

DIVISION HOUSE

DIVISION
STREET,
SHEFFIELD,
S1 1HT

**SHEFFIELD
CITY CENTRE
RESIDENTIAL
INVESTMENT
OPPORTUNITY**



KEY INVESTMENT CONSIDERATIONS

- Excellent location in Sheffield City Centre, in close vicinity of both the University of Sheffield and Sheffield Hallam University
- Operational 39 studio bedroom residential investment opportunity with 2 commercial units & underground parking
- Immediate proximity to a range of City Centre services and amenities
- 39 studio apartments to first, second and third floors 100 % let for the year 2018/2019 at gross income of £287,580
- 2 commercial units to ground floor with 12 x basement car parking spaces let for a gross income of £82,960
- Total gross income of £370,540 {7.41% gross initial yield}
- Long Leasehold. We are instructed to seek offers in excess of FIVE MILLION POUNDS (£5,000,000). A purchase at this price would reflect a net initial yield of 6.95%, assuming purchasers costs of 6.59%.





“Sheffield is a major educational centre, with a student population of approximately 61,500, split between the University of Sheffield (a top 100 World University) and Sheffield Hallam University (the largest university in the UK).”

LOCATION

Sheffield is the commercial, administrative and retail centre of South Yorkshire. It is located approximately 34 miles south of Leeds and 38 miles east of Manchester. Sheffield has established itself as a major manufacturing and service led economy, in addition to being a recognised retail and leisure hub. The city is located 150 miles north of Central London.

Sheffield is a major educational centre, with a student population of approximately 61,500, split between the University of Sheffield (a top 100 World University) and Sheffield Hallam University (the largest university in the UK). This is the 8th largest student population in the UK, with the full-time student population growing at a rate of 2.06% per annum since 2007/8. Circa 22% of the student population are international. The city has recorded impressive full-time student growth in

recent years, with a notable rise in the number of international students from outside the EU representing a CAGR of over 4.9% over the last ten years.

The city centre and surrounds boast abundant retail and leisure offerings which make it an attractive core UK city to both work and live. Within the city centre is Orchard Street Shopping Centre, in addition to The Moor and Fargate, providing several high street shops and restaurants. Sheffield is also home to Meadowhall, one of the largest retail complexes in Europe. With over 280 retail and leisure units, the centre sees approximately 400,000 people visit each week.

Sheffield also benefits from direct access to the Inter-City network providing a journey time to London St Pancras of approximately 2 hours

and 20 minutes. In addition Sheffield has good public transport services, in particular Supertram with three main routes linking the city centre to surrounding areas and key attractions, including Meadowhall, Sheffield Area, Don Valley Stadium, the Universities and Sheffield Central Station. There are four park and ride sites around the city at present, all connecting directly to the Supertram service. Sheffield did have a small airport although this closed in 2008. Robin Hood Airport to the south of Doncaster is around 27 miles to the east.

Sheffield has also been regarded as ‘the outdoor city’, adjacent to the Peak District National Park, which provides 1,437 sq km of nationally recognised iconic British landscape. The Park sits directly between Sheffield and Manchester.



