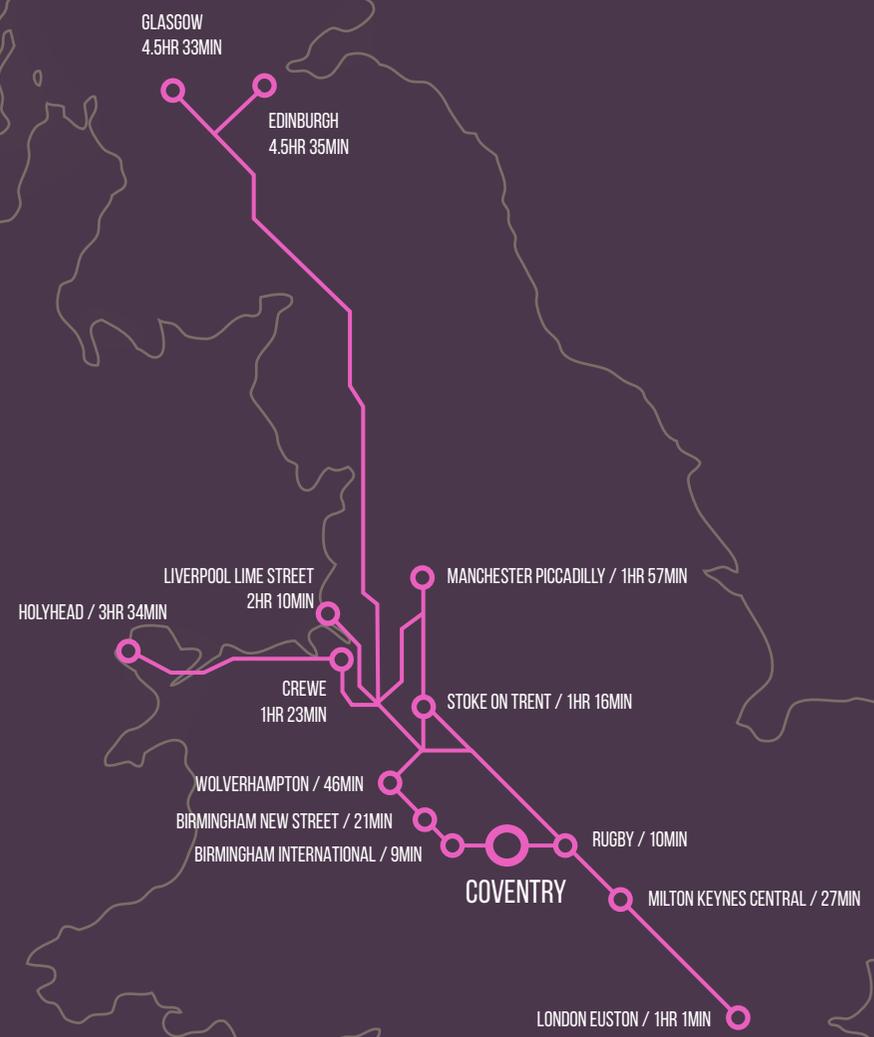
Coventry Railway Station is currently undergoing an £82m expansion and refurbishment project with phase one due to complete later this year.

Completion of these works will further increase Coventry's catchment area and sense of arrival in the city.

ROAD

Coventry is in close proximity to J2 and J3 of the M6, J1 of the M69, J6 of the M42 and J15 of the M40 motorways allowing fast access to the national motorway network serving the Midlands region.

| MOTORWAY LINKS | DISTANCE (MILES) |
|----------------|------------------|
| M6 | 5 |
| M69 | 5 |
| M42 | 9 |
| M40 | 13 |



LOCATION

SITUATION

The Co-Operative dominates a prominent position on Corporation Street, fronting the leisure and entertainment quarter and adjoining Coventry's prime retailing area, producing high volumes of footfall and pedestrian movement.

The property is opposite Belgrade Theatre and nearby bars and restaurants include The Philip Larkin, Bella Italia, Pizza Express, Pizza Hut, Steakout, The Old Windmill, Toros, H2O, Town Crier and Taste Vietnam.

