

**1/5 CHURCH
STREET**

AND

**2/26
WHITECHAPEL**

**JACKSON
CRISS**

LIVERPOOL

**PRIME REVERSIONARY
FREEHOLD STORE
& MEDIA SCREEN
INVESTMENT
FOR SALE IN MAJOR
REGIONAL CITY CENTRE**

INVESTMENT SUMMARY

- Liverpool is the 2nd largest city in the North West of England, situated approximately 34 miles west of Manchester
- Liverpool is one of the UK’s strongest retail centres and benefits from the 3rd largest primary retail catchment in the UK, with a population of 1,149,000 (Promis)
- Liverpool ranks 2nd in the UK in terms of the volume of total retail spend within the primary retail market area, with total retail expenditure amounting to approximately £6bn in 2021 (Promis)
- Flagship retail store occupying a 100% prime position at the junction of Church Street and Whitechapel, opposite Liverpool ONE
- Let to the undoubted covenants of Next Holdings Limited and Ocean Outdoor UK Limited, both having Experian ratings of 100/100
- WAULT to expiry of 9.50 years and 5.13 to break
- Freehold

PROPOSAL

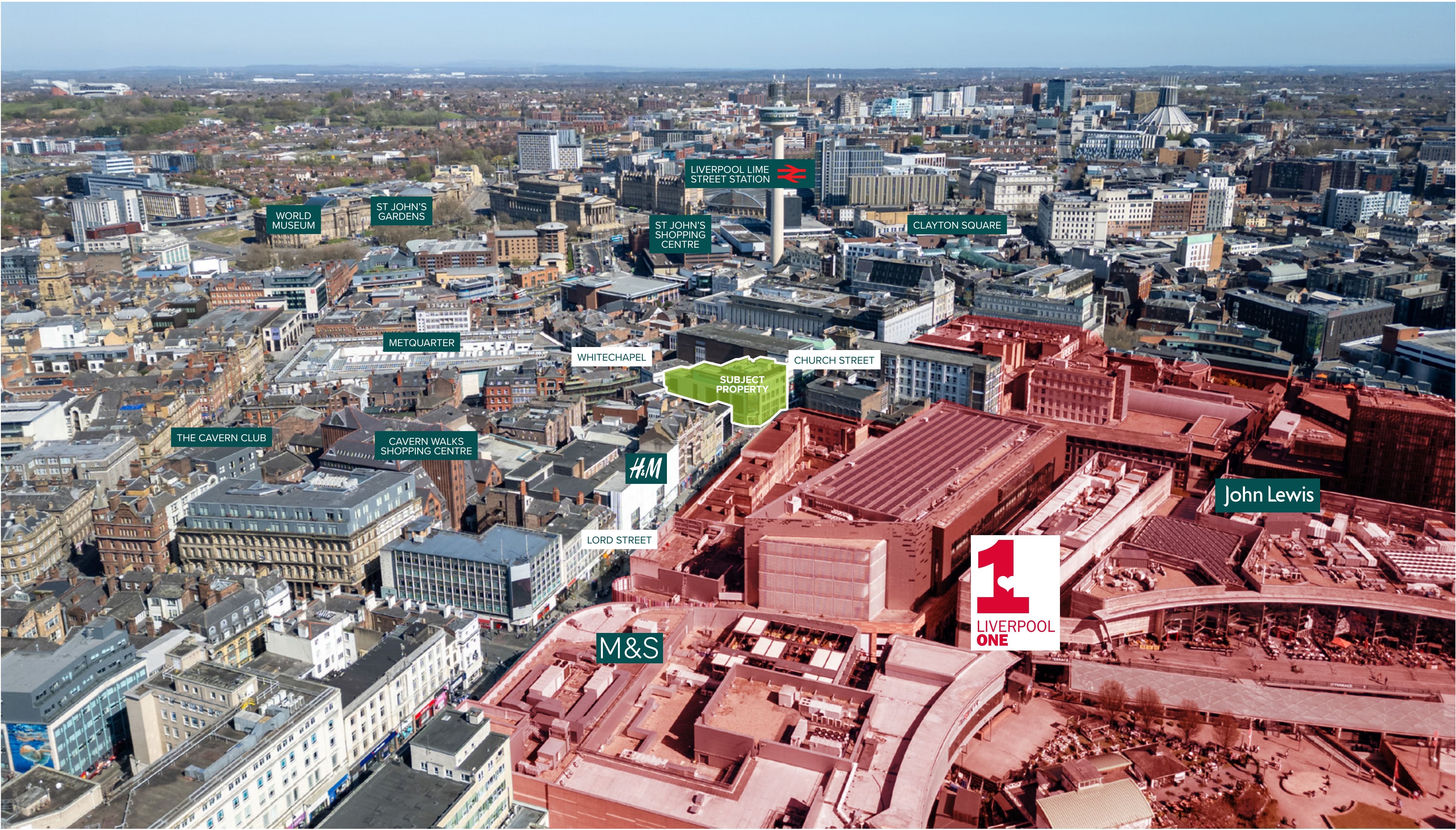
Our clients are seeking offers in excess of **£13,500,000** (Thirteen Million Five Hundred Thousand Pounds), subject to contract and exclusive of VAT, which reflects the following yield profile net of standard purchaser’s costs of 6.8%:-

