

PRIME LONDON RETAIL & RESIDENTIAL INVESTMENT OPPORTUNITY



HACKNEY
404 MARE STREET, E8 1HP

FMX.
Urban Property Advisers

Investment Summary

- Located in Hackney, one of London's fastest growing boroughs.
- Hackney provides direct access to central London, with the subject property situated four miles north east of the Central London.
- The property occupies a 100% prime location, in Hackneys prime retail pitch.
- The property enjoys a well configured ground floor sales accommodation with two modern flats located on the first and second floor.
- New 10 year lease (TBO year 5) to the undoubted covenant of Bank Scotland PLC from 16th December 2023.
- The subject property provides scope to potentially redevelop the upper floors to comprise addition residential space (STPP).
- There is also potential to create additional income with advertising on the external wall (STPP).
- Freehold.

Price:

£1,600,000 (One Million Six Hundred Thousand Pounds)

Commercial Rent:

£64,000 per annum

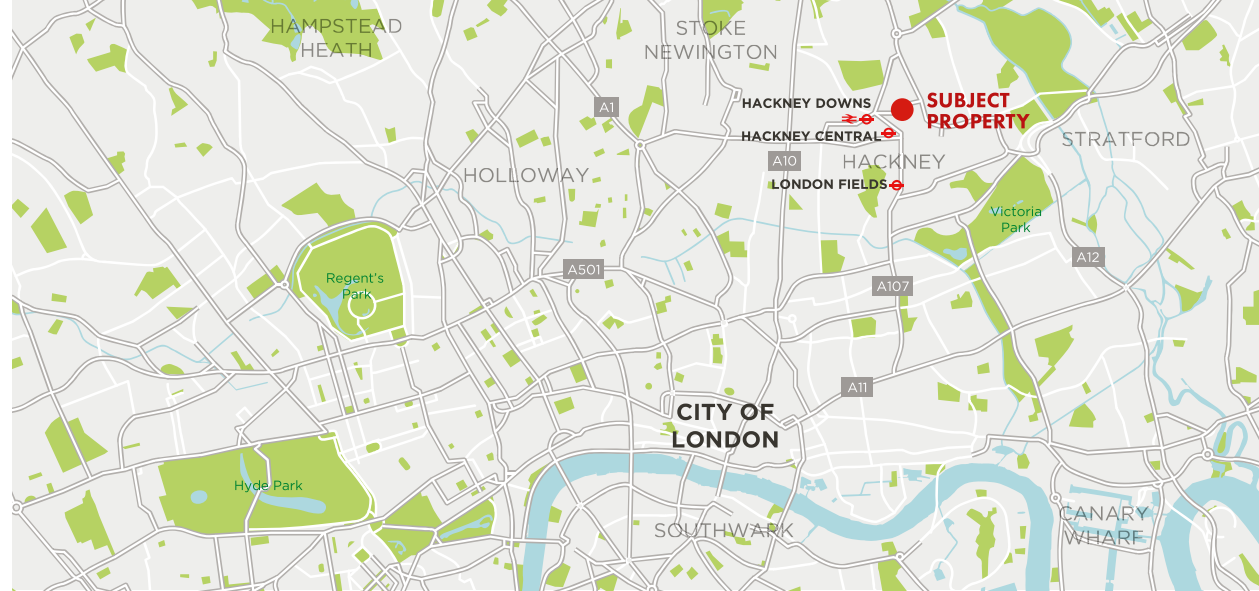
Net Initial Yield:

9.30% (based on the commercial income)

Residential Pricing:




£950,000 (each flat has been independently valued at £525,000, further information is available upon request)





Location

Hackney is a popular district located in the London Borough of Hackney, situated approximately four miles north east of Central London and around two miles west of Stratford. A former industrial hub, Hackney has maintained much of its inner city character. Today, the Borough of Hackney is regarded as one of the fastest growing boroughs of London, following huge regeneration projects in more recent years (Hackney Council).

-  The A10 provides access from Hackney into Central London to the south and Cambridge to the North. The A1 is easily accessible from Hackney and can be accessed via the A104 allowing for direct access to London, Leeds, Newcastle and Edinburgh.
-  Hackney lies within close proximity to three stations which are all served by the London Overground: Hackney Central, Hackney Downs and London Fields. The principal station Hackney Downs, is also served by the West Anglia mainline, allowing direct access to Liverpool Street Station, with a journey time of approximately 10 minutes. Hertford East is can also be accessed to the north, with a journey time of approximately 45 minutes.
-  London City Airport can be accessed in approximately 25 minutes by car. Stanstead Airport and London Luton are also accessible with car journey times of approximately 40 minutes and one hour respectively.

Demographics

The London Borough of Hackney boasts a highly diverse population of approximately 280,000 residents. Hackney is well known for its rising affluence and growing population of young professionals, alongside its richly diverse communities (Hackney Council). Around 25% of Hackney's population are aged under 20 years old, with only 15% of the population being over the age of 55, showing the districts popularity amongst young professionals (Hackney Council).

