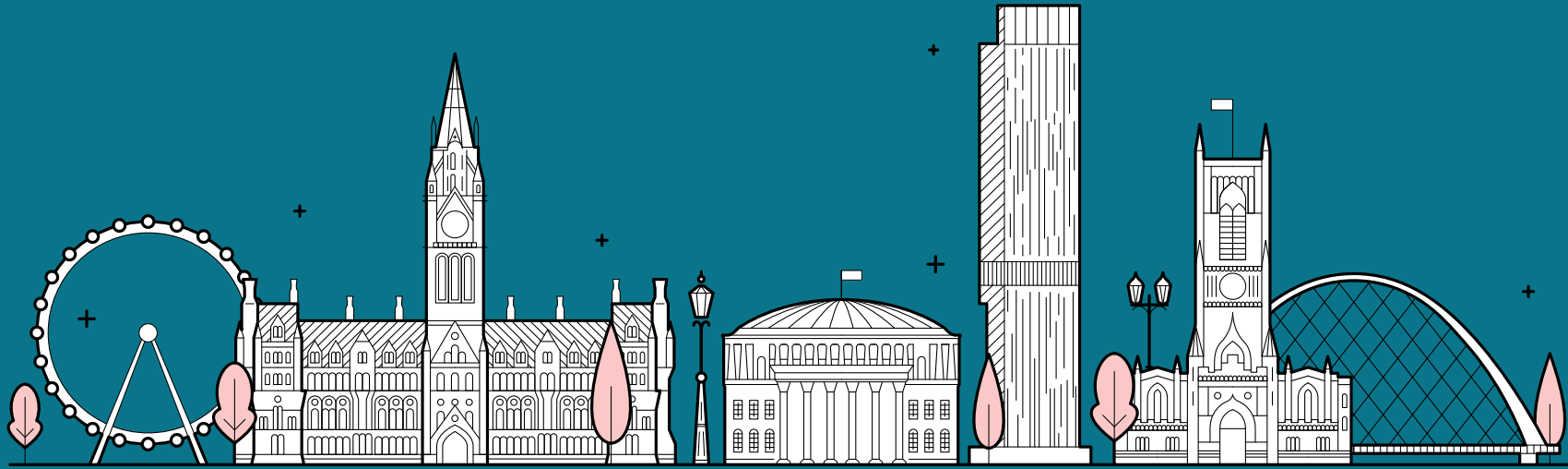


Rare Unbroken, Mixed-Use Freehold Block  
in the Heart of Manchester City Centre



12 - 22 ST. ANN'S SQUARE

MANCHESTER

forge



## Investment Summary

- **Manchester is the UK's second city** and the dominant commercial hub for the North of England.
- **Sustained, strong growth in the city's commercial economy** is aided by its tourism draw, being the **UK's third most internationally visited city**.
- The City boasts **the largest student population within Europe**, via its three universities with a **student population of over 100,000**.
- St. Ann's Square is **extremely well integrated between the prime office areas and the prime retail pitches** in the city centre.
- The Subject Property forms a **prominent terrace building**, with **retail at ground, office accommodation above, and a best-in-class residential scheme** behind.
- **The Property offers a multitude of realisable asset management initiatives to drive value**, including the potential to redevelop the current office accommodation to residential use (STPP).
- **Freehold.**
- Total Current NOI: **£1,129,845** per annum.
- Commercial WAULT: **6.5 years** to expiry.

## Proposal

Offers are sought in excess of:

**£15,000,000**

**(Fifteen Million Pounds)**, subject to contract and exclusive of VAT.

Allowing for standard purchaser's costs, a purchase at this level would reflect an attractive blended **Net Initial Yield of 8.00%** on the commercial income, and a capital value of **£360 per square foot** on the residential accommodation.









Manchester benefits from a highly modernised transport infrastructure, with the arterial M60 orbital motorway connecting Greater Manchester with the M6 to Birmingham and the South, as well as Edinburgh and Glasgow to the north. The M60 connects to the M62 heading to Liverpool, the M61 to Preston, M67 towards Sheffield and M56 for access to Chester and North Wales.



