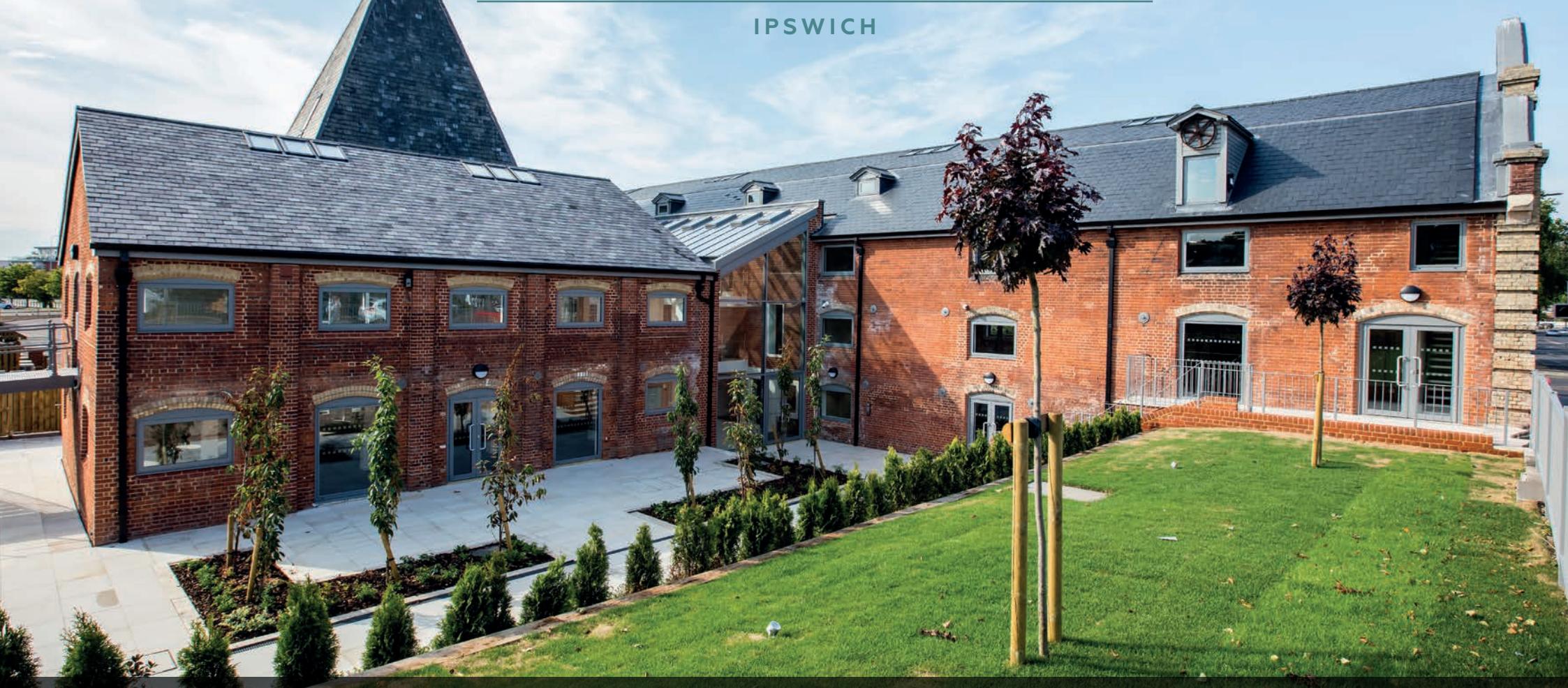




THE MALTINGS & THE COALYARD

IPSWICH



REFURBISHED MULTI-LET OFFICE INVESTMENT WITH
IMMEDIATE DEVELOPMENT OPPORTUNITY

THE MALTINGS AND THE COALYARD, PRINCES STREET, IPSWICH IP1 1SB

Investment Summary

- Rare opportunity to purchase a refurbished multi-let office, with an immediate development opportunity, within the centre of Ipswich;
- Ipswich is the administrative centre for Suffolk and an expanding commercial centre, being the 7th fastest growing town in the UK;
- Ipswich is easily accessed being located on both the A12 and A14 dual carriageways, which provides access to major residential hubs in the East of England and Essex;
- The property is strategically located within Ipswich, being on the town's inner ring road, within close proximity to the Waterfront, the University of Suffolk and the retail centre, as well as being within three minutes' walk from Ipswich Railway Station;
- The Maltings provides recently refurbished Grade A office accommodation, extending to 23,540 sq ft (2,186 sq m) NIA;
- Multi-let to four tenants, with 96% of the contracted income being let to tenants with a 'minimum risk' of business failure;
- Passing rent of £400,953 per annum reflecting £17.03 psf;
- WAULT of approximately 3.00 years to break and 5.90 years to expiry;
- The Maltings provides a number of asset management opportunities to drive capital value;
- The Coalyard comprises 0.36 acres of undeveloped land, offering immediate opportunity for the development of 18,870 sq ft Grade A office space. Terms have been agreed on approximately 13,000 sq ft for a 15 year pre-let;
- Freehold;
- **We are instructed to seek offers for The Maltings in excess of £4,700,000 (Four Million Seven Hundred Thousand Pounds), reflecting a Net Initial Yield of 8.00% (allowing for purchaser's costs of 6.58%). Unconditional offers are also invited, together or separately, for The Coalyard.**

