

16/19 EAST STREET & 6A, 6B & 6D BARTHOLOMEWS

BRIGHTON

BN1 1HP

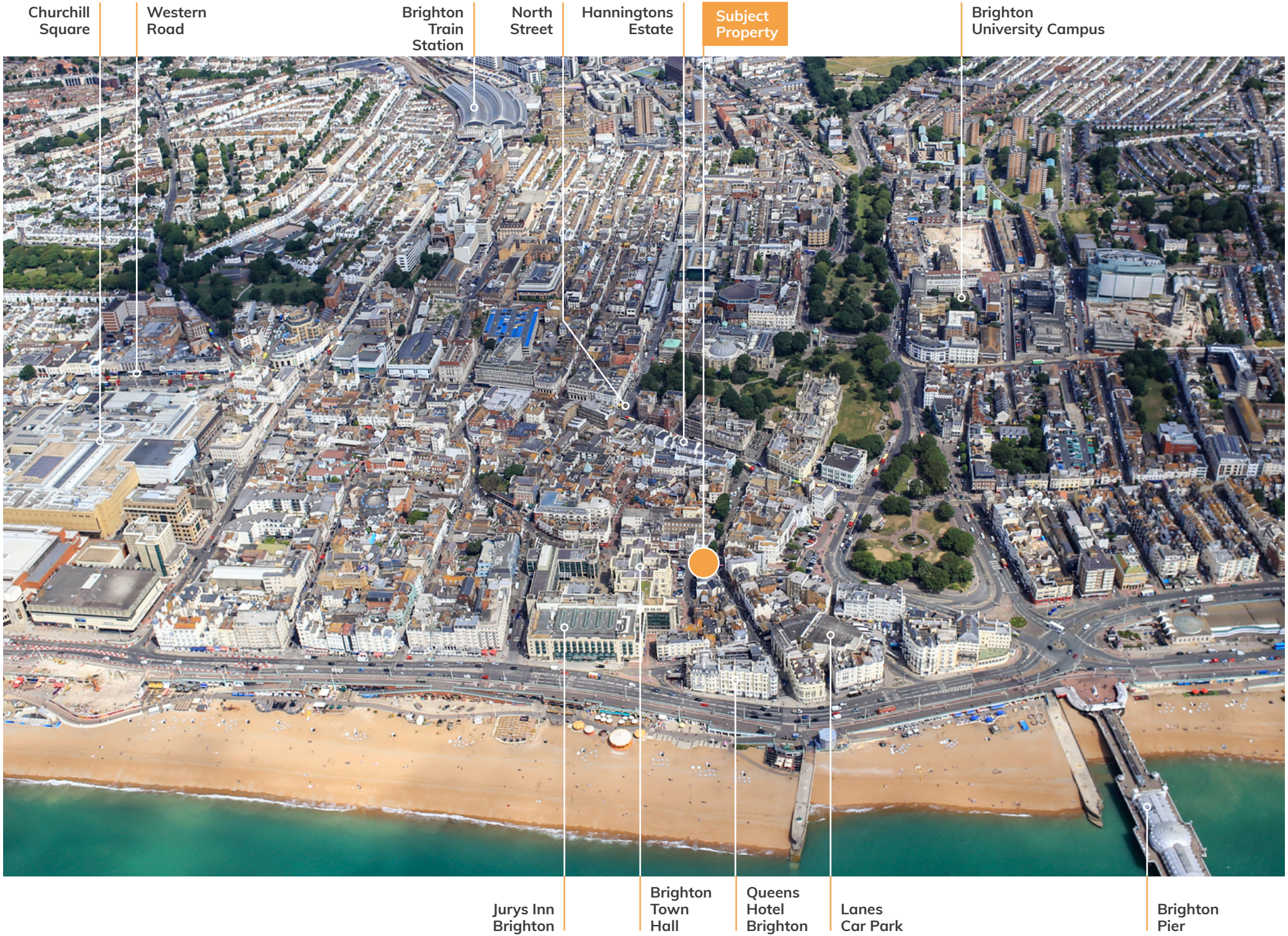
RETAIL/RESIDENTIAL INVESTMENT
FOR SALE WITH CONVERSION/
DEVELOPMENT POTENTIAL

jackson
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INVESTMENT SUMMARY

- Brighton is one of the largest and most affluent commercial South East centres in the UK, located 53 miles south of London with a catchment in excess of 500,000 people.
- Brighton is a key tourist destination, attracting c. 10.7 million visitors in 2019, contributing over £976 million to the city's economy.
- Highly desirable commuter town due to its accessibility to Central London with a fastest journey time of 55 minutes by train.
- All high-income Acorn Groups over represented, Pre-family 59% above the UK average. Brighton's average household income is c. 6% above the UK average.
- The Brighton residential market is particularly buoyant given the affordability, close proximity to London and popularity with tourists.
- Dual frontage building providing existing retail/residential accommodation of c.7,450 sq ft (692.1 sqm).
