

1/5, DAVYGATE & 3 LITTLE STONEGATE

— YORK —

100% PRIME FREEHOLD MIXED USE INVESTMENT BLOCK FOR SALE



INVESTMENT SUMMARY

- York is an internationally renowned tourist destination and historic cathedral city attracting 8.4 million visitors per annum, contributing to in excess of £765m to York's economy. (Visit York).
- York has a mixed and stable economy supporting a highly skilled workforce and low levels of unemployment.
- Proposed developments in York will only enhance the economic growth in the area.
- 100% prime trading location on the pedestrianised Davygate close to Browns Department Store, whilst in close proximity to Mappin & Webb, Bettys, Hobbs, Space NK and The Ivy.
- Freehold.
- Let to the undoubted covenants of Sainsbury's, Superdry and Pandora.
- Current Wault to expiry of 5 years.
- 50% of the income (excluding the rental guarantee) has been rebased and c.18% of the income is indexed.
- Rare opportunity to acquire a substantial prime city centre holding comprising 41,595 sq ft (3,864 sq m) of accommodation.
- We are instructed to seek offers in excess of **£7,650,000 (Seven Million Six Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT, which reflects a net initial yield of 7.65% and an equivalent yield of 7.47%, after allowing for standard purchaser's costs.





LOCATION



The city of York is a leading commercial and administrative centre in North Yorkshire. This historic city is located 25 miles north east of Leeds, 21 miles east of Harrogate and 210 miles north of London.



York has a strong retail core and established tourist industry, with 8.4 million visitors spending c.£765m pa (Visit York - 2018) attracted by the historic sites including York Minister, Roman walls and the National Railway Museum.



York benefits from excellent communications with the city's ring road the A64, leading directly to the A1(M) motorway and further on to the national motorway network.



York benefits from excellent transport communications via rail on the east coast mainline, with direct services to Manchester (1 hour 17 minutes), Edinburgh (2 hours 13 minutes), Leeds (23 minutes) and London Kings Cross (1 hour 53 minutes).



Leeds Bradford International airport is located 24 miles south west of York and provides direct flights to over 75 international destinations.

DEMOGRAPHICS

York's primary retail market area population is estimated at 311,000 (PROMIS- 2021).

The city benefits from an above average proportion of adults of working age categorised within the most affluent AB&C social grouping.

The city is home to several key employers including British Telecom, Nestle Rowntree, Network Rail, Northern Rail, Aviva, Hiscox, Royal Mail, Tesco, Northern Electric and a variety of Government bodies, which highlights York's status as a strategic destination for business, administration and commerce.

The recent proposal of two local enterprise partnerships (LEPs) in Yorkshire to merge York, North Yorkshire and West Yorkshire to form a single LEP is expected to considerably strengthen economic growth in the area. This new business led body will cover a population of 3.1 million people and an economy worth £70.3 billion.

York is a major European City, internationally renowned for its historic architecture, gothic cathedral and City Walls. The city's key tourist attractions include York Minster, the National Railway Museum, The Jorvik Viking Centre, The Heritage Centre and a number of museums and galleries.

York is a vibrant student city, hosting two universities, University of York and York St John University. Collectively, the universities provide York with a student population of approximately 24,500.



311,000
RETAIL MARKET
POPULATION



HISTORIC
EUROPEAN
CITY



24,500
STUDENT
POPULATION

RETAILING IN YORK

York City Centre has an approximate total retail floor space of 1.49m sq ft and is categorised by PMA as a regional centre on the basis of the volume and quality of its retail offer.

The prime retailing in York is centred on the pedestrianised Davygate and Stonegate. Coney Street and Spurriergate form two of the other main shopping Streets, with Davygate and Parliament Street running parallel, connected by Stonegate to the north of the central area and High Ousegate to the south.

There is only one managed scheme in the city centre, The Coppergate Centre, which occupies a secondary trading location, is anchored by Primark and Fenwick's.

In addition, York has a renowned number of independent shopping areas including Colliergate and the Shambles.



