

Retail Arcade Investment Opportunity



CAVENDISH SHOPPING ARCADE

BUXTON • SK17 6BQ



- Buxton is an affluent Spa town in the heart of the Peak District
- Grade II listed former public baths constructed in the early 19th Century
- Covered retail scheme containing 19 ground floor retail/catering units and a first floor restaurant/gallery space
- Freehold
- Anchored by Pizza Express
- Let on 18 leases predominantly to independent retailers, with one unit vacant and under offer

- Classic heritage and architecture
- All year round visitor attraction
- Total area: 12,122 sq ft NIA
- Gross Income: £235,850 per annum
- Net Income: £230,372.87 per annum
- Strong asset management potential

Proposal

Offers in the region of

£2,950,000

(Two Million, Nine Hundred and Fifty Thousand Pounds) reflecting a 7.34% net initial yield with a reversion to 8.93%

Location

The spa town of Buxton is situated within the County of Derbyshire and is known as the gateway to the Peak District National Park. The town is situated 20 miles south east of Manchester, 13 miles east of Macclesfield and 24 miles west of Chesterfield.

Buxton is an extraordinary town, combining an unusually fine mix of buildings, parks and public spaces. It serves a relatively wide rural catchment area and is situated on the main A6 north/south arterial route. Buxton also has a railway station, which connects directly with Manchester and the West Coast Mainline at Stockport. There are 24 trains between Buxton and Manchester every day.

The property is located in a prominent position in Buxton town centre, between Spring Gardens shopping area and Pavillion Gardens. Forming part of the Quadrant, the development provides a cosmopolitan mix of quality independent and branded shops, restaurants and bars.

The Arcade benefits from significant frontage to Terrace Road (A515) and is opposite the prime retail area of Spring Gardens and its associated Spring Gardens Shopping Centre, which is anchored by Waitrose, Next, WHSmith and Superdrug.



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The Crescent Hotel

The property neighbours and is attached to the iconic Crescent Hotel.

Ensana Crescent Hotel (5 Star) is situated immediately adjacent to Cavendish Arcade, a Grade II listed Georgian building originally developed as England's first purpose-built hotel by the 5th Duke of Devonshire in the 1780s. This premium development forms the centrepiece of this spa town and the design was originally based on the Colonnade in Bath.

Today, the building is owned by The Osborne Group who have transformed the property into:

- An 80 bedroom 5 star spa hotel incorporating neighbouring natural baths
- A state of the art thermal natural mineral water spa
- Six specialist boutique shops, interactive visitor centre & tea room
- A heritage experience in the Grade II listed Pump Room

The Heritage Lottery Fund committed a grant of £11.3m to the project, with High Peak Council providing a further £46m.

The hotel is operated by specialist 5 star spa hotel operator, Ensana Hotels.

www.ensanahotels.com/en/hotels/buxton-crescent



CAVENDISH SHOPPING ARCADE



38,518

primary catchment population

1 million

tourist visitors each year

Gateway to the
Peak District
National Park

Estimated visitor spend is
£60 million
Per annum

Spending Power

Tourism is a major industry, with more than 1 million visitors coming to Buxton each year. The estimated visitor spend per annum is in excess of £60m.

Buxton's 30-minute drive time contains a large professional population with strong spending power following investments by the University of Derby, the Health & Safety Laboratories and Nestle Water exceeding £100m.

The town's location at the heart of the Peak District makes it one of the most vibrant towns in the area. It draws trade from surrounding catchment areas including Bakewell, Leek, Macclesfield as well as High Peak towns and is the main centre for overnight accommodation within the Peak District, with more than 64% of the park's visitor bed space.

Local Economy & Demographics

Buxton forms part of the High Peak area which based on latest census figures has a population of 92,633. Buxton has a primary catchment population of 38,518 but has significant potential to attract further day visitors from a resident population of 213,744 within a 30 minute off-peak drive time. Extending the drive time to 1 hour off peak (a typical journey time for day visitors) Buxton has 3.6m residents to draw upon.

