



BIDWELLS

**PRIME TOWN CENTRE, LONG LET, OFFICE INVESTMENT
153 PRINCES STREET, IPSWICH IP1 1QJ**



Investment summary

- Located in the centre of Ipswich within a 6 minute walk from Ipswich train station (around 1 hour to London Liverpool Street) and walking distance to the town centre
- Situated in the office core which has seen many offices converted to residential use, creating a low office supply
- Modern offices on ground, first and second floors providing 3,116 sq m (35,312 sq ft) plus 77 on site car spaces
- Well specified offices with raised floors, suspended ceilings with recessed LED lighting, recently installed comfort cooling and heating (2018)
- Flexible accommodation for subdivision of each floor
- Long leasehold interest expiring 2130 at a peppercorn rent
- Entirely underlet to Suffolk Life Pensions Ltd (D&B rating 3A1) with a guarantee from Curtis Banks plc, on a **new 10 year lease** from completion without break
- Passing rent of £459,000 per annum (£13.69 per sq ft overall), subject to an open market, upwards only, rent review in the 5th year
- We are instructed to seek offers **in excess of £5,220,000** subject to contract and exclusive of VAT, which reflects an **attractive net initial yield of 8.25%** and a **low capital value of £148 per sq ft**





Sailmakers Shopping Centre



Buttermarket Centre

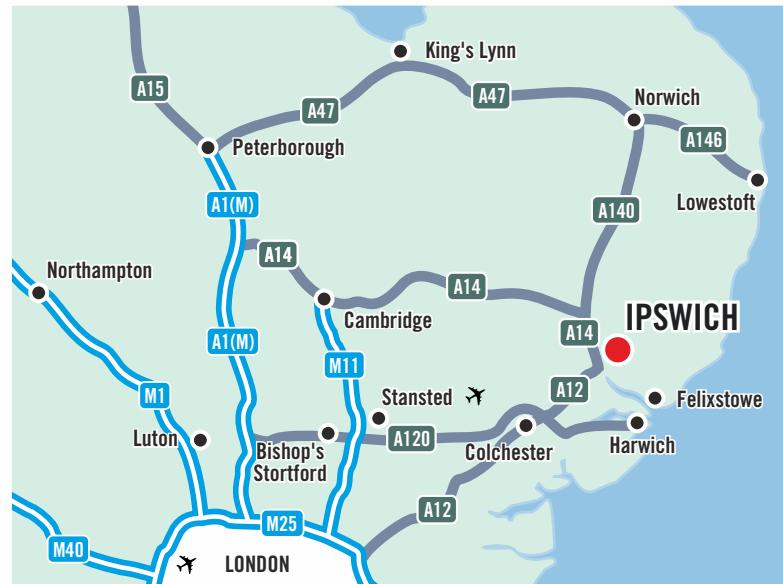


Location

The town of Ipswich is viewed as the most affluent region in Suffolk and has a resident population of approximately 150,334 (built-up area; Local Authority estimate, mid-2017) and a catchment population of 377,000. It serves as an administrative, commercial and cultural centre for the County of Suffolk and also benefits from a strong student population with the University of Suffolk hosting 9,500 students.

It is located approximately 70 miles north east of London, 18 miles north east of Colchester, and 44 miles south of Norwich, benefitting from accessible road links with the A12 linking the town to the M25 motorway. There are good rail connections to London Liverpool Street with regular train services with a fastest journey time of 57 minutes. London Stansted Airport is approximately 40 miles to the south west.

The centre provides office occupiers a range of facilities centred along the pedestrianised Tavern Street, Corn Hill and Westgate Street. Ipswich has two covered shopping centres: Sailmakers Shopping Centre (130,000 sq ft) anchored by Boots, Iceland and River Island and the Buttermarket Centre (270,000 sq ft), a shopping and leisure centre anchored by TK Maxx, New Look, and Superdry. In addition, there is a thriving leisure, restaurant, bar and cafe scene with an Empire Cinema, Zizzi, Prezzo, Wagamama Superbowl UK etc.



Not to scale. For indicative purposes only.

