

Bridlesmith House

34-44

Bridlesmith Gate / Nottingham / NG1 2GQ

A high yielding retail and office investment
in the heart of Nottingham City Centre



Executive Summary

- Well let mixed retail and office investment totalling 29,477ft²
- In a well established City Centre location for both office and retail uses
- The property is fully let and produces £854,450 per annum
- WAULT of 3.77 years to expiries and 3.3 years to breaks
- Strong Tenant covenant profile including Flannels Group, and Diesel
- Further asset management opportunities
- Low capital value of £195 per ft²
- Quoting price of **£5,750,000** reflecting a **net initial yield of 13.94%** after usual purchaser's costs of 6.62%



Bridlesmith House



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Description

Bridlesmith House is a well known landmark building in Nottingham City Centre fronting Bridlesmith Gate.

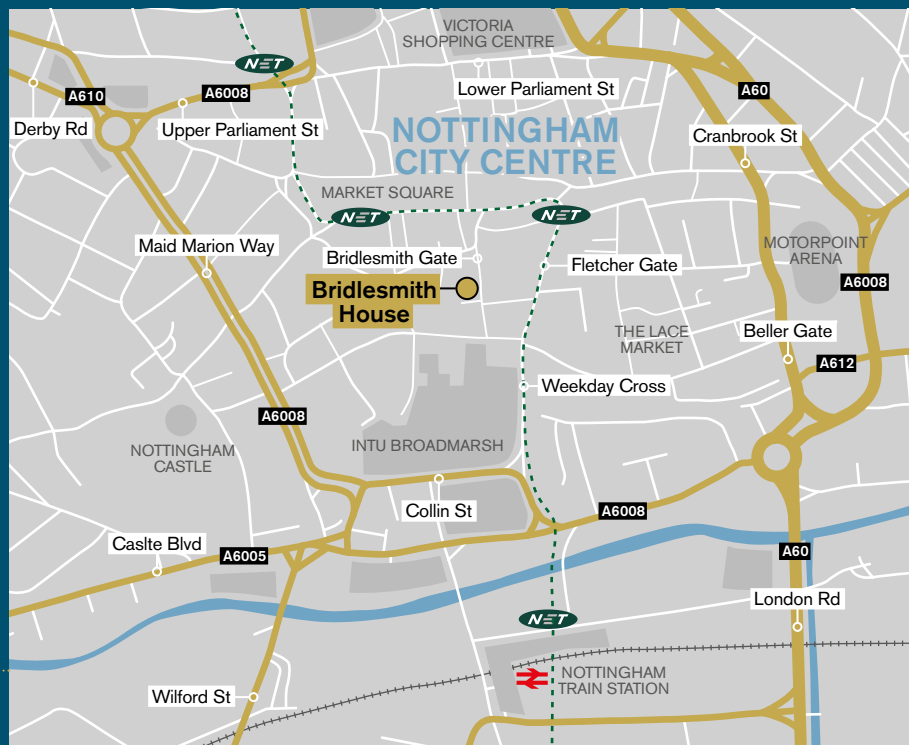
Bridlesmith Gate is an established retail parade, a location highly regarded for high end retail, leisure and office uses.

The property provides a parade of three retail units totalling some 18,286ft² over three levels.

Located above are three floors of office space accessed via the main Bridlesmith House entrance located between the Flannels and Diesel retail units. The lobby incorporates a lift to all floors with large open landing areas leading to suites either side of the central core.

Suites can either be split down the central core or alternatively provide full single floor plates of up to circa 4,255ft².





