

forge



88/90 Parade
Royal Leamington Spa

CV32 4BT

100% PRIME RETAIL INVESTMENT SECURED TO SUPERDRUG ON REBASED LEASE

Investment Summary

- Royal Leamington Spa is a **highly attractive spa town in the heart of Warwickshire** and boasts one of the **most affluent populations in the UK**.
- The property occupies a **100% prime trading position** on Parade, which forms the retail core.
- Attractive period building comprising **7,849 sq ft** of well configured retail accommodation.
- **Let to Superdrug Stores Plc** on FRI terms expiring 27th April 2030, providing **5 years term certain**.
- **Unquestioned Plc covenant** demonstrating a Turnover of £1.53 Billion and pre-tax profits of £112 Million.
- The Tenant recently signed a 5-year reversionary lease, **demonstrating their commitment to the property and location**.
- **Re-based rent**, showcasing realistic prospects for future rental growth.
- Total Current Income: **£125,000 per annum**.
- **Freehold**.

Proposal

Offers are sought in excess of:

£1,570,000

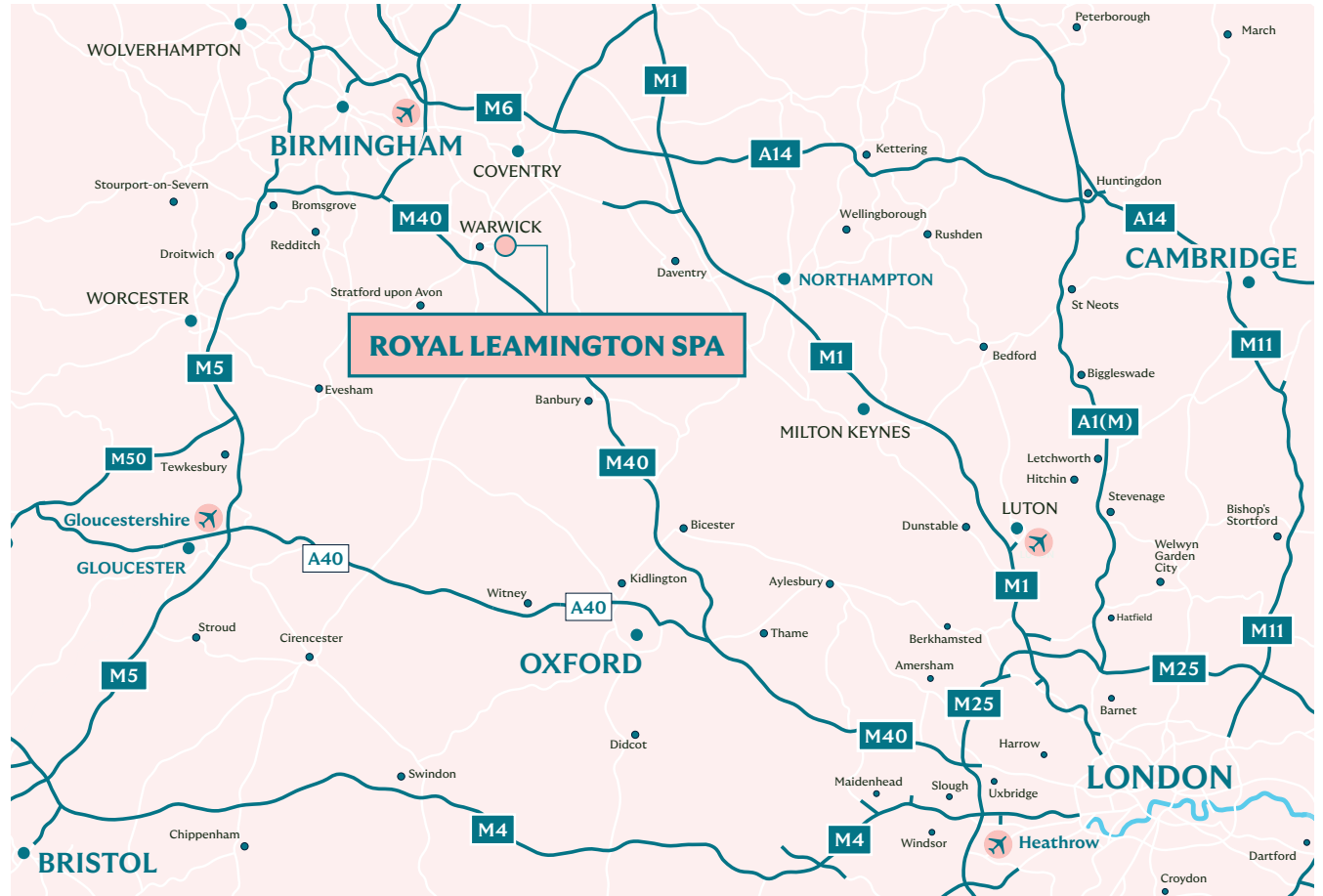
(One Million, Five Hundred and Seventy Thousand Pounds), subject to contract and exclusive of VAT.