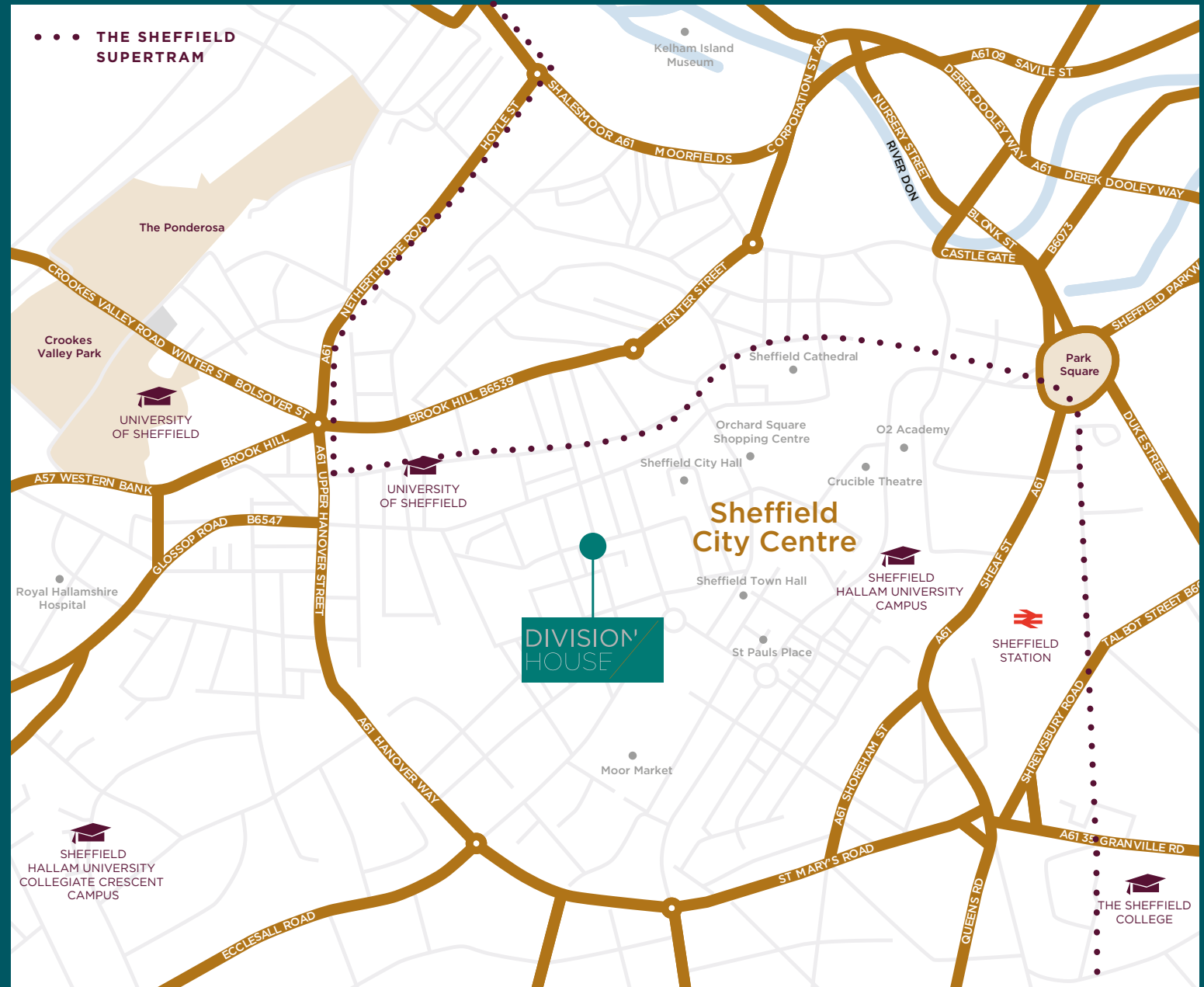
SITUATION

The subject site is situated in the city centre of Sheffield, to the south-west of the cross roads between Division Street and Rockingham Street. The site is approximately 1 mile to the west of Sheffield train station.

Division House is situated in the heart of an established area of Sheffield city centre that has a number of bars, eateries and retail shops to cater for the student and young professional market. The Sheffield Supertram network is within close proximity, providing excellent city centre connectivity.

There is a Sainsbury's Local and Tesco within a very short walk, together with a range of local, regional and national retail destinations including John Lewis, Pizza Express, BrewDog Sheffield and Gatsby public house.

The site currently comprises of a four storey building which has been converted from office to residential accommodation. There is also a basement with car parking facilities. There is vehicular access to the basement off Canning Street to the west of the site. The site is roughly square in shape. To the north of the site is Division Street, to the west is Canning Street and to the east of the property is Rockingham Street. To the south is an adjoining property known as Rockingham Court.



DESCRIPTION

The Property is arranged over 4 floors, and currently comprises 39 studio apartments on the upper floors of Division House together with two ground floor retail units. The upper floors have recently been converted from previous office use. The Property was constructed in the 1970's as an office block and in 2018 was converted into its present use.

