

23

Real Estate Investment

56–60 Portland Street
19–21 Nicholas Street
Manchester
M1 4QT

PROMINENT FREEHOLD WITH ASSET MANAGEMENT
AND REDEVELOPMENT POTENTIAL

INVESTMENT OPPORTUNITY

Executive Summary



Two adjoining period buildings occupying a prominent position in Manchester city centre, on the junction of Portland Street and Nicholas Street.

Provides 6,216 sq ft of accommodation over basement, ground and two upper floors. Majority let to The Royal Bank of Scotland Plc on a lease expiring in June 2027.

Rent passing £87,228 sq ft, reflecting a very low overall rate of just £14.03 per sq ft.

Asset management opportunities to either reposition as a boutique office or to redevelop as residential, subject to planning.

Potential residential redevelopment opportunity, subject to planning.

Offers sought in excess of £1,250,000 (One Million Two Hundred and Fifty Thousand Pounds), subject to contract.

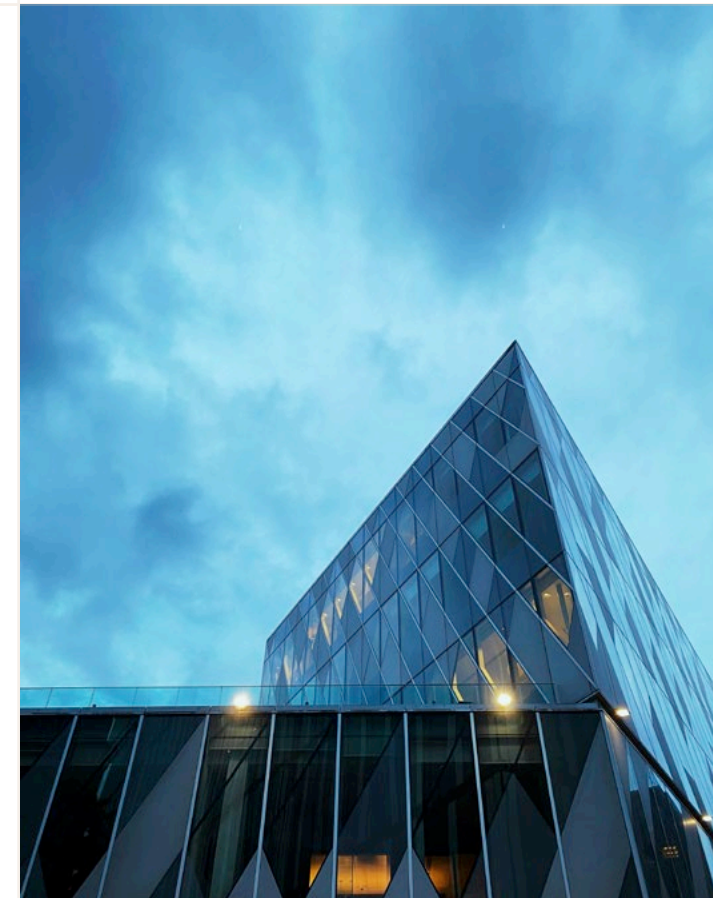
A purchase at this level would reflect a Capital Value of only £201 per sq ft and a Net Initial Yield of 6.59%, after allowing for purchaser's costs.

The Location

Manchester is now firmly recognised as the UK's second city and is the dominant commercial centre for the North of England. It is the main driver of the UK Government's Northern Powerhouse initiative and is home to over 80 of the FTSE 100 companies.

The city has a commuter population in excess of seven million people within a one hour drive, as well as being home to over 100,000 students across five universities. The wider Greater Manchester conurbation has a population of 2.8 million.

Manchester's economy is forecast to see annual growth of 2.2% GVA between 2024 and 2027, outpacing the UK's economic growth which is predicted to be 1.9% GVA per year.



Connectivity

Outside of London, Manchester enjoys the best connectivity of any other UK city.



