

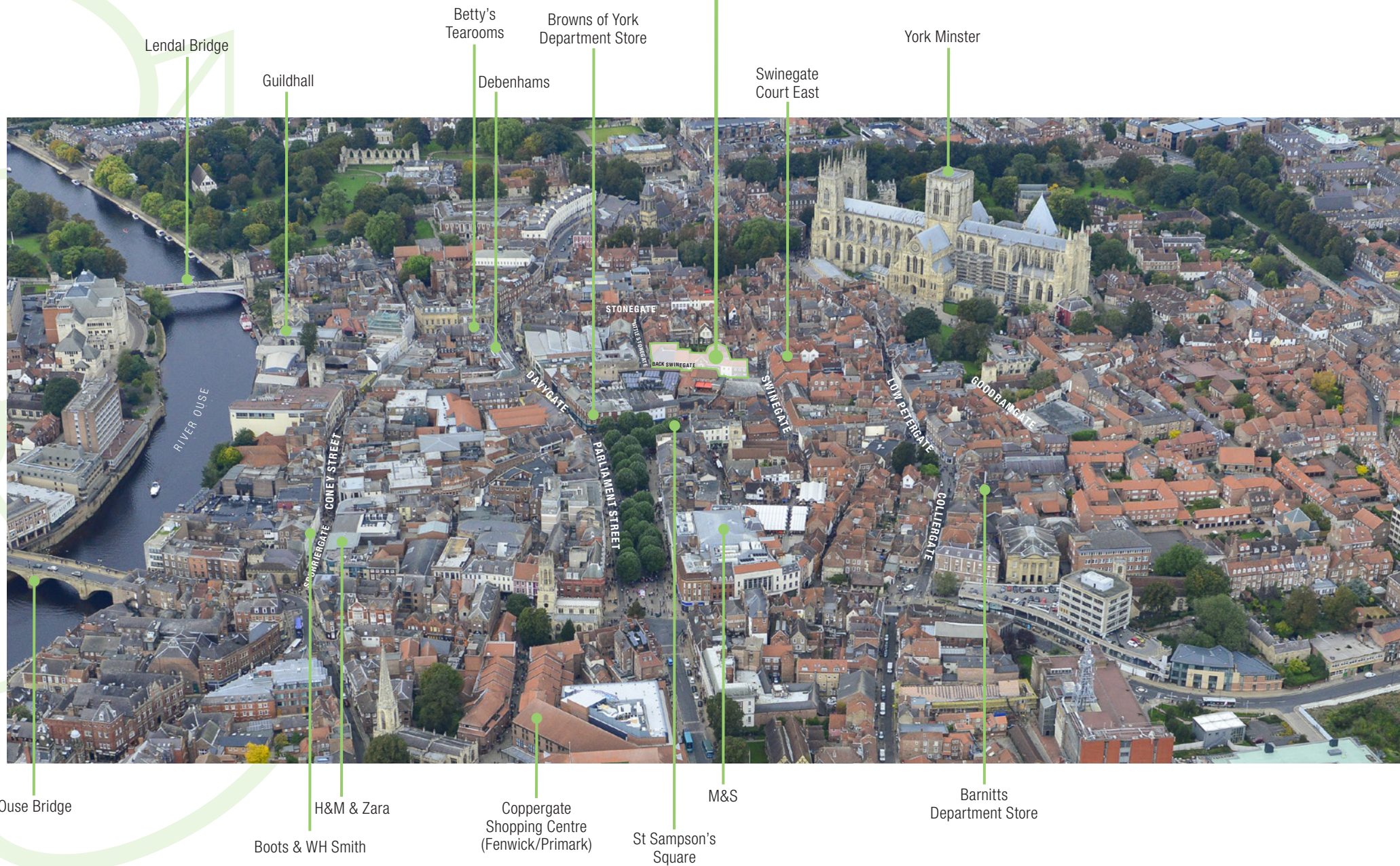


# SWINEGATE COURT WEST YORK

SUBSTANTIAL, FREEHOLD, MIXED USE INVESTMENT OPPORTUNITY

**green&partners**

SWINEGATE COURT WEST







## INVESTMENT SUMMARY

- **York** is one of the **UKs northern 'power hubs'** with a **robust local economy** and **strong demographics** boosted by a **popular and lucrative tourist industry** making the city particularly **resilient** to economic fluctuations and downturns.
- **Swinegate** is a **thriving destination** within a popular and attractive part of the city centre, close to York Minster and is renowned for its **eclectic mix of national and local independent retailers** and abundance of restaurants and bars creating a vibrant atmosphere benefitting the day and night-time economies.
- A **fully-let mixed use asset** leased to a host of established, national, regional and local independent covenants including **Slug & Lettuce, Mulberry, Reed Specialist Recruitment** and **Banks Sadler**.
- **Low affordable retail and office rental tones** when compared to nearby city centre locations including Stonegate and Low Petergate.
- **Recently refurbished office accommodation** and reception lobby incorporating comfort cooling and a new lift at a cost of circa £1m.
- **Freehold**.
- **Extensive city centre site** comprising **0.36 acres** with circa **21,491 sq ft (1,997 sq m)** of retail, office and leisure accommodation.
- Weighted Average Unexpired Lease Term (**WAULT**) of **6.6 years (expiry)** and **3.2 years (break)**.
- Total income **£370,120 pax**.
- **Reversionary** with a number of rent reviews due in late 2017/2018.
- Offers sought of **£5,100,000 (Five Million One Hundred Thousand Pounds)** (Subject To Contract & Exclusive of VAT) reflecting a blended net **initial yield of 6.81%** allowing for purchasers costs of 6.61%.





## LOCATION

**York, a historic and charismatic city**, is an important and thriving **regional commercial** and **business hub** in the north of England. Renowned for its vibrant culture, historical architecture and general quality of life the city attracts an impressive **6.9 million visitors** each year and is also home to a major university as well as being the UK's first UNESCO City of Media & Arts and the UK's founding Science City & first Gigabit City.

York is also **easily accessible**, situated in central Yorkshire, 26 miles (42km) north-east of Leeds, 23 miles (37km) east of Harrogate and 41miles (66km) north-west of Hull. **London is 215 miles** (346km) to the south.







## Road

York has excellent road communications. The city's ring road (via A64) provides a quick dual carriageway link to the A1(M) at Junction 44 and ultimately the national motorway network some 14 miles (22.5km) to the south-west.



