



EAST GRINSTEAD

1-5 QUEENS WALK & 22-26 LONDON ROAD | RH19 4DW

FREEHOLD RETAIL INVESTMENT WITH SHORT TERM REDEVELOPMENT POTENTIAL



Griffiths
Eccles



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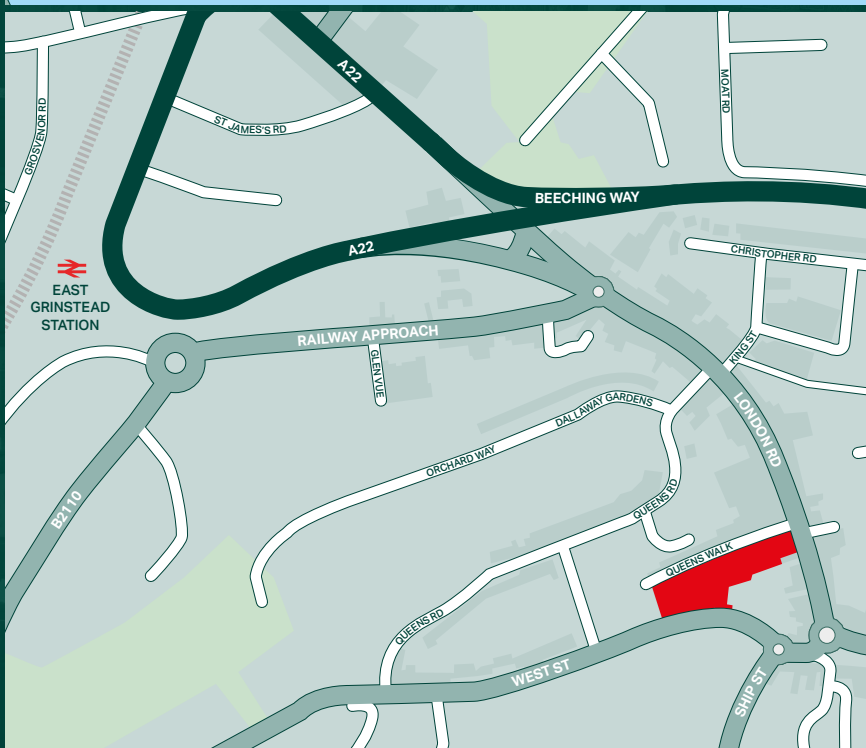


INVESTMENT SUMMARY

- An opportunity to acquire a **fully let retail investment** in a prime location in **East Grinstead, an affluent commuter town, in West Sussex.**
- **Substantial town centre site** equating to almost an **acre**, in close proximity to the High Street amenities and railway station.
- The property is currently configured as **9 retail units** with associated ancillary areas, below a shared service yard, **extending to approximately 57,209 sq ft.**
- **Freehold.**
- **WAULT of approximately 1.9 years.**
- Total current income of **£600,000 per annum.**
- **75% of the income is secured against the undoubted covenant of J Sainsbury Plc**, who have sub-let their units. The other tenants are **Poundstretcher, Poundland and a local café operator.**
- **Affluent population and strong residential market** given the proximity and connectivity to Central London and the south coast.
- Attractive running yield until **2025** with comprehensive residential led redevelopment potential thereafter, subject to planning.
- Adjacent to a **residential led development of 129 units** over 6 storeys, which sets a precedent for scale and massing and has improved the surrounding public realm.

Offers are invited in excess of **£5,625,000 (Five Million Six Hundred and Twenty Five Thousand Pounds)** subject to contract and exclusive of VAT, reflecting a **net initial yield of 10%** after an allowance for graduated costs of acquisition calculated at 6.59%.

A purchase at this level would reflect a low capital value of **approximately £98 per sq ft overall.**



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LOCATION

East Grinstead is a popular and prosperous market town in West Sussex, located close to the East Sussex, Kent and Surrey borders and 15 miles west of Royal Tunbridge Wells, 21 miles north of Brighton and 30 miles south of Central London.

The town benefits from excellent road communications via the A22 and A264, which provide access to the M25 (Junction 6) and the M23 (Junction 10) respectively. The A22 also provides a direct link to the South Coast.

The town is also a popular London commuter hub and East Grinstead Railway Station is 0.5 miles to the north-west of the property. The station provides frequent services to London Bridge and London Waterloo in under 60 minutes via Southern Rail services. The proximity of London Gatwick Airport is also highly desirable, which is approximately 8 miles to the west.

East Grinstead's historic town centre dates back to the 13th and 14th centuries, with many medieval and Tudor buildings characterising the High Street. The town centre has a mix of national and independent retailers, as well as attractive boutiques and independent restaurants, bars and pubs.



