



BALLAM ROAD, LYTHAM ST ANNES

INVESTMENT SALE

**25 YEAR SECURE INCOME TO LOCAL AUTHORITY
COVENANT WITH ANNUAL RENTAL UPLIFTS**

Christopher Dee



INVESTMENT SUMMARY

- Office investment let to **Blackpool Borough Council** for a further **25 years term certain** with annual **RPI linked uplifts** (0% collar and 5% cap)
- The tenant has the **right to acquire the freehold** on lease expiry for £1
- Well located in **Lytham St Annes** town centre
- Comprehensive refurbishment** undertaken in 2009
- Fully underlet to **ATOS IT Services (UK) Limited**
- 105,571 sq ft** plus **556 car spaces** on 8.35 acre site
- £852,500** pa passing rent anticipated in March 2024, reflecting only **£8.07 psf**
- Substantial underlying site value** for alternate uses
- Seeking offers in excess of **£14,500,000** subject to contract and exclusive of VAT.
- A purchase at this level reflects an attractive **net initial yield of 5.5%**
- For further information please contact **Chris Bathurst: 07957 138 003** or cb@christopherdee.co.uk
Adam Wildig: 07739 325 666 or aw@christopherdee.co.uk



LOCATION

LYTHAM ST ANNES IS AN AFFLUENT COASTAL TOWN SITUATED AT THE MOUTH OF THE RIVER RIBBLE APPROXIMATELY 24 KM (15 MILES) WEST OF PRESTON AND 80KM (50 MILES) NORTH WEST OF MANCHESTER.

The M55 motorway is located approximately 4.8km (3 miles) north of the town, which in turn provides connection to the M6 motorway at Junction 32.

Lytham St Annes has a resident population of circa 43,000 (2021) and Lytham railway station provides regular rail services to Preston's mainline station with a fastest journey time of 24 minutes in turn providing an inter city service to London Euston within 2 hours 15 minutes, Manchester 40 minutes and Liverpool 1 hour.



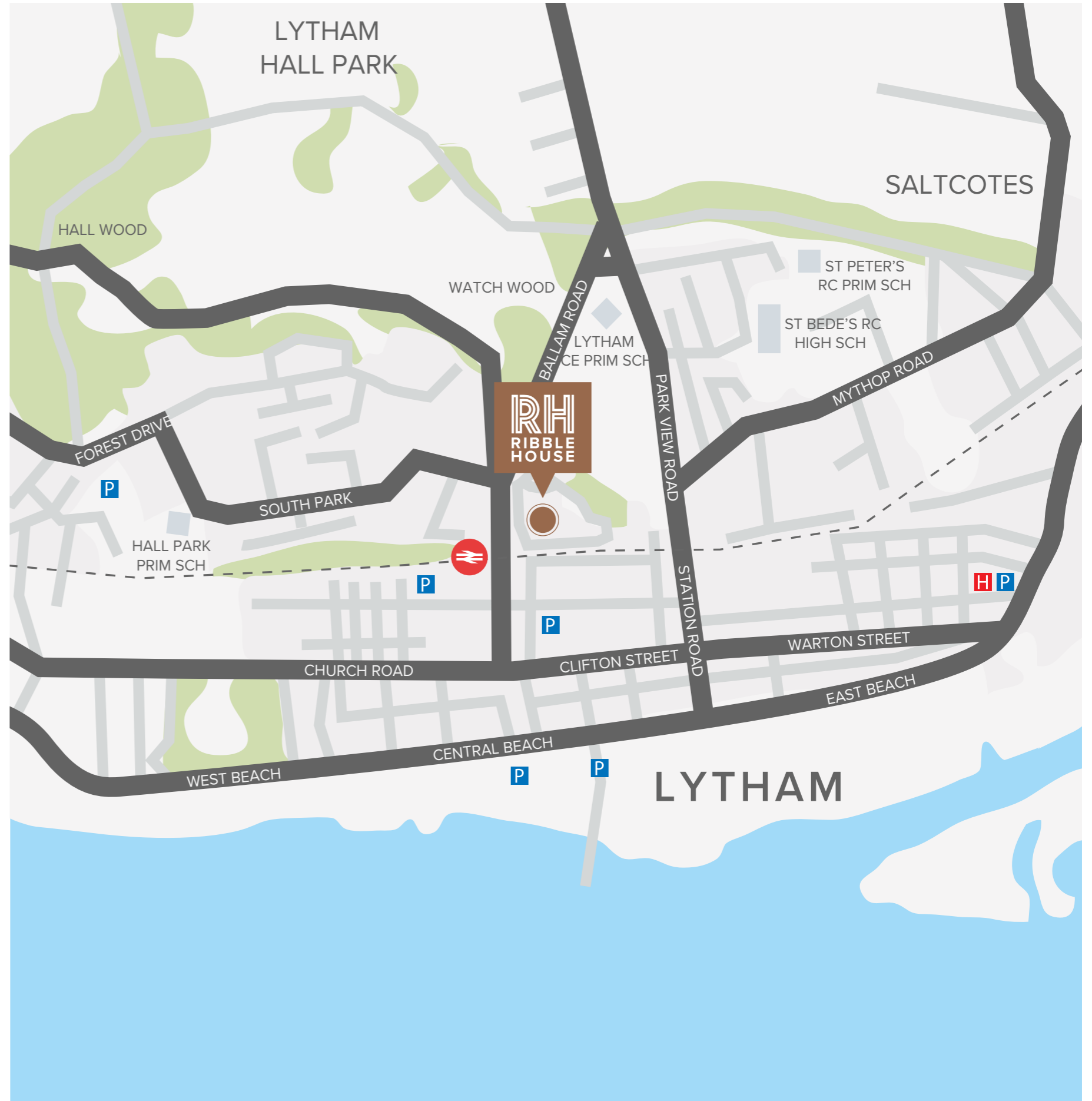
AVERAGE HOUSE PRICE GROWTH OF 15.5% IN FYLDE TO APRIL 2023, THE HIGHEST IN LANCASHIRE

