FREEHOLD INVESTMENT OPPORTUNITY

ALEXANDER HOUSE, 73-77 ST MATTHEW'S STREET, IPSWICH IP1 3EW

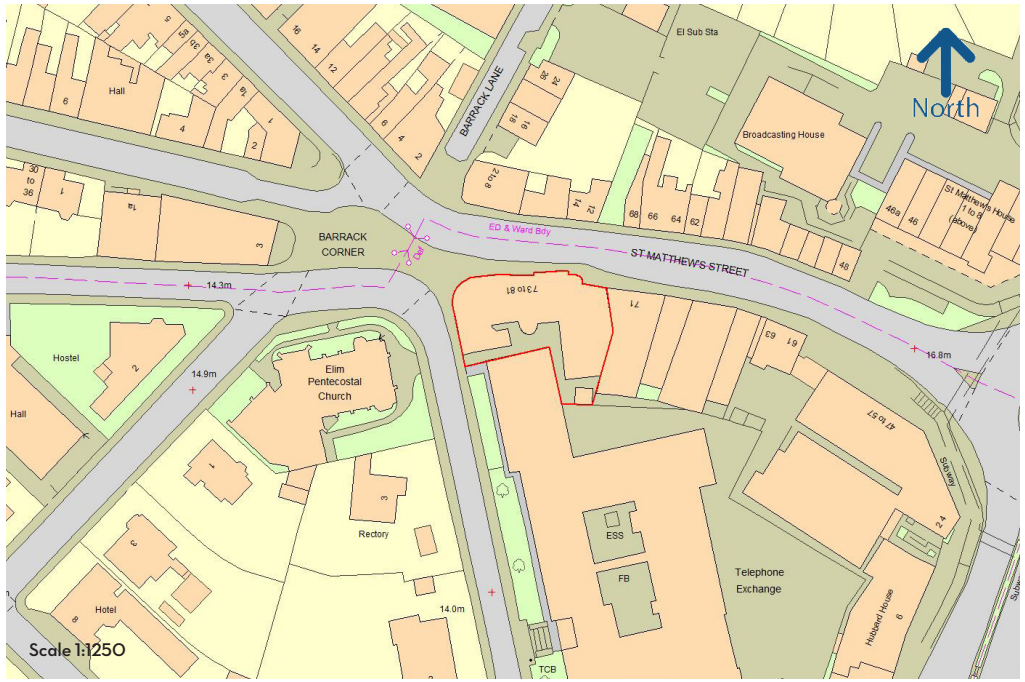
For sale on the instruction of T Perkin & J Barber acting as Joint Fixed Charge Receivers

savills

INVESTMENT SUMMARY

An opportunity to acquire a high yielding freehold House in Multiple Occupation (HMO) in a prominent location in Ipswich comprising:

- 80 units (72 self-contained) arranged over two adjoining buildings, including seven communal kitchen / living rooms and two roof terraces
- An overall gross internal area (including common parts) extending to 17,461 sq ft (1,622 sq m) over 5 storeys
- An overall gross rental income of £328,140 per annum (91% occupancy) with an estimated rental value of £335,000 per annum
- Located approximately 0.2 miles (0.32 km) to the west of Ipswich town centre and 0.5 miles (0.8 km) from Christchurch Park, which provides 70 acres (28 ha) of parkland, and sporting facilities
- A high yielding investment with the opportunity to add value through refurbishment



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View of St Lawrence Church (town centre)

LOCATION & SITUATION

Ipswich is in the county town of Suffolk, located on the estuary of the River Orwell in the South East of England. It is situated approximately 75 miles (120 km) to the north east of London, 52 miles (84 km) east of Cambridge and 42 miles (67 km) south of Norwich.

Ipswich is the oldest Anglo-Saxon town in England with an extensive history behind it, evident in the array of attractive period buildings and architecture.

The Property is situated in a prominent position on the corner of St Matthew's Street and Portman Road towards the western edge of the town, approximately 0.2 miles (0.3 km) from the town centre.

The town centre provides a mix of boutiques and large high street retailers, including a range of coffee shops, restaurants and bars.

The immediate area around the Property is characterised by a mix of residential housing, retail and small businesses.

There is a Tesco Express and a public gym situated approximately 200 ft to the east of the Property. Christchurch Park, which is located 0.5 miles (0.8 km) to the east, provides 70 acres of parkland, and sporting facilities.

REGENERATION

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 the year.

