

# CANTERBURY LONGMARKET QUARTER

1-11 LONGMARKET • 10-14 BUTCHERY LANE • 45-47b BURGATE & 14 LONGMARKET COURT CT1 2JS

green&partners

ESTABLISHED, SOUTH-EAST CITY CENTRE RETAIL & LEISURE  
INVESTMENT ON A SUBSTANTIAL 0.7ACRE SITE



\* Outline for indicative purposes only.

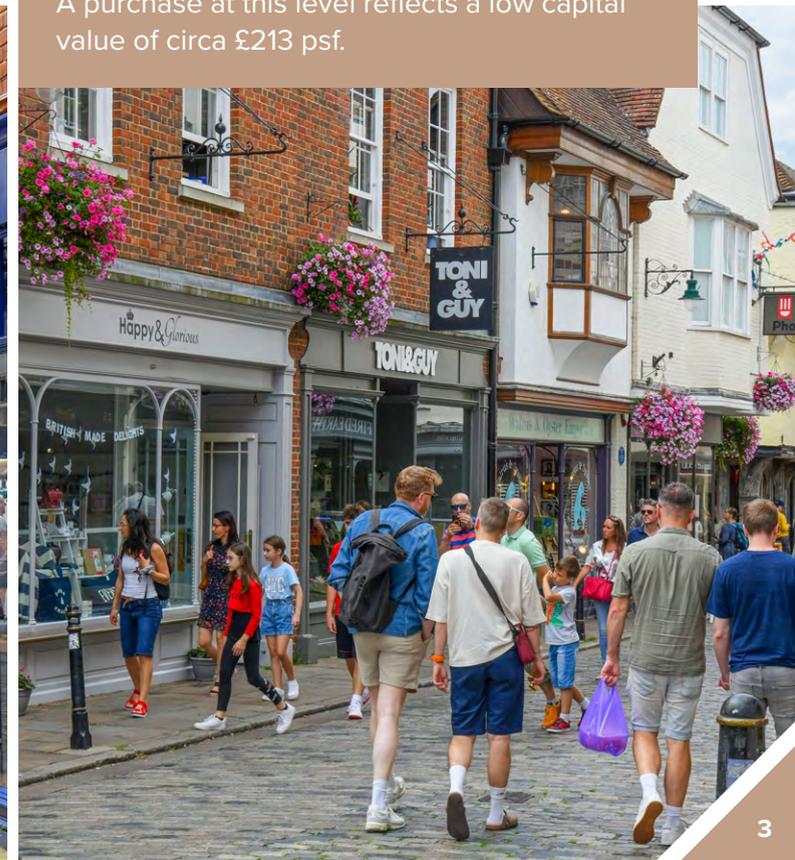
## INVESTMENT CONSIDERATIONS

- Canterbury is a vibrant **cathedral city and important UNESCO World Heritage site** as well as being a **popular regional retail centre and major tourist destination**.
- The Canterbury district is the **strongest performing economy in Kent** which is significantly bolstered by **8.1 million visitors per annum** generating **circa £520m** in revenue and **supporting over 10,230 associated jobs**. (Visit Kent/Canterbury CC 2023).
- **An affluent population** which is projected to see strong growth within its Retail Market Area of 19.2% over the period 2020-2040 (KCC).
- The town benefits from **excellent transport links** with a direct journey time by train to **London St Pancras of 56 minutes**.
- Longmarket Quarter is a **substantial and prominent** island site in Canterbury's prime retail core.
- **Long Leasehold from Canterbury City Council** (circa 117 years unexpired).
- **Re-developed in 1992**, the property comprises approx **34,546 sq ft** sub-divided across **13 retail and leisure** units.
- **79% of total income secured to multiple national covenants** including **Wagamama, Las Iguanas, Cote Brasserie, O2, DeMonfort Fine Art, Pho and Toni & Guy**.
- Current Estimate Net Income of **£705,338 per annum exclusive**.
- Weighted Average Unexpired Lease Term of **7.50 years** to lease expiry and **6.9 years** to first tenant break option.

