

FORTY SEVEN TO FIFTY EAST STREET CHICHESTER



PRIME RETAIL INVESTMENT IN THE SOUGHT AFTER CATHEDRAL CITY OF CHICHESTER





INVESTMENT SUMMARY

- Chichester is a historic city known for its rich cultural heritage and picturesque surroundings. The estimated **catchment population is 127,000 people**.
- A buoyant tourism sector underpins the local economy. Notable attractions include Chichester Cathedral, Roman Walls and Chichester Harbour. The city also has access to South Downs National Park and is surrounded by popular beaches.
- Situated in a prominent, corner position that anchors the eastern stretch of East Street, the traditional premier thoroughfare. Other occupiers here include **M&S, Carluccios** and **The Ivy**.
- **Freehold**
- Currently arranged to provide three high quality and regular retail units, totalling **43,912 sq ft (GIA)**. The upper parts offers residential accommodation that has been sold-off.
- Secured to two of the UK's leading fashion retailers in **H&M** and **Frasers Group/Sports Direct**. Both tenants have recently committed to the property, with the rents having been rebased.
- Total current income of **£350,000 p.a.**
- We are instructed to seek offers of **£3,285,000** subject to contract and exclusive of VAT. This would reflect a **10.01% Net Initial Yield** and **£74.81 capital value per sq ft**.

LOCATION

Chichester, nestled in West Sussex, is an historically renowned and affluent Cathedral City.

The city's road network conveniently links to neighbouring towns and cities. Two roads, the A27 and A3(M), intersect the city, providing a seamless conduit to prominent neighbours like Brighton and Southampton. Notably, the M27 offers a direct route to the M27 via Junction 12, further enhancing accessibility. The A3(M) serves as Chichester's link to the M25 and the heart of Central London and the national network beyond.

Chichester also benefits from strong local and national train connectivity. Via the main Chichester Station, the city offers a direct link to Southampton, Brighton and Central London. The fastest link to London Victoria is just over 1 hour and 30 minutes.

Southampton International Airport is Chichester's nearest aerial hub. Just 22 miles to the east, it offers scheduled flights that provide direct access to the extensive European network. For a more substantial and international offering, Gatwick Airport is 47 miles to the north east.



DEMOGRAPHICS & ECONOMY

Chichester is known for its rich cultural heritage and picturesque surroundings. The city boasts an immediate catchment population of 127,000 people, although its reach can extend far beyond. Local growth and inward immigration are forecast to drive above average population growth in the decade to 2030.

Tourism is a particular strength for Chichester's economy. Tourists are drawn to the city's tranquil atmosphere, historical sites, which include the iconic Chichester Cathedral and Roman Walls, and access to the beautiful South Downs National Park. The city is also surrounded by desirable beaches and Chichester Harbour, an area of outstanding beauty.

Economically, Chichester also thrives as a centre for culture and education. The city is home to the University of Chichester, which brings a steady flow of students and academics to the city. The city's economy is also bolstered by a mix of retail establishments, restaurants, and local businesses that cater to both residents and visitors.

RETAIL IN CHICHESTER

Chichester boasts an estimated retail footprint of 730,000 square feet. The retail landscape is focused on the arterial thoroughfares of East Street and North Street, which interconnect at Market Cross. East Street, the traditional prime pitch, is home to key occupiers Marks & Spencer, TK Maxx, H&M, Flannels, Sports Direct, New Look, The Ivy, Superdrug, Natwest, Barclays and Halifax.

Bucking the national trend for a city of its size, Chichester has no covered shopping centres. In addition, there is limited out of town provision capable of competing with the quality of the in-town offer. Consequently, Chichester continues to experience strong occupational demand, and vacancy rates that are comfortably below the national average.





SITUATION

The property anchors the eastern stretch of East Street, occupying a highly prominent, corner position at its junction with East Walls. East Street is Chichester's traditional premier retail thoroughfare and home to an eclectic mix of national retailers, restaurateurs, and local and independent traders. Notable nearby occupiers include TK Maxx, Cotswold Outdoor, New Look, ASK, Giggling Squid and Carluccios.





DESCRIPTION

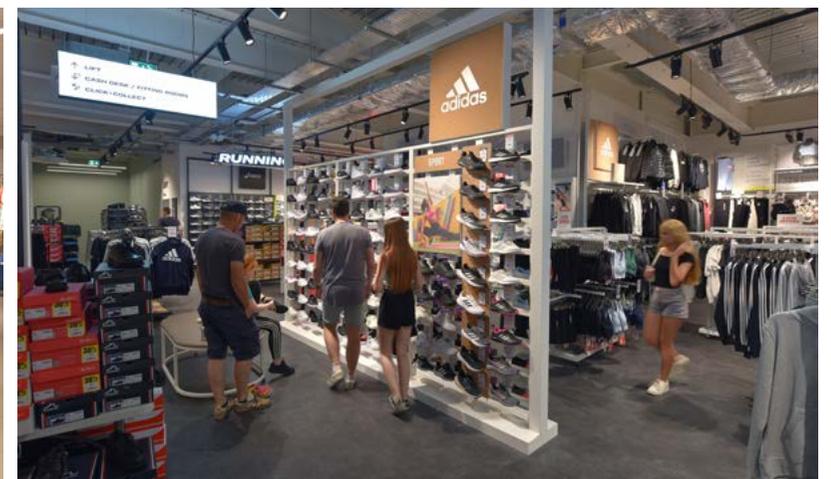
The subject property comprises a substantial and modern corner building arranged over three levels.

