

**EXTREMELY SECURE GREATER LONDON INVESTMENT WITH
LONGER-TERM REDEVELOPMENT POTENTIAL
36 YEARS UNEXPIRED TO MARKS & SPENCER PLC**

55-63

Powis
Street

WOOLWICH

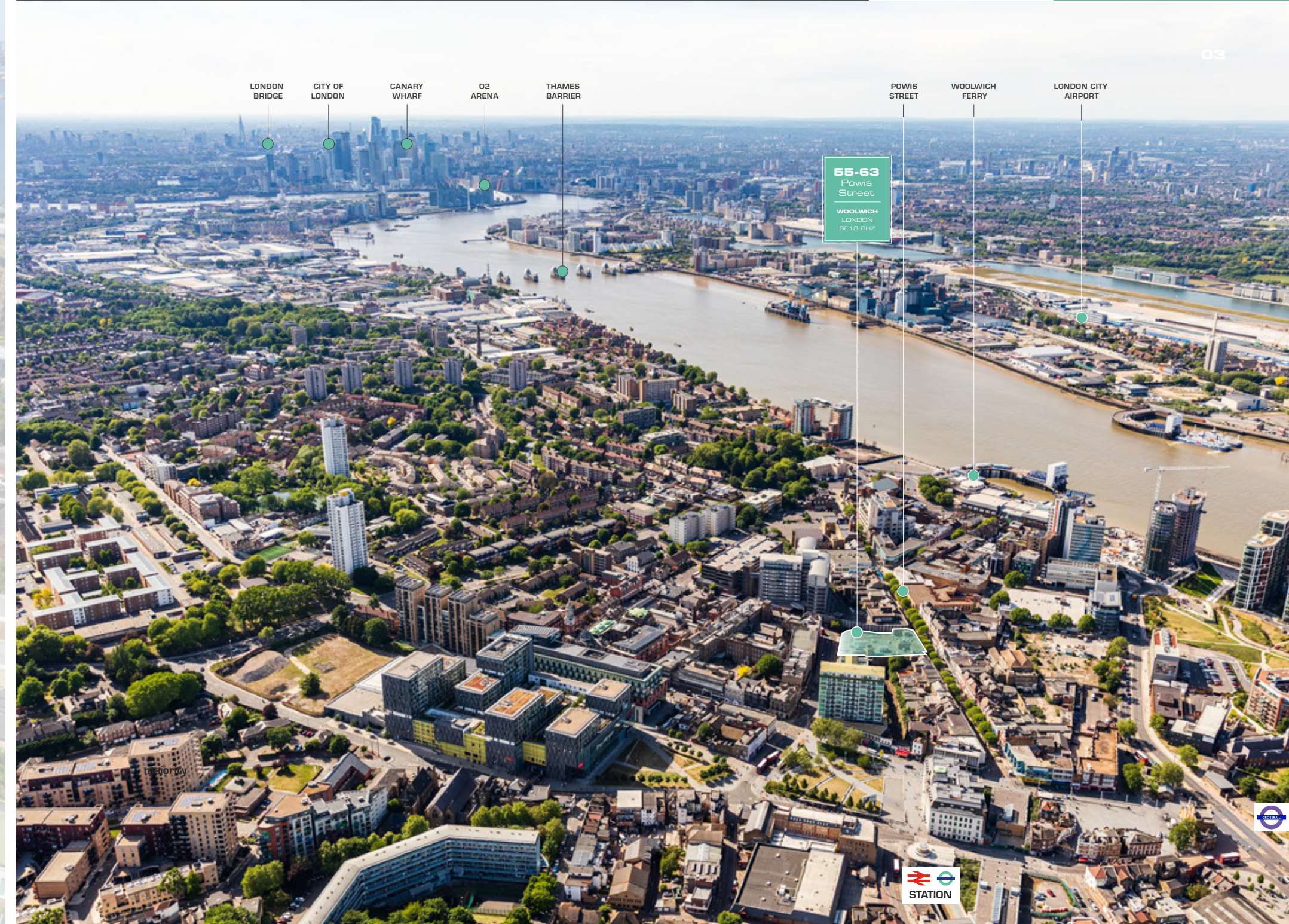
LONDON
SE18 6HZ



ADS | REAL ESTATE
ADVISORS

EXECUTIVE SUMMARY

- **Woolwich is a major district of South East London** and is located on the south side of the River Thames, to the east of Greenwich.
- Woolwich's regeneration is one of **Greater London's most exciting regeneration projects**, involving significant infrastructure upgrades and the emergence of a vibrant, cultural destination.
- **Woolwich Arsenal Station** is within a 2 minutes' walk and provides excellent links to the **City and Central London**.
- **Crossrail** will further enhance these links to the City, West End and Canary Wharf, with direct services to Heathrow Airport.
- Woolwich is designated as a Major Centre in London and has been identified as an **"opportunity area" for development** in the London Plan.
- The subject property offers an excellent longer-term opportunity to reposition and enhance value (STPP). The subject property's low existing height compared to surrounding buildings offers **significant development potential**.
- Prime new build schemes in Woolwich have now achieved over **£900 per sq ft**.
- Substantial site of approximately **0.6 acres, comprising 46,788 sq ft**.
- The subject property is let to **Marks & Spencer PLC** on a 71 year and 3-month lease expiring 21st June 2058, providing an **unexpired term of over 36 years**. The lease benefits from a guarantee under **Privity of Contract**.