## PROPOSAL

We are instructed to seek offers in excess of **£7,350,000 (Seven Million Three Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT, reflecting a **Net Initial Yield of 9.00%** allowing for graduated purchasers costs.

A purchase at this level reflects a low capital value of circa £213 psf.





# LOCATION

## CANTERBURY

Canterbury is an attractive and historic cathedral city in the north east of Kent. Situated on the River Great Stour, the city lies circa 62 miles (100km) south east of London, 17 miles (27km) north west of Dover and 29 miles (47km) east of Maidstone. Faversham, the major travel hub of Ashford, the historic town of Sandwich and the popular coastal towns of Herne Bay, Whitstable, Margate and Ramsgate are all located nearby.

## ROAD

The city is easily accessible by road with the A2 (dual carriageway) affording direct access to the M2 motorway some 8 miles (13km) to the west. This connects London and the Channel Tunnel Rail Terminal, the latter a 30-minute drive to the south east. Whilst there are several car parks in the city centre a 'park and ride' scheme operates with frequent buses running at 7-8 minute intervals from designated areas on the outskirts of the city.

## RAIL

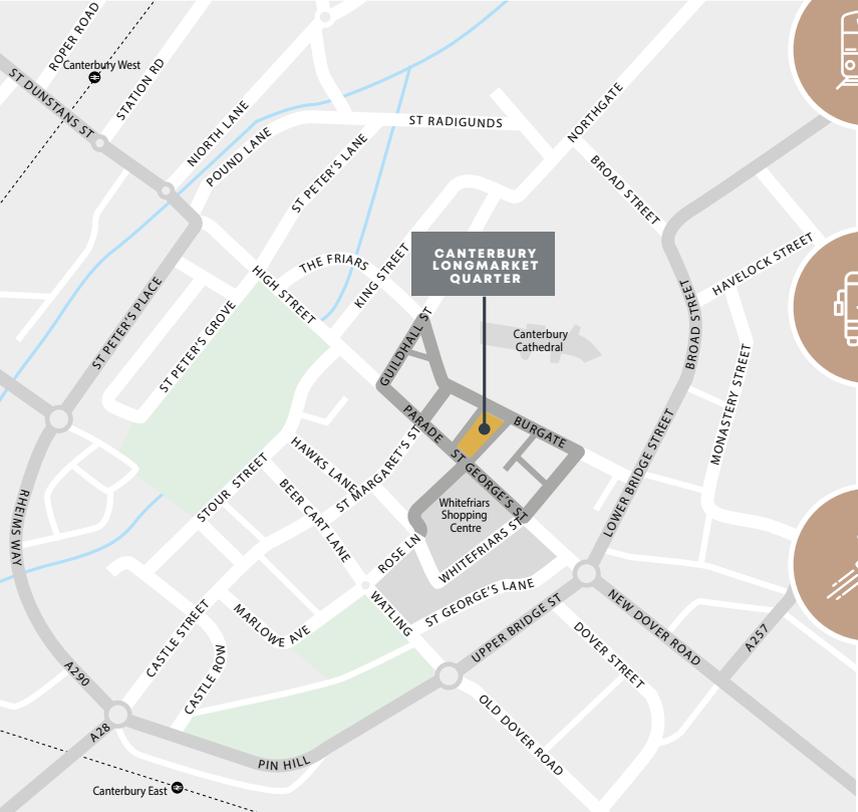
Canterbury benefits from two railway stations. The high-speed rail service from Canterbury West to London provides frequent, direct trains to London (St Pancras) with a fastest journey time of 56 minutes, as well as regular stopping services to London (Charing Cross) and trains to Ramsgate and Margate. Canterbury East station offers a service into London (Victoria) and mainland Europe via Ashford and Folkestone.

## BUS

National Express coaches operate 6 services per day (Route 007) to London Victoria in a typical journey time of 2 hours. Eurolines UK coaches also run services to London and Paris. There is a wide range of local bus routes serving the universities and surrounding towns and villages.

## AIR

The closest major airport to Canterbury is London Gatwick which is 67 miles (107km) to the south west although the area is also served by local airports, Lydd and Biggin Hill.