The ground and first floor levels have been arranged to provide two shop units, offering regular and high-quality sales accommodation. The tenant of 49/50 East Street has further sub-divided this unit to facilitate trading from two brands. Ancillary accommodation is provided at first floor and servicing is from East Walls.

The upper level offers residential accommodation that has been sold-off on a long-leasehold basis to a housing association.

The property offers 43,912 sq ft of commercial accommodation, as evidenced by the following Gross Internal Areas:

| | 47/48 East Street | 49/50 East Street | Total |
|--------------|-------------------|-------------------|---------------|
| Ground Floor | 7,625 | 13,453 | 21,078 |
| First Floor | 11,495 | 11,339 | 22,834 |
| Total | 19,120 | 24,792 | 43,912 |



TENURE

The property is held Freehold.

TENANCY

The property is currently let on three separate tenancies, producing a total current income of £350,000 p.a.

SERVICE CHARGE

There is a small service charge in place, which is recoverable from the occupational tenants. There is currently no landlord shortfall.

| Address | Tenant | Lease Start Date | Lease Expiry | TOTB | Rent (pa) | Rent Review | Comments |
|---------------------------------|---------------------------------|------------------|--------------|---------------------------|-----------------|-------------|------------------------------------------|
| 47/48 East Street | H&M Hennes & Mauritz UK Limited | 24/10/2016 | 23/10/2031 | 24/10/2026 and 24/10/2029 | £200,000 | 24/10/2026 | Rent recently rebased from £350,000 p.a. |
| 49/50 East Street | Sportsdirect.com Retail Limited | 21/10/2021 | 20/10/2031 | | £150,000 | 21/10/2026 | |
| Second Floor, 47/50 East Street | Kelsey Housing Association | 28/02/2007 | 27/02/2132 | | Peppercorn | | |
| Total | | | | | £350,000 | | |

COVENANT



H&M Hennes & Mauritz UK Limited

H&M, also known as Hennes & Mauritz, is a popular fashion retailer first established in Sweden in 1947. It has grown into a global fashion brand and has a significant presence in the UK, currently trading from 197 stores. The brand also has a strong online offer. H&M has an emphasis on sustainability and has taken steps to promote eco-friendly practices within the fashion industry.

The most recent financial results for H&M are summarised below.

| £000 | 30th November 2021 | 30th November 2020 | 30th November 2019 |
|-----------------|--------------------|--------------------|--------------------|
| Turnover | 835,288 | 712,471 | 1,066,977 |
| Pre-Tax Profits | 99,714 | (62,857) | 20,409 |
| Net Worth | 88,672 | 27,287 | 170,684 |

FRASERS GROUP

Sportsdirect.com Retail Limited/Frasers Group PLC

Frasers Group PLC is a aspirational fashion and sporting goods retailer. The Company operates a diversified portfolio of sports, fitness, premium lifestyle and luxury fascias in over 20 countries. Its Premium Lifestyle segment offers luxury offering, consisting of the Flannels, Cruise, van mildert, Jack Wills, House of Fraser and Sofa.com. Its UK Sports Retail segment includes its Sports Direct and USC store operations in the UK, its sports online businesses, gyms, Evans Cycles, and its Shirebrook campus operations.

The most recent financial results for Frasers Group PLC are summarised below.

| | 31st August 2021 | 31st August 2020 | 31st August 2019 |
|-----------------|------------------|------------------|------------------|
| Turnover | £10,703,280 | £10,729,070 | - |
| Pre-Tax Profits | £1,112,919 | £1,131,160 | - |
| Net Worth | £3,518,480 | £3,119,023 | £2,311,072 |

INVESTMENT COMPARABLES

| Date | Address | Tenant | Expiry | Sq Ft | Price | Yield | Price PSF |
|--------|--------------------|-------------------------|--------|-------|------------|-------|-----------|
| Jun-23 | 79-80 North Street | Robert Dyas and Private | Aug-28 | 7,745 | £2,100,000 | 8.65% | £271.14 |
| Jan-23 | 89-91 East Street | The Ivy | Nov-46 | 10886 | £2,900,000 | 4.90% | £266.40 |
| Sep-22 | 62-64 East Street | The Entertainer | Jan-30 | 7,231 | £1,900,000 | 6.10% | £262.76 |



EPC

EPC Certificates are available upon request.

VAT

The property is elected for VAT. It is anticipated that the sale will be structured as a Transfer of a Going Concern (TOGC).

AML CHECKS

In order to comply with anti-money laundering legislation a successful purchaser will be required to provide certain identification documentation. These documents will be confirmed to and requested from the successful purchaser by the vendor and their professional advisors at the relevant time but before an exchange of contracts.

PROPOSAL

We are instructed to seek offers of **£3,285,000** subject to contract and exclusive of VAT. This would reflect a **10.01%** Net Initial Yield, and **£74.81** capital value per sq ft.

CONTACT

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