- The current passing rent is £275,000 per annum, reflecting an **extremely affordable overall rent of £5.90 per sq ft**.
- **Marks & Spencer Plc** is an internationally renowned British retailer and a constituent of the FTSE 250 Index.
- The business has **liquidity headroom of over £1.5 billion**, including nearly £675 million in cash balances.



WOOLWICH

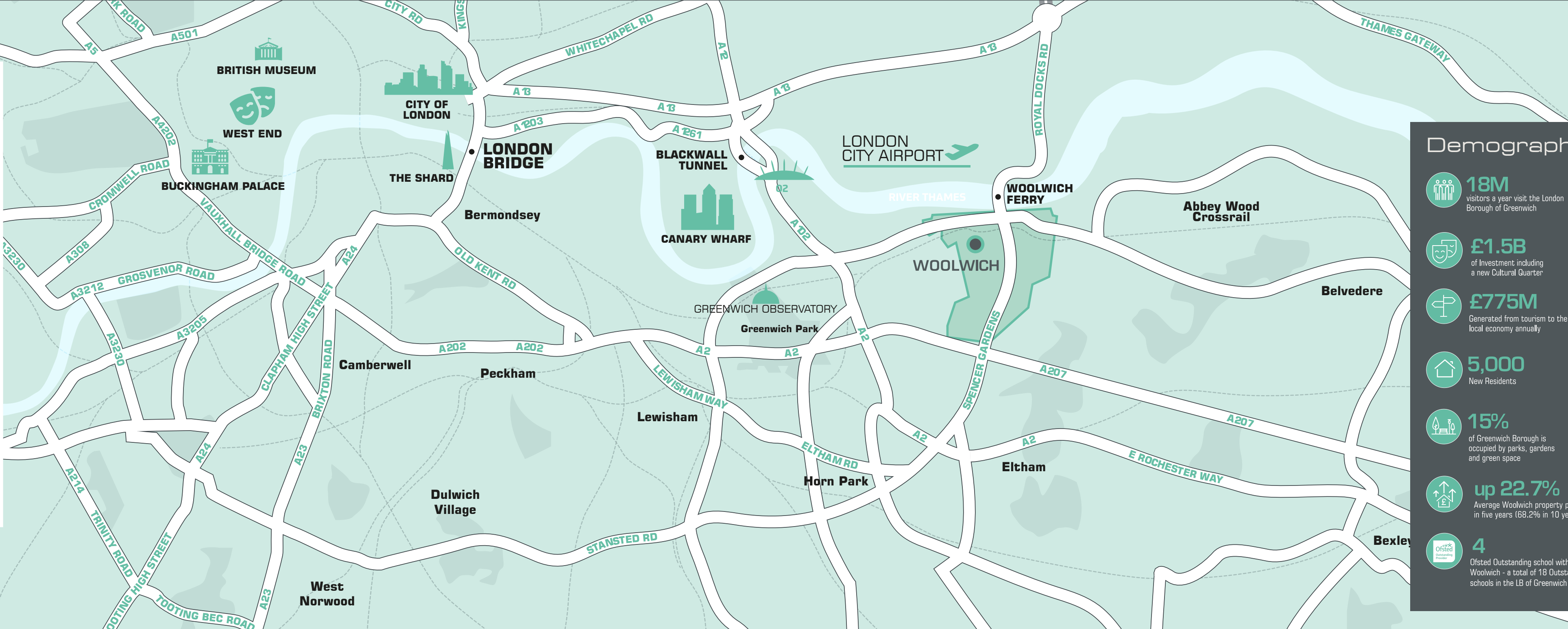
Woolwich is a district of South East London and is located on the south side of the River Thames, to the east of Greenwich.

Over time, the town centre of Woolwich has developed to be the largest in the Royal Borough of Greenwich. Rich with cultural history, Woolwich has been cemented as the cardinal centre since the 16th Century.

Historically one of the foremost dockyards in Europe and a major military base, Woolwich has a strong and longstanding association with the Royal Military Academy, Ordnance Factories and Artillery Barracks.

In more recent times, the military use of the Royal Arsenal site ceased and the buildings were taken over by English Partnerships for development, creating one of Europe's largest regeneration projects.

The opening of the Crossrail will further enhance Woolwich's excellent accessibility, placing it within just a few minutes of London's most important commercial districts and busiest transport interchanges. With the improved transport infrastructure, the area needs a greater supply of housing to meet growing demand.