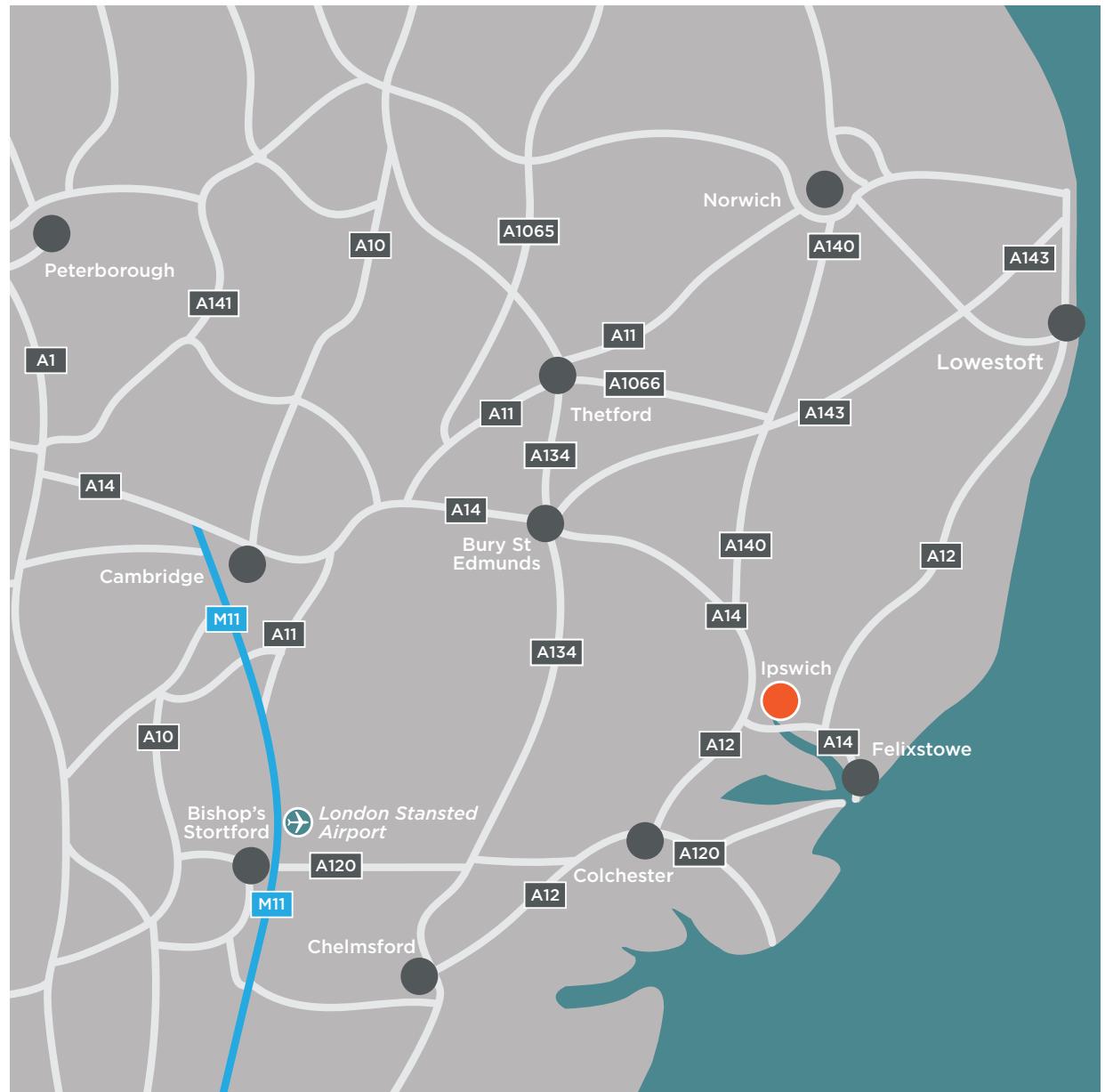


CGI of the proposed Coalyard development

Location

Ipswich is the largest town and the administrative centre for Suffolk, with a catchment population of 134,000 and a larger estimated zone population of 275,000. Ipswich is located 16 miles north east of Colchester, 28 miles south east of Bury St Edmunds, 46 miles south of Norwich and 82 miles north east of London.

The town is home to a number of international companies and has historically been recognised as an insurance hub, with occupiers including Axa, Willis Towers Watson, WNS and LV Group, as well as public sector employers such as Ipswich Borough Council, Suffolk County Council, Babergh & Mid Suffolk District Council and Suffolk Constabulary.



