



Busy Bees

LEAMINGTON SPA

NEWLY DEVELOPED

West Midlands Day Nursery Investment - 20 Year Lease

Busy Bees, 6 Jephson Court, Tancred Close, Leamington Spa CV31 3RZ



EXECUTIVE SUMMARY

- Newly developed 110 place children's day nursery investment
- Single let to Busy Bees Nurseries Ltd on a brand new 20 year lease
- Busy Bees are the UK's largest day nursery chain with over 400 locations nationwide
- Contracted passing rent of £155,000 per annum plus VAT, which equates to £21.46 per sq ft on a GIA basis
- Five yearly, index-linked, upwards only rent reviews subject to CPI uplifts with a collar and cap of 1% - 3% per annum
- Standalone building extending to 7,224 sq ft GIA over ground and first floors with an enclosed outdoor garden and 16 demised car parking spaces
- EPC rating of A
- Share of freehold
- Busy Bees latest accounts for the year to date 31.12.2024 show a 147% increase in profits (c.£46m) from the previous year



We are instructed to seek offers in excess of **£2,330,000 (Two Million Three Hundred and Thirty Thousand Pounds)**, subject to contract and exclusive of VAT.
After allowing for purchasers costs of 6.35% this would reflect:

Net initial yield:

6.25%

Reversionary yield

7.25%

(July 2030)*

* Assuming a CPI increase of 3%

LOCATION

Leamington Spa, officially known as Royal Leamington Spa, is a historic spa town located in central Warwickshire, within the West Midlands region of England. It lies approximately 90 miles northwest of London, 10 miles south of Coventry and 25 miles southeast of Birmingham.

The town benefits from excellent road connectivity, being situated near the M40 motorway, which provides direct access to both London and Birmingham. The A46 and A452 also serve the area, linking Leamington Spa to Warwick, Coventry and the wider Midlands region.

Leamington Spa Railway Station offers regular services on the Chiltern Main Line and the Leamington–Coventry line. Direct trains run to London Marylebone with the fastest journey time of around 1 hour 15 minutes. Other key destinations include Birmingham Moor Street (30 mins), Oxford (45 mins) and Reading (1 hr 15 mins). Connections to the West Coast Main Line via nearby Coventry provide access to the North West and Scotland.

The town is within a 1-hour drive of Birmingham Airport and is also accessible to East Midlands and London Luton airports, making it well-positioned for both domestic and international travel.





SITUATION

The property is situated off Tancred Close, which provides a quiet cul-de-sac setting given its situation on Jephson Court, a secure, gated business park located to the south of Leamington Spa town centre.

Positioned just a short drive from Leamington Spa town centre, the property benefits from excellent accessibility via Tachbrook Road and the Queensway, which intersects with the A452 at a roundabout on the western side of the town, which in turn links up with the M40 motorway. This ensures convenient drop-off and pick-up routes for parents commuting from nearby towns such as Warwick, Kenilworth and Coventry.

The nearby Leamington Spa Shopping Park offer exceptional local amenities to include supermarkets, cafés, gyms and healthcare facilities, adding further convenience for families.

Neighbouring Schools

The immediate area (within 1 miles) has a high concentration of 6 primary schools, with a total of 1,107 places and one secondary school with a total of 1,236 places. This puts the property in a highly sustainable location for parent drop off and commuting via the direct rail services to London (1hour 20mins).

- 1 St Patricks Primary School - 204 Pupils
- 2 Shurbland Primary School - 229 Pupils
- 3 Clapham Terrace Primary School - 232 Pupils
- 4 Whitnash Primary - 411 Pupils
- 5 Arise Primary (Private) - 31 Pupils
- 6 Campion Secondary - 1236 Pupils

Staffing

The location is well-served by a larger number of homes and a very strong public transport network, including being within walking distance of Leamington Spa Railway Station, making it highly accessible for recruiting staff.



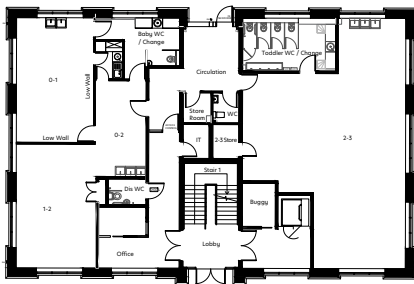
DESCRIPTION

The building itself is arranged over ground and two upper floors with four nursery classrooms, a kitchen, staff room, parent meeting room, WC & laundry facilities and ancillary storage space. There is an internal plant room at second floor level as well as an external plant room.

