

MAYFLOWER HOUSE

178 ARMADA WAY, PLYMOUTH, DEVON, PL1 1LD



Sanderson
Weatherall

MIXED USE DEVELOPMENT OPPORTUNITY

On behalf of Edward Avery Gee &
Daniel Richardson acting as joint Fixed
Charge Receivers



LOCATION

Plymouth is the largest City in Devon and Cornwall and one of the largest regional centres in the South West with a population of approximately 262,000, which is projected to rise to 300,000 by 2034. Plymouth is on the border with Cornwall in the County of Devon and is easily accessible, with the main A38 running through the heart of the City, west into Cornwall over the Tamar Bridge and east to the M5 motorway at Exeter, Bristol and beyond.

The property is located on Mayflower Street within Plymouth City Centre and also benefits from an extensive frontage to Armada Way, which is one of the main pedestrian thoroughfares in the City Centre. The site is obliquely opposite the Armada Shopping Centre and the Copthorne Hotel. The building is located only 300m from Plymouth University and Drake Circus Shopping Centre.

The property is also situated just off the A374, the City's inner ring road and less than 10 minutes' walk to the south of Plymouth rail station.

Mayflower House is well placed for access to public car parks. There is a surface pay and display car park, Mayflower Court, immediately to the east of the property. There is also a multi storey car park at Drake Circus.

The property is located well for a variety of uses, being situated within close proximity to the main retail area of the City and also being in close proximity to Plymouth University and two other large PBSA blocks, Beckley Court and Discovery Heights.

Drake Circus Shopping Centre is the principal retailing location with anchor tenants being Marks & Spencer, Next, Primark, Apple, Boots and Cineworld.

Plymouth benefits from two universities, Plymouth University and the University of St Mark and St John (known as Marjon). Plymouth University is situated circa 0.5 km (0.3 miles) from the property, with Marjon some 7 km (4.5 miles) north. Plymouth College of Art is also within close proximity (0.3 miles).

The property is therefore well placed to capitalise on footfall generated by the local retail offering and University and college related activities as well as being closely located to the City's rail station.



OPPORTUNITY

The property has planning consent for the demolition of the existing building and erection of an 18 storey building, comprising 490 student bedrooms and associated facilities, office accommodation and retail accommodation (use A1/A3).

Soft strip out / demolition has commenced and confirmation has been given that the internal works undertaken to date form a material start and therefore the planning consent is believed to be extant.

Revised proposals have been discussed with the local authority via a pre-planning application, which were based on the inclusion of a 120 bedroom hotel, in replacement of some of the originally proposed student accommodation. Further information is available on request from Holder Mathias and Savills in respect of planning opportunities.

The local authority are supportive in principle of further revisions to the scheme and there is flexibility for a future developer to model a scheme of their choice. A residential led scheme would be welcomed and a reduction in previously approved office accommodation element is possible (subject to planning).

Such is the location and scale of the building, that it offers an enviable opportunity for a high quality mixed use redevelopment scheme, with the opportunity to create a landmark building within the City.

PLYMOUTH CITY MARKET REPORT

PBSA

Plymouth is one of the UK's most appealing buy to let locations thanks to its strong student economy. Plymouth has over 25,000 students attending its two prominent higher education institutions. More than £200 million has been invested into the Plymouth University campus, whilst Marjon is planning to double its student population over the next decade. In addition, further student numbers are provided by Plymouth College of Art and Plymouth City College. The lack of purpose built student accommodation, which is unable to meet the city's rising demand, is helping to support rental growth.

OFFICES

The City's office market has benefited from the growth within the digital and creative sectors, as well as the advanced marine technology sector, which has resulted in strong demand and low supply of genuinely quality accommodation. Headline rents are in the region of £17 psf following the letting at Royal William Yard to Samworth Brothers. There is limited good quality refurbished space but it is generally available at £15 psf at The Merchant at Notte Street. Oceansgate in Devonport continues to be developed as a hub for marine industries, with office rents quoted at £15 psf. Mayflower House, with its existing planning consent would provide scope for good quality office accommodation within the City Centre. As construction cost inflation

has impacted office refurbishments there is an opportunity for new high quality and innovative office space. As working practices modernise and there is a move to flexible working space, this could be catered for as part of any new development, with the added benefit of Mayflower House's proximity to the rail station and immediate car parking provision.

BTR

The local authority would support a high quality BTR scheme. The building offers the opportunity for a high quality development that addresses the acute local need in the City for good quality residential accommodation catering to young professionals.

