

ATTRACTIVE FULLY LET FREEHOLD INVESTMENT

FOR SALE 8%+ INITIAL YIELD

CHESTER

Foregate Street, CH1 1HF



LET TO:





Investment Considerations

- Chester is the largest City in Cheshire – serving as its' commercial and administrative centre.
- Substantial two storey property having a car park roof completely resurfaced in 2024 with 10-year warranty.
- Located on one of Chester's busiest arterial roads with over 25,000+ vehicles per day (source Nimbus)
- A short walk from the City Centre.
- Fully let to three commercial tenants, with additional car parking income.
- Total rental Income: **£164,489.16** (50% secured by blue chip companies).
- Additional Fixed Service charge income **£9,600pa.**
- MyDentist passing rental devalues to a low level of £10.72 overall – considered highly reversionary at next review.
- Leases on direct IRR terms with full Building insurance premium reimbursement.
- Property held in SPV (no debt) for sale as 100% shareholding (meaningful SDLT savings).
- Probable Carry forward tax allowance loss of £175k plus

Proposition: Offers sought over £2m,

This reflects an 8.02 % initial return net of (reduced SDLT) purchasing costs at 2.5%.

This rises to 8.7% including fixed service charge contributions.



Chester

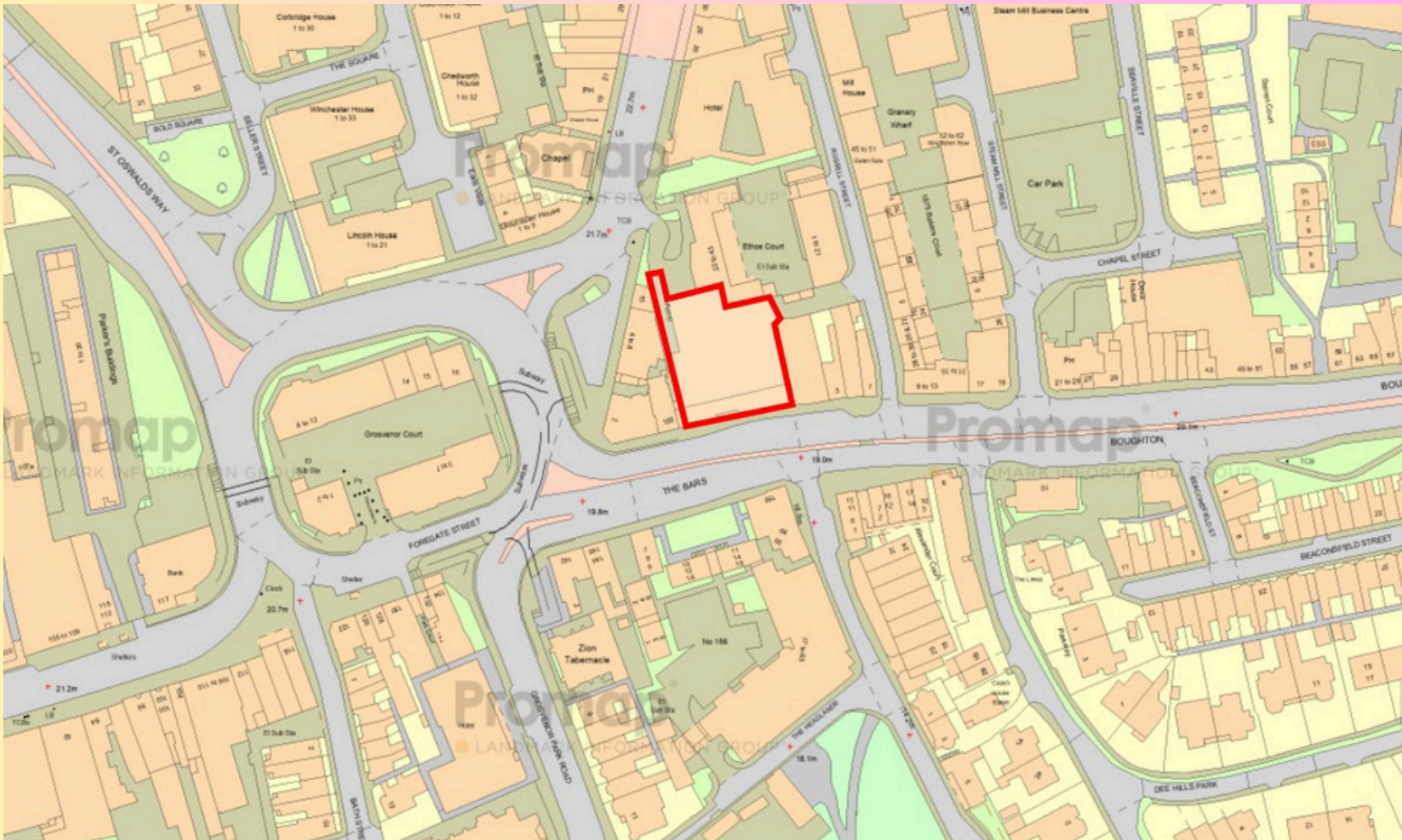
- Chester is one of the strongest retailing centres in the UK and a major national tourist destination.
- In addition, the city is the administrative centre for Cheshire and serves a resident population of approximately 120,000, rising to over 560,000 within 20 km (12.5 miles).
- It is located approximately 32 km (12 miles) south of Liverpool, 56 km (35 miles) south-west of Manchester.
- It has excellent road and rail connections to Liverpool and Manchester, via the M53/M56/ M6 networks and is the springboard into North Wales via the A55 expressway, and mainline rail route to Holyhead.
- The historic nature of Chester City Centre is also a significant tourist draw, attracting an estimated eight million overnight visitors to the city each year, generating annual revenue of £1.2 Bn and supporting over 14,000 jobs.
- This property is a 5-minute walk from Chester Mainline Railway station, and just 2 minutes away from the prime City Centre Retailing pitch.



