

A PRIME, SUBSTANTIAL, UNBROKEN FREEHOLD
RETAIL PARADE INVESTMENT

CHESTER

39 – 69 (ODD) FOREGATE STREET, CH1 1HD



green&partners

WITH RE-DEVELOPMENT POTENTIAL OCCUPYING A 2.4 ACRE
CITY CENTRE SITE WITH AN EXTENSIVE RETAIL FRONTAGE

INVESTMENT CONSIDERATIONS

A prime, substantial, multi-let, retail investment property occupying a 2.4 acre city centre site with an extensive 286ft (87.24m) frontage onto Foregate Street.

- **Freehold**
- The **Cathedral City of Chester** is one of the **UK's premier retailing destinations** and the **commercial** and **administrative centre** for Cheshire.
- The city is recognised for its historical and architectural appeal with a **unique shopping environment** and a high level of tourist visits and **spend**.
- **Affluent population** which is projected to see **above average growth** over the period 2020-2025.
- A **substantial, unbroken, retail parade of 7 properties** comprising 162,840 sqft (15,128m²), located opposite **Primark, Marks & Spencer, Holland & Barrett, McDonalds** and **Deichmann** with **Wilko** and **River Island** nearby and a large **Tesco** food store and car park to the rear.
- **65.56%** of the gross income secured to the **undoubted covenant** of **Boots UK Ltd** for a further **6.25 years** and **100% of total income** secured to **national covenants** including **Blacks, Santander, Betfred** and **Cancer Research**.
- **Included within the ownership is the prime re-development/refurbishment opportunity of the currently vacant former Bhs** comprising **79,227sqft (7,360m²)** arranged over **4 floors**.
- Current gross income of **£1,182,175** per annum and a net income of **£1,134,052** per annum.
- **WAULT** of **5.04 years** to lease expiries and **4.72 years** to tenant break option.



Offers in excess of **£13,100,000** subject to contract and exclusive of VAT for the benefit of the freehold interests. This reflects a current **net initial yield of 10%** on the income producing element assuming **£2,500,000** subject to contract for the vacant former Bhs. **The capital value per sqft for the entire site is a lowly £80.40**

