

48-49  
HIGH STREET

50-52  
HIGH STREET &

19-21  
CATHEDRAL YARD

EXETER

PRIME FREEHOLD  
MIXED USE  
BLOCK FOR SALE  
WITH ASSET  
MANAGEMENT  
INITIATIVES



# INVESTMENT SUMMARY

- Exeter is a dominant regional retailing centre with an affluent catchment and is the principal commercial centre for Devon.
- Unbroken freehold block held in 3 separate titles, which is a rarity in the City Centre with the majority of the prime holdings being held long leasehold from the Council.
- Dual frontage to the High Street and Cathedral Yard overlooking Exeter Cathedral.
- Prime mixed use investment incorporating retail, leisure and office use.
- Total building area of c.31,684 sq ft.
- Tenants include Burger King, Cote, Waterstones, Adecco and Cavendish Insurance.
- Freehold.
- Wault to expiry of c.5.90 years and c.5.32 years to break.
- Good prospects for rental growth.
- Asset management opportunities to consider conversion of the offices to residential use and active existing tenant upsize requirements and replacement tenant initiatives.
- We are instructed to seek offers in excess of **£7,000,000 (Seven Million Pounds)** subject to contract and exclusive of VAT, which reflects a net initial yield of **8.28%** and a cap value of £221 per sq ft.

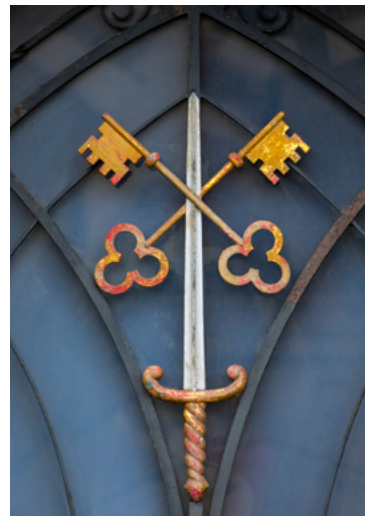
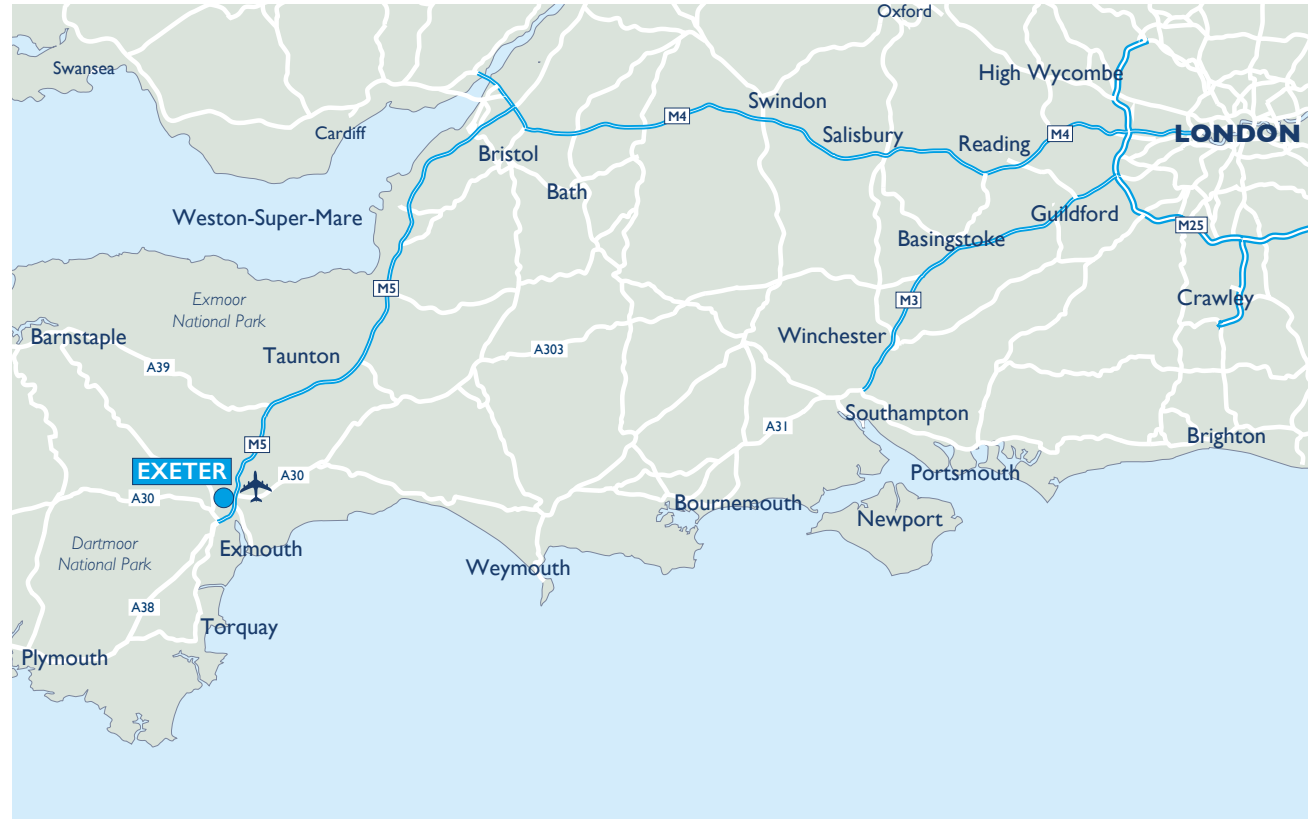


