

13-15

**EASTGATE STREET
GLOUCESTER GL1 1NS**

**Substantial, Prime, Freehold
High Street Retail Investment Opportunity**



green&partners

INVESTMENT SUMMARY

An **historic cathedral city** in the **county of Gloucestershire** which is projected to see significantly above average growth in retail spend and population in the next few years.

A **rare opportunity** to acquire a prominent asset on Gloucester's premier retailing location located in close proximity to **Primark** and **M&S**.

A **substantial, well configured building of 11,204 sq.ft. (1,040.90 sq m)**.

Secured to **Waterstones Booksellers Limited** who have been in **occupation since 1999**.

Very Low Risk tenant covenant.

Freehold.

Potential to convert the extensive upper parts for alternative use, subject to vacant possession and planning permission.

Current income of **£175,000 pax**.

We are seeking offers in excess of

£940,000

(Nine Hundred and Forty Thousand Pounds)

Subject to Contract and Exclusive of VAT, reflecting a Net Initial Yield of 17.62% and a Equivalent Yield of 10.20% allowing for graduated purchasers cost.





Southgate Street

Eastgate Shopping Centre

Gloucester Cathedral

TK MAXX

Westgate Street

Eastgate Street

Subject Property

Northgate Street

M&S

Primark



LOCATION

The Historic Cathedral City of Gloucester is in the county of Gloucestershire and is one of the principal commercial centres in the South West of England. The city is situated approximately 104 miles west of London, 35 miles north of Bristol and 54 miles south of Birmingham.



Gloucester benefits from excellent road communications as it is located at the intersection of the A40 and the A438, providing a direct link to the M5 at junctions 11, 11A and 12. In turn, the M5 provides a continuous motorway link to the M4, M50, M6 and M42 and the rest of the national motorway network.



There are direct services to London Paddington, with a fastest journey time of approximately 1 hour 45 minutes. Direct services operate to Birmingham, Bristol and Cardiff with journey times of approximately 1 hour.



Gloucester is located approximately 37 miles north of Bristol International Airport, which provides a range of national and international flight options, 114 destinations in 33 countries.



CATCHMENT & DEMOGRAPHICS

The total population within the **Gloucester Primary Retail Market Area** is estimated at **200,000**. Gloucester's **consumer base** of **342,000** ranks the city 75 of the PROMIS centres. Gloucester ranks 76 in terms of the volume of total retail spend with a significantly above average proportion of adults of working age categorised within social group C2 with the least affluent D and E social groups particularly under-represented.

Employment in private sector services accounts for 53% of total employment in Gloucester, professional & business services and finance sectors together account for a close to average 11.1% of total employment, while retailing and leisure account for 22.3%. The public sector accounts for 25.3% of total employment in Gloucester, above the Retail PROMIS average.



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Gloucester's premier retailing location, located in **close proximity** to **Primark** and **M&S**.

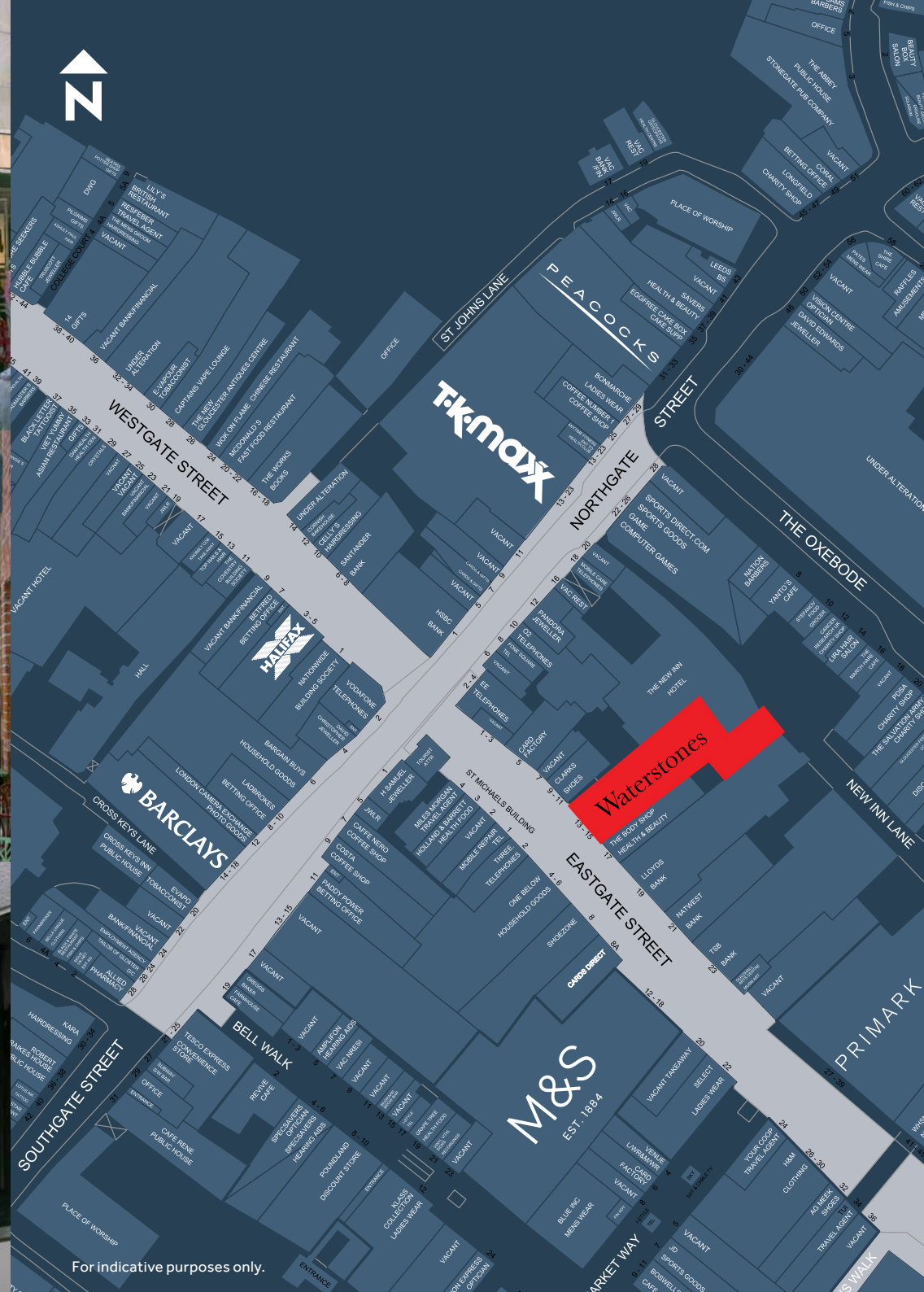
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SITUATION

