

Chelmsford 55 High Street CM1 1DH

Prime Freehold Retail Investment

Moss Bros



BLANCHFLOWER LLOYD BAXTER
Retail Property Consultants



INVESTMENT CONSIDERATIONS

- Chelmsford is one of the most important retailing centres in Essex.
- Situated on prime pedestrianised High Street.
- Well secured to a major multiple retailer.
- Excellent growth prospects.



LOCATION

Chelmsford, the county town of Essex, is a powerful retailing centre in addition to being the commercial and administrative centre for the County. The town is strategically located 30 miles north east of London and serves as an important commuter town for the City of London.

Chelmsford enjoys an impressive road network being located by the A12 which leads directly to the M25, while the M11 is just 12 miles to the west. There is a direct mainline railway service from Chelmsford to London Liverpool Street with an approximate journey time of 32 minutes running seven services per hour at peak times.

Chelmsford has a primary catchment population of approximately 385,000, with over 60% of this catchment considering the town to be their main shopping destination. The town boasts an affluent population compared to the national average with 63% classed within the ABC1 profile compared to a UK average of 54%. [Source: PROMIS]

RETAILING IN CHELMSFORD

Chelmsford provides approximately 1.16m sq ft of retail floor space which is in line with similar sub regional centres in the UK. The core shopping thoroughfare runs along pedestrianised High Street, anchored at either end by two shopping centres, High Chelmer and The Meadows. The best pitch sits between the two schemes. The town boasts an array of major national retailers including Debenhams, Marks & Spencer, BHS, New Look, Gap, Topshop, Next and River Island.

Chelmsford Council has set in place a Town Centre Action Plan which seeks to add an additional 750,000 sq ft of retail accommodation to the town centre by 2021. This is led by the 400,000 sq ft Bond Street project, anchored by John Lewis and due to open in late 2014. In time the Action Plan is expected to further elevate the town's stature as one of the South East's premier retailing destinations.

SITUATION

The property lies in a prime retailing location directly opposite the entrance to the Meadows shopping centre. Nearby retailers include Marks & Spencer, Boots Opticians, Monsoon and Fat Face.

DESCRIPTION

The property is of brick built construction under a flat roof.

The premises comprise a ground floor shop with first floor sales and ancillary accommodation and second floor storage.

The property has the benefit of rear servicing.

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COVENANT INFORMATION

Moss Bros Group PLC is a leading suit and formal wear retailer, with 128 stores across the United Kingdom.

Moss Bros Group PLC reported the following last three years results:

	Consolidated GBP 28 Jan 2012	Consolidated GBP 29 Jan 2011	Consolidated GBP 30 Jan 2010
Sales	101,151,000	136,438,000	128,737,000
Turnover			
Profit/ (Loss) Before Taxes	900,000	(7,504,000)	(6,655,000)
Tangible Net Worth	33,272,000	25,595,000	32,114,000
Net Current Assets	25,546,000	10,889,000	13,840,000

Moss Bros Group PLC has a Dun & Bradstreet rating of 4A1 indicating a 'minimum' risk of business failure.

ACCOMMODATION

The property has the following approximate dimensions and net internal areas:-

	Imperial	Metric
Gross Frontage	24'3"	7.39 m
Net Frontage	20'8"	6.30 m
Ground Floor Sales	1,017 sq ft	94.48 sq m
ITZA	644.5	-
First Floor Sales	780 sq ft	72.46 sq m
First Floor Staff	227 sq ft	21.09 sq m
Second Floor Storage	500 sq ft	46.45 sq m
Total (NIA)	2,524 sq ft	234.48 sq m

TENURE

Freehold.

TENANCY

The entire property is let to Moss Bros Group PLC on a 10 year full repairing and insuring lease from 28 September 2011 (approximately 8.5 years unexpired) at a current rent of £120,000 per annum. The lease is subject to 5 yearly upward only rent reviews, with the next review due on 28th September 2016. The tenant has an option to break on 28th September 2016 subject to six months prior written notice.

PLANNING

We understand that the property is not listed, but is situated in Chelmsford's Central Conservation Area.

VAT

The property is elected for VAT.

RENTAL VALUE

We devalue the current rent passing of £120,000 per annum to a Zone A rate of £172 per sq ft after making allowances of 5% for shape. This devaluation assumes A/12 to the first floor sales area £8.50 per sq ft to the first floor staff and storage and £4.25 per sq ft to the second floor storage.

Notwithstanding the current economic climate, as with other affluent centres, rents in Chelmsford have remained remarkably robust.

With the expectation of John Lewis coming to the town we would anticipate that an investor should expect to see excellent rental growth off the current rent.

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EPC

An EPC for the property is available upon request.
The property achieved a rating at level 'C'.

PROPOSAL

We have instructions to seek offers in excess of **£1,900,000 (One Million and Nine Hundred Thousand pounds)** subject to contract and exclusive of VAT for our client's freehold interest. A purchase at this price would show an investor a net initial yield of **6%** assuming normal purchasers costs of 5.8%.

FURTHER INFORMATION

For further information please contact:-

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SUBJECT TO CONTRACT

Disclaimer

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April 2013.

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