



25-27 Lumley Road, Skegness
PE25 3LL
#10816/2024A

25-27 Lumley Road

Skegness, PE25 3LL



Agreement



Detail



Price



Size



Location



Property ID

For Sale

Substantial High Street retail investment let to the British Heart Foundation on a new 10 year lease from November 2023.

£595,000

Based on the current rental income of £51,500 this shows a Net Initial Yield (NIY) of 8.24%.

1368.36 sq m (14,729 sq ft)
NIA

Skegness PE25 3LL

#10816/2024A

For Viewing & All Other Enquiries Please Contact:



JAMES BUTCHER
BSc (Hons) MRICS
Director

james.butcher@eddisons.com
07808 284578
01522 544515

Property

The property comprises a substantial High Street retail investment laid out over ground, first and second floors, with a separate area of car parking to the rear on the northern side of Prince George Street, that runs parallel to the rear of the property, part of which is demised to the tenants of the shop, the British Heart Foundation, with two further spaces demised to an adjacent landowner.

The property is constructed in a mix of cavity and solid brickwork under a mix of slate roofs and cement asbestos clad pitched roofs to the rear.

The property has a full width glazed shop front onto Lumley Road, with the accommodation behind this running northwards towards Prince George Street to the rear.

The property is predominantly laid out over ground and first floors with a small area of 2nd floor accommodation found to the front overlooking Lumley Road. The majority of the ground floor is taken up by the sales area, with a small area to the rear for storage. The first floor is used for storage and staff accommodation. The second floor, which we were unable to gain access to during our inspection, is we understand also used for storage.

With the exception of the 2 car parking spaces in the small car park to the rear, the property is let to the British Heart Foundation by way of a new lease, the details of which are set out later in these particulars.

The rent passing was re-based on lease renewal last November.

Accommodation

Having measured the property in accordance with the prevailing RICS Code of Measuring Practice, we calculate that it provides the following floor area.

Area	m ²	ft ²
Ground Floor - Sales	457.52	4,925
Ground Floor - Storage	144.44	1,555
First Floor - storage/staff accommodation	549.50	5,915
Second Floor (Taken from VOA areas)	216.90	2,334
Total NIA	1368.36	14,729

In addition, to the rear of the site on the opposite side of Alghitha Road, there is an area of car parking extending to circa 275 sq m (2,960 sq ft). The majority of this is let to the British Heart Foundation within their lease, with two spaces let to an adjacent landowner

Full details are set out in the Tenure Section below.

Energy Performance Certificate

Rating: C 67

Certificate Number - 8131 7984 7087 5564 2720

Expires - 24/06/2033

Services

We understand that mains water, electricity and drainage supplies are available and connected to the property. These have not been tested and interested parties are advised to make their own investigations to the relevant utility service providers.

Town & Country Planning

We understand that the property has consent for uses falling within Class E (Commercial, Business & Services Use) of the Town and Country Planning (Use Classes) Order 1987 (as amended 2020).

Alternative uses may be appropriate, subject to the receipt of the necessary Planning Consents. The property is not Listed nor situated within a Conservation Area.

In our opinion, the upper floors could provide potential for residential conversion at some point in the future, if vacant possession of this building could be secured from the tenants. There would also be the potential (subject to planning) of building on the car parking land to the rear.

Interested parties are advised to make their own investigations with the Local Planning Authority.

Rates

Charging Authority: East Lindsey District Council
Description: Shop and Premises
Rateable value: £51,500
UBR: 0.512
Period: 2023-2024

Multiplying the Rateable Value figure with the UBR multiplier gives the annual rates payable, excluding any transitional arrangements which may be applicable. For further information, please contact the Charging Authority.

Legal Costs

Each party is to be responsible for their own legal costs incurred in documenting the transaction.

Tenure

The interest being sold is the Freehold interest, subject to two separate leases, the details of which are set out below:

Shop Lease - The whole property and the majority of the car park is let by way of a new 10 year lease from 1st November 2023 to the British Heart Foundation at a rent of £50,000 per annum. The lease is drawn on Full Repairing and Insuring terms. The lease incorporates an upward only rent review at 5 years and tenant breaks in years 3 and 6. In the event that the tenants exercise their break at the end of year 3 then there is a penalty of £10,000 for them to pay.

Car Park Lease -There are two car parking spaces to the rear, which are let separately to Digital Memorial Limited, also for 10 years from 1st November 2023, with the same tenant only break provisions in years 3 and 6. The current passing rent is £1,500 per annum.

Therefore, the total rental income derived from the property is a figure of £51,500 per annum.

Price

Offers are invited in excess of £595,000 for the Freehold interest in the property, including the car park to the rear, subject to the leases detailed above.

A purchase at this price would provide Net Initial Yield (NIY) to the purchaser of 8.24%, after allowing for standard acquisition costs.

