

# 3-11 CHEQUER STREET

St Albans AL1 3YJ

WELL SECURED,  
SOUTH EAST  
RETAIL  
INVESTMENT  
WITH  
RESIDENTIAL  
DEVELOPMENT  
OPPORTUNITY





## INVESTMENT SUMMARY

- **St Albans** is an **attractive and historic** south east cathedral city located **20 minutes from London St Pancras**.
- One of the **most affluent** populations ranking **3rd** out of 200 comparable PROMIS centres.
- **Compact retailing core** of **670,000 sq ft** with national multiple occupiers represented including **Marks & Spencer's, H&M, The White Company, Hobbs, Whistles, Joules, EE, Crew, Oliver Bonas** and **Clarks**.
- An unbroken retail parade of four retail units let to D. Copperfield Clothing, William Hill, Hob Salons and Oxfam.
- **The upper parts of 3-9 Chequer Street** comprise **10 vacant residential flats**. There is an **opportunity to convert them into 5 two bed and 2 one bed flats**.
- No planning permission required.
- **WAULT** of **5.74 years to expiry** and **3.2 years to break**.
- **Gross retail income** of **£177,750 pax**. Immediate uplift in rent upon settlement of Oxfam and D. Copperfield rent reviews.
- Seeking offers in excess of **£3,650,000 (Three Million, Six Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT. This reflects a **net initial yield** of **6.5%** on the **retail element** and **£225 per sq ft** on the **residential element**. Standard purchaser's cost has been assumed.



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## LOCATION

St Albans is an attractive and historic south east cathedral city located in Hertfordshire, 6 miles (10 km) east of Hemel Hempstead and 25 miles (40 km) north-west of Central London.

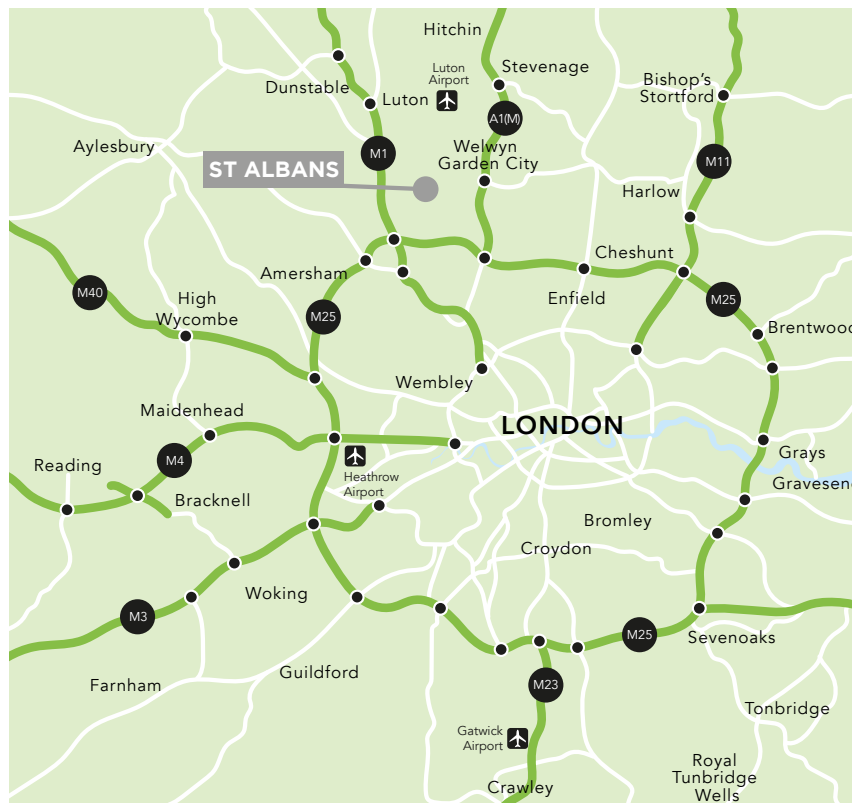
The city is strategically located 4 miles (6 km) from the M1/ M25 interchange providing fast access to the national motorway network and within easy reach of Central London, as well as both Luton and Heathrow airports.

