



15-17

PICCADILLY
MANCHESTER
M1 1LS

PRIME LONG INCOME
INVESTMENT
LET UNTIL 2036

EXECUTIVE SUMMARY

- **Prime corner unit located in the heart of Manchester**, moments from Manchester Piccadilly train station.
- Recent open market letting to **Five Guys JV Ltd** until 2036.
- Passing rent of **£260,000**.
- **Five Guys** now have 140 restaurants in the UK.
- Arranged over ground and basement measuring approximately 4,811 sq ft. Part Ground floor and floors 1-5 have been sold off on long leases.
- **Trophy building** benefitting from an average **daily footfall of in excess of 100,000 people**.
- Manchester is the **largest financial and business centre outside of London** and is regarded as being the capital of the north, ranked by KPMG as the **most competitive business location in Europe since 2010**.
- Manchester is a vibrant tourist destination, ranked the **third most visited city by overseas visitors in the UK** behind London and Edinburgh.
- **Freehold**.

The vendor is seeking offers **in excess of £4,245,000** (Four Million, Two Hundred and Forty Five Thousand Pounds) subject to contract and exclusive of VAT, for the benefit of the freehold interest in the property.

This price reflects a net initial **yield of 5.75%**, after purchaser's costs of 6.55%.

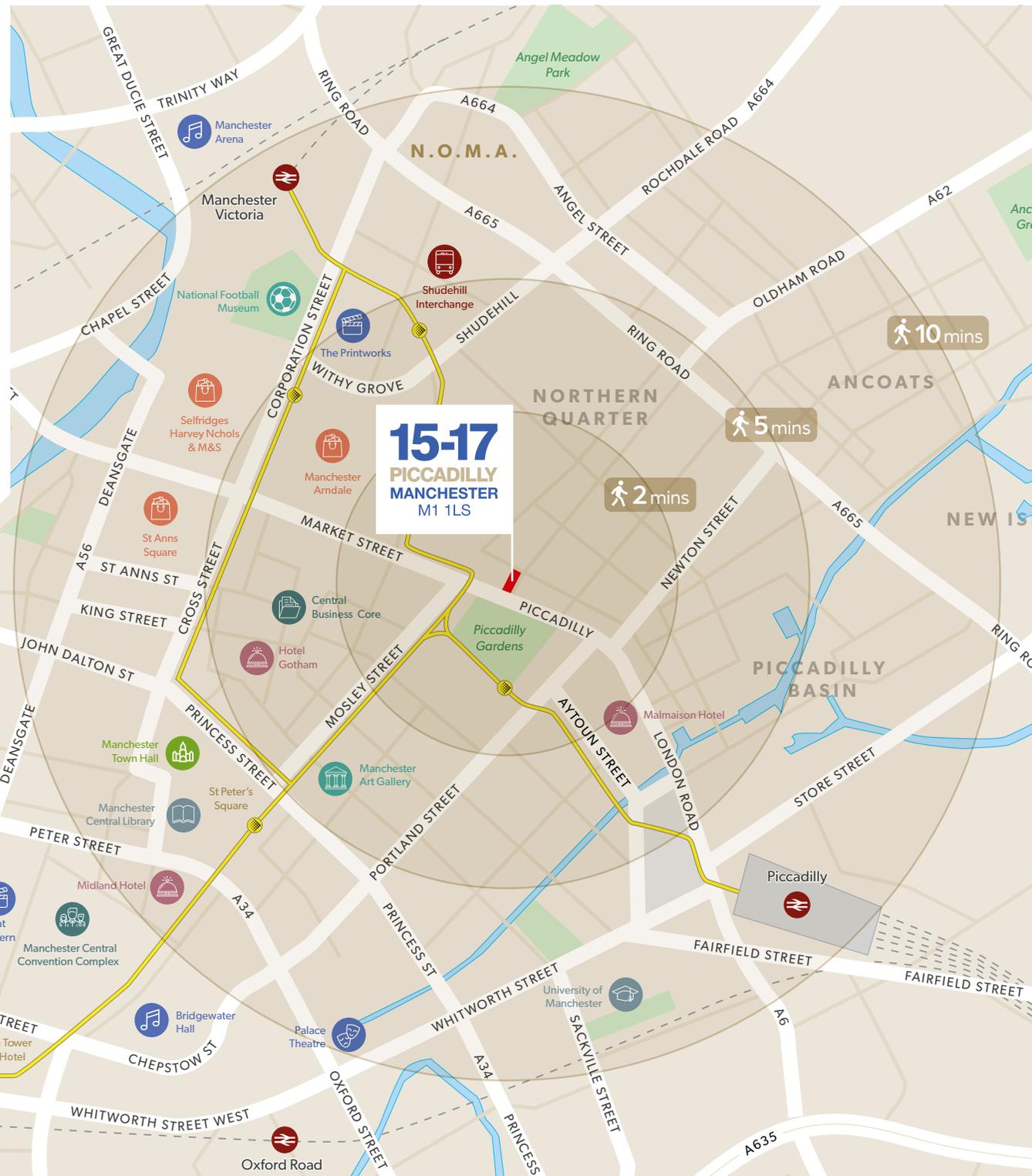


LOCATION

The Property occupies a highly prominent location on the corner of Piccadilly and Oldham Street, between Manchester's prime retail district and the vibrant 'Northern Quarter'. Over 100,000 people walk past this corner every day. The building sits on the main pedestrian thoroughfare for people walking between Market Street and Manchester Piccadilly Train Station only a short walk away. Nearby occupiers include McDonalds, Boots, Wingstop and Superdrug.

