

Prime Freehold Retail Investment Opportunity



28-32 Upper Brook Street
Ipswich, IP4 1EB



Investment Summary

Location

Ipswich is the county town of Suffolk with a catchment population of 389,000. The property is situated in a prominent trading position on Upper Brook Street adjacent to Sainsbury's and close to Buttermarket.

Description

Well configured retail and ancillary accommodation arranged over ground and three upper floors totalling approximately **2,871.06 sq.m (30,904 sq. ft)** net internal area.

Tenure

Freehold.

Tenancy

Let to the excellent covenant of Wilkinson Hardware Stores Limited with a remaining term in excess of 9.5 years.

Income

Total current rental income of **£200,000** pa (**£6.47** psf overall)

VAT

The property is elected for VAT purposes and therefore VAT will be payable on the sale price.

Price

Offers in excess of **£2,600,000** (Two million, six hundred thousand pounds) Subject to Contract and exclusive of VAT.

A sale at this level would reflect an attractive net initial yield of **7.23%** allowing for purchase costs of 6.4%.

Location

Ipswich is the county town of Suffolk and is the county's main administrative centre as well as the principal retailing town in East Anglia. The town is situated 133km (83 miles) North East of Central London, 105km (66 miles) North East of Colchester and 22km (14 miles) North West of Felixstowe.

The town has excellent road communications being located at the junction of the A12 and A45 trunk roads. There are frequent rail services to London Liverpool Street with a fastest journey time of approximately 1 hour and 12 minutes. Norwich International Airport and Stansted Airport are located approximately 88km (55 miles) North and 78km (49 miles) West of the town respectively.

Retailing in Ipswich

The town centre retail floor space in Ipswich is estimated at 1.3 million square feet with the primary retail centred along the pedestrianised stretch of Westgate Street and Tavern Street. The towns' principal shopping centre Sailmakers (formerly Tower Ramparts) has been the subject of a major refurbishment and comprises 125,000 sq.ft anchored by Boots and new stores for River Island and Pandora. Ipswich's larger shopping centre the 235,000 sq.ft Buttermarket Shopping Centre has recently been the subject of a £25.1million refurbishment and reconfiguration and is now anchored by a 12 screen Empire Cinema complex as well as 6 restaurants and a 20,000 sq.ft Pure Gym.

Demographics

The total population within the Ipswich primary catchment area is 278,000 with an estimated shopping population of 223,000.

In recent years Ipswich has seen a 2.5% increase in tourism with approximately 3.1million people visiting in 2017 resulting in £182 million invested in the total economy.

The University of Suffolk which operates from five sites, comprising a central hub in Ipswich and secondary sites at other locations in Ipswich, Lowestoft, Bury St Edmunds and Great Yarmouth with a total student population of 5,000.

Description

The property which has an extensive frontage to Upper Brook Street is arranged on ground and three upper floors to provide a large ground floor shop with additional retailing space on the first floor approached via an escalator to the front and a staircase to the rear. In addition there is ancillary storage accommodation at the rear of the ground and first floors together with the whole of the second and third floors. The property has car parking and goods access to the rear via St Stephens Lane.

Accommodation

Property provides the following accommodation and dimensions:-

	Sq Ft	Sq M
Gross Frontage	79' 8"	24.28m
Net Frontage	73' 6"	22.40m
Ground Floor Retail	11,758	1,092.35
Ground Floor Ancillary	1,463	135.95
First Floor Retail	10,628	987.35

First Floor Ancillary	1,886	175.25
Second Floor Storage	3,036	282.00
Third Floor Storage	2,133	198.15
TOTAL	30,904	2,871.05

Tenancy

The entire property is let to Wilkinson Hardware Stores Limited for a term of 10 years from the 22nd October 2013 at a current rent of £200,000 per annum (£6.47 psf overall). The property is subject to a reversionary lease to Wilko Retail Limited, for a term commencing the 22nd October 2023 and expiring on the 21st October 2028. The reversionary lease provides for a rent review on the 22nd October 2023 to open market rental value. Both the lease and reversionary lease contain tenants full repairing and insuring covenants.

Covenant

Wilko was founded by the Wilkinson family in 1930 in Worksop, where the company's Head Office is still located today. Wilko is a homeware and household goods retailer that has become one of the UK's fastest growing discount High Street retailers in recent years.

They have in excess of 400 stores throughout the UK and employ approximately 23,000 people. Wilko Stores receive more than 4 million visitors per week.

