

38 YEAR WAULT 



HASLEMERE

34-40 HIGH STREET, GU27 2HJ



Griffiths
Eccles

RARE FREEHOLD LONG INCOME INVESTMENT WITH DEVELOPMENT POTENTIAL

WEST STREET

HIGH STREET

PENFOLD MANOR



CO OP 79% of the income secured to Co-Op Group for **48 years**



INVESTMENT SUMMARY

- An opportunity to acquire a rare mixed use investment, with long secure income, in the prosperous town of Haslemere, Surrey.
- Highly affluent local population due to the vibrancy and charm of the town centre, as well as the proximity and connectivity to Central London and the South Coast.
- Attractive collection of period properties, over ground and two upper floors, providing a total net internal floor area of approximately 20,437 sq ft.
- Freehold.
- WAULT of approximately 38 years, with 79% of the income secured against the strong covenant of the Co-Operative Group for a further 48 years.
- Total current income of £222,750 per annum.
- Co-Op are not in occupation and have sub-let the retail units to Boots and Collingwood Batchellor. The other tenants are De Montford Fine Art and a boutique fitness studio called CYC:D.
- Vacant unrefurbished flat, offering an immediate asset management opportunity, in addition to two other vacant flats under the Co-Op lease.
- Substantial town centre site equating to 0.74 acres offering development opportunities on the rear car park (subject to planning and negotiation with the tenant).
- Offers are invited in excess of £4,000,000 (Four Million Pounds) subject to contract and exclusive of VAT, reflecting a net initial yield of 5.23% after an allowance for graduated costs of acquisition calculated at 6.54%.
- A purchase at this level would reflect a low capital value of approximately £195 per sq ft overall.



