



33-35 QUEEN STREET

# OXFORD

OX1 1ER



PRIME CITY CENTRE INVESTMENT WITH SIGNIFICANT DEVELOPMENT POTENTIAL



## INVESTMENT SUMMARY

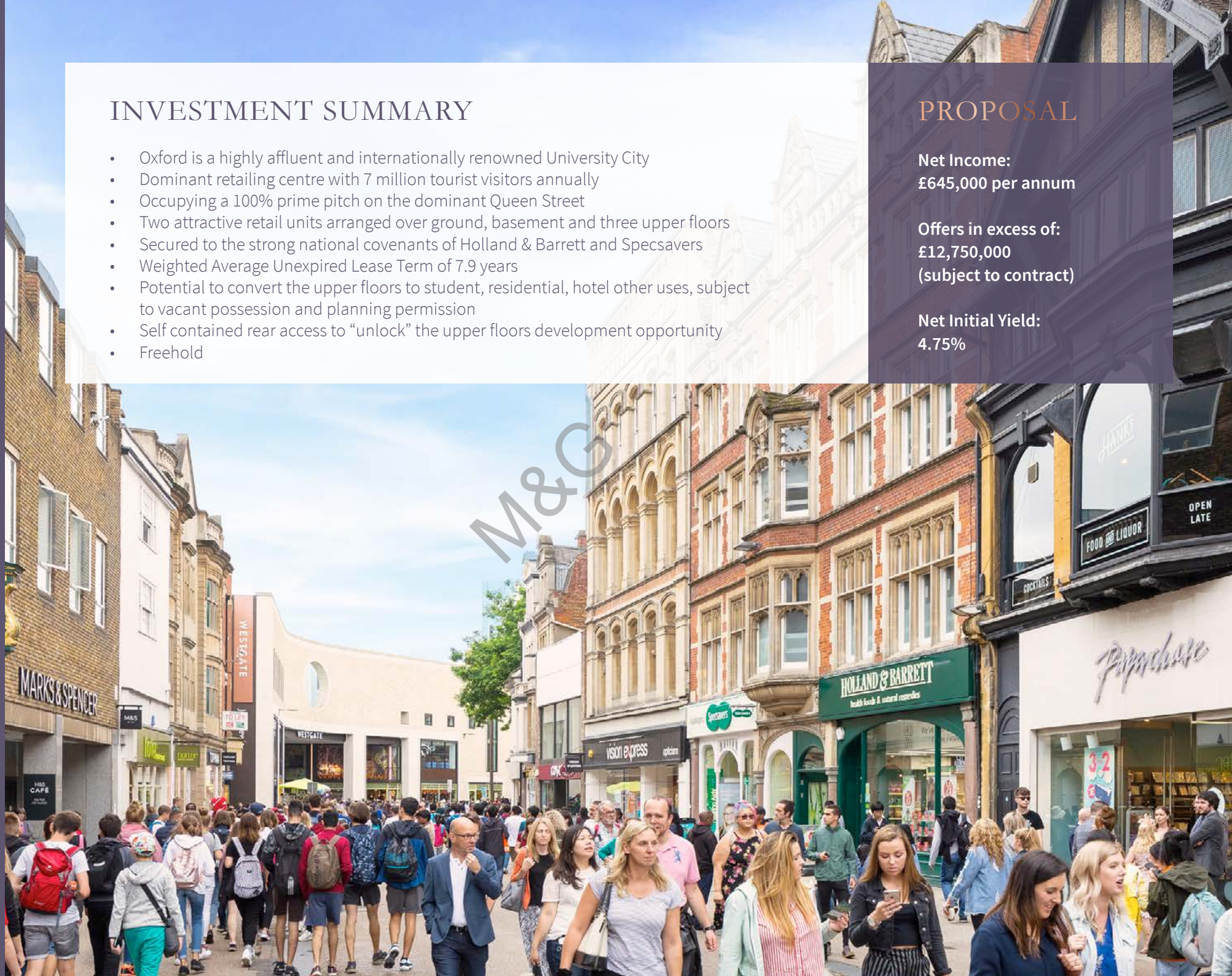
- Oxford is a highly affluent and internationally renowned University City
- Dominant retailing centre with 7 million tourist visitors annually
- Occupying a 100% prime pitch on the dominant Queen Street
- Two attractive retail units arranged over ground, basement and three upper floors
- Secured to the strong national covenants of Holland & Barrett and Specsavers
- Weighted Average Unexpired Lease Term of 7.9 years
- Potential to convert the upper floors to student, residential, hotel other uses, subject to vacant possession and planning permission
- Self contained rear access to “unlock” the upper floors development opportunity
- Freehold