Site Location

As can be seen from the plan below, this property is located at the junction of 'The Bars' (a local name for this short extension of Foregate Street) with City Road.

The property presents as highly visible in a slightly elevated position on the North side of the street in a commanding location to passing traffic on the A51.







Demographics

The Chester area has a very strong services employment base employing some 81% of the city's working population.

There has been a number of large high profile service sector employer relocations to the city over the past 10-15 years with some 32% of the Urban Area Population (UAP) now employed in the banking finance and business sectors (compared with 17.5% nationally).

Over 60% of the UAP is employed in growth industries (compared with 53% nationally).
Class Groupings: 27% of the UAP are Class AB compared with 23.5% nationally.

Home Ownership: 68.3% of houses owner occupied, compared with 62.5% nationally.

Car Ownership: 83.3% of the Chester UAP own either one or two cars compared with 78% nationally.

Chester University employs approximately 900 staff and attracts nearly 20,000 students to its campus's p.a.



Property



This property was originally constructed as the main motor vehicle dealership showroom for 'Henlys', and prior to being acquired by the current owners some 25 years ago, was used as their main HQ, serving a much larger site behind, (which has now been redeveloped for apartments).

This property presents as two storeys to the front, but much of the first floor to the rear of the offices is given over to car parking accessed by a vehicle ramp from City Road. The first-floor office suite also derives its access from this car park.

The ground floor comprises two large commercial spaces, both having full height shopfronts - each unit sharing a rear loading/ service corridor accessed by doors and roller-shutter, leading onto a shared level access service yard on Russel Street.

The larger unit 1 is tenanted to Whitecross Dental Care Ltd t/a MyDentist, who relocated a smaller practice in 2023. This property has been completely remodelled to create 17 surgeries and ancillary space and has a rear frontage to Ethos Plaza.

Unit 2 is occupied by Kutchenhaus, a designer kitchen business which has a number of outlets across North-West England.

The office suite at first floor is accessed from the roof level and is occupied by Relive Physiotherapy, who expanded a smaller business into this suite a few years ago.

