

23-35 Halkett Place, St Helier, Jersey

Retail investment opportunity with development permission for upper floor residential scheme.
Approximately 5 years unexpired to New Look.

Retail Investment with Development Permission

23-35 Halkett Place,
St Helier, JE2 4ST, Jersey

Maillard &C^o

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Investment Summary

- The island of Jersey is the largest of all Channel Islands.
- St Helier is both the capital and administrative centre of Jersey.
- Dominant pitch on the western side of Halkett Place, a busy thoroughfare at the centre of St Helier's retail offer.
- Located opposite the "Central Market", Jersey's historic public market.
- Freehold.
- Unexpired term to NEW LOOK RETAILERS (CI) LIMITED of approximately **5 years unexpired**, no further rent reviews.
- Current passing rent of **£566,969 per annum**.
- We are instructed to seek £7,620,000, which reflects a net initial yield of 7% after deducting purchaser's costs at 1.5%, (0.5% lawyers and 1% agent) and stamp duty at £486,000
- Planning approval for residential conversion of upper floors to 33 apartments.



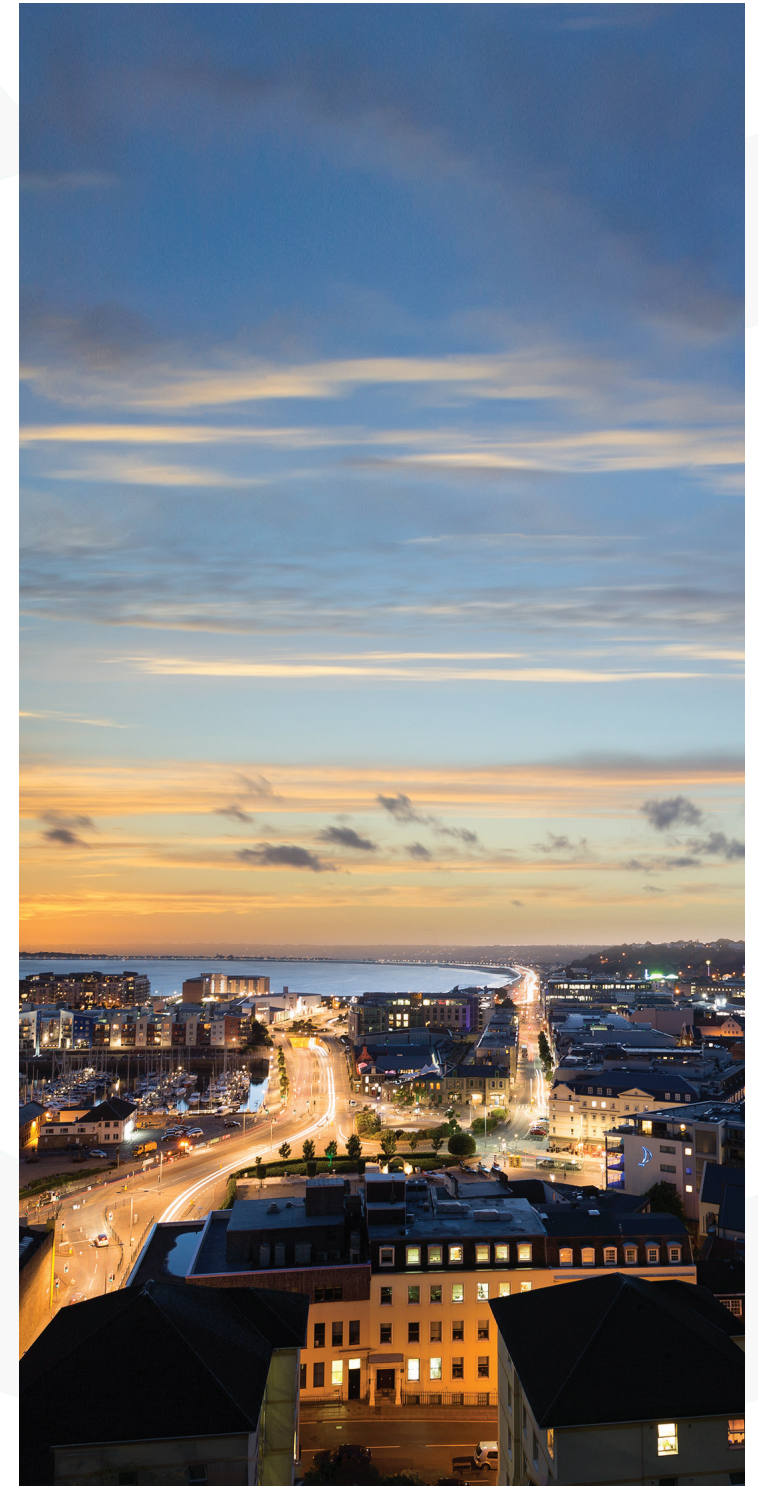
Location

The Island of Jersey extends to a total of 118 sq km (46 sq miles) and is the largest of all the Channel Islands. It is located 22km (14 miles) from the coast of France and 160 km (100 miles) from mainland Britain.