## DEMOGRAPHICS



**239,000 total population**

within Canterbury's Primary Retail Market area ranking it 64th/200 of the PROMIS centres.



**Canterbury's primary catchment area**

includes part of east Kent, extending to the coastal resorts of Whitstable, Margate in north-east Kent, stopping just short of Ashford to the south-west, and Dover to the South.



**363,000 estimated consumer base ranking**

Canterbury ranking 71st / 200 on the PROMIS measure.



**The Canterbury Catchment**

is regarded as being moderately affluent, ranking 59th /200 on the PROMIS scale.



**Spending is significantly boosted by tourism**

Visit Kent estimates that the city benefits from circa 8.1 million visitors who contribute £520m to the local economy supporting over 10,230 associated jobs. Visitor numbers have now surpassed pre-pandemic levels. Canterbury is a UNESCO World Heritage Site with the Cathedral voted the most popular Kent attraction in 2023.



**The public sector**

is the largest employer in Canterbury; University of Kent, Canterbury Christ Church University College, Canterbury City Council and the NHS Trust.



**Significant University student population**

of over 40,000



## RETAIL & LEISURE PROVISION IN CANTERBURY

Canterbury's retail core is a linear, pedestrianised stretch, which extends along St Peter's Street, The Parade, St George's Street and High Street (where the subject property and the Whitefriars Shopping Centre is located), offering circa 1.01 million sq ft of retail floorspace.

PROMIS state that the city is undersupplied in terms of retail space for a city of its size.

Canterbury is home to a myriad of national and regional retailers with the 'higher end' fashion brands such as Hugo Boss, Armani, Reiss, Barbour and others having

presence as concessions within the Fenwick Department store. The city, has a strong range of independent retailers and restaurants specifically aimed at tourist trade.

The largest managed Shopping Centre, Whitefriars Centre, now owned by Canterbury City Council, opened in 1970 and has been redeveloped/extended in several phases subsequently. Developed in a pedestrianised 'open-street' format, it comprises over thirty unit shops and is anchored by Fenwick, M&S and Primark with H&M, JD Next, River Island and Zara also present.

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

# LONGMARKET QUARTER

The property comprises an island site occupying circa 0.7 acres and was redeveloped to its current configuration in 1992. The scheme provides circa 34,546 sq ft of retail and restaurant accommodation, across thirteen units.

