



40
PETER
STREET

MANCHESTER CITY CENTRE
OFFICE INVESTMENT

40 PETER STREET, MANCHESTER M2 5GP

christopher
dee...

INVESTMENT SUMMARY

- Rare opportunity to purchase a **central Manchester office building**
- **Excellent central location** adjacent to Spinningfields and St Peter's Square
- **Recent refurbishment** of all common areas, and vacant 2nd floor suite
- **Well appointed office space** with WC and kitchen amenities for each suite
- 3rd and 4th floor **let to well established** engineer and Chartered Surveying businesses
- **Low rents** with **significant reversionary** potential
- Other **asset management opportunities** include letting the vacant space and a **potential rooftop extension** (STP)
- Total NIA of **4,752 sq ft**
- **Long leasehold** interest with 178 years unexpired at a peppercorn rent
- **Total rent of £94,365** inclusive of 12 months rental guarantee on the vacant 2nd floor
- Offers in excess of **£1,482,000 (STC)**
- Capital value of **£312 psf**
- Net Initial Yield of **6.00%**
- Estimated reversionary yield of **7.28%**



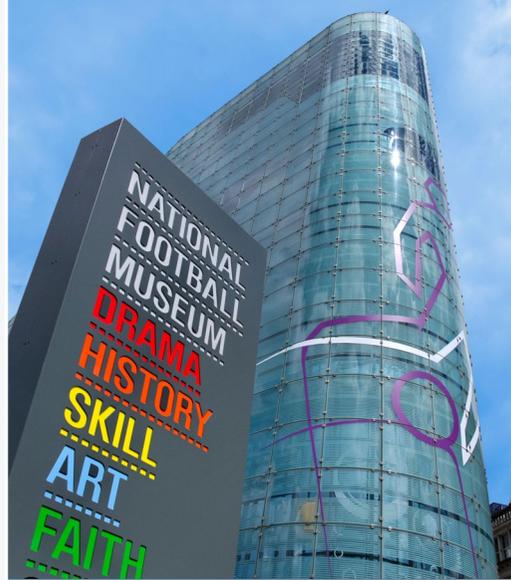
MANCHESTER

Manchester is widely regarded as the educational, commercial and administrative capital of the North. The city has the largest student population in Europe with over 100,000 students across four universities.

The local economy is thriving with many blue-chip organisations choosing Manchester as the location for global headquarters. Manchester is one of the best-connected cities in the UK with extensive routes into the city by road, rail and air. The city is home to the fourth busiest railway station in the UK with over 23 million annual passengers using Manchester Piccadilly.

Manchester International Airport is the third busiest in the UK, providing direct flights to 220 destinations worldwide – more than any other UK airport.

Manchester has seen a large increase in funding for new Grade A office space, with schemes such as One & Two St Peter's Square, New Bailey, 101 Embankment, Landmark and 125 Deansgate all looking to capitalise on the upward rental trajectory.



SITUATION

40 Peter Street is excellently located in the city centre, approximately half way between the offices at St Peter's Square and Spinningfields.