# LOCATION

Exeter is a historic Cathedral and University City located in the south west of England and is the main commercial centre for Devon. Exeter is located approximately 45 miles (72 kilometres) east of Plymouth, 81 miles (130 kilometres) south west of Bristol and 175 miles (280 kilometres) south west of London.

Exeter benefits from excellent transport links and is located 2 miles west of the M5 motorway, with Junctions 29, 30 and 31 all providing access to the City Centre. To the west of Exeter is the A38 (Devon Express Way), giving direct access to Plymouth and the A30 to Cornwall. The A30 also links to the A303 to the east, providing a trunk road connection to the M3 motorway and thereon to London.

The City has two mainline railway stations, Central and St David's, both of which have direct services to numerous towns and cities throughout the National Rail Network. The fastest journey time to London Paddington is approximately 2 hours and 30 minutes. Exeter International Airport is located 6 miles (10 kilometres) to the east of the City, with a range of UK and international flights to destinations that include Madrid, Munich, Dublin, Geneva, Nice and Edinburgh.

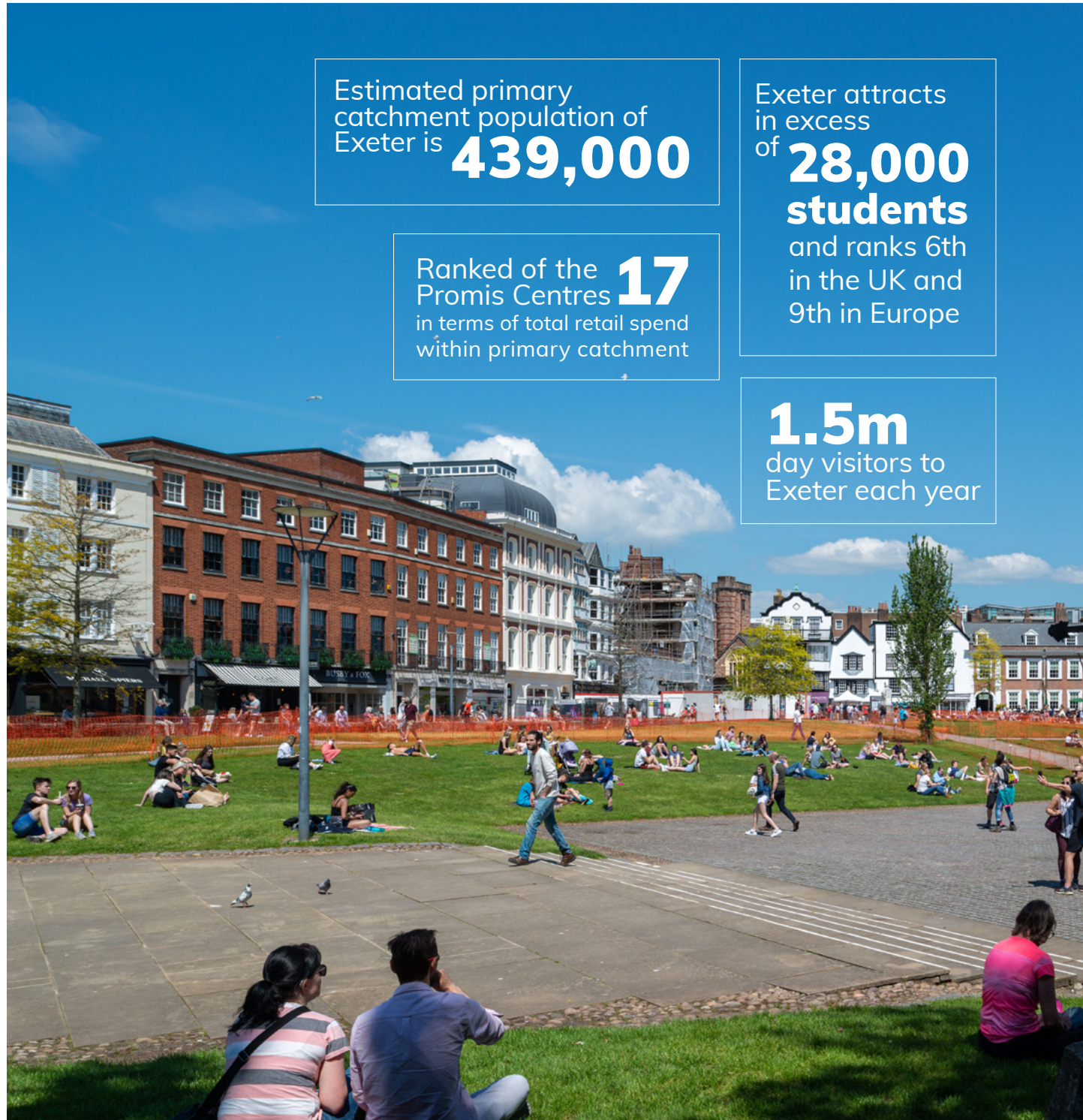


# DEMOGRAPHIC AND ECONOMIC PROFILE

Exeter has an estimated primary catchment population of approximately 439,000 and is categorised by PMA as a Regional centre. The population is boosted significantly by tourism, as well as a large student population. The South West Tourism Alliance estimates approximately 500,000 staying visitors and over 1.5 million day visitors each year, spending in excess of £166m per annum and helping to support 4,000 jobs. The estimated shopping population of Exeter is 337,000, ranking the City 26 of the Promis Centres.

In addition, Exeter University is one of the top Russell Group universities in the country, which together with Exeter College attracts in excess of 28,000 students.

The City has an affluent catchment, which ranks 18th in the UK in terms of the volume retail spend available in the catchment area. Exeter is also forecast to see above average percentage growth in the available pool of comparison spending between 2019 and 2024. The per capita retail spending levels are significantly above the Promis average (Source: CACI). The service sector as a whole accounts for 53% of total employment in Exeter and professional and business services and finance sectors together account for an above average 13.2% of total employment. The City has strong industry and service sectors, with the Met Office being one of the three largest employers in the area, together with the University and Devon County Council. Other major private and public sector employers represented in Exeter include EDF Energy, Flybe, Devon and Cornwall Constabulary and South West Water.



Estimated primary  
catchment population of  
Exeter is **439,000**

Exeter attracts  
in excess  
of **28,000**  
**students**  
and ranks 6th  
in the UK and  
9th in Europe

