

PRIME, WELL SECURED, FREEHOLD, RETAIL INVESTMENT OPPORTUNITY



INVESTMENT SUMMARY

Chichester, an **affluent** and **historic cathedral city**, is one of the UK's **premier retailing locations** as well as being a popular and **busy tourist destination**.

A **prominent, prime retailing location on the busy, pedestrianised North Street** in close proximity to Marks & Spencer, WH Smith, Mountain Warehouse, O2, Robert Dyas and Holland & Barrett.

A substantial, well configured property, arranged over four floors, comprising circa **32,411 sq ft** with an extensive frontage onto North Street of circa 67 ft (gross).

Securely let to **Boots UK Limited** for a further **7 years** which incorporates a 6 year, reversionary lease, commencing on 26th June 2024.

Freehold.

An extensive, prime, city centre site comprising **circa 0.38 acres**, providing **medium term re-development potential**.

Boots are undertaking an extensive refurbishment and redecoration of the store including the installation of new AC, heating & ventilation systems, signage and flooring.

Current passing rent under the lease of **£550,000 pax**.

A low capital value of £112 per sq ft.

Offers in excess of
£3,630,000

reflecting a **net initial yield** of **14.22%** allowing for the usual graduated purchaser's costs.



LOCATION

The cultural, cathedral city of Chichester is an attractive, historic and thriving retail centre. It is the county town for West Sussex and lies approximately 68 miles (109km) south west of London, 17 miles (27km) east of Portsmouth and 32 miles (51.5km) west of Brighton.



Chichester benefits from excellent road communications being situated close to the A27 dual carriageway which links the city with Brighton to the east and Portsmouth to the west. The A3, approximately 13 miles (21 km) to the west, provides fast and direct access to London and the M25 motorway.



Chichester is served by a frequent local and mainline railway providing services to London Victoria (1 hour 30 minutes), as well as Southampton and Brighton.



London Gatwick Airport is located approximately 44 miles (71km) to the north east with Southampton Airport situated circa 26 miles (42km) to the west.



DEMOGRAPHICS & RETAILING IN CHICHESTER

Chichester has a primary retail market catchment area of circa 129,000 and an estimated consumer base of 232,000 persons (PMA). The city also benefits from one of the most affluent catchments within the UK with a significantly above average proportion of adults in AB, C1 and C2 social groups.

Tourism is an intrinsic part of Chichester's economy, with the city attracting visitors from around the UK and overseas. The city's cultural attractions, such as the cathedral and the Festival Theatre, are popular with visitors, as are its historic buildings, museums, and galleries. It was estimated there were over 2.5 million day visitors to the city in 2022, whilst total tourism related expenditure contributed over £400m to the local economy and wider district and sustains 14% of the total workforce. (Source: Invest Chichester)



129,000
PRIMARY RETAIL
CATCHMENT POPULATION



2.5
MILLION
VISITORS IN 2022

£411.4
MILLION
TOURISM EXPENDITURE



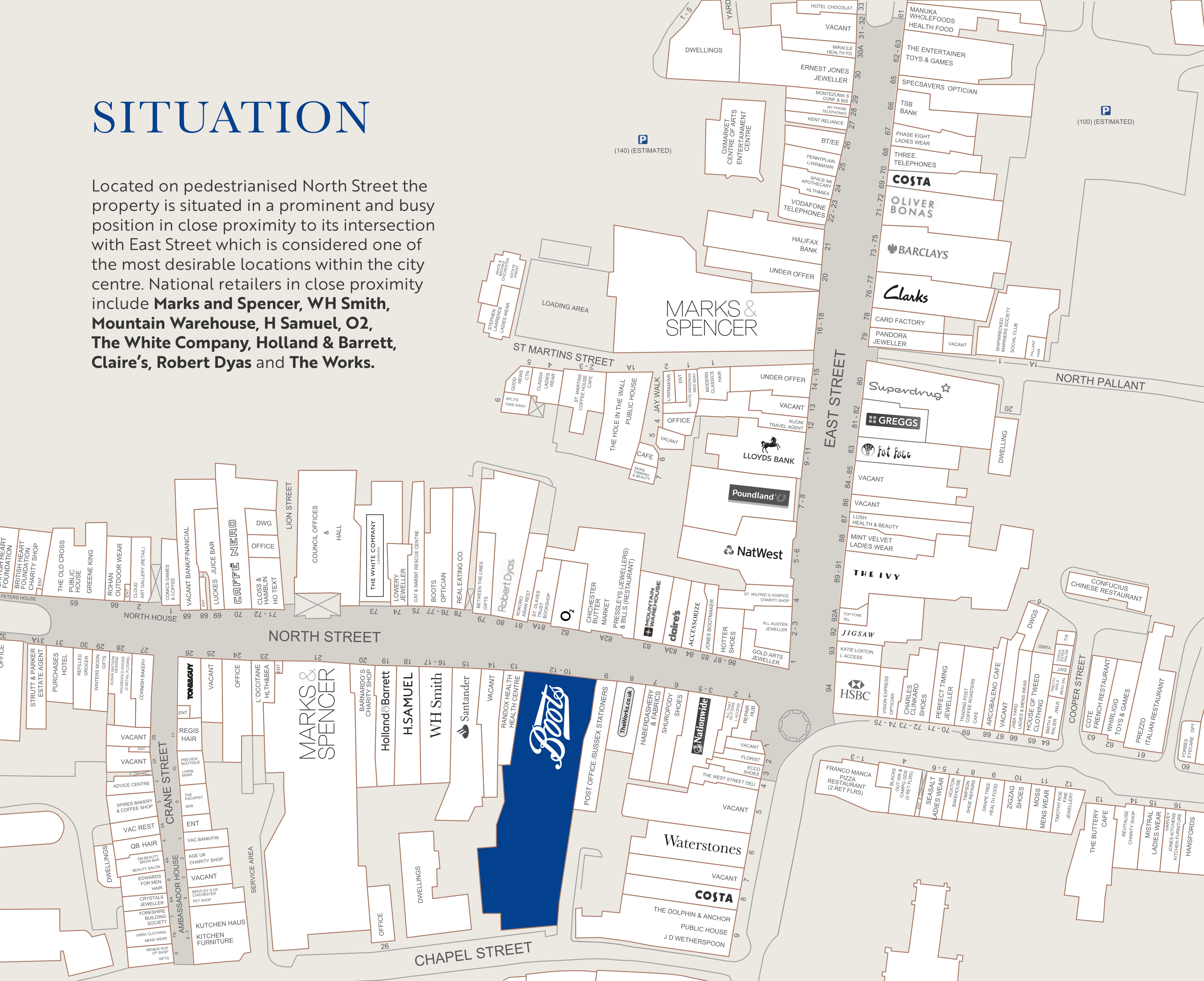
The retail offer in Chichester is focused on East Street and North Street, intersecting at Market Cross.

