

# 17-23 CHEQUER STREET

St Albans AL1 3YJ PRIME, WELL SECURED, SOUTH EAST  
RETAIL INVESTMENT OPPORTUNITY





## INVESTMENT SUMMARY

- **St Albans**, an attractive and historic south-east city, is a popular commuter hub, located only 20 minutes via train from London (St Pancras).
- One of the **most affluent** populations ranking **4th** out of 200 comparable PROMIS centres.
- The city has a compact and attractive retailing core comprising circa 670,000 sq ft with a variety of national and 'higher end' retailers including **M&S, Topshop/Topman, H&M, TK Maxx, Boots, White Company, Whistles, Joules, Reiss, Cath Kidston, LK Bennett, French Connection, Crew and Jack Wills.**
- Prominently and centrally located between both the Maltings Shopping Centre and Christopher Place and opposite Fat Face & Joules.
- Let to Nando's Chickenland Ltd (t/a Nando's) and Essensuals Holdings Ltd (t/a Toni & Guy) for a weighted average unexpired lease term of 8 years.
- Current net rent of **£140,000 pax.**
- **Freehold.**
- Offers in excess of **£2,400,000** reflecting a **net initial yield of 5.50%** rising to an **estimated 6.20%** upon settlement of Toni & Guy's rent review.



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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 **157,000 persons** with an estimated shopping population of 86,000. St Albans has experienced **steady population growth** as working age adults utilise the city's proximity to London as a commuter location.

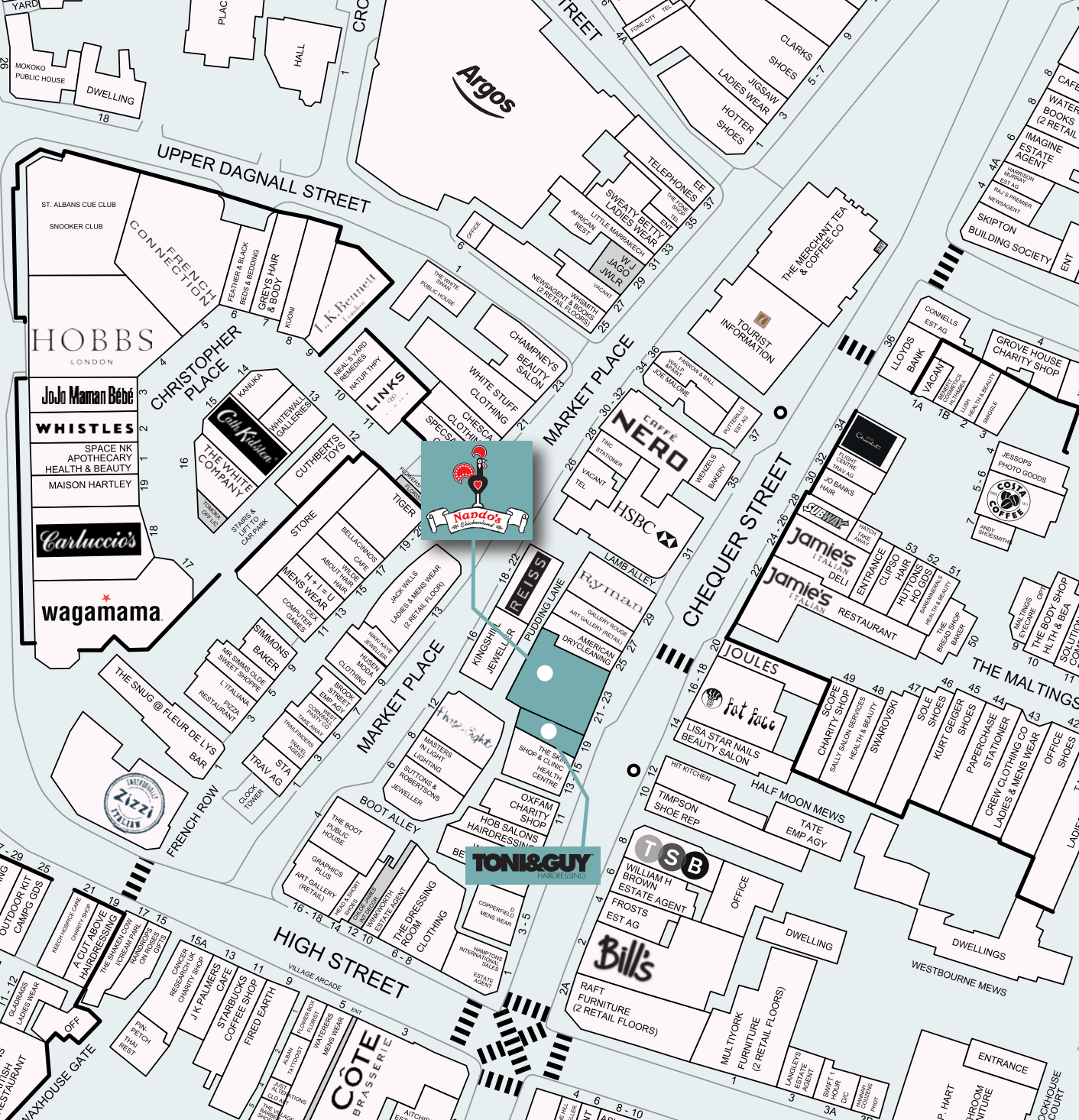
The population is **one of the most affluent** within the PROMIS index, ranking **4<sup>th</sup>** out of 200, with a significantly above average proportion of adults of working age within the most affluent AB social group. Household earnings in the highest income bracket of £70,000 to £150,000+ are 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, 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 Prezzo 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 Top Shop, EE, River Island, T.M. Lewin, Crew, Office, Paperchase, Oliver Bonas and Swarovski.

