



# 138-150

WEOLEY CASTLE ROAD

BIRMINGHAM B29 5QL

MULTI-LET NEIGHBOURHOOD SHOPPING PARADE  
WITH RESIDENTIAL UPPERS

**MK2**  
REAL ESTATE

**BULLEYS**  
CHARTERED SURVEYORS



OFFERS IN EXCESS OF

**£1,950,000**

NET INITIAL YIELD

**8.61%**

## INVESTMENT SUMMARY

*A multi-let neighbourhood shopping parade with residential uppers on a large plot with car parking.*

> Prominently positioned on Weoley Castle Road, fronting Castle Square a popular residential suburb of Birmingham about 6 miles south west of the city centre.

> Freehold, three storey building with five retail units to the ground floor together with seven upper floor maisonette style flats and a large car park to the rear.

> Fully let to 12 tenants and currently producing £178,411 per annum with 70% of the income secured to Heron Foods, Greggs Plc, Sportswift (Card Factory) and Acorns Children's Hospice and 21% attributable to the residential tenancies on AST's.

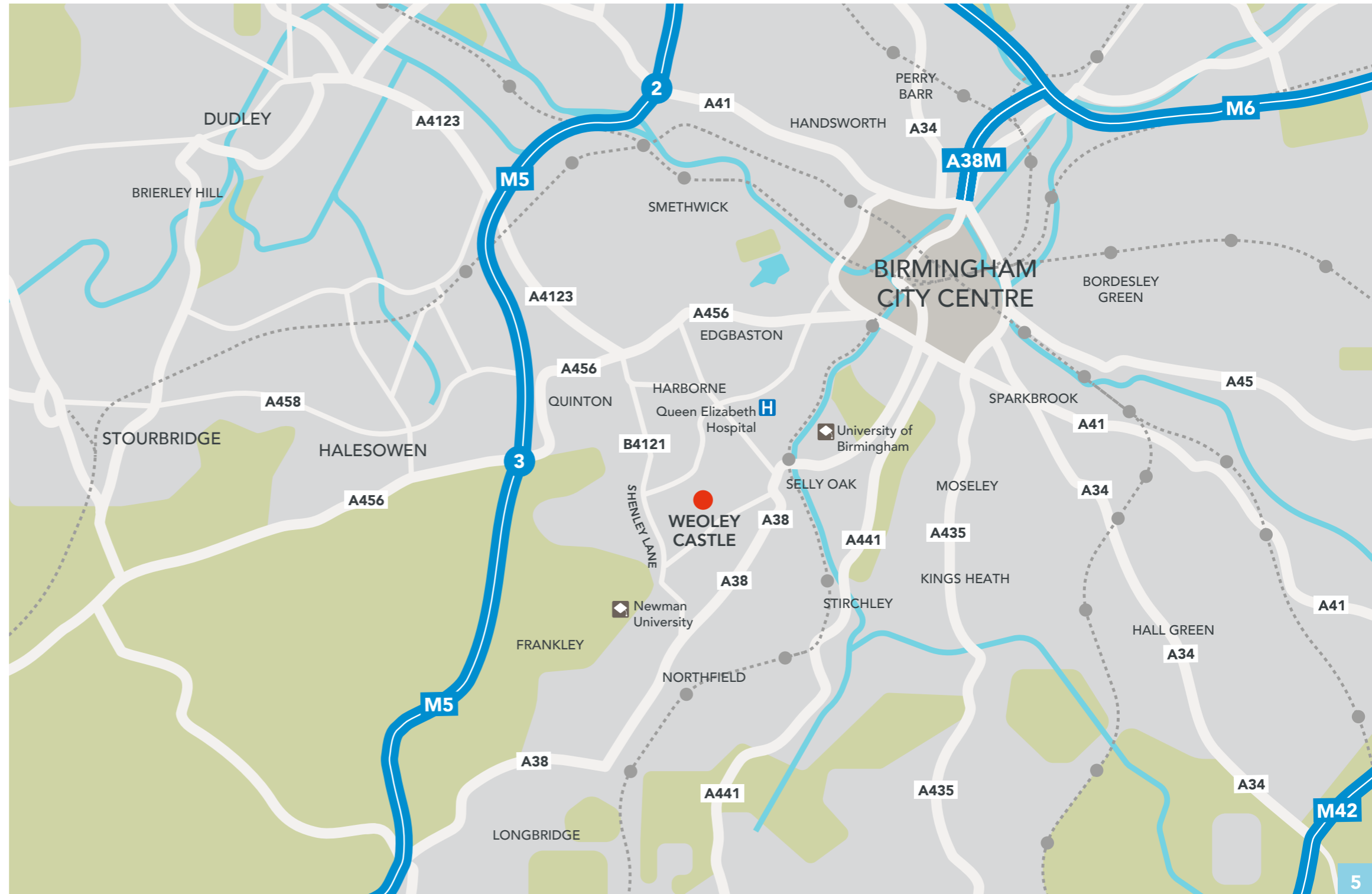
> Significant opportunity to add value through rental uplifts and medium term refurbishment, extension and development.

