

Saffron Walden, 1/2 & 3A Market Hill, CB10 1HQ

Prime Majority Freehold Retail & Office Investment

M&Co, Mistral & Collett's Mountain Holidays



Saffron Walden, 1/2 & 3A Market Hill, CB10 1HQ

Prime Majority Freehold Retail & Office Investment **M&Co, Mistral & Collett's Mountain Holidays**

INVESTMENT CONSIDERATIONS

- Saffron Walden is an affluent Essex market town
- Prime retailing location
- Attractive mixed use building
- Shops let to two multiple retailers
- Long WAULT of just under 9 years
- Offers in excess of £2,800,000 showing an attractive net initial yield of approximately 6.78% assuming normal purchaser's costs



SAFFRON WALDEN

Saffron Walden is an affluent, historic and thriving market town located in North Essex, just south of the Cambridgeshire border. The town has a rich heritage with a market held in its centre since 1141. Visitors to the town enjoy frequenting the 1000 year old St Mary's Church, the Saffron Walden Museum and Audley End House and Gardens which was voted Essex's top historic attraction by Tripadvisor.

Saffron Walden is situated approximately 15 miles south east of Cambridge, 12 miles north of Bishops Stortford and 50 miles north of London. The town benefits from excellent road communications being situated just off junction 9 of the M11 linking the town directly to Cambridge, London and the M25. The area is well served by the rail network with Audley End Station providing a direct link to London Liverpool Street with a fastest journey time of 55 minutes making Saffron Walden a favourite for commuters.

Saffron Walden has a loyal local population of over 15,000 with 65% categorised within the AB and C1 social demographic groups (ONS). However the town draws from a far wider district catchment of over 70,000 which is set to grow significantly over the next 10 years.

RETAILING IN SAFFRON WALDEN

Saffron Walden is an attractive retailing destination both for the local catchment but also for tourists. The main shopping streets are located around the Market Place and include Market Hill, King Street and Market Street.

Saffron Walden boasts a wide variety of national and local retailers including Fat Face, Monsoon, New Look, Crew Clothing, Clinton's and WH Smith. There are also a number of local fashion retailers along with coffee shops, pubs and restaurants creating a vibrant leisure experience. The combination of the historic buildings and the market intertwined with a cosmopolitan and attractive tenant mix creates an exciting retailing environment.

LOCATION

The property is located in a prime and prominent trading location on Market Hill, overlooking the historic Market Place. Directly opposite is the old Beales Department Store which is currently being reconfigured with three new lettings secured to Holland & Barrett, SeaSalt and Costa. Other nearby retailers include Waitrose, Thomas Cook, WH Smith, Boots, Laura Ashley and Fat Face.

DESCRIPTION

The property is a Grade II Listed brick built building to the front with a modern frame extension with brick elevations under a part flat, part slate roof to the rear.

The property comprises two unit shops with self contained first floor offices above the front elevation.

1-2 Market Hill (M&Co) provides a large store at ground which splits into a lower ground and upper ground sales area to the rear. The store has first floor storage and staff to the rear.

3 Market Hill (Mistral) is a standard size lock up shop with rear staff and storage areas.

3A Market Hill (Collett's) is a self contained suite of traditional first floor offices with an entrance accessed via a side walkway down the side elevation between the property and under 5/7 Market Hill next door.

Saffron Walden, 1/2 & 3A Market Hill, CB10 1HQ

Prime Majority Freehold Retail & Office Investment **M&Co, Mistral & Collett's Mountain Holidays**



ACCOMMODATION

The property has the following approximate dimensions and net internal areas:

	M&Co		Mistral		Collett's	
Gross Frontage	33ft 3ins	10.13m	30ft 10ins	9.40m	-	-
Shop Frontage (splay)	24ft 11ins (4ft 10ins)	7.59m (1.47m)	27ft 6ins	8.39m	-	-
Ground Floor	2,503 sq ft	232.53 sq m	833 sq ft	77.39 sq m	-	-
ITZA	1,199	-	653	-	-	-
Upper Ground	2,601 sq ft	241.64 sq m	-	-	-	-
Lower Ground	2,491 sq ft	231.42 sq m	-	-	-	-
Rear Ancillary	-	-	172 sq ft	15.98 sq m	84 sq ft	7.80 sq m
First Floor	1,252 sq ft	116.31 sq m	-	-	1,548 sq ft	143.81 sq m
Basement	-	-	-	-	274 sq ft	25.46 sq m
Total	8,847 sq ft	821.91 sq m	1,005 sq ft	93.37 sq m	1,906 sq ft	177.07 sq m

TENURE

The property is held majority freehold. There is a small 'nib' of land to the front left hand facing section of 1/2 Market Hill (M&Co) held on a 2000 year lease from 22nd May 1588 (approximately 1570 years unexpired) at a peppercorn.

There is a permanent right of way down the right hand facing side of the property (under the adjacent 5/7 Market Hill) both to give access to the offices but also giving both shops and offices a means of escape in case of fire.

