

17-23 Parliament Street
HARROGATE

CooperRose
REAL ESTATE

FMX.
Urban Property Advisers



PRIME FREEHOLD TOWN CENTRE RETAIL AND LEISURE INVESTMENT

INVESTMENT SUMMARY

- Harrogate is one of the most attractive towns in the UK with an affluent catchment population and strong tourist appeal
- Prominent trading position within the central core retail and leisure area
- Substantial retail and leisure property totalling 19,283 sq ft
- Let to five tenants, with occupiers including Five Guys, Mitchells & Butlers and Marston's

Total current income:
£400,982 per annum

Price:
£5,375,000 subject to contract and exclusive of VAT

Net Initial Yield:
7%




HARROGATE


Harrogate is one of the most attractive and appealing towns in the UK with a range of fine Victorian buildings, open space and a quality retail and leisure offer.

The spa town grew in the 1800s and remains a popular tourist destination, famous for its Turkish Baths, unique shops, cafes and restaurants.

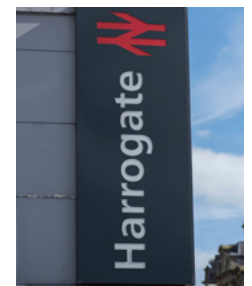
Harrogate is also home to one of Europe's largest exhibition and conference centres.

The town is the economic heart of North Yorkshire, situated 212 miles north of London, 16 miles north of Leeds and 19 miles west of York.

 The town has strong road links, provided by the A61 (Leeds to Thirsk) and A59 (York to Preston) and has good access to the A1(M).

 Harrogate is also well served by the rail network, with frequent services to London (Kings Cross) via York, with a fastest journey time of approximately 2 hours 40 minutes. Leeds/Bradford Airport is situated 10 miles to the south.

The proximity to Leeds and York, attractive housing stock, quality environment and facilities have led to Harrogate becoming a popular commuter town.



DEMOGRAPHICS

Harrogate has one of the most affluent catchment populations in the UK:



160,000 residents
within a six mile radius

58% of the population

are categorised as Wealthy Executives, Affluent Greys, Flourishing and Secure Families (ACORN), compared to the UK average of 38%.



Annual visitor spend of £33 million

on non-food retail goods and £26 million on eating out.



Potential of £461 million shopper expenditure
with household spend on non-food goods 8% higher than the national average.

Average household income
in the district is 15% higher than both North Yorkshire and England.



75% of dwellings
are owner occupied compared to 70% nationally.



1.5 million visitors each year
with a further 500,000 visitors to Harrogate Conference Centre.



DESCRIPTION

17-23 Parliament Street comprises an attractive and imposing Victorian property which has been subject to extensive refurbishment and extension (in 2015/2016) to provide five well configured retail/leisure units extending over lower ground, ground and two upper floors.

The five units provide unique and quality trading accommodation suitable for a range of occupiers within a vibrant retail and leisure location.

SITUATION

The property is situated in a highly prominent island position within the core leisure, restaurant, café and bar location in Harrogate.

The prime retailing locations of Cambridge Street and James Street are nearby, as is the famous Bettys Café Tea Rooms.

The property has extensive frontages to Parliament Street, Parliament Terrace and The Ginnel.

The surrounding area also includes the Montpellier Quarter, which accommodates numerous fashion boutiques. There is also a modern Travelodge hotel directly opposite the property on The Ginnel.

Nearby occupiers include:

THE IVY

FATTORINIS
1931

MANAHATTA

Revolución de Cuba
SUN BAR • CANTINA

wagamama



TENURE

Freehold.

TENANCIES

The property is let to five tenants and currently produces an income of **£400,982 per annum**.

The passing rents within the property generally reflect around £20 per sq ft and date from the letting of the property following refurbishment and extension of the building in 2015/2016.

This is one of the principal leisure locations in Harrogate, acting as an eating and drinking destination and benefitting from passing trade.

As such, we believe that occupational demand for the property will remain solid and there is potential for future rental growth.



