



2 BURGAGE
SQUARE

MERCHANT GATE
WAKEFIELD WF12TS

FOR SALE

HIGH YIELDING MULTI-LET OFFICE
AND RETAIL INVESTMENT



MSCP

CAPA College

Wakefield Westgate Station

County Hall

Town Centre

Wakefield Council

Mulberry House

1 Burgage Square

2 Burgage Square



INVESTMENT SUMMARY

2 Burgage Square is a premier mixed-use development within the high profile Merchant Gate development in central Wakefield

Occupying a highly prominent position, immediately adjacent to Wakefield Westgate Train Station

Comprising a modern multi-let property totalling 28,968 sq ft arranged across ground and two upper floors

Multi-let to 5 tenants with a **WAULT** of 5.75 years to expiry and 4.47 years to break

Tenants include Gravity Fitness, Morgan Sindall, SSG and Specsavers

Current rental income of £377,625.50 per annum including rental guarantees

216 car parking spaces held within the adjacent MSCP

Property is held freehold

We are instructed to seek **offers in excess of £2,956,000** (Two Million Nine Hundred and Fifty Six Thousand Pounds), subject to contract and exclusive of VAT, for our client's freehold interest.

A purchase at this level reflects **an attractive Net Initial Yield of 12%** and a very low **capital value of £102 per sq ft.**



WAKEFIELD

The cathedral city of Wakefield is a bustling destination and one of West Yorkshire's main commercial and administrative centres that is located 9 miles (14 km) south-east of Leeds, 25 miles (40 km) north of Sheffield.

The City is one of the largest administrative centres in West Yorkshire and is the 23rd most populous district in England. Wakefield has an £8.08 billion economy and access to 2.1 million people within a 35 minute drive-time.

Wakefield district has access to over 180,000 students within 25 miles together with over 20,000 jobs within the district's professional services and public administration organisations.

West Yorkshire is now established as a hub for professional services and Wakefield is well positioned for growth with 12% of the district's businesses already operating within the sector.



£8.08 BILLION
ECONOMY



2.1 MILLION PEOPLE
WITHIN A 35 MINUTE
DRIVE-TIME



OVER 180,000
STUDENTS WITHIN
25 MILES



20,000 JOBS WITHIN
PROFESSIONAL
SERVICES



WELL POSITIONED
FOR GROWTH



CONNECTIVITY



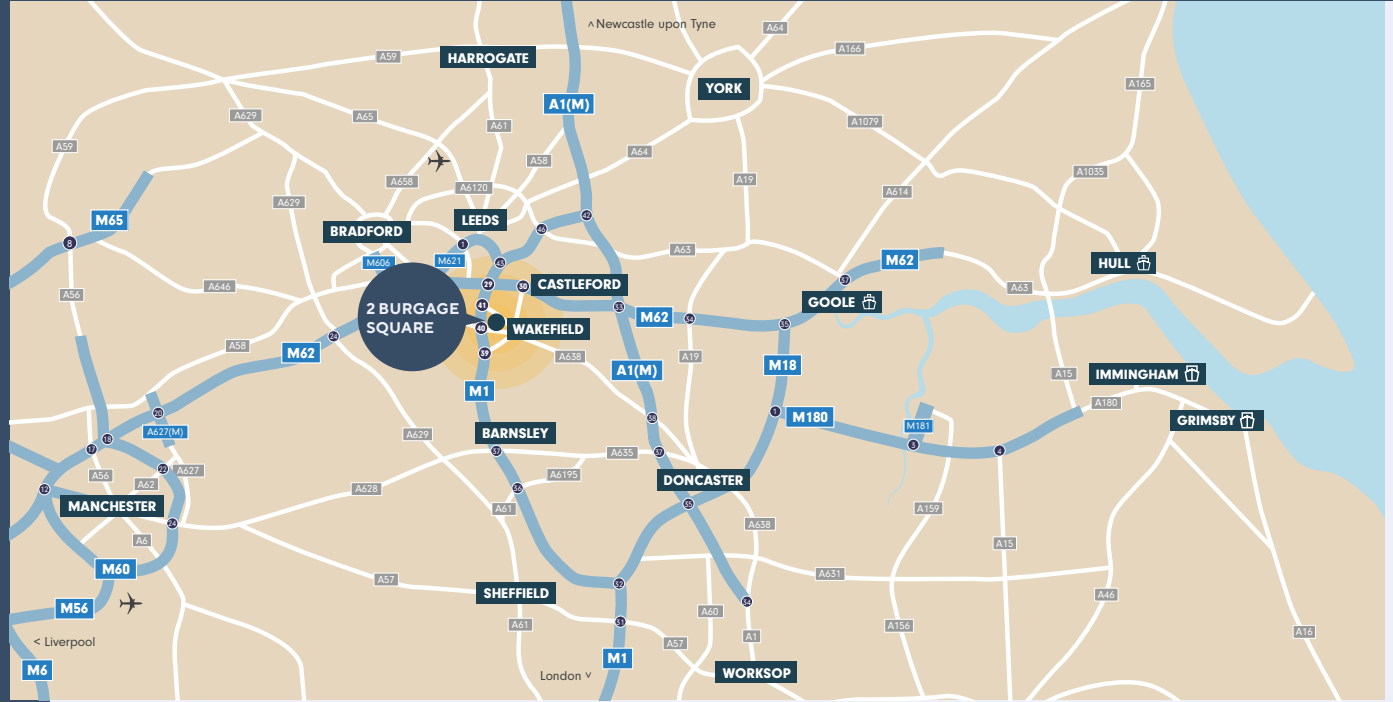
The city benefits from excellent road connectivity being within 3 miles (5 km) of the M1 (junctions 39, 40 and 41) and the M62 (junction 30) motorways.

