



Prominent High Street Retail Investment let to Caffè Nero

Unit 1, Caffè Nero, Menai Shopping Centre, Bangor, United Kingdom, LL57 2RG

FOR SALE  PRIVATE TREATY

£ 437,500 Subject to contract

Location



The Cathedral and University City of Bangor is located in North-West Wales, approximately 96 km (60 miles) west of Chester and 100 km (62 miles) north-west of Wrexham. The city is also within easy reach of Liverpool and Manchester.

The city benefits from good road communications, being served by the A5 and A55 which links with the M56 Motorway to the east. Bangor is also connected with to the national railway network with a fastest journey time to London Euston of 3 hours and 38 minutes.

Situated on the doorstep of the Snowdonia National Park and with beaches, areas of natural beauty and family attractions in close proximity Bangor is a popular tourist destination, particularly in the summer months.

Bangor University has over 10,000 students and contributes significantly to the local economy. It has been named Welsh University of the Year in the Daily Mail's University Guide 2024 and was ranked 44 in the UK in The Times & The Sunday Times Good University Guide 2024.

Summary

- The most prominent retail unit in Bangor
- Prominent corner retail unit, forming part of the Menai Shopping Centre
- Significant Government investment at the Menai Shopping Centre with the development of a Health and Wellbeing Hub (£30m investment).
- Let to Caffè Nero
- Highly secure income
- New 999 year leasehold
- Offers in the region of £437,500, subject to contract
- 11.00% Net Initial Yield

Situation

The property occupies a prominent corner position in the heart of the town centre, within the pedestrianised section at the junction of Garth Road and High Street. The property is positioned on the walkway leading into the new Health & Wellbeing hub (see below), thereby in a position which will benefit greatly when the new hub opens.

In the meantime, nearby occupiers include Costa, Boots, Three, Hays Travel, Greggs and Superdrug.

Nearby at 290-294 High Street, Varcity Living Limited is undertaking a substantial redevelopment of the former Peacocks store to comprise commercial space on ground floor with residential accommodation on the upper floors. The project is part-funded by the UK Government through the UK Shared Prosperity Fund.

Description

The property comprises a ground floor retail unit fitted out the tenant's usual corporate style, with full height glazing to the street.

The Menai Shopping Centre – New £30m Bangor Health Hub

The Menai Shopping Centre forms the central retail location in Bangor. Totalling some 130,000 sq ft, occupiers include JD Sports, Hays Travel, Three, The Factory Shop, Superdrug and Burger King.

The Menai Shopping Centre was previously anchored by a Debenhams department store. The store is to become a significant health and wellbeing hub with some £30m of investment having been approved by the Betsi Cadwaladr University Health Board and Gwynedd Council. Plans have been submitted to the Health Board and Welsh Government for formal approval. Contracts have been exchanged to sell a long leasehold interest to the Health Board for the Hub and it is anticipated that completion will occur during 2025 once Welsh Government approval has been granted.

The development will provide a significant boost to Bangor city centre with an increase anticipated in footfall within the city centre as a result. It is anticipated that the new Health Hub will open XXXX.

The sale of the former Debenhams unit includes passing the ownership of the town-centre multi-story car park to the Health Board.

Accommodation

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

Net Frontage	20.49 m	67’3”
Gross Frontage	21.11 m	69’3”
Zone A	51.19 sq m	551 sq ft
Zone B	46.45 sq m	5550 sq ft
Zone C	46.45 sq m	56 sq ft
ITZA	840	
Total Ground Floor NIA	1,157 sq m	1,157 sq ft
First Floor ancillary	56.02 sq m*	603 sq ft*

*Note that an additional first floor industrial is included in the demise. This area has not been measured.

A set of floor plans and measurements is available to download; the measured survey report will be re-addressed to a purchaser at a cost of £490 + VAT .

Tenure

A 999 year leasehold at a peppercorn rent. In addition, the purchaser will be granted a share of the “Management Company”, Menai Centre Management Limited (Co. no. 16118710).

The sale structure will provide an investor with a long leasehold interest in the retail unit, and ultimately a share (with appropriate voting rights) in a management company which will own the Menai Shopping Centre.

The 999 year leasehold interest will oblige the unit holder to pay a fair and proper proportion of the insurance and service charge relating to the Menai Centre. The unit holder will then be able to recover these costs from the tenant under the terms of the occupational lease.

Freeholder

Bearmont Capital Ltd is part of the Bearmont Group, a highly regarded multi-disciplined property investment business. Further details can be found on the [company’s website](#).

Tenancy

The ground floor unit is let to **Nero Holdings Limited** (Co. No.03288178), trading as **Caffe Nero**, on a full repairing and insuring lease for a term of 5 years from **1st June 2024**, expiring on **31st May 2029**. The current passing rent is **£50,000 per annum**; the lease provided for the initial six months of the term at £25,000 per annum.

Service Charge

The service charge budget for the Menai Shopping Centre for the year 2024-2025 is £327,460. The allocation to this unit is £6,153.56. Full information of the budgets and reconciliations is available to download.

EPC

The property has an Energy Performance Certificate assessment as “C”.

Covenant

The tenant, Nero Holdings Limited (Co. No. 03288178), has reported the following figures;

	31 May 2023	31 May 2022
Turnover	£302.022m	£253.823m
Pre-Tax Profits (Loss)	£10.92m	£38.266m
Balance Sheet	£348.54m	£340.72m

VAT

The property is elected for VAT. We anticipate the sale should be capable of being treated as a Transfer of a Going Concern (TOGC).

Proposal

We are instructed to seek a figure of **£437,500** (Four Hundred and Thirty Seven Thousand, Five Hundred Pounds), subject to contract, reflecting a net initial yield of **11%** (assuming standard purchaser's costs of 4.0%).

Please note that a purchaser will be re-charged the costs of the searches.

Please note that a purchaser will be charged a Transaction Fee of 1% of the Sale Price plus VAT.

Additional properties adjoining are for sale and can be combined into one transaction should a purchaser submit an acceptable proposal.

Investment Considerations

1. An opportunity to acquire the most prominent retail unit in Bangor, within an area of significant improvement;
2. 999 year leasehold interest for sale, along with a share in the management company due to own the freehold of the Menai Shopping Centre.
3. The property is let to a strong covenant;
4. A purchase at the asking price reflects an attractive net initial yield;
5. Attractive lot size to an investor.

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