Tenancy Information

<u>Address</u>	<u>tenant Company</u>	<u>Fascia</u>	<u>Lease term</u>	<u>Rent</u>	<u>payable</u>	<u>Size</u>	<u>service charge pa</u>
Unit 1, 157-167 Foregate Street & I Ethos plaza	Whitecross Dental Care Ltd (co no 00244415). With Guarantee by First Choice Dental Ltd. (co no 05943470)	MyDentist	15 years from 11 September 2023. Subject to 5 yearly upward only reviews. and tenants break at the end of year 10 only (2033)	£77,500.00	quarterly	7,228 sq ft (£10.72 psf)	£6,000pa payable quarterly
Unit 2 157-167 Foregate Street	MA Design (Chester) Ltd. co no (11264203)	Kutchenhaus	10 years from 3 July 2018. 2023 review outstanding . No breaks	£35,880.00	monthly	2,476 sq ft (£14.49 psf)	£ 1,800pa payable monthly
Office:	Relive Physiotherapy Ltd (co no 8738420)	Relive Physiotherapy	10 years from 3 October 2022. tenants breaks in 2026 and 2030.	£20,250.00	monthly	1,584 sq ft (12.78 psf)	£1,800 pa payable monthly
car spaces x6	Aaron & Partners			£9,467.16			
Car Spaces x 10	Babble			£14,400.00			
Car spaces x 2	Graham Carter Finance			£1,992.00			
Evening & weekend Car Parking	Koconut Grove Indian Restaurant			£5,000.00			
TOTAL RENTAL INCOME				£164,489.16			



Tenants' Covenant Information & Service Charges

Unit 1 – MyDentist <https://www.mydentist.co.uk>

Whitecross Dental Care trade as MyDentist and are one of the UK's largest dental businesses. They have been trading in the UK for over 25 years with over 500 trading locations, treating over 4 million patients and with a turnover of £334.4m (2023 accounts). They have an international credit score of 'B' and net assets of £13.4m. The guarantor company, First Choice Dental Limited (Co. Number 05943470) has an international credit score of 'A', with Current assets of £195.37m (2023 accounts).

Unit 2 – Kutchenhaus <https://uk.kutchenhaus.com>

MA Design (Chester) Limited, company number 11264203, are a NW franchisee partner for this exclusive German Kitchen Brand. The parent company having over 24 UK outlets across the UK. They established this showroom in 2018, and the March 2023 filed accounts show net assets of £158,261.

Offices – Relive Physiotherapy Ltd. <https://www.relivephysiotherapy.co.uk>

Relive Physiotherapy expanded their existing business relocated to Foregate Street in 2022. The two-director business operates this as a single outlet for their business.

Service charges

The leases contain fixed service charge payments. The landlords manage the property on an 'as and when' basis. The main potential expense is considered to be the flat roof, which has been recovered in 2024 at a cost of £160,000. The purchaser collects and either keeps or spends these monies at their discretion.

EPC's

Available on request

Tenure

Freehold, subject to the tenancies described above.

Proposition

The asset is available by way of a sale of the entire company shareholding.

Costs

Each side will be responsible for their own legal costs.

Anti Money Laundering Compliance

Purchasers will be required to submit to and satisfy such Anti Money Laundering checks as may be required.

Viewing

Strictly by arrangement with the above sole agents :



5 York Street, Chester, CH1 3LR. Attn. Tim Kenney
07973 666620 tim@kenneymoore.co.uk

15 January 2025



Conditions under which particulars are issued: kenneymoore for themselves for any joint agents and for the vendors or lessors of this property whose agents they are, give notice that: (i) the particulars are set out as a general outline only for the guidance of intended purchasers or lessees and do not constitute nor constitute part of an offer or contract; (ii) all descriptions dimensions reference to condition and necessary permissions for use and occupation and other details are given in good faith without responsibility and any intending purchasers or tenants 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; (iii) no person in the employment of kenneymoore has any authority to make or give any representation or warranty whatever in relation to this property. Photographs are indicative only. All dimensions are approximate, and all rentals and prices are exclusive of VAT unless otherwise stated. Subject to contract.