

4 HIGH STREET &
10/12 PELHAM STREET

NOTTINGHAM



FLAGSHIP PRIME RETAIL BLOCK FOR SALE

jackson
criss

INVESTMENT SUMMARY

- The property is located in Nottingham, the commercial capital of the East Midlands.
- One of the UK's top retailing destinations ranked 7th by Promis in terms of the volume of total retail spend in the catchment area.
- Landmark building which occupies a very prominent trading position within the busiest pedestrianised flows of the city.
- Rarely available prime Nottingham location underpinned with strong economic and demographic fundamentals.
- The building provides c.25,733 sq ft (2,390 sqm) of retail accommodation.
- Freehold.
- Passing rent of £480,000 pa let to the undoubted covenants of Zara UK Limited and Space NK Limited (rebased from £886,000 pa).
- The vendor is seeking offers in excess of **£4,750,000 (Four Million Seven Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT which reflects a net initial yield of 9.48% and a low capital value of £185 per sq ft.



LOCATION

Nottingham is the commercial and regional capital of the East Midlands and one of the UK's busiest retailing destinations. Nottingham is ranked 7th of the Promis centres nationally by the size of its shopping population of 581,000, drawing from its primary catchment of 925,000.

The city is located 128 miles (206 km) north of London, 28 miles (45 km) north of Leicester and 45 miles (72 km) north east of Birmingham.

Communications to the City are excellent, being served by three junctions of the M1 Motorway. The City benefits from an excellent major road network including the A453, A52 and A610, providing access to the M1 and A52 also providing access to the A1(M), 18 miles to the west.

There is a fast regular train service to London (St. Pancras) with a fastest journey time of 1 hour 40 minutes, whilst East Midlands Airport is situated 11 miles (18 km) south west from the City providing direct flights to destinations throughout the UK and Europe.



DEMOGRAPHIC AND ECONOMIC PROFILE

Nottingham is the dominant retail location in the East Midlands with the 6th largest consumer economy out of the Promis centres, with a total consumer base of 581,000.

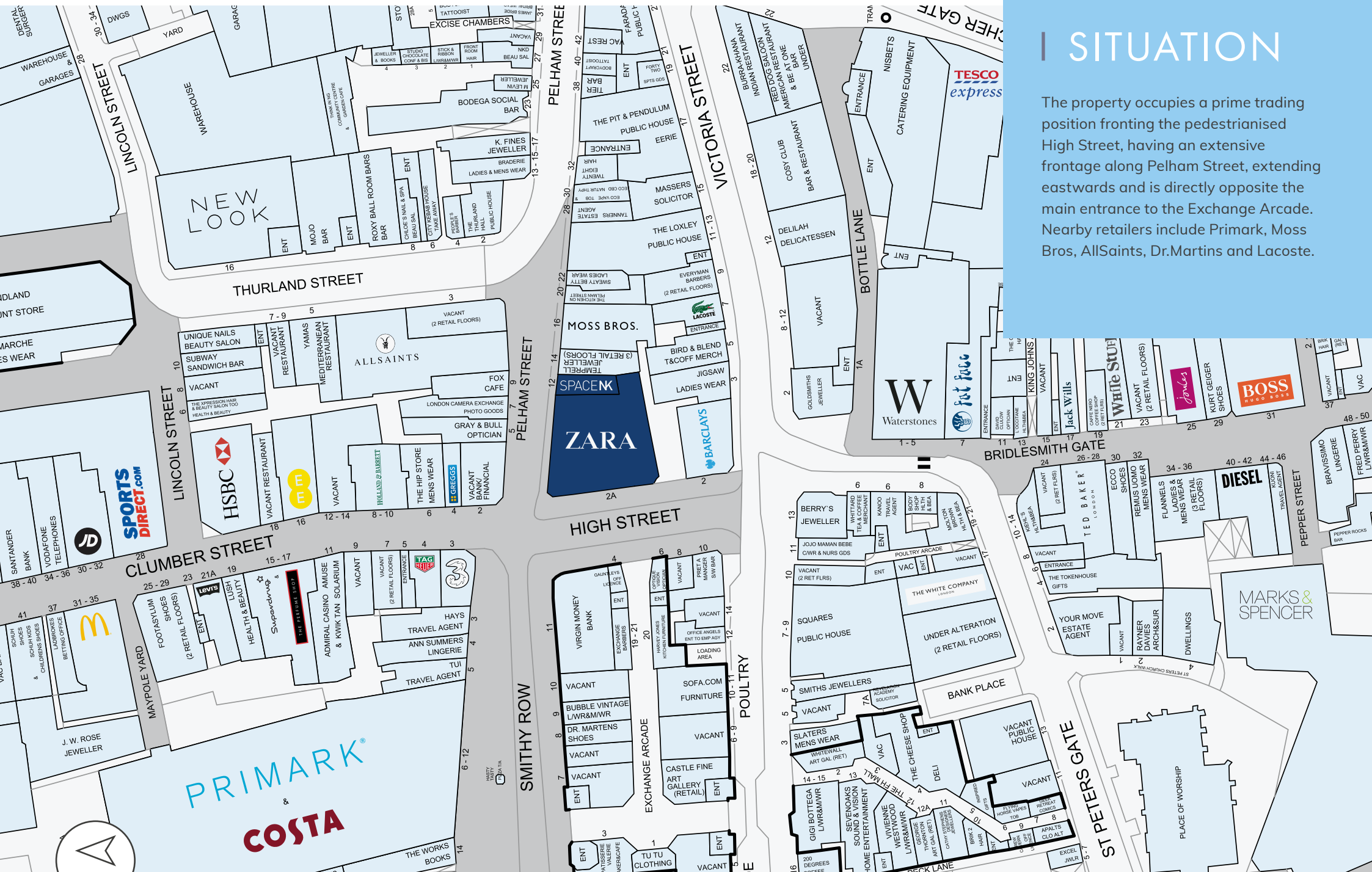
The city is the commercial capital of the East Midlands and has an age profile that contains a large proportion of young adults with 25.9% of the population aged 15-24 (UK average of 11.6%). Additionally, there are approximately 70,900 students attending the University of Nottingham and Nottingham Trent University. Nottingham has strong public sector employment which totals 20.6% of the total employment in the area.