Manchester boasts two mainline rail stations, Piccadilly and Victoria, supported by city centre stations at Deansgate, Oxford Road and Salford Central. The city's mainline rail stations connect to services throughout the UK, including; four services per hour directly to London Euston (with a fastest journey time of under 2 hours), a train every two hours to Edinburgh (3 hours 20 minutes), and two trains per hour to Cardiff (3 hours 30 minutes). All stations are linked by free shuttle buses and the Metrolink tram system, connecting to Manchester Airport.



Manchester Airport is the largest UK regional airport and third largest in the UK, located 8 miles (13 kms) south of Manchester city centre. The airport runs over 200 direct flights to multiple worldwide destinations. Manchester Airport links to major economic hubs with direct flights to New York (8 hours), Paris (1.5 hours) and Dubai (7.5 hours). Services range from high end luxury lines, such as Emirates and Qatar Airways, to budget travel options, including EasyJet and Ryanair. The airport is well connected to the city centre, with a direct rail link taking approximately 15 minutes. As part of a £1 billion transformation programme, Manchester's new Terminal 2 opened in July 2021, which is the centrepiece of ongoing plans to increase the airport's capacity by 150%.



## Location

**Manchester is widely regarded as the UK's second city and is the dominant commercial centre for the North of England.**

The city has expanded rapidly over the last 20 years and has a population of 2.73 million people, which is the second largest metropolitan population in the UK after London. With more than 12 million people within a 50 mile radius of the city centre, it also has the second largest economy (£78.7 billion) and the largest student population within Europe.

Manchester is located 35 miles east of Liverpool, 44 miles south-west of Leeds and 190 miles north-west of London. It is one of the best connected cities in the UK, supported by world-class transport infrastructure.





## Demographics

**Manchester has one of the fastest growing populations in the UK, with a population of 2.73 million people, with more than 12 million people within a 50 mile radius of the city centre.**

Manchester has experienced sustained growth in the residential sector over the past five years, with house price growth of 33%, some 18% above the average for the other top 20 UK cities for residential. This rapid expansion in the residential sector has been accompanied by very strong growth in the city's commercial economy, with many multinational and FTSE 100 companies now located in the city centre and surrounding area.

In addition, Manchester has the largest student population within Europe, with the city boasting three universities with a student population of over 100,000. Significantly, Manchester has a high retention rate of

students, with over half opting to stay and work in the city post-graduation. Increased student retention in the city has resulted in a highly skilled and talented workforce, with over 500,000 people aged between 20 to 34, the largest in the UK.

Thanks in part to its high student retention rate, Manchester is now recognised as one of Europe's largest creative, digital and technology clusters and is home to an expanding £5 billion digital hub.

A number of multinational and FTSE 100 companies who have a presence in the city centre are listed below:

<b>Deloitte.</b>	<b>AJBell</b>	<b>ARUP</b>		<b>THG</b>	<b>AstraZeneca</b> 
<b>SIEMENS</b>	<b>boohoo</b>	<b>itv</b>	<b>BBC</b>	 <b>BARCLAYS</b>	
		<b>amazon</b>	<b>Google</b>	<b>accenture</b>	

Manchester's economy is further boosted by tourism, being the UK's third most internationally visited city and world renowned for its cultural and entertainment offer. Key cultural attractions in the city include:



The two biggest indoor arenas in the UK (AO Arena and Co-op Live), with a combined capacity of 44,500, generating over 2 million visitors annually



The UK's best theatre scene outside of London, with a total of 13 theatres, as well as the BBC Philharmonic and the Hallé Orchestras



Two of the biggest football clubs in the world, Manchester United and Manchester City Football Club



Old Trafford Cricket Group, the home of Lancashire County Cricket Club



The National Cycling Centre



The Imperial War Museum North

Manchester is also a key conference and exhibition centre, providing approximately 250,000 sq ft of exhibition space, attracting around 5 million delegates annually. The significant conference and business events industry has resulted in its ICCA ranking as third in the UK behind London and Edinburgh.