(SOURCE: LAND REGISTRY)

SITUATION

THE SUBJECT PROPERTY LIES WITHIN LYTHAM TOWN CENTRE, IN AN ATTRACTIVE LANDSCAPED AREA IMMEDIATELY ADJACENT TO LYTHAM RAILWAY STATION.

The site fronts Ballam Road, which forms the arterial route to Lytham town centre from the M55 motorway and is a recognized high quality residential area of the town as well as being the location of the towns' largest office properties.



PRIME LYTHAM HOUSE PRICES ARE £375 PSF COMPARED TO THE AVERAGE NORTHWEST ENGLAND HOUSE PRICES OF £232 PSF, PUSHING LAND VALUE TO CIRCA £2M PER ACRE.

DESCRIPTION

THE PROPERTY COMPRISES A SUBSTANTIAL DETACHED OFFICE BUILDING CONSTRUCTED IN THE MID 1970'S OF REINFORCED CONCRETE FRAME CONSTRUCTION BENEATH A FLAT ROOF TOGETHER WITH A DETACHED MULTI-STOREY CAR PARK, ALSO OF CONCRETE-FRAME CONSTRUCTION.

The main office building is divided into four inter-connected wings (D, E, F and G) configured around a central, single-storey block wherein the staff restaurant, conference area and meeting rooms are located.

The building extends to approximately 9,807.79 sq.m (105,571 sq.ft) over ground and 4 upper floors, plus part 5th floor.

The property sits on a triangular shaped site which extends to 8.35 acres. The site is fully secured with a security gate house and fencing to the perimeter.

There is an extensive surfaced car park providing approximately 344 spaces and a multi-storey car park with a further 212 spaces all contained within landscaped grounds.

In the south east corner of the site is a separate office building extending to circa 64,000 sq ft, referred to as Block A, B and C, which was previously occupied by the same company who occupied Ribble House. This property has a right of way across the Ribble House site, to provide access to the property and the multi-storey car park.



THE BUILDING EXTENDS TO APPROXIMATELY 105,571 SQ FT ON A SITE OF CIRCA 8.35 ACRES.