Please note that the property is held in an SPV, so there could be the option available of acquiring the SPV to reduce significantly the stamp duty payable on the purchase price.

Covenant Information

As referred to above, the vast majority of the property is let to the British Heart Foundation, one of the best known and well funded Charities in the UK. The Charity have a Creditsafe rating of **97 out of 100 (A) - a very low risk score.**

Their latest financial statement for 2023 shows a turnover of £151.9 million, pre-tax profits of £7.9 million and Shareholder Funds of £125.6 million.

VAT

The property is not elected for VAT.

Location

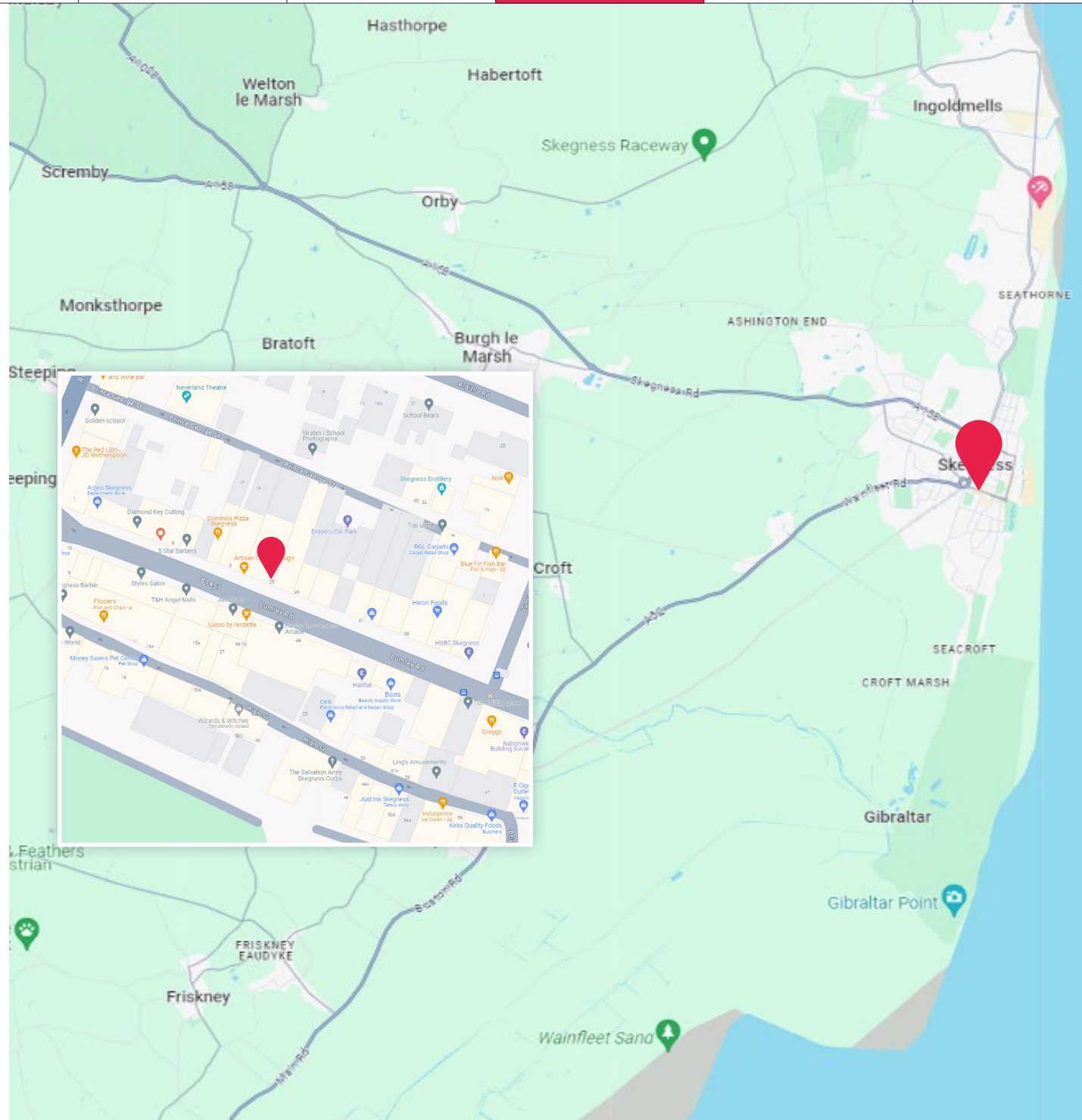
The property is situated on the northern side of Lumley Road, towards its western end, where it joins the A52.

Lumley Road is the main and prime shopping street in the town and the location of the town's covered shopping centre, The Hildreds, situated a short walk to the east. The seafront/ Grand Parade is located at the eastern end of Lumley Road, running northwards from the Clock Tower roundabout, adjoining the eastern end of Lumley Road.

