

**target  
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**40/50 princes street, ipswich ip1 1rj**

**high yielding  
eastern  
region office  
investment**



# investment summary

- Located in a prominent position in Ipswich City Centre
- High quality office constructed in 2009 and extending to 13,813 sq ft over ground and three upper floors
- High specification including newly fitted VRF air conditioning, passenger lift and full access raised flooring
- Secure parking for 11 cars
- Freehold
- Fully let to two tenants with a WAULT of 6.98 years to expiry (4.52 years to break)
- Hybrid Access Technologies have recently elected not to serve their break demonstrating firm commitment to the building
- Topped up rent of £196,150 per annum reflecting £14.20 per sq ft and providing further prospects for rental growth
- EPC C



# location

Situated 70 miles north-east of London, Ipswich is a key commercial centre within the A12 corridor. It is the administrative and county town of Suffolk and one of the principal commercial and financial centres of East Anglia.



# communications

Located at the intersection of the A12 and A14, Ipswich occupies a strategic position with the A14 being a major arterial route connecting the M1/A1 in the west to the Port of Felixstowe, the UK's largest container port, 9 miles to the south. Ipswich also benefits from an excellent train service, with fast train times of only 70 minutes into London Liverpool Street.

Ipswich has an urban population of 133,400 and serves a primary catchment population estimated at over 275,000. It is home to employers such as Willis, AXA, Churchill Insurance, WNS, BT plus a concentration of public sector providers such as Ipswich Borough Council, Suffolk County Council and Suffolk Police.



# situation

The premises are situated on a highly prominent position on the west side of Princes Street, just to the north of Civic Drive/Franciscan Way. 40/50 Princes Street is situated within the town's central business district, a short distance from Cornhill, the prime pedestrianised pitch of Butter Market and the Butter Market Shopping Centre.

Ipswich mainline station is approximately 8 minutes walk away, while numerous bus routes operate in the area.



# description & specification

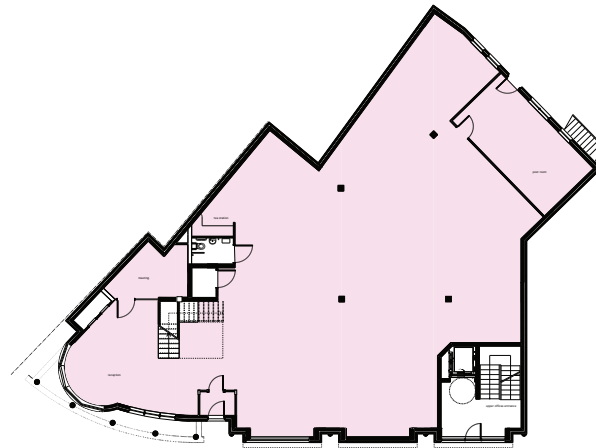
The property is a modern office building originally constructed in 2009 to offer flexible accommodation with a prominent frontage to Princes Street. The accommodation is arranged over ground and three upper floors, and offers two separate entrances allowing for further subdivision if required.

The internal specification is of a high standard and includes the following specification:

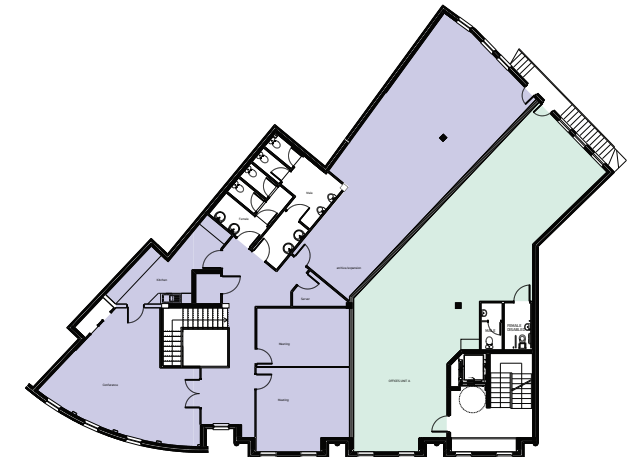
- Panasonic heat recovery VRF air cooling/heating system
- Full access raised floors
- Eight person passenger lift
- LG7 compliant lighting
- Male, female and accessible WCs on all floors
- Video access entry system
- Secure car parking for 11 vehicles

The VRF air heating/cooling system has replaced the original VRV system, was installed in March 2022, and is warranted for a period of 7 years.

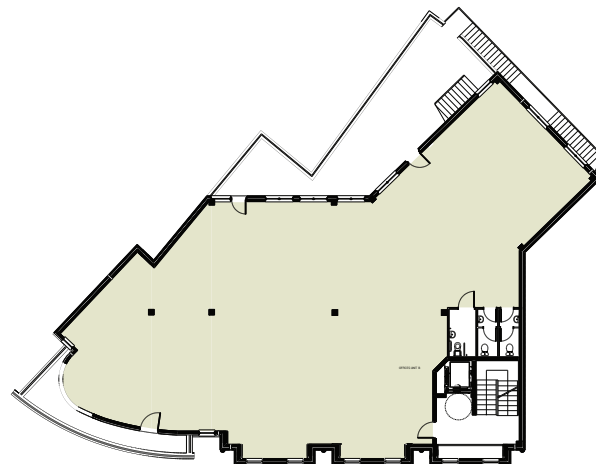
40/50 Princes Street enjoys an EPC rating of C59 which is valid until November 2029.