City centre retail floorspace is estimated at **730,000 sq ft** and has **above average volume and quality** of retail provision relative to the size of the shopping population. There is **no covered shopping centre** within Chichester and the **out of town provision is principally limited** to bulky goods operators with limited scope for future development.

As a result, Chichester benefits from strong occupational demand and a vacancy rate below the retail PROMIS 200 centre average.

SITUATION

Located on pedestrianised North Street the property is situated in a prominent and busy position in close proximity to its intersection with East Street which is considered one of the most desirable locations within the city centre. National retailers in close proximity include **Marks and Spencer, WH Smith, Mountain Warehouse, H Samuel, O2, The White Company, Holland & Barrett, Claire's, Robert Dyas and The Works.**





DESCRIPTION

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The property comprises a substantial, well configured, retail store, arranged over four floors with extensive ground floor retail trading, storage and staff accommodation on first and second floors and a basement plant room.

The property is largely of frame construction with brick elevations under predominantly flat roofs. Rear servicing and loading is provided off Chapel Street.

Boots have been in occupation since 2009.

12 North Street is Grade II Listed.

TENURE

Freehold

SITE AREA

An extensive, prime, city centre site comprising circa 0.38 acres, providing medium term re-development potential.

ACCOMMODATION

Floor	sq ft	sq m
Ground Floor (Sales)	15,514	1,441
Basement (Ancillary)	557	53
First Floor (Ancillary)	14,156	1,315
Second Floor (Ancillary)	2,184	203
Total	32,411	3,011

TENANCY

Boots UK Limited

FRI lease expiring 25th June 2024 at a passing rent of £550,000 pax. Reversionary lease commencing 26th June 2024 and expiring 25th June 2030, with Day 1 open market rent review with a collar of £215,000 pax and a cap of £300,000 pax.

As part of the reversionary lease negotiations, Boots entered into a deed of variation of their current lease, the terms which can be disclosed to interested parties as part of the sale process on a confidential basis. A licence for alterations was also completed which granted consent for Boots to undertake substantive repair and refurbishment to the property. These works are ongoing and are due to be completed on or before 25 December 2023.

CURRENT INCOME

Current passing rent under the lease of **£550,000 pax.**





COVENANT

Boots UK Limited (00928555)

Financial Year End	31 Aug 2022
Sales Turnover	£6,512,000,000 (12% increase on 2021)
Operating Profit	£55,000,000 (up from £8m in 2021)
Pre-tax Profit	£4,000,000 (a £58m loss in 2021)
Net Assets	£1,815,000,000 (11.5% increase on 2021)
Delphi Score	100/100
Delphi Band	Very Low Risk





VAT

The property has been elected for VAT and it is anticipated that the transaction will be treated as a TOGC.

EPC

The property has a current EPC rating of E although we anticipate that the works Boots are undertaking will improve upon this.

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.



PROPOSAL

Offers in excess of

£3,630,000

Subject to contract and exclusive of VAT, reflecting a **net initial yield** of **14.22%**, allowing for usual graduated purchaser's costs.

A low capital value of £112 per sq ft.

CONTACTS

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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. June 2023. TCC 104116.

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