- Let to GPS (Great Britain) Limited trading as Gap Kids on assignment from Liberty Retail Ltd.
- Great opportunity to convert retail upper floors to residential use and potential to add an additional floor, subject to planning.
- Existing self contained residential entrance to Bartholomews
- Prime location on East Street, close to Reiss, Barbour and All Saints.
- Over £1 billion of ongoing seafront development and regeneration projects in Brighton.
- Freehold.
- Offers are invited for the benefit of the freehold interest in excess of **£2,500,000 (two million five hundred thousand pounds)** subject to contract and exclusive of VAT which reflects an attractive net initial yield of 8.11%.


Churchill Square
Western Road
Brighton Train Station
North Street
Hanningtons Estate
Subject Property
Brighton University Campus
Jurys Inn Brighton
Brighton Town Hall
Queens Hotel Brighton
Lanes Car Park
Brighton Pier

LOCATION

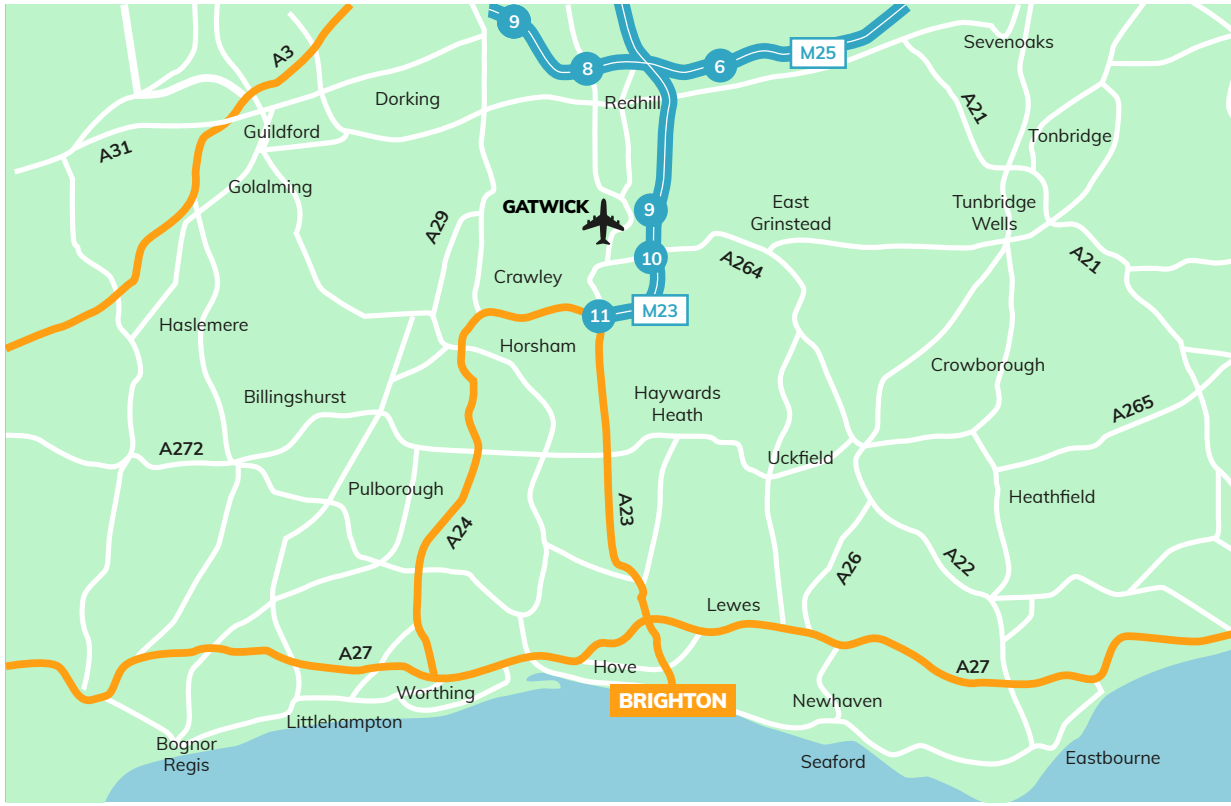
Brighton is one of the largest commercial centres in the south east of England, located 53 miles (85km) south of London, 25 miles (40km) west of Eastbourne and 62 miles (100km) east of Southampton.