30 MILES
Central London



< 1 HOUR
London Bridge
and London
Waterloo



8 MILES
London Gatwick
Airport



Catchment of
29,000 people

*'East Grinstead is a popular
and prosperous market
town in West Sussex'*

SITUATION

The property occupies a large town centre site of 0.85 acres, with prominent frontage to both London Road and West Street and retail frontage to the pedestrianised Queens Walk. Queens Walk is situated just off the prime shopping street of London Road and is effectively an extension of East Grinstead's principle retailing thoroughfare. The property benefits from being adjacent to the dominant town centre public car park. Occupiers close by include Boots, FatFace, Cook, Waterstones and popular bars and restaurants such as Prezzo, Pizza Express and The Tasting Rooms.

Directly to the north, on the other side of Queens Walk, Weston Homes have delivered a substantial residential development of 129 homes over 6 storeys and approximately 100,000 sq ft. The public realm has been significantly improved directly surrounding the property as a result.

RETAIL IN EAST GRINSTEAD

East Grinstead benefits from a range of national retailers who are attracted by the affluent demographic and transport connections. London Road forms the prime retailing location in the town and many national retailers are represented including Boots, Holland and Barrett, WH Smiths, Fat Face and Costa to name a few.

The main food and leisure offering in the town is situated along the High Street with occupiers including Café Nero, Pizza Express and numerous local occupiers. Queens Walk is a covered pedestrianised thoroughfare, which connects London Road to the town's main car park opposite Waitrose.



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DESCRIPTION

The property occupies a strategic town centre site of 0.85 acres, broadly rectangular in orientation and with significant frontage to London Road (25 metres), West Street (75 metres) and Queens Walk (120 metres). Constructed in the 1970's, the property comprises a series of buildings of brick construction under a flat roof in part, which have been subdivided into 9 retail units, fronting Queens Walk and London Road.

Most of the units benefit from substantial storage and ancillary accommodation at first floor level and these areas are served by loading bays in a dedicated service yard which is accessed from West Street. Some of the units also benefit from basement level storage areas.

TENURE

Freehold.



'The property occupies a strategic town centre site of 0.85 acres, broadly rectangular in orientation and with significant frontage to London Road'

SCHEDULE OF ACCOMMODATION, TENANCIES AND CURRENT INCOME

The property is multi-let to 4 tenants producing a **gross rental income of £600,000 per annum** and a current weighted average unexpired lease term of approximately 1.9 years to lease expiries and 1.8 years to breaks, in accordance with the tenancy schedule below.

Unit	Tenant	Areas (sq ft)	Term Start	Rent Reviews	Tenant Break	Expiry Date	Passing Rent		1954 L&T Act	Comments
							£pax	£psf		
1 Queens Walk	Poundstretcher Ltd	6,711	22.06.2021	-	21.06.2024	27.10.2025	£40,000	£5.96	Outside	Ground floor area – 4,411 sq ft 1st floor area – 2,300 sq ft
2 Queens Walk	Ismail Yorulmaz and Yonus Yorulmaz (t/a Poppins Café)	1,979	20.08.2020	-	-	19.08.2025	£24,000	£12.13	Inside	Rent deposit £6,000 plus VAT
3-4 Queens Walk	J Sainsbury Plc	2,251	25.12.1983	24.12.2023	-	24.12.2025	£36,000	£15.99	Inside	-
5 Queens Walk	J Sainsbury Plc	34,968	25.12.1983	24.12.2023	-	24.12.2025	£375,000	£10.72	Inside	Ground floor area – 19,623 sq ft 1st floor area – 15,345 sq ft
22-26 London Road	Poundland Ltd	11,300	27.11.2019	28.11.2019	-	26.11.2024	£125,000	£11.06	Inside	Ground floor area – 4,737 sq ft 1st floor area – 6,563 sq ft
TOTAL		57,209					£600,000			

SUB TENANCIES

Sainsburys vacated 3-4 and 5 Queens Walk in 2010 and they have subdivided the accommodation into smaller units and sub-let the units to various tenants, as summarised below:

Unit	Tenant
3 Queens Walk	Card Factory
4 Queens Walk	Salvation Army
5 Queens Walk	Iceland
5 Queens Walk	Sense, the National Deafblind and the Rubella Association
5 Queens Walk	Peacocks
5 Queens Walk	New Look

Further information available upon request.



TENANTS COVENANTS

J SAINSBURY PLC

(Company No: 00185647)

Sainsbury's is the second largest chain of supermarkets in the UK, with a 15.5% market share of the supermarket sector (as at December 2022), behind Tesco (27.5%) and ahead of Asda (14.0%). The company occupies c.23.2 million sq ft of retail space in the UK across approximately 600 supermarkets and 800 convenience stores and employs over 161,400 employees.