Buxton is home to the famous Opera House which typically presents 450 performances per year across a wide spectrum of genres. Lovingly restored in 2001, it is one of the country's finest examples of Frank Matcham theatre design. The Opera House is going from strength to strength with the adjoining Pavilion Arts Centre providing a second auditorium and Studio Theatre. The town comes alive in summer with a series of festivals, the signature piece being the Buxton Festival which sells 40,000 tickets.



The Arcade

A Grade II listed Neo Classical thermal baths, Cavendish Shopping Arcade was constructed in the early nineteenth century and gathers together the finest independent retailers including clothing, beauty products, homewares, gifts, books, chocolatier and eco-friendly goods.

The building was converted to retail units in 1987 and was the subject of a further major refurbishment in 2002. Over the following years the property has been continually maintained and upgraded.

The property is constructed of sandstone blockwork, the shopping experience is crowned by the stunning stained-glass, barrel-vaulted roof, designed by painter and artist Brian Clarke.

The Hot Baths were totally rebuilt during 1852/53 to the design of Henry Currey, the 6th Duke of Devonshire's architect. They were largely enveloped in an iron and glass structure with a colonnade running along the front, extending the sheltered promenade that ran along the frontage of the Crescent and the side of the Natural Baths. The design has affinities with the Crystal Palace in London and the Great Conservatory at Chatsworth, both designed by Joseph Paxton.



Situation



CAVENDISH SHOPPING ARCADE

Tenure

Freehold.

Tenancy

The Arcade is currently let to eighteen tenants producing a gross contracted rent of £235,850 per annum, with a further unit under offer.

The current tenancies have a WAULT of 3.19 years to expiry and 2.48 years to lease events.



Service Charge

The total service charge budget for the property for 2024 is £107,357.02 per annum which equates to £8 per sq ft.

EPC

EPC's have just been undertaken and information is available in the dataroom.

Business Rates

The property is Grade II Listed and therefore no empty rates are payable.