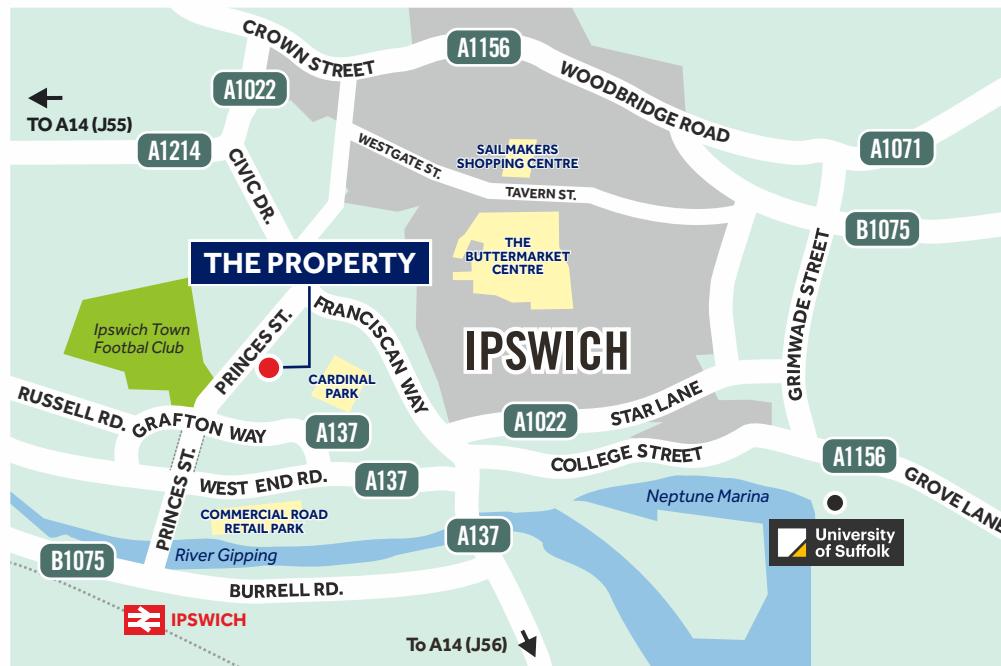
Situation

Princes Street is the main thoroughfare connecting Ipswich town centre with the town's mainline railway station (6 minutes walk from the property). The property is a short walk from the town centre and its range of facilities. The northern end of Princes Street, from near the point where it crosses Civic Drive, is within the Central Business District of the town centre. Towards the southern end of Princes Street there is a second cluster of high quality offices, in particular along Russell Road, where buildings within the 'Civic Hub' include Grafton House, the main offices of Ipswich Borough Council, Endeavour House, the main offices of Suffolk County Council, and a modern Crown Court building.

This second cluster of high quality offices now extends northward along Princes Street to include the property, the two large offices

on either side of it, and Portman House, a period building on the opposite side of Princes Street to the property, which has recently been refurbished by Archant plc.

Between its two ends, Princes Street runs through a transitional area dominated, on the north side, by the Portman Road stadium of Ipswich Town Football Club and a large surface car park. To the south of Princes Street is the premier leisure development in Ipswich, Cardinal Park, with occupiers such as McDonald's, KFC, Cineworld, Nando's Subway and The Gym. Additionally, nearby is Commercial Road Retail Park which includes, Halfords Autocentre, Majestic, Machine Mart and Topps Tiles.



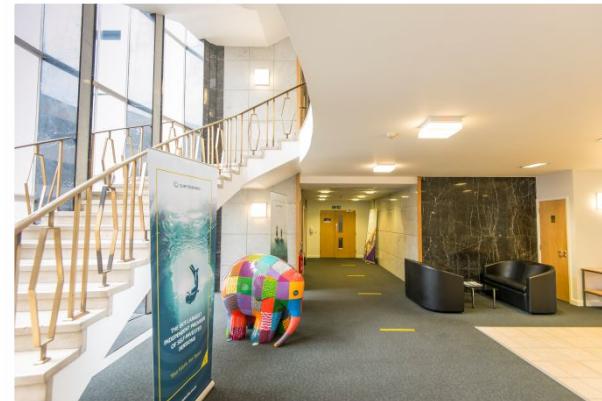
Not to scale. For indicative purposes only.



Description

The property comprises a detached office building of framed construction. The building is 'C' shaped in plan with office accommodation provided on three floors above ground level parking. The elevations of the building are faced with a mixture of reconstituted stone, over-painted checkerboard plaster panels and modern coated-steel cladding panels. The building has a flat membrane covered roof with a small external room housing a tank and the lift motor.

The property was upgraded in 2005 with the addition of a double height, glazed front reception pod, with a hydraulic lift serving the main ground floor reception area and new LED lighting throughout. In 2018, new plant and units for the heating and comfort cooling were installed and provides the flexibility of zoning the heating / cooling within the building. Otherwise the property has a central core, incorporating 2 x 8 person passenger lifts, a large feature staircase, plus WC and kitchenette facilities. Therefore, the building could lend itself well to being multi-let through the subdivision of each wing either side of the core.