Net Initial Yield	7.62%
Reversionary Yield	8.00%
Equivalent Yield	7.89%

LET TO THE UNDOUBTED COVENANTS OF NEXT HOLDINGS LIMITED AND OCEAN OUTDOOR UK LIMITED, BOTH WITH EXPERIAN RATINGS OF 100/100



LIVERPOOL 1/5 CHURCH STREET AND 2/26 WHITECHAPEL





LOCATION OVERVIEW

LIVERPOOL IS THE SECOND LARGEST CITY IN THE NORTH WEST OF ENGLAND AND IS SITUATED APPROXIMATELY 34 MILES (55 KM) WEST OF MANCHESTER AND 18 MILES (29 KM) NORTH OF CHESTER.



The city has excellent road connections to the M62, M58 and M67 providing access to the M6 motorway, 12 miles (19 km) to the east linking the city to Birmingham and the Scottish border. Manchester, Leeds and Hull are also easily accessible by the M62. The public transport network within Liverpool is well established and the local bus network provides extensive services centering on the principal bus stations at Queens Square and Liverpool ONE. The city is well served by both overground and underground rail networks linking Liverpool to the surrounding areas. A regular rail connection with London Euston is also provided from Liverpool Lime Street station with a fastest journey time of 2 hours 15 minutes. Liverpool John Lennon Airport, one of Europe’s fastest growing airports is located 8 miles (13 km) south of the city. Manchester Airport can also be reached within a one-hour drive time.



RETAILING IN LIVERPOOL

Liverpool city centre is one of the strongest retailing centres in the UK, ranked second out of the 200 Promis retailing centres in terms of retail provision, providing approximately 3 million sq ft of retail floorspace.

The city centre hosts most of the UK’s major retailing anchor stores, including John Lewis, Marks & Spencer and Primark, together with leading retail chains including:-



M&S

RIVER ISLAND

ZARA

FLANNELS

NEXT

ARMANI

UNI QLO

H&M

JD

T.K.maxx

VANS

HARVEY NICHOLS



LIVERPOOL CITY CENTRE IS A
SIGNIFICANT HUB FOR RETAIL
EXPENDITURE IN THE UK

The prime retailing is focused around Liverpool ONE and the pedestrianised Church Street, further complemented by Lord Street, St Johns Centre and Clayton Square Shopping Centre.

The city’s principal shopping centre is Liverpool ONE, where Landsec recently purchased a 92% stake in December 2024. The scheme comprises 1.65 million sq ft of retail space and 250,000 sq ft of leisure space and is anchored by John Lewis, M&S, Armani, Zara, Harvey Nichols, Urban Outfitters, Uniqlo, Apple and J D Sports. Many of the retailers over-trade and several including Zara, Uniqlo and JD Sports have recently upsized.

Liverpool ONE opened in 2008. The centre has welcomed 390 million visitors over the past 15 years, with average spend per head increasing by 89% and sales rising by 195% (Liverpool Business News).

Frasers will be occupying the former M&S store on Church Street for its Sports Direct, USC and Everlast Gym fascias and are due to open in Q2 2026.

