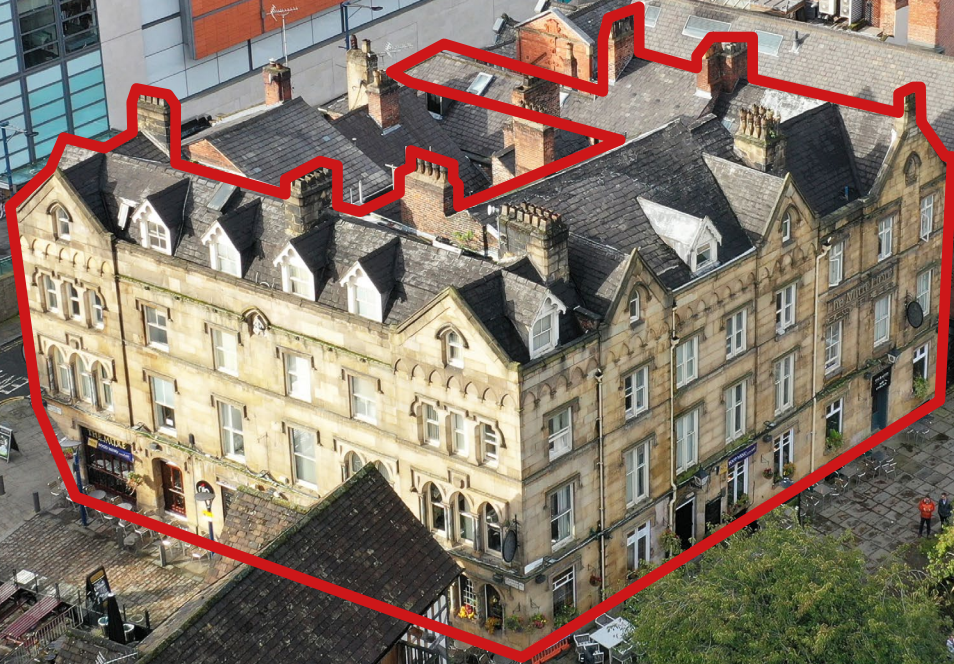




THE MITRE
HOTEL & BAR



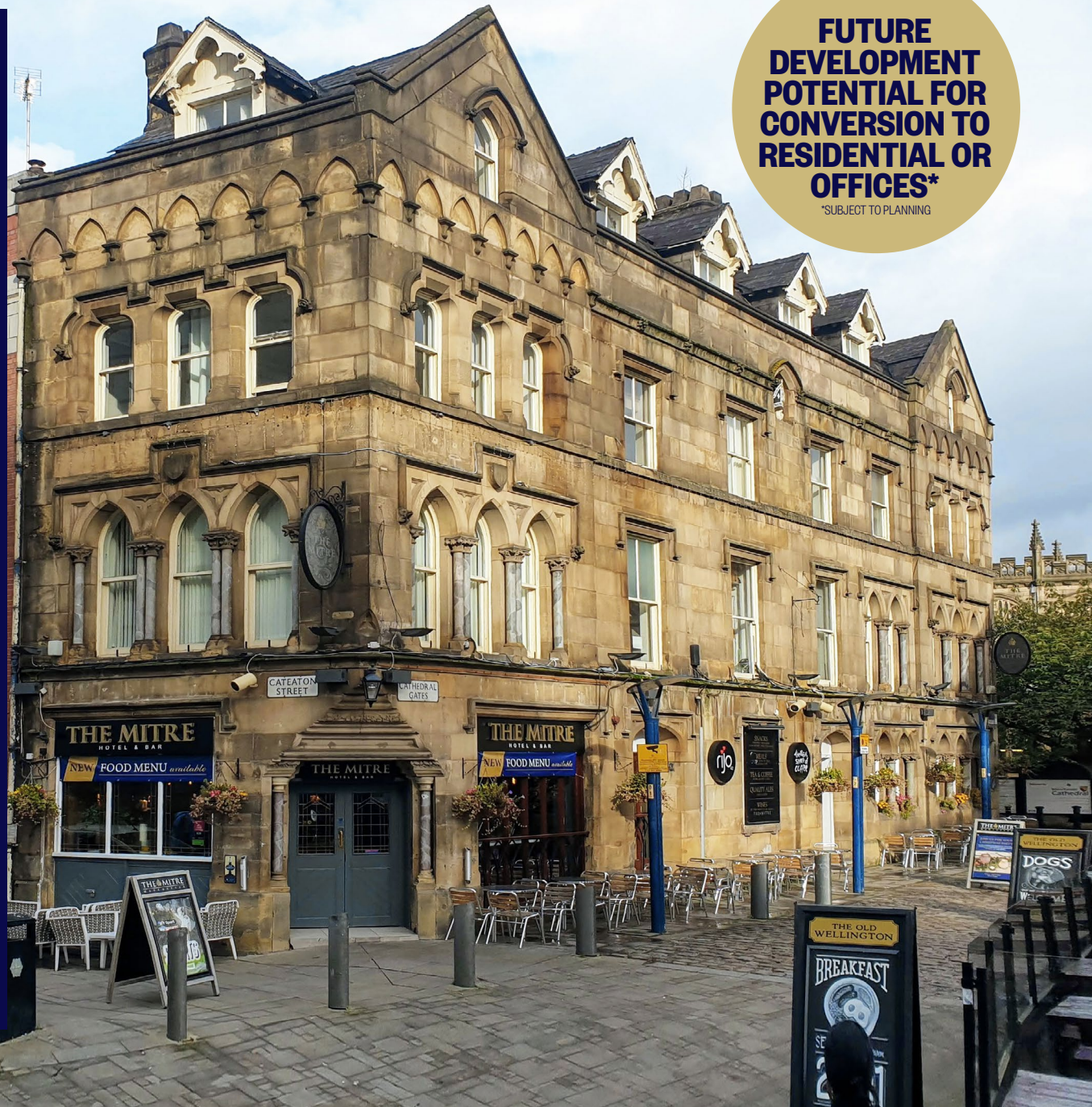
MANCHESTER CITY CENTRE
HOTEL INVESTMENT

THE MITRE HOTEL, 1 – 3 CATHEDRAL GATES, MANCHESTER M3 1SW

christopher
dee...

INVESTMENT SUMMARY

- Rare opportunity to acquire a **Grade II listed boutique hotel** in **Manchester city centre**
- **Enviably location**, directly opposite Harvey Nichols and Selfridges, with magnificent views overlooking Cathedral Gardens
- The area has received **significant public sector investment** creating an attractive public open space
- Boutique hotel and public bar, with **39 letting bedrooms**
- **16,357 sq ft** on a net internal area basis (19,831 sq ft GIA)
- Let to a private individual for a term of **10 years** commencing the 22nd September 2017, expiring 21st September 2027 (c. 7.31 years unexpired)
- **Strong future development potential** for conversion to residential or offices (subject to planning)
- The current passing rent of **£212,115 per annum** is subject to annual increases in line with RPI, as well as 5 yearly OMRV reviews, and will be topped up by the vendor to £214,312 per annum
- Offers in excess of **£3,300,000 (STC)**
- Providing a Net Initial Yield of **6.1% NIY** and an estimated reversionary yield of **6.58%** in 2027
- Low capital value of just **£201 psf (GIA - £166 psf)**



**FUTURE
DEVELOPMENT
POTENTIAL FOR
CONVERSION TO
RESIDENTIAL OR
OFFICES***

*SUBJECT TO PLANNING

MANCHESTER

Manchester's well documented growth over recent years has seen the city secure its status as the country's 2nd city and a major European centre.

The City Council has played a major role in the success of the City and invested heavily in infrastructure improvement works to establish the centre as a place to live, work and play.

Manchester's visitation numbers regularly swell with a huge influx of visitors who come to watch the city's two Premier League football teams (Manchester United and Manchester City) or to attend major events such as political-party conferences.

Additionally, the city attracts leisure visitors keen to sample its thriving music, retail and cultural scenes. As per the latest available statistics, Manchester has hosted more than 1.3 million 'staying visits' alone.



MANCHESTER TOURISM

Figures from Marketing Manchester show that tourism is worth more to the region than key sectors such as financial and professional services, the creative industries and life sciences. Business and leisure tourism currently contributes circa £7.9bn to the regional economy and brings 119m visitors each year; 11m of whom choose to stay overnight.

Manchester city centre's year-to-date hotel occupancy rate through 2019 was 79%, higher than in 2018 (78%) and matching the previous highest rate in 2017 (also 79%).

Further development in the sector will see hotel room stock in the city centre increasing to circa 13,700 rooms by the end of 2021, which highlights the sector's continued faith in the expansion of both business and leisure tourism in the city.