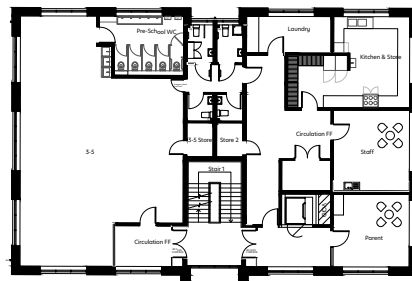
The site extends to approximately 0.25 acres. The site is fully fenced providing a safe and secure site for children and parents alike.

While traditionally a commercial area, the site offers a number of features that make it highly suitable for a nursery school environment:

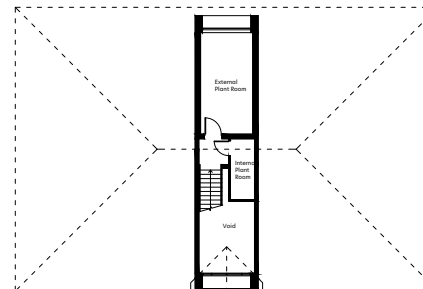
- **Secure gated access** with electric barriers
- **Generous on-site parking** (16 spaces), ideal for staff and parent use
- **Quiet cul-de-sac setting**, providing a safe and calm environment for children
- **Generous outdoor play space** (over 200 sq m), making it an attractive place for parents to send their children
- **Strong demographics**, with the property located in the heart of a residential area with major new build housing developments under construction nearby



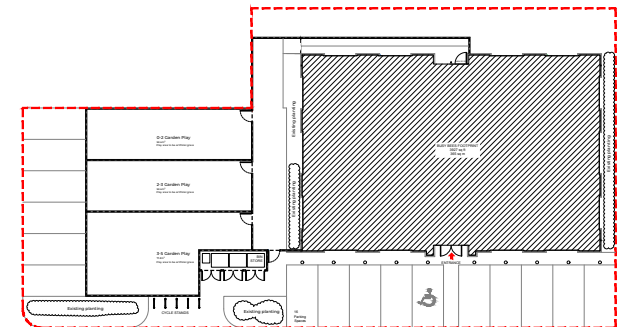
Ground Floor Plan



First Floor Plan



Second Floor Plan



Site Layout

Busy Bees

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Planning

The property is located within the Warwick District Council Local Authority area.

An application for a certificate of lawfulness was submitted by Montum under planning reference W/24/1590 and was granted on 27th January 2025. Given the recent changes in the Use Classes Order and upon review of proposed application to change the use from offices to a nursery use, planning officers were satisfied that the use would not require planning permission. As such, the planning use for the property remains Class E.

The property is not listed and does not sit within a conservation area.

Tenure

The property is held long leasehold , under title WK404403 (red line), with a share of management company that owns the freehold title under title number WK363453 (Green line)

6 Jephson Court long leasehold is held on 999 year lease at a peppercorn from 1st July 1999, which leaves an unexpired term of circa 973 years.

The freehold is owned by Jephson Court Management Company Ltd (company number 11890347) and each of the six Long leaseholder benefits from a one sixth share in this company.

An estate charge is levied by the freeholder to cover the repair and maintenance of the spine road, communal landscaped areas, the security barrier and CCTV. The annual estate charge for Unit 6 is currently £2,170.80 + VAT and this is fully recoverable from the occupational tenant, Busy Bees Nurseries Limited.



Covenant Information

Busy Bees Nurseries Limited
Company No: 03454787
Creditsafe Rating = 100 (Very low risk)

Busy Bees is recognised as the nation's leading nursery group, founded in 1983 and subsequently acquiring several nursery chains. It has since grown to operate over 420 sites across the UK and Europe with a further 400 sites globally in places like Singapore, Malaysia, Canada, Australia, North America and Italy.

Busy Bees Nurseries Limited's last three years accounts are summarised as follows:

Year to date	Turnover	Net Profit	Net Asset Value
31/12/2024	£315,996,000	£45,635,000	£199,726,000
31/12/2023	£280,133,000	£18,449,000	£154,091,000
31/12/2022	£255,999,000	£14,765,000	£135,642,000

Accommodation & Tenancy Schedule

Tenant	GIA Area (Sq Ft)	Lease Start	Lease Expiry	Lease Break	Rent Review	Rent pa	Rent psf	Expiry (years)	Comments
Busy Bees Nurseries Limited	7,224	24/07/2025	23/07/2045	None	24/07/2030	£155,000	£21.46	19.87	I. FRI lease II. 5 yearly upwards only rent reviews subject to CPI uplifts (collar & cap of 1-3%) III. Further review dates of 24.07.2035 & 24.07.2040
TOTAL	7,224					£155,000			

All measurements are approximate.