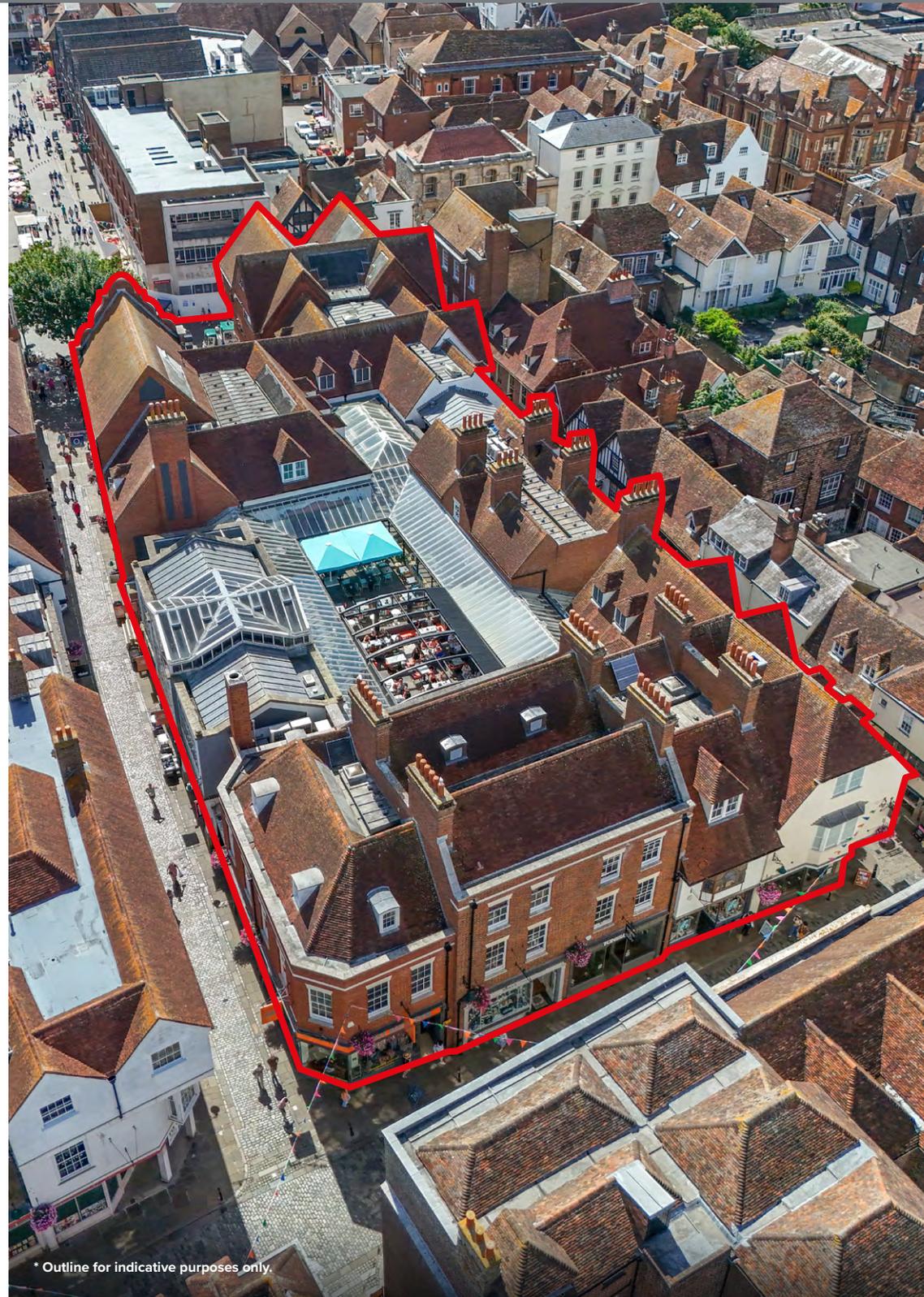
The units are primarily arranged over ground and first floors, with three demises accessed from the first floor. Several units benefit from second floors, which are used for ancillary and stock purposes. There is a communal passenger lift which links the service corridor with the first floor.

The asset is of steel frame construction with a mixture of brick elevations and traditional tiled hung frontages and is housed under a number of pitched roofs. The property benefits from an internal service corridor that serves the ground floor units.

The ground floor units are let to De Montfort Fine Art, Las Iguanas, Cote, O2, Wagamama, Lazix, Toni & Guy, Pho, Happy & Glorious and Matches Sports Bar.

The first floor is known as Longmarket Court and is arranged around a large open area which provides outside seating for the centre. This area is used extensively by Las Iguanas, Lazix, Matches Sports Bar and Citi Terrace. The first floor is accessed by two wide stairways, located centrally within the Longmarket and Butchery Lane elevations.

The basement has been leased to Canterbury City Council on a long lease expiring 17/10/2142 at a peppercorn rent and operates as Canterbury Roman Museum. The site is known as a 'Scheduled Ancient Monument', is Grade 1 Listed and is now known to be one of the only remaining in situ Roman pavement mosaics in the UK.