ROAD

Manchester is well served by one of the largest motorway networks in the UK. The M60 orbital motorway provides swift access to the M61, M62, M56 and M6 motorways with major UK cities such as Leeds, Liverpool, Birmingham and London all easily accessible as a result.

RAIL

Piccadilly and Victoria Stations are the city's two mainline stations, which are supported by Oxford Road, Deansgate and Salford Central. These provide direct connections to major cities across the UK, as well as providing vital local infrastructure across the Greater Manchester conurbation.

METRO

The Metrolink network comprises seven lines and over 90 stations, connecting the city centre with many suburbs and providing over 40 million passenger journeys per year.

AIR


Manchester International Airport is the UK's third largest, carrying approximately 29 million passengers annually to over 200 destinations.

Situation

The property is well situated within the city centre. It occupies a prominent position directly opposite the Clayton Hotel, at the junction of Portland Street and Nicholas Street and on the edge of Manchester's 'Chinatown'.

The core CBD, Piccadilly Gardens and St Peter's Square are all within a five minute walk, whilst both Piccadilly and Oxford Road Stations are within a ten minute walk.

KEY

- 1 CBD
- 2 Manchester Town Hall
- 3 St Peter's Square
- 4 Manchester Art Gallery
- 5 Chinatown
- 6 City Tower
- 7 Mercure Manchester
- 8 Piccadilly Gardens
- 9 The Village
- 10 Chorlton Street NCP
- 11 Manchester One
- 12 Clayton Hotel
- 13 voco Manchester
- 14 ibis
- 15 Novotel
- 16 Premier Inn
-  Metrolink Station