SPECIFICATION

A COMPREHENSIVE REFURBISHMENT WAS UNDERTAKEN IN 2009 FOLLOWING THE SALE AND LEASEBACK TO AEGON UK PLC. THE WORKS UNDERTAKEN INCORPORATED:



RE-CONFIGURATION OF OFFICE SPACE TO CREATE EFFICIENT OPEN PLAN FORMAT WITH CLEAR FLOOR PLATES UP TO 7,100 SQ FT



FULL REDECORATION OF ALL INTERNAL OFFICE SPACE INCLUDING NEW CARPETS AND SUSPENDED CEILING TILES



NEW VRV COOLING SYSTEM AND REPLACEMENT BOILERS FOR THE HOT WATER CENTRAL HEATING SYSTEM



CAT II RECESSED LIGHTING



REFURBISHED KITCHEN/RESTAURANT AREA AND BREAKOUT SPACES



REFITTED W/C FACILITIES



FEATURE RECEPTION AREA



FIVE REFRUBISHED PASSENGER LIFTS



APPROX 344 CAR PARKING SPACES AND A MULTI-STOREY CAR PARK WITH A FURTHER 212 SPACES



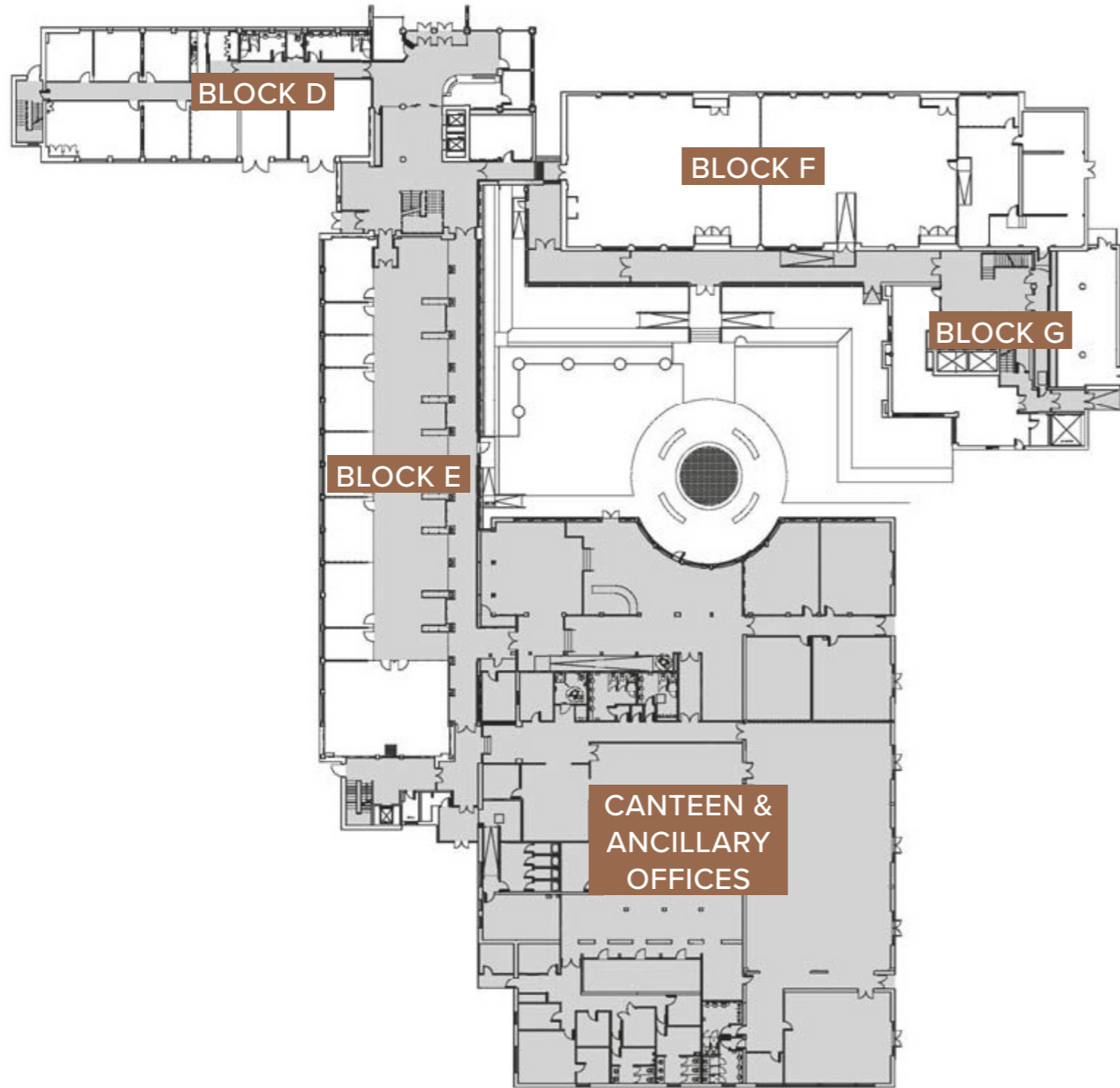
THE VENDOR HAS UNDERTAKEN A BUILDING SURVEY REPORT, M&E REPORT AND STRUCTURAL ENGINEERS REPORT (INCLUDING CONCRETE TESTING). ALL ARE AVAILABLE IN THE DATAROOM.