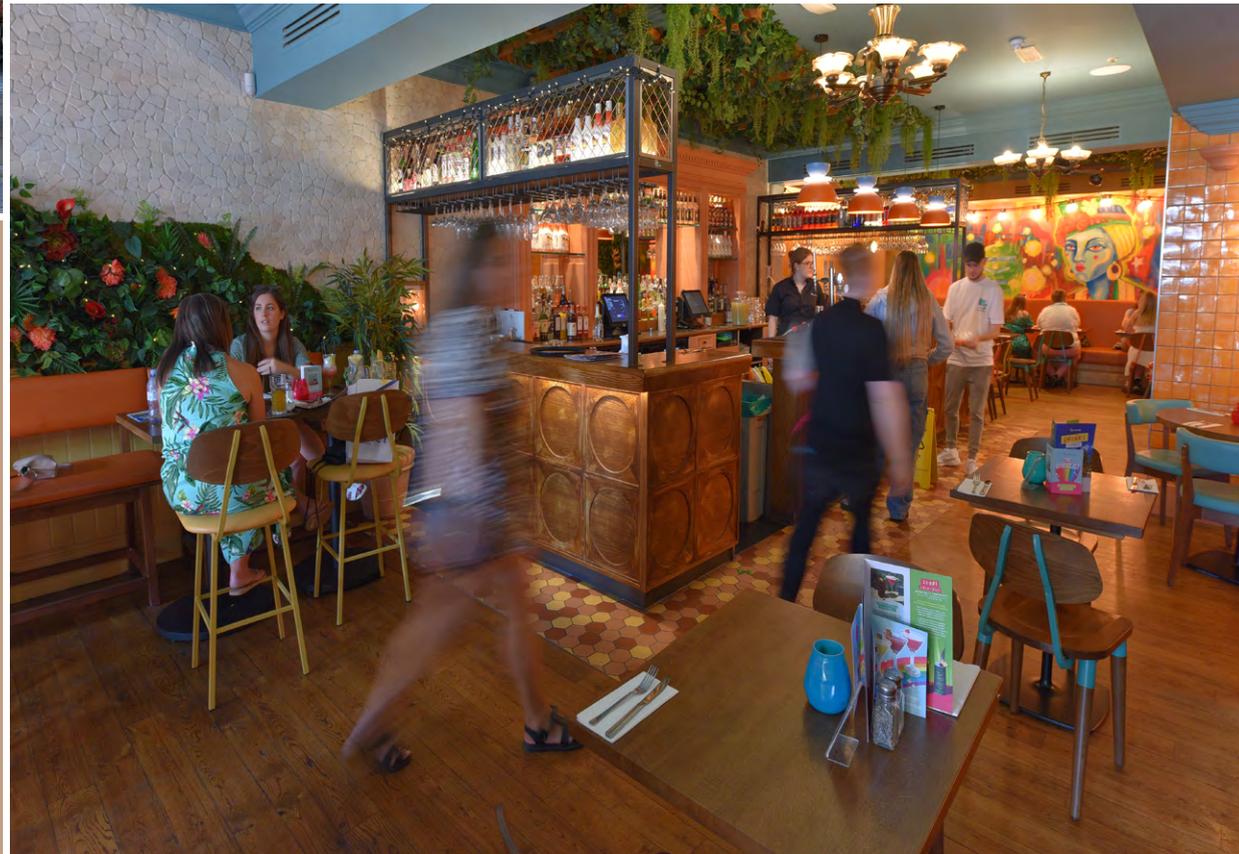
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Longmarket Quarter is one of the largest, most prominent estates within Canterbury City Centre.





Re-developed in 1992, the property comprises 34,546 sq ft across 13 retail and leisure units.



An affluent population which is projected to see strong growth within its Retail Market Area of 19.2% over the period 2020-2040 (KCC).





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# TENURE

The asset is held Long Leasehold from Canterbury City Council on a 150 year term commencing 19/10/1992. There is therefore circa 117 years unexpired. The head rent payable is 7.5% of the Net Rents received during each year of the term. There are several permitted deductions applicable to the annual reconciliation. Further information available on request.

# CURRENT INCOME & INCOME ANALYSIS

Gross Current Income PAX	£806,777
Permitted Deductions & Landlord Shortfalls	£76,660.24
Headrent @ 7.5%	£54,758.78
NOI	£705,337.91

The commercial tenancies produce a Weighted Average Unexpired Lease Term of 7.5 years to expiry and 6.9 years to break.

