

Henry Hodgson
Planning Potential
Suite 19
1 Cardale Park
Beckwith Head Road
Harrogate
HG3 1RY

Emanuel Oliver Chartered Surveyors
41 South King Street
Manchester
M2 6DE

Email: peter@emanuololiver.com
Tel: 07736836572

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67 Deansgate, Manchester, M3 2BP

Dear Henry,

Further to our recent conversation, I hereby set out our involvement in the marketing of 67 Deansgate, Manchester, M3 2BP.

Background

Emanuel Oliver act on behalf of the building owners, Aviva Investors and have done so since the building known as 'Lancaster Buildings' was acquired by our clients in 2015. Since 2015 we have dealt with the marketing and lettings on the asset. Emanuel Oliver is a firm of Chartered Surveyors, specialising in the retail and leisure market.

The Subject Property

67 Deansgate fronts the prominent and well known A56 Deansgate which runs through Manchester City Centre. The property provides accommodation over 3 floors, basement, ground and first. The ground floor however is the main trading area with the basement and first floor seen as ancillary space.

Marketing

Emanuel Oliver were instructed specifically on 67 Deansgate, when the previous occupier left the property in March 2020. The previous occupier was Café Nero. It has been myself, Peter Rowe dealing with this instruction, and it is I who has dealt with the asset since 2015.

The property upon falling vacant was immediately put on the market 'To let' at a quoting rent of £80,000 per annum which was in line with previous deals in the area. It is worth noting this was a considerable reduction from the previous passing rent. Given market conditions in the retail sector we were also amenable to offering incentive packages to attract occupiers.

Marketing details were produced which through the software we use were uploaded to well known commercial property listing websites such as Shop Property, Completely Retail. We also produced a 'mailshot' sending the details to other property advisors and occupiers.

A marketing board was also erected at around the time the property became vacant.

Interest Levels / Offers

The decline of the retail market is well documented and this together with the COVID 19 pandemic it shouldn't be any surprise that interest in this unit was extremely limited. Vacancy rates have risen significantly on Deansgate over the years which reflect this.

During the marketing period we had tentative interest from a couple of A5 take away occupiers but no formal offers were forthcoming. Combined with the market conditions, the ongoing issue around the closure of Deansgate to vehicles put most of these occupiers off.

Merkur Slots made an approach and after various negotiations a deal which would see the property been let on a long term basis was agreed. From a Landlord's perspective unfortunately we had to reduce the quoting rent considerably from the quoting rent and offer a substantial incentive package to ensure the deal could progress.

Conclusion

As a firm of Chartered Surveyors we are seeing first-hand the evolving nature of High Street locations all across the North West and beyond. Traditional retail locations are now having to provide a varied offer with more leisure and non-traditional A1 occupiers entering the market. This approach is critical to ensure vacancy rates don't decimate Towns and Cities.

After an extensive marketing period and through the lack of alternative interest, our clients and ourselves were delighted to agree terms with Merkur Slots UK.

Should you require any further information please do not hesitate to contact me.

Yours sincerely,

Peter J Rowe
For and on behalf of Emanuel Oliver