

57

58

COMMERCIAL STREET
HEREFORD



REVISED PRICE
OFFERS IN EXCESS OF
£750,000
REPRESENTING AN
INITIAL YIELD OF
10.25%

Established Hereford City Centre Retail Location

Let to Boots Opticians and The Works producing £81,500 per annum

Offers are invited in the region of ~~£900,000~~ representing a net initial yield of ~~8.57%~~

MacLaren
& PARTNERS

Investment Property and Development Advisers

HEREFORD

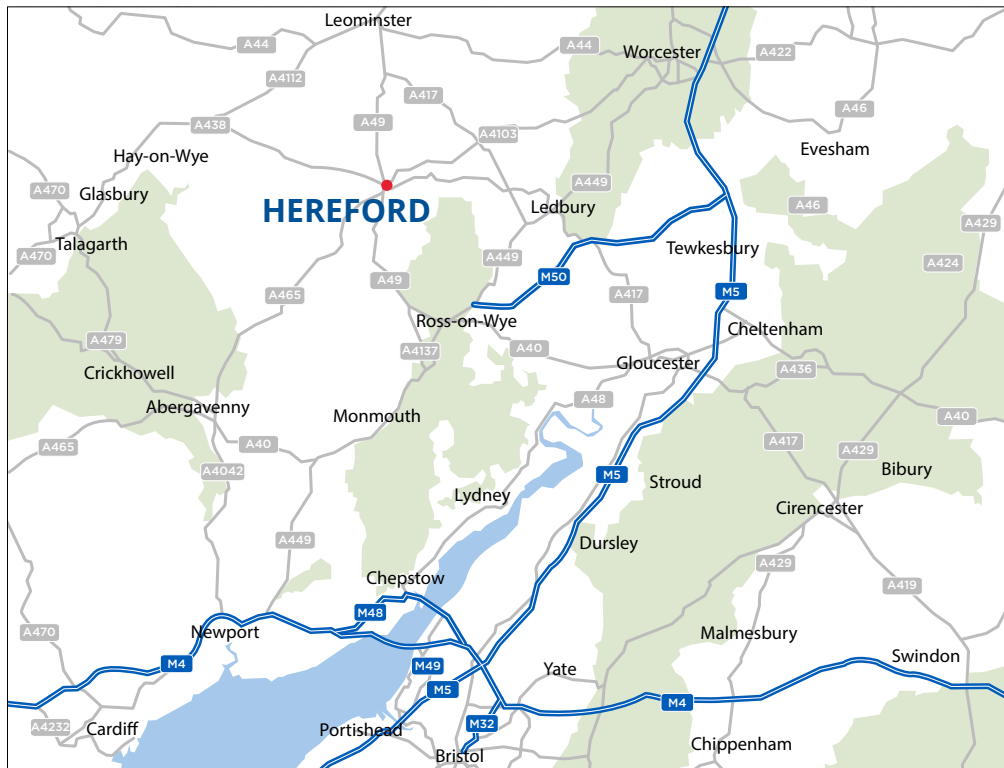


Hereford is a Cathedral City in the County of Herefordshire. It lies on the River Wye approximately 28 miles (45 km) south west of Worcester, 28 miles (45 km) north west of Gloucester and 58 miles (93 km) north east of Cardiff.

Hereford benefits from good road communications with the A49 providing access north and south, the A438 providing access east and west and the A465 providing access north east and south west.

The M50 is located 20 miles (32 km) to the south east of Hereford and links directly to the M5 (Junction 11) located approximately 10 miles (16 km) further to the east of Hereford which provides access to Birmingham to the north and Bristol and Exeter to the south.

Hereford Railway Station is located on the Welsh Marches Line and provides direct services to Birmingham New Street and Cardiff Central with fastest journey times of 1 hour 30 minutes.



RETAILING IN HEREFORD

Hereford's main shopping centre, The Maylord Shopping Centre opened in 1987 and comprises 150,000 sq ft. Tenants within the centre include Wilko, Boots Opticians, Laura Ashley, The Body Shop and Sports Direct.

The traditional High Street and High Town runs to the south and retains a strong line up of occupiers including Marks & Spencer, Boots, New Look, WH Smith, Lloyds Bank, Costa Coffee and Monsoon.

British Land's £90 million Old Market retail and leisure development in Hereford City Centre opened in 2014 and that year was crowned "New Centre of the Year" by the British Council of Shopping Centres. The scheme comprises 310,000 sq ft and is anchored by Debenhams, Next and H&M as well as a 6-screen Odeon Cinema.