Ipswich Town Football Club

Russell Road Retail Park

Birketts

Suffolk Blue Light Hub

Royal Mail Sorting Office

Cardinal Park

Ipswich Trade Centre

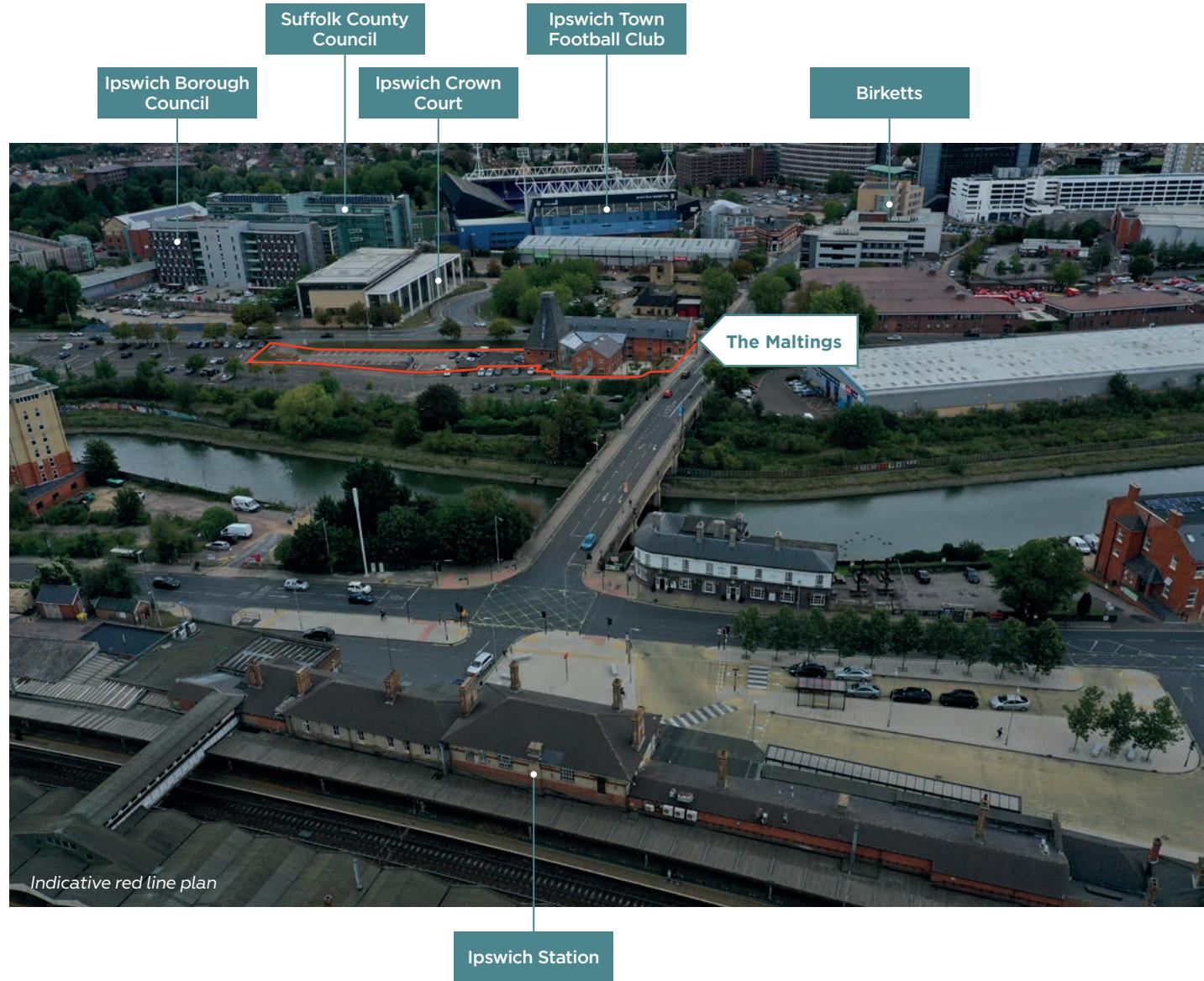


Indicative red line plan

Situation

The property occupies a prominent site on the town's inner ring road, close to the intersection with Princes Street (B1075) and Grafton Way (A137), the main route out to the south of the town.

The property sits in an established office location within easy reach of the town's retail and leisure facilities, including the Waterfront, with the University of Suffolk Campus and many restaurants and cafés. Cardinal Park is approximately two minutes' walk, with occupiers including Cineworld, KFC, Ask Italian, McDonald's, Starbucks and The Gym Group. The town provides competitively priced residential properties with a fastest commuting time to London of circa 70 minutes.



