

45 HIGH STREET **WORCESTER** **WR1 2QB**

HIGH YIELDING
PRIME CITY CENTRE
RETAIL INVESTMENT



INVESTMENT SUMMARY

- Worcester is an affluent Cathedral City and is the administrative hub for Worcestershire
- Attractive period style retail building located in the heart of Worcester City centre
- Situated on 100% prime pedestrianised pitch, between Crowngate Shopping Centre and Cathedral Square
- Freehold
- The property totals 10,583 sq.ft
- Single let in its entirety to Fraser Hart Limited until 15th October 2030
- Unexpired term of 9.5 years, without break
- Current passing rent of £115,000 p.a. (£10.87 per sq.ft)
- Fixed increase on 29th September 2023 to £147,500 p.a. (£13.94 per sq.ft). The vendor will provide a rental top up until the fixed increase date
- Further upward only rent review on 16th October 2024 reviewed to Open Market Value (OMV)
- Potential to convert the upper parts to alternative use, STP
- Offers sought in excess of **£1,500,000 (One Million Five Hundred Thousand Pounds)** Subject to Contract and exclusive of VAT
- A purchase at this price reflects an **attractive Net Initial Yield of 9.27%**, assuming purchaser's costs of 6.10%
- **Low capital value of £142 per sq.ft**



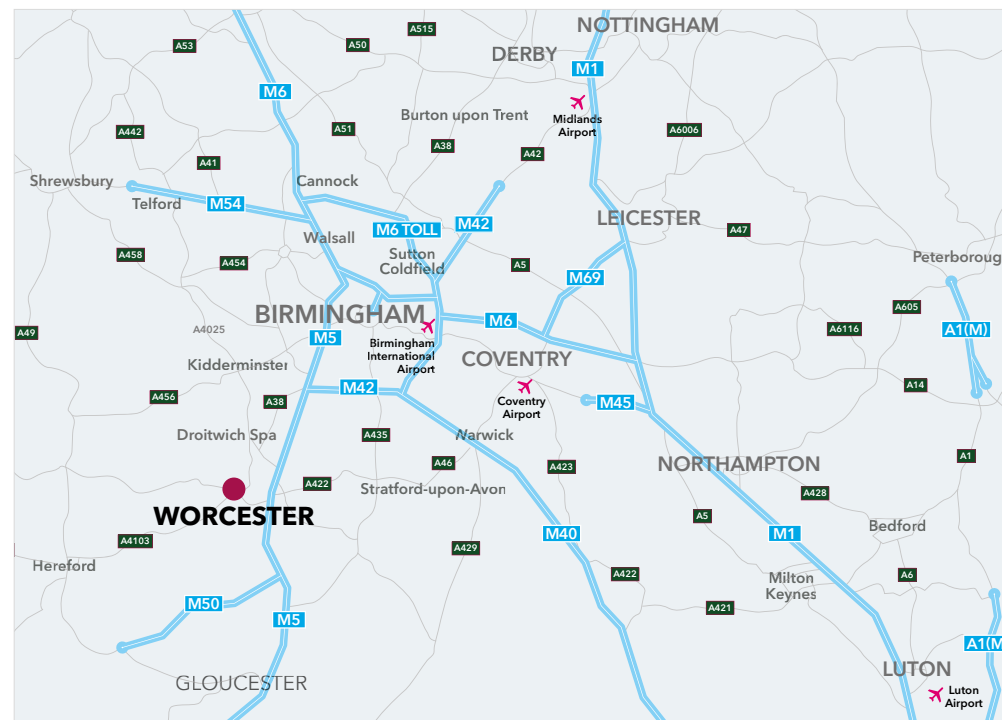
LOCATION

The cathedral city of Worcester is a well-established retail centre and is the principal administrative hub for the County of Worcestershire. Worcester is strategically located for serving the Midlands, Wales and the South West regions. It lies approximately 125 miles north west of London, 30 miles south west of Birmingham and 28 miles north of Cheltenham.

The city benefits from excellent road communications, being situated approximately 3 miles to the west of Junctions 6 and 7 of the M5 motorway which in turn links to the M4, M6 and the wider UK road network.

Worcester is serviced by two mainline railway stations, Worcester Foregate Street and Worcester Shrub Hill, with a fastest journey time of just over 2 hours and 20 minutes to London Paddington. There are also regular services to local destinations with the fastest journey time to Birmingham New Street in less than 45 minutes. Birmingham International Airport is located approximately 37 miles to the north east of the City offering scheduled and chartered flights World-wide.

Worcester is a highly affluent town popular with residents, students, tourists, retailers and businesses. The city has a primary catchment population of 298,000 persons and a retail catchment of 191,000 persons (Source: Promis). Worcester benefits from low crime rates, high employment levels and an excellent offer for sport, shopping, leisure, arts, heritage and dining. The city is further supported by tourism generated by both Worcester Cathedral and the River Severn, as well as having a large student population due to the University of Worcester and various colleges.



