

**10-20 HIGH STREET OLDHAM OL1 1JA**



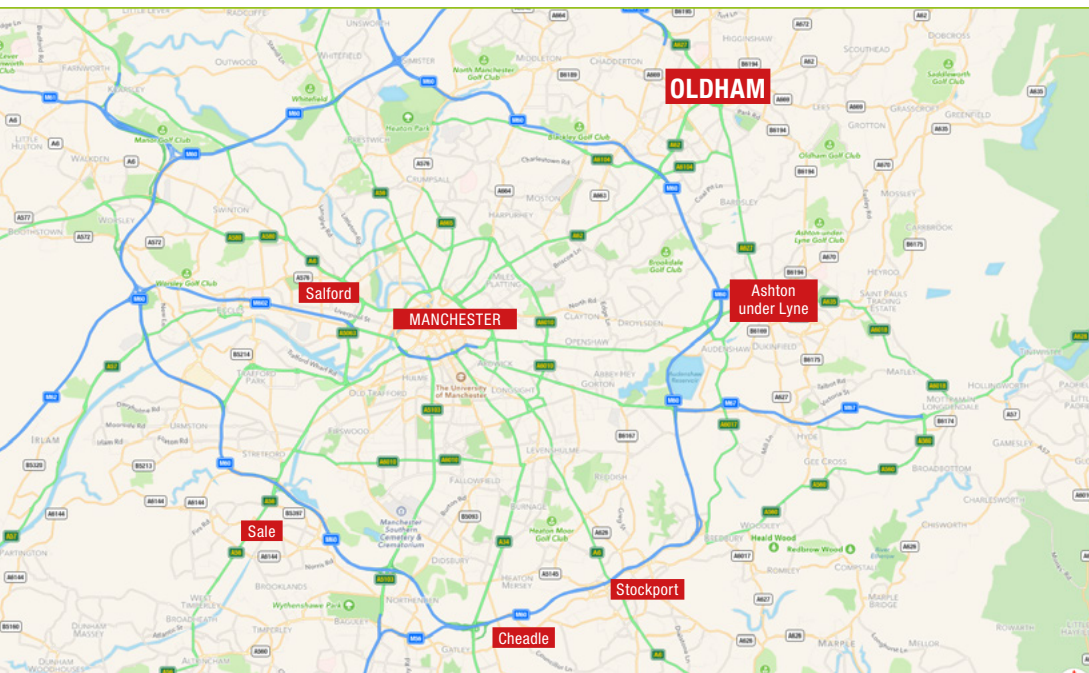
**freehold, high yielding, retail investment opportunity**



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## Investment Summary

- A **prime** retail investment, on the High Street within close proximity to **The Spindles Town Square Shopping Centre**.
- An established retailing pitch where national retailers include **Primark, Top Man, Poundland, Sports Direct, Card Factory, Holland & Barrett, Shoe Zone** and **Brighthouse**.
- Well secured to **Heron Foods Ltd, Thomas Cook Travel Ltd** and **William Hill Organisation Limited**.
- Average Weighted Unexpired Lease Term (**AWULT**) of **6 years** to expiry.
- **Freehold**.
- Total rent of **£230,550 pax**.
- Offers in excess of **£2,170,000** (Subject to Contract & exclusive of VAT) which reflects an attractive **Net Initial Yield** of **10%** assuming purchaser's costs of 6.32%.



## Location

Oldham, together with several smaller surrounding towns, is part of the Metropolitan Borough of Oldham of which it is the administrative centre. The town is located within the Greater Manchester conurbation, situated some 9 miles (14 km) north-east of Manchester City Centre, 35 miles (56 km) south-west of Leeds and 96 miles (154 km) north of Birmingham.

Oldham benefits from excellent road communications being located on the A62 trunk road which links directly to the M60, Manchester's orbital motorway. The M60 provides further access to the M56, M61, M62 and M66 as well as the rest of the UK's motorway network. In addition, Oldham is accessed from London Euston by rail via Manchester Piccadilly in a fastest journey time of 2 hours 52 minutes. Manchester International Airport, the third busiest in the UK, is located 27 miles (43 km) south-west of the town.

## Demographics & Economy

The town has a total population within its primary retail catchment of **236,000 persons** and an estimated shopping population of **119,000**. Oldham's town centre contains the highest concentration of retailing, cultural facilities and employment in the Metropolitan Borough of Oldham. The town has been extensively redeveloped in recent decades with The Spindles Town Square Shopping Centre providing one of the largest covered retail areas in Greater Manchester.

Oldham's economy was heavily dependent on manufacturing, especially textiles and mechanical engineering. These have since been replaced by the publishing, health care and food processing sectors albeit factory generated employment retains a significant presence.





### Retailing in Oldham

The town centre retail floor space in Oldham is estimated at **840,000 sq.ft.** The town's retail offer is focused on the pedestrianised Market Street/High Street, where the subject property is located and within the Spindles Town Square Shopping Centre.

