

# RYMAN & THE WORKS

34 & 36/38 GROVE STREET, WILMSLOW, CHESHIRE SK9 1DR



PRIME HIGH  
STREET  
INVESTMENT

**Ryman**  
*stationery* EST. 1893

**TheWorks.co.uk**

**metis**  
metisrealestate.com

# INVESTMENT SUMMARY

## LOCATION

Wilmslow is the third most affluent electoral ward in the UK. It is located in Cheshire, approximately 10 miles south of Manchester City Centre and has an immediate population of approximately 35,000. It is both a prosperous commuter town serving Manchester and one of the most desirable residential locations in the country.

## ECONOMY

Wilmslow has a vibrant and wealthy local economy benefitting from its close proximity to both Manchester and Manchester Airport (3 miles), two of the main economic drivers behind the affluence of the North West region. In addition, the Wilmslow economy will be greatly enhanced by "Airport City", one of the largest ever regeneration and job creation projects in the UK.

## SITUATION

The property occupies a very strong and prominent corner trading position in the heart of pedestrianised Grove Street, Wilmslow's prime retail pitch. National retail operators on Grove Street include JD Sports; Laura Ashley; Superdrug; Waterstones; Footasylum; Boots the Chemist; Clarks; WH Smith; Specsavers; Caffe Nero and Starbucks.

## DESCRIPTION

34 & 36/38 Grove Street comprises two purpose built, well-configured, retail units arranged over ground and first floor levels, extending to 706.07 sq. m. (7,600 sq. ft.) in total.

## TENURE

Freehold.

## TENANCY

The property is let to the national multiple retailers **Ryman Limited (t/a Ryman)** and **The Works Stores Limited (t/a TheWorks.co.uk)**, by way of two 10 year FRI leases with an overall Weighted Unexpired Lease Term (WAULT) of approximately 6 years. All of the income is secured against covenants with a D&B rating of a **minimum risk of business failure**.

## PASSING RENT

The property produces a total net rental income of **£120,500 per annum**, reflecting approximately **£59-63 psf Zone A**, which has strong growth potential going forward. Prime rents in Wilmslow peaked in excess of £80 psf Zone A in the pre-Recession years.

## VAT

The property has been elected for VAT and it is anticipated that the sale will be structured as a Transfer of a Going Concern (TOGC).

## PROPOSAL

We are seeking offers in excess of **£1,680,000 (One Million, Six Hundred and Eighty Thousand Pounds)**, reflecting an attractive net initial yield of **6.75%** after deduction of usual purchaser's costs.



# WILMSLOW

Wilmslow is a thriving, prosperous Cheshire town and the third most affluent electoral ward in the whole of the country. The Wilmslow area is one of the most sought after residential locations in the UK and, together with Knutsford and Macclesfield, forms part of Cheshire's "Golden Triangle", home to some of the highest house prices in the country outside of central London. The town provides an excellent range of good quality restaurants, bars and retailing; all within a relatively short commuting distance of Manchester City Centre.

Wilmslow is located approximately 16 km (10 miles) south of Manchester City Centre; 4 km (2.5 miles) south east of Manchester Airport and 256 km (160 miles) north west of London. The town serves an urban area population of approximately 35,000, rising to 348,000 within 10 km (6 miles) and 1.34 million within 20 km (12 miles); and is predominantly populated by Class AB Groupings (Higher and intermediate managerial/administrative/professional).

The affluence and prosperity of Wilmslow's residents is evidenced by the extensive upmarket retail, food and leisure offer in the town centre, including Bang & Olufsen; Joules; JoJo Maman Bebe; Space NK; White Stuff; Waitrose and Sainsbury's; complemented by a range of high quality local operators. In addition, Stratstone Aston Martin (within 200m of the property) sells more Aston Martins than any other dealership in the UK.

# ECONOMY AND DEMOGRAPHICS

The general economic wellbeing and affluence of Wilmslow, compared with the country as a whole, is demonstrated by the following socio-economic statistics:-

- **Symbols of Success: 41.3%** of the Urban Area Population (UAP), substantially above the national average of **9.7%**.
- **Higher Managerial and Professional Occupations: 37.2%** of the UAP compared to **21.7%** nationally.
- **Welfare Borderline: Only 2.5%** of the UAP, compared to **6.2%** nationally.
- **Home Ownership: 78.2%** of houses are owner occupied, compared with **68.3%** nationally.
- **Car Ownership: 42.4%** of the UAP own 2 or more cars, compared with **28.8%** nationally.
- **Employment Bias: Approximately 26%**, of the UAP are employed in banking, financial and business services, compared to **17.5%** nationally.
- **Unemployment: Only 1.3%** people aged 16-74 within a 10 minute drive time are unemployed, compared to **4.1%** nationally.