Ipswich Railway Station is receiving a £2 million investment to upgrade its current facilities.

Redevelopment of The Cornhill, the square in front of Ipswich's 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.

TRANSPORT

Ipswich Railway Station is located 0.8 miles (1.3 km) to the south of the Property and Derby Road Railway Station is located 1.9 miles (3.1 km) to the east of the Property on the opposite side of the town.

Ipswich Railway Station is on the Great Eastern Main Line and provides direct access to London Liverpool Street in 1 hour 10 minutes and Norwich in 42 minutes.

Road communications in and out of Ipswich are excellent. The A1156 provides direct access to the A14 to the west, which links with the M25 to the south west via the A12. The A14 also provides access to Cambridge to the west and the A1156 provides access across the town to the east.

Destination	Travel Time (Fastest)
London	1 hour 10 minutes
Cambridge	1 hour 19 minutes
Norwich	42 minutes

Communal courtyard

DESCRIPTION

The Property comprises two adjoining buildings:

- The Main Block is arranged over 3 floors, comprising 58 units, 50 of which are self-contained. There are also 7 communal kitchen / living rooms and a roof terrace.
- The Mews Block benefits from lift access and is arranged over 5 floors, comprising 22 self-contained units and a terrace on the third floor.

All the units are furnished and the majority are in average condition with a basic specification; therefore, providing an investor the opportunity to add value through refurbishment.

Example living / kitchen room

HMO LICENCE

The Property does not have a HMO licence.

TENANCY INFORMATION

The Property is currently 91% let on Assured Shorthold Tenancies (ASTs) producing a gross annual rent of £328,140. This reflects £300 - £475 per calendar month per unit. A summary of the tenancies is provided within Table 1.

Table 1

Tenancies Summary	
Current Rent Passing	£328,140
Estimated Rental Value	£335,000
Max Rent PCM	£475
Average Rent PCM	£375
Min Rent PCM	£300
Occupancy	91%

MARKET OVERVIEW

The private rented sector (PRS) in the locality of the Property (postcode IP1 3) accounts for c. 36% of all households, which reflects a 13% increase from 2001 to 2011 (Census data). The PRS in postcode IP1 and Ipswich makes up 22% and 21% respectively of all households, which reflects growth of 28% and 34% respectively since 2001 to 2011 (Census data).

Table 2 reflects the pricing profile (per calendar month) of the rental market in Ipswich.

Example unit

Example unit

THE HMO MARKET

The HMO investment market has evolved rapidly over the past two years. This has been particularly evident in London. Until recently there was limited demand for HMO properties when compared with residential (C3), as HMO properties were considered a niche investment. However, the HMO investment market offers the opportunity to optimise rents per square foot, enabling enhanced returns above mainstream residential.

PLANNING

The Property was historically used as student accommodation. In 2014 planning permission (IP/14/00179/FUL) was granted to convert the building into a HMO to provide 80 units and permit the Property to be let to non-students, as well as full time students.

Communal hallway

Table 2

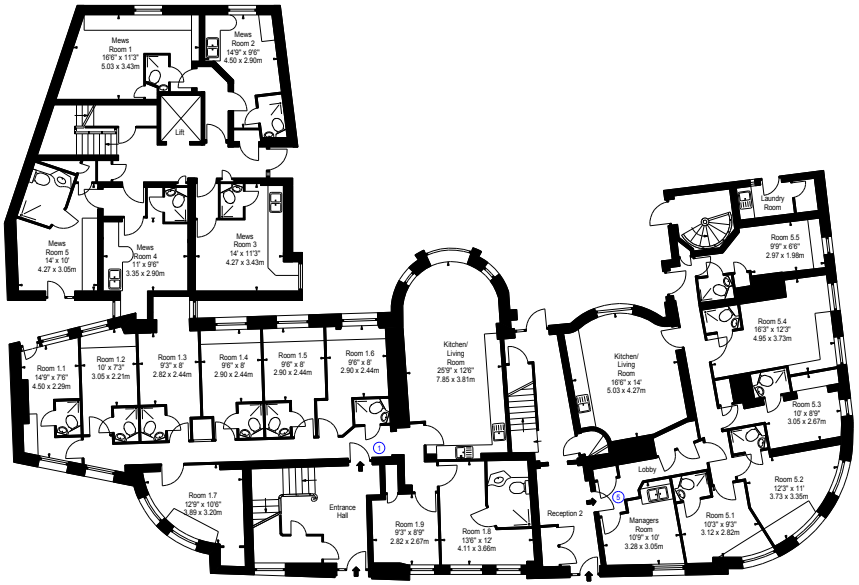
Unit Type	Median	Upper Quartile	Upper Decile
Studio	£382	£398	£428
1 bed	£493	£544	£596
2 bed	£640	£685	£747
3 bed	£750	£813	£895
4 bed	£975	£1,406	£1,433

