



Private: Prime Town Centre Retail Investment

 27-29 Market Hall Street, Cannock, United Kingdom, WS11 1EB

FOR SALE  PRIVATE TREATY

£ 635,000 Subject to contract

Location



Cannock is located in the county of Staffordshire, approximately 39 km (24 miles) north of Birmingham, 19 km (12 miles) north of Walsall and 14 km (9 miles) south of Stafford.

The town benefits from good road communications with Junction 7 of the M6 Toll being located approximately 1.6 km (1 mile) to the south and Junction 12 of the M6 Motorway approximately 5 km (3 miles) to the west. The town is also served by the A34 (north-south) and A5 (east-west).

The town is connected to the national railway network with a fastest journey time of 2 hours 30 minutes to London Euston and 38 minutes to Birmingham New Street. Birmingham Airport is approximately (28 miles) to the south-east.

Summary

- Town centre high street retail investment
- Prime retailing pitch
- Secure income with over 6 years to next lease events on average
- Formally part of the Cannock Shopping Centre but located on the high street
- 27 Market Hall Street let to Kenmare Estates Ltd (t/a Co-operative Travel), part of the The Midcounties Co-operative (Net Assets £106m)
- 29 Market Hall Street let to an established pharmacy
- £635,000, subject to contract
- 9.0% Net Initial Yield

Situation

The property is situated in the heart of Cannock town centre and occupies a prominent position fronting Market Hall Street. The property forms part of the Cannock Shopping Centre and is located adjacent to the main entrance.

Surrounding occupiers include JD Sports (adjacent), EE, Costa, New Look, H Samuel, Greggs and Vodafone.

Cannock Shopping Centre is the town's primary covered shopping area. With over 35 places to shop, eat and drink, occupiers in the centre include New Look, Specsavers, JD Sports, EE, Costa Coffee, Holland & Barrett, Bodycare and Poundstretcher.

In addition, Cannock Market Hall is a thriving indoor market located within the shopping centre, housing services ranging from jewellery, clothing and craft supplies to watch repairs, nail technicians, food & drink and more.

The town's main bus station is immediately adjacent to the Centre.

The shopping centre is located directly opposite the site of a significant regeneration scheme, set to transform the town centre. Cannock Chase Council has secured £20 million from the Government's Levelling Up fund towards the project. The transformation is set to include refurbishment of the Prince of Wales Theatre, business workspace and a new "northern gateway" into Cannock. In addition, the Centre will benefit from a new pedestrianised crossing linking it directly to a to-be refurbished Beecroft Road Car Park, Cannock's principal town centre car park. Outline planning permission has been granted and the Council is set to begin the delivery of phase one of the scheme. For further information [see here](#).

Description

The property comprises two adjoining retail units arranged over ground and first floor.

The ground floor sales accommodation is predominantly open plan with the first floors providing ancillary/staff accommodation.

The property benefits from a rear service area, accessed via Stafford Road.

Accommodation

The property has been measured by BKR Floor Plans and provides the following net internal floor areas:

27 Market Hall Street (Co-operative Travel)

Net Frontage	4.42 m	14’6”
Gross Frontage	4.88 m	16’0”
Zone A	26.20 sq m	282 sq ft
Zone B	25.64 sq m	276 sq ft
Zone C	17.37 sq m	187 sq ft
Remainder	12.73 sq m	137 sq ft
ITZA		484
Ground Floor Total	81.94 sq m	882 sq ft
First Floor	39.30 sq m	423 sq ft
Total	121.23 sq m	1,305 sq ft

29 Market Hall Street (Pyramid Pharmacy)

Net Frontage	6.55 m	21’6”
Gross Frontage	7.62 m	25’0”
Zone A	39.20 sq m	422 sq ft
Zone B	40.60 sq m	437 sq ft
Zone C	39.58 sq m	426 sq ft
Remainder	16.35 sq m	176 sq ft
ITZA		769
Ground Floor Total	135.73 sq m	1,461 sq ft
First Floor	63.17 sq m	680 sq ft
Total	198.90 sq m	2,141 sq ft

A set of floor plans is available to download and the measured survey report will be re-addressed to a purchaser at a cost of £810 + VAT.

Rateable Value

According to the Valuation Office website the rateable value for the property is as follows:

27 Market Hall Street	£18,000
29 Market Hall Street	£28,250

The business rates multiplier is 49.9 pence.

Tenure

Long leasehold interest until 22 July 2146 at a peppercorn rent (approximately 122 years remaining).

Tenancies

27 Market Hall Street is let to **Kenmare Estates Limited (t/a Co-operative Travel)**, on a full repairing and insuring lease for a term of 10 years from 4th March 2019, expiring 3rd April 2029. The current passing rent is **£25,000 per annum**. The lease contained a tenant break option in April 2024; the tenant did not exercise the break and agreed to keep the rent at the existing level whilst being granted a rent-free period by the landlord of 6 months from September 2023.