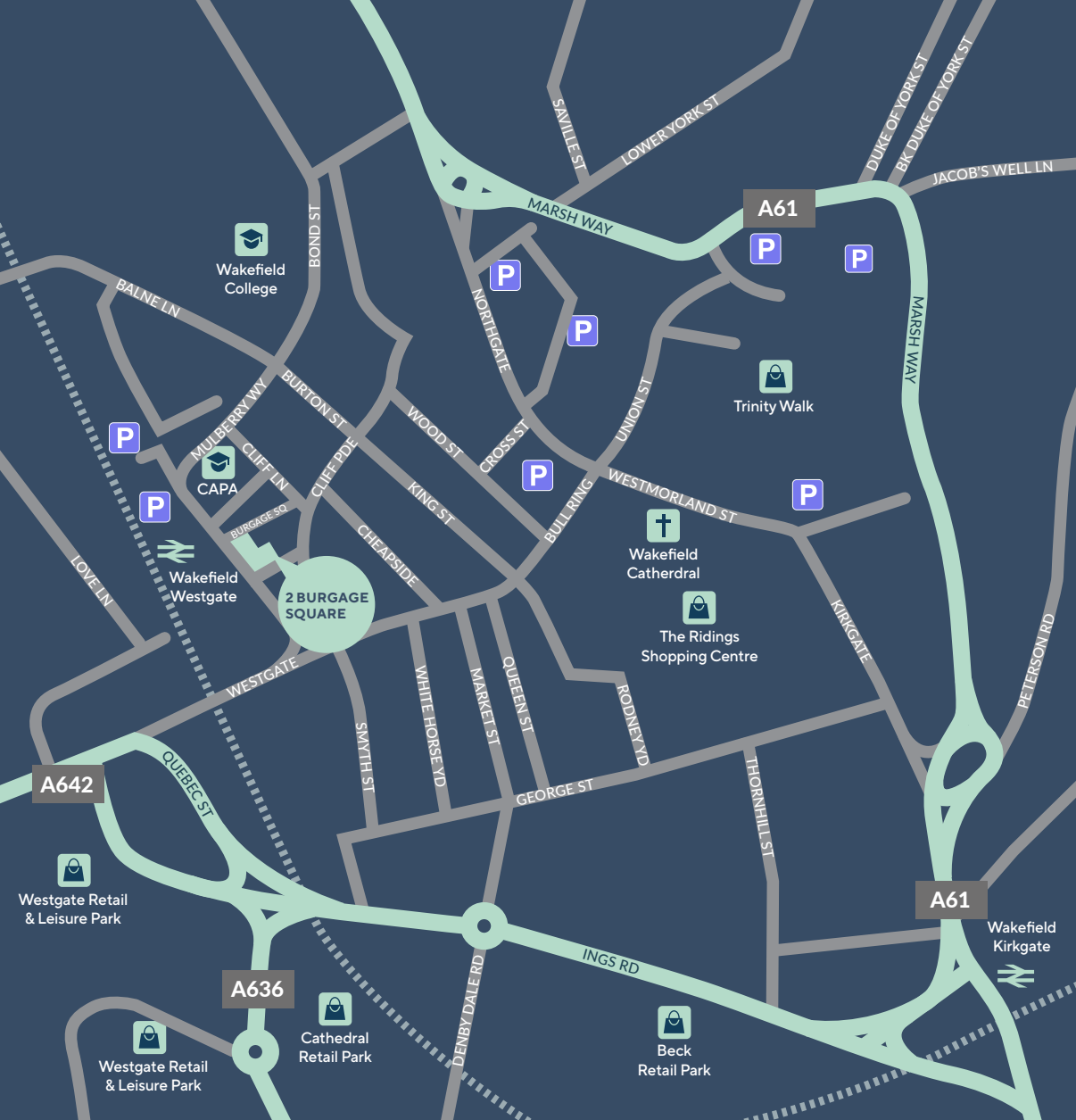


Wakefield has two local train stations, Wakefield Westgate and Wakefield Kirkgate, allowing for quick travel to Leeds in 15 minutes, Nottingham in 1 hour and London Kings Cross in 2 hours.



Leeds Bradford Airport is located just 14 miles north-west of the City, allowing for great international connectivity. Other local airports include Manchester (39 miles), Liverpool (61 miles) and Birmingham (86 miles).

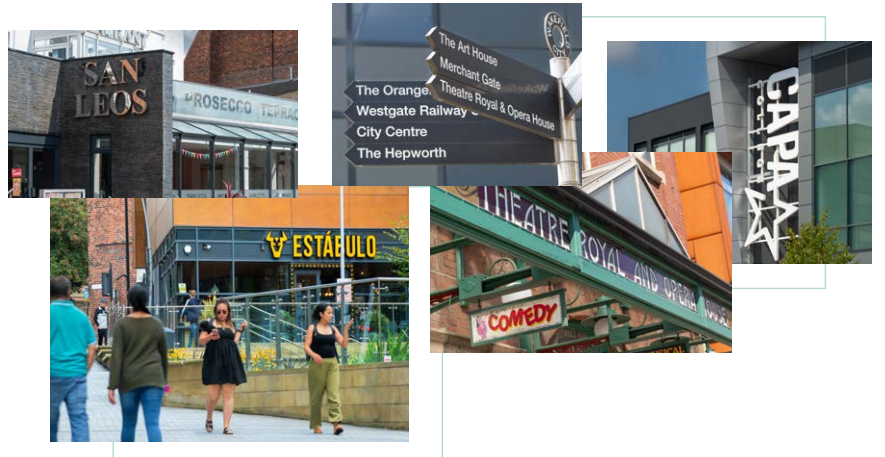




SITUATION

Merchant Gate occupies an unrivalled location, immediately adjacent to the Wakefield Westgate Train Station which has an annual passenger flow of 2.2 million per year, with fast and frequent services to Leeds and London Kings Cross. Merchant Gate is an urban development including 48,000 sq ft of Grade A office space, 35,000 sq ft of retail and leisure and 66 apartments.

The immediate vicinity also benefits from a 1,451-space car park, a Strata residential development comprising 116 new homes, the 123,000 sq ft Civic offices, Wakefield college with over 10,000 students and the Performing Arts School accommodating 500 students.





DESCRIPTION

2 Burgage Square comprises a Grade A office and retail property within the high profile Merchant Gate scheme. The property comprises a steel framed building arranged over three floors. Internally the building provides retail accommodation to the ground floor and office accommodation to the first and second floors.