The specification can be summarised as follows:

- Double glazed windows throughout
- Double height glazed front reception pod added in 2005 with hydraulic lift to main 1st floor reception area
- Central reception stairwell plus additional stairwells at either end of the building serving all floors
- 2 x 8 person passenger lifts
- 2 x 500kg goods lifts
- 77 delineated car parking spaces

Internally the property provides mostly open-plan office accommodation over three floors with the following specification:

- Raised floors
- Suspended ceilings with recessed Zumtobel LED lighting
- Recessed Panasonic heating and comfort cooling throughout – installed in 2018
- Male, female and disabled WCs and kitchenettes in the central core on each floor
- 2 x shower facilities on the 1st and 2nd floors of the West Wing including one disabled shower
- Attractive floor to ceiling heights of 2.6m from the raised floor to underside of suspended ceiling

Site

The total site area extends to approximately 0.137 hectares (0.34 acres).

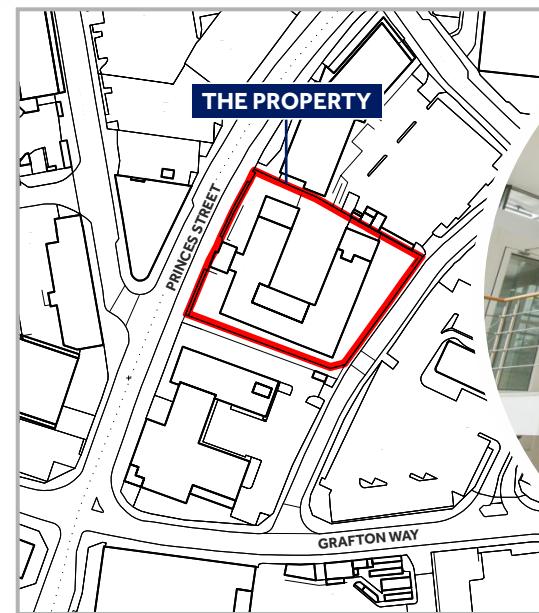
Accommodation

The property has been measured in accordance with RICS Property Measurement 2nd Edition.

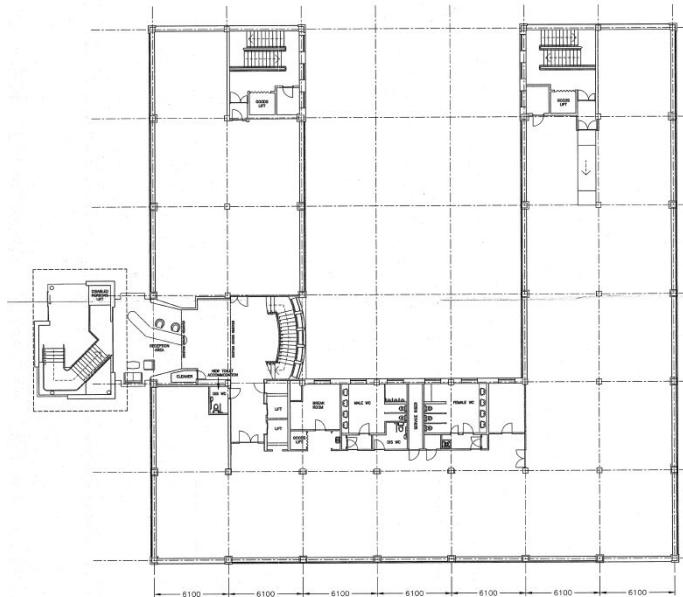
Area	sq m (NIA)	sq ft (NIA)	sq m (IPMS)	sq ft (IPMS)
Ground Floor	980.20	10,550	1,031.10	11,098
First Floor	1,067.90	11,495	1,124.80	12,107
Second Floor	1,067.90	11,495	1,124.80	12,107
Total	3,116.00	33,540	3,280.70	35,312

Tenure

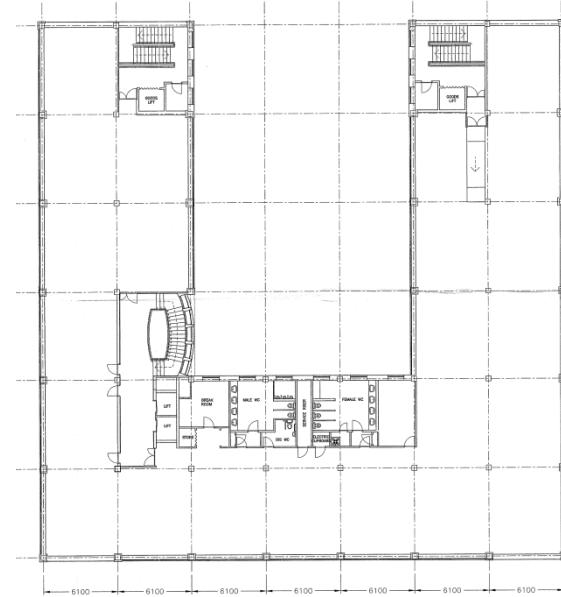
The property is held by way of a 125 year head lease from Ipswich Borough Council, expiring 19th September 2130 at a fixed peppercorn ground rent, giving approximately 109 years unexpired.