Saffron Walden, 1/2 & 3A Market Hill, CB10 1HQ

Prime Majority Freehold Retail & Office Investment **M&Co, Mistral & Collett's Mountain Holidays**



TENANCIES

The property is fully let to three tenants on effective full repairing and insuring leases with a WAULT of 8.88 years as follows:-

	Lease Start	Next Rent Review	Lease Expiry	Passing Rent	% of income
Mackays Stores Ltd t/a M&Co	17/09/2008	17/09/2018*	17/09/2028	£150,000	74.25%
Walton Design Ltd t/a Mistrals	8/11/2010	-	7/11/2020	£35,000	17.33%
Collett's Ltd	6/08/2010	-	5/08/2020	£17,000	8.42%
Total				£202,000	

*The store is reviewed assuming 3 hypothetical unit shops each having a combined ground and first floor ITZA of 630 units.

RENTAL VALUE

We devalue the current rent passing for each tenancy as follows:

1-2 Market Hill (M&Co) – £150,000 per annum reflects a Zone A rate of £79.36 per sq ft using the assumed 'Hypothetical Shop Unit' stipulated in the rent review clause in the lease.

3 Market Hill (Mistral) – £35,000 per annum reflects a Zone A rate of £50.97 per sq ft applying £10 per sq ft to the rear ancillary accommodation.

3A Market Hill (Collett's) – £17,000 per annum shows an overall rate of £10.67 per sq ft NIA applying a rate of £2.50 to the ground floor storage and £1 psf to the basement storage.

Retail demand for prime shops in Saffron Walden remains strong with good units seldom available. Furthermore due to the historic fabric of the town there are a dearth of large stores, much in demand by multiple retailers. The recent development of the old Beales Department store has released much needed prime space with the pre lettings to Holland & Barrett, SeaSalt and Costa showing between £85-90 psf Zone A.

These new lettings reinforce the fact that the subject property is now arguably reversionary and should enjoy excellent future rental growth.

Saffron Walden, 1/2 & 3A Market Hill, CB10 1HQ

Prime Majority Freehold Retail & Office Investment **M&Co, Mistral & Collett's Mountain Holidays**



COVENANT INFORMATION

Mackays Stores Limited T/A M&Co are a major fashion brand established over 50 years ago. The company trade from approximately 300 stores nationwide and employ around 3,900 staff.

Mackays Stores Limited (Company No. SC036368) reported the last three years trading figures:-

	26/02/2016	20/02/2015	21/02/2014
Turnover	£163,177,000	£160,403,000	£158,289,000
Pre Tax Profit	-£355,000	-£4,258,000	£2,000
Shareholder Funds	£31,682,000	£28,007,000	£29,482,000

Mackays Stores Limited have a Creditsafe rating of "51/100" indicating a "Low Risk" of business failure.

Walton Design Limited T/A Mistral are an attractive fashion retailer currently trading from 19 shops throughout the south of England. In March 2016, following the collapse of one of the company's main suppliers the company was forced in to a Company Voluntary Arrangement (CVA). The retailer has subsequently restructured closing 9 shops and is working through a five year three month work out period. We understand that through out this process the tenant has continued to pay their rent and other occupational costs. Full details on the CVA are on the HRH Retail website.

Collett's Limited are a local travel agent who specialise in mountain walking and winter sports holidays in Europe.

Collett's Limited (Company No. 03467538) reported the last three years shareholders funds:-

	30/11/2016	30/11/2015	30/11/2014
Shareholder Funds	£899,372	£919,558	£798,363

Collett's Limited have a Creditsafe rating of "71/100" indicating a "Low Risk" of business failure.

SERVICE CHARGE

The leases are subject to a service charge provision which is paid on an 'ad hoc' basis.

TOWN PLANNING

The property is Grade II Listed and enjoys the benefit of A1 planning consent on the retail and B1 on the above offices.

VAT

VAT will be charged in the sale price. It is anticipated that the sale will be dealt with by way of a TOGC.

EPC

The property is Listed and therefore does not require an EPC.

Saffron Walden, 1/2 & 3A Market Hill, CB10 1HQ

Prime Majority Freehold Retail & Office Investment

M&Co, Mistral & Collett's Mountain Holidays



PROPOSAL

We are instructed by our client to seek offers in excess of **£2,800,000 (Two million, eight hundred thousand pounds)** subject to contract and exclusive of VAT for the freehold interest in the property.

A purchase at this level would reflect an attractive net initial yield of approximately **6.78%** assuming normal purchasers costs of 6.43%.

CONTACTS

To view a copy of the leases, information on title and other information please visit our website,

www.hrh.uk.com/investment-disposals.

Jeremy Lovell

jeremy@hrh.uk.com
T: 020 7908 7037
M: 07949 619657

Jack Brown

jack@hrh.uk.com
T: 020 7908 7032
M: 07969 291 660

HRH, 3rd Floor, Portland House, 4 Great Portland Street, London W1W 8QJ

T: 020 7499 5399 | F: 020 7580 6291 | www.hrh.uk.com

DISCLAIMER NOTICE: Whilst every care is taken in the preparation of these particulars Harmer Ray Hoffbrand LLP, any joint agents involved and the vendor take no responsibility for any error, mis-statement or omission in these details. Measurements are approximate and for guidance only. These particulars do not constitute an offer or contract and members of the Agent's firm have no authority to make any representation or warranty in relation to the property. November 2017.