Allowing for purchaser's costs of 6.13%, a purchase at this level would reflect an **Attractive Net Initial Yield of 7.50%**.



Location

Royal Leamington Spa is an attractive and affluent spa town located in the heart of Warwickshire, approximately 2 miles east of Warwick, 8 miles south of Coventry and 18 miles south east of Birmingham.



Due to its strategic location, Royal Leamington Spa benefits from excellent transport links with direct access to the M40 motorway, via Junctions 13 and 14.



The town is also well connected by rail with a regular, direct service to London Marylebone in approximately 1 hour 15 minutes. There is also a direct train service to Birmingham Moor Street and New Street in 30 minutes as well as a direct train service to Birmingham International Airport in approximately 23 minutes, offering a wide range of domestic and international flight services.



The nearest airport to Royal Leamington Spa Station is Birmingham (BHX) Airport, which is 17 miles north west. The airport serves over 11.5 million passengers a year. The airport is accessible via the A452/A45 with a journey time of approximately 45 minutes or via a direct train service in 23 minutes.



Demographics

Royal Leamington Spa boasts a primary catchment population of 170,000 people (PROMIS). Due to the strength of the town's retail offer, there is minimal leakage to nearby towns such as Warwick, Stratford upon Avon and Coventry, with the town estimated to retain approximately 80% of its primary catchment spend.

The catchment population is extremely affluent, ranking 21st on the PMA Affluence Indicator. The town has a significantly above average proportion of adults categorised within the most affluent AB social group at 35%, compared to the UK average of just 21%. As a result, spending levels are high with the town ranking 27th out of 200 in the UK in terms of forecast growth in retail expenditure.



In addition, retail expenditure within the town is enhanced by a large number of Warwick University students and tourists who visit popular local attractions including the Royal Pump Rooms Art Gallery and Museum, Jephson Gardens as well as the nearby Warwick Castle.

As well as being home to global organisations such as National Grid, Kantar Millward Brown and Wolseley, Leamington has become renowned as a tech hub for UK and multinational video gaming and digital production companies. There are approximately 40 games businesses operating out of the town centre earning it the name 'Silicon Spa'. Facebook's owner Meta has taken c.40,000 sq ft on Precision Park and Sumo Group has let c.44,000 sq ft at Bedford Street Studios (former House of Fraser, adjoins the subject property).



Renowned Tech Hub,
known as 'Silicon Spa'



Ranks 27th out of 200 in
the UK for growth in retail
expenditure



Retailing in Royal Leamington Spa

Royal Leamington Spa provides an attractive retail environment, comprising Regency and Victorian architecture set along wide, boulevard style streets. The town boasts a wide range of major national retailers as well as high end boutique style retailers and a strong independent provision for both fashion and speciality shopping.

100% prime retailing is focused around Parade, specifically between the junctions with Warwick Street and Regent Street, where the subject property is situated. Retailers with representation in prime Leamington Spa include:



There are two managed shopping centres in Royal Leamington Spa which complement Parade's provision. Royal Priors is the town's principal scheme and offers approximately 130,000 sq ft of retail accommodation. Regent Court is a leisure focused, open air scheme to the south of Regent Street characterised by a superb restaurant offer. The scheme provides approximately 70,000 sq ft of primarily A3 accommodation with current tenants including Côte Brasserie, Turtle Bay, Wagamama, Yo Sushi and Nandos.



