

2-18 Fargate **Sheffield S1 2HE**

City Centre Mixed Use Repositioning Opportunity

GCW.

Key Investment Criteria

- Central location in **UK's 5th largest City** by population
- Sheffield's economy is worth in excess of **£7 billion per annum**
- **Prominent corner parade** where pedestrianised retail throughfare, Fargate meets Church Street, the main route of the city tram
- **Freehold**
- Provides over **48,000 sq ft** of prime, well configured, **mixed use space**
- **Rare city centre opportunity** to enhance value through alternative use (STPP) or refurbishment of the **28,627 sq ft** of vacant office space
- **Future High Streets Fund** will assist in the repositioning of **Fargate with £15.8m of investment**

Seeking offers for the
freehold interest on an
unconditional basis



Sheffield

HEART OF THE CITY INVESTMENT
PROGRAMME WILL SEE



1.5 MILLION SQ FT
OF DEVELOPMENT



5TH LARGEST
CITY IN
ENGLAND

POPULATION OF
1,570,000 PEOPLE



PRIMARY RETAIL MARKET AREA
POPULATION OF 451,000

THE 6TH LARGEST
YOUTHFUL POPULATION
IN THE UK, WITH OVER
62,000 UNIVERSITY
STUDENTS



THE CITY WELCOMES
20 MILLION VISITORS
PER ANNUM



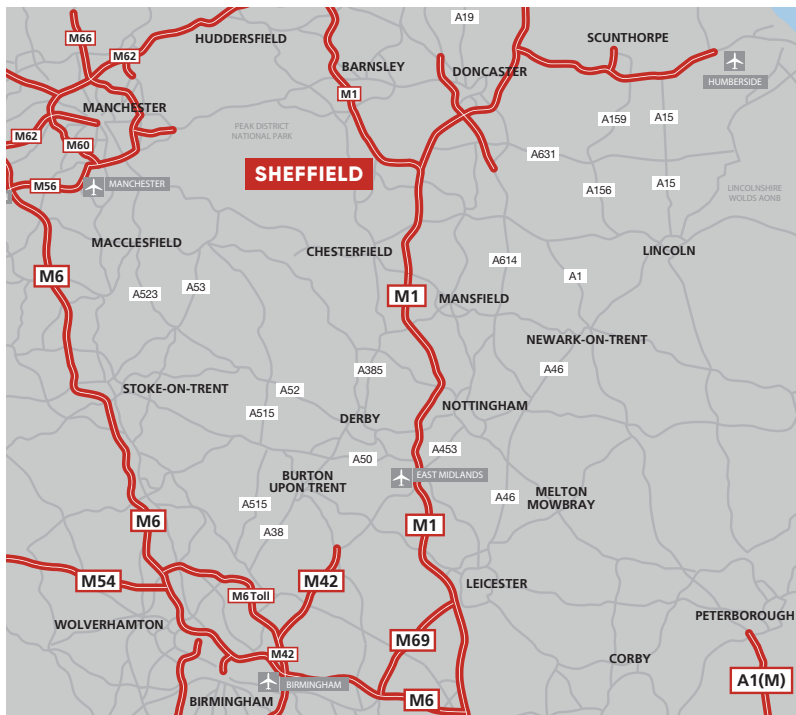
PRINCIPLE ADMINISTRATIVE
CENTRE FOR
SOUTH YORKSHIRE

FARGATE RECEIVING
£15.8M
FROM THE GOVERNMENTS
FUTURE HIGH STREETS FUND



35 MILE
TRAM NETWORK
THROUGHOUT
THE CITY

7,000
NEW JOBS IN THE
CITY CENTRE BY 2030



Retailing in Sheffield

The subject property occupies a prime retailing location on the pedestrianised thoroughfare of Fargate. National multiple retailers in close proximity include Boots, M&S, Caffè Nero, McDonalds and Superdrug.

Situated at the busy junction of High Street, Church Street and Fargate, opposite the Cathedral Tram Stop, the property benefits from high footfall from students, shoppers and office workers. Church Street provides the City's banking pitch with RBS, Lloyds and Natwest. Orchard Square is anchored by TK Maxx as well as a new and extensive food offer increasing the number of shoppers at lunchtime.

The Heart of the City investment scheme in Sheffield City Centre aims to repurpose large parts of the City Centre to offer a variety of newly configured retail, leisure and hospitality space, enhancing the existing City Centre facilities. Sheffield and specifically Fargate has been designated £15.8 million from the Governments Future High Streets Fund. This investment will be delivered by March 2024 and look to introduce more co-working space, better public realm and exhibition space.

Tenure

Freehold.



