

Highly reversionary long leasehold residential investment capable of being upgraded

632.92m²
(6,813ft²)

- 9 self contained 3 bedroom flats
- Popular residential area southwest of Derby City Centre with a strong demand for residential accommodation
- Current low income £61,573.92 per annum
- ERV £86,500 - £89,000 per annum
- Offers invited at £900,000 to show initial yield of 6.84% and a reversionary yield of 9.61% before costs



FOR SALE



Location



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Location

Derby is a major commercial centre within the East Midlands region situated approximately 8 miles west of Junction 25 of the M1 motorway and 40 miles northeast of Birmingham. The city has a resident population of circa 250,000 persons with 2.2 million persons within a 45 minute drive time.

Derby traditionally draws upon a stable industrial employment basis having long standing historic connections with the rail industry and Rolls Royce Engineering, one of the city's major employers. Other major employers include Alstom (manufactures of trains), Toyota and Royal Crown Derby which was established in the city many centuries ago. In recent years, Derby University has considerably expanded incorporating Derby College, Derby College of Art & Technology and Lonsdale & Derby College of Higher Education. It is now a major employer and home to some 34,000 students.

Chellaston is a popular residential suburban village located on the southern outskirts of Derby located some 2-3 miles south of the city centre. It has a population of just over 15,000 and good access to the Derby southern bypass which forms part of the A50 Uttoxeter Road. The properties are situated on the north of High Street relatively close to Derby Road which connects directly between the southern bypass (A50) and Derby City Centre. The surrounding properties are occupied for a variety of residential uses. The area is particularly popular due to the excellent schools located close by including one towards the rear of the subject property. This property has a main frontage to the high street and the benefit of rear servicing and car parking. This property situated in a densely populated residential area where there is a strong demand for residential accommodation.





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Property

The property comprises a parade of nine flats located above the retail shops at ground floor level and forming part of the original development of nine shops with flats above.

Access to the flats is via the rear service yard where car parking is provided for the tenants.

These are extremely good sized three bedroom flats totaling 70.32m² (757ft²) per unit.

All flats are separately metered and have the benefit of mains, water and electricity. Heating is via electric night storage heaters.

All flats are let on ASTs in accordance with the attached schedule of accommodation and tenancies.

This is a densely populated residential area midway between Derby City Centre and the southern bypass affording easy access to other parts of the country. Like elsewhere throughout the United Kingdom, there is a strong demand for residential properties such as this.

As evidenced from our opinion of rental value, the rents are highly reversionary, and we see the potential for the property to be upgraded and for increased rents to be obtained as and when the flats become vacant.

At the front of the property there is a public transport bus stop.



Accommodation and Rents

Address	Lase Start Date	Lease Expiry Date	M ²	FT ²	Rent pcm	Rent pa
49a High Street	05/06/2016	04/12/2017	70.32	757	£595	£7,140
51a High Street	20/07/2020	19/07/2022	70.32	757	£595	£7,140
53a High Street	23/06/2020	22/06/2022	70.32	757	£595	£7,140
55a High Street	15/05/2021	14/05/2023	70.32	757	£595	£7,140
57a High Street	24/02/2021	20/12/2022	70.32	757	£595	£7,140
59a High Street	11/11/2016	10/06/2017	70.32	757	£595	£7,140
61a High Street	16/01/2024	15/01/2026	70.32	757	£625	£7,500
63a High Street	05/04/2022	04/04/2024	70.32	757	£341.16	£4,093.92
65a High Street	10/08/2020	09/06/2022	70.32	757	£595	£7,140
Total			632.88	6,813	£5,131.16	£61,573.92

(This information is given for guidance purposes only)

We are of the opinion that the rental value of each of these flats is in the region of £800 - £825 per calendar month indicating a reversionary rental income of anything between £86,400 per annum and £89,000 per annum.

This is an extremely popular parade of flats. A number of the tenancies are for materially longer than 6 months and in some cases 12 months or even 24 months.

Tenure

Leasehold for a term of 250 years from completion at a peppercorn if demanded.

EPCs & ASTs

All flats except 49a and 61a have an EPC rating of D expiring on 01 August 2029. 49a and 61a have an EPC rating of E.

Copies of the EPCs and sample ASTs are available upon request.

Price

Offers are invited at £900,000 to show an initial gross yield of 6.84% and a reversionary yield of 9.61% before costs.

Please note that there is a strong reversionary income here. The rents have not been upgraded for some considerable time and some of the tenancies date back to 2017.

VAT

VAT is not applicable to this sale.





Location

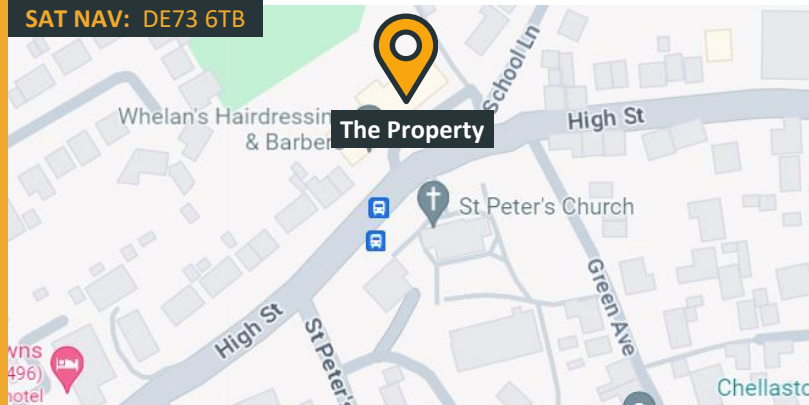


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SAT NAV: DE73 6TB



Identity Checks

In order to comply with Anti-Money Laundering Legislation, any purchaser will be required to provide identification documents. The required documents will be confirmed to and requested from the successful purchaser at the appropriate time.

Legal Costs

Each side to be responsible for their own legal costs.

Further Information

For further information or to arrange a viewing please call or click on the emails or website below:-

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03/07/2024

Please [click here](#) to read our "Property Misdescriptions Act". E&OE.