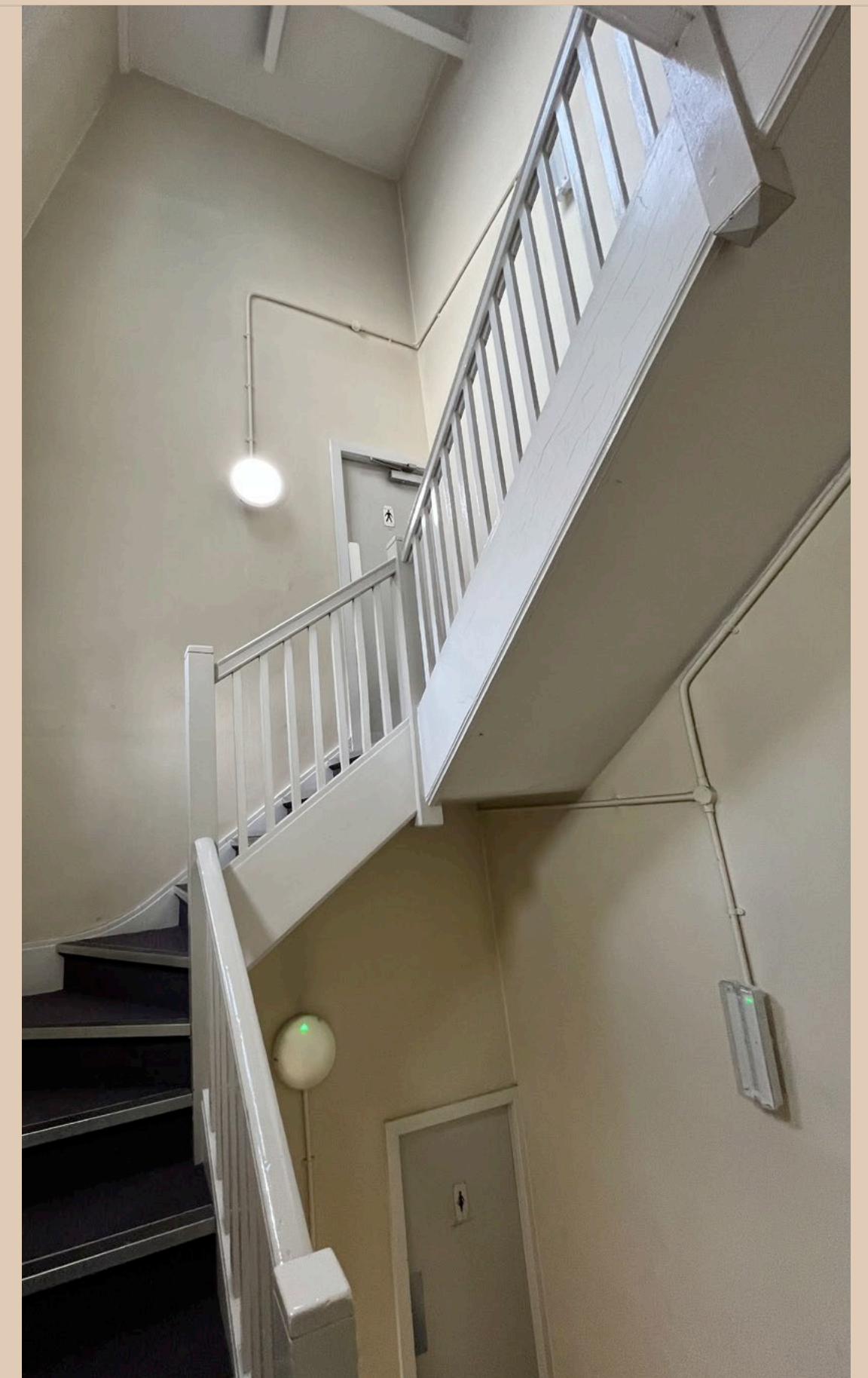
Description

The property comprises two adjoining period buildings constructed over basement, ground and two upper floors.

Currently, the property forms three constituent parts; 60 Portland Street, 56 Portland Street and 19-21 Nicholas Street.

60 Portland Street comprises the majority of the building at ground floor level, and has its own dedicated entrance off Portland Street. It currently provides retail accommodation with a small element of offices at first floor, and ancillary space at basement level.

56 Portland Street comprises a small basement level retail unit accessed directly off Portland Street, whilst 19-21 Nicholas Street is essentially the majority of the upper floor accommodation at first and second floor, and is again separately accessed from Nicholas Street.



Accommodation

We have measured the property in accordance with the RICS Code of Measuring Practice (6th Edition) and can confirm that the property has the following approximate Net Internal Areas:

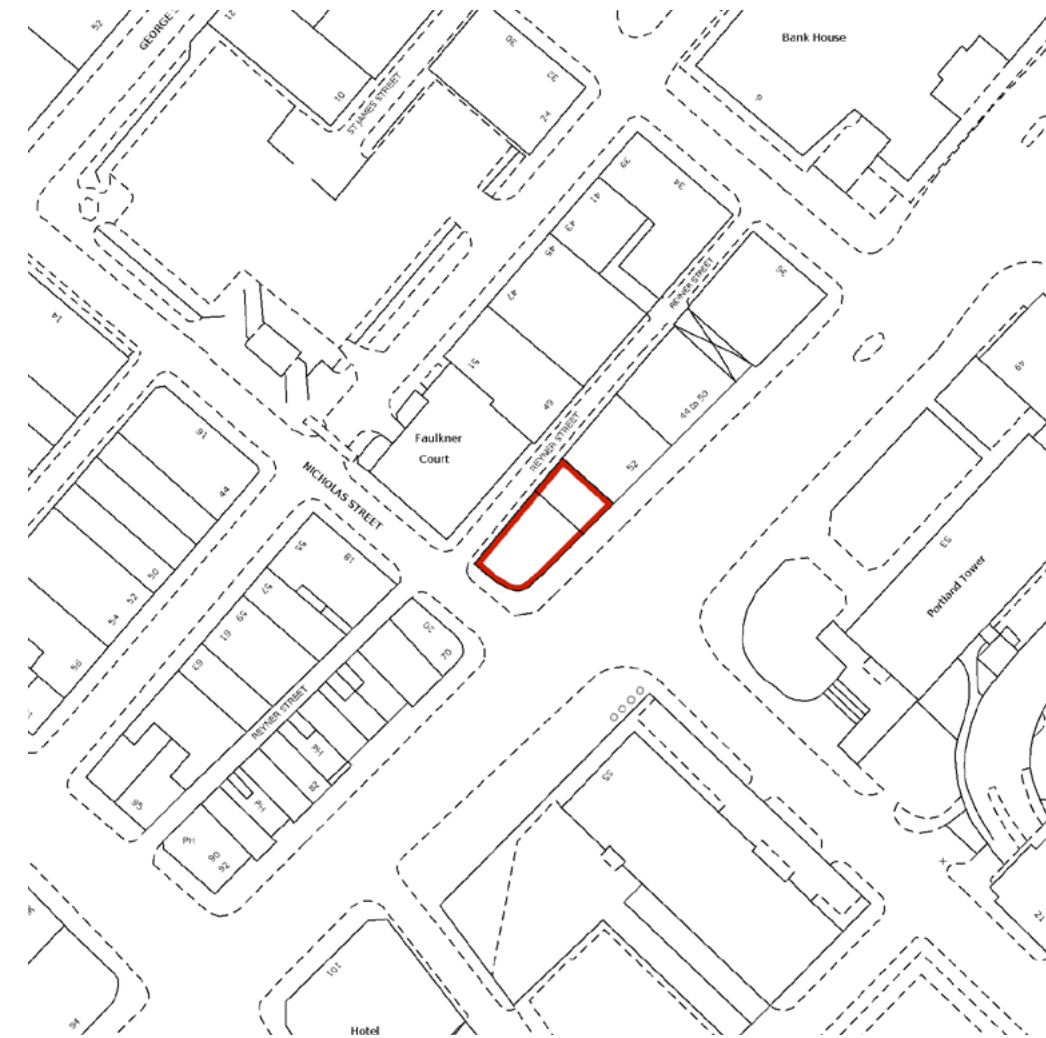
Floor	Sq ft	Sq m
Basement	1,889	175.5
Ground	1,807	167.9
First	1,180	109.6
Second	1,340	124.5
TOTAL	6,216	577.7



Tenancy & Tenure

The property is let in accordance with the following tenancy schedule:

The property is held freehold.



Floor	Tenant	Sq ft	Sq m	Lease Start	Lease Expiry	Rent Review	Rent £pa (£psf)
B	Jia Jan XU t/a 6° Hair	665	61.8	19/01/24	18/01/34	19/01/29	£12,000 (£18.05)
B/G/1	The Royal Bank of Scotland Plc t/a NatWest	3,371	313.2	09/06/05	23/06/27	24/06/25	£56,975 (£16.90)
G/1/2	Starburst Magazine Limited	2,180	202.5	29/04/23	28/04/28	28/04/25	£18,253 (£8.37)
TOTAL		6,216	577.5				£87,228



Covenants

The principal tenant is The Royal Bank of Scotland PLC (SC090312), a retail banking subsidiary of NatWest Group. The company changed its name in 2018 to NatWest Markets PLC.

For the last three accounting periods the tenant has filled the following financial information:

Year Ending	31 Dec 2023	31 Dec 2022	31 Dec 2021
Total Income	£1,069,000,000	£689,000,000	£401,000,000
Operating Profit	(£75,000,000)	(£447,000,000)	(£714,000,000)
Total Equity	£6,378,000,000	£6,563,000,000	£7,452,000,000

Starburst Magazine Limited was established in 1977 and changed its name in April 2014 to Starburst Publishing Limited. They publish Starburst, a popular British science fiction magazine.

Jia Jan Xu is a private individual.