## PROPOSAL

**Net Income:**  
£645,000 per annum

**Offers in excess of:**  
£12,750,000  
(subject to contract)

**Net Initial Yield:**  
4.75%





## LOCATION

Oxford is a historic and internationally renowned University City. It is the premier retail, tourist and administrative centre in Oxfordshire. The city is located approximately 56 miles north-west of Central London, 26 miles north of Reading and 43 miles south-west of Milton Keynes.



Road communications to the city are excellent. Oxford is situated close to the A40 (Dual Carriageway), which affords direct access to the M40 (Junction 8) circa 5 miles to the east and the A34 (Dual Carriageway) connects with Junction 13 of the M4 at Chieveley approximately 25 miles to the south.



The city has a mainline rail station which provides regular rail services to London Paddington with a fastest journey time of approximately 55 minutes.



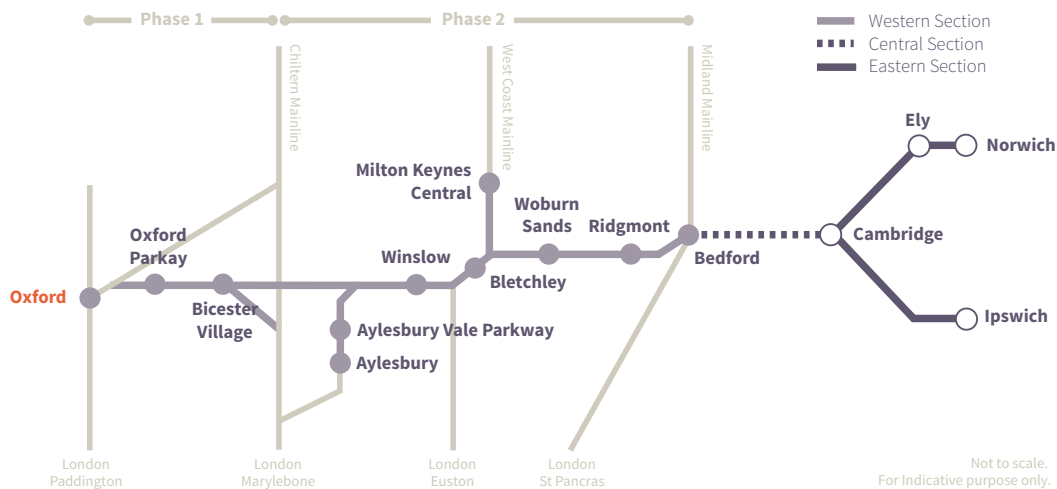
Oxford further benefits from the “Oxford Tube” coach service which provides a 24-hour bus service to London Victoria with a journey time of circa 100 minutes.



London Heathrow Airport is situated 47 miles south east of the city, offering flights to approximately 185 destinations in over 80 countries.

## EAST WEST RAIL

East West Rail is a strategic railway project which, once complete, will create a world class rail link connecting Oxford, Bicester, Milton Keynes, Bedford, and Cambridge. The East West Rail Company are investing approximately £530 million and the project is anticipated to increase the regions GDP by £72.7 million per annum. The first phase of the project is already operational, with the second phase set to complete in 2023.







## DEMOGRAPHICS

Oxford is one of the premier retailing locations in the UK and has a **total population within the Primary Retail Market Area of 328,000**. The city's population is significantly bolstered by tourism and higher education. Oxford is the ninth most visited city in the UK for 'staying visits' from overseas visitors. Oxford City Council reported in 2017 that **approximately 7 million day and staying visitors come to the city each year**, generating an estimated £780 million of income for local Oxford economy. The city is also home to 42,000 students, meaning the proportion of adults in full-time education is higher than any other UK city outside of London.



42,000  
students

Oxford  
University  
contributes  
£2.3 billion  
to the  
Oxfordshire  
Economy



Over  
7 million  
tourist per year



One of the  
most affluent  
catchments in  
the UK

Oxford is forecast to see significantly above average percentage growth in the available pool of retail spending between 2019 and 2022. Reflecting the demographic profile and spending habits of the city, per capita total retail spending levels are above the PROMIS average (Source: CACI).