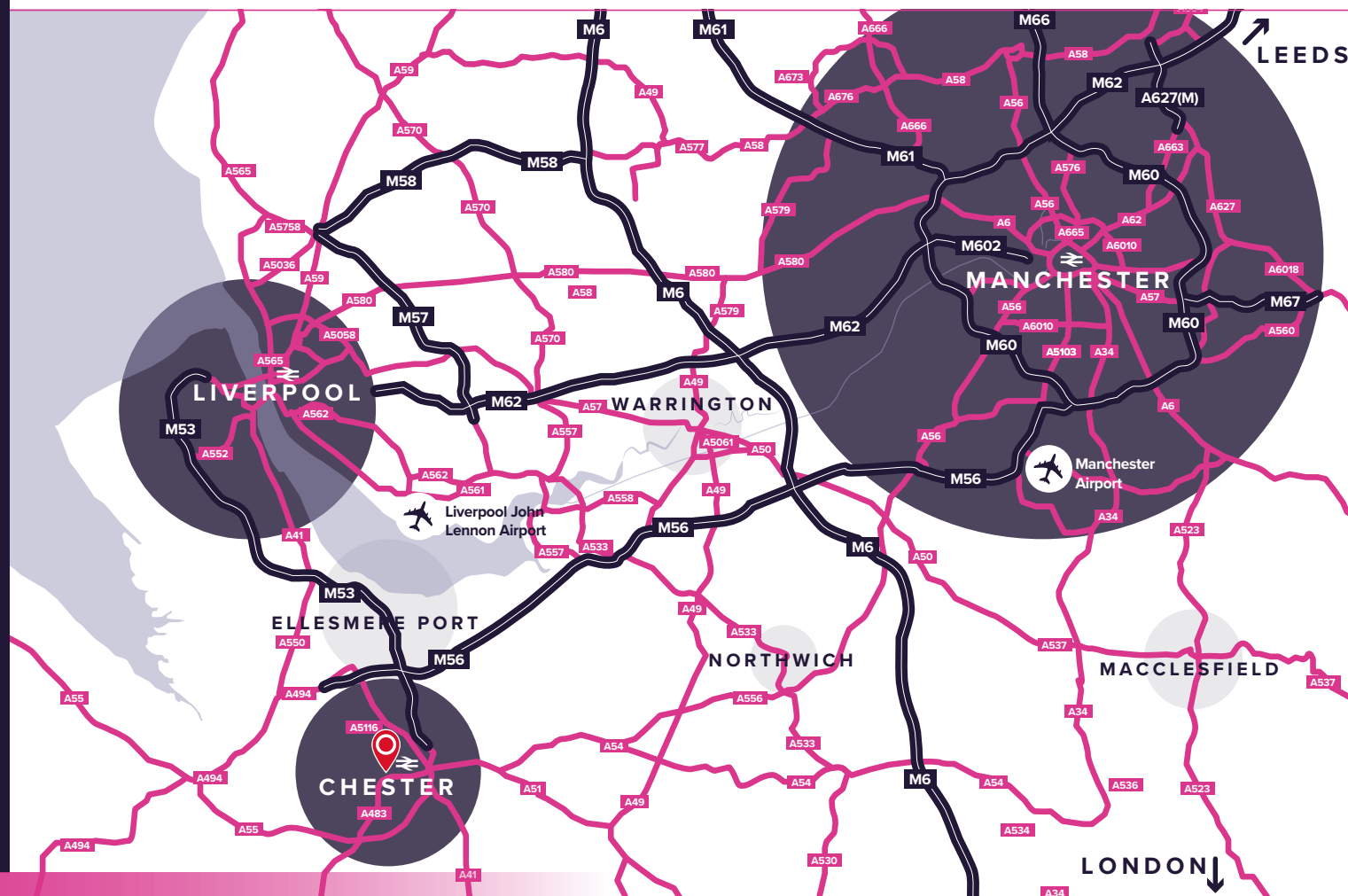


LOCATION

The cathedral city of Chester...

is one of the premier retailing destinations within the UK and the commercial and administrative centre for Cheshire. The historic Roman Town was granted city status in 1541 and is one of the best preserved walled cities in Britain. The city is recognised for its historical and architectural appeal with the distinctive and unique feature of 'The Rows' creating one of the most attractive shopping environments in the UK.

The city is located in the north west of England approximately 20 miles (32 km) south of Liverpool, 35 miles (56 km) south west of Manchester and 205 miles (332 km) north west of London.



Chester benefits from exceptional communications

ROAD



The city's ring road (A55) provides access to Junction 12 of the M53, only 3 miles (4.8 km) east of the city centre, connecting the M56 and the rest of the national motorway network.

RAIL



Chester benefits from a direct rail service to London Euston, with the fastest journey time of 2 hours. Liverpool Lime Street and Manchester Oxford Road Stations are easily accessible, with journey times of 45 minutes and 1 hour 10 minutes respectively.

AIR



Manchester International Airport is 35 miles (56 km) to the north east and Liverpool John Lennon Airport is 24 miles (38 km) to the north.

TOWN HALL

CHESTER CATHEDRAL

BUS INTERCHANGE

39-69 FOREGATE STREET

TESCO

RIVER ISLAND

VACANT
FORMER BHS

BOOTS

WILKO

M & S

PRIMARK



DEMOGRAPHICS



1.3m people
live within 30-minute
drive of Chester

Chester has a
**Primary Retail
Market Area of
328,000**
and a **Consumer
Base of
220,000**

Chester is projected to see
**above average growth in
population** over the period
2020-2025

Volume of **total retail spend**
forecast to see **above
average growth** in the
period 2020-2025



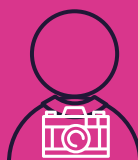
Significantly above average
representation of the
most affluent
AB social
group



Chester's total retail
expenditure reached
£1.85bn
in 2020



Online exposure
lower
than the Regional
Centre average.



