

PRIME FREEHOLD RETAIL HIGH STREET
INVESTMENT IN AN AFFLUENT COUNTY TOWN



LONGUS HOUSE

40-48 EASTGATE STREET, CHESTER CH1 1LF





INVESTMENT SUMMARY

- ◆ Located in the North West in the cathedral city of Chester, Cheshire's county town
- ◆ The **affluent city** of Chester is approximately 20 miles south of Liverpool and 13 miles north of Wrexham
- ◆ Longus House is an attractive **48,400 sq ft listed Tudor style building, occupying a prime position** on the pedestrianised Eastgate Street with an additional frontage to Eastgate Row and return frontage on Newgate Mall, the main entrance to the Grosvenor Shopping Centre
- ◆ The property is configured to provide **7 retail units** over basement, lower ground, ground and part first floor with office/leisure accommodation on the remaining part first, second and third floors
- ◆ **Grade II Listed** offering almost **95% exemption from empty rates**
- ◆ Rebased and affordable rents providing excellent prospects for rental growth
- ◆ WAULT to expiry of **7.80 years**
- ◆ ERV of **£491,180**
- ◆ **Freehold**
- ◆ **Asset management opportunities** including the potential re-purposing of the 2nd and 3rd floor offices to residential flats
- ◆ Offers in excess of **£3,985,000** reflecting a capital value of **£82 psf**

LOCATION

Chester, the county town of Cheshire, is an affluent cathedral city located approximately 20 miles south of Liverpool, 13 miles north of Wrexham and 42 south west of Manchester.

Chester benefits from excellent transport links via road with the M56 and M53 located within 4 miles of the northern edge of the city providing direct access to Manchester and Liverpool respectively. Manchester Airport and Liverpool John Lennon Airport are 35 miles to the north east and 24 miles to the north respectively.



By Road: The city's ring road (A55) provides access to Junction 12 of the M53, only 3 miles east of the city centre, connecting to the M56 and the rest of the national motorway network.



By Rail: Chester benefits from a direct rail service to London Euston, with the fastest journey time of two hours. Liverpool Lime Street and Manchester Oxford Road stations are both easily accessible, with journey times of 45 minutes and 1 hour 10 minutes respectively.



By Air: Manchester Airport and Liverpool John Lennon Airport are 35 miles to the north east and 24 miles to the north respectively. Allowing ease of access to the location from a range of international flights throughout Europe.

‘The affluent city of Chester is approximately 20 miles south of Liverpool and 13 miles north of Wrexham.’

DEMOGRAPHICS

Chester has a catchment population of 311,603 within 10 miles of the subject property, and the city is predicted to see gradual population growth over the coming 10 years. Chester is an affluent county town with over 71% of the catchment employed and 16% retired. Over 66% of the population are in the upper affluent acorn categories, with 33% in the Affluent Achievers category and 33% falling under Comfortable Communities. The shopping population spending £1.72bn per annum in 2019.

Retailing employment accounts for 27% of total employment and private sector services employment accounts for 62% of total employment.



RETAILING IN CHESTER

Chester city centre is a traditional retail precinct, offering undercover shopping centres and an abundance of fashion boutiques, independent shops and high street favourites. The 16th Century Tudor architecture in the city centre provides for an attractive and unique shopping experience, coupled with the affluent catchment attracts leading national and international retailers, and ensures Chester remains a popular shopping destination.

The primary retail core is concentrated on Eastgate Street, Northgate Street and Foregate Street as well as the Grosvenor Shopping Centre anchored by TK Maxx, fronting onto Eastgate Street. The city's prime pitch is the attractive pedestrianised thoroughfare of Eastgate Street which dominates the city's retail offer and home to a large number of national retailers including Next, Jo Malone, Waterstones, Fat Face and Penhaligon's.

Located further along the pitch on Foregate St are national multiples including River Island, Wilko, Marks & Spencer, Boots and Primark.

The Grosvenor Shopping Centre, owned by HIG Capital, comprises over 70 retail units across 232,000 sq ft with a ca. 400 space car park. The centre is home to national retailers including Jigsaw, Schuh, and Warren James.





