

# Student Accommodation Ground Rent Investment

The Stack  
33 Upper George  
Street  
Luton  
LU1 2RD



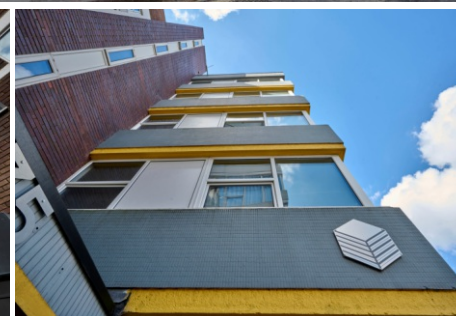
# RAPLEYS



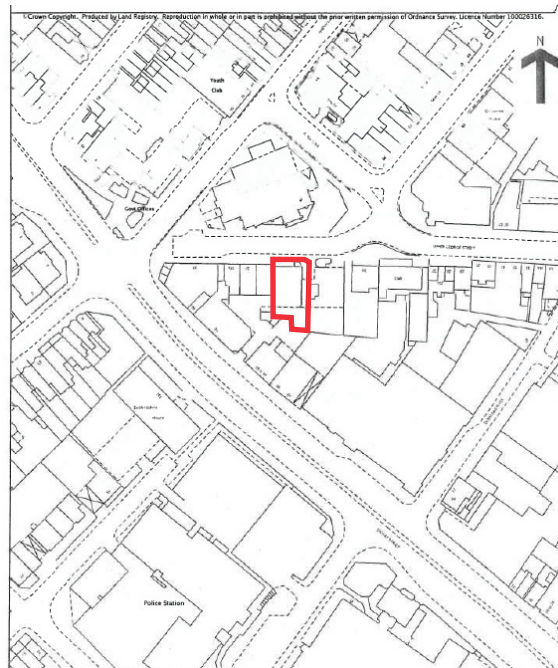


## Investment Summary

- Secure long let commercial ground rent investment.
- Student accommodation building of 10,800 sq ft GIA comprising 40 studio rooms over four floors with ground floor restaurant.
- Central location in the busy south east town of Luton, home to the University of Bedfordshire.
- Let to Upper George Street Investments Limited for a further 118 years at a current ground rent of £53,890 pa, subject to review in April 2027 and five yearly thereafter to RPI (Collared at 1% and 4%).
- Tenant benefits from a current income of £30,000 pa from subletting the ground floor restaurant, subsidising the overall ground rent.
- Offers in excess of £1,135,000 (One Million One Hundred and Thirty Five Thousand Pounds), subject to contract, for our client's freehold interest. A purchase at this level reflects a net initial yield of 4.49% after purchaser's costs of 5.87%.







## Location

Luton is situated approximately 30 miles north of London in the county of Bedfordshire. It lies approximately 40 miles southwest of Cambridge, 58 miles east of Oxford and 20 miles south of Bedford. One of the largest towns in the UK without city status, it has a population in excess of 258,000 and is home to the headquarters of companies such as EasyJet, Vauxhall Motors and TUI. Luton is also home to the University of Bedfordshire with two campus located in the town.

The town benefits from excellent communications being served by junctions 10 and 11 of the M1 and the A505 linking through to the A1 to the east. The M25 is approximately 11 miles south. Rail links are also excellent with two main stations, Luton and Luton Airport Parkway providing direct services to London St Pancras in 28 minutes, Gatwick Airport in 82 minutes and Brighton in 1 hour 56 minutes.

Luton Airport is situated on the edge of the town and flies scheduled and charter flights to over 70 destinations. In 2023 it was ranked the fifth busiest airport by passenger numbers with 15m using the airport.

## Situation

The property is situated on Upper George Street on the eastern side of the town centre. Close to the main A505, The Stack is just a two-minute walk from the main retailing and leisure areas of Luton and 10 minutes' walk to the University of Bedfordshire campus.

Located in a primarily mixed commercial area with offices, bars, restaurants and other student accommodation within the immediate surroundings.



## Description

The property comprises a five storey student accommodation building. Originally an office building the property was converted in 2015/2016 to provide 40 studio rooms over first to fourth floors, with a ground floor restaurant. The property has a total approximate gross internal area of 10,800 sq ft.

Access to the building is via a short path from Upper George Street into a ground floor reception and lobby area. Stairs and a single lift serve all floors. The upper floors are identical in layout with seven ensuite studio rooms incorporating a small kitchenette, and three studio rooms sharing a bathroom and kitchen. Laundry facilities are provided on each floor. The ground floor is used as a restaurant with terrace to the front. Externally a small rear yard is accessed from the lobby of the student accommodation and is utilised for bike storage.

## Tenure

The property is held Freehold.

## Tenancy

The property is single let on a long lease of 125 years from 4th April 2017 to Upper George Street Investments Limited at a current ground rent of £53,890 pa. The rent is subject to review on the 4th April 2027 and five yearly thereafter with reference to RPI, collared at 1% and 4%.

The tenant has sublet the ground floor restaurant on a 20 year lease from 2019 at a current passing rent of £30,000 pa.







## Tenant Option to Purchase in 2142

The tenant has an option to acquire the freehold of the property at the expiry of the term for £1 on a minimum of six months notice.

## VAT

The commercial element of the property has been elected for VAT. It is expected the sale will be subject to a TOGC arrangement.

## EPC

The property has an EPC rating of D. A copy of the EPC Report is available on request.

## Identity Checks/AML

The Money Laundering Regulations require us to conduct checks upon all Purchasers. Prospective Purchaser(s) will need to provide proof of identity and residence. For a Company, any person owning more than 25% must provide the same.

## Proposal

We are instructed to seek offers in excess of £1,135,000 (One Million One Hundred and Thirty Five Thousand Pounds), subject to contract, for our client's freehold interest. A purchase at this level reflects a net initial yield of 4.49% after purchaser's costs of 5.87%.



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