In addition, American research company Waters Corporation has recently completed a £60m headquarters



office building on 37 acres of land, approximately one mile north west of Wilmslow town centre. Waters Corporation have consolidated into their new Wilmslow HQ from four locations throughout south Manchester and are bringing over 500 employees to the site, with an additional 100 new positions created.

### Manchester Airport/Airport City

Manchester Airport is already one of the biggest employers in the North (19,000 direct jobs and 42,500 supported) and is within 3 miles of Wilmslow town centre. In addition to strong forecast growth in the airport business itself, sites adjoining the airport are being brought forward as "Airport City", one of the largest ever regeneration and job creation projects in the UK. Manchester Airports Group has formed a joint venture partnership with Beijing Construction Engineering Group, Greater Manchester Property Venture Fund and Argent to deliver a new international business destination and transport hub. Airport City is being created through phased delivery over the next 15 years at a cost of £650 million. Upon completion, Airport City will provide up to:

- 1.4m sq. ft logistics & industrial space.
- 1.0m sq. ft offices.
- 650,000 sq. ft advanced manufacturing space.
- 2,400 hotel beds.
- 100,000 sq. ft ancillary retail accommodation.



Airport City

## COMMUNICATIONS

**Road** Wilmslow benefits from excellent road communications, being served by the A34(T) dual carriageway, which is one of the principal arterial routes serving south Manchester, connecting Wilmslow town centre direct with both Manchester City Centre and Junction 3 of the M60 orbital motorway (5 miles). In addition, Junction 6 of the M56 motorway is located approximately 3 miles north west of the town centre and provides a direct link into the national motorway network beyond.

**Rail** Wilmslow railway station is located on the Virgin West Coast Mainline and provides a frequent, direct service to London Euston with a journey time of less than two hours, whilst also providing direct services to Manchester Piccadilly (21 minutes) and Manchester Airport (7 minutes).

**Air** Manchester International Airport, one of Europe's fastest growing airports, is located approximately 2.5 miles to the north west of Wilmslow and hosts over 100 airlines, serving 200 destinations around the world, the highest of any airport in the UK. A £1Bn, 10 year expansion and upgrade programme began in 2017 which will transform the airport and see passenger numbers rise.



# SITUATION

The property occupies a very strong and prominent corner trading position in the heart of pedestrianised Grove Street, Wilmslow's prime retailing pitch; and within 75m of the street's busy junction with Alderley Road and Water Lane.

Grove Street, together with the supporting Alderley Road and Water Lane, comprise the principal retailing pitches in the town centre and are anchored by a 35,000 sq. ft. Waitrose foodstore to the north and a 33,000 sq. ft. Sainsbury's to the south.

Water Lane provides an upmarket retail and leisure offer with national operators including JoJo Maman Bebe; Rolex; White Stuff; Cau; Space NK; Sweaty Betty; Feather and Black and Stratstone Aston Martin; whilst retailers on Alderley Road include Bang & Olufsen; Hoopers Department Store; Joules and Pizza Express and Sainsbury's.

National retail and leisure operators on Grove Street in close proximity to the subject property include JD Sports; Laura Ashley; Superdrug; Waterstones; Footasylum; Boots the Chemist; Clarks; WH Smith; Specsavers; Caffe Nero and Starbucks. In addition, Spring Street multi-storey car park (308 spaces) is located only 175m west of the property and is one of the largest Pay & Display car parks in the town centre.

# DESCRIPTION

34 & 36/38 Grove Street comprises two modern, brick built retail units arranged over ground and first floor level and extending to 706.07 sq. m. (7,600 sq. ft.) in total. Each unit provides good quality, well-configured sales space at ground floor level, fitted out in the tenant's usual corporate trading style; together with ancillary/staff accommodation above. Servicing to the properties is via a dedicated service yard accessed from Grove Avenue.

# TENANCIES AND RENTAL INCOME

The property is let to the national multiple retailers **Ryman Limited (t/a Ryman)** and **The Works Stores Limited (t/a TheWorks.co.uk)**, in accordance with the Schedule of Accommodation and Tenancies below. The leases are drawn on full repairing and insuring terms.