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BY APPOINTMENT BOLLANDS CONFECTIONERS

TO HIS LATE MAJESTY KING EDWARD VII

FLANNELS

SPACE.MK
apothecary

Shopping Centre

- Cathedral
- Town Hall
- Tourist Information
- Storyhouse

Pedestrian Zone
At any time

DEVELOPMENT

The proposed 'Chester Northgate' is a new market and leisure destination in the heart of Chester. The development is a regenerative project being delivered by the Council. It is a retail led mixed use scheme, transforming the open streets, parades and plazas to integrate seamlessly with the surrounding parts of Chester City Centre. The development due to open in summer 2022 will comprise a six-screen Picturehouse cinema, cafes bars and restaurants, a new indoor market, new parking, and co-working office spaces.

Chester Northgate will create a new public square for the city, linking the new market hall, Storyhouse and the Town Hall. The old library frontage will be transformed into a new arcade and provide a stunning arched entrance into the development, which will also be accessible from Hunter Street and Princess Street. The development is expected to bring significant benefits for the city of Chester.



CGIs of the Chester Northgate development for indicative purposes only.

'The Chester Northgate development is expected to bring significant benefits for the city of Chester.'

SITUATION

Longus House is an attractive 49,000 sq ft prominent parade occupying a 100% prime position on the pedestrianised Eastgate Street with an additional frontage to Eastgate Row and return frontage on Newgate Mall, the main entrance to the Grosvenor Shopping Centre. The parade is ideally situated between the other key shopping streets of Northgate Street and Foregate Street, and in close proximity to the popular tourist attraction of Chester Cathedral.



DESCRIPTION

The property is currently configured to provide seven retail units over basement, lower ground (Eastgate Street), ground (Eastgate Row) and part first floor with office/leisure accommodation on the remaining part first, second and third floors.

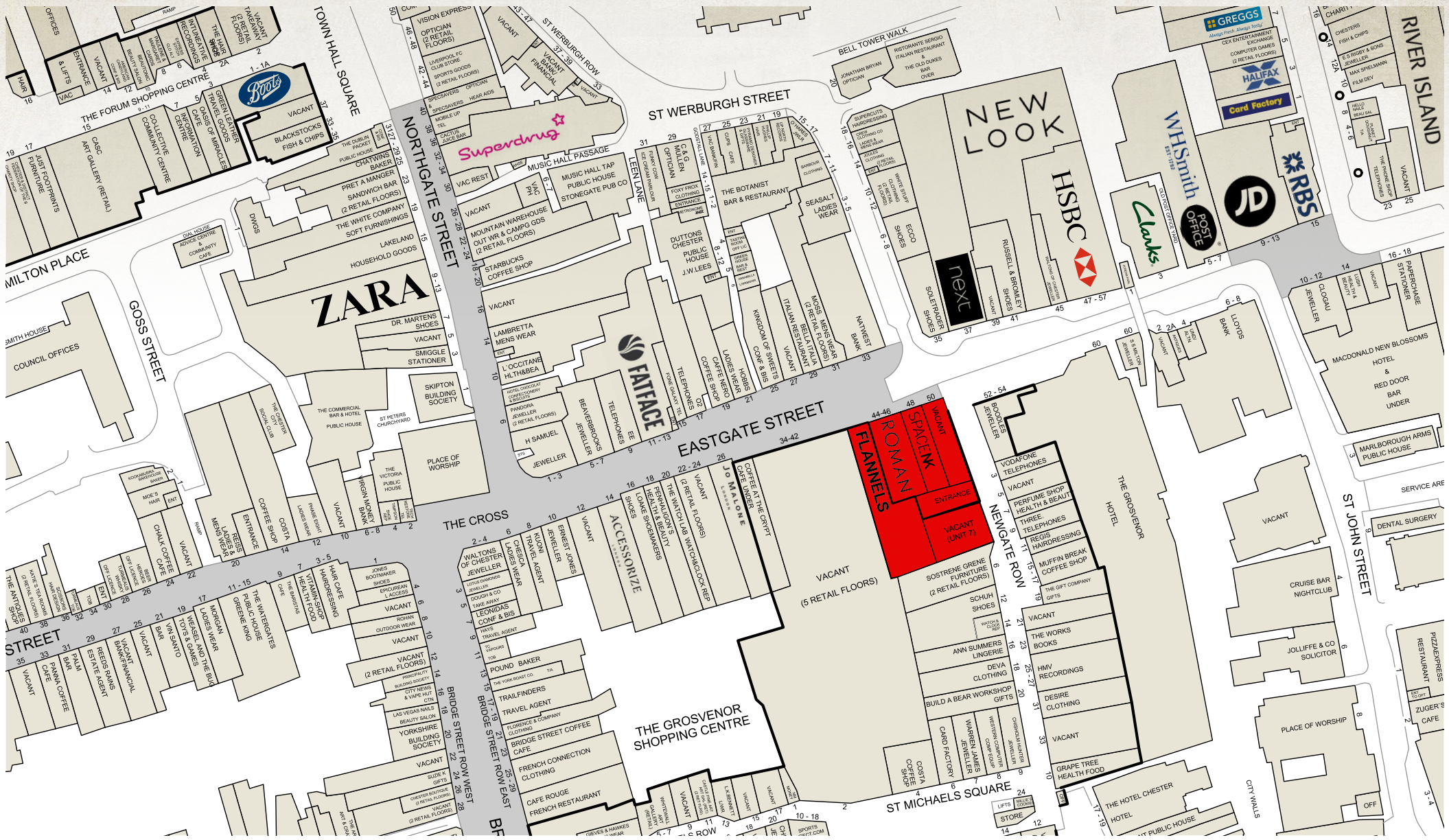
The lower ground level, (Eastgate Street) provides entrances for two retail units, both of which are currently vacant.