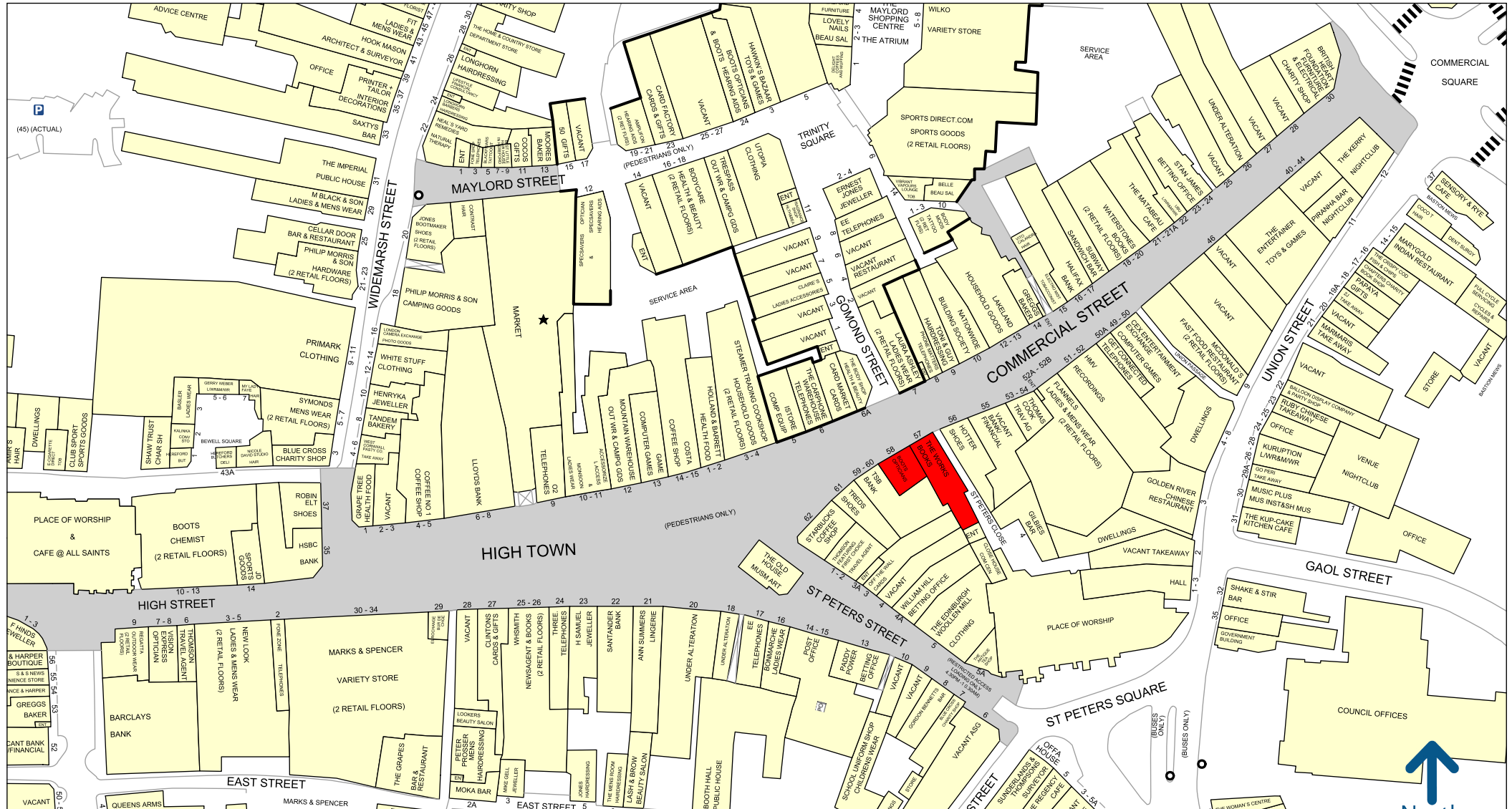
Hereford Retail Market takes place every Wednesday and Saturday on High Town and Commercial Street. Hereford Produce and Craft Market takes place every Thursday and the first Saturday in the month along High Town. These result in significant additional footfall.



SITUATION

The property is located in a prime location on Commercial Street, near its junction with High Town. It is located directly opposite the entrance to the Maylord Centre. The adjacent occupiers are Hotter Shoes and TSB Bank. Other retailers in the

immediate locality include Laura Ashley, Holland & Barrett, Costa, CeX, Lakeland, Subway, Waterstones and Greggs. The property's location is illustrated by the Goad extract below.



