



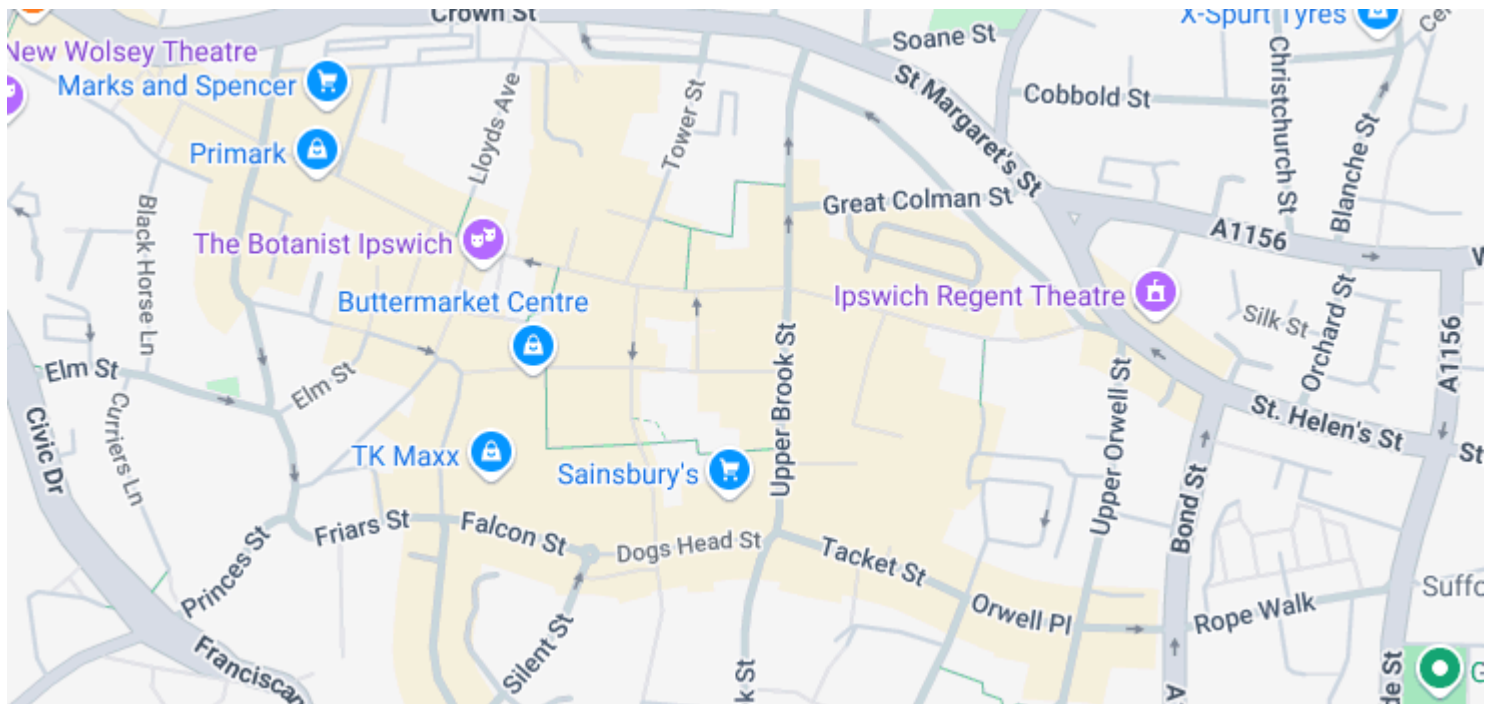
High Yielding City Centre Commercial & Residential Investment

 **51 Buttermarket, Ipswich, United Kingdom, IP1 1BJ**

FOR SALE 

£ 385,000 Subject to contract

Location



Ipswich is located approximately 123 km (77 miles) north-east of London, 88 km (55 miles) east of Cambridge, 72 km (45 miles) south of Norwich and 21 km (13 miles) north-west of Felixstowe.

The town benefits from good road communications and is located on the A12 which links directly with Junction 28 of the M25 Motorway some 83 km (52 miles) to the south west. The A14 is approximately 0.3 km (0.2 miles) to the east and serves Felixstowe to the south-east and Cambridge and the M11 Motorway to the west.

In addition, the town is connected to the national railway network with a fastest journey time to London Liverpool Street of 1 hour 7 minutes. Stansted airport is situated approximately 78 km (49 miles) to the south west via A12 and A120 providing connectivity for business travellers.

Summary

- Mixed-Use Investment Opportunity
- Situated in the heart of Ipswich city centre, diagonally opposite new Sports Direct store
- Ground floor retail unit let on a new lease from January 2024
- Two recently refurbished residential units above, let on AST's
- Total income £34,600 per annum
- Freehold
- Offers in the region of £385,000, subject to contract
- 9.0% gross initial yield
- 8.3% gross yield on the residential element; 10.0% gross yield on the commercial

Situation

Ipswich's retail offer is focussed around a central core, bounded by the pedestrianized thoroughfares of Westgate Street, Tavern Street, Princes Street and Buttermarket which accommodate many of the United Kingdom's major retailers.

The subject property occupies a prominent position on Buttermarket within a bustling pedestrian shopping area filled with a diverse mix of high street brands, independent retailers, caf  s and restaurants. Nearby retailers include Boots, Caff   Nero and TheWorks.