14 million tourists
visited Chester City



36.4 million
visiting Cheshire West and Chester

£2.12bn =

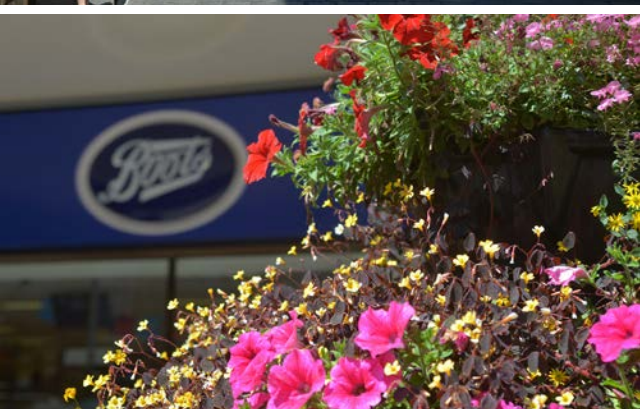
Total of economic impact
of the visitor economy in
Cheshire West and Chester

Chester Zoo is one of the UK's
most visited attractions with
2.1 million visitors in 2020



**Growing
£30bn**

Cheshire
regional
economy

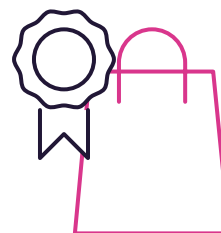


RETAILING IN CHESTER

Chester is one of the premier retailing destinations within the north of England with a city centre retail floorspace of 1.47m sq ft ranking the city 38 of PROMIS centres on this measure.

The city's retail core is found along the four streets emanating out from The Cross. These are Northgate Street, Eastgate Street, Bridge Street and Watergate Street.

The prime retailing is focussed along Eastgate Street, The Grosvenor Centre and Foregate Street. Eastgate Street is situated within the city's Roman walls and is partially pedestrianised. It forms part of the historic 'Rows' shopping complex and is characterised by smaller traditional units providing a unique shopping experience encouraging an extended dwell time from both shoppers and tourist visitors alike. Retailers represented include **Next**, **Russell & Bromley**, **Flannels**, **Waterstones**, **Jo Malone**, **Hobbs** and **Fat Face**. Foregate Street is an extension of Eastgate Street and is situated outside of the Roman walls and is characterised by more modern, larger format stores typified by the presence



No.1
Vitality retail
centre in the
North West

of **Marks and Spencer**, **Primark**, **Boots**, **Wilko**, **River Island**, **JD Sports** and **WH Smith**. As well as a strong representation of multiple retailers, Chester is home to a large selection of upmarket and independent retailers who complement the attractive architecture which the city has to offer.

There are two covered schemes within the city centre although neither compete with the vibrant 'High Street' retail. The primary scheme is the Grosvenor Shopping Centre anchored by **H&M**, **TK Maxx** and **Sports Direct** accessed off both Bridge Street and Eastgate Street. The secondary scheme, The Forum Centre, is located off the west side of Northgate Street and is anchored by **B&M** and **Chester's indoor market**, and is the subject of substantial redevelopment proposals known as 'Chester Northgate'.



CHESTER NORTHGATE

After 20 years of planning work started on the £70m Chester Northgate Development in July 2020 and will be due to open in Summer 2022. Phase I includes a new six screen Picturehouse (715 seats) cinema, cafes, bars and restaurants, a new indoor market, multi-storey parking (788 spaces) and co-working office space. The scheme will also create a new public square for the city, accessible from Hunter Street and Princess Street, linking the new market, Storyhouse cultural centre and the Town Hall. Other pre-lets include The Florist, Tapas Revolution and Cosy Club. <https://chesternorthgate.com/>