The local council have approved £1.8m to improve the amenity and visual experience of Piccadilly Gardens. The works will create a more welcoming space with a strong identity where various events can be held throughout the year.

The Greater Manchester region has benefited from large scale development in recent years, including the ongoing Metro Link expansion, and £650 million MediaCityUK development. The largest development in the North West - Noma - is being undertaken at a cost of £800 million. The 20-acre masterplan is creating new homes, offices, hotels, shops and restaurants.





OVER 350,000
EMPLOYERS IN THE CITY

OVER 1,322,200
PEOPLE IN EMPLOYMENT

NAMED BEST CITY
IN THE WORLD

TIME OUT 2021



RANKED THE BEST
CITY IN EUROPE

FOR BUSINESS FRIENDLINESS
THE FINANCIAL TIMES 2020



FIVE LEADING
UNIVERSITIES

WITH OVER 105,000 ENROLLED STUDENTS

OVER 80 OF
THE FTSE 100
COMPANIES

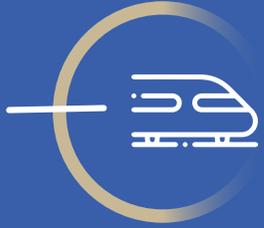
ARE REPRESENTED IN MANCHESTER



AN ECONOMY
THAT HAS ALMOST
DOUBLED IN SIZE

IN THE LAST 20 YEARS





TRANSPORT & COMMUNICATIONS

RAIL

There are two mainline rail stations within the city centre (Manchester Piccadilly and Manchester Victoria), which provide intercity services throughout the UK including direct, regular services to London (fastest journey time under 2 hours), Edinburgh (3 hours 19 minutes) and Cardiff (3 hours 29 minutes).