The ground floor comprises of two self-contained retail units as well as areas of communal space for

the residential accommodation. The first, second and third floor comprises of 13 studio apartments to each floor. The property dates from circa 1970s and is of concrete construction with a flat roof. The windows in Division House have been replaced with metal framed double glazed windows with acoustic glass.

The property is set on a roughly square site which is fairly level. Entrance to the accommodation is from Division Street, to the north-west corner

of the site. To the ground floor of the property is a launderette, a mail room and a communal living room. There is a ramp to the basement with 13 allocated spaces for Division House in the basement. The remaining parking spaces in the basement are allocated to the adjacent property, Rockingham Court. There is to be two additional entrances on the ground floor, one to each retail unit from Division Street.



SPECIFICATION

The studio apartments are presented with a contemporary specification. The apartments have laminate flooring to the living and bedroom areas and tiled floors and walls to the bathrooms. Each property has a fully fitted kitchen with steel splashbacks, laminate work surfaces and include an electric oven and hob, fridge freezer, stainless steel sink unit and dishwasher. There is thermostatically controlled heating throughout. Each studio apartment has shower cubical with glazed door, electric shower and WC. Each property has a mail box located on the ground floor.

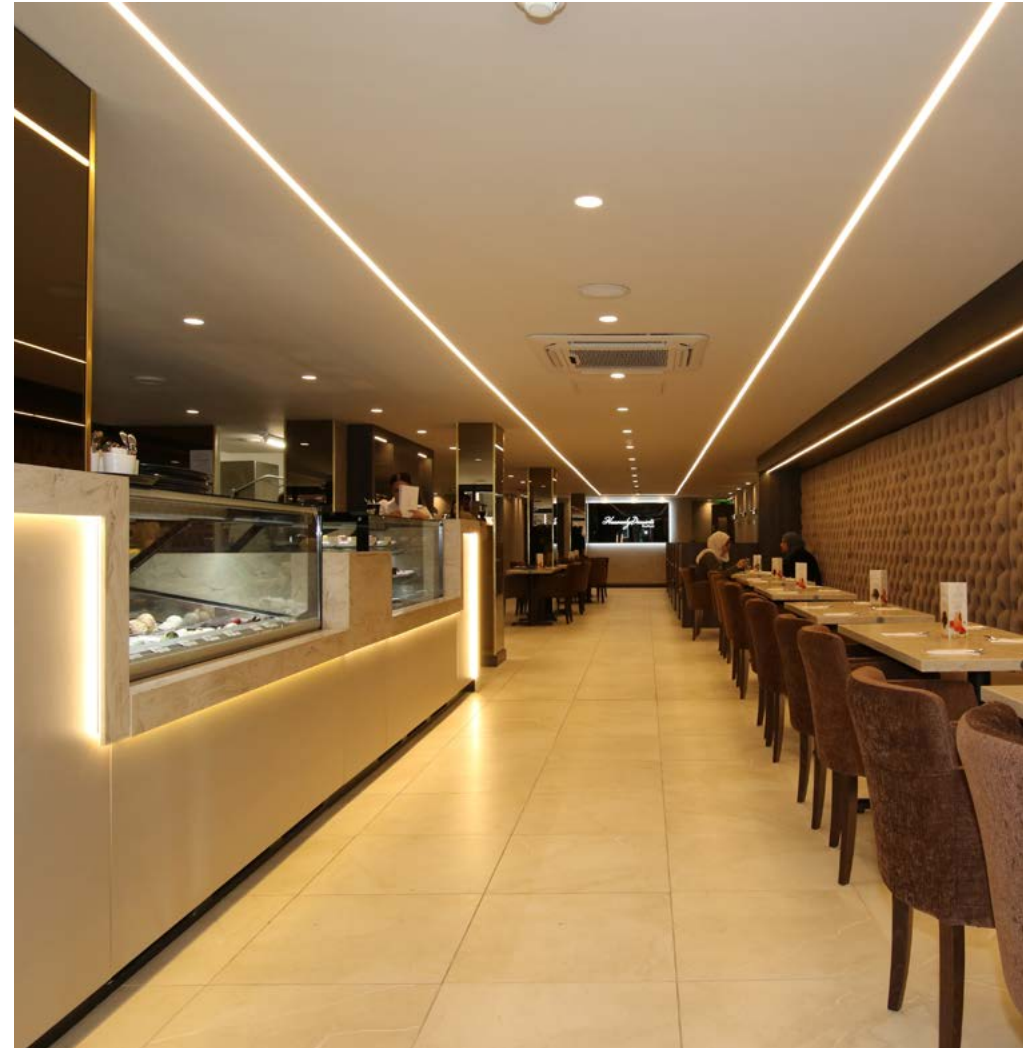


EXISTING SCHEDULE OF ACCOMMODATION

Floor	Use	Unit Numbers	Sq Ft {NIA}	Sq M {NIA}
Ground Floor	Retail/Residential	2 Commercial	4,478	416
First Floor	Residential	13 x Studio	4,381	407
Second Floor	Residential	13 x Studio	4,381	407
Third Floor	Residential	13 x Studio	4,381	407
Total Net Internal Area			17,621	1,637

The total retail area on the ground floor comprises 342 sq m (3,681 sq ft) with an additional communal 84 sq m (904 sq ft) living space for the residential accommodation.

There are a total of 39 studio apartments with areas ranging between 24 and 45 sq m (258 and 484 sq ft). The total net internal area for the first, second and third floor residential accommodation is 1,221 sq m (13,143 sq ft).