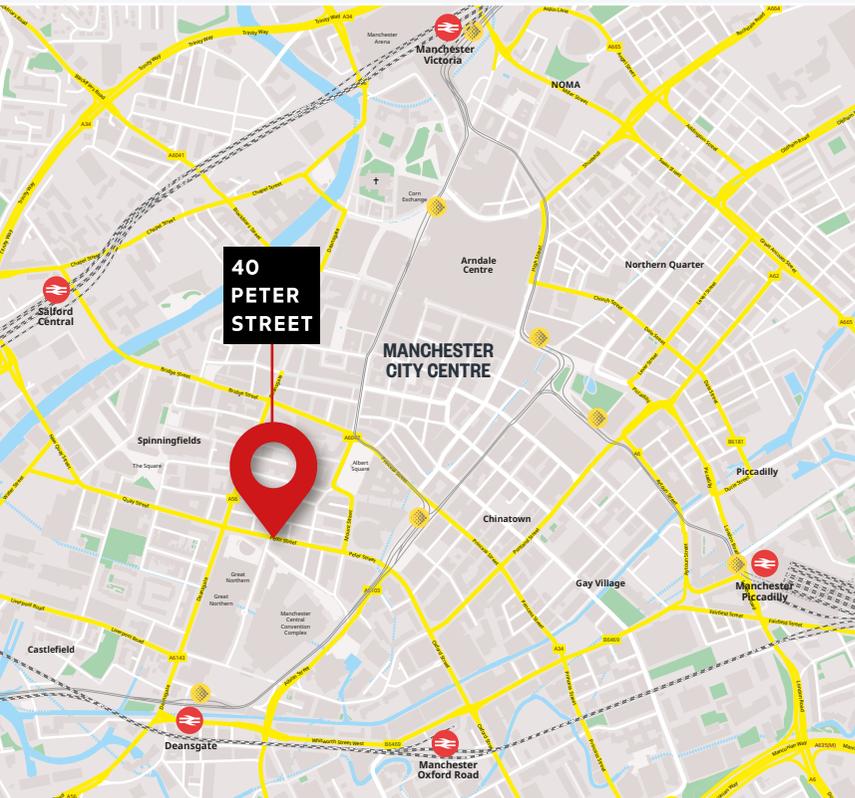
There are an array of leisure amenities in the immediate vicinity, including bars/restaurants along Deansgate, Peter Street and in the Great Northern Warehouse.

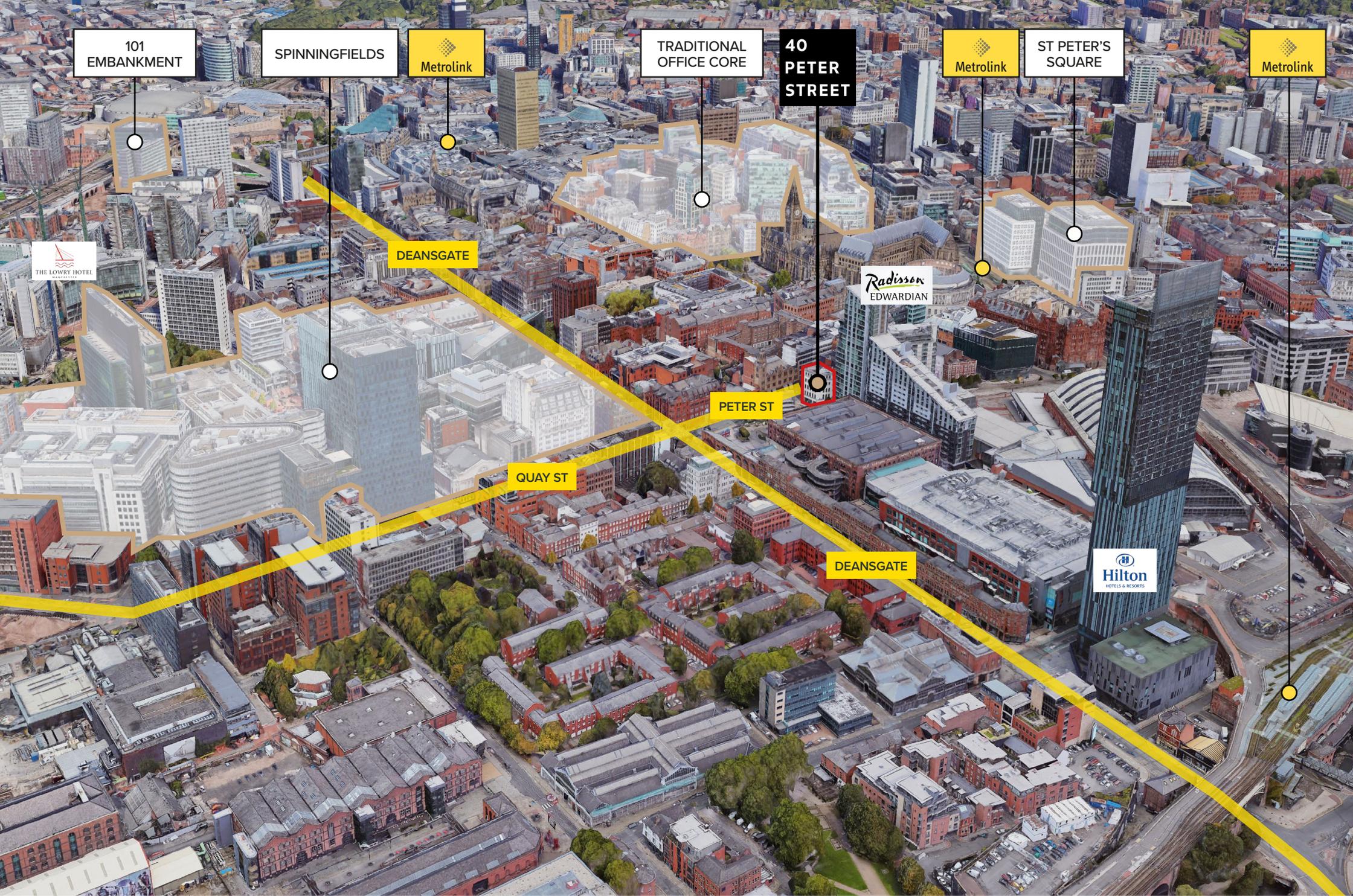
The property is extremely convenient for travelling to work by public transport, with two tram stops at Deansgate and St Peters Square as well as train stations at nearby Oxford Road and Deansgate.