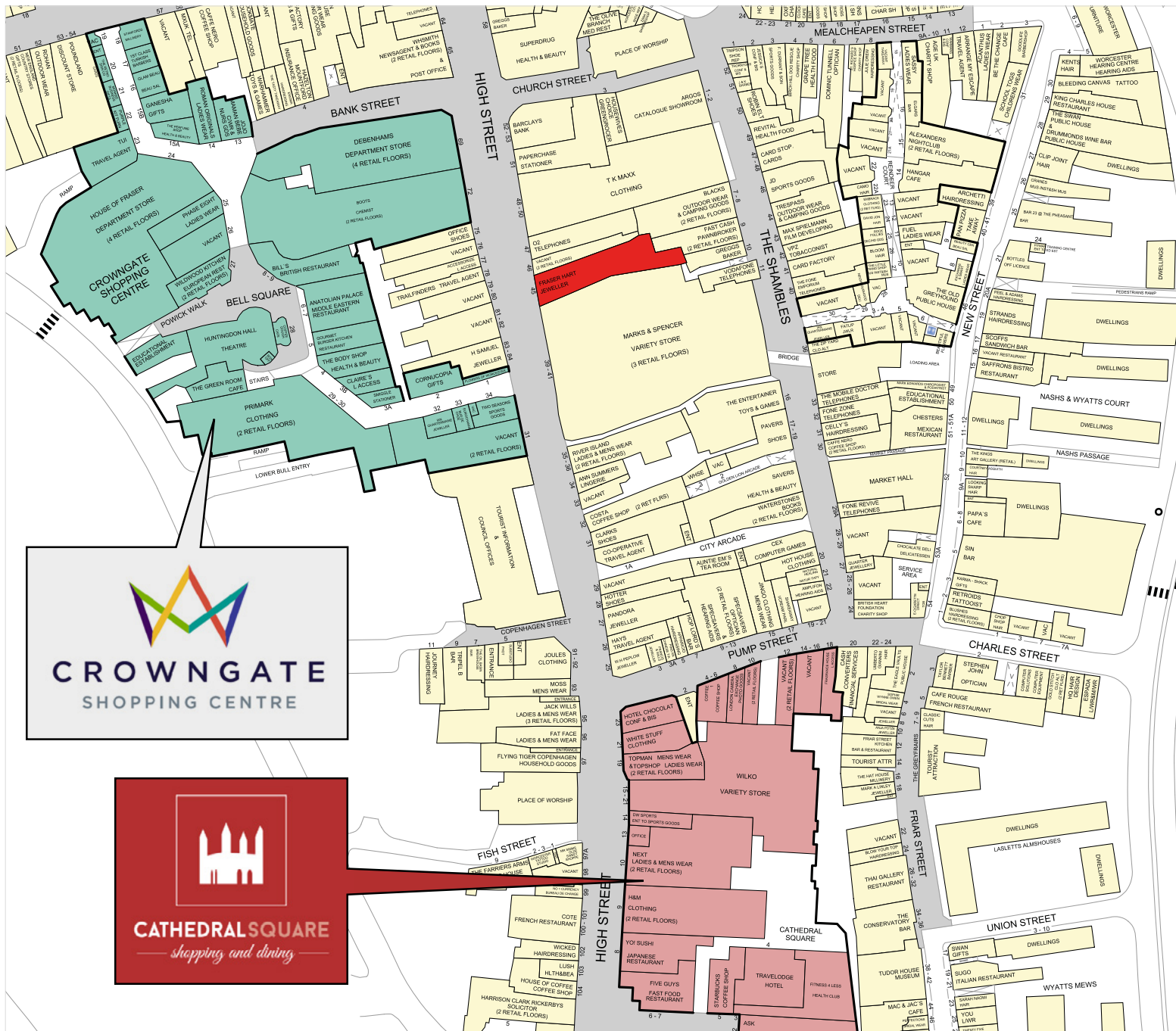
SITUATION

The property is situated in a prime retail position on the east side of the High Street, in the heart of Worcester City centre, within close proximity to Worcester's main shopping centres, Crown Gate Shopping Centre and Cathedral Square.

The property is conveniently placed mid-way between Pump Street and Broad Street, with easy access to public transport and the pedestrianised high street, all of which are within walking distance. Worcester Foregate Street station is the closest station and is within a 5-minute walk.

The unit is also directly adjacent to a large Marks & Spencer and surrounded by other multinational occupiers such as Barclays, TK Maxx, Boots, Superdrug, Costa as well as many others.

Worcester city centre provides an attractive environment and offers an extensive range of national multiple retailers and smaller, boutique retailers. Due to its location the property experiences high levels of footfall, benefiting from frontage on the pedestrianised High Street.