DESCRIPTION

The Co-Operative is one of Coventry's most enduring landmarks and has been fully redeveloped into a mixed-use property providing residential, restaurants and café bar uses. The property underwent a complete redevelopment in 2019 including 63 luxury residential apartments on the upper floors.

At ground floor level there are four self-contained commercial units with extensive glazing to the frontage together with double glazed access doors. The units have been let as a shell and fitted out by the tenants to a high standard. To the rear is a service corridor serving all the units providing bin and loading and access to the service yard. To the front of the units is an external seating area which is undercover with Horton stone columns to the frontage.



AREA

SURROUNDING AREA



01 BELGRADE PLAZA

Belgrade Plaza is the largest mixed-use project in Coventry City Centre. The scheme is located in a prime position accessed immediately off Junction 9 of the Ring Road and adjacent to the recently refurbished and extended Belgrade Theatre and West Orchards Shopping Centre. Belgrade Plaza comprises a 1,100 space multi-storey car park and houses tenants such as Premier Inn Hotel, JD Gyms, Pizza Express and Bella Italia. At present, the vicinity is home to over 650 student beds which is due to rise to over 1,000 after Phase 3 of Belgrade Plaza is completed and occupied.



02 COVENTRY TELEGRAPH BUILDING

The former Coventry Telegraph building, on the corner of Upper Well Street and Corporation Street, has been transformed into an 88 bedroom luxury hotel including a seasonal rooftop bar.



03 BELGRADE THEATRE

Immediately opposite the subject property is the Listed Belgrade Theatre which is one of Coventry's main leisure attractions. The theatre is currently undergoing a £4.8m refurbishment with Phase 2 set to complete later this year including a full refurbishment of the café and restaurant area.



04 UPPER PRECINCT

To the south of the property is the historic Upper Precinct shopping parade. Works are underway to create an open pedestrian area throughout the Upper Precinct replacing the existing escalator and foot bridges to re-establish the view to Coventry Cathedral undertaken by Shearer Property Group. The works are anticipated to complete in June 2021.



