

# Investment Pack: Belgrave House | Prime Mixed-Use Opportunity, Paignton (£350k Guide)



## Property Summary

Belgrave House is a Grade II listed freehold property located at TQ3 3BQ, situated at the junction of Winner Street and Totnes Road in Paignton. The asset comprises a mixed-use configuration including retail, professional office space, and residential units. It is positioned on a main arterial route, providing visibility and accessibility for commercial tenants.

The property is scheduled for auction on 28 May 2026. The guide price is set at £350,000.

## Financial Performance Overview

The following table outlines the current and projected financial status of the asset. The potential gross yield is calculated based on the achievement of market-rate rents for the vacant HMO and the renewal of the retail lease.

Metric	Current Status	Projected Status
Guide Price	£350,000	£350,000
Annual Rental Income	£36,800	£66,800
Gross Yield	10.51%	19.08%
Occupancy	Partial (Retail, Office, Flat)	Full (including 5-bed HMO)

Investors seeking high yield commercial property should note the significant margin between current and potential revenue. This margin represents the "value-add" component of the asset.



## Asset Components

The building is divided into four distinct functional units. Each unit operates under different lease or occupancy terms.

### 1. Ground Floor Retail (DJ Carpets)

This unit is currently occupied by DJ Carpets. The annual rent is £7,200. The tenant is currently "holding over," which indicates a periodic tenancy following the expiration of the original lease term. This status allows for immediate negotiation of a new fixed-term lease or the implementation of a market-rate rent review.

### 2. Ground and First Floor Offices (Lister Langley Solicitors)

This space is leased to Lister Langley Solicitors. The lease agreement provides an annual income of £20,000 and is secured until November 2029. This provides a stable income base for the medium term.

### 3. Basement Flat

The basement contains a self-contained 2-bedroom residential flat. It is currently let at £9,600 per annum (£800 per month). This unit provides consistent residential income independent of the commercial performance of the upper floors.

### 4. Second Floor (Vacant HMO)

The second floor is a 5-bedroom House in Multiple Occupation (HMO). It is currently vacant. Estimated market rent for this unit is £30,000 per annum upon successful re-licensing and refurbishment.



## Occupancy Status and Lease Analysis

Strategic management of the existing tenancies is required to maintain property portfolio growth uk. The Lister Langley lease is the primary stabilizer for the asset's cash flow. The "holding over" status of DJ Carpets presents a strategic decision point for the buyer: either formalizing a long-term commercial lease or seeking a new tenant at current market rates.

The vacancy on the second floor represents the primary opportunity for income growth. Bringing this unit back into service will increase the total annual income from £36,800 to £66,800.



## Regulatory and Legal Findings

Potential buyers must account for the specific regulatory environment of Belgrave House. Comprehensive commercial property due diligence should focus on the following two areas:

### Grade II Listing

Belgrave House is a Grade II listed structure. This status imposes strict requirements on any physical alterations or restoration works.

- **Listed Building Consent:** Any structural changes, especially those required for the 2nd-floor HMO optimization, must receive consent from Torbay Council.
- **Maintenance Standards:** Owners are legally obligated to maintain the building's character using approved materials and methods. Failure to do so can result in enforcement action.
- **Cost Implications:** Historical preservation often involves higher costs for materials and specialized labor.

### HMO Licensing and Compliance

Re-activating the second floor as a 5-bedroom HMO requires a new license from Torbay Council.

- **Mandatory Licensing:** As the unit is intended for 5 occupants, it falls under mandatory licensing regulations.
- **Physical Standards:** The unit must meet current room size requirements, fire safety standards (including fire-rated doors and integrated alarm systems), and amenity standards (kitchen and bathroom ratios).
- **Fire Safety:** Upgrading the second floor to meet modern HMO fire regulations is a prerequisite for occupancy.



## **Market Context: Paignton and the UK Commercial Real Estate Market**

Paignton is currently undergoing various regeneration efforts. Belgrave House sits on a major arterial route (Winner Street/Totnes Road), ensuring high footfall and vehicle visibility. The mix of residential and commercial use aligns with current trends in the uk commercial real estate market, where diversified assets offer better protection against sector-specific downturns.

The high yield potential of 19.08% is significantly above the national average for mixed-use assets, reflecting the specific management requirements and the "value-add" nature of the vacant HMO space.



## Auction Terms and Procedures

The sale will be conducted via public auction on 28 May 2026. Interested parties must adhere to the following standard auction conditions:

- **Auction Date:** 28 May 2026.
- **Deposit:** A 10% deposit of the final purchase price is required immediately upon the fall of the hammer.
- **Completion:** The remaining 90% must be paid within 28 days of the auction date.
- **Buyer Responsibility:** It is the responsibility of the buyer to complete all due diligence prior to bidding. This includes legal pack review, physical surveys, and verification of lease terms.

## Strategic Recommendations

1. **Immediate Lease Negotiation:** Engage with DJ Carpets to move from a "holding over" status to a formal lease.
2. **HMO Re-licensing:** Initiate the application for an HMO license and begin the necessary fire safety and amenity upgrades on the second floor.
3. **Conservation Consultation:** Engage a specialist in listed buildings to oversee any works on the second floor to ensure compliance with Grade II requirements.

## Contact Information

For further information regarding the acquisition process or to discuss property portfolio growth in the UK, please contact us via our website or reach out to David directly.

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