



FOUNDRY HOUSE, FOUNDRY SQUARE, HAYLE, TR27 4HH

- ◆ Mixed investment
- ◆ Asset management opportunity
- ◆ Ground rents and commercial rents
- ◆ Good rental growth
- ◆ Six flats yet to extend leases
- ◆ Surplus car parking spaces
- ◆ Fully let
- ◆ Offers in excess of £250,000
- ◆ Historic building with greater prominence



LOCATION:

Hayle is situated on the Northwest coast of Cornwall and benefits from ready access to the A30. The town is close to various tourist attractions and towns which are within easy reach, i.e., St Ives (6 miles), Penzance (8 miles), Truro (19 miles) and Newquay (25miles). Hayle is an elongated town with two principal commercial districts situated along Commercial Road and around Foundry Square. This building is close to the Harbour, Bookers, Asda and two of the best pasty makers are very close by – Hampson's and Philp's.

THE OPPORTUNITY:

This is a mixed commercial retail and residential investment, comprising income of £21,302 pa from the shops all of which have been in situ for many years, plus flats. The two larger shops are subject to leases extending beyond 2026 and the other two are "holding over" and may be regularized if desired by the purchaser at a later date. Of the flats, ten have had their leases extended for an additional term of 90 years at a peppercorn ground rent replacing the prior ground rent of £50 per annum. Six flats have circa 67 years unexpired and the ground rent with these remains and £50 per annum. The 90-year extension to the leases for these six flats is available to the tenants under schedule 13, Part II of the Leasehold Reform, Housing and Urban Development Act 1993 (as amended), and provides the purchaser with the ability to negotiate accordingly based on "Marriage Value". Our client advises us that each separate element of the building is separately serviced and metered with mains water drainage and electricity. There are no water tanks. There is a separate landlord's electric supply.



PREMISES:

Foundry House is a four story Listed building which we believe was built circa 1850 and historically has been part of the Harvey's Foundry buildings. In 1895 the building was reconfigured to be a Biscuit Factory, with the red brick renaissance style front façade. It has four commercial units and 16 flats and maisonettes following conversion in 1989 which included a new roof. To the side of the car park, and not included in the sale is an historic building known as the Trevithick Drawing rooms, where Richard Trevithick is understood to have designed the famous steam engine.

LEASE TERMS AND SERVICE CHARGE:

All leases are held on proportional full repairing and insuring terms. The landlord runs a basic service charge via a dedicated company (Duchy Management Company Limited No. 3698487) where each of the flats contributes 4%, the two small commercial units, 6% each, and the two larger commercial units, 12% each. The launderette has its own water meter and gas. There is no other gas supply to the building. Full details are available within the Purchasers pack' to include reports on asbestos, electrical and fire. Cleaning of the very limited communal areas (stairs and landings) is undertaken by the family and is undertaken in approximately two hours per week. We note this in more detail overpage.



SCHEDULE OF LEASES:

| SHOPS | TENANT | CURRENT LEASE TERMS | RENT | COMMENTS |
|-------------|-------------------------------|--|-----------|--|
| Shop 1 & 2 | National Animal Welfare Trust | 14 th of September 2022-13 th September 2027 Same tenant in occupation since September 2012 | £8000 p.a | |
| Shop 3 | Videoview | 1 st Feb 2015 – 31 st Jan 2017 Renewed on 8 th April 2017 Same tenant since first of February 2015 | £2448 p.a | |
| Shop 4 | Foundry House Tattoos | 25 th Jan 2010 - 31 st Jan 2017 Renewed Same tenant since 26 th of January 2010 | £2640 p.a | Renewed informally between landlord tenant |
| Shops 5 & 6 | K & S Launderette | Extended then transferred 16 th April 2019 - 21 st May 2026 Various members of the same family have been here since prior to 1999. | £8214 p.a | |

