

Market Harborough

Lambert
Smith
Hampton

19/21 THE SQUARE, LE16 7PA, PYTCHLEY HOUSE
THE SQUARE & 10 THE COMMONS, LE16 7QL



For Sale Prominent Reversionary Retail Investment Opportunity

INVESTMENT SUMMARY

- 2 retail units with 5 flats located within the centre of Market Harborough, a desirable and affluent Market town in Leicestershire with strong demographics and connectivity.
- Retail Units and Residential totalling 24,842 sq ft with shared rear service yard on 0.585-acre site located next to a 285-space public car park.
- Freehold.
- Let to 2 national Retail Tenants, Tesco and Sports Direct, with a WAULT of 8.40 years (3.40 years to break) representing 86% of the income, with 5 Periodic Residential Tenants above Tesco.
- Low current rent of £190,000 p.a. (£8.68psf) on the retail element with £30,840 pa attributable to the residential, giving a **Net Total Income of £216,690 pa.**
- Highly Reversionary with an Estimated Net Rental Value of **£265,500 p.a. (£10.90 per sq ft** on the retail element).
- Potential to refurbish and sell residential units, split the 2 properties or consider long term development of the entire site, subject to planning.
- Offers in excess of **£2,670,000** exclusive of VAT which reflects an attractive net initial yield of **7.63%**, and a reversionary yield of **9.35%** (Feb 27), after the deduction of purchaser's costs of 6.41%.
- Low Capital Value of **£107 per sq ft**, significantly lower than build cost.
- May consider offers on individual properties.



LOCATION

Market Harborough (population of 25,000 persons) is an affluent and highly attractive Market town located in South Leicestershire in the East Midlands.

- 📍 Located approximately 15 miles southeast of Leicester, 18 miles north of Northampton, 55 miles east of Birmingham and 89 miles north of London.
- 🚗 Excellent road communications with direct access to the A6 which links Leicester and Kettering with the nearby A14 providing fast east-west connectivity between the M1(J19) and the A1(M)
- 🚆 There are direct rail services from Market Harborough to Leicester, Nottingham and London St Pancras with fastest journey times of 14 minutes, 45 minutes and 56 minutes respectively.
- 🚌 The town is well served by regular bus services connecting Market Harborough to Leicester, Northampton, Kettering and surrounding affluent villages. This supports strong local footfall and accessibility to the town centre retail core.
- ✈️ Market Harborough is conveniently located for both East Midlands Airport (40 miles Northwest) and Birmingham Airport (42 miles West), both of which provide a wide range of domestic and international connections.



FOR INDICATIVE PURPOSES ONLY.



SITUATION

The property occupies a rectangular site which fronts the southwestern edge of the pedestrianised Square adjacent to Café Nero with New Look, Superdrug and Waterstones nearby. The southern edge of the site shares a frontage to the 285 space public Commons Car park with the western edge of the site bounded by Manor Walk, diagonally opposite the Coop food store. The northwestern boundary sits adjacent to the service area access road leading from Manor Walk.

RETAIL/DEMOGRAPHICS IN MARKET HARBOROUGH

- Market Harborough has a retail catchment in excess of 70,000 people within a 15-minute drive (StorepointGeo2025) and offers an attractive retail environment providing a mix of independent operators and established national brands. Traders include Jo Malone, The White Company, Crew Clothing, Hotel Chocolat, Waterstones, Joules, Waitrose and Sainsburys.
- The town benefits from a higher than average of AB/C1 Social Grade of 61.3% (UK average 52.7%). The average house price stands at £363,910 in Market Harborough (Rightmove) compared to the national average of £300,077 (Halifax). The town has a high proportion of homeowners at 76.3% compared to the UK average of 66.5%.
- Harborough district has seen rapid population growth, rising by more than 10% over the past decade, supported by high employment rates of c.80 % for ages 16–64 and low overall unemployment levels (c.3%) below regional and national averages (ONS).
- The town is rich in history with St Dionysius' Church dating back to the early 14th century and in 1614 the Old Grammar School was built, featuring a covered market area on the ground floor and a single room above symbolising the town's educational and commercial heritage.
- Today, retailing in the Town focuses on The Square, High street and the St Mary's Place Shopping Centre/Indoor Market which leads to the Springfield Retail Park to the south.