(Rightmove Listings Year to Q4 2016)

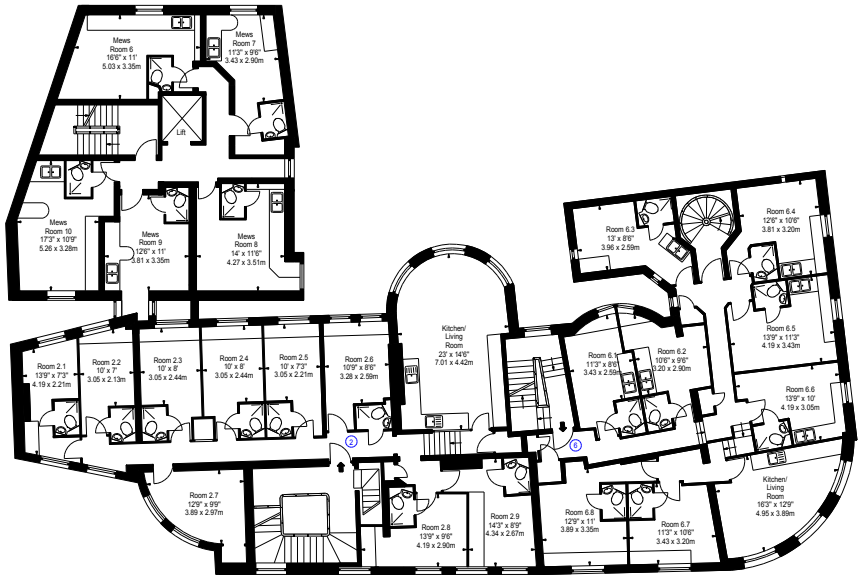
FLOOR PLANS

Overall gross internal area (including common parts) extending to 17,461 sq ft (1,622 sq m)

