

# PRIME MIXED USE CITY CENTRE INVESTMENT

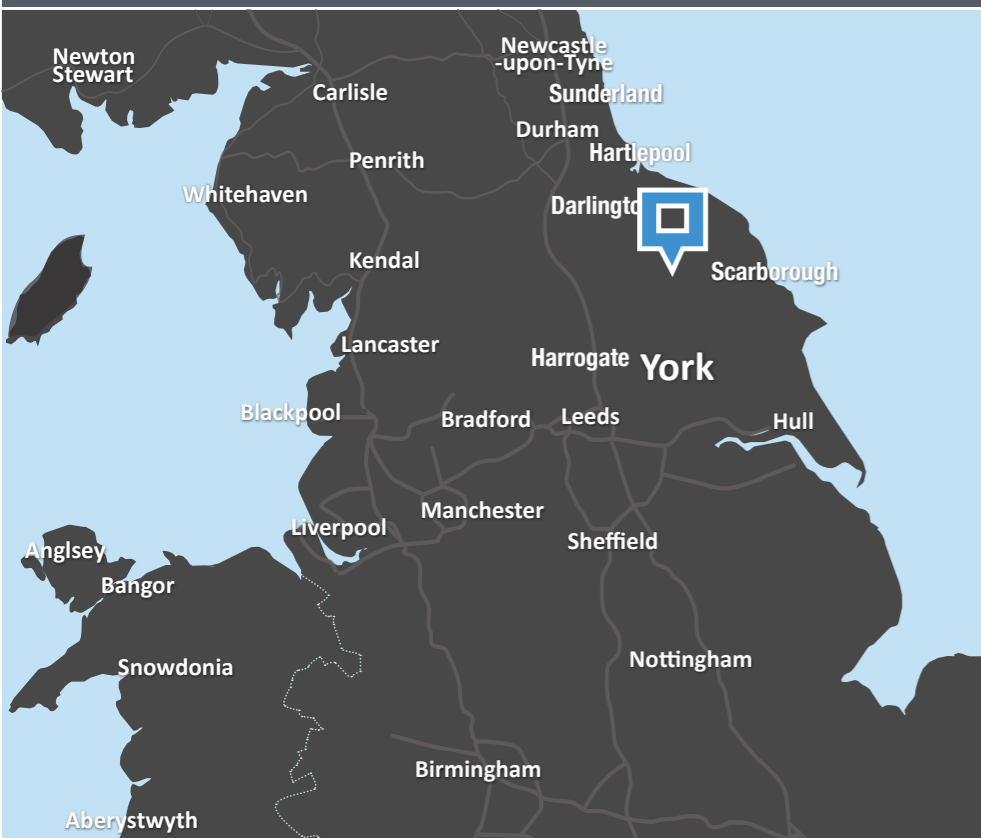
## MERCHANT HOUSE 11-15 PICCADILLY YORK YO1 9WB



# INVESTMENT HIGHLIGHTS

- York is an internationally renowned city & tourist destination attracting **8.9 million** visitors a year
- Annual tourist industry contributes **£1.7bn** to economy supporting **17,000 jobs**
- World renowned university with in excess of **20,000 students**
- Strong city centre location close to **Jorvik Viking Centre, M&S and The Coppergate Centre**
- 25,593sq ft building with short, medium & long term asset management opportunities
- Attractive WAULT of 7 years to expiry and 4 years to breaks

We are instructed to seek offers in excess of **£3,400,000** which reflects a net initial yield of **8.02%** after purchaser's costs of 6.49% and a low capital value of just £132 per sq ft overall and a potential reversionary yield of **9.2%**.