The city benefits from good road communications with the A23 dual carriageway linking north and joining the M23 motorway and in turn, the M25 motorway at Junction 7. The A27 dual carriageway acts as a ring road around the city and links Brighton with Eastbourne in the east and Southampton to the west.

Rail links are excellent, with regular train services to London Bridge and London Victoria, with a fastest journey time of approximately 50 minutes. London Gatwick Airport is located only 22 miles (35 kilometres) north of Brighton, via the A23 dual carriageway and the M23 motorway.

Brighton is popular with London commuters boasting one of the busiest train stations in the South East outside Greater London.

Brighton has benefited from substantial development and regeneration over the last 10 years and current projects include the c. £540m Waterfront Project by Brighton and Hove City Council and Aberdeen Standard Investments, which involves an extension to the Marina and a new 10,000 seat arena and conference centre.



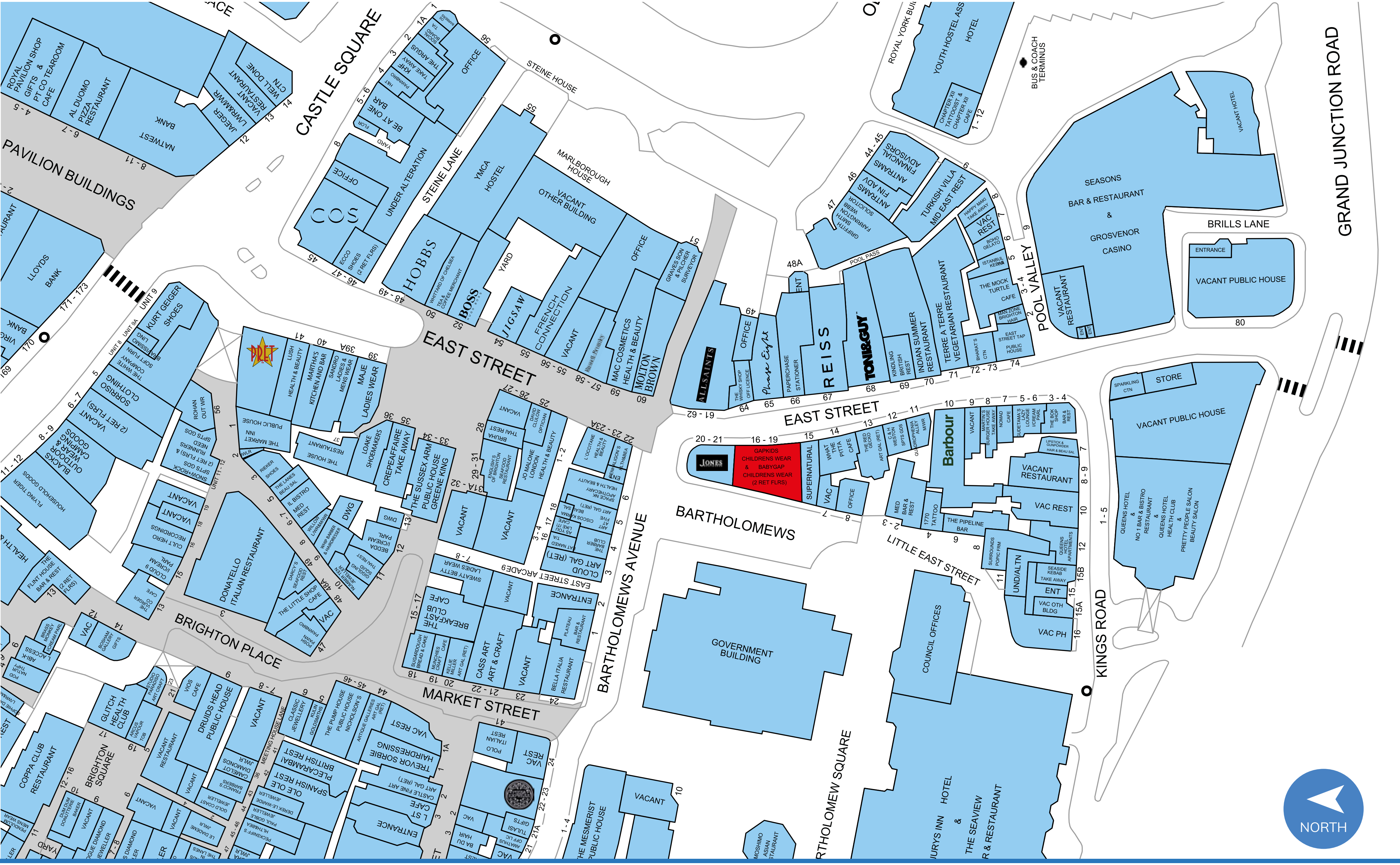




DESCRIPTION

The subject property comprises a four storey mid terraced building constructed in the 1930's, currently providing retail sales accommodation over ground and first floors with ancillary accommodation at basement and second floor levels. There are two residential two bedroom flats located on the third floor accessed from Bartholomews. The property has dual frontages to East Street and Bartholomews.