Located in a **prime retailing location** on the pedestrianised **Eastgate Street**, the property is situated in the most desirable location within the city centre. In **close proximity** to one of the main entrances into the **Eastgate Shopping Centre** and national retailers including **Marks & Spencer, Primark, Holland & Barrett, H&M, HSBC, Card Factory, The Body Shop, NatWest** and **Pandora**.

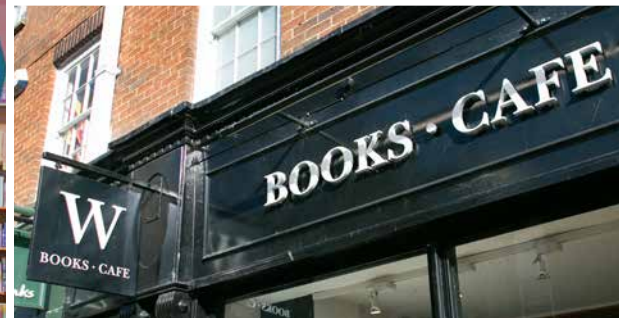


For indicative purposes only.

DESCRIPTION

The property comprises a **substantial retail unit** arranged over ground and first floor sales with ground, first and second floor ancillary. The property benefits from a **sales staircase** as well as an **escalator** from ground floor providing access to the café situated on the first floor.

The property is not listed and benefits from self-contained fire escape access to the front of the property.



W Cafe located on first floor.



ACCOMMODATION

Floor	Sq ft	M ²
Ground Floor (Sales)	4,687	435.61
Ground Floor (ITZA)	1,517 Units	
Ground Floor (Ancillary)	755	70.09
First Floor (Sales)	4,404	409.18
First Floor (Ancillary)	692	64.27
Second Floor (Ancillary)	667	22.23
Total	11,204	1,040.90

TENANCY

The entire property is let to **Waterstones Booksellers Limited** on a Fully Repairing and Insuring lease from 29 September 1999 expiring on 28 September 2024 at a current passing rent of £175,000. All parties have agreed to enter into a reversionary lease with effect from 29 September 2024 expiring on 29 January 2030. The passing rent from 30 January 2025 will be £85,000 pax.

TENURE

Freehold.

CURRENT INCOME PAX

Current passing rent of **£175,000 pax**.



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COVENANT

Waterstones

Tenant	Waterstones Booksellers Limited (00610095)
Financial Year End	29 April 2023
Turnover	£452,475,000
Pre-Tax Profit	£11,219,000
Total Assets	£387,814,000
Delphi Score	97/100
Delphi Band	Very Low Risk

Waterstones Booksellers Limited was founded in 1982 and now has over 280 bookshops across the UK. In 2018 the company was bought by hedge fund Elliot Advisors. The bookseller posted a profit before taxation of approximately £50 million in the financial year ending April 2022. This highlights a marked increase from the previous financial year as well as a significant improvement of approximately £19.7m for the financial year ending April 2020. The acquisition of Blackwell's in March 2022 solidifies their position as the leading bookseller in the UK.



VAT

The property has been elected for VAT.

EPC

The property has a current EPC rating of C74.

ANTI MONEY LAUNDERING

In order to comply with anti-money laundering legislation, the preferred purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

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PROPOSAL

We have been instructed to seek offers in excess of **£940,000 (Nine Hundred and Forty Thousand Pounds)** Subject to Contract and Exclusive of VAT, reflecting a **Net Initial Yield of 17.62%** and a Equivalent Yield of 10.20% allowing for graduated purchasers cost.