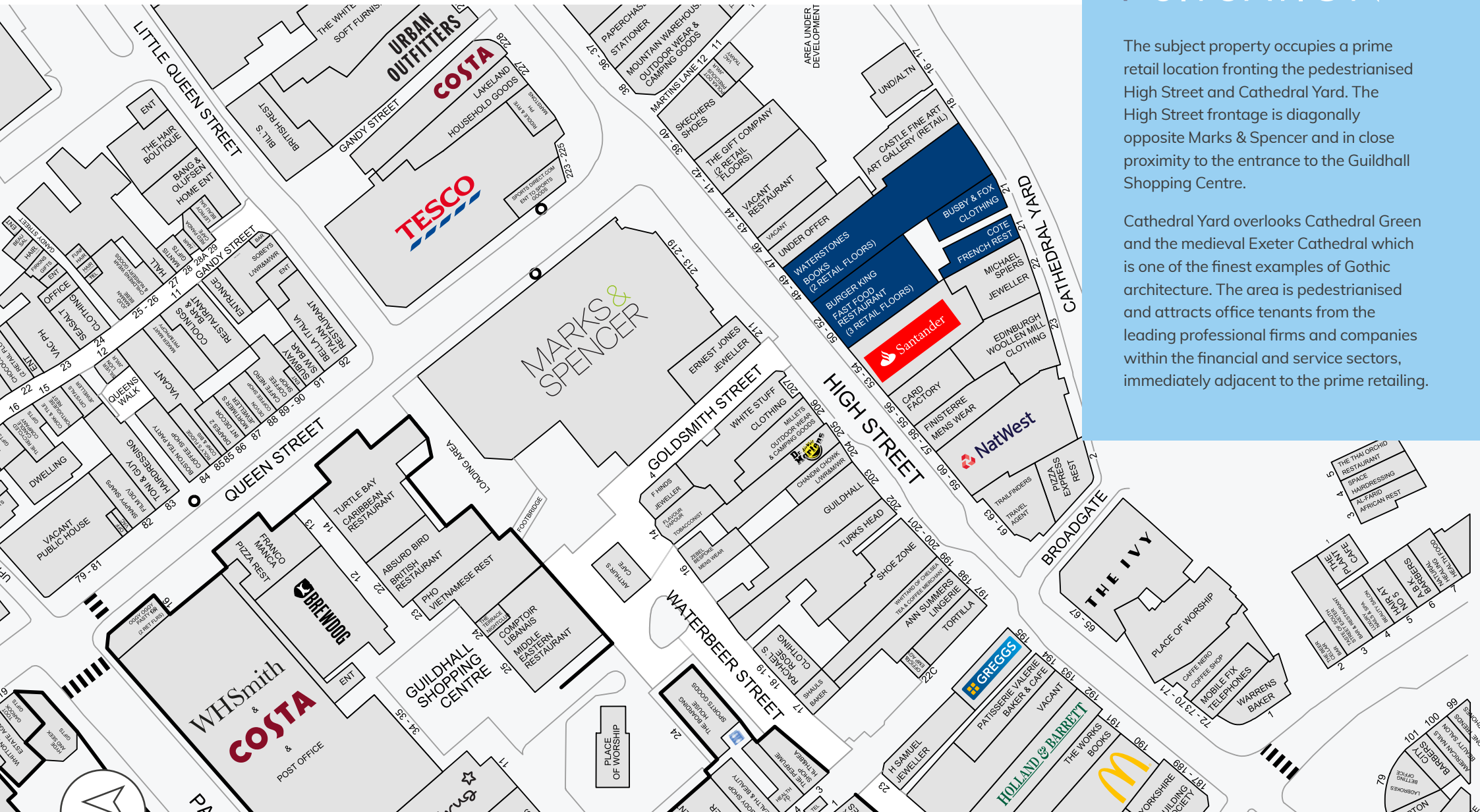
Ranked of the **17**  
Promis Centres  
in terms of total retail spend  
within primary catchment

**1.5m**  
day visitors to  
Exeter each year

# SITUATION

The subject property occupies a prime retail location fronting the pedestrianised High Street and Cathedral Yard. The High Street frontage is diagonally opposite Marks & Spencer and in close proximity to the entrance to the Guildhall Shopping Centre.

Cathedral Yard overlooks Cathedral Green and the medieval Exeter Cathedral which is one of the finest examples of Gothic architecture. The area is pedestrianised and attracts office tenants from the leading professional firms and companies within the financial and service sectors, immediately adjacent to the prime retailing.





## RETAILING IN EXETER

Exeter's central shopping area comprises an estimated 1.3m sq ft of retail floor space, ranking the city 43rd in the UK on this measure. The prime retailing thoroughfares are located within the pedestrianised section of the High Street, between the Guildhall Shopping Centre and the entrance to the Princesshay Shopping Centre. The Princesshay Shopping Centre was developed by Land Securities and opened in 2007 and extends to approximately 530,000 sq ft of retail accommodation, with key retailers including Zara, Hollister, Next and Hennes. The prime retailing is further enhanced by the Aviva owned Guildhall Shopping Centre, which is anchored by Primark and has recently

undergone a significant £18m leisure extension called Queen Street Dining, with new tenants including Franca Manca, Turtle Bay and The Stable.

The development won the Revo Gold award for best catering and Leisure destination in 2016.

Cathedral Yard is an attractive shopping and leisure location overlooking Exeter Cathedral popular with local and national retailers. The Ivy have recently acquired the freehold of 65/67 High Street, which returns onto Cathedral Yard. The Royal Clarence Hotel which was fire damaged has been sold to Southwest lifestyle brands, and will be rebuilt and refurbished.