Jersey, not forming part of the European Union, yet benefitting from Crown Dependency is subject to its own taxation system, making the island Britain's largest 'offshore' financial centre. As a result of this domestic and fiscal independence the Island offers attractive tax regimes for both private and corporate wealth (no VAT (but equivalent GST at 5%), inheritance tax, capital gains or corporation tax and income tax at a flat rate of 20%).

St Helier is the capital and principal population centre of Jersey situated on the south coast of the island. The town accommodates all of the island's prime retail and office provision. Its economic growth has prompted considerable public and private sector development.

A number of new office developments have been undertaken to accommodate the demand for larger and better-quality buildings from financial sector and professional tenants and the Esplanade is fast becoming the hub for these companies.



Transport Links

Jersey International Airport is located 6 km (4 miles) outside of St Helier and provides direct access to multiple UK airports including Heathrow, Gatwick and City together with international destinations including Germany and Ireland. The flight time to London Gatwick is 55 minutes.

By sea, there are several routes to Jersey including crossings from Portsmouth and Poole, with a fastest crossing time of approximately 4 hours and 45 minutes.

Demographics

The total population of the Island is 103,267 (2021 Census). St Helier is home to 35,822 of the resident population (35% of the Island's total population). The local population swells significantly during the peak tourist summer season.

The local economy is dominated by the financial services industry which employs 22% of the working population. Jersey is home to more than 20 banks and has 713 Funds under administration together with 34,523 registered companies.

Due to Jersey's favourable climate, the island has a strong tourist trade.



Retailing in St Helier

St Helier is the epicentre of the Jersey's retail provision, with both multiple national and independent retailers operating in the busy town. With an estimated 1,272,000 sq ft of retail floorspace, St.Helier is comparable with mainland centres such as Bath (1,274,000 sq ft) and Cheltenham (1,163,000 sq ft).

The prime retailing offer of St Helier is focused on the pedestrianised King Street and Queen Street where prime rents reflect up to £145.00 Zone A. The prime offer is supported by Halkett Place, Beresford Street, Bath Street and Halkett Street, which surround the Central Market.

Situation

The property dominates the western side of Halkett Place with an extensive frontage directly opposite the Central Market. Halkett Place is an important and busy retail thoroughfare which links the prime offer of King Street and Queen Street to the secondary focus of the area surrounding Beresford Street. It should also be noted that the property is interlinked with 6 King Street & 21 Halkett Place which is also let on a long lease (upwards of 50 years remaining) to New Look therefore giving direct access on to the prime retail pitch.

Other traders in the immediate locality include Crew Clothing, Hallmark, Jacks, Hettich Jewellers and Savills as well as the Historic Central Market.

The property's central and strategic location is highlighted on the attached plan.



Description

The property comprises a three-storey building offering retail sales accommodation at ground and first floor levels with a mixture of ancillary and residential accommodation on the second and third floors above.