ROAD

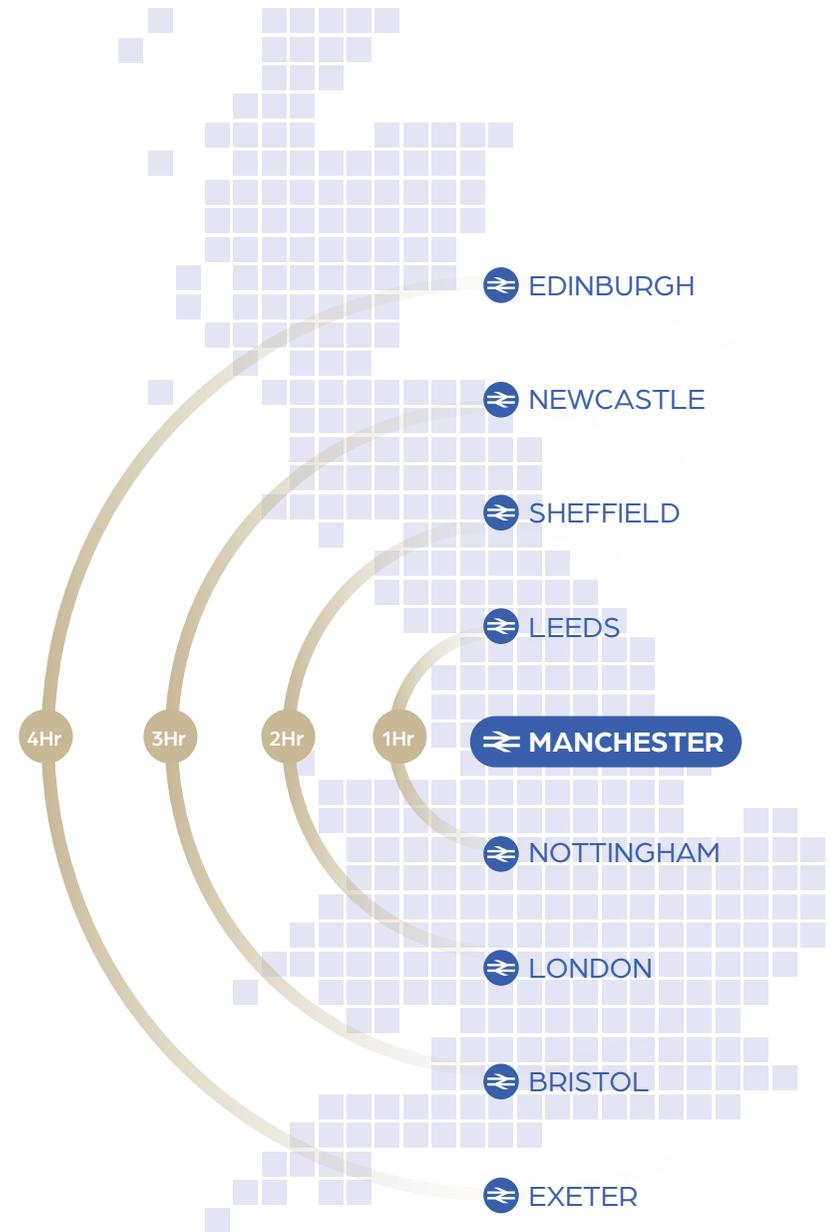
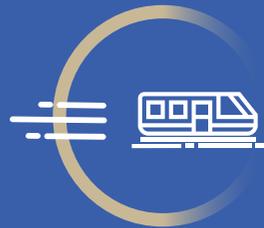
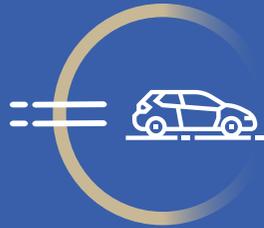
Manchester benefits from an excellent and highly developed transport infrastructure with the M60 Orbital Motorway connecting Greater Manchester with the M62, M6, M66, M67 and M56 motorways and providing a direct link to the national motorway network beyond.

TRAM

The Manchester Metrolink System was the UK's first modern street operating light rail system and now serves a significant proportion of the Greater Manchester conurbation, linking Bury, Oldham, Altrincham and Eccles, Ashton-under-Lyne, Rochdale, East Didsbury, MediaCityUK and Manchester Airport to the city centre. The recently completed £185 million Second City crossing has improved the capacity, flexibility and reliability of the Metrolink system and also includes a new tram stop on Exchange Square.

AIR

Manchester Airport is the largest UK regional airport and is located 13 km (8 miles) south of Manchester city centre. The airport operates over 200 direct flights to worldwide destinations with access to most of western Europe within 3 hours and daily direct flights to multiple US cities and the Middle East hubs. The airport benefits from a direct rail link into the city centre with a journey time of approximately 15 minutes. A terminal 2 extension was opened in July 2021 and along with other works is projected to see passenger numbers increase to 50 million each year by 2050.






2 PREMIER LEAGUE
FOOTBALL CLUBS




RANKED FIRST
OUT OF THE UK PROMIS CENTRES,
BASED ON ITS CONSUMER BASE
OF 683,000 PEOPLE.



MANCHESTER
IS THE LARGEST AND FASTEST GROWING
REGIONAL CAPITAL CENTRE IN THE UK




2.8 MILLION
PEOPLE LIVE IN GREATER MANCHESTER




OVER 650
LICENCED PREMISES
IN MANCHESTER CITY CENTRE




£62 BILLION
GROSS GDP - MAKING IT ONE OF THE
MOST SUCCESSFUL URBAN ZONES
OUTSIDE OF LONDON



ARNDALE CENTRE
ONE OF THE UK'S PREMIER SHOPPING
CENTRES WITH A FOOTFALL
OF OVER 40 MILLION




THE HIGHEST
NUMBER OF THEATRE SEATS PER HEAD
OF POPULATION OUTSIDE LONDON





DESCRIPTION

The property comprises a five storey, Grade II listed building occupying a prominent corner location.

