

30/34

NORTHGATE STREET, CH1 2HA

# Chester



PRIME  
CATHEDRAL CITY  
RETAIL  
INVESTMENT

**FOR SALE**

  
Clifton

# Investment Summary



PRIME CATHEDRAL  
CITY CENTRE  
RETAIL BLOCK



AFFLUENT  
CATCHMENT  
AREA



NEW 10 YEAR  
LEASE TO  
SUPERDRUG



ATTRACTIVE  
NET INITIAL  
YIELD

OFFERS ARE SOUGHT IN EXCESS OF

**£1,500,000**

reflecting the following yield profile:  
9.65% NIY / 12.50% Reversionary Yield

# Chester

Chester is the county town and administrative centre for Cheshire and is an affluent, historic city that traces its origins back to the 1st Century A.D.



The city is still ringed by one of the most complete remaining examples of a Roman wall and is characterised today by a unique mix of historic buildings ranging from Roman through to medieval and Victorian. This blend of unique heritage and renowned visitor attractions has seen booming tourism figures for Chester and Cheshire with the region seeing visitor numbers rising to more than 47 million in 2016. It is estimated that tourism contributes more than £2bn annually to the local economy.



**47mil**  
ANNUAL  
TOURISTS



**£2bn+**  
ANNUAL  
TOURISM  
SPEND



It is located around 35 miles south west of Manchester and 200 miles north-west of London. It benefits from excellent road and rail connections, with the M56 and M53 motorways linking it directly to the national motorway network. The city's mainline railway station provides regular services to Liverpool and Manchester and trains run hourly to London with a journey time of around 2 hours.



**39min**  
TO LIVERPOOL

**58min**  
TO MANCHESTER



**2hrs**  
TO LONDON



Modern day Chester has a resident **population of more than 132,000 people** with PROMIS estimating that the city has a total catchment of more than 800,000 people. The city's unique quality provides a powerful 'lifestyle' draw and financial and business services are thriving in the local economy, accounting for the largest proportion of the area's employment. Businesses based in and around Chester include Bank of America, Money Supermarket, Shell, M&S Money and Bristol-Myers Squibb.

Chester is renowned for its 'row level' trading, with its main streets home to the distinctive two-level properties known as 'The Rows'. It provides for a rare and fascinating shopping experience, encouraging a substantial dwell time in the city centre from local shoppers and tourists alike.



## Chester Retailing

The city's prime retail core is to be found along the four streets emanating from 'The Cross'. These are Northgate Street, Eastgate Street, Bridge Street and Watergate Street. Eastgate and Northgate Streets are the city's prime pitches and provide a broad selection of national multiples augmented by high quality boutique brands including the likes of Jo Malone, Jack Wills, Cath Kidston, Whistles and Phase Eight.

There are two covered shopping centres within the city centre, the main one being the Grosvenor Centre, accessed off both Bridge Street and Eastgate Street. This is anchored by Debenhams and other tenants include H&M, Jigsaw, Laura Ashley, LK Bennett, and Topshop/Topman. A secondary scheme, The Forum Centre, is located to the west of Northgate Street. It forms the centre of the major regeneration proposals known as 'Chester Northgate'.



# Situation

The subject units occupy a prime location on Northgate Street opposite The White Company and Pret a Manger.

Other retailers located in immediate proximity include Zara, Lakeland, Ellis Brigham and Oasis. This is the favoured east side of the street, away from the 'overhanging' architecture that obscures many of the frontages on the west side. Further south along Northgate Street, many of the shops suffer from an immediate change of level, with steps leading down into the shops from the pavement. The subject units offer well configured accommodation without the overhang or immediate level change and are therefore among the most desirable shops in Chester.

A side alley, Music Hall Passage, runs along the southern flank of the building and the freehold of one of the subject shops, number 30 Northgate Street 'flies' over this passage on the Northgate Street frontage. Music Hall Passage provides a busy cut through to Chester's fine 13th Century Gothic cathedral which is directly to the rear of the property.



The main entrance to the Chester Northgate development will be off Town Hall Square, immediately to the north of the subject property. The property therefore sits on the main pedestrian route between the entrance to Chester Northgate and the city's existing prime pitch.