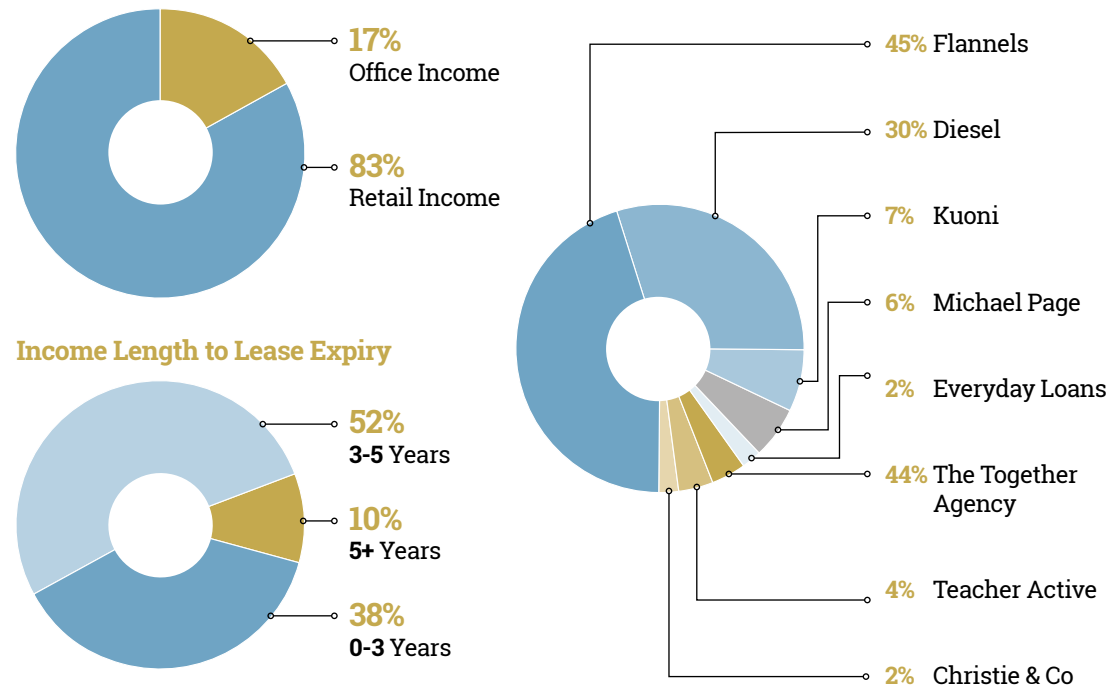


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Tenancy Schedule

Address	Tenant	NIA (sq ft)	Start Date	Break Date	Expiry Date	Review Date	Rent (per sq ft)	Rent (p.a.)
34/36 Bridlesmith Gate	Flannels Group	10,947	24-Jun-20		23-Jun-25	-	£35.31	£386,500
40/42 Bridlesmith Gate	Diesel	4,667	24-Jun-01		23-Jun-21	-	£54.85	£256,000
44 Bridlesmith Gate	Kuoni	1,746	2-Jun-20	2-Jun-25	1-Jun-30	2-Jun-25	£35.80	£62,500
2nd floor, Office 1	Michael Page	4,255	11-Oct-11		10-Oct-21	-	£12.46	£53,000
3rd floor, Office 1	Everyday Loans	1,354	3-Oct-16	3-Oct-21	3-Oct-26	2-Oct-21	£12.92	£17,500
3rd floor, Office 2	The Together Agency	2,899	19-Feb-15	-	18-Feb-25	19-Feb-20	£10.50	£30,440
4th floor, Office 1	Teacheractive	2,401	15-Oct-14		14-Oct-24	-	£12.49	£30,000
4th floor, Office 2	Christie Owen and Davies	1,208	10-Jan-18		9-Jan-23	-	£13.38	£16,160
Substation	Western Power	-	1-Mar-17	-	28-Feb-38	-	-	£2,350
		29,477						£854,450