The city continues to grow, with 20,000 new homes in the delivery phase and 65,000 new jobs forecast to be created by 2040.



# Retailing in Manchester

Manchester has a primary retail catchment population of over 7.2 million within an hour's drive time, and is estimated to have both a £900 million annual city centre spend and the second highest spend potential of all retail centres in the UK. The city has an estimated retail floor space of 2.7 million sq ft and a retail spend of £3.9 billion per annum.

The city ranks first out of the UK PROMIS centres and has a consumer base of 683,000 people. The city ranks third for its non-food PMA retail score and second on the PMA fashion score. Major anchor retailers represented in the city centre include Selfridges, Harvey Nichols, Marks & Spencer, Next and Primark.

Prime retailing in Manchester is concentrated along the pedestrianised Market Street, one of the busiest shopping streets in the UK, connecting with the pedestrianised St. Ann's Square and King Street. Market Street provides a strong, predominantly mass market fashion offer, with retailers including the following having representation: Primark, H&M, Footlocker, Uniqlo, Schuh, Mango, Urban Outfitters and Marks & Spencer.

Market Street also provides the two principal entrances into the Arndale Shopping Centre, with an annual footfall of approximately 45 million. The Arndale Centre is widely

regarded as one of the strongest shopping centres in the UK, providing approximately 1.44 million square feet of retail accommodation. The Centre is anchored by Next and accommodates a strong line-up of predominantly mid-market fashion retailers, including River Island, Urban Outfitters, Nike, Schuh, Sports Direct, TK Maxx and JD Sports.

A more luxury retail offer is provided by the more recently developed New Cathedral Quarter, where retailers including Burberry, Canada Goose, Ralph Lauren, Hugo Boss, Ted Baker, Paul Smith, Reiss, Selfridges and Harvey Nichols are located.

These retail locations are well supported by both St. Ann's Square (100m from Market Street) and King Street, which together provide a more eclectic, aspirational boutique-style retail offer.







## Situation

St. Ann's Square is situated at the heart of Manchester's upmarket retail area and benefits from strong pedestrian footfall, linking the prime office areas of the city centre to Market Street, Deansgate and King Street.

As one of the few pedestrianised squares in the city centre, comprising an attractive mix of architectural styles, St. Ann's Square is a focal point for visitors to Manchester city centre.

The southern end of the square is home to St. Ann's Church, from which the Square is named. The northern end of the Square opens onto St Mary's Gate (home to Marks & Spencer and Selfridges), leading onto Cathedral Street, Market Street and the Arndale Shopping Centre. The eastern side of St. Ann's Square is dominated by the Royal Exchange, a Grade I listed retail and office property, and home to the Royal Exchange Theatre.

St. Ann's Square has become the focal point for regular specialist markets promoted by Manchester City Council, held on the square four times a year (running for approximately two weeks each time). The markets generate significant extra footfall to the square.

Major retail occupiers on St. Ann's Square include Holland & Barrett, McDonalds, Caffè Nero, Lulu Lemon, Goldsmiths, Barbour and Watches of Switzerland.



# Description

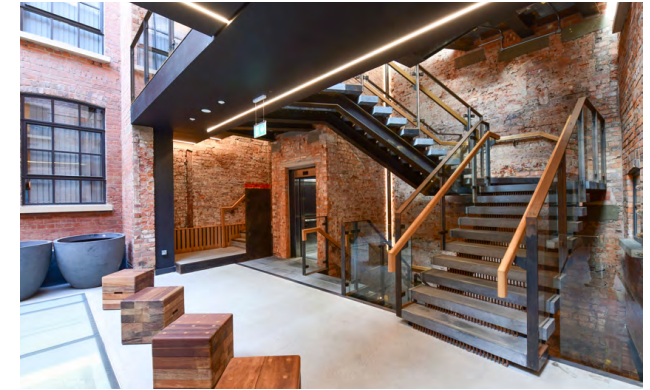
**12-22 St. Ann's Square and St. Ann's Arcade comprises five separate, but interconnected buildings, arranged over basement, ground and three upper floors, creating a terrace of retail units with office premises above, and a best-in-class residential scheme, named The Lightwell.**

The retail accommodation comprises six ground floor retail units with frontage to St. Ann's Square, providing well-configured retail accommodation. In addition, there are six smaller retail units incorporated within St. Ann's Arcade, linking with Barton Square to the rear.

