

green&partners

CARDIFF

43/45 QUEEN STREET
CF10 2AS

PRIME FREEHOLD WELL SECURED
RETAIL INVESTMENT OPPORTUNITY





INVESTMENT SUMMARY

Over five years unexpired, located on the prime retail pitch in Cardiff.

- Cardiff, the capital city of Wales, has one of the most expansive retail offerings in the UK and **attracts c.21 million tourists** every year.
- Flagship **freehold retail investment** located in a prime trading location on the north side of the pedestrianised Queen Street.
- Queen Street is the **main retail thoroughfare** in Cardiff linking the city's three main shopping centres: St David's, The Capitol and Queen's Arcade.
- Unexpired term of **5.42 years**.
- Well configured retail store set over five floors and **extending to 76,545 sq ft** with floor plates ranging from 12,691 sq ft to 17,080 sq ft.
- **Opportunity to regear** the lease with Matalan and **extend the unexpired term**.
- In **close proximity to multiple destination retailers** such as JD Sports, Boots, HMV and Primark as well as a new 90,000 sq ft store to be occupied by Sports Direct, USC and Evans Cycles which will further strengthen the location.
- **Future potential alternative use** and development opportunities.
- Let to Matalan Retail Ltd on an FR&I lease at a current **passing rent of £1,000,000 per annum**.
- Extremely attractive **Net Initial Yield of 14.43%** and CV of circa **£85psf**.

We are instructed to seek offers in excess of **£6,500,000 (Six Million, Five Hundred Thousand Pounds)** subject to contract and exclusive of VAT which reflects a **Net Initial Yield of 14.43%** allowing for the usual purchasers costs.



Cardiff University

National Museum

Cardiff Castle

A4161

Capitol Tower

A4161

43/45 Queen Street

Queen Street

Trinity Street

Queens Arcade

Capitol Cardiff

Cardiff Queen Street Station

St David's Centre

St Mary's Street

The Hayes

Morgan Quarter

Cardiff Central Station

Principality Stadium

Utilita Arena Cardiff



LOCATION

Cardiff, the capital and largest city of Wales, serves as the primary commercial hub and a central location for national, cultural and sporting institutions. Positioned on the South Coast of Wales, it is approximately 15 miles (24km) southwest of Newport, 42 miles (67.5km) east of Swansea, 43 miles (69km) west of Bristol, and 150 miles (241km) west of London.



The city has excellent road connections, situated 4 miles (6.4km) south of the M4 motorway, allowing direct access to London to the east and much of South Wales to the west. Cardiff is strategically located 28 miles (45km) from the Severn Bridge, near the intersection of the M4 and M5 motorways north of Bristol.



Cardiff benefits from an extensive rail network, it is well connected through Cardiff Central railway station, offering direct trains to Newport (12 minutes), Bristol (38 minutes), London Paddington (1 hour 59 minutes), and Birmingham New Street (2 hours). In the year 2021 to 2022, Cardiff Central station served 7.5 million passengers.

Cardiff Queen Street Station compliments Cardiff Central with local rail services such as The Valleys (Caerphilly, Pontypridd, Merthyr Tydfil). In the year 2021 to 2022 1.3 million passengers used Cardiff Queen Street station.



Cardiff airport is conveniently located 11 miles southwest of the city centre, accommodating over 1.7 million passengers annually. The airport boasts more than 50 direct routes and connectivity to over 900 destinations worldwide.



Furthermore, the city anticipates improved public transport with the implementation of the £1.2 billion Cardiff Capital Region deal, including a £734 million investment in the South Wales Metro and other projects initiated in early 2016.





DEMOGRAPHICS



Cardiff is the **largest city** and capital of Wales.



43% of the population is aged in the **high spending bracket** of 15-44.



World renowned **sporting destination** with the Principality Stadium at the forefront.



The **total population** within the Cardiff Primary Retail Market Area is **estimated at 805,000**



Thriving leisure scene throughout the city centre and Cardiff Bay, contributing to the strength of the city as a tourist destination for domestic and international visitors.



Cardiff has **45,000 students**, one of the largest population of students in the UK. Cardiff University is ranked the **8th largest university in the UK** in terms of student numbers.