Skegness is the principal seaside resort on the Lincolnshire East Coast and has a resident population of circa 19,000 and a district population of circa 130,000. The population increases significantly during the busy summer months, when the town sees a significant influx of tourists staying either in the multiple hotels/guest houses within the town centre or, alternatively, at the extensive holiday parks running northwards along the coast to Ingoldmells, the home of the largest number of static caravan sites in Europe.

The principal access routes into the town are via the A52 from Boston, approximately 22 miles to the south west, and the A158 from Lincoln, approximately 43 miles to the west.

Nearby retailers on Lumley Road include Argos, O2, Holland & Barrett, Edinburgh Woollen Mill, Heron Frozen Foods, Boots, Savers and Specsavers.

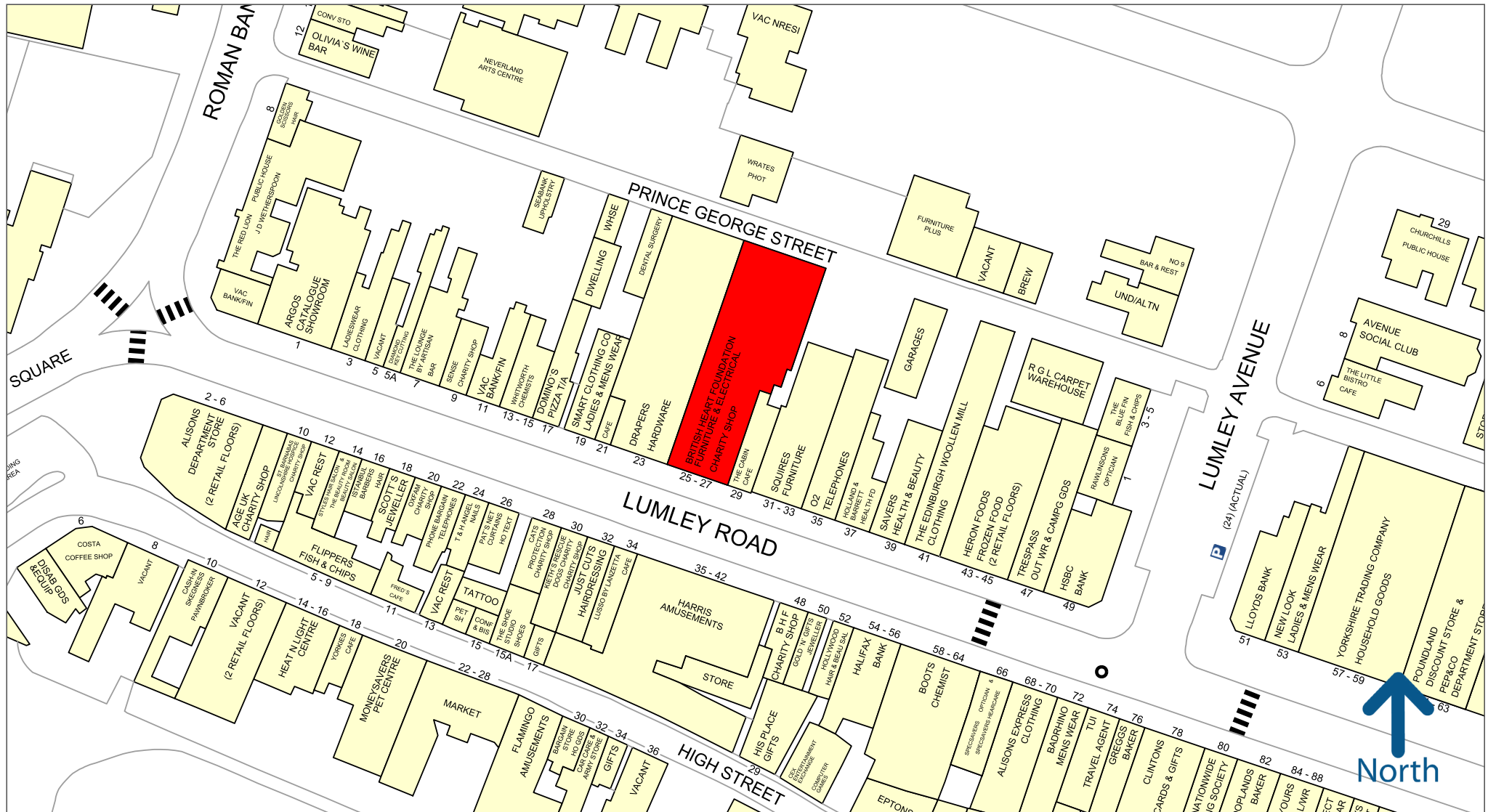








Skegness



50 metres



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Experian Goad Plan Created: 11/01/2024

Created By: Barker Storey Matthews

For more information on our products and services:

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British Heart Foundation, 25-27 Lumley Road, Skegness, PE25 3LL



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Plotted Scale - 1:1,250