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High Yielding, Well Secured Retail Investment

15 Cornhill, Bury St Edmunds, United Kingdom, IP33 1DY

FOR SALE PRIVATE TREATY

£ 1,515,000 Guide price

Location



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Bury St Edmunds is an historic and affluent market town forming the main commercial centre for West Suffolk. The town is located approximately 82 miles (132 km) north east of Central London, 26 miles (42.8 km) east of Cambridge and 42 miles (67.6 km) south west of Norwich.

The town has good road communications being located on the A14 dual carriageway, which in turn provides direct access to the M11 and A1 (M) and to the national motorway network. The town is served by Bury St Edmunds railway station, with the fastest journey time to London Liverpool Street being approximately 1.5 hours.

In addition, Bury St Edmunds is approximately 65 miles (104.6 km) north east of Luton airport and 65 miles (104.6 km) north of Southend airport.

Bury St Edmunds is an affluent sub-regional shopping destination and dominant retail centre for its catchment population.

Summary

- Freehold retail investment
- Let to WH Smith
- Highly secure income – Net Assets £849 million
- Prominent town centre retailing pitch
- The subject property houses the town's Post Office
- Very attractive Grade II listed building (no empty rates payable)
- £1,515,000, subject to contract
- 10.0% Net Initial Yield

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Situation

The property is situated in the heart of the town centre on the western side of Cornhill, between the arc Shopping Centre and Buttermarket. Nearby occupiers include Boots, Iceland, Mountain Warehouse, The Works and NatWest.

Arc Bury St Edmunds is a modern retail, leisure and residential scheme providing some 37 shops, cafes, restaurants, a multi-purpose cultural venue and high quality residential apartments. In addition, the centre provides more than 850 parking spaces. Retailers include Next, JD Sports, H&M, Waterstones, Wagamama, Vodafone, Nando's and Burger King.

Cornhill and The Buttermarket benefit from a vibrant market every Wednesday and Saturday, resulting in a high level of footfall.

A multi-million pound redevelopment of the adjoining property (17-18 Cornhill) has recently been completed as part of the Council's town centre masterplan. The site was previously occupied by the Post Office before they relocated to the subject property in 2017. The £6.72 million scheme now comprises 12 apartments with two ground floor commercial units. The development has widened Market Thoroughfare by more than 50 per cent, further enhancing footfall between the arc and Cornhill.

Description

The property is Grade II listed and comprises a large ground floor shop with further sales accommodation and the town's Post Office on the first floor and ancillary accommodation on the basement and second floors.

The building was designed in 1910 by Michael Treleaven for Sir Joseph Boot in an exuberant Jacobethan style with ornamentation including life-size figures of a Roman warrior, St Edmund, Edward I and Edward VI.

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Accommodation

The property has been measured by BKR Floor Plans and provides the following floor Net Internal floor areas:

Net Frontage	10.77 m	35'4"
Gross Frontage	11.53 m	37'10"
Zone A	48.12 sq m	518 sq ft
Zone B	64.66 sq m	696 sq ft
Zone C	67.17 sq m	723 sq ft
Remainder	121.33 sq m	1,306 sq ft
ITZA		1,210
Total Ground Floor	301.27 sq m	3,243 sq ft
Basement	28.24 sq m	304 sq ft
First Floor	268.20 sq m	2,887 sq ft
Second Floor	204.38 sq m	2,200 sq ft
Total	802.10 sq m	8,634 sq ft

A set of floor plans is available to download and the measured survey report will be re-addressed to a purchaser at a cost of £790 + VAT.

Planning

The property is Grade II listed (hence no empty rates payable) and is located within a Conservation Area.

Tenure

Freehold

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Tenancy

The property is let to **WH Smith Retail Holdings Limited** on a full repairing and insuring lease for a term of 15 years from 29th September 2017, expiring on 28th September 2032 at a passing rent of **£160,750 per annum**.

There is a tenant break clause on 29th September 2027, subject to six months' notice.

The Post Office moved from the adjoining property (17-18 Cornhill) to the subject property in 2017. The Post Office would seem to compliment the wide range of WH Smith products and visa versa.

Covenant

WH Smith Retail Holdings Limited (Co. No. 471941) has reported the following figures:

	31st August 2022	31st August 2021
Revenue	£191,656,000	£160,225,000
Pre-Tax Profits (Loss)	-£40,783,000	-£12,511,000
Net Assets	£848,640,000	£883,833,000

The ultimate parent company is WH Smith Plc, a leading global retailer for news, books and convenience made up of two core business – Travel and High Street. WHSmith Travel operates over 580 stores in a wide range of locations including airports, hospitals, train stations and motorway service areas. WHSmith High Street has an extensive reach with over 520 stores across the UK, and a presence on nearly every significant UK high street, mainly in prime locations. Their retail offering includes a wide range of products in the following categories: Stationery (including greeting cards, general stationery, art and craft, and gifting), News and Impulse (including newspapers, magazines, confectionery and drinks) and Books. For further information see www.whsmithplc.co.uk.

VAT

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

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Capital Value

A purchase at the asking price reflects a capital value of £2,244 per sq m (£208 per sq ft).

The freehold interest of the adjacent property (14 Cornhill, let to The Works) was sold in March 2023 at a figure of £850,000 equating to a capital value of £2,263 per sq m (£210 per sq ft).

Proposal

We are instructed to seek offers of **£1,515,000** (One Million, Five Hundred and Fifteen Thousand Pounds), subject to contract, reflecting a **net initial yield of 10.0%**, assuming purchasers' costs of 6.11%.

Please note that a purchaser will be re-charged the costs of the measured survey (£790 + VAT) and searches (£1,072.56) which are provided in the data room.

Please note that a purchaser will be charged a Transaction Fee of £5,000 plus VAT.

Investment Considerations

1. An opportunity to acquire a freehold retail investment in an affluent market town;
2. Highly secure income – let to WH Smith (Net Assets £849m);
3. The property houses the only Post Office for the town;
4. The property occupies a prominent pitch in the heart of the town centre;
5. A very attractive, Grade II listed building (no empty rates payable);
6. The purchase at the asking price reflects an attractive net initial yield;

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