29 Market Hall Street is let to **Gillpharm Limited (t/a Pyramid Pharmacy)**, guaranteed by **Pyramid Pharma Pharmaceuticals Limited**, on a full repairing and insuring lease for a term of 15 years from 30th August 2021, expiring on 30th August 2036 (in excess of 12 years unexpired). There is a tenant's break option on 31st August 2031, subject to six months' notice. The current passing rent is **£35,000 per annum**. The lease benefits from 5 yearly upwards only rent reviews, the next being on 31st August 2026. The tenant had a break option on 31st August 2026 which was recently removed in return for a payment of just £2,083 (+ VAT) from the landlord, the rent remaining the same.

Therefore, an investor will benefit from a total income of **£60,000 per annum, £25,000 secured for 4.75 years terms certain and £35,000 for approximately 7 years term certain**.

Service Charge

The service charge for 2022-2023 was only £5,056.71, reflecting £1.47 per sq ft / £15.80 per sq m. The current service charge budget for the year 2023-2024 is £9,198.18, still low at £2.67 per sq ft / £28.73 per sq m. The service charge is elevated in the current year due to one-off works to the service yard (including a new access barrier). The service charge budget is expected to return to 2022-2023 levels next year.

Importantly, note the service charge for the units in question has only a limited contribution to the main shopping centre. Please refer to the service charge information in the data room. Note: referred to as “Unit 2, Market Hall St” and “Unit 3, Market Hall St” in the budget.

Covenants

27 Market Hall Street

Kenmare Estates Limited has reported the following figures:

Year Ending	28th January 2023	28th January 2022
Turnover	£24,775,319	£20,264,701
Pre-Tax Profits	£11,322,319	£1,774,536
Net Assets	£11,145,023	£4,414,506

Kenmare Estates is a Registered Society whose principal activity is property management on behalf of fellow Group companies. The Society is a wholly owned subsidiary of The Midcounties Co-operative Limited.

The Midcounties Co-operative is a thriving co-operative with over 700,000 members, making it one of the largest co-operatives. It operates the Your Co-op family of businesses which spans Food, Travel, Childcare, Energy, Telecoms, Post Offices and Flexible Benefits. The society's heartlands are in Oxfordshire, Gloucestershire, Buckinghamshire, Shropshire, Staffordshire, the West Midlands, Wiltshire and Worcestershire.

For the year ending 27th January 2024, The Midcounties Co-operative Limited reported a Revenue of £837,025,000 and Net Assets of £106,387,000. Travel had a record year for gross sales, delivering £176.4 million, an increase of £23.1 million over the previous year. For further information please visit www.midcounties.coop.

29 Market Hall Street

For the year ending 31st December 2022 the tenant, **Gillpharm Limited** (Co. No. 13058137), reported Net Assets of £107,881.

For the year ending 30th April 2023 the guarantor, Pyramid Pharma Pharmaceuticals Limited (Co. No. 03844664), reported Net Assets of £6,248,011.

Pyramid Pharmacy is a family run business which was established in 2010. The company's vision is to provide the best possible service to the local community without the usual stress associated with healthcare. The company has branches in Beaconsfield, Iver, Golders Green, Acton, Kew Gardens, Barkingside, Englefield Green, Ashford, Woolwich, Blackheath and Penge. For further information please visit www.pyramidpharmacy.co.uk.

Please refer to the payment histories in the data room. Note the pharmacy and Co-op both have good payment histories with no outstanding debts to the landlord.

VAT

The property has been opted 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 a figure of **£635,000** (Six Hundred and Thirty Five Thousand Pounds), subject to contract, reflecting a net initial yield of **9.0%**, assuming purchasers' costs of 5.15%.

Please note that a purchaser will be re-charged the costs of the measured survey (£810+ VAT) and searches (£1,033.29+VAT) which are provided in the data room.

Please note that a purchaser will be charged a Transaction Fee of 1.0% of the Purchase Price plus VAT.

Investment Considerations

1. An opportunity to acquire a high yielding high street retail investment;
2. The property occupies a prime retailing pitch in the heart of the town centre, forming part of the Cannock Shopping Centre;
3. Secure income with recent lease events;
4. 27 Market Hall Street is let to Kenmare Estates Ltd (t/a Co-operative Travel), part of the The Midcounties Co-operative (Net Assets £106m);
5. 29 Market Hall Street is let to an established pharmacy, providing in excess of 12 years unexpired lease term;
6. Attractive net initial yield;
7. Attractive lot size to an investor;

Contacts

Singer Vielle



Singer Vielle

[+44 \(0\) 207 935 7200](tel:+442079357200)

Singer
Vielle



Neil Singer

[+44 \(0\) 207 935 7200](tel:+442079357200)

neil@singervielle.co.uk



Dale Henry

[+44 \(0\) 203 701 1356](tel:+442037011356)

dale@singervielle.co.uk



Louanne Malan

[+44 \(0\) 203 701 1386](tel:+442037011386)

louanne@singervielle.co.uk

Vendor's Solicitor Firm



Fisher Jones Greenwood Solicitors

[0845 543 5700](tel:08455435700)



Keeley Miller

[+44 \(0\) 124 545 7098](tel:+44201245457098)

kmiller@fjg.co.uk

FJG

See website for full details : <https://singervielle.com>

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All Properties are listed subject to contract and the prices shown are exclusive of VAT if applicable.