



**A PRIME, PROMINENT AND SUBSTANTIAL
UNBROKEN, FREEHOLD, RETAIL AND
LEISURE OPPORTUNITY OCCUPYING
A 1.325 ACRE CITY CENTRE SITE**

**UNITS 36-38 HIGH STREET AND UNITS
3-7 GRAYS BREWERY YARD, CM2 6QR**

CHELMSFORD

green&partners



INVESTMENT CONSIDERATIONS

- The city of Chelmsford is Essex's premier retailing destination and serves as the principal shopping area and administrative centre for Essex.
- The city benefits from excellent transport links with a direct journey time to London Liverpool Street in 34 minutes.
- The city is recognised for its vibrant shopping environment and significant levels of retail expenditure.
- An affluent population which is projected to see significantly above average growth over the periods between 2021-2026.
- The property occupies a prime and prominent location on Chelmsford High Street and comprises a substantial, unbroken, retail and leisure parade of 7 units, located opposite Marks & Spencer and H&M.
- A substantial city centre site spanning 1.325 acres.
- The property provides a total retail and leisure accommodation of 38,475 sq ft (3,574.3 sq m).
- 89% of total income secured to multiple national covenants including McDonalds, Nando's and Metro Bank.
- Current income of £1,017,751 per annum.
- Weighted Average Unexpired Lease Term of 11.5 years to lease expiries and 9.8 years to first break option.
- Freehold

PROPOSAL

We are instructed to seek offers in excess of **£11,250,000 (Eleven Million, Two Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 8.5%**, allowing for graduated purchasers costs.



LOCATION

The City of Chelmsford is the commercial and administrative centre for Essex as well as the region's premier retailing destination. Chelmsford is a highly attractive and affluent city located 40 miles (64km) east of Central London, 21 miles (34km) south west of Colchester and 10 miles (16km) south of Braintree.



ROAD

By road, Chelmsford has excellent communications benefitting from direct access to the M25, via the A12, and therefore the UK's national motorway network. The A130/A131 also provides a direct route to Braintree to the north and Southend-on-Sea to the south.



AIR

Stanstead International Airport is located 15 miles (24km) north west of Chelmsford with London Luton Airport 56 miles (90km) north west.

