

142 - 144
High Street



GUILDFORD

GUI 3HJ

**PRIME RETAIL & LEISURE
INVESTMENT LET ON NEW
REBASED LEASES**





EXECUTIVE SUMMARY

- **Prime retail and leisure investment** in the extremely affluent town of Guildford.
- **Freehold.**
- Let to Molton Brown and Guildford Business Café who have **both recently renewed their leases** showing continued commitment to the building.
- Molton Brown Limited rated **'Secure - 95/100'** by Fame.
- Newly agreed and **rebased passing rent of £117,000** per annum giving good prospects for future rental growth.
- **Future conversion to 3 flats** if the upper parts become vacant, subject to planning.
- Upper parts benefit from an **extremely rare late licence** until 3am.
- Guildford's retail expenditure is forecast to **grow by 5.70% pa** over the period 2018-2023 (PMA).

The Vendor is seeking offers in excess of **£1,950,000** (One Million Nine Hundred and Fifty Thousand Pounds) subject to contract and exclusive of VAT, for the benefit of the freehold interest in the property. This price reflects a blended **net initial yield of 5.65%** after purchaser's costs of 6.26%.





LOCATION

Guildford is located approximately 27 miles southwest of London, adjacent to the Surrey Hills Area of Outstanding National Beauty.



SITUATION & DESCRIPTION

The property occupies a prime position on the pedestrianised High Street. Retailers in the immediate vicinity include:

BOSS **BRORA** **JOULES** *Massimo Dutti* Anthropologie **Barbour**

Furthermore, the recently re-developed Tunsgate Quarter is less than 50 metres away and has strengthened the pitch with the addition of:

THE IVY **THE WHITE COMPANY** **OKA** *Cath Kidston* **seasalt** **lululemon** **athletica**

The property comprises a three storey building with an A1 shop at ground floor level and an A4 bar on the ground, first and second floors, accessed via Milkhouse Gate. Milkhouse Gate is accessed via an alleyway from the front of the property on the High Street.

The accommodation is laid out as follows:

Ground Floor Shop - NIA

Frontage	20ft 11 ins
Sales Area	470 sq ft
ITZA	431.5 sq ft
Ancillary Retail	166 sq ft
Total	636 sq ft

Ground, First & Second Floor Bar - GIA

Ground Floor Toilets	171 sq ft
First Floor Bar	629 sq ft
First Floor Terrace	189 sq ft
Second Floor Bar	503 sq ft
Total*	1,303 sq ft

DEMOGRAPHICS



235,000 persons
in Guildford's Primary
Retail Market Area



212,000 persons
estimated shopping
population



Guildford ranks 1st
on the PMA Affluence
Indicator



70% of the population
categorised as ABC1
Social Groups



4 million tourists
per annum – generating
£330m of additional spending



16,000 students
at University
of Surrey



**Popular commuter
location** – 7.95m from
Guildford Station annually



*excluding terrace



TENURE

The property is held freehold.



TENANCY AND INCOME

The property is let in accordance with the tenancy schedule below.

Tenant	Start Date	End Date	Next Review	Rent pa	£ psf/ZA	Break Dates	Tenancy Comments
Molton Brown Limited	01/09/2019	31/08/2029	01/09/2024	£95,000	£212	31/01/2023 31/01/2026 (T)	<ul style="list-style-type: none"> • 1 months rent free in September 2020 • 2 months rent free in January 2023 if break not exercised • 2 month rent penalty if break is exercised • Rent reviewed to OMV
Guildford Business Café Limited (Guaranteed by Jonathan Charles Croxford)	01/02/2019	31/01/2029	01/02/2024	£22,000	£16.88	01/02/2024 (T)	<ul style="list-style-type: none"> • Stepped rent - £20k in year 1 rising to £21.5k in years 2 & 3 and £22k in years 4 & 5 • The vendor will top up the rent at completion to £22k pa • 5th year rent review to the higher of OMV or RPI
				£117,000			

COVENANT

Molton Brown Limited - rated 'Secure - 95/100' by Fame

Molton Brown is a British company founded in 1973 which specialises in manufacturing, marketing and selling beauty care products for men and women. Their turnover continues to grow rapidly (c. 10% year-on-year) and for the last 3 years the company produced the following results:

Year Ending	Turnover	Profit Before Tax	Shareholders Funds
31/12/2017	£86,838,000	£917,000	£33,251,000
31/12/2016	£79,719,000	£2,690,000	£35,158,000
31/12/2015	£70,618,000	£3,837,000	£33,946,000

Guildford Business Café Limited

Trading as Tudor Antiques, the bar provides a business café by day and a fashionable speakeasy by night. The bustling bar has been trading since 2008 and is under the same ownership as the Alley Bar, to the rear on Milkhouse Gate. Furthermore, with a 3am licence, it is amongst the latest serving bars in Guildford. The lease includes a personal guarantee from Jonathan Charles Croxford.



RENTAL COMPARABLES

Molton Brown renewed their lease and **rebased** the rent in September 2019. The rent agreed reflects **£12 Zone A** and compares favourably with other transactions on High Street, such as:

Address	Tenant	Transaction	Date	Zone A
156 High Street	Loake	OML	Nov 2018	£216.00
149 High Street	Anthropologie	Rent Review	Jun 2018	£252.00
160 High Street	Barbour	OML	Aug 2017	£255.00

Recent comparable investment sales include:

Property	Price	NIY	Tenant	Date
67-69 High Street	£2,500,000	5.46%	Caffe Nero	Q3 2019
138-140 High Street	£5,150,000	5.10%	Moss Bros	Q3 2018
115 High Street	£6,000,000	4.50%	LK Bennett	Q1 2018





PLANNING

The property is located in the Borough of Guildford, is grade II listed and sits within the Guildford Town Centre Conservation Area.

VAT

The property has been elected for VAT purposes and it is intended to treat the transaction as TOGC.

PROPOSAL

The Vendor is seeking offers in excess of **£1,950,000** (One Million and Nine Hundred and Fifty Thousand Pounds) subject to contract and exclusive of VAT, for the benefit of the freehold interest in the property. This price reflects a blended **net initial yield of 5.65%** after purchaser's costs of 6.26%.

FURTHER INFORMATION:



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