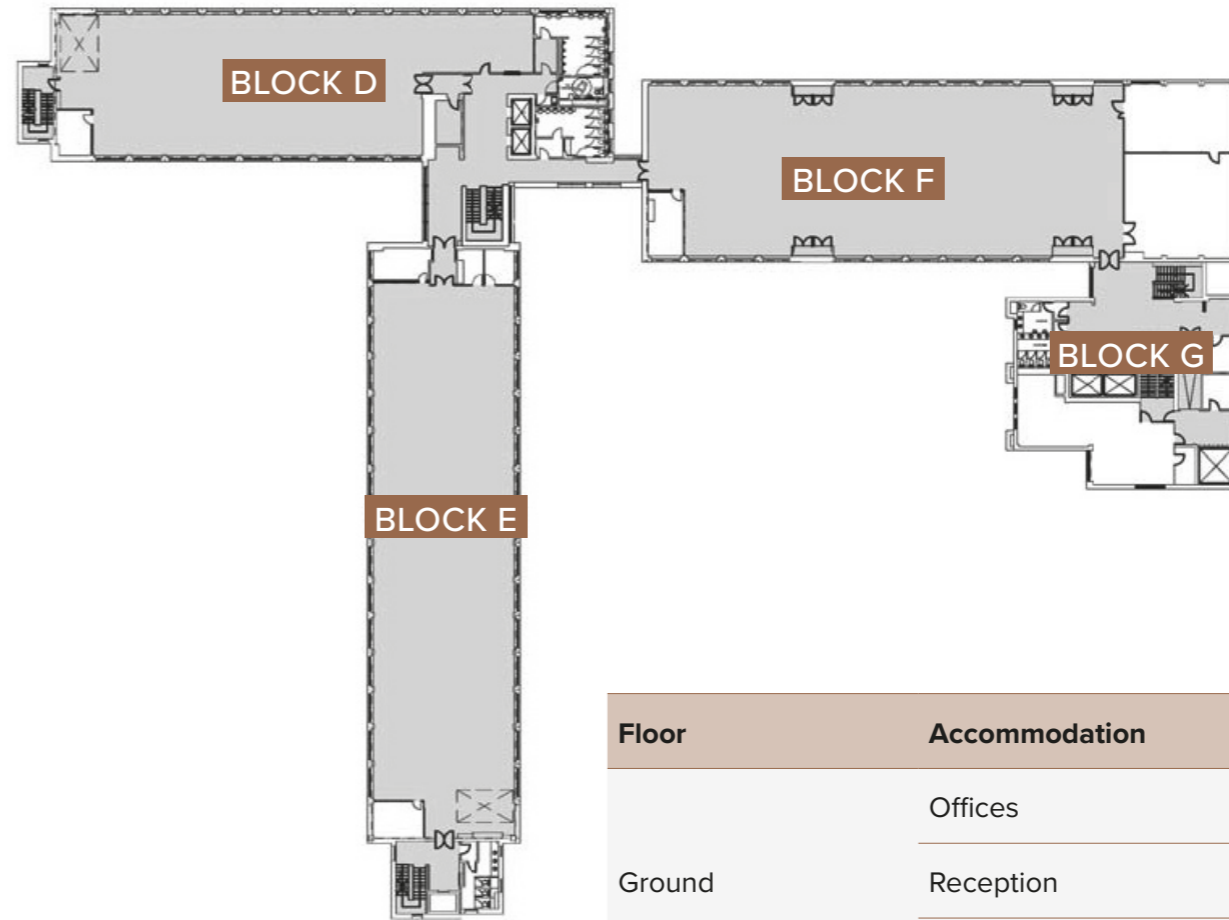
ACCOMMODATION

THE PROPERTY HAS BEEN MEASURED IN ACCORDANCE WITH THE RICS CODE OF MEASURING PRACTICE 6TH EDITION AND PROVIDES THE FOLLOWING NET INTERNAL AREA.