Manchester Office Market

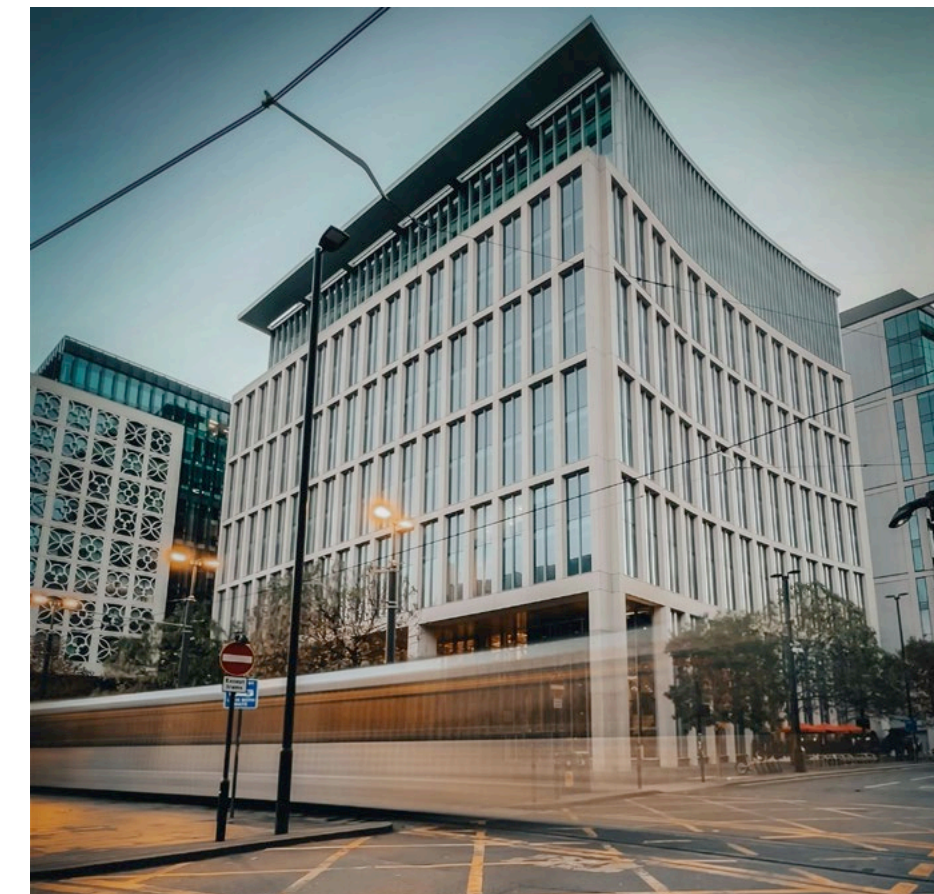
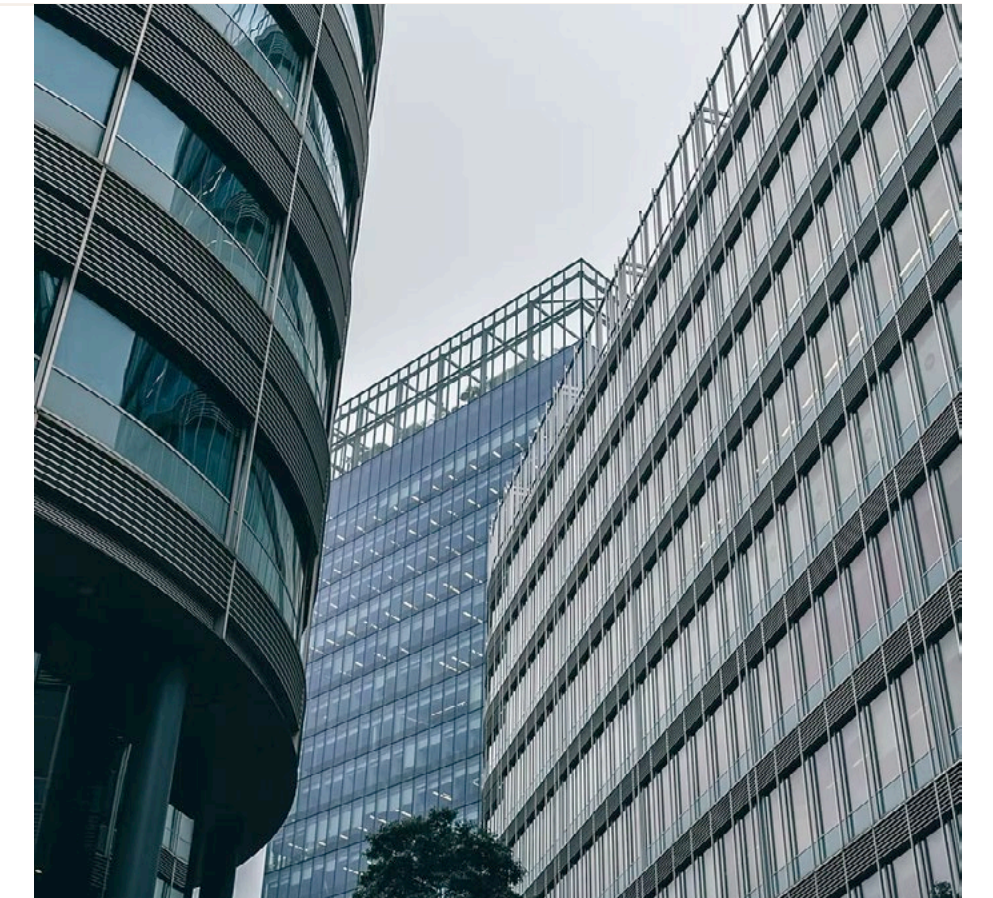
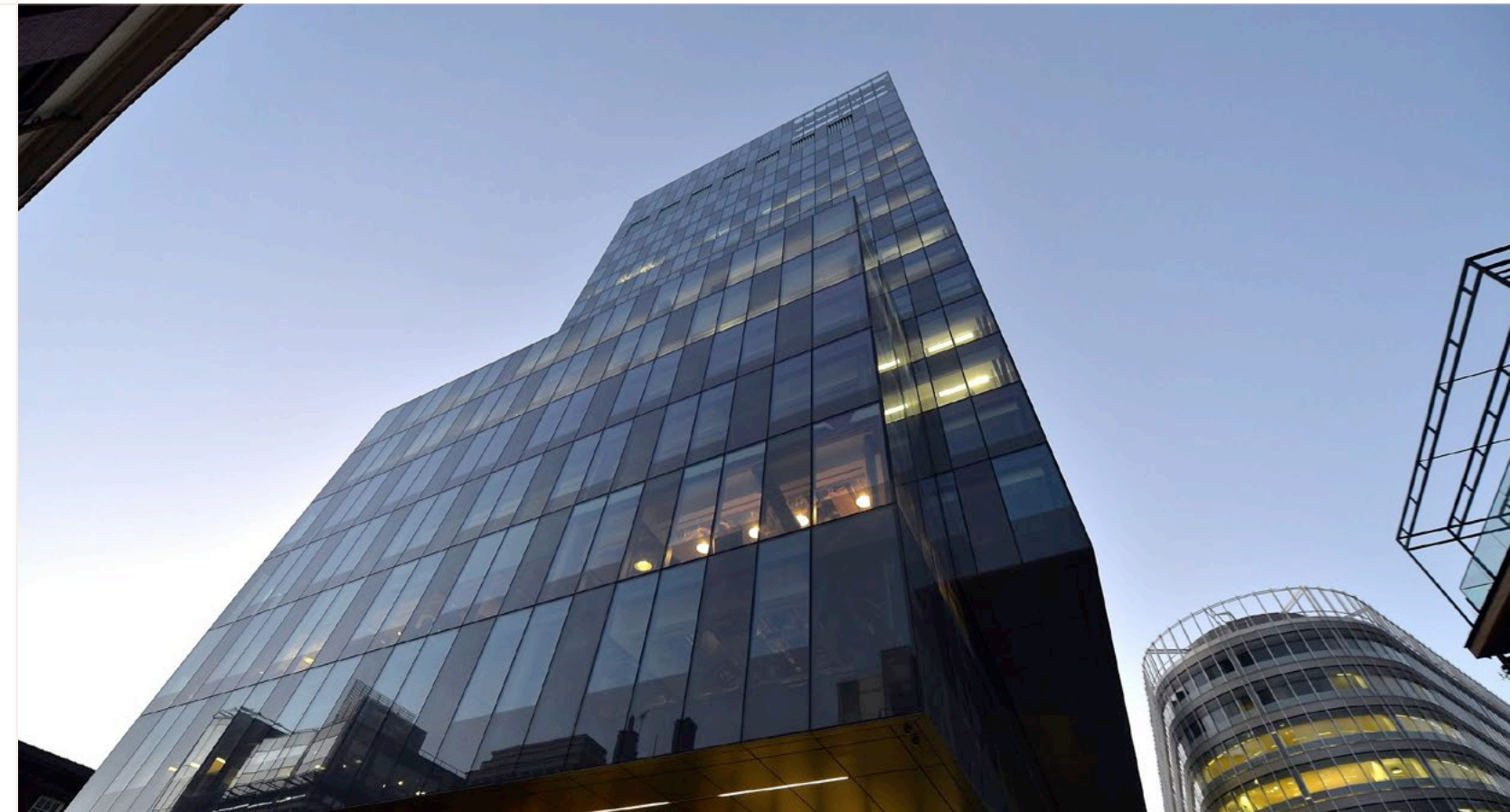
Manchester's city centre office market has achieved consistently high levels of take-up in recent years, regularly exceeding 1 million sq ft per annum.