## OFFICE MARKET IN EXETER

Exeter is the main regional centre for Devon and prospects for the city remain positive following recent developments in infrastructure projects such as the first phase of Citypoint (Exeter's new office, residential and leisure quarter) which will assist to drive the local economy alongside other in town and out of town developments.

Average asking rents in the city are approximately £13 per sq ft with prime headline rents in excess of £20 per sq ft as witnessed by the new letting to the VOA at the Senate Southernhay Gardens which secured a reported £23.50 per sq ft.

## DESCRIPTION

The property comprises a mid terrace dual fronted, mixed use holding fronting the High Street/Cathedral Yard. The High Street frontage is arranged over basement, ground and three upper floors.

Cathedral Yard offers retail accommodation arranged over basement and ground floor in part. In addition, there are three floors of self contained offices above the retail accommodation, accessed from a self contained entrance fronting Cathedral Yard at ground floor level, with an internal stairwell and an 8 person passenger lift to the upper floors.

The office building provides suspended ceilings, carpeted floors, intercom system and wall mounted heaters. Some suites include air conditioning and CAT 5 cabling. The building also provides male, female and disabled WC's and a shower.

The restaurant operator Cote trade from basement, ground and two upper floors and their first and second floors were previously part of the office accommodation.

There is a communal yard area to the rear of Burger King accessed from Cathedral Yard which provides bin stores, fire escape access and servicing for Burger King.

We understand that the ownership is situated within the Exeter City Centre conservation area.

## ACCOMMODATION

The ownership has been surveyed by JLL Building Consultancy and scale floor plans are available on request.

The property comprises approximately 31,684 sq ft of floorspace as detailed in the tenancy and accommodation schedule attached.



## TENURE

The ownership is held in three separate freehold titles relating to 19/21 Cathedral Yard, 48/49 High Street and 50/52 High Street, as indicated for identification purposes on the attached OS Plan.

## TENANCIES

The property is currently let to six tenants as detailed in the tenancy schedule attached, producing a current gross rent of £622,817.05 pa, which nets down to £618,686.05 after deduction of the service charge shortfall relating to the office accommodation on the second floor at 20 Cathedral Yard which amounts to £4,131 pa.

The Wault to expiry is currently 5.90 years and 5.32 years to break.

48/49 and 50/52 High Street are held on Full Repairing and Insuring leases, whereas the Cathedral Yard ownership is held on effective FR&I leases, recoverable by way of a service charge.

The service budget for the year ended 31st December 2021 for the Cathedral Yard section is £68,304 pa, compared to an actual figure of £55,337 pa for 2020. Further information available on request.