Tenancy Schedule

Unit Address	Tenant Name	Lease Start Date	Term (Yrs)	Lease Expiry Date	Gross Income £ p.a.	Total Shortfalls £ p.a.	ERV £ p.a.	NIA q ft	Next Break Date	Next Rent Review	Comments
Unit 1	Choc Le Tea Limited	01/01/2024	5	31/12/2029	14,800.00		17,500.00	638	01/01/2027		
Unit 2	Custom Worktops UK Ltd	03/04/2024	5	02/04/2029	3,600.00		6,000.00	201	03/01/2027	03/04/2025	Fixed uplift rising from £3,600pa to £4,800pa with effect from 03/04/2025 and rising to £6,000pa with effect from 03/04/2026.
Unit 3	Kate Emery T/a Jantar	18/07/2020	6	17/07/2026	15,000.00		15,000.00	593		18/07/2024	
Unit 4a	Rachel Ann Lakeland-Fox and	01/03/2024	5	28/02/2029	7,200.00		7,500.00	335	01/03/2027	01/03/2027	
Unit 4b	Jordyn CM Mellor	26/03/2024	5	26/03/2029	6,000.00		6,000.00	504	26/03/2027		
Unit 5	Divine Trash Limited	01/10/2024	6	30/09/2030	20,000.00		20,000.00	900			
Unit 6	Atticusboo Limited	01/08/2023	5	31/07/2028	8,000.00		10,000.00	307	01/08/2025		
Unit 7	Under Offer				0.00	3,050.00	12,000.00	296			Under offer on a 5 year lease (3 yr brk) outside The Act at £12,000 pa.
Unit 8	Gemalyne Martyn	01/08/2023	3	31/07/2026	5,000.00		6,000.00	303		01/08/2025	Fixed uplift from £5,000pa to £6,000pa with effect from 01/08/2025
Unit 9	Colette Roy	06/02/2020	5	05/02/2025	8,000.00	1,506.99	12,500.00	297			£450 Service Charge Cap. £1,506.99 s/c paid by Landlord in 2023.
Unit 10	Acacia Tree Ltd	12/08/2023	5	11/08/2028	8,000.00		10,000.00	400	12/08/2026	12/08/2025	Stepped rent rising to £9k pa in 2025 and £10k pa in 2026.
Unit 11 (1st Floor)	Buxton Pottery Painting Café Ltd	22/11/2024	7	21/11/2031	4,000.00		4,000.00	1,038	22/11/2027		5 year lease with 3 & 5 year T breaks at £4k pa + s/c. Lease inside The Act. The tenant will receive a 6 month rent free period. The landlord will hold a 2 month rent deposit. There will be a 3 month break penalty. S/C of £16,134 all paid by tenant.
Unit 11a	Chic Accessories Limited	02/02/2016	6	01/02/2022	14,000.00		14,000.00	519			
Unit 12a	Wild Olive Retail Limited	29/10/2023	7	28/10/2030	13,500.00		15,000.00	549	28/10/2027		
Unit 12b	Lottie Simpson	15/11/2024	5	14/11/2029	8,500.00		8,500.00	450	15/11/2027		3 month rent free period to be topped up by vendor, 3 month rent deposit, outside the Act.
Unit 14	Pizza Express (Restaurant)	03/12/2020	6	11/08/2027	51,000.00		60,000.00	3,388		01/12/2025	
Unit 3 The Colonnade	Isabel Katy Clowes	07/05/2021	5	06/05/2026	12,000.00		14,000.00	347			
Unit 4a The Colonnade	D W Beers Limited	20/06/2016	10	19/06/2026	13,000.00		15,000.00	335			
Unit 4b and 5 The Colonnade	Kew Books Limited	19/11/2018	10	18/11/2028	24,250.00	920.14	27,500.00	722			£4,174.50 Service Charge Cap. £920.14 s/c paid by Landlord in 2023.
					£235,850.00	5,477.13	280,500.00	12,122			

Asset Management

- Cavendish Arcade is one of the key retail offerings in Buxton and is popular with local businesses as demonstrated by the consistently high occupancy rate. Competition for space from local retailers will continue to place upward pressure on rents.
- Steps taken to improve the tenant mix have created an attractive retail environment, which continues to attract the highest quality independent retailers such as Divine Trash Clothing, Atticusboo, Wild Olive and Jantar Jewellery.
- There are currently 3 cafes/restaurants in the scheme which ensures increased dwell time. We believe that this could be improved further due to the demand from catering occupiers.
- The opening of The Crescent 80 bedroom 5 star luxury spa hotel development on the adjacent site has acted as a catalyst for attracting tenant demand from niche retailers such as florists, beauticians and luggage retailers.
- Add value by completing the letting of Unit 7.
- Acquire the freehold interest of 6 The Colonnade to control this valuable external facing shop unit.



Matterport Virtual Property Tour

Click on the following link to undertake a virtual inspection of the scheme:

<https://my.matterport.com/show/?m=xKKHmWnSddr>

VAT

The property is elected for VAT and as such it is anticipated that a sale will proceed by way of a Transfer of a Going Concern.

Proposal

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These particulars are intended as a guide and must not be relied upon as statements of fact. They are expressly excluded from any contract. All prices/rents quotes are exclusive of VAT which may be payable. To comply with our legal responsibilities for Anti-Money Laundering, it is necessary to check all parties involved in this transaction. It is the responsibility for parties on both sides to provide information necessary to complete these checks before the deal is completed. Information required will include:

- Corporate structure and ownership details;
- Identification and verification of ultimate beneficial owners
- Satisfactory proof of the source of funds for the Buyers / Funders / Lessee

Brasier Freeth is a RICS regulated firm and is subject to the RICS Code for leasing business premises. Full details of the Code are available from Brasier Freeth.

Contact Details

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