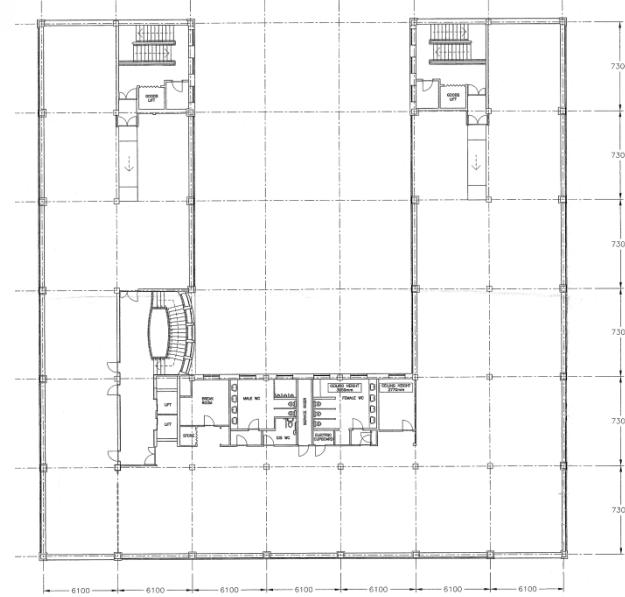
GROUND FLOOR PLAN



FIRST FLOOR PLAN



SECOND FLOOR PLAN





Tenancy

A new 10 year lease, without break, has been agreed with the undertenant, Suffolk Life Pensions Limited with a guarantee from Curtis Banks Group Plc. The rent will be £459,000 per annum reflecting a low rate of £13.69 per sq ft (NIA), subject to an upwards only rent review 5 years from completion to OMRV.

Tenant Covenant

SUFFOLK LIFE

Suffolk Life Pensions Limited, who specialise in self-invested pensions, was acquired when Curtis Banks bought Suffolk Life Group Limited in May 2016. Since 2009 Curtis Banks Group has grown to be one of the UK's largest independent SIPP and SSAS providers looking after over 80,000 clients. In 2020 Curtis Banks Group successfully completed the further acquisition of Dunstan Thomas and, Talbot and Muir. Curtis Banks have three offices in the UK employing approximately 800 staff, their head office is in Bristol, with regional offices in Ipswich and Dundee. 153 Princes Street, Ipswich is currently resident to approximately 420 members of staff.

Suffolk Life Pensions Limited have a D&B rating of 3A1 putting them in the minimum risk category. Dun & Bradstreet provide a Covid Index score by analysing data sources related to disruptions around the Covid-19 pandemic. Suffolk Life Pensions Limited have been given an Overall COVID Index score of 100 out of 100, indicating the business is in the top percentile rank of all businesses in the country. Its latest financial accounts are highlighted below:

Suffolk Life Pensions Limited	31.12.2020 (£000s)	31.12.2019 (£000s)	31.12.2018 (£000s)
Sales Turnover	25,269	24,476	22,800
Profit / (Loss Before Taxes)	5,024	6,117	5,681
Net Worth	10,911	14,339	12,176
Net Current Assets (Liabilities)	7,494	8,611	7,689

CURTIS BANKS

Curtis Banks Group Plc, the guarantor, latest financial accounts are highlighted below:

Curtis Banks Group Plc	31.12.2020 (£000s)	31.12.2019 (£000s)	31.12.2018 (£000s)
Revenue	53,871	48,949	46,125
Profit / (Loss Before Taxes)	7,429	10,883	10,121
Net Worth	80,136	55,439	49,656
Net Current Assets (Liabilities)	354,959	369,669	378,318

Market Commentary

The Ipswich office market has remained largely unaffected by the pandemic with vacancy rates remaining relatively stable. Despite this, there has been a steady loss of offices to residential use under permitted development rights.

Prime office rents in the city have been evidenced in excess of £18.00 psf with the majority of secondary or refurbished second hand space agreed in the region of £14.00 - £16.00 psf.

