

FREEHOLD SOUTH EAST REVERSIONARY RETAIL INVESTMENT
IN AN AFFLUENT COMMUTER AND MARKET TOWN

KLM
KLM RETAIL

80 & 82 HIGH STREET
Godalming

GU7 1DU

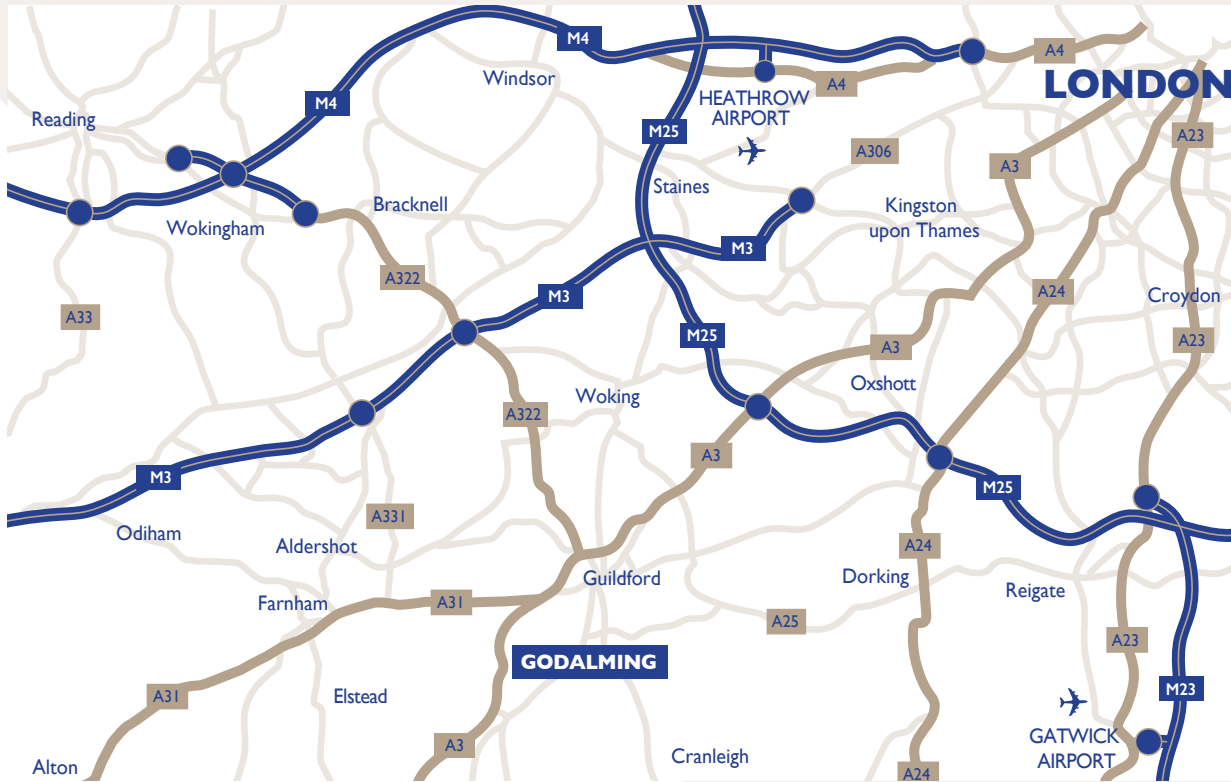


Investment Summary

- Affluent commuter and market town.
- 100% Prime pitch.
- Grade II Listed.
- Freehold.
- Triple fronted property offering flexibility with potential residential development on uppers and rear (S.T.P.).
- Let to the undoubted covenant of WH Smith (1200 stores).
- Outstanding rent review with reversion potential.





We are instructed to seek offers in the region of **£1,670,000** (One Million Six Hundred and Seventy Thousand Pounds), for our client's freehold interest, subject to contract and exclusive of VAT. A purchase at this level reflects a **net initial yield of 6.5%** and a reversionary yield of **7.3%** upon settlement of the rent review, after allowing for purchaser's costs of 6.17%.