# TENANCY SCHEDULE

Address	Tenant	Net Internal Area		Start Date	Expiry Date	Break Date	Next Rent Review Date	Passing Rent (pax)	ERV	EPC Rating	Comments
		Floor	Sq Ft								
48/49 High Street	Waterstones Booksellers Limited	Ground Sales ITZA Basement Sales First Sales Second Ancillary Third Ancillary <b>Total Floor Area</b>	1,728 917 units 1,300 1,685 1,075 1,316 <b>7,104</b>	25/03/2014	28/09/2025		25/03/2024	£145,000	£113,000 (£90 ZA)	C57	FR&I lease.
50/52 High Street	Burger King Limited	Ground Sales ITZA Basement Sales First Sales Second Stock Third Ancillary <b>Total Floor Area</b>	2,314 1,230 2,219 1,765 2,075 2,077 <b>10,450</b>	30/08/1994	30/08/2024		24/06/2024	£222,250	£150,000 (£90 ZA)	D85	FR&I Lease. Tenant has a License to use rear service yard.
19/19a Cathedral Yard	Waterstones Booksellers Limited	Ground Sales ITZA <b>Total Floor Area</b>	1,623 949 <b>1,623</b>	29/09/2015	28/09/2025		29/09/2020	£65,000	£58,500 (£65 ZA)	C51	Service charge £3,268 pa.
21 Cathedral Yard	Emma Vowles Limited t/a Busby & Fox	Ground Sales ITZA Basement Sales Basement Vaults <b>Total Floor Area</b>	822 524 769 108 <b>1,699</b>	25/12/2017	24/12/2027	24/12/2022 (T)	24/12/2022	£42,500	£38,000 (£65 ZA)	B45	TBO 24/12/2022. Service charge £3,421 pa.
21/21a Cathedral Yard	Cote Restaurant Group Ltd	Ground Sales ITZA First Sales Second Ancillary Basement Kitchen <b>Total Floor Area</b>	714 508.5 2,021 2,022 547 <b>5,304</b>	13/10/2017	12/10/2042		13/10/2022	£80,000	£110,000 (£32.57 psf)	C56	Rental value psf based on 25% weighting on basement and second floor. Service charge £10,368 pa. Following Cotes administration the passing rent of £110,000 pa was reduced to a base rent of £50,000 pa plus 5% of gross turnover up to an including 24th March 2022, when the rent increases to £80,000 pa. The vendor will top the rent up to £80,000 pa.
1st Floor, 20 Cathedral Yard	ADECCO UK Limited	First Floor <b>Total Floor Area</b>	1,114 <b>1,114</b>	06/12/2019	05/12/2024	05/12/2022 (T)		£15,039	£15,039 (£13.50 psf)	D96	Outside L&T Act. TBO 05/12/2022. Service charge £10,330 pa.
20 Cathedral Yard (Second Floor)	Under offer	Second Floor <b>Total Floor Area</b>	1,221 <b>1,221</b>					*£15,000	£15,000 (£12.28 psf)	D90	Service charge - £11,131 pa Rates - £6,528 pa Insurance - £101.71 pa Terms agreed at a rent of £15,000 pa for a 5 year term outside L&T Act with a TBO at 2.5 years with 6 months rent free. S/C capped at £7k pa.
19/21 Cathedral Yard (Third Floor)	Cavendish Online Limited	Third Floor <b>Total Floor Area</b>	3,169 <b>3,169</b>	02/09/2019	01/09/2024	02/09/2022 (T)		£38,028	£38,028 (£12 psf)	D81	Outside L&T Act. TBO 02/09/2022. Service charge £14,777 pa.
19/21 Cathedral Yard	Virgin Media			07/11/2010	31/12/2382			£0	£0		Telecommunication apparatus.
19/21 Cathedral Yard	South Western Electricity Board			25/12/1961	25/12/2060			£0.05	£0.05		
<b>Totals</b>			<b>31,684</b>					<b>£622,817.05</b>	<b>£537,567.05</b>		

# ASSET MANAGEMENT INITIATIVES

The ownership offers a purchaser various options which could include the following: -


- Look to refurbish the office accommodation / convert to residential use. From discussions with local estate agents, average High Street residential values are c.£350 per sq ft and Cathedral Yard at c. £500 per sq ft.
- Look to convert upper floor space above the High Street frontage and convert to office/residential use.
- Upsize existing occupiers such as Cote who would be keen to expand their demise at roof level.
- The vendor has received an offer from a restaurant operator who is keen to secure space within the High Street frontage.
- Regear leases to extend Wault.
- Split ownership which is held in 3 separate titles.




# I COVENANT

The summary information is set out below: -


## Waterstones Booksellers Limited (00610095)

	28/04/2018	27/04/2019	25/04/2020	Experian Score out of 100
Turnover	£385,715,000	£392,776,000	£376,024,000	100
Pre-Tax Profit	£19,984,000	£27,702,000	£23,616,000	
Total Net Worth	£17,405,000	£39,508,000	£59,460,000	
Comments	Waterstones was established in 1982 and since has grown to become an iconic British brand that boasts a total of 280 bookshops. As well as books, Waterstones also offers its visitors refreshments through its in-store coffee shops and vast variety of gifts. Waterstones Booksellers Limited has been classified as very low risk by Experian.			

## Burger King Limited (SC031456)

	31/12/2017	31/12/2018	31/12/2019	Experian Score out of 100
Turnover	-	-	-	60
Pre-Tax Profit	-£1,245,000	-£267,000	£726,000	
Total Net Worth	-£1,487,000	-£1,754,000	-£1,028,000	
Comments	Burger King is a global fast-food chain that was founded in 1953. Every day more than 11 million people visit Burger King because of the reputation for high-quality, fresh and affordable food. The Experian risk rating for Burger King Limited is below average risk.			


## Emma Vowles Limited t/a Busby & Fox (07236800)

	31/05/2018	31/01/2019	31/01/2020	Experian Score out of 100
Turnover	-	-	-	86
Pre-Tax Profit	-	-	-	
Total Net Worth	£61,202	-£208,883	-£51,318	
Comments	Busby & Fox is an independent women's clothing and lifestyle brand. They offer clothing, jewellery, accessories and various household goods. The company have seven stores located across the south of England. Emma Vowles Limited has been classified as low risk by Experian.			