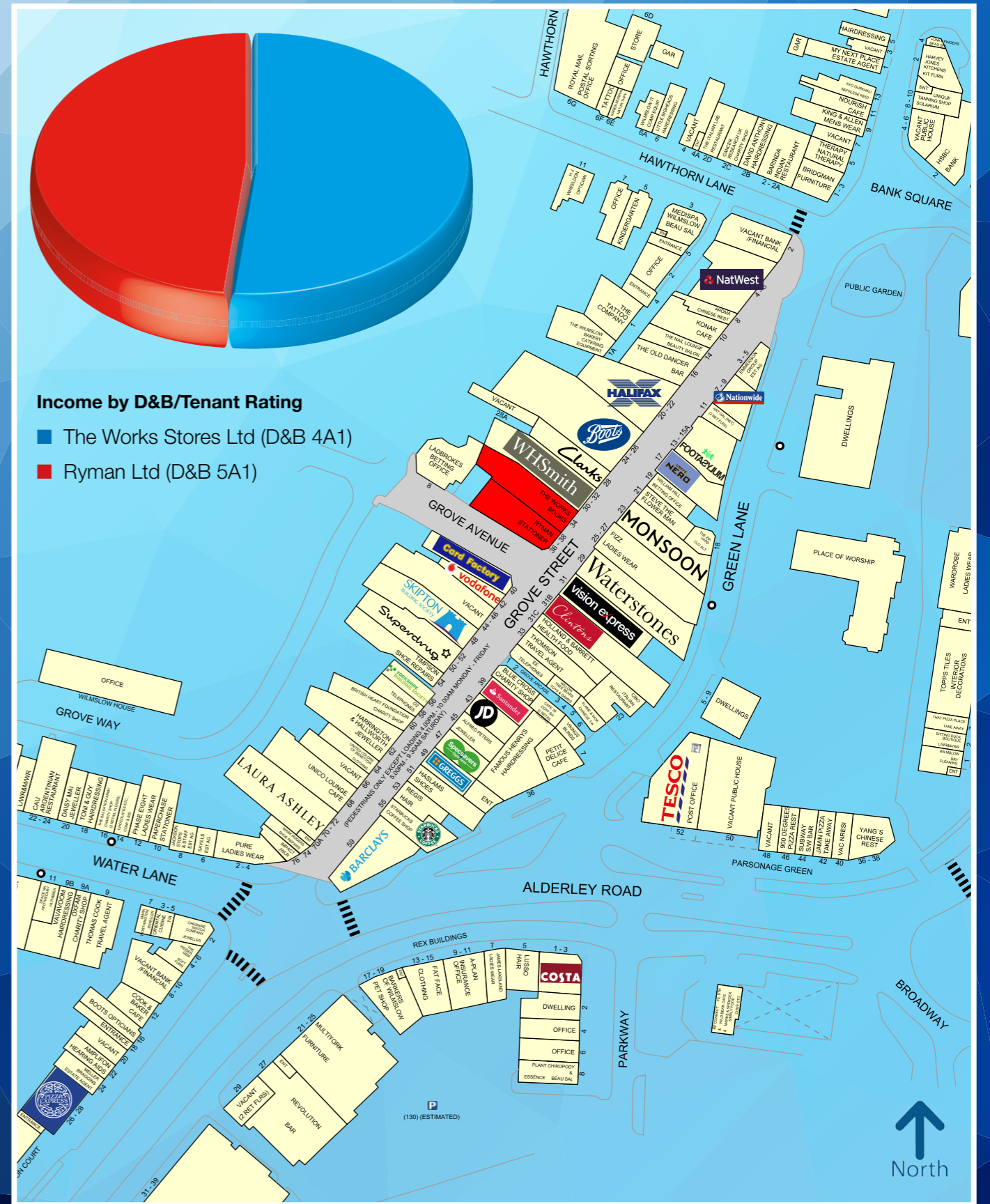
The property produces a total rental income of **£120,500 per annum**, which equates to a rebased rate of approximately **£63.52 psf Zone A** on The Works and **£59.64 psf Zone A** on Ryman. Prime rents on Grove Street in Wilmslow were in excess of £80 psf Zone A in the pre-Recession years and therefore rental growth prospects for the property are very encouraging.