The ground level (Eastgate Row) provides entrances to four retail units, occupied by Space NK, Roman Originals, Flannels and the corner unit is vacant.

The first floor is majority let to Flannels for sales accommodation with a part vacant office suite.

The second floor is let to Ch1 Fitness and fitted out as a premium gym. The third floor is also a vacant office space, prime for a residential redevelopment opportunity.



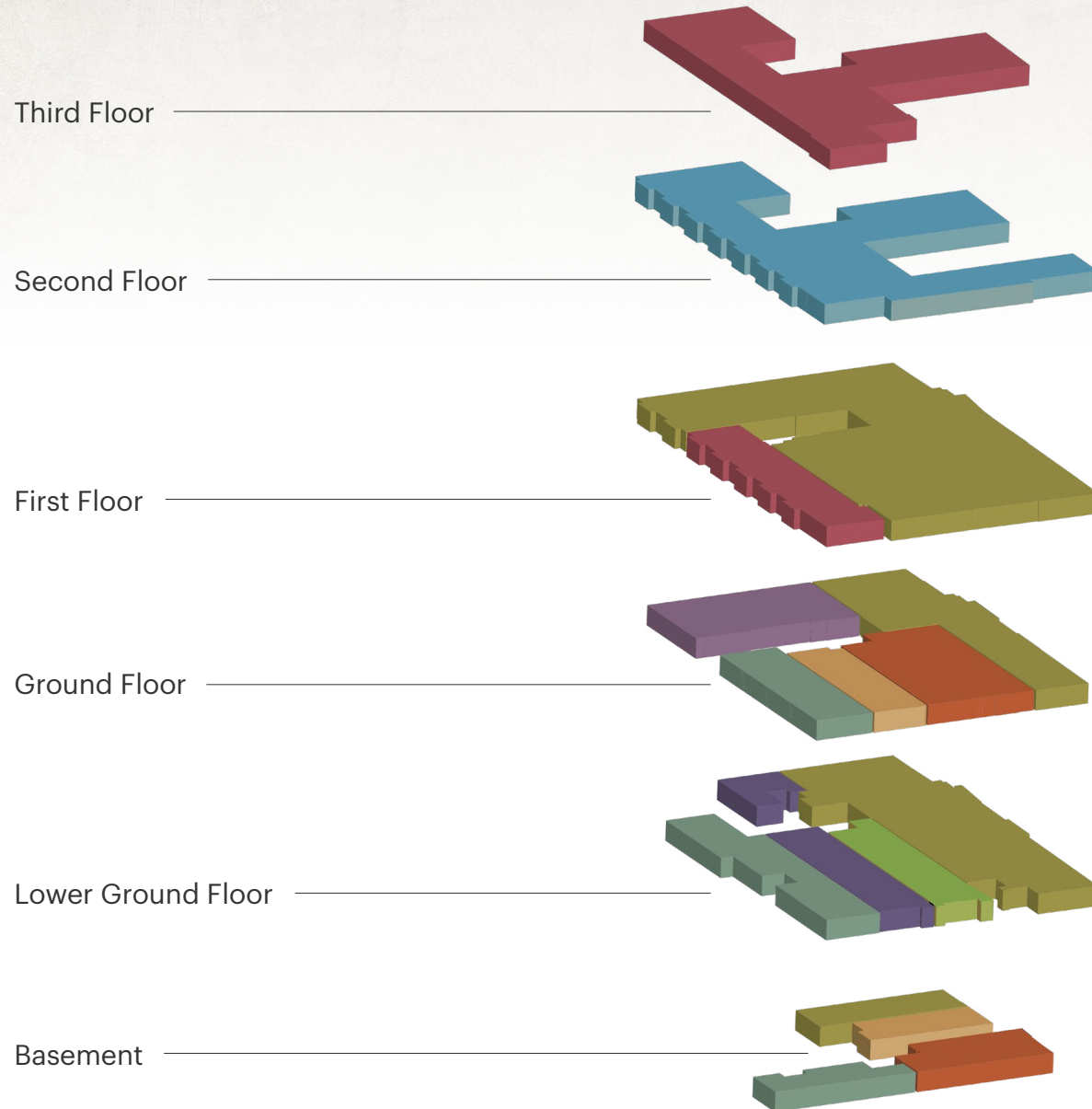


TENANCY SCHEDULE

| Unit Name | Tenant | Area (GIA sq ft) | Lease Start | Lease Term | Lease Expiry | Break Option | Next Review | Review Type | Passing Rent pa |
|----------------------|---|------------------|-------------|------------|--------------|--------------|-------------|-------------------|-----------------|
| Unit 1 | Vacant (vendor rental guarantee) | 1,995 | - | - | - | - | - | - | £35,568 |
| Unit 2 | Vacant (vendor rental guarantee) | 1,545 | - | - | - | - | - | - | £35,412 |
| Unit 3 | Vacant (vendor rental guarantee) | 4,148 | - | - | - | - | - | - | £50,000 |
| Unit 4 | Space NK Ltd t/a Space NK | 1,803 | 12/07/2017 | 10 yrs | 11/07/2027 | 12/07/2023 | 12/07/2022 | OMV (upward only) | £85,000 |
| Unit 5 | Roman Originals Plc t/a Roman Originals | 3,484 | 04/09/2019 | 10 yrs | 03/09/2029 | 03/09/2024 | 04/09/2024 | OMV (upward only) | £110,000 |
| Unit 6 | The Flannels Group Ltd t/a Flannels | 18,788 | 08/04/2019 | 10 yrs | 07/04/2029 | 07/04/2024* | 08/04/2024 | - | £180,000 |
| Unit 7 | Vacant (vendor rental guarantee) | 1,926 | - | - | - | - | - | - | £40,000 |
| Office 1 (1st Floor) | Vacant (vendor rental guarantee) | 1,863 | - | - | - | - | - | - | £11,000 |