HASLEMERE
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M25
21 miles



London Waterloo
54 minutes



Heathrow & Gatwick Airport
35 miles

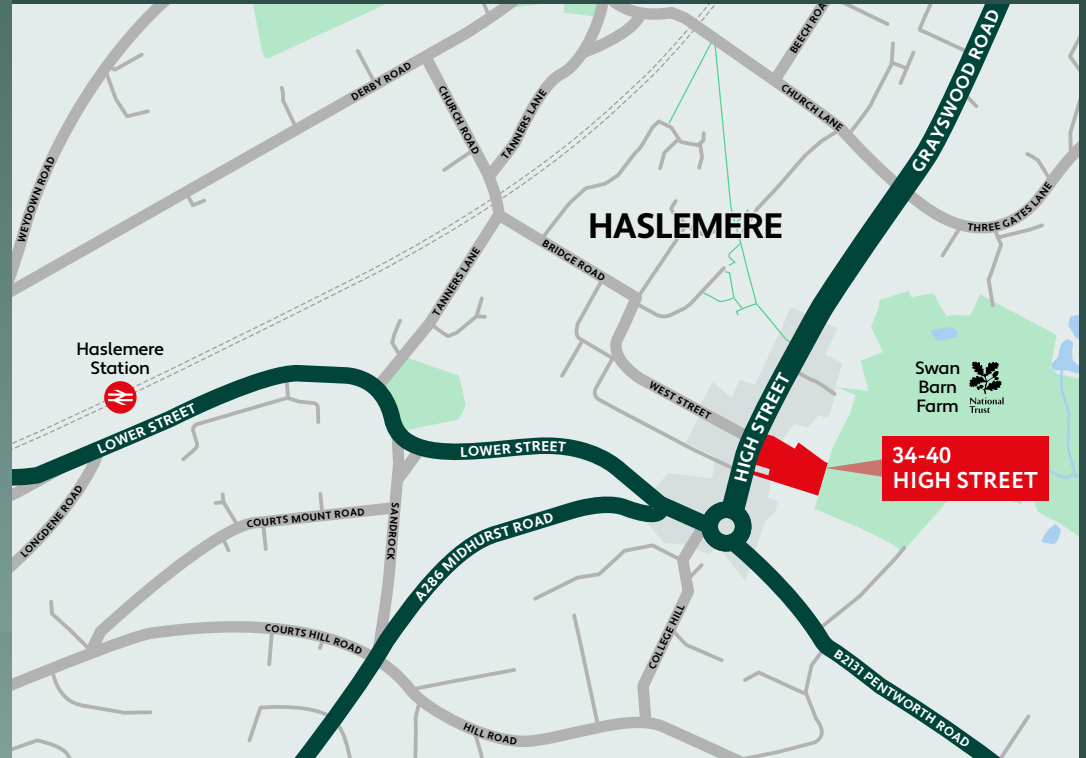


LOCATION

Haslemere is an attractive and highly affluent Surrey commuter town, located between the South Downs National Park and the Surrey Hills. The town is located approximately 44 miles south-west of central London, between Guildford (15 miles to the north) and Portsmouth (30 miles to the south). The A3 London to Portsmouth trunk road is in close proximity, providing a direct link to both London and the South Coast.

There are regular rail services to London Waterloo from Haslemere Station, which is within walking distance of the property, with a fastest journey time of 54 minutes. London Heathrow and London Gatwick Airports are both situated within approximately 35 miles of the town and are easily accessible.

Due to its connectivity to Central London and the South Cost, excellent schooling, and surrounding National Park countryside, Haslemere is an extremely sought after and affluent residential location.



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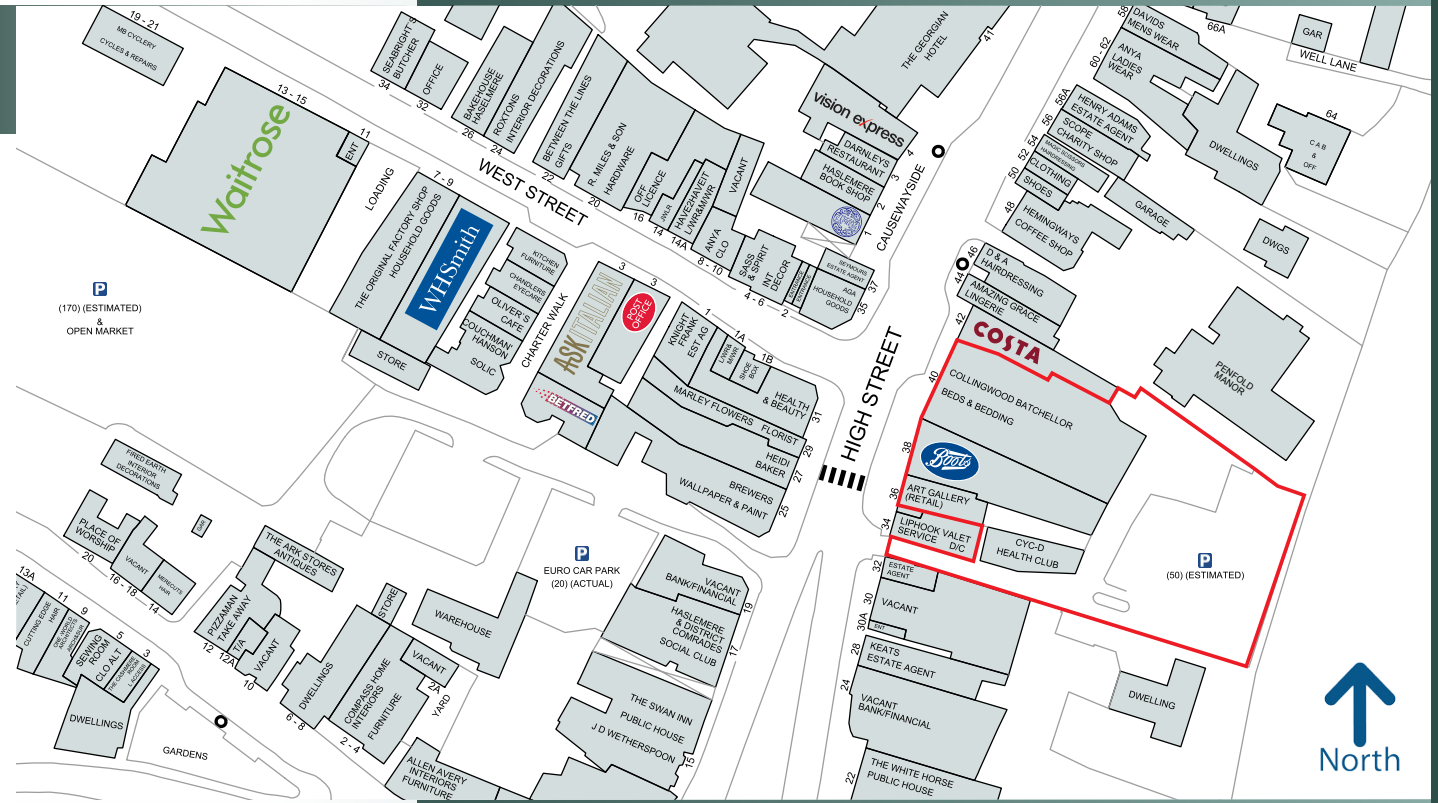
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SITUATION