> Offers in excess of **£1,950,000 (One Million Nine Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT reflecting a **net initial yield of 8.61%** assuming purchasers' costs of 6.26%.

# LOCATION

Weoley Castle is a suburb of Birmingham and is situated approximately 6 miles south west of Birmingham City Centre.

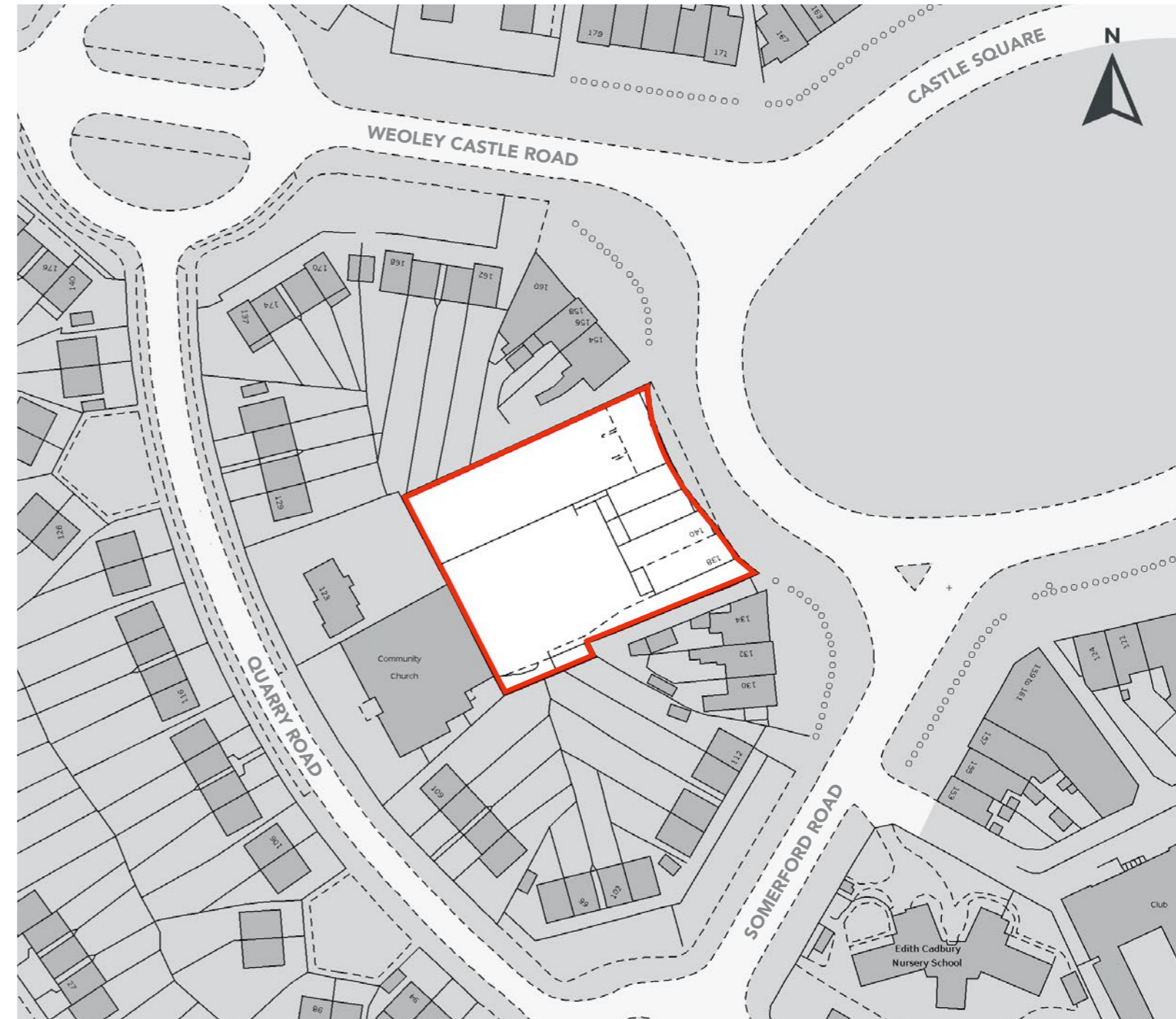
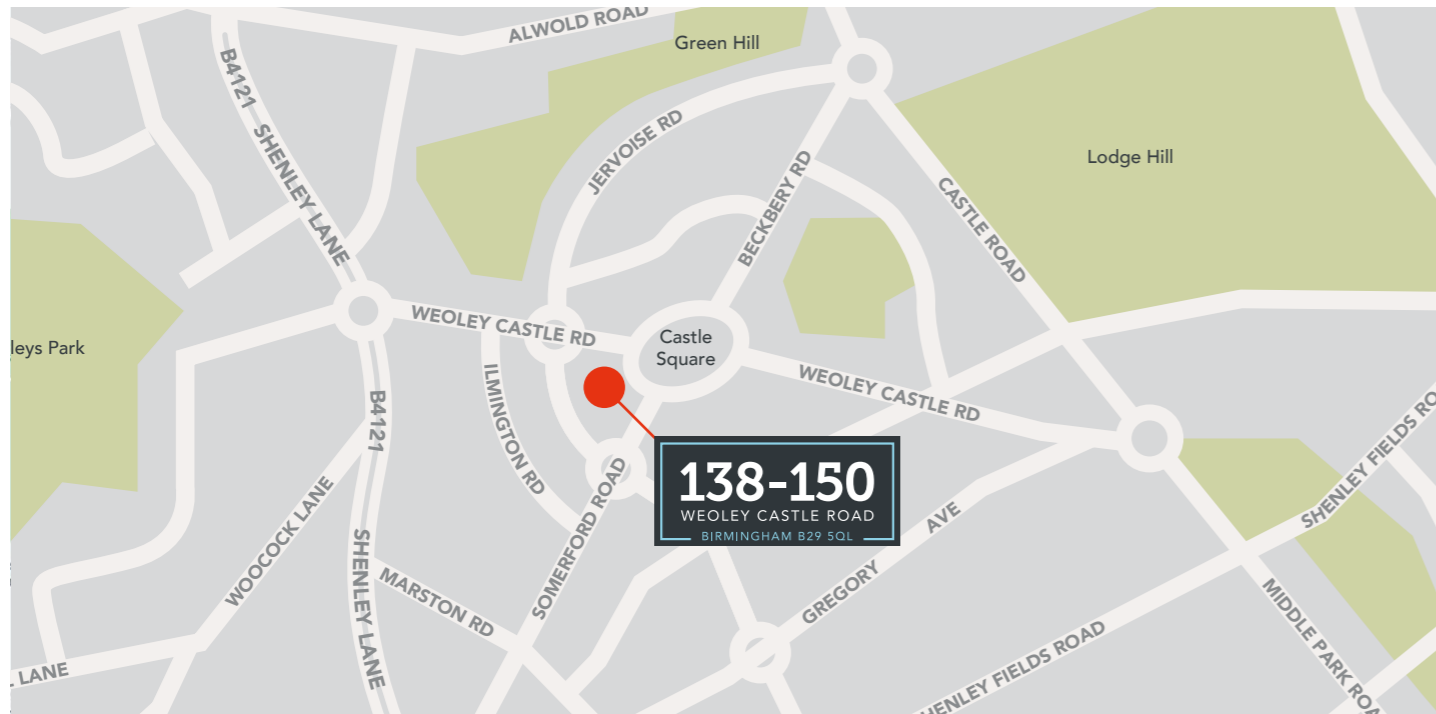
The area is a popular residential district and is well served by the A38 and A456 and is in close proximity to junction 3 of the M5 motorway providing good road communications. Weoley Castle is close to Northfield, Frankley, Bournville, Woodgate, Harborne and Selly Oak. Nearby is the Queen Elizabeth II Hospital, Birmingham University and Newman University. Selly Oak train station is around 1.5 miles distant providing regular services to Birmingham City Centre. There are frequent bus services from Weoley Castle providing links to the nearby areas.



