

CREWE - ROYAL ARCADE

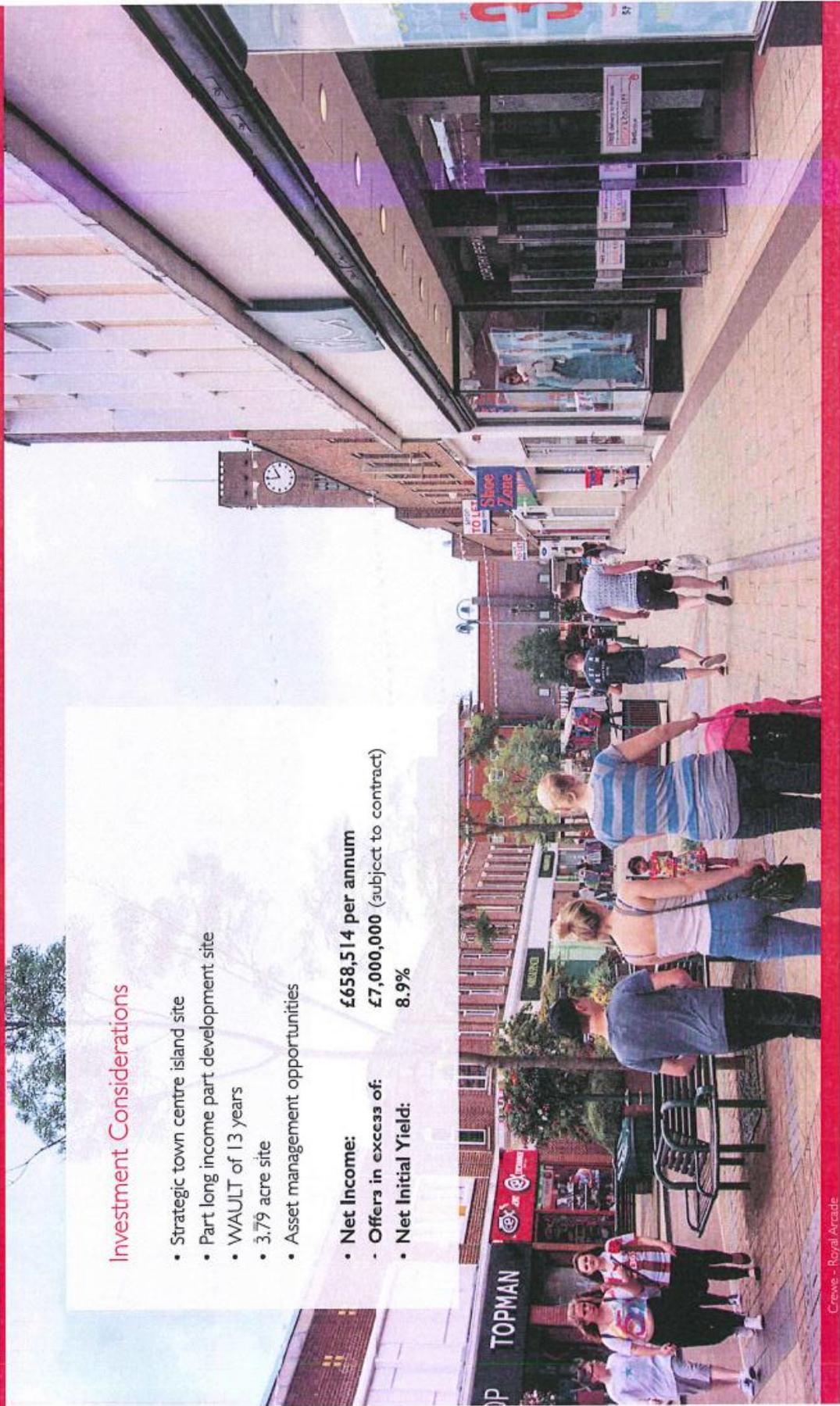
Multi-let Retail Investment / Development Opportunity





Investment Considerations

- Strategic town centre island site
- Part long income part development site
- WAULT of 13 years
- 3.79 acre site
- Asset management opportunities
- **Net Income: £658,514 per annum**
- **Offers in excess of: £7,000,000 (subject to contract)**
- **Net Initial Yield: 8.9%**