| Office 2 (2nd Floor) | CH1FIT Ltd t/a Ch1 Fitness | 7,146 | 28/06/2018 | 15 yrs | 27/06/2033 | 28/06/2028 | 28/06/2023 | OMV (upward only) | £60,000 |
| Office 3 (3rd Floor) | Vacant | 5,702 | - | - | - | - | - | - | - |
| Total | | 48,400 | | | | | | | £606,980 |

* Flannels have a break fee of £180,000 if they exercise their option to break.

STACKING PLAN



KEY

| | |
|-----------|--------------------|
| ■ Offices | Vacant |
| ■ Offices | CH1 Fitness |
| ■ Unit 1 | Vacant |
| ■ Unit 2 | Vacant |
| ■ Unit 3 | Vacant |
| ■ Unit 4 | Space NK |
| ■ Unit 5 | Roman |
| ■ Unit 6 | Flannels |
| ■ Unit 7 | Vacant |



COVENANT STATUS

SPACE NK

Space NK LTD- Company No: 02773985

This company is a group engaged in the retail and wholesale of skincare and cosmetic products. Space NK is a British retailer which was founded in 1991 by Nicky Kinnaird, with the first store opening in Covenant Garden in 1993.

Space NK Ltd have reported the following last three year's results and have a Creditsafe rating of 89/100 indicating a 'Very Low Risk' of business failure.

| Year End | 28/03/2020 | 30/03/2019 | 31/03/2018 | 25/03/2017 |
|----------------|--------------|--------------|--------------|-------------|
| Turnover | £125,710,067 | £108,938,970 | £102,891,457 | £33,345,485 |
| Pre-Tax Profit | £3,407,415 | £3,027,523 | £6,336,762 | £30,849,942 |
| Net Worth | £33,345,485 | £30,849,942 | £28,279,404 | £23,833,479 |

ROMAN

Roman Originals Plc- Company No: 00980843

Roman Originals is a UK-based clothing company founded in 1995 that offers a range of sophisticated and modern styles for women at affordable prices.