The upper floor office accommodation has access from three separate entrances directly via St. Ann's Square and provides 16 separate office suites. Two of the

entrances lead to a lift and staircase core, whereas 14 St. Ann's Square is accessed via a staircase only.

The office accommodation provides a combination of open plan and cellular suites, which in a number of instances, have been extensively fitted to create medical consulting rooms or dental surgeries. Each suite benefits from excellent natural light, given the existence of substantial lightwells.



The specification within each of the office suits generally incorporates gas fired central heating, suspended ceilings, recessed lighting and carpeted floors. Separate male and female WC facilities are provided in all of the office suites.

The residential accommodation, named The Lightwell, forms a best-in-class scheme, that PC'd in Q4-2018. The development cost in excess of £6 million, in order to deliver 21, 1-3 bed apartments in the heart of the City Centre.

Access to the residential is via a dedicated separate entrance on St Ann's Square, which leads into a covered courtyard area which forms the central hub for the entire scheme.

The building is part-Grade II listed. Further information available upon request.



# Tenancy and Net Operating Income

The property is let in accordance with the tenancy and accommodation schedule and generates a total net operating income of £1,129,845 per annum.

## Tenure

The property is held freehold.



## Service Charge

The landlord operates a service charge, enabling it to recover costs incurred on repairs, maintenance and management of the common parts. The service charge budget for the year ending 30th September 2025 is £245,660, equating to £4.65 per square foot on the commercial and residential accommodation.

Further information is available upon request.