# TENANCIES

The property is let in accordance with the tenancy schedule below:

Address	Tenant	Tenant (T/A)	Total Area (sq ft)	Lease Start Date	Rent Review Date(s)	Break Option Date (Tenant)	Lease Expiry Date	Current Rent (per annum)	Service Charge (Yr End 31/03/2026)	Rateable Value	Rates Payable	Bid Levy @ 1.8% of RV	Insurance	Current Shortfalls	EPC	Comments	
1 Longmarket (Gd, 1st,2nd,3rd)	De Montfort Fine Art Limited (02402634)	Clarendon Fine Art	5,361	24/07/2023	24/07/2028	23/07/2028	23/07/2033	£90,000.00	£29,849.87	£84,500.00	£46,897.50	£1,521.00	£3,033.27	£19,419.59	C	Upwards only rent prior written notice review in year 5. Tenant break option on the day before the 5th anniversary of the term subject to 6 month's prior notice. Service Charge cap of £10,430.28 pa to increase in line with RPI. Covid side letter. The lease is inside the 1954 Act. Rent commencement date 18/08/2024. Schedule of Condition attached to the lease. Monthly rents (personal to the tenant and the current landlord).	
2 Longmarket (Gd, 1st,2nd,3rd)	Cote Restaurant Group Ltd (12873009)	Cote Brasserie	4,171	18/05/2015	18/05/2025 & 18/05/2030		17/05/2035	£135,777.26	£32,182.38	£94,000.00	£52,170.00	£1,692.00	£2,253.94	£24,733.92	C	Rent is to be reviewed to the higher of passing, open market or RPI. Service charge currently capped at £7,448.46 plus annual RPI increases. Separate lease at peppercorn for outside seating area (see below). Rent commencement 13/07/2015. The lease is contracted outside the act.	
3 and 5 Longmarket (Gd,1st,2nd)	Iguanas Holdings Limited (12761781)	Las Iguanas	5,598	18/07/2022	18/07/2027 & 18/07/2032		17/07/2037	£115,000.00	£43,192.64	£129,000.00	£71,595.00	£2,322.00	£3,137.86		D	Upwards only Rent Review 5 yearly. Covid side letter. The lease is contracted outside the 1954 act. Rent commencement date 18/08/2022. Separate underlease for outside seating from 18/07/2022 to 17/07/2037 at a peppercorn. Initial rental deposit of £287,750 + a sum equivalent to VAT. Plant Schedule of Condition contained in a side letter.	
5 Longmarket (Grd)	Telefonica UK Ltd (01743099)	O2	858	26/03/2021			25/03/2026	£100,000.00	£6,619.99	£69,500.00	£38,572.50	£1,251.00	£680.83		B	Rent is payable monthly (personal to the tenant). The lease is inside the 1954 Act. Rent commencement date 26/09/2021. Covid side letter.	
7-11 Longmarket (Grd)	Wagamama Ltd (02605751)	Wagamama	2,571	24/06/2004			23/06/2029	£90,000.00	£19,837.23	£84,000.00	£46,620.00	£1,512.00	£1,710.57		B	The lease is contracted inside the 1954 act. Separate storage lease (see below).	
10 Butchery Lane (Grd,1st,2nd)	Turquoise Catering Ltd (08389887)	Lazix	842	02/05/2013			01/05/2028	£16,500.00	£6,496.57	£11,250.00	£5,613.75	£202.50	£500.49		D	Rent deposit held of £8,250 plus sum equivalent to VAT. The lease is contracted outside the 1954 Act.	
Part Terrace (Rear of 10 Butchery Lane)	Turquoise Catering Ltd (08389887)	Lazix	0	22/01/2019			01/05/2028	£1,000.00	£-		£-	£-	£0.55		N/A	The lease is contracted outside the 1954 act.	