SITUATION

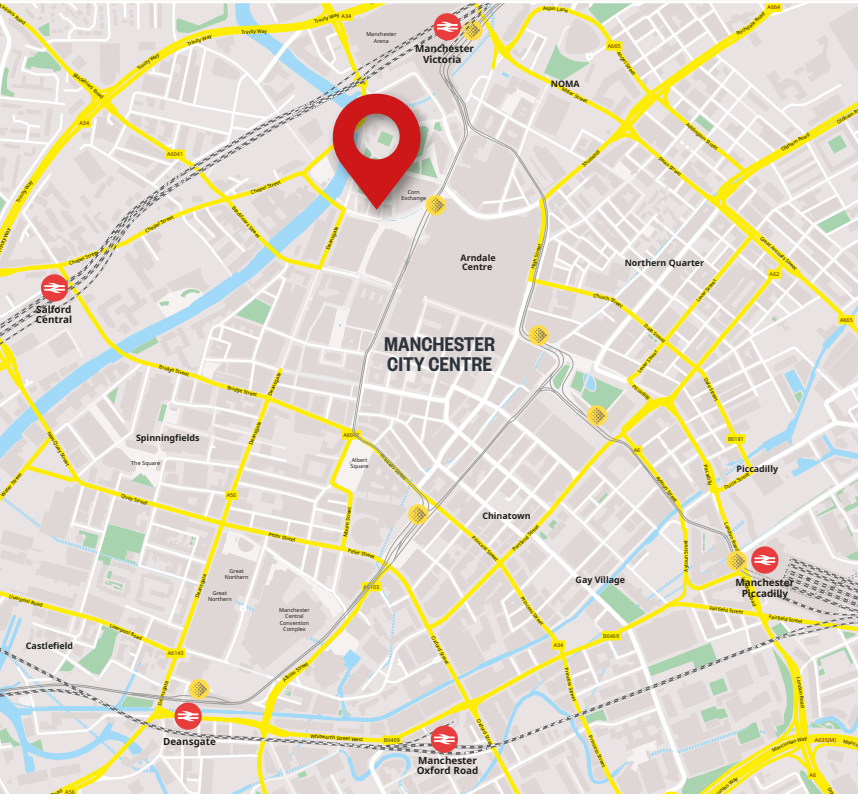
The building occupies an extremely central location, fronting onto the prime retail and leisure areas around Exchange Square, the Corn Exchange and New Cathedral street.

The ongoing development of The Embankment office scheme (320,000sqft in total) and now home to Swinton Insurance, ensures this location also remains an important commercial area of the city.

This neighbourhood has been titled “The Medieval Quarter” and has seen substantial public sector investment in improvements to the public realm, with further landscaping proposed to the front of the Cathedral. These works have dramatically improved the permeability of the area which in turn is increasing visitor numbers.



**SUBSTANTIAL
ELEVATION OVER-
LOOKING MANCHESTER
CATHEDRAL & GARDENS,
ONE OF VERY FEW
'GREEN SPACES' IN
THE CITY CENTRE**





ROYAL EXCHANGE

ST ANN'S SQUARE

SPINNINGFIELDS

THE MITRE
HOTEL & BAR

EMBANKMENT

CROSS ST

DEANSGATE

MARKET ST

M&S
EST. 1884

MARKET ST

HARVEY
NICHOLS

MANCHESTER
ARNDALE

SELFRIDGES & CO

DEANSGATE



METROLINK

EXCHANGE SQUARE

CORN EXCHANGE

MANCHESTER CATHEDRAL

DESCRIPTION & ACCOMMODATION

The Mitre Hotel comprises a stunning Grade II Listed property, set in a central location and benefitting from external seating areas overlooking one of the city's very few green spaces.

The Jacobean style property has an extremely attractive façade incorporating feature stonework mullions, pitched roof line and large timber sash windows.

Internally, the property has undertaken an ongoing programme of refurbishment by the current operator and provides boutique style hotel accommodation, arranged over basement, ground and 3 upper floors and to a 3-star standard.

The ground floor public bars and restaurant have recently been refitted and provide a modern attractive environment with fantastic views over the gardens and Exchange Square.