The last three years audited accounts are summarised below:-

	Y/E 03/02/18	Y/E 28/01/17	Y/E 30/01/16
Turnover	£1,619,577,000	£1,512,763,000	£1,464,475,000
Pretax Profit	-£65,030,000	£5,196,000	£25,955,000
Shareholders Funds	£104,949,000	£146,438,000	£182,398,000

Credit Safe here assigned the company a credit rating of 57 and an international score of B, both of which indicate a low risk.

Investment Comparables

Address	Tenant	Term Certain	Date	Price	Net Initial Yield
13/15 Northbrook Street, Newbury	Wilkinsons Hardware Stores Ltd	8 years	June 2018	£4.25m	6.5%
13/15 South Street, Chelmsford	Marks & Spencer Plc	9.5 years	October 2017	£7.275m	5.43%
16 Gentleman's Walk, Norwich	Lloyds Bank Plc	8.5 years	December 2017	£6.33m	5.58%
35-41 Pier Avenue, Clacton on Sea	Marks and Spencer Plc	9.5 years	August 2017	£3.1m	6.46%

Energy Performance Certificate

Property has an EPC Rating of 116 Band D. A copy of the EPC is available upon request.

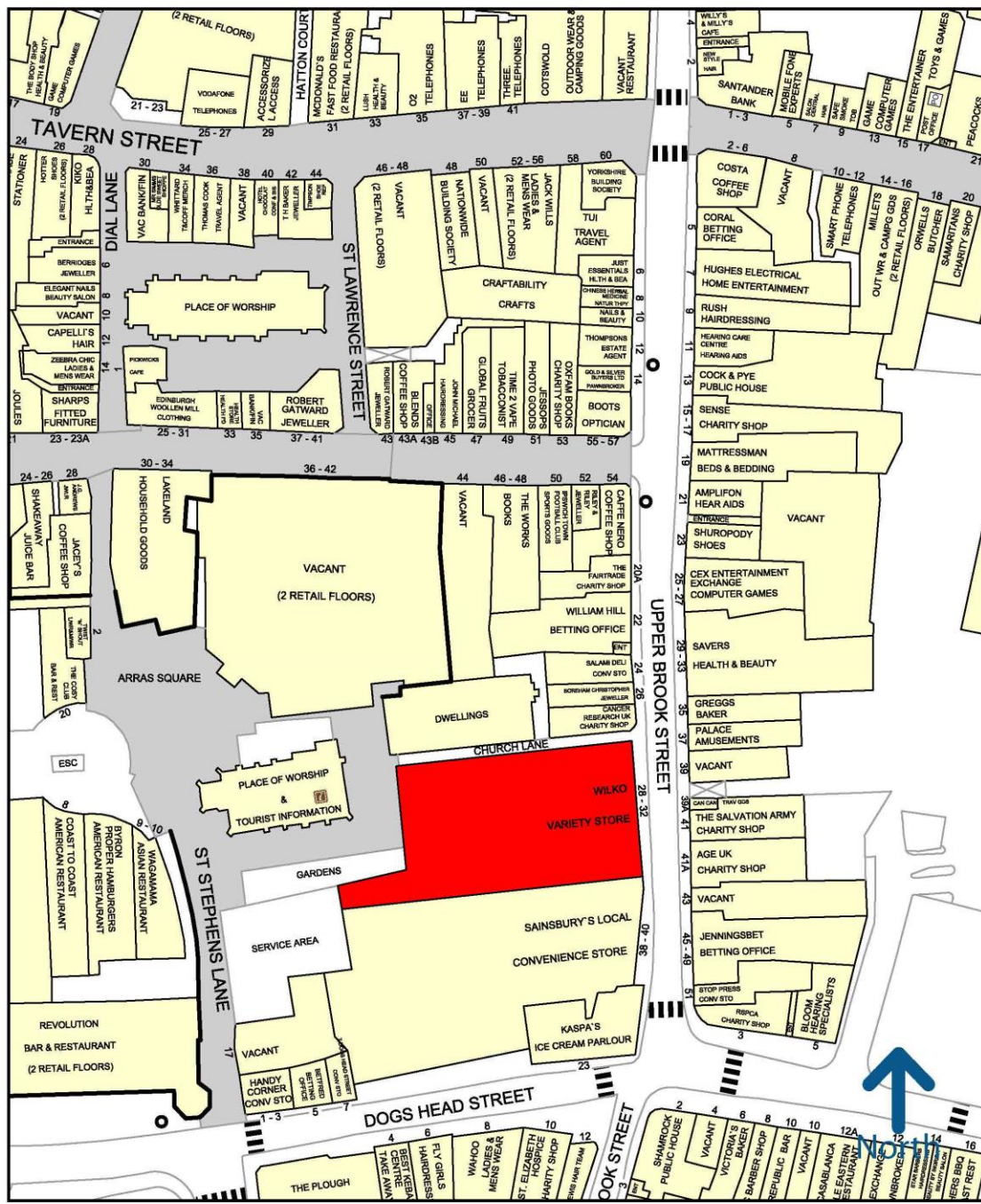
VAT

We understand that the property is elected for VAT. It is anticipated that the sale will be treated as a transfer of a going concern.