Direct rail links are provided by the Thameslink service into London St Pancras with a journey time of approximately 20 minutes thereby underpinning the city's reputation as an affluent commuter hub to London.

## CATCHMENT & DEMOGRAPHICS

The city has a primary catchment population of approximately 125,000 persons with an estimated shopping population of 163,000. St Albans has experienced steady population growth as working age adults utilise the city's proximity to London as a commuter location.

The population is one of the most affluent within the PROMIS index, ranking 3rd out of 200, with a significantly above average proportion of adults of working age within the most affluent AB social group. Household earnings in the highest income bracket of £70,000 to £150,000+ are significantly over represented in the area.



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## RETAILING IN ST ALBANS

St Albans benefits from a compact retailing core with town centre retail floor space totalling approximately 670,000 sq ft, of which 300,000 sq ft is within the two schemes. St Albans has an above average volume and quality of retail provision. St Peter's Street at the north of St Albans retail offer meets Market Place and Chequer Street with Christopher Place and The Maltings fronting onto both streets respectively. Chequer Street offers a variety of retail and leisure uses with an eclectic mix of national multiple occupiers including **Joules, Fat Face, Hotel Chocolat, Bills, Nandos, Toni & Guy, Ryman, HSBC** and **TSB**.

Christopher Place comprises circa 92,000 sq ft anchored by French Connection and Hobbs with other high calibre retailers represented including **Whistles, JoJo Maman Bebe, The White Company, Cath Kidson, LK Bennett** and **Links of London**. Also represented are **Wagamama's, Carluccio's** and **Zizzi** providing a strong food & beverage offer as well as a 180 space car park.

The Maltings comprises circa 220,000 sq ft of retail space anchored by **Wilko, TK Maxx** and **H&M** as well as a 770 space car park located at the rear of the scheme. Other national retailers represented include **EE, River Island, T.M. Lewin, Crew, Office, Oliver Bonas** and **Swarovski**.



L.K.Bennett  
London

LINKS  
LONDON



WHISTLES

wagamama



Ryman

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## DESCRIPTION

The subject property is a period building and an unbroken parade let to four tenants. The property occupies a very good secondary pitch with nearby tenants including **Nandos, TSB, Toni & Guy, Fat Face, HSBC, Rymans** and **Joules**.

3-5 Chequer Street and 7 Chequer Street are let to D. Copperfield and William Hill respectively and are arranged over two levels, ground floor (sales area) and basement (ancillary accommodation).

Hob Salons at 9 Chequer Street occupies ground, basement and first floors. 11 Chequer Street is let to Oxfam and it is arranged over ground, first and second floors. Both retailers trade from ground floor and use the rest of the space as ancillary accommodation.

The subject property currently has **10 vacant flats** in poor condition above 3-9 Chequer Street. Plans have been provided for a full refurbishment to convert the existing accommodation into 5 two bed flats and 2 one bed flats. **Planning consent is not required for the property.**

## TENURE

Freehold.



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## TENANCIES

Address	Tenant	Areas (sq ft)		Lease Start	Lease Expiry	Rent PAX	Next RR	1954 L&T	Breaks	Service Charge	Rates Payable	Insurance	Landlord Shortfall	Comments
3-5 Chequer Street	DC CLOTHING LTD t/a D.Copperfield	Ground Floor Sales	867	02/08/2013	01/08/2023	£56,750	02/08/2018	Y		£2,129.65	£25,709	£252.25		Rent review is outstanding.
		Ground Floor ITZA	734											
		Basement	703											
7 Chequer Street	WILLIAM HILL ORGANIZATION LTD t/a William Hill	Ground Floor Sales	965	29/09/2005	28/09/2025	£55,000	29/09/2020	Y	29/09/2020	£1,977.44	£19,053	£236.13		
		Ground Floor ITZA	569											
		Basement	437											
9 Chequer Street	HOB SALONS LTD t/a Hob Salons	Ground Floor Sales	510	04/07/2019	03/07/2029	£35,000	04/07/2024	Y	04/07/2024	£1,896.54	£15,138	£197.44		
		Ground Floor ITZA	396											
		Basement	304											
		First Floor	442											
11 Chequer Street	OXFAM t/a Oxfam	Ground Floor Sales	718	27/09/2013	26/09/2023	£31,000	27/09/2018	Y		£2,874.28	£20,880	£271.83		Rent review is outstanding.
		Ground Floor ITZA	492											
		First Floor	758											
		Second Floor	480											
3-9 Chequer Street	10 Vacant Residential Flats	Total Floor area	5,158	-	-	£0	-	-		£5,972.09	£12,924	£762.47	£19,658.56	
		TOTAL	11,342	Total Gross Income		£177,750				£14,850		£1,720.12	£19,658.56	
				Total Net Income		£158,091								
				WAULT To Expiry		5.74								
				WAULT To Break		3.20								