Location

Godalming is an attractive and prosperous market town situated in Surrey. The town is located approximately 5 miles south of Guildford and 40 miles south west of London and benefits from excellent transport links with the A3 situated 3 miles to the west providing fast access to the M25, Portsmouth and the South Coast.

 The town is also very popular with commuters with frequent rail services to London Waterloo with a fastest journey time of 42 minutes.

 The nearest airports are Heathrow, 28 miles to the north east and Gatwick 20 miles to the south east.

Located within the London commuter belt

Demographics

The population of Godalming is approximately 22,000. It is within the highly affluent Borough of Waverley (population approximately 125,000). Average earnings are 35% above the national average and unemployment, at 1.1% is among the lowest in the UK.

The world famous Charterhouse School is 1 mile from the town centre.





100% prime pitch on pedestrianised High Street

Situation

The property occupies a prime location on the northern side of High Street near Boots, Waterstones, JoJo Maman Béb , FatFace, Costa, Caff  Nero and all the major banks.

Description

The property comprises a triple fronted three storey mid terrace building of brick elevations under a part pitched roof with a single storey extension at the rear. The ground floor provides a predominately open plan sales area with a small element of ancillary with further ancillary accommodation over first and second floors.

The property is serviced to the rear and there is a small enclosed yard behind 82 High Street.

The property is Grade II Listed and is located in a Conservation area.





Triple fronted property offering flexibility with potential residential development.

Accommodation

We set out below the NIA floors areas of the property:

Description	sq ft	sq m
Frontage to High Street	58' 9"	17.95m
Ground Floor Sales	4,632	430.28
ITZA	2,079	
Ground Floor Ancillary	1,040	96.61
First Floor Ancillary	1,430	132.84
Second Floor	975	90.57
Total	8,077	750.3

Tenure

Freehold.

Tenancy

The property is let to WH Smith Retail Holdings Limited on a FRI lease from 14th August 2009 until 16th June 2024 at a passing rent of £115,000 per annum.

The rent review with effect from 17th June 2019 is outstanding.



Rental Analysis/Comparables

The passing rent reflects approximately £61 Zone A assuming £3 psf on the ground floor ancillary, £2.50 psf on the first floor, £1 psf on the second floor and an overall 14.5% discount to reflect quantum.

The most recent letting is of No 72 High Street, which was a new lease to Biggie Best in October 2018 at a rent of £42,500 per annum, which reflects £70 Zone A. We are therefore of the opinion that the property has an ERV of £130,000 per annum (which reflects £70 Zone A on the above analysis).

Covenant Information

WH Smith Retail Holdings Limited (Company No 00471941) was established in 1792 and is the UK's longest established major retailer of newspapers, magazines and stationery currently operating from 1,200 stores.

Date of Accounts	31/08/2016	31/08/2017	31/08/2018
Turnover	£175,131,000	£181,024,000	£180,610,000
Pre-Tax Profit	£75,302,000	£67,219,000	£115,766,000
Net Assets	£462,311,000	£450,726,000	£440,781,000



For indicative purposes only.

Asset Management

The property offers medium to long-term asset management initiatives that could be undertaken including:

- Re-gear the lease with WH Smith.
- Break up potential.
- Residential redevelopment potential on uppers and rear yard, subject to obtaining the necessary planning consents.

VAT

The property is elected for VAT.

Pricing

We are instructed to quote in excess of **£1,670,000** (One Million Six Hundred and Seventy Thousand Pounds), for our client's freehold interest, subject to contract and exclusive of VAT. A purchase at this level reflects a **net initial yield of 6.5%** and a reversionary yield of **7.3%** upon settlement of the rent review and after purchaser's costs of 6.17%.

Further Information

If you require any further information or wish to inspect the property then please do not hesitate to contact:

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