GOVERNMENT BACKING OF THE NURSERY SECTOR

There have been a number of recent Government backed initiatives and improved funding which are intended to make day nurseries more financially viable and accessible to eligible working parents who need the support. Such initiatives / funding changes include the following:



By September 2025: the Government aims to offer up to **30 free hours/week** to eligible working parents of children aged 9 months until school age



A **£75 million expansion grant** was announced to help nurseries and childminders recruit the **~35,000** extra staff needed for **70,000** new places by autumn 2025



The Government has committed to funding the creation of up to **3,000 school-based nurseries**



Nurseries to receive increased funding per child from an average of **£5.88 to £6.12 for 3 and 4 year olds** (a 4% increase), **£8.17 to £8.53 for 2 year olds** (a 4.5% increase) and **£11.06 to £11.54 for under-2s** (a 4.5% increase)



The Early Years Pupil Premium (EYPP) was increased by over **45% to up to £570 per eligible child/year**, while the Disability Access Fund (DAF) remains at **~£938/year**








The Department of Education has committed to **£8 billion a year investment** into early years funding by the end of this Parliament

INVESTMENT COMPARABLES



The asset provides long term, index linked income secured to the UK's largest day nursery operator.

The property offers best in class facilities with generous outside space allowing for 'free' play / following a £1m refurbishment programme.

Sale Date	Address	Price	NIY	Size Sq Ft	Nursery Operator	Rent £ pa	Rent Psf	Capital Val PSF	UXT (to break)
Available	6 Jephson Court, Tancred Close, Leamington Spa CV31 3RZ	£2,330,000	6.25%	7,224		£155,000	£21.46	£322.54	20 Years
Aug-25	Weldon Park Local Centre, Airfield Way, Corby NN17 3LT	£2,300,000	6.13%	5,100		£150,000	£29.41	£450.98	20 Years
Jun-25	3 Simplemarsh Road, Addlestone, Surrey KT15 1QH	£4,125,000	6.04%	7,488		£264,000	£35.26	£550.88	23 Years
Dec-24	5 Oswald Gardens, London SE10 0SH	£1,825,000	6.50%	4,913		£126,000	£25.65	£371.46	25 Years
May-24	3-5 Craven Road, Reading RG1 5LE	£3,300,000	6.12%	8,866		£215,000	£24.25	£372.21	24 Years

LOCAL DEMOGRAPHICS AND NURSERY COMPETITION

The local population of Leamington Spa is growing at a steady rate with over 30% of the circa 55,000 residents total between the ages of 25 and 45 years old.

It is also an affluent area with high proportion of the working population being employed in tech & managerial roles coupled with low levels of unemployment likely result in a high requirement for childcare which only serves to support significant growth in demand for nursery places.

Purpose built properties, offering secure outdoor space are in particular high demand.

The Leamington Spa nursery offering has historically been fulfilled by independent operators but the influence of national chain operators is growing. There is only one other day nursery within 0.5 mile radius of the subject property and further afield (1 mile radius) you can find between 5-10

day nurseries. The subject property is the second Busy Bees to open in Leamington Spa with only one other national chain operator existing in the town. The operator has confirmed very strong interest in enrolment already before opening – further detail is available by request.



Population:
55,000



30% of population likely
to require childcare



Working
population: **25,000**



Low levels of
existing alternatives

VAT

The property is elected for VAT and will therefore be treated as Transfer of Going Concern.

Capital Allowances

Vendor to retain the capital allowances or available by separate negotiation.

Proposal

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(July 2030)*

* Assuming a CPI increase of 3%

Income and Yield Flow

We set out the minimum CPI rental uplifts and reversionary yields at each review assuming; the proposed collar at 1%, the Bank of England's target of inflation at 2% and the proposed cap at 3%:

Assuming 1% uplifts

Year	Rent	RY
24/07/2025	£155,000	6.25%
24/07/2030	£162,907	6.57%
24/07/2035	£171,216	6.90%
24/07/2040	£179,950	7.26%

Assuming 2% uplifts

Year	Rent	RY
24/07/2025	£155,000	6.25%
24/07/2030	£171,133	6.90%
24/07/2035	£188,944	7.62%
24/07/2040	£208,610	8.41%

Assuming 3% uplifts

Year	Rent	RY
24/07/2025	£155,000	6.25%
24/07/2030	£179,687	7.25%
24/07/2035	£208,307	8.40%
24/07/2040	£241,485	9.74%

EPC

The property has an energy performance asset rating of A (25). A copy of the certificate is available on request.

Data Room

Please contact Tydus Real Estate for access to the data room.





Busy Bees

LEAMINGTON SPA

Contact

Please contact the agents, Tydus Real Estate:

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A DEVELOPMENT BY

Montum