Demographics

18M
visitors a year visit the London Borough of Greenwich

£1.5B
of Investment, including a new Cultural Quarter

£775M
Generated from tourism to the local economy annually

5,000
New Residents

15%
of Greenwich Borough is occupied by parks, gardens and green space

up 22.7%
Average Woolwich property prices in five years (68.2% in 10 years)

4
Ofsted Outstanding school within Woolwich - a total of 18 Outstanding schools in the LB of Greenwich

CONNECTIVITY

Woolwich is one of London's best-connected neighbourhoods, served by Crossrail, Rail, River, Road and Pedestrian transport options.

Rail

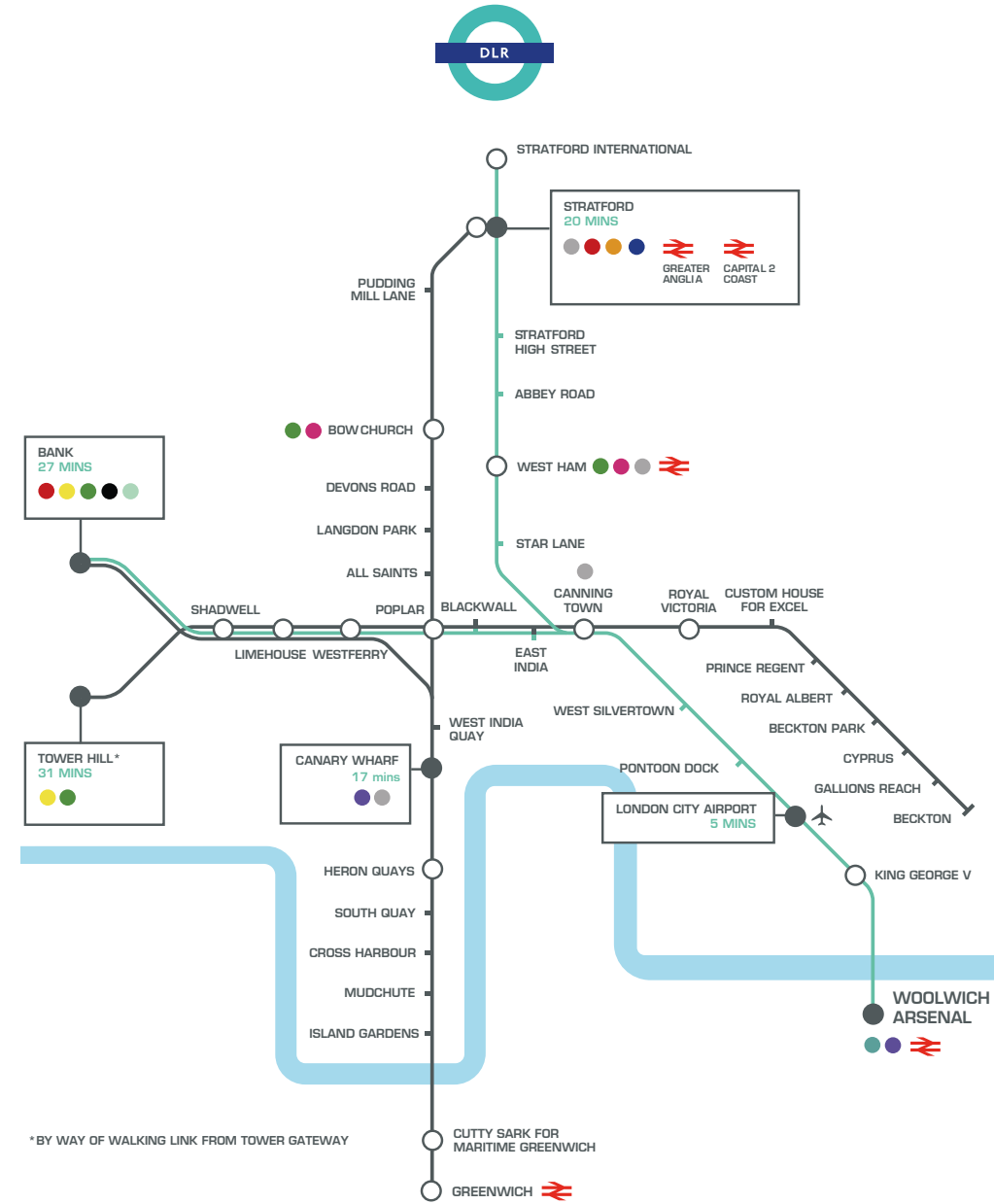
Woolwich Arsenal Station is a paired Docklands Light Railway (DLR) and National Rail interchange, providing frequent services across London and the South East.

The DLR provides direct services to London's only central aviation hub, City Airport as well as Canary Wharf and Bank. Both Canary Wharf and Tower Hill are significant interchanges which connect to the London Underground network.

