

3-4 Market Hill

CAMBRIDGE

CB2 3NJ



Extremely Rare, 100% Prime Freehold Retail Investment Opportunity

forge

Investment Summary

- Cambridge is an exceptionally attractive and affluent cathedral city and **one of the strongest retail centres in the UK.**
- **100% prime High Street investment** on Market Hill.
- **6,866 sq ft Freehold asset**, arranged over ground, first, second and third floors.
- Ground floor let to Popeyes on a **new 15 year lease, without break option.**
- Re-based rent offering superb prospects for **future rental growth.**
- Vacant upper parts offer **significant scope for conversion** to alternative uses, including residential (subject to planning).
- Total Current Income: **£180,000 per annum, rising to £185,000 per annum in 2027.**

Proposal

Offers are sought in excess of

£2,820,000

(Two Million Eight Hundred and Twenty Thousand Pounds), subject to contract and exclusive of VAT.

Allowing for purchaser's costs of 6.43%, a purchase at this level would reflect an **attractive Net Initial Yield of 6.50%** and an **extremely low Capital Value of £65 per sq ft**, on the vacant upper floors.



Location

Cambridge is an internationally renowned university city that boasts one of the most vibrant economies in the UK. Whilst known around the world for the university, the city is also internationally recognised as one of the world’s leading high technology business clusters.



Cambridge is situated approximately 50 miles north of London, 75 miles east of Oxford and 58 miles south west of Norwich. The city is the administrative and commercial centre for Cambridgeshire and dominates its extensive catchment area.



Cambridge has excellent road communications with the M11 providing direct access to London and the M25. Furthermore, the A14 dual carriageway connects the city to the Midlands and east coast ports of Harwich and Felixstowe. The accessibility of the city is further enhanced by the five park and ride sites located on the periphery of the city centre.



Cambridge is served by a mainline station, which provides fast and frequent direct trains to London King’s Cross (48 minutes) and London Liverpool Street (1 hour 6 minutes) making it a popular commuter destination.



London Stansted is located approximately 28 miles south of the city. It can be reached via a direct train service, taking approximately 35 minutes and running every 30 minutes. The airport serves over 140 domestic and international routes. London Luton Airport is located approximately 40 miles south west of the city centre.



POPEYES

Christ's College
Cambridge

ZARA

M&S

JOHN
LEWIS

Grand Arcade
Shopping Centre

Guildhall

King's College
Cambridge



NEXT

Sainsbury's



Lion Yard
Shopping Centre

TKMAXX

M&S
FOODHALL

Market Square

Trinity College

King's College
Chapel

Demographics

Cambridge dominates an extensive catchment area given all of the city's major competitors are more than 30 minutes drive away. Cambridge has a large and exceptionally affluent primary catchment population of 627,000 people, ranking the city 22nd of the 200 PROMIS retail centres in the UK.



World renowned university with a student population of over 150,000



78% of adults in employment, well above the national average



Cambridge is the cycling capital of the UK, with around 55% of residents making a journey by bike at least once a week



Over 8 million visitors per annum, contributing over £800 million to the local economy



Cambridge is home to Europe's largest and most successful technology cluster, with around 5,000 science and tech companies generating annual revenue of over £15.5 billion between them



Cambridge's shopping population is 371,000 and is regarded as one of the most affluent in the UK, with 12% of the catchment population earning over £60,000 per annum, close to double the national average of 7%. Furthermore, the city has one of the UK's lowest unemployment rates of 2.4% (UK average 3.8%).

In recent years, Cambridge has experienced strong economic growth underpinned by the growth in tech, life sciences and research and development. The life sciences clusters in the city region grew employment by 10.3% in 2020/2021, whilst IT and telecoms grew employment by 6.9%, resulting in a workforce of more than 23,000 and annual turnover of £5.3 billion. Cambridge is also expected to see above average population growth over the period 2020 to 2025.

The city's economy is further boosted by tourism, which contributes over £800 million to the local economy per annum and accounts for around 17,000 jobs.



Major employers in the city include:





Retailing in Cambridge

Cambridge is one of the UK's leading retail destinations, with the city's vibrant economy supporting a thriving retail offer. The combination of historic university and college buildings linked together by pedestrianised cobbled streets creates a thriving and attractive retail core centred around Sydney Street, Market Street, Petty Cury, and Market Hill.

TKmaxx

M&S

NEXT



MANGO

Major retailers with representation within the retail core include Marks & Spencer, Boots, Next and TK Maxx. Grande Arcade and Lion Yard, comprise two adjoining shopping centres that front onto Petty Cury and are anchored by a 670,000 sq ft John Lewis. Other retailers with representation here include Apple, JD Sports, Mango, All Saints and Hollister.

The city's third covered shopping centre, the Grafton Centre, which is a 10 minute walk from the city centre, is being repositioned into a mixed use, life science led facility. This will reduce retail supply in the city centre and reinforce the historic retail core as the dominant retail provision within Cambridge city centre.

Situation

The property is situated in a prominent, 100% prime retailing position on the pedestrianised Market Hill. A thriving daily market, that has been operating since Saxon times, takes place directly opposite the subject property on Market Square.

Other retailers with representation in the immediate vicinity include Lululemon, TK Maxx and Marks & Spencer. In addition, the property is in close proximity to the principal entrance into Lion Yard and Grand Arcade Shopping Centres, via Petty Cury.



Description

The property comprises an highly attractive four storey, mid-terrace retail unit with prominent frontage onto Market Hill. The part-Grade II listed property is arranged over ground, first, second and third floors with Popeyes trading from ground floor only.