Retailing in Hackney

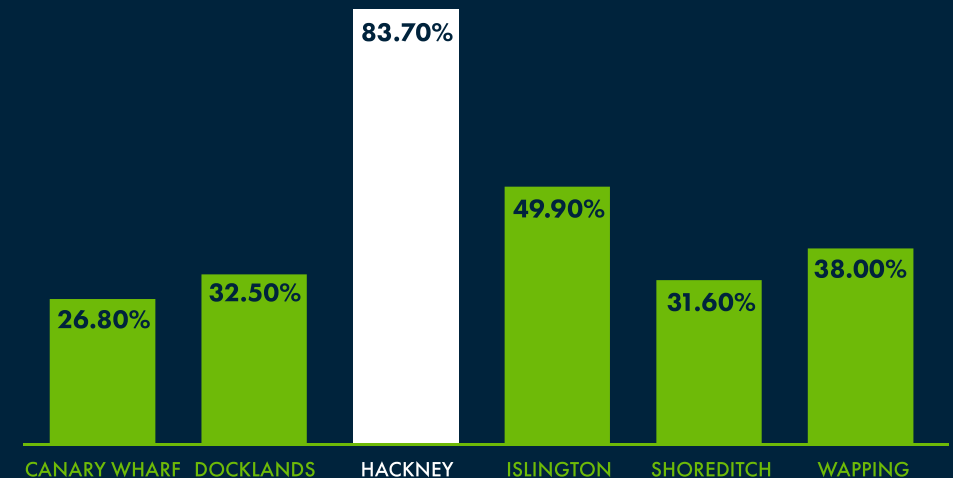
Hackney serves as the administrative centre of the borough and it is no surprise that Hackney has developed into the boroughs major retail core. Hackneys prime retail thoroughfare is found along Mare Street where the northern end of the street is 100% pedestrianised. Mare Street offers a variety of occupants from national brand retails to small independent shops, cafes and restaurants.

Hackney Housing Market

There is an extremely buoyant housing market in Hackney, which has seen house prices rise significantly above the national rate over the last decade.

The table below shows how Hackney has experienced significantly greater percentage increases in residential prices over the last decade compared to similar London settlements (Source: Kinleigh Folkard & Hayward).

% Change in average residential prices 2013 - 2023



Hackney is a vibrant and diverse borough in East London, offering a unique blend of urban culture and green spaces, making it a dynamic place to live. It's known for its strong community spirit, with a rich cultural mix that influences everything from local food to festivals. Residents enjoy access to several parks, including London Fields and Victoria Park, providing a balance between city life and nature. Hackney's creative scene, bustling markets, and excellent transport links further contribute to its appeal, making it a popular choice for a wide range of people.

Situation

The subject property is situated on Hackney's prime retail pitch, located towards the eastern end of Mare Street.

Nearby national multiple retailers in close proximity include:

Boots M&S EST. 1884 Santander  PRIMARK® **vodafone**

Description

The subject property comprises a traditional mid-terrace brick building, providing a well configured sales accommodation and ancillary space on the ground floor. Both the first and second floor house a spacious flat, which are easily accessed via a designated entrance on Mare Street.



Accommodation

The property provides the following approximate Net Internal Areas (NIA):

Description	Use	Area (sq ft)	Area (sq m)
Ground Floor	Sales	1,706	158.49
ITZA		684 units	
Basement	Ancillary	1,237	114.92
First Floor	Residential	567	52.67
Second Floor	Residential	592	54.99
Total		4,102	381.07



Covenant Information

BANK OF SCOTLAND PLC T/A HALIFAX

The Bank of Scotland is a retail and commercial bank based in Edinburgh. It is Scotland's oldest bank and has been a pillar to Scottish business since its establishment in 1965. The company currently employs approximately 30,000 people and operates in excess of 1,300 branches across the UK, including over 1,000 trading as Halifax bank branches.

The company displays a CreditSafe rating of A-86, indicating 'very low risk' of default.

A summary of the companies consolidated accounts are as follows:

	2023	2022	2021
Turnover	£12,543,000,000	£8,883,000,000	£7,938,000,000
Pre Tax Profit	£351,000,000	£1,137,000,000	£2,316,000,000
Shareholder Funds	£16,591,000,000	£16,038,000,000	£14,035,000,000



Tenancy Schedule

Address	Tenant	Start Date	End Date	Break	Review	Rent pa	ERV	Comments
404 Mare Street	Bank of Scotland PLC	16/12/2023	15/12/2033	15/12/2029	24/06/2029	£64,000	£64,000	
404A Mare Street	AST	14/07/2024	13/07/2025	-	-	£30,000	£30,000	
404B Mare Street	AST	27/09/2023	26/09/2024	-	-	£25,800	£30,000	Lease currently being marketed at ERV.
Total						£119,800	£124,000	

Tenure

Freehold.





Residential Development Opportunities

The property provides scope for further potential residential development in the uppers. The property currently comprises of two residential flats located on the first and second floor which have each been valued at £525,000 by a third party specialist.

However, there is potential to extend the first and second floor outwards at the rear which would increase the floorplate for the upper levels (STPP). Plans for five flats to replace the current two if the extension at the rear was to be proposed and granted.