We understand that the property is of steel frame construction with block walls beneath a flat roof covered with asphalt. There is a six person passenger lift serving all floors, apart from the third floor residential. The residential flats benefit from a self contained access off Bartholomews.


CASTLE SQUARE
PAVILION BUILDINGS
EAST STREET
STEINE LANE
STEINE HOUSE
MARLBOROUGH HOUSE
YMCA HOSTEL
OTHER BUILDING
POOL VALLEY
POOL PASS
GRAND JUNCTION ROAD
BRILLS LANE
SEASONS BAR & RESTAURANT & GROSVENOR CASINO
VACANT PUBLIC HOUSE
BUS & COACH TERMINUS
YOUTH HOSTEL ASS HOTEL
ROYAL YORK BUILDINGS
BARTHOLOMEWS
16 - 19
GAPKIDS CHILDRENS WEAR & BABYGAP CHILDRENS WEAR (2 RET FLRS)
LITTLE EAST STREET
KINGS ROAD
BARTHOLOMEWS AVENUE
BARTHOLOMEW SQUARE
GOVERNMENT BUILDING
COUNCIL OFFICES
JURYS INN HOTEL & THE SEAVIEW BAR & RESTAURANT
QUEENS HOTEL & NO 1 BAR & BISTRO RESTAURANT & QUEENS HOTEL HEALTH CLUB & PRETTY PEOPLE SALON BEAUTY SALON
BRIGHTON PLACE
MARKET STREET
MEETING HOUSE LANE
BRIGHTON SQUARE
EAST STREET ARCADE
DONATELLO ITALIAN RESTAURANT
LLOYDS BANK
NATWEST BANK
COS
HOBBS
BOSS
JIGSAW
FRENCH CONNECTION
MOLTON BROWN
ALLSAINTS
REISS
TONI&GUY
Barbour
JONES
NORTH

DEMOGRAPHICS

Brighton has a catchment population in excess of 500,000 and the city dominates its catchment area. The estimated shopping population of Brighton is 354,000, ranking the city 16 of the PROMIS centres by population. The city benefits from a strong tourist economy with approximately 10.7 million visitors per year, boosting expenditure by over £976 million per annum. An estimated 24,000 jobs are tourism related (Tourism South East).