The property is situated in a prime central position on High Street, the town's main thoroughfare, 0.5 miles from Haslemere Railway Station, via Lower Street, to the west. Haslemere's characterful town centre has a thriving High Street with a combination of national and independent retailers, restaurants, cafes and boutiques, all of which is reflected in local house prices and demographics. The property is in close proximity to a Waitrose supermarket and the main town centre car park. Other surrounding occupiers include, Strutt & Parker, Knight Frank, Pizza Express, Coppa Club, MOMA and WH Smith.

Swan Barn Farm is directly to the rear of the property, an area of grassland and ancient woodland which is now owned by the National Trust. Adjacent to the rear car park to the north, is a 3 storey residential development of 12 luxury flats, called Penfold Manor.



DESCRIPTION

The property occupies a strategic town centre site of 0.74 acres, with approximately 40 metres of High Street frontage. In total, the property provides a total NIA of 20,437 sq ft and comprises a former Co-Op supermarket which has been subdivided into two units with two flats above, alongside a separate adjoining building, comprising a retail unit and another residential flat above.

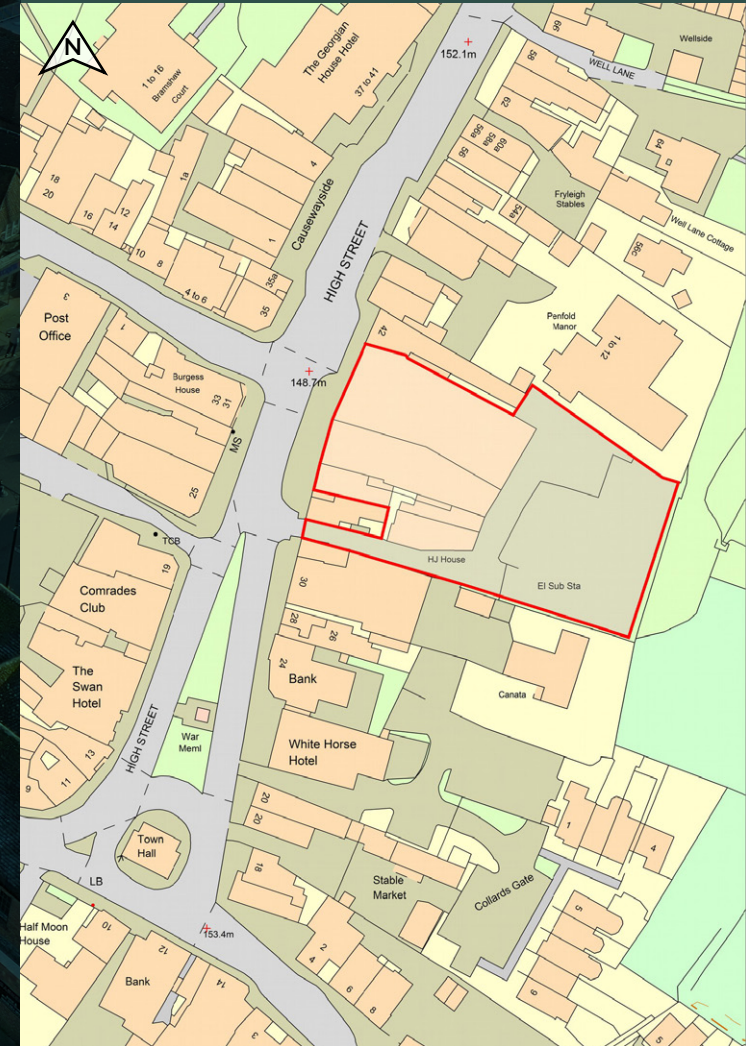
The retail units have further trading or ancillary areas at first and second floor level. There is a single storey outbuilding to the rear which is occupied under Class D2 as a fitness studio. An access road to the south of the property provides vehicular access to a service yard and pay and display car park.