The property is just a few metres from the new Sports Direct superstore which opened towards the end of 2024. The 25,000sq ft store is home to Sports Direct and USC on the ground floor and Game and Evans Cycles on the first floor. Sports Direct's sister brand, Flannels, the luxury fashion retailer has also opened in the former BHS building.

The Buttermarket Shopping Centre is a couple of minutes' walk from the subject property. Tenants include TK Maxx, New Look, Wagamama, PureGym plus entertainment venues such as Omniplex Cinema and Superbowl UK. The centre also provides a 370-space car park.

Sailmakers Shopping Centre is just to the north on Tavern Street. Totalling some 8,040 sq m (86,500 sq ft), the centre is home to retailers such as Boots, River Island, Morrisons, Poundland and Bodycare.

Description

The property is a mid-terrace three storey brick construction building comprising of a retail shop on the ground floor with staff accommodation and WC at the rear. There is also a basement which is accessible inside the retail unit. A lobby area provides access to a rear storage area. To the rear of the property there is direct access to a combined bike / bin storage area.

The upper floors offer two residential units with access via St Lawrence Street. The flats were created in 2023.

Each flat provides one bedroom accommodation with an en-suite shower room and a combined living and dining room with open plan kitchen area. The flats are light, bright with modern décor. The second floor flat benefits from a slightly larger bedroom.

The property has a WC on the first floor in the communal area.

The flats provide security for the residents with entry phone system.

Please find within the data room, electricity safety certificates regarding the flats, along with the architects’ warranty with regards to the recent refurbishment.

Accommodation

We understand that the property provides the following accommodation

Retail Unit

ITZA	489 sq ft	45.4 sq m
Ground Floor	858 sq ft	79.7 sq m
Basement / Cellar	390 sq ft	36.2 sq m
Total Net Internal Area	1,248 sq ft	115.9 sq m

Residential Units

Flat 1	417sq ft	38.7 sq m
Flat 2	417 sq ft	38.7 sq m
Total Gross Internal Area	828.28 sq ft	76.95 sq m

A set of floorplans is available to download.

EPC

51 Buttermarket	Shop	B	Valid until 18th April 2033
Flat 1	Residential	C	Valid until 24th April 2033
Flat 2	Residential	C	Valid until 24th April 2033

Rateable Value

According to the valuation office website the property does not currently have a listed rateable value, being removed 18th July 2022. Prior to that, the Rateable Value was £22,750.

The business rates multiplier is 49.9 pence.

Tenure

Freehold.

Tenancies

The ground floor and basement is let to **Magazin Romanesc Bacau Limited (t/a Bacau European Food)**, for a term of 10 years from 15th January 2024, expiring 14th January 2034. There is a mutual break option on 15th January 2029, subject to 6 months' notice.

The current passing rent is **£16,000 per annum**. The lease benefits from 3-yearly rent reviews, the next being on 15th January 2027. A rent deposit of £4,800 is held by the Landlord.

The upper parts comprise two residential apartments:

Flat 1, situated on the first floor, is let on Assured Shorthold Tenancy (AST) agreement for a term of six months from 10th August 2024 and thereafter shall continue as a monthly contractual periodic tenancy. The current rent is £775 per month (**£9,300 per annum**). A deposit of £894 is held by the Landlord.

Flat 2, situated on the second floor, is let on Assured Shorthold Tenancy (AST) agreement for a term of six months from 11th December 2024 and thereafter shall continue as a monthly contractual periodic tenancy. The current rent is £775 per month (**£9,300 per annum**)

Therefore, an investor will benefit from a total gross rental income of **£34,600 per annum**.

There are no rent arrears – all tenants are up to date with their rental payments.

Rental and Capital Values

The shop is let at a rent of £18.65 per sq ft. We understand that the adjoining shop at 49 Buttermarket has recently been let at £15,000 per annum, equating to £19.35 per sq ft, thereby supporting the passing rent.

Our enquiries indicate that residential values in the area are in the region of £95,000 to £125,000, indicating a value for the residential element of the property in the order of £200,000 to £250,000. By adopting a fair value of £225,000, the residential investment element is reflecting a gross yield of 8.3%

Applying £225,000 for the residential, the commercial element of the property is reflecting a gross initial yield of 10.0% at the asking price.

Covenant

For the year ending 29th February 2024 Magazin Romanesc Bacau Limited (13182441) reported Net Assets of £69,743. The company is a European grocery store offering a large variety of products including snacks, fresh bread, fresh produce, packaged foods and beverages at reasonable prices.

A £4,800 rent deposit is held by the Landlord.

VAT

The property has been registered for VAT. It is anticipated that the sale will be treated as a Transfer of a Going Concern (TOGC).

Proposal

We are instructed to seek offers in the region of **£385,000** (Three Hundred and Eighty Five Thousand Pounds) subject to contract, reflecting a gross initial yield of **9.0%**.

Please note that a purchaser will be re-charged the costs of the searches (£1,010.50) which are provided in the data room.




Please note that a purchaser will be charged a Transaction Fee of 1.0% of the Purchase Price plus VAT.

Investment Considerations

1. An opportunity to purchase a mixed-use investment;
2. The property is situated in the heart of Ipswich city centre, near to a new Sports Direct store;
3. Ground floor retail unit let on a new lease from January 2024;
4. Two recently refurbished residential units on the upper floors, let on AST's;
5. Freehold;
6. A purchase at the asking price reflects an attractive yield;
7. Attractive lot size for an investor.



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