## Rail

The city benefits from a strong public transport hub. York Station is situated on the East Coast Mainline and provide direct services to all of the major northern cities including Leeds, Manchester, Liverpool, Glasgow and Edinburgh. London Kings Cross can be reached in 1 hour 51 minutes with 46 daily services.



## Air

York is served by Leeds Bradford International Airport some 31 miles (50km) to the west giving access to 75 destinations in over 37 countries



## CATCHMENT & DEMOGRAPHICS

York has an estimated 2017 **population of 207,094** and a **primary catchment of 488,000 persons**. The city benefits from a strong University presence with **the current student population** estimated to be circa 23,900. The city boasts an **affluent demographic profile** with a significantly **above average representation** of the adult population being within the most affluent **AB & C social grouping**.

## ECONOMY

York is recognised as one of the **fastest growing and most resilient economies** within the north of the UK. A **powerful business hub** the city supports more than **114,000 jobs** and **contributes around £5bn** of value to the national economy. **The service sector accounts for 61%** of total employment with major companies such as **Aviva, CPP Group and Hiscox Insurance** located in the area. There is also a large representation of Public Sector workers in the city with many agencies relocating in the 1990's including the **CPS and DEFRA**. Other major employers include **York City Council, the University of York, DWP** and the **MOD**.



## TOURISM

York is a significant tourist destination. It is estimated that the **value of tourism to the York economy was £545m (2015)** with an **estimated 6.9m visitors supporting circa 19,000 jobs**. Both tourist spend per head and the number of visits has steadily increased year on year in the last 5 years estimated at 25% and 6% respectively. Major attractions are York Minister, the Bar Walls and the Merchant Adventurers Hall. The city has some of the best preserved medieval streets in Europe hosting a plethora of national, niche and independent retailers.



## RETAILING IN YORK

York is a **popular retailing destination** and has an estimated shopping **population of 294,000** and **an estimated 1.49m sq ft of retailing floor space** with no covered shopping centre in the city centre. The historic nature of the city and the numerous listed buildings creates a **highly desirable retailing environment** with an **eclectic mix of national multiple, boutique and upmarket retailers** spread throughout the central city core.