# Tenancy Schedule

Use	Address	Tenant Name	Area (Sq Ft)	Lease Start	Event Dates Lease Expiry	Break Date	Next Rent Review Date	Passing Rent (pa)	Service Charge	Landlord Shortfall	Comment
Retail	14 St Ann's Square	Iolla Limited	2,743	05/07/2022	04/07/2032	06/07/2025 06/07/2027	06/07/2027	£70,000	£5,552		Base rent and turnover applicable Break payment if operated: 6 months plus VAT
Retail	16 St Ann's Square	Nero Holdings Ltd t/a Caffè Nero	2,436	15/03/2024	14/03/2034	15/03/2030	15/03/2029	£80,000	£5,515		Stepped rent: Year 1: £75,000 pa / Year 2: £76,250 pa / Year 3: £77,500 pa / Year 4: £78,750 pa / Year 5: £80,000 pa T pays monthly
Retail	18 St Ann's Square	McDonald's Restaurants Limited	7,507	25/03/2000	24/03/2035	24/03/2030	25/03/2030	£270,000	£11,221		Reversionary lease completed in Dec 2023 to extend term by 10 years. Upwards / downwards RR on 25/03/2025. TBO 24/03/2030. £67,500 penalty for break activation.
Retail	20-22 St Ann's Square	Holland and Barrett Retail Ltd	2,567	29/07/2009	28/07/2024		29/07/2019	£80,000	£5,812		Lease renewal agreed on new 5 year term at £80,000 pa with TOB in Year 3 (subject to 3 month rent penalty if operated).
Retail	12a St Ann's Arcade (Square frontage)	Rusestar Ltd t/a Christopher James Jewellers	1,501	16/06/2016	15/06/2026			£68,250	£14,939		
Retail	18/2 St Ann's Arcade (Square frontage)	Ramsdens Financial Limited	1,411	18/07/2022	17/07/2032	17/07/2027	18/07/2027	£65,000	£13,701	£4,656	
Retail	3-5 St Ann's Arcade	GA Jewellery Ltd	646	28/03/2024	27/03/2029	28/03/2027		£35,000	£6,424		Stepped rent: Year 1: £30,000 pa / Year 2: £31,250 pa / Year 3: £32,500 pa / Year 4: £33,750 pa / Year 5: £35,000 pa Break payment if operated: £8,750 Rent deposit held: £10,500
Retail	6 St Ann's Arcade	The Foot Company	435	23/08/2023	22/08/2026	23/02/2025		£15,000	£4,330	£4,330	Break activated
Retail	7 St Ann's Arcade	Hidden 7 Hair Studio Ltd	701	06/12/2024	05/12/2029			£18,000	£6,966		New 5 year lease. 3 mrfp Years 1-2: £17,500 pa Years 3-5: £18,000 pa Rent deposit held: £5,400
Retail	8 St Ann's Arcade	M Abelson Ltd	321	08/11/2017	07/11/2022			£16,500	£3,195		T holding over - renewal agreed
Retail	9 St Ann's Arcade	L Guarantee	319					£13,500	£3,171	£3,171	One year Landlord rental guarantee
Retail	10 St Ann's Arcade	Hi Tzeng Ang t/a Advanced Photo	611	30/06/2021	29/06/2026			£15,000	£6,083		Rent deposit held: £3,600
<b>Retail Total</b>								<b>£746,250</b>		<b>£12,157</b>	
Office	14 St Ann's Square & rear of 20 St Ann's Square	Oasis Dental Care Limited	4,334	10/06/2021	28/09/2031		29/09/2026	£78,386	£21,189		Rent deposit held: £42,464
Office	20 St Ann's Square - 1st floor Rear	Age Concern Manchester	2,863	29/03/2018	28/03/2028	29/03/2026		£41,415	£23,775		Rent review agreed
Office	20 St Ann's Square - 2nd floor Front (a)	Skin Medical Ltd	1,755	18/01/2008	15/12/2024			£18,764	£14,580		T holding over. Lease renewal agreed on new 5 year term at passing rent. 2 mrfp
Office	20 St Ann's Square - 2nd floor Front (b)	CFG Manchester Ltd	1,255	01/01/2021	31/12/2030	01/01/2026	30/03/2026	£15,000	£10,428	£2,759	Break penalty of £5,000 if operated Rent deposit held: £3,550
Office	20 St Ann's Square - 2nd floor Rear	Vacant	1,967						£16,342	£16,342	
Office	20 St Ann's Square - 3rd floor Part Front (a)	Vacant	1,652						£13,727	£13,727	
Office	20 St Ann's Square - 3rd floor Part Front (b)	Dr Graeme Massey (t/a Gonstead Clinic)	758	28/04/2019	27/04/2029		28/04/2024	£12,500	£5,373		
Office	20 St Ann's Square - 3rd floor Rear	Vacant	2,742						£18,706	£18,706	
Office	Display Cabinet	Vacant									
		Additional L Shortfall							£4,952	£4,952	
<b>Office Total</b>								<b>£166,065</b>		<b>£56,486</b>	
<b>Residential</b>	<b>The Lightwell</b>	<b>21 Residential Units let on ASTs</b>	<b>14,218</b>					<b>£315,840</b>	<b>£29,667</b>	<b>£29,667</b>	
<b>OVERALL TOTAL</b>			<b>52,742</b>					<b>£1,228,155</b>		<b>£98,310</b>	

\*Areas taken from Service Charge Budget





## Asset Management

The property offers a number of interesting asset management opportunities, including the following:

- Potential to redevelop the office accommodation to residential or student use, in line with the best-in-class residential scheme which was successfully delivered by the landlord.
- A number of active leasing initiatives, including the removal of breaks, regearing of leases and letting of vacant space. Thus driving the rent roll in the immediate term.
- Potential to reconfigure the retail units within St. Ann's Arcade to either enhance the existing retail offer or create one large retail unit fronting St. Ann's Square.
- The residential is all held on individual AST's, so there is a clear strategy to sell off this element in the short-term, generating strong returns from the sale of 21 apartments, located in the heart of the city centre





# Proposal

Offers are sought in excess of:

## £15,000,000

(Fifteen Million Pounds), subject to contract and exclusive of VAT.