Income Analysis



Covenants

Tenant	Experian	Credit Risk	Turnover '18/19	Net Profit '18/19	Net Worth '18/19
The Flannels Group Limited	73/100	Below Average Risk	£92,964,000	-£1,397,000	£4,784,000
Diesel (London) Limited	98 / 100	Very Low Risk	£44,695,000	£567,791	£5,633,717
Der Touristik UK Limited (Kuoni)	87/100	Low Risk	£300,570,000	£5,670,000	£9,150,000
Michael Page (Holdings) Limited	71/100	Below Average Risk	£5,593,000	£1,338,000	£12,752,000
Everyday Loans Limited	100/100	Very Low Risk	£45,408,000	£6,807,000	£59,556,000
The Together Agency Limited	100/100	Very Low Risk	-	-	£547,229
Teacheractive Limited	89/100	Low Risk	£34,633,000	£3,278,000	£3,186,000
Christie Owen and Davies Limited	87/100	Low Risk	£31,301,000	£2,870,000	£1,347,000



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Retail Market Commentary

Nottingham is categorised as one of the 10 Major Cities in the UK based on the volume and quality of its retail offer (Promis) and currently ranked 6th in the PMA Retail Score index.

Retailing is concentrated on the north south axis of the city dominated by the intu Victoria Centre comprising of nearly 1m sq ft of accommodation anchored by John Lewis, Next, River Island and House of Fraser to the north and the principal shopping streets of Clumber Street, High Street and Bridlesmith Gate leading south.

Bridlesmith Gate is the city's aspirational fashion pitch whose occupiers include; Goldsmiths, Berrys, Ted Baker, Hugo Boss, Joules, Fat Face, Molton Brown, L'Occitane, White Stuff, Ecco and Jack Wills.

Recent transactional evidence:

15 Bridlesmith Gate

1,485 ft²

Let to Carsi

Effective November 2019

£112.47 ITZA

46 Bridlesmith Gate

5,470 ft²

Let to Bravissimo

Effective March 2020

£71.36 ITZA

1 Bridlesmith Gate

2,518 ft²

Let to Goldsmiths

Effective September 2018

£196.00 ITZA

11 Bridlesmith Gate

1,311 ft²

Let to David Clulow

Opticians

Effective June 2018

£134.65 ITZA

13 Bridlesmith Gate

958 ft²

Lease renewal with L'Occitane

Effective August 2018

£168.00 ITZA



Office Market Commentary

There has been consistent rental growth in the Nottingham City Centre office market over the last few years driven by robust office demand and a lack of good quality supply being brought forwards into the marketplace.

As a result of the continued rental growth and a lack of good quality Grade A stock this has facilitated the continued refurbishment of existing office buildings for office use with the best in class refurbishments going through the £20 per ft² barrier.

Despite a number of significant refurbishment projects undertaken within Nottingham City Centre there remains a lack of Grade A supply.

New build schemes planned for Nottingham City Centre are subject to significant pre-lets and are unlikely to be brought forwards to the market until 2022 at the earliest.



Notable recent transactions in Nottingham City Centre include:

- **First & Second Floors City Buildings, Carrington Street, Nottingham**

Pre-letting subject to the refurbishment of some 20,000ft² to Lockwood.

Publishing at a headline rent of £19 per ft² on a new ten year lease.

- **Third Floor City Buildings, Carrington Street, Nottingham**

A pre-letting of some 10,000ft² to Lexis Nexis at a headline rent of £19 per ft²

on a new ten year lease.

- **Ground & First Floors, 30 – 34 Hounds Gate, Nottingham**

The pre-letting of some 15,500ft² of offices subject to refurbishment to Ensek Limited at a headline rent of

£17.50 per ft² on a new ten year lease.

- **First Floor, 1 Broadway, The Lace Market, Nottingham**

1,927ft² let to ITP at a headline rent of £16 per ft² on a new five year term.

- **Second Floor, 1 Broadway, The Lace Market, Nottingham**

2,193ft² let to Churchsuite at a headline rent of £16 per ft² on a new five year term.

VAT

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

Proposal

We are instructed to seek offers at a quoting price of **£5,750,000** reflecting a **net initial yield of 13.94%** after usual Purchaser's costs of 6.62%.

Contact

For further information please contact the sole agents:

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