Unit No	Tenant	Trading As	NIA (sq ft)	Start Date	End Date	Break	Review	Rent (pa)	Comment
1	Five Guys JV Ltd	Five Guys	3,805	04/07/2016	03/07/2031		5 yearly to OMV	£85,000	
2	Mitchells and Butlers Retail (No.2) Limited	All Bar One	5,125	28/11/2016	17/11/2041	28/11/2031 (TBO)	5 yearly, RPI 1% - 3%	£124,341	
3	Palagander Limited	Roland's	3,849	26/11/2021	25/11/2036	26/11/2031	5 yearly, CPI 1%-3%	£45,000	
4	Bar Hidden Limited	Hidden	1,292	30/09/2020	29/09/2030	30/09/2023 (TBO)	5 yearly	£20,000	The tenant has exercised their break option. The vendor will provide a two year rental guarantee at £20,000 pa.
5	Marston's Estates Limited	The Foundry	5,212	16/12/2016	15/12/2041	16/12/2031 (TBO)	5 yearly, RPI 1% - 4%	£126,641	
Total			19,283					£400,982	



ACCOMMODATION

The property provides a total net internal floor area of approximately 19,283 sq ft.

Unit No	Tenant	Lower Ground Floor (sq ft)	Ground Floor (sq ft)	First Floor (sq ft)	Second Floor (sq ft)	Terrace/External Seating (sq ft)	Total (sq ft)
1	Five Guys	-	1,767	985	1,053	-	3,805
2	All Bar One	-	3,069	1,019	1,037	615	5,125
3	Rolands	-	1,262	1,151	1,436	-	3,849
4	Hidden	1,292	-	-	-	108	1,292
5	The Foundry	5,212	-	-	-	388	5,212
Total*							19,283

*Cooper Rose & FMX have not measured the subject property.

COVENANT INFORMATION

Five Guys JV Limited (08185191)

Five Guys is a privately owned American fast food restaurant chain, established in 1986. Owned by the Murrell family the business has grown substantially since conception and now has over 1,700 locations worldwide in 23 countries, including 110 branches across the UK.

The company displays a CreditSafe rating of B-68, indicating 'low risk' of default. A summary of their latest financial accounts is as follows:

	2021	2020	2019
Turnover	£237,298,000	£164,206,000	£173,227,916
Pre-Tax Profit	£33,588,000	£3,367,000	-£696,257
Shareholder Funds	-£6,650,000	-£32,879,000	-£34,641,480

Mitchells and Butlers Retail (No.2) Limited (03959664)

Mitchells and Butlers was established in 1898 and is one of the largest operators of restaurants, pubs and bars throughout the UK. The company operate over 1,700 outlets with brands including Miller & Carter, Browns, Toby Carvey and Harvester.

The company displays a CreditSafe rating of A-79, indicating 'low risk' of default. A summary of their latest financial accounts is as follows:

	2022	2021	2020
Turnover	£314,723,000	£155,750,000	£208,075,000
Pre-Tax Profit	£11,488,000	-£9,935,000	-£33,725,000
Shareholder Funds	£230,137,000	£241,845,000	£255,418,000



Marston's Estates Limited (00466771)

Marston's is a British pub, brewer and hotel operator with more than 1,500 pubs and across the UK.

The company displays a CreditSafe rating of A-82, indicating 'low risk' of default. A summary of their latest financial accounts is as follows:

	2022	2021	2020
Turnover	£16,800,000	£2,900,000	£7,400,000
Pre-Tax Profit	£53,900,000	-£76,900,000	-£81,100,000
Shareholder Funds	£228,800,000	£167,300,000	£239,200,000



ANTI-MONEY LAUNDERING

In order to comply with Anti Money Laundering legislation, the successful purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

EPC

Unit 1	B-44
Unit 2	B-49
Unit 3	B-47
Unit 4	B-40
Unit 5	B-44

VAT

The property is elected for VAT purposes. It is anticipated that the sale will be treated as a transfer of a going concern (TOGC).



*Prime freehold town centre
retail and leisure investment*



PROPOSAL

We have been instructed to seek offers in excess of **£5,375,000**, subject to contract and exclusive of VAT. A purchase at this level would reflect a **net initial yield of 7%**, assuming standard purchaser's costs.



FURTHER INFORMATION



Giles Cooper
giles.cooper@crre.co.uk
020 7432 7610
07900 271 299



Graham Fawcett
grahamfawcett@fmx.co.uk
020 3130 4650
07980 548852

Patrick Kilvington
patrickkilvington@fmx.co.uk
020 3130 4650
07860 625 512