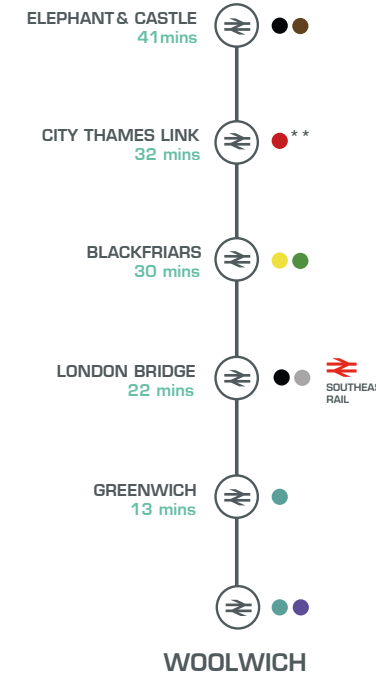
Woolwich is served by both Southeastern and Thameslink Rail services, which provide frequent direct services to London Bridge, Cannon Street, Blackfriars and Kings Cross St Pancras, all of which also link with the London Underground.

Crossrail

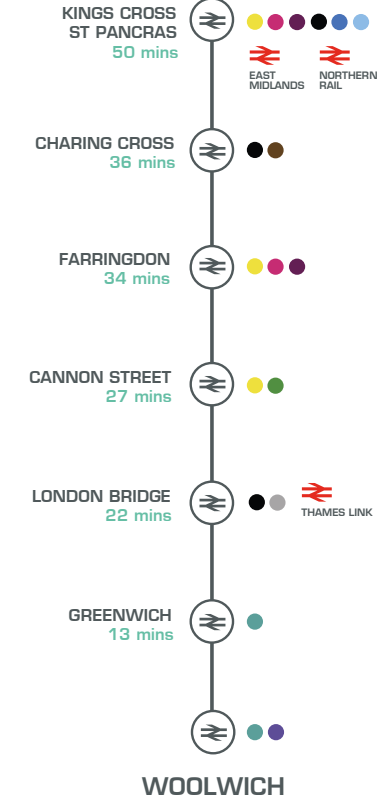
The opening of the Elizabeth Line will further enhance Woolwich's excellent rail accessibility, placing it within just a few minutes of London's most important commercial districts and busiest transport interchanges.



THAMESLINK



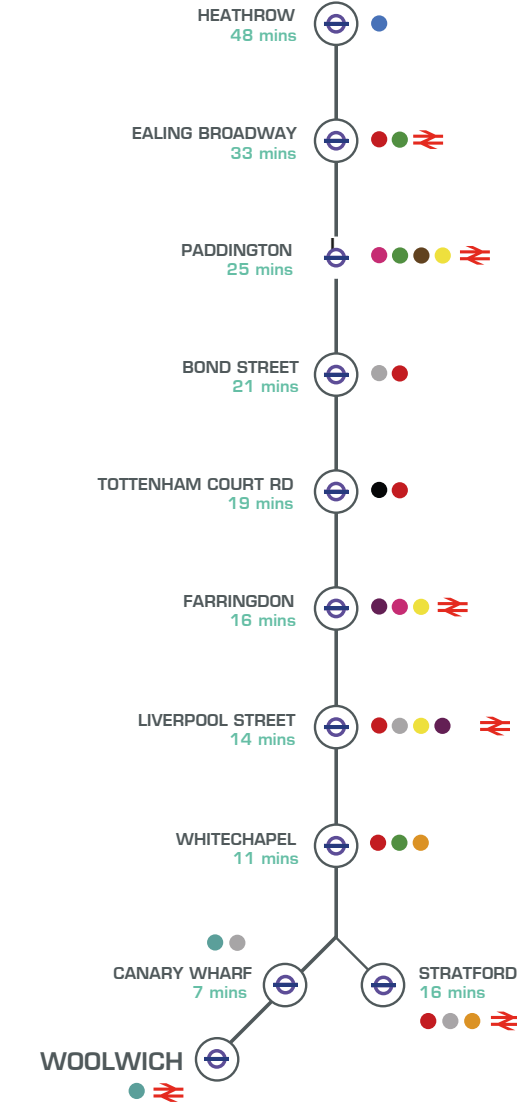
SOUTHEASTERN



** BY WAY OF A WALKING LINK TO ST PAUL'S

KEY:

● CENTRAL	● DLR	● PICADILLY
● OVERGROUND	● HAMMERSMITH & CITY	● VICTORIA
● BAKERLOO	● JUBILEE	● CROSSRAIL
● CIRCLE	● METROPOLITAN	● TFL RAIL
● DISTRICT	● NORTHERN	● WATERLOO & CITY



Road

Woolwich town centre is immediately east of the A205 South Circular road, London's innermost ring road. The A13 key arterial route which links the M25 with the City and East London, intersects with the A205 just 2.5 miles to the north.

