

#### **INVESTMENT SUMMARY**

- Cheltenham is an affluent and fashionable Regency spa town, located in Gloucestershire
- The property is situated in a **100% prime pitch**, on Promenade
- Attractive Grade II Listed building
- Well configured retail and ancillary accommodation, arranged over ground and first to third floor levels, totalling approximately 355.38 sq m (3,825 sq ft) net internal area
- Freehold
- Let to the excellent covenant of The White Company (UK) Limited (Very Low Risk)
- Total current rental income of £153,750 per annum exclusive
- Seeking offers in excess of £3,150,000 (Three Million, One Hundred and Fifty Thousand Pounds), subject to contract and exclusive of VAT.
- A purchase at this level would reflect a **Net Initial Yield of 4.58%**, allowing for purchaser's costs of 6.47%.





### LOCATION

Cheltenham is an attractive and prosperous spa town, located in Gloucestershire. The town is famous for its Regency architecture and racecourse, and is known as the, "Gateway to the Cotswolds." Cheltenham is located approximately 42 miles north east of Bristol, 68 miles south of Birmingham and 100 miles north west of London.

The town benefits from excellent road communications, with Junction 10 of the M5 motorway located some three miles to the west, providing access to Birmingham, Bristol and the wider UK motorway network.

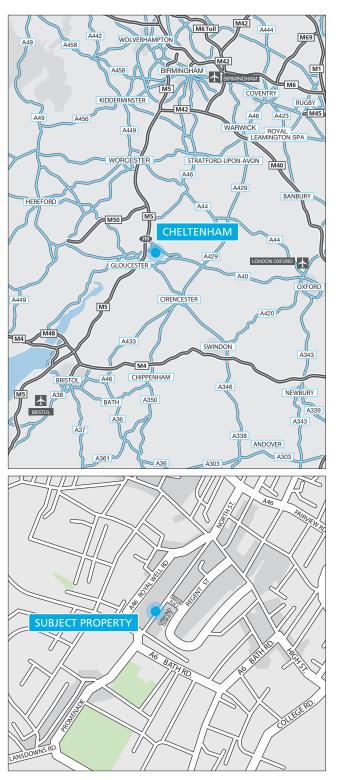
Cheltenham Spa Rail Station provides regular services to London Paddington, with an approximate journey time of just over two hours. There are also services operating to Bristol, Birmingham, Manchester, Newcastle and Glasgow.

Birmingham International Airport and Bristol Airport are both approximately a one hour drive time from Cheltenham.

### **SITUATION**

The property occupies a 100% prime pitch on the attractive eastern side of Promenade. The other main retail and leisure provision in High Street, Regent Arcade and The Brewery Quarter, is within a short walk of the property.

Key retailers in the immediate vicinity include, Hobbs, Jack Wills, Reiss, Jo Malone, Russell & Bromley and Molton Brown.



## **RETAILING IN CHELTENHAM**

Cheltenham has a fashionable and stylish retailing environment, with the prime retail offer focused on Promenade and the High Street.

Regent Arcade is a covered shopping centre, located off High Street with another entrance from Regent Street, which links directly with Promenade, via Ormond Place. Regent Arcade provides some 185,000 sq ft of retail accommodation, with occupiers including H&M, River Island, TK Maxx and Schuh. The 163,000 sq ft House of Fraser department store (Cavendish House), which has an extensive frontage to Promenade, is connected to Regent Arcade via an upper level bridge link, across Regent Street.

The High Street, and Cheltenham generally, will be further enhanced by the arrival of the new 115,000 sq ft John Lewis department store, scheduled to open during Autumn 2018. This store is currently under construction on the site formerly occupied by the Beechwood Shopping Centre.

The Brewery Quarter development on Henrietta Street, to the rear of High Street, opened in 2006, and is anchored by a large Cineworld cinema, with restaurant occupiers including Chiquito's, Nando's and Prezzo. Completion of Phase 2 of the Brewery Quarter has produced a more natural pedestrianised link from the lower High Street to the original Brewery complex.

Due to its attractive and unique environment, Promenade is a highly sought after location for aspirational retailers. In addition to the subject property, occupied by The White Company, other upscale retailers represented on Promenade include, Russell & Bromley, Jack Wills, Hobbs, Jo Malone, Molton Brown and Jigsaw.

# **CATCHMENT & DEMOGRAPHICS**

Cheltenham has an estimated population of approximately 116,500 persons, and an estimated primary catchment population of approximately 382,000 persons. The town has an affluent catchment population with a significantly above average proportion of adults of working age categorised within the Affluent Achievers social group.

The above average local retail and leisure expenditure is also boosted by tourism, with visitor numbers to the town increasing significantly every year, due to the various nationally and globally recognised festivals, including horseracing; the world famous Cheltenham Festival, music, literature, jazz and science.

Major employers in the town include, Chelsea Building Society, UCAS, GE Aviation and Zurich Financial Services.