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## COVENANT INFORMATION

**D C Clothing Limited** t/a D Copperfield are an independent retailer selling high end men's wear. As an independent retailer, their financial accounts are limited.

**William Hill Organization Limited** is a subsidiary company of the domestic and global parent company William Hill PLC. The company operates globally employing 16,601 employees worldwide and represents 25% of the market throughout the UK and Ireland with 2,300 betting shops. Dun & Bradstreet rated the company as N1 representing a negative tangible net worth of -£982,800,000 and a minimum risk of business failure. For the financial year ending 26th December 2017 the company reported a sales turnover of £879,900,000, loss before taxes of £230,400,000 and net current liabilities of 2,096,700,000.

**HOB Salons** was founded in 1983 and consists of 25 salons, 8 of which are franchise arrangements. For the financial year ending 30th June 2018, Dun & Bradstreet rated the company 1A2 representing a tangible net worth of £1,008,113 and a lower than average risk of business failure. The company did not report a sales turnover for the most recent financial year however have reported net current assets of £218,835.

**Oxfam** Oxfam is an international confederation of charitable organisations focussed on the alleviation of global poverty. Founded in 1942 the charity has approximately 750 shops across the UK as well as global representation in numerous countries. The organisation received a Dun & Bradstreet rating of 5A1, the highest achievable, representing a tangible net worth of £84,100,000 and a minimum risk of business failure. For the financial year ending 31st March 2018, the charity reported a sales turnover of £427,200,000, loss before tax of £11,500,000 and net current assets of £82,200,000.

## CURRENT INCOME

**Current gross income of £177,750 per annum.**

## RENTAL ANALYSIS

Hob Salons have just agreed a lease renewal at £35,000 reflecting £82 Zone A. We have assumed an ERV of this level to be achieved outstanding rent reviews of Oxfam and D. Copperfield. Upon settlement, the new global passing rent will reflect **c. £200,000 pax** for the retail element.

## PROPERTY MANAGEMENT & SERVICE CHARGE

The property is currently managed by JLL and a service charge budget is in place running until September 2020. The service charge amounts to £14,850 for the current year.



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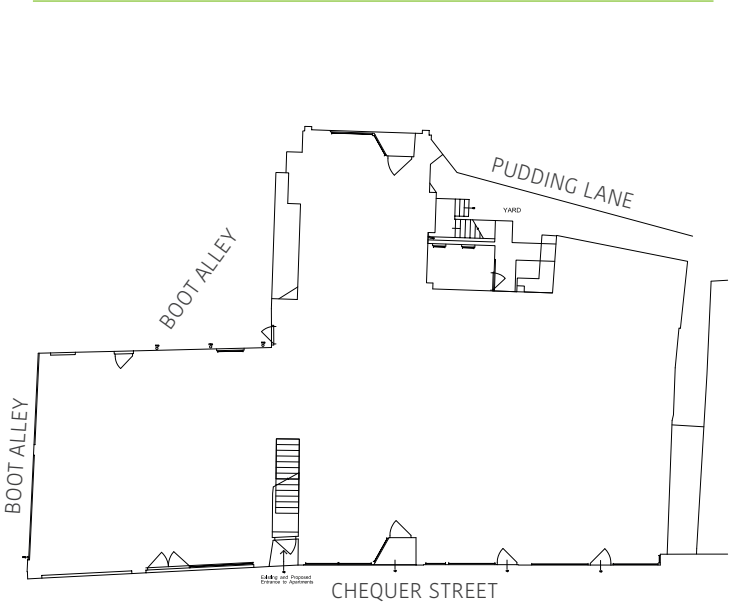
# RESIDENTIAL DEVELOPMENT

St Albans is an excellent commuter town to London with a journey time into St Pancras of 20 minutes. The residential market in St Albans has proved resilient in recent years. Prices within London have been steadily increasing, until recently where they have plateaued, which has caused an influx of young professionals and young families moving to commuter locations.