A large proportion of employment in Oxford is derived from the universities and public sector, with Oxford University contributing £5.8 billion to the UK economy, of which £2.3 billion each year directly back into the Oxfordshire economy. Other sectors including publishing, tourism, hospitality as well as a growing high-tech sector are all supported by a highly-qualified workforce. Major employers in the city include BMW, Unipart Group of Companies and Oxford University Press.



## RETAILING IN OXFORD

City centre retail floorspace in Oxford is estimated at 1.09 million sq ft. The prime retail offer is focused on the pedestrianised Queen Street and within Westgate Shopping Centre. There are a high concentration of major UK multiples in the city including **John Lewis, M&S, Fat Face, The White Company** and **Jo Malone**. The attractive streetscape draws high numbers of international and domestic tourists.

Queen Street’s retailing is complimented by that of Cornmarket and High Street where retailers include **GAP, Boots, Kiehl’s, WH Smith, Jack Wills, LK Bennett, White Stuff** and **Reiss**. Oxford benefits from two managed shopping centres; the Westgate Centre and the smaller Clarendon Centre anchored by **Zara** and **H&M**, which is shortly to be redeveloped.

M&S

The Westgate Centre, anchoring the western end of Queen Street, recently underwent redevelopment by The Crown Estate and Land Securities. The £440 million project has transformed the Westgate Centre; including a five-screen Curzon cinema, a three-storey **John Lewis** anchor, over 100 shops, 25 restaurants, 59 flats, 3 public squares and a car park. The new scheme opened in October 2017 and introduced a number of new brands to the city, such as **Cos, & Other Stories, Gant, Loake** and **Mint Velvet, Next, H&M, Superdry, Schuh** and **Goldsmiths**.

Initial plans are currently underway for a full redevelopment of the Clarendon Centre by its owner Lothbury Investment Management. We understand this will be a mixed use scheme comprising of retail, offices, hotel and student laboratories. A new entrance to the scheme will be created from Shoe Lane and significant improvement will be made to the streetscaping. This will directly benefit the subject property as the rear yard is adjacent to this area as demonstrated on Page 10.





## SITUATION

The subject property is located on the pedestrianised Queen Street, in a 100% prime pitch. The property occupies a prominent position in the centre of Queen Street, situated opposite Marks & Spencer and adjacent to Paperchase and Vision Express. Other retailers in close proximity include:

PRIMARK® H&M THE WHITE COMPANY LONDON TOPSHOP TKMAXX Boots

The property is strategically located on the main retail thoroughfare, between the two main entrances to both shopping centres; the Westgate Centre and the Clarendon Centre.

## DESCRIPTION

The subject property is divided into two retail units, benefiting from the original facade and a steel framed building behind.

**Specsavers (33 Queen Street)** is arranged to provide sales accommodation at ground and first floors, with the basement utilised as a training room with separate access from the rear of the property. The second and third floors are used as ancillary accommodation.

**Holland & Barrett (35 Queen Street)** is arranged to provide sales accommodation at ground and basement, the first is used as ancillary accommodation. The second and third floors are unused.

There is self-contained access to the upper floors from the rear of the property as well as a substantial rear yard, as demonstrated on Page 10.





# ACCOMMODATION

	Basement Sales (sq ft)	Ground Floor Sales (sq ft)	ITZA (Units)	First Floor (sq ft)	Second Floor Ancillary (sq ft)	Third Floor Ancillary (sq ft)	Total (sq ft)
33 Queen Street (Specsavers)	1,676	1,709	798	1,574	1,649	1,187	7,795
35 Queen Street (Holland & Barrett)	1,692	2,293	995	2,207	2,395	2,131	10,718







## ASSET MANAGEMENT OPPORTUNITIES

Demand from national and international students for accommodation in Oxford remains resilient, this has led to an array of new student housing schemes being developed within the city centre. In addition there is also strong demand for residential, office and hotel uses.

We are of the opinion that the separate rear access and under utilised upper floors of the subject property offer a realistic and feasible opportunity for conversion to alternative uses, subject to planning and vacant possession. We are of the opinion that an additional floor can be developed, above the existing structure.

City centre dwelling is a fast growing and attractive market, we have little doubt that the location of the property would provide a great place to live or stay for students or residents.