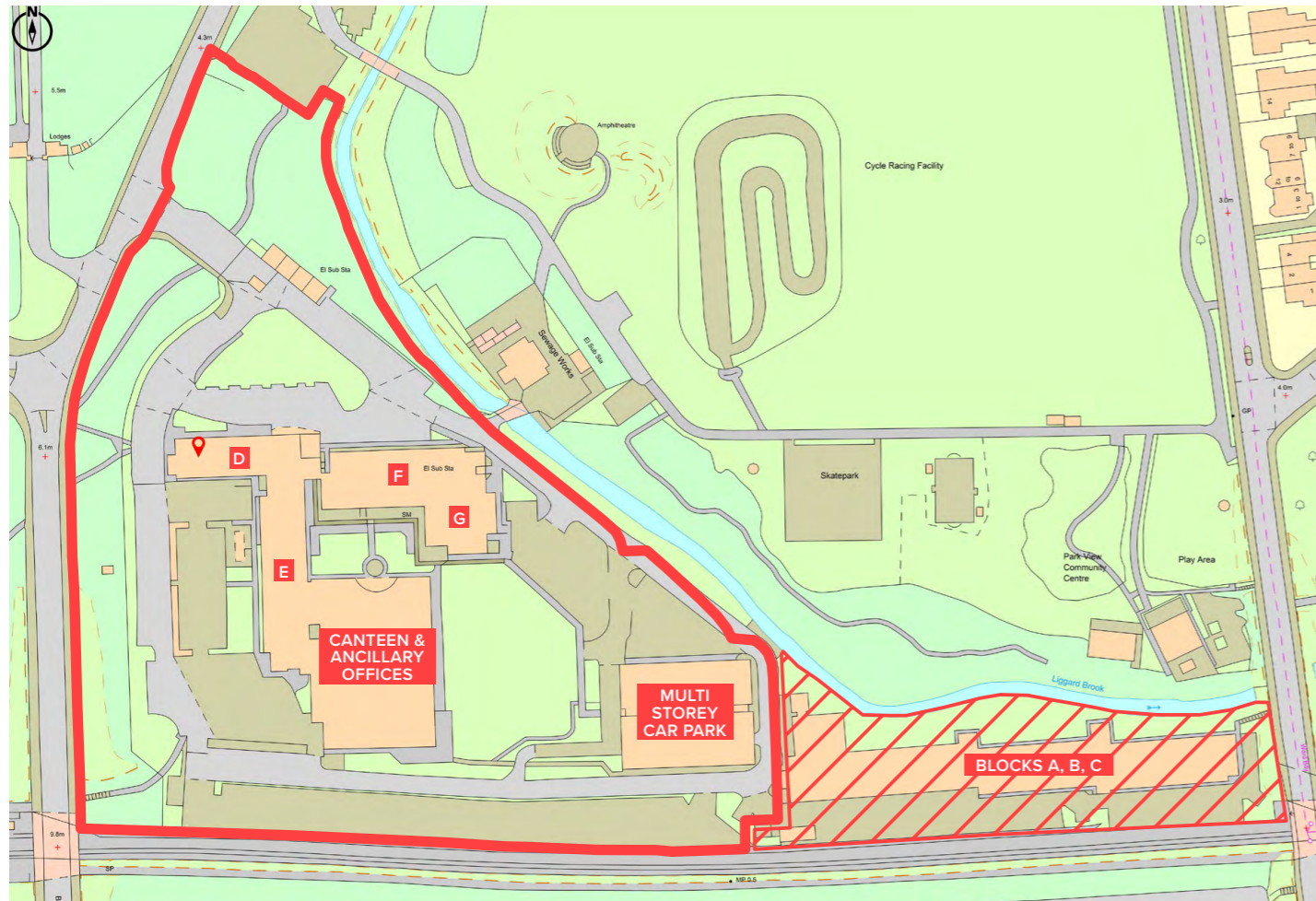
GROUND FLOOR PLAN



TYPICAL UPPER FLOOR LAYOUT



Floor	Accommodation	Total (sq ft)
Ground	Offices	14,868
	Reception	2,172
	Amenity	19,751
First	Offices	18,015
Second	Offices	17,954
Third	Offices	17,954
Fourth	Offices	12,573
Fifth	Offices	2,466
TOTAL (SQ FT)		105,571



TENURE

The property is held freehold.

The owners of Blocks A, B and C (site cross hatched on plan), currently Beaverbrooks the Jewellers, have a right of way across the Ribble House site to access their property. In addition, they have the right to utilise 211 car park spaces in the M.S.C.P and contribute 40% of the repair and maintenance.

SUBSTITUTION AGREEMENT

Blackpool Borough Council have the right to substitute an alternative property from their Freehold Estate to remove the leasehold obligation on Ribble House.

A copy of the Agreement is available in the Dataroom.

TENANCY

The entire property is let on an overriding full repairing and insurance lease on the following headline terms;

Tenant	BLACKPOOL BOROUGH COUNCIL
Term	30 years
Start Date	29th March 2018
Expiry Date	28th March 2048
Tenant Options	The tenant has the right to acquire the freehold on expiration of the lease term for £1
Current Rent	£811,991 pa to be topped up to £852,500 pa (i.e anticipated rental level in March 2024).
Rent Reviews	Each anniversary of the term commencement date, based on RPI with 0% collar and 5% cap.

Blackpool Borough Council underlet the entire demise to ATOS IT Services (UK) Limited on the following headline terms;

Tenant	ATOS IT SERVICES (UK) LIMITED
Term	20 years
Start Date	1st April 2009
Expiry Date	31st March 2029
Tenant Options	None
Rent	£1,830,000 pa (estimated)
Rent Reviews	Each anniversary of the term commencement date to the greater of 101.25% of the current annual rent or increase in RPI.

We are aware that the undertenant no longer occupies the whole building and has sub underlet to a variety of occupiers, including Inenco and Beaverbrooks the Jeweller.