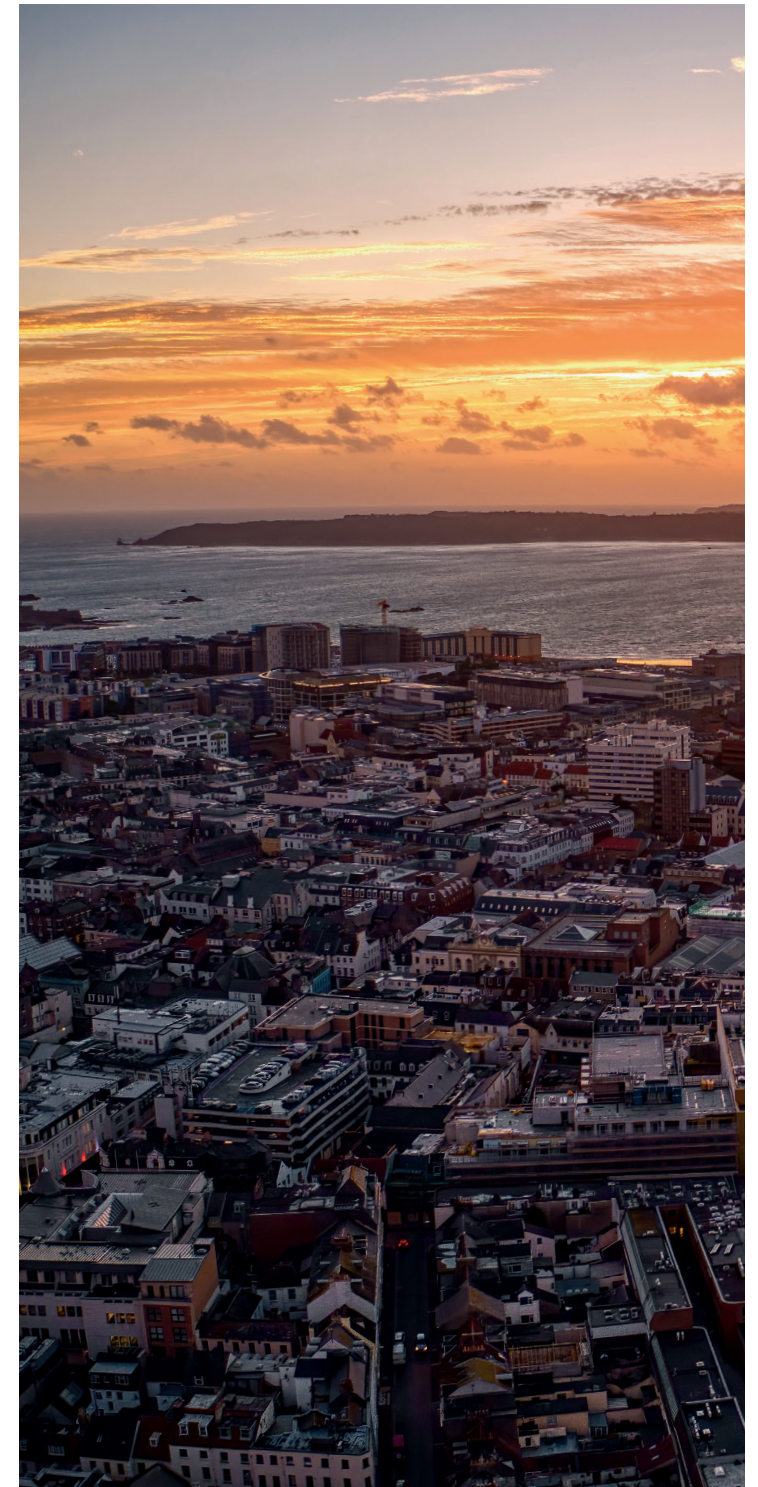
The property has the following approximate floor areas:

Retail	Sq Ft	Sq M
Ground Floor Sales	9,860	915.99
ITZA	6,886 units	-
First Floor Sales*	5,078	471.74
First Floor Ancillary	2,478	230.21
Second Floor Ancillary	2,509	233.09
Total	19,925	1,851.03

* Currently configured to provide ancillary accommodation.

To the rear of the property is the service yard with container (P30) access via Don Street.

New Look services both 6 King Street and 23-35 Halkett Place from the service yard.



Residential

The second floor of the property also provides four two-bedroom residential flats, which are classified as entitled locally qualified. The flats are currently vacant and will be yielded up with vacant possession on implementation of the lease variation as part of the residential development. The entitled qualification restricts occupancy to Jersey born persons, or residents in continuous occupation of the island for more than 10 years.

The property also includes part of a further two-bedroom flat, the greater part of which falls within the demise of the adjoining 6 King Street.

Tenure

Freehold.

For identification purposes only the approximate extent of the Title is shown edged in red on the adjacent plan.

Shaded in green are the approximate rights of way granted to the property.



Tenancy

The property is let on a single 20 year lease to New Look Retailers (CI) Limited, (on assignment) commencing 3rd August 2007 and expiring 2nd August 2027 at a current passing rent of **£566,969** per annum.

The lease is subject to five yearly upwards only rent reviews and was last reviewed on 1st August 2022 by reference to JRPI. There are no further rent reviews until expiry of the lease.

Tenants are not afforded security of tenure on the Channel Islands. The lease does however provide the tenant with a right to renew their occupation for a further term of 20 years, on the same terms, save as to the rental level.