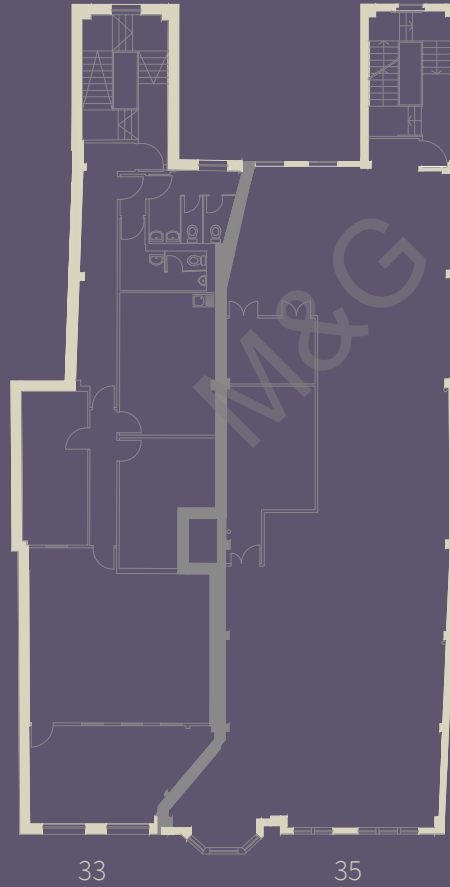


# EXISTING UPPER FLOOR PLANS

For indicative purpose only.



First Floor



Second Floor



Third Floor



# TENURE

Freehold

# TENANCY

The properties are let to the below terms:

**33 Queen Street** is let to Specsavers Optical Superstores Limited on a 15 year lease from 10<sup>th</sup> February 2015, expiring 9<sup>th</sup> February 2030. The passing rent is £270,000 per annum, reflecting a £253 Zone A. The lease is subject to 5 yearly upwards only rent reviews, the next of which being 10<sup>th</sup> February 2020.

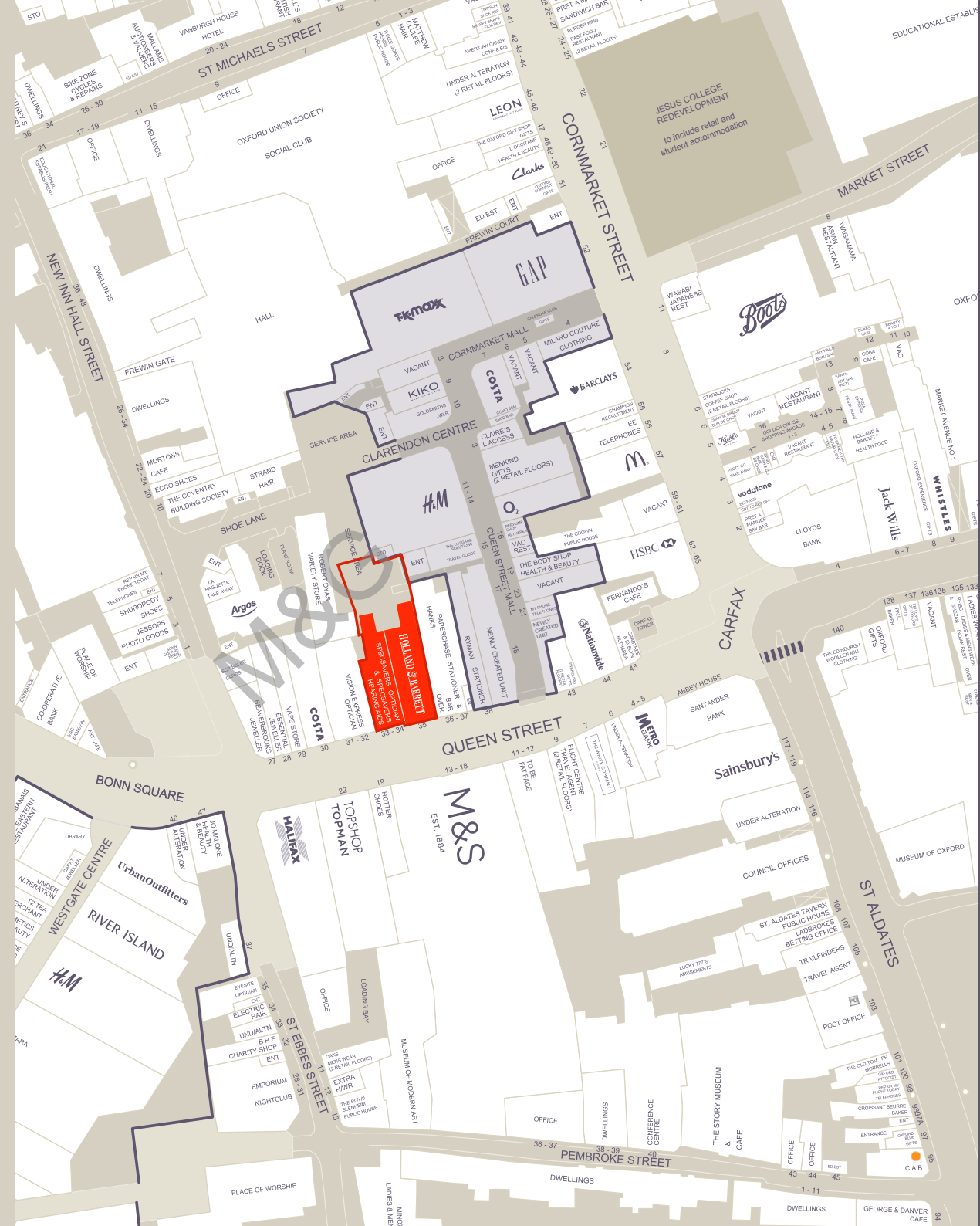
**35 Queen Street** is let to Holland and Barrett Retail Limited on a 10 year lease from 23<sup>rd</sup> September 2015, expiring 22<sup>nd</sup> September 2025. The passing rent is £375,000 per annum, reflecting £277 Zone A. The lease is subject to a 5 yearly upwards only rent review on 23<sup>rd</sup> September 2020.

