



173-181 HIGH ST & CASTLE WAY

Southampton

ATTRACTIVE MULTI LET COMMERCIAL INVESTMENT WITH ASSET MANAGEMENT OPPORTUNITIES



Investment summary

- Prominent substantial multi let building
- Circa 93,000 sq ft
- Occupied by multiple well-known and established retail tenants, including Tesco, HMV & The Gym Group
- c41% of the building is currently vacant offering a variety of potential uses (STP) and development opportunities
- The property presents a unique opportunity to acquire firstly a long leasehold building in a desirable location in Southampton, which is part income producing and part vacant. There are multiple asset management plays including lease regears and development/ re-letting of the upper floors
- Offers are invited in the order of £4.995m (8.32% NIY) for the long leasehold interest
- Offers are also welcomed by end-users for a short leasehold interest in the vacant space

Located in the heart of Southampton, a port city in Hampshire, the property at 173 - 181 High Street & Castle Way is in a prominent central urban area.

The High Street is a key commercial thoroughfare in the city, known for its retail and business presence. Southampton, with a population of approximately 253,000, has a significant maritime history. The property benefits from strong transportation links: it's approximately 1 hour and 20 minutes by train to London Waterloo, approximately 1 hour and 45 minutes to Bristol, and around 2 hours and 30 minutes to Birmingham. The proximity to the M27 motorway enhances road connectivity to the wider region.

The property is positioned in a strong trading location along High Street together with Castle Way at the junction with Bargate Street. This section of High Street is pedestrianised and comprises a mixture of both national and local retail covenants. The prime retail area lies a few yards to the north along Above Bar Street inclusive of the West Quay covered shopping centre.

The property is within an improving area; nearby development schemes including Bargates which comprises a retail and residential scheme are under construction and completion is within the short term.

Southampton is a major south coast port and city located on the River Test/ River Itchen and south of the M27/M3 routes. It is a densely populated city lying approximately sixteen miles north west of Portsmouth, twelve miles south of Winchester and seventy miles south west of Central London.