The A206 directly links Woolwich to the Blackwall Tunnel 3.6 miles to the west, providing immediate road access into Central London.

River

The Woolwich Ferry is a free service linking Woolwich and North Woolwich and accommodates pedestrians, cyclists and vehicles. The Ferry handles over 1 million vehicles and 2.6 million passengers annually.

The Thames Clipper provides further passenger and cyclist services along the Thames, from 22 piers between Putney and Woolwich and utilises London Underground's Oyster Card. Woolwich benefits from 3 piers, 2 of which are south of the Thames.

SITUATION

The subject property occupies a highly prominent position on the pedestrianised Powis Street, Woolwich's prime high street retail offer. Notable national occupiers on Powis Street include: TK Maxx, Clarks, Iceland, Holland & Barrett, WHSmith, Specsavers, JD Sports, Superdrug, Greggs, McDonalds and Nando's.

55-63 Powis Street is situated in the middle of Powis Street, within the 100% prime pitch. The western end of Powis Street meets the South Circular Road (A205) and at the eastern end are the town's two main squares, Beresford Square and General Gordon Square. This is also where Woolwich Arsenal railway and DLR stations are situated. The Crossrail station is to be situated on the other side of the A206, within the Royal Arsenal Development.

The subject property boasts a PTAL rating of 6a (the second highest rating achievable). PTAL is a measure by which locations are rated by distance from frequent public transport services (rated from: 0 – 6b).



The subject property sits in a highly strategic position between the Bathway Quarter Conservation Area and the Woolwich Estate:

- **The Bathway Quarter** is an iconic civic district in the centre of Woolwich and is destined to play a major role in the town centre's regeneration. The area is highlighted in the Town Centre Masterplan as having the potential to be a high quality high-specification, loft-style placemaking development.
- **Woolwich Estate** is a 4.9-acre area situated in the heart of Woolwich town centre with frontages onto Powis Street and Hare Street. British Land control this retail led estate, which comprises 50 units and benefits from a busy annual footfall of over 6 million. The 360,000 sq ft mixed use estate will see major improvements to the town centre's retail experience, revitalising the area's primary retailing destination.

DESCRIPTION

The subject property occupies a substantial site of approximately 0.6 acres (0.24 hectares) benefiting from prominent glazed frontages facing onto Powis Street and Thomas Street with another entrance on Calderwood Street.

The open plan ground floor accommodation is set below upper-storey ancillary and storage space. The subject property comprises a total of 46,788 sq ft (NIA) in its current form.

The site extends westwards from Powis Street to Thomas Street over the railway line. The subject property is serviced via Thomas Street.

REGENERATION

Woolwich's regeneration is one of Greater London's most exciting transformation projects, involving significant infrastructure upgrades and the emergence of a vibrant and cultural destination.

Woolwich continues to benefit from intensive regeneration and significant investment in housing, transport, retail and leisure. With the improved transport infrastructure, the area needs a greater supply of housing to meet growing demand.

The town is designated as a Major Centre in London and has been identified as an "Opportunity Area" for sustainable development in the London Plan and will consequently evolve into a Metropolitan Centre.



KEY

- 55-63 POWIS STREET - SUBJECT PROPERTY
- 1 BATHWAY QUARTER
- 2 WOOLWICH ESTATE
- 3 ROYAL ARSENAL RIVERSIDE
- 4 WOOLWICH CREATIVE DISTRICT
- 5 MACBEAN SITE
- 6 ONE WOOLWICH
- 7 WELLINGTON QUARTER
- 8 CALLIS YARD
- 9 WOOLWICH CENTRAL
- 10 MAST QUAY
- 11 ARMOURERS COURT
- 12 WOOLWICH EXCHANGE
- 13 PROPOSED NEW LEISURE CENTRE
- 14 WOOLWICH LEISURE CENTRE

SITE

0.6 acres (0.24 hectares).

PLANNING

The property is situated within the Woolwich Conservation Area.