The Grade A office accommodation comprises the following specification:



VRF AIR CONDITIONING



RAISED ACCESS FLOORING



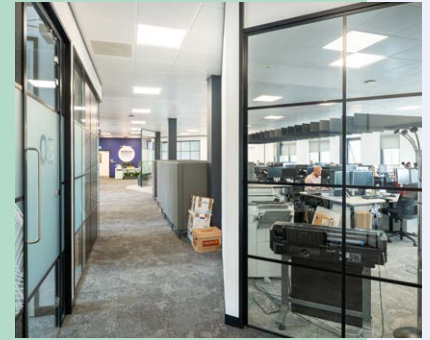
SUSPENDED CEILINGS WITH INTEGRAL LIGHTING



EXCEPTIONAL LEVELS OF NATURAL LIGHT



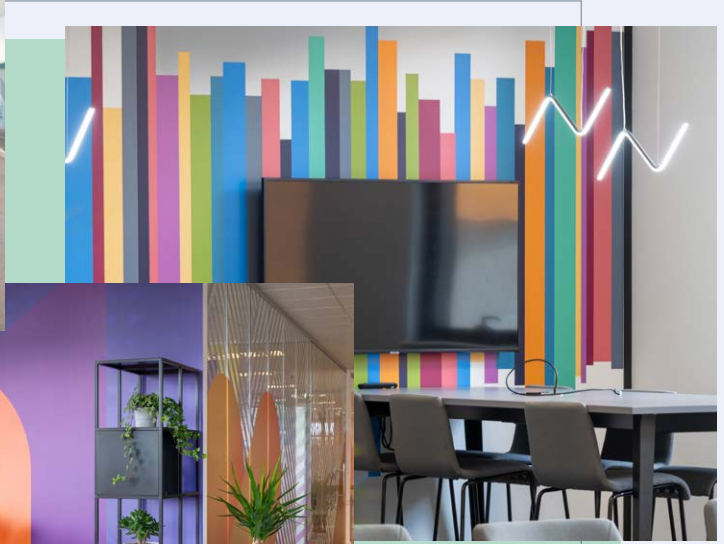
EXCEPTIONAL CAR PARKING PROVISION AVAILABLE IN MSCP



ACCOMMODATION

The property provides the following floor areas on a Net Internal Area (NIA) basis in accordance with the RICS Code of Measuring Practice:

Demise	NIA (sq ft)
Unit 7 - Ground Floor	5,468
Unit 8 - Ground Floor	4,258
First Floor	9,500
Second Floor	9,742
Total	28,968





TITLE PLAN



FLOOR PLANS

Specsavers Optical

Gravity Fitness Ltd



SECOND

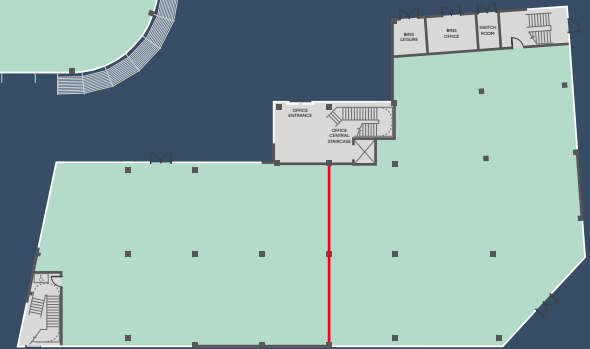
Morgan Sindall Construction
& Infrastructure Ltd

SSG Insight (EMEA) Ltd



FIRST

Rassam's Creamery



GROUND

TENURE

Building – the property is held freehold.

MSCP – the vendor holds 216 spaces in the adjacent MSCP by way of a 999 year lease from 10 September 2010 at £1.00 per annum.

TENANCY

The property is multi-let to 5 tenants producing a total rental income of £377,625.50 per annum inclusive of car parking income.