The unit is conjoined to 6 King Street also occupied by New Look on a lease with in excess of 50 years remaining.



Covenants

New Look Retailers (CI) Limited is a wholly owned subsidiary of **New Look Retailers Limited**. Under Jersey company law there is no requirement to file statutory accounts. We are however able to provide the below information on the parent covenant:

New Look Retailers Limited

Established in 1969, New Look is a womenswear retailer with 440 stores in the UK (March 2022). It is positioned in the mass sector of the clothing/footwear market with a focus on young fashion being no.2 for overall womenswear market share 18-44.

For the financial year ending 27th March 2021 New Look Retailers Limited reported the following financial information:

	27/03/21	27/03/20
	(000)	(000)
Revenue	529,700	970,304
Net Profit	26,430	(103,330)
Total Equity	14,399	(53,549)



Future Plans

Planning permission has been granted for the development of the upper floors reference P/2021/1990

The application for planning permission in respect of the Site and described as, "Remove stair and lift access, install 2 no. doors to West elevation. Replace 1 no. door to East elevation. Change of use of first floor and part of second floor from retail/ancillary office, refurbish existing 5 no. one bed apartments and construct third floor area to create, 29 no. 1 bed and 4 no. 2 bed residential units. Construct ancillary structures to provide recycling/bin and bicycle parking to West of site."

Planning Obligation Agreement

The POA has been completed committing a monetary contribution in the sum of thirty-seven thousand eight hundred pounds (£37,800) to be paid by the Owner to the Treasurer of the States to be applied by the Minister for Infrastructure towards achieving safer routes for those walking or cycling in the vicinity of the site.

FOURTH SCHEDULE The Owner's Covenants with the Chief Officer.
The Owner covenants, agrees and undertakes:

Commencement

1. To give to the Chief Officer seven (7) days' notice in writing prior to Commencement.

Transport Contribution

2. To pay the Transport Contribution to the Treasurer of the States prior to the Commencement.
3. Not to Commence until such time as the Transport Contribution has been paid to the Treasurer of the States.



Development Option

In an agreement dated 9th April 2021 (expiring October 2024) the landlord and tenant agreed the following:

On granting of detailed consent the landlord can seek cancellation of existing lease and grant new lease on terms agreed.

Scheme – conversion and development of part ground floor and also the first, second and third floors of the property into private flats and appurtenances.

- Lease terms.
- Lease for a term to 2 August 2027.
- Commencing Rent £405,000 pa.
- Rent Reviewed as of 2 August 2022 to higher of Market rent or by reference to increase in the JRPI has increased rent to £447,120 (10.4% increase).
- FR&I repairing obligation (via service charge).
- Phasing plan for development works.



VAT/Goods and Services Tax (GST)

VAT is not levied in Jersey and is therefore not applicable to either the rent or purchase price. GST, chargeable at 5%, was introduced locally in May 2008. Purchasers are advised to take independent advice in this regard. All monetary amounts in this proposal, including rent, are stated exclusive of GST.

Proposal

We are instructed to seek **£7,620,000 (seven million, six hundred and twenty thousand pounds)** for the freehold interest in this property subject to contract. This reflects a **net initial yield of 7.0%**, after purchaser's costs at 1.5%, (0.5% lawyers and 1% agent) and stamp duty at £486,000.

Further Information

For further information or to arrange a viewing, please contact:

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Misrepresentation Act 1967 & Property Misdescriptions Act 1991

Maillard and Co (and their joint agents if appointed) for themselves and for vendors or lessors of this property whose agents they are, give notice that:

- (1) The particulars are produced in good faith, are set out as a general guide only and do not constitute any part of a contract.
- (2) No person in the employment of the agent(s) has any authority to make or give any representation or warranty whatever in relation to this property.
- (3) This property is offered subject to contract and, unless otherwise stated, all rents are quoted exclusive of GST.
- (4) Nothing in these particulars should be deemed to be a statement that the property is in good condition or that any services or facilities are in working order.
- (5) Unless otherwise stated, no investigations have been made regarding pollution or potential land, air or water contamination. Interested parties are advised to carry out their own investigations if required.

Anti-Money Laundering

Once an offer is accepted and negotiations for the purchase of a property are entered into, the prospective purchasers will be asked to produce photographic identification and proof of residency documentation. e.g. current utility bill. This is in order for us to comply with the current Anti Money Laundering Legislation.

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