Overall, Liverpool city centre faces below average competition from competing retail centres. Liverpool’s catchment spend is greater than Manchester’s (£891m versus £799m) (CACI 2024).



DIGITAL MEDIA SCREEN MARKET

The UK digital media screen market has seen significant growth in recent years, driven by advancements in technology, but also the increasing adoption across various sectors due to the demand for digital Out Of Home (OOH) advertising, corporate digital signage and interactive displays in the retail, transport and hospitality sectors. Digital OOH advertising offers dynamic real time content, leading to higher engagement rates.

Outsmart, the trade body for the Out Of Home advertising industry, announced that OOH revenue for 2024 saw growth of +7.7% year on year with total revenues of £1.4bn, the highest ever and is one of the UK's fastest growing industries. The installation of a new digital screen in June 2025 on the subject property will assist in driving further revenue growth on the site.

DEMOGRAPHICS

The total population in the Liverpool primary retail area was estimated at 1,149,000 million people at the end of 2023, ranking the city 3rd out of the 200 Promis Centres. Liverpool has an estimated shopping population of 704,000 people which ranks the city 4th of the Promis Centres. Liverpool ranks 3rd in the terms of the volume of total retail spend available within the Primary Retail Market Area. (PROMIS January 2025).



704,000
SHOPPING
POPULATION



60m
TOURISTS
PER YEAR



54,000
STUDENT
POPULATION

Retail spend in the city is boosted by its status as an important tourist destination for domestic and overseas visitors with an estimated 60 million tourists per year to the Liverpool city region in 2023, generating an estimated £6 billion for the local economy and supporting in excess of 58,000 jobs. Visitor numbers have increased by 4.4m since 2022. (Liverpool City Region Visitor Enterprise Partnership). Liverpool is the 4th most visited city in the UK (Liverpool Echo).

The city also has an above average student population of 54,000, who attend Liverpool's three universities.

Major employers in the area include Liverpool City Council, Barclays, JP Morgan, HBOS, Novartis, Jaguar Land Rover and B&M Retail.

SITUATION

The property occupies a prominent corner position in a 100% prime trading location on the pedestrianised Church Street, at the junction with Whitechapel and being directly opposite an entrance to the Liverpool ONE Shopping Centre.



DESCRIPTION & ACCOMMODATION

The property comprises a well configured retail store arranged over basement, ground and three upper floors. The store has escalator and lift access to all floors.

The digital marketing screen is located on the corner frontage, extending from first to second floor. According to the Ocean Outdoor website, the digital screen measures 4.08m wide by 6.48m wide.

The property is located in the Castle Street Conservation Area.

An assignable measured survey has been carried out by Hollis Global Limited, detailing that the property comprises the following approximate gross internal floor areas:-

Sub-Basement Plant	1,752 sq ft	(162.8 sq m)
Basement Sales	10,037 sq ft	(932.5 sq m)
Ground Floor Sales	10,204 sq ft	(948.0 sq m)
First Floor Sales	9,470 sq ft	(879.8 sq m)
Second Floor Sales	9,038 sq ft	(839.7 sq m)
Third Floor Ancillary	6,787 sq ft	(630.5 sq m)
Total	47,288 sq ft	(4,393.3 sq m)

TENURE

The property is held freehold.



TENANCIES

The property is let to Next Holdings Limited and Ocean Outdoor UK Limited, producing a current total income of £1,114,772 pa for the current year, which reduces to £1,097,502 pa on deduction of the advertising screen maintenance and electricity cost shortfall of £17,270 pa.

**WAULT TO EXPIRY
9.50 YEARS AND
5.13 YEARS TO BREAK**



Next Holdings Limited have a FR&I lease for a term of 15 years from 15th September 2020 at a rent of £1,000,000 pa, subject to a rent review on 15/09/2025 and 2030. The tenant has the benefit of a break clause effective 14/9/2028 and 14/9/2030 on 6 months notice.

