TOWER 2, THE BANK // 78-79 BROAD STREET // BIRMINGHAM // B15 1AQ

WELL LET RETAIL INVESTMENT OPPORTUNITY

MK2 REAL ESTATE

REGAL property group

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INVESTMENT SUMMARY

- Excellent opportunity to acquire a well let convenience store in a very prominent position in a prestigious Birmingham development.
- The Bank is a high-quality residential development with extensive frontage to Broad Street and Oozells Way close to Brindley Place that has transformed the Birmingham Sky-Line.
- Ground floor unit of Tower 2 extending to 3,360 sq ft GIA.
- Let to Tesco Stores Limited for 15 years with a tenants break at year 10 at a rent of £70,000 per annum equating to £20.83 per sq ft.
- Upward only rent reviewed every 5 years to market value subject to a cap of 12.5%.
- 250 years long leasehold interest at a peppercorn rent.
- Offers in excess of **£1,285,000 (One Million Two Hundred and Eighty Five Thousand Pounds)** subject to contract and exclusive of VAT and reflecting a **net initial yield of 5.14%** after for allowing for purchasers costs of 6.00%.

Artistic Impression for illustrative purposes only

BIRMINGHAM

Birmingham is the commercial and administrative centre of the West Midlands with a population of 2.9 million and forms the largest City and Local Authority by area outside of Greater London.

Birmingham has a strong economy and is a major engine of UK growth, producing £121 billion GDP per annum (2020 estimate) ranking 10th across Europe. The City's business and financial services sector is the second largest in the UK employing over 130,000 people within the City Centre with the majority focused around the Central Business District. The City has benefitted most out of any regional centre from "north shoring" over the past decade and has attracted major national occupiers including HSBC, Deutsche Bank and HS2.

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Birmingham attracts over 26 million visitors each year and has a fast growing leisure and tourism sector, boosted by Birmingham's successful bid to host the 2022 Commonwealth games.

BIRMINGHAM 2022 commonwealth games

ROAD

Birmingham benefits from easy access to the A38M, M6, M5, M42 and M40 Motorways.

TYPICAL DRIVE TIMES

Solihull	20 m
Bristol	50 m
Manchester	1 h 41 m
Leeds	2 h 11 m
London	2 h 32 m

MIDLAND METRO

The Midlands Metro Light Rail Transport System connects Wolverhampton to Birmingham's City Centre (Snow Hill Station). At a cost of £127million the Metro has been extended to Grand Central Station. Further extensions of the system are in progress for Brindley Place, Edgbaston and Digbeth.

SITUATION

The Bank is prominently positioned on Broad Street at the junction of Oozells Way leading to Sheepcote Street and in close proximity to Brindley Place.

Nearby major office occupiers include – HSBC, HMRC, RBS, Commonwealth Games Office, Lloyds, Deutsche Bank, Deloittes, Avison Young and the Binding Site.

Nearby Hotels include – Park Regis, Hilton Garden Inn, Hampton By Hilton, Novotel, Jury's Inn, Travelodge, Hyatt and Premier Inn

BIRMINGHAM METRO

The Birmingham Metro tramline is currently being extended along Broad Street to Five Ways with a stop outside the property. Expected to open in Q4 2021 the works have included a significant improvement to the public realm of Broad Street.

NEARBY OCCUPIERS INCLUDE: HSBC UK, HM Revenue & Customs, AVISON YOUNG

NEARBY HOTELS INCLUDE: PARK REGIS, Hilton Garden Inn, JURYS INN, HYATT

RESIDENTIAL

Nearby proposed and new residential developments are to provide in excess of 3,000 units and include;

211 BROAD STREET
37 Storey – 237 serviced apartments
Planning Granted

LANDSOWNE HOUSE, HAGLEY ROAD
16 Storey – 206 residential apartments
Completed

ST MARTINS PLACE, BROAD STREET
11 Storey - 228 residential apartments
Completed

105 BROAD STREET, BIRMINGHAM
Existing Building – 214 residential apartments
Completed

212 – 223 BROAD STREET, "THE MERCIAN"
42 Storey – 481 apartments
Under Construction

100 BROAD STREET
61 Storey – 503 apartments
Planning Granted

BROAD STREET "LEADWORKS"
12 Storey – 198 room aparthotel
Plans submitted

Schemes completed, under construction, planning granted or planning submitted.

SUBJECT PROPERTY

DESCRIPTION

Tower 2, Bank is a 33 storey residential tower completed by Regal in 2020 which together with Tower 1 at 21 storeys provides 406 high quality residential apartments.

The ground floor commercial unit of Tower 1 has frontage to both Broad Street and Oozells Way and is a double height unit with the ability to install a mezzanine and extends to 3,360 sq ft gross internal area.

TENURE

250 years long leasehold interest from 19th July 2017 and expiring on 10th July 2267 at a peppercorn rent.

DEVELOPER

Regal (West Point) Limited part of the Regal Group funded by Aprirose Real Estate Investment. Founded in 1994, in addition to the recently completed The Bank, Towers 1 & 2, Regal are involved in a number of other high profile mixed use developments. These include the redevelopment of the Murdoch & Pitman Chambers, Corporation Street, Birmingham, 154 apartments at Essex Street, Birmingham, Digital World, Salford Quays Manchester and Sherwood Oaks Business Park in Mansfield.

REGAL property group | THE BANK BIRMINGHAM

PLAN

The unit has been pre-let to Tesco's. The vendor is to undertake the Landlord's works which include the installation of a shopfront and other works to a value in excess of £450,000. Following completion of the Landlords works the lease will complete and Tesco's will then undertake their own tenant works fit out as shown on the following plan.

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TENANCY

Full repairing and insuring lease to Tesco Stores limited for 15 years lease at a rent of £70,000 per annum equating to £20.83 per sq ft. There is a tenant's break option at year 10 on giving 6 months prior notice.

The rent is reviewed every 5 years upward only to the open market rental value subject to a cap at 12.5%.

COVENANT

Founded in 1919, Tesco is the largest food retailer in the UK and the third largest retailer in the world measured by gross revenues. The company has around 3500 stores and employs over 360,000 people.

Tesco Stores Limited has an Experian rating of 100 (Low Risk) and their most recent accounts are summarized as;

TESCO STORES LIMITED 00519500

000'S	24/02/2018	24/02/2019	24/02/2020
Turnover	£41,367,000	£42,219,000	£42,951,000
Pre Tax Profit	£417,000	£737,000	£1,151,000
Total Net Worth	£4,071,000	£5,167,000	£4,817,000

EPC

A copy of the Energy Performance Certificate can be provided upon request.

VAT

VAT is payable on the purchase price however subject to qualification we anticipate that the sale will be structured by way of a Transfer of a Going Concern (TOGC).

PROPOSAL

We are instructed to seek offers in excess of **£1,285,000 (One Million Two Hundred and Eighty Five Thousand Pounds)** subject to contract and exclusive of VAT and reflecting a **net initial yield of 5.14%** after for allowing for purchasers costs of 6.00%

FURTHER INFORMATION

For further information or to arrange an inspection please contact;

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IMPORTANT INFORMATION

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4. Any reference to alterations to or use of any part of the property is not a statement that any necessary planning, building regulations or other consent has been obtained.These matters must be verified by any intending buyer.

5. Any buyer must satisfy themselves by inspection or otherwise as to the correctness of any information given.

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