Brighton attracts c.36,000 students from throughout the UK and worldwide, who study at the University of Brighton and University of Sussex. Many students opt to remain in the city after graduating, attracted by the strong jobs market.

The age profile of Brighton's primary catchment population includes a high proportion of adults aged 25-44 and Brighton's population is set to grow by 4.9% by the end of 2021.

The ICT and digital sector has grown by more than 40% over 5 years. Worth over half a billion pounds, Brighton is recognised as having the highest level of specialism in immersive technology in the UK.

Major employers include Lloyds, Legal & General and American Express, with the latter having its European headquarters in the city. Other major employers include Domestic and General, Bupa, University of Brighton, University of Sussex, EDF Energy and Hospitals NHS Trust.



354,000
ESTIMATED SHOPPING POPULATION OF BRIGHTON

10.7
MILLION
VISITORS THROUGH TOURISM

BRIGHTON
HOSTS OVER
60 FESTIVALS A YEAR
INCLUDING THE LARGEST ANNUAL ARTS FESTIVAL IN ENGLAND

PRIME CATCHMENT POPULATION IN EXCESS OF
500,000

ESTIMATED SHOPPING POPULATION
RANKS
16 of the
PROMIS CENTRES

£976m
TOURIST
EXPENDITURE













PRIMARK®





RETAILING IN BRIGHTON

Brighton's retail core is predominantly linear in nature, stretching along Western Road and North Street, which together with Churchill Square Shopping Centre are the main focus of mass multiple retailing in the city. East Street and the Lanes to the east of the core retail area provide a mix of more upmarket fashion, independent/ local and specialist retailers.

The retail offer in Brighton city centre is excellent with the city ranking 8 on the basis of its PMA Non-Food Retail Score and 7 on the PMA Fashion Score. As an important regional city with a buoyant office population, occupational demand in the city has remained robust in recent years. Brighton remains one of the first locations where retailers seek to establish representation, outside London.

East Street is the premier destination for upmarket fashion in Brighton and is anchored by the Redevco owned Hannington Estate which has been extended and refurbished and sits at the heart of the Lanes.

RESIDENTIAL

Brighton's residential market is boosted by its close proximity to London, with buyers drawn to its elegant Georgian architecture and family friendly communities. According to Land Registry figures, the average property price in Brighton has increased by 69% in the last 10 years to £398,480 (FT 20/03/2020). Agents report a stable market at present especially for well located flats, with demand at its highest for 1 and 2 bed flats.

SITUATION

The subject property is situated in a prominent trading location on the western side of East Street, the premier upmarket fashion location in Brighton. Nearby retailers include Barbour, All Saints, Jones Bookmakers and Molton Brown.

The property is in close proximity to the Redevco owned Hannington Estate which links to the heart of the Lanes which has a good mix of national and local food & beverage operators.

ACCOMMODATION

A measured survey was commissioned by Plowman Craven. The property currently comprises the following approximate dimensions and net internal floor areas: -

Net Frontage to East Street	41 ft 8 in	12.7 m
Gross Frontage from Bartholomew Street	52 ft 2 in	15.9 m
Shop Width	50 ft	15.2 m
Shop/Build Depth	42 ft	12.8 m
Ground Floor Sales	**1,730 sq ft**	**160.7 sq m**
Ground Floor ITZA	**1,348 units**	**125.2**
Basement Ancillary	**1,395 sq ft**	**129.6 sq m**
First Floor Sales	**1,517 sq ft**	**140.9 sq m**
Second Floor Ancillary	**1,459 sq ft**	**134.6 sq m**
Third Floor **Flat 1** **Flat 2** two 2 bedroom flats, accessed from self contained entrance from Bartholomews*	 **737 sq ft** **622 sq ft**	 **68.5 sqm** **57.8 sqm**
	7,450 sq ft	**692.1 sqm**

*Plowman Craven measured survey.