DESCRIPTION

Both 57 and 58 Commercial Street are attractive properties of traditional construction arranged over three levels.

57 Commercial Street is split horizontally into two separate units. The ground floor provides a self-contained retail unit let to The Works Limited fronting onto Commercial Street. The two upper floors provide a separate unit accessed from St Peters Close which has previously traded as a wine bar/night club. This unit is currently vacant and we believe offers potential for redevelopment for alternative uses in addition to re-letting opportunities.

58 Commercial Street is let to Boots Opticians Professional Services Limited provides a single unit with retail accommodation at ground floor, consulting rooms at first floor and staff accommodation above.



The property has the following approximate net internal areas:

57 Commercial Street

Ground floor sales	1,827 sq ft	(169.73 sq m)
ITZA	800 sq ft	(74.32 sq m)
with ancillary storage of	586 sq ft	(54.44 sq m)
Gross frontage	23'9"	(7.24 m)

The upper floors have been measured on a gross internal basis as follows:

First Floor	2,066 sq ft	(191.94 sq m)
Second Floor	1,744 sq ft	(162.02 sq m)

58 Commercial Street

Ground floor sales	594 sq ft	(55.18 sq m)
ITZA	563 sq ft	(52.30 sq m)
First Floor	426 sq ft	(39.58 sq m)
Second Floor	386 sq ft	(35.86 sq m)
Gross Frontage	29' 9"	(9.07 m)

TENANCY

Property	Tenant	Lease Start	Lease Expiry	Break Option	Rent £ per annum	Rent Review	Repairs/ Insurance	Areas sq ft	Comments
57 GF & B	The Works Stores Ltd	02/04/15	01/04/25	31/03/20	50,000.00	02/04/20	FRI subject to schedule of condition on basement.	Ground floor - Sales 1,827 ITZA 800 Ancillary 586 Basement -	Tenant's break option with six month's notice
58 GF, 1 & 2	Boots Opticians Professional Services Ltd	01/04/17	31/03/22	31/03/20	31,500.00	N/A	FRI	Ground floor - Sales 564 ITZA 538 First Floor 411 Second Floor 373	Tenant's break option with six month's notice. Areas agreed at lease renewal (sq ft): Ground Floor - Sales 594 ITZA 563 First Floor 426 Second Floor 386
57 - 1 & 2	Vacant							First Floor 2,066 Second Floor 1,744	Measured on gross internal basis
Total					81,500.00				

The ground floor of 57 Commercial Street is let to **The Works Stores Ltd** for a term of 10 years from 2nd April 2015 expiring 1st April 2025, at a current passing rental of £50,000 per annum subject to review on 2nd April 2020. There is a tenant's option to determine the lease on 31st March 2020.

58 Commercial Street is let in its entirety to **Boots Opticians Professional Services Ltd** for a term of 5 years from 1st April 2017 expiring 31st March 2022, at a current passing rental of £31,500 per annum. There is a tenant's option to determine the lease on 31st March 2020.

COVENANT STATUS

The Works Stores Ltd retails books and Stationery. For the year ending 1st May 2016 they reported turnover of £154,398,000 with pre-tax profits of £9,917,000.

Boots Opticians Professional Services Ltd specialise in the retail of eye wear. For the year ending 31st August 2016 they reported turnover of £278,106,000 with pre-tax profits of £21,073,000.

ESTIMATED RENTAL VALUE

The subject property adjoins the traditional City centre shopping core of High Town where occupancy is good and recent transactions reflect rentals at levels of between £72.00 - £76.00 per sq ft ITZA.

Leases on the subject premises were renewed in 2015 and 2017 at rentals equating to around £50.00 and £58.00 per sq ft ITZA respectively thereby providing a re-based level with growth opportunities.

TENURE

The property is held Freehold.

VAT

We understand the property is elected for VAT, therefore VAT will be payable. It is envisaged the sale will be dealt with by way of a Transfer of a Going Concern (TOGC).

ANTI MONEY LAUNDERING (AML)

Under AML regulations, we are obliged to verify the identity of a proposed purchaser once a sale has been agreed to help combat fraud and money laundering.

EPC

Available upon request.

PROPOSAL

We are instructed to seek offers in the region of ~~£900,000~~, subject to contract and exclusive of VAT, for the freehold interest in this property. A purchase at this level will show an attractive initial yield of ~~8.57%~~ after purchase costs.



For further information please contact:

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