

42-46 GALLOWTREE GATE LEICESTER



*CGI for Starbucks fascia

Prime High Street
Investment for Sale

Summary

Description	Prime high street investment on Gallowtree Gate, Leicester
Tenure	Freehold
Terms	Let on FRI leases to KBeverage Ltd (t/a Starbucks) and The Works Ltd
Total net income	£100,000 per annum
Price	£1.05m reflecting 9% net initial yield



Location

Leicester is the 2nd largest City in East Midlands and is strategically located 43 miles north east of Birmingham, 31 miles south of Nottingham and 100 miles northwest of London. Leicester benefits from excellent road communications with the A50, A406 and the A563 providing access to the City Centre via junctions 21 and 22 of the M1 motorway which runs adjacent to the City.

The A6 runs through the City and provides access to Loughborough to the north and Market Harborough to the southeast.

Leicester Railway Station is served by CrossCountry and East Midlands Railway services and is a major stop on train services to and from London.

Major international occupiers including Next, BT, British Gas and National Grid.

Economy worth £23.5bn a year and central to the prosperity of the Midlands providing nearly 500,000 jobs and over 42,400 businesses

Leicester has two world renowned universities, The University of Leicester and De Monfort University home to approximately 40,000 students.

Situation

The property fronts onto the pedestrianised Gallowtree Gate, situated between Sports Direct and ShoeZone and opposite Poundland.

Gallowtree Gate forms the main thoroughfare from the railway station to the Highcross and Haymarket Shopping Centre. Neighbouring occupiers on Gallowtree Gate include M&S, Boots, Poundland and HSBC.

Description

The property comprises a block of two rectangular shaped high street shops fronting onto the pedestrianized Gallowtree Gate.

Both are accessed from the High Street but 42 Gallowtree Gate (Starbucks) oversails the entire first and second floors of 44 Gallowtree Gate (The Works), meanwhile 46 Gallowtree Gate occupies the entire basement of 42 Gallowtree Gate.

Areas

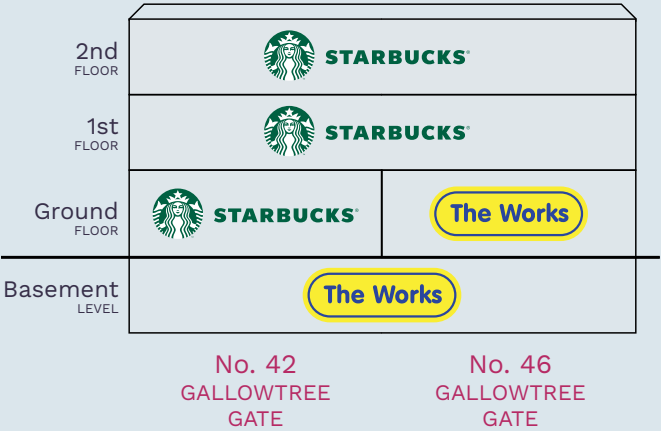
Starbucks:

Ground Floor	1,155 sq ft
First Floor	2,760 sq ft
Second Floor	1,925 sq ft
Ground Floor ITZA	860
TOTAL	5,840 SQ FT

The Works:

Ground Floor	1,517 sq ft
Basement - Sales	1,669 sq ft
Basement - Ancillary	396 sq ft
Ground Floor ITZA	1,074
TOTAL	3,583 SQ FT

Building Cross Section Illustration





Tenure and Tenancy

The property is held freehold and subject to the following tenancies:

KBeverage Ltd have signed a 10 year FRI unbroken lease from 10th February 2026 at a rebased rent of £40,000 per annum. There is a rent review in year 5 to the higher of £48,000 or open market rental value.

46 Gallowtree Gate is fully let to The Works Stores Ltd at a rent of £60,000 per annum expiring 01 December 2028.

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Rental Analysis

We devalue the passing rents on the leases to KBeverage and The Works to reflect £38 ZA and £51 ZA respectively.

EE (14-16 Gallowtree Gate) renewed in February 2025 onto 5 year lease (TOB at 3) at £90,000 pa, with a 3 months' rent free incentive. We devalue this to reflect £74 ZA using VOA areas, and we therefore consider this investment reversionary

EPC

B Rated. A copy of the EPC report is available on request.

AML & KYC

In order to comply with AML legislation, prospective purchasers will be asked to produce identification of the intended purchaser and other documentation in order to support any conditional offers submitted to the Vendor.

Inspections

Inspections are by appointment only.

Dataroom

For further information, please contact one of the team to gain access to the secure dataroom.

Covenant Strength

KBeverage Ltd was founded in 2015 and is an approved franchise of Starbucks Coffee Company currently trading over 50 outlets in the UK making them one of the largest and most successful of Starbucks UK franchisees. A summary of recent results are as follows:

Year End	2025	2024	2023
Turnover	£36.2m	£29.22m	£31.69m
Pre-Tax Profit	£0.877m	£1.01m	£1.34m
Net Assets	£4.42m	£4.07m	£3.96m

The Works is one of the UK's leading books art and craft retailer providing a multi-channel offer including their 511 shops and employing 4,000 staff. The Works Stores Limited is a wholly owned subsidiary of Theworks.co.uk PLC which is listed on the London Stock Exchange. A summary of The Works Stores Limited's last three years accounts are set out below:

Year End	05/05/2024 £000	30/04/2023 £000	01/05/2022 £000
Turnover	£282,585	£280,102	£264,630
Pre-Tax Profit	£2,951	£10,951	£16,939
Shareholder Funds	£14,097	£11,101	£4,846

VAT

Elected for VAT.

Proposal

£1.05m (9.00% NIY) exclusive of VAT and subject to contract.

Further Information

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ON BEHALF OF