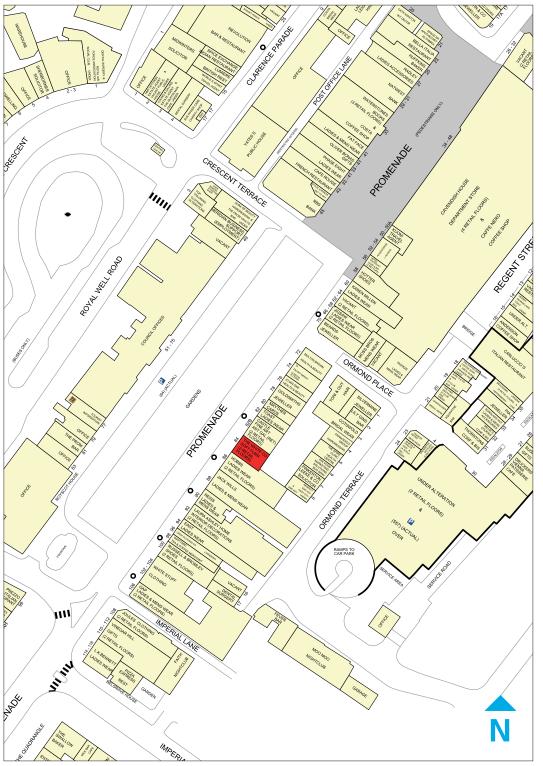
# **DESCRIPTION**

The property comprises an attractive, mid-terraced, period building which has a Grade II Listed status. It is arranged over five levels, providing accommodation at basement, ground and first to third floor levels.

There is a full height glazed shopfront at ground floor level and internally, the ground and first floors provide attractive retailing areas, with high ceilings, fitted out to the tenant's corporate style. Shopper circulation between the ground and first floor levels is afforded by a staircase towards the front of the unit.

A second, main staircase, is provided at the rear of the building and this affords staff access to each floor level, and at ground floor level, leads to a fire escape door and out to a shared rear yard area.

The second and third floors provide ancillary accommodation, comprising a store room, manager's office, kitchen, staff room and separate male and female staff WC facilities on the second floor, with general storage accommodation at third floor level. The basement is largely unused.



### **ACCOMMODATION**

The property has been measured in accordance with the RICS Professional Statement – RICS Property Measurement 1st Edition, May 2015, and provides total accommodation of approximately 355.38 sq m (3,825 sq ft) net internal area.

		sq m	sq ft
Ground Floor	Retail	94.86	1,021
Ground Floor	ITZA	69.16	744
First Floor	Retail	89.27	961
Second Floor	Ancillary	85.10	916
Third Floor	Ancillary / storage	86.15	927
Total Net Internal Area*		355.38	3,825

<sup>\*</sup>Total net internal area excludes limited use basement area of 7.02 sq m (76 sq ft).



# **TENURE**

Freehold.

# **TENANCY**

The property is let to The White Company (UK) Limited, on assignment from Jaeger Holdings Limited (in administration), by way of a 15 year lease, drawn on effective full repairing and insuring terms, commencing on 25<sup>th</sup> March 2004 and expiring on 24<sup>th</sup> March 2019.

The current rent is £153,750 per annum exclusive, reflecting £176.44 per sq ft Zone A.

# **COVENANT INFORMATION**

The White Company (UK) Limited (Company Number 02998082) is a homewares and fashion retailer, trading from 57 UK outlets, including concessions in the likes of Harrods and Selfridges department stores in London. The company also has an international presence, with stores in Ireland (Kildare Village) and in the USA; Fifth Avenue, New York City and The Mall at Short Hills, New Jersey.

For the year ended 26<sup>th</sup> March 2016, The White Company (UK) Limited, reported a Turnover of £184.27 million, a Pre-Tax Profit of £17.24 million and Shareholder's Funds of £23.77 million. The company has been ascribed a Creditsafe rating of 72 A (Very Low Risk).

# **PLANNING**

The local planning authority is Cheltenham Borough Council. We understand the property is Grade II Listed and lies within Cheltenham's Central Conservation Area.

## **VAT**

We understand the property is elected for VAT and therefore VAT will be payable on the purchase price. It is envisaged the sale will be dealt with by way of a Transfer of a Going Concern.

## **EPC**

The property is Grade II Listed and is therefore exempt from requiring an EPC, if works to improve the energy efficiency rating of the building are likely to alter the building's character.

# **INVESTMENT RATIONALE**

- Affluent and stylish location
- 100% prime pitch
- Grade II Listed property
- Well configured retail and ancillary accommodation totalling approximately 355.38 sq m (3,825 sq ft)
- Let to the excellent covenant of The White Company (UK) Limited
- Freehold
- Total current rental income of £153,750 per annum

# **PROPOSAL**

We are instructed to seek offers in excess of £3,150,000 (Three Million, One Hundred and Fifty Thousand Pounds), subject to contract and exclusive of VAT, for the freehold interest in this property.

A purchase at this level would reflect a **Net Initial Yield of 4.58%**, allowing for purchaser's costs of 6.47%.



SUBJECT TO CONTRAC

# **FURTHER INFORMATION**

For further information or to arrange an inspection, please contact the sole agents:

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