Prime retailing is centred on the pedestrianised Coney Street/Spurriergate where there is a high concentration of major UK multiples including **H&M, Zara, Next, Boots, TK Maxx, WH Smith and River Island**. Other strong retailing thoroughfares are Parliament Street and Davygate which run parallel to Coney Street and accommodate **Marks & Spencer, Debenhams, New Look, Superdry, Sports Direct, Browns of York, French Connection and Pandora**.

Specialists Locations such as **Stonegate, Low Petergate, Swinegate and Blake Street** provide an **attractive and diverse retailing environment** and have lured a host of upmarket and specialist national and independent fashion and beauty retailers as well as a core of cafes, bars and restaurants including **Cote, Cafe Rouge, Five Guys, Strada, Wildwood and Bella Italia**.

## OFFICE MARKET

The York city centre office market **has seen a reduction in supply in recent times** with a significant proportion of the total office stock removed from the market for conversion to residential use. Grade A accommodation is in short supply with very few speculative projects in the development pipeline. The squeeze on supply due to residential conversions has improved demand for quality, economical floor space with average rents improving. Prime rents currently stand at circa £16.50 psf with the letting of 20 George Hudson Street. Reed's recent move to the subject property from 28a Swinegate which is being converted into residential use demonstrates the continuing trend and lack of available city centre stock.

**Popular tourist destination attracting over 6.8m to the York economy and over 20,300 jobs in the leisure industry**



**Affluent catchment population**



**Excellent public transport hub**



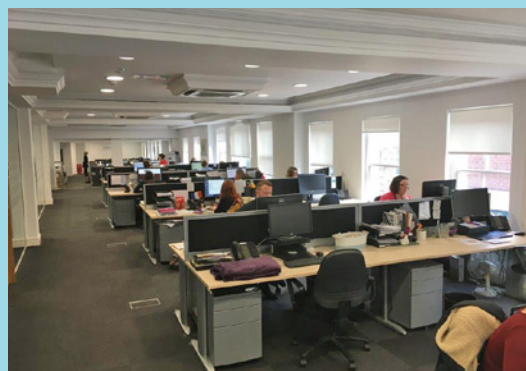
**One of the strongest and fastest growing economies in the north of the UK**



**York is the UK's first UNESCO City of Media & Arts**



**Population supplemented by over 22,000 students (University of York and York St John University)**





## SITUATION

The property occupies a **substantial city centre site** and forms the entire northern side of Back Swinegate with a prominent corner unit onto Swinegate and return frontages onto both Little Stonegate and Grape Lane. The area is an established and popular destination for not only daytime shoppers and tourists due to its niche national and independent retailers but also as an evening destination due to the abundance of cafes, restaurants and wine bars.

The busy pitch attracts a strong footfall with shoppers peeling off Stonegate and High/Low Petergate. Finkle Street is a busy 'cut through' leading onto Back Swinegate from St Sampsons Square, Davygate and Parliament Street. The restaurant and bar concentration of **Slug & Lettuce, Las Iguanas, Oscars Wine Bar, Biltmore Bar & Grill, Bora Bora Cocktail Bar, Lucia Restaurant & Bar** and **Banyan Bar** increases pedestrian flows during lunchtimes and early evenings.

## DESCRIPTION

The **subject property** comprises a **substantial attractive mixed use building comprising six retail units**, a substantial **bar/restaurant premises** and first and part second floor **offices** above with a ground floor reception lobby accessed directly from Back Swinegate. The property was substantially re-developed in the late 1990's and is not listed but is within the Central Historic Core Conservation area.

The retail units are predominantly arranged over ground floor with the exception of Mulberry who have first floor ancillary space. The Slug & Lettuce unit benefits from dual entrances and specifically an external seating licence for the courtyard area accessed from Grape Lane/Swinegate.

The office accommodation has been recently refurbished providing a good quality, economical, open plan floor space with the addition of comfort cooling and a refurbished entrance lobby incorporating a new passenger lift.

## ACCOMMODATION

The property provides a total approximate floor area of **21,491 sq ft (1,997 sq m)** as set out in the Schedule of Tenancies & Accommodation

## TENURE

**Freehold.**







NOTE: Goad is for indicative purposes only.