# SITUATION

The property is very prominently located on Weoley Castle Road and fronts Castle Square in the heart of the community.

The square provides attractive amenity space with trees and grassed areas. The square is well served by convenience retailers including Lloyds Pharmacy, Scrivens Opticians, Lloyds Bank, Cashino, William Hill, Savers and BetFred together with a wide range of local independents including, hairdressers, nail salons, butchers, greengrocers, fish and chip shops and Pizza, Indian and Chinese Takeaways.





## DESCRIPTION

The property comprises a three storey concrete frame building with brick elevations and part rendered panels under a flat asphalt roof which was replaced in 2010.

There are 5 retail units to the frontage with a canopy area over part of the pavement. The building is in an "L" shape configuration with Heron Foods extending to the full depth of the demise. The retail tenants have fitted out the units to their own brand standards.

To the rear is a large tarmac car park which is accessed from Castle Square and is used by both residential tenants, retailers and customers. Servicing and bin stores for the retailers are provided off the car park.

There are 7 flats above the retail units which are accessed via a door and staircase from the car park to a shared communal area. The flats are 2 bedroom maisonette style with balcony to the front and double glazing. Above Heron Foods there are various storage areas.



# TENANCY SCHEDULE

The property is fully let to 5 retail tenants and 7 residential tenants providing a total income of £178,411 per annum. 21% of the income is attributable to the residential tenancies which are held on AST's. 79% of the income is derived from the retail tenants of which 70% is secured against Acorns Children's Hospice, Greggs Plc, Sportswift (Card Factory) and Heron Foods Plc.



Tenancy details are set out in the schedule below;

UNIT	FLOOR AREA (SQ FT)	TENANT	LEASE START	LEASE EXPIRY	RENT REVIEW	BREAK CLAUSE	RENT (£PA)	RENT (£PSF/PCM)	COMMENTS
<b>COMMERCIAL</b>									
Sub Station	0	Western Power Distribution	01/05/1970	30/04/2069	-	-	£1		
138	800	Lien Phuong Truong	22/05/2018	21/05/2028	5 years	22/05/2023	£15,950	£19.94	
140	790	Sportswift Ltd	25/03/2018	24/03/2023	5 years	-	£15,950	£20.19	
140 (rear)	N/A	Sportswift Ltd	23/03/2016	Ongoing	-	-	£500		Licence, terminable by either party on 24 weeks notice
142	720	Acorns Children's Hospice Trust	29/05/2019	28/05/2029	5 years	29/05/2024	£15,000	£20.83	
144	655	Greggs Plc	25/03/2015	24/03/2025	5 years	-	£13,750	£20.99	
146 - 150	13,536	Heron Foods Ltd	17/03/2017	16/03/2032	5 years	-	£80,000	£5.91	
<b>RESIDENTIAL</b>									
Flat 138a		Private Individual - AST	28/10/2020	27/10/2022	-	-	£5,400.00	£450.00	
Flat 140a		Private Individual - AST	05/10/2018	Holding Over	-	-	£5,400.00	£450.00	
Flat 142a		Private Couple - AST	01/05/2020	Holding Over	-	-	£5,580.00	£465.00	
Flat 144a		Private Individual - AST	26/05/2021	Holding Over	-	-	£5,820.00	£485.00	
Flat 146a		Private Individuals - AST	01/04/2021	Holding Over	-	-	£4,920.00	£410.00	
Flat 148a		Private Couple - AST	19/09/2020	Holding Over	-	-	£5,100.00	£425.00	
Flat 150a		Private Individual - AST	14/07/2020	Holding Over	-	-	£5,040.00	£420.00	
<b>Total</b>	<b>19,681</b>						<b>£178,411</b>		

