



82-86 LONDON ROAD NORTH • LOWESTOFT • SUFFOLK NR32 1ET

MARKS & SPENCER INVESTMENT OPPORTUNITY







INVESTMENT CONSIDERATIONS

- Prime **high street situation** in popular coastal town
- **Extensive frontage** onto the **pedestrianised** London Road North, facing the main entrance to the Britten Shopping Centre
- Arranged over a well comprised ground and two upper floors totalling an area of 32,086 sq ft (2,980.9 sq m)
- **Two points of access** to all floors
- Let to Marks & Spencer PLC, **5A1 covenant**, until March 2027
- Currently producing a net income of **£259,294** per annum equating to **£8.08** per sq ft with **fixed annual rental uplifts of 1.95%**
- **Demised Car Parking** facilities for circa 26 cars
- Freehold

LOCATION

Lowestoft is a popular coastal market town on the east coast of Suffolk which is well known to UK holiday makers. The town is the most easterly town within the UK and is located just under 22 miles to the south east of Norwich, 39 miles to the north east of Ipswich and 105 miles north east of Central London.



CONNECTIVITY



ROAD

Strong road connectivity with links to London, Chelmsford and Ipswich provided by the A12 running through the town centre. The A146 also connects the town with Norwich in just under an hour.



RAIL

Lowestoft railway station provides regular services to London Liverpool Street, via Norwich, with a journey time of just under 2 hours and 40 minutes.



AIR

Norwich International Airport is located 24 miles to the north west of Lowestoft and London Stansted is a circa 2 hour and 10 minute drive.





SITUATION

Situated in the centre of Lowestoft, the property benefits from excellent frontage on the pedestrianised London Road North, capturing the overspill from the Britten Shopping Centre. There have been several proposals made to improve the public realm and provide residential accommodation surrounding the subject property which would help to further increase footfall to both the property and neighbouring stores. Neighbouring retailers include national occupiers such as Boots, Millets, Waterstones and H. Samuel.

RETAILING IN LOWESTOFT



DESCRIPTION

The property benefits from prominent retail frontage onto the pedestrianised London Road North, with a well-configured store arranged over ground and two upper floors. The ground floor is largely used as a Marks & Spencer foodhall with the two upper floors used as storage and staff accommodation.

Goods lifts provide direct access to the storage rooms on all floors from the loading bay, which is located at ground floor level and accessed via the side of the property on Grove Road.

ACCOMMODATION

A Plowman Craven Area Measurement survey was conducted in August 2016 and the property comprises the following floor areas (GIA):

Floor	Use	Area (sq ft)	Area (sq m)
Ground	Retail	19,924	1,851.0
First	Ancillary	10,550	980.1
Second	Ancillary	1,612	149.8
Total		32,086	2,980.9



CAR PARK

The ground floor benefits from a secondary entrance and a dedicated customer car park with 26 spaces. There is also a Collect by Car customer collection point here.



TENANCY INFORMATION

The property has been solely let to Marks & Spencer PLC. since 6 July 2001 until the lease expiry on the 31 March 2027.

The current passing rent of £259,294 per annum from 29th September 2020 is subject to fixed annual uplifts of 1.95% occurring on 29th September. The rent reflects £8.08 per sq ft, incorporating an addition of 5% for fittings.

The leasehold element is subject to a £500 per annum ground rent, taking the gross rent as at 29th September 2020 to £259,794 per annum. (See Tenure.)

There is a restrictive alienation clause in the lease to the benefit of the landlord which states that the tenant is only permitted to assign the existing lease to a company within the Marks & Spencer group or "of no less a financial standing" than Marks & Spencer PLC as at the start of the lease in 2001 (5A1 covenant).

The lease is held on a full repairing and insuring basis, outside the Landlord and Tenant Act 1954 (as amended).







Upon expiry, the tenant has the right to renew for a term of 40 years at the open market rent, with an option to determine in the 15th year (31st March 2042).



TENANT & COVENANT INFORMATION

M&S
EST. 1884

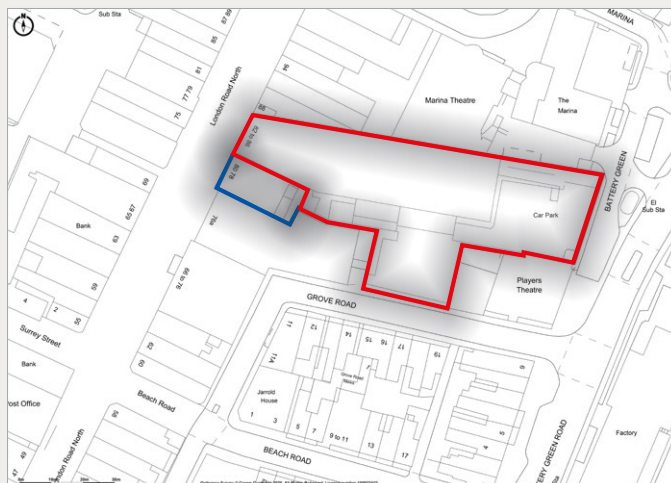
Latest accounts as of **March 2020**:

	Revenue -	£10,181,900,000
	Pre tax profit -	£67,200,000
	Total equity -	£3,708,500,000
	Net cash reserves -	£164,100,000
	Average weekly customer footfall -	18,000,000
	Average weekly number of transactions -	11,900,000

Marks & Spencer is a major British retailer providing food, clothing and homeware throughout the UK and internationally to over 31 million customers. Employing over 78,000 people, Marks & Spencer operate in the UK and across 62 countries with 1,519 stores and 44 websites globally.

As per Dun & Bradstreet ratings, Marks & Spencer is rated with the highest score of 5A1, representing a 'minimum risk of business failure'.

TENURE



The property is held freehold under title number SK217061.

The tenure includes the benefit of the first floor of the adjoining property 78-80 London Road North (outlined in blue on the plan above) held under title number SK216757 on a lease expiring 1st July 2027 at a rent of £500 per annum. This area is incorporated as part of the demised area of the occupational lease to Marks & Spencer PLC.

EPC

EPC available upon request.

VAT

The property is elected for VAT. It is anticipated that the transaction will be treated as a transfer of going concern (TOGC).



PROPOSAL

Offers for the freehold interest are invited in excess of **£3,606,603** subject to contract and exclusive of VAT. A purchase at this level reflects a net initial yield of **6.75%** assuming purchaser's costs of 6.51%.



FURTHER INFORMATION

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