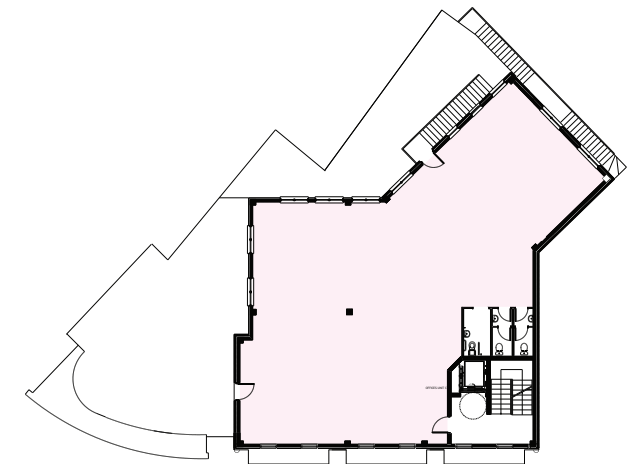
Ground floor



First floor



Second floor



Third floor

# accommodation

The property provides the following net internal areas as measured in accordance with the RICS Code of Measuring Practice (Sixth Edition):

Floor Areas	NIA (ft <sup>2</sup> )
Ground	3,684
First	4,091
Second	3,541
Third	2,497
<b>Total</b>	<b>13,813</b>



# tenancies

The property is fully let to two tenants in accordance with the tenancy schedule below.

There is a service charge of £2.17 per square foot payable by the tenants, which covers general maintenance, cleaning, external landscaping and utilities. Further details are available on request.

## covenant information

Accommodation	Tenant	NIA	Lease Start	Lease Expiry	Tenant Break	Rent Review	Contracted Rent pa	Marketing Rent pa	Marketing Rent psf	Comments
Ground & Part 1st Floor	Registered Office UK Ltd	6,450	01/10/20	31/12/30	01/01/26	01/01/22	£90,300	£96,750	£15.00	Lease outside of L&TA 1954. Fixed increase to £96,750 per annum from 1 January 2023 which the vendor will top up
Part 1st - 3rd Floors	Hybrid Access Technologies Ltd	7,363	29/06/12	28/06/27		29/06/22	£85,000	£99,400	£13.50	Lease inside the L&TA 1954. The June 2022 rent review has been agreed at £99,400 pa and will be documented prior to sale.
<b>Total</b>		<b>13,813</b>					<b>£175,300</b>	<b>£196,150</b>	<b>£14.20</b>	

Freehold

# tenure

## registered office (uk) limited

Registered Office (UK) Limited (Company Reg 09347868) was incorporated in 2014 and operates as a business support company under the trading style of The London Office. The company provides virtual business address and telephone answering services for its clients together with meeting room hire and other services from its four central London addresses in Portland Street, Hatton Garden and Strand.

Registered Office (UK) has a Dun & Bradstreet rating of E2. The company posted net assets less liabilities of £42,356 (December 2020), and £74,458 in December 2019.

## hybrid access technologies

Hybrid Access Technologies (Company Reg 04861356) is a leading provider of multi-link connectivity solutions that brings together multiple types of network connections and blends them into an efficient and more powerful virtual pipe. The company was founded in 2003 and has a wide range of customers including Vodafone, BT, KCOM, Liberty Global and Hughes Networks.

Hybrid Access Technologies has a D&B rating of N3. The company has been in occupation of the upper floors at 40/50 Princes Street since June 2012, and has demonstrated further commitment to the building by not operating its break option due in June this year.

# occupational market commentary

Ipswich is the largest town in Suffolk and acts as the county's main administrative centre. It has a population of around 180,000 and a relatively high employment rate. Ipswich contains around 4 million square feet of office space, of which less than 10% is rated as Grade A or refurbished stock. Permitted development rights have seen a host of office buildings converted into other uses over the past decade, particularly residential. Major occupiers include Suffolk County Council, AXA Insurance, Birketts LLP, Savills and insurance firms such as Willis Towers Watson, Direct Line and Liverpool Victoria.

Ipswich's office vacancy rate has remained extremely low over recent years, principally due to an extremely limited development pipeline. The last major new scheme in the town was Churchmanor's development of Providence House, Princes Street which comprises 55,000 sq ft of Grade A accommodation and which was let in its entirety to Birketts LLP in 2019.

Prime office rents in the town currently stand at around £18 per sq ft with Connexions, 159 Princes Street recently achieving a headline rent of £17.56 per sq ft.

# investment market commentary

Investment activity in Ipswich and Suffolk has concentrated on lot sizes of £5m or below. Prime yields in Ipswich have remained stable at 7% throughout 2021 and Q1 2022.



## energy performance certificate

Certificate Reference 0550-043106769-7709-1092 – Rating C59

A copy of the property's Energy Performance Certificate and Recommendation Report are available on request.

## vat

The property is elected for VAT and it is the intention that the sale will be treated as a Transfer of a Going Concern



# proposal

**Our client is seeking offers in excess of £2,250,000 for the freehold interest of 40/50 Princes Street. The vendor will top up the Registered Office (UK) rent to £96,750 per annum meaning that the purchaser will enjoy an immediate income of £196,150 per annum. Based on the above price, this reflects an attractive net initial yield of 8.20% after deduction of purchaser's costs at 6.33%, and a low capital value of £162.89 per sq ft.**

**Subject to Contract & Exclusive of VAT**





## further information

For further information or to arrange an inspection please contact either:

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