Transport Links

Road:

Ipswich is situated on both the A12 and A14 dual carriageways. The A14 grants access from Felixstowe in the East to the residential hubs of Bury St Edmunds and Cambridge in the West. Additionally, the A14 merges with the A140, which provides access to Norwich. Furthermore, the A12 connects the property directly to major residential hubs to the South West, such as Colchester, Chelmsford and London.

Rail:

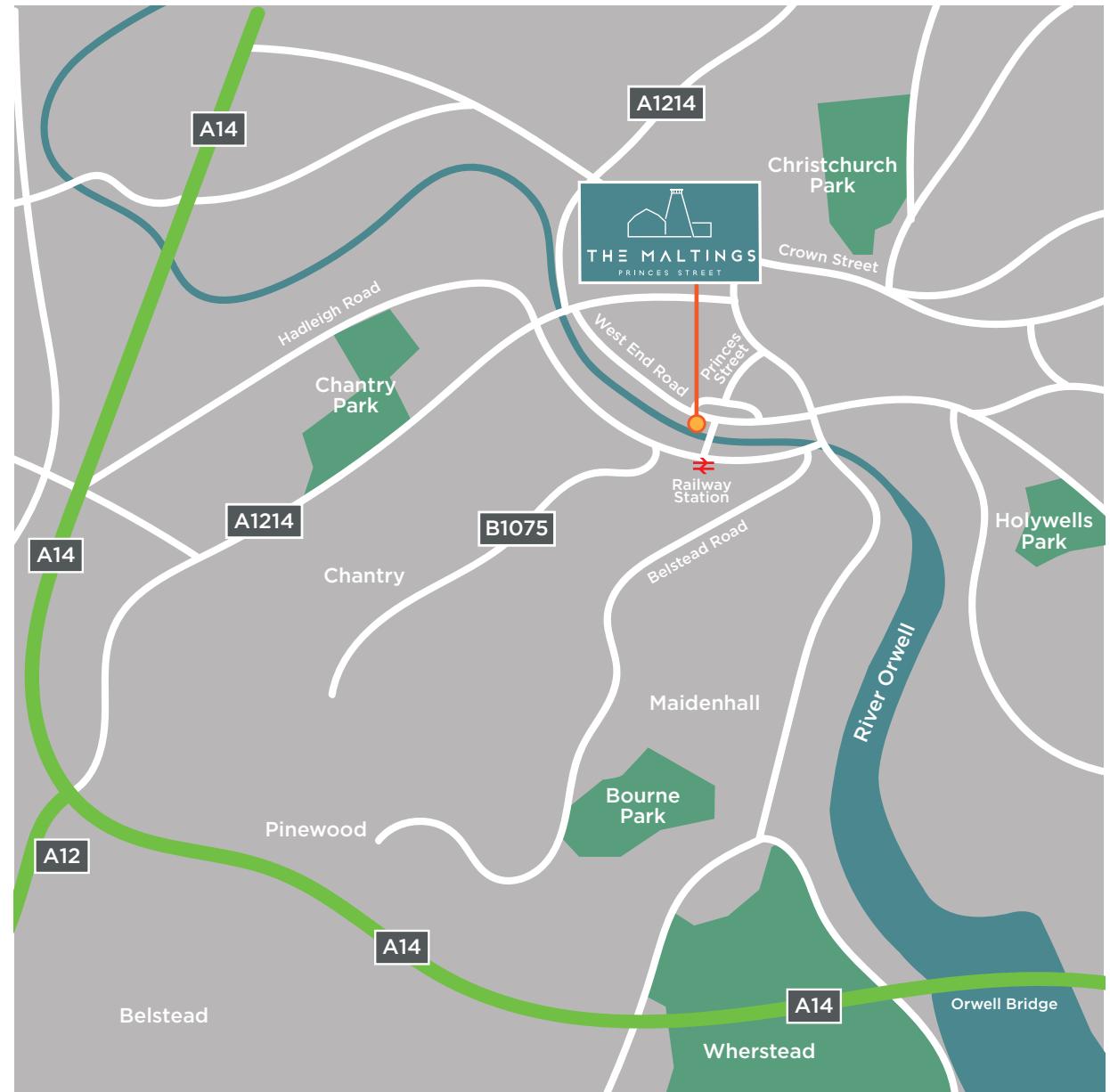
The property lies just 0.1 miles (3 minute walk) from Ipswich Railway Station which provides regular and direct train services to London Liverpool Street Station via the Greater Anglian Railway Line with a fastest journey time of 70 minutes. Other major towns within the region such as Colchester, Chelmsford, Cambridge, Norwich and Bury St Edmunds are all also quickly accessed via the Greater Anglian Line.