Within the city's workforce, 58% are employed in the private sector service industries and major employers include Addo Food Group, Boots, Parexel and Rolls Royce. Tourism also boosts spending by an estimated £1.5 billion pa which is the 6th highest tourist spend in the UK.



SITUATION

The property occupies a prime trading position fronting the pedestrianised High Street, having an extensive frontage along Pelham Street, extending eastwards and is directly opposite the main entrance to the Exchange Arcade. Nearby retailers include Primark, Moss Bros, AllSaints, Dr.Martins and Lacoste.





| RETAILING IN NOTTINGHAM

The city centre retail floor space in Nottingham is estimated at 2.88m sq ft, ranking the city 4th of the Promis Centres on this measure.

Nottingham is one of the UK's premier retail centres and ranks 9th on the PMA retail score index. The prime retailing is concentrated on the north south axis of the city dominated by the Victoria Centre, comprising of nearly 1m sq ft, anchored by John Lewis, Next and River Island. The prime retailing is further complimented by Clumber Street, High Street and Bridlesmith Gate running south.

Bridlesmith Gate offers the City's aspirational retailing, whose occupiers include Goldsmiths, Berry's, Molton Brown, Hugo Boss and Fat Face.

The former Broadmarsh Shopping Centre anchors the southern end of Lister Gate and its proposed redevelopment is seen by the Council as a catalyst for wider change and is due to undergo a substantial redevelopment, following Council consultations.

| DESCRIPTION

The property is Grade II* listed and originally comprised 3 retail units, 2 of which front the High Street. The main two units fronting High Street are occupied by Zara and provide modern open plan sales space on ground and 2 upper floors, linked by a sales stair case and a lift.

The property was designed by A N Bromley and was one of the first flagship stores for a major nationwide commercial enterprise. The building was home to one of the UK's first Boots stores as seen on the Boots Heritage page accessed via the link below:

Boots Heritage

The property benefits from a return frontage to Pelham Street and loading access, including a goods lift serving Zara from within High Street Place.

I ACCOMMODATION

The property comprises the following approximate areas: -

10 Pelham Street / 4 High Street (Zara)

Ground Floor Sales	3,705 sq ft	344.2 sq m
ITZA	2,184 units	
Sub Basement – Store	2,230 sq ft	207.2 sq m
Basement – Sales	3,406 sq ft	316.4 sq m
Ground Floor – Loading	127 sq ft	11.8 sq m
First – Sales	4,462 sq ft	414.5 sq m
First – Loading	180 sq ft	16.7 sq m
Second – Sales	4,486 sq ft	416.8 sq m
Second – Loading	209 sq ft	19.4 sq m
Third – Store	2,206 sq ft	204.9 sq m
Total Area	21,011 sq ft	1,952 sq m