DEVELOPMENT OPPORTUNITIES

The vendor instructed Max architects to design a commercial and residential scheme. This shows a retail unit arranged on ground floor/basement with residential accommodation laid out as six 2 bed residential units arranged over first, second and third floor, with the potential for a new build fourth floor laid out as a 3 bedroom penthouse apartment with views to the sea. Any proposal would be subject to planning and vacant possession. Further information and indicative floor plans are available on request.







For Indicative Purposes

TENURE

The property is held Freehold.

TENANCY

The property is currently let on an overriding lease to GPS (Great Britain) Limited trading as Gap Kids for a term of 35 years from 21st July 1989 at a rent of £216,000 pa exclusive. The lease was assigned to Gap by Liberty Retail Limited (company number 00042342). As such Liberty is liable in the event that the current tenant Gap cannot meet its liabilities.

We understand that Gap have underlet Flat 1 on the third floor on an Assured Shorthold Tenancy (AST), at a rent of £1,195 pcm and Flat 2 is currently vacant, the previous AST having expired in November 2020. Gap decided not to renew the Assured Shorthold Tenancy (AST).

Gap have announced that they will vacate all their UK shops and we understand Brighton will close at the beginning of September. Further information is available on request.



RENTAL VALUE

The estimated rental value of the whole building as of today's date would lie in the region of £169,000 pa, which reflects a Zone A rent of approximately £90 per sq ft, applying A/20 to basement ancillary, A/10 to first floor sales and £3 to 2nd floor ancillary. We have applied £1,200 pcm to each of the residential flats with a 20% management charge applied.

If the building was reconfigured in line with the architect's proposals with the ground floor and basement let to a shop or restaurant operator, then it is our opinion that the estimated headline rental value of the ground floor and basement would lie in the region of £130,000 pa exclusive, applying A/12 to half the basement sales area and A/20 to the remainder, which reflects a Zone A rent of approximately £90 per sq ft.

Applying a rental value of £1,200 pcm for a 2 bedroom flat and £1,500 pcm for the proposed 3 bedroom fourth floor flat, produces a potential gross residential rental value in the region of £104,400 pa for the 7 proposed flats.

On this basis, the total gross proposed estimated headline rental value including the retail portion could lie in the region of £234,000 pa.

Local estate agents have indicated estimated capital values of approximately £425,000 - £450,000 for a 2 bed flat and c. £690,000 for the 3 bed flat, reflecting a capital value of c. £600 per sq ft, in respect of the flats which could be provided within this property.





INVESTMENT COMPARABLE EVIDENCE

Property	Date	Price	Net Initial Yield	Cap Val per sq ft	Comments
48/49 East Street (Hobbs)	July 2021	£3m Asking price	6.9%	£486	Mixed use overrented investment with 5 flats currently being marketed with interest just off asking.
46/47 East Street (Ecco)	November 2020	£1.4m	8.42%	£538	Overrented. Rent passing at £125,000 pa with a tenant break clause effective 5/2023.
153 North Street, Brighton (HSBC)	December 2019	£5.71m	5.01%	£534	Rent is reviewed annually in line with RPI. Overrented retail investment.
45 East Street and 9/12 Castle Square, Brighton °(COS)	October 2019	£6.7m	5.81%	£533	Mixed use overrented investment with 6.8 years to expiry and 3.13 years to break. c. 59% of the overall income with COS paying £245,000 pa.

VAT

The property is elected for VAT and it is proposed that the sale will be treated as a Transfer of a Going Concern (TOGC).

EPC

The property has the following EPC ratings: -

Retail: C63
Residential:
Flat 1: 6D
Bartholomews: E42
Flat 2: 6D
Bartholomews: E40

IDENTITY CHECKS

In order to comply with anti-money laundering legislation, the successful purchaser will be required to provide certain identification checks. The required documents will be confirmed and requested from the successful purchaser at the relevant time.

PROPOSAL

Our clients are seeking offers for the freehold interest in the subject property in excess of **£2,500,000 (Two million, five hundred thousand pounds)** subject to contract and exclusive of VAT. A purchase at this price would reflect a net initial yield of 8.11% net of purchaser's costs and a capital value of £336 per sq ft.



360°
CLICK FOR VIRTUAL TOUR

For further information or to arrange an inspection please contact:

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