| FLATS | CURRENT LEASE TERMS | COMMENTS |
|---------|--|------------------------|
| Flat 1 | Counterpart Lease – 10 th Apr 1990 99 years from 1 st Jul 1989 | Lease not yet extended |
| Flat 2 | 189 years from 1st Jul 1989 Lease dated 11 th Sep 2015 | |
| Flat 3 | Lease dated 8 th Apr 2016 (189 years for 1 st of Jul 1989) | |
| Flat 4 | Lease dated 20 th Dec 2018 (179 years from the 1st day of Jul 1999) | |
| Flat 5 | Purchased 15 th Apr 2015 Counterpart Lease dated 2 nd Mar 1990 (99 years from 1 st Jul 1989) | Lease not yet extended |
| Flat 6 | Lease dated 2 nd Mar 2015 (189 years from 1 st Jul 1989) | |
| Flat 7 | Transferred by Deed of Covenant 9 th Dec 2007 Counterpart Lease dated 5 th Aug 2005 (89 years from 1 st Jul 1999) | Lease not yet extended |
| Flat 8 | Lease dated 7 th Feb 2020 (189 years from 1 st Jul 1989) | |
| Flat 9 | Purchased Dec 2020 Lease dated 27 th Feb 2015 (189 years from 1 st of Jul 1989) | |
| Flat 10 | Purchased 12 th Mar 2015 – Lease transferred in 2020 Counterpart Lease dated 22 nd Jan 1990 (189 years from 1 st Jul 1989) | |
| Flat 11 | Lease dated 16 th Feb 2021 (189 years from 1 st Jul 1989) | |
| Flat 12 | Lease assigned 24 th Nov 2003 - sole lease 2004 Counterpart Lease dated 18 th Jan 1990 (99 years from 1 st Jul 1989) | Lease not yet extended |
| Flat 13 | Deed of Covenant 9 th Sep 2020 Counterpart Lease dated 12 th Feb 1990 (99 years from 1 st Jul 1989) | Lease not yet extended |
| Flat 14 | Lease dated 4 th Apr 2019 (189 years from 1 st of Jul 1989) | |
| Flat 15 | Lease dated 7 th Nov 2017 (189 years from 1 st of Jul 1989) | |
| Flat 16 | Deed of Covenant dated 14 th Feb 2000 Counterpart Lease dated 18 th Jan 1990 (99 years from 1 st of Jul 1989) | Lease not yet extended |

SERVICES:

Prospective owners should make their own enquiries of the appropriate statutory undertakers:
 Western Power: 0845 601 2989
 Southwest Water: 0800 169 1144
 Transco: 0800 111 999

**LOCAL AUTHORITY:**

Cornwall Council
 General Enquiries 0300-1234-100
 Planning
 03001234151
www.cornwall.gov.uk

**SCHEDULE OF SHOP ACCOMMODATION:**

| | |
|-----------------------|---------------------|
| SHOP 1 & 2 | 73.4 sq.mtrs |
| SHOP 3 | 32.7 sq.mtrs |
| SHOP 4 | 33.1 sq.mtrs |
| SHOP 5 & 6 | 70.1 sq.mtrs |

| | |
|----------------|---|
| FLAT 1 | A single bed flat of approx. 40m ² . |
| FLAT 5 | A studio flat of approx. 60m ² . |
| FLAT 7 | A large studio flat of approx. 70m ² . |
| FLAT 12 | 1.5 bed maisonette circa 110m ² . |
| FLAT 13 | 2 bedroom maisonette circa 120m ² . |
| FLAT 16 | A 1 bedroom maisonette circa 105m ² . |

CAR PARKING:

The site incorporates significant ancillary land and suitable for the parking of circa 31 vehicles. Our client has owned the site since 1999 and has operated this under a permit system and gently enforced this with Armtrac car park security firm. Each of the 16 flats is entitled to us a single space. The shops have 6 spaces on a grace and favour basis for their staff and a drop off zone for their customers. The remaining 9 spaces are made available to others locally by contract at £25 per calendar month.

INCOME

The income derived from the commercial elements is currently £21,302 per annum. The ground rent income derived from the six flats yet to extend their leases is £300 per annum. The income derived from the nine car parking spaces let at £25 per calendar month is £2700 per annum. There remain the grace and favour spaces. Total current income £24,302. We consider there is a significant opportunity to actively asset manage and increase income from the various elements noted above.

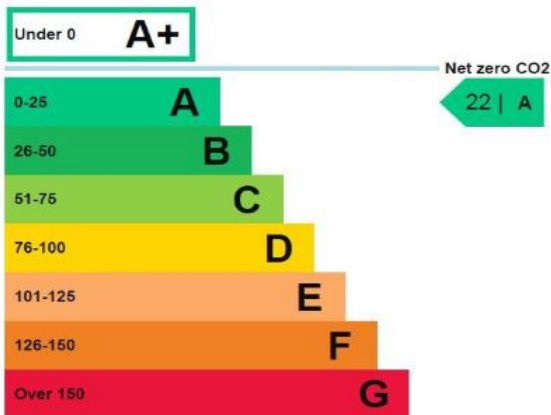
BUSINESS RATES:

We refer you to the government website <https://www.tax.service.gov.uk/view-my-valuation/search> which shows that the current rateable values.

ENERGY PERFORMANCE CERTIFICATE:

Energy efficiency rating for this property

This property's current energy rating is A.