Accommodation & Tenancies

Address	Tenant	Tenancy			Areas (sq ft)					Current Shortfalls				Comments
		Lease Start	Lease Expiry	Passing Rent	Ground	ITZA	Basement	Uppers	Total	EPC	Rates	Service Charge	Insurance	
2 Fargate	Vacant				1,762	1,111	1,173		2,935	D-92	£94,208	£5,828	£2,203	
4 Fargate	Soul Coffee House (Central Limited)	24/06/2020	23/06/2030	£80,000	1,344	826	1,261		2,605	F-134				Next rent review 24/06/2025. There is a tenant break 24/06/2026 at 6 months notice.
6 Fargate	Greggs Plc	29/06/2020	28/06/2025	£65,000	953	602	843		1,796	E-104				
8 Fargate	Hotel Chocolat Stores Limited	25/03/2021	24/03/2024	£30,000	615	435	619		1,234	C-70				Annual on-account payment of £30,000. Turnover only rent of 6.5%
10 Fargate	Vacant				817	637	932		1,749	C-69	£122,368	£2,789	£1,156	
12 Fargate	Vacant				922	646	717		1,639	D-97		£2,473	£1,078	Unit 10 & 12 are treated as one on the VOA
14 Fargate	Scentt 7 Limited	13/07/2021	12/07/2022	£12,000	1,097	608	882	1,070	3,049	E-115		£4,915	£1,458	Inclusive of service charge and insurance. There is a mutual rolling break at 1 months notice
16 Fargate	Fashionista Cardiff Limited	13/07/2021	12/07/2022	£12,000	917	568	741		1,658	C-67		£2,676	£933	Inclusive of service charge and insurance. There is a mutual rolling break at 1 months notice
18 Fargate	Vodafone Limited	13/11/2017	12/11/2022	£125,000	790	530	776	1,638	3,204	C-61				The premises demised to Vodafone include an area on the first floor.
2-18 Fargate 1st Floor Offices	Vacant							4,572	4,572	D-97		£35,879	£8,282	The total area of office floors is 26,480 sq ft. The offices have been removed from the rating list.
2-18 Fargate 2nd Floor Offices	Vacant							4,980	4,980	D-98				
2-18 Fargate 3rd Floor Offices	Vacant							8,341	8,341	D-100				
2-18 Fargate 4th Floor Offices	Vacant							10,734	10,734	D-94				
Substation	Yorkshire Electricity Board	25/12/1965	24/12/2025	£10										
Cables	Yorkshire Electricity Board	25/12/1965	24/12/2025	£1										
Total				£324,011	9,217		7,944	31,335	48,496		£216,576	£54,560	£15,110	

Current Net Operating Income

£37,765 per annum.

Asset Management Opportunities – Upper Parts

Floors 1-4 offer 28,627 sq ft of well configured vacant space accessed via a purpose-built self-contained entrance off Church Street. With excellent natural light and the ability to increase height and mazing to the rear. A viability study has been commissioned by RGP. Plans are available for the following uses:



Residential

Sheffield has experienced the highest residential price growth in Yorkshire, one of the highest in the UK and is predicted to continue at over 10% in 2022. City centre sales values are c. £300 psf on new builds. A 40,046 sq ft GIA scheme including 31 flats ranging from studios to 4-bed, with access via Church Street, can be delivered by using the existing floorplates and extending to a 5th floor. High rental and sales values are underpinned by a strong jobs markets, universities and a young population.



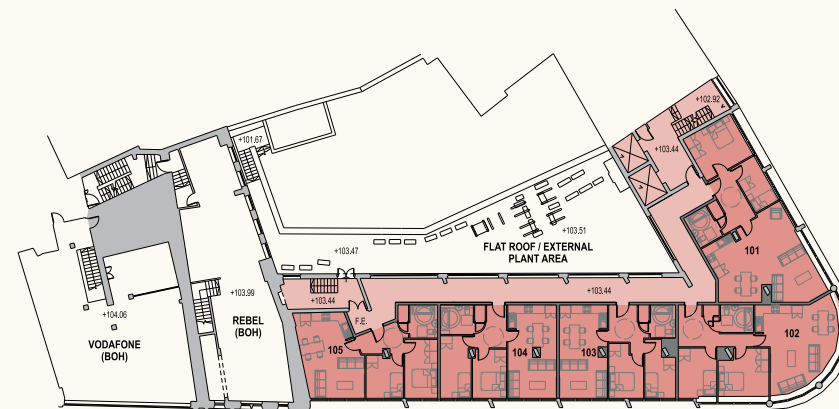
Student

Sheffield is home to 62,000 students, the 6th largest student population in England. The two universities fail to accommodate 80% of their students, leaving demand for purpose-built student accommodation (PBSA) high. The proposed plans for student accommodation display 68 beds across a mixture of studio and two bed accommodation structures, whilst converting the first floor into a communal and reception area. The plan includes the development of a further 5th floor. Sheffield has experienced recent demand in luxury boutique accommodation from the increasing foreign students in the City, now counting for 20% of the student population.

