

PRIME RETAIL INVESTMENT



22 CHEAPSIDE LANCASTER LA1 1LZ

INVESTMENT HIGHLIGHTS

- Prime pitch close to McDonalds, Costa, JD Sports and Greggs
- Let to Cashino Gaming Limited with a guarantee from Praesepe Limited - **£15.5m of Shareholders Funds**
- Let for a further **7 years** at a re-based rent
- **Asset Management opportunities**

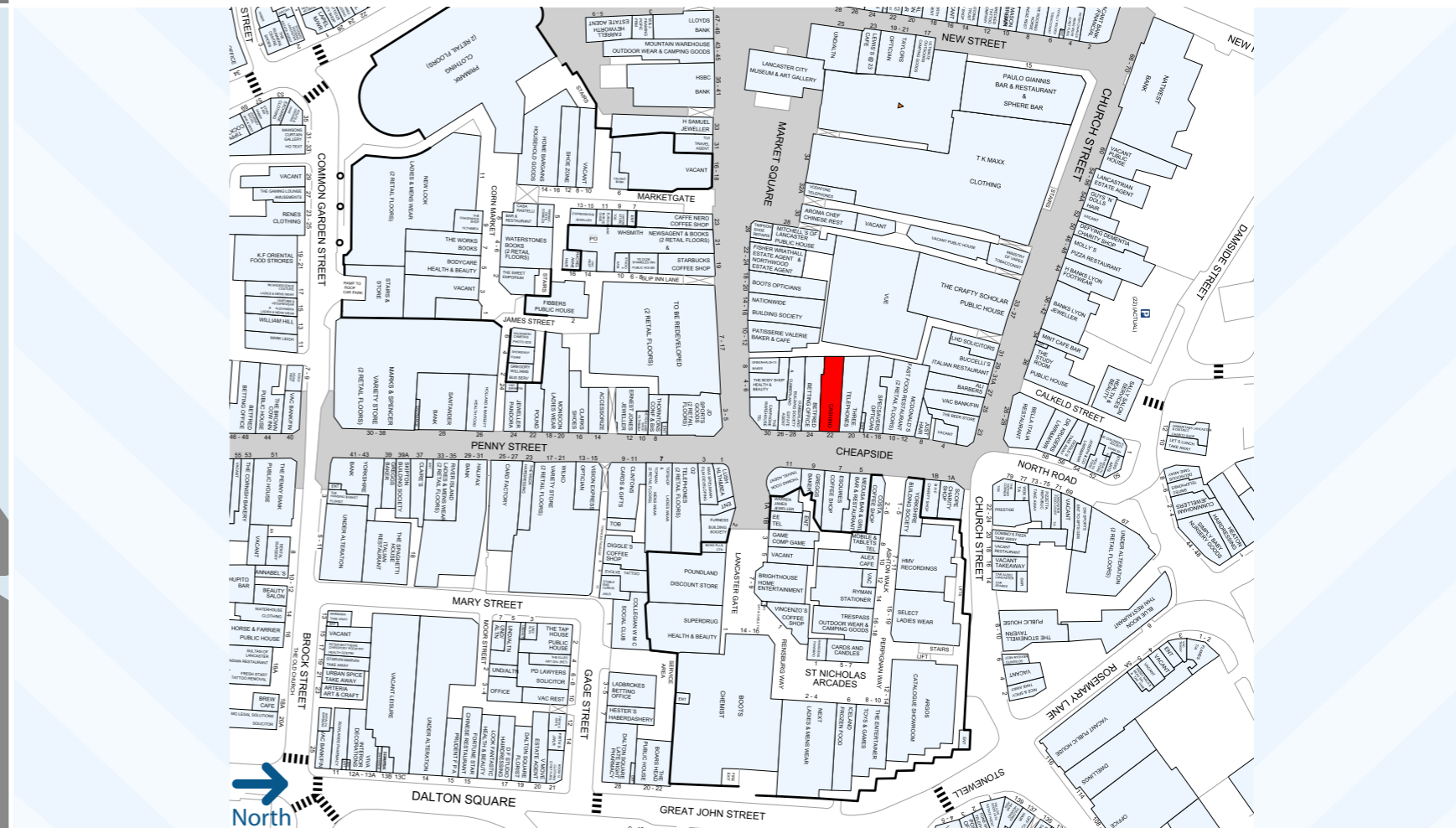
We are instructed to seek offers in excess of **£500,000** which reflects a net initial yield of **9.55%** after purchase costs of 4.7%.