Ground Floor



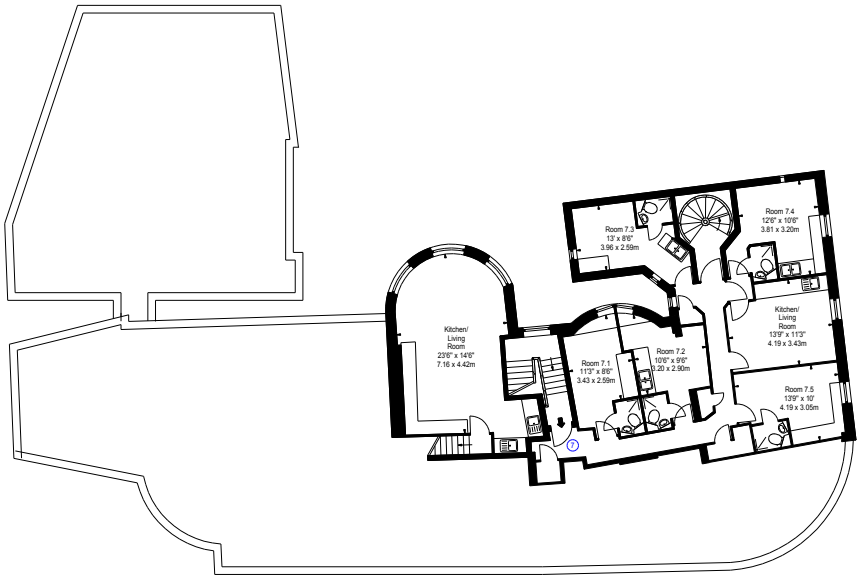
First Floor



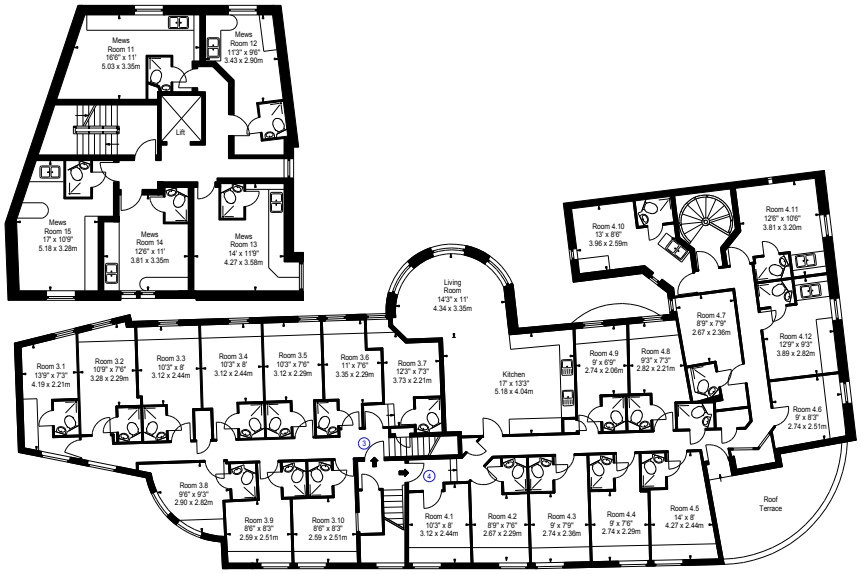
Basement

FLOOR PLANS

Mezzanine

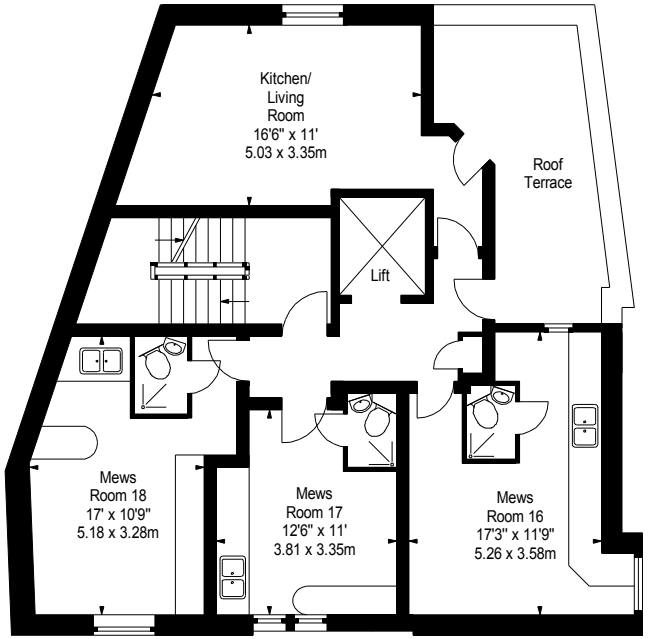


Second Floor

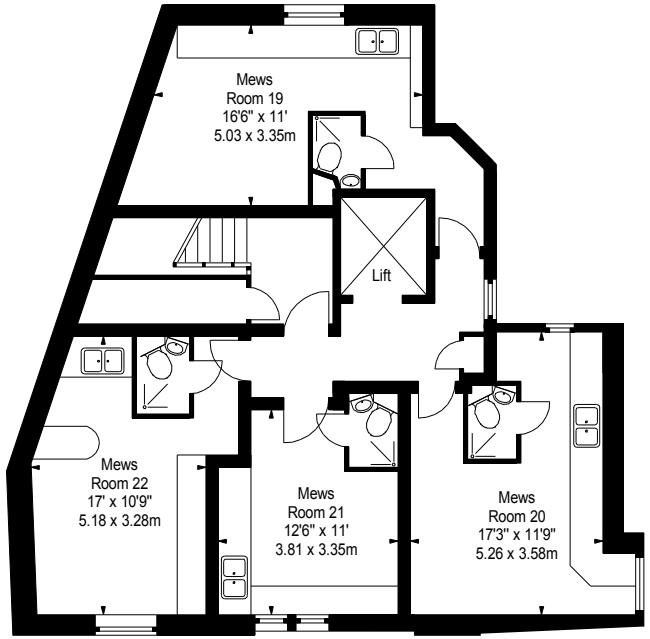


FLOOR PLANS

Third Floor



Fourth Floor



TENURE

The Property is held Freehold.

METHOD OF SALE

The Property is offered for sale by private treaty.

VAT

The Property is not elected for VAT.

FURTHER INFORMATION

A full suite of background information, including EPCs, can be found on the online dataroom at:
www.savills.com/alexanderhouse

VIEWINGS

Viewings are strictly by appointment via the vendor's sole selling agents, Savills. Please contact one of the agents below to make an appointment.

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Communal courtyard

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