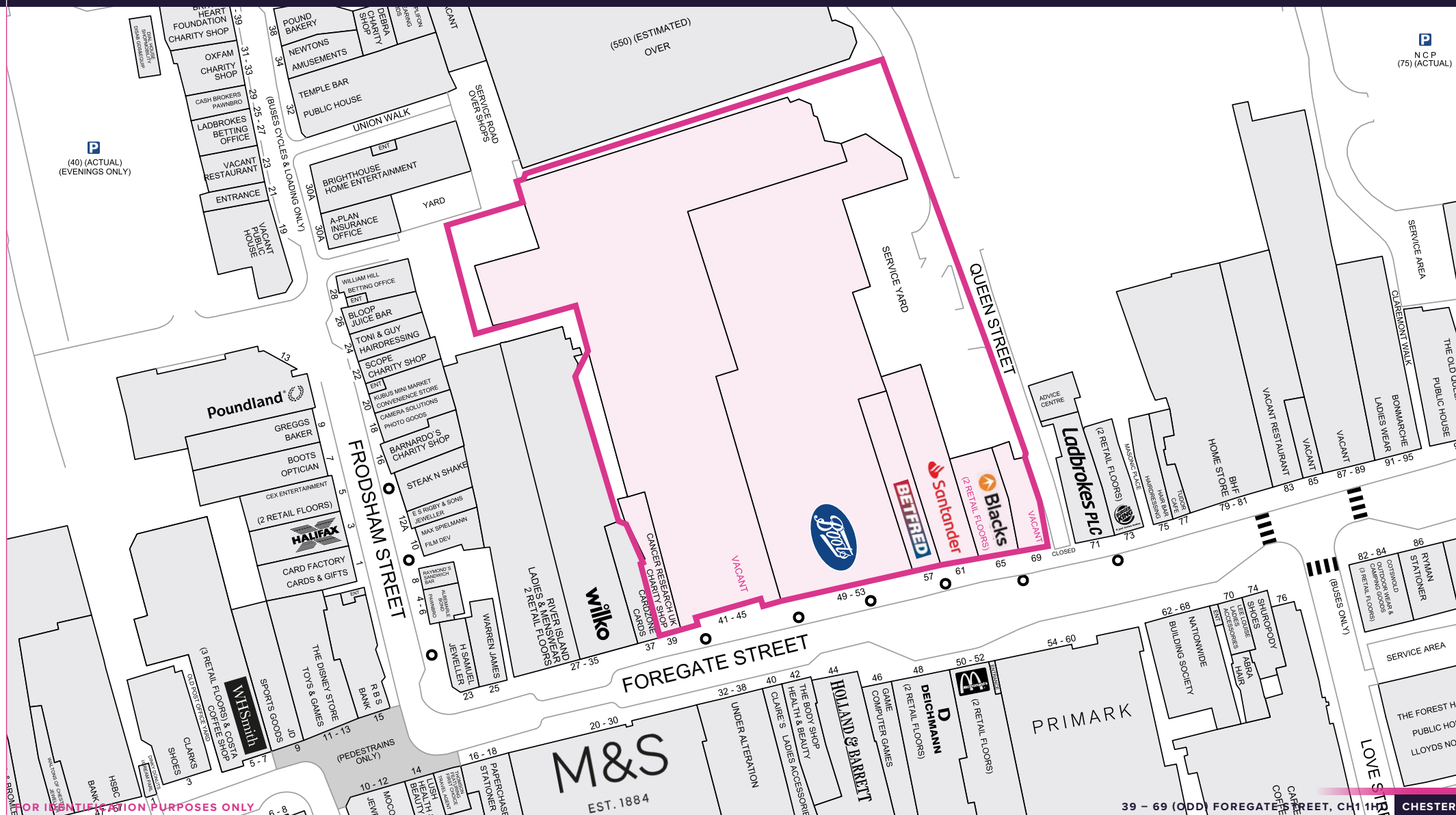
CHESTER

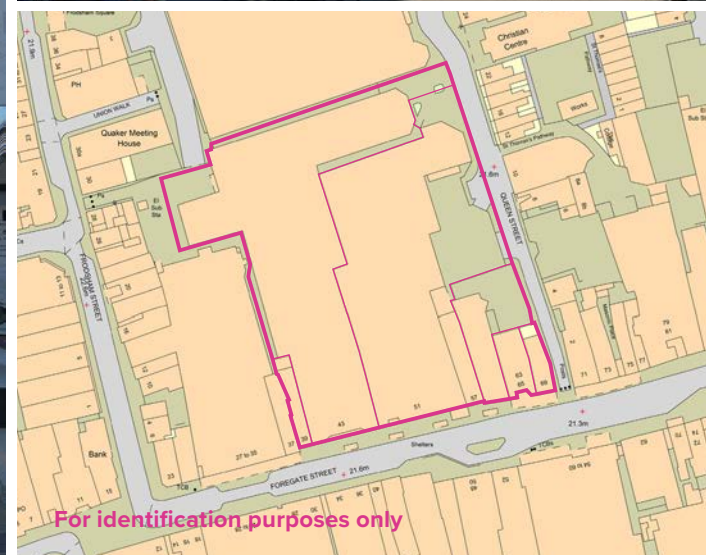
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ACCOMMODATION

The property provides an approximate total floor area 162,840 sqft (15,128m²)

as set out in the Schedule of Tenancies & Accommodation





SITUATION

The property comprises a continuous parade of 7 adjoining retail units located on the northern side and western section of Foregate Street which is considered 100% prime city centre retailing in conjunction with Eastgate Street.