LOCATION

The Cathedral City of Lancaster is situated in the county of Lancashire in the north west of England. It is an attractive and historic centre which is easily accessible to the wider region. It lies approximately 50 miles (80 Kilometres) north west of Manchester, 68 miles (109 Kilometres) south of Carlisle. The city has excellent communication links with the M6 motorway being just 2 miles (3 Kilometres) east of the city centre. Lancaster train station is also a major staging point on the West Coast Main Line with a fastest train journey to Manchester of just 55 minutes and to London of 2 hours 30 minutes.

Lancaster has a population of 144,000 (PROMIS) with 290,000 people living within a 30 minute drive time. In addition to this Lancaster University has 15,000 registered students and is ranked as one of the UK's leading universities. It was given 6th place in the Sunday Times Good University Guide 2019. It has also been placed in the top 13% of the QS World University Rankings for 2020.

Lancaster is served by a number of airports with the two main ones being Blackpool which is 36 miles (58 Kilometres) west of Lancaster and Manchester which lies 60 miles (96 Kilometres) to the south.





SITUATION

The property is situated in prime pitch on the western side of Cheapside, Lancaster's main retailing thoroughfare along with Penny Street. The property lies close to the busy intersection of Cheapside, Penny Street and Market Street. In addition to this, it sits between the St Nicholas Arcades and Marketgate Shopping Centre. The City's retail offer is anchored by the likes of Primark, M&S and Next.

Nearby occupiers include McDonalds, JD Sports, Lush, Costa, Specsavers, Greggs and Carphone Warehouse.



DESCRIPTION

The property consists of a mid terraced retail unit of traditional stone construction under a pitched slate roof. The building provides open uninterrupted ground floor retail with 3 upper floors. The ground floor has a traditional retail frontage and the upper floors are access via an internal staircase to the rear of the premises. The property has rear access.



TENURE

The property is freehold.

ACCOMMODATION

Area	Sq ft	M2
Ground Floor Sales	1,150	106.8
ITZA	613.5	57.0
1st Floor	1,184	110.0
2nd Floor	394	36.6
Attic	308	28.6
Total NIA	3,036	282

RENTAL COMMENTARY

The current rent of £50,000 per annum was re-based from £55,000 per annum in 2015 when the tenant agreed and extension to their lease. The passing rent devalues to £74.10 per sq ft in terms of Zone A which is in line a number of other rents in the location and considerably below the peak of £115 Zone A per sq ft.

TENANCY

The property is let on a full repairing and insuring lease to Cashino Gaming Limited on assignment from Luxury Leisure. The initial term was 15 years from 3rd October 2006. An extension to the lease was agreed in 2015 reducing the rent from £55,000 per annum to £50,000 per annum. The lease extension to Cashino Gaming Limited is guaranteed by Praesepe Limited and runs from 3rd October 2021 expiring 2nd October 2026. The property therefore has 7 years unexpired.

COVENANT

Cashino Gaming Limited
Praesepe Limited

Creditsafe Score 61/100 indicating low risk.
Creditsafe Score 59/100 indicating low risk.

Cashino Gaming Limited and Praesepe Limited are part of the Gauselmann Group, which also own the Beacon Bingo Club chain. The group is owned by the Merkur Interactive Malta p.l.c. which holds the gaming licence in the UK. For the year ending December 2018 Cashino Gaming Limited had an annual turnover of £85.6m (up 4.3% on previous year), Pre-tax loss of £3.2m and Shareholders Funds of -£8.5m. Praesepe Limited who provide the guarantor have Shareholder Funds for the year ending December 2018 of £15.5m.

ASSET MANAGEMENT

The tenant is no longer in occupation and there may be an opportunity to take a surrender of the existing lease from the tenant and re-let the unit.

The upper floors provide 1,886 sq ft of accommodation which could be converted to residential subject to obtaining the necessary approvals.

EPC

The property has an EPC rating of D-88.

PROPOSAL

We are instructed to seek offers in excess of **£500,000**, which reflects a net initial yield of **9.55%** after purchaser's costs of 4.7%.

VAT

The property is elected for VAT and it is anticipated that the sale will be treated as a TOGC.

CONTACT



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Misrepresentation Act: These particulars shall not form part of any offer or contract and no guarantee is given as to the condition of the property or the accuracy of its description. An intending purchaser or tenant is not to rely on any representation made in these particulars and must satisfy himself as to their accuracy by his own investigation before entering into any contract. September 2019.

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