Key office occupiers in Ipswich centre include: Ensors Chartered Accountants, Birketts LLP, Attwells Solicitors, Ashtons Legal Solicitors, Nanotech Pristine, AXA Insurance, Willis Towers Watson Insurance, A-Plan Insurance, Towergate Insurance Brokers, Concertus Design & Property Consultants, Barefoot & Gilles Architects, William H Brown Estate Agents, Beane Wass & Box Chartered Surveyors, Savills Estate Agents, William H Brown Estate Agents, Connells Estate Agents, The Papworth Trust, DPS Technology Group, Imtech, MJC Health Solutions, amongst others.

Rental Comparables

Date	Address	Size (sq ft)	Lease Terms	Rent psf
Aug 21	7-11 Holywells Road, Ipswich	380	3 year	£15.79
Jul 21	Connexions, 159 Princes Street, Ipswich	8,540	15 year	£17.56
Mar 21	Crown House, Crown Street, Ipswich	8,577	5 year	£14.50
Jan 21	Old Growing Floors, The Maltings, Princes Street, Ipswich	8,911	10 year	£14.10
Oct 20	50 Princes, Street, Ipswich	6,450	10 year	£20.00





Office Investment Comparables

Prime office yields in Ipswich have followed a similar trend to elsewhere throughout the pandemic, rising slightly in 2020 to 7.00%.

Date	Address	Size (sq ft)	Lease Terms	Years to Expiry (Break)	Price	NIY	Purchaser	Comment
Under Offer	The Maltings & The Coalyard, Princes Street, Ipswich	23,540	Multi let to 4 tenants at a passing rent of £400,953 pa reflecting £17.03 psf. WAULT of 3 years to break and 5.9 to expiry.	6 (3)	Quoting Price £4.7m	8.00%	-	Additional 0.36 acre development site with planning consent for 19,000 sq ft office.
Aug 21	155, Aztec West, Bristol	21,305	Let to Hoare Lea LLP on a 15 year lease expiring 3/11/31 with a tenant break option on 3/11/2027. Passing rent of £400,634 pa reflecting £19.04 psf.	10 (6)	£5.4m	7.00%	Private	
Dec 20	3100 Thorpe Park, Century Way, Leeds	23,880	Multi let to Atkins Ltd and Birdseye Ltd. Passing rent of £442,500 reflecting £18.50 psf.	9 (5)	£5.72m	7.25%	Overseas Investor	
Dec 20	John Webster House, Nottingham Business Park, Nottingham	14,822	Single let to Centres for Assisted Reproduction Ltd for an unexpired term of 12 years at a passing rent of £16.25 psf.	12	£3.35m	6.75%	Private	
Sep 20	Eldon Court, 75 London Road, Reading	25,300	New 10 year lease to Kyocera with a break at year 5. Rent reflecting £26.50 psf.	10 (5)	£9.9m	6.35%	Private	
Jun 20	Apollo Court, Hatfield Business Park, Hatfield	52,431	Let to Ocado with 10.8 years to expiry and 5.8 years to breaks. Rent reviewed 5 yearly to RPI (2%-4%) compounded annually.	11 (6)	£14.64m	7.21%	Private	
Mar 20	Unit 2, Craven Court, Newmarket	8,364	Let to Providor Ltd on a new lease for 10 years with a break at year 4.	10 (4)	£1.54m	8.36%	Hastingwood Securities Ltd	



EPC Rating

The property has an EPC rating of C68.

VAT

The property is elected for VAT, it is assumed this transaction will be structured as a transfer of a going concern.

Proposal

Our client is seeking offers **in excess of £5,220,000** subject to contract and exclusive of VAT. A purchase at this level reflects an **attractive net initial yield of 8.25%** assuming standard purchaser's costs of 6.59% and a **low capital value of £148 per sq ft.**

AML / KYC

Prospective purchasers will be asked to produce identification of the intended Purchaser and other documentation in order to support any offers submitted to the vendors. Bidwells LLP accepts no liability of any type arising from your delay or other lack of co-operation.

Further Information

Should you have any queries or wish to make a site inspection, please contact:

Richard Walden

M: 07967 831 970

richard.walden@bidwells.co.uk

Darryl Stevenson

M: 07500 171 292

darryl.stevenson@bidwells.co.uk

Andrew Groves

M: 07771 973 245

andrew.groves@bidwells.co.uk

Bidwells

25 Old Burlington Street

London W1S 3AN

Tel: 020 7493 3043

November 2021

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25 Old Burlington Street

London W1S 3AN

Tel: 020 7493 3043

bidwells.co.uk

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