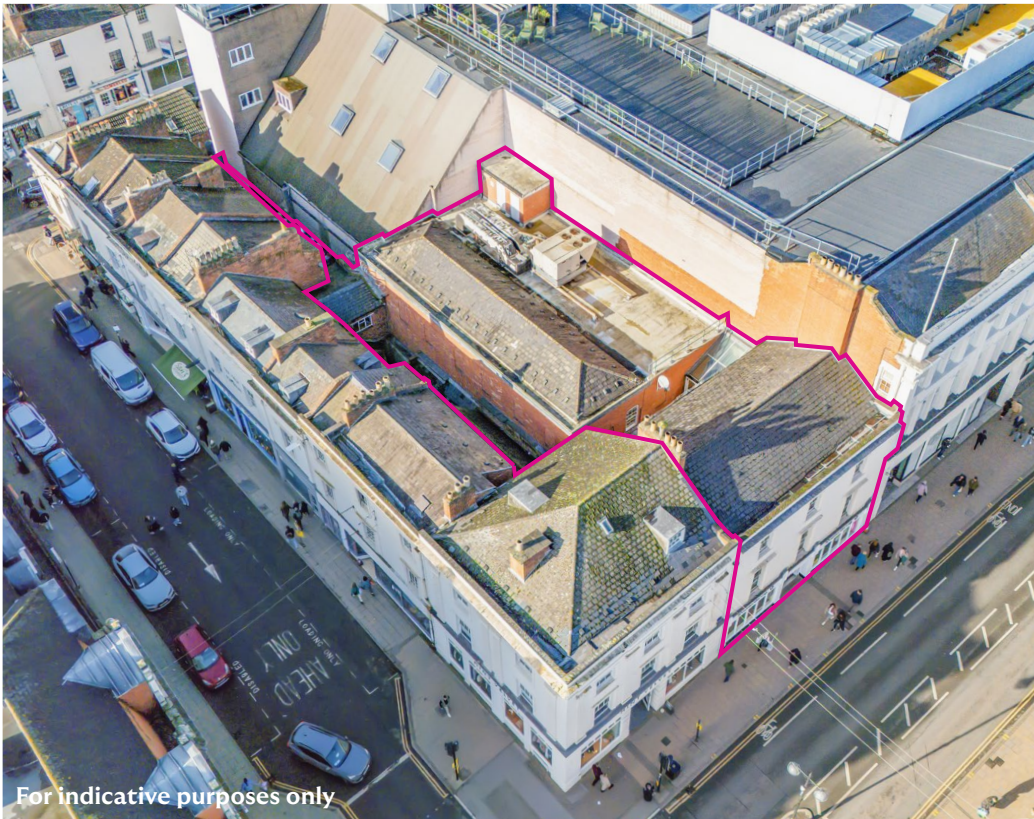
Situation

The property occupies a 100% prime trading position on Parade. Retailers in the immediate vicinity include:

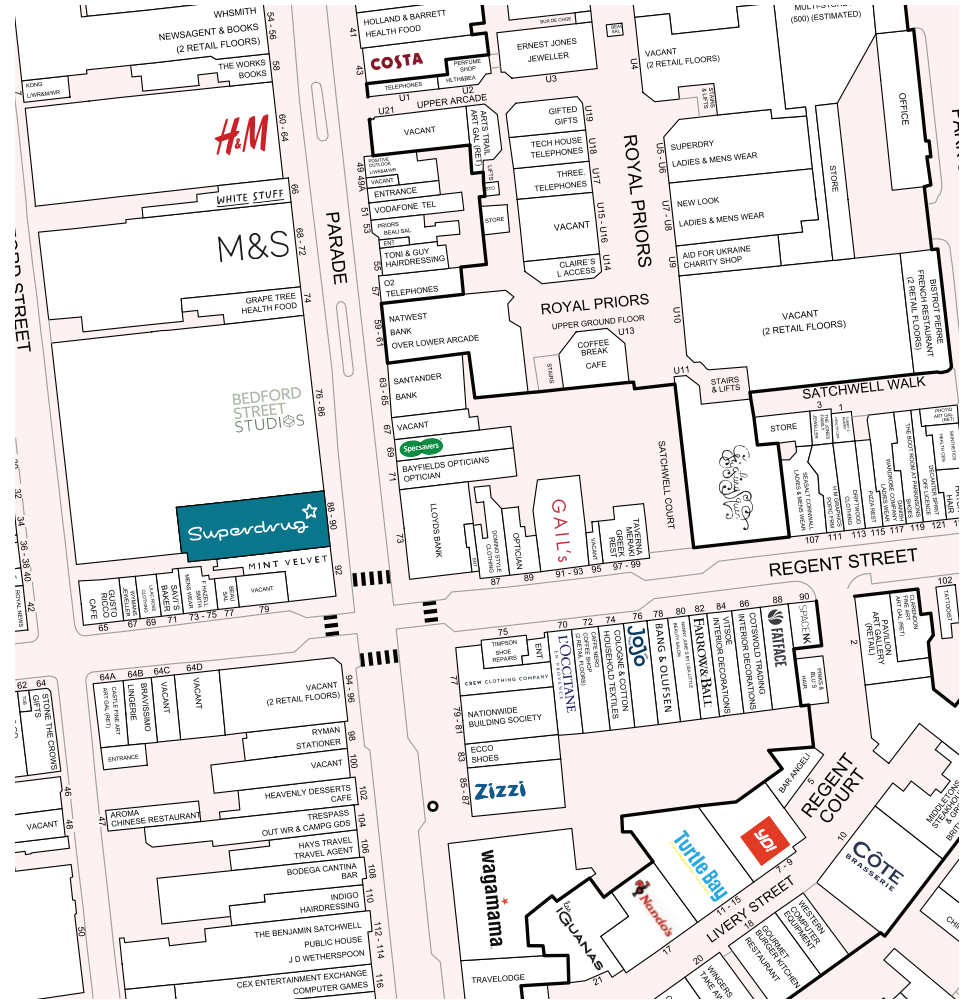


The property adjoins the former House of Fraser, which benefitted from a £9 million repurposing from a former department store into a Grade A office building named Bedford Street Studios.

The 95,000 sq ft multi-let office has bolstered the micro location by injecting much needed quality office space to cater to the strong demand from predominantly video gaming and digital production firms, whilst decreasing the supply of retail accommodation, thus putting positive upward pressure on Parade rents.



For indicative purposes only



Description

The property comprises a highly attractive three storey, mid-terrace retail unit, with prominent frontage onto Parade.

The property is arranged over ground, first and second floors with Superdrug trading from the ground floor, with ancillary accommodation at first and second floor level.

The upper parts benefit from self-contained access from Bedford Street.

Accommodation

The property provides the following approximate net internal areas:

Floor	Use	Sq ft	Sq m
Ground	Sales	3,654	339.5
	ITZA	1,454 units	
First	Storage/Ancillary	3,119	289.8
Second	Storage	1,076	100.0
Total		7,849	729.3



Tenure

Freehold.

Tenancy

The Property is let on a reversionary lease to Superdrug Stores Plc, on full repairing and insuring terms for a period of five years from 28th April 2025, expiring 27th April 2030.

The current passing rent of £125,000 per annum was rebased from £188,250 per annum.

Rental Value

The current rent of £125,000 per annum devalues to approximately £70 Zone A.

Rents on Parade peaked at approximately £120 Zone A. As such, we consider the property offers an excellent platform for future rental growth.



For indicative purposes only

Asset Management

The upper parts are currently under-utilised and benefit from self-contained access from Bedford Street. In our opinion, this offers medium-term scope for a conversion to office or residential use (subject to obtaining the necessary consents).



Covenant

Superdrug is one of the largest health and beauty retailers in the UK. It is part of the AS Watson Group, which comprises discounter Savers and fragrance specialist The Perfume Shop.



Superdrug has recently recorded its “best Christmas ever” as gift sets and hair care saw high sales over the December 2024 festive period. Like-for-like sales rose by 5.1% in the six weeks to January 4, compared to the same period in 2023.

Superdrug Stores Plc displays a CreditSafe rating of A-80 reflecting ‘Very Low Risk’.

The company has reported the following figures in their last three years trading accounts:

	Y-o-Y	YE Dec-2023	YE Dec-2022	YE Jan-2022
Turnover	↑ 11.8%	£1,527,989,000	£1,366,924,000	£1,167,828,000
Pre-Tax Profit	↑ 43.6%	£111,638,000	£77,763,000	£45,282,000
Shareholders Funds	↑ 7.6%	£378,774,000	£352,166,000	£345,407,000



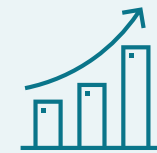
Turnover of
£1.53 Billion



Pre-Tax Profit of
£111.6 Million



A-80 Rating
Indicating ‘Very Low Risk’



43.6% Y-o-Y
Pre-Tax increase

Proposal

Offers are sought in excess of:

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Energy Performance Certificate

EPC B. Available upon request.

VAT

The property has been elected for VAT and we anticipate that the transaction will be treated as a transfer of a going concern (TOGC).

Anti Money Laundering

In order to comply with anti-money laundering legislation, the successful purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

Further Information

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