## Cote Restaurant Group Ltd (12873009)

				Experian Score out of 100
				17
Cote Restaurants, which first launched in 2007 has been brought out of administration by Partners Group in October 2020 after being adversely impacted by the Covid-19 outbreak. Taking away the financing and debt elements will greatly assist the business.				

## ADECCO UK Limited (00593232)

	31/12/2017	31/12/2018	31/12/2019	Experian Score out of 100
Turnover	£686,736,000	£664,397,000	£653,968,000	39
Pre-Tax Profit	-£8,958,000	-£21,346,000	-£11,609,000	
Total Net Worth	£38,572,000	£14,052,000	£1,948,000	
Comments	Adecco is a recruitment business that has over 500 locations, 70,000 workers spanning across 60 countries. The company operates across a wide breadth of sectors making it stable to structural sector changes. Adecco UK Limited received an above average risk rating from Experian.			

## Cavendish Online Limited (04045709)

	31/03/2018	31/03/2019	31/03/2020	Experian Score out of 100
Turnover	-	-	-	100
Pre-Tax Profit	-	-	-	
Total Net Worth	£280,027	£603,737	£617,802	
Comments	Cavendish Online operates predominantly within the life insurance market providing low-cost life insurance policies to their customers. The business was established in 2000 and since has branched out into other forms of insurance, such as income protection. Cavendish Online Limited has received an Experian risk rating of very low.			

## | RENTAL VALUE

It is our opinion that the estimated rental value of the subject property as of today's date would lie in the region of £537,000 pa, which is based on the following broad rents, which are set out in the tenancy schedule: -

**High Street Frontage**    **£90 ZA**

**Cathedral Yard**            **£65 ZA**

**Cathedral Yard Cote**    **£32.57 psf**  
applying 1/4 rate at second floor  
and basement

**Cathedral Yard Offices** **£12 - £13.50 psf.**

## | EPC

The EPC ratings for the property are set out in the tenancy schedule attached and further information is available on request.

## | VAT

The property is registered for VAT purposes. It is anticipated that the investment will be treated as a Transfer Of A Going Concern (TOGC).



# | PROPOSAL

We have been instructed to seek offers in excess of **£7,000,000 (Seven Million Pounds)**, subject to contract and exclusive of VAT for the benefit of our clients freehold interests in the subject property. A purchase at this level would reflect a net initial yield of **8.28%**, net of standard purchasers costs.

The capital value reflects c.£221 per sq ft.

The most salient comparable investment evidence can be set out as follows: -

## **231 HIGH STREET, EXETER (JD SPORTS)**

Long leasehold investment sold in April 2021 for £2.5m which reflected a net initial yield of 9.5% and an equivalent yield of 6.1%. The shop was let to JD Sports on a lease to expire 12/01/2030 at a rent reflecting c. £140 ZA.

## **252/253 HIGH STREET, EXETER (HALIFAX & WATERSTONES)**

Freehold investment sold in April 2021 for £6.65m, which reflected a net initial yield of 9.25% and an equivalent yield of 6%. The Wault to expiry was c. 8.5 years and the sale price reflected a capital value of £278 per sq ft.

## **65/67 HIGH STREET, EXETER (IVY)**

Freehold Grade II listed building arranged over ground floor and basement, with the uppers sold off, producing a total area of 3,708 sq ft was sold in September 2020 for a price of £3.2m which reflected an overall capital value of £863 per sq ft. The property was sold off market to Richard Caring for the Ivy operation.

## **43/44 HIGH STREET, EXETER (VACANT)**

Freehold sold with vacant possession in June 2021 for £1.5m, which reflected a capital value of £298 per sq ft.

# | IDENTITY CHECKS

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





FOR FURTHER INFORMATION, PLEASE CONTACT:

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criss**

Messrs. Jackson Criss for themselves and for the vendors or lessors of this property whose agents they are to give notice that: (i) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given in good faith and are believed to be correct but any intending purchasers or tenants should not rely on them as statements of representations of fact but satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) no person in the employment of Messrs. Jackson Criss has any authority to make or give any representation or warranty whatever in relation to this property. 102966. Designed by TCC 08/21.