The upper floors are not demised to Popeyes under the terms of their occupational lease, with the front section benefitting from self-contained access from Market Hill. In addition, there is a largely self-contained building to the rear that is included within the freehold title, with only the ground floor being demised to Popeyes.

Accommodation

The property provides the following approximate net internal areas:

Floor	Use	Sq ft	Sq m
Ground	Sales	3,550	329.8
ITZA		1,195 units	
First	Vacant	1,834	170.4
Second	Vacant	1,135	105.4
Third	Vacant	347	32.2
Total		6,866	637.8





Tenancy

The Ground Floor of the property is let to PLK Chicken UK Ltd (trading as Popeyes) on a 15 year lease from 1st March 2023, expiring 28th February 2038.

The current rent is **£180,000 per annum**, subject to 5 yearly upwards only rent reviews. The rent is subject to a fixed increase to **£185,000 per annum in 2027**.

The lease is held under effective FRI terms (via a service charge) and is contracted outside of sections 24 to 28 of the Landlord and Tenant Act 1954.

The Tenant paid a rent deposit of £90,000, equivalent to 6-months rent.

The previous rent paid by Gap was £250,000 per annum. In our opinion, the current rent provides a strong platform for future rental growth.



POPEYES

PLK Chicken UK Ltd, trading as Popeyes, is a US based, multi-national chain of fried chicken fast food restaurants, formed in New Orleans in 1972. The first UK restaurant opened at the Westfield Shopping Centre in Stratford in November 2021. There are now 38 outlets across the country with plans to open at least 30 more. Popeyes trades from the High Street, within Shopping Centres and in Drive Thru's.

The Popeyes brand is owned by Restaurant Brands International, one of the world's largest Quick Service Restaurant operators, with over 27,000 restaurants in nearly 100 countries and US territories. Established in Vienna, Austria in 2001, RBI own some of the world's most iconic QSR brands, including Popeyes, Tim Hortons and Burger King. PLK Chicken UK Ltd are a wholly owned subsidiary of PLK Venture UK Ltd and ultimate parent, Palais Elstein Beteiligungs GmbH.



38 Outlets in the UK



2,300 UK Employees



30 New UK Sites Targeted for 2024



4,000 Restaurants Globally



A-81 Covenant Strength

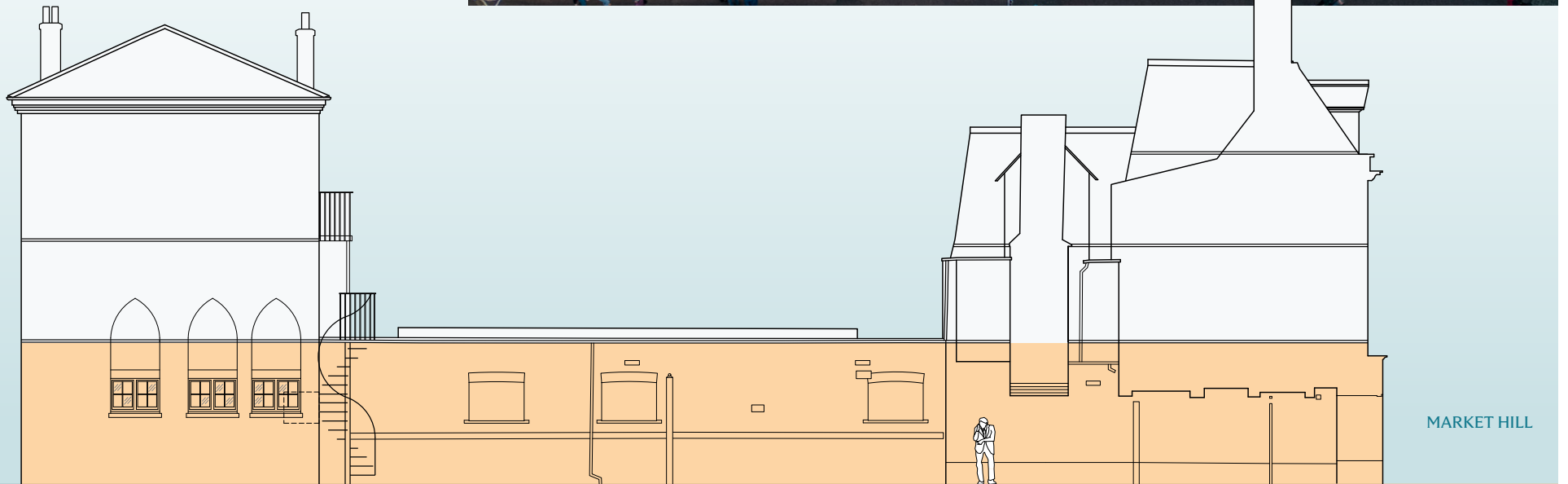
Asset Management

The upper floors are not demised to Popeyes under the terms of their occupational lease, with the front section benefitting from self-contained access from Market Hill. In addition, there is a largely self-contained building to the rear that is included within the freehold title, with only the ground floor being demised to Popeyes.

In our opinion, this accommodation offers significant scope for conversion to residential, or other alternative use (subject to obtaining the necessary planning consent).

Elevation Key

- Vacant
- Popeyes



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Tenure

Freehold.

Energy Performance Certificate

An EPC is available upon request.

VAT

The property has been elected for VAT and we anticipate that the transaction will be treated as a transfer of a going concern (TOGC).

Anti Money Laundering

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



Further Information

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