HOTELS

Plymouth's hotel market is undersupplied when compared to similar regional destinations. The City is predicted to benefit from the growing importance of staycations following the onset of the pandemic and expected subsequent recovery. Plymouth is likely to be one of the top performers in the UK with strong projected levels of hotel occupancy and is expected to see strong activity related to coach and group tours visiting the English Riviera. The City is well known for attracting domestic tourism with attractions such as the Royal Theatre, Royal Citadel, The Barbican and National Marine Aquarium.



PLANNING

The property currently comprises an existing office and retail building arranged over five storeys, measuring circa 35,000 sq ft. Building plans as existing are available on request. The property was granted planning permission in April 2016 for the demolition of the existing building and erection of an 18 storey tower comprising 490 student bedrooms and associated facilities, 22,065 sq ft of office accommodation and 8,535 sq ft of retail accommodation (use A1/A3) under planning ref no. 15/01622/FUL. Demolition works have commenced and the consent is extant.

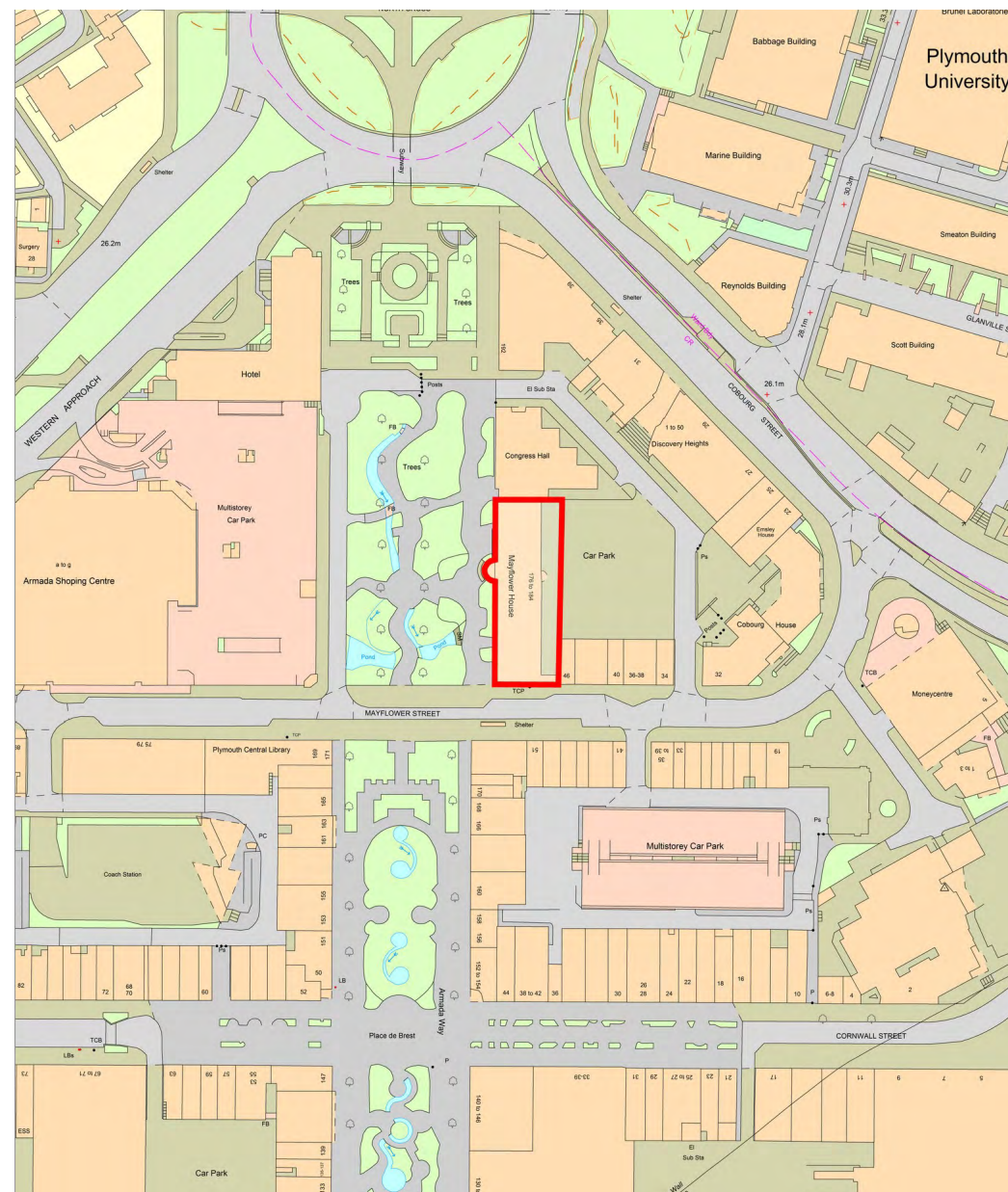
As part of the 2016 consent, a Section 106 agreement provides an obligation to pay £217,589 as an infrastructure contribution. The owner shall pay 50% (£108,785) on commencement of construction works and the other 50% on occupation of first student unit. It was confirmed that the consented development was exempt from paying CIL.