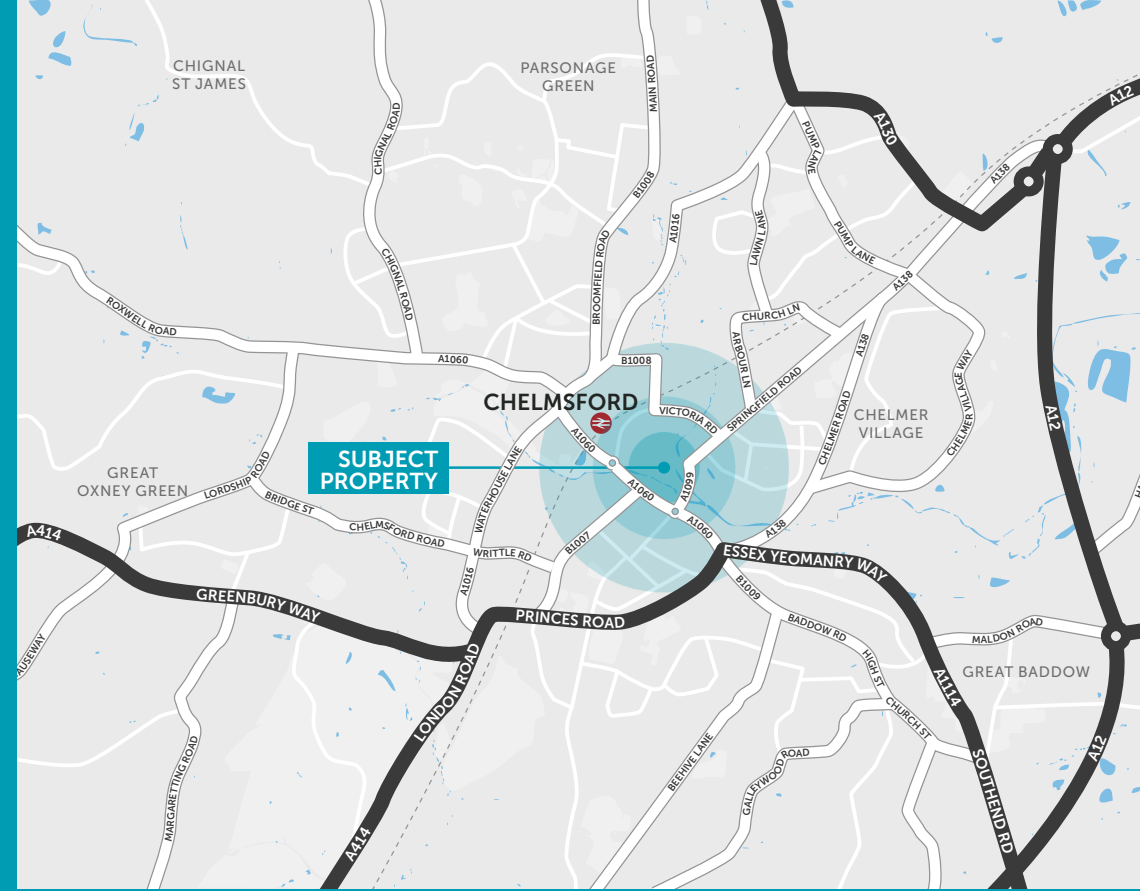


RAIL

Chelmsford railway station is situated on the Great Eastern Main Line and provides frequent and direct services to London Liverpool Street with a fastest journey time of 34 minutes. Providing direct access to the London Underground network and the newly opened Elizabeth Line.

Planning permission has just been granted for a new railway station in Chelmsford. The new station comprises 3 platforms and is part of a wider regeneration of the Beaulieu Park estate with new road infrastructure and up to 14,000 homes.

Work is due to start on the station this year with an anticipated opening date of 2025.



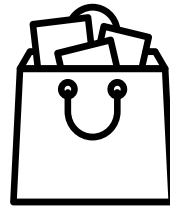
The city is recognised for its vibrant shopping environment and significant levels of retail expenditure



DEMOGRAPHICS

404,000

People live within the primary catchment area of Chelmsford



Chelmsford has a shopping population of 329,000



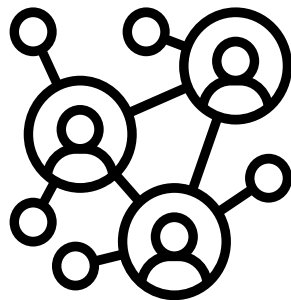
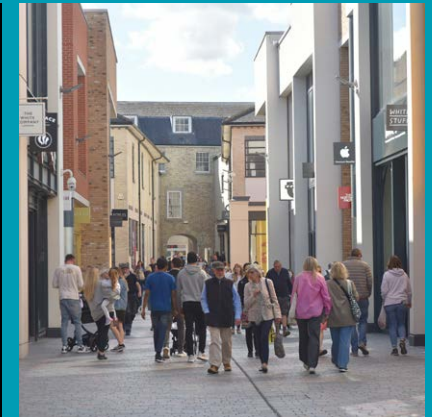
One of the most affluent populations 28/200



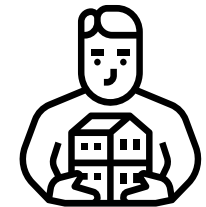
City Status 2012



Volume of total retail spend forecast to increase



Chelmsford is projected to see a significantly above average growth in population over the period 2021-2026



Significant volume of home ownership



JOHN
LEWIS
& PARTNERS

EVERYMAN
CINEMA

TESCO

Bond Street Shopping Centre

High Street

High Chelmer Shopping Centre

WHSmith

GRAYS BREWERY QUARTER

H&M

M&S

Cosy Club

Wildwood

The Meadows Shopping Centre

CHELMSFORD GRAYS BREWERY QUARTER

RETAILING IN CHELMSFORD

Chelmsford is the premier retailing destination within the county of Essex with a city centre retail floorspace of 1.36m sq ft. The prime retailing is focussed along High Street, Bond Street and High Chelmer Shopping Centre.

Chelmsford's main retail focus is along the pedestrianised High Street where occupiers including **H&M, Marks & Spencer, Metro Bank, Holland & Barrett, Waterstones, Santander, and Fraser Hart** are located.