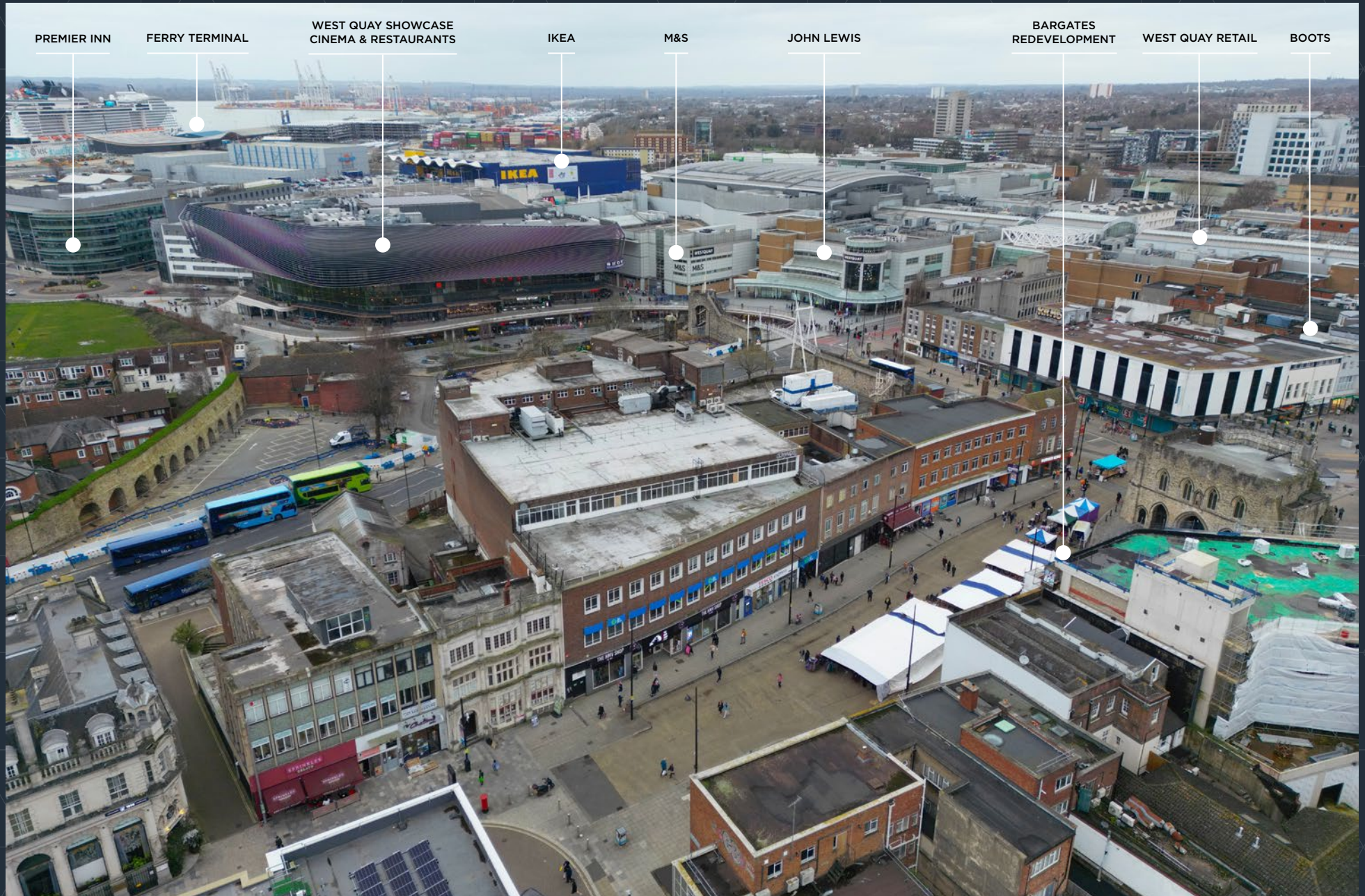
Description

The Property comprises a four storey (plus basement) reinforced concrete frame building with cavity brick terraced elevations, and flat roofing and mixed glazed fenestration.

The property is arranged as four ground floor retail units, a self-contained basement unit, a first floor in use as a gym, second and third floor together with small mezzanine areas are currently vacant.

The buildings are within a fully developed site, with the primary frontage to High Street. There is a two storey element which comprises of one retail unit and entrance to the upper floors which has a frontage to Castle Way. There is also a small loading bay accessed here via Castle Way leading to a goods lift lobby area.





Site & Building area

The site extends to approximately 0.58 acres (0.235 hectares) and the building has a GIA of approximately 92,913 sq ft.

Income Profile

- **Leasing Potential:** Approximately 41.5% vacant, presenting an opportunity to lease out/develop
- **Established Tenants:** Occupied by multiple well-known and established retail tenants.
- **Lease Duration:** Weighted Average Unexpired Lease Term (WAULT) stands at 3.94 years, indicating the average time remaining until lease expirations.
- **Regear Potential:** Current tenants have indicated a desire to remain insitu post lease expiry and therefore the site offers good value add lease regear potential.



Property Address	Description	Tenant Name	Area (SQ. FT)	Lease Start Date	Lease End Date	Next Break	Annual Rent	1954 Act	Covenant-D&B	RV	EPC
173 - 181 HIGH ST & CASTLE WAY -Unit 1	Basement & Ground Floor	Sunrise Records and Entertainment Limited (HMV)	22,923	10.09.21	09.09.26	N/A	£225,000	Outside	H3	£146,000	B42
173 - 181 HIGH ST & CASTLE WAY -Unit 2	Ground & 1st Floor	Tesco	4,217	25.12.24	25.12.34	N/A	£89,576.03	Inside	5A2	£57,500	B45
173 - 181 HIGH ST & CASTLE WAY - Unit 3	First Floor	The Gym Group	19,869	18.10.10	17.10.25	N/A	£119,418.31	Inside	5A1	£120,000	B47
173 - 181 HIGH ST & CASTLE WAY - Unit 4	Part Ground Floor	Available To Let	1,722	Vacant	Vacant	N/A	Vacant	N/A	N/A	N/A	C75
173 - 181 HIGH ST & CASTLE WAY - Unit 5	2nd Floor	Available To Let	19,000	Vacant	Vacant	N/A	Vacant	N/A	N/A	£140,000	TBC
173 - 181 HIGH ST & CASTLE WAY - Unit 6	3rd Floor	Available To Let	14,585	Vacant	Vacant	N/A	Vacant	N/A	N/A	N/A	TBC
173 - 181 HIGH ST & CASTLE WAY - Unit 7	4th Floor	Available To Let	3,261	Vacant	Vacant	N/A	Vacant	N/A	N/A	N/A	TBC
173 - 181 HIGH ST & CASTLE WAY - Unit 8	Ground Floor & First Floor Rear Annex, Castle Way	Balancereset Ltd	3,408	02.05.17	01.05.27	N/A	£24,000	Outside	D1	£16,250	TBC
173 - 181 HIGH ST & CASTLE WAY - Unit 9	Basement Floor	Houdini	3,928	20.09.22	19.09.32	N/A	£37,000	Inside	N3	N/A	TBC
Total			92,913				£494,994.34				Per Annum

* Net receivable income after the 10.5% ground rent deduction is £443,020 per annum

**Unoccupied space –
38,568 sq. ft**

(41.51% of property unoccupied)

**Total space -
92,913 sq. ft**

(58.49% occupied by tenants)



Incans Equivalent Bond Rating: - B
D&B Rating: - H3

Sunrise Records, operating HMV in the UK, kept around 100 HMV stores open after acquiring the chain in 2019. This move was part of their strategy to focus on physical media sales, particularly in the vinyl records market, under the well-established HMV brand in the UK. The group are expanding with approximately 120 units including a 5 storey building in Oxford Street, London.