Air:

London Stansted Airport lies approximately 45 miles to the south west and is the fourth busiest airport in the UK, providing international and domestic flights, and handling c. 30 million passengers per year.

Public Transport:

The town is serviced by regular and frequent bus services to nearby towns such as Felixstowe, Colchester, Sudbury and Stowmarket. The property itself is located within a 2 minute walk from two bus stops, which both run on multiple services around the town. Ipswich is well suited to cycling and the Council has been investing heavily to improve the town's facilities. There is a network of signed cycle routes, as well as ample cycle storage at all train stations.



Ipswich Demographic

In 2018, Ipswich was the second fastest growing town in the UK and today remains the seventh fastest. It is also predicted that Ipswich will remain in the top 10 by the final quarter of 2028. This has, in large, been due to the town's fast-growing technology sectors, with a further boost provided by BT's construction of the UK's first practical quantum-secured high-speed fibre network between Ipswich and Cambridge.

Of the town's estimated 134,000 population, 62.7% are of working age and 70,400 are employed, representing an unemployment figure below the national average, at 4.4%. Moreover, the Ipswich economy remained resilient throughout 'lockdown', as the number of employees furloughed was significantly below the national average. Only 22% of employees in Ipswich were placed on the Government job retention scheme, with the UK as a whole seeing 27.9% of employees placed on the scheme.

There has been a significant amount of new development and investment in the town centre and waterfront over the last few years, including a £4M refurbishment of the Sailmakers Shopping Centre, as well as the Waterfront developments at Regatta Quay and Neptune Quay.



The Buttermarket is a 270,000 sq ft four storey shopping centre, in the town centre currently undergoing a £35 million refurbishment. It is adding a new leisure-based facility, with a 12-screen cinema and 20,000 sq ft gym. Completion is estimated for the end of 2021.

Ipswich Railway Station is also receiving a £2 million investment to upgrade its current facilities. Redevelopment of The Cornhill, the square in front of Ipswich's historic Town Hall, is also in the pipeline, with £3.3 million being committed to redeveloping the area into a more prominent town centre focal point.

The Maltings

DESCRIPTION & SPECIFICATION

The Maltings comprises a recently refurbished Grade A multi-let office building extending to 23,540 sq ft (2,186 sq m), over four floors.