## TENANCIES

Address	Tenant	Areas			Lease Start Date	Lease Expiry Date	Option To Break	Next RR	Current Rent	Unexpired Term	Service Charge	Rates Payable 2017	Comments
		Description	sq. ft.	sq. m.									
12 Little Stonegate	<b>Blue Hairdressing Limited (t/a Blue)</b>	ITZA	560	Units	29/09/2013	28/09/2023	29/09/2018	29/09/2018	£21,950	6.31	£2,043.03	£12,492	Joint Guarantors - Lorraine Kilner-Kriehn/Stephen Kriehn. TBO subject to 6 months prior notice. Rent includes £700pa for comfort cooling
		GFS	724	67									
14 Little Stonegate	<b>Love Thy Interiors Ltd (t/a Love Thy Interiors)</b>	ITZA	482	Units	14/03/2016	13/03/2021	13/03/2019		£17,500	3.76	£1,264.45	£10,508	TBO subject to 6 months prior notice
		GFS	572	53									
16 Little Stonegate	<b>Craig Humble &amp; Jeff Clark (t/a Gallery)</b>	ITZA	442	Units	17/02/2017	16/08/2020			£18,000	3.19	£1,162.76	£11,558	Rent free period expires 17/08/2017. Rent deposit of £10,800 held. Any outstanding rent free will be topped up by the vendor.
		GFS	526	49									
20 Back Swinegate	<b>Dawn Argyle (t/a Luxury Ice-cream Co)</b>	ITZA	518	Units	12/12/2013	11/12/2023	11/12/2018	12/12/2018	£22,250	6.51	£1,737.26	£9,690	TBO subject to 6 months prior notice. Rent includes £1,250 pa for comfort cooling. (Deed of Variation - 30/07/2014). Rent deposit of £1,200.
		GFS	641	59									
22/26 Back Swinegate	<b>Slug and Lettuce Company Ltd</b>	Overall	6,025	560	30/12/1997	29/12/2022		30/12/2017	£96,000	5.56	£13,318.68	£68,160	Rent includes £6,000pa-outside seating licence. Lease assigned from Laurel Pub Company Ltd on 03/09/2009. Part of Stonegate Pub Company.
23-25 Swinegate	<b>Mulberry Co (Sales) Ltd (t/a Mulberry)</b>	ITZA	1,003	Units	29/09/2013	28/09/2023	28/09/2018	29/09/2018	£41,000	6.31	£4,520.62	£20,198	
		GFS	1,229	114									
		GF Anc	92	8									
		FF Anc	528	49									
28 Back Swinegate	<b>David Skaith (t/a Winstons)</b>	ITZA	300	28	06/06/2016	05/06/2021	05/06/2019		£13,950	3.99	£922.83	£5,020	TBO subject to 6 months prior notice. Rent deposit of £6,975
		GFS	323	30									
18 Back Swinegate (Suites 1A, 1B & 1C)	<b>Banks Sadler Limited</b>	1A	878	82	08/05/2015	07/05/2025	08/05/2020	08/05/2020	£58,874	7.92	£35,316.54	£22,066	Service Charge cap (currently £39,249) subject to RPI increases. TBO subject to 6 months prior notice
		1B	1,983	184									
		1C	1,500	139									
18 Back Swinegate (Suite 1D)	<b>Reed Specialist Recruitment Limited</b>	1D	728	68	TBC	TBC	TBC		£8,736	5.00	£5,895.54	£3,876	New lease, 1 month rent free, TBO year 3 with 6 months notice
18 Back Swinegate (Suite 1E)	<b>ED&amp;F Man Limited</b>	1E	1,368	127	08/06/2015	07/06/2025	08/06/2020	08/06/2020	£18,468	8.00	£11,078.43	£7,706	Lease guaranteed by Man Strategic Holdings Ltd (2921462)
18 Back Swinegate (Suite 2A)	<b>Switalskis Limited</b>	2A	2,514	234	01/06/2015	31/05/2030	01/06/2020	01/06/2020	£33,939	12.98	£20,359.04	£11,091	Rent reviews on 01/06/2020 and 01/06/2025. TBOs 01/06/2020 and 01/06/2025. TBOs subject to 6 months prior notice.
18 Back Swinegate (Suite 2B)	<b>Lockings Legal Services Limited</b>	2B	1,441	134	10/02/2017	09/02/2022	10/02/2020		£19,453	4.76	£11,669.60	£6,071	Lease guaranteed by Richard Allen, Richard Barrie Swaine, Andrew McBirnie and Clare Wallis. TBO subject to 6 months prior notice
		2B Reception	419	39									
			<b>21,491</b>	<b>1,997</b>				<b>TOTAL</b>	<b>£370,120</b>		<b>£109,289</b>		