11-14 Butchery Lane (Grd,1st,2nd)	Matches Sports Bar and Grill (Canterbury) Ltd (14162094)	Matches Sports Bar & Social	4,086	25/07/2023	25/07/2028		24/07/2033	£70,000.00	£31,526.42	£21,500.00	£10,728.50	£387.00	£2,338.52		C	In the 5th year of the term there will be an upwards only rent review linked to CPI, with a collar and cap of 2%-4% compounded. Initial 3 month rent deposit (£17,500 plus a sum equivalent to VAT). Covid clause. The lease is inside the 1954 Act. Monthly rents side letter (personal to current landlord and tenant). Rent commencement date 25/02/2024. Includes outside seating area.	
45 Burgate (Grd, 1st & 2nd)	Pho Trading Limited (05329479)	Pho	3,266	30/05/2023	30/05/2028		29/05/2038	£62,500.00	£25,199.64	£75,000.00	£41,625.00	£1,350.00	£1,895.23	£199.64	D	Upwards only Rent Review in year 5 and 10. Stepped Rent. Yr 1: £60,000. Yr 2: £61,250. Yr 3: £62,500. Yr 4: £63,750. Yr 5: £65,000. Service charge capped at £25,000 pa for first 5 years of the term. Thereafter the cap increases in line with RPI, but capped at 3% pa. The lease is contracted inside the 1954 act. Rent commencement 30/11/2023. Includes outside seating area.	
46 Burgate	Vacant	Vacant	1,527	n/a			n/a	£0.00	£8,502.32	£40,000.00	£19,960.00	£720.00	£797.35	£29,979.67	D	Former Walrus & Oyster. Unit re-possessed Feb 2025. Now vacant and being marketed. Agent quoting £35,000pax. Vendor to top-up occupational cost shortfall for 12 months.	
47 Burgate	Toni & Guy (South) Ltd (03059988)	Toni & Guy	1,820	06/06/2016			05/06/2026	£42,500.00	£10,133.65	£38,000.00	£18,962.00	£684.00	£934.26		D	Rent commencement date 18/07/2016. The lease is inside the 1954 Act.	
47A Burgate	Happy & Glorious Ltd (14014810)	Happy & Glorious	936	15/08/2022			14/08/2027	£30,000.00	£5,211.57	£34,500.00	£17,215.50	£621.00	£505.69		C	Rent deposit of £7,500 plus sum equivalent to VAT. Rent commencement date of 15/05/2023. The lease is inside the 1954 Act.	
47B Burgate & 14 Longmarket Court	Violet Elizabeth Limited (13641499)	Violet Elizabeth	2,214	01/09/2022	01/09/2027	01/09/2027	31/08/2032	£22,500.00	£12,327.42	£37,750.00	£18,837.25	£679.50	£1,145.47	£2,327.42	C	Upwards only rent review in year 5. Stepped Rent. Yr 1: £18,000. Yr 3: £22,500. Yr 4: £28,500. Yr 5: £32,500. Rent free expired on 24/06/2024. Service charge cap at £10,000 pa increasing annually in-line with RPI. Covid Clause. The lease is contracted inside the 1954 act.	
Longmarket Court (1st & 2nd)	KNS Kent Ltd (09168367)	Citi Terrace Restaurant	1,296	25/12/2020	18/07/2027 & 18/07/2032		24/12/2035	£30,000.00	£9,999.55	£24,750.00	£12,350.25	£445.50	£676.73		C	Lease is inside the 1954 Act. Initial rent deposit of £15,000 plus sum equivalent to VAT.	
Electricity Sub Station	UK Power Networks Services (South East) Ltd(02366867)	N/A	0	19/10/1992			18/10/2091	£0.00				£-			N/A		
Cote Outside Seating Area	Cote Restaurant Group Ltd (12873009)	Cote Brasserie	0	18/05/2015			17/05/2035	£0.00				£-					
Las Iguanas Outside Seating Area	Iguanas Holdings Limited (12761781)	Las Iguanas		18/07/2022	18/07/2027		17/07/2037					£-					
Supplemental Storage	Wagamama Limited	Wagamama	0	19/12/2017	24/06/2019		23/06/2029	£1,000.00				£-					
<b>TOTALS</b>			<b>34,546</b>					<b>£806,777.26</b>	<b>£241,079.25</b>		<b>£401,147.25</b>		<b>£19,610.76</b>	<b>£76,660.24</b>			
								<b>Shortfalls</b>	<b>£46,680.57</b>	<b>NB: Allows for vendor top-up of shortfall for 46 Burgate</b>							
								<b>Estimated Headrent @ 7.5%</b>	<b>£54,758.78</b>	<b>NB: Head rent based on full shortfalls</b>							
								<b>Net Operating Income</b>	<b>£705,337.91</b>								