# COVENANTS



## Heron Foods Ltd

45% of the income secured until 2032

Founded in 1979 the company has over 200 stores in the UK and provides good quality discounted foods to its loyal customer base. The company has an Experian credit rating of 100 described as very low risk and their most recent accounts are summarised as;

HERON FOODS LTD	MARCH 2019	MARCH 2020	MARCH 2021
Turnover	£372,077,000	£409,205,000	£434,592,000
Pre-Tax Profit	£7,457,000	£11,087,000	£11,863,000
Net Worth	£47,503,000	£55,731,000	£64,886,000



## Greggs Plc

7.5% of the income

Greggs PLC is one of the UK's leading bakery chains and is listed on the London Stock Exchange. The company has an Experian credit rating of 100 described as very low risk and their most recent accounts are summarised as;

GREGGS PLC	DEC 2019	JAN 2021	JAN 2022
Turnover	£1,167,900,000	£811,300,000	£1,229,700,000
Pre-Tax Profit	£108,300,000	£-13,700,000	£145,600,000
Net Worth	£330,000,000	£306,000,000	£414,300,000



## Sportswift Limited

9% of the income

Trading as the Card Factory, Sportswift is one of the UK's leading greeting card retailers and now has over 1000 stores. The company has an Experian credit rating of 77 described as below average risk and their most recent accounts are summarised as;

SPORTSWIFT LIMITED	JAN 2019	JAN 2020	JAN 2021
Turnover	£417,167,000	£433,400,000	£265,024,000
Pre-Tax Profit	£66,206,000	£67,672,000	£-9,632,000
Net Worth	£24,056,000	£48,398,000	£36,831,000



## Acorns Children's Hospice Trust

8.5% of the income

Acorns Children's Hospice is a registered charity, offering palliative care and support to children and their families across the West Midlands. The company has an Experian credit rating of 91 described as very low risk and their most recent accounts are summarised as;

ACORNS	MAR 2019	MAR 2020	APR 2021
Turnover	£14,450,000	£17,243,000	£17,161,000
Pre-Tax Profit	£-2,525,000	£2,016,000	£2,335,000
Net Worth	£13,142,000	£15,215,000	£17,625,000



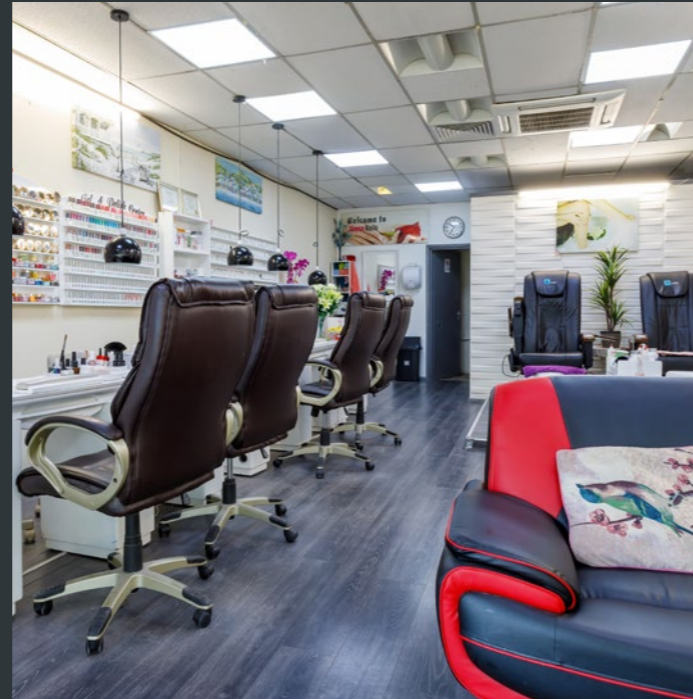


# ASSET MANAGEMENT OPPORTUNITIES

There are a number of asset management opportunities to add value.

These could include;

- > Lease regears on retail tenancies to create longer terms
- > Increase the passing rents of the residential tenancies which are currently let at low rates of between £410 and £485 per calendar month
- > Refurbish and upgrade the residential flats to include new reception area to the upper floors from the car park.
- > Develop additional residential units above Heron Foods
- > Longer term comprehensive redevelopment of the building to increase the residential density and consider alternative uses such as student accommodation or assisted living.