DESCRIPTION

- The property comprises 2 separate buildings. The eastmost (front) building, Tesco, is a 2-storey retail property with an additional residential element at first floor providing 5 flats with the westmost (rear) building, Sports Direct, providing a 2-storey retail unit. A common service yard accessed from Manor Walk sits between the two buildings and is included in the demise.
- The 2-storey front building was constructed in the 1960`s having a brick external façade with a flat roof above with a more modern single storey extension to the rear. Most of the ground floor, which was originally two units, now comprises an open plan retail sales area with a customer entrance from the Square and access to the service yard from the rear. There is an internal stairwell and goods lift which serves the first-floor ancillary space.
- The remainder of the first floor comprises 5 flats, known as Flats 1-5 Pytchley House, which are accessed from an independent entrance/stairwell facing the car park leading to the flat roof which then gives access to each flat. Flats 1,2&5 have 1 bedroom with flats 3&4 having 2 bedrooms. Each flat benefits from double glazing and electric wall mounted heaters.
- The rear building fronts the Commons Car park and comprises a 2-storey retail unit built approximately 30 years ago having brick external walls and a pitched roof. Most of the ground floor offers open plan retailing with a small ancillary area to the rear and loading door to the service yard. The first floor comprises open plan storage/ancillary space accessed by an internal stair and goods lift.



ACCOMMODATION

The property provides the following net internal areas:

Floor	Tenant	Use	Area SQ FT (NIA)	Comments
19 The Square Ground Floor	Tesco	Sales	2,182*	Unit Zoned, *ITZA 962
21 The Square Ground Floor	Tesco	Sales	6,618	
21 The Square First Floor	Tesco	Ancillary	4,074	
Sub total			12,874	
Pytchley House				
Flat 1	Periodic Tenancy	Residential	495	Flat 1, 2&5 are 1 bed. Flats 3 & 4 are 2 beds. *GIA
Flat 2	Periodic Tenancy	Residential	441	
Flat 3	Periodic Tenancy	Residential	646	
Flat 4	Periodic Tenancy	Residential	829	
Flat 5	Periodic Tenancy	Residential	549	
Sub total			2,960*	
10 The Commons Ground Floor	Sports Direct	Sales	5,179	
10 The Commons Ground Floor	Sports Direct	Ancillary	217	
10 The Commons First Floor	Sports Direct	Ancillary	3,612	
Sub total			9,008	
Retail Total Net Internal Area:			21,882	
Total Net Internal Area			24,842	

SITE AREA: 0.585 ACRES

TENURE

The property is held Freehold.



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TENANCY

The property is let in accordance with the table below:

Unit	Tenant	Lease Details	Break Date	Rent Review Date	Gross Rent pa/Psf	ERV	Comments
19 & 21 The Square	Tesco Stores Limited t/a Tesco Express	16/07/2024- 15/07/2034	16/07/2029(T)	15/07/2029*	£130,000/ £41.50 ZA & £11.38psf	£138,500/ £44.50 ZA & £12psf overall	*Rent review to higher of whole or 2 original units.
Pytchley House Flats 1-5	2x Harborough District Council/ 3x Private Individuals	Periodic Tenancies	n/a	n/a	£30,840 / £475pcm-£550pcm	£31,200/ (1 bed-£500pcm, 2 bed-£550 pcm)	Further detail available on request.
10 The Commons	Sportsdirect.com Retail Ltd	05/11/2025- 04/11/2035	04/11/2030 (T) – Penalty of £30,000	05/11/2030*	£60,000/£6.66psf	£100,000pa/ £11.10 psf	Initial 12 month rent free. *Base rent to OMV with Turnover Rent top up. Schedule of Condition.
Total					£220,840	£269,700	