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TENURE

FREEHOLD.



ACCOMMODATION

The approximate net internal floor areas of the property are as follows:

UNIT	TENANT	FLOOR	NET INTERNAL AREA		
			SQ M	SQ FT	ITZA
34c	CYC:D Ltd	Ground	98.1	1,056	
36	De Montfort Fine Art	Ground	82.0	883	595.50
Flat 36a	Vacant	1st and 2nd	105.1	1,131	
38-40	Co-Operative Retail Services	Ground	922.5	9,930	
		First	300.9	3,239	
		Second	55.5	597	
		First (Flat 40a)	114.2	1,229	
		First (Flat 40b)	173.5	1,868	
Rear Store	Vacant	Ground	46.8	504	
TOTALS			1,898.6	20,437	

There is a car park at the rear of the buildings which is within the Co-Op lease but is now a pay and display car park.

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GROUND FLOOR



FIRST FLOOR



SECOND FLOOR



SCHEDULE OF TENANCIES AND CURRENT INCOME

The property is multi-let in accordance with the tenancy schedule below:

Unit	Tenant	D&B	Area (Sq Ft)	Lease Start	Rent Review	Tenant Break	Lease Expiry	Rent £pa	Rent £psf /£ ITZA	L&T Act 1954	Comments
34c	CYC:D Ltd	N3	1,056	16.06.2016	-	05.08.2024	05.08.2026	£15,750	£14.91	Excluded	Annual mutual rolling break on 5th August, subject to 6 months' notice by either party. Rent deposit of £8,700. Internal repairing only.
36	De Montfort Fine Art Ltd	4A1	883	10.09.2021	10.09.2026	10.09.2026	09.09.2031	£32,000	£52.50 (ITZA)	Excluded	Any recoverable Landlord external repairs capped at £3,000. Tenant break on 6 months' notice.
38-40	Co-Operative Group Ltd	5A2	16,863	23.06.1972	23.06.2028	-	22.06.2071	£175,000	£10.38	Included	7 yearly rent reviews, upwards only to OMRV. Sub-let to Boots and Collingwood Batchellor. Lease includes rear car park and estate road.
Flat 36a	Vacant	-	1,131	-	-	-	-	-	-	-	2 bedroom maisonette. Unrefurbished. Current council tax of £385 per month.
Rear Store	Vacant	-	504	-	-	-	-	-	-	-	-
TOTALS			20,437					£222,750			

The property had a current weighted average unexpired lease term of approximately 38 years to earliest determination.

SCHEDULE OF SUB TENANCIES

38	Boots UK Ltd	5A2	3,541	20.06.2019	20.06.2024	-	19.06.2029	£58,500	£16.52	-	
40	Collingwood Batchellor Ltd	2A2	10,215	01.05.2013	-	-	30.04.2028	£97,000	£9.00	-	
40a Residential Flat	Vacant	-	1,229	-	-	-	-	-	-	-	Within Co-Op lease. Unrefurbished.
40b Residential Flat	Vacant	-	1,868	-	-	-	-	-	-	-	Within Co-Op lease. Unrefurbished.
TOTALS			16,853					£155,500			

CO OP 79% of the income secured to Co-Op Group for 48 years

COVENANT

CO-OPERATIVE GROUP LTD (IP00525R)

Established in 1844, the Co-Operative Group now operates from approximately 4,500 outlets with almost 90,000 employees. It is the UK's 5th largest retailer and the Group incorporates a number of retail businesses, including food retail, financial services, legal services and funeral care.