# COVENANTS & INCOME ANALYSIS

All of the income is secured against covenants with a Dun & Bradstreet rating indicating **Strong (Minimal Risk of Business Failure)**, with Ryman benefitting from the strongest possible rating of **5A1**. In addition, the property benefits from a Weighted Unexpired Lease Term (WAULT) of approximately 6 years.



34 & 36/38 GROVE STREET, WILMSLOW									
Address	Tenant	LEASE START (Term)	LEASE EXPIRY (Break)	Next Rent Review	Passing Rent (ZA psf)	Floor Areas		Comments	
						Description	Sq M		Sq Ft
34 Grove Street	The Works Stores Ltd	24/07/2015 (10 years)	23/07/2025 (23/07/2020)	24/07/2020	£62,500 pa (£63.52)	Ground Floor	205.04	2,207	
						ITZA	83.43	898	
						GF Anc.	4.74	51	
						First Floor Anc.	160.63	1,729	
						Total NIA	365.67	3,936	
36/38 Grove Street	Ryman Ltd	21/03/2013 (10 years)	24/03/2023	n/a	£58,000 pa (£59.64)	Ground Floor	177.91	1,915	2.5% allowance in devaluation for return frontage. Tenant did not operate March 2018 break option.
						ITZA	80.36	865	
						GF Anc.	2.88	31	
						First Floor Anc.	162.49	1,749	
						Total NIA	340.40	3,664	
		<b>WAULT</b>	<b>5.99</b>	<b>Total</b>	<b>£120,500 pa</b>		<b>706.07</b>	<b>7,600</b>	



# THE WORKS STORES LTD VAT

(T/A TheWorks.co.uk)

The Works were founded in 1981 as 'Remainders Ltd' and subsequently rebranded to 'The Works' in 2003 before being acquired by PE firm Endless LLP in 2008 and rebranding as The Works Stores Ltd. The company is now the UK's leading value retailer of Gifts; Art Materials; Craft Materials; Hobbies; Stationary; Toys and Books; trading from over 430 sites across the UK and Ireland and employing over 2,500 people.

**The Works Stores Ltd** has a Dun and Bradstreet rating of **4A1**, indicating a financial strength of **£15-35 million** (based on tangible Net Worth) and an overall condition which is Strong (**Minimal Risk of Business Failure**).

# RYMAN LIMITED

(T/A Ryman)

**Ryman** opened their first store on Great Portland Street in London over 124 years ago in the late 19th Century and is now one of the UK's leading suppliers of stationary; office supplies; technology and office furniture; with a typical store inventory containing 5,500 different types of product. The company trades from over 200 stores across the UK and employ over 2,000 people.

**Ryman Limited** has a Dun and Bradstreet rating of **5A1**, their highest financial strength indicator and an overall condition which is Strong (**Minimal Risk of Business Failure**).

# TENURE

Freehold.

The table below details recent investment transactions in and around the Grove Street pitch:-

Date	Tenant	Address	Price	NIY	Term Certain
July 2018	HSBC	Bank Square	£595,000	6.31%	5 years
June 2018	Barclays	Grove Street	£2,100,000	4.70%	9 years
June 2018	Halifax	Grove Street	£2,000,000	4.96%	9 years
Nov' 2016	Harrington & Hallworth	Grove Street	£905,000	6.07%	10 years

The property has been elected for VAT and it is anticipated that the sale will be structured as a Transfer of a Going Concern (TOGC).

# EPC

34 Grove Street (The Works) has a rating of **C 71** and 34/36 Grove Street (Ryman) has a rating of **D 80**.

Copies of the Energy Performance Certificates for the property are available upon request.

# PROPOSAL

We are seeking offers in excess of **£1,680,000 (One Million, Six Hundred and Eighty Thousand Pounds)**, reflecting an attractive net initial yield of **6.75%** after deduction of usual purchaser's costs.



## FURTHER INFORMATION

For further information please contact:-



Jonathan Phillips  
Paul Jones  
Chris Draper  
Jonathan Mills

Metis Real Estate Advisors  
Northern Assurance Buildings,  
Albert Square  
Princess Street,  
Manchester  
M2 4DN

0161 806 0866

[jphillips@metisrealestate.com](mailto:jphillips@metisrealestate.com)  
[pjones@metisrealestate.com](mailto:pjones@metisrealestate.com)  
[cdraper@metisrealestate.com](mailto:cdraper@metisrealestate.com)  
[jmills@metisrealestate.com](mailto:jmills@metisrealestate.com)



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