

CLIENT DETAILS

Peter Street , Manchester, Lancashire

Leisure investment in prime Manchester City Centre location.

Investment Summary

- **Freehold.**
- **Prime location in Manchester City Centre.**
- **Grade II listed prominent building offering potential for alternative uses subject to the necessary consents.**
- **20 years unexpired to Nightclub Company Ltd (management buyout company of First Leisure Corporation Plc.)**
- **Purchase price of £5,000,000, subject to contract.**
- **Net initial yield of 6.9 %.**
- **Guaranteed reversionary yield of 8.0 %.**

Location

Manchester lies at the heart of the country's largest provincial conurbation and is the administrative and commercial hub of the North West region. Manchester is directly linked to various motorways including the M61, M62 and M56.

Manchester has the largest student population in Europe with approximately 40,000 in full time education.

In addition, the city is one of the largest retail centres in the UK with over 2 million sq ft of retail floorspace.

Situation

The property is located in the heart of the city centre within the James Street / Peter Street A3 and leisure district.

The property fronts Peter Street and is further bounded by Windmill Street, Museum Street and Southmill Street. Adjacent to the property on Peter Street is the newly constructed Radisson Hotel. Other occupiers in the immediate area include Pizza Express, Starbucks and Subway.

Description

The property was originally constructed in 1815 as a theatre and is Grade II listed. The ground floor comprises a bar area with balcony levels at first and second floor. We understand that the building was refurbished in 2000.

Accommodation

We have been advised of the following floor areas ;

	SQ M	SQ FT
Basement	416.3	4,481
Ground	890.2	9,582
Ground Mezzanine	140.4	1,511
First	627.4	6,753
Second	591.2	6,364
Total	2,665.5	28,691

Capacity 1600 people.

Wed – Sat 2 am licence. Fri & Sat 3 am licence.

Tenure

Freehold.

Tenancy

The property is let in its entirety to The Nightclub Company Ltd (trading as M2) from 24 June 2001 for a term of 24 years expiring on 23 June 2025, therefore having approximately **20 years unexpired** at a total rent of **£315,000 per annum** equating to a rent of **£118.19 per sq m (£10.98 per sq ft) overall**. There are two minimum uplifts;

2006 - £365,171 per annum £135.74 per sq m (£12.61 per sq ft).

2011 - £423,334 per annum £158.83 per sq m (£14.75 per sq ft).

Covenant

The nightclub premises were originally operated by First Leisure Corporation plc. The company was subject to a management buyout in 2004 by the Nightclub Company Ltd led by former chief executive of First Leisure, John Smith. The company now operates 22 nightclubs within the former First Leisure estate. These comprise some of the largest and most successful nightclubs in the UK including Equinox in Leicester Square, London.

There are no accounts available for the Nightclub Company Ltd as the company has been trading for under a year.

Price

The freehold interest can be acquired for a price of **£5,000,000 (Five Million Pounds)**, subject to contract.

Our client intends to 'top-up' the rental income until the minimum uplift in June 2006 providing a **net initial yield of 6.9 %** and a **reversionary yield in June 2011 of 8.0 %** based upon costs of 5.7625%.

SUBJECT TO CONTRACT AND EXCLUDING VAT

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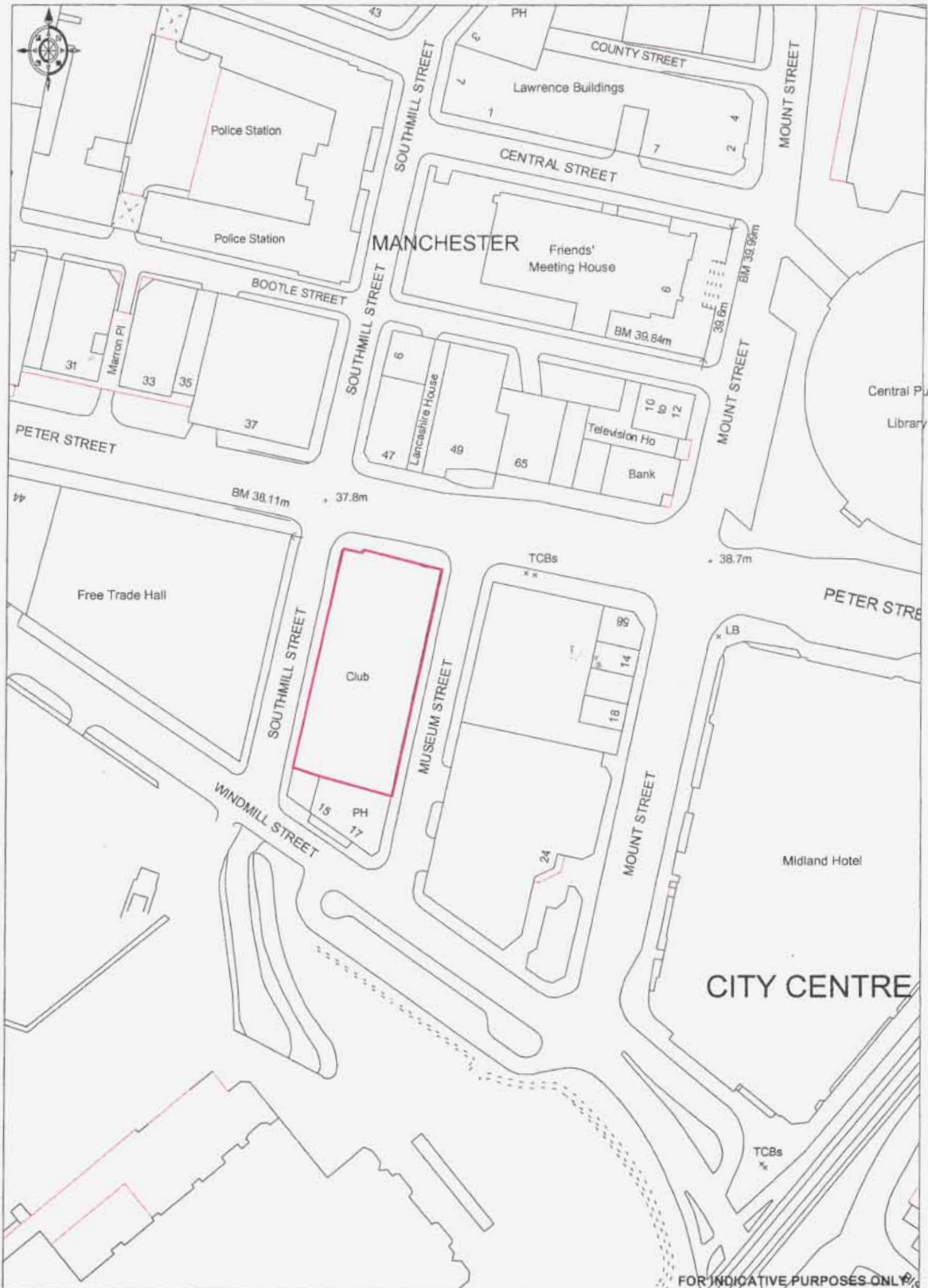
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Infinity, Peter Street, Manchester





DATE

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