NOTE: Measured survey on the office suites by Plowman Craven



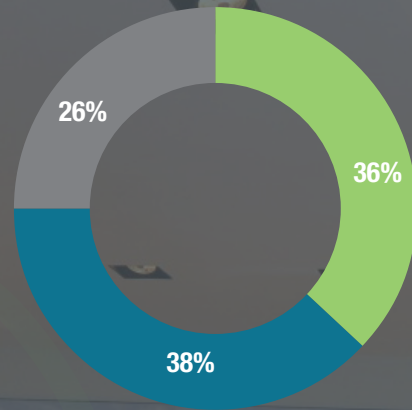
## COVENANT PROFILE

Total gross income £370,120

■ Retail

■ Office

■ Leisure



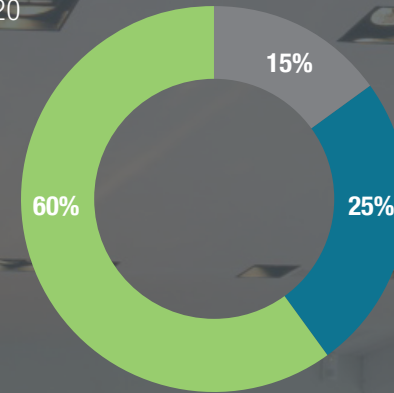
## USE PROFILE

Total gross income £370,120

■ Local

■ Regional

■ National





## TENANT COVENANTS

TENANT	D&B Rating	Financial Year End	Turnover	Profit (Loss)	Net Worth	Comments
<b>Blue Hairdressing Ltd</b> (t/a Blue) Company No: 05896014	N3	31-Mar-16	N/A	N/A	(£41,010)	An independent salon offering both high fashion and classic hairdressing. Winners of multiple regional awards.
<b>Love Thy Interiors Ltd</b> (t/a Love Thy Interiors) Company No: 09125540	H3	31-Jul-16	N/A	N/A	£481	A family owned business specialising in high quality designer gifts. Founded in Thirsk, this shop is the second of the family run venture.
<b>Craig Humble &amp; Jeff Clark</b> (t/a Gallery)	N/A	N/A	N/A	N/A	N/A	The gallery exhibits urban and modern art pieces created by various artists from all over the world. The owners Jeff and Craig Humble have been representing artists for over 10 years while working for one of Europe's largest publishers.
<b>Dawn Argyle</b> (t/a Luxury Ice-cream Co)	N/A	N/A	N/A	N/A	N/A	Luxury Ice-cream Co are a popular independent parlour offering a range of ice-creams, sorbets, traditional sweets and unique gifts boasting over 150 flavours.
<b>Slug and Lettuce Company Ltd</b> Company No: 06295354	4A1	25-Sep-16	£61,373,000	(£639,000)	£30,453,000	Slug and Lettuce is a chain of bars operating in the UK since 1985. As of 2017 the chain has a total of 70 outlets. Part of the Stonegate Pub Company.
<b>Mulberry Co (Sales) Ltd</b> (t/a Mulberry) Company No: 01508155	4A1	31-Mar-16	£111,987,000	£8,283,000	£23,277,000	Mulberry is a luxury fashion company founded in the United Kingdom in 1971, known internationally for its leather goods. It is a leading British lifestyle brand, internationally acclaimed for quality and design. Mulberry's handbags iconic examples of British design and manufacturing expertise.
<b>David Skaith</b> (t/a Winstons)	N/A	N/A	N/A	N/A	N/A	Winston's of York is an independent mens's clothing and footwear shop with modern styles and brands.
<b>Banks Sadler Ltd</b> Company No: 01614193	2A1	31-Oct-15	£30,210,662	£1,435,216	£3,958,978	Banks Sadler is a global meetings and event management agency. Established in 1982 in London the company has since opened offices in York (2005), Paris (2007), Düsseldorf (2007), New York (2011) and Shanghai (2015).
<b>Reed Specialist Recruitment Ltd</b> Company No: 06903140	4A1	30-Jun-16	£991,994,000	£9,366,000	£23,836,000	Reed is an employment agency founded in 1960 by Sir Alec Reed CBE. As of March 2012 Reed has more than 3,000 permanent employees working across 425 business units in 180 locations worldwide. Reed also offers training and HR consultancy services. In 2014 Alexa ranked Reed.co.uk as the no.1 UK employment agency website.
<b>ED&amp;F Man Ltd</b> Company No: 01150601, Guarantor: Man Strategic Holdings Ltd Company No: 02921462	N2	31-Dec-15	N/A	(\$21,472,000)	(\$135,085,000)	ED&F Man is an agricultural commodities merchant, trading in sugar, coffee, molasses, grains, pulses and animal feed. The company provides access to commodity and capital markets via their global financial brokerage business.
<b>Man Strategic Holdings Ltd</b> Company No: 02921462 Guarantor for ED&F Man Ltd	5A1	31-Dec-15	N/A	\$1,097,242,000	\$3,711,212,000	Man Strategic Holdings Ltd is part of Man Group Plc, an alternative investment management business initially founded as a sugar coopeage and brokerage by James Man in 1783. It provides a range of funds for institutional and private investors globally and is the world's largest publicly traded hedge fund company, reporting \$78.1 billion in funds under management as of March 2015.
<b>Switalskis Ltd</b> Company No: 08924632	N2	31-Mar-16	N/A	N/A	(£1,693,278)	Switalskis is a regional legal specialist with 13 Yorkshire locations including York, Leeds, Sheffield, Wakefield, Huddersfield, Bradford and Doncaster. The firm provides wide range of expert legal advice and representation for individuals and businesses. It has been voted Yorkshire Law Firm of the Year three times.
<b>Lockings Legal Services Ltd</b> Company No: 09244568	H3	31-Oct-15	N/A	N/A	£100	Quality Solicitors Lockings is the trading name of Lockings Legal Services Ltd and it is part of a national network of law firms covering Hull, Beverley, Hedon and the surrounding area. QualitySolicitors Lockings offers advice to individuals and businesses covering employment, family, personal injury, conveyancing, wills and consumer rights law.