Cardiff attracts a large number of visitors, totalling **21 million tourists every year**.

RETAILING IN CARDIFF

Cardiff stands out as one of the leading retail destinations in the UK, positioned 7th in the PMA Retail Score, 7th in the PMA Fashion Score and 10th in the PMA Fashion Square rankings.

City centre retail floorspace in Cardiff is estimated at 2.22 million sq ft. Notable shopping streets include Queen Street and The Hayes, with the latter anchored by a substantial 260,000 sq ft John Lewis store to the south, offering an aspirational retail experience in the city. Queen Street spans from west to east, presenting a mass market selection with tenants such as Next, Primark, Boots, JD Sports, M&S and an upcoming flagship 90,000 sq ft store to be occupied by Sports Direct, USC and Evans Cycles.

The fashion landscape in Cardiff saw an enhancement with the 2009 extension to St David's Centre, enriching the city with both mass market operator like H&M and Zara, as well as upmarket brands such as Vans, Coast, Reiss, Hugo Boss and Kurt Geiger. Complimenting the primary retail spaces are secondary retail zones such as Queens Arcade and the Capitol Centre. The Capitol Centre, owned by New River, is currently in pre-application with Cardiff Council, planning a reconfiguration to transform the centre into a mixed-use retail/leisure destination.

The ongoing Cardiff Central Square Development, a collaboration between Legal and General and Rightacres unfolding over several years, aims to establish a new City Quarter and has already initiated the transformation of Cardiff's city centre. Notably, BBC Wales have already relocated to their new headquarters as part of this comprehensive development scheme.