# TENANT COVENANTS

**DeMontfort Fine Art Limited (Company Number 02402634)**



FINANCIAL YEAR END	TURNOVER	PRE TAX PROFIT (LOSS)	SHAREHOLDERS FUNDS/EQUITY
31/07/2024	£85,965,000	£2,530,668	£33,614,741

Founded in 1986, DeMontfort Fine Art is the UK's leading international publisher and distributor of original paintings and collectable limited editions, and has around 83 onboard galleries in the UK. The Canterbury site trades as Clarendon Fine Art.

**Cote Restaurant Group Limited (Company Number 12873009)**



FINANCIAL YEAR END	TURNOVER	PRE TAX PROFIT (LOSS)	SHAREHOLDERS FUNDS/EQUITY
24/09/2023	£147,569,000	(£16,755,000)	(£48,905,000)

Cote Brasserie is a chain of French styled, all day dining restaurants within the UK trading from circa 84 sites. Founded by Richard Caring in 2007 they were bought out of administration by the Partners Group in late 2020 for a reported £55m.

**Iguanas Holdings Limited (Company Number 12761781)**



FINANCIAL YEAR END	TURNOVER	PRE TAX PROFIT (LOSS)	SHAREHOLDERS FUNDS/EQUITY
29/10/2023	£81,411,000	£756,000	£6,895,000

Founded in 1971, Las Iguanas now operates from 46 restaurants in the UK specialising in Latin American cuisine. The parent company is The Big Table Group, which also owns brands such as Bella Italia, Café Rouge, Chiquito, Frankie & Bennys, Banana Tree and Amalfi.

**Telefonica UK Limited (Company Number 01743099)**



FINANCIAL YEAR END	TURNOVER	PRE TAX PROFIT (LOSS)	SHAREHOLDERS FUNDS/EQUITY
31/12/2023	£5,945,967,000	£1,352,937,000	£7,264,995,000

Telefonica is a multinational broadband and telecommunications provider with operations in Europe, Asia, and North, Central and South America. The organisation is one of the largest telephone operators and mobile network providers in the world. In the UK, Telefonica trades under the O2 brand from circa 375 stores.

**Wagamama Ltd t/a Wagamama (Company Number 02605751)**



FINANCIAL YEAR END	TURNOVER	PRE TAX PROFIT (LOSS)	SHAREHOLDERS FUNDS/EQUITY
31/12/2023	£459,322,000	£55,244,000	£195,434,000

Founded in London in 1992 with a focus on pan-Asian inspired cuisine, Wagamama now boasts 176 restaurants in the UK. One of the UKs most recognisable high street chains, Wagamama has a presence in the US, Europe, the Middle East and New Zealand via 58 franchised restaurants in 23 countries. Wagamama's owner, The Restaurant Group (TRG) has recently been acquired by Apollo Group in 2023.

**Pho Trading Limited (Company Number 05329479)**



FINANCIAL YEAR END	TURNOVER	PRE TAX PROFIT (LOSS)	SHAREHOLDERS FUNDS/EQUITY
19/02/2024	£71,095,349	£3,614,153	£4,139,220

Pho was founded in 2005 and is a chain of restaurants specialising in street food restaurants. Pho has 37 restaurants and 5 dark kitchens in the UK.

**Matches Sports Bar and Grill (Canterbury) Limited (Company Number 14162094)**

Matches Sports Bar and Social is an independent and family friendly sports bar. The wider group operates from one other site in Ashford.



## SERVICE CHARGE

There is a comprehensive service charge in operation at the property. The current annual budget for the year ending 31/03/2026 is £241,079.25 pa. The budget is apportioned on a net floor area basis.

DeMontfort Fine Art, Cote and Pho have service charge caps in their leases. The current landlord shortfall (including the vacant 46 Burgate) is £76,660.24

## VAT

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

## AML

In order to comply with anti-money laundering legislation a successful purchaser will be required to provide certain identification documentation. These documents will be requested from the successful purchaser by the vendor and their professional advisors at the relevant time but before an exchange of contracts.

## PROPOSAL

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## CONTACT

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