Properties are given a rating from A+ (most efficient) to G (least efficient).

VAT:

Our client advises that the sale is not subject to VAT

VIEWING:

Strictly by prior appointment through Miller Commercial.

CONTACT INFORMATION:

For further information or an appointment to view please contact: -

Thomas Smith

Email : ts@miller-commercial.co.uk

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TENURE AND PRICE:

We are advised that the property is held freehold subject to the various leases noted.

Our client further advises that Section 5 Notices have been served on all residential tenants in 2021.

Our clients are seeking offers in excess of £250,000.

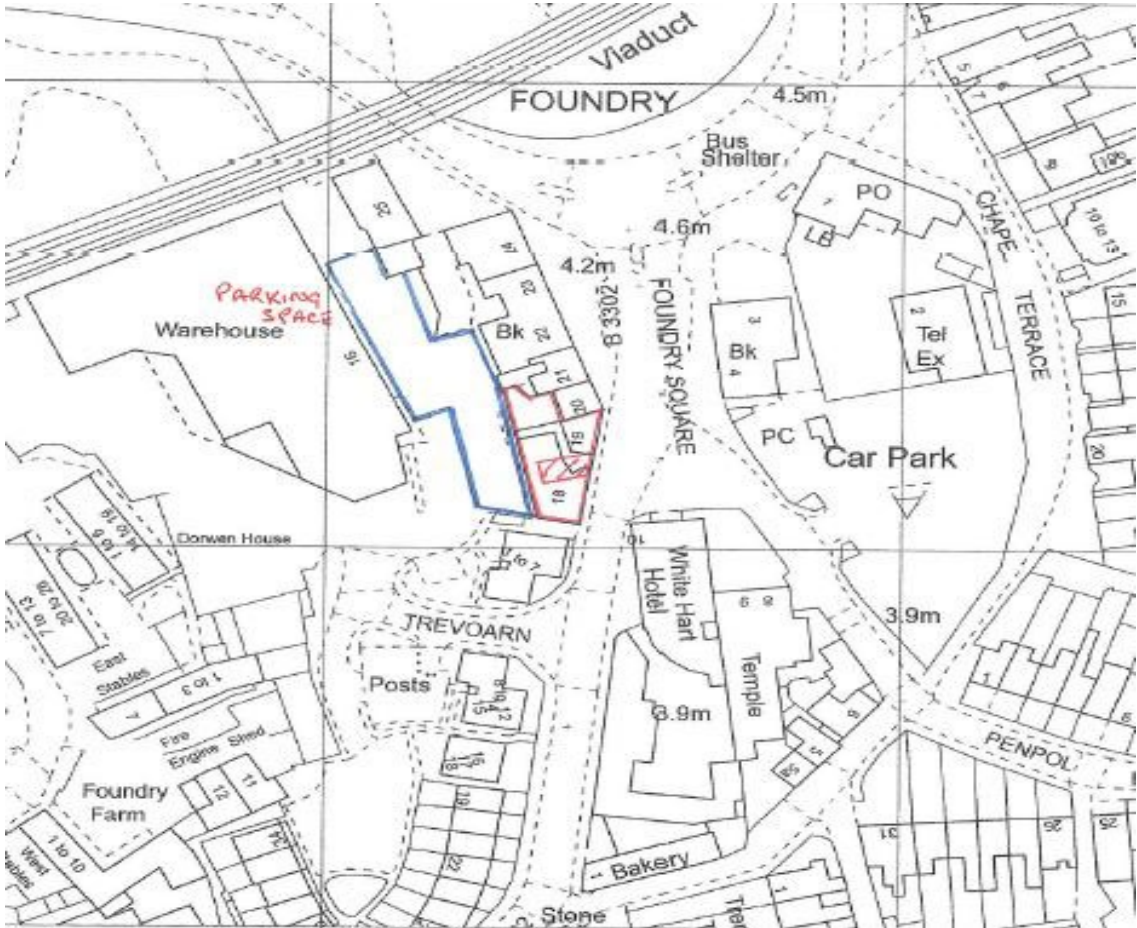
This represents a net initial yield after purchaser's costs are deducted of **9.47%** and ignores the benefit of the Marriage Value within the six remaining flats or additional income derived from active asset management.

Marriage value of six flats yet to extend their leases is estimated to have a latent worth of between £70,000 and £100,000.

MANAGEMENT COMPANY:

Our client intends to transfer the management company with the sale of the freehold. The Duchy Management Company Limited No. 3698487 deals solely with the Property Management of this building.





Miller Commercial