= 45.7% of income



Incans Equivalent Bond Rating: - BB+
D&B Rating: - 5A2

Tesco PLC is a major British multinational grocery and general merchandise retailer headquartered in Welwyn Garden City. Founded in 1919, it has grown to operate 4,673 locations and employs around 330,000 people as of 2024. Tesco offers a wide range of products, including groceries, clothing, and electronics, and also provides services like banking and telecommunications through Tesco Bank.

= 18.2% of income



Incans Equivalent Bond Rating: - A-
D&B Rating: - 5A1

The Gym Group is a UK-based chain of fitness clubs founded in 2007 and headquartered in Croydon, London. As of 2022, the company operates 229 gyms and employs 2,035 people. It's known for its 24/7 no-contract fitness clubs and reported a revenue of £172.9 million in 2022. The Gym Group was listed on the London Stock Exchange in 2015 and is a part of the FTSE SmallCap Index. The company's business model focuses on providing affordable, accessible fitness facilities across the UK.

= 24.3% of income



Incans Equivalent Bond Rating: - BB
D&B Rating N3

Houdini's Escape Room Experience has expanded its presence with 21 locations throughout the United Kingdom. These locations offer a variety of immersive escape room experiences, each featuring unique themes and challenges. As a growing company in the escape room entertainment sector, Houdini's employs a team dedicated to creating engaging and enjoyable experiences for their customers.

= 7.5% of income



Incans Equivalent Bond Rating: - BB+
D&B Rating D1

BalanceReset Medical Centre is a unique establishment specialising in traditional Chinese medical treatments such as acupuncture, herbal medicine, massage, and reflexology. It is the sole facility for the company in the Southampton area, focusing on holistic health approaches.

= 4.3% of income

Tenure

Long Leasehold. 125 years from 25 Nov 1991 (92 years unexpired). Ground rent - 10.5% of the actual rental income of the property – calculated by either the higher of 10.5% of net rent receivable or the basic rent of £3,000 (whichever is the higher), less permitted deductions.

Price

Offers are invited in the order of £4.995m the long leasehold interest in the property. The guide price reflects a 8.32% NIY based on a net receivable income of £443,020 per annum (following the deduction of the ground rent). Vacant Units are also available to let by negotiation, rent on application.

Planning & Conservation

The property is not individually listed but is located within the Old Town North Conservation Area. This means it's part of a zone recognised for its special architectural or historic interest, even though the property isn't designated as a heritage site. Being in this area implies stricter planning controls for any changes to preserve the area's character, enhancing the property's cultural value due to its historical context.

VAT

VAT is applicable at the prevailing rate.

Data Room

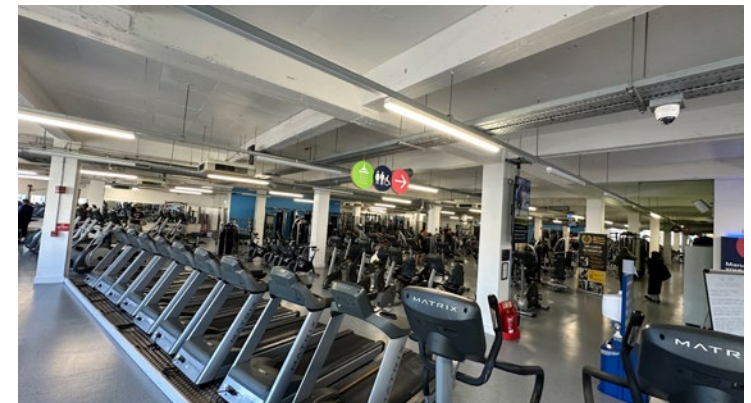
Access to the data room will be permitted subject to request and status.

Viewing

Formal viewings can be made strictly by appointment with Savills. Where appropriate, we recommend interested parties carry out a discreet customer inspection in the first instance. We kindly request that no approaches are made to staff or the business directly, where applicable.

Anti Money Laundering Regulations

Regulations require Savills to conduct various checks on purchasers and tenants. Further details are available upon request.





Contacts

Adam Bullas

Director

+44 (0) 7812 965 395

Abullas@Savills.com

Kevin Marsh

Director

+ 44 (0) 7796 550 369

KMarsh@savills.com

James Greenlees

Associate

+44 (0) 7983 987272

James.greenlees@savills.com

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