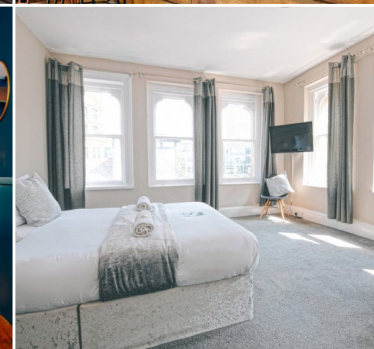
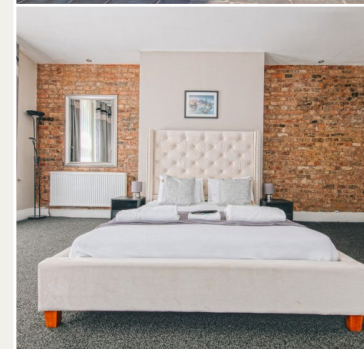
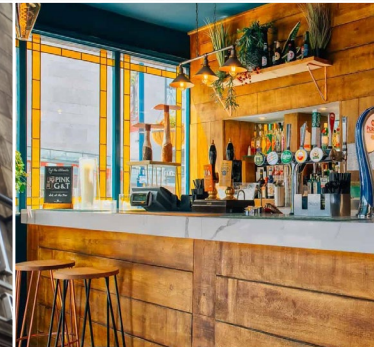
The 39 bedrooms provide a mix of styles and room sizes, with some rooms sharing bathroom facilities.

The property has been measured by Atlantic Geomatics and provides the following Net and Gross Internal Areas. Full AutoCad, PDF plans and breakdowns are available on request.



[CLICK HERE FOR A SHORT VIDEO WALKTHROUGH OF THE HOTEL](#)

FLOOR	DESCRIPTION	AREA (SQFT)	GIA (SQFT)
Third floor/Attic	10 guest bedrooms, cleaners and linen stores	2,458	3,053
Second floor	17 guest bedrooms, cleaners and linen stores	4,026	4,817
First floor	Reception with seating area and office, plus 12 guest bedrooms	3,975	4,802
Ground floor	Two interconnected bars, seating areas, dining areas, glass wash and WC accommodation	2,723	3,449
Basement	Commercial kitchen, beer cellar, laundry, boiler room, maintenance store and refrigerated store	3,175	3,710
TOTAL		16,357	19,831



TENANCY

The property is let on FRI terms to a private individual for a term of 10 years commencing the 22nd September 2017, expiring 21st September 2027 (c. 7.94 years unexpired).

The current passing rent of £212,115.02 per annum is subject to annual upward only RPI linked uplifts (uncapped). The landlord will top up the rent to the RPI figure published for April 2020 (292.6), therefore providing a rental income of £214,312 per annum.

There is the additional benefit of an open market rental value review on 22nd September 2022, which is to the higher of passing rent immediately before the review or the open market rental value.

The Landlord benefits from a £50,000 rental deposit, which will be transferred on completion. The tenant is also to pay £12,000 per annum (annual RPI uplifts) into a Repair and Maintenance Fund, that is held by the landlord. The tenant may draw down on this money as and when repairs are carried out and receipts provided. The repairing liability is not limited to this amount but this has been set as a reasonable figure.