The entrance to the Property is accessed via Princes Street, with vehicular access from Chancery Road. There is an attractive atrium which provides access to all floors via a passenger lift. The building also benefits from 34 car parking spaces.

The site area is 0.61 acres (0.25 hectares).

The specification of The Maltings includes:

- Grade A specification
- Full air conditioning/heating
- LED lighting throughout
- Passenger lift
- Fully Category 5E cabled suites with floor boxes and individual comms cupboards
- Shared kitchens and showers
- Plumbing for individual tea stations within suites
- Attractive landscaped courtyard
- Covered cycle store
- Good on-site parking, including car chargers
- Access-controlled doors and intruder alarms



The Maltings

ACCOMMODATION

The Maltings has been measured in accordance with the Code of Measuring Practice (6th Edition) on a net internal basis, as shown below:

Suite	Suite Name	FLOOR	SQ FT	SQ M
1	Old Growing Floor	0	4,570	424.6
2	The Furnace	0	661	61.4
3	Old Barley Store	0	1,430	132.9
6	Old Malt Store	1	1,437	133.5
4	Old Growing Floor	1	4,694	436.1
7	Old Growing Floor	2	4,216	391.7
5	The Kiln	1, 2, 3	2,977	276.6
8	The Loft	3	3,555	330.3
Total Lettable Area			23,540	2,186.9
Communal Space			6,081	564.9
Total Building			29,621	2,751.8



The Maltings Tenancy Schedule

Suite Number	Tenant Name	Area (Sq Ft)	Lease Start	Lease End	Break Option	Rent Review	Years to Break	Years to Expiry	Current Rent	Rent (psf)
1	Miller Insurance Services Ltd	4,570	24/02/2021	23/02/2026	24/02/2024	24/02/2024	2.73	4.72	£77,700	£17.00
2	Cicero Communications (Planning Direct)*	661	10/06/2020	09/06/2025	10/06/2023		2.02	4.02	£12,000	£18.15
3 + 6	Chaucer Underwriting Services Ltd	2,867	30/08/2019	29/08/2029	30/08/2024	30/08/2024	3.24	8.24	£48,739	£17.00
4 + 7	Network Rail Infrastructure Ltd	8,910	22/01/2021	21/01/2031	22/01/2026	22/01/2026	4.64	9.63	£151,470	£17.00
5	Vacant	2,977	1 Year Rent and Service Charge Guarantee				1.00	1.00	£50,609	£17.00
8	Vacant	3,555	1 Year Rent and Service Charge Guarantee				1.00	1.00	£60,435	£17.00
		23,540					3.01	5.95	£400,953	£17.03

*Annual rent increases to £13,000 per annum for Years 4 and 5.

SERVICE CHARGE

There is a service charge of £2.50 per sq ft payable by the tenants, which covers general landscaping and maintenance, security, heating, plumbing, M&E, communal power and water. Further details available upon request.

EPC RATINGS

The property has an EPC rating of B50.

Covenants

MILLER INSURANCE SERVICES LLP

The Company has grown over 115 years to become a leading independent specialist reinsurance broking firm for intermediaries, direct insureds and reinsureds. Miller operates internationally and at Lloyd's. Headquartered in London, the Company employs more than 650 people across its UK and international operations.

Miller Insurance Services LLP (OC301468) has a D&B rating of 5A1 representing a 'minimum risk' of business failure. A summary of its latest published accounts is as follows:

	31/12/2019	31/12/2018	31/12/2017
Sales / Turnover	£150,309,000	£126,417,000	£116,614,000
Profit / (Loss) Before Tax	£67,306,000	£44,151,000	£41,542,000
Tangible Net Worth	£79,268,000	£79,240,000	£88,595,000

CICERO COMMUNICATIONS LTD (PLANNING DIRECT)

Cicero Communications is a planning consultancy, specialising in strategic plans and advice in designing, initiating and delivering projects. The company offers a unique approach, with expertise in the technical aspects of planning as well as the emotional and political side of the negotiation. The Company focusses on ensuring that decision makers support the project, as well as agree on a technical or legal standpoint.

Cicero Communications Ltd (07986959) has a D&B rating of N2, representing a 'lower than average risk' of business failure.

