

PRIME, FREEHOLD, WELL SECURED, RETAIL INVESTMENT OPPORTUNITY

# 7-8 EAST STREET **CHICHESTER** **P019 1HE**



green&partners



## Investment Summary

- An **affluent, historic Cathedral City** and **popular retail and tourist centre** which is projected to see **significantly above average growth** in **retail spend** and **population** in the next few years.
- A **rare opportunity** to acquire a prominent asset on the 100% prime, pedestrianised East Street.
- A **substantial, well configured building** of 3,931 sq ft (838 m<sup>2</sup>).
- **Secured to Poundland Limited on a new 5 year lease from May 2021.**
- **Freehold.**
- Potential to convert the upper parts for alternative use, subject to vacant possession and planning permission.
- Rebased rental of **£135,000 per annum** (£80 Zone A).
- Passing rent represents an approximate discount of 60% to the historic peak tone.

We are seeking offers in excess of **£1,815,000 (One Million, Eight Hundred and Fifteen Thousand Pounds)** Subject to Contract and Exclusive of VAT, reflecting a **net initial yield of 7%**, allowing for graduated purchaser's costs.





## Location

The Cathedral City of Chichester is an attractive, historic and thriving retail centre. It is the County Town for West Sussex and lies approximately 68 miles (109km) south-west of London and 32 miles (52km) west of Brighton.



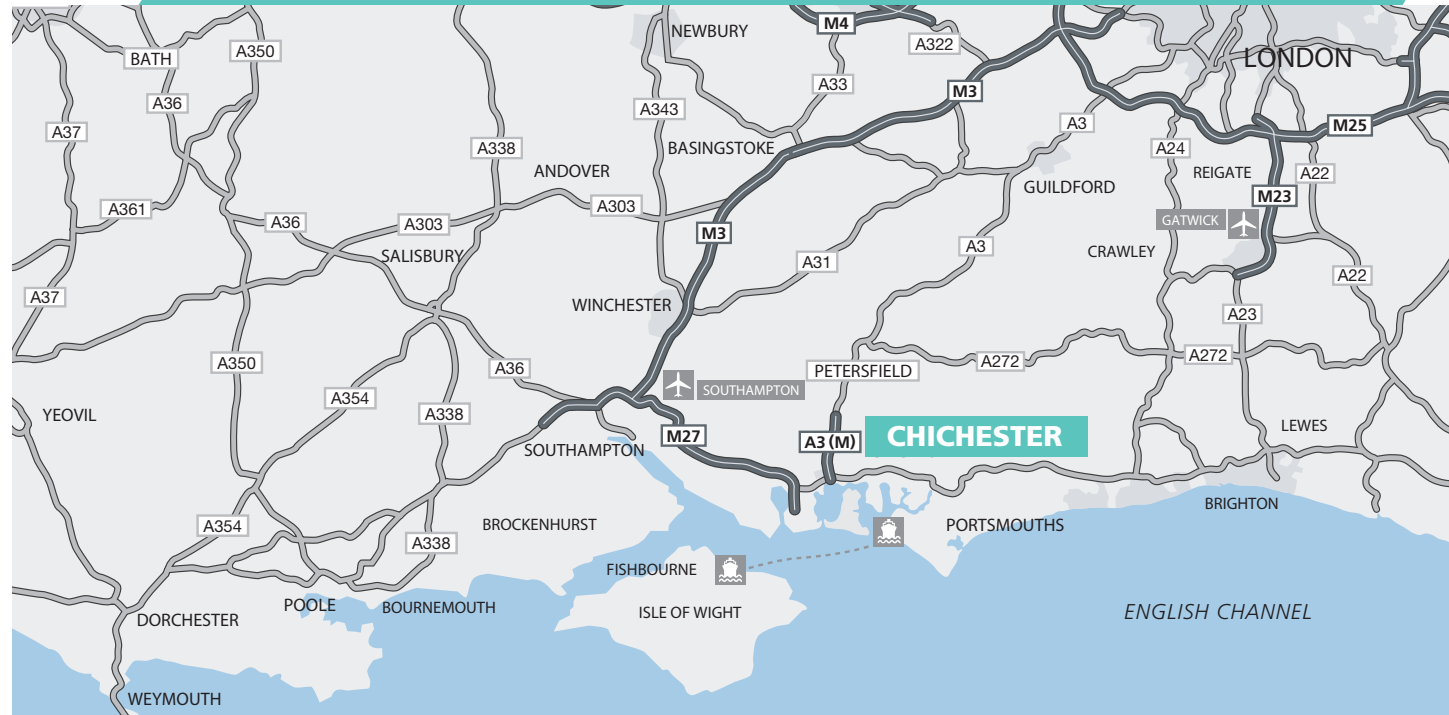
Chichester benefits from excellent road communications being situated close to the A27 dual carriageway which links the city with Brighton to the east and Portsmouth to the west. The A3, approximately 13 miles (21km) to the west, provides fast and direct access to London and the M25 motorway.