COVENANT

BLACKPOOL BOROUGH COUNCIL IS A LABOUR CONTROLLED LOCAL AUTHORITY OF THE BOROUGH OF BLACKPOOL. IT IS A UNITARY AUTHORITY, HAVING THE POWERS OF A COUNTY COUNCIL AND DISTRICT COUNCIL COMBINED.

In April 2023, the Department for Levelling Up, Housing and Communities confirmed that the publication deadline for Local Authority Statement of Accounts, which has been extended for the last three years, will return to the pre-Covid publication deadline of 31 May 2023. Accordingly, there is a delay in publishing the Council's Annual Statement of Accounts, indeed the most recent accounts available for review are for the financial year ending 31st March 2021:

[Blackpool Council Statement of Accounts 2020/21](#)

We are not qualified to comment in detail on the financial status of Blackpool Borough Council, though understand that should a Local Authority fall into financial issues, then central Government will fully support the authority through Special measures. Accordingly, the UK commercial property investment market generally reviews the covenant as Investment Grade.

COUNCIL BACKED INITIATIVES

BLACKPOOL CENTRAL

“Game changing” regeneration scheme to create a unique first-class destination in the heart of the town centre. Delivery of the 17 acre site is to be undertaken in multiple phases with the initial phase (1,300space MSCP) completed. Next stages include a heritage centre, a public event square hotel and restaurants.

TALBOT GATEWAY

£350m mixed use regeneration scheme extending to 20 acres adjacent to the central railway station. The scheme comprises office developments to create a new central business district (1.1m sqft proposed), together with complimentary hotel, leisure and retail uses (120,000sqft Sainsburys complete and trading).

CIVIL SERVICE HUB

Forms part of The Talbot Gateway scheme and will create a new regional Government office for 3,000 professional workers relocating to the town centre when the scheme opens in 2025.