Office requirements of sub 5,000 sq ft are the most active in the market, accounting for over 75% of the total transactions during 2023 and 2024 (to date). The subject property is therefore ideally suited to meet this demand.

Prime rents in the city are now well established at £43/44 psf, whilst high quality grade A refurbished accommodation commands rents of between £25 to £38 psf, subject to specification and location.

The average rent across all sub 5,000 sq ft transactions over 2023 and 2024 (to date) stands at £27.93 per sq ft.

The subject property is let at an overall average rent of £14.03 per sq ft and therefore offers significant reversionary potential.



Asset Management

The property presents a unique opportunity to acquire a prominent period freehold in Manchester city centre.

Due to the tenant expiry profile and the opportunity to obtain vacant possession on the majority of the space in the short term, the building offers several asset management angles.

It's location on the corner of Portland Street and Nicholas Street, within walking distance of the CBD, St Peters Square and Piccadilly Gardens, offers the potential to reposition it as a boutique office.

Alternatively, it offers the potential for residential redevelopment, subject to planning.

There are numerous buildings in the surrounding area which have been repurposed as residential, in particular period buildings offering character space.

Residential sales prices within these buildings range from £230 per sq ft to over £600 per sq ft, subject to specification and location, with the average quoting price currently over £330 per sq ft.



Proposal

Offers sought in excess of **£1,250,000 (One Million Two Hundred and Fifty Thousand Pounds)**, subject to contract. A purchase at this level would reflect a **Capital Value of £201 per sq ft** and a **Net Initial Yield of 6.59%**, after allowing for purchaser's costs.

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For more information contact:

EPC

Copies of the EPC Certificates are available upon request.

AML

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.

VAT

The building has not been elected for VAT and therefore VAT will not be payable on this transaction.

Martin Hamer
07792 004 467
martin@23rei.com

Barry Riley
07785 255 552
barry@23rei.com

Misrepresentation clause: 23 acting for themselves and for the vendors or lessors of this property whose agents are given notice that; 1) the particulars are set out as a general outline for the guidance of the purchasers and do not constitute part of an offer or contract; 2) all descriptions, dimensions, references to condition and necessary permissions for use and occupation and the details are given without responsibility and any intending purchasers should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them; 3) no person in employment of 23 has any authority to make or give representation or warranty in relation to this property; 4) all rentals and prices are exclusive of VAT; 6) all plans and maps provided within the particulars are for identification purposes only. February 2025.