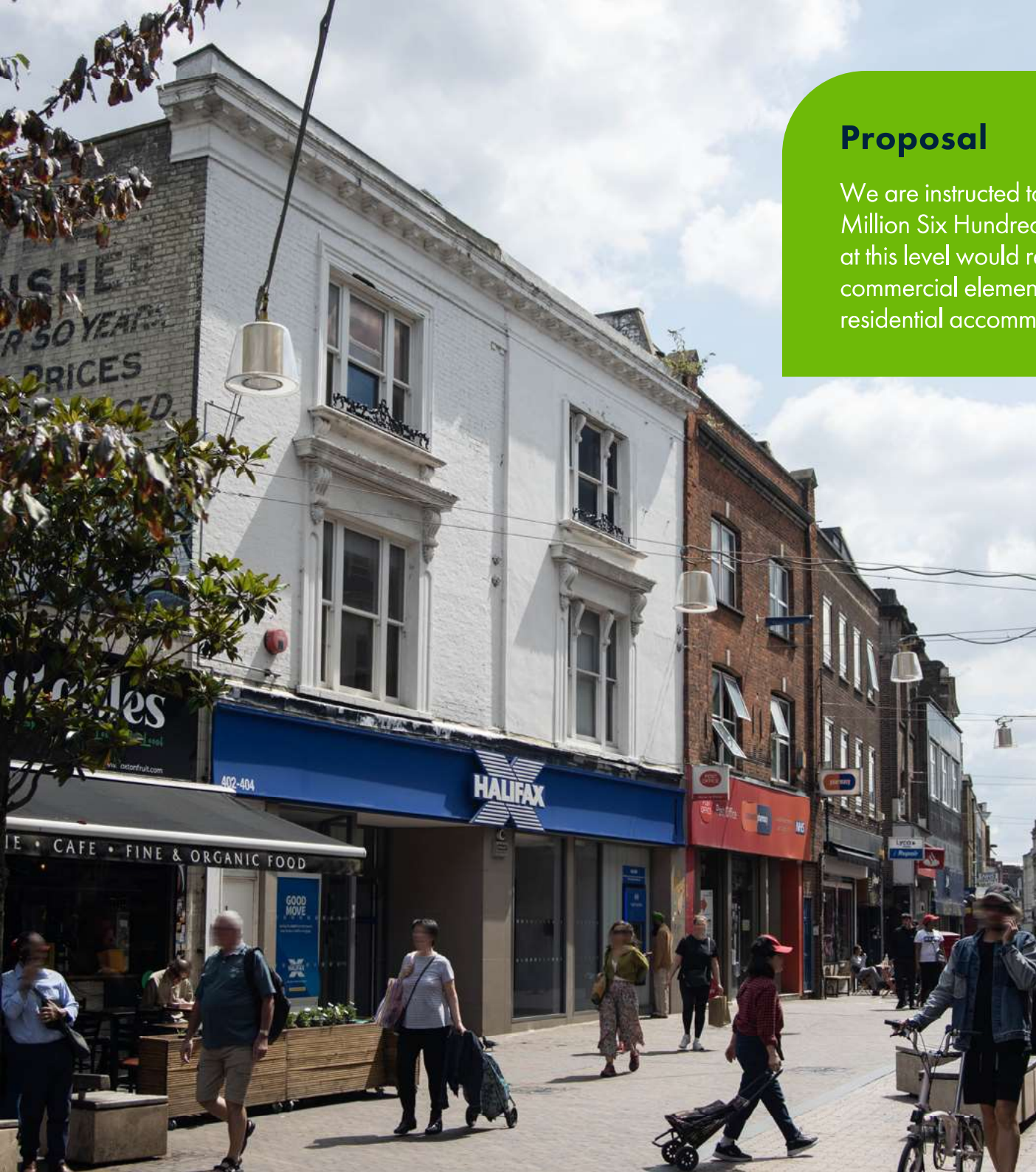
We understand the adjoining property at 402 Mare Street is owned freehold by the Bank of Scotland PLC. Therefore, there is potential for a larger residential scheme if this property is acquired (STPP).

The drawings are available upon further request.

All opportunities are subject to planning permission (STPP), but under the new Labour Government, it is anticipated that this would be considered favorably.

Anti-Money Laundering

In order to comply with Anti-Money Laundering legislation, the successful purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.



Proposal

We are instructed to seek offers in excess of **£1,600,000** (One Million Six Hundred Thousand), subject to contract. A purchase at this level would reflect a **net initial yield of 9.30%** on the commercial element and a capital value of **£950,000** on the residential accommodation, assuming standard purchaser costs.

EPC

D-78

VAT

The property is not VAT elected.

Further Information

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Misrepresentation Act: The particulars in this brochure are believed to be correct, but accuracy cannot be guaranteed and they are expressly excluded from any contract.

As per the Estate Agents Act 1979, please note that Directors of FMX have a personal interest in the subject property.

SUBJECT TO CONTRACT 2024

FMX.