There are two notable shopping centres within the city. The covered High Chelmer Shopping Centre is anchored by **Primark** and **Boots**, with **Flannels** set to open shortly. This is complemented by the newly developed open-air Bond Street, which houses aspirational retailers such as **Sweaty Betty, Joules,**

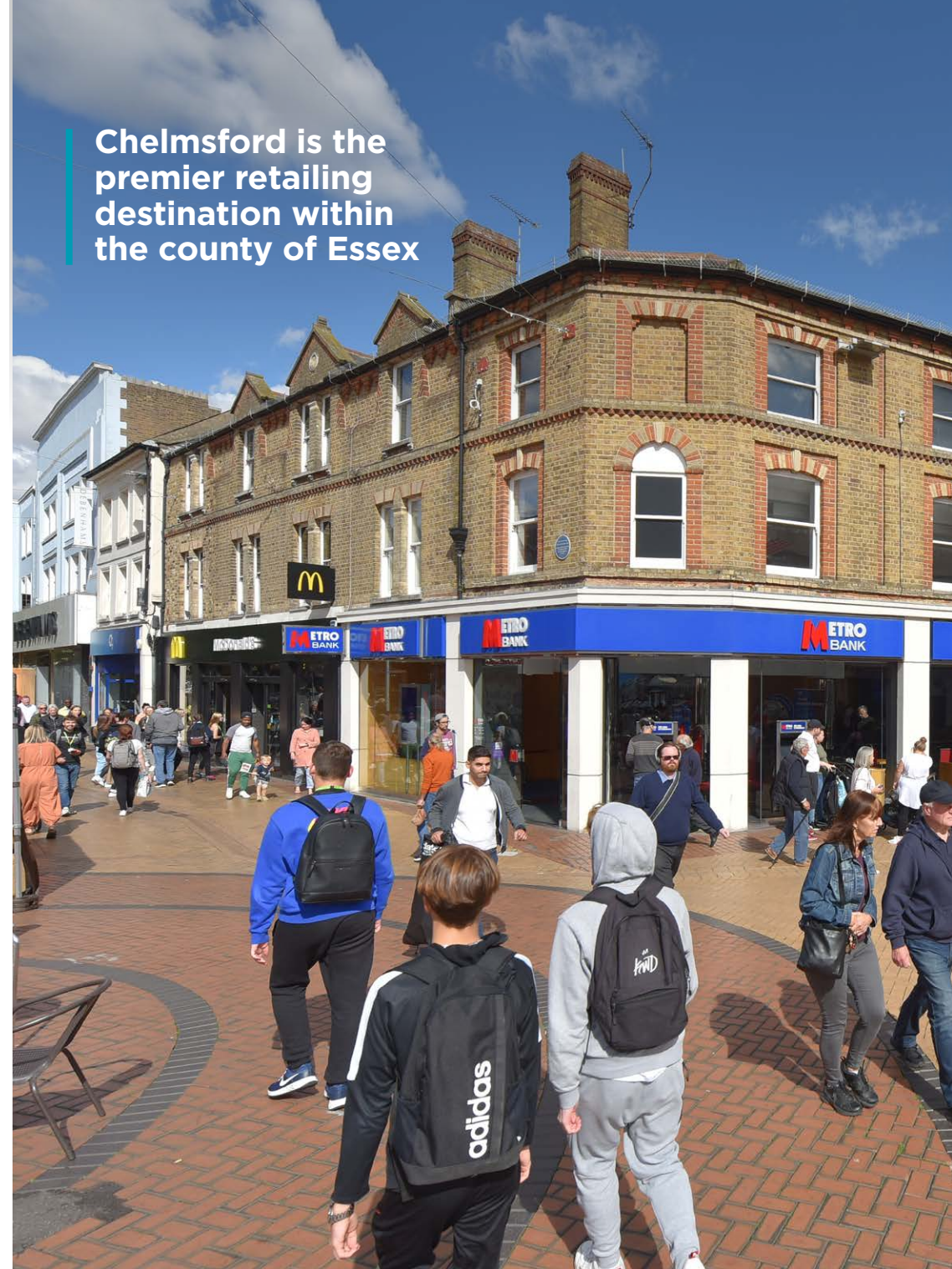
L'Occitane, Oliver Bonas, Tag Heuer and **The White Company** and is anchored by **John Lewis & Partners**.

The Meadows Shopping Centre has recently been sold to a developer and it is anticipated this will be redeveloped and repurposed, significantly reducing the existing retail content, replacing this with residential use.

The leisure provision within the town is strong with significant representation within the subject property where, **Nandos** and **Zizzi** are located. In addition **Ask Italian, Giggling Squid, Bills, Byron, Boom Battle Bar** and **Everyman Cinema** are located in Bond Street.