The office is also within a short walk of the new St John's development on the former Granada Studios site, and the increasingly popular First Street Scheme. There are several large multi storey car parks nearby, including the 527 space NCP car park at the Great Northern.



**EXCELLENT
CENTRAL
MANCHESTER
LOCATION**





101 EMBANKMENT

SPINNINGFIELDS

Metrolink

TRADITIONAL OFFICE CORE

40 PETER STREET

Metrolink

ST PETER'S SQUARE

Metrolink

THE LOWRY HOTEL

DEANS GATE

Radisson EDWARDIAN

PETER ST

QUAY ST

DEANS GATE

Hilton HOTELS & RESORTS

40 PETER STREET

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MANCHESTER CITY CENTRE OFFICE INVESTMENT

DESCRIPTION

40 Peter Street comprises an early 1950's, steel framed office building with solid concrete floors, limestone clad elevations and powder coated aluminium double-glazed windows under a flat roof.

The property accommodates a church at basement, ground and first floors, with independently accessed office accommodation on the 2nd, 3rd and 4th floor levels.

The second floor has recently been refurbished to a high standard and provides modern office accommodation including:

- LED Lighting
- Bright, open floor space
- Air conditioning
- Suspended ceiling
- Perimeter trunking
- 3.24m ceiling height
- 6 person lift to all floors

The building's common areas were also refurbished at the same time, including new flooring and painting to the stairwell, as well as an improved entrance.

As with several recent city centre extensions, there is the potential for a lightweight rooftop extension to be developed as a way to increase rental income (subject to obtaining the necessary planning permissions).



**POTENTIAL
FOR A
LIGHTWEIGHT
ROOFTOP
EXTENSION**



TENANCY

The property is let in accordance with the tenancy schedule below. The vendor is providing a 12 month rent, rates and service charge guarantee for the second floor unit.