The building provides commercial space at basement, ground and first floors with 18 flats sold off on long leases on floors two to five.

TENURE

Freehold.

TENANCY & INCOME

Address	Tenant	GIA sq ft	Start Date	End Date	Next Review	Rent pa	Tenancy Comments
Ground & basement, 15-17 Piccadilly	Five Guys JV Ltd	2,615 2,196	20/09/2021	19/09/2036	20/09/2026 20/09/2031	£260,000	Vendor to top up any rent free
Ground & basement 7-11 Oldham Street	T1 Manchester 3 Ltd	N/A	23/09/2021	22/09/3020	N/A	Peppercorn	Retained by the Vendor
1st Floor, 15-17 Piccadilly & 7-11 Oldham Street	T1 Manchester 3 Ltd	N/A	23/09/2021	22/09/3020	N/A	Peppercorn	Retained by the Vendor
2nd - 5th Floors, 15-17 Piccadilly & 7-11 Oldham Street	Northern Counties Housing Association Ltd	N/A	12/02/1999	11/02/2124	N/A	Peppercorn	Sold off on a long lease to the Guinness Trust - 18 flats
Total		4,811				£260,000	

COVENANT



Five Guys JV Limited is the UK trading company of the Five Guys Group (Five Guys European Holdings Ltd).

Five Guys is a family owned chain of restaurants founded in Virginia, USA by the Murrell family in 1986 with a simple concept of; burgers and fries made daily from fresh ingredients, spotlessly clean restaurants and amazing customer service.

In 2012, the Murrells formed the company as a joint venture with Sir Charles Dunstone to launch Five Guys in the UK. The groups first restaurant in the UK opened on 4th July 2013 in Covent Garden.

By the year end 31st December 2020, Five Guys had 110 restaurants in the UK and the directors believe that there are still strong growth prospects in the premium burger market, currently they have 140 restaurants in the UK with 20 new store planned for 2022.

The company has posted the following most recent financial results:

	Year End 31st December 2020
Turnover	£164,206,000
Net Profit Before Tax	£3,367,000



20 NEW UK RESTAURANTS
PLANNED FOR 2022

552 NEW JOBS CREATED
OVER LAST 12 MONTHS
IN THE UK

FIVE GUYS
CONTINUE TO PAY THEIR
STAFF IN EXCESS OF THE
UK NATIONAL LIVING WAGE



INVESTMENT MARKET

The most salient comparable investment evidence can be set out as below. Recent sales include:

Property	Price	NIY	Date	Tenant	Term	Comments
74/76 Market Street, Manchester	c. £7.5m	c. 5.15%	u/o	Nationwide	9 years	Overrented freehold interest let off a zone A of c.£230 ZA. Understood to be under offer at a net initial yield of 5.15% after 2 rounds of bids.
Cotton Square, Manchester	c. £3.1m	c. 5.60%	u/o	Mutli-let to 5 tenants	14.19 years	Multi-let to 5 leisure operators - upper parts are sold off residential on long leases. Understood to be under offer at over asking.
1 Station Road, Reading	£2.1m	5.25%	April 2022	Wendy's	15 years	Ground and basement lock up investment single let to Wendy's.
3-4 Wharton Street, Cardiff	£1.51m	5.93%	Sept 2021	Multi-let	16 years	Multi-let, long leasehold leisure investment with 74% of the income coming from Greene King.
48-50 Market Street, Manchester	£11.8m	5.40%	Oct 2020	Clydesdale Bank	13 years	Overrented freehold interest showing an equivalent yield of 5.12%.
52-56 Market Street, Manchester	£10.31m	5.00%	Oct 2019	Adidas	7 years	Overrented Freehold interest with 7 years to expiry and 2 years to break.





PLANNING

The property is grade II listed.

VAT

The property has been elected for VAT purposes and it is intended to treat the transaction as TOGC.

UK SPV

The freehold interest is held in a clean UK SPV. Further information can be provided on request.

SERVICE CHARGE

The service charge budget for year end 31/10/22 is £29,803. This amount is fully recoverable from the tenants.

PROPOSAL

The vendor is seeking offers in excess of **£4,245,000** (Four Million, Two Hundred and Forty Five Thousand Pounds) subject to contract and exclusive of VAT, for the benefit of the freehold interest in the property. This price reflects a net initial yield of **5.75%**, after purchaser's costs of 6.55%.

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