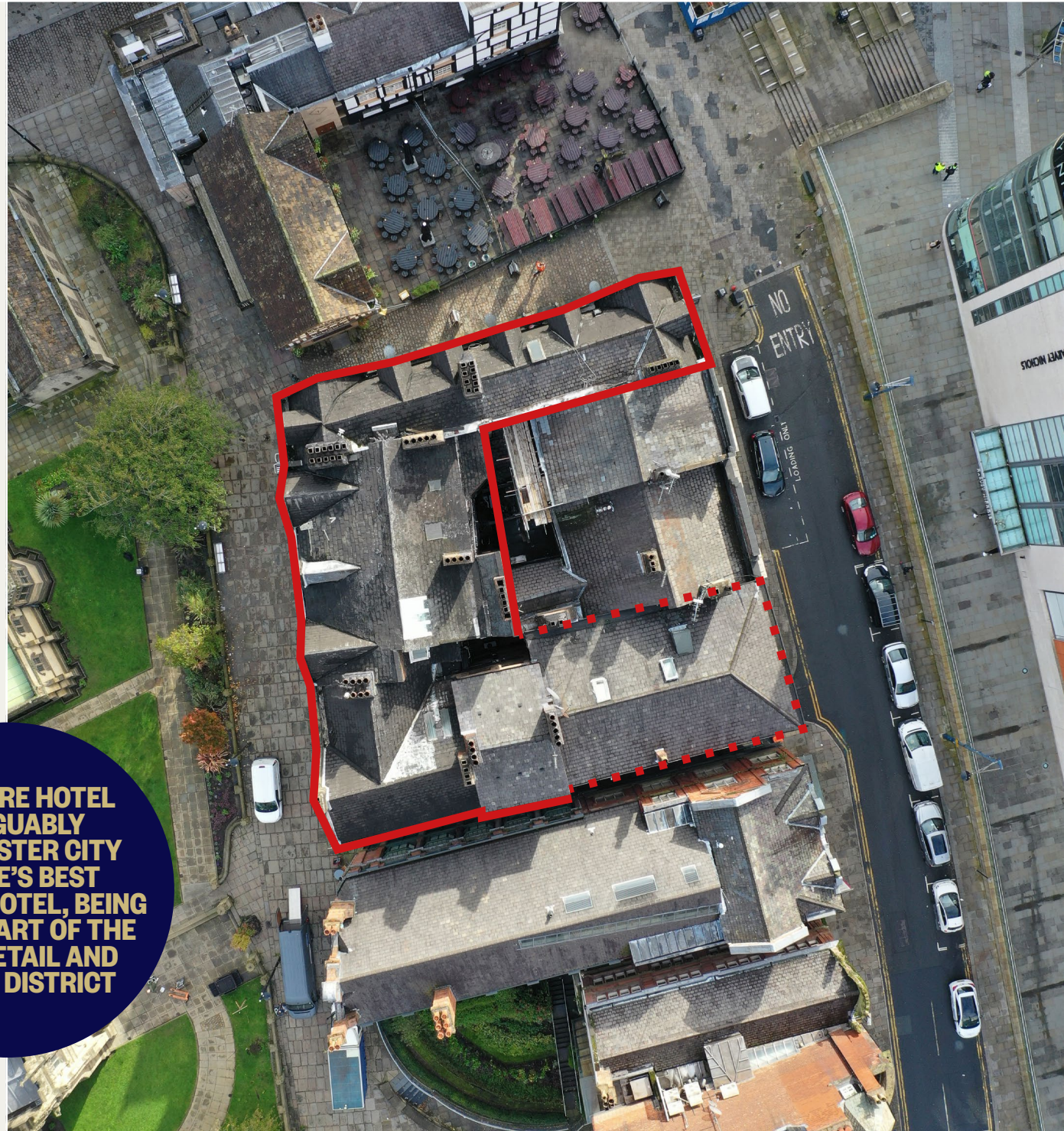
TENURE

Freehold (Title number GM681976).

Part of the Ground Floor and Basement fronting Cateaton Street and Cannon Court is excluded from the freehold title (see attached red-line aerial).

NB: The red dotted line represents the flying freehold element of the Title.

**THE MITRE HOTEL
IS ARGUABLY
MANCHESTER CITY
CENTRE'S BEST
LOCATED HOTEL, BEING
IN THE HEART OF THE
PRIME RETAIL AND
LEISURE DISTRICT**





VAT

It is anticipated that the sale will be dealt with as a transfer of a going concern.

EPC

Available upon request.

ANTI-MONEY LAUNDERING REGULATIONS

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

OPPORTUNITY

The Mitre Hotel is arguably Manchester city centre's best located hotel, being in the heart of the prime retail and leisure district, with a stunning view over Manchester Cathedral to the rear.

The existing occupier is undergoing further improvement works to the hotel, which will ensure continuing high occupancy rates and improved room tariffs, as Manchester continues to grow as an international destination for both business and leisure tourism.

PROPOSAL

Our client is seeking offers in excess of

£3,300,000 (STC)

(Three Million Three Hundred Thousand Pounds), subject to contract, for the freehold interest.

A purchase at this level reflects the following yield profile, after deducting appropriate purchase costs, and a low capital value of just **£201 psf NIA** and **£166 psf GIA**.

Year	£ Rent Per Annum	Yield
Topped Up	£214,312	6.10%
2022	£229,219	6.52%
2027	£265,728	7.56%

Assuming RPI growth to April 2020, and forecasted at 3% thereafter.

FURTHER INFORMATION

For further information or to arrange an inspection, please contact:

Chris Bathurst

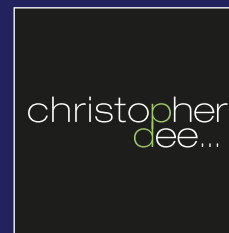
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