THE CHAUCER GROUP

Established in 1922, The Chaucer Group has continued to grow and consolidate within the insurance industry, widening its international presence, which culminated in 2018, when Chaucer was acquired by Chine Re. The Group offers brokers and clients an exceptional range of risk classes and cross-class cover flexibility. Headquartered in London, with international hubs in Copenhagen, Dubai, Miami, Dublin, Singapore and Bermuda, the group employs more than 500 people worldwide, including more than 120 specialist underwriters.

Chaucer Underwriting Services Ltd (10387872) has a D&B rating of 4A1 representing a 'minimum risk' of business failure. A summary of its latest published accounts is as follows:

	31/12/2019	31/12/2018	31/12/2017
Sales / Turnover	£108,297,000	£122,102,000	£55,264,000
Profit / (Loss) Before Tax	£9,386,000	£17,773,000	£6,437,000
Tangible Net Worth	£26,123,000	£18,272,000	£3,734,000

NETWORK RAIL INFRASTRUCTURE LIMITED

Network Rail Infrastructure Limited is a public sector body, which owns and maintains Britain's rail infrastructure. The Company operates tracks, signals, tunnels, bridges, viaducts, level crossings and stations throughout the United Kingdom.

Network Rail Infrastructure Limited (02904587) has a D&B rating of 5A1 representing a 'minimum risk' of business failure. A summary of its latest published accounts is as follows:

	31/12/2019	31/12/2018	31/12/2017
Sales / Turnover	£8,099,000,000	£6,660,000,000	£6,587,000,000
Profit / (Loss) Before Tax	£368,000,000	£26,000,000	£219,000,000
Tangible Net Worth	£9,806,000,000	£8,899,000,000	£6,711,000,000

The Coalyard

The Coalyard is a 0.36 acre (0.14 ha) site, which has planning permission for a new Grade A office building, extending to 18,870 sq ft NIA.

The Coalyard will be an eye-catching new addition to the Ipswich office market. The plans are for the building to be made from black glass and bricks, reflecting not only the site's history, but also paying homage to the iconic Grade 1 listed Willis Building (designed by Sir Norman Foster) just a short walk up Princes Street.

The design takes these factors to heart and provides a great deal of open break-out space, with terraces amounting to over 7,000 sq ft including a two tiered roof terrace, with spectacular views down to the Waterfront.

SPECIFICATION:

- New, Grade A office
- 7,000 sq ft of terraces, of which over 4,500 sq ft are on the roof
- Flexibility to split into multiple units
- Covered parking, including car charging facilities
- LED lighting throughout to common parts and office suites
- Heating/air conditioning with local controllers to allow individual control
- Dedicated intruder alarms (part of whole building system)
- Lift from lower ground to third floors
- Landscaped terrace at ground level
- Two landscaped roof terraces
- Cycle store
- Bin store
- CCTV coverage to cover entrances, cycle store and courtyard areas



CGI of the proposed development

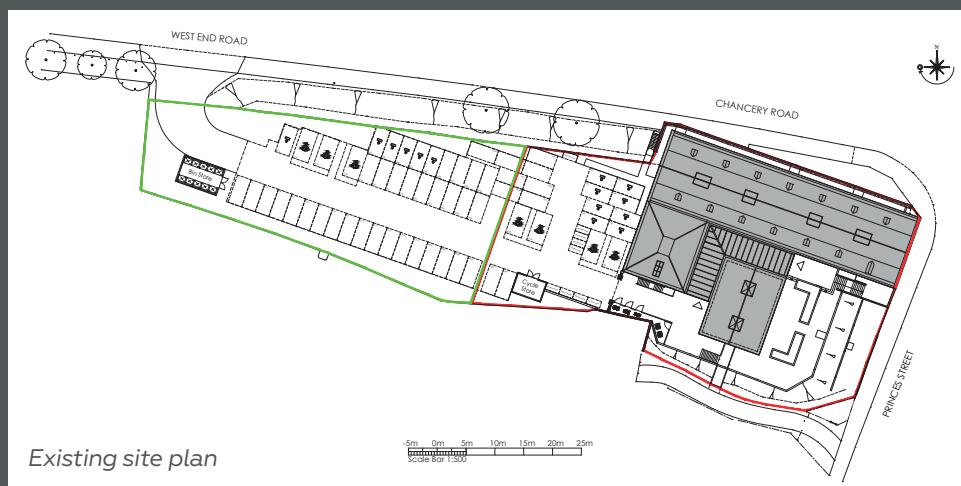
ACCOMMODATION:

The scheme plan that has been drawn up to date provides for the following accommodation, on a net internal area basis:

Ground Floor		
Upper Ground Suite	6,060 sq ft	563 sq m
Corner Terrace	161 sq ft	15 sq m
Front Terrace	2,153 sq ft	200 sq m
First Floor		
First Floor Suite	6,211 sq ft	577 sq m
Corner Terrace	161 sq ft	15 sq m
Second Floor		
Second Floor Suite	4,166 sq ft	387 sq m
Lower Roof Terrace	2,476 sq ft	230 sq m
Third Floor		
Third Floor Suite	2,433 sq ft	226 sq m
Upper Roof Terrace	2,153 sq ft	200 sq m
Total Office Area	18,870 sq ft	1,753 sq m
Total Terrace Area	7,104 sq ft	660 sq m

OCCUPIER INTEREST:

Terms have been agreed on approximately 13,000 sq ft with a firm of solicitors for a 15 year pre-let at a rent reflecting £22 per sq ft. The rent is subject to 5 yearly rent reviews, to be reviewed to the higher of the OMV or RPI. The lease is subject to 12 months rent free which will be taken over the first 2 years of the term. A copy of the agreed Heads of Terms will be available within the dataroom.



Market Commentary

OCCUPIER MARKET

Unlike many office markets across the UK, Suffolk has been performing well during the current Coronavirus crisis. Despite the ongoing turmoil, take up within Ipswich in 2020 totalled 150,000 sq ft, with total office stock standing at 3.3m sq ft. Furthermore, vacancy rates reached an all-time low in 2020, supported by tenants moving into their pre-lets.

Low vacancies in Suffolk have been aided by limited speculative supply additions and the loss of multiple obsolete office buildings by demolition or conversion to other uses. A shortage of good quality stock, coupled with companies based in London beginning to migrate staff to Ipswich, where they are already represented, has had a positive effect on rents which have grown steadily.

Town centre prime rents are currently at £18.00 per sq ft. Exemplifying this is the new Birketts Princes Street headquarters building comprising, 53,100 sq ft, which was pre-let on a 25 year term, at £18.00 per sq ft, and Connexions, a newly refurbished multi-let office building on the corner of Princes Street, now fully let at £18.00 per sq ft.



INVESTMENT MARKET

While not in the form of development, capital has flowed into the Ipswich office market in recent years in the form of sales volume. Although investment activity has slowed down in most office markets across the UK, Suffolk recorded its strongest investment year in more than a decade in 2020. Moreover, in the past decade, yields in the Suffolk region have compressed by over 200 bps, reflecting the positive sentiment in the region's office market. Significant investment has come through the University of Suffolk and BT, who have teamed up to launch the DigiTech Centre at Adastral Park, Martlesham.



VAT

We understand that the property is elected for VAT. It is assumed that this transaction will be structured as a transfer of a going concern.

TENURE

Freehold.

PROPOSAL

We are instructed to seek offers for the Maltings in excess of £4,700,000 (Four Million Seven Hundred Thousand Pounds), reflecting a Net Initial Yield of 8.00% (allowing for purchaser's costs of 6.58%). Unconditional offers are also invited, together or separately, for the Coalyard.

SUBJECT TO CONTRACT & EXCLUSIVE OF VAT – JUNE 2021

Important Notice

M1 Agency LLP, their clients and any joint agents give notice that:

1. They are not authorised to make or give any representations or warranties in relation to the property either here or elsewhere, either on their own behalf or on behalf of their client or otherwise. They assume no responsibility for any statement that may be made in these particulars. These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact.
2. Any areas, measurements or distances are approximate. The text, photographs and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the property has all necessary planning, building regulation or other consents and M1 Agency LLP have not tested any services, equipment or facilities. Purchasers must satisfy themselves by inspection or otherwise.

CONTACT



VANESSA PENN

01473 211933 | vanessa@penncommercial.co.uk



M1 Agency LLP
6 Cavendish Square
London
W1G 0DP

STUART ATKINSON

07771 966 453 | stuart.atkinson@m1agency.co.uk

WILL BISHOP

07714 733 128 | will.bishop@m1agency.co.uk

WILL MCGAHEY

07930 616 011 | will.mcgahey@m1agency.co.uk

FREDDY MACNAUGHTON

07801 736 496 | freddy.macnaughton@m1agency.co.uk