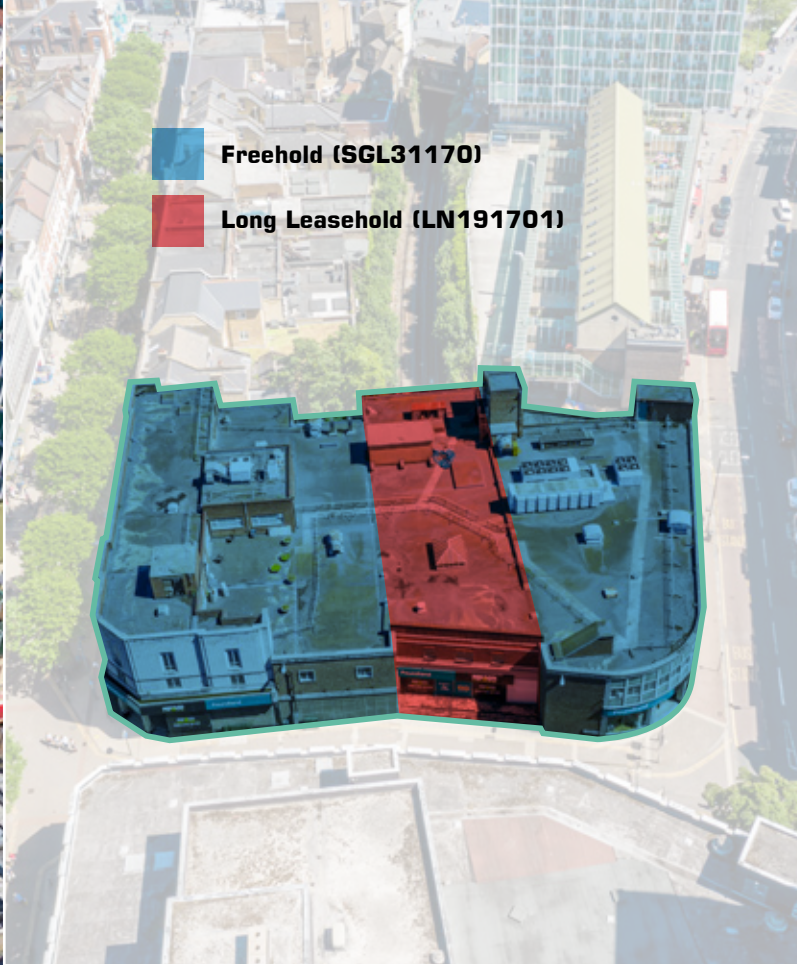
The front part of the property (fronting Powis Street) is locally listed. Further information available upon request.

ACCOMMODATION

The subject property provides the following approximate net internal floor areas:

Description	Sq Ft (NIA)	Sq M (NIA)
Ground Floor	21,191	1,968.7
First Floor	20,945	1,945.9
Second Floor	4,466	414.9
Third Floor	186	17.3
TOTAL	46,788	4,346.8

*Measured survey available upon request.