There are several restaurants located at the rear of High Chelmer including **Cote Brasserie, Banana Tree** and **Turtle Bay**.

Chelmsford is the premier retailing destination within the county of Essex



DESCRIPTION

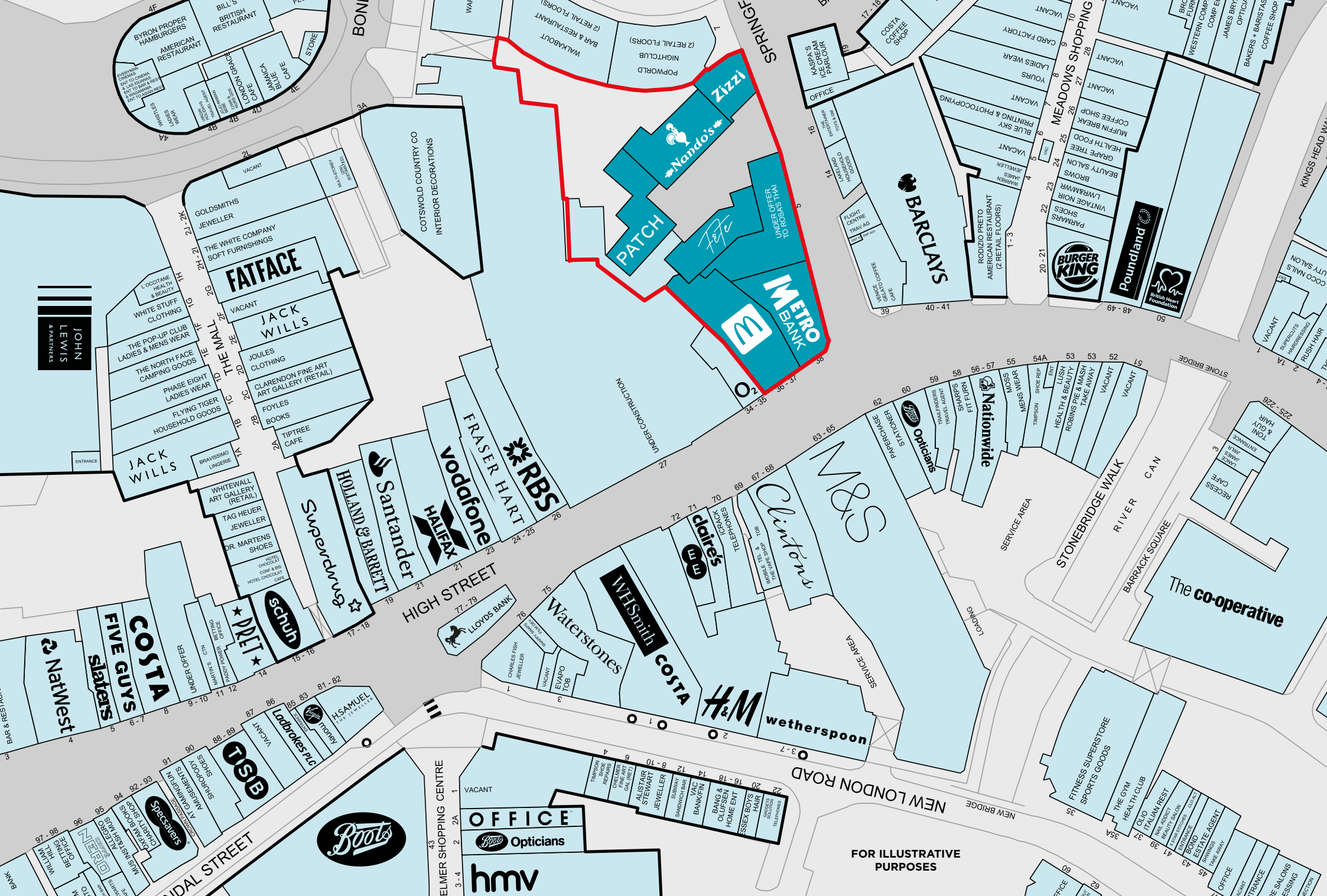
The property comprises six retail and leisure units and a serviced office. Forming part of a former Brewery Site which date back to the 19th Century, the site was comprehensively redeveloped in 1980. Further alterations have been made over time to reconfigure and modernize the space to suit occupier needs.