Key retailers in the city include:

BROWNS
EST 1890

PRIMARK®

MARKS & SPENCER

Fenwick

FLANNELS

REISS



Mulberry



The retailing is further supported by an attractive leisure offer including a variety of restaurants and bars, such as:

Bettys

**CÔTE
BRASSERIE**

THE IVY

Bill's

wagamama

SITUATION

The subject property occupies a 100% prime trading location on Davygate, close to its junction with Stonegate and St Helens Square. Nearby operators include Bettys Café, Mappin & Webb Browns Department Store, Hobbs, Deichmann and The Ivy.

Little Stonegate provides one of the leisure circuits within York and includes established restaurants and bars such as Kennedy's, Stonegate Yard, Slug and Lettuce, and The Botanist.

A goad plan extract highlighting the property's position is attached.



For Identification purposes only





DESCRIPTION

We understand that the property was constructed in 1999 and provides a retail parade of 4 modern well configured units fronting Davygate and a bar/leisure unit fronting Little Stonegate. The property provides large flexible floorplates within the building, arranged over ground, first and second floors

The front elevation is of a modern design and is connected to an original brick faced former chapel on Little Stonegate by a glazed atrium.

3 Little Stonegate is a Grade II listed building dating back from 1851 and comprises a former Ebenezer Primitive Methodist chapel, which was altered to form a printworks in 1901.

The site is fully developed and extends to approximately 0.392 acres (0.8 hectares).

Unit 2 which was previously occupied by Sports Direct is currently vacant.



ACCOMMODATION

The floor areas for the property are set out in the attached tenancy and accommodation schedule below.

Address/ Tenant	Floor area	Total NIA sq.ft	Total NIA sq.m	Lease Start	Lease Expiry	Rent Review	Passing Rent £ pa	Rental Value £ pa	Shortfalls	Comments
3 Little Stonegate ARC Inspirations Limited t/a ARC Co No: 03883505	Ground Floor: Lower Ground: First Floor: Mezzanine: Total:	1,722 1,706 1,789 409 5,626	160 158 166 38 522	02/04/2013 (TBO 02/04/2028)	01/04/2038	02/04/2023	£45,000	£45,000	Service charge £1,168	Service charge cap which is annually reviewed using an RPI linked mechanism.
Unit 2, 1-5 Davygate C-Retail Limited t/a Superdry Co No: 07139142	Ground Floor: Ground ITZA: First Floor Sales: Second Floor: Total:	6,757 1,824 9,094 972 16,823	628 169 845 90 1,563	29/06/2021	28/06/2024		£200,000	£240,000		Rent rebased in 2021 from previous rent of £400,000 pa.
Unit 3, 1-5 Davygate PANDORA JEWELLERY UK LIMITED t/a Pandora Co No: 06654012	Ground Floor: Ground ITZA: Total:	2,315 866 2,315	215 80 215	23/09/2015	22/09/2025		£165,000	£96,000		
Unit 4, 1-5 Davygate Sainsbury's Supermarkets Ltd t/a Sainsbury's Co No: 03261722	Ground: Ground ITZA: First Floor: Total:	2,616 934 2,559 5,175	243 87 238 481	07/12/2020	06/12/2035	07/12/2025 07/12/2030	£115,000	£115,000		Rent review indexed & compounded 5 yearly with a 1% collar and a cap of 3.5% pa. Predicted level c.£136,583 pa on 12/2025 applying 3.5% pa. Previous tenant French Connection was paying £195,000 pa.
Unit 5, 1-5 Davygate Vacant Vendor Guarantee	Ground Floor: Second Floor Sales/Stock: Total:	532 (GIA) 11,124 (GIA) 1,656	49 1,033 1,083				£100,000	£100,000	Rates Payable 2022/2023 £147,420. Service charge £12,882.	Vacant. The total shortfalls from rates and service charge are £160,302. Previous tenant Sports Direct was paying £330,000 pa. Vendor will provide a 12 month rental and shortfall guarantee.
Northern Electric PLC				24/06/1999	23/06/2039		£34	£34		
		41,595	3,864				£625,034	£596,034	£161,470	
						Net Operating Income	£623,866			

WAULT Profile with 12 month rental guarantee on unit 5:

WAULT to Expiry	5.0
WAULT to Break	4.3

TENURE

The title to the whole property is freehold registered with title absolute.