BLACKPOOL AIRPORT ENTERPRISE ZONE

Blackpool Airport is now owned by Blackpool Council, ensuring that it will continue to operate as an important hub that will benefit the whole region. The overall objective of the Enterprise Zone status being to create up to 3,000 jobs on site and attract £300m of private sector investment. The first phase of development on the EZ was completed in 2023 and comprises a £6m sports village.

ABINGDON STREET MARKET

The re-opening of Abingdon Street Market, part funded by Levelling Up funds to undertake a full internal refurbishment is underway. The renovated market will be a bright, modern space, with 250 covers for socialising and enjoying food and beverages purchased in the market, as well as, artisan stalls and flexible retail units.



PROPOSAL

OFFERS ARE SOUGHT IN EXCESS OF

£14,500,000

(FOURTEEN MILLION, FIVE HUNDRED THOUSAND POUNDS)
SUBJECT TO CONTRACT AND EXCLUSIVE OF VAT.

AN ACQUISITION AT THIS LEVEL WILL PROVIDE A PURCHASER WITH A 5.5% NET INITIAL YIELD, BASED ON A TOPPED UP RENT OF £852,500 PA (ASSUMES 5% RPI UPLIFT AT 29TH MARCH 2024 REVIEW).

Year	RPI @ 3%	RPI @ 5%	Year	RPI @ 3%	RPI @ 5%
Initial Yield	5.50%	5.50%			
29 Mar 2025	5.67%	5.78%	29 Mar 2030	6.57%	7.37%
29 Mar 2026	5.83%	6.06%	29 Mar 2031	6.76%	7.74%
29 Mar 2027	6.01%	6.37%	29 Mar 2032	6.97%	8.13%
29 Mar 2028	6.19%	6.69%	29 Mar 2033	7.18%	8.53%
29 Mar 2029	6.38%	7.02%	29 Mar 2034	7.39%	8.96%

COMPARABLE TRANSACTIONS

Tenant and Address	Transaction	Buyer	Price	Yield	Date
Aberystwyth University Campus Building, Aberystwyth	25 yr unexpired income strip. Annual RPI reviews (0%-5%).	U/O	£48,700,000	5.50%	Ongoing
Teesside Combined Authority Energy Plant, Teesside	40 yr income strip. Annual RPI reviews (1.0%-3.5%).	MacQuarie	£91,500,000	3.75%	Q1 2023
University Hospital Southampton NHS Trust Sterile Service Department, Adana Campus, Southampton	30 yr unexpired income strip. Annual RPI reviews (1%-4%).	MacQuarie	£29,000,000	4.25%	Q1 2023
Westfield Energy Recovery Ltd Westfield Energy Recovery Facility, Fife	35 yr term certain to break. Annual RPI uplifts (uncapped).	U/O	C £8,750,000	5.60%	Ongoing

FURTHER INFORMATION

FOR FURTHER INFORMATION OR TO ARRANGE AN INSPECTION,
PLEASE CONTACT:

CHRIS BATHURST

07957 138 003

cb@christopherdee.co.uk

ADAM WILDIG

07739 325 666

aw@christopherdee.co.uk

Christopher Dee

CHRISTOPHER DEE LLP

The Warrant House, 1 High Street, Altrincham WA14 1PZ

EPC

The property has an EPC rating of 'D'.

DATAROOM

A dedicated datasite is available for interested parties.

AMR

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

VAT

VAT will be payable on the purchase price.

It is anticipated that the sale will be dealt with as a Transfer of a Going Concern.

MISREP: The accuracy of any description, dimensions, references to condition, necessary permissions for use and occupation and other details contained herein is not guaranteed and is for general guidance only and prospective purchasers or tenants must not rely on them as statements of fact or representations and must satisfy themselves as to their accuracy. Christopher Dee nor any of its employees or representatives has any authority to make or give any representation or warranty or enter into any contract whatever in relation to the property. Rents quoted in these particulars may be subject to VAT in addition. The reference to any mechanical or electrical equipment or other facilities at the property shall not constitute a representation (unless otherwise stated) as to its state or condition or that it is capable or fulfilling its intended function. Prospective tenants/purchasers should satisfy themselves as to the fitness of such equipment for their requirements. October 2023.