The scheme was designed by Holder Mathias architects with Savills as planning consultants. Full plans for the proposed scheme are available from the agents on request. A schedule of the proposed accommodation is tabled below:

Accommodation	No.	Bedrooms
8 bedroom cluster	51	408
4 bedroom cluster	1	4
Studio	78	78
Total	130	490

Retail	GIA m ²	GIA ft ²
Lower Ground	392	4,219
Upper Ground	401	4,316
Total	793	8,535

Office	GIA m ²	GIA ft ²
First Floor	1,010	10,871
Second Floor	1,040	11,194
Total	2,050	22,065



PLANNING CONTEXT

The Plymouth and South West Devon Joint Local Plan was adopted by Plymouth City Council on 26 March 2019. The Plan sets out the Plymouth Plan's Spatial Strategy. Policies PLY3, PLY6 and PLY9 are seen as particularly relevant to the Property:

- Policy PLY3; Utilising Plymouth's regional economic assets. The City will work with key partners to strengthen its high value industries.
- Policy PLY6; Improving Plymouth's City Centre. The policy outlines PCC's ambitions to improve the City Centre. It supports the regeneration and enhancement through intensification and diversification of uses, including new residential communities by way of high quality urban living environments. Armada Way is seen as the main thoroughfare connecting the rail station with the Hoe.
- Policy PLY9; Mayflower Street East, City Centre. The Policy specifically relates to the property and surrounding ownerships. The parcel is identified for a high quality office led mixed-use scheme set at over 6-8 storey building fronting on to Armada Way.

ARCHITECT'S COMMENTARY

Holder Mathias Architects have been involved with the site and the various development opportunities since 2014. The original scheme for this site, providing 490 student beds plus lower level offices and leisure accommodation, achieved planning consent following positive engagement and detailed discussions with the Local Planning Authority, their design advisory officers and the Devon Design Review Panel. More recently, Holder Mathias responded to a fresh Brief reflecting alternative occupier demand and this evolved through developing a series of high quality concept designs in conjunction with a full design team and Savills planning consultants. The scheme proposals were submitted as part of a formal pre-app process with the Local Planning Authority; the massing, scale and overall design proposals were favourably received and were being fully supported by the Authority's design advisers. The imagery included here reflects final discussions with the Authority at the end of the pre-app process.

Through its continuous involvement with the site the Practice, along with fellow design team members Hilson Moran and Curtins, have developed a unique knowledge of the site and surrounding context and continues to enjoy excellent working relationships with the Local Planning Authority and their design advisers.

Holder Mathias is an established national and international RIBA Chartered Practice, operating from studios in London and Cardiff. For more information please visit www.holdermathias.com.



TENURE

The building is held long leasehold for a term of 125 years from 4 September 2013 with Plymouth City Council being the freeholder. The lease agreement also contains the following key provisions:

- The tenant is permitted to use the property for a variety of uses including retail, office and residential (including student). For alternative uses the tenant must seek the landlords approval (not to be unreasonably withheld).
- The tenant is required to seek landlord approval to erect any new building or structure, make any structural alterations or structural additions to the property or change the existing design elevation or appearance (not to be unreasonably withheld or delayed).
- The tenant will pay an annual rent equal to 10% of the occupational rents received by the tenant during the preceding rent period.

In September 2018 the landlord and tenant entered into a series of Deeds of Variation. The deed contains (but is not limited to) the following key variations:

Rent re-gear. The rent payable until the works completion date is £39,032 plus VAT per annum. Following works completion, an amended rent structure will apply.

The permitted use is varied. For ground to second floors, the permitted uses are A1, A3, A4, A5 or B1 of the Town and Country Planning (Use Classes) Order 1987 and for the floors above second floor, residential and hotel uses. Alternative uses will require the consent of the landlord (not to be unreasonably withheld).

In addition the landlord granted the tenant a license for 10 car parking spaces located immediately to the rear of the property in Mayflower Street Car Park.

Interested parties should satisfy themselves with the provisions of the lease documentation. Copies are available on request.

TERMS

The Joint Fixed Charge Receivers are seeking unconditional offers for the long leasehold interest. Interested parties should note that, as is typical in such sales, the Receivers will be unable to provide any warranties or guarantees as part of any transaction.

VAT

VAT may be applicable further information will be provided upon request.

DATA ROOM

All documents relating to the property (planning, title, plans etc) will be available in a secure data room, interested parties should make an access request via the agents.



VIEWING

By appointment with the sole agents:

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