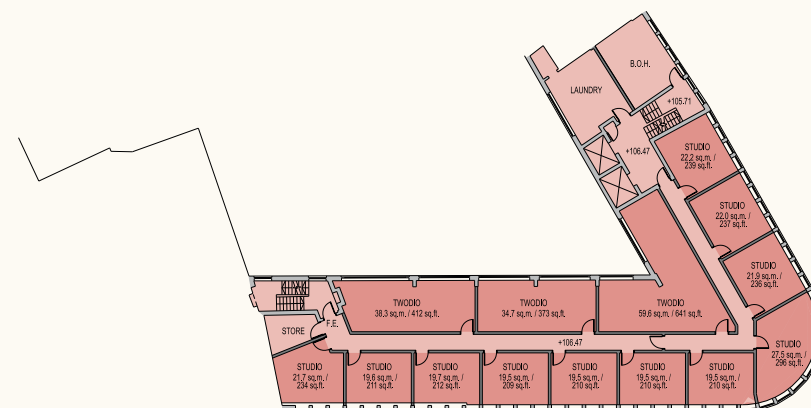


Hotel

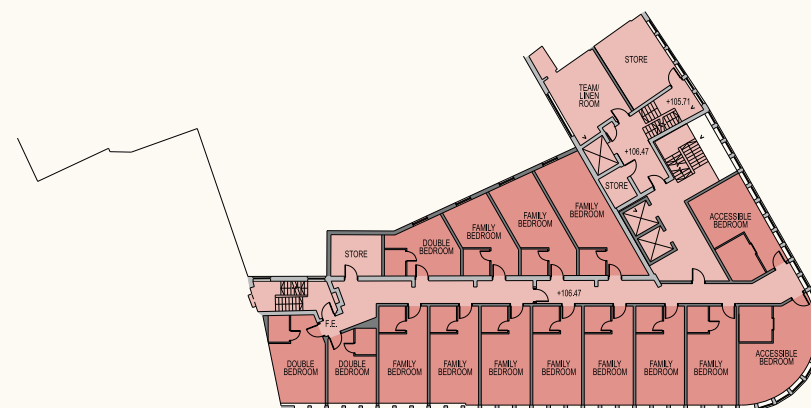
The uppers can accommodate a proposed 75 hotel rooms, through a mixture of double, family and accessible rooms. The ground floor corner retail unit would be converted into the Hotel lobby area, with the 1st floor accommodating the reception facility. The plan includes the development of a further 5th floor.



Example Residential Option - First Floor



Example Student Accommodation Option - Upper Floor



Example Hotel Option - Upper Floor

Asset Management Opportunities – Retail Repositioning

Fargate has been redefined from a fashion pitch to a convenience and leisure location. We believe this trend will continue to strengthen with the £15.8 million of investment that has been set aside for Fargate from the Governments Future High Streets Fund.

Footfall is high generated from the University, tram stop, City centre offices and anchor shops such as Marks & Spencer, Boots and TK Maxx.

We expect demand for the available retail space within the subject property to come from the following sectors:

Grab & Go Food – High footfall and presence of office workers and students makes this location very busy at lunchtime. Orchard Square has participated in engaging with this market with the addition of increased food offer.

Convenience – Tesco has historically looked at a relocation to a more prominent unit in this parade. Lidl taking the former Sportsdirect highlights supermarket demand for this area

Service Led Retail – Services that do not compete with online such as opticians, dentists and hairdressers.

Recent Transactions on Fargate

Address	Tenant	Sale Price	Yield	Capital Value	Date
34-36 Fargate	Santander	£1,860,000	8.00%	£152 psf	Nov 2021
42-46 Fargate	Vacant Possession	£575,000	-	£77 psf	Dec 2021
38-40 Fargate	WH Smith	£3,850,000	9.30%	£228 psf	Jan 2022

Current Shortfalls

The total current shortfalls total £286,246 per annum.

These are made up of £216,576 per annum of rates liabilities on 2 Fargate and 10 & 12 Fargate (which are treated as one by the VOA). The vacant former offices have been removed from the rating list.

Service charge and insurance shortfalls total £69,670 per annum.





Service Charge

The current service charge budgets equates to £1.47 per sq ft across the asset. Service charge information can be provided on request.

Planning

The property is not listed and is located within the City Centre Conservation area.

VAT

This property is elected for VAT and as such it is anticipated that the sale will be treated by way on TOGC.

Proposal

We are instructed to seek offers for the freehold interest of the entire property on an unconditional basis.

Contact Details

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