

Chichester, 19 Southgate, PO19 1ES

Prominent Freehold Store Investment

Argos

FRANCIS
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Chartered Surveyors

HRH



INVESTMENT CONSIDERATIONS

- Chichester is one of the UK's most affluent cities
- One of a few large stores in the city centre
- Approximately 13,100 sq ft, representing a low capital value of £84 psf
- Offers in excess of £1,100,000 are sought for the freehold interest
- Net initial yield of 8.59% after normal purchaser's costs



CHICHESTER

The charismatic Cathedral City of Chichester is a busy and historic retailing centre. Located in West Sussex, Chichester lies approximately 68 miles south west of London, 17 miles east of Portsmouth and 34 miles west of Brighton.

The city benefits from excellent road communications being situated on the A27 dual carriageway which links Chichester with Brighton to the east and Portsmouth to the west. The A3 which lies approximately 13 miles to the west of the city provides good access to London.

Rail links are excellent with direct services to London Victoria with an approximate journey time of 1 hour 30 minutes making the area increasingly popular with both commuters and tourists alike.

Chichester is one of the most affluent cities in the UK drawing on an estimated catchment population in the region of 245,000 people. This number is dramatically enhanced by the approximately 5.6 million visitors who spend an estimated £219m in the local economy each year, (Source: Visit England - 2013 figures).

RETAILING IN CHICHESTER

Chichester is a highly attractive retailing centre providing approximately 690,000 sq ft of retail floor space. Availability of prime retail space remains limited, and due to the historic nature of the city there is little chance of any new developments interrupting the current tight supply.

The city's shopping is focused around the four principal shopping streets of North Street, South Street, East Street and West Street with the famous Chichester Cross at the heart of the city. Prime pitch is primarily located along East Street, with the other streets providing good secondary retailing.

Major national retailers represented in the city include House Of Fraser, Topshop, Marks and Spencer, H&M and Next, which are supported by a strong upmarket fashion offer including retailers such as L K Bennett, Mint Velvet and Phase Eight.

LOCATION

The property is situated in a good secondary location on the west side of Southgate (at its junction with South Street), adjacent to The Vestry public house. Other occupiers in the immediate vicinity include Slug & Lettuce, Zizzi and Wildwood.

The South Street/Southgate area is now a very popular leisure destination with other restaurants with representation on the street including Pizza Express, Wagamama, Cote and Prezzo amongst others.

Chichester railway station is located 200 metres to the south with one of the city's main car parks, the 894 space Avenue De Chartres car park also in very close proximity.

DESCRIPTION

The property is of brick built construction under a tile roof and comprises a large ground floor store with first floor ancillary accommodation.

There is a loading bay to the rear accessed via Deanery Close.

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COVENANT INFORMATION

Argos Limited is a well established retailer in the UK, with the first purpose built store opening in Canterbury in 1973. It became well known for its catalogues (having originally been known as Green Shield Stamps Catalogue Shops), and now trades from 750 stores UK wide. It is now better known for its online presence, which, with over 800 million hits a year (2014) makes it one of the UK's largest online retailers.

Argos is owned by The Home Retail Group which is in the process of being acquired by Sainsbury's as part of a £1.4bn takeover which was agreed in April 2016 and is due to complete in Q3 of 2016.

Argos Limited (Registered No. 01081551) has published the last three years trading figures:-

	28/02/2015	01/03/2014	02/03/2013
Turnover	£3,919,176,000	£3,872,446,000	£3,752,634,000
Pre Tax Profit	£97,146,000	£43,992,000	£75,462,000
Shareholder Funds	£1,423,179,000	£1,362,042,000	£1,389,389,000

Argos Limited have a Creditsafe rating of 55/100 indicating a low risk of business failure.

ASSET MANAGEMENT

The property is rare for Chichester city centre by having large floor plates and a total of over 13,000 sq ft of floor space. As such we believe that the property offers excellent scope for future enhancement if Argos decided to vacate at lease expiry.

An investor could look to either redevelop the property or consider alternative uses. These could, subject to obtaining a change of use, include residential/hotel or alternatively an A3 restaurant or A4 wine bar/pub use to take advantage of the popularity of this part of the city as being the leisure hub. Furthermore there are 1¾ years until lease expiry which gives an investor/developer sufficient time to put their plans in place prior to lease expiry.

VAT

The property is elected for VAT.

ACCOMMODATION

The property has the following approximate dimensions and Gross Internal Areas:-

Gross Frontage	37' 6"	11.45 m
Shop Depth	161' 0"	49.01 m
Ground Floor	7,047 sq ft	654.95 sq m
First Floor	6,060 sq ft	563.01 sq m
Total	13,107 sq ft	1,217.96 sq m

TENURE

The property is held freehold.

TENANCY

The entire property is let to Argos Limited on a 25 year full repairing and insuring lease from 13th April 1993, (approximately 1¾ years unexpired) at a current rent of £100,000 per annum without further review.

RETAIL RENTAL VALUE

Argos have been in long term occupation of this property and this is their only store in the city.

The current rent of £100,000 per annum equates to a GIA rate of just £7.60 psf and we therefore believe that this gives an investor an excellent opportunity of enjoying rental growth off this low base.

TOWN PLANNING

The property is not Listed but falls within the Chichester Conservation Area.

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Full details are available on the website.

PROPOSAL

We have been instructed to seek offers in excess of £1,100,000 (One Million One Hundred Thousand Pounds) subject to contract and exclusive of VAT for our client's freehold interest.

A purchase at this price would show an investor a net initial yield of 8.59% assuming normal purchasers costs of 5.85%. This price reflects a low capital value of just £84 psf.

CONTACTS

To view a copy of the lease, information on title, the EPC and other information please visit our web site: www.hrh.uk.com/investment-disposals

To register interest and to carry out an internal inspection please contact the joint agents:-

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