

**77/83 HIGH STREET, SOUTHEND, SS1 1HS**



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- Prime and prominent trading location
- Major town centre bank branch
- Let to Lloyds Bank plc
- Refitted in 2014 to new Lloyds corporate style
- 10 year term expiring 2025 without break
- Low rebased rent set in 2015
- Income £120,000 per annum
- Guide Price £1,890,000
- Net initial yield 6.0%

**SOUTHEND**

Southend is a major seaside resort and commuter town and represents one of the major commercial centres in Essex. Tourist attractions include the longest pier in the world at 1.34 miles.

The resident population is approximately 160,260 persons with some 312,720 living within 6 miles and 627,950 within 12 miles. These numbers are significantly increased in the summer months when the town attracts over 6 million visitors.

The town is 45 miles east of London, 20 miles from Chelmsford, 41 miles from Colchester and 17 miles from Billericay. Communications are good, with the dual carriageway A127 linking the town with the A13 to central London, A130 to Chelmsford and M25. Rail services are available from the two Southend stations to London Liverpool Street and Fenchurch Street with a journey time of around an hour. Nearest international airports are Southend and Stansted.

**LOCATION**

The shopping centre is linear in form with the High Street running north to south with a shopping centre at each end - Victoria Plaza to the north and The Royals to the south.

The subject property occupies a prominent corner location on the west side of the pedestrianised thoroughfare at the junction with Weston Road. This southern section of High Street is gaining in strength with major stores occupied by Marks & Spencer, BHS, and Boots now joined by H&M (who relocated onto the High Street from the scheme).

The property adjoins Boots Opticians opposite McDonalds and Specsavers close to Marks & Spencer.

The location is indicated on the Goad plan extract.

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### DESCRIPTION

The accommodation is arranged over basement, ground and two upper floors and includes a small sublet shop behind the main building on Weston Road. Fire escapes are available onto Weston Road via a secure rear yard.

The ground floor was refitted in 2014 to Lloyd's latest corporate style with an open banking hall together with ATMs and interview rooms. The first floor provides further interview rooms and administrative offices whilst the second floor provides offices, ancillary and storage. The basement is arranged as storage, ancillary, plant and strong rooms.

There is a small ground floor only shop behind the main building facing onto Weston Road. This trades as Café Noir.

### DIMENSIONS

The property has the following approximate dimensions and net floor areas.

#### Lloyds Bank 77-83 High Road

Gross Frontage	59' 04"	18.09	m
Net Frontage	57' 09"	17.60	m
Gross Return Frontage	69' 00"	21.03	m
Return Window Frontage	36' 06"	11.13	m
Shop Depth	68' 00"	20.72	m

Ground Floor Sales	2,660 sq.ft.	241.11	m <sup>2</sup>
ITZA	1,533 units		
Ground Floor Offices	429 sq.ft.	39.05	m <sup>2</sup>
Ground Floor Storage	30 sq.ft.	2.70	m <sup>2</sup>
Basement Storage / Ancillary	1,318 sq.ft.	122.44	m <sup>2</sup>
First Floor Offices	2,067 sq.ft.	192.02	m <sup>2</sup>
Second Floor Offices / Ancillary	2,259 sq.ft.	209.86	m <sup>2</sup>

#### 2 Weston Road Sublet Shop

Gross Frontage	19' 06"	5.94	m
Net Frontage	17' 00"	5.18	m

Ground Floor Sales	329 sq.ft.	30.56	m
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### TENURE

The property is freehold.

### LETTING

The entire property is let to **Lloyds Bank PLC** on a full repairing and insuring basis for a term of 10 years from 20<sup>th</sup> February 2015 and expiring on 19<sup>th</sup> February 2025. The lease contains provision for an upwards only rent review at the fifth year. There are no breaks.

The rent is **£120,000 per annum.**

The small Weston Road Shop is currently sublet on a tenancy at will.



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### TENANT COVENANT

**Lloyds Bank PLC** (00002065) is the principal subsidiary of Lloyds Banking Group which embraces Lloyds Bank, Halifax, Bank of Scotland and Scottish Widows. The group has some 16 million customers and operates around 1,300 branches throughout the UK and overseas. The British Government has a substantial shareholding.

For the year ended 31<sup>st</sup> December 2014 Lloyds Bank plc had a pre-tax profit of £2.289 billion and shareholders funds of £48.777 billion

### RENTAL COMMENT

Lloyds has occupied this major branch for many years. The lease was renewed in 2015. The new rent of £120,000 per annum reflects a low rebased level. The previous passing rent was substantially higher at £175,000 per annum.

The current rent may be devalued to a low Zone A rate of £54 per sq.ft. taking the basement at £2.00 per sq.ft. first floor offices at £7.50 per sq.ft. and second floor at £5.00 per sq.ft. Allowance has been made for the prominent return (+5%) and configuration (-7.5%).

In common with nearly all UK shopping areas, rents have fallen back in recent years. Best High Street Zone A rents at the height of the market were in excess of £100 per sq.ft. Current Zone A rates at this end of High Street are typically in the range of £50 - £60 per sq.ft. for good units.

### COMMENT ON RATEABLE VALUE

The property has a rateable value of £172,000 based on circa £86.00 per sq.ft. Clearly, this is out of step with current rental values and a favourable adjustment might be expected from the rates revaluation scheduled for 2017.

### EPC

The EPC rating is D 85. Certificate and report are available on request.



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**PROPOSAL**

For the freehold interest, subject to the benefit of the letting we seek a price of £1,890,000 subject to contract to show a net initial yield of **6.0%** having taken purchase costs at 5.8%.

**This investment provides an opportunity to purchase a long established bank in a prime trading location. The property is let off a low rebased rent with excellent potential for growth, whilst providing security of income until 2025.**

The property is registered for VAT and a sale is expected to be by TOGC.

**FURTHER INFORMATION**

For further information please contact:-

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**SUBJECT TO CONTRACT**

MISREPRESENTATION ACT

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