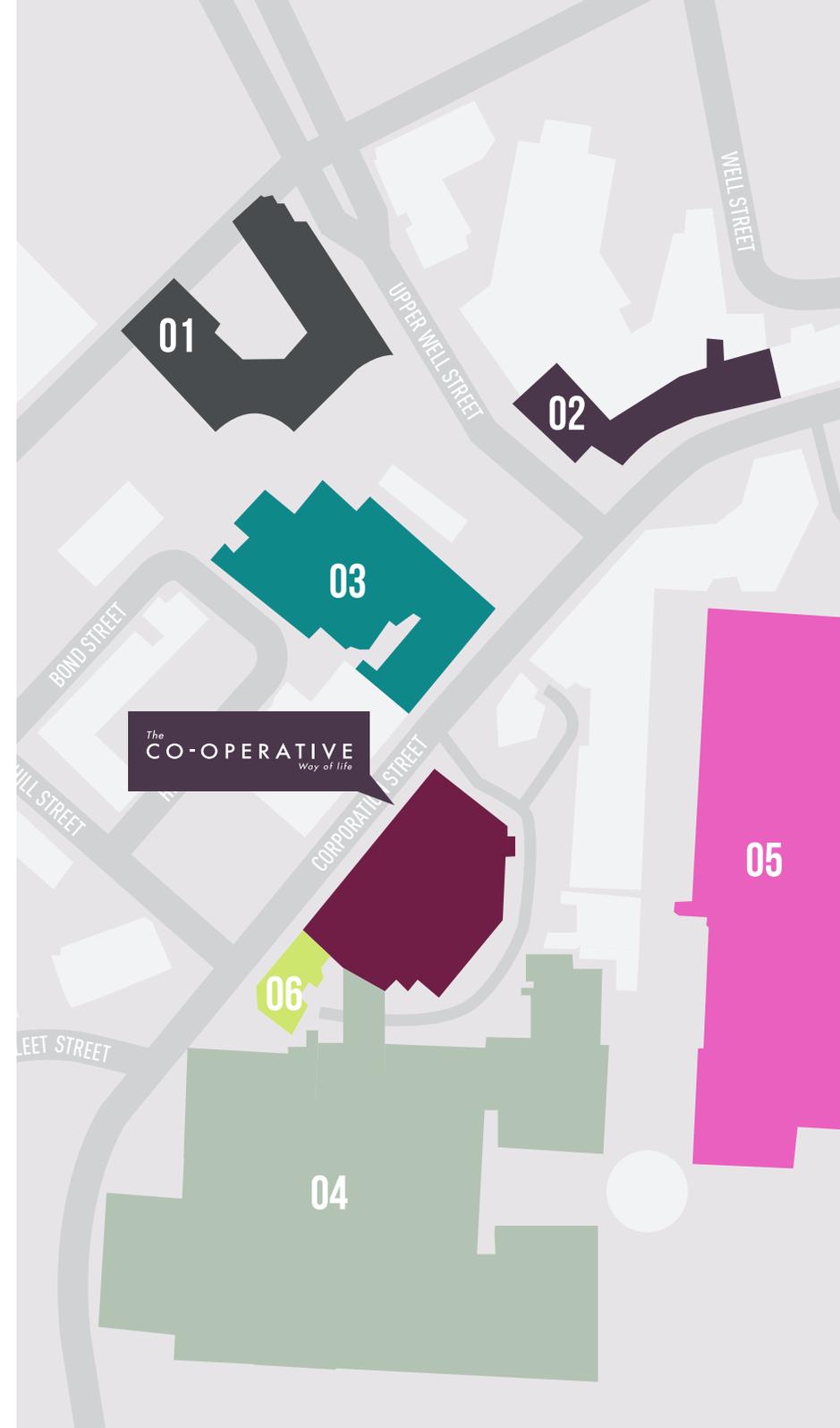
05 WEST ORCHARDS

From its opening in 1991, West Orchards has been at the heart of the City Centre retail offering accommodating a wide choice of retail outlets with a mix of major high street retailers and independent outlets.



06 HAWKINS

Hawkins is a three storey mixed use leisure, retail and office premises providing retail and leisure at ground floor level and refurbished office accommodation on the uppers. Hawkins adjoins the subject property and provides complimentary leisure and retail offerings to those at the subject property.





TOURISM AND CITY OF CULTURE

COVENTRY WAS RECOGNISED AS THE EUROPEAN CITY OF SPORT IN 2019, THE UK CITY OF CULTURE IN 2021 AND IS A HOST CITY FOR THE 2022 COMMONWEALTH GAMES.



The title for City of Culture is awarded every four years, and Coventry has been chosen to be the UK's City of Culture for 2021. The aim of the initiative is to build on the social and economic benefits for the area. 2017's winner, Hull, benefited from over 5 million people being attracted to the city during the year which subsequently encouraged £220m worth of investment, contributed to the creation of 800 new jobs and the local economy was boosted by an estimated £60m.

By 2023 the aim is to attract over 10 million visitors per year to Coventry. As part of City of Culture it is estimated that there will be a £211million boost to the local economy and around £35million from government grants and other organisations to help fund planned events and developments in the City.

In December 2017 it was announced that Birmingham will be the host city for the 2022 Commonwealth Games, an international multi-sport event for members of the Commonwealth. Events are being held across the region with a £778million spend on the games. Coventry will be hosting the athletes village at Warwick University Campus utilising the £49million Sports and Wellness hub. Around 5,000 sports people will be attending.

Coventry will host Rugby Sevens, Judo and Wrestling, all at The Ricoh Arena.

In addition to this, Coventry's main leisure attractions include;

- Belgrade Plaza
- Belgrade Theatre
- Coventry Cathedral
- Cathedral Lanes
- Coventry Transport Museum
- Herbert Art Gallery & Museum
- Leisure World
- Ricoh Arena (home of the Wasps)
- Sky Dome Arena (home of the Coventry Blaze)

Most of these are situated on the west and northern side of the city centre, within close proximity to the subject property.



CULTURE

COVENTRY DEVELOPMENT PIPELINE

2021

COVENTRY TRAIN STATION

£82m regeneration of the station to include a 644 space car park and a second station building.