WAULTO
EXPIRY
5.75 YEARS



WAULTO
BREAK 4.47
YEARS

Tenant	Demise	Area (sq ft)	Lease Start	Lease End	Rent Review	Break	Rent £pa (£psf)	Comment
Rassam Ali Mohsen (T/A Rassam's Creamery)	Ground Floor Unit 7	5,468	26/05/2020	25/05/2040	26/05/2025	26/05/2035	£34,167 (£6.25)	Rent increases to £41,000 pa in May 2025. The Landlord holds a tenant deposit of £12,300.
Void	Ground Floor Unit 8	4,258	-	-	-	-	£42,580 (£10.00)	Vendor will provide a 24 month rent, rates & service charge guarantee.
SSG Insight (EMEA) Ltd	Part 1st Floor Left	5,500	29/08/2018	28/08/2028	-	29/08/2025	£76,370 (£13.88)	
Morgan Sindall Construction & Infrastructure Ltd	Part 1st Floor Right	4,000	25/11/2019	24/11/2029	25/11/2024	24/11/2024	£51,150 (£12.78)	Tenant break requires 7 months notice. 7 months rent free if break is not exercised.
Specsavers Optical	Part 2nd Floor Right	3,059	25/09/2017	24/09/2027	-	25/09/2023	£38,238 (£12.50)	
Gravity Fitness Ltd	Part 2nd Floor Left	6,683	01/03/2023	29/02/2028	-	-	£90,220.50 (£13.50)	Tenant received 9 months rent free with a further 3 months rent free in Year 2.
Car Parking							£44,900	
Total		28,968					£377,625.50	





CAR PARKING INCOME

The car parking leases are all drafted on the basis that they will terminate if the principal lease comes to an end.

The vendor holds 216 spaces within the adjacent MSCP. The spaces are held by way of a 999 year lease and generate the following income:

Tenant	Spaces	Lease Start	Lease Expiry	Rent PA
Specsavers Optical Superstores Ltd	2	25/09/2017	24/09/2027	£1,500
Estabulo	2	21/05/2018	20/05/2019	£1,500
SSG Insight (EMEA) Ltd	32	29/08/2018	28/08/2028	£14,400
Morgan Sindall Construction & Infrastructure Ltd	19	25/11/2019	24/11/2029	£14,250
Morgan Sindall Construction & Infrastructure Ltd	3	27/02/2020	24/11/2029	£2,250
Gravity Fitness Ltd	20	01/03/2023	29/02/2028	£10,000
The Council of the City of Wakefield	2	19/05/2023	18/05/2028	£1,000
Commercial	80			
Residential	66			
Vacant	70			
Total	216			£44,900

TENANT COVENANTS

Rassam Ali Mohesen

Trading as Rassam's Creamery, forming part of a wider franchise of 7 stores, specialising in sweet treats including ice creams, cakes and desserts.

SSG Insight EMEA Ltd

SSG Insight EMEA Ltd have a Creditsafe rating of 78A representing low business risk. SSG Insight were established in 1983 and are solution specialists providing asset workflow and maintenance management to a variety of enterprise and SME enterprises.

Year to Date	Turnover	Pre Tax Profit	Net Profit
31/12/2021	-	-	£862,406
31/12/2020	-	-	£604,217
31/12/2019	-	-	£314,282

Morgan Sindall Construction & Infrastructure Ltd

Morgan Sindall Construction & Infrastructure have a Creditsafe rating of 100A representing very low business risk.

Morgan Sindall specialises in delivering construction and regeneration across the UK for the public, commercial and regulated sectors. They operate across 5 property divisions including construction and infrastructure, fit-out, property services, partnership housing and urban regeneration.

Year to Date	Turnover	Pre Tax Profit	Net Profit
31/12/2022	£1,474,820,000	£43,726,000	£303,665,000
31/12/2021	£1,416,470,000	£49,652,000	£301,811,000
31/12/2020	£1,533,146,000	£28,246,000	£301,911,000

Specsavers Optical Superstores Ltd

Specsavers Optical Superstores have a Creditsafe rating of 100A representing very low business risk.

Specsavers Optical Superstores forms part Specsavers Optical Group Ltd, a British multi-national optical retail chain, which operates mainly in the UK, Ireland, Australasia, Canada and the Nordic countries. The chain offers optometry and optician services for eyesight testing and sells glasses, sunglasses and contact lenses.