Proposal

Offers are sought in excess of **£2,600,000** (Two Million, Six Hundred Thousand Pounds) subject to contract and exclusive of VAT.

Allowing for graduated purchasers costs of **6.4%** a purchase at this level would reflect an attractive net initial yield of **7.23%**.



50 metres

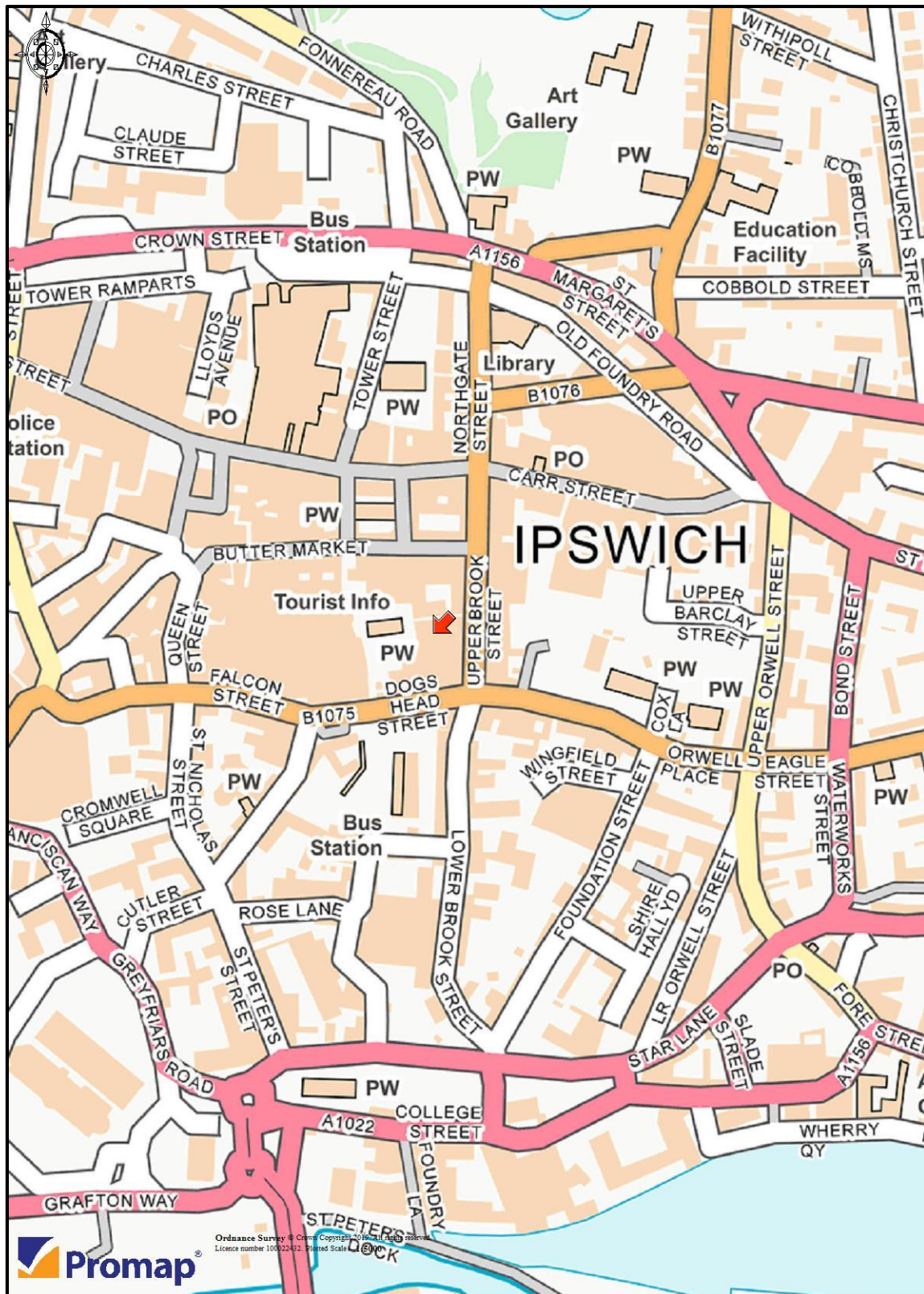
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