McDonalds and Metro Bank occupy Prime High Street fronting units. The latter benefits from a dominant return frontage onto Springfield Road. Within the Yard, Fete, Nandos and Zizzi all operate from well configured units with demised outside seating. Rosa's Thai are also under offer to occupy Unit 4. Patch Places, a serviced office provider are located to the rear of the Yard and operate over four floors.

The units are serviced through the rear service yard, accessed via Bond Street.

The adjoining, former Debenhams site is currently under reconstruction and has been let to a national multiple retailer. The store benefits from an up and down escalator accessed from their yard into their store at first floor level. This is demised by way of a peppercorn lease, expiring 2986.





FOR ILLUSTRATIVE PURPOSES

CHELMSFORD GRAYS BREWERY QUARTER



ACCOMMODATION

The property provides an approximate total floor area of 38,475 sq ft (3,574.3 sq m) as set out in the Schedule of Tenancies & Accommodation (below).

Description	Tenant	Start Date	Rent Review	Expiry Date	Break Date	Areas	sq ft	sq m	Rent PAX	Service Charge	Comments	
Unit 1-2	McDonald's Real Estate LLP	04/04/2016	04/04/2021	03/04/2026	03/04/2026	Ground Floor ITZA	1645 units		£310,000	£24,775.67	2021 Rent Review is outstanding.	
						Ground Floor Sales	4,963	461.1				
						First Floor Ancillary/Sales	944	87.7				
						Second Floor Ancillary	1,105	102.7				
						Total	7,012	651.4				
Unit 4	Under Offer to Rosa's London Limited (t/a Rosa's Thai)	TBC	Year 5 & 10	Year 15	Year 10	Ground Floor Sales	3,653	339.4	£75,000	£10,949.49	Rent reviews 5 yearly on an upwards only basis to open market rental value. Tenant Break Option in Year 10 subject to 12 months prior notice. The tenant will receive 15 months rent free.	
						First Floor	502	46.6				
						Total	4,155	386.0				
Unit 4B	Fete Ltd	08/12/2021	08/12/2026	07/12/2031	08/10/2024 08/10/2026	Ground ITZA	698 units		£30,000	£4,852.04	Stepped Rent: Yr 1 £26,000, Yr 2 £27,000, Yr 3 £28,000, Yr 4 £29,000, Yr 5 £30,000 Exclusive of VAT, Service Charge, Business Rates & Insurance. Additional top-up rent of 8% of turnover above the base rent figure from Yr 3. 6 months rent free. Tenant Break Option in Yr 3 and 5. Vendor will top up the rent to £30,000 from purchase.	
						Ground Floor Sales	1,705	158.4				
						First Floor Ancillary	2,040	189.5				
						Total	3,745	347.9				
Unit 5 & 6	Patch Places Ltd	08/10/2021	08/10/2026	07/10/2031	08/10/2026	Ground Floor	1,993	185.2	£75,000	£10,967.95	Upwards only Rent Review in 2026 compounded annually in line with CPI (1-4% Cap and Collar). Tenant Break Option in year 5 giving 6 months written notice. 3 month break penalty.	
						First Floor	1,938	180.0				
						Second Floor	2,047	190.2				
						Attic	655	60.9				
Total	6,633	616.2										
Unit 7a	Nandos Chickenland Limited	11/01/2010	11/01/2020	10/01/2035	11/01/2030	Ground Floor Sales	2,104	195.5	£127,750	£5,915.85	Upwards only rent reviews in 2020 (outstanding), 2025 and 2030. The lease stipulates that the area to be adopted at Rent Review is 7,077 sq. ft. GIA excluding the outside seating area in respect of which there shall be no rent attributable. Tenant break option in 2030 is subject to 6 month written prior notice. Schedule of Condition attached to the lease. Tenant is planning to re-fit in 2023.	
						First Floor Sales	2,002	186.0				
						Second Floor Ancillary	1,992	185.1				
						Total	6,098	566.6				
Unit 7b	Zizzi Restaurants Limited	11/01/2010	11/01/2025	10/01/2035	11/01/2030	Ground Floor Sales	2,071	192.4	£75,000	£7,381.41	Upwards only rent review in 2025 and 2030. The lease was altered in November 2020, reducing the rent to the current level from £125,250. The lease stipulates that the area to be adopted at Rent Review is 6,185 sq. ft. GIA excluding the outside seating area in respect of which there shall be no rent attributable. Tenant break option in 2030 is subject to 6 month written prior notice. Schedule of Condition attached to the lease.	
						First Floor Sales	1,977	183.7				
						Second Floor Ancillary	646	60.0				
						Total	4,694	436.1				
38 High Street	Metro Bank Plc	19/05/2016	19/05/2021	18/05/2041		Ground Floor ITZA	1339 units		£325,000	£25,374.64	Upwards only rent review in 2026, 2031 and 2036.	
						Ground Floor Sales	3,162.43	293.80				
						First Floor Ancillary	1,193.71	110.90				
						Second Floor Ancillary	1,781.90	165.54				
						Total	6,138.04	570.24				
KS Frenchs Walk	Nectar Management	09/10/2017		03/06/2079	03/06/2079				£-	£9,296.86		
Site for Escalator Entrance	The Bank of New York Mellon (International) Limited	05/01/1987		04/01/2986	04/01/2982				£1			
TOTAL							38,475	3574.3	£1,017,751			

