



 **ockleston bailey**
retail leisure investment

9-13 MILL STREET, MACCLESFIELD SK11 6NA
PRIME FREEHOLD RETAIL INVESTMENT
LET TO MOUNTAIN WAREHOUSE LIMITED

Investment Summary

- Prime trading location.
- A full repairing and insuring lease to Mountain Warehouse Limited (Company No.03417738) for 10 years from 1 February 2019, subject to an upward only rent review in 5th year and tenant only option to break on 5th anniversary of the term upon serving 6 months prior written notice.
- The current rental is **£65,000** p.a.x which reflects **£40.46** Zone A after allowing **A/10** for the first floor sales and **£3.00** psf for the first floor ancillary accommodation. The previous rental prior to Mountain Warehouse Limited's occupation was **£75,000** p.a.x so the rental has been rebased offering excellent growth prospects.
- The property is of a modern construction offering well configured sales accommodation at both ground and first floors with the benefit of a highly prominent sales staircase.
- The property boasts a goods lift serving all floors. The unit is serviced at second floor level via a loading bay accessed over the service yard to the Grosvenor Shopping Centre immediately behind the subject property. There is **no** contribution to the scheme's service charge for the benefit of this servicing arrangement.
- Mountain Warehouse Limited have a credit safe rating of **78** out of **100** representing a very low risk.
- The property has been elected for VAT and it is assumed that the transaction will be dealt with as a TOGC.
- Freehold.
- We are instructed to seek offers in excess of **£880,000** for our clients freehold interest, subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of **7%** after deducting purchasers costs of **5.61%**.



Location

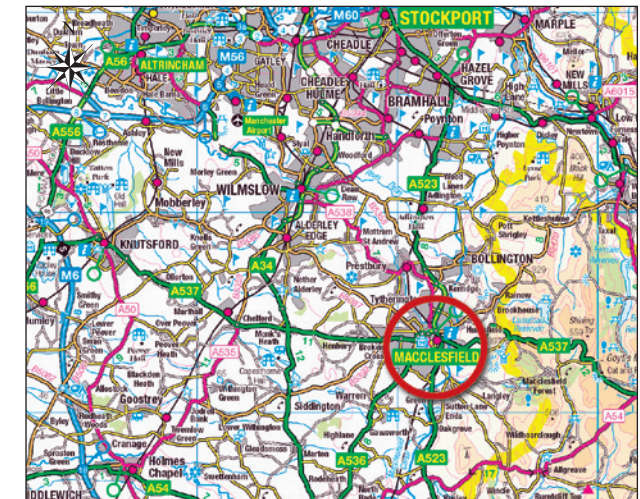
Macclesfield is a prosperous Cheshire market town located on the edge of the Peak District National Park.

The town is strategically located approximately **16 miles (26 km)** south of Manchester and **18 miles (29 km)** north of Stoke on Trent.

The town benefits from excellent road communications lying at the junction of the A537 and A523 and within close proximity to the M6 motorway, approximately **14 miles (23 km)** to the west.

Macclesfield Railway Station is located on the Virgin West Coast mainline and provides a frequent, regular direct service to London Euston (fastest journey time of **1hr 49 mins**) and Manchester Piccadilly (**22 mins**).

Manchester Airport, one of Europe's fastest growing airports is located approximately **9 miles (15 km)** to the northwest of Macclesfield and is the third largest airport in the UK and the 19th busiest in the World. The Airport currently hosts over 60 airlines, serving 200 destinations around the World and handles approximately **19 million** passengers each year with this figure anticipated to rise to **50 million** by 2030.





Economy and Demographics

Macclesfield serves an urban area population of approximately **51,000** people, increasing to over **713,500** people within a **12.5 mile (20 km)** radius of the town centre.

Nearly **40%** of the resident population within a **10 mile (16 km)** radius are classed as wealthy achievers and with managers and senior officials making up **19%** of the working population, which is significantly above the GB average of **15%**.

Outright ownership and mortgaged households account for **78%** of total private households within the catchment area, which is higher than the GB average of **70%**. The level of car ownership in Macclesfield is significantly above the average, whilst unemployment rates have consistently been only two-thirds of the UK average.



Retailing in Macclesfield

Macclesfield is classed as a sub-regional retailing centre and has a UK ranking on par with towns such as Stratford Upon Avon, Altrincham, Loughborough, Hemel Hempstead and Richmond upon Thames.