4 High Street (Zara)

Ground Floor Sales	826 sq ft	76.7 sq m
ITZA	528 units	
Basement – Sales	609 sq ft	56.6 sq m
Basement – Store	175 sq ft	16.3 sq m
Total Area	1,610 sq ft	149.6 sq m

12 Pelham Street (Space NK)

Ground Floor Sales	892 sq ft	82.9 sq m
ITZA	584 units	
Basement – Store	485 sq ft	45.1 sq m
First – Sales	811 sq ft	75.3 sq m
Second – Store	462 sq ft	42.9 sq m
Third – Store	462 sq ft	42.9 sq m
Total Area	3,112 sq ft	289.1 sq m
Total Floor Area	25,733 sq ft	2,390.7 sq m



I TENURE

Freehold.

I TENANCIES

4 High Street and 10/12 Pelham Street, Nottingham is let to Zara UK Limited on a lease for a term commencing 11th June 2021 to expire 10th June 2023, at a rent of £450,000 pa (reduced from the previous apportioned lease rent of £826,750 pa). The property is let on a Full Repairing and Insuring lease.

12 Pelham Street is let to Space NK Limited on a lease for a term from 25th March 2020, expiring 10th June 2023 at a rent of £30,000 pax (reduced from £59,250 pa). The lease is contracted outside of the security tenure provisions of the Landlord & Tenant Act 1954 and the repairs are limited by reference to a schedule of condition. The tenant has no repairing liability for the second and third floors, which are the landlord's responsibility.

The landlord is responsible for the repair of the roof and structure of the Space NK building and these costs are passed back to the tenant on a pro rata basis, for the floors let to the tenant.

The total rent passing is £480,000 pax.



I COVENANT STRENGTH

ZARA UK LIMITED (Company No. 02245999)

ZARA

Zara is a Spanish multinational apparel fashion retailer that was founded in 1975 with 2,270 stores worldwide. Zara offers menswear, womenswear, kidswear, homeware, accessories, footwear and beauty products to its customers.

Zara Uk Ltd has an Experian rating of 92/100 deeming the company ‘Very Low Risk’.

	31 Jan 2020 (£)	31 Jan 2019 (£)	31 Jan 2018 (£)
Turnover	826,437,000	772,491,000	704,839,000
Pre-Tax Profit	58,000,000	22,306,000	51,813,000
Total Net Worth	41,765,000	16,355,000	57,277,000

SPACE NK LIMITED (Company No. 02773985)

SPACE NK APOTHECARY LONDON

Space NK is a British multinational retailer of personal care and beauty products that was founded in 1991 with 76 stores worldwide. Space NK offers a range of products, including cosmetics, skincare and gadgets.

Space NK Ltd has an Experian rating of 100/100 deeming the company ‘Very Low Risk’.

	28 Mar 2020 (£)	30 Mar 2019 (£)	31 Mar 2018 (£)
Turnover	125,710,067	108,938,970	102,891,457
Pre-Tax Profit	3,407,415	3,027,523	6,336,762
Total Net Worth	33,345,485	30,849,942	28,279,404



I VAT

We understand that the property is elected for VAT and therefore VAT will be payable on the purchase price. It is envisaged that the sale will be dealt with as a Transfer of a Going Concern (TOGC).

I EPC

A copy of the EPC certificate and report is available on request.

ZARA

SPACE NK
APOTHECARY LONDON



I PROPOSAL

We are instructed to seek offers for the freehold interest in excess of **£4,750,000 (Four Million Seven Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of 9.48%, after allowing for standard purchaser costs.

The sale price reflects a low capital value of c.£185 per sq ft.

The principal comparable evidence can be set out below: -

16 Clumber Street, Nottingham (EE)

Freehold overrented retail investment Sold in May 2020 for £2.125m, which reflected a net initial yield of 10.75%. The property was let to EE for a further 5.5 years at a rent of £245,500 pa. The sale price reflected a capital value of £568 per sq ft.

30/32 Clumber Street (JD)

Freehold retail investment sold in July 2020 for £3.3m, which reflected a net initial yield of 7.85%. The property is let to JD Sports Fashion Plc until March 2024 on a current rent of £255,000 pa. The sale price reflected a capital value of £568 per sq ft.

I 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:

Philip Hay BSc (Hons) MRICS
020 7637 7100
phay@jacksoncriss.co.uk

Jake Berry BSc MSc
020 7637 7100
jakeb@jacksoncriss.co.uk

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