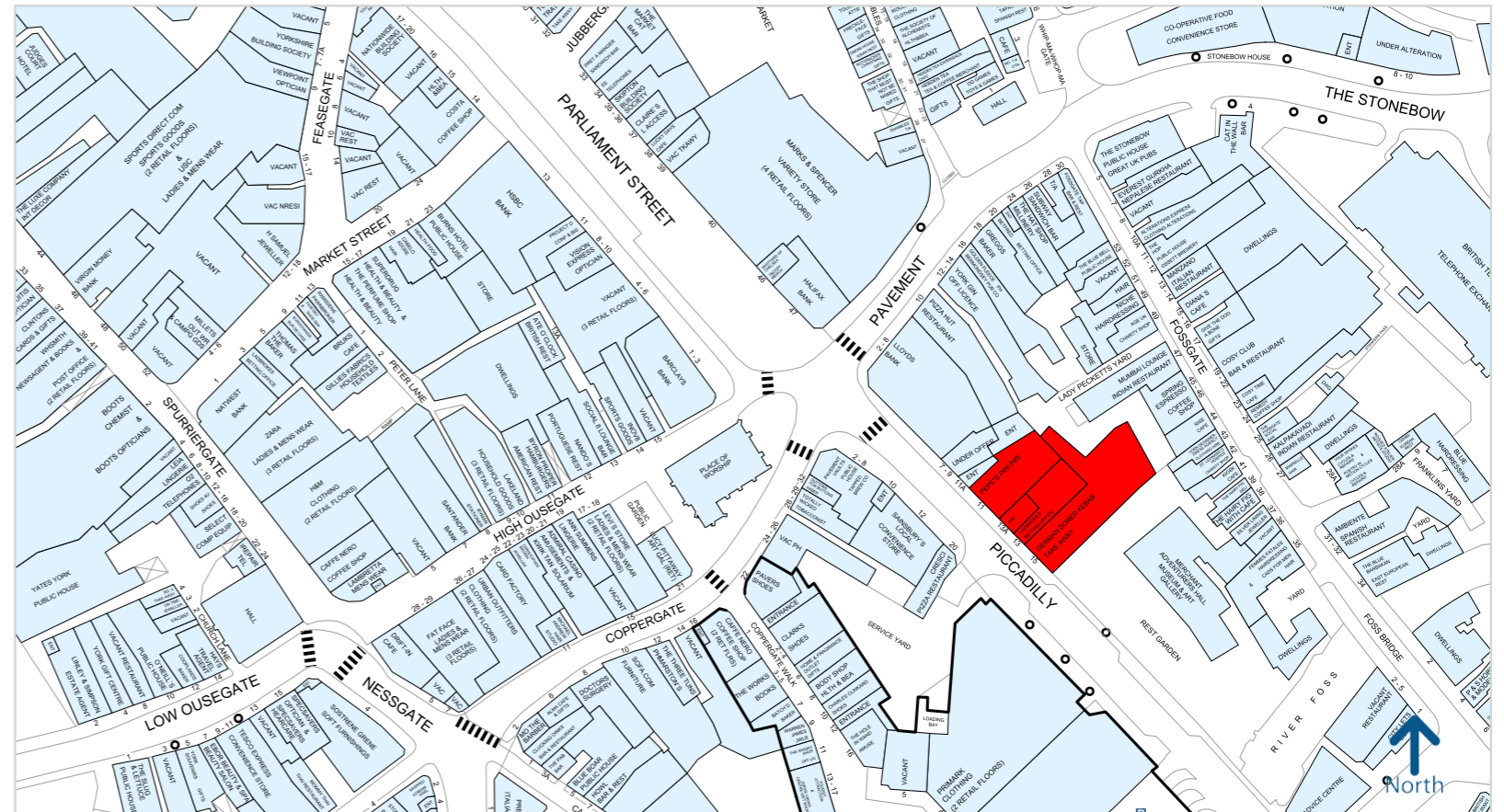
## LOCATION

York is an internationally renowned historic Cathedral City with Roman origins dating back to 71AD. The city is situated 24 miles (38 Kilometres) east of Leeds, 88 miles (141 Kilometres) south of Newcastle upon Tyne and 209 miles (336 Kilometres) north of London. It has excellent transport links being situated on the East Coast Mainline, the main route linking London and Edinburgh. The fastest journey time to London is just 1hr 51 mins. The fastest train journey to Leeds is just 22 minutes.

