Residential Investment Opportunity

Queensway Lodge & The Orchards, Poulton-le-Fylde

Two Freehold purpose built blocks comprising 36 self-contained flats (20 unsold)
INVESTMENT CONSIDERATIONS

- Freehold and Leasehold
- Comprising in total 36 self-contained flats and 3 additional ground rent interest
- Conveniently located in Poulton-le-Fylde
- Queensway Lodge - A freehold block of 24 flats
  - 10 flats subject to ASTs (6 x two bed and 4 x three bed)
  - 14 flats sold on long leases
- The Orchards, Garden Close - A freehold block of 12 flats together with three pepperpotted ground rent interests situated outside the block
  - 5 flats subject to ASTs (5 x two bed)
  - 5 vacant two bed flats (four currently reserved)
  - 2 flats sold on long leases
  - 3 houses sold on long leases (pepperpotted units)
- Total AST rent receivable: £120,120 per annum
- Total ground rent receivable: £5,200 per annum
- Estimated AST rental value (fully let): £158,220 per annum
- Gross yield: 8.17% (based on ERV)

LOCATION

Both blocks are located in Poulton-le-Fylde (Poulton), a market town in the county of Lancashire, North West England. Poulton is situated to the north east of Blackpool; the nearest main centre being Preston, approximately 25 km (16 miles) to the south east. The area is well connected by road and rail, via the M55 and M6 Motorways as well as the Poulton Train Station. Manchester is located approximately 77 km (48 miles) to the south east of Poulton and there are regular direct train services to Manchester with journey times, on average of 1 hour 15 minutes.

Queensway Lodge (FY6 7ST) is situated on Queensway on the western edge of Poulton town centre. This road is part of the towns one way inner ring road. The local shops, amenities, bars and restaurants of Poulton, including a Booths, Home bargains and the high street banks are all within a 5 minute walk. Poulton Train Station is approximately 480 km (0.3 mile) to the north east of the block.

The Orchards (FY6 7WG) is situated on Garden Close just off Garstang Road East to the south east of Poulton, approximately 1.12 km (0.7 mile) from the town centre. The train station in Poulton is within approximately 1.28 km (0.8 mile) of the block. There are shops and amenities on Garstang Road East, with the more extensive facilities of Poulton within a 5-10 minute drive. Although not central to the town centre, this property forms part of a large relatively modern housing development.
TENURE
Freehold and Leasehold. Please refer to the legal note in the data room for full details.

DESCRIPTION

Queensway Lodge comprises a modern brick built block (2009), arranged over ground and two upper floors beneath a pitched tile clad roof. Landscaped grounds surround the block, while a rear block paved car park provides one car parking space per flat. Access to the grounds/ block is gated. There are three lifts situated throughout the block serving all floors.

14 flats have each been sold subject to leases of 999 years from 1st January 2008 at a ground rent of £300 per annum. The total ground rent receivable is £4,200 per annum.

The remaining 10 flats are all spacious two bed self-contained flats, comprising separate living rooms with ensuite shower rooms to the master bedrooms. The flats vary in size between 807 sqft and 1,464 sqft, with the majority in excess of 1,000 sqft. All flats benefit from UVPC double glazed windows and gas central heating.

The Orchards comprises a modern brick built block (2006), arranged over ground and two upper floors beneath a pitched tile clad roof. Landscaped grounds surround the block, while a front paved car park provides one car parking space per flat. The block is set within attractive surrounds, part of a modern housing development. There is a lift in the block which serves all floors.

Two flats have been sold subject to leases, one of 999 years, another of 125 years, both from 1st January 2006. The ground rent for each lease is £200 per annum. The Orchards title also includes 3 ground rents at 5, 7 and 28 Garden Close. These are all on 999 year leases from 1st January 2006 at a rent of £200 per annum each, with no review provision. The total ground rent receivable is £1,000 per annum.

The remaining 10 flats are all spacious two bed self-contained flats, comprising separate living rooms with ensuite shower rooms to the master bedrooms. The flats vary in size between 818 sqft and 1,076 sqft, with the majority in excess of 1,000 sqft. All flats benefit from UVPC double glazed windows and water/electric storage heaters. The building does not use gas.

Please refer to the data room for a full breakdown of both blocks.
**TENANCIES / RENTAL INCOME**

The portfolio is currently producing £125,320 per annum (including ground rent income). 15 flats are let subject to Assured Shorthold Tenancies, whilst the remaining 5 unsold flats are vacant. We are informed by the letting agent that there are currently 4 pending lets, subject to typical tenant checks. These additional properties are under offer for an aggregate of £30,000 per annum. We are of the opinion the Estimated Rental Value (ERV), when fully let, is £163,420 per annum (including ground rent income).

**ADDITIONAL INFORMATION**

An extensive information pack is available to view and download online at: www.queenswayandorchards.com.

**ENERGY PERFORMANCE CERTIFICATES**

EPC's are available to view and download from the dataroom.

**VIEWING INFORMATION**

The properties will be subject to block viewing arrangements and will not be available for viewing internally outside these times. Please contact the office to register your interest.

**METHOD OF SALE**

The blocks are for sale by way of Private Treaty, however we reserve the right to conclude the marketing by an Informal Tender process.

**BASIS OF SALE**

In accordance with the provisions of Part I of the 1987 Landlord and Tenant Act, as amended by the Housing Act 1996, qualifying tenants have the right of first refusal if the landlord intends to sell or dispose of their interest in the property.

The Act applies to qualifying properties (ie a building containing two or more flats) where more than 50% of the flats are held by qualifying tenants, which include long leases and all residential tenants (including regulated tenants) other than assured and assured shorthold tenancies (ASTs).

Consequently, Queensway Lodge will be a qualifying property under the terms of this act as more than 50% of the flats are occupied by qualifying tenants.

In view of this legislation, while the sale of The Orchards can proceed once a preferred bidder has been identified and solicitors instructed, the sale of Queensway Lodge can only take place once the requisite Section 5A notices have been served.

**PROPOSAL**

Offers in excess of £2,000,000 are invited for both blocks, subject to all existing tenancies and leases, subject to contract.

The sale will be conducted in two parts as outlined above. During legal due diligence the preferred bidder will be expected to apportion their overall offer in order that appropriate Section 5A notice can be served on all qualifying tenants within Queensway Lodge.

Please contact the office to register your interest:

Jack Robson  
0113 243 7952  
jack.robson@allsop.co.uk

James Wilson  
0113 236 6679  
jamie.wilson@allsop.co.uk

Vicky Bingham  
0113 236 6682  
vicky.bingham@allsop.co.uk

33 Park Place, Leeds, LS1 2RY  
Tel: 0113 236 6677  
www.allsop.co.uk

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