**SPORTS
DIRECT**

PRIMARK

John Lewis

Boots

next

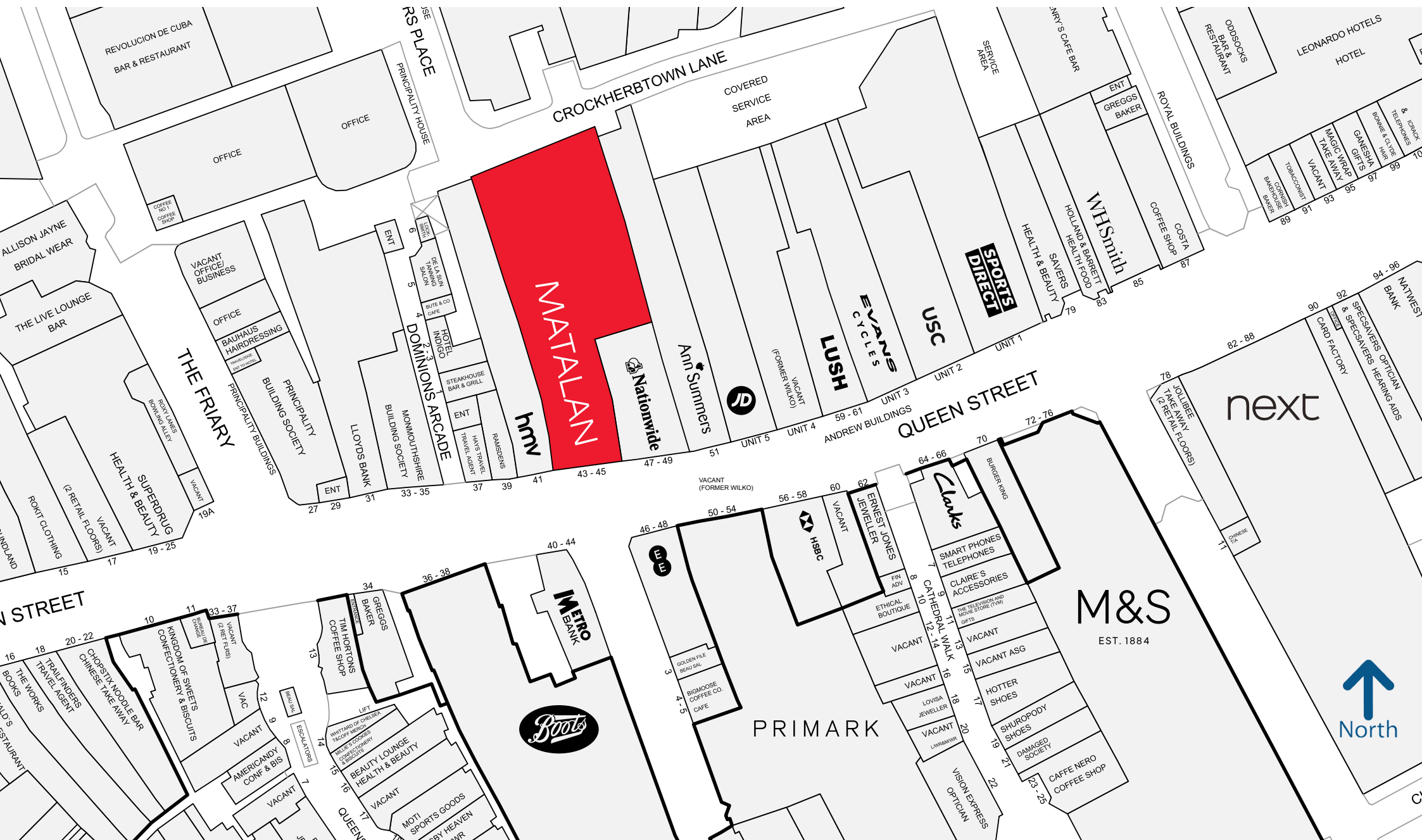
M&S
EST. 1884

Clarks

JD

METRO
BANK

SITUATION





DESCRIPTION

Modern property benefitting from double height glazed frontage and arranged over five floors providing a total of 76,545 sq ft. The building provides sales accommodation over basement, ground, first and second floors with the third floor providing further ancillary accommodation. The retail floors are well configured and provide the following areas:

Floor	Sq Ft	Sq M
Basement	12,691	1,179
Ground	15,994	1,486
First	15,502	1,440
Second	15,278	1,419
Third	17,080	1,587
Total	76,545	7,111

The areas assume the store is 'as seen' and excludes the atrium section.



Arranged over
five floors



Double height
glazed frontage



Provides
76,545 sq ft of
accommodation

COVENANT

Matalan is a leading British fashion and homeware retailer based in Knowsley, Merseyside. The company serves over 11m customers, employs over 13,000 people and has 228 stores in the UK together with 47 overseas franchise stores.

The ultimate parent company of Matalan is Maryland Holdco Limited. Since the change of ownership in January 2023 the company has not released any new accounts since those for the financial year ending 26th February 2022. However, the parent company has been transparent in its' performance thus far with both Q1 and Q2, 2023 trading updates which have been broadly positive. More information is available on request.

Matalan Retail Limited (company number: 02103564) reported the following financial results for the last three years:

	26/02/2022	27/02/2021	29/02/2020
Turnover (£m)	£1,027.1	£744.1	£1,129.4
Pre-Tax Profit (£m)	(£7.6)	(£127.6)	(£22.0)
Net Assets (£m)	£207.9	£199.0	£331.1

- The February 2023 company accounts are due to be released on 26th February 2024



TENURE

Freehold.

TENANCY

The property is let in its entirety to Matalan Retail Limited (Company No: 02103564) on a full repairing and insuring lease for a term of 15 years from 1st July 2014 expiring on 27th June 2029 (circa 5.42 years unexpired). The current passing rent is £1,000,000 per annum.

ASSET MANAGEMENT

Whilst the property has an attractive unexpired term of 5.42 years, there are numerous asset management opportunities that exist in the short, medium and long term. These include, but are not limited to, regearing the lease with Matalan to extend the unexpired term beyond the current expiry of June 2029 and investigating alternative use opportunities in the upper floors such as residential, student accommodation or hotel.

EPC

The property has an EPC rating of D98.

VAT

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

PROPOSAL

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FURTHER INFORMATION

For further information, for access to the data room or to arrange an inspection please contact agents Green & Partners as per the details below:

David Freeman
07785 253054
david.freeman@greenpartners.co.uk

Ed Smith
07817 771005
ed.smith@greenpartners.co.uk

Jonny Gooch
07928 525978
jonny.gooch@greenpartners.co.uk

Will Civil
07950 700182
will.civil@greenpartners.co.uk

green&partners

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