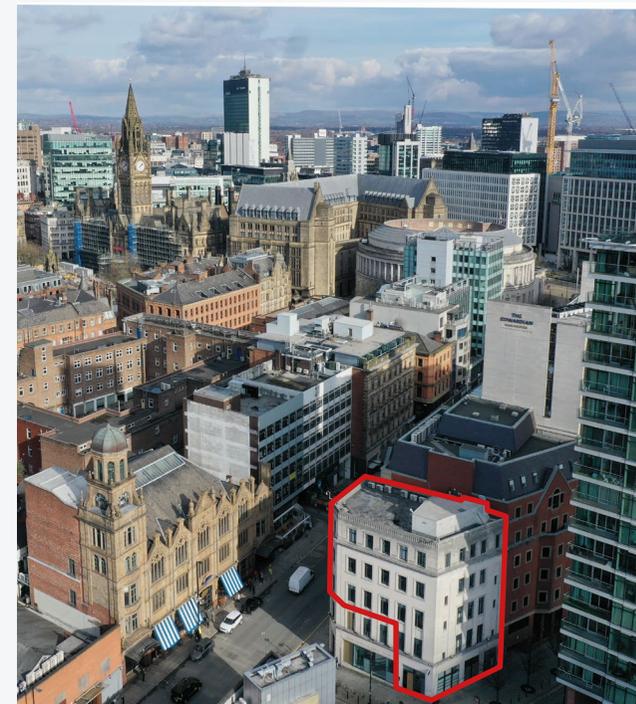
TENURE

The property is held Long Leasehold at a peppercorn rent for a term of 200 years from 16th November 1998 (c. 178 years unexpired).

SERVICE CHARGE

The property's service charge has run at an average of £29,489 per annum over the last three years (c. £6.44 psf), fully recoverable from occupational tenants.

TENANCY SCHEDULE



UNIT	TENANT	AREA	LEASE START	TERM	LEASE EXPIRY	RENT (PER ANNUM)	RENT (PSF)	ERV (PER ANNUM)	ERV (PSF)	COMMENTS
Second Floor	Vacant	1,557 sqft	-	1	12 months from completion of sale	£38,925	£25.00	£38,925	£25.00	Recently refurbished to high specification. Landlord to provide 12 months rents, rates and service charge guarantee.
Third Floor	Christopher Dee LLP	1,557 sqft	01/02/2019	5	31/01/2024	£32,000	£20.55	£38,925	£25.00	Premium of £12,000 paid to tenant and 3 months rent free provided (net effective £28,000 per year)
Fourth Floor	Shepherd Gilmour Infrastructure Limited	1,638 sqft	16/02/2016	5	15/02/2021	£23,440	£14.31	£39,425	£25.00	Break in 2019 not exercised by the tenant. Area provided excludes small section subsequently brought into use by tenants works.
TOTAL / AVERAGE		4,752 sqft				£94,365	£19.86	£117,275	£25.00	

AWULT to Expiry: 1.8 years

COVENANT STATUS



Christopher Dee LLP are a well-established property investment agency based in Manchester.

The firm have been successfully operating in the city centre for 21 years, acting on the acquisition and disposal of commercial property across the country on behalf of their clients.

Further information is available at www.christopherdee.co.uk



Shepherd Gilmour Infrastructure Limited are consultant engineers headquartered in Manchester.

They provide services across a wide range of sectors including starter units, regional HQ buildings for international clients, office park developments, multi-storey city centre developments and mixed-use developments. They have been in operation for more than 60 years, and saw turnover double in 2019 to £1.2m.

Further information is available at www.shepherd-gilmour.co.uk



PROPOSAL

Our client is seeking offers in excess of

£1,482,000

(One Million Four Hundred and Eighty Two Thousand Pounds), subject to contract, for the long leasehold interest.

A purchase at this level reflects:

 **6.00%**
Net Initial Yield

 **£312 psf**
Capital Value

 **7.28%**
Estimated
Reversionary Yield

VAT

It is anticipated that the sale will be dealt with as a transfer of a going concern.

ENERGY PERFORMANCE CERTIFICATE

Available upon request.

ANTI-MONEY LAUNDERING REGULATIONS

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

FURTHER INFORMATION

For further information or to arrange an inspection, please contact:



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Christopher Dee LLP

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