The company has a current **D&B rating of 5A2** and has recorded the following recent financial results:

	Turnover	Pre-Tax Profit	Net Worth
01/01/2022	£11,151,000,000	£57,000,000	£1,864,000,000
02/01/2021	£11,472,000,000	£127,000,000	£1,564,000,000
04/01/2020	£10,860,000,000	£67,000,000	£1,729,000,000

DE MONTFORT FINE ART LTD (02402634)

De Montfort Fine Art (t/a Clarendon Fine Art) was established in 1990 as a single art gallery in Mayfair. The company has significantly expanded in the intervening years and now operates from 45 boutique galleries in affluent UK locations. The company showcases the work of artists specialising in contemporary paintings and sculpture and is one of the leading fine art publishers and distributors in the UK.

The company has a current **D&B rating of 4A2** and has recorded the following recent financial results:

	Turnover	Pre-Tax Profit	Net Worth
31/07/2022	£78,801,455	£12,494,823	£21,549,577
31/07/2021	£46,864,583	£7,778,989	£15,748,056
31/07/2020	£43,417,514	£2,922,305	£9,967,991

CYC:D LTD (10001273)

CYC:D is a privately owned boutique fitness studio, exclusively based in Haslemere, offering group fitness classes across a variety of formats.

Further information can be found via their website - <https://cyc-d.co.uk/>.



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ASSET MANAGEMENT

The property benefits from a rare 48 year secure income stream from a blue chip tenant which is not in occupation. There is therefore an opportunity to negotiate with Co-Operative Group to unlock the site for redevelopment. In addition, there are other more immediate asset management opportunities to explore as follows:

CO-OPERATIVE LEASE (CAR PARK)

The Co-Op's lease includes the two retail units which have been sublet, two unrefurbished vacant flats at 1st floor level, and the rear car park and access road. They are responsible for the maintenance of the areas which have not been sublet and they currently have a £25,000 per annum shortfall from their sub tenancy income. There is an opportunity to explore whether a surrender could be agreed to unlock the vacant apartments and rear car park for redevelopment. The passing rent from the subtenants on the retail units represents 86% of the income received under the Co-Op lease.

VACANT MAISONETTE

There is a vacant two bedroom maisonette above 36 High Street, equating to 1,131 sq ft. This offers an immediate opportunity to refurbish and let or sell. Similar sized flats in Penfold Manor which is directly adjacent to the property, have sold for approximately £600 per sq ft.

VACANT GROUND FLOOR STORAGE AREA

There is a vacant ground floor storage unit of 504 sq ft which is accessed from the rear car park. There is scope to convert this building and add an additional floor for residential use, subject to planning.

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EPC

Energy Performance Certificates have been prepared and are available to download via the marketing website.

ENVIRONMENTAL

CBRE Environmental have carried out a Phase 1 Environmental Report which rates the site low to medium risk. The report will be assignable to a purchaser and is available on our marketing data site.

ANTI MONEY LAUNDERING

In accordance with Anti-Money Laundering Regulations, the successful purchaser will be required to satisfy the Vendor on the source of funds used to acquire the property and satisfy all regulatory requirements.

VAT

The property is elected for VAT and VAT will therefore be chargeable on the purchase price if it is not possible to arrange this transaction by way of a transfer of a going concern.

MARKETING DATA SITE

Further information is available on the marketing datasite. Please get in touch for access.

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PROPOSAL

Offers are invited in excess of **£4,000,000 (Four Million Pounds)** subject to contract and exclusive of VAT, reflecting a **net initial yield of 5.23%** after an allowance for graduated costs of acquisition calculated at 6.54%.

A purchase at this level would reflect a low capital value of **approximately £195 per sq ft overall**.

FURTHER INFORMATION

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**SUBJECT TO CONTRACT
EXCLUSIVE OF VAT**