Macclesfield town centre is a popular and established shopping area with a wide range of multiple and specialist retailers, providing approximately **900,000** sq ft (**83,610** sq m) of retail floor space.

The prime pitch is situated along the pedestrianised Mill Street where the Subject Property is located and retailers represented within the immediate vicinity include **River Island, Waterstones, Marks & Spencer, Iceland, Peacocks, Poundland, Card Factory** and **Superdrug**.

Prime pitch is complemented by the **Grosvenor Shopping Centre** which is anchored by **Boots** and a new **TK Maxx** Store and is also home to the **Indoor Market**. The scheme provides approximately **88,000** sq ft (**8,175** sq m) of retail accommodation.

Adding to Macclesfield retail offer is the bustling **Treacle Market** which takes place once a month on the cobbled Market Place and includes circa **160** stalls of unique crafts, exceptional food and drink and vintage finds.

The town centre's three main car parks, Churchill Way (**276** spaces), Exchange Street (**107** spaces) and the Grosvenor Shopping Centre (**289** spaces) are within **250** years of the subject property.

Situation

The property occupies a prime trading location on the pedestrianised Mill Street being adjacent to **Superdrug** and **Card Factory**. Nearby multiple retailers include **Costa, Fat Face, Clintons, O2, Iceland, Vision Express, Marks & Spencer, Peacocks, Holland & Barrett, Poundland, Pandora** and **Caffe Nero**.

