

Aqua Blandford LLP  
21 Market Place | Blandford Forum | DT11 7AF



## Summary of property and position

A very attractive Grade 2 listed building situated in arguably the strongest location in Blandford and comprising one of the best configured stores, with an excellent frontage and a well-proportioned rectangular floor plate of circa 1,562 sq ft at ground, with a further 844sq ft and 855sq ft at first and second floors respectively.

The entire property is let on an over-riding lease to Gillets Callington Ltd [www.gilletspar.com](http://www.gilletspar.com) who we believe to have been in occupation of the property for in excess of 30 years. We understand that they trade from approximately 89 stores across the South and South-West and from conversations with the manager of the subject property, we understand it to be a solid performer. Nonetheless, given the sensible rental and excellent location, we would have great confidence in its prospects for re-letting should they not wish to renew when their lease expires in just under 4 years.

The first and second floors of the property are sub-let to a firm of accountants who we were informed are paying a rent of £11,000 per annum, thereby reducing the rental burden on the shop at ground floor to a very sustainable level. The accountants have been in occupation for many years, but should they not choose to renew their lease and Gillets Carrington not want them, the floors would lend themselves to creating some very nice flats, subject to all necessary consents to include planning and listed buildings approval.

## The Property

<b>Purchase Price:</b>	£615,000
<b>Tenure:</b>	Freehold
<b>Tenant:</b>	Gillets Callington Ltd (Parent Company Appelby Westward)
<b>Lease:</b>	15 years from July 2010
<b>Rent:</b>	£42,200 per annum
<b>Rent Review:</b>	Every 5 years (no more before lease expiry)
<b>Repairs:</b>	Tenant responsible



# Aqua Blandford LLP

Description	Total including VAT (£)
Purchase price	615,000
Stamp duty	20,250
Legal costs	7,200
Mortgage arrangement fee	500
Agents fees	0
Lewis purchase fee	20,295
Options Fee / Float *	5,315
Valuation	1,440
<b>Total</b>	<b>£670,000</b>

\* = The float is designed to provide a buffer for any unanticipated costs.

VAT will be reclaimed of circa £4,822 at first VAT quarter



## The Investment

We are delighted to present an opportunity for LLP investments by **invitation only**.

The Capital Growth (Deferred Income) investors will take on a share of the mortgage. The Immediate Income investors will accrue their share of the rent from day one after completion.

For further information please contact your personal adviser at Lewis.

## Potential Return

**The syndicate is buying this property at a gross yield of 6.86%.**

## Immediate Income

**Income will be paid monthly in advance at 5.50% per annum before tax.**

An investment of £100,000 will pay income of £458.33 per month.

## Deferred Income

For those that want a deferred income stream an example investment of £85,030 together with a £14,970 share of the mortgage, makes a total investment of £100,000.

This will acquire an estimated 14.93% of the property and the following estimated returns:-

- Immediate share of the rent of £5,500 per annum after the annual charge; which is used firstly to repay your share of the mortgage.
- After repayment this rent represents 6.47% per annum from the original capital investment.
- The mortgage is likely to have been repaid in 3.5 years, assuming an average interest rate of 6.00% per annum.

The banks are no longer lending on retail properties, therefore this loan is from a Lewis Company, Commercial Property Lending Ltd. More details are provided in personal reports. The loan is a fixed rate and repayments are annually in arrears.

This document has been produced for information purposes. It is not intended to be an invitation to buy, or an investor to act upon the comments made, and all/any investment decisions should be taken with advice, having taken into account an appropriate knowledge of the investor's circumstances. Investors must satisfy key criteria before they can be considered eligible to invest. For further information please contact your personal adviser at Lewis.

The objective is to form a syndicate whose members can transfer in circa **£570,000** of funds. The syndicate will then borrow circa **£100,000** secured against the property. The loan will be from a Lewis associated company. Investing in the LLP will result in taxation.

Lewis' annual fee is 4% plus VAT of the rental income (currently **£1,688 + VAT** per annum), paid quarterly in advance. Lewis Property Services (UK) Ltd annual fee is 2% plus VAT of the rental income (currently **£844 + VAT** per annum). If future rents increase, then so too will Lewis' ongoing fee.

## Summary

### INVITATION ONLY

We are delighted to offer you an investment in this excellent freehold property in the local town of Blandford.

The key reasons why we like this property are as follows:-

- The retail sector is struggling, however we see this as an opportunity to buy some first class assets now and this is a great example.
- The tenant has been in occupation for over 30 years and with the upper floors sublet, this is not an expensive unit for them.
- Adjacent to the town hall and in the main market square, this is perhaps the best retail location in Blandford.
- Blandford is still a hub attracting people from surrounding rural areas.
- The property is underwritten with the potential to convert the upper floors to two flats, subject to planning.
- An initial income of 5.5% per annum and paid monthly is very attractive, with such a strong freehold property.

Stay well

Tim Lewis

### How the LLP works:

The investment is known as a Property Investment Club because each member will have day to day control over the management of the property. Although certain activities will be delegated to an appointed agent you will retain control over major aspects of the property management, including rental contracts, changes in tenancy agreements, potential sale etc. You will also receive ongoing education on the commercial property market through newsletters and AGMs.

You will have direct ownership of the property through a Limited Liability Partnership (LLP). This will be limited to your share of the original purchase price and the costs involved. Rental income will be based on your percentage of ownership, after fees and any monies held back for a float account, which are outlined in this prospectus. If you choose the deferred income option you will be liable for your share of the overall mortgage repayment which will be repaid by your rental income until final redemption.

Full details of your exact share of the property, rental income, fees and mortgage repayment term will be provided in your recommendation report, if after discussion with your adviser it is felt that the investment is suitable for you. Any rental income will be subject to income tax at your marginal rate.

## Risk Factors

These will be detailed in your personal recommendation report, but key risks to consider are:-

- Inflation can have positive and negative effects on commercial property. Low interest rates tend to be beneficial where a mortgage is being repaid.
- Vacancy risk is twofold. Firstly an empty property has liabilities, like maintenance and empty business rates. Additionally, a failed tenant or lease expiry may require that the mortgage is paid whilst a new tenant is found. A location's general economic profile and demand for property may change over time.
- Although rent reviews tend to be upward, there is no guarantee that the rent will increase, it may reduce in uncertain times. Property yields and values can fall as well as rise and the costs tend to be high at purchase.
- The value of the property and the income from it may fall or rise. Past property market values are not a guide to future property values and you may not get back what you invested.

## Liquidity Issues

- Commercial property is a long term holding; generally for no less than 6 years.
- A member can leave the syndicate at any time. Under the terms of the Syndicate Rules any share to be sold will initially be offered to the remaining members. If they do not wish to purchase the entire share any remaining share will be offered to non-syndicate members.
- If a purchaser cannot be found the property will be sold. Due to the nature of the investment a sale may not be immediate.

Lewis Investment  
41 Commercial Road  
Poole, Dorset  
BH14 0HU

Tel: 01202 718400  
Fax: 01202 718810

email: [action@lewisinvestment.co.uk](mailto:action@lewisinvestment.co.uk)  
web: [lewisinvestment.co.uk](http://lewisinvestment.co.uk)



Lewis Investment is a trading name of Lewis & Co (Investments & Pensions) Ltd which is authorised and regulated by the Financial Conduct Authority. Property Investment Clubs are not authorised by the Financial Conduct Authority and as such, **may not** have recourse to the Financial Ombudsman Service (FOS) or the Financial Services Compensation Scheme (FSCS).