2021

UPPER PRECINCT

Delivery of high quality new public realm scheme transforming the prime retail area in the City and re-establishing the view of Coventry Cathedral. £300 million project with completion in 2022.

2022
SIRIUS

Development of 36 apartments on the Burges, in an architectural statement building. This is another development by EDG Property.

2022

ALBANY ROAD

Delivery of 436 bed student scheme comprising a mix of studios and cluster bedrooms together with a café and gym. The scheme is being delivered by Cassidy Group and is due to PC in July 2022.

2021



2022



ONGOING > FRIARGATE

Friargate is a major regeneration project, covering 37 acres around Coventry train station. When complete, Friargate will have delivered 3,200,000 sq ft of mixed-use development across 25 new buildings. The development will include 14 Grade 'A' office buildings, two hotels, 215,000 sq ft of retail, restaurants and bars, and vastly improved public spaces as well as up to 400 high-quality residential units.

ONGOING > BISHOPGATE

Phase 1 comprises 725 student beds in 3 residential blocks completed in September 2018. Phases 2 and 3 have detailed planning consent for 416 and 84 student beds respectively, with a further build to rent block planned comprising c. 420 apartments.

ONGOING > ABBOTS LANE

£100m transformation of the former National Grid site to include 700 new homes in more than a dozen new tower blocks.

SCHEDULE

TENANCY SCHEDULE

| UNIT | AREA (SQFT) | TENANT TRADING AS | RENT DEPOSIT / GUARANTOR | RENT REVIEW | LEASE TERM | LEASE START | LEASE END | BREAK | CONTRACTED RENT PA | RENT PSF |
|--------------|---------------|-------------------|---------------------------|---|------------|-------------|-----------|-----------|--------------------|---------------|
| 1 | 2,457 | Heavenly Desserts | £8,500 | 5th year OMV | 10 years | 13-Jan-20 | 12-Jan-30 | N/A | £34,000 | £13.84 |
| 2 | 2,045 | Franzos | £18,405 | 5 yearly OMV | 15 years | 01-Nov-19 | 30-Oct-34 | 01-Nov-29 | £36,810 | £18.00 |
| 3 | 3,500 | Rodizio Rico | CopaBrazil Limited | Annual RPI (capped at 3% on each review date) | 15 years | 08-Apr-19 | 07-Apr-34 | N/A | £56,000 | £16.00 |
| 4 | 2,000 | Café Morso | Andrew John William Rance | 5th year OMV | 10 years | 08-Apr-19 | 07-Apr-29 | N/A | £30,000 | £15.00 |
| 5 | c.14,000 | Vacant | - | - | - | - | - | - | - | - |
| TOTAL | 10,002 | | | | | | | | £156,810 | £15.68 |

AVERAGE WEIGHTED UNEXPIRED LEASE TERM (AWULT) OF 10.9 YEARS.

TENANTS

TENANTS



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FURTHER INFORMATION

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REAL ESTATE

TENURE

The property is held on a 250 years long leasehold interest from Coventry City Council at a peppercorn rent and expiring on 3rd August 2267. The internal demise of the upper floor residential accommodation is held on a sub-long leasehold interest to Landmark Group who collect the residential ground rents and manage the residential accommodation. The basement will either be sold as part of the long leasehold interest or retained by the current vendor on a sub long leasehold interest at a peppercorn rent.

SERVICE CHARGE

There is a service charge in place across the retail units at a current budget of £2.60 per sq. ft. Insurance is placed for the whole building by the head long leaseholder (interest we are instructed to sell) and then reclaimed on an apportioned basis from the residential long leaseholder and the four occupational tenants.

VAT

The property is registered for VAT and VAT will be payable on the purchase price however we anticipate that the sale will be structured by way of a TOGC.

EPC

Further information available on request.

PROPOSAL

We are instructed to seek offers in excess of **£1,650,000 (One Million Six Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects a Net Initial Yield of 9% and a low capital value of £165per sq ft after allowing standard purchasers costs of 6.16%. The basement is available by way of separate negotiation.

Subject to contract.

Another prestigious development by
Award Winning Developer

edg
PROPERTY

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