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# DESCRIPTION

The subject property comprises two retail units arranged over ground, basement, first and second floors. The property occupies a prime location in part of the city's main restaurant circuit, hosting operators including **Bill's**, **Cote**, **Pizza Express**, **The Ivy**, **Prezzo**, **Carluccio's**, **Loch Fyne**, **Wagamama's** and **Thai Square**.

Nando's trade ground and the majority of the first floor as sales. The basement is arranged as a manager's office and other ancillary accommodation. The first floor although predominantly used as an open plan restaurant also accommodates a staff room and toilets. The second floor is predominantly unused ancillary accommodation. Toni & Guy trade the ground floor as an open plan hairdressing salon fitted to the tenant's corporate specification. The basement is used for ancillary purposes. There is a secondary frontage and customer access onto Pudding Lane/Market Place.



# ACCOMMODATION

Tenant	Areas (sq ft)		Comments
Toni & Guy	GFS	805	The ITZA figure allows for a 7.5% negative adjustment for change in floor levels and frontage to depth ratio. The FF is devalued as ancillary accommodation disregarding the tenant's improvement to use as sales.
	GF ANC	69	
	GF ITZA	651 units	
	B	1,585	
Nando's	GFS	1,411	
	GF ITZA	928 units	
	B	435	
	FF	2,039	
	SF	1,446	
Total		7,790	





## TENURE

Freehold.



## TENANCIES

Address	Tenant	Lease Start	Lease Expiry	Rent Pax	Rent Review	Service Charge	Rates Payable	Insurance	Comments
17-19 Chequer Street	<b>ESSENSUALS HOLDINGS LTD</b> t/a Toni & Guy	19/08/2013	18/08/2023	£40,000	24/06/2018	£2,246.31	£20,942	£631.55	The lease is guaranteed by Mascolo Group Limited (02910434). Tenant did not activate their 2018 tenant break option. The 2018 rent review has been triggered.
21-23 Chequer Street	<b>NANDO'S CHICKENLAND LTD</b> t/a Nandos	28/02/2012	27/02/2027	£100,000	28/02/2022	£4,446.53	£53,648	£567.58	
		Total Gross Income		£140,000		£6,692.84	£74,590	£1,199.13	

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## COVENANT INFORMATION

### Essensuals Holdings Limited

t/a Toni & Guy is a franchisee of Toni & Guy International Limited. The company directors include a number of members of the Mascolo family who originally set up the company in 1963. They now operate from nearly 500 salons in almost 50 countries, although a lot of these are franchised out. The franchise company has a Dun & Bradstreet rating of H1 representing a tangible net worth of £2 and a minimum risk of business failure.

The lease is **guaranteed** in its entirety by the ultimate parent company Mascolo Group Limited (02910434). The company has a **D&B Rating of 3A 1** and represents a **minimum risk of business failure**. For the financial year ending 31st August 2016 it recorded a **net worth of £8,968,515**, **sales turnover of £7,537,141** and **profit before tax of £277,477**, up 37.7% from the previous year.

### Nando's Chickenland Limited

t/a Nando's is a casual dining restaurant chain specialising in Portuguese chicken and operates approximately 1,000 outlets in 30 different countries. Dun & Bradstreet rated the company N1 representing a negative net worth of £140,589,000 and a **minimum risk of business failure**. For the financial year ending 26th Feb 2017 the restaurant chain reported a **sales turnover of £646,772,000**, a **profit before tax £87,810,000** and net current liabilities of -£356,177,000.

## CURRENT INCOME

Current income is **£140,000 per annum**.

## RENTAL ANALYSIS

**Toni & Guy's passing rent reflects £61.44 psf Zone A.** The June 2018 rent review has been triggered and a rent of **£57,500 pax** proposed to the tenant reflecting an **ERV of c.£85 psf Zone A**, in line with market evidence. Nando's 2017 rent review has been agreed at nil increase. The passing rent reflects £94.68 psf Zone A. Nando's have made improvements to their premises which have been disregarded at review resulting in the first floor analysed as ancillary accommodation rather than sales.

Upon settlement of Toni & Guy's 2018 rent review at **our ERV** the new global rent will reflect **£157,500 pax**.

## PROPERTY MANAGEMENT & SERVICE CHARGE

The property is currently managed by JLL and a service charge budget is in place running until March 31st 2018 equating to £0.87 psf. The subject property could be managed on an adhoc basis rather than a formal service charge.



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## ENERGY PERFORMANCE CERTIFICATES

17-19 Chequer Street – D83

21-23 Chequer Street – C69

The EPCs and recommendation reports are available upon 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 £2,400,000 (Two Million Four Hundred Thousand Pounds), subject to contract and exclusive of VAT reflecting a net initial yield of 5.50% rising to an estimated 6.2% upon settlement of Toni & Guy's rent review at our ERV.

## FURTHER INFORMATION

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