

FOR SALE
Retail Investment Opportunity
18 St Werburgh Street, Chester CH1 2DY





INVESTMENT SUMMARY

- Located within the historic city centre of Chester and inside the city walls
- Situated fronting St Werburgh Street in close proximity to Chester Cathedral.
- Adjacent to Brooke Taverner and opposite The Botanist
- Let to LSBR Limited t/a Canteen for a term of 10 years from July 2024 (Tenant Break Option July 2029).
- Initial rent: £25,000
- Not elected for VAT
- Freehold
- Seeking offers in excess of £275,000 subject to contract and exclusive of VAT
- Purchase price reflects a Net Initial Yield of 8.83% after purchaser's costs of 2.98%



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Location

Located in the county of Cheshire, the historical cathedral city of Chester boasts a catchment population of over 780,000 people as well as having one of the most affluent shopping populations in the UK with 57% of shoppers sitting within the highest AB and C1 demographic groups. The city's gross catchment population is expected to increase by 10% between 2015 - 2035 (ONS).

Newmark's 2024 Vitality Ranking revealed Chester as the highest placed retail centre in the North of England rising to 8th, up 11 places from 2022.

Chester's retail market has attracted notable lettings in recent months including Harrods Beauty, Oliver Brown, Brooke Taverner, Rodd & Gunn and Edinburgh Woolen Mill.

The local economy is bolstered by a thriving tourist industry (16.6M in 2023), drawn by a host of major attractions including Chester Racecourse, the Roman Amphitheatre, Chester Cathedral and Chester Zoo, the UK's second most visited paid attraction in 2023 with over 1.97 million visitors.

Situation

The subject property is situated on the east side of St Werburgh Street which connects the prime retail pitch of Eastgate Street to Northgate Street where the city's new leisure development can be found. Chester Northgate is home to an indoor food market, a 6 screen Picturehouse cinema, a multi-storey car park (788 spaces) along with a host of cafes, bars, and restaurants occupied by both local and national operators including Cosy Club (Loungers), Zizzi and Turtle Bay.

National occupiers within the immediate vicinity of the subject include White Stuff, Ecco, Seasalt, Natwest and Soul Trader.

Description

The subject forms part of a Grade II* Listed block of properties designed by John Douglas and constructed at the end of the 19th Century. The accommodation is arranged over 4 storeys and provides a ground floor "lunch stop / coffee shop", first floor seating area with ancillary accommodation at basement and second floor.

Tenure

Freehold.

Accommodation

Ground Floor	36.04 sq m	388 sq ft
First Floor	36.17 sq m	389 sq ft
Second Floor	30.44 sq m	328 sq ft
Basement	28.92 sq m	311 sq ft

Tenancy

The property is let in its entirety to LSBR Ltd (t/a Canteen) and Guaranteed by Z D Ellis Ltd (1), for a term of 10 years from 26 July 2024 at an initial rent of £25,000 per annum. On the 5th anniversary of the term, the rent is subject to an upward only rent review and the Tenant has an option to break having given not less than 3 months notice.

An ad hoc service charge is in place for all external repairs to the property with the tenant obligated to keep the internal premises in good and substantial repair.

(1) Guarantor Z D Ellis Ltd is currently in the process of being removed and replaced by Floridian Hospitality Ltd.

Covenant Information

LSBR Limited (Co. No: 15520998) t/a Canteen are a new independent sandwich shop specializing in thick, filled sandwiches, pastries and sweet treats for sit in or takeaway.

VAT

We understand the property is not elected for VAT.

EPC

D94.

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Proposal

We are instructed by our client to seek offers in excess of £275,000, subject to contract and exclusive of VAT for the Freehold interest.

A purchase at this level would reflect a Net Initial Yield of 8.83% after allowing for purchaser's costs at 2.98%.

For Further Information please contact:

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Anti Money Laundering Regulations

We are obliged to verify the identity of a proposed purchaser once a sale has been agreed and prior to instructing solicitors. This is to help combat fraud and money laundering and the requirements are contained in statute. A letter will be sent to the proposed purchaser once the terms have been agreed.

Disclaimer

Messrs. Mason Owen & Partners for themselves and for the vendors of this property whose agents they are, give notice that the particulars are set out as a general outline for the guidance of intended purchasers and do not constitute, nor constitute part of, an offer or contract. All descriptions, dimensions, reference to condition and necessary permissions for use and occupation and other details, are given without responsibility and any intending purchasers should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them. No person in the employment of Messrs. Mason Owen & Partners has any authority to make or give any representation or warranty whatever in relation to this property.

Subject to Contract.