Crewe - Royal Arcade

Location and Communications

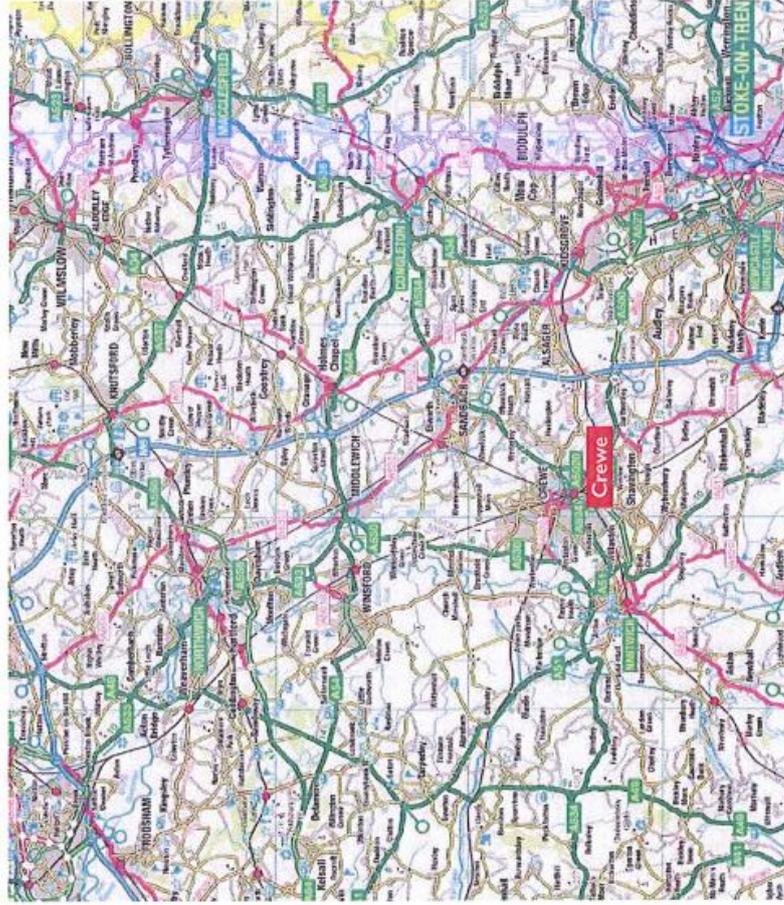
Crewe is an historic railway town located in the county of Cheshire. Manchester is located 44 miles north east of Birmingham, Sheffield is located 58 miles to the south east and London is located 171 miles to the south east.

The town has excellent transport links with the M6 (junctions 16 and 17) lying 5 miles from Crewe town centre. The M6 provides good links to Birmingham to the south and Manchester and Liverpool to the north.

The town offers exceptional rail links to multiple destinations and Crewe Station is the key link in the North West rail network for England, Wales and Scotland. There are 40 trains a day from Crewe to London, running up to 4 times an hour with a journey time of 1 hour 30 minutes. In addition direct trains run to Manchester, Birmingham, Edinburgh, Glasgow, Chester and Liverpool. The proposed Phase One of HS2 train line will run through Crewe. This will reduce the journey time from Crewe to London to 58 minutes.

There are good bus links to the surrounding towns such as Chester and Macclesfield with a bus terminal located within the town centre.

Manchester Airport and Birmingham International lie 33 miles and 61 miles away respectively.



© Google map, 2014



Local Economy

Historically Crewe was developed as a railway town and still retains its importance today as a major rail junction/distribution hub and centre for locomotive building and repair. Crewe's pivotal position between the North and South of the country on the M6 appeals to distributors from retail and manufacturing. Crewe is the largest town in south Cheshire and the main economic hub. The town houses in the region of 5,000 businesses which include professional services, distribution and logistics, and advanced engineering. Major employers in the town include Bentley Motors (current HQ 3,500 staff), Network Rail, Virgin Rail and Manchester Metropolitan University (Crewe campus).

The Council are committed to enhancing Crewe's profile to ensure regeneration and improving the local economy.

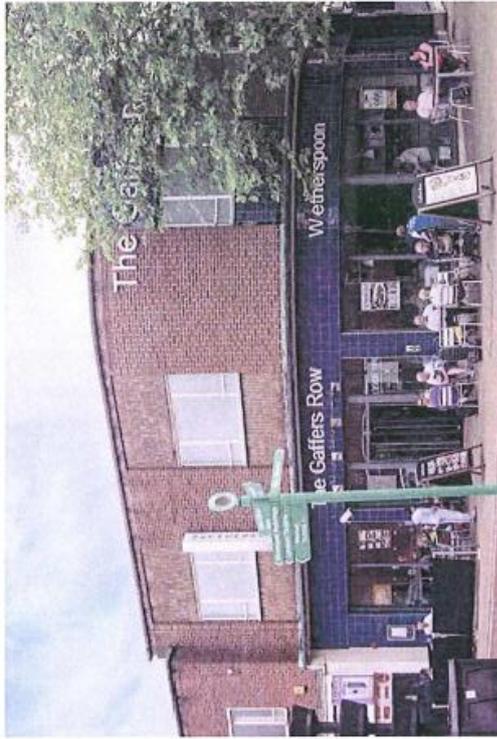
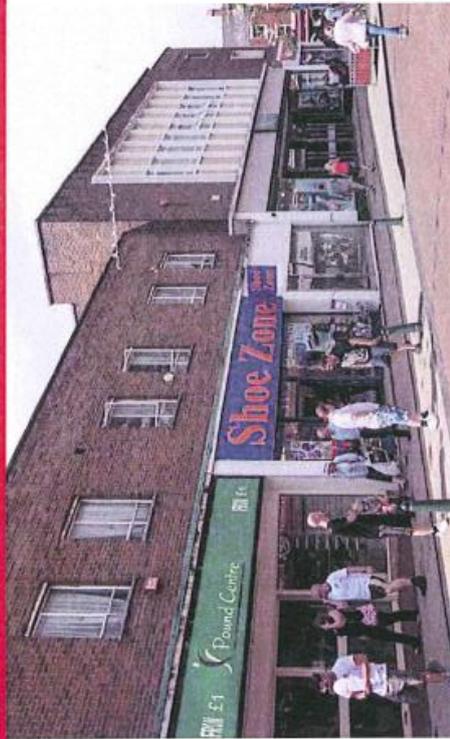
Situation