TENANCIES

The property is let to 4 tenants in accordance with the tenancy schedule producing a current passing rent of £525,034 pa. Unit 5 is currently vacant and the vendor will provide a 12 month rental and shortfall guarantee, which will increase the total passing rent to £623,866 pa.

The current Wault to expiry is 5 years and 4.3 years to break assuming the 12 month guarantee on Unit 5.

It is our opinion that the estimated rental value as of today's date would lie in the region of £596,034 pa.

SERVICE CHARGE

All the leases are effectively Full Repairing and Insuring, recoverable via a service charge.

The service charge budget for the year ending 31st December 2022 is £42,967 pa. Further information is available on request.

There is a shortfall of c.£1,168 pa on 3 Little Stonegate due to service charge cap which increases annually in line with RPI.



COVENANT INFORMATION

We have set out the tenant's Experian ratings on the tenancy schedule.
The most salient covenant information on the tenants can be set out as follows:

Sainsbury's Supermarket Limited
(Company No. 03261722)

Sainsbury's

Sainsbury's is the second largest chain of supermarkets in the United Kingdom, with a c.14.9% share of the supermarket sector. The company have an Experian credit score of 100/100 reflecting a very low risk.

The summary of the most recent financial accounts are as follows:

	6/3/2021 GBP	7/3/2020 GBP	9/3/2019 GBP	Experian Score
Turnover	23,823,000,000	129,279,000	142,131,000	100
Pre-tax Profit	-90,000,000	(11,815,000)	(1,402,000)	
Net Worth	4,003,000,000	15,463,000	29,295,000	

C-Retail Limited trading as Superdry
(Company No. 07139142)

極度乾燥(しなさい)
Superdry®

Superdry is a UK branded clothing company and owner of the Superdry label, Superdry product combine vintage and American styling, with Japanese inspired graphics. Superdry is listed on the London stock exchange and operates through 740 Superdry branded stores in 61 countries. There are 241 owned stores across the UK, Republic of Ireland, mainland Europe and USA. The company has an Experian credit score rating of 56, reflecting below average risk.

The summary of the most recent financial accounts are as follows:

	24/4/2021 GBP	25/4/2020 GBP	27/4/2019 GBP	Experian Score
Turnover	53,108,000	131,587,000	178,871,000	56
Pre-tax Profit	-2,907,000	-66,574,000	-58,624,000	
Net Worth	-75,050,000	74,196,000	17,011,000	

Pandora Jewellery Limited
(Company No. 06654012)

PANDORA

Pandora is a Danish manufacturer and retailer founded in 1982. Pandora's products are available in more than 100 countries on six continent's through more than 6,800 points of sale, including 2,600 concepts stores. The company employs more than 27,000 people. Pandora Jewellery UK Limited have an Experian credit score rating of 100/100, reflecting a very low risk.

The summary of the most recent accounts are as follows:

	31/12/2020 GBP	31/12/2019 GBP	31/12/2018 GBP	Experian Score
Turnover	359,679,000	338,279,000	332,669,000	100
Pre-tax Profit	16,058,000	42,342,000	47,776,000	
Net Worth	44,380,000	30,901,000	30,328,000	

Arc Inspirations Limited
(Company No. 03883505)

ARC
INSPIRATIONS

Arc inspirations is a high performing commercially successful bar group in the north of England, operating three brands with 18 venues in total. The brands include Mad Hatter, Box and Banyon. The company has been established since 1999. The company have a credit score rating of 50 reflecting above average risk.

The summary of the most recent accounts are as follows:

	28/3/2021 GBP	29/3/2020 GBP	31/3/2019 GBP	Experian Score
Turnover	9,926,969	30,062,209	27,166,376	50
Pre-tax Profit	-3,418,138	260,862	-473,673	
Net Worth	-1,247,190	-1,109,517	-4,078,261	

EPC

The EPC ratings for this property are available on request.

VAT

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

PROPOSAL

We are instructed to request offers for the freehold interest in excess of **£7,650,000 (Seven Million Six Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT, which reflects the following yield profile net of standard purchasers costs

Net Initial Yield 7.65%

Revisionary Yield 7.30%

Equivalent Yield 7.47%

The sale price reflects a capital value of £184 per sq ft.



FOR FURTHER INFORMATION, PLEASE CONTACT:

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