Year to Date	Turnover	Pre Tax Profit	Net Profit
28/02/2022	£3,354,820,000	£445,957,000	£276,928,000
28/02/2021	£2,738,227,000	£441,528,000	£218,231,000
29/02/2020	£2,931,208,000	£204,428,000	£165,337,000

Gravity Fitness Ltd

Gravity Fitness Ltd have a Creditsafe rating of 74A representing low business risk.

Gravity Fitness was founded in 2014 and operates its headquarters from 2 Burgage Square. Gravity have 17 active parks across the UK providing family focused entertainment such as trampolining and climbing walls.

Year to Date	Turnover	Pre Tax Profit	Net Profit
31/12/2021	£14,274,414	£386,920	£6,172,997
31/12/2020	£6,768,421	-£2,528,685	£3,849,251
31/12/2019	£11,476,303	-£165,536	£5,967,148





OFFICES

There are now positive signs of leasing activity in anticipation for a more normal post-Covid world with Yorkshire take up figures for 2022 totalling 1,324,540 sq ft, across 293 transactions.

The market for office space within Yorkshire is predominantly centred around the larger towns and cities. Wakefield is an established regional centre and Merchant Gate is considered to be the best scheme in Wakefield due to the quality of the location, the environment and the specification of the buildings provided.

The office stock within Wakefield city centre amounts to 4.1 million sq ft, predominantly made up of dated stock and out of town office parks, not modern purpose-built accommodation located centrally.

The recent letting in April to Gravity Fitness underlines the quality of 2 Burgage Square and its attractiveness to occupiers.

RETAIL

The main shopping areas in Wakefield centre around the two shopping centres, The Ridings and Trinity Walk. The Ridings opened in 1983 and was extensively refurbished in 2015, it consists of approximately 322,000 sq ft. Trinity Walk opened in 2011 and consists of approximately 471,000 sq ft.

In addition to the shopping centres, the pedestrianised Kirkgate, Westgate and Teall Street offer a high street shopping experience that includes boutique shops and nationals alike.

The total retail floorspace in Wakefield is estimated at 1.28 million sq ft, ranking the city 57 of the 200 PROMIS Centres on this measure (PMA). The city is home to a wide variety of national retailers that include Marks & Spencer, Primark, Sports Direct, TK Maxx, Boots, Holland & Barrett, Wilko, Sainsbury's and Costa.



1.28M SQ FT
OF RETAIL
FLOORSPACE



5% POPULATION
GROWTH
BY **2025**

Merchant Gate is the closest retail provision to Wakefield Train Station and benefits from 2.2 million passenger footfall each year. **This is a key driver in demand from occupiers underlined recently by the decision from Specsavers to not action their September 2023 break clause.**

DATA ROOM

Access to the data room is available upon request.

SERVICE CHARGE

There is an estate service charge for the common areas.

There is a building service charge which is recoverable from occupiers through provisions in the leases.

EPC

The offices have been assessed to have an EPC Rating of C.

VAT

The property is elected for VAT and it is anticipated that the sale will be transacted by way of a Transfer Of a Going Concern (TOGC).

PROPOSAL

We are instructed to seek **offers in excess of £2,956,000** (Two Million Nine Hundred and Fifty Six Thousand Pounds), subject to contract and exclusive of VAT, for our client's freehold interest.

A purchase at this level reflects **an attractive Net Initial Yield of 12%** and a very low **capital value of £102 per sq ft**.

Contacts

For further information or to arrange a viewing, please contact:

Eleanor Smith

+44 (0)7971 527 983
eleanor.smith1@jll.com

Mathew Atkinson

+44 (0)7900 226 885
mathew.atkinson@jll.com



IMPORTANT NOTICE RELATING TO THE MISREPRESENTATION ACT 1967 AND THE PROPERTY MISDESCRIPTION ACT 1991 JLL on their behalf and for the sellers or lessors of this property whose agents they are, give notice that: (i) The Particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) All descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given in good faith and are believed to be correct, but any intending purchasers or tenants should not rely on them as statements or representations of fact, but must satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) No person employed by JLL has any authority to make or give any representation or warranty in relation to this property. Unless otherwise stated prices and rents quoted are exclusive of VAT. The date of this publication is September 2023.