CURRENT INCOME & INCOME ANALYSIS

The property currently produces a total income of **£1,017,751 per annum** exclusive.

89%

Of the income secured to National Multiple Tenants.

32%

The income secured to Metro Bank until May 2041 (19 years unexpired)



11.5 yrs
to expiry

Weighted Average
Unexpired Lease Term



MULTI CHANNEL OFFER

Online ordering via Deliveroo, Uber Eats or Just Eat has boosted trade and comprises **up to 40% of turnover** for some tenants.



deliveroo



JUST EAT



TENANT COVENANTS

Company	Financial Year Ending	Turnover	Profit Before Tax	Total Assets	Delphi Band	Delphi Score/100
McDonalds Real Estate LLP (OC303157)	31-12-2020	£85,481,000	£43,609,000	£611,713,000	Very Low Risk	100
Nandos Chickenland Limited (O2580031)	28-02-2021	£409,987,000	-£115,378,000	£878,696,000	Below Average Risk	60
Zizzi Restaurants Limited (10404211)	27-06-2021	£81,387,000	£2,987,000	£20,094,000	Below Average Risk	79
Metro Bank PLC (O6419578)	31-12-2020	£418,500,000	-£245,100,000	£22,579,000,000	Low Risk	81

PATCH

Patch is a start up co-working operator focusing on UK small towns and suburbs.

They are looking to capitalise on more Hybrid Working trends following the pandemic. Their first site in Chelmsford opened in 2021 and they are looking to expand further in the coming years having raised over \$1m in seed funding from a number of leading UK angel investors. There are an estimated 6 million knowledge work commuters in the UK and Patch will run monthly subscriptions, targeting these kind of members.



CHELMSFORD GRAYS BREWERY QUARTER

TENURE

Freehold

VAT

The property has been elected for VAT and it is proposed that any freehold disposal will be by way of a Transfer of a Going Concern (TOGC).

EPC

Full suite of EPC's are available upon request.

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 in excess of **£11,250,000 (Eleven Million, Two Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 8.5%**, allowing for graduated purchasers costs.



CONTACT

For further information please contact:

David Freeman

M +44 7785 253054

E david.freeman@greenpartners.co.uk

Ed Smith

M +44 7817 771005

E ed.smith@greenpartners.co.uk

Patrick Over

M +44 7799 3502356

E patrick.over@greenpartners.co.uk

Will Civil

M +44 7950 700182

E will.civil@greenpartners.co.uk

green&partners

MISREPRESENTATION ACT 1967. The agents for themselves and for the vendors or lessors of the property whose agents they are give notice that: (i) these particulars are given without responsibility of The agents or the vendors or lessors as a general outline only for the guidance of prospective purchasers or tenants, and do not constitute the whole or any part of an offer or contract; (ii) The agents cannot guarantee the accuracy of any descriptions, dimensions, references to condition, necessary permissions for use and occupation and other details contained herein and any prospective purchaser or tenant should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the accuracy of each of them; (iii) no employee of The agents (and their joint agents where applicable) has any authority to make or give any representation or warranty or enter into any contract whatsoever in relation to the property; (iv) VAT may be payable on purchase price and/ or rent, all figures are quoted exclusive of VAT, intending purchasers or lessees must satisfy themselves as to the applicable VAT position, if necessary by taking appropriate professional advice; (v) except in respect of death or personal injury caused by the negligence of The agents, its employees or servants, The agents will not be liable, whether in negligence or otherwise howsoever, for any loss arising from the use of these particulars save to the extent that any statement made in these particulars has been made fraudulently. November 2022. Designed and produced by Creativeworld Tel: 01282 858200.