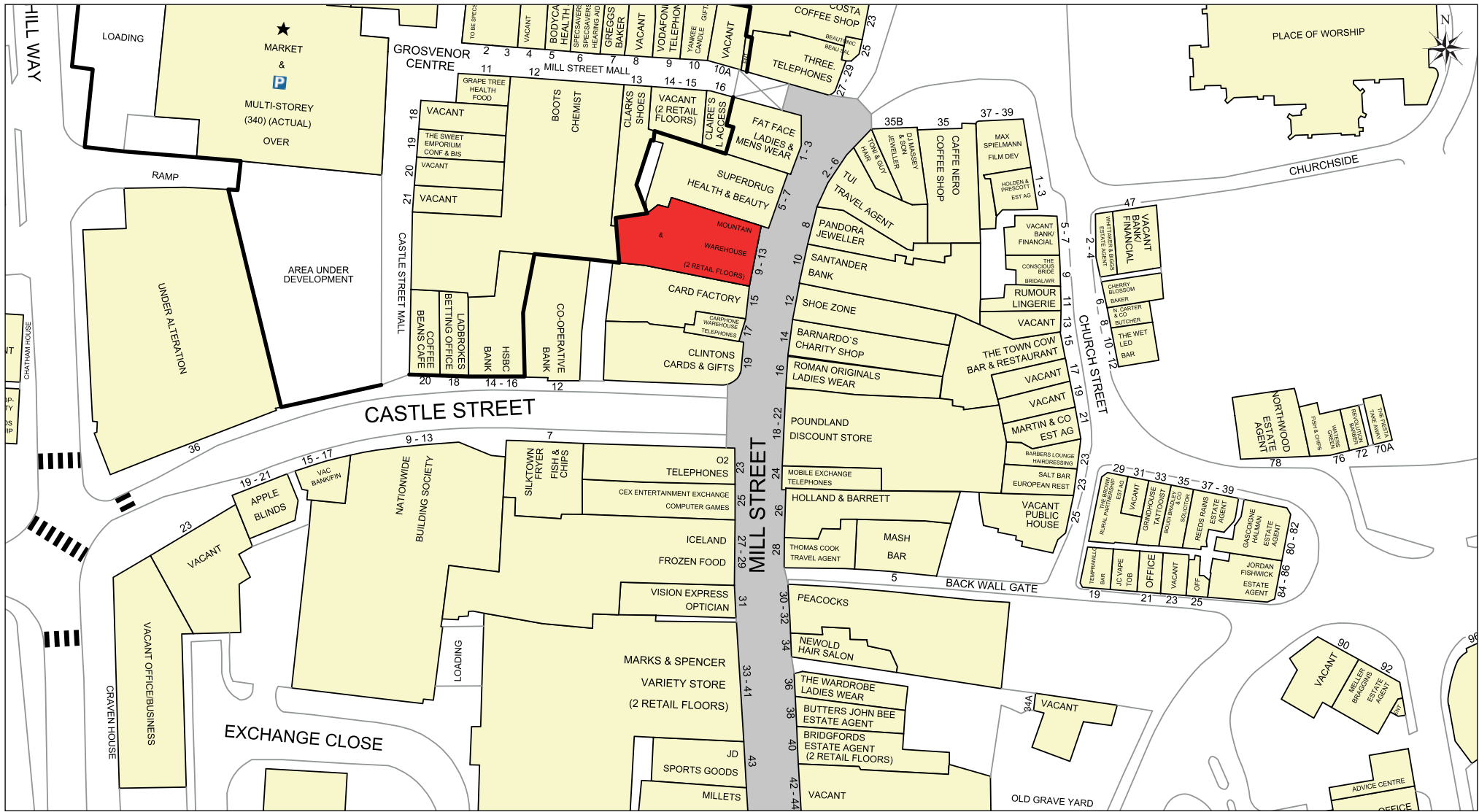
Description

The property is arranged on ground, first and second floors and is of brick construction under a pitched slate and flat roof at the rear.

The ground and **first** floors sales areas have been fitted out in the standard Mountain Warehouse livery and format with ladies and childrenswear on ground floor and mens' and camping at first floor level. Part of the first floor provides a storage area created by a demountable partition. In addition, the manager's office, kitchen and w.c.'s are at this level.

There is a goods lift serving ground, first and second floors. The second floor loading bay discharges onto the service yard of the Grosvenor Shopping Centre which provides excellent servicing facilities and does **not** attract a payment to the scheme's service charge.





Accommodation

The premises are arranged on ground, first and second floors with the following approximate areas and dimensions:-

Description	ft/sq ft	m/sq m
Internal width (ave)	39'3"	11.9m
Shop depth	71'0"	21.6m
Ground floor sales	2,783 sq ft	258.5 sq m
First floor sales	1,823 sq ft	169.4 sq m
First floor ancillary	921 sq ft	85.6 sq m
Second floor – loading bay		
Ground floor ITZA	1,356 units	
Combined ITZA (FF @ A/10)	1,538 units	

Tenure

The property is held freehold, subject to the tenancy listed below.

Tenancy

The property is let to Mountain Warehouse Limited (Company No. 03417738) by way of a 10 year full repairing and insuring lease from 1 February 2019, subject to an upward only rent review in 5th year at a current rental of **£65,000** p.a.x. The lease contains a tenant only option to break on 5th anniversary of the term upon serving 6 months prior written notice.

Rental Analysis

Following the open market letting on 1 February 2019, we calculate the agreed rental of **£65,000** p.a.x. to equate to **£40.46** Zone A assuming A/10 for the first floor sales area and **£3.00** psf for the first floor ancillary and staff areas. Mill Street has seen two recent lettings in 2019 to Holland & Barrett at 26 High Street in February 2019 reflecting **£56.26** Zone A net and Hays Travel Limited at 48 Mill Street again in February 2019 at **£36.29** Zone A net after assuming **£3.00** psf at first floor level and **£1.50** psf at second floor level.

The subject property offers excellent growth prospects taking into account the recent Holland & Barrett evidence.

Covenant Information

Mountain Warehouse is a British outdoor retailer selling equipment for hiking, camping, skiing, cycling, running and fitness and was founded in 1997 by Mark Neale. They currently trade from over 240 stores in the UK, Europe, New Zealand and North America.

In November 2013 the management team led by the founder and CEO Mark Neale bought out minority share holder LDC to take full ownership of the retail chain. Mr Neale personally owns 85% of the business.

We set out below the most recent financial information available for the tenant:-

	Year End 25/02/18 £000	Year End 26/02/17 £000	Year End 28/02/16 £000
Turnover	£225,910	£184,781	£141,403
Pre-Tax Profit	£20,810	£21,053	£16,246
Shareholders Funds	£82,168	£67,865	£50,636

The tenant has a Creditsafe rating of 78 out of 100 representing a very low risk. (Source: Creditsafe)



EPC

The property has a rating of C65. A Certificate and Recommendations are available upon request.

VAT

The property has been elected for VAT and it is assumed that the transaction will be dealt with as a TOGC.

Anti Money Laundering

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.

Proposal

We are instructed to seek offers in excess of **£880,000** subject to contract and exclusive of VAT reflecting a Net Initial Yield of **7%** after deducting purchasers costs of **5.61%**.

Further Information

For further information, or to arrange an inspection of the property, please contact Hugh Ockleston, Ockleston Bailey 01244 403445 Email: hugh@ocklestonbailey.co.uk

SUBJECT TO CONTRACT



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