**138-150**  
WEOLEY CASTLE ROAD  
BIRMINGHAM B29 5QL

# ADDITIONAL INFORMATION

## TENURE

The property is held freehold and the site extends to approximately 0.52 of an acre.

## SERVICE CHARGE

There is a service charge in place for the building with a current year total budget of £16,350.

The retail tenants are on effective full repairing and insuring terms. The flats are let on assured shorthold tenancies and the current year landlords contribution via service charge for upper floor residential areas is £4,133.

## VAT

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

## ANTI-MONEY LAUNDERING

The potential purchaser will be required to provide AML information in accordance with HMRC regulations once terms have been agreed.

## EPC

The property has the following EPC ratings.

UNIT	ENERGY RATING
<b>COMMERCIAL</b>	
138	B - 47
140	C - 62
142	C - 71
144	B - 35
146/150	C - 62
<b>RESIDENTIAL</b>	
138a	E - 48
140a	E - 47
142a	E - 45
144a	E - 46
146a	D - 55
148a	E - 45
150a	D - 56

Further information and reports are available on request.



# PROPOSAL

We are instructed to seek offers in excess of **£1,950,000 (One Million Nine Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT. This reflects a **net initial yield of 8.61%** assuming purchasers' costs of 6.26%.

The property is currently held in an SPV company and consideration will be given to either selling the company shares or a straight sale of the freehold. Further information is available on request.

For further information or to arrange an inspection please contact;



**Mark Johnson**  
0121 214 1977  
07748 105 812  
mjohnson@mk2.co.uk

57 Cornwall Street  
Birmingham B3 2EE  
T: 0121 214 1970  
W: mk2.co.uk

**Mark Rooke**  
0121 214 1972  
07985 877 578  
mrooke@mk2.co.uk



43 Bell Place  
Wolverhampton  
WV2 4LY  
T: 01902 713 333  
W: bulleys.co.uk

**Steve Perriton**  
01902 778 580  
07970 283 693  
steve.perriton@bulleys.co.uk

**Jason Morris**  
01902 924 396  
07725 790 263  
jason.morris@bulleys.co.uk



OFFERS IN EXCESS OF

**£1,950,000**

NET INITIAL YIELD

**8.61%**



#### IMPORTANT INFORMATION

1. No description or information given by MK2 Real Estate Ltd and Bulleys Ltd whether or not in these Particulars and whether written or verbal ("information") about the property or its condition or its value may be relied upon as a statement or representation of fact. MK2 Real Estate Ltd and Bulleys Ltd do not have any authority to make any representations and accordingly any information given is entirely without responsibility on the part of the agent or the seller.
2. These particulars do not constitute, nor constitute part of, an offer or contract, nor shall they merge in any offer or contract which may hereafter be made between the sellers or lessors and the recipient of the information.
3. The photographs show only certain parts of the property at the time they were taken. Any areas measurements or distances given are approximate only.
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.

Designed and produced by Diablo: [diablodesign.co.uk](http://diablodesign.co.uk) October 2022

**MK2**  
REAL ESTATE

57 Cornwall Street  
Birmingham B3 2EE  
T: 0121 214 1970  
W: [mk2.co.uk](http://mk2.co.uk)

**Mark Johnson**  
0121 214 1977  
07748 105 812  
[mjohnson@mk2.co.uk](mailto:mjohnson@mk2.co.uk)

**Mark Rooke**  
0121 214 1972  
07985 877 578  
[mrooke@mk2.co.uk](mailto:mrooke@mk2.co.uk)

**BULLEYS**  
CHARTERED SURVEYORS

43 Bell Place  
Wolverhampton WV2 4LY  
T: 01902 713 333  
W: [bulleys.co.uk](http://bulleys.co.uk)

**Steve Perriton**  
01902 778 580  
07970 283 693  
[steve.perriton@bulleys.co.uk](mailto:steve.perriton@bulleys.co.uk)

**Jason Morris**  
01902 924 396  
07725 790 263  
[jason.morris@bulleys.co.uk](mailto:jason.morris@bulleys.co.uk)