The holding is opposite **Primark** and **Marks & Spencer's** with **Wilko's** and **River Island** one unit removed.

The property includes two substantial LSU's. The Boots main city centre large format store which they have occupied since the 1980's and the former Bhs (now vacant).

The site benefits from four bus stops directly outside the properties



DESCRIPTION

A prime, substantial unbroken freehold retail parade investment

39 Foregate Street

A modern two storey property of traditional brick construction under a flat roof. Built in 1975 with a frontage of circa 20ft



41/45 Foregate Street

A former department store arranged over ground, first, second and third floors. Concrete frame construction with brick/cladding elevations under a flat roof. The unit provides large, regular floorplates. Built approximately 1973 with an extensive frontage of circa 66ft. The property has a secondary rear entrance from Queen Street and service yard access from Frodsham Street.

47/55 Foregate Street

A large store arranged over two separate buildings extending over ground, first and second floors. Traditional brick construction with a part pitched/ predominantly flat roof. 47/49 Foregate Street is Grade II listed and was re-built in 1914 whereas the remainder of the store was built around 1980. The property has an extensive frontage of circa 99ft and a secondary rear entrance from Queen Street. The service yard is also accessed from Queen Street.



57 Foregate Street

Retail building of traditional brick construction arranged over ground and first floor. Built in 1980 with a circa 22ft frontage



59/61 Foregate Street

Attractive retail premises of traditional brick construction under a pitched roof with a part faux black and white Tudor façade arranged over ground, first, second and third floors with a 30ft frontage



67/69 Foregate Street

Corner retail unit of traditional brick construction under a pitched roof with the first floor over-sailing the ground floor creating an covered walkway beneath. Faux black and white Tudor facade built around 1880 with a circa 21ft frontage



63/65 Foregate Street

Retail unit of traditional brick construction with the first floor over-sailing the ground floor creating a covered walkway beneath. Unit is arranged over ground, first and second floors. Built around 1812 with a circa 26ft frontage.

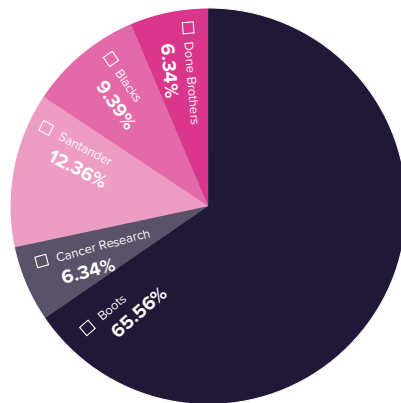
**A 2.4 acre city centre site with an extensive
286ft (87.24m) frontage onto Foregate Street**