Research by Savills 2017 further identifies St Albans as one of the areas in Hertfordshire where demand exceeds supply which is exacerbated by the lack of enough development land to meet the need. Furthermore over 20% of new homes sales in St Albans are coming from London meaning that young professionals will consider a potential redevelopment particularly attractive. We believe that a refurbishment scheme will attract values in the region of **£500 - £550 per sq ft**.



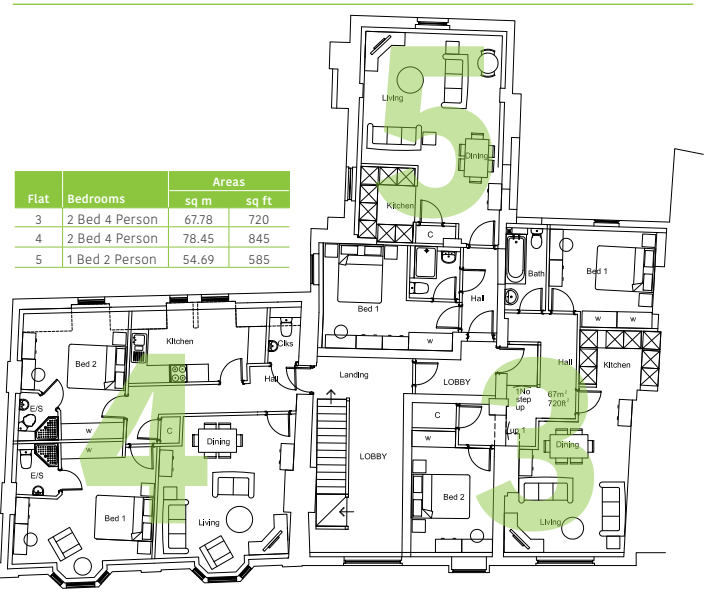
## GROUND FLOOR



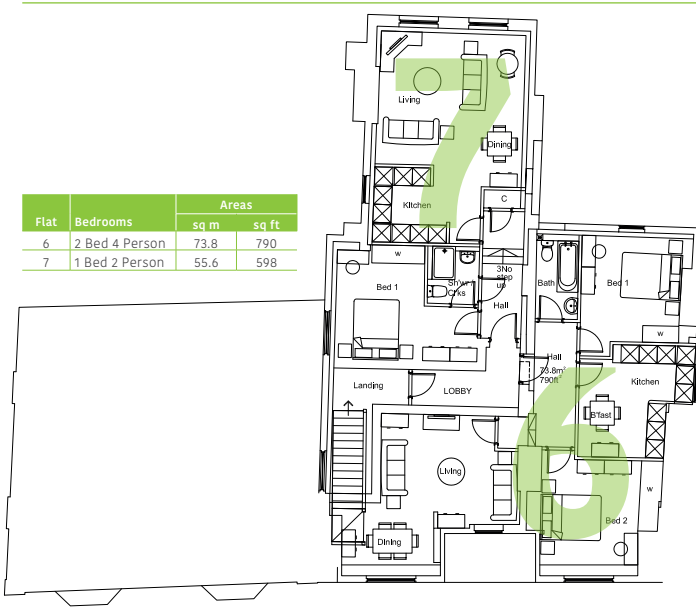
## FIRST FLOOR



## SECOND FLOOR



## THIRD FLOOR



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## ENERGY PERFORMANCE CERTIFICATES

The EPCs and recommendation reports are available upon request.

## VAT

The property has not been elected for VAT.



## PROPOSAL

We have been instructed to seek offers in excess of **£3,650,000 (Three Million Six Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT. This reflects a **net initial yield of 6.5%** on **the retail element** and **£225 per sq ft** on the residential element. Standard purchaser's cost has been assumed.

## FURTHER INFORMATION

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