However, by way of a personal side letter agreement, whilst Next is the tenant, they pay a base rent and a turnover top up. Under the terms of the side letter the turnover rent provisions come to an end on the 14th September 2030. On that date the turnover rent basis will cease and the rent is reviewed to the then open market rental value, which in our opinion, is currently more than the base + turnover rent. Potential purchasers should make their own investigations to satisfy themselves on the current open market rental value. Under the side letter, Next have the benefit of an “additional break period” whereby it may serve a notice to terminate during a period of 60 days which commences after the rent review memorandum relating to the 14th September 2030 rent review is actually completed.

It should be noted that the current open market rental value is considered to be below the rent documented in the lease which is relevant should Next wish to assign the lease.

For the purposes of the side letter and lease rent reviews, it is to be assumed that the premises have the benefit of the landlords works set out in the AFL. As such, the premises have the benefit of all floor screeds and coverings, HVAC, escalators and lifts, which have all been serviced.

The Next turnover top up rent was £295,700 for the year ended 24th January 2025. The previous years figures are set out in the tenancy schedule.

Ocean Outdoor UK Ltd, have a commercial agreement on the media screen on a 10 year renewed term from 01/09/2023 at a base licence fee of £308,174 pa and a turnover top up. The Ocean Outdoor turnover top up was £110,898 for the year ended September 2024.

The property’s total current passing base rent is £708,174 pa, with the balance being made up of the turnover top up rents of £406,598. The total combined rent is currently £1,114,772 pa.

TENANCY SCHEDULE

Unit	Tenant	Accommodation Schedule (sq ft)	Total (sq ft)	Total (sq m)	Lease Start	Lease Expiry	Rent Review	Break Date	Rent PA	Rental Value	Experian	EPC	Assumptions / Comments
1/5 Church Street & Whitechapel, Liverpool	Next Holdings Limited (00035161)	Sub-Basement 1,752 Basement 10,037 Ground 10,204 First 9,470 Second 9,038 Third 6,787	47,288	4,393.3	15/09/2020	14/09/2035	15/09/2025 15/09/2030	14/09/2028 14/09/2030	£400,000	£750,000	100/100	B 33	Tenant break on 6 months notice Personal Side letter: Base rent of £400,000. There is a rent review on 14/09/2030 to OMRV when the turnover provisions expire and no further rent reviews. T/O rent is 6% of turnover up to £7.5m and 8% of the turnover above that threshold. TBO on 14/09/2028 & 14/09/2030
1/5 Church Street & Whitechapel, Liverpool	Next Holdings Turnover Rent	-	-	-	15/09/2020	14/09/2035	15/09/2025 15/09/2030	14/09/2028	£295,700		-	-	Turnover for the last 3 years as follows:- YE 01/25: turnover top up £295,700 YE 01/24: turnover top up £315,807 YE 01/23: turnover top up £284,736
Next Total Rent									£695,700				
1/5 Church Street & Whitechapel, Liverpool	Ocean Outdoor UK Limited (05309128) Base Licence Fee	-	-	-	01/09/2023	31/08/2033	-	-	£308,174	£308,174	100/100	-	Total Fees are the sum of The Basic Licence Fee and the Turnover Fee. The licence was renewed from September 2023 and the basic licence fee was re-set to £300,000 pa, having reached £310,265 as at year end September 2023. The fee is reviewed annually to the higher of the Guaranteed Sum (£300,000) or 75% of the fees payable under the previous year.
1/5 Church Street & Whitechapel, Liverpool	Ocean Outdoor UK Limited Turnover Fee	-	-	-	01/09/2023	31/08/2033	-	-	£110,898*	£110,898	-	-	The turnover Fee is the difference between the basic licence fee and 50% of the net revenue in that annual revenue period if higher. The landlord is responsible for the cost of maintaining the screen and the cost of electricity for the year. The average electricity cost over the last four years was c.£15,441 pa. The average cost of maintenance over the last 5 years is c.£1,829 pa. The digital screen is being replaced in June 2025 and as such the maintenance costs will be much lower moving forward. The owner is responsible for contributing £165,000 to Ocean once the screen is fully installed and invoiced. Turnover top up for the last 3 years is as follows:- 09/24: £110,898 09/23: £39,371 09/22: £82,505
Ocean Total Rent									£419,072				
TOTAL									£1,114,772	£1,169,072			

*Assumes last year’s turnover fee



RATING ASSESSMENT

Next's premises have a current rateable value of £740,000.
The rates payable for 2025/2026 are £410,700.