Chichester is served by a frequent local and mainline railway providing services to London Victoria (1 hour 30 minutes), as well as Southampton and Brighton.



London Gatwick Airport is located approximately 44 miles (71km) to the north-east.





## Demographics

Chichester has a **catchment population** of approximately **127,000** and is projected to see **significantly above average population growth between 2020-2025**. The city also benefits from one of the most **affluent catchments** with a significantly above average proportion of adults in AB and C1 social groups.

In addition, the city attracts a **significant number of tourists**. These statistics put the city ahead of other major popular tourist locations such as Canterbury and Stratford upon Avon.

The retail offer in Chichester is focused on the attractive East Street and North Street, intersecting at Market Cross. **Retail floor space provision is estimated at 730,000 sq ft** and the city has **above average quality of retail** provision relative to the size of the shopping population. There is **no covered shopping centre** within Chichester and the **out of town provision is principally limited** to bulky goods operators with limited scope for future development. As a result, Chichester benefits from strong occupational demand and one of the **lowest vacancy rates** in the UK.

## Situation

Located in a **100% prime retailing pitch** on Chichester's pedestrianised East Street the property is situated in close proximity to its' intersection with North Street which is considered the most desirable location within the city centre. National retailers in close proximity include **Mark & Spencer, NatWest, Lloyds Bank, Superdrug, Pret a Manger, Fat Face, Joules, HSBC, Jigsaw, Mint Velvet** and **Pandora**.









## Description

Comprising **large** and **regular floorplates** and arranged over ground, first and second floors, the unit is considered a relative rarity in Chichester which lacks larger store opportunities. The subject property is not listed but does sit within Chichester's conservation area.

## Accommodation

	Sq ft	Sq m
Ground Floor (Sales)	3,931	365
Ground Floor (ITZA)	1,441 units	
Ground Floor (Ancillary)	371	34
First Floor (Ancillary)	4,212	391
Second Floor (Ancillary)	522	48
<b>Total</b>	<b>9,036</b>	<b>838</b>

## Tenure

**Freehold.**

## Tenancy

The entire property is let to **Poundland Limited** on a **Fully Repairing and Insuring** Lease from 1st May 2021, expiring on 30th April 2026 (**4.75 years unexpired**).

The tenant was granted a rent free period of 6 months (taken as 12 months at half rent). This will be topped up by the vendor.





## Current Income Pax

Current passing rent of **£135,000 pax.**

## Rental Commentary

We devalue the rent to £80 Zone A (£76 Zone A net), assuming A/20 at Ground Floor Ancillary, A/20 at First Floor, and A/40 at Second Floor.

The prime historic rental tone peaked at approximately £190 Zone A. The passing rent represents a 58% discount to the historic peak. We believe there are excellent prospects for rental growth from this re-based, post COVID level.

## Covenant

**Poundland Limited (Reg. No: 02495645)**

The most recent accounts for the financial year ending 29/09/2019 are reported below:

Financial Year End	29-09-2019
Turnover	£1,543,234,000
Pre-Tax Profit	£18,465,000
Total Assets	£626,255,000
Working Capital	£151,723,000
Delphi Score	100 / 100
Delphi Band	Very Low Risk

Poundland are regarded as one of the most robust retailers on the High Street. Of their 917 stores, only 44 closed during the government enforced COVID 19 Lockdown in 2020-21. The majority were considered 'essential retail'.

Poundland owner Pepco have reported a 47% surge in half year profits for H1 2021. Half year revenue rose 4.4% and like for like sales 1.4%.







## VAT

The property has been elected for VAT.

## EPC

The property has an EPC rating of D86.

## Anti Money Laundering

In order to comply with anti-money laundering legislation, the preferred purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

## Proposal

We are seeking offers in excess of **£1,815,000 (One Million, Eight Hundred and Fifteen Thousand Pounds)**, Subject to Contract and Exclusive of VAT, reflecting a **net initial yield of 7%**, allowing for graduated purchaser's costs.

## Further Details

For further information or to arrange inspection please contact:

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