The Royal Arcade is located in the heart of Crewe town centre directly opposite Marks & Spencer and Topshop. The site is bounded by Queensway Road running north to south and Victoria Street running east to west.

The town centre is well served by public transport and the bus station which sits to the rear of the property within the ownership.

Demographics

The total population within Crewe's primary catchment area is 171,000 with an estimated shopping population of 83,000. The Crewe area contains a significant over representation of adults of working age categorised within the most affluent AB social group (which includes those in managerial and professional occupations). The Crewe catchment population is moderately affluent, ranking 59 of the PROMIS Centres on the PMA Affluence Indicator.



Retailing in Crewe

The prime retail pitch within Crewe is located along the pedestrianised Market Street and Queensway, where Marks & Spencer, BHS, Boots, Topshop and JD Sports are located. There are two covered shopping centres in the town. The 147,000 ft² Market Centre is anchored by Wilkinsons with other principal tenants including River Island, Dorothy Perkins, Poundland and Argos. The 135,000 ft² Victoria Centre is anchored by Asda with other tenants including Mothercare and Bon Marche. There is a 170 space surface car park which lies directly behind these two shopping centres, which together with the car parks on Delamere Street (390 spaces) and Victoria Centre (482 spaces) provide the main car parking for the town. The Crewe outdoor market is located on Heath Street.

Description

The property comprises a prominent island site within the heart of Crewe town centre with a prime retail frontage to Queensway and secondary frontages to Victoria Street and Delamere Street. There are 26 retail units which are arranged over two or three floors and form an unbroken parade.

Within the parade is a 30,000 ft² BHS Store which together with the Santander bank forms a prominent corner site on Victoria Street / Queensway. Other principal tenants include Boots Opticians, Shoe Zone, Blacks, Ladbrokes and JD Wetherspoons.

The total site area is 3.79 acres.

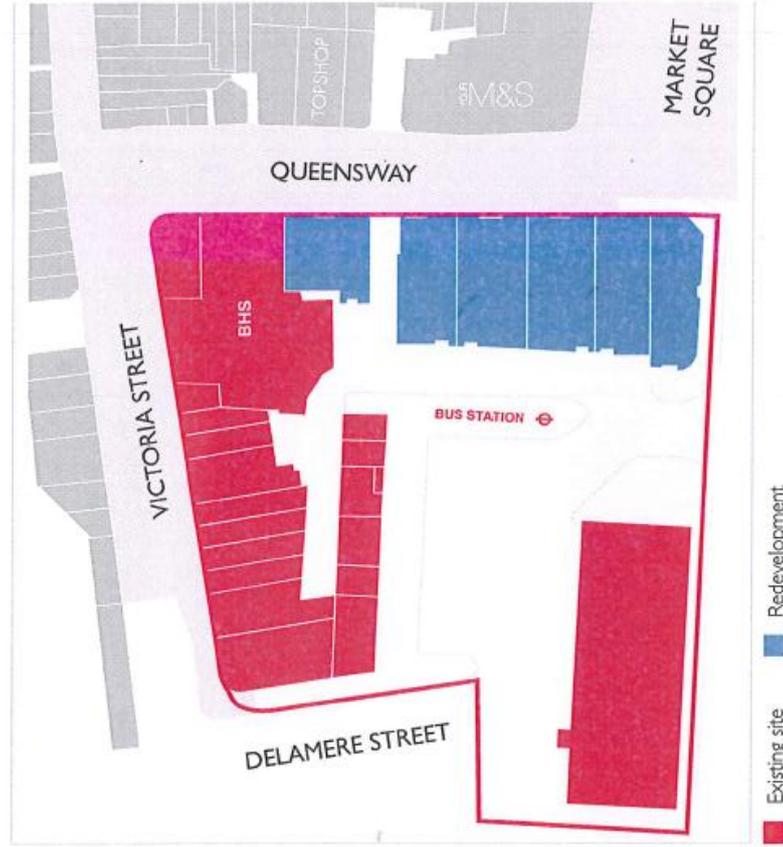
Asset Management/ Redevelopment Potential

The property offers significant scope for asset management with there being 17 units currently vacant / short let. If a buyer can take advantage of an improving occupational market and let the vacant units at nil rent with the tenants covering the shortfall only the running yield will rise to 10% off the quoting terms. If the vacant units are let at ERV the running yield will rise to 12.5%.