CHESTER -39/69 FOREGATE STREET - SCHEDULE OF TENANCIES & ACCOMMODATION

ADDRESS	TENANT	FLOOR	AREAS (SQ FT)	AREAS (SQ M)	CURRENT RENT PAX	LEASE START	LEASE EXPIRY	TBO DATE	EMPTY RATES PAYABLE	VOID INSURANCE PAYABLE (EXC. VAT)	COMMENTS
39 Foregate Street	Cancer Research UK	GF - NIA	1,270	118	£75,000	25/09/2014	24/09/2024				
		ITZA	517 units								
		1st	475	44							
		Total	1,745	162							
41/45 Foregate Street	Vacant (Former BHS)	GF - GIA	36,140	3,357	£-					£13,974.73	Removed from the rating list. Previously on the market separately quoting £2.5m STC for the freehold. Investor/developer/occupier interest has been previously received.
		1st	34,925	3,245							
		2nd	7,622	708							
		3rd	540	50							
		Total	79,227	7,360							
47/57 Foregate Street	Boots UK Ltd	GF - GIA	29,900	2,778	£775,000	15/12/2017	14/12/2027				Boots' main Chester store. Have been in occupation since the mid 1980's. COVID 19 concession given. 50% of the rent paid in Q4 2020. Roof recently renewed. There is an upwards only, open market rent review due on 15/12/2022.
		1st	31,568	2,933							
		2nd	4,678	435							
		Total	66,146	6,145							
57 Foregate Street	Done Brothers (Cash Betting) Ltd (t/a Betfred)	GF - NIA	1,607	149	£75,000	29/09/2017	28/09/2027	28/09/2022			TBO requires not less than 6 months prior written notice. Time is of the essence. Tenant confirmed verbally that they trade well from this unit.
		ITZA	685 units								
		Total	1,607	149							
59/61 Foregate Street	Santander UK PLC	GF - NIA	3,054	284	£146,175	23/06/2017	30/04/2022				Santander's retained agent, Colliers, has confirmed that the unit is not on their current disposal list and that they would be open to potentially discussing a re-gear/early renewal.
		ITZA	1108 units								
		1st (office)	1,728	161							
		2nd (office)	1,586	147							
		Third Floor	1,162	108							
		Total	7,530	700							
63/65 Foregate Street	Blacks Outdoor Retail Ltd	GF - NIA	1,781	165	£111,000	13/10/2016	12/10/2021				Reversionary lease agreed, expiring 12/10/2024, at £50,000 pax. Pandemic clause included 50% reduction during any imposed Government lockdown. The reversionary lease includes a mutual break option on a minimum 3 months notice, but not between 1st July and 30th September.
		ITZA	939 units								
		1st (Sales)	1,768	164							
		2nd (Store)	1,297	120							
		Total	4,846	450							
67/69 Foregate Street	Vacant	GF - NIA	1,081	100	£-				£33,930	£217.62	Marketing at a quoting rental of £45,000pax. Preliminary interest received. Empty rates figure includes a BID charge of £650.
		ITZA	610 units								
		1st (Store)	658	61							
		Total	1,739	161							
		TOTALS	162,840	15,128					£33,930	£14,192.35	
		TOTAL GROSS INCOME			£1,182,175						
		LESS LANDLORD SHORTFALL			£48,122.35						
		NET INCOME PAX			£1,134,052.65						
39 - 69 (ODD) FOREGATE STREET, CH1 1HD, CHESTER											

CURRENT INCOME & INCOME ANALYSIS

The property currently produces a total gross income of **£1,182,175** per annum exclusive and a net income of **£1,134,052** per annum allowing for current landlord shortfalls totalling **£48,122.35** as set out in the Schedule of Tenancies and Accommodation.



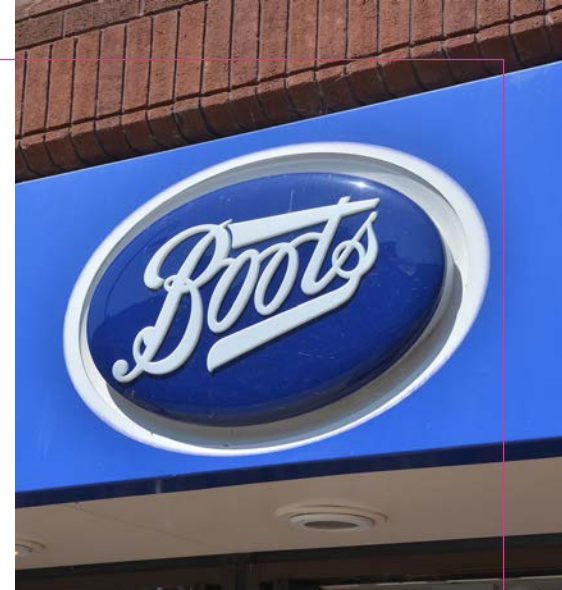
GROSS INCOME ANALYSIS

- **65.56%** of the gross income secured to the undoubted covenant of Boots UK Ltd for a further **6.25 years**.
- 100% of total income secured to National covenants.

The Weighted Average Unexpired Lease Term (WAULT) is **5.04 years** to expiries and **4.72 years** to tenant break option.