The Spindles Town Square provides approximately 460,000 sq.ft. of retailing accommodation and is owned by Kennedy Wilson. The scheme is arranged over three levels and anchored by **Debenhams, BHS** and **Boots** as well as two multi-storey car parks with approximately 1,095 spaces. Other national retailers in

occupation include **O2, Clarks, WHSmith, EE, Costa, Top Man, H&M, Three** and **River Island.**

As well as High Street/Shopping Centre retail, Oldham benefits from two retail parks within its primary catchment; Elk Mill Retail Park and Alexandra Centre Retail Park. National retailers represented in these out of town locations include **Argos, Boots, Carpetright, Carphone Warehouse, DW Sports, KFC, Maplin, Next, Pets At Home, Home Bargains, Matalan** and **Pure Gym.**



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## Oldham Regeneration

Oldham's old town hall at Parliament Square is currently being redeveloped by Oldham Metropolitan Borough Council. The scheme will comprise an 800 seat, **seven screen cinema (ODEON)** and **six restaurant units** ranging from 2,500 sq. ft. - 6,000 sq. ft. **Nandos** and **GBK** are both rumoured to have agreed pre-lets while the development is scheduled to fully open in **September 2016**. This will have a positive effect on the subject property as it will encourage footfall from The Spindles Town Square Shopping Centre down the High Street to the new cinema and restaurants.

## Situation

The subject property is located on the pedestrianised High Street which links Market Place and the main entrance to The Spindles Town Square Shopping Centre. Accordingly, the holding benefits from strong footfall.

National retailers present on the High Street/Market Place include **Primark, Sports Direct, Poundland, Thomson, CEX, McDonalds** and **Barclays**.

## Tenancies

Address	Tenant Name	Rent (£pax)	Area Analysis (sq ft)					Start Date	Expiry Date	Outstanding/ Next Rent Review	Next Break	WULT	Service Charge & Ins	Rates Payable	Comments
			GFS	ITZA	Bsmt	1st	2nd								
10 High Street	Thomas Cook Travel Ltd	£61,900	1,145	774	990	739	730	12/09/13	11/09/18	-	-	2.56	-	£29,333.50	
12/16 High Street	Heron Foods Ltd	£55,000	2,618	1,566	1,950	2815*	-	10/10/13	09/10/23	10/10/18	-	7.64	£8,691.47	£66,062.00	
18 High Street	William Hill Organization Limited	£68,650	1,092	740	1,295	1,099	-	12/10/07	11/10/27	12/10/12	12/10/22	11.65	£4,096.36	£28,840.50	Rent review outstanding.
20 High Street	SRC Transatlantic Limited	£45,000	1,219	785	1,182	1,233	-	21/10/11	20/10/21	-	21/10/16	0.67	£4,319.18	£28,840.50	Tenant has served a break notice to determine the lease on 21/10/2016. Tenant rent deposit of £22,500 (Excl of VAT).
Total		£230,550	18,107 sq. ft.										£17,107		

\* G&P unable to measure and relied on vendor's areas.



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## The Property

The property comprises four retail units fronting onto the pedestrianised High Street. 12-20 High Street is modern in appearance and is arranged over basement ground and first floors. 10 High Street has a period frontage and is arranged over basement, ground and two upper floors.

A service yard to the rear of the units can be accessed from Ashcroft Street.

## Accommodation

The property provides an approximate total net floor area of **1,682 sq.m (18,107 sq.ft.)**.

## Tenure

**Freehold.**

*NB. The vendor was granted rights to utilise the service area to the rear (contained in a Deed of Grant dated 09/01/1984).*

## Covenant Strength

Company Name	D&B Rating	Financial Year	Sales Turnover	Profit/ (Loss)	Tangible Net Worth
Heron Foods Ltd	4A 2	27/12/14	£255,138,454	£1,908,478	£28,145,411
Thomas Cook Travel Ltd	N1	30/09/14	£124,164,000	(£88,633,000)	(£59,550,000)
William Hill Organization Limited	N1	30/12/14	£895,275,000	£284,209,000	(£685,427,000)

## Current Income

The current net contracted income is **£230,550 per annum exclusive**. There is currently no landlord shortfall.

## Property Management & Service Charge

The property is currently managed by JLL. The service charge for the subject property is operated under a single schedule with the tenants having apportioned percentage contributions based on each occupier's Gross Internal Area.

The service charge is in relation to 12-20 High Street to cover costs in relation to the service yard to the rear. The current service charge year runs from **1st April 2016 to 31st March 2017** and the present budget amounts to **£17,107 (£1.18 per sq.ft.)**. The service charge for the previous year ending 31st March 2016 amounted to £10,296 (£0.71 per sq. ft.). Further details are available upon request.



## EPC

EPC's are available upon request.

## VAT

The property has not been elected for VAT.

## Proposal

We have been instructed to seek offers in excess of **£2,170,000 (Two Million, One Hundred and Seventy Thousand Pounds)**, Subject to Contract & exclusive of VAT, which reflects a net initial yield of **10%**, allowing for purchaser's costs of 6.32%.

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## **Further Information**

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