Roman Originals Plc have reported the following last three year's results and have a Creditsafe rating of 53/100 indicating a 'Low Risk' of business failure.

| Year End | 02/01/2021 | 28/12/2019 | 29/12/2018 | 30/12/2017 |
|----------------|-------------|-------------|-------------|-------------|
| Turnover | £50,307,010 | £76,051,340 | £71,511,499 | £65,611,527 |
| Pre-Tax Profit | -£3,779,472 | £3,317,454 | £5,166,455 | £3,866,952 |
| Net Worth | £13,150,445 | £17,168,435 | £15,635,849 | £12,710,702 |

FLANNELS

The Flannels Group Limited- Company No: 02318510

FLANNELS, one of the UK's leading luxury retailers, first opened in the north of England in 1976. Billed until recently as 'the biggest luxury retailer you've never heard of', carefully curated men's and women's luxury designer clothing and accessories can now be found in 37 FLANNELS stores across the UK, including its much-lauded London flagship, which opened in September 2019.

The Flannels Group Limited have reported the following last three year's results and have a Creditsafe rating of 85/100 indicating a 'Very Low Risk' of business failure.

| Year End | 26/04/2020 | 28/04/2019 | 29/04/2018 | 30/04/2017 |
|----------------|--------------|-------------|-------------|-------------|
| Turnover | £113,641,000 | £92,964,000 | £62,375,000 | £35,428,000 |
| Pre-Tax Profit | £21,283,000 | -£1,397,000 | £5,253,000 | -£614,000 |
| Net Worth | £17,905,000 | £1,133,000 | £5,318,000 | £19,000 |





ACCOMMODATION

A measured survey has been produced by Hollis in accordance with the RICS Code of Measuring Practice 6th Edition and we provide the following Net Internal Areas below:

| Unit | Tenant | Floor | Area (GIA sq ft) | Area (sq m) |
|----------------------|--|------------------------|------------------|--------------|
| Unit 1 | Vacant | Ground | 79 | 7 |
| | | ITZA | 695 | 65 |
| | | Lower Ground | 1,916 | 178 |
| | | Total | 1,995 | 185 |
| Unit 2 | Vacant | Ground | 121 | 11 |
| | | ITZA | 710 | 66 |
| | | Lower Ground | 1,424 | 132 |
| | | Total | 1,545 | 144 |
| Unit 3 | Vacant | Ground | 1,300 | 121 |
| | | ITZA | 678 | 63 |
| | | L/G Ancillary Basement | 1,424 | 132 |
| | | Basement Ancillary | 1,424 | 132 |
| | | Total | 4,148 | 385 |
| Unit 4 | Space NK Ltd t/a Space NK | Ground | 1,094 | 102 |
| | | ITZA | 635 | 59 |
| | | Basement Ancillary | 709 | 66 |
| | | Total | 1,803 | 168 |
| Unit 5 | Roman Originals Plc t/a Roman Originals | Ground | 2,391 | 222 |
| | | ITZA | 1,307 | 121 |
| | | Basement Ancillary | 1,093 | 102 |
| | | Total | 3,484 | 324 |
| Unit 6 | The Flannels Group Ltd t/a Flannels | Ground | 3,035 | 282 |
| | | Lower Ground | 5,013 | 466 |
| | | First | 9,878 | 918 |
| | | Basement Ancillary | 862 | 80 |
| | | Total | 18,788 | 1,745 |
| Unit 7 | Vacant (entrance via Grosvenor SC) | Ground | 1,926 | 179 |
| | | ITZA | 1,149 | 107 |
| | | Total | 1,926 | 179 |
| Office 1 (1st Floor) | Vacant | Total | 1,863 | 173 |
| Office 2 (2nd Floor) | CHIFIT Ltd. t /a Ch1 Fitness | Total | 7,146 | 664 |
| Office 3 (3rd Floor) | Vacant | Total | 5,702 | 530 |
| Total | | | 48,400 | 4,496 |

TENURE

Freehold.

EPC

EPC's are available upon request.

VAT

Value added tax is applicable to the sale of this property.



PROPOSAL

Offers sought in excess of £3,985,000 (**Three Million Nine Hundred and Eighty Five Thousands Pounds**), reflecting a capital value of **£82 psf**, subject to contract and excluding VAT. A purchase at this level would reflect a **net initial yield of 14.26%**, assuming standard purchaser's costs.



FURTHER INFORMATION

For further information or to arrange an inspection, please contact the sole agent:

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MISREPRESENTATION ACT1967

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Adrian Gates Photography & Design 07710 316 991