COMPANY	FINANCIAL YEAR ENDING	TURNOVER	PROFIT BEFORE TAX	TOTAL ASSETS
 Boots UK Ltd (00928555)	31-08-2020	£5,948,000,000	-£287,000,000	£5,220,000,000
The company is a British, pharmacy led health and beauty retail business operating from 2,336 stores. Boots are one of the largest retailers in UK and Ireland.				
 Blacks Blacks Outdoor Retail Ltd (07795258)	01-02-2020	£153,442,000	£1,323,000	£97,352,000
Headquartered with JD Sports in Bury, Blacks is the largest outdoor retailer in the UK with 69 stores. The company was acquired out of administration in 2012 and are 100% owned by JD Sports Fashion plc.				
 Santander Santander UK PLC (02294747)	31-12-2020	£3,975,000,000	£605,000,000	
Santander UK is a large customer focused bank in the UK with 14m active UK customers, 21,900 full time employees and 564 branches. They are the UK's 3rd biggest mortgage provider and the 5th largest commercial lender. They operate with three business segments; Retail Banking, Corporate and Commercial Banking and Corporate and Investment Banking. They were formerly known as Abbey National and are owned by Banco Santander Group (Spain).				
 Cancer Research UK (04325234)	31-03-2020		-£44,400,000	
Cancer Research UK are the world's leading cancer charity.				
 Done Brothers (Cash Betting) Ltd (t/a Betfred) (01277703)	27-09-2020	£300,796,000	£158,563,000	
Done Brothers' principal activity is the operation of a retail bookmaking chain under the Betfred name. Founded in 1967 in Ordsall, near Salford they currently have over 1300 betting shops throughout the UK and Ireland.				



TENURE

Freehold

There are freehold titles attributable to each individual building. Further information available on request.

VAT

The property has been elected for VAT and it is proposed that any freehold disposal will be by way of a Transfer of a Going Concern (TOGC).

EPC

The suite of EPCs and recommendation reports are available on request.

ASSET MANAGEMENT INITIATIVES

- **Potential to re-develop, substantially refurbish or sub-divide the vacant former Bhs**

Comprising over 79,000sqft (GIA) arranged over 4 floors with a secondary retail access from Queen Street and rear service road/yard access from Frodsham Street. We believe there to be a variety of potential other alternative uses for the site, subject to the necessary consents. These may include hotel use, residential, leisure or student accommodation above a retail/restaurant use. The property has been removed from the rating list and there are currently no empty rates payable.

- **Lease Re-gears & Renewals**

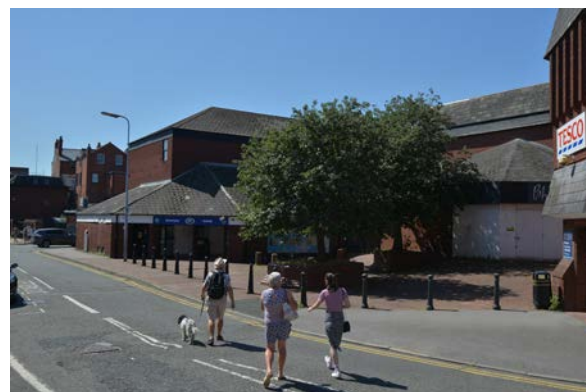
The majority of tenants have occupied their respective units for a number of years and are reportedly committed to the location. Boots have been ever-present since the 1980's. Blacks have recently entered into a 3 year reversionary lease commencing in October 2021. There is the opportunity to engage with other tenants to re-gear leases or remove break options to secure longer unexpired terms improving the longevity and security of income for an investor going forward.

- **Let the vacant Unit at 67/69 Foregate Street**

Recent interest has been received and the agents are in the process of working up an acceptable offer.

- **Potential to sell off the individual freeholds**

Comprising an unbroken contiguous retail parade of 7 units an investor has the flexibility and ability to sell off individual freehold buildings



There is the opportunity to re-develop, refurbish or sub-divide the vacant former Bhs for retail or alternative uses.



PROPOSAL

Offers in excess of **£13,100,000 (Thirteen Million, One Hundred Thousand Pounds)** subject to contract and exclusive of VAT for the benefit of the freehold interests. This reflects **net initial yield of 10%** on the income producing element and assuming **£2,500,000** (subject to contract) for the vacant former Bhs. **The capital value per sqft for the entire site is a lowly £80.40**

DATA ROOM

A data room is available. Please contact us to arrange access.

ANTI MONEY LAUNDERING

In order to comply with anti-money laundering legislation a successful purchaser will be required to provide certain identification documentation. These documents will be confirmed to and requested from the successful purchaser by the vendor and their professional advisors at the relevant time but before an exchange of contracts.

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FOR FURTHER INFORMATION PLEASE CONTACT

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