The previous rateable value for the Next store was
£1,280,000, resulting in a 36% reduction for the tenant
following the 2023 revaluation.

The rateable value for the media screen is £154,000
resulting in a rates payable for 2025/2026 of £85,470.

EPC ASSESSMENT

The property has an EPC rating of B33.

NEXT

O/O
OCEAN

RENTAL VALUE

It is our opinion that the estimated headline rental value of the property as of today's date lies in the region of £1,169,072 pa.

In our opinion of the estimated headline rental value of the Next store alone is £750,000 pa, which reflects an overall rate of £19.93 psf, taking ground, basement and first floors at 100% and second/ third floor at 50%.

It is our opinion that the media screen is rack rented at £419,072 pa.

Potential purchasers should make their own investigations to satisfy themselves on the current open market rental value.

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

1. MSU1 LIVERPOOL (ZARA)

Open market letting March 2024 at a rent of £1,500,000 pa on 42,500 sq ft, which reflected an overall rate of £35 psf GIA and £27.45 psf GIA net of incentives.

2. 11/16 CHURCH STREET (RIVER ISLAND)

Regear February 2021 at a rent of £600,000 pa on 30,770 sq ft, which reflects an overall rate of £19.50 psf GIA.

3. 23/36 CHURCH STREET (FOOT LOCKER)

Open market letting March 2024 at a rent of £350,000 pa on 7,767 sq ft, which reflects an overall rate of £45 psf GIA.

The service charge on Liverpool ONE is c £15 psf, which offers a sizable cost saving for the tenants outside of the scheme, even taking into account any weighting allowance.

The rent that the previous tenant Forever 21 was paying for the store was £1.425m pa.



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COVENANT ANALYSIS

NEXT

Next is a British multinational clothing, footwear and home products retailer, trading from over 700 stores, of which 500 are in the United Kingdom, with the remainder across Europe, Asia and the Middle East.

Next is the largest clothing retailer by sales in the United Kingdom and is listed on the London Stock Exchange as a constituent of the FTSE 100 index. The retailer has recently upgraded its profit outlook for the year, exceeding £1bn in pre tax profit for the first time in the company’s history.

A summary of their accounting information is set out below: –

Next Holdings Limited	27/01/2024	28/01/2023	29/01/2022
Sales Turnover	£180,700,000	£165,100,000	£174,100,000
Pre Tax Profit	£512,706,000	£454,300,000	£314,200,000
Tangible Net Worth	£869,753,000	£925,600,000	£871,300,000

The company has an Experian rating of 100/100 reflecting a very low risk.



Ocean Outdoor UK Limited are leaders in digital OOH advertising and are positioned as one of the biggest OOH media companies in the UK, consistently ranking among the top companies in the sector.

A summary of their accounting information can be set out below: -

Ocean Outdoor UK Limited	31/12/2023	31/12/2022	31/12/2021
Sales Turnover	£75,255,000	£67,765,000	£38,921,000
Pre Tax Profit	£18,161,000	£7,098,000	£4,093,000
Tangible Net Worth	£17,875,000	£16,981,000	£10,846,000

The company has an Experian rating of 100/100 reflecting a very low risk.



VAT

The property is elected for VAT purposes. The investment sale will be treated as a Transfer Of A Going Concern (TOGC).

CAPITAL ALLOWANCES

Further information is available on request.

FURTHER INFORMATION

Data Room access can be provided on request.

PRICING

Our clients are seeking offers in excess of £13,500,000 (Thirteen Million Five hundred Thousand Pounds) subject to contract and exclusive of VAT, which reflects the following blended yield profile net of standard purchaser's costs of 6.8%:-

Net Initial Yield	7.62%
Reversionary Yield	8.00%
Equivalent yield	7.89%

CONTACTS

For further information or to arrange a viewing please contact

PHILIP HAY BSc (Hons) MRICS
phay@jacksoncriss.co.uk
07770 580 590

RHODRI JONES BSc (Hons) MSc
rjones@jacksoncriss.co.uk
07570 684 444