REGENERATION IN WORCESTER

A major regeneration of Worcester's city centre is set to go ahead, after a bid by the City Council secured £17.9 million from the Government's Future High Streets Fund in December 2020. The £17.9m boost will bring about a transformation of the northern end of the city centre, and will see the re-opening of a restored Scala Theatre and Corn Exchange and the creation of new homes for first time buyers. The money will be invested into the area from The Cross up to Foregate Street train station, taking in Broad Street, Angel Place, The Trinity and Queen Street, which is directly to the north of the subject property. Over the next five years it will be regenerated to create a diverse leisure, residential and cultural offer with new jobs being created.

There are also major changes underway at Crowngate Shopping Centre where The Crown Estate have been granted planning permission to change part of Crowngate Shopping Centre with a £1.5m investment. As part of this investment, Angel Place, the principal entrance to Crowngate, is being revitalised including a new façade, improvements to the public realm areas and the creation of brand-new units, bringing a vibrant mix of businesses, retailers and restaurants to the area.



(CGI of Angel Place.)



(CGI of restored Scala Theatre and Corn Exchange.)

DESCRIPTION

The property comprises an attractive mid-terrace period style building of traditional red brick construction, arranged over basement, ground and four upper floors, providing retail accommodation throughout.

The unit comprises well configured retail accommodation arranged as ground floor sales space with ancillary storage and staff areas (including kitchen and w/c facilities), including a recessed glass frontage and entrance with dual aspect display windows.

The basement, first, second, third and fourth floors are not used by the tenant and remain underutilised. The unit also includes a dedicated diamond lounge at ground floor level as well as one passenger lift and one goods lift (neither lifts are in use). There is rear access to the property via an entrance off The Shambles.

The property is not listed and is located within the Historic City Conservation Area.



ACCOMMODATION

The property provides the following Net Internal Areas (NIA);

Unit	Sq M	Sq Ft
Basement	237.18	2,553
Ground	261.70	2,817
First	195.37	2,103
Second	104.98	1,130
Third	91.14	981
Fourth	92.81	999
Total	983.18	10,583

TENURE

Freehold.



TENANCY

The property is single let to Fraser Hart Limited from 16th October 2014 and expiring on the 15th October 2030, without break. Therefore providing 9.5 years unexpired.

The property currently produces a passing rent of £115,000 per annum (£10.87 per sq ft).

The landlord and tenant agreed a rent reduction to £115,000 per annum until 28th September 2023. The rent is subject to a fixed uplift on 29th September 2023 to £147,500 per annum (£13.94 per sq.ft), which was the original rent in the original lease before the rent reduction. The vendor will provide a rental top up until the fixed uplift on 29th September 2023.

There is a further upward only rent review to Open Market Value (OMV) on 16th October 2024.

As part of the rental concession, a further 1-year lease extension was also agreed with the tenant. Lease expiry is on the 15th October 2030 (previously 15th October 2029). The lease is Inside the Landlord and Tenant Act 1954 and is part effective FRI. Further information available upon request.

The tenant is paying rent in monthly instalments and is currently up to date on all rental payments with no arrears.

Fraser Hart have confirmed that if the company were ever to enter into a CVA, the subject property would be placed into a 'Category A' premises, which essentially means it will be protected from closure. Further information available upon request.

COVENANT STATUS

FRASER HART

Fraser Hart Limited (No. SC018475)

Fraser Hart Limited have a Creditsafe rating of 76/100 or 'Very Low Risk'.

Fraser Hart is one of the UK's leading jewellers with 40 shops nationwide. The company began trading in 1936 when founder Fred Hill set up a jewellery shop in Glasgow and since then the business has continued to grow from strength to strength. The company now has close to 500 employees across the UK.

Fraser Hart specialise in a wide range of luxurious diamonds and jewellery made from precious metals including watches, necklaces, pendants, bracelets and earrings. The company are authorised stockists for leading brands including some of the world's most prestige and premium watch brands, including Breitling, Omega, Frederique Constant, TAG Heuer, Bell & Ross, Gucci and Rado. Fraser Hart also hold a range of prestigious watch brands in-store including Cartier, Hublot and IWC. Selected stores are also authorised Rolex stockists.

Further information can be found at <https://www.fraserhart.co.uk>

Summarised accounts:

Year to Date	Turnover	Pre-Tax Profit	Shareholders' Funds
30/06/2019	£86,433,000	£980,000	£25,103,000
24/06/2018	£82,892,000	£1,539,000	£25,003,000
25/06/2017	£80,863,000	£2,372,000	£23,611,000

ASSET MANAGEMENT INITIATIVES

- Agree a surrender with the tenant on the upper parts and convert to alternative use, subject to obtaining the necessary consents.

EPC

The property has an EPC Rating of D (81).

VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. We would anticipate the sale to be dealt with by way of Transfer of a Going Concern (TOGC).

PROPOSAL

Offers sought in excess of **£1,500,000 (One Million Five Hundred Thousand Pounds)**, subject to contract and exclusive of VAT.

A purchase at this price reflects an attractive **Net Initial Yield of 9.27%**, based on the topped-up rent, assuming standard purchaser's costs of 6.10%. This provides a **low capital value of £142 per sq.ft.**

CONTACT

Strictly via sole agents.

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