Ignoring the Residential Tenancies, The **WAULT is 8.40 years to Lease Expiry and 3.40 years to Lease Break.**

As well as having an open market rent review on the base rent, the Sports Direct Lease allows for an additional Turnover rent, calculated quarterly commencing 05/11/2026 (first potential receipt February 2027) based on the amount by which 5% of the certified turnover for the quarter exceeds the base rent. At the time of letting in Nov 2025, Sports Direct were forecasting a turnover of £2m pa/£38,460 per week which applying the turnover review formula will show a revised rent of £100,000pa.



CONTRACTED/NET INCOME

The Sports Direct lease is subject to a Schedule of Condition and does not allow for recovery of Insurance, currently £4,150pa. There is a shared concrete service yard to the rear of both retail properties where Tesco contribute to 50% of the cost of repair/maintenance. Sports Direct do not contribute. The net current Income is therefore **£216,690pa**.



N▲ FOR INDICATIVE PURPOSES ONLY.

COVENANT INFORMATION

The residential element of the property (14% of the total net income) is let on periodic tenancies to 3 private individuals, the other 2 flats to Harborough District Council. The remaining 86% of the income is let to Tesco and Sports Direct .

TESCO STORES LIMITED

Y/E 22/02/25

Turnover	£50.83 bn
Pre-Tax Profit	£1.66 bn
Net Assets	£5.12 bn

FRASERS GROUP TRADING LIMITED

(name change March 2026 fromSportsdirect.com Retail Limited)

Y/E 27/04/25

Turnover	£3.22 bn
Pre-Tax Profit	£150.19 m
Net Assets	£1.73 bn

COMPARABLE EVIDENCE/ERV

A summary of recent letting and investment activity is set out below:

Date	Address	Area (sq ft)	Tenant	Price / Rent pa	Comments
07/26	4 High Street Market Harborough	4,771	Clarendon Fine Art	£1.3m / 6.97%	10 yr lease (Tob yr 5) from 28/01/26 at £96,000pa / £73 za. Prime location.
08/25	40, The Square Market Harborough	1,961	Joules	£70,000 / £70 za	10 yr lease from Aug 25 (Tob yr 5). Former Lloyds Bank.
06/25	27, The Parade Oadby	9,342	M&S	£100,000 / £10.70psf	Lease regear with M&S, 5-year lease. Block includes Costa on 10 yr lease at £35k and local restaurant above at £20k, roof top car park, block sold for £1.85m/7.9%.
05/25	149 High St Burton Latimer	11,849	Sainsburys	£162,500 / £13.71 psf	Lease regear. Purpose built 1990`s supermarket with 60 car spaces.
12/22	43-51 The Square Market Harborough	3,887	Superdrug	£63,700 / £55za	Lease Re-gear, 10 yr lease from Dec 22, (Tob yr 5).

Based upon the above comparable evidence and considering the Turnover rent provision in the Sports Direct Lease, we believe the property has **Estimated Rental Value of £269,700pa, Net £265,550pa.**



VAT

The property is elected for VAT and so VAT will be payable on the purchase price. The sale will be dealt with as a Transfer of a Going Concern (TOGC).

EPC

The Sports Direct and Tesco have an EPC Rating of B&C respectively with all 5 flats having an E rating. A copy of the certificates is available on request.

AML

In order to comply with Anti-money laundering regulations, the preferred purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

PROPOSAL

We are instructed to seek offers in excess of **£2,670,000** for our client's freehold interest subject to contract and exclusive of VAT which based on the passing net rental income of £216,690 pa and a net reversionary income of £265,500pa would show a purchaser a net initial yield of **7.63%** and a reversionary yield of **9.35%** after the deduction of purchaser's costs of 6.41%. This reflects a low capital value rate of **£107** per sq ft.



FURTHER INFORMATION

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