# Description

30 Northgate Street is a three storey late Georgian building with a large return frontage to Music Hall Passage; its upper parts over-sailing the latter. The property has ground and first floors retail and seating area with staff and WC accommodation at 2nd floor.

32-34 Northgate Street (Superdrug) is formed of two distinct parts. Its front portion is a modern three storey construction with a sandstone effect frontage, providing a well-proportioned retail unit at ground floor.

Its rear portion extends into a renowned local landmark: St Nicholas's Chapel. Dating back to 1300, this building has had various uses over the centuries.

Originally a medieval chapel, it was Chester's 'Commonhall' in the 16th Century and later became its wool hall. It was licensed as the Theatre Royal in 1777 and converted into a music hall in the 19th Century. The property trades from ground floor with the remaining areas utilised as staff and storage.



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◀ The property comprises two prime shop units with their main frontages to Northgate Street and an additional kiosk in Music Hall Passage.



## Accommodation

The property comprises the following approximate floor areas:

	Ground NIA (sq ft)	Ground ITZA (sq ft)	First (sq ft)	Second (sq ft)	Total NIA (sq ft)
30 Northgate Street	517	413	651	571	1,739
32-34 Northgate Street	4,461	1,196	3,720	346	8,528
Kiosk (not measured)	-	-	-	-	-
<b>Total</b>					<b>10,267</b>

# Tenancies & Income

32-34 Northgate Street is let to Superdrug Stores Plc (company number 00807043) on a new 10 year lease from 29th September 2020, expiring September 2030 at a current rent of £145,000 per annum. There is a tenant option to break in year 6. The lease is held on effectively full repairing and insuring terms and there is an upward only rent review on 28th September 2025.

30 Northgate Street is to be sold with vacant possession. The estimated Market Rent for the unit is £48,000 per annum, to reflect the deal done at 32-34 Northgate Street.

The Music Hall Passage kiosk is let to Mr Nathan Warren on a 10 year lease from 13th February 2009 expiring 12th February 2019 at a current rent of £8,500 per annum. The lease is held on effectively full repairing and insuring terms subject to an exclusion regarding the roof of the kiosk and a schedule of condition.

The property therefore produces a total income of £153,500 per annum and a Market Rent of £199,000 per annum.



## Covenant

### Superdrug Stores Plc

Superdrug is the second largest health and beauty retailer in the United Kingdom, Trading from nearly 800 stores across the United Kingdom and Ireland, the company employs over 14,000 people.

**Superdrug Stores Plc have a 5A1 D&B rating, implying a minimum risk of business failure.**

Superdrug 	26th Dec 2020 (£000's)	27th Dec 2019 (£000's)	28th Dec 2018 (£000's)
Sales Turnover	1,111,403	1,303,797	1,283,161
Profit Before Tax	18,763	89,398	88,339
Tangible Net Worth	180,810	176,179	178,525
Net Current Assets	146,665	99,884	171,264

# Planning

The subject property is Grade II listed and sits within Chester's conservation area.

In addition to this, the rear of 32-34 Northgate Street (St Nicholas's Chapel) is a Scheduled Monument. In the United Kingdom, a scheduled monument is a 'nationally important' archaeological site or historic building and is given protection against unauthorised change.



## Tenure

Freehold. We understand that a conveyance of land dated 11th November 1921 made between a number of parties, including The Dean and Chapter of the Cathedral Church of Christ and the Blessed Virgin Mary created some restrictive covenants of which the most significant was that the subject property is not to be used or open for use on any Sunday, Good Friday or Christmas Day. We understand that this covenant is not currently actively enforced and that the shops open for trade on Sundays.

## VAT

The property has been elected for VAT and it is assumed the sale will be conducted via a Transfer of a Going Concern (TOGC).

## EPC

Given the listed status of the property we are advised that this exempts it from the requirement to have an EPC on its sale or rent.





# Proposal

OFFERS ARE INVITED IN EXCESS OF

## £1,500,000

(One Million Five Hundred Thousand Pounds) subject to contract. Assuming full purchaser's costs of 6.10% a purchase at this price would reflect the following yield profile:

**9.65% NIY / 12.50% Reversionary Yield**

## Inspections

Viewings are to be by strict arrangement with the vendor's sole selling agents.

**JIM REMFRY**

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