J Sainsbury Plc has a current D&B rating of 5A1 and the latest financial results are highlighted as follows;

Year Ending	4th March 2023	5th March 2022	6th March 2021
Net Worth	£6,229,000,000	£7,417,000,000	£5,690,000,000
Turnover	£31,491,000,000	£29,895,000,000	£29,048,000,000
Pre-Tax Profit	£327,000,000	£854,000,000	(£261,000,000)

POUNDLAND LTD

(Company No: 02495645)

Poundland is a well-established British variety store chain, founded in 1990, specialising in the sales of discounted products for £1 and operate out of over 896 stores across the UK.

Poundland has a current D&B rating of 5A2 and the latest financial results are highlighted as follows;

Year Ending	25th September 2022	26th September 2021	27th September 2020
Net Worth	£78,007,000	£23,890,000	(£14,824,000)
Turnover	£1,586,100,000	£1,544,694,000	£1,476,640,000
Pre-Tax Profit	£33,920,000	£33,478,000	(£17,841,000)

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POUNDSTRETCHER LTD

(Company No: 00553014)

Established in 1981, Poundstretcher is a leading variety discount retailer for quality food, toiletries, garden essentials, and home-ware brands with over 350 Poundstretcher stores throughout the UK plus an additional 80 stores trading as Bargain Buys. The company undertook a CVA in July 2020 and as result the company is debt free. Most recent accounts confirm the company is now trading profitably and they are seeking to open new stores throughout the UK.

Poundstretcher has a current D&B rating of 5A4 and the latest financial results are highlighted as follows;

Year Ending	31st March 2022	31st March 2021	31st March 2020
Net Worth	£61,170,199	£58,579,000	(£23,133,868)
Turnover	£273,018,635	£325,268,347	£411,570,966
Pre-Tax Profit	£11,655,216	£88,069,942	(£49,505,488)



SHORT TERM REDEVELOPMENT POTENTIAL

ASSET MANAGEMENT

- The property provides a fully let investment with secure income for a further 2.50 years.
- The 0.85 acre site is located in the heart of the town centre with significant frontage and access to London Road, West Street and Queens Walk.
- The property lends itself to comprehensive residential led redevelopment in the future, subject to planning.
- Precedent for height and scale has been set by Evolve and Weston Homes' Elizabeth Place development, directly adjacent to the property. The development, which is over 6 storeys, provides 129 apartments, ground floor leisure and retail space and a 164 space car park.
- New build flats in Elizabeth Place have sold for between £220,000 – £358,995, reflecting up to approximately £450 per sq ft.
- Opportunity for a purchaser to benefit from an attractive running yield to lease expiries, whilst creating an appropriate scheme and obtaining planning permission concurrently.

PLANNING

CBRE have provided a planning report for the site which is available on the marketing datasite. The existing buildings are not considered to be of any architectural merit and the site is deemed appropriate for redevelopment.

The principle of redeveloping this town centre site for a residential-led scheme is fully supported in adopted policy and the development at the neighbouring site sets a useful precedent in terms of height and scale.

The East Grinstead Neighbourhood Plan supports residential development in this location through their site specific allocation SS2 (Queens Walk) where it is stated that permission would be granted for residential uses at upper floor level. This is subject to design and residential mix considerations, with a minimum of 30% on-site affordable for all residential developments (District Plan Policy DP31).

The Site was assessed by the Council in 2022 as part of the preparation of the evidence base for the New District Plan for Mid Sussex and the Council have indicated that the Site has the potential to deliver a policy compliant scheme with a yield of circa 100 residential units.

Our client's planning consultants believe there is scope for a 4-5 storey development that utilises set-backs at upper floors and provides ground floor town centre uses.

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SERVICE CHARGE

There are 2 separate service charge arrangements for the property and the total budget is summarised as follows:

- 1-5 Queens Walk – Budget for year ending March 2024 – 70,046.60 per annum
- 22-26 London Road – Budget for year ending September 2024 – £8,000 per annum

This reflects approximately £1.36 per sq ft overall.

The current service charge budgets can be downloaded from the marketing website.

EPC

Energy Performance Certificates are available to download via the marketing datasite.

CAPITAL ALLOWANCES

No capital allowances are available.

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 DATASITE

Further information is available on the marketing datasite including:

- CBRE Planning Summary
- Legal Title Summary
- Occupational Leases
- Service Charge
- EPCs

Please get in touch to request access.

PROPOSAL

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FURTHER INFORMATION

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SUBJECT TO CONTRACT
EXCLUSIVE OF VAT



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