In the longer term the property offers an opportunity for a more comprehensive redevelopment. There is an opportunity to build 5 or 6 large units for the likes of River Island (relocation), Boots (upsize), New Look (relocation), H&M and Deichmann. By creating store formats in line with current retailer requirements sitting opposite to Marks and Spencer there is the ability to redefine the prime pitch in the town as shown on the following plan.

In addition to this if vacant possession of the bus station could be obtained, there is the opportunity to create a more substantial retail or leisure scheme. There is potential for a new foodstore (Lidl are not in the town). Consideration has also been given to a leisure orientated scheme which would involve a development of the whole site. There is currently only an Odeon Cinema on Phoenix Leisure Park.

Cheshire East Council has a number of town centre sites in close proximity to Royal Arcade which it would consider offers for as part of a wider redevelopment scheme.





Tenure

The property is held freehold.

Proposal

We are instructed to seek offers for our client's freehold interest in the region of **£7,000,000** (subject to contract), reflecting a net initial yield of **8.9%** allowing for purchaser's cost of 5.80%.

VAT

The property has been elected for VAT purposes. It is anticipated that the investment sale will be treated as a Transfer of a Going Concern (TOGC).

EPC

An EPC for the property can be provided on request.

Further Information

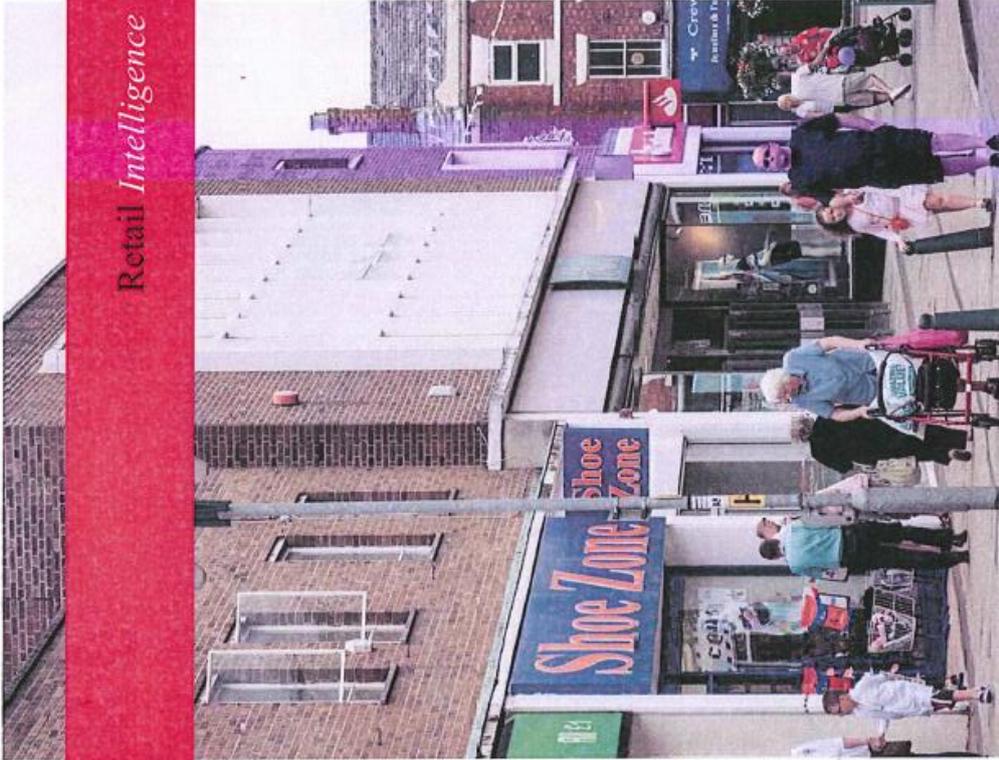
For further information or to arrange an inspection of the property, please contact:



Robert Dales
+44 (0)207 087 5339
robert.dales@eu.jll.com

Joshua Vernon
+44 (0)207 087 5346
joshua.vernon@eu.jll.com

Jonathan Heptonstall
+44 (0)207 318 7843
jonathan.heptonstall@eu.jll.com



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