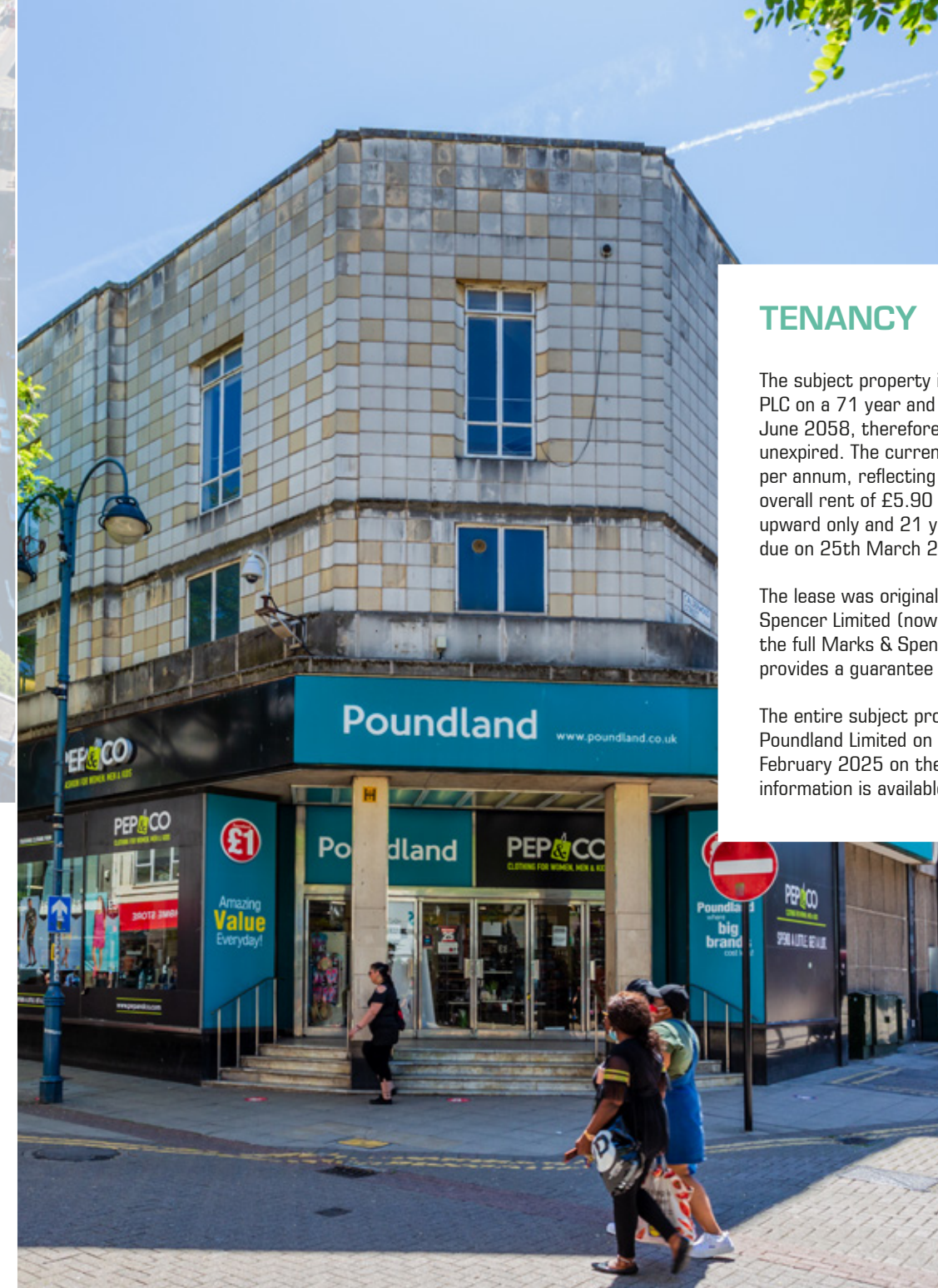


TENURE

The property is held under two titles, summarised below:

- Freehold (Title Number: SGL31170).
- Long Leasehold (Title Number: LN191701). 99 years from 24 June 1959 (36 years unexpired).

Further information available upon request.



TENANCY

The subject property is let to Marks & Spencer PLC on a 71 year and 3-month lease expiring 21st June 2058, therefore offering over 36 years unexpired. The current passing rent is £275,000 per annum, reflecting an extremely affordable overall rent of £5.90 per sq ft. Rent reviews are upward only and 21 yearly, with the next review due on 25th March 2034.

The lease was originally granted to Marks & Spencer Limited (now Marks & Spencer PLC) and the full Marks & Spencer PLC covenant therefore provides a guarantee under Privity of Contract.

The entire subject property is sub-let to Poundland Limited on a lease expiring 25th February 2025 on the same terms. Further information is available upon request.

COVENANT

Marks & Spencer Plc

Marks & Spencer Plc (M&S) is an internationally renowned British retailer listed on the London Stock Exchange and a constituent of the FTSE 250 Index.

Founded in 1884, M&S is one of the UK's leading retailers, employing over 78,000 people and serving 30 million customers across the UK every year.

Primarily based in the UK, M&S sells into 62 international markets from 1,519 stores, operating Food, Clothing & Home and other retail businesses using the M&S own brand model.

M&S holds a 50% investment in Ocado Retail, a relationship between M&S and Ocado Group PLC. Since September 2020, the M&S Food range and selected Clothing & Home products have been available for customers to shop on the Ocado platform, giving the Group access into the UK's fastest-growing grocery sales channel and generating over £20 million in synergies. Over the 52 weeks ended 28th February 2021, Ocado Retail delivered 43.7% revenue growth in what has been an extraordinary period for the online grocery market.

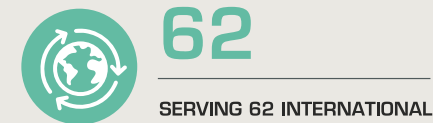
Marks & Spencer Plc boasts a CreditSafe score of A-86, representing a 'Very Low Risk' of business failure. At year end, the business has liquidity headroom of over £1.5 billion, including nearly £675 million in cash balances.

M&S

EST. 1884

A summary of the company's last three year's trading accounts is as follows:

	YE 03-Apr-2021(000's)	YE 28-Mar-2020 (000's)	YE 30-Mar-2019 (000's)
Turnover	£9,155,700	£10,181,900	£10,377,300
Pre-Tax Profit	-£201,200	£67,200	£108,300
Net Worth	£2,285,800	£5,693,500	£5,042,700