Allowing for standard purchaser's costs, a purchase at this level would reflect an attractive blended **Net Initial Yield of 8.00%** on the commercial income, and a capital value of **£360 per square foot** on the residential accommodation.

## Energy Performance Certificates

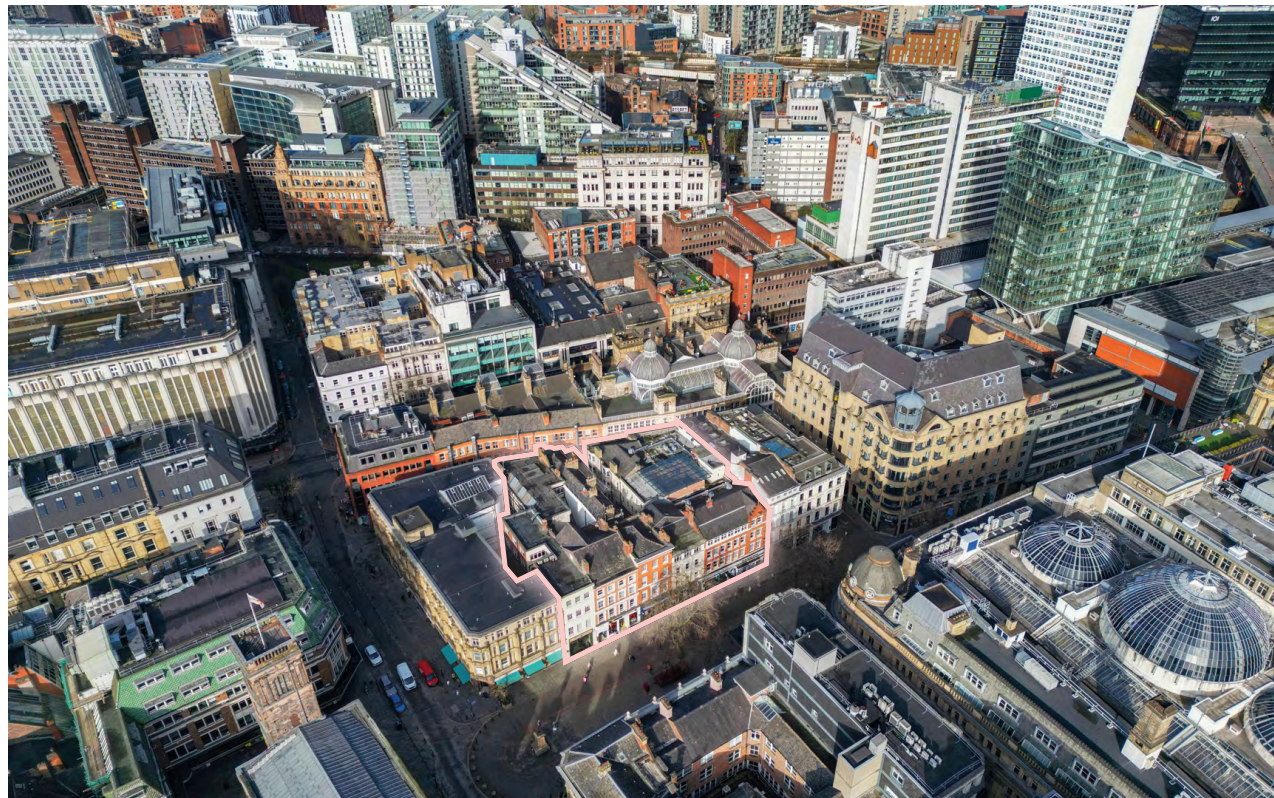
EPCs are available upon request.

## 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

For further information or to arrange a viewing, please contact:

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