TENURE

The Property is held on a Long Leasehold, with a term of 250 years from January 2007 at £500 per annum. The freehold of the property is owned by Sheffield City Council.

MANAGEMENT

Management accounts available upon request.

TENANCY

For the Year 2018/2019 the 39 Studio apartments are let at a gross annual rent of £287,580.

The 2 commercial units are currently let as follows:

Unit	Tenant	Area	Current Rent(£)	Rent psf (£)	Start Date	Expiry Date	Break Date	Comments
Division House Retail Unit 1	SCOPE	1,485	£30,000	£ 20.20	24.05.2019	23.05.2029	End of 5th year	10yr lease, 3 months rent free, 6 months half rent
Division House Retail Unit 2	F&H Desserts	2,196	£40,000	£ 18.21	26.04.2019	25.04.2029	End of 5th year	10yr lease, 10 months rent free
12 x Car Parking spaces (Basement)	South Yorkshire Housing Association	N/A	£12,960	N/A	01/02/2019	23/05/2028	01/02/2022	Mutual break option on 3rd anniversary
TOTAL		3,681	£82,960					

TECHNICAL INFORMATION

All planning and technical information, including the EPC, is available to interested parties through a data room via our dedicated website

<https://savillsglobal.box.com/v/Division-House#>

EXISTING WAYLEAVES, EASEMENTS AND RIGHTS OF WAY

The site is to be sold subject to and with the benefit of all wayleaves, easements and rights of way, whether or not mentioned in these particulars.

VAT

The property has been elected for VAT and we anticipate that the sale can be treated as a transfer of going concern.

VIEWING

Viewing of the site is strictly by appointment through the Agents.

METHOD OF SALE & CONTACT

The site is offered for sale, as a whole, by way of Private Treaty. However, we reserve the right to conclude the marketing period by way of an informal tender process. We are instructed to seek offers in excess of **FIVE MILLION POUNDS (£5,000,000)**. A purchase at this price would reflect a **net initial yield of 6.95%**, assuming purchasers costs of 6.59%, subject to contract.

FURTHER QUERIES SHOULD BE SUBMITTED TO

MARK WILSON
mkwilson@savills.com
0113 220 1254

MATTHEW JONES
mjones@savills.com
0113 220 1255

SIMON LISTER
slister@savills.com
0113 220 1208

JOSHUA FRANKLIN
jfranklin@savills.com
0113 220 1258

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