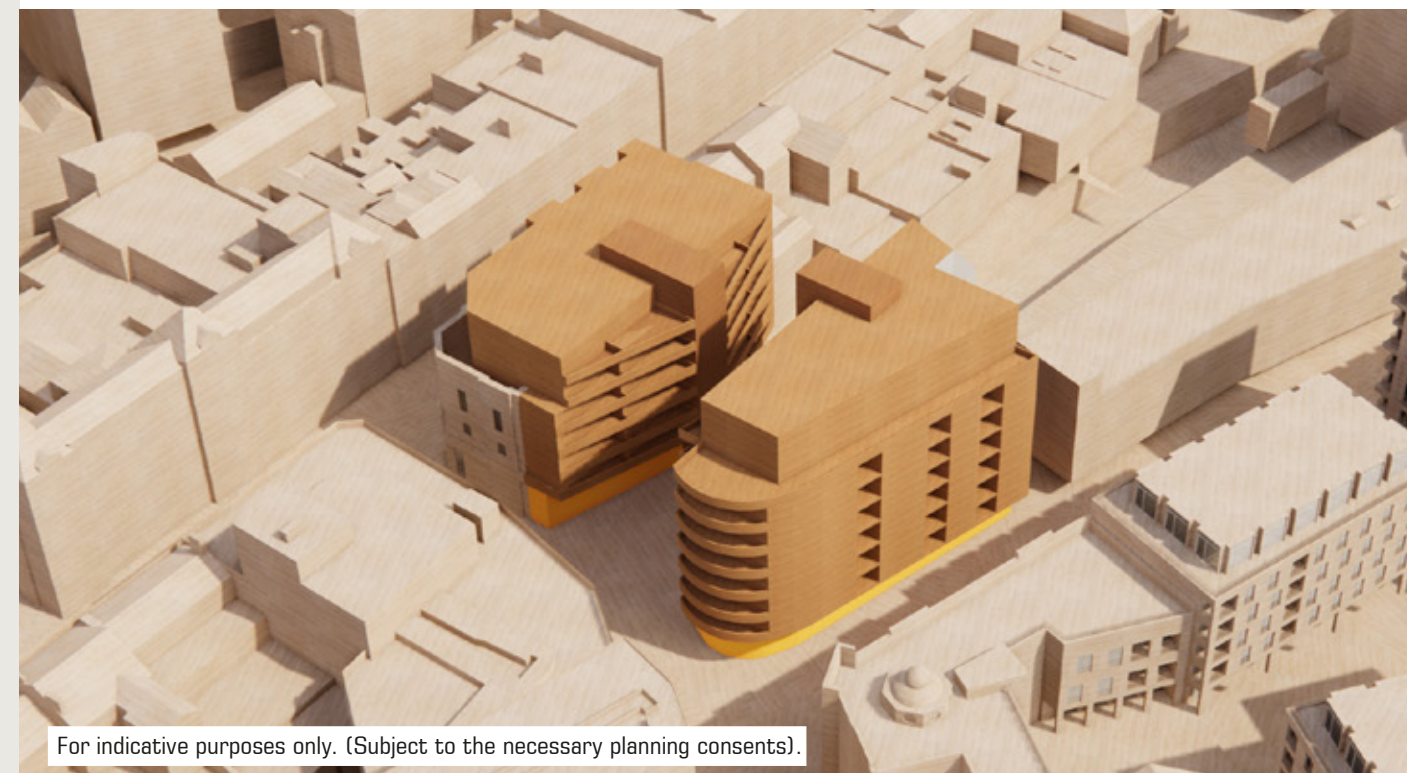


ASSET MANAGEMENT INITIATIVES

The subject property offers an excellent longer-term opportunity to reposition and enhance value (STPP).

The subject property's low existing height compared to surrounding buildings offers significant development potential. We believe there is scope to provide several additional storeys of residential upper parts, subject to the necessary planning consents while retaining the ground and basement for flexible commercial use.

In keeping with Greenwich Borough's 'Tall Building' Policies, the readily acceptable height of proposed buildings within the historic town centre are generally four storeys at the street frontage with potential for additional storeys set back from the building line, without impeding on the scale and character of the existing streets. The indicative plan shown to the left is in keeping with the Council's 'Tall Building' policy and is a conservative estimate on the asset's massing potential.



RESIDENTIAL MARKET COMMENTARY

Woolwich benefits from affordable entry rental and sales prices, with current average house prices standing at a circa 15% discount to the rest of the London Borough of Greenwich and Greater London.

According to the GLA, Woolwich's population grew by 13% over the last five years, with projected growth of a further 50% by 2025. This growth is enhancing its demographic, with new residents generally belonging to a higher socioeconomic grouping than the existing.

A number of new build schemes in Woolwich have now achieved over £900 per sq ft, showcasing Woolwich's residential demand and its desirability. This is unsurprising when considering Woolwich's excellent connectivity to East and Central London.

In recent years, the London Borough of Greenwich has been one of London's top four boroughs for Help to Buy transactions, with a significant amount of these transactions occurring in Woolwich. Woolwich's rental demand is also strong, with rents in some newly completed schemes in Woolwich achieving over £30 per sq ft, which still offers value compared to Canary Wharf, parts of the Royal Docks and Stratford.

For indicative purposes only. (Subject to the necessary planning consents).

55-63

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Street

WOOLWICH
LONDON
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PROPOSAL

We are instructed to seek offers in excess of **£5,730,000 (Five Million Seven Hundred and Thirty Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level reflects a **Net Initial Yield of 4.50%**, assuming purchaser's costs of 6.62%, and a **highly attractive capital value of £123 per sq ft** across the existing space.

VAT

The Subject property is elected for VAT which will therefore be payable on the purchase price.

It is envisaged that the sale will be treated as a Transfer Of a Going Concern (TOGC).

EPC

Further information is available upon request.

DATAROOM

A dataroom has been set up for prospective purchasers' due diligence.

Further information is available on request.

FURTHER INFORMATION

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ADVISORS

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