The property has a WAULT of 7.9 years to both breaks and expiries.

Freehold Demise

Planned Redevelopment

For Indicative purpose only.








## COVENANT

**Specsavers Optical Superstores Limited** (Company No 01721624), part of the Specsavers Optical Group Limited, are the largest retailers of optical goods and services in the UK. The company was founded in 1984 and now trades from 1,978 stores across 10 countries worldwide.

	2018	2017	2016
Turnover	£622,473,000	£716,509,000	£673,564,000
Pre Tax Profit	£20,860,000	£32,772,000	£28,777,000
Net Worth	£76,595,000	£54,000,000	£53,649,000

Specsavers Optical Superstores Limited has a Dun & Bradstreet rating of 5A1.

**Holland and Barrett Retail Limited** (Company No 02758955) is a chain of health food shops founded in 1870. The company now trade from 1,368, with 715 owned stores, the majority of which are in the UK. In addition the company has franchised stores in 16 countries worldwide.

<b>HOLLAND &amp; BARRETT</b>	2018	2017	2016
Turnover	£478,649,000	£416,409,000	£444,127,000
Pre Tax Profit	£66,605,000	£81,776,000	£112,823,000
Net Worth	£299,406,000	£244,129,000	£229,510,000

Holland and Barrett Retail Limited has a Dun & Bradstreet rating of 5A1.





## EPC

EPCs can be provided upon request.

## VAT

The property has been elected for VAT purposes. It is anticipated that the investment sale will be treated as a Transfer of a Going Concern (TOGC).

## PROPOSAL

We are instructed to seek offers for our client's freehold interest in excess of **£12,750,000** (Twelve Million Seven Hundred and Fifty Thousand Pounds) subject to contract and exclusive of VAT. A purchase at this level would reflect a **Net Initial Yield of 4.75%**, after allowing for purchaser's costs of 6.72%.





## FURTHER INFORMATION

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

### JONATHAN HEPTONSTALL

T: +44 (0)207 318 7843

M: +44 (0)7920 020039

[Jonathan.Heptonstall@eu.jll.com](mailto:Jonathan.Heptonstall@eu.jll.com)

### CHRISTOPHER ROBINSON

T: +44 (0)207 087 5624

M: +44 (0)7816 340730

[Chris.Robinson@eu.jll.com](mailto:Chris.Robinson@eu.jll.com)

### ALEX COUSINS

T: +44 (0)203 147 1375

M: +44 (0)7525 824660

[Alex.Cousins@eu.jll.com](mailto:Alex.Cousins@eu.jll.com)

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