In addition, York has an excellent road network with the York ring road linking to the wider region via the A1(M) and A19 providing north/south access. Furthermore, the A59, A64 and A1079 link the city to Leeds, Harrogate and Hull respectively.

York has a primary catchment population of 488,000 of which 294,000 regard York as their main shopping destination. It has an above average proportion of adults of work age categorised as A, B & C social groups. The city also has a world renowned university with over 20,000 registered students.

York has become one of the UK's main tourist destinations with an average of 8.9 million tourists each year, which is a significant boost to the economy. Some of the key tourist attractions alongside the Minster include Betty's Tea Room, The Jorvik Viking Centre and the Harry Potter shops on the Shambles. All of which are just a short walk from the property.







## SITUATION

The property is situated on Piccadilly in the heart of York City Centre. The Coppergate Shopping Centre is situated directly opposite and is anchored by Fenwick and Primark who have frontage onto Piccadilly opposite the property. It is also home to the world famous Jorvik Viking Centre. The property is also adjacent to the Merchant Hall, another one of York's famous tourist destinations. Other nearby occupiers include Lloyds Bank, Sainsburys, M&S, Pizza Hut, Barclays, Caffé Nero amongst others. The Shambles is approximately 100 metres from the property and is home to the Harry Potter shop 'The Shop That Must Not Be Named'.

## DESCRIPTION

The property consists of an attractive purpose built mixed use block over 5 floors to include, basement and ground floor retail and leisure space, with offices to the upper floors. The property is a mix of brick and stone construction sitting under a mix of mansard and flat roofs. The property has the benefit of rear servicing with access to ground floor and basement. The upper floor offices have a designated entrance with both lift and stairs to 1st, 2nd and 3rd floors.



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YORK GIN

Pizza Hut

LLOYD'S BANK

## ACCOMMODATION & TENANCY INFORMATION

Unit	Tenant & Vacant	Unit Type	Lease Start	Lease End	Term	Next Review Date	Next Break Date	Rent	Basement sq ft	Ground Sq ft	ITZA Sq ft	First Sq ft	Second Sq ft	Third Sq ft	Rent per sq or ZA	ERV	EPC	Comment
11 Piccadilly	Food Cottage Ltd t/a Pepe's	Retail	15/4/2024	14/4/2034	10	15/04/2029	15/04/2030	£65,000	7,973	2,385	1,104				£55.27	£65,000	C-65	
13A Piccadilly	Vacant	Retail						£30,000		558	484				£60.00	£30,000	D-86	18 month Rental guarantee proposed
13 Piccadilly	Ladbrokes Betting & Gaming Ltd	Retail	1/1/2024	31/12/2033	10	01/01/2029	31/12/2028	£38,500	524	1,622	625				£61.60	£38,500	C-67	
15 Piccadilly	SBG Yorkshire Ltd T/A GDK	Retail	18/1/2022	17/1/2037	15	18/01/2027	17/01/2032	£55,000		4,812	1,389				£39.60	£75,000	B-46	
First floor, Merchant House 11 Piccadilly,	QA Research Limited	Office	29/11/2024	28/11/2029	5		29/11/2026	£49,317				2,760			£17.87	£49,317	B-41	5 year reversionary lease from 29.11.24. 8 months at half rent if break not exercised
2nd & 3rd Flr, Merchant House 11 Piccadilly,	Trailight Limited	Office	23/2/2017	22/2/2027	10	23/02/2022	23/02/2022	£52,500					2,915	2,044	£10.59	£75,000	D-86	
Substation site off Lady Peckett's Yard, Fossgate	Northern Electric Plc	Elec Sub	1/1/1991	31/12/2050	60	01/01/2015		£60								£60		
								<b>£290,377</b>	<b>8,497</b>	<b>9,377</b>	<b>3,602</b>	<b>2,760</b>	<b>2,915</b>	<b>2,044</b>		<b>£332,877</b>		

## ASSET MANAGEMENT

The property provides a number of short, medium and long term asset management opportunities to include:

- Permanent letting of 13A Piccadilly. The unit was formerly let to William Hill but would be of interest to a number of food on the go retailers and local independents given its location.
- The retail rents have all been rebased from their historic levels and this provides an opportunity for growth given how well York has bounced back in recent years as the tourists have returned post covid and new retailers are opening in the city.
- The office space is currently let off rents of £12-£16 per sq ft. There are recent lettings in York showing in excess of £20 per sq ft. At renewal there is an opportunity to move the office rents on further. The Trailight review is outstanding and there is substantial growth to be had given recent evidence.
- The upper floors provide a longer term opportunity to convert to residential, student

accommodation or hotel. The leases on the office space expire at similar times allowing for time to work up any potential scheme.

- Acquire 7-9 Piccadilly to increase the lot size and added value potential.

### 7-9 PICCADILLY

7-9 Piccadilly is under the same ownership and provides an attractive ground floor and basement unit with 2 floors of offices above. Further information can be provided and consideration will also be given to selling the property together with Merchant House. The upper floors lend themselves to either an office refurbishment or residential conversion. The ground floor café has been let to Sasa Group Limited by way of a new 10 year lease from 19th November 2024 at an initial rent of £35,000pa. There is a tenant break and a rent review in November 2030.

## COVENANT INFORMATION

### Pepes Piri Piri

#### Food Cottage Ltd

Creditsafe Score 43/100

International Score C – Moderate Risk

Pepe's has been operating in the UK since 2004 and now trades from 191 stores in the UK. Internationally it operates in 7 countries. Food Cottage Limited is a franchisee operation and a newly formed company. Therefore, there is no financial information currently available.

### Ladbrokes

Ladbrokes Betting & Gaming Ltd (Company No 00775667)

Creditsafe Score 100/100

International Score A – Very Low Risk

Ladbrokes is one of the country's leading Betting and gaming companies dating back to 1886. It now employs in excess of 16,000 people and trades from 2,500 units. They have an annual turnover in excess of £1bn and Shareholder funds of £1.195bn.

### German Doner Kebab

SBG Yorkshire Ltd (Company No 13363768)

Creditsafe Score 39/100

International Score C – Moderate Risk

SBG Yorkshire Ltd is German Doner Kebab (GDK) franchise. GDK now operates in 6 countries having been founded in Berlin in 1989. GDK opened its first outlet in the UK in 2015. It now operates from in excess of 170 restaurants nationally.

### QA Research

QA Research Ltd (Company No 03186539)

Creditsafe Score 96/100

International Score A – Very Low Risk

QA Research are a York based research company providing a range of services to include data collection, evaluations, data science & analytics and educational assessments amongst other things. QA research was acquired by the EMB Group in 2024. QA Research Ltd has shareholder funds of £648,537. EMB-Group Ltd turns over £5m per annum and has current shareholders funds of £4.4m.

### Trailight

Trailight Ltd (Company No 02545823)

Creditsafe Score 52/100

International Score B – Low Risk

Trailight is a leading technology company providing compliance and governance management platforms for the financial service industry. It is a wholly owned subsidiary of Track record holdings Ltd which has shareholder's funds of £7.1m.

## PROPOSAL

We are instructed to seek offers in excess of **£3,400,000**, which reflects a net initial yield of **8.02%** after purchaser's costs of 6.49% and a reversionary yield of **9.2%** based on ERV's.

## VAT

The property is elected for VAT and it is anticipated that the sale will be treated as a TOGC.

Misrepresentation Act: These particulars shall not form part of any offer or contract and no guarantee is given as to the condition of the property or the accuracy of its description. An intending purchaser or tenant is not to rely on any representation made in these particulars and must satisfy himself as to their accuracy by his own investigation before entering into any contract. January 2025

## CONTACT



James Metcalf  
e: [james@mhpi.co.uk](mailto:james@mhpi.co.uk)

Simon Harland  
e: [simon@mhpi.co.uk](mailto:simon@mhpi.co.uk)

t: 0191 255 7770