## CURRENT INCOME

**£370,120 pax.**

## RENTAL TONE

The rental tone for the retail devalues to between **£43-£30 psf ZA** based on recent lettings within the ownership which reflects favourably with rental levels achieved on Stonegate (c. £140 ZA) and Low Petergate (c. £115 ZA). The Slug and Lettuce currently reflects circa **£18psf overall** and is due for review in December 2017. In light of recent evidence nearby at circa £21 psf overall we believe this **rent to be reversionary**.

The offices rents based on recent deals within the ownership currently reflect rates between **£12-£13.50 psf** overall which provide a good platform for **future rental growth** due to the restricted city centre supply.

## PROPERTY MANAGEMENT & SERVICE CHARGE

The subject property is managed and operated under a service charge schedule with the tenants having apportioned percentage contributions based on gross lettable floor area demised. The current service charge budget runs from the **1st January 2017** until the **31st December** and the present service charge budget amounts to **£109,288.78**.

There are currently no landlord shortfalls.

## ENERGY PERFORMANCE CERTIFICATE

Energy Performance Certificates (EPC's) are available on request.

## VAT

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





## PROPOSAL

We have been instructed to seek offers in excess of **£5,100,000 (Five Million One Hundred Thousand Pounds)**, subject to contract and exclusive of VAT for the freehold interest reflecting a **net initial yield of 6.81%** and purchasers costs of 6.61%.

## FURTHER INFORMATION

For further information, including access to a data room please contact:

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**MISREPRESENTATION:** These particulars do not constitute an offer or contract. They are intended as a guide to prospective purchasers. All reasonable care has been taken in the preparation of these particulars but their accuracy is not guaranteed. The purchaser should satisfy himself and as to the correctness of these details. Neither the agents nor the vendors or lessors are to be or become under any liability or claim